FOURTH QUARTER AND THE YEAR 2014

4 FEBRUARY 2015

JAN ERIK KJERPESETH
MANAGING DIRECTOR
## KEY FIGURES

<table>
<thead>
<tr>
<th></th>
<th>Fourth quarter</th>
<th>The year 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HIGHER PRE-TAX PROFIT</strong></td>
<td>NOK 356 MILL. (246)</td>
<td>NOK 1,493 MILL. (1,221)</td>
</tr>
<tr>
<td><strong>RETURN ON EQUITY ABOVE TARGET</strong></td>
<td>12.2% (9.8%)</td>
<td>13.7% (11.7%)</td>
</tr>
<tr>
<td><strong>HIGHER PROFIT PER EQUITY CERTIFICATE</strong></td>
<td>NOK 1.79 (1.39)</td>
<td>NOK 7.66 (6.13)</td>
</tr>
<tr>
<td><strong>PROPOSED DIVIDEND:</strong></td>
<td></td>
<td>NOK 4.0 (3.0)</td>
</tr>
<tr>
<td><strong>STRONGER CORE TIER 1 CAPITAL RATIO</strong></td>
<td>12.2 % (11.2 %)</td>
<td></td>
</tr>
</tbody>
</table>
PROFIT PERFORMANCE AND RETURN ON EQUITY, Q4

Pre-tax profit

Q4 13 | Q1 14 | Q2 14 | Q3 14 | Q4 14
---|---|---|---|---
246 | 526 | 433 | 178 | 356

Return on equity

Q4 13 | Q1 14 | Q2 14 | Q3 14 | Q4 14
---|---|---|---|---
9,8 | 19,8 | 16,8 | 6,2 | 12,2

Profit per equity certificate

Q4 13 | Q1 14 | Q2 14 | Q3 14 | Q4 14
---|---|---|---|---
1,33 | 2,66 | 2,32 | 0,89 | 1,79

Book equity per equity certificate

Q4 13 | Q1 14 | Q2 14 | Q3 14 | Q4 14
---|---|---|---|---
54,7 | 54,4 | 56,6 | 57,2 | 58,7
PROFIT PERFORMANCE AND RETURN ON EQUITY, 2014

Pre-tax profit

- 2013: 1.221
- 2014: 1.493

Return on equity

- 2013: 11.7
- 2014: 13.7

Profit per equity certificate

- 2013: 6.13
- 2014: 7.66

Book equity per equity certificate

- 2013: 54.7
- 2014: 58.7
STABLE NET INTEREST
– INCREASED NOMINAL CONTRIBUTION IN Q4

Development in net interest and credit commission income
CHANGE IN MARGINS  
– REDUCED NIBOR AND REPRICING OF CUSTOMER INTEREST RATES

**Lending**

<table>
<thead>
<tr>
<th></th>
<th>Q4-13</th>
<th>Q1-14</th>
<th>Q2-14</th>
<th>Q3-14</th>
<th>Q4-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>3.29</td>
<td>3.27</td>
<td>3.14</td>
<td>3.16</td>
<td>3.18</td>
</tr>
<tr>
<td>Corporate</td>
<td>2.58</td>
<td>2.54</td>
<td>2.38</td>
<td>2.34</td>
<td>2.4</td>
</tr>
</tbody>
</table>

**Deposits**

<table>
<thead>
<tr>
<th></th>
<th>Q4-13</th>
<th>Q1-14</th>
<th>Q2-14</th>
<th>Q3-14</th>
<th>Q4-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>-0.51</td>
<td>-0.50</td>
<td>-0.35</td>
<td>-0.32</td>
<td>-0.23</td>
</tr>
<tr>
<td>Corporate</td>
<td>-0.69</td>
<td>-0.76</td>
<td>-0.58</td>
<td>-0.51</td>
<td>-0.54</td>
</tr>
</tbody>
</table>
GROWTH IN THE RETAIL AND CORPORATE MARKETS  
– HIGHER GROWTH IN THE CORPORATE MARKET IN Q4

Retail market  
Deposits: NOK 39.5 bill. – Lending NOK 91 bill.

Corporate market  
Deposits: NOK 26.9 bill. – Lending NOK 28.5 bill.
ASSOCIATED COMPANIES
– THE COMPANIES' PROFIT/LOSS AFTER TAX

*converted from NGAAP to IFRS
## PROFIT CONTRIBUTION, ASSOCIATED COMPANIES

<table>
<thead>
<tr>
<th></th>
<th>Q4 2014</th>
<th>Q4 2013</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NOKm</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fренде Forsikring</td>
<td>11</td>
<td>7</td>
<td>60</td>
<td>41</td>
</tr>
<tr>
<td>Норне Securities</td>
<td>-4</td>
<td>-2</td>
<td>-4</td>
<td>-2</td>
</tr>
<tr>
<td>Brage Finans</td>
<td>2</td>
<td>1</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Верд Boligkreditt</td>
<td>2</td>
<td>3</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Net profit from</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>associated companies</td>
<td>12</td>
<td>9</td>
<td>74</td>
<td>50</td>
</tr>
</tbody>
</table>
COST DEVELOPMENT 2012–2014
– 0% GROWTH IN COSTS IN THE PARENT BANK

On track to reach the target of 2% average annual cost growth in the parent bank up until 2015 (1385 MNOK)

*) The 2012 figures are exclusive of non-recurring effects related to pensions totalling NOK 301 million and bonuses in the parent bank. The planned development in the parent bank is exclusive of bonuses. All figures have been revised pursuant to IAS19R.

**) IT costs are the total costs of the IT department in the parent bank, including payroll expenses,
TARGETED COST-CUTTING MEASURES HAVE PRODUCED RESULTS

Cost ratio
As percentage

Full-time equivalents
Parent bank

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost ratio</td>
<td>60.9</td>
<td>49.7</td>
<td>48.8</td>
<td>45.5</td>
</tr>
<tr>
<td>Full-time equivalents</td>
<td>776</td>
<td>761</td>
<td>705</td>
<td>690</td>
</tr>
</tbody>
</table>
COMMITMENTS IN DEFAULT AND POTENTIAL BAD DEBT*
- RESULT OF TARGETED RESTRUCTURING WORK IN THE CORPORATE MARKET

*) Includes all defaults, not just defaults of payment. Includes commitments with individual write-downs, calculated as a percentage of the total lending volume.
REDUCED PERCENTAGE PROVIDED FOR IN Q4
– REDUCED WRITE-DOWNS AS A RESULT OF CONFIRMED LOSSES
BREAKDOWN OF LENDING, CORPORATE MARKET

By volume*

- 0-50 mill: 20.206
- 50-150 mill: 9.631
- over 150 mill: 7.160

By sector

- REAL ESTATE: 41%
- OTHER: 14%
- SHIPPING: 13%
- BUILDING/CONSTRUCTION: 6%
- WHOLESALE: 6%
- FISHERIES: 4%
- PRIMARY INDUSTRIES: 4%
- AGRICULTURE: 3%
- MAINLAND TRANSPORT: 2%
- ENERGY: 1%
- HOTEL: 1%
- SHIPYARD: 1%

* Measured by commitment
DIRECT EXPOSURE TO OIL IS LOW
– MODERATE PROPORTION OF LENDING TO OFFSHORE COMPANIES

- Low direct exposure to oil
  - Offshore amounts to 1.5 billion NOK

**Total portfolio**

<table>
<thead>
<tr>
<th></th>
<th>RM 27%</th>
<th>RM 73%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shipping</strong></td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td><strong>Rest CP</strong></td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td><strong>Offshore</strong></td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td><strong>Shipping</strong></td>
<td></td>
<td>33%</td>
</tr>
</tbody>
</table>

Sparebanken Vest
CM PORTFOLIO BY COUNTY

*Approximately 35% of the "Other segment " consists of financial intermediation.
The rest consists of other services, public sector, organizations and clubs and so on.
COMPOSITION OF DEPOSITS
– LARGE PROPORTION COVERED BY DEPOSITS GUARANTEE SCHEME

Stable deposits, covered by deposits guarantee scheme, treated favourably in LCR and NSFR
CAPITAL ADEQUACY
– CORE TIER 1 CAPITAL ADEQUACY RATIO IMPROVED

Basel 1 floor*

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Capital</th>
<th>Additional Capital (Tier 2)</th>
<th>Hybrid Capital (Tier 1)</th>
<th>Core Tier 1 Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 Q4</td>
<td>14.3%</td>
<td>1.1%</td>
<td>14.3%</td>
<td>11.2%</td>
</tr>
<tr>
<td>2014 1Q</td>
<td>14.3%</td>
<td>1.0%</td>
<td>14.6%</td>
<td>13.8%</td>
</tr>
<tr>
<td>2014 2Q</td>
<td>14.8%</td>
<td>1.4%</td>
<td>14.2%</td>
<td>14.6%</td>
</tr>
<tr>
<td>2014 3Q</td>
<td>14.8%</td>
<td>1.4%</td>
<td>14.0%</td>
<td>14.2%</td>
</tr>
<tr>
<td>2014 Q4</td>
<td>15.6%</td>
<td>1.4%</td>
<td>2.0%</td>
<td>14.0%</td>
</tr>
</tbody>
</table>

IRB*

<table>
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<tr>
<th>Year</th>
<th>Total Capital</th>
<th>Additional Capital (Tier 2)</th>
<th>Hybrid Capital (Tier 1)</th>
<th>Core Tier 1 Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 Q4</td>
<td>18.1%</td>
<td>1.4%</td>
<td>2.5%</td>
<td>14.2%</td>
</tr>
<tr>
<td>2014 1Q</td>
<td>17.4%</td>
<td>1.3%</td>
<td>2.3%</td>
<td>13.8%</td>
</tr>
<tr>
<td>2014 2Q</td>
<td>18.7%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>14.6%</td>
</tr>
<tr>
<td>2014 3Q</td>
<td>18.4%</td>
<td>2.5%</td>
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<td>1.6%</td>
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The bank wishes to be capitalised on a level with the biggest institutions.

The capital level of 13.5% ensures considerable freedom of action even with a countercyclical capital buffer fully implemented.

Growth:
- Retail market 7.0%
- Corporate market 2.5%

An annual expected loss cost of 10 bp of gross lending

Continued capital accumulation in 2015 and 2016 with a distribution percentage at the lower end of the bank’s dividend policy (50%/5%). An increased distribution percentage from 2017.
THE BOARD’S PROPOSED ALLOCATION OF PROFIT
— 84.2% WILL BE RETAINED TO STRENGTHEN CAPITAL ADEQUACY

Basis for dividend
NOK 1,172 million

20.5%

Equity certificate holders
NOK 240 mill.

Dividend NOK 4.0
NOK 127 mill.

Equalisation reserve
NOK 113 mill.

79.5%

Primary capital
NOK 932 mill.

Donations
NOK 50 mill.

Primary capital
NOK 882 mill.

The distribution percentage is 52.9% to the equity certificate holders
## STATUS FINANCIAL TARGETS 2014

<table>
<thead>
<tr>
<th>Financial Indicator</th>
<th>Target</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lending growth in retail and corporate markets</td>
<td>6% / 2.5%</td>
<td>7.3% / 1.4%</td>
</tr>
<tr>
<td>Return on equity</td>
<td>&gt; 11%</td>
<td>13.7%</td>
</tr>
<tr>
<td>Cost growth</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Capital accumulation</td>
<td>12.2%</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

*12-month growth
MEASURES

- Digital developments, changed customer behaviour and regulatory changes are key framework conditions
- Change processes and strategic measures that have been implemented put the bank in a better position to meet the future
- Interest margins under pressure
- Sparebanken Vest's target for 2014 is growth in lending of 7% in the retail market and 2.5% in the corporate market
- The target of average cost growth of 2% in the parent bank still applies
- Associated companies’ contribution to profits is expected to increase in 2015
- The future loss level will largely follow cyclical developments
- Increased distribution percentage in line with the capital plan

OUTLOOK
WE WILL BE HERE SOON