Strong start to the year
- Highest Q1 ROE in 4 years (on 34% higher equity)
Change in profit performance Q1, 2018–2019
Key developments – Q1

ROE as percentage

CET1 as percentage

Profit per equity certificate

Book value per equity certificate
Good banking operations

Attractive market position

Digitalisation on the strategic agenda
Good nominal growth in net interest income

Nominal net interest income

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2018 Q1</th>
<th>2018 Q2</th>
<th>2018 Q3</th>
<th>2018 Q4</th>
<th>2019 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>656</td>
<td>649</td>
<td>692</td>
<td>719</td>
<td>724</td>
</tr>
</tbody>
</table>

Net interest income as % of assets under management

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2018 Q1</th>
<th>2018 Q2</th>
<th>2018 Q3</th>
<th>2018 Q4</th>
<th>2019 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>1.48%</td>
<td>1.42%</td>
<td>1.47%</td>
<td>1.51%</td>
<td>1.50%</td>
</tr>
</tbody>
</table>
Increased deposit margins, lending margins levelling off
Increasing contribution to profits from Frende Forsikring and Brage Finans

Contribution from Frende and Brage*

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Frende</th>
<th>Brage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 16</td>
<td>2.5</td>
<td>6.2</td>
</tr>
<tr>
<td>Q1 17</td>
<td>4.9</td>
<td>21.6</td>
</tr>
<tr>
<td>Q1 18</td>
<td>7.5</td>
<td>12.5</td>
</tr>
<tr>
<td>Q1 19</td>
<td>17.3</td>
<td>-14.1</td>
</tr>
</tbody>
</table>

Comments

Frende Forsikring
- Considerably better general insurance result at the start of the year
- Very good financial result in the quarter
- 13.6% ROE in Q1

Brage Finans
- Strong growth and a balance sheet of more than NOK 10 bill. in the quarter
- Solid top-line growth, with 44% growth in net interest income over the last 12 months

* Corrected for non-recurring effect for Frende Forsikring in Q1 2019 relating to write-down of systems under development
Flat cost development and shift in cost structure – a precondition for digital development

Cost development, past six years*

-9%

Costs excl. IT

IT*

1.305 MNOK

2012

1.242 MNOK

2018

Cost development, past year including Bulder Bank**

323 MNOK

Q1 18

312 MNOK

Q1 19

* 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.
Continued low losses

Losses on loans and guarantees - quarterly development

Comments

- Total loss costs show a taking to income of NOK 1 mill. in Q1
- The low loss costs are due to a reduction in both individual and model-based provision.
Good growth and lower losses
Reported ROE, 2015–2018*
Good banking operations

Attractive market position

Digitalisation on the strategic agenda
Strong position in the retail market - well-diversified in the corporate market

Loan portfolio NOK 163.5 bill.

Breakdown by sector in the corporate market, NOK 42.4 bill.
More retail and corporate customers

Retail customers
Growth 2.3% in past year

Q1 2018: 272,200
Q1 2019: 278,500

Corporate customers
Growth 6.6% in past year

Q1 2018: 12,100
Q1 2019: 12,900
Growth in the retail market

Retail market
Growth 6.2% in past year

Breakdown retail market
New loans

- New customers: 20%
- Existing customers, first mortgage loan: 39%
- Existing customers, increased mortgage loan: 41%
Increased market share in the bank’s market area*

Growth in lending, retail market, end of Q4 2018

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

*) Source: EarlyWarning competition report, Q4 2018. Debt growth in the retail market is defined as loans to households in banks, credit companies, financing companies and life insurance companies.
Low risk in the retail market portfolio
- 96% of the lending portfolio secured by residential mortgage

Lending broken down by LTV ratio

Lending broken down by region
Good development in the economy of Western Norway
Businesses in Western Norway believe in growth

Næringslivet i vest trur på vekst

Det er optimisme i næringslivet i alle fylka på Vestlandet, viser den såkalla Vestlandsindeksen. Temperaturmålinga er gjort av Sparebanken Vest og varsler betre tider.

Bedriftsledere på Vestlandet er like optimistiske som før oljekrisen

Vestlandsbedrifter sier de vil investere mer og ansette flere folk det neste halve året, viser ny undersøkelse.
Good growth in commitments and strong SME profile in the corporate market

Corporate market
Growth in commitments 13.2% in past year

By volume

<table>
<thead>
<tr>
<th></th>
<th>0-50 mill</th>
<th>50-200 mill</th>
<th>over 200 mill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 18</td>
<td>24,357</td>
<td>12,883</td>
<td>5,897</td>
</tr>
<tr>
<td>Q1 19</td>
<td>25,711</td>
<td>14,559</td>
<td>8,659</td>
</tr>
</tbody>
</table>
Growth past 12 months

Growth by new and existing customers

Existing customers 37%
New customers 63%

Growth by industry for new customers. Per cent and NOK million.
The bank meets capital requirements by a good margin

CET1*

Leverage ratio

* The bank’s Pillar 2 addition was reduced from 1.8 to 1.7% from 31 March 2019.
Potential for growth
- the Basel 1 floor is expected to be removed in 2019

Changes in capital requirements

<table>
<thead>
<tr>
<th>Capital requirement Q1 2019</th>
<th>+ SIFI</th>
<th>+ Increased countercyclical capital buffer*</th>
<th>New capital requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.7 %</td>
<td></td>
<td></td>
<td>14.7 %</td>
</tr>
</tbody>
</table>

Expected regulatory development in CET1

<table>
<thead>
<tr>
<th>Basel 1-floor IRB before SME-discount</th>
<th>+ SME-discount step 1**</th>
<th>+ SME-discount step 2**</th>
<th>IRB after SMEB-discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.7 %</td>
<td></td>
<td></td>
<td>17.8 %</td>
</tr>
</tbody>
</table>

* The countercyclical capital buffer will increase by 0.5 percentage points from 31 Dec. 2019.
** The overall SME discount is expected to lead to a 1.2 percentage points higher capital adequacy requirement when the regulations are fully implemented in Norwegian law. When the Basel 1 floor is removed, the SME discount is expected to increase the bank’s capital adequacy requirement by 0.4 percentage points. In connection with the introduction of Risk Reduction Measures in the EU, it is expected that the SME discount will be expanded to also include loans up to EUR 2.5 mill. (up from EUR 1.5 mill.), and that a discount of 15% is introduced for loans exceeding EUR 2.5 mill. to the SME segment. These regulations are expected to enter into force from mid-2021. This will increase the overall estimate for the SME discount to 1.2 percentage points for Sparebanken Vest.
Good banking operations
Attractive market position

Digitalisation on the strategic agenda
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)
Our value proposal

A PERSONAL ‘SIGNATURE’

EASY DIGITAL SERVICES

SOCIAL COMMITMENT TO WESTERN NORWAY
# 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>3.8</td>
</tr>
<tr>
<td>Sbanken</td>
<td>3.3</td>
</tr>
<tr>
<td>Handelsbanken</td>
<td>3.0</td>
</tr>
<tr>
<td>DNB</td>
<td>2.8</td>
</tr>
<tr>
<td>Danske Bank</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Average customer rating in iTunes (iPhone) and Google Play (Android). Figures from 1 May 2019.
The future is here
Average number of contact points for a customer in 2018

- Self-service: 192
- Direct banking: 2.5
- Bank advisor: 0.4
Examples of high digital development rate – frequent improvements going forward

- **Winter 2018:** New overview, online and mobile banking
- **Spring 2018:** Apply for and change credit card digitally
- **Autumn 2018:** Buffer
- **Autumn 2018:** Possibility of adding accounts from other banks
- **Winter 2019:** Digital booking of meetings
- **May 2019:** Digital loan confirmations
- **Autumn 2019:** My Economy
- **Spring 2018:** Fully digital consumer loans
- **May 2018:** Fully digital top-up mortgages
- **Autumn 2019:** Push notifications for e-invoices
- **Winter 2019:** Launch of Folio
- **May 2019:** Launch of Bulder Bank
- **Autumn 2019:** My Savings
- **2020:** The journey continues
The market’s best solution for booking meetings
Spending overview – where does the money go
Digital loan confirmation
- overview of the purchase process
Replace your bank with an app
Strategic rationale

- Scaled to an attractive mobile phone platform
- Potential for significant value creation
- Significant development synergies
Bulder Bank – targets for end of 2021

- ROE: 12%
- Lending: NOK 20 bill.
Bulder Bank is a clear challenger. A smarter, cheaper and more innovative alternative for free spirits. For those with less focus on banking, and more on the tool/speed/app. A new way of banking. Flexibility and freedom. On the customer’s side.
Day-to-day banking:

Better overview of personal finances
Bulder has a low threshold for cooperating with fintech

- For Bulder Bank, solving customer problems and creating flow is more important than what technology is used
- Talks with several potential suppliers who can deliver solutions to real customer problems
Housing loans:

Modern Norwegian infrastructure – perfect for creating flow

- BankID
- National Registry
- Eiendomsverdi *(Nationwide automated property valuations)*
- Norwegian Mapping Authority
- Tax Administration
- Debt register (June 2019)
Launch in May, then accumulate experience towards upscaling

- **31 May:** Launch of the app for 200–300 invited customers and everyone who wishes to apply for a housing loan.
- **September:** Launch of the app in App Store – for everyone who wants to become a customer.
- **2020:** Upscale and win the market.

**Launch:**
- Collect feedback from pilot customers and make changes.

**Accumulate experience:**
- Perform analyses of customer behaviour and conversion.

**Upscale and win the market:**
- Further develop differentiating services.
• Good banking operations
• Attractive market position
• Digitalisation on the strategic agenda
Long-term financial targets

- **ROE**: 12%
- **Dividend**: < 50%
- **Capital**: ≈ 1 percentage point above regulatory requirements
- **Lending**: 6% CM
- **Lending**: 8% RM
Overriding goals – value creation

✓ Flat cost development adjusted for Bulder Bank
✓ Strong market position and potential for profitable growth
✓ Ambitious organisational culture
✓ Digital initiatives with national ambitions
✓ 75% retail customer portfolio results in low risk and low losses
✓ ROE target of 12% and dividend of up to 50%
✓ Goal: Among the top two with respect to return on equity
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