ROE

11.9%

Capital

14.9%

Provisions

6 MNOK

Donation for the public benefit

479 MNOK

Lending

Gaining market shares

3 national initiatives
Key developments in Q4

ROE as percentage

- Q4 17: 10.6%
- Q1 18: 10.1%
- Q2 18: 14.9%
- Q3 18: 11.7%
- Q4 18: 10.9%

Profit per equity certificate

- Q4 17: 1.36
- Q1 18: 1.22
- Q2 18: 1.84
- Q3 18: 1.51
- Q4 18: 1.46

Core Tier 1 capital as percentage

- Q4 17: 15.0%
- Q1 18: 15.1%
- Q2 18: 15.0%
- Q3 18: 15.0%
- Q4 18: 14.9%

Book value per equity certificate

- Q4 17: 51.4
- Q1 18: 48.9
- Q2 18: 50.6
- Q3 18: 52.2
- Q4 18: 53.8
Change in profit performance Q4 2017–2018
Key developments in 2018

ROE as percentage

<table>
<thead>
<tr>
<th>Year</th>
<th>ROE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>10.7</td>
</tr>
<tr>
<td>2017</td>
<td>11.0</td>
</tr>
<tr>
<td>2018</td>
<td>11.9</td>
</tr>
</tbody>
</table>

Profit per equity certificate

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit per Equity Certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6.24</td>
</tr>
<tr>
<td>2017</td>
<td>5.42</td>
</tr>
<tr>
<td>2018</td>
<td>6.04</td>
</tr>
</tbody>
</table>

Core Tier 1 capital as percentage

<table>
<thead>
<tr>
<th>Year</th>
<th>Core Tier 1 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>14.9</td>
</tr>
<tr>
<td>2017</td>
<td>15.0</td>
</tr>
<tr>
<td>2018</td>
<td>14.9</td>
</tr>
</tbody>
</table>

Book value per equity certificate

<table>
<thead>
<tr>
<th>Year</th>
<th>Book Value per Equity Certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>50.6</td>
</tr>
<tr>
<td>2017</td>
<td>51.4</td>
</tr>
<tr>
<td>2018</td>
<td>53.8</td>
</tr>
</tbody>
</table>
Strong capital adequacy and low losses

Strong market position and increased market shares

Three national initiatives
Low losses

Losses on loans and guarantees. Quarterly development

Comments

- Total loss costs amounted to NOK 0 million in Q4
- Overall loss costs in 2018 amounted to only NOK 6 million
- The low loss costs are due to the reduction in both individual and model-based provision. Confirmed losses for the year are also lower than in 2017
Good growth with lower losses
Low risk in the retail market portfolio
- 96% of the lending portfolio secured by residential mortgage

Lending broken down by LTV ratio

- LTV <= 70%: 93.8%
- 70 - 85%: 3.9%
- LTV > 85%: 2.2%

Lending broken down by region

- Hordaland: 72%
- Rogaland: 15%
- Sogn og Fjordane: 8%
- The rest of Norway: 4%
- Abroad: 2%
Good development in the economy of Western Norway

House prices

Labour market

Western Norway Index
The bank is well-equipped to deal with a fall in house prices

Access to covered bond financing

Effect on capital adequacy

Overcollateralisation

- Overcollateralisation (OC)
- OC minimum requirement (102%)

Core Tier 1 capital

- CET1 capital ratio
- CET1 capital ratio incl. Losses
- CET1 requirement if large fall in house prices (CCyB = 0%)
Pillar II risk reduced from 1.8% to 1.7%

- The bank’s Pillar II addition reduced by 10 bp from 1.8% to 1.7%.
- The non-systematic discretionary assessment from the Financial Supervisory Authority changed since its last decision.
- The measures implemented by the bank to reduce the former discretionary Pillar II risks have been replaced by ‘new’ discretionary risks.
Regulatory capital requirements met by a good margin

Core Tier 1 capital

Leverage ratio
Potential for growth
- change in regulatory requirements in 2019

Different capital requirements
- Capital requirement: 13.7%
  - + SIFI: 2.0%
  - - SME-discount: 0.5%
  - New capital requirement: 15.2%

Core Tier 1 capital ratio Q4 2018
- Basel-1 floor: 14.9%
- IRB: 17.5%
Strong capital adequacy and low losses

Strong market position and increased market shares

Three national initiatives
Strong position in the retail market
- well-diversified in the corporate market

Loan portfolio NOK 160.0 bill.

Breakdown by sector in the corporate market, NOK 39.4 bill.
Increased deposit margins, lending margins levelling off
Targeted work with customer service give results

Sparebanken Vest top 3 in Kantar’s award for best customer service

Frende Forsikring comes out best in EPSI with a result of 76.5 (best score ever)
More retail and corporate customers

Retail customers
Growth 1.7% in past year

Corporate customers
Growth 6.2% in past year
Good growth and strong SME profile in the corporate market

Growth past 12 months

- Q4 Growth lending: 5.0%
- Growth last 12 months: 9.8%

By volume

- 0-50 mill: Q4 17 - 24,011, Q4 18 - 25,392
- 50-200 mill: Q4 17 - 11,834, Q4 18 - 13,831
- Over 200 mill: Q4 17 - 6,688, Q4 18 - 7,348
Good growth in the retail market

Retail market
Growth 7.4% in past year

Breakdown retail market
New loans

- New customers: 24%
- Existing customers, first mortgage loan: 34%
- Existing customers, increased mortgage loan: 42%
Increased market share in the bank’s market area*

Lending growth retail market

<table>
<thead>
<tr>
<th>Country</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>5.8%</td>
</tr>
<tr>
<td>Own market area *</td>
<td>5.6%</td>
</tr>
<tr>
<td>Sparebanken Vest</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

Comments

- Sparebanken Vest is taking market shares in its own market area, over the past 12 months as of Q4 2018
- Its own market area is defined as Hordaland, Rogaland and Sogn og Fjordane counties

*) Source: EarlyWarning competition report, Q3 2018 Debt growth in the retail market is defined as loans to households in banks, credit companies, financing companies and life insurance companies.
Good nominal growth in net interest

Nominal net interest

- Q4 2017: 674
- Q1 2018: 656
- Q2 2018: 649
- Q3 2018: 692
- Q4 2018: 719

Net interest as % of assets under management

- Q4 2017: 1.51%
- Q1 2018: 1.48%
- Q2 2018: 1.42%
- Q3 2018: 1.47%
- Q4 2018: 1.51%
Strong capital adequacy and low losses

Strong market position and increased market shares

Three national initiatives
Our value proposal

A PERSONAL ‘SIGNATURE’

SIMPLE DIGITAL SERVICES

SOCIAL COMMITMENT TO WESTERN NORWAY
The future is here

Average number of contact points for a customer in 2018

- Selvbetjent: 192
- Direktebank: 2.5
- Rådgiver: 0.4
66:67
2019 is the year the battle for customer ownership and business really starts
“The world is changing very fast. Big will not beat small anymore. It will be the fast beating the slow.”

- Rupert Murdoch
First bank in Norway with push notifications for eInvoices
Flat cost development and shift in cost structure – a precondition for digital development

Cost development, past six years*

<table>
<thead>
<tr>
<th>Year</th>
<th>IT Costs excl. IT</th>
<th>Cost Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>NOK 1,305 million</td>
<td>-9%</td>
</tr>
<tr>
<td>2018</td>
<td>NOK 1,242 million</td>
<td></td>
</tr>
</tbody>
</table>

Cost development, past year**

<table>
<thead>
<tr>
<th>Period</th>
<th>IT Costs excl. IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 17</td>
<td>NOK 340 million</td>
</tr>
<tr>
<td>Q4 18</td>
<td>NOK 344 million</td>
</tr>
</tbody>
</table>

* 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 for parent bank
IT strategy

We believe in hands-on, in-house development focusing on the digital user experience.

Threefold IT development:
• In-house development – user experience
• Buying standard services
• Strategic partnerships (fintech)
Norway's best mobile banking solution

<table>
<thead>
<tr>
<th>Bank</th>
<th>Average Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sparebanken Vest</td>
<td>4.6</td>
</tr>
<tr>
<td>SpareBank 1</td>
<td>4.4</td>
</tr>
<tr>
<td>Nordea</td>
<td>4.3</td>
</tr>
<tr>
<td>SPBK Sogn og Fjordane</td>
<td>3.7</td>
</tr>
<tr>
<td>Danske Bank</td>
<td>3.3</td>
</tr>
<tr>
<td>Sbanken</td>
<td>3.3</td>
</tr>
<tr>
<td>Handelsbanken</td>
<td>2.9</td>
</tr>
<tr>
<td>DNB</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Average customer rating in AppStore (iPhone) and Google Play (Android) Figures from 11 January 2019. A total of 201,504 respondents.
A future of opportunities and threats

- We want to be among the first to test the opportunities presented by PSD2

- Almost 1,000 customers have already activated the display of other accounts using our channels
buffer
fra Sparebanken Vest
Nyheten Buffer gir deg forskuudd på dine utestående fakturaer. Kundene dine betaler tilbake til deg som vanlig.
Du vil nå forlate Buffer.no for å logge inn på Visma eAccounting. Når du gir oss tilgang, kobler vi oss direkte mot regnskapssystemet og beregner bedriftens Buffer. Du kan være trygg på at ingen andre enn Buffer får se regnskapstallene dine.

LOGG INN
Vi beregner Test Bedrift sin Buffer

- Kobler til regnskapssystemet.
- Kredittsjekker Test Bedrift.
- Kontrollerer regnskapet.
- Kontrollerer utestående/sendte faktura.
- Kontrollerer betalingshistorikk.
- Buffer blir beregnet.
Godt jobbet!
Bedriftens Buffer akkurat nå

60 000 KR

Basert på 100 000 kr i utestående og betalte fakturaer.

Buffer koster ingenting å ha og du betaler kun for det du bruker!
Opprett konto i dag, så er bufferen klar når du trenger den.

ÅPNE BUFFERKONTO
Regnskapssystemer

Vi jobber hardt for å støtte flere regnskapssystemer, slik at Buffer blir tilgjengelig for enda flere. **Working on integrating more accounting systems – next will be launched on 14 February**

- **Available**
  - PowerOffice Go
    - Kom i gang med PowerOffice Go

- **Pilot stage**
  - VISMA
    - Meld din interesse for Visma eAccounting

- **Available 14 Feb.**
  - UE
    - Meld din interesse for Uni Economy

- **Dialogue stage**
  - Tripletex
    - Meld din interesse for Tripletex

- **Dialogue stage**
  - Xledger
    - Meld din interesse for Xledger

- **Dialogue stage**
  - Fiken
    - Meld din interesse for Fiken regnskap
Folio is developing the digital solutions of the future for SMEs

Solution and drivers

- Integrated accounting solutions for SMEs at the national level
- Strong drivers:
  - Banking and accounting converge in SMEs
  - Financial management for SMEs is too time-consuming and complex
Folio is taking shape:
The bank account that does your accounts

• > 2,000 stakeholders have expressed their interest as of 31 Dec. 2018

• Folio now has access to transactions and payment initiations made available by SPV

• Onboarding of first pilot company, more scheduled for February

• The first accounting system has been selected and is in the process of integration
Norway’s first mobile only banking solution
The future is a mobile only banking solution!
So why not just do it now?
Strategic rationale

- Scaled to an attractive mobile phone platform
- Potential for significant value creation
- Significant development synergies
Mapping of position in the market for banking services

Kantar has mapped more than 120 banking services needs for Bulder Bank. These needs include everything from purely functional needs to the value-related and emotional needs a brand must deliver.

All of these needs have been placed in the two underlying dimensions in Needscope (introvert/ extrovert and social/individual). This gives six archetypical segments.
Established banks and Bulder Bank’s position

What should we associate with Bulder Bank?

1. Different, stands out
2. Tough, unstoppable
3. Inquisitive, brave
4. Dynamic
5. Not mainstream
6. Modern
7. Urban
8. Adventurous
9. Spending money on something fun
10. Enjoy life to the full
Demographic features of segments

Under 30 years: 35%
Male: 48%
Multi-person household: 48%
Higher education: 54%
Working full-time: 58%
NOK 500' income: 35%

36%
47%
49%
64%
61%
38%

Under 30 years: 36%
Male: 47%
Multi-person household: 49%
Higher education: 64%
Working full-time: 61%
NOK 500' income: 38%

34%
43%
50%
65%
68%
39%

Under 30 years: 34%
Male: 43%
Multi-person household: 50%
Higher education: 65%
Working full-time: 68%
NOK 500' income: 39%

49%
65%
42%
65%
80%
46%

Under 30 years: 49%
Male: 65%
Multi-person household: 42%
Higher education: 65%
Working full-time: 80%
NOK 500' income: 46%

35%
63%
54%
58%
67%
33%

Under 30 years: 35%
Male: 63%
Multi-person household: 54%
Higher education: 58%
Working full-time: 67%
NOK 500' income: 33%

33%
50%
53%
69%
59%
36%

Under 30 years: 33%
Male: 50%
Multi-person household: 53%
Higher education: 69%
Working full-time: 59%
NOK 500' income: 36%
New national mobile banking solution—goals for end of 2021

- ROE: 12%
  (start-up)
- Lending: NOK 20 bill.
- Number of customers: 20,000
Strong capital adequacy and low losses

Strong market position and increased market shares

Three national initiatives
The Board of Directors’ proposal for the allocation of profit

Basis for dividend
NOK 1,516 mill.

22.5%

Equity certificate holders
NOK 341 mill.

Dividend
NOK 139 mill.

Equalisation reserve
NOK 202 mill.

77.5%

Other equity
NOK 1,176 mill.

Donations
NOK 479 mill.

Primary capital
NOK 698 mill.

Distribution percentage of 40.7% to equity certificate holders and donations
Reported return on equity 2015 - Q3 2018*

*Sparebanken VEST

Average for the period 2015 – Q3 2018
Long-term financial targets

**ROE**
- 12%

**Dividend**
- < 50%

**Capital**
- ≈ 1% above regulatory requirements

**Lending**
- 6% Corporate
- 8% Retail
Overriding goals – value creation

✓ Flat cost development adjusted for Bulder Bank
✓ Strong market position and potential for profitable growth
✓ Offensive organizational culture
✓ Digital commitment with national ambitions
✓ 75% retail portfolio gives low risk and low losses
✓ **ROE target of 12% and dividend up to 50%**
✓ **Goal: Among the two best on return on equity**
Investor contacts

Jan Erik Kjerpeseth
CEO
tel.: (+47) 951 98 430
jan.kjerpeseth@spv.no

Jørgen Gudmundsson
EVP CFO
Tel.: (+ 47) 951 08 957
jorgen.gudmundsson@spv.no

Bjarte Fauske
Head of Finance
Tel.: (+47) 915 61 698
bjarte.fauske@spv.no