THIRD QUARTER 2017

JAN ERIK KJERPESETH
MANAGING DIRECTOR
SPAREBANKEN VEST
RETURN ON TOTAL ASSETS, PAST 5 YEARS*

*At the end of Q3 2017. Contingent on reinvestment of 100% of dividend payments.
A MORE PERFORMANCE-ORIENTED BANK
— GOOD PROFITABILITY ON SUBSTANTIALLY HIGHER EQUITY

Return on equity and core Tier 1 capital

Equity and profit performance

Year 2013: 11.2%, 13.1%
Year 2014: 12.2%, 14.9%
Year 2015: 11.0%, 14.9%
Year 2016: 13.1%, 14.9%
Year 2017 YTD: 11.2%, 13.1%

Equity (MNOK): 2013: 8,002, 2017: 13,707
Profit 1H (MNOK): 2013: 711, 2017: 1,061

Return on equity and core Tier 1 capital

Equity and profit performance

+ 49%
FIVE YEARS – FIVE REASONS

1. Commitment to strategy
2. Significant cultural journey
3. At the forefront of digital services
4. Significant shift in cost structure
5. Success in insurance
**KEY DEVELOPMENTS IN THE THIRD QUARTER**

<table>
<thead>
<tr>
<th>PROFIT PERFORMANCE*</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PRE-TAX OPERATING PROFIT</td>
<td>NOK 513 MILL. (453)</td>
</tr>
<tr>
<td>RETURN ON EQUITY</td>
<td>12.2% (11.9 %)</td>
</tr>
<tr>
<td>GOOD COST CONTROL</td>
<td>NOK 346 MILL. (339)</td>
</tr>
<tr>
<td>LOW LOSSES</td>
<td>NOK 18 MILL. (22)</td>
</tr>
</tbody>
</table>

*The third quarter of 2016 was affected by the winding up of a pension scheme for NOK 245 million, the sale of a monitored portfolio for NOK 58 million, and NOK 14 million in dividend taken to income from VISA.
PROFIT AND BOOK VALUE PER EQUITY CERTIFICATE

Profit per equity certificate

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Profit per equity certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 16</td>
<td>2.44</td>
</tr>
<tr>
<td>Q4 16</td>
<td>1.08</td>
</tr>
<tr>
<td>Q1 17</td>
<td>1.26</td>
</tr>
<tr>
<td>Q2 17</td>
<td>1.28</td>
</tr>
<tr>
<td>Q3 17</td>
<td>1.52</td>
</tr>
</tbody>
</table>

Book equity per equity certificate

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Book equity per equity certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 16</td>
<td>49.5</td>
</tr>
<tr>
<td>Q4 16</td>
<td>50.6</td>
</tr>
<tr>
<td>Q1 17</td>
<td>47.3</td>
</tr>
<tr>
<td>Q2 17</td>
<td>48.6</td>
</tr>
<tr>
<td>Q3 17</td>
<td>50.1</td>
</tr>
</tbody>
</table>
Low losses and moderate risk

Offensive digital commitment

A performance-oriented bank
Vestlandsindeksen tar **pulsen** på Vestlandet

Den kvartalsvise forventningsindeksen for vestlandsk næringsliv

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**Resultatindeks**

**Forventningsindeks**

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SparebankenVest
A LESS HEATED HOUSING MARKET WITH LOWER PRICES
- CHARACTERISED BY RECORD-HIGH HOUSE-BUILDING AND MORE STRINGENT REQUIREMENTS

- House prices peaked in April this year. Since April, house prices have fallen by 3%, but with big regional differences:
  - Fall of 7% in Oslo
  - Fall of 3% in Bergen
  - Prices have risen and a positive trend in Stavanger

- Record-high house-building is an important driver of the fall in prices in Oslo and Bergen, but more stringent requirements in the housing loan regulations has also affected developments, particularly in Oslo.

Source: Eiendom Norge, FINN and Eiendomsverdi AS.
THE BANK IS WELL-EQUIPPED TO DEAL WITH A FALL IN HOUSE PRICES

- WELL ABOVE THE CAPITAL REQUIREMENTS EVEN IN THE EVENT OF A 50% FALL IN HOUSE PRICES

### Access to covered bond financing

![Chart showing access to covered bond financing](chart1)

### Effect on capital adequacy

![Chart showing effect on capital adequacy](chart2)

**Overcollateralisation (OC)**

- OC minimum requirement (102 %)

**Core Tier 1 capital incl. losses**

- CET1-requirement if large fall in house prices (CCyB = 0 %)
STRONG POSITION IN THE RETAIL MARKET
- WELL-DIVERSIFIED IN THE CORPORATE MARKET

Loan portfolio NOK 145.0 bill.

Breakdown by sector in the corporate market, NOK 34.8 bill.
LOW RISK IN THE RETAIL MARKET PORTFOLIO
- 96% OF LENDING PORTFOLIO SECURED BY RESIDENTIAL MORTGAGE

LENDING BROKEN DOWN BY LTV RATIO

- LTV <= 70 %: 94.3%
- 70 - 85 %: 4.4%
- LTV > 85 %: 1.3%

LENDING BROKEN DOWN BY REGION

- Hordaland: 73%
- Rogaland: 14%
- Sogn og Fjordane: 7%
- Resten av Norge: 3%
- Utland: 2%
STABLE DEFAULT LEVEL AND POTENTIAL BAD DEBT*

*) Includes all defaults, not just defaults of payment. Includes commitments with individual write-downs, calculated as a percentage of the total lending volume.
LOW WRITE-DOWNS ON LOANS AND GUARANTEES

Quarterly development

Q3 16 | Q4 16 | Q1 17 | Q2 17 | Q2 17
---|---|---|---|---
21 | 33 | 29 | 21 | 18
STABLE LEVEL OF PROVISIONS

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Individual write-downs</th>
<th>Group write-downs</th>
<th>Capitalised write-downs (MNOK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q316</td>
<td>0.76%</td>
<td>0.76%</td>
<td>533</td>
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<tr>
<td>Q416</td>
<td>0.77%</td>
<td>0.77%</td>
<td>499</td>
</tr>
<tr>
<td>Q117</td>
<td>0.77%</td>
<td>0.77%</td>
<td>503</td>
</tr>
<tr>
<td>Q217</td>
<td>0.77%</td>
<td>0.77%</td>
<td>506</td>
</tr>
<tr>
<td>Q317</td>
<td>0.75%</td>
<td>0.75%</td>
<td>506</td>
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</tbody>
</table>
REGULATORY CAPITAL REQUIREMENTS MET BY A GOOD MARGIN
- WELL POSITIONED TO MEET NEW REQUIREMENTS

The dotted line shows regulatory capital requirements.
Low losses and moderate risk

Offensive digital commitment

A performance-oriented bank

SparebankenVest
THREEFOLD DIGITAL DEVELOPMENT STRATEGY

• **In-house development:**
  • Opportunities for a differentiated customer experience
  • What we perceive to be our core services

• **Purchase of core and standard solutions:**
  • Product/service as hygiene factor only

• **Strategic partnerships:**
  • Vipps
  • FinTech
BECOME A CORPORATE CUSTOMER IN 2 MINUTES

- New online solution for becoming a corporate customer using BankID signature launched in August.
- Limited liability companies, sole proprietorships and clubs and organisations can now fill in forms online using a digital signature.
- It took the first customer who tested the solution just over 2 minutes for the case to be sent to Direct Bank CM.
LAUNCHES IN DIGITAL CHANNELS ARE QUICKLY ADOPTED
- BETTER CUSTOMER EXPERIENCE AND MORE EFFICIENT OPERATION

<table>
<thead>
<tr>
<th>Date</th>
<th>Andel Visa Smart</th>
<th>Andel Visa Electron</th>
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<tbody>
<tr>
<td>01.06.2017</td>
<td>11%</td>
<td>5%</td>
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<td>01.07.2017</td>
<td>7%</td>
<td>8%</td>
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<td>01.08.2017</td>
<td>25%</td>
<td>16%</td>
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<tr>
<td>01.09.2017</td>
<td>29%</td>
<td>21%</td>
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<table>
<thead>
<tr>
<th>Date</th>
<th>Share Visa Smart</th>
<th>Share Visa Electron</th>
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<tbody>
<tr>
<td>01.06.2017</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>01.07.2017</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>01.08.2017</td>
<td>16%</td>
<td>21%</td>
</tr>
<tr>
<td>01.09.2017</td>
<td>29%</td>
<td>30%</td>
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<table>
<thead>
<tr>
<th>Date</th>
<th>Blocking of cards digitally</th>
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<tbody>
<tr>
<td>jun. 17</td>
<td>0%</td>
</tr>
<tr>
<td>jul. 17</td>
<td>40%</td>
</tr>
<tr>
<td>aug. 17</td>
<td>62%</td>
</tr>
<tr>
<td>sep. 17</td>
<td>65%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Deposit accounts</th>
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</thead>
<tbody>
<tr>
<td>jun. 17</td>
<td>0%</td>
</tr>
<tr>
<td>jul. 17</td>
<td>5%</td>
</tr>
<tr>
<td>aug. 17</td>
<td>17%</td>
</tr>
<tr>
<td>sep. 17</td>
<td>34%</td>
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LAUNCHES IN DIGITAL CHANNELS ARE QUICKLY ADOPTED
- BETTER CUSTOMER EXPERIENCE AND MORE EFFICIENT OPERATION

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LAUNCHES IN DIGITAL CHANNELS ARE QUICKLY ADOPTED
- BETTER CUSTOMER EXPERIENCE AND MORE EFFICIENT OPERATION
VIPPS - THE LEADING PLAYER IN NORWAY

- Vipps AS was approved by the Ministry of Finance as an independent company on 20 September 2017
- Sparebanken Vest is a part-owner of Vipps through its 36% holding in Balder Betaling AS
- Balder Betaling owns 12% of Vipps
NORWAY RANKED THE WORLD’S MOST DIGITALISED COUNTRY

Source: Digibarometri, 2017: http://www.digibarometri.fi/
CLUSTER ESTABLISHED FOR FINANCIAL TECHNOLOGY

‘Business clusters are characterised by higher innovation, productivity, value creation and growth than businesses that are not part of a cluster.’

– Torgeir Reve, Professor, BI Norwegian Business School
Norwegian fintech for export

Finance Innovation is a Norwegian fintech cluster. Our goal is to make finance easy and to export enabling services and technologies to the world.
The financial sector in Bergen
- Number of employees: 6,200
- Value creation: 13,500,000,000
- Value creation per employee: 2,180,000
- Growth 2004–2012: 164%

Research institutions in Bergen
- The University of Bergen (UiB): 15,000 students and 3400 employees
- The Norwegian School of Economics (NHH): 3,400 students and 400 employees

ICT and telecommunications in Bergen
- Number of employees: 3,500
- Value creation: 4,100,000,000
- Value creation per employee: 1,171,000
- Growth 2004–2012: 54%

Source: Accounts for 2012, Menon.
BROAD-BASED INITIATIVE
- SUBSTANTIAL BOARD REPRESENTATION

Styret i Finance Innovation:
- Jan Erik Kjerpeseth (Chair) - CEO, Sparebanken Vest
- Magnar Øyhovden - CEO, Skandiabanken
- Erik M. Throndsen - Regional Director, Sparebank 1 SR-bank
- Trond Teigene - CEO, Sparebanken Sogn og Fjordane
- Lisbet Nærø - CEO, Fana Sparebank
- Bent Gjendem - CEO, Monobank
- Anders Skjævestad - CEO, DNB Livsforsikring
- Espen Opedal - Country Manager and SPV Private Area, Tryg
- Magny Øvrebø – Chief Investment Officer, Nordea Liv
- Vegar Styve – CEO, Frende Forsikring
- Øystein Thøgersen – Rector, NHH
- Dag Rune Olsen – Rector, UiB
- Rune Strømnes – Partner, PwC
- Kjetil Johan Olmheim – Partner, Deloitte
- Henrik Lie-Nielsen – Investor and Chairman, Tripod
International focus
Expertise - export - maintain ownership

National initiative
Inclusive - collaboration - complementarity

Regional dynamics
Critical mass - trust - proximity
NORWAY HAS GOT ITS FIRST FINTECH CLUSTER
CLUSTER STATUS FOR ‘FINANCE INNOVATION’

- It has now gained Arena status, and is thus one of five new additions to the cluster programme.
- Sparebanken Vest hopes the cluster will help to establish an ecosystem that enables us to create jobs and export finance technology.
DAGLIG LEDER/KLYNGELEDER

(CFO/Cluster Manager)
Low losses and moderate risk

Offensive digital commitment

A performance-oriented bank
GOOD TO GREAT

Q12
FOCUS ON LEADERSHIP AND CULTURE GIVES RESULTS
- OWNERSHIP AND COMMITMENT AT A VERY HIGH LEVEL

<table>
<thead>
<tr>
<th>Question</th>
<th>Past Score (Respondents)</th>
<th>Change</th>
<th>Current Score (Respondents)</th>
<th>Gallup Database Percentile Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q00 Overall Satisfaction</td>
<td>4.08 (542) ↑</td>
<td></td>
<td>4.26 (524) ↑</td>
<td>87</td>
</tr>
<tr>
<td>Q01 Know What’s Expected</td>
<td>4.49 (541) ↑</td>
<td></td>
<td>4.58 (526) ↑</td>
<td>90</td>
</tr>
<tr>
<td>Q02 Materials and Equipment</td>
<td>4.20 (540) ↑</td>
<td></td>
<td>4.31 (524) ↑</td>
<td>87</td>
</tr>
<tr>
<td>Q03 Opportunity to do Best</td>
<td>3.78 (534) ↑</td>
<td></td>
<td>3.91 (522) ↑</td>
<td>39</td>
</tr>
<tr>
<td>Q04 Recognition</td>
<td>3.88 (530) ↑</td>
<td></td>
<td>4.11 (513) ↑</td>
<td>95</td>
</tr>
<tr>
<td>Q05 Care About Me</td>
<td>4.32 (530) ↑</td>
<td></td>
<td>4.45 (521) ↑</td>
<td>91</td>
</tr>
<tr>
<td>Q06 Development</td>
<td>3.89 (534) ↑</td>
<td></td>
<td>4.09 (521) ↑</td>
<td>82</td>
</tr>
<tr>
<td>Q07 Opinions Count</td>
<td>4.01 (528) ↑</td>
<td></td>
<td>4.13 (520) ↑</td>
<td>94</td>
</tr>
<tr>
<td>Q08 Mission/Purpose</td>
<td>4.00 (525) ↑</td>
<td></td>
<td>4.14 (518) ↑</td>
<td>68</td>
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<tr>
<td>Q09 Committed to Quality</td>
<td>4.41 (533) ↑</td>
<td></td>
<td>4.53 (520) ↑</td>
<td>97</td>
</tr>
<tr>
<td>Q10 Best Friend</td>
<td>3.60 (531) ↑</td>
<td></td>
<td>3.85 (511) ↑</td>
<td>83</td>
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<tr>
<td>Q11 Progress</td>
<td>3.59 (523) ↑</td>
<td></td>
<td>3.99 (512) ↑</td>
<td>69</td>
</tr>
<tr>
<td>Q12 Learn and Grow</td>
<td>4.00 (527) ↑</td>
<td></td>
<td>4.14 (520) ↑</td>
<td>74</td>
</tr>
</tbody>
</table>

Organizational survey Q12 Gallup.
SUCCESSFUL SHIFT IN COST STRUCTURE
- 2.2% COST REDUCTION IN THE PARENT BANK

*) IT costs are the total costs of the IT department in the parent bank, including payroll expenses, external fees, ICT costs and other operating costs in the department.
Cost development in the past year

- Q3 2016: NOK 339 mill.

Development in full-time equivalents

- Q1 16: 784
d- Q2 16: 761
- Q3 16: 748
- Q4 16: 713
- Q1 17: 708
- Q2 17: 697
- Q3 17: 694

* This is corrected for non-recurring effects in the third quarter 2016 such as winding-up of pension scheme of NOK 245 million and restructuring costs of NOK 2 million. The figure for the third quarter 2017 has been corrected for NOK 5.3 million in financial tax.
GOOD GROWTH IN THE RETAIL MARKET
- NEW BORROWERS REPRESENT ALMOST 2/3 OF THE GROWTH

Retail market
Lending NOK 110.3 billion

Growth last 12 months: 6.80%
Q3 Growth lending: 1.70%

Breakdown retail market
New loans
- Existing customers, additional loan
- Existing customers, first time loan
- New customers
GOOD GROWTH IN THE CORPORATE MARKET

Corporate market
Lending NOK 34.8 billion

By volume*

* Measured by commitments excl. the Jonsvoll company.
NET INTEREST IMPROVED IN PAST YEAR
- GROWTH IN NUMBER OF CUSTOMERS AND REDUCED NIBOR

Development in nominal net interest

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>592</td>
<td>610</td>
<td>650</td>
</tr>
<tr>
<td>Q4</td>
<td>597</td>
<td>631</td>
<td></td>
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</tbody>
</table>

Net interest as % of assets under management

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>1.44%</td>
<td>1.43%</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>1.47%</td>
<td>1.50%</td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
STRONG DEVELOPMENT IN FRENDE FORSIKRING

Development in ROE

- Annualised ROE 2017:
  - Holding 19.3%
  - Liv 31.5%
  - Skade 16.1%
- Profit YTD NOK 72 mill.
- More than 130,000 customers
- Trumf Forsikring in 2017
- Successful franchise strategy with 18 different locations and 120 insurance advisers
- Book value NOK 490 mill. in Sparebanken Vest
A MORE PERFORMANCE-ORIENTED BANK
- SOUND OPERATIONS RESULT IN STRONG PROFIT PERFORMANCE

Return on equity as percentage

Costs as % of average assets under management
«There is no longer a premium on scale»

- Piyush Gupta, DBS Bank
Target of 11% return on equity expected to be reached for 2017

Sound capital adequacy ratio (14.9%) and well positioned to meet future requirements

Good growth in the retail and corporate markets

Flat cost development for 2017

76% retail market portfolio means lower risk

Level of losses for 2017 expected to be around NOK 100 million

Ambitious measures to prepare for the digital shift

Attractive dividend policy and high direct return
WE ARE HERE.