

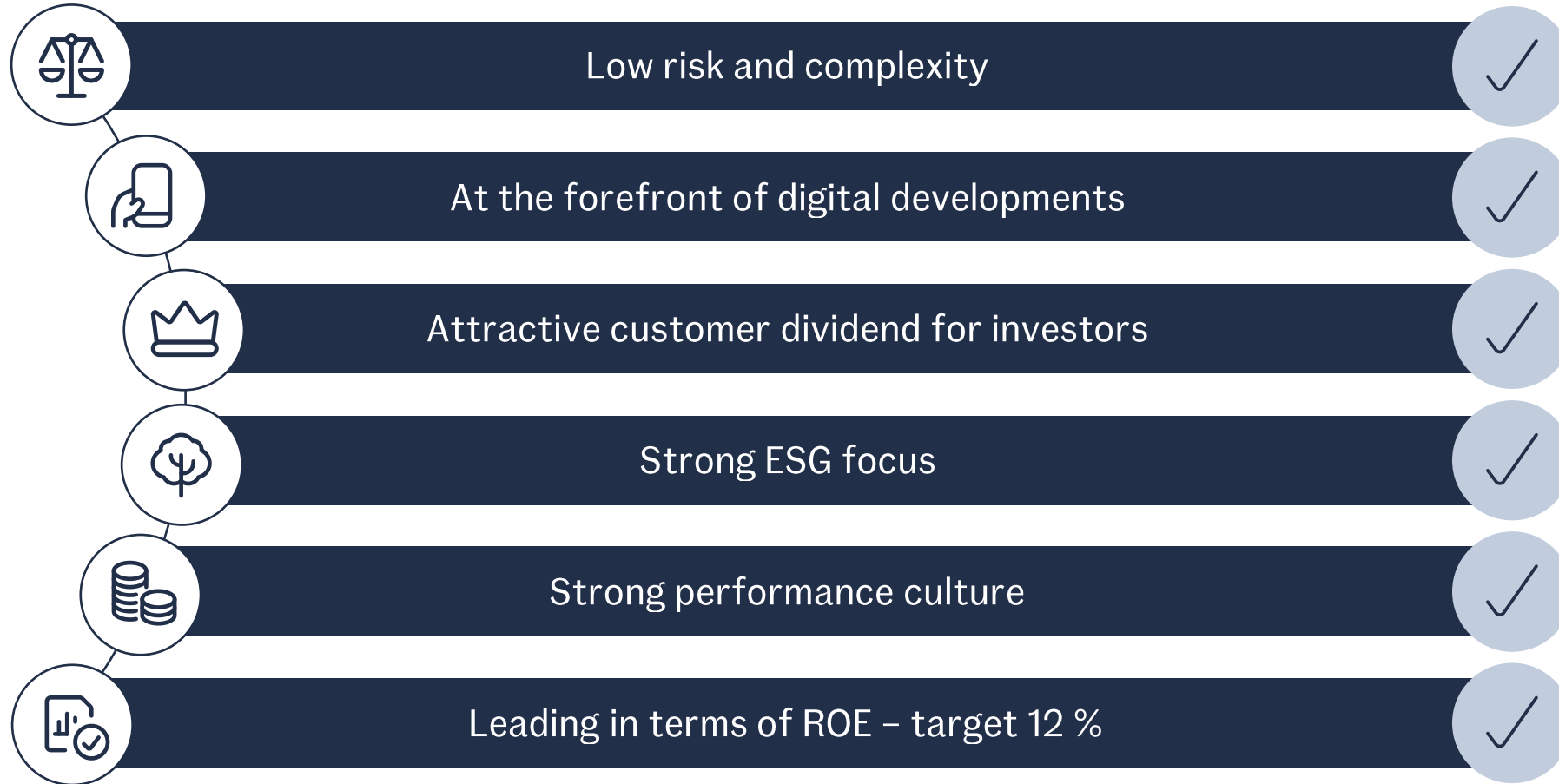


Investor Presentation

Sparebanken Vest / Sparebanken Vest Boligkreditt AS

October 2021

Why invest in Sparebanken Vest?



Sparebanken Vest



Norway's third biggest savings bank

- Established in 1823 and listed on Oslo Børs since 1995
- Head office in Bergen. 34 branch offices and 740 FTEs
- Diversified banking product portfolio, including subsidiaries Frende Forsikring (insurance products) and Brage Finans (leasing)
- Several digital initiatives, like the first Norwegian mobile-only banking concept, Bulder Bank
- NOK 224 bill. in assets under management, approx. 292,000 retail customers and 14,000 corporate customers
- 76% of lending in the retail market
- Long-term ROE target of 12%
- Sparebanken Vest long term rating of Aa3
- Sparebanken Vest Boligkreditt EMTN: Aaa with four notch leeway
- MSCI ESG-rating: AAA, ISS ESG

Home market

- Approx. 1.1 million inhabitants, corresponding to 21% of the Norwegian population
- Bergen and Stavanger are among the three biggest regions in Norway
- Important industries: aquaculture and fisheries, public services, energy, and education

Market areas

Market shares¹

New initiative in Sunnmøre

Vestland
28.3%

Rogaland
6.7%

Stavanger

Bergen

Oslo

1) Market share (capital) in the retail market. Source: Statistics Norway



Low complexity



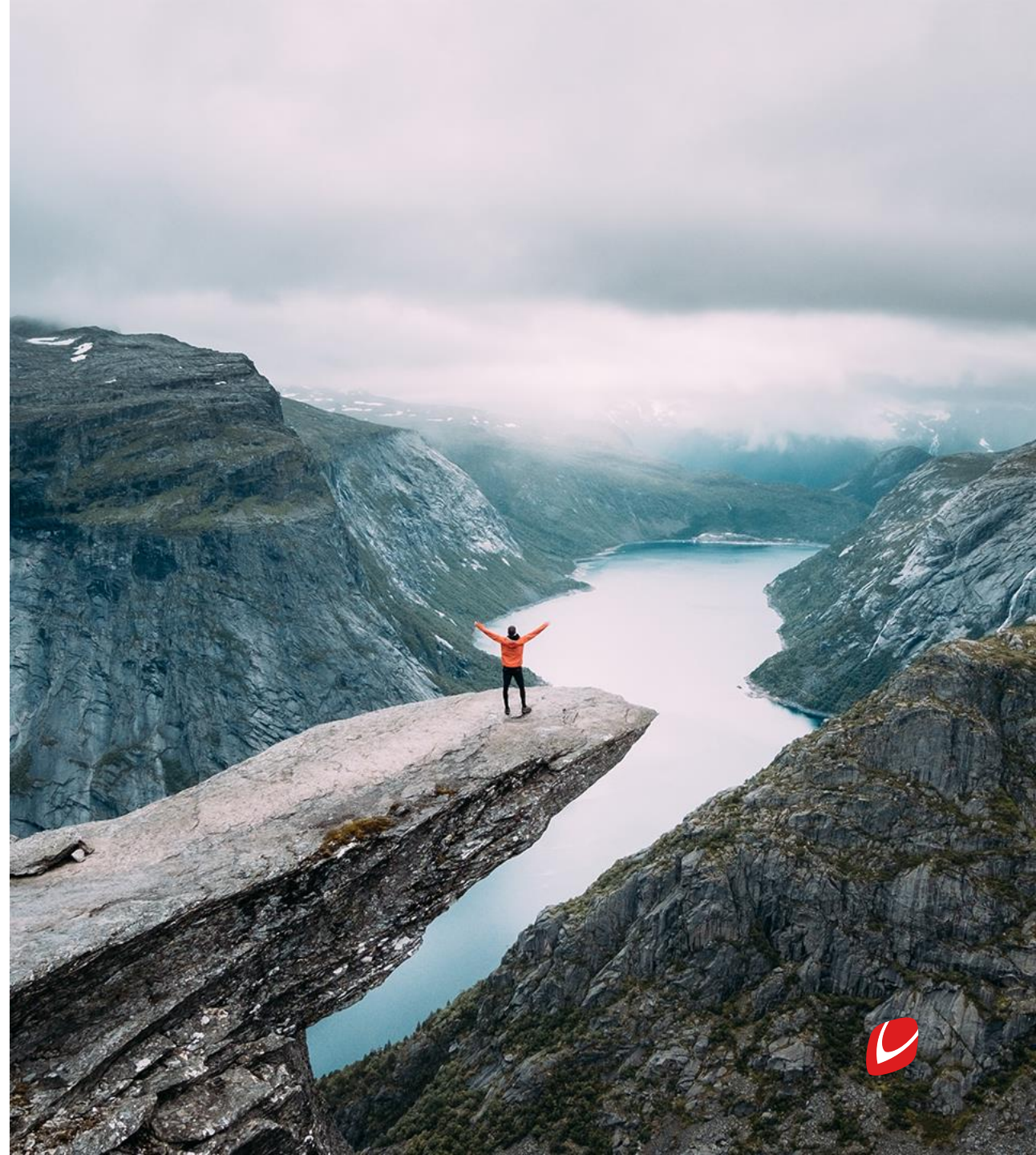
Digital leadership



Conservative loan book



High ROE



A bank with low complexity



Corporate market
24% of total lending
NOK 46.7 bill. in loans
13,600 customers
Diversified portfolio




**Sparebanken
Vest**



Retail market
76% of total lending
NOK 145.5 bill. in loans
292,000 customers
Includes Bulder

 **FrendeForsikring**

41.4% holding
32.2% ROE in 2020
Mainly general insurance

 **EiendomsmeglerVest**

100% ownership
Estate agency
135 FTEs
Strong cooperation with the bank


BRAGE
FINANS

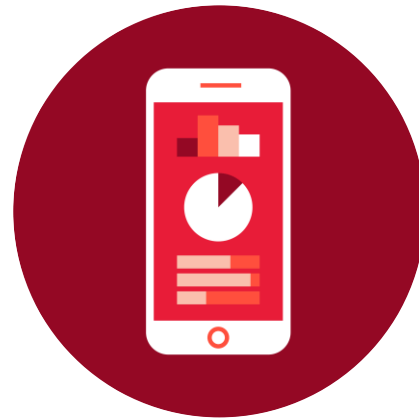
49.99% holding
Leasing and financing
Gross portfolio of NOK 15.6 billion



Our value proposition



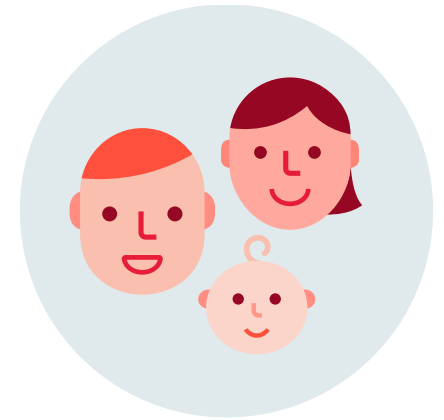
A personal 'signature'



Simple digital services



Social commitment to Western Norway



Customer dividend



Q2 2021: 13.6% return on equity and sound capital adequacy

Income

Net interest income of NOK 803 (737) mill. driven by growth and measures to improve margins. Increased commission income and excellent contributions from associated companies

Costs

Increased costs of NOK 391 (349) mill. as a result of bonus provisions, accrual effects and higher level of activity in the bank and real estate division. Cost income 35.5 % in Q2

Write-downs

Reversals of NOK 23 (recognised loss of 143) mill. in the quarter: increased model-based write-downs and reduced individual write-downs and confirmed losses

Profit

NOK 748 (611) mill. before tax, ROE 13.6% (12.2%)

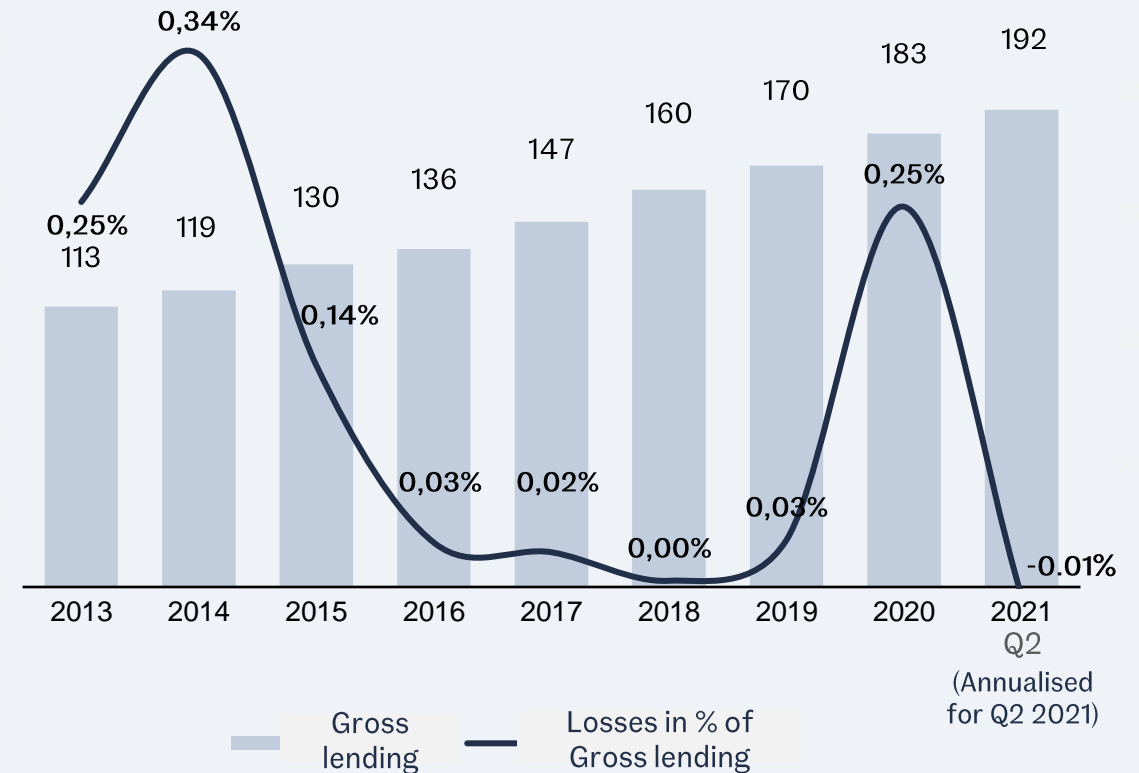
CET1 ratio

Sound CET1 ratio of 18.0% (18.1%) meets regulatory capital requirement of 14.2% by a good margin



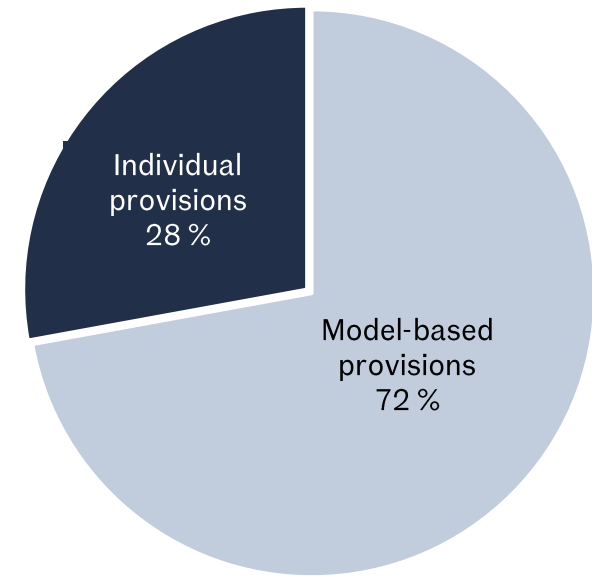
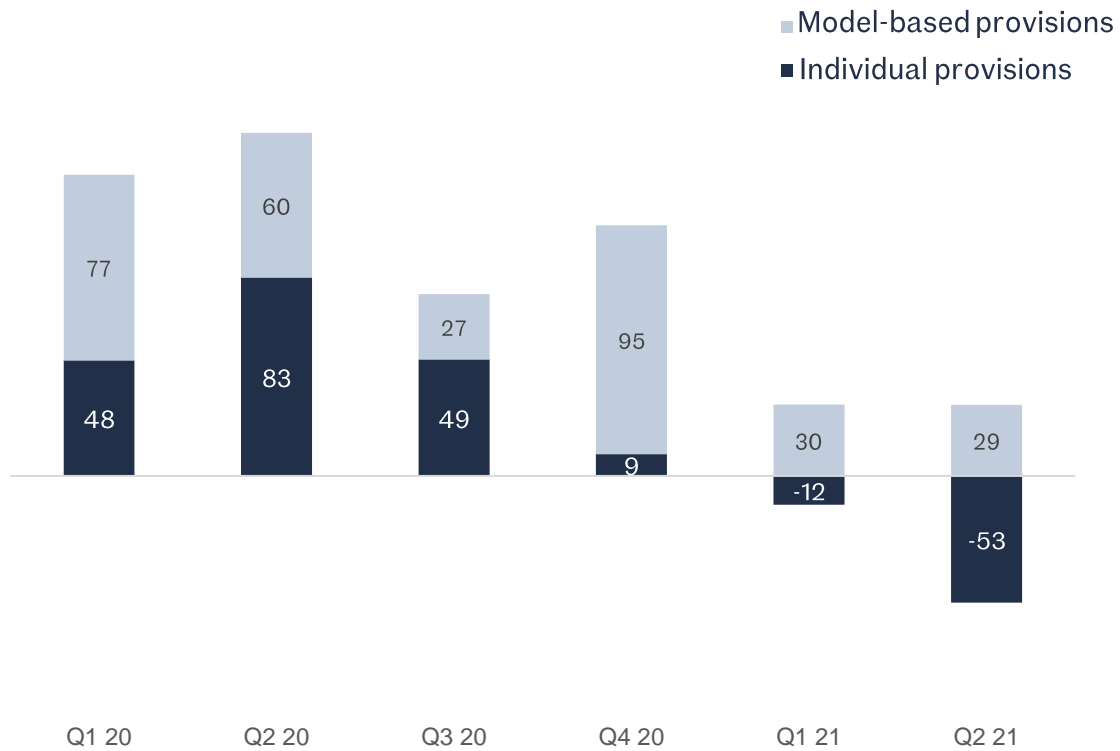
Low losses over time

- Conservative choices and good banking over time limit risk of losses in uncertain times
- High proportion of retail customers
- Diversified corporate market portfolio
- Reversals of NOK 23 mill. in the second quarter driven by reversals of individual write-downs



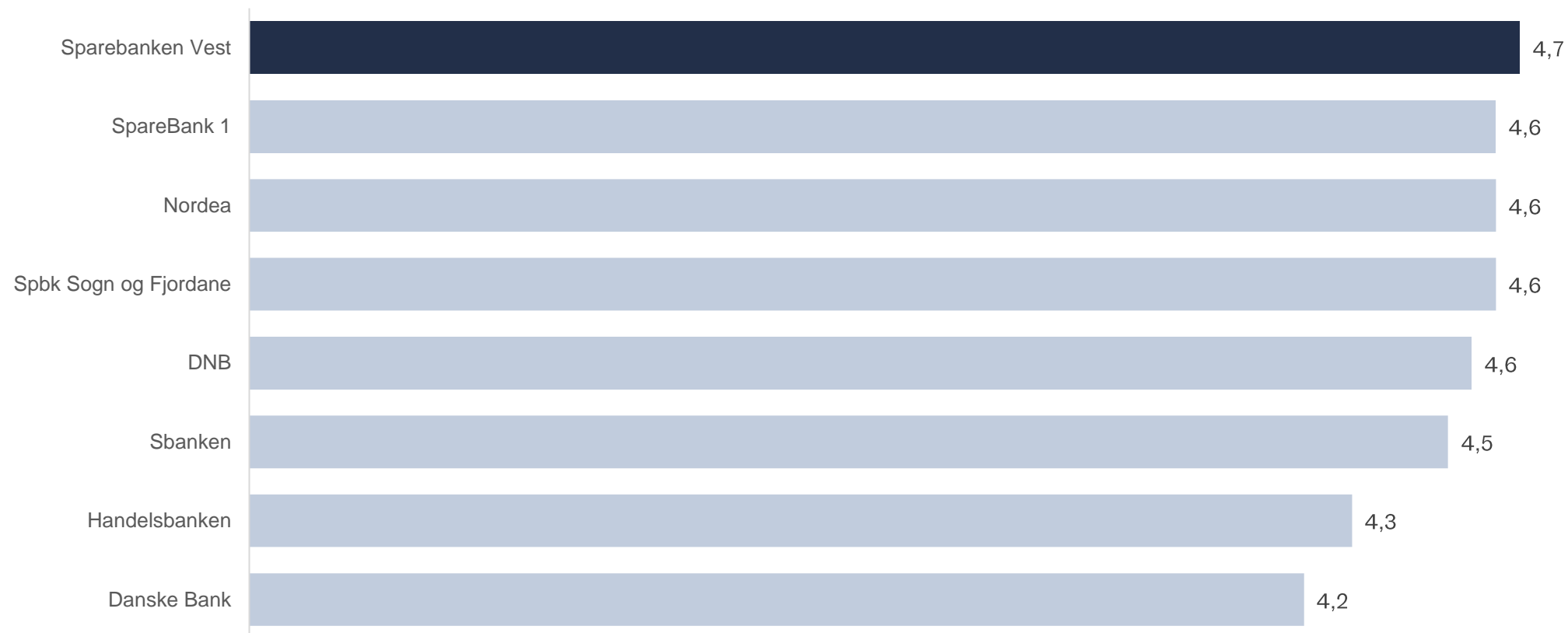
72% of loss provisions due to COVID-19 are model-based

Reversals of individual loan loss provisions the past two quarters



Norway's best mobile banking solution since 2016

Record score of 4.7

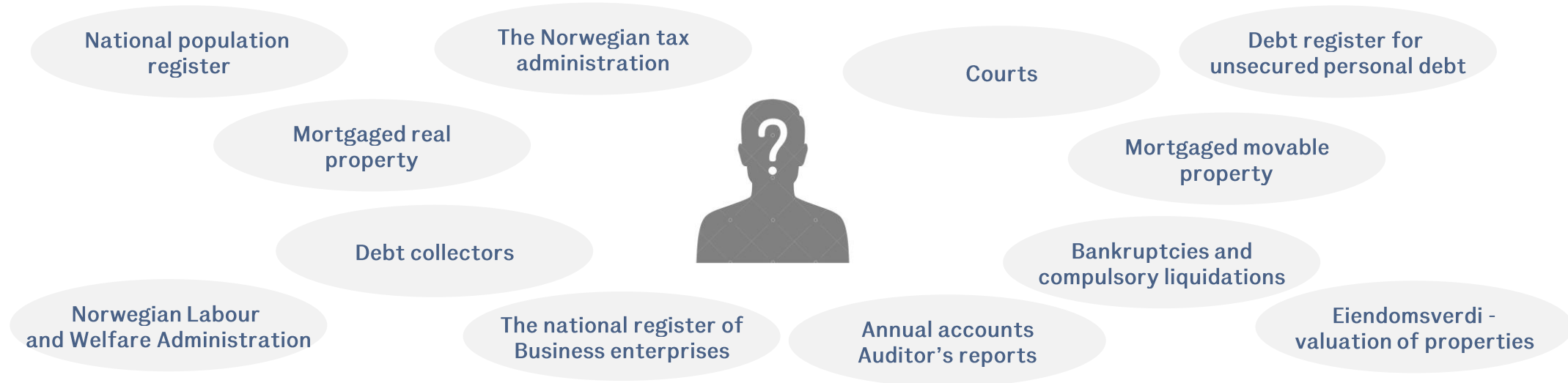


Average customer rating in App Store (iPhone) and Google Play (Android)
Figures from 2 August 2021.



Digital infrastructure in Norway perfect for (mobile) banking

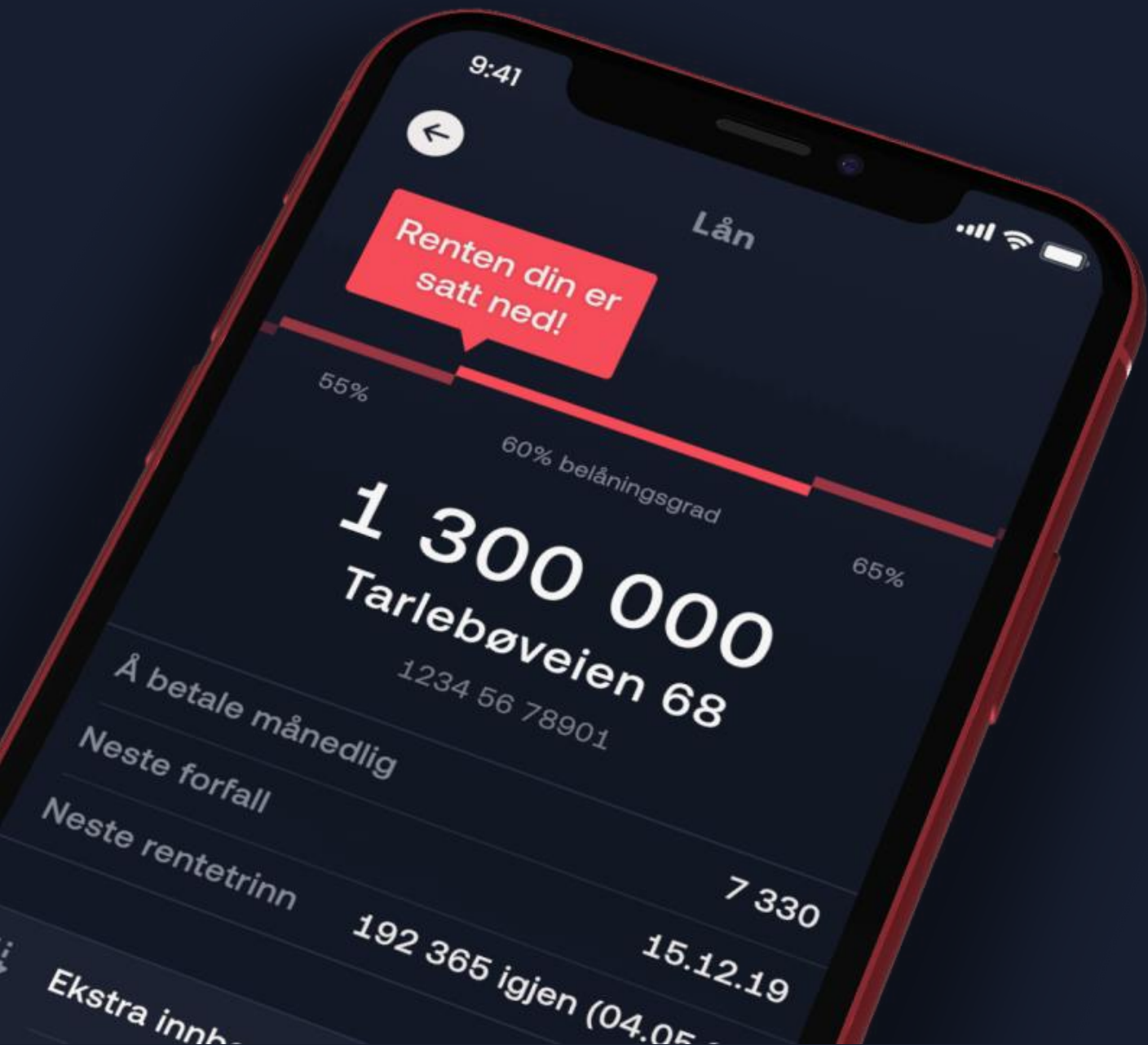
- Joint venture between government and banks in Norway for many years



Who is the customer? Bank ID set up by Norwegian banks to verify customer's identity digitally with 100% accuracy

- BankID also used in the public digital infrastructure and banks can gather information directly from the Tax authority
- With consent from customers, banks can get access to full financial position; last pay checks, tax info, debt from other banks, property ownership, marital status; all fully digitised and automatically uploaded to our underwriting systems.
- Customers can apply, gather all necessary documents and sign electronically within a few minutes if standard case
- Other credit info: Negative and voluntary payment remarks, business tasks





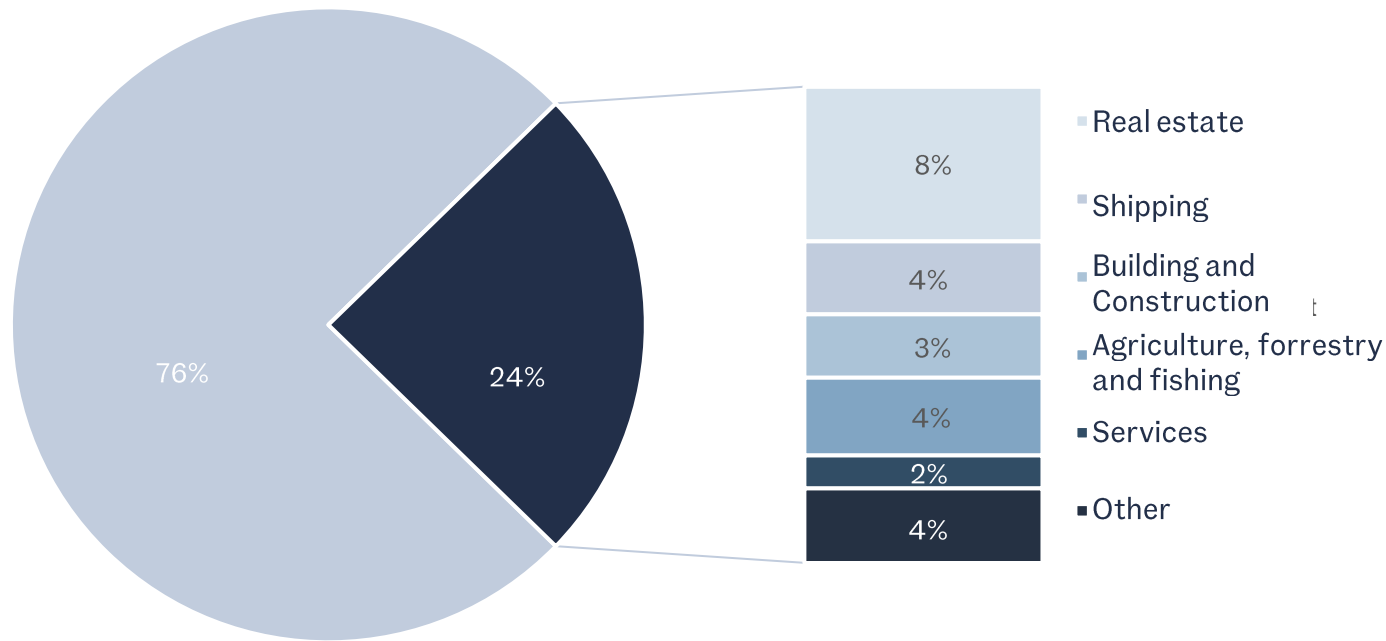
**BULDER
BANK™**

Fra Sparebanken Vest

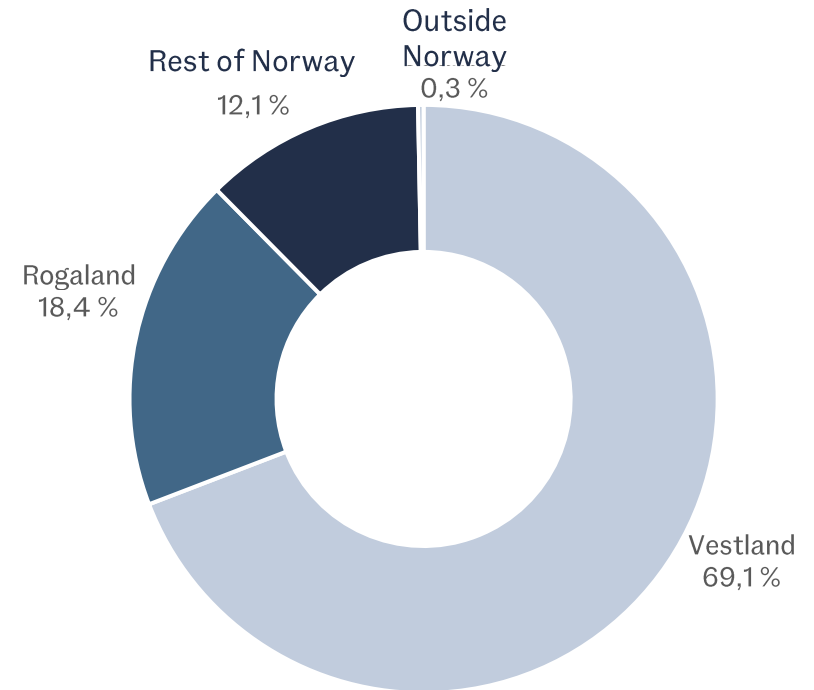
Conservative loan book dominated by housing loans

99% of lending in the retail market is housing loans

Low-risk loan book based on housing loans and a diversified CM portfolio



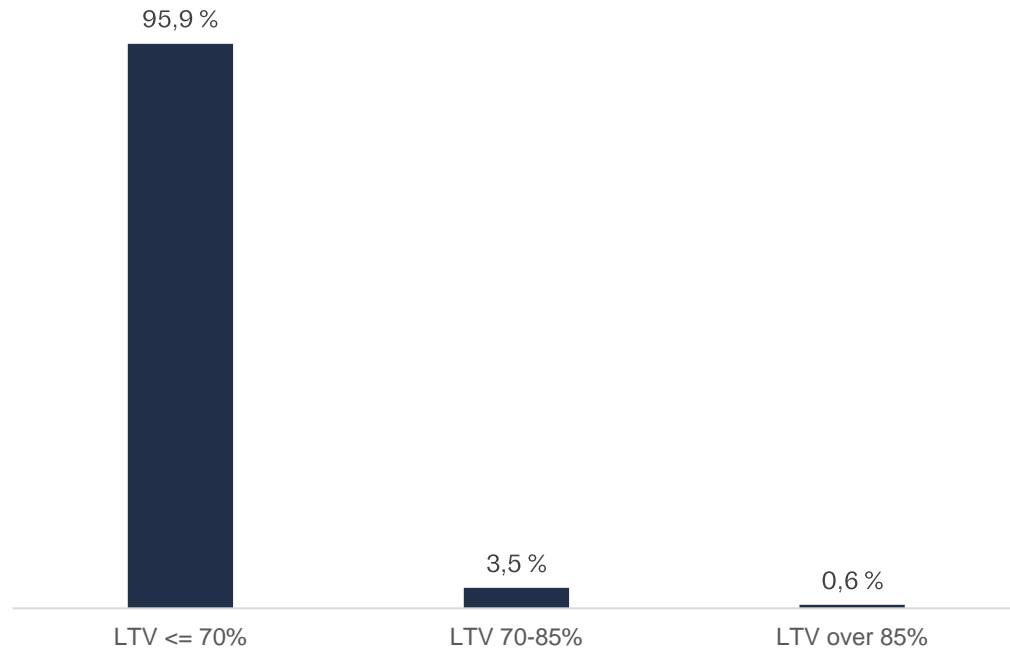
Our customers are primarily in areas we know well



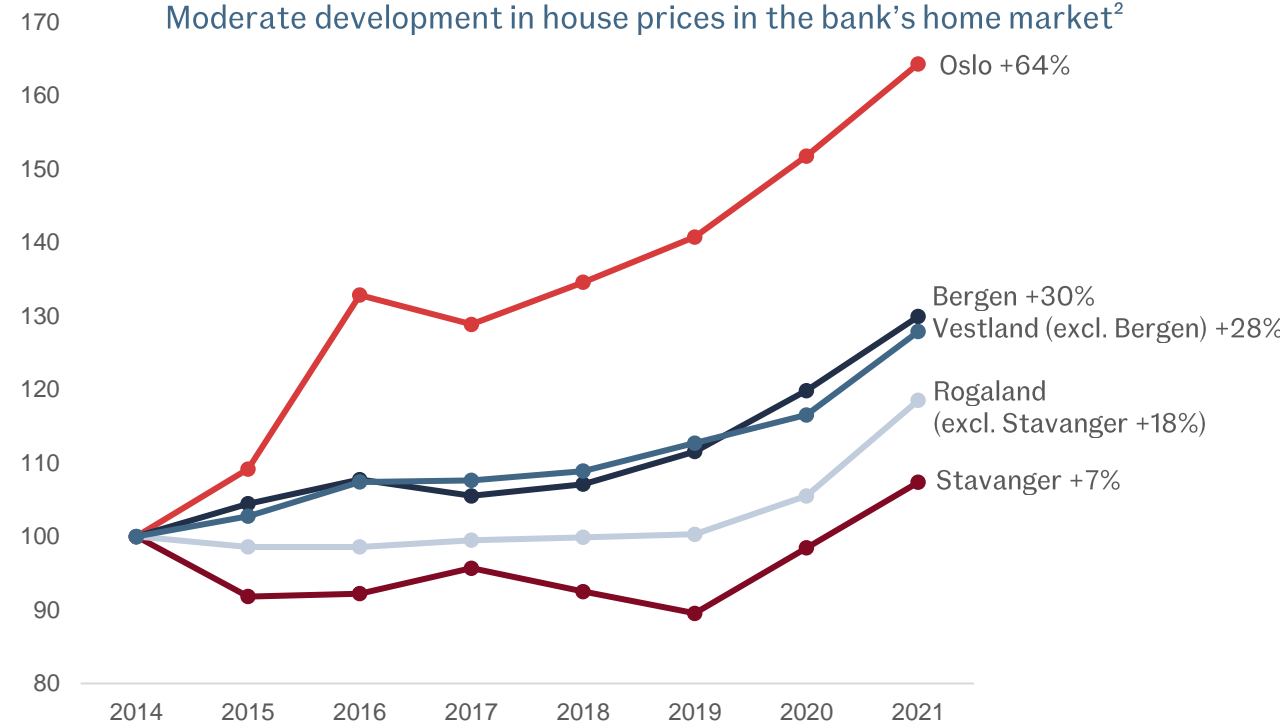
Low risk in the retail market portfolio

96% of the total volume of housing loans has an LTV ratio below 70%

Lending broken down by LTV ratio¹



Moderate development in house prices in the bank's home market²



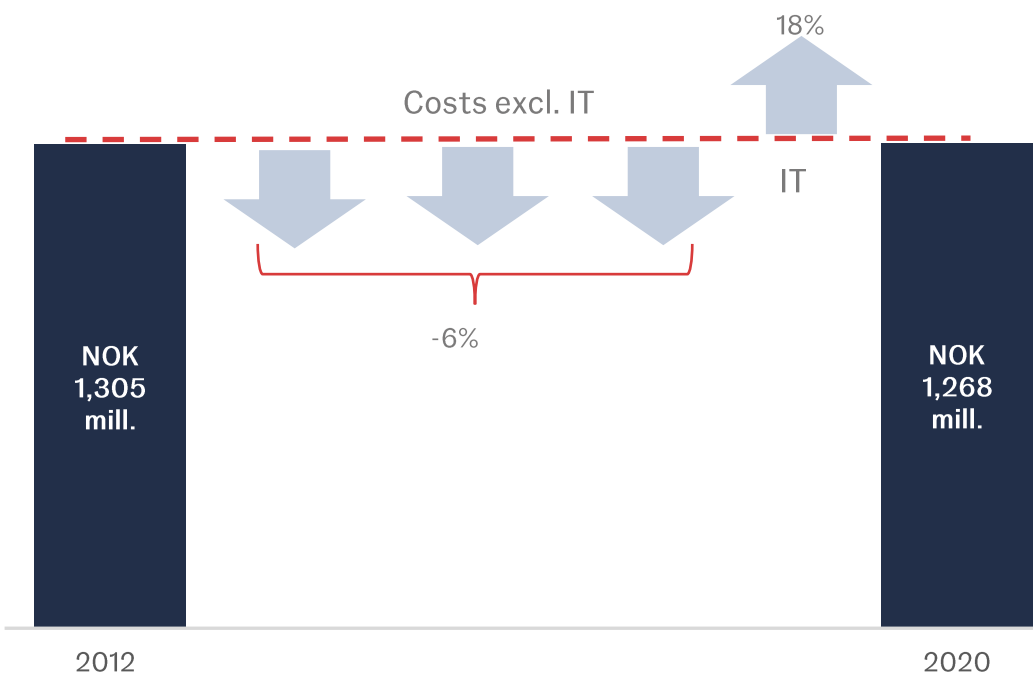
1) Only the part of a loan that exceeds the LTV threshold is shown in a higher LTV interval
2) Statistics Norway (Q4 2014–Q2 2021)



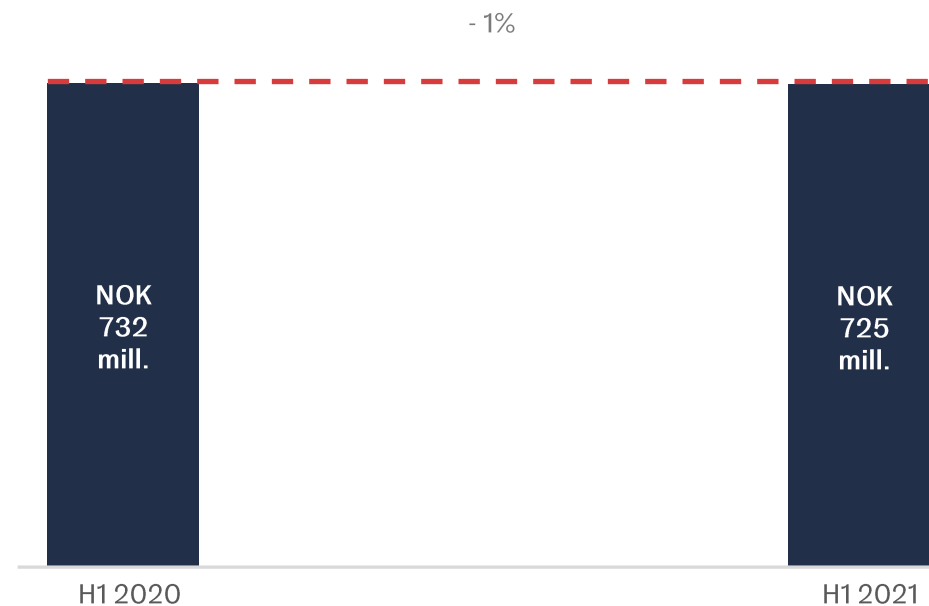
Reduced costs and significant shift in cost structure

35.5% cost-income ratio (Q2 2021)

Cost development past eight years¹



Cost development first half-year 2021²

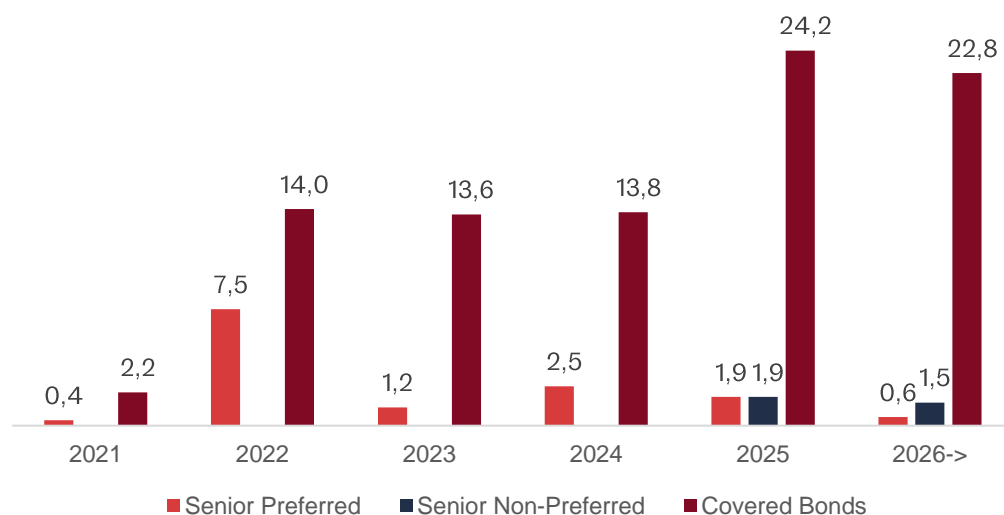


1. Parent bank + SPV Boligkreditt, adjusted for non-recurring effects and bonus. IT costs are the total costs of IT in the parent bank, including payroll expenses, external fees, ICT costs and other operating costs.
2. Cost development for the Group, including the Bulder Bank concept (NOK 31.3 mill. in first half-year 2021 and NOK 27.7 mill. in Q1 2020), adjusted for bonus provisions



Strong liquidity and balanced maturity structure

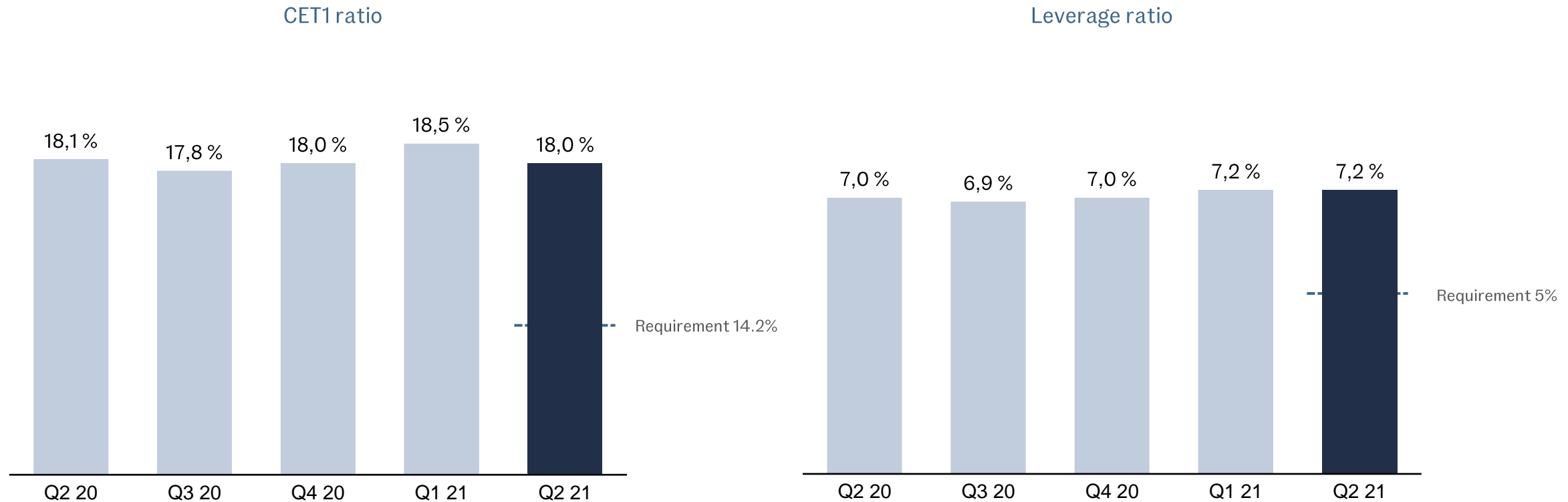
Maturity structure Senior and Covered Bonds (NOK bn)



- Liquidity portfolio amounting to approx. NOK 25bn
- LCR¹ as of Q2 2021 at 150% - well above requirement
- 51 % of the capital market financing has a residual maturity of more than 3 years
- The bank has, at the end of Q2 2021, issued a total of NOK 3.4bn in Senior Non Preferred/Tier 3²-bonds to meet the bank's MREL requirement
 - An additional NOK 300m has been issued so far in Q3 2021, and is not included in the graph to the left

Regulatory capital requirements met by considerable margin

Reduction in CET1 in the quarter caused by implications of new IRB circular



Customer dividend of NOK 354 million creates great engagement amongst customers



😊 'Yes. It means a lot to us. Thanks for everything and the great cooperation over the years.'

😊 Very positive that the profit is shared with the customers, I have a stronger connection to the bank! Hip hip hooray!

😊 'Yes, it's fantastic! I'll definitely be loyal to the bank with benefits like this.'



Significant footprint in a challenging time

A total of NOK 579 million awarded to clubs, associations and non-profit organisations and reorganisation in 2020 and 2021*

Lyspunkt i et knalltøft år for Fyllingsdalen teater:

Ble overrasket med pengegave

Sparebanken Vests koronafond har gitt 145.000 kroner til Fyllingsdalen teater. Dette skal dekke tapte billettinntekter på «Hekseringen».

Fyllingsdalen teater og kulturlivet generelt har et betimelig økonomisk som følge av øyeblikke forfallinger og begrensninger på antall publikummer. På fredagen 5. september fikk leder Jørn Kvit en etterlengtet oppring. Fra var representanter for Sparebanken Vest innom for å dele ut hele 145.000 kroner til teateret. Pengene kommer fra bankens koronafond, som har som formål å støtte lag og foreninger på Vestlandet som blir økonomisk som følge av koronapandemien.

«Vi håper at krisestøtten fra koronafondet kan bidra til å gjøre situasjonen litt lettere for Fyllingsdalen teater i en krevende tid, og at teateret kan fortsette å skape magiske opplevelser fra scenen både for publikum og skapere», mener leder Jørn Kvit.

Sammengen var det da pengene ble delt ut. Teateret er svært takknemte for støtte fra Sparebanken Vest og de andre som har støttet dem gjennom denne tiden. De har fått støtte på 145.000 kroner fra Sparebanken Vest og de andre som har støttet dem gjennom denne tiden. De har fått støtte på 145.000 kroner fra Sparebanken Vest og de andre som har støttet dem gjennom denne tiden.



støtte fra staten og 122.000 kr fra Bergen kommune, plusse penge fra private.

«Vi kommer oss ut av dette i år, og vi er veldig takknemlig for at det finnes støtteordninger. Men det er ikke det jeg er mest stolt av. Det er at vi er så mange som står bak oss. Det er et stort og viktig tegn på at vi har et godt samarbeid med de som har støttet oss, og det er det som har hjulpet oss gjennom denne tiden».



I dette glasset er det mikroplast på størrelse med bakterier
Nå skal NORCE-forskere finne ut akkurat hvor farlig denne mikroplasten er for deg.

AV: HANNE RISE OG TOR HANNAVIK/NTNU FOTO: PUBLISERT I ANNEHEIMEN/NTNU/NTNU

Greenspot Mongstad får 3 millioner i støtte til grøn omstilling

Updated: 2 days ago

- Dette er fantastiske nyheter, seier leiar av Interimsstyret Widar Salbuvik og prosjektleiar Baste Tveito i Greenspot Mongstad etter at Agenda Vestlandet informerte dei om støtta dei har fått til å utvikle nye grønne arbeidsplassar på Mongstad.

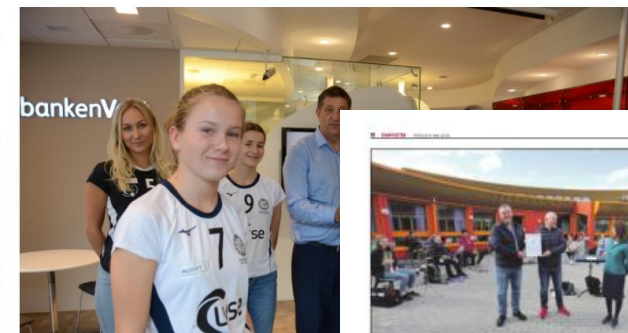


Fredagens trening ble spesiell - mottok pengegave som bidrar til å redde klubben



v CO2 til e

Stort beløp til Randaberg volleyball: - Denne støtten betyr kolossalt mye for oss



Skolekorps et fikk overraskende pengegave



Gave sikret neste års festival

Sparebanken Vest delte onsdag ut 160.000 kroner til Strandfestivalen for å sørge for at festivalen kan komme sterkere tilbake sommeren 2021.

«Dette beløpet betyr veldig mye for festivalen og for de som jobber med festivalen. Det er en fantastisk støtte som gjør at vi kan fortsette å jobbe med festivalen og sørge for at den kommer tilbake sommeren 2021».



OVERRASKET MED PENGER PÅ ØVING

«Dette beløpet betyr veldig mye for festivalen og for de som jobber med festivalen. Det er en fantastisk støtte som gjør at vi kan fortsette å jobbe med festivalen og sørge for at den kommer tilbake sommeren 2021».

Os Fusaposten



Å gjelde andre: Leiar i Nore Niset Samtidsforening, Anne Barberg (t.v.), sette stor pris på gjeva som bankepf. Benedicte Tolfsen med kom. Foto: Anne Marie Aasen Vangnes

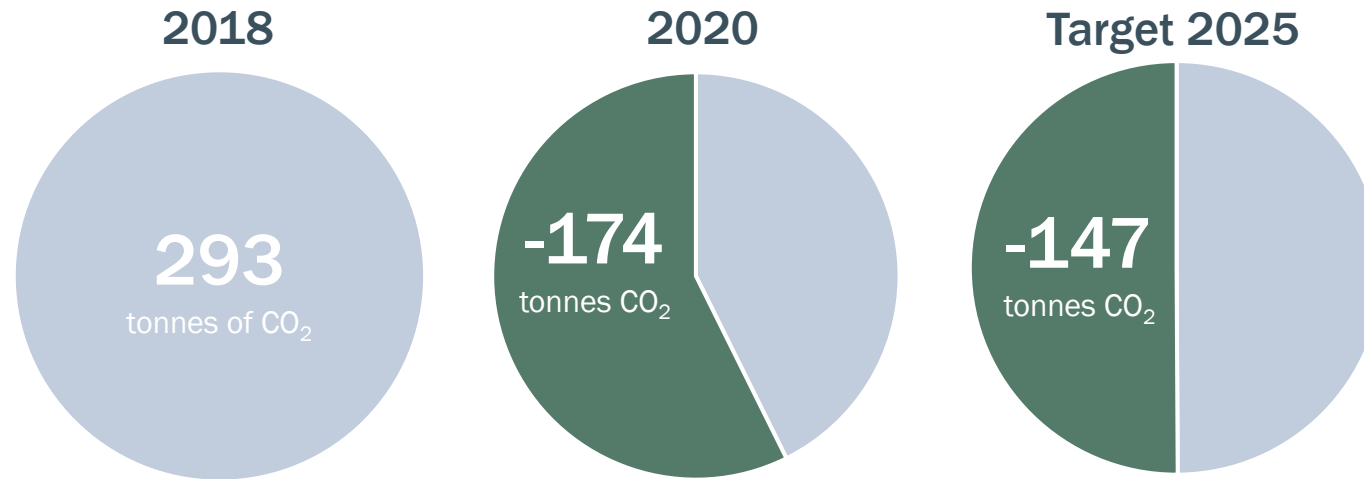
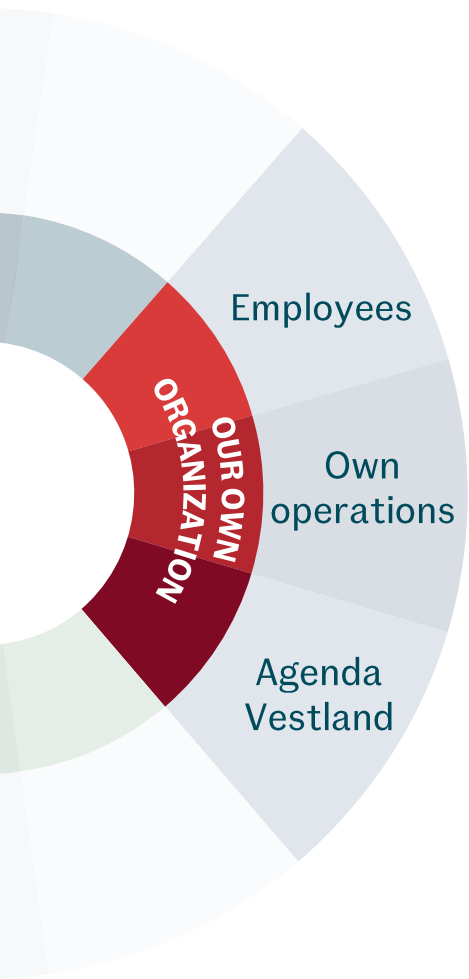
Fekk koronapengar frå Sparebanken Vest: - No kan vi endeleg senka skuldrene

2020: NOK 100 million in the coronavirus fund from the Sparebankstiftelsen Sparebanken Vest foundation and NOK 89 million in donations for the public benefit.
2021: NOK 100 million allocation from Sparebankstiftelsen Sparebanken Vest and NOK 290 million in proposed donations for the public benefit.



We are actively reducing our own climate footprint

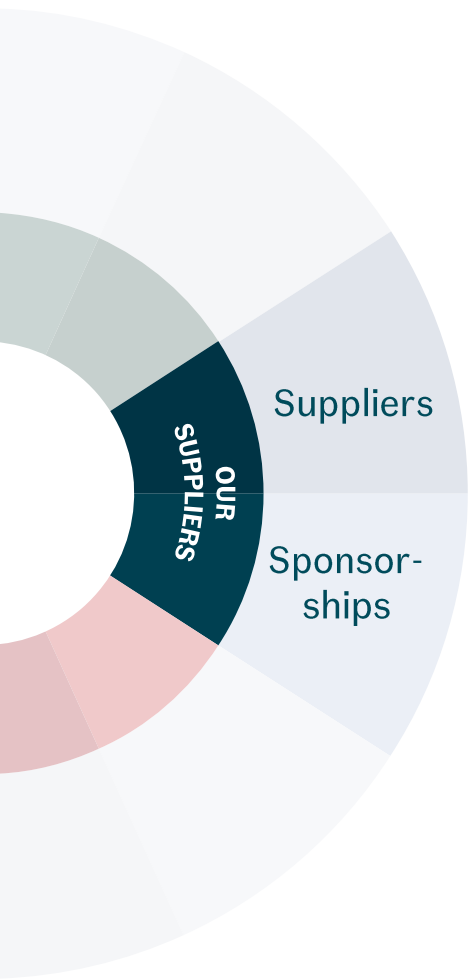
Already achieved the goal of reducing our footprint by 50% before 2025



- Our climate footprint for 2020: 119.3 tonnes of CO₂
- We purchase guarantees of origin for our energy and, taking this into account, our footprint was 80.2 tonnes of CO₂
- The year of Covid 19, 2020, led to:
 - Air travel emissions being reduced by 57.4% from 2019 – and a large increase in the number of virtual meetings.
 - We have also reduced car transport by 21.6 tonnes of CO₂ since 2019



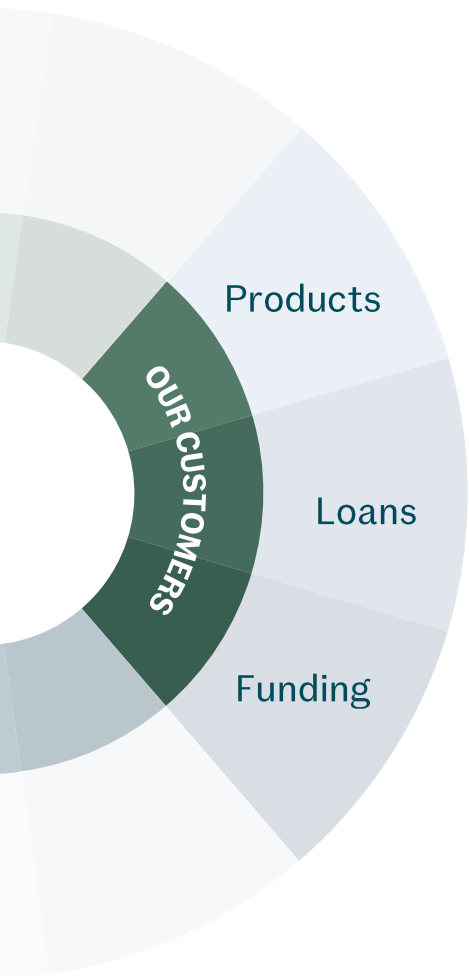
Climate-neutral suppliers and sponsorships



- Our 101 existing suppliers/sponsorships are now required to be climate-neutral.
- The suppliers must keep climate accounts, implement a plan for reducing their own climate footprint and compensate for it by purchasing certified carbon credits.
 - **99 suppliers** are or have committed to become climate neutral.
 - Three suppliers are still in the final round of follow-up, and one supplier has rejected the requirement. Individual services are replaced by competing and climate-neutral suppliers.
- **The domino effect works!**
 - 84 of the suppliers started this process because they were challenged to do so by SPV.



EU taxonomy: We are gearing up to meet the sustainability requirements of the (near) future



Climate risk

TCFD-structures
Annual report



Learning

E-learning classes
Taxonomy school
Industry-specific training



Adjusted targets

Industry targets and policies
Product and bonds frameworks, in line with taxonomy



Data capture

Industry portals
adjusted with taxonomy



Our green equation

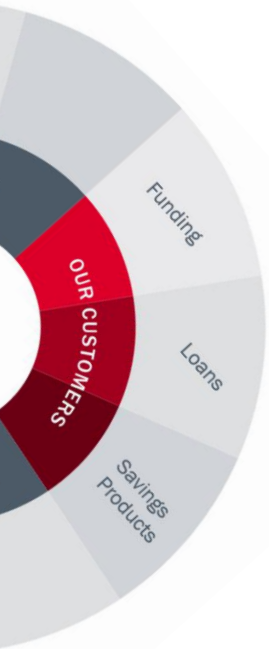


We continuously work to increase the commercial approach to sustainability in the bank

Our aim is to be the bank that makes it easy for the customer to make sustainable choices, ensuring long term competitiveness



Strong ESG-ratings



MSCI

✓ ESG rating: AAA

ISS Oekom

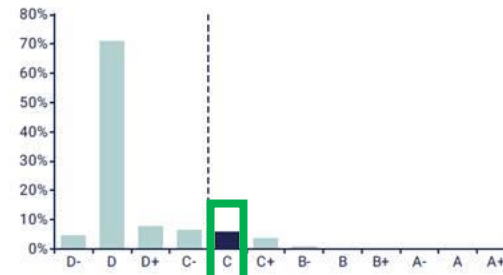
✓ C
✓ Prime

Sustainalytics

✓ ESG risk rating: 20.6.

Distribution of Ratings

258 companies in the industry



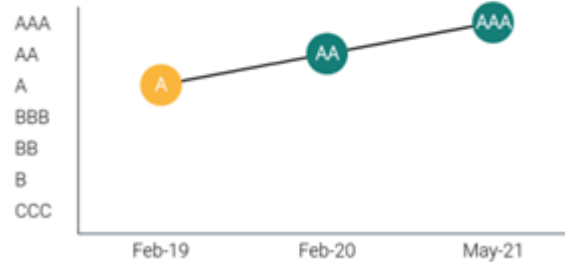
MSCI
ESG RATINGS



CCC B BB BBB A AA **AAA**

LAST UPDATE: May 27, 2021

ESG Rating history



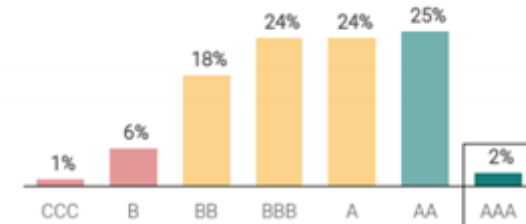
Corporate
Responsibility

Prime

rated by
ISS-oekom

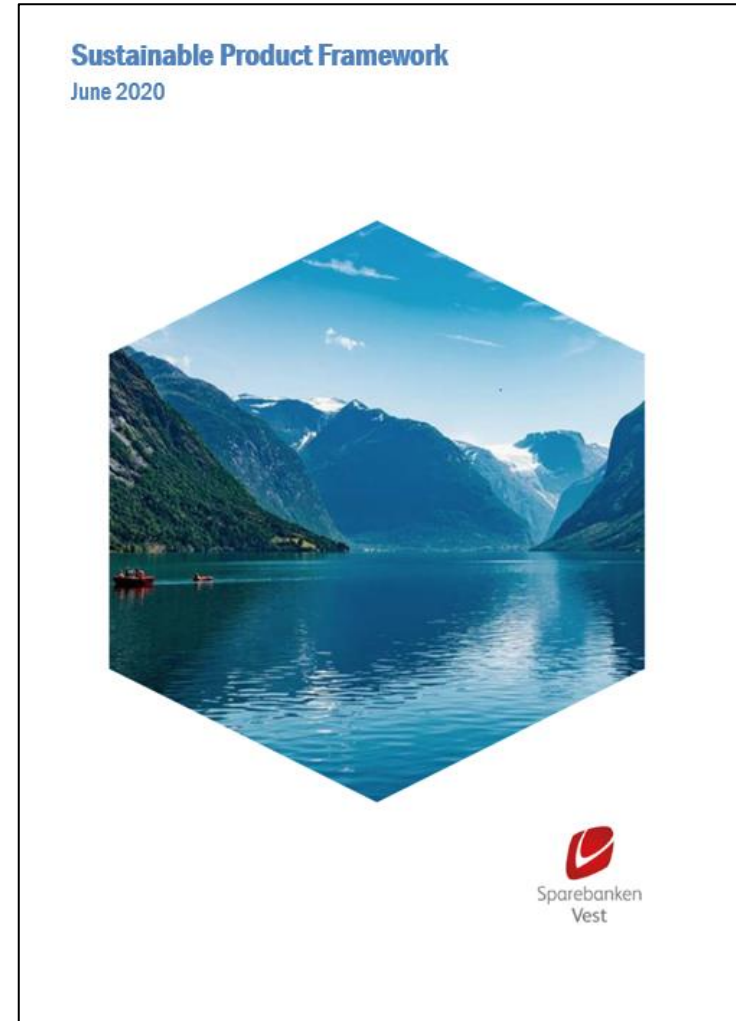
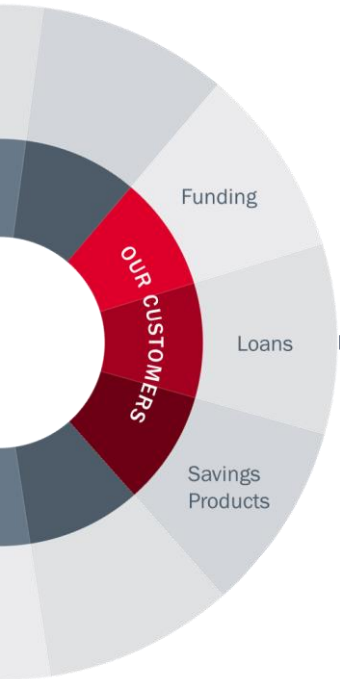
ESG Rating distribution

Universe: MSCI ACWI Index constituents, Banks, n=197

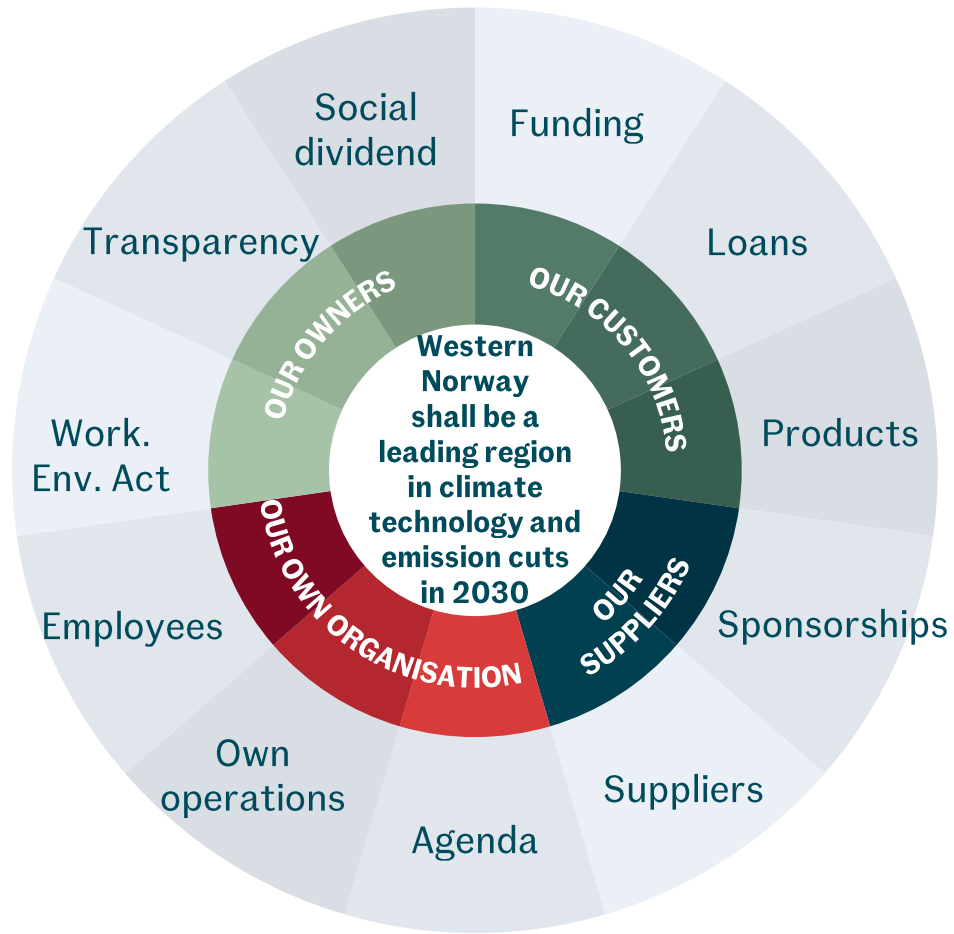


Sustainable Product Framework

- We have established a sustainable product framework for the industries
 - Property
 - Renewable energy
 - Transport/Shipping
 - Fisheries and aquaculture
- The framework is a tool for managing the portfolio in accordance with long-term industry targets and for the development of sustainable loans and products, based on:
 - Green bond principles
 - Sustainable loans based on customer's ESG rating or defined KPIs
 - Launched in June 2020



Sparebanken Vest will take leading role in the transition to a sustainable society



Our long-term target:

Net zero

by

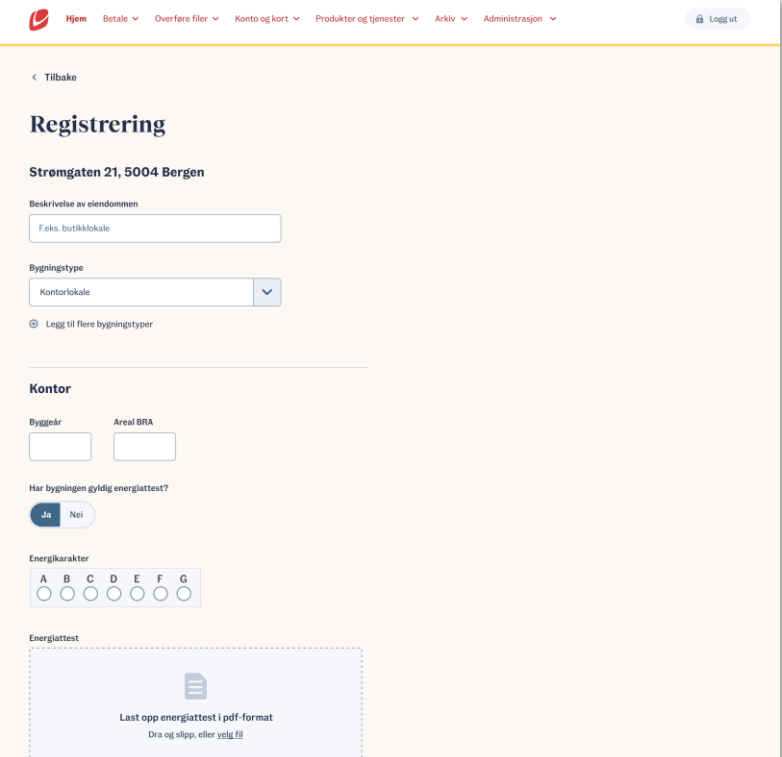
2040



This is how we work to achieve our goals

Systematic integration into existing structures

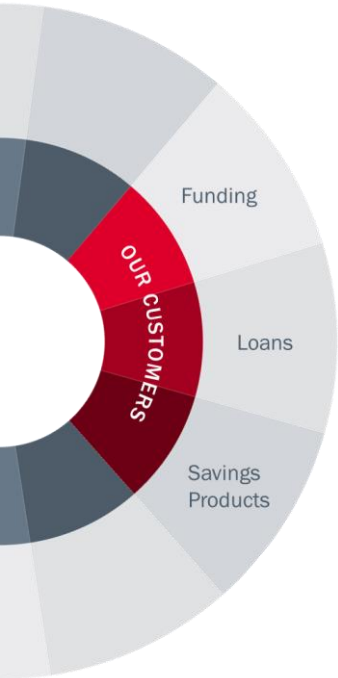
- ✓ Industry-specific policy and follow-up process (BSA)
- ✓ Differentiated requirements for loan-to-value ratio, maturity, price depending on ESG rating
- ✓ Requirements for action plans from customers who do not meet goals
- ✓ Concrete priorities for growth capacity
- ✓ Climate risk analyzes in line with the TCFD framework
- ✓ By structured data analyze, report, and contribute with customized follow-up and advice.
- ✓ Product development - in line with taxonomy



The screenshot shows a web application interface for property registration. The page title is "Registrering" and the address is "Strømgaten 21, 5004 Bergen". The form includes a dropdown menu for "Bygningstype" (Building type) with "Kontorlokale" (Office) selected. Below this, there are input fields for "Byggeår" (Year built) and "Areal BRA" (Area BRA). A section titled "Kontor" contains a question "Har bygningen gyldig energilattest?" (Does the building have a valid energy certificate?) with radio buttons for "Ja" (Yes) and "Nei" (No). Below this, there are radio buttons for "Energikarakter" (Energy rating) from A to G. At the bottom, there is a dashed box for "Energilattest" (Energy certificate) with a document icon and the text "Last opp energilattest i pdf-format" (Upload energy certificate in pdf format) and "Dra og slipp, eller velg fil" (Drag and drop, or select file).

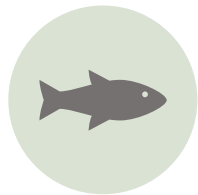


Industry-specific targets for our portfolio



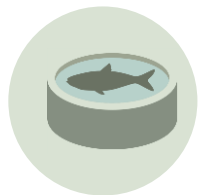
Commercial property

Proportion of loans for commercial property meeting the Taxonomy criteria shall be 30% by 2023.



Fisheries and fish processing

Proportion of loans for fisheries and fish processing defined as 'green maritime' shall be increased from about 14% to 50% by 31 Dec. 2025.



Aquaculture

50% of the loan portfolio to the aquaculture industry will be defined as green technology by 2026. This must be adjusted as soon as there is an EU taxonomy for aquaculture



Small-scale power

Portfolio in 100% taxonomy compliance. Double lending volume by 2025 from 2020



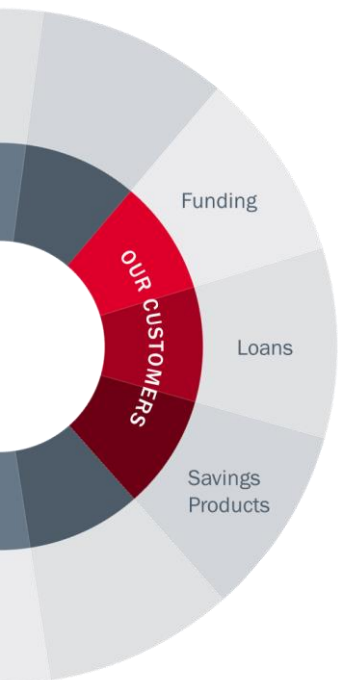
Shipping

The share of taxonomy eligible loans will be increased to a minimum of 10% by 2025 and 20% by 2030.

CO2 emissions measured as loan-weighted AER per ship in each Poseidon category shall be reduced by min. 15% by 2023 and 50% by 2030 (base year 2019). By 2023, min. 75% of lending to cargo ships shall be on average or better than their segment



Green products and sustainable customer advice in the retail market



Green housing loans

Proportion of new housing loan customers opting for green housing loans shall be increased by 30% during the period 1 Jan. 2020 to 31 Dec. 2021.



Green housing upgrades

We will encourage customers to make efforts to improve their own energy consumption by launching 'Green housing upgrades'.



Green funds

Number of green funds increased by 200% in 2020, and aim for at least half of our funds to be classified as green by 2023.



Green deposits

We have launched 'green deposits', which means that Sparebanken Vest guarantees that the deposit will be used for either 'green loans' or other projects categorised as green.



Sparebanken Vest Green Mortgage Loan*



 SparebankenVest

What is a green mortgage?

Green mortgage loans provides extra favourable loan interest if you have a property in energy class A.

What does it mean that the home has energy class A ?

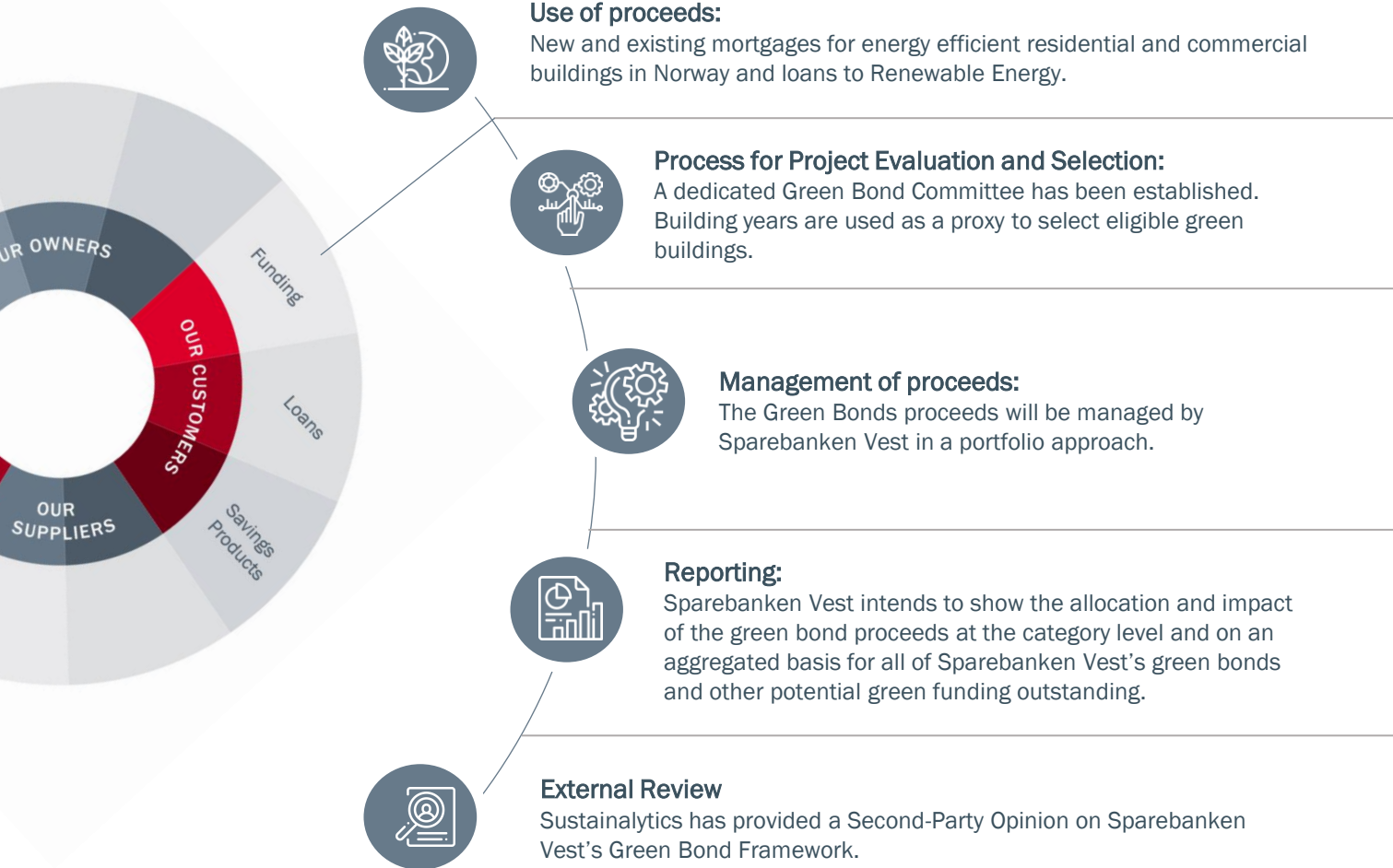
Energy class A means that the dwelling has a heat pump or solar energy. In addition, it has better insulation in windows and walls. A passive house is also within energy class A.

Calculate the price of a green mortgage

| What does the loan cost? | How much can I borrow? | Fixed rate |
|--|---|---|
| For 34 years? > | | |
| Borrow ? | <input type="range" value="2000000"/> | <input data-bbox="2007 668 2117 696" type="text" value="2 000 000"/> kr |
| Payback Period | <input type="range" value="25"/> | <input data-bbox="2058 761 2091 789" type="text" value="25"/> year |
| Deductible ? | <input type="range" value="0"/> | |
| | <input data-bbox="1485 846 1595 875" type="text" value="0"/> year | |
| The bank's interest rate | <input type="range" value="1.59"/> | |
| | <input data-bbox="1740 875 1816 903" type="text" value="1,59"/> % | |
| | | Effective interest rate 1,67 % |
| SEARCH MORTGAGE LOANS | | Cost per month 8 139 kr / month |
| <small>The conditions are not a binding offer from the bank, and depend on the amount of the loan, security etc.</small> | | |



Sparebanken Vest Green Bond Framework



Rationale

Impact

- ✓ Contribute to the UN Sustainable Development Goals and to the development of the Green Bonds Market.

Investors

- ✓ Offer sustainable investment opportunities.
- ✓ Allow current and new investors to support making a positive impact.

Issuer

- ✓ Alignment with Sparebanken Vest CSR Strategy.
- ✓ Access to a more diversified investor base.





Green Bond Framework - Structure Overview

Issuance of covered and senior in green format




Green Senior Bonds

| Green Buildings | Hydropower |
|---|--|
| <ul style="list-style-type: none"> Loans to finance or refinance new or existing energy efficient commercial and residential buildings in Norway.  <p>New Buildings belonging to the top 15% most energy-efficient buildings of the local building stock and refurbished buildings which achieved energy savings of at least 30% in comparison to the baseline performance of the building before the renovation.</p> <p>EU Environmental Objective: Substantial contribution to Climate Change Mitigation (1.b).</p> | <ul style="list-style-type: none"> Hydro power in Norway, limited direct emissions of less than 100g CO₂e / KWh.  <p>- Run-of-river, small scale hydro power plants (maximum generation capacity < 20MW). - Refurbishment or refinancing of existing medium or large hydropower plants.</p> <p>EU Environmental Objective: Substantial contribution to Climate Change Mitigation (1.a).</p> |



Green Covered Bonds

| Green Buildings |
|--|
| <ul style="list-style-type: none"> Loans to finance or refinance new or existing energy efficient residential buildings in Norway.  <p>New Residential Buildings belonging to the top 15% most energy-efficient buildings of the local building stock and refurbished buildings which achieved energy savings of at least 30% in comparison to the baseline performance of the building before the renovation.</p> <p>EU Environmental Objective: Substantial contribution to Climate Change Mitigation (1.b).</p> |



Overview of the portfolio



27.0 billion NOK Residential buildings



3.7 billion NOK Commercial buildings



2.5 billion NOK Hydropower

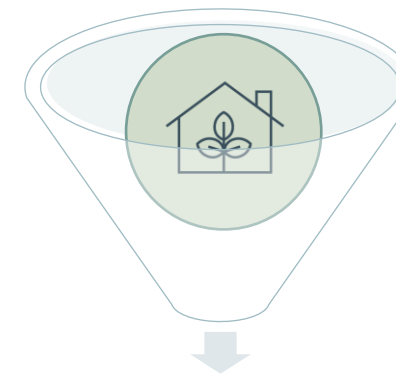
33.2 billion NOK
Already qualified (30.08.2021)



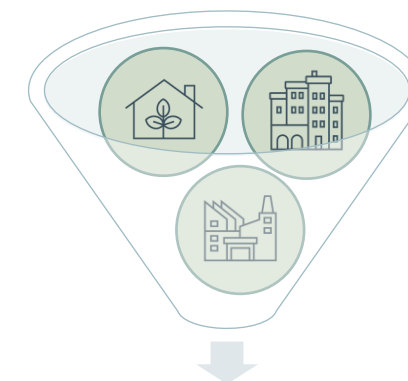
Green Mortgages



Industry specific requirements
and credit policy



Green covered bonds



Green senior bonds



Use of Proceeds - Green Buildings

Eligible criteria

Residential buildings

1. New or existing residential buildings in Norway that comply with the following Norwegian codes (built from 2012)
 - Apartments and other residential dwellings : TEK10 or TEK17
2. Existing Norwegian residential buildings built using older building codes than TEK10 (built before 2012) for apartments and other residential dwellings with EPC labels reflecting the top 15% . (At the time of writing Norwegian buildings with EPC labels of A and B are in scope.)
 - Previously eligible TEK07 small residential buildings and EPC C labels built before 2012 have thus been grandfathered as of 30/06/2021 and 31/12/2020 respectively.

3. Refurbished Residential buildings in Norway with an improved energy efficiency of 30%.

Commercial buildings

1. New or existing commercial buildings belonging to top 15% low carbon buildings in Norway.
2. New, existing or refurbished commercial buildings which received at least one or more of the following classifications:
 - LEED “Gold”, BREEAM or BREEAM-NOR “Excellent”, or equivalent or higher level of certification
 - Nordic Swan Ecolabel.
3. Refurbished Commercial buildings in Norway with an improved energy efficiency of 30%.



Impact Report (30.09.2020)*

| | Area | Avoided energy compared to baseline | Avoided CO ₂ emissions compared to baseline |
|-----------------------|-----------------------------------|-------------------------------------|---|
| Residential Buildings | 1.41 million m ² | 187.9 GWh/ year | EU28 + Norway 23 307 tons CO ₂ / year |
| Commercial Buildings | 0.31 million m ² | 33.2 GWh/ year | EU28 + Norway 4 115 tons CO ₂ / year |
| Total | 1,72 million m² | 223 GWh/ year | EU28 + Norway 27 422 tons CO₂/ year |



27 422 tons CO₂ emissions avoided



Use of Proceeds – Hydropower

Eligible criteria

Hydropower

Hydro power in Norway, limited direct emissions of less than 100g CO₂e / KWh:

- Run-of-river, small scale hydro power plants (maximum generation capacity < 20MW).
- Refurbishment or refinancing of existing medium or large hydropower plants.



Impact Report (30.09.2020)*

| | Produced power compared to baseline | Avoided CO ₂ emissions compared to baseline |
|---|-------------------------------------|--|
| Eligible hydropower plants in portfolio | 974 GWh/year | 126 581 tons CO ₂ /year |



974 GWh produced per year

126 581 tons CO₂ emissions avoided per year



Process for Project Evaluation and Selection



Green bond committee

- A dedicated Green Bond Committee has been established to create this Green Bond Framework.
- The committee consists of the Head of Sustainability and senior officials within Sparebanken Vest's credit, funding, risk management and corporate and retail lending teams.
- The committee will manage any future updates to the Framework, including expansions to the list of Eligible Categories, and oversee its implementation.
- For newly originated loans, the Green bond Committee will oversee the process for the evaluation and selection of Eligible Green Loans according to the methodology defined.

Screening

- All customers must comply with the laws and agreements that apply in Norway and the countries where the customers are present.
- Sparebanken Vest shall not grant financing to customers/businesses that:
 - I. Sparebanken Vest has reason to believe do not comply with the bank's Code of Ethics or with the generally accepted view of what constitutes ethical conduct.
 - II. have acted dishonestly in relation to the bank or are known to have acted dishonestly in relation to other parties, or if the company or its owners are known to have been involved in criminal activity.
 - III. operate in conflict with laws, regulations and official environmental requirements.
 - IV. are included on Norges Bank's list of excluded companies.

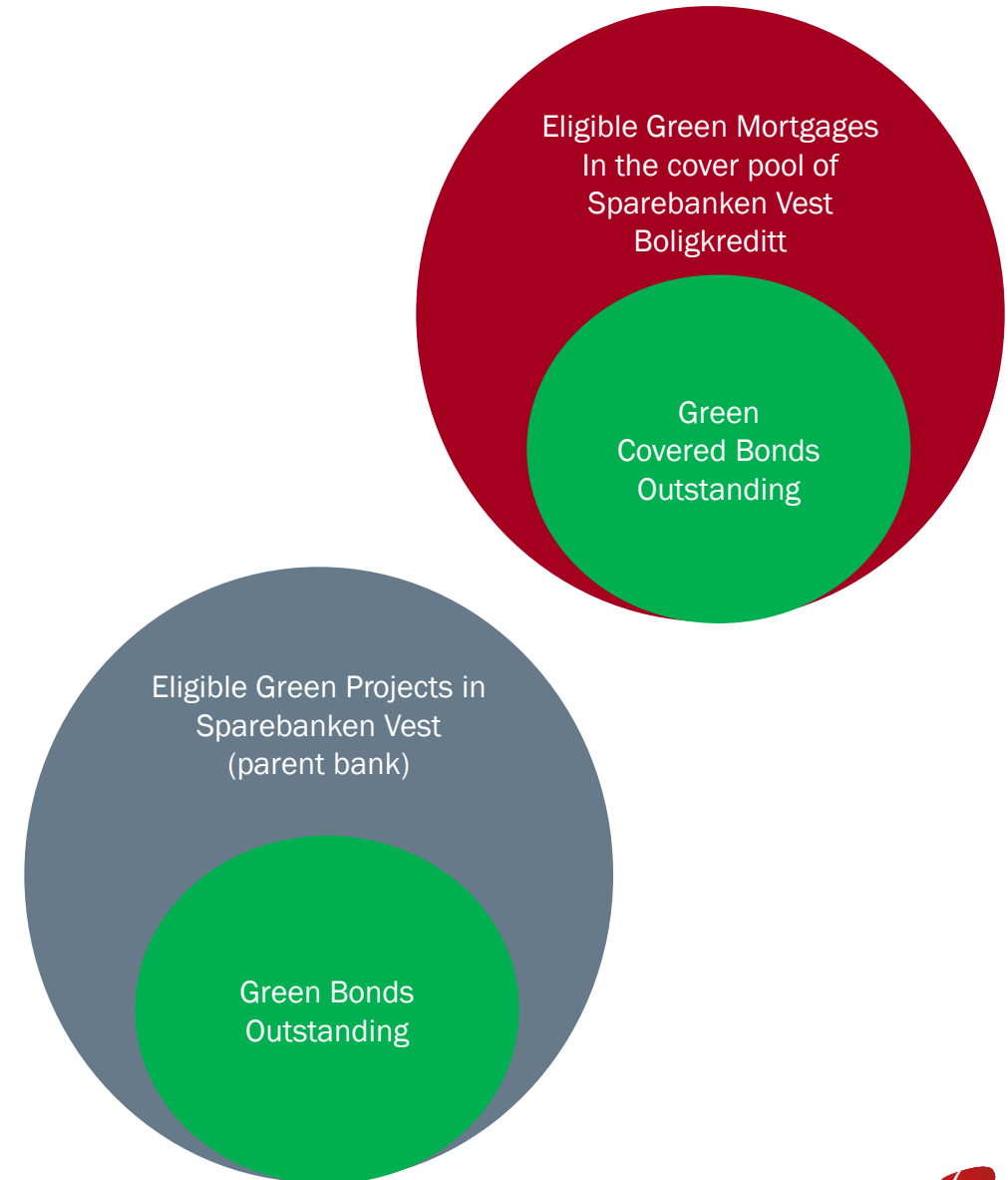
Eligibility

- Projects financed and/or refinanced through the Green Bond proceeds are evaluated and selected based on compliance with the Eligibility Criteria.
- For the category Green Buildings, Sparebanken Vest has relied on the support of an external real estate consultant Multiconsult to:
 - I. define the associated eligibility criteria for the top 15% of low carbon buildings.
 - II. identify the buildings that comply with these criteria within Sparebanken Vest's existing portfolio of real estate.
- For the category Renewable Energy, Sparebanken Vest only finances 100% hydropower, with a limited direct emissions of less than 100g CO₂e / KWh.



Management of Proceeds

- ✓ The Green Bonds proceeds will be managed by Sparebanken Vest and Sparebanken Vest Boligkreditt in a portfolio approach.
- ✓ Sparebanken Vest will ensure that the level of allocation for the Eligible Green Loan Portfolio matches or exceeds the balance of net proceeds from its outstanding Green Bonds.
- ✓ For Green Covered Bonds, Sparebanken Vest Boligkreditt will ensure that there are enough Eligible Green Mortgages within the cover pool relative to green covered bonds outstanding.
- ✓ The Green Bond Committee will ensure ongoing compliance with the eligibility criteria.



Reporting

- ✓ Sparebanken Vest intends to make and keep readily available green bond reporting after a year from issuance, to be renewed annually until all bonds are paid in full.
- ✓ The bank intends to show the allocation and impact of the green bond proceeds to the Eligible Green Loan Portfolio at least at the category level and on an aggregated basis.
- ✓ Sparebanken Vest has appointed green real estate and renewable energy consultant Multiconsult to develop the methodology for the estimation and calculation of the impacts. The impact report will be provided on a portfolio basis.
- ✓ Both allocation report and impact report will be made available via Sparebanken Vest's website. Allocation reports will be updated after issuance and maturity of green bonds under the framework. Impact reports will be published annually.

Allocation Reporting

- ✓ The total amount of proceeds allocated to eligible loans
- ✓ The number of eligible loans
- ✓ The balance of unallocated proceeds
- ✓ The amount or the percentage of new financing and refinancing
- ✓ The geographical distribution of the assets (at country level)

Impact Reporting

Green Buildings



- Estimated ex-ante annual energy consumption in kWh/m² or energy savings in MWh
- Estimated annual reduced and/or avoided in tons of CO₂ equivalent

Hydropower



- Total installed capacity in MWh
- Estimated annual avoided emissions in tons of CO₂ equivalent



EU Taxonomy: TSC, DNSH & MS – high level assessment

| Eligible green asset category | Hydro Power | Residential Buildings | | | Commercial Buildings |
|---|--|--|--------------|-------------|---|
| Geography | Norway | | | | |
| Eligibility criteria | Electricity generation from hydro power | Acquisition & ownership of buildings: • Top 15% - (via Building code / EPC) | | | Acquisition & ownership of buildings: • Top 15% - (via Building code / EPC) • LEED/BREEAM certificate |
| Alignment with the Technical Screening criteria of the EU Taxonomy Climate Delegated Act (April 2021) | <ul style="list-style-type: none"> (only facilities with <100gCO₂e/KWh life cycle emissions) ➤ TSC alignment = 100% | | Boligkreditt | Parent bank | <ul style="list-style-type: none"> Pre 2021: 98.3% ≥ 2021¹: 1.7% LEED “Gold”, BREEAM or BREEAM-NOR “Excellent” = 64 NOKm ➤ TSC alignment = 98.3% |
| | | Pre 2021 | 98.1% | 92.6% | |
| | | ≥ 2021 ¹ | 1.9% | 7.4% | |
| | | TSC alignment | 98.1% | 92.6% | |
| Do No Significant Harm & Social Safeguards | Sparebanken Vest ensures that all eligible loans comply with official national and international environmental and social standards and local laws and regulations on a best effort basis. It is part of Sparebanken Vest’s loan approval process to ensure that all its loans comply with internal environmental and social directives, including those financed with the proceeds of the Green Bonds. These eligibility criteria and minimum requirements and ESG related matters are continuously developed and renewed in our external and internal policy frameworks. Sparebanken Vest’s environmental and social policies can be found on: https://www.spv.no/english/about-sparebanken-vest/csr/sustainability-library | | | | |

➤ High-level (non-accredited) EU Taxonomy alignment assessment: 97.4% aligned (NOK 32.3bn aligned out of NOK 33.2bn total portfolio)

¹ In accordance with the EU Delegated Act, buildings built from the 1st January 2021 should meet the ‘NZEB – 10%’ criterion, meaning that the net primary energy demand of the buildings must be at least 10% lower than the primary energy demand resulting from the relevant NZEB requirements. In Norway, a definition for what constitutes a ‘NZEB’ has not yet been implemented.



External Review - SPO

Second-Party Opinion
Sparebanken Vest Green Bond

Evaluation Summary


Sustainalytics is of the opinion that the Sparebanken Vest Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2016. This assessment is based on the following:


USE OF PROCEEDS The eligible category for the use of proceeds – green buildings and renewable energy – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that offering mortgages for energy efficiency residential buildings, as well as lending to green buildings and small hydro projects, will lead to positive environmental impacts and advance the UN Sustainable Development Goals, in particular Goals 7, 9, and 11.

PROJECT EVALUATION / SELECTION Sparebanken Vest has established a green bond committee, led by the Head of Sustainability and consisting of representatives from relevant departments, to select eligible loans for inclusion in its green portfolio. This is in line with market practice.

MANAGEMENT OF PROCEEDS Sparebanken Vest will manage the proceeds of its green bond using a portfolio approach, with distinct portfolios for covered and senior bonds, and ensure over time that the value of its portfolio matches the outstanding balance of green bonds. Unallocated proceeds may be held in the Bank's treasury liquidity portfolio. This is in line with market practice.

REPORTING Sparebanken Vest will report annually on allocation and impact, on a portfolio basis. Allocation reporting will include information on the total amount allocated and the number of loans financed, while impact reporting will include relevant quantitative metrics, calculated using a methodology developed by a specialist third-party consultant. This is in line with market practice.





SECOND-PARTY
OPINION

| | |
|-----------------|----------------|
| Evaluation date | June 26, 2019 |
| Issuer Location | Bergen, Norway |

| Report Sections | |
|-------------------------|---|
| Introduction | 2 |
| Sustainalytics' Opinion | 3 |
| Appendices | 8 |

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Use of proceeds:

- Sustainalytics considers that offering mortgages for energy efficiency residential buildings, as well as lending to green buildings and hydroelectric projects, will lead to positive environmental impacts and advance the UN Sustainable Development Goals, in particular Goals 7, 9, and 11.



Project Evaluation / Selection

- Sparebanken Vest has established a green bond committee, led by the Head of Sustainability and consisting of representatives from relevant departments, to select eligible loans for inclusion in its green portfolio. This is in line with market practice.



Management of Proceeds:

- Sparebanken Vest will manage the proceeds of its green bond using a portfolio approach, with distinct portfolios for covered and senior bonds, and ensure over time that the value of its portfolio matches the outstanding balance of green bonds. Unallocated proceeds may be held in the Bank's treasury liquidity portfolio. This is in line with market practice.



Reporting:

- Sparebanken Vest will report annually on allocation and impact, on a portfolio basis. Allocation reporting will include information on the total amount allocated and the number of loans financed, while impact reporting will include relevant quantitative metrics, calculated using a methodology developed by a specialist third-party consultant. This is in line with market practice.





Sparebanken Vest Boligkreditt AS



Brief information about Sparebanken Vest Boligkreditt

- Wholly owned subsidiary of Sparebanken Vest - and a dedicated covered bond company
- Revolving credit facility provided by Sparebanken Vest to cover payment obligations in covered bonds for a rolling 12 month period less amounts already disbursed under the facility
- Loans transferred to Boligkreditt as true sale on a non-recourse basis
- Cover pool 100 % prime Norwegian residential mortgages
- Covered bonds rated Aaa by Moody's – three notches “leeway”
- Approval from the Norwegian FSA to report capital according to AIRB methods



Eligibility criteria for the cover pool

| | |
|--------------------|---|
| Customer criteria | <ul style="list-style-type: none">▪ Employed retail clients and independent self employed individuals▪ Resident in Norway▪ No negative credit history |
| Credit criteria | <ul style="list-style-type: none">▪ Probability of default max 1.25%▪ Not in arrears▪ Not delinquent – 31 days or loss write-down |
| Collateral | <ul style="list-style-type: none">▪ Max LTV 75%▪ Recent valuations (less than 3 months)▪ Quarterly valuation from independent AVM provider |
| Type of properties | <ul style="list-style-type: none">▪ Primary residences▪ Cooperative housing loans▪ No holiday homes |
| Type of products | <ul style="list-style-type: none">▪ Principal repayment loans▪ Revolving credits (flexi-loans)▪ Fixed and variable rate loans |



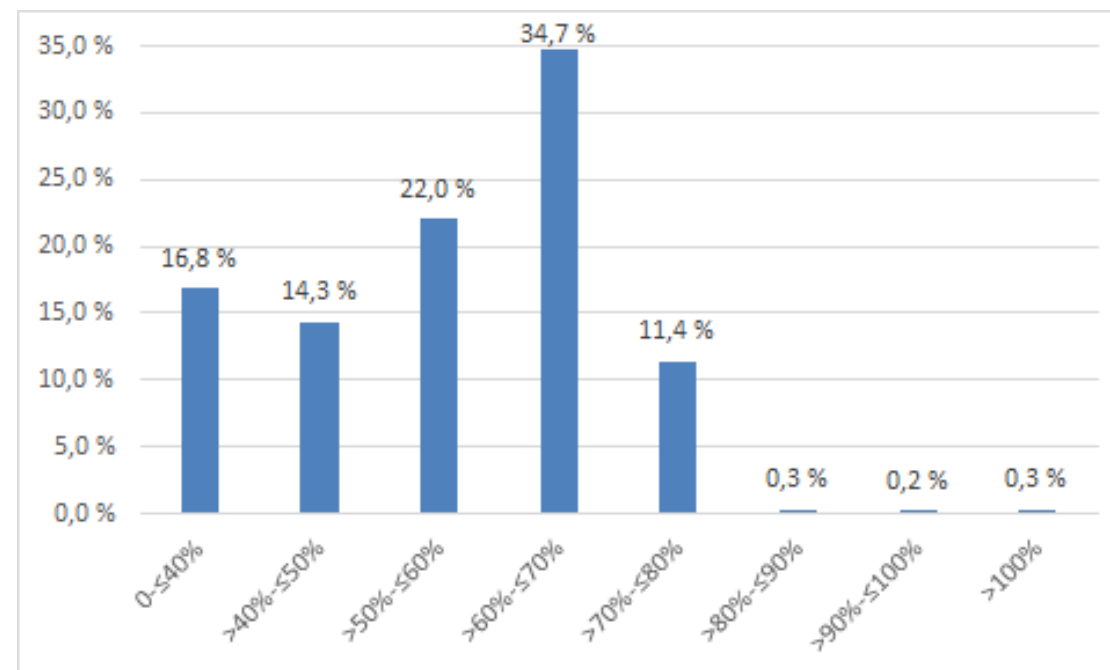
Cover Pool

Cover pool as of 30.06.2021

| | |
|-----------------------------------|---------------|
| Total cover pool | NOK 112.8 bn |
| Total loan balance (mortgages) | NOK 109.6 bn |
| Average loan balance | NOK 1,576,686 |
| No. of loans | 69,518 |
| No of borrowers | 58,565 |
| WA seasoning (in months) | 40 |
| WA remaining terms (in months) | 285 |
| WA indexed LTV (based on limits) | 52.56% |
| WA indexed LTV (on drawn amounts) | 51,81% |
| Variable rates | 79.84% |
| Default (Basel) | NOK 78 m |
| OC level (eligible) | 22.7% |
| OC level if house prices drop 20% | 19.5% |
| OC level if house prices drop 30% | 12.4% |

- 100% prime Norwegian residential mortgages
- 2.6% substitute assets in the cover pool
- 99.9% performing loans

Distribution according to LTV (indexed)

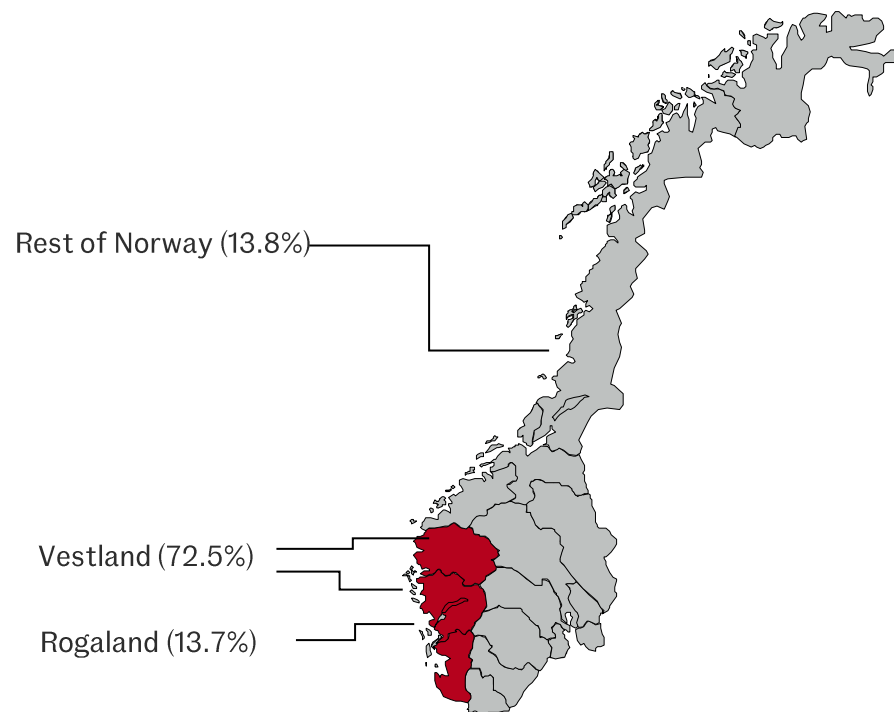


- Moody's TPI of "High"
- Covered Bonds rated Aaa with "leeway" of three notches
- Regulatory minimum OC-requirement: 2.0%
- Cover Pool Collateral Score: 5.0%



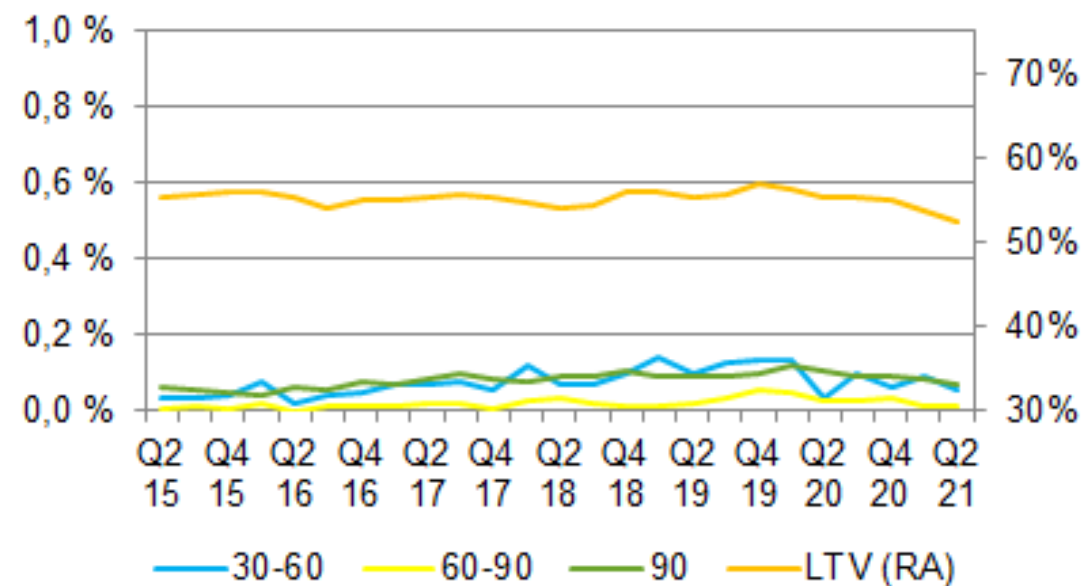
Cover Pool

Geographic Distribution



- Properties mainly located in the market area of Sparebanken Vest in Western Norway
- Western Norway has a very diversified industrial structure

Development in Arrears and Indexed LTV



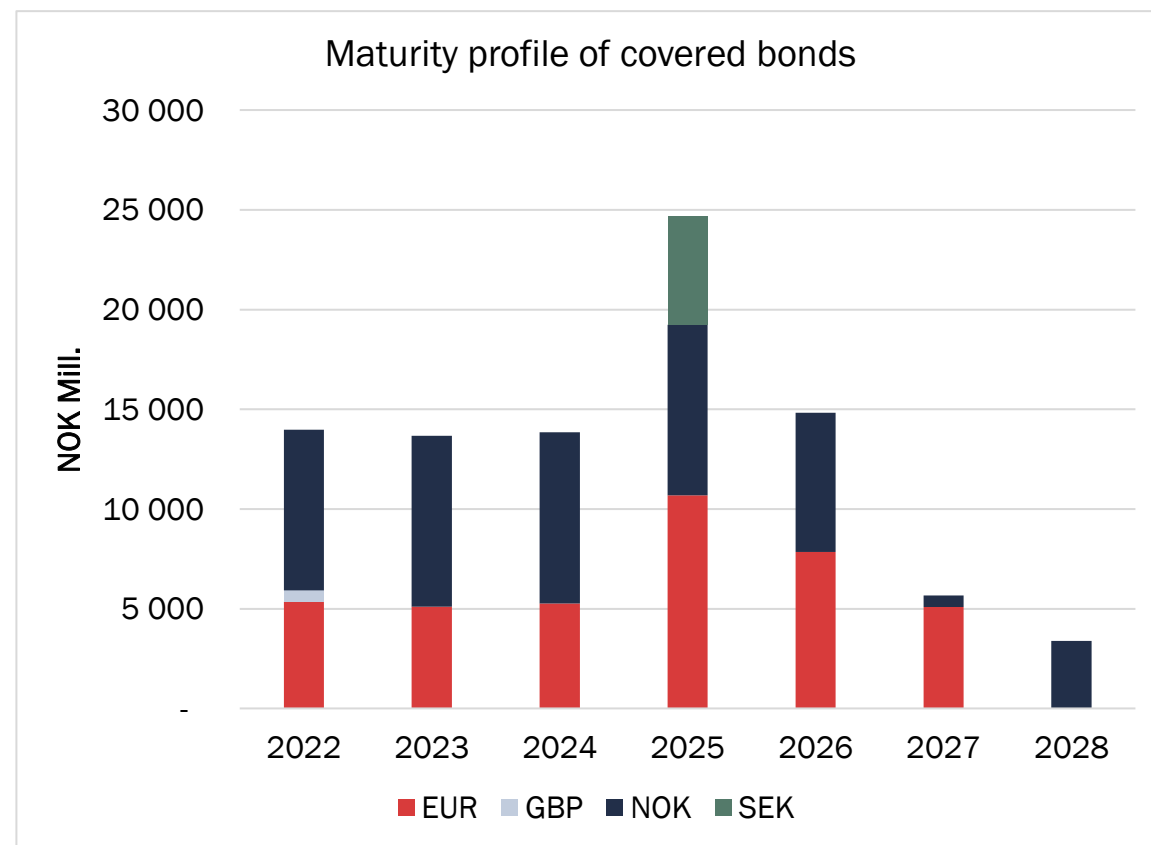
- Low arrears
- LTVs calculated based on limit of flexible credit mortgages (i.e. undrawn portion included)



Maturity profile – covered bonds as of 30th September 2021

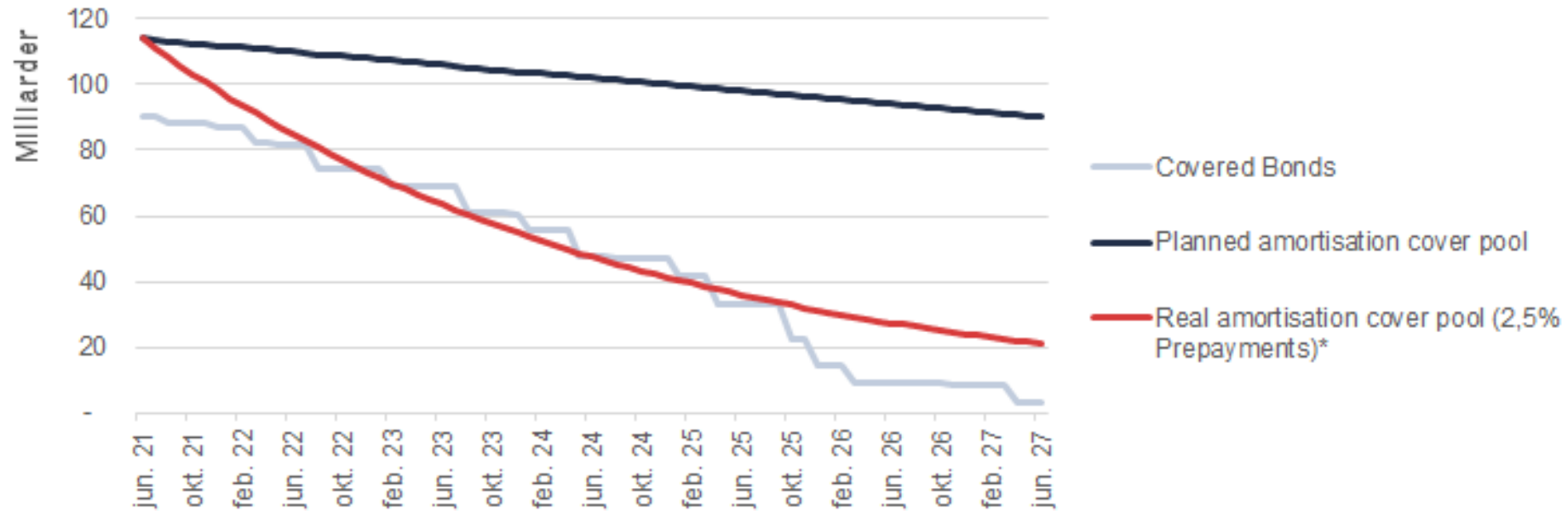
| Outstanding benchmark transactions | | | | |
|------------------------------------|------------|----------|--------------|---------------|
| ISIN | Issue date | Currency | Volume (mio) | Maturity date |
| XS1225004115 | 29.04.2015 | EUR | 500 | 29.04.2022 |
| XS1565074744 | 14.02.2017 | EUR | 500 | 14.02.2024 |
| XS1781811143 | 27.02.2018 | EUR | 500 | 27.02.2025 |
| XS1854532865 | 10.07.2018 | EUR | 500 | 15.03.2023 |
| XS1951084638 | 13.02.2019 | EUR | 750 | 12.02.2026 |
| XS2199484929* | 08.07.2020 | EUR | 500 | 28.06.2027 |
| XS2237321190 | 24.09.2020 | EUR | 500 | 24.11.2025 |
| NO0010833387 | 13.01.2017 | NOK | 3 250 | 28.09.2028 |
| NO0010798044 | 22.06.2017 | NOK | 7 500 | 22.09.2022 |
| NO0010805179 | 11.09.2017 | NOK | 8 500 | 11.09.2023 |
| NO0010835390 | 01.11.2018 | NOK | 8 000 | 19.06.2024 |
| NO0010985674 | 16.01.2020 | NOK | 6 800 | 04.05.2026 |
| NO0010873805 | 27.01.2020 | NOK | 8 500 | 17.06.2025 |
| XS2270414712* | 08.12.2020 | SEK | 5 300 | 08.12.2025 |

*Green covered bond



Maturity profile

- Amortisation of mortgages vs. covered bond maturities



- The maturity profile of Covered Bonds matches real amortisation in mortgage portfolio in the cover pool



Risk management

- low risk level

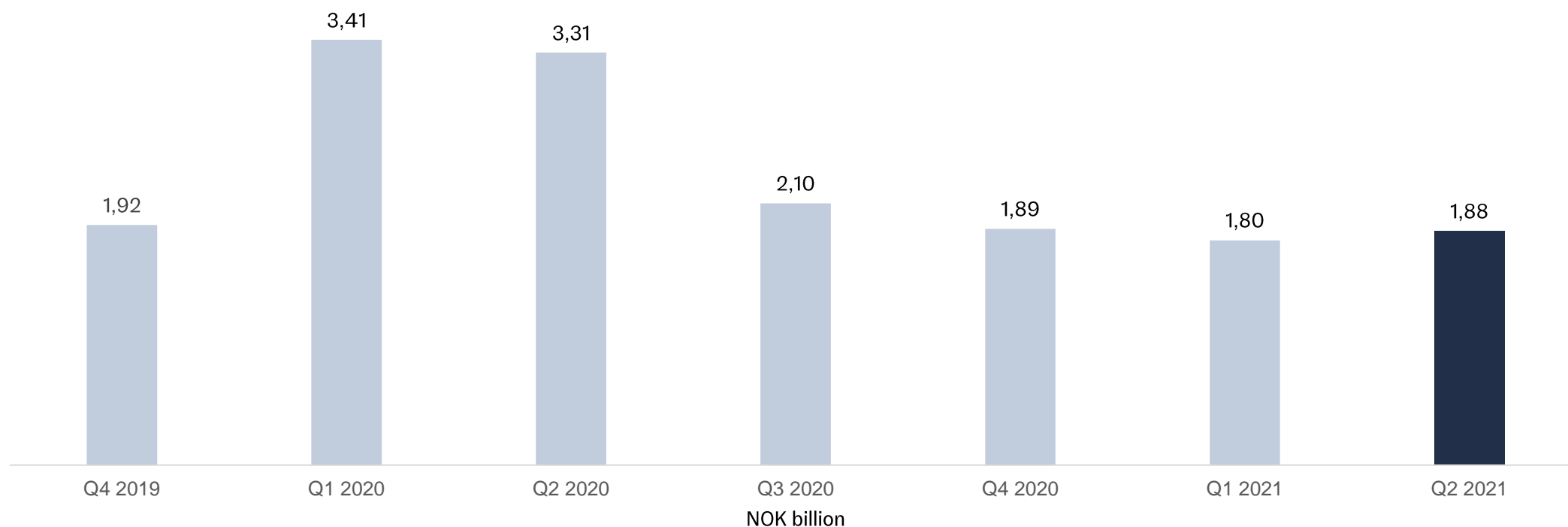
| | |
|-----------------------|--|
| Credit risk | <ul style="list-style-type: none">▪ Credit risk framework is set out in separate document stating which loans can be bought▪ Board resolution required for any change in credit risk framework▪ Framework requirements: maximum risk level (PD), type of property, objective documented LTV threshold and customer requirements▪ Credit risk managed by IRB standards |
| Market risk | <ul style="list-style-type: none">▪ Currency risk – 100 % hedged by swaps, open limit of MNOK 25▪ Interest rate risk – hedged by swaps if any, limit of MNOK 55 (based on 1 % parallel shift in yield curves)▪ No investments/placements in “risky” assets; Norwegian government or high quality fixed income securities (so far only rated Norwegian covered bonds investments) |
| Liquidity risk | <ul style="list-style-type: none">▪ The law requires positive cash flow from the cover pool to cover bond holders▪ Soft bullet structure on all covered bonds issued▪ Note Purchase Agreement with parent securing that Boligkreditt will be able to meet the next 12 months of maturities at all times |



Appendix



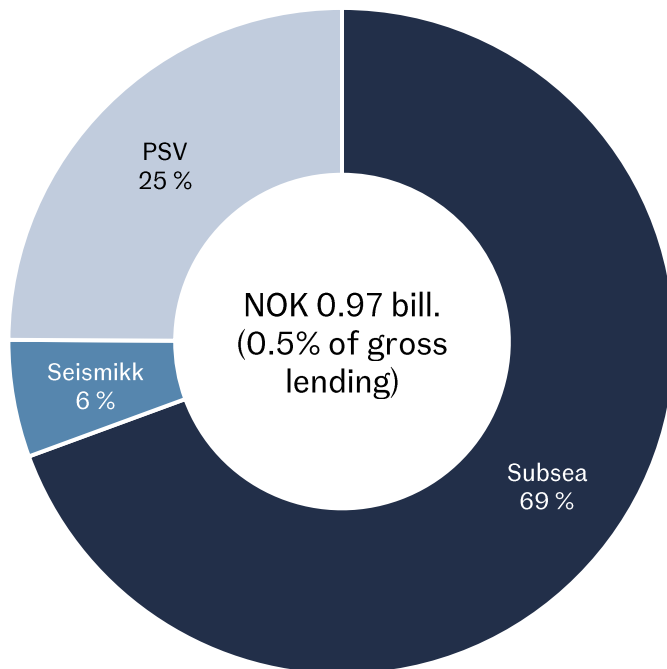
Instalment relief in the CM portfolio back at pre-COVID-19 levels



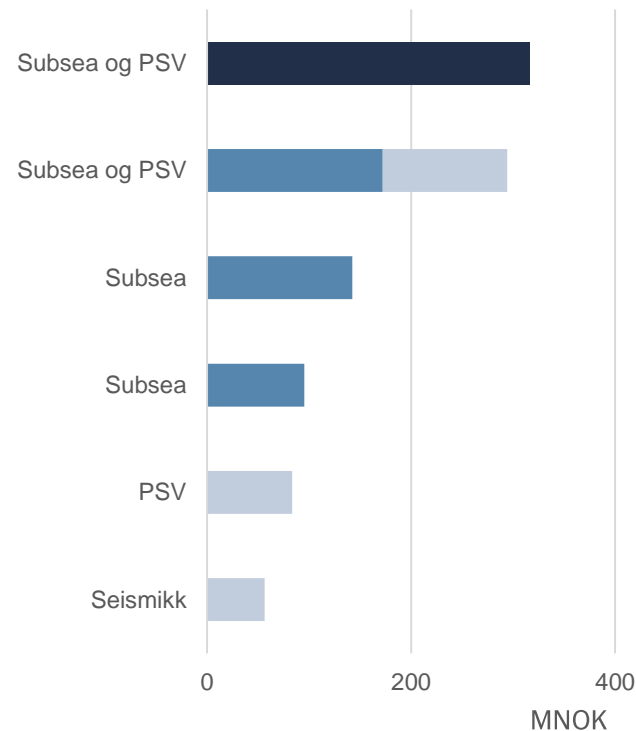
Limited offshore exposure, conservative provision percentage of 23%

Exposure reduced by NOK 0.3 bill. over the past 12 months; more customers now paying instalments

Low offshore proportion



Six customers in the offshore sector



- Reduced exposure in the quarter of NOK 20 million as a result of instalments being paid on current loans
- Greater capacity to pay instalments due to new contracts/higher level of activity among our subsea and offshore wind customers
- No ships cold stacked
- The bank has not cancelled or converted debt into equity



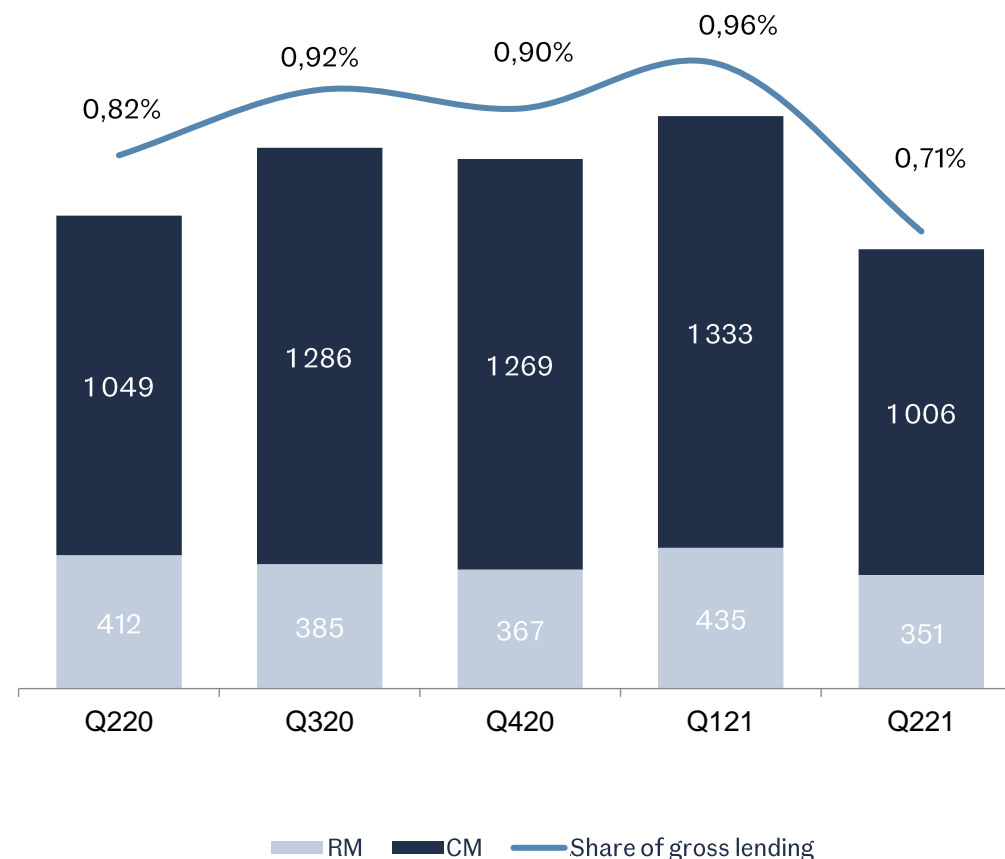
Considerable reduction in defaults and other potential bad debt

Retail market

- Overall, the quality of the housing loan portfolio is considered good.
- Decrease in defaults and potential bad debt in the quarter primarily due to redemption of commitments in default and positive development in defaults in recent quarters
- Percentage provided for¹ for defaults and potential bad debt comes to 33%

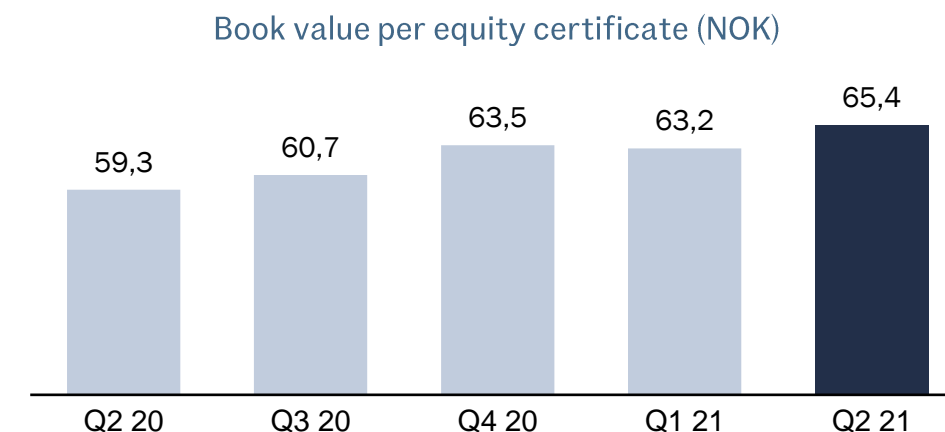
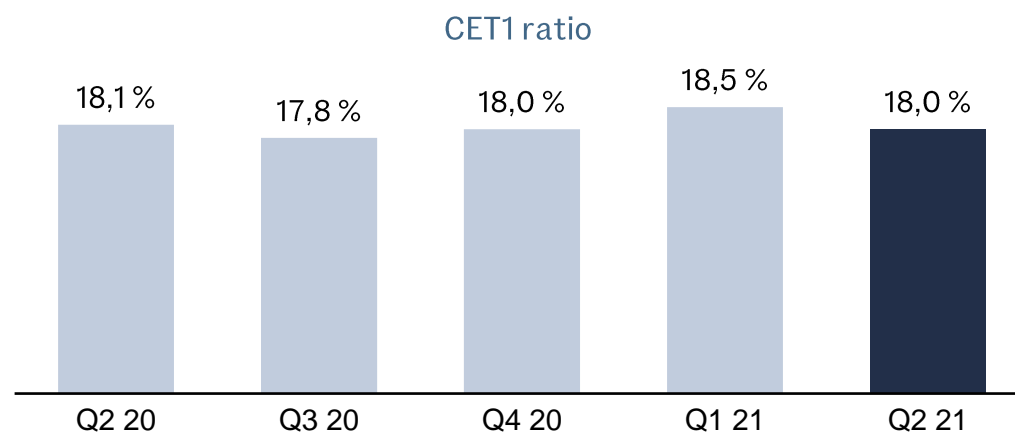
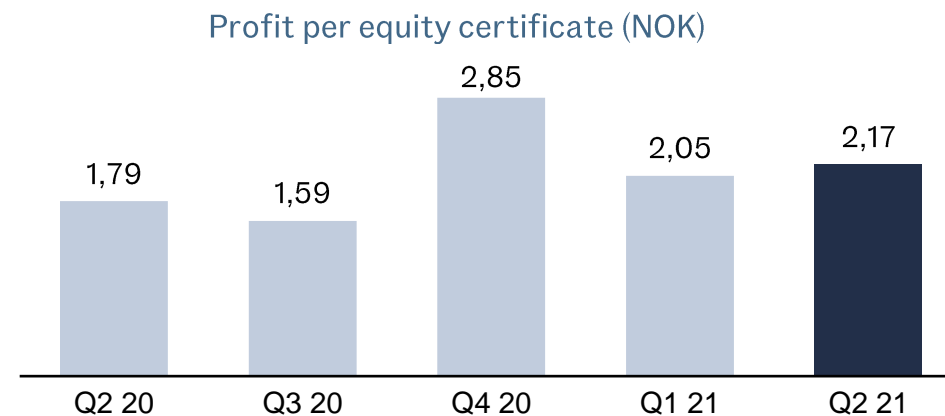
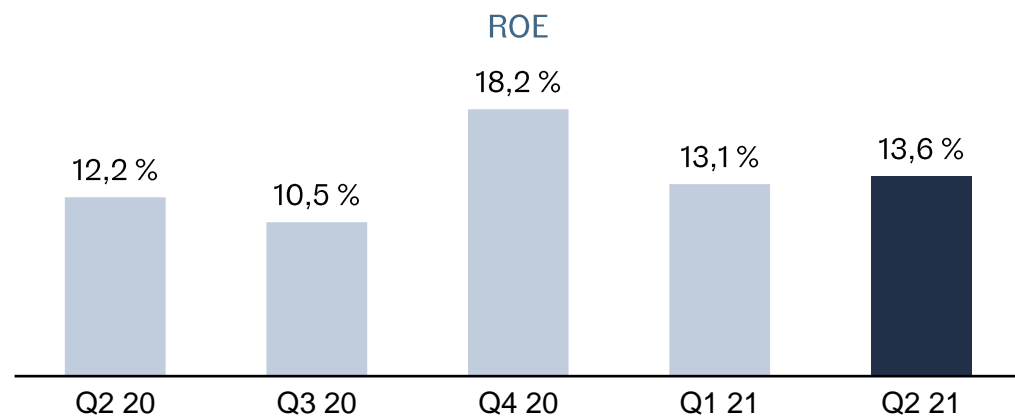
Corporate market

- Decrease in defaults and potential bad debt in the quarter primarily due to redemptions and ongoing payment of instalments
- A substantial increase in overdue payments and defaults has still not been observed. Developments monitored closely, focusing on affected industries.
- Percentage provided for¹ for defaults and potential bad debt comes to 87%



Excellent ROE and high capital adequacy ratio

13.6% in Q2 (14.0% with full distribution in March/April)



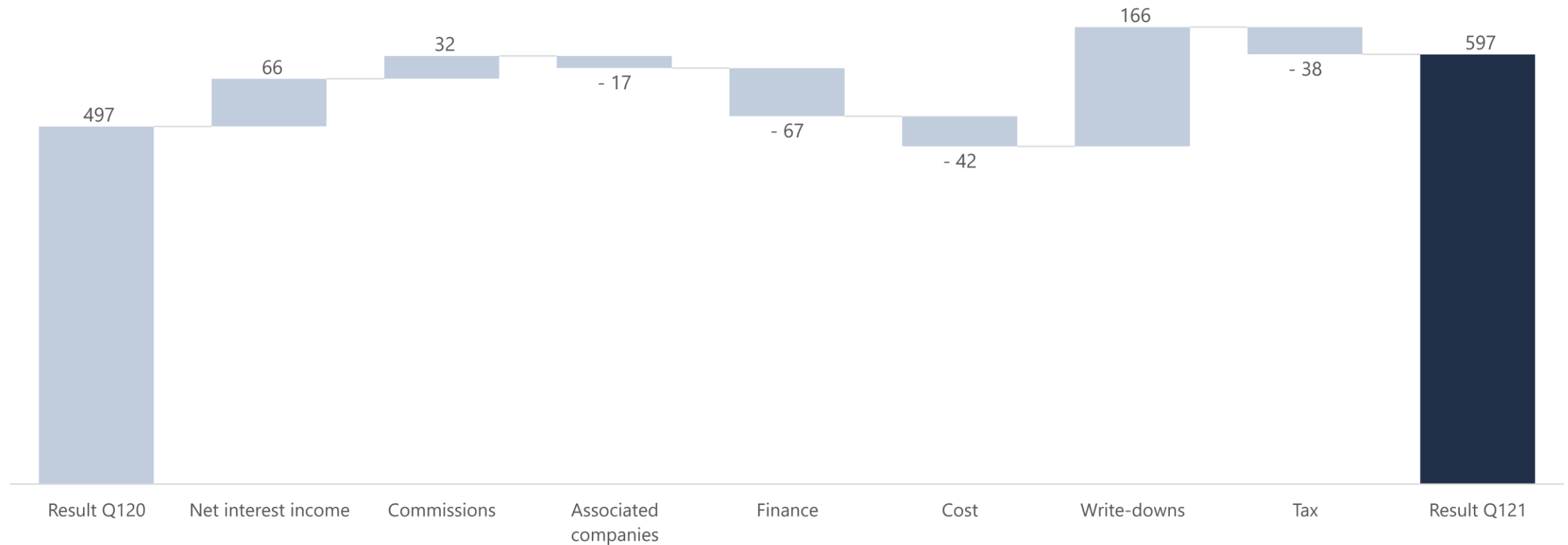
The book value of equity certificates in Q1 2021 is NOK 2.20 after payment of dividend for 2020

ROE upon payment of full disposable amount for 2020 in March/April: 14.0% for the quarter and 13.6% for the half-year



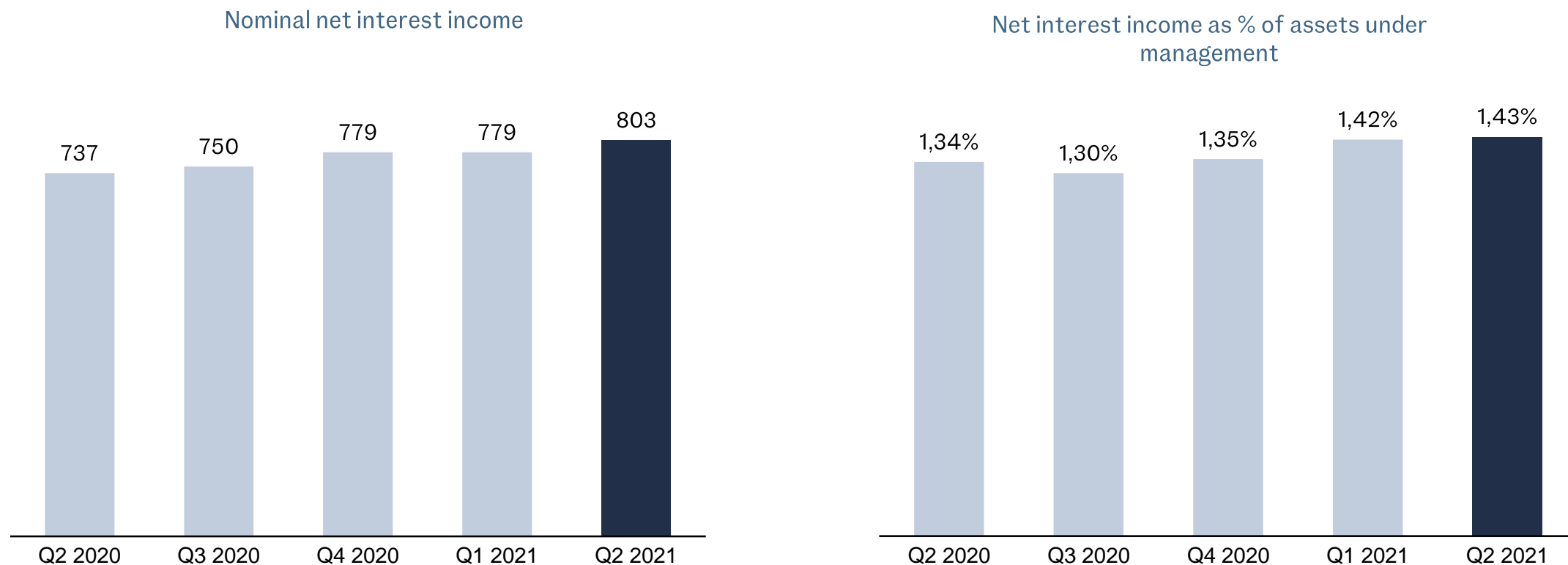
Stronger NII and commission income, and lower losses

Associated companies with extraordinary Q2 2020, also delivered good profits in Q2 2021



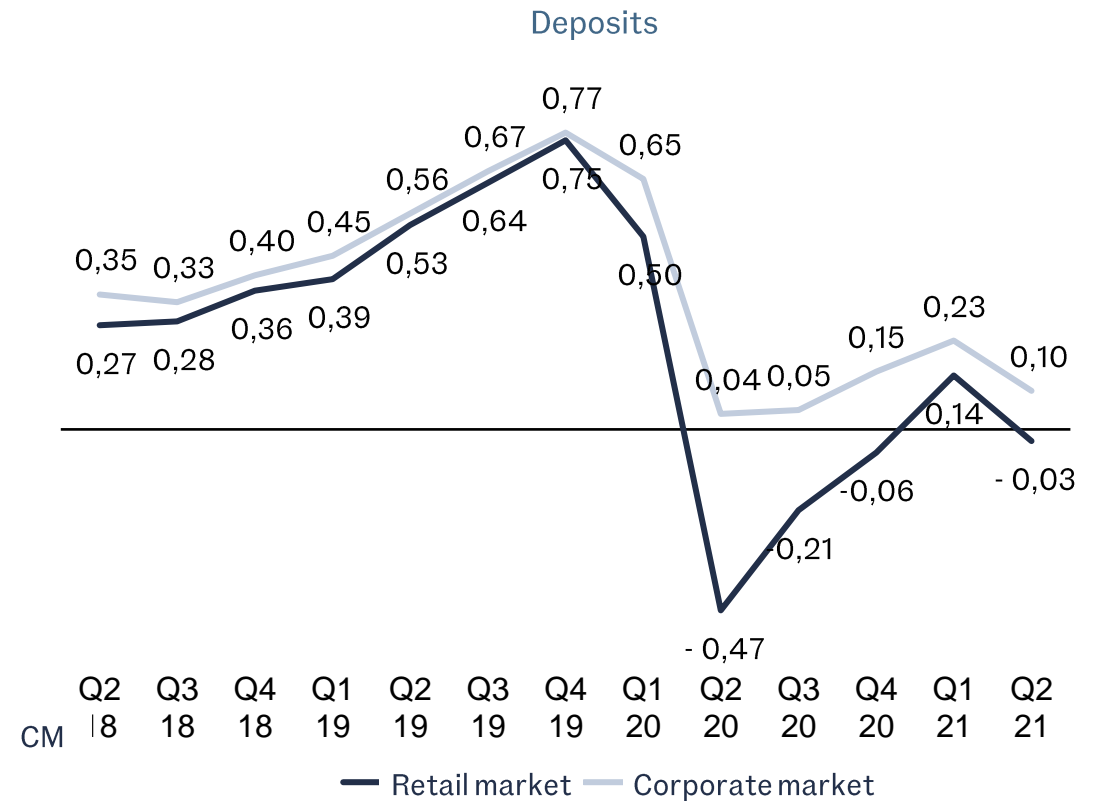
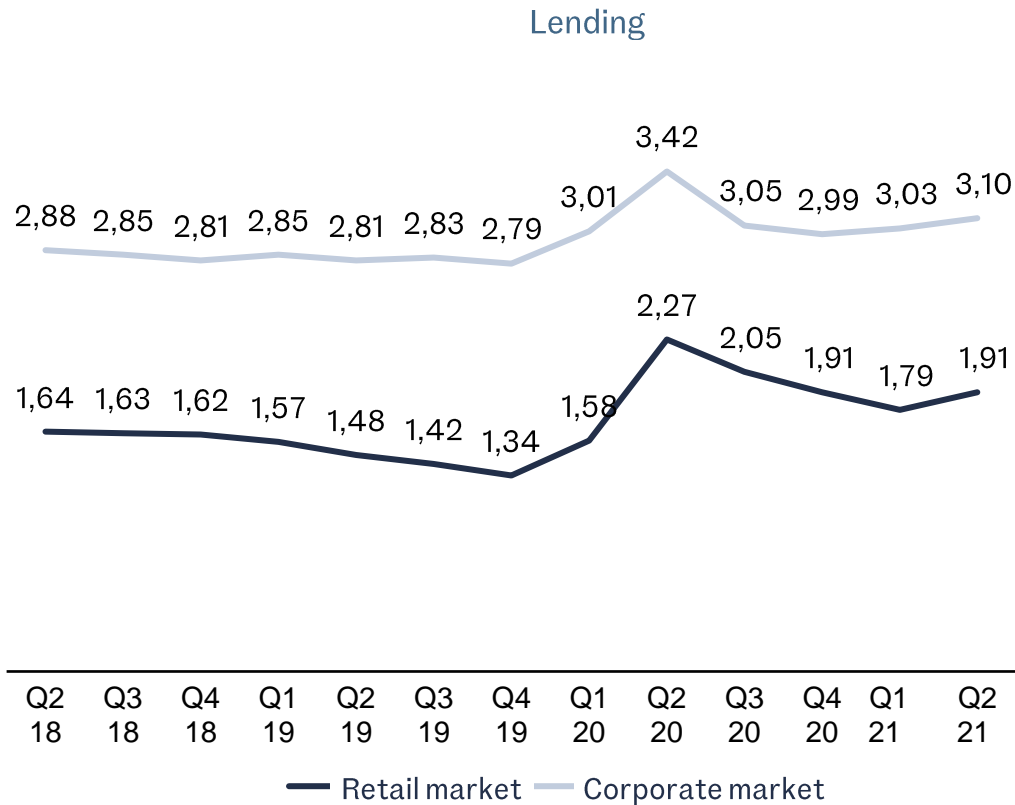
Continued improvement in NII as % of AUM

Growth, lower financing costs and an extra day of interest increase nominal net interest income

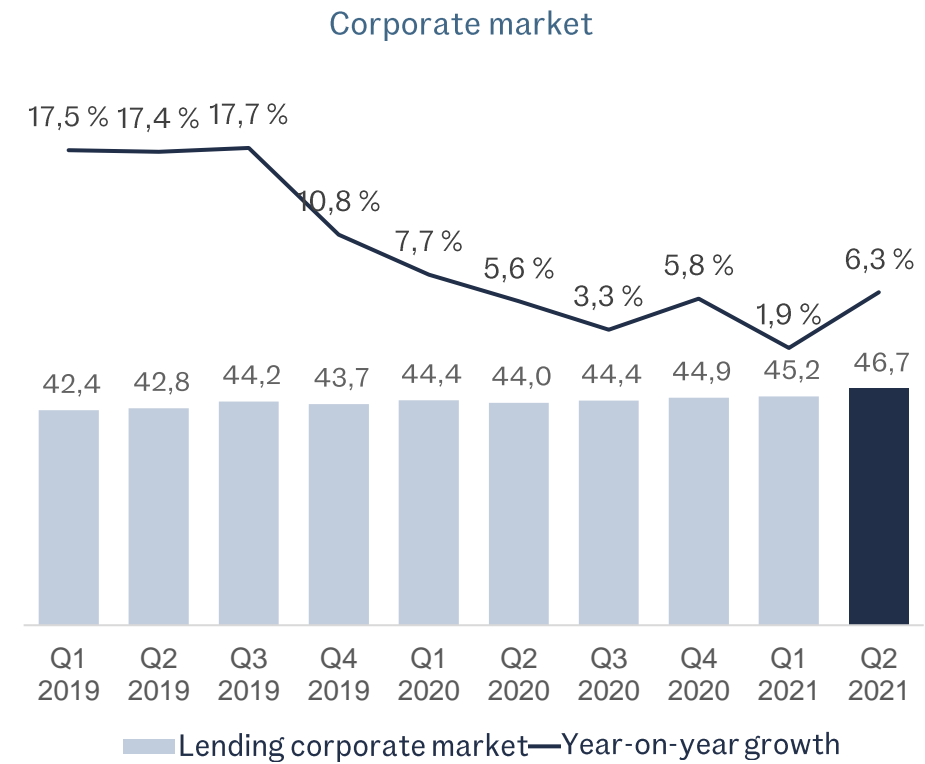
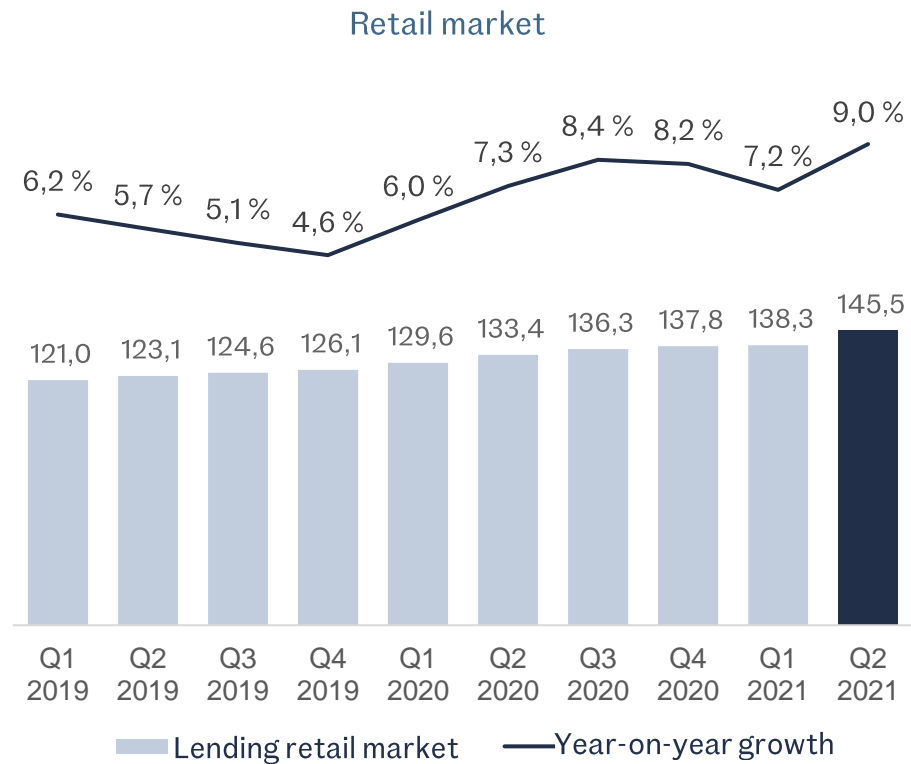


Lower Nibor increases lending margin, reduces deposit margin

Increase in lending margin affected by high growth in Bulder and Nibor-quoted CM loans



Excellent growth in lending in both segments

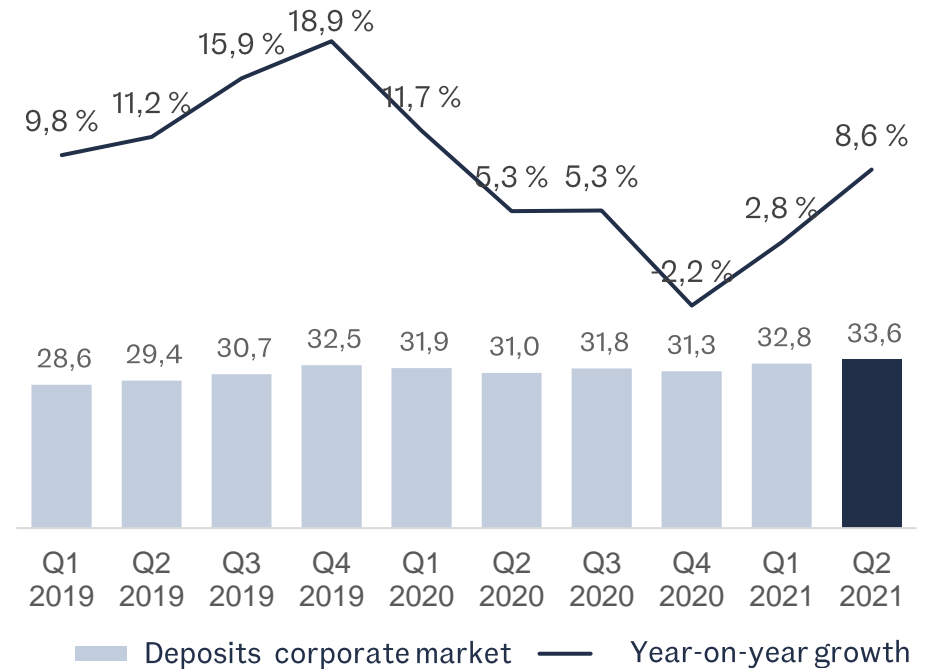


Good growth in deposits in both segments

Retail market



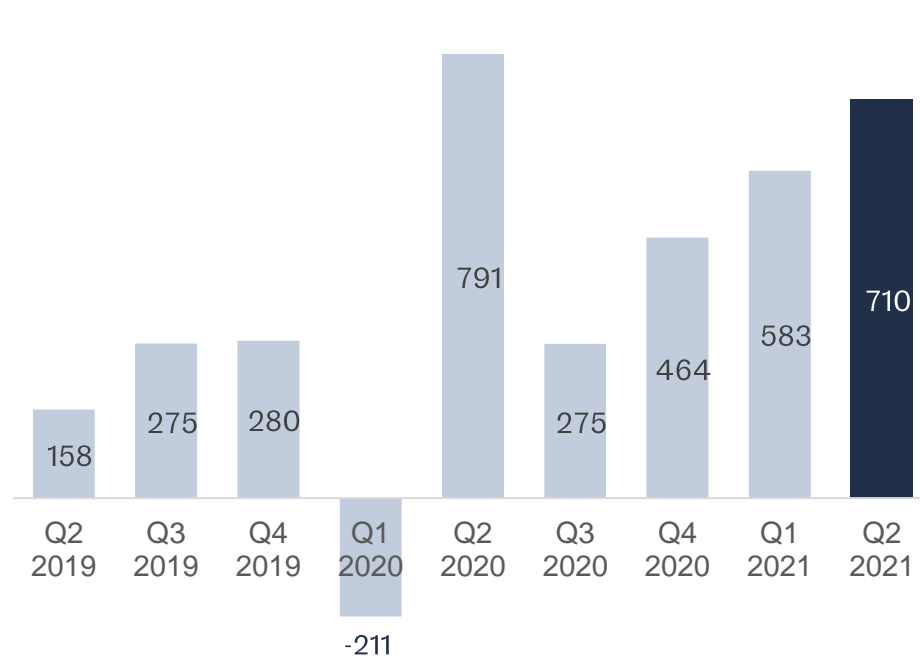
Corporate market



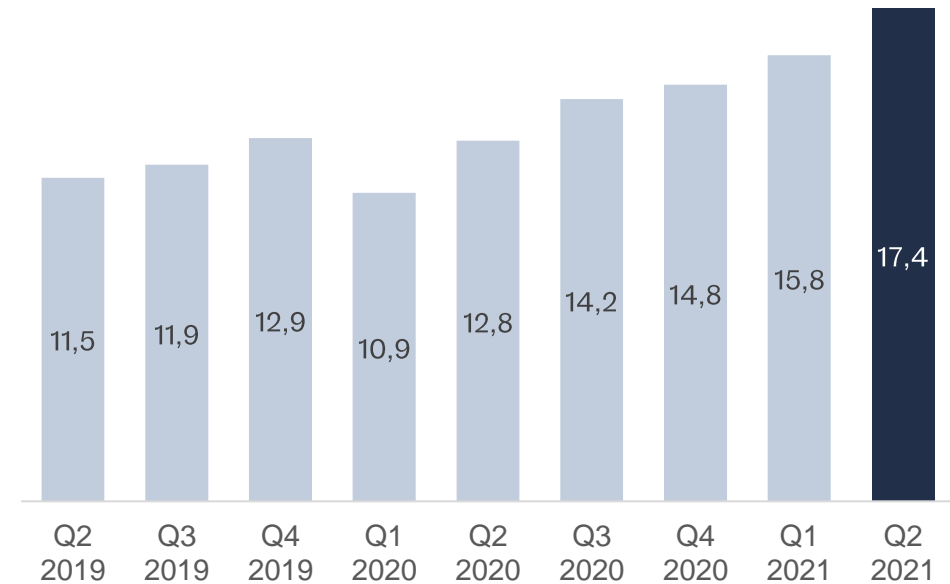
Strong growth in saving and investments

Considerable net new subscriptions in recent quarters

Strong growth in net new subscriptions (NOK mill.)



Solid increase in value of fund assets (NOK bill.)



Good contribution to profits from Frende and Brage

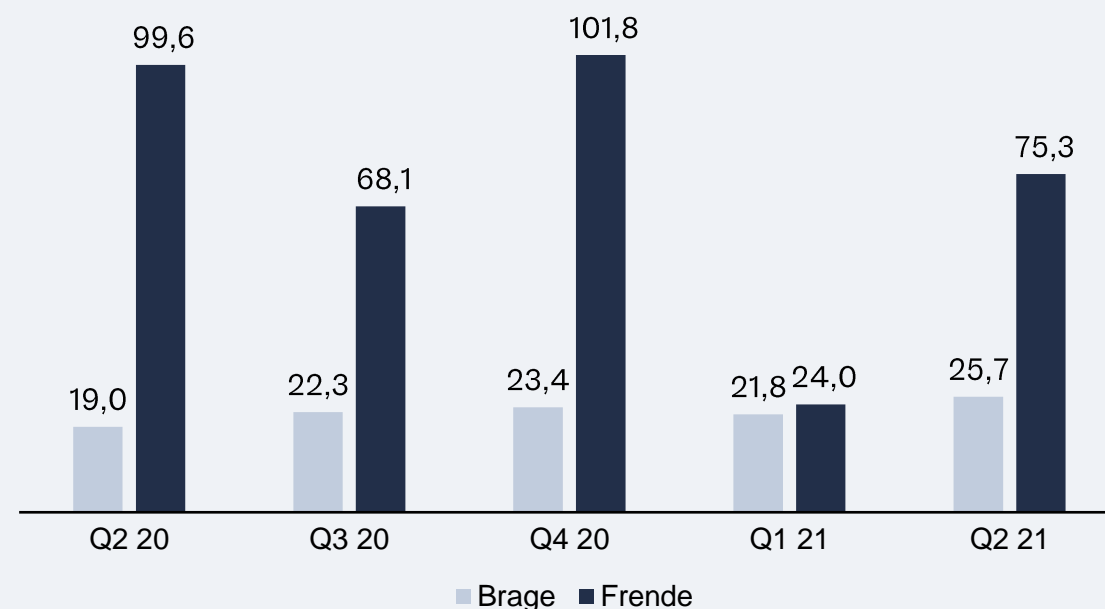
Frende Forsikring

- Strong profit growth in general insurance
- Annualised ROE 24.1%
- Good development in claims frequency, with loss ratio of 72.1% (78.6%)
- Continued strong growth in premiums in Frende Liv

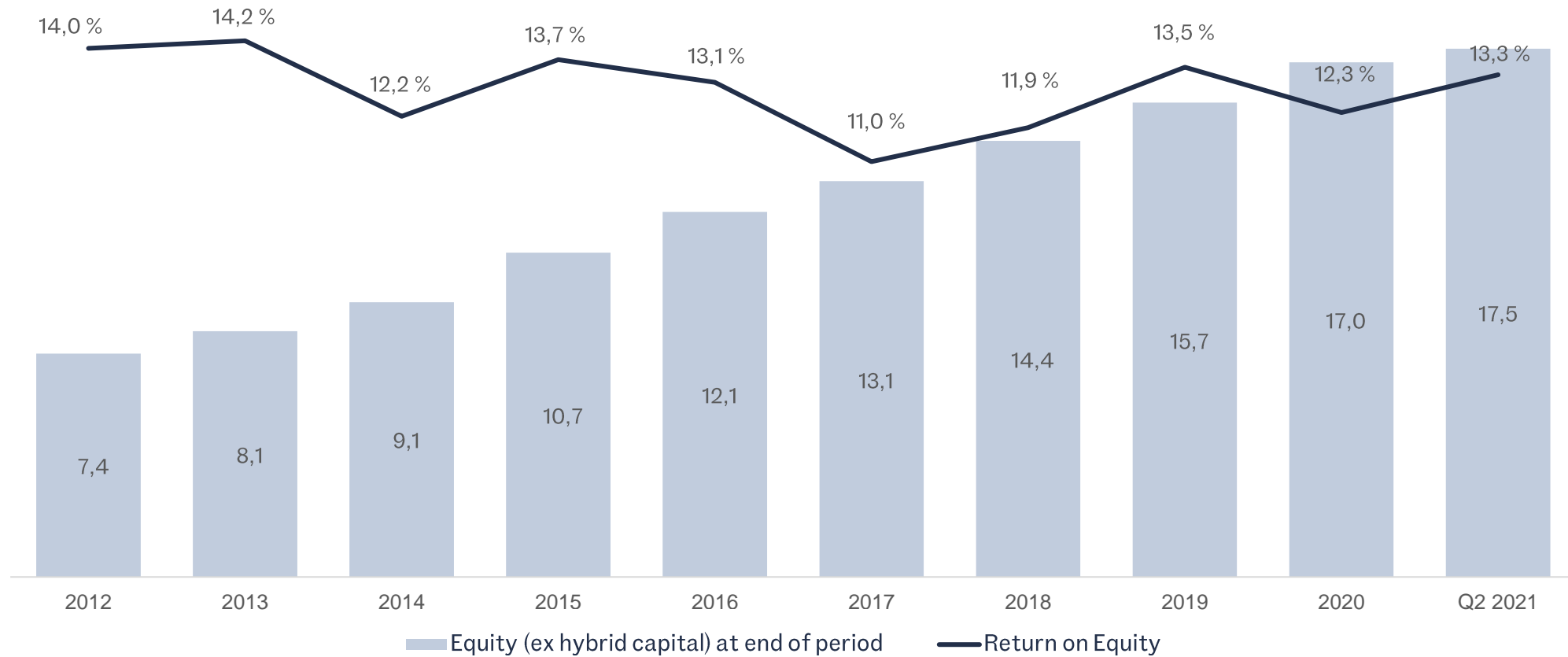
Brage Finans

- Portfolio growth of 19.8% over the past 12 months
- Strong profit growth of NOK 70.7 mill., compared with NOK 53.6 mill. in the same period in 2020
- Low cost ratio of 23%, down 5 percentage points since previous quarter
- ROE in the second quarter of 11.2% (9.2%)

Profit contribution, associated companies



Stable high ROE over time

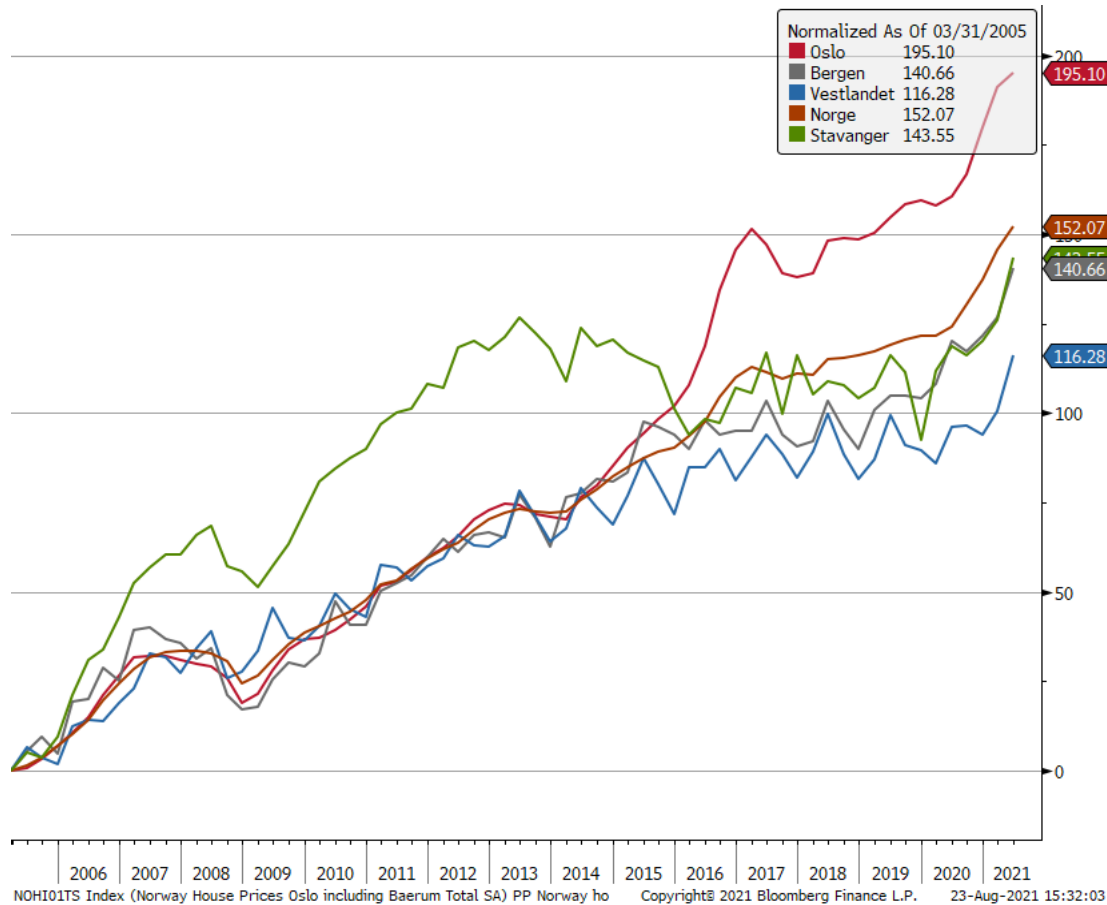


Norwegian Economy

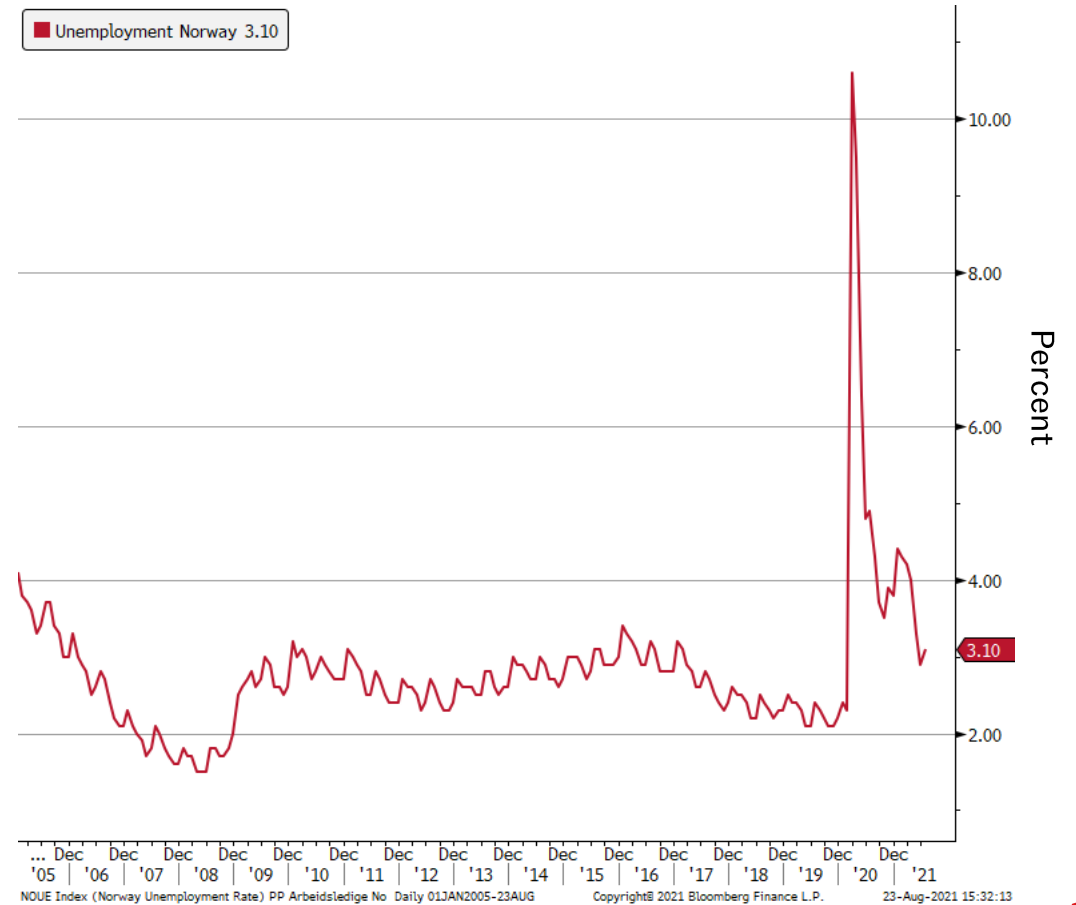


Development in the economy of Western Norway

House prices

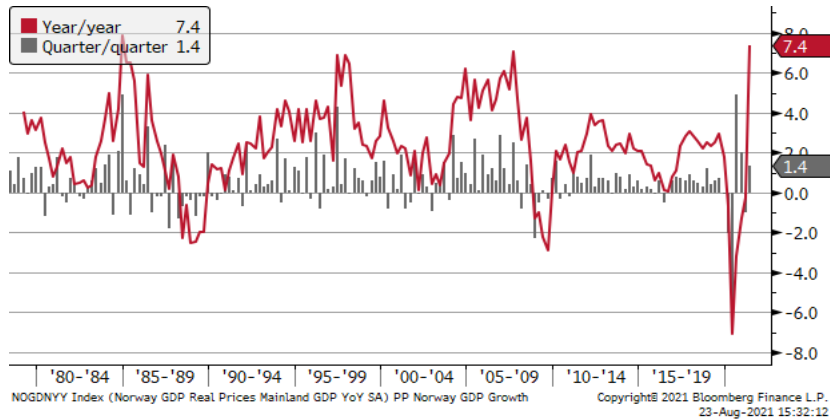


Labour market

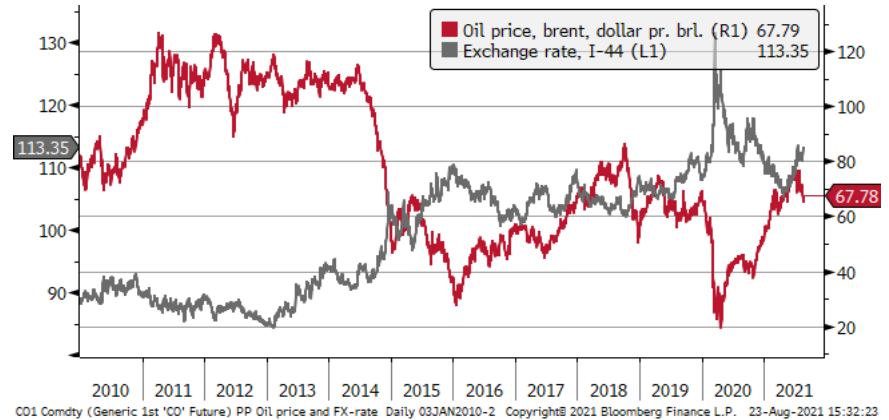


Economic conditions

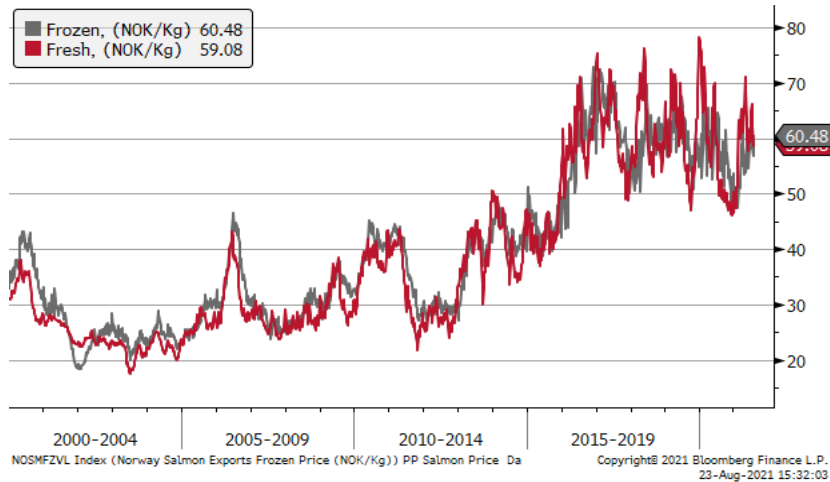
GDP growth



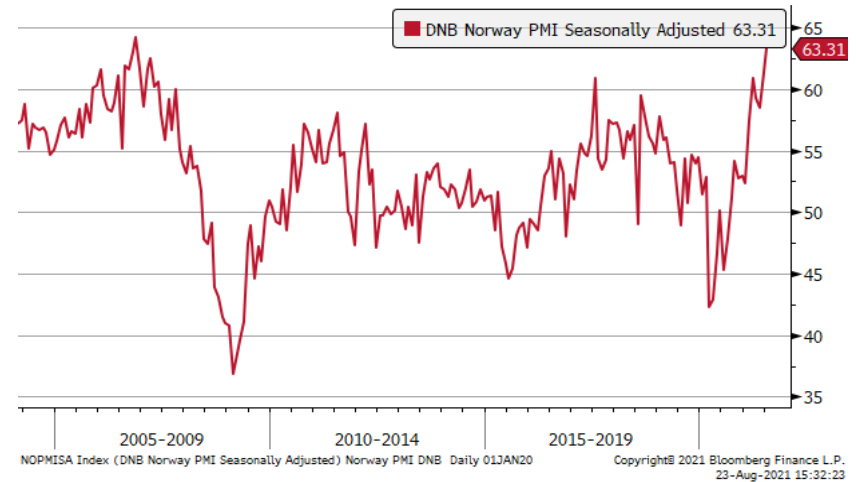
Oil price and fx rate



Salmon price

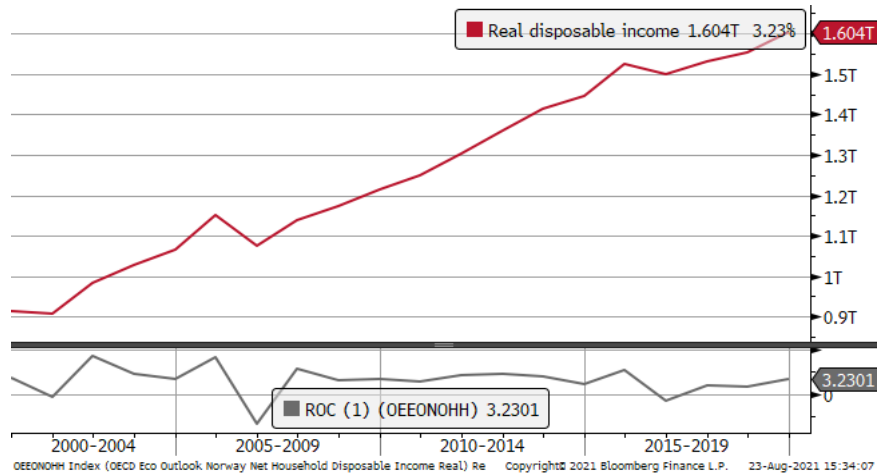


Seasonally Adjusted PMI

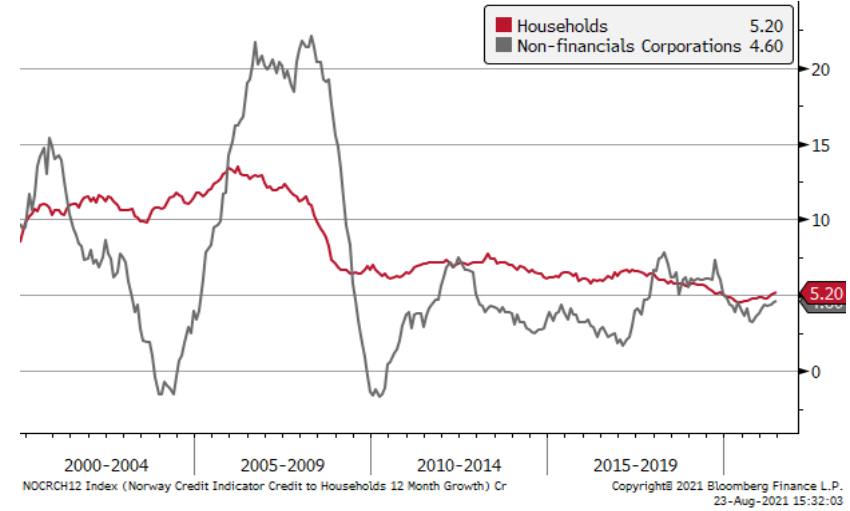


Households

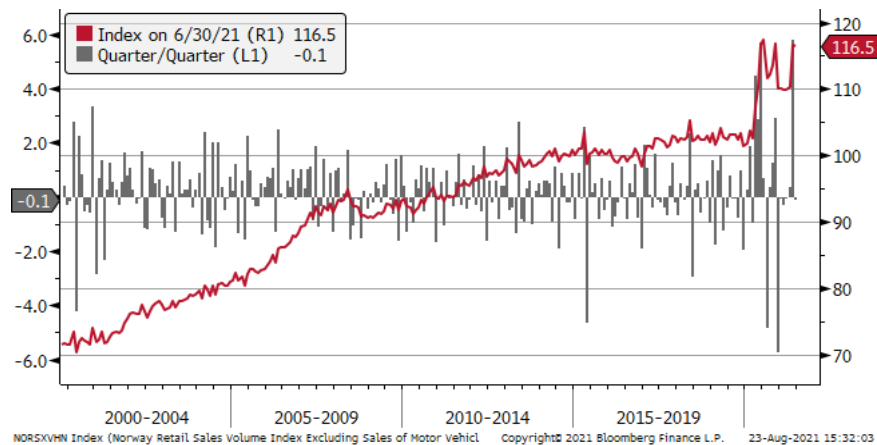
Real disposable income



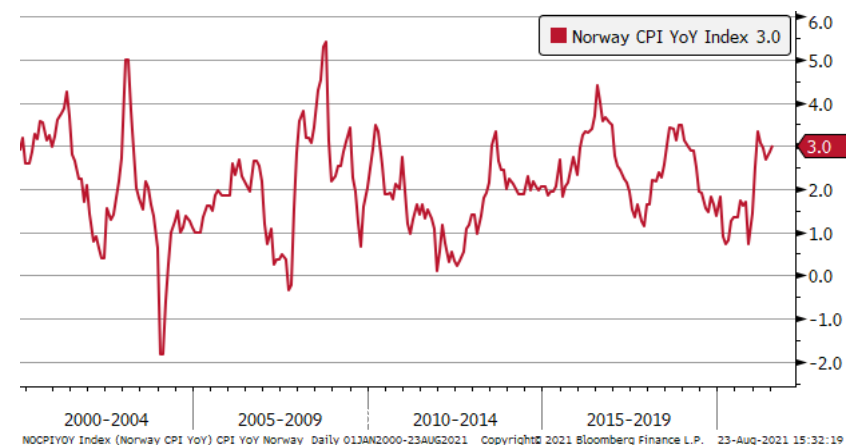
Credit growth



Retail sales index

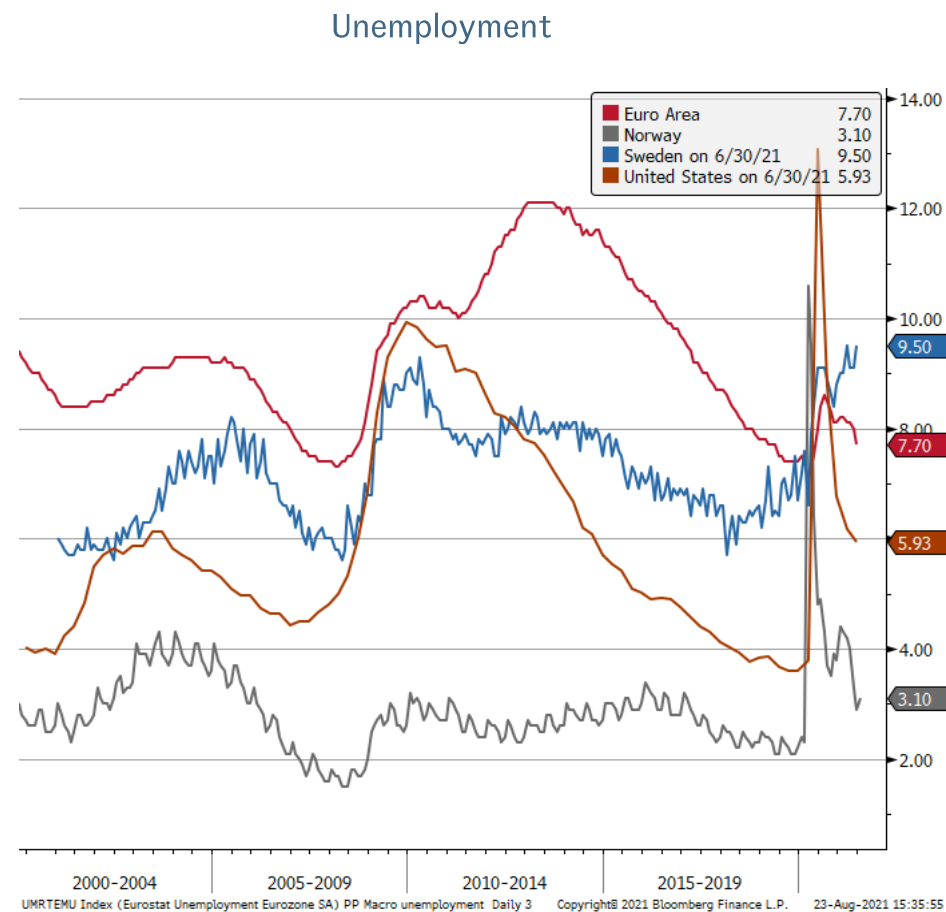
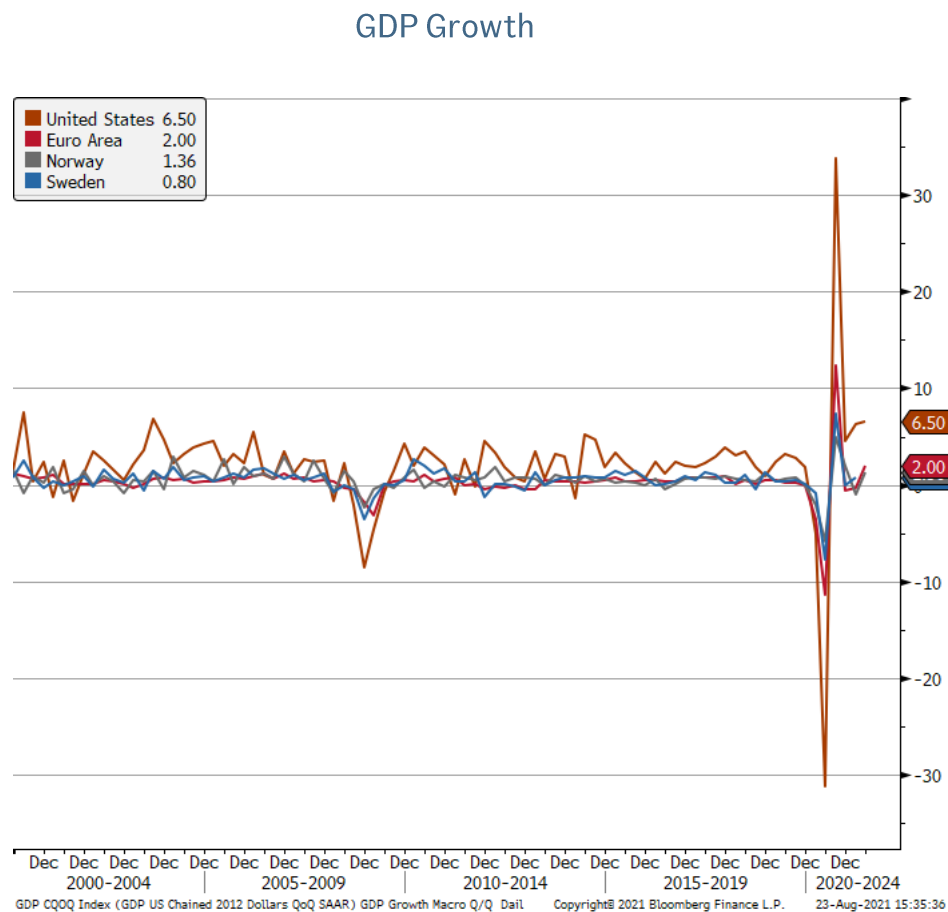


CPI growth



Norwegian economy

- International context



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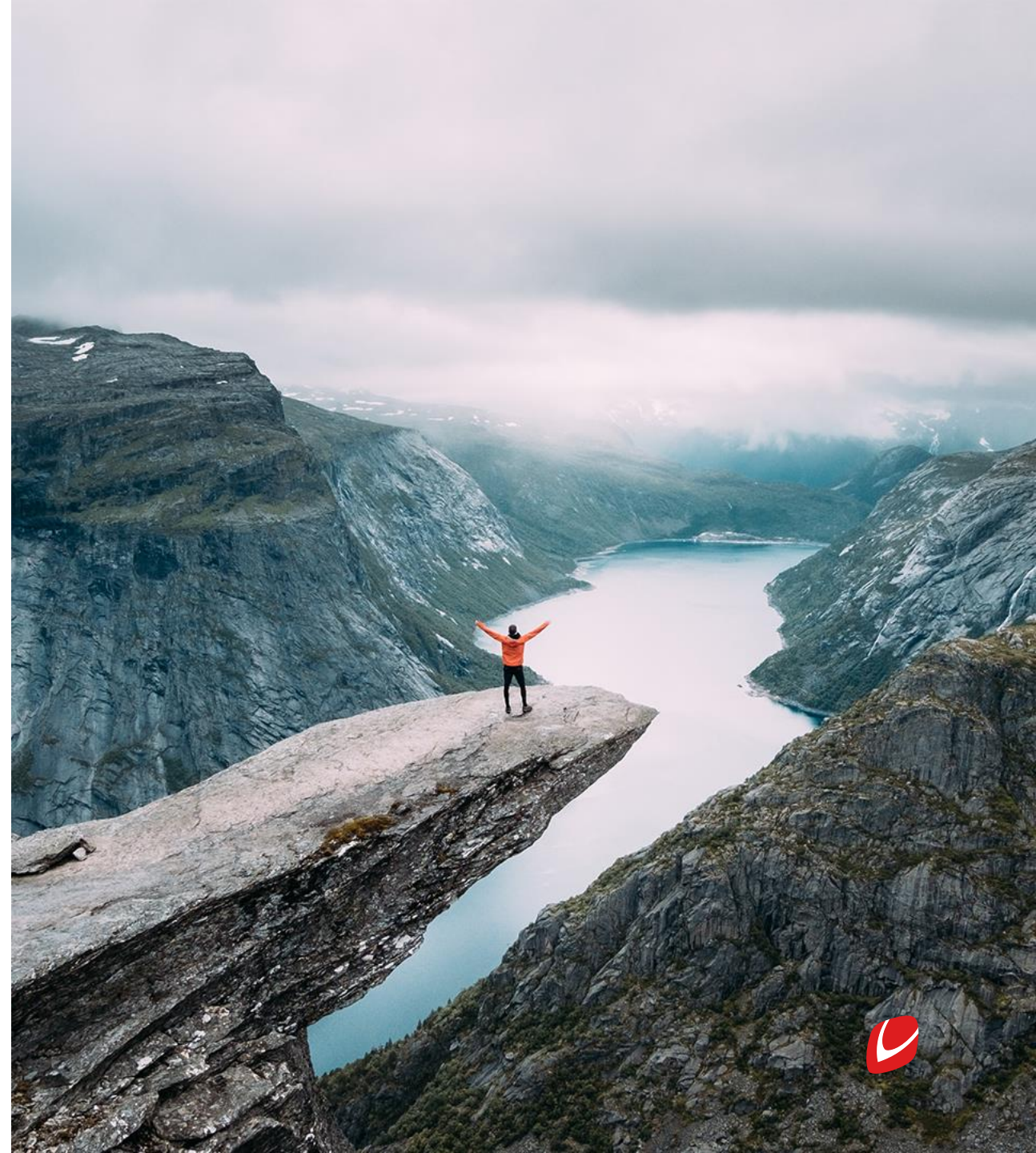
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