Sparebanken Vest and the home market

The third largest Norwegian savings bank

- Established in 1823 and listed on Oslo Stock Exchange since 1995
- Head office in Bergen. 33 branches. 732 FTEs
- Diversified product offering. Main shareholder in Frende (insurance) and Brage (leasing)
- Several new digital initiatives, such as the first mobile-only bank in Norway, Bulder Bank
- More than NOK 197 billion in total assets, and approximately 282,000 retail and 13,000 corporate customers
- 74% share of lending to retail customers
- Long-term ROE target of 12%

Home market

- Approximately 1.1 million people, or 21% of Norway’s population, accounting for 19% of Norwegian GDP
- Bergen and Stavanger are the 2nd and 3rd largest urban regions in Norway
- Main business areas: Aquaculture & fishery, oil & gas, public services and other industry
- Expanding retail lending to a national level with Bulder Bank

Market areas

Market shares

Sogn og Fjordane 19.6%
Hordaland 29.7%
Rogaland 6.7%

Notes: 1) Market share in the retail market
Sources: Statistics Norway (SSB) and EarlyWarning
Strong development

<table>
<thead>
<tr>
<th>Quarter</th>
<th>12-month trailing ROE</th>
<th>12-month trailing ROE excl. non-recurring items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q18</td>
<td>10.9%</td>
<td>10.9%</td>
</tr>
<tr>
<td>2Q18</td>
<td>12.0%</td>
<td></td>
</tr>
<tr>
<td>3Q18</td>
<td>11.8%</td>
<td></td>
</tr>
<tr>
<td>4Q18</td>
<td>11.9%</td>
<td></td>
</tr>
<tr>
<td>1Q19</td>
<td>12.1%</td>
<td></td>
</tr>
<tr>
<td>2Q19</td>
<td>13.0%</td>
<td></td>
</tr>
<tr>
<td>3Q19</td>
<td>13.2%</td>
<td></td>
</tr>
<tr>
<td>4Q19</td>
<td>13.5%</td>
<td></td>
</tr>
</tbody>
</table>
High rate of return

Conservative loan book

Low complexity

Digital leadership
A bank with low complexity

**Corporate Market**
- 26% of total loan book
- Loan book NOK 43.7bn
- 13,100 customers
- Diversified portfolio

**Retail Market**
- 74% of total loan book
- Loan book NOK 126.1bn
- 282,360 customers
- Including Bulder Bank

**FrendeForsikring**
- 39.7% ownership
- Mainly P&C insurance
- Market share 3.5%
- 23.2% ROE year to date

**EiendomsmeglerVest**
- 100% ownership
- Real estate broker
- 124 FTEs
- Important for lending

**BRAGE**
- 49.99% ownership
- Leasing and financing
- Total balance NOK 12.5bn
Low losses over several years
Norway’s best mobile banking solution since 2016 – top rated in App Store and Google Play

Average customer rating in App Store (iPhone) and Google Play (Android). Figures from 17 Jan. 2020.
Offensive measures in 2019 anchored in our long-term strategy

Heading: «Sparebanken Vest setting climate requirements to shipping»
National financial daily «Finansavisen»

Heading: «Tremendous bidding for boring certificates»
Regional newspaper «Bergens Tidene»

Bank gir automatiske rentekutter: - Spennende
Det kommer stadig nye banker for småere kundeplaner på markedet, og én av disse sjekker boligverdien hver måned og justerer renta deretter.
• Strong Q4-result
• Strong market position
• Important strategic initiatives
Leading on return of equity

<table>
<thead>
<tr>
<th>Year</th>
<th>ROE</th>
<th>Average 12.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>14.1%</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>11.7%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>13.7%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>11.0%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>13.1%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>11.0%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>11.9%</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>13.5%</td>
<td></td>
</tr>
</tbody>
</table>
Strong Q4-result

ROE as percentage*

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Reported ROE</th>
<th>ROE excl. non-recurring effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 19</td>
<td>10.9%</td>
<td>18.0%</td>
</tr>
<tr>
<td>Q1 19</td>
<td>12.1%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Q2 19</td>
<td>11.3%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Q3 19</td>
<td>12.1%</td>
<td>12.1%</td>
</tr>
</tbody>
</table>

Profit per equity certificate

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Result pr ECT</th>
<th>Result pr ECT excl. non-recurring effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 19</td>
<td>1.46</td>
<td>2.42</td>
</tr>
<tr>
<td>Q1 19</td>
<td>1.48</td>
<td>1.89</td>
</tr>
<tr>
<td>Q2 19</td>
<td>1.80</td>
<td>1.80</td>
</tr>
<tr>
<td>Q3 19</td>
<td>1.76</td>
<td>1.76</td>
</tr>
</tbody>
</table>

CET1 as percentage

<table>
<thead>
<tr>
<th>Quarter</th>
<th>CET1 as percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 18</td>
<td>17.9%</td>
</tr>
<tr>
<td>Q1 19</td>
<td>17.0%</td>
</tr>
<tr>
<td>Q2 19</td>
<td>17.0%</td>
</tr>
<tr>
<td>Q3 19</td>
<td>17.0%</td>
</tr>
<tr>
<td>Q4 19</td>
<td>17.4%</td>
</tr>
</tbody>
</table>

Book value per equity certificate

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Book value per equity certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 18</td>
<td>53.9</td>
</tr>
<tr>
<td>Q1 19</td>
<td>52.7</td>
</tr>
<tr>
<td>Q2 19</td>
<td>55.1</td>
</tr>
<tr>
<td>Q3 19</td>
<td>56.9</td>
</tr>
<tr>
<td>Q4 19</td>
<td>58.6</td>
</tr>
</tbody>
</table>

* A one-off gain of NOK 141 mill. relating to the acquisition of Jonsvollskvartalet AS was taken to income in Q2 2019. ROE corrected for one-off effects was 14.1% and the profit per equity certificate, corrected for one-off effects, was NOK 1.89.
Strong 2019 result with and without one-off effects

ROE as percentage

CET1 as percentage

Profit per equity certificate

Book value per equity certificate

- A one-off gain of NOK 141 mill. relating to the acquisition of Jorsvollkvarteret AS was taken to income in Q2 2019, while in Q2 2018, the merger between Vipps, BankAxept and BankID had an effect on profits of NOK 94 mill. ROE corrected for one-off effects was 12.8% for Q3 2019 YTD and 11.3% for Q3 2018 YTD. The profit per equity certificate, corrected for one-off effects, was NOK 5.17 for Q3 2019 YTD and NOK 4.23 for Q3 2018.
Change in profit YTD compared with YTD last year

* A one-off gain of NOK 141 mill. relating to the acquisition of Jonsvollskvartalet AS was taken to income in Q2 2019, while in Q2 2018, the merger between Vipps, BankAxept and BankID had an effect on profits of NOK 94 mill. Shown in separate columns.
Good growth in net interest income
- repricing effects affect relative net interest income

Nominal net interest income

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2018</th>
<th>2019</th>
<th>2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4</td>
<td>719</td>
<td>724</td>
<td>753</td>
<td>808</td>
</tr>
<tr>
<td>Q1</td>
<td>724</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td>833</td>
</tr>
</tbody>
</table>

Net interest income as % of assets under management

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2018</th>
<th>2019</th>
<th>2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4</td>
<td>1.51%</td>
<td>1.50%</td>
<td>1.51%</td>
<td>1.57%</td>
</tr>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td>1.63%</td>
</tr>
</tbody>
</table>
Considerable reduction in defaults and potential bad debt
– stable distribution of model-based provision

Distribution of model-based provision

Defaults and other potential bad debt
Lower costs and shift in cost structure
– flat costs a precondition for digital development

Cost development, past seven years*

Kostnader ex IT
-6 %

IT*
16 %

2012
1,305 MNOK

2019
1,270 MNOK

Cost development 2019, excl. Bulder Bank**

2018
1,273 MNOK

2019
1,270 MNOK

* 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 the parent bank, corrected for direct costs for Bulder Bank, MNOK 35 in 2019 and MNOK 3.3 in 2018
Good credit work results in low losses over time

Quarterly development – Losses on loans and guarantees

Losses as a percentage of gross lending

- 0.25% in Q4 18
- 0.34% in Q1 19
- 0.14% in Q2 19
- 0.03% in Q3 19
- 0.02% in Q4 19
Good margin to regulatory requirements
- taking into account the requirement of core capital increasing to 15,7% at year-end 2020

CET1 ratio*  

Leverage ratio

<table>
<thead>
<tr>
<th>Quarter</th>
<th>CET1 Ratio</th>
<th>Leverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 18</td>
<td>17.8 %</td>
<td>Requirement 5 %</td>
</tr>
<tr>
<td>Q1 19</td>
<td>17.0 %</td>
<td>Requirement 14.2 %</td>
</tr>
<tr>
<td>Q2 19</td>
<td>17.0 %</td>
<td>Requirement 15.7 %</td>
</tr>
<tr>
<td>Q3 19</td>
<td>17.0 %</td>
<td></td>
</tr>
<tr>
<td>Q4 19</td>
<td>17.4 %</td>
<td></td>
</tr>
</tbody>
</table>

* The banks requirement for CET 1 ratio is 14.2% at year-end 2019. The systemic risk buffer requirement increases by 1.5 % from year-end 2020, totalling requirements at 15.7%. Historic figures for CET 1 shows CET 1 ratio estimated under CRR / CRD IV, taking into account calculation following the bank’s IRB-models and small and medium size corporations discount part one. The figures are therefore different from the regulatory capital coverage which until end of third quarter was subject to Basel I-requirements.

18
• Strong Q4-result
• Strong market position
• Important strategic initiatives
Strong position in the retail market
well-diversified in the corporate market

Loan portfolio NOK 168.8 bill.

Breakdown by sector in the corporate market, NOK 44.9 bill.
Increase in retail and corporate customers

Retail customers
Growth 1.8% in past year

Corporate customers
Growth 5.7% in past year
Good lending growth in the retail market

Retail market
Growth 4.6% in past year

Breakdown retail market
New loans

- New customers: 21%
- Existing customers, first mortgage loan: 44%
- Existing customers, increased mortgage loan: 35%

Q4 Growth lending: 1.2%
Growth last 12 months: 4.6%
Increased market share in the bank’s market area*

- Sparebanken Vest has won market shares in its own market area over the past 12 months as of the end of Q3 2019
- The market area is defined as Hordaland, Rogaland and Sogn og Fjordane counties**

Growth in lending, retail market, end of Q3 2019

- 5.2% for Norway
- 3.9% for Own market area *
- 5.1% for Sparebanken Vest

* Source: EarlyWarning competition report, Q2 2019. Debt growth in the retail market is defined as loans to households from banks, credit companies, financing companies and life insurance companies
** From 1.1.2020 counties Hordaland and Sogn og Fjordane have been merged to Vestland
Low risk in the retail market portfolio
- 99% of the lending portfolio secured by residential mortgage

Lending broken down by LTV ratio

<table>
<thead>
<tr>
<th>LTV &lt;= 70%</th>
<th>70 - 85%</th>
<th>LTV &gt; 85%</th>
</tr>
</thead>
<tbody>
<tr>
<td>93.5%</td>
<td>5.3%</td>
<td>1.2%</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>72%</td>
</tr>
<tr>
<td>Rogaland</td>
<td>15%</td>
</tr>
<tr>
<td>Søro og Fjordane</td>
<td>8%</td>
</tr>
<tr>
<td>The rest of Norway</td>
<td>6%</td>
</tr>
<tr>
<td>Abroad</td>
<td>0%</td>
</tr>
</tbody>
</table>
Good growth and strong SME profile in the corporate market
Increased deposit margins and stable corporate loan margins
– contributing to increased interest margins

LOANS

DEPOSITS

SPAREBANKEN VEST
Solid contribution to profits from Frende Forsikring and Brage Finans

Frende Forsikring
- Considerable improvement in results from insurance compared to 2018
- Very strong financial result in the quarter
- 23.2% ROE in 2019

Brage Finans
- Growth in lending of NOK 2,7 bill. last 12 months and lending volume of NOK 12.0 bill.
- Solid top-line growth with 46% growth in net interest income over the past 12 months
- ROE in 2019 was 8.7%*

* ROE for 2019 includes bonus commissions from Brage Finans to ownership banks
• Strong Q4-result
• Strong market position
• Important strategic initiatives:
  • Digital leadership
  • Sustainability
  • Sale of equity certificates
  • Customer dividends
Norway’s leading company on «Digital product experience»
- Sparebanken Vest outcompeting 74 other major companies

Bearing Point’s grading of digital leaders in Norway 2020
Norway’s leading mobile bank is continuously developing

- **Digital Loan Certificate:** Get financing proof self-service in 2 minutes
- **My Funds:** Better overview of funds and savings
- **New Record:** 145,000 users of our Mobile App
- **Your Subscription:** Overview of your subscriptions, letting you cancel subscriptions

- **2019**
  - **Book a Meeting:** Norway’s best application for booking
  - **My Finances:** Where does the money go?

- **2020**
  - **Winner:** Sparebanken Vest leading on "Digital product experience"
  - **Best Banking app:** Top rated in App Store and Google Play in Norway, Invoice Scanning: You have filled in your last KID-number
First bank in Norway with Vipps’ new BankID mobile application

- Easier, safer and free BankID solution
- As only bank in the development process Sparebanken Vest has worked with user testing of functionality and user experience
- Continued work with further development to expand functionality further
  - Introduce biometric factors such as face recognition and fingerprint ID
- Close to 5,000 downloads from Sparebanken Vest customers as of 28 January
Push notification for card payments abroad
We are redefining banking – and beginning with mortgages
Strategic rationale

Upscale nationally to an attractive mobile phone platform

Potential for significant value creation

Significant development synergies
Mortgage offer in two minutes

- No enclosures
  - Retrieves automatically updated secure data from many sources

- No valuation
  - Automatically estimates the value of the property

- Minimal case processing
  - Immediate decision on applications (in most cases)

Result: You can check eligibility for mortgage in two minutes, without being a customer in Bulder Bank
Mortgage in two minutes

Property valuation done automatically

Pay check reference done automatically from public registry, unsecured debt automatically from national debt registry

Offer after two minutes
Smarter and less expensive mortgage with friction free process

The entire bank in one, quick and modern mobile app

Complete basic features

Develop functions that excite and increase usage

Test, test, test

Growth hacking

Offensive PR and marketing

Launch small updates every 6-8 weeks

Build «Growth hacking»
Satisfied customers

Good feedback on e-mail concerning two mortgage collateral
32 applications in one hour!
Knowledge and preference increase

If you were to choose a new bank connection today, would you consider Bulder Bank? (%-share saying «Yes» of customers who know of Bulder)
Smart notifications

Feel the pulse of your money. Get notified when important things happen.
Where does your money go?

Builder automatically categorizes your transactions.
Main focus areas for further development

1. Complete basic functionalities

2. Further develop range of services

3. Increased visibility of mortgage functionality
Considerable interest from first launch

564 MNOK
Paid out mortgages

2,544
Total amount of customers

2.3 MNOK
Average mortgage

56%
Average LTV

249
Loan customers
The ethical bank guide is based on a comprehensive review of banks' policies, requirements and policy documents. “Fremtiden i Våre Hender” and the Consumer Council has controlled each bank within 14 different thematic areas, covering 271 different checkpoints.

The higher the score, the better the banks have in terms of corporate social responsibility, ethics and sustainability.

- Shared third place with KLP og DnB
- Up from 66% in last ranking
Offensive targets for climate risk and sustainability

- In 2019, Sparebanken Vest adopted a sustainability strategy that affects all areas of the bank
  - Cut own climate footprint in half by 2025
  - Requirements for climate neutrality at all our suppliers and major sponsorship
  - Framework for green bonds
  - Measurement of the carbon footprint in the portfolio within shipping/marine, small power plants and construction/real estate. This represents almost 70% of the bank's corporate portfolio
  - Spend NOK 200 million in public benefits by the end of 2020 for projects that promote sustainability, new green technology and green restructuring
We start with ourselves and our suppliers

Requirements to suppliers

- In the fall of 2019, all 100 suppliers have received the requirement to be climate neutral by the end of 2020
  - Keeping climate accounts
  - Create action plan
  - Compensate for climate debt
- As of 1.1.2020, 11 suppliers remain with whom we are now in dialogue
- Similar requirements to our major sponsorships
  - Football clubs SK Brann and FK Haugesund have both committed to climate neutrality by 2020.

Cut own emissions in half by 2025

-147 tonn CO²
Industry specific goals for our portfolio

Corporate real estate
Share of mortgage volume to real estate that satisfy today’s criteria for Green Bonds* is to be increased from 10% to 30% from 01.01.2020 to 31.12.2022.

Fishery and Fishing industry
Share of loan portfolio to fishery and fishing industry defined as green maritime is to be increased from approx. 14% to 50% by 31.12.2025.

Small hydro power plants
Strengthen Sparebanken Vest’s position by financing more hydro power plants. Strengthen story of hydro power as green.

Fish farming
Share of loan portfolio to fish farming industry defined as green technology** to be increased by 50% by 31.12.2025.
Requirements to these customers/projects part of the bank’s policy for shipping

Shipping
Carbon intensity: CO2 emissions per transport unit to be reduced by at least 15% by 2023, and minimum 50% by 2030 (measured against 2019 figures).
By 2023 a minimum of 75% of the portfolio (share of loans) are to be ships on par with average or better in its segment.
In January all customers within shipping received a letter requiring sharing ESG related information by 31.05.2020

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*Vessel that can prove considerable energy efficiency through various technology and operational measures and vessels with refit opportunity to hybrid and low emission propulsion systems
**Technological solutions and operations that reduce climate and environmental footprint from the industry, focusing on reduced fuel usage and carbon emissions from fish carriers/operational vessels, and minimising risk for negative environmental impact
22 billion kroner qualified according to EU’s new taxonomy for green bonds

- 18 billion NOK in real estate
- 2 billion NOK in corporate real estate
- 2 billion NOK in hydropower

**22 billion NOK**

- Green mortgages
- Industry specific requirements and credit policy

“EU taxonomy for sustainable activities”, announced July 2019
200 million kroner in public benefits to sustainable projects

NOK 200 million in public benefits until the end of 2020 for projects that promote sustainability, new green technology and green restructuring.

- Green conversion with new value chain for hydrogen
- ‘Clean Sognefjord’: Clearing plastic in 2019 and 2020
- Maritime Bergen: Decarbonisation of global shipping
- Climate education and sustainability in school- and kindergarten-related research
Sale of equity certificates increasing market value and valuation in line with the bank’s achievements
- Strong corporate ownership through the primary fund combined with increased liquidity

Notes: 1) Pro forma as of 31.12.2018 after dividend and public dividend in 2019
Considerable oversubscription: 4,1 x book

Total subscription

Subscriptions
10,5 Bill.

Allocation
2,6 Bill.

Share of countries

182
89
21
18
578
578
1669

35 % foreign share

Norway
US
UK
Sweden
Netherlands
Other
SVEG – solid development against index since announcement of conversion

Comments

- Shows development from capital markets day 15 August where plans for conversion were announced
- Considerably better development for SVEG compared to OSEEX, index for equity capital shares on the Oslo Stock Exchange
- SVEG has increased by 24.2% in the period, against 11.5% for the index.
Broad ownership as basis for increased regional engagement and better liquidity

**Retail offer**

- More than 6,100 subscribers, approx. 4,000 from core market
- More than 4,500 new owners
- Subscription demand total at 1,3 NOK billion
- Allocation of approx. 30% of demand
- 212 MNOK from Stavanger
- 189 MNOK from Bergen
- 323 MNOK from Oslo
- 65% of subscriptions from core market, representing 46% of demand in NOK
- Subscription from 264 municipalities

**Subscriptions all across Norway**

**Considerable subscription share from core market (NOK)**
Solid increase in price/book against peers

Comments

- Solid development in price/book in the period
- Share performance from start of subscription period 14 November
  - SVEG + 19,3%
  - NONG + 7,1%
  - MING + 3,4%
  - SR + 0,1%
  - SPOL + 9,3%
  - MORG + 0,9%
Why launch a customer dividend?

✓ To differentiate ourselves from our competitors and give us a unique position in Western Norway.

✓ Will lead to a better customer experience, increased relevance and greater customer loyalty. The customers can take part in the bank’s value creation.

✓ Potential for higher growth and profitability. Will be used actively and consistently to market the bank.
NOK 339 million in customer dividend paid out to all customers in 2020

✓ Up to 4,000 kroner based on loan
✓ Up to 4,000 kroner based on deposits
✓ In total a family can achieve up to 16,000 kroner in customer dividends

Several development teams in the bank are working to increase the marketing affect of the customer pay out!

*NOK 339 million is the board of directors suggested distribution of profits*
Video will be played at the presentation
• Strong Q4-result
• Strong market position
• Important strategic initiatives:
  • Digital leadership
  • Sustainability
  • Sale of equity certificates
  • Customer dividend
The Board's proposal for allocation of profits

Dividend basis
1.872 MNOK

40%
Equity certificate holders
749 MNOK

- Dividend (2.80)
  301 MNOK
- Equalization reserve
  448 MNOK

60%
Public capital
1.123 MNOK

- Customer dividend
  339 MNOK
- Donations
  112 MNOK
- Primary capital
  672 MNOK
Why invest in Sparebanken Vest?

- Low risk and complexity
- Leading in digital development
- Customer dividend attractive for investors
- Strong ESG focus
- Strong performance culture
- Leading on ROE – target of 12%
Investor contacts

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