Q1 2018:

LOW LOSSES
GOOD GROWTH
SUCCEED WITH DIGITAL DEVELOPMENT
WEAKER INSURANCE
KEY DEVELOPMENTS

*) For 2016, corrections have been made for the winding up of the pension scheme in the amount of NOK 243 million, the sale of a monitored portfolio of NOK 58 million, the taking to income of NOK 108 mill. in dividend from VISA and NOK 68 mill. in restructuring costs.

**) An equity certificate issue whereby 27.3 million new equity certificates were issued was carried out in 2015.
CHANGE IN PROFIT PERFORMANCE – Q1 2017 VS Q1 2018
WEAKER CONTRIBUTION FROM FRENDE FORSIKRING
- CHALLENGING WINTER AND WEAKER FINANCIAL MARKET

Development in ROE

Result after tax

- Frende Holding
- SPV share
Low losses and moderate risk

Growth and digitalisation

Strategic direction
Vestlandsindeksen tar pulsen på Vestlandet

Den kvartalsvise forventningsindeksen for vestlandsk næringsliv

![Chart showing the forventningsindeks and resultatindeks from 2012 to 2018, with peaks at 67,1 and 60,3.](chart.png)

Sparebanken Vest
Bedriftslederne i vest har fått fremtidstroen tilbake

Erna Solbergs beste egenskaper fremstår nå som hennes dørlige.

KULTUR / SIDE 22-23

Barnehagen er lastet med kunst

New household index launched in collaboration with TNS Kantar

Minimum of 500 respondents in the counties of Rogaland, Hordaland and Sogn og Fjordane

The index scale ranges from 1 to 100, where over 50 is positive and under 50 is negative

<table>
<thead>
<tr>
<th>Syn på utvikling</th>
<th>Indeksverdi 1. kv 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egen økonomi det siste året</td>
<td>52</td>
</tr>
<tr>
<td>Egen økonomi det kommende året</td>
<td>55</td>
</tr>
<tr>
<td>Regionens økonomi det siste året</td>
<td>55</td>
</tr>
<tr>
<td>Regionens økonomi det kommende året</td>
<td>61</td>
</tr>
<tr>
<td>Større investeringer</td>
<td>67</td>
</tr>
</tbody>
</table>
STABLE, STRONG POSITION IN THE RETAIL MARKET
- WELL-DIVERSIFIED IN THE CORPORATE MARKET

Loan portfolio NOK 150.0 bill.

Breakdown by sector in the corporate market, NOK 36.1 bill.
LOW RISK IN THE RETAIL MARKET PORTFOLIO
- 96% OF LENDING PORTFOLIO SECURED BY RESIDENTIAL MORTGAGE

LENDING BROKEN DOWN BY LTV RATIO

<table>
<thead>
<tr>
<th>LTV Ratio</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTV &lt;= 70%</td>
<td>94.4%</td>
</tr>
<tr>
<td>70 - 85%</td>
<td>3.3%</td>
</tr>
<tr>
<td>LTV &gt; 85%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

LENDING BROKEN DOWN BY REGION

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hordaland</td>
<td>73%</td>
</tr>
<tr>
<td>Rogaland</td>
<td>14%</td>
</tr>
<tr>
<td>Sogn og Fjordane</td>
<td>8%</td>
</tr>
<tr>
<td>Resten av Norge</td>
<td>3%</td>
</tr>
<tr>
<td>Utland</td>
<td>2%</td>
</tr>
</tbody>
</table>
LOW WRITE-DOWNS ON LOANS AND GUARANTEES

- NOK 29 million was taken to income as write-downs on losses and guarantees in the first quarter.
- This is due to the good quality of the lending portfolio and a better market outlook for Western Norway.
ROBUST AND STABLE LEVELS OF PROVISIONS
REDUCED RISK WEIGHTGS IN CORPORATE MARKET
- GOOD RISK SELECTION – INCREASED PORTFOLIO QUALITY
Sparebanken Vest is very well positioned to meet changes in regulations.
REGULATORY CAPITAL REQUIREMENTS MET BY A GOOD MARGIN
- WELL POSITIONED TO MEET NEW REQUIREMENTS

The dotted lines show regulatory capital requirements.
Low losses and moderate risk

Strong market position

Succeed with digital initiatives
OUR VALUE PROPOSAL

A personal ‘signature’  
Simple digital services  
Social commitment to Western Norway
MORE RETAIL- AND CORPORATE CUSTOMERS

Number of customers - Retail
Growth 2.9 % last year

Number of customers - Corporate
Growth 4.5 % last year

Q1 2017   Q1 2018
265 400   273 000

Q1 2017   Q1 2018
11 564    12 088
GOOD GROWTH IN THE RETAIL MARKET
- NEW BORROWERS REPRESENT ALMOST 2/3 OF THE GROWTH

Retail market
Lending NOK 113.9 billion

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 36.1 billion

By volume*

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

Development in nominal net interest

Net interest as % of assets under management

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Development</th>
<th>Net Interest as %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2017</td>
<td>610</td>
<td>1.47%</td>
</tr>
<tr>
<td>Q2 2017</td>
<td>631</td>
<td>1.49%</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>650</td>
<td>1.50%</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>674</td>
<td>1.51%</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>656</td>
<td>1.48%</td>
</tr>
</tbody>
</table>
INCREased DEPOSIT MARGINS, PRESSURE ON LENDING MARGINS

Measured against average 3-month NIBOR.
GROWTH AMBITIONS IN 2018

Retail: 9.0%

Corporate: 6.0%
Low losses and moderate risk

Strong market position

Succeed with digital initiatives
COST ROTATION IS A PREREQUISITE FOR DIGITAL DEVELOPMENT

* 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.
My argument:

The banks that will succeed in the future are those who focus on core business development where the digital user experience is at the center.
Average number of contact points for a customer in 2017

- Selvbetjent: 179
- Direktebank: 2.6
- Rådgiver: 0.3
Bank customers now expect the same level of user experience from their banks as they do from Netflix, Facebook and Spotify.
CREATE AN ACCOUNT FOR THE CHILD FROM HOME IN 1-2-3…
THE FAMILY BANK:

New unique digital solution brought in 1,000 new customers in 18 days

SparebankenVest
17,000 ANNUAL REQUESTS FOR FOREIGN PAYMENTS WILL IN A FEW WEEKS BE DONE IN A SELF-SERVED MANNER
New fully-digital top-up loan solution will be launched in June
BECOME A CORPORATE CUSTOMER IN 2 MINUTES

- New online solution to become corporate customer with BankID signing launched this fall
- Both corporations, individual companies and teams and organizations can now fill in everything online and sign digitally

"The process of business start-up, share capital and customer service has been incredibly good"
- quote business owner
NEW CORPORATE CUSTOMERS REGISTERED DIGITALLY
- 1,100 CUSTOMERS SINCE NEW SOLUTION WAS LAUNCHED
Nyheten Buffer gir deg forskudd på dine utestående fakturaer. Kundene dine betaler tilbake til deg som vanlig.
Vil revolusjonere SMB-bedrifters finansieringsmuligheter

Sparebanken Vest lanserer snart Buffer, en ny, heldigital finansieringsløsning som sikrer SMB-bedrifter lån på dagen.

Av: Espen Sletten - 9 mars 2018

Ragnhild Janbu Fresvik og Svein Ove Kalsund understreker at Buffer skal være for alle unnskelt bare.

– Produktet har fått navnet Buffer – fordi vi gir norske småbedrifter enkel og rimelig tilgang til en likviditetsbuffer som kan være akkurat det de trenger for å gripe nye veslemuligheter, sier konserndirektør Ragnhild Janbu Fresvik i Sparebanken Vest.

Banken lanserer Buffer i samarbeid med regnskapsystemet PowerOffice Go.

Ny teknologi skal gjøre det lettere å få lån

– Verken vi eller andre norske banker har gjort jobben vår i møte med små og mellomstore bedrifter, sier konsernsjef i Sparebanken Vest.
Tavlemøter har erstattet styringsgrupper i Sparebanken Vest

Av: Einar Eidem - 21. februar 2018

Støttende tavlemøter har erstattet styringsgrupper hos Sparebanken Vest. Her møter bankens prosjekter konsernledelsen for å diskutere kundeverdi og få hjelp til å drive prosjektene framover (Foto: Sparebanken Vest).

Sparebanken Vest har sluttet med styringsgrupper

Sparebanken Vest driver rett og slett ikke med styringsgrupper lengre. En del av prosjektene våre har sluttet helt å rapportere og de tar nå opp eventuelle utfordringer gjennom eksisterende strukturer i organisasjonen. For de viktigste prosjektene derimot har vi valgt at disse skal gå i dialog direkte med konsernledelsen. Det gjore vi ved hjelp av et et hjelpemiddel fra Lean-verktøykassen som vi har gode erfaringer med i Sparebanken Vest, nemlig tavlemøter.

Omtrent hver tredje uke gjennomfører vi nå støttende tavlemøter hvor konsernledelsen møter de viktigste prosjektene til banken. Her forteller hvert prosjekt om hvilken kundeverdi prosjektet bringer, hva som har blitt gjort i prosjektet siden sist, hvilke utfordringer de har møtt.
2018:
PSD2 WILL CHANGE
THE RULES OF PLAY
THE BANKS ALREADY ENJOY A HIGH LEVEL OF TRUST FROM CUSTOMERS

Which of the following industries/players do you have most/least trust in with respect to providing a single login portal that gives you an overview of all your accounts and all your dealings will all the banks you use?

Source: Finance Norway’s consumer and finance trends survey 2017 carried out by Kantar TNS
The Norwegian Competition Authority Approves the Merger Between Vipps, BankAxept and BankID

- PSD2 (the new EU directive) contributes to efficient and open payment services and sharpen competition in payment
- Norwegian infrastructure is among the most efficient - Merger between Vipps, BankAxept and BankID ensures a powerful Norwegian alternative
FINANCE MADE EASY

STRATEGIC INITIATIVES

- National working group on regulatory sandbox for the financial industry
- PSD2 project – a collaboration between competing banks
- Norway’s first Executive FinTech Master will be offered at NHH from autumn 2018
- Fintech HUB
- Fintech Hackaton i Bergen 2.–3. May
MWB

KAMPENE ER METODIKKEN VI BRUKER FOR Å REALISERE STRATEGIEN
MWB 4.0: WE WILL WIN THE FOLLOWING BATTLES

‘Special focus on house purchases’
‘Clearer signature! From talk to practice’
‘The battle for freedom of action’
Vision
Everything we do, we do to make life in Western Norway even better

Independence
The savings bank model and independence – the core of everything we do

Strategic goals
One of the top two banks in terms of return on equity
Simplicity and local commitment – because it makes a difference

MWB
Special focus on house purchases

MWB
Clearer signature! From talk to practice

MWB
The battle for freedom of action
For 2016, corrections have been made for the winding up of the pension scheme in the amount of NOK 243 million, the sale of a monitored portfolio of NOK 58 million, the taking to income of NOK 108 mill. in dividend from VISA and NOK 68 mill. in restructuring costs.

**) Excluding non-recurring effects and financial tax
OVERALL DIMENSIONS: ADDED VALUE FOR OWNERS

- 76% retail portfolio provides low risk
- Low direct exposure to the oil and offshore sector
- Loss level for 2018 is estimated at NOK 100-150 million
- Flat cost development in 2018
- Offensive grip to meet the digital shift
- Ambition to be among the best in return on equity
- Well positioned to meet future capital requirements
- Dividend ratio for 2018 between 25% and 50%
AGENDA CAPITAL MARKETS DAY 15 AUGUST
- AUDITORIUM JONSVOLLSGATEN 2, BERGEN

13.30–14.15  Presentation of Q2 accounts and strategic agenda, Sparebanken Vest
              CEO Jan Erik Kjerpeseth

14.15–14.45  SME focus in Sparebanken Vest
              EVP Ragnhild Janbu Fresvik

14.45–15.00  Break

15.00–15.30  Frende Forsikring – ‘The first 11 years and the coming years’
              CEO Vegar Styve

15.30–16.00  Finance Innovation – ‘Status strategic initiativ and the way forward’
              CEO Atle Sivertsen
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WE ARE HERE.