

**Subject: Use of Green Bond Proceeds for the period 01.01.2016 to 31.12.2016**

Abbreviations used in this report					
<b>MW</b>	Megawatt	<b>GWh</b>	Gigawatt hour(=1000 MWh)	<b>TWh</b>	Terawatt hour(=1000 GWh)
<b>DNB</b>	DNB Bank ASA	<b>COD</b>	Commercial Operation Date	<b>WTG</b>	Wind Turbine Generator

FX rates<sup>1</sup>: EURNOK = 9.08, GBPNOK = 10.61 NOK, SEKNOK = 0.95

All statements and numbers are valid as of 31 December 2016.

## 1 Background

On 10 February 2015, DNB Bank ASA issued a NOK1bn green bond based on financing of 14 wind projects. The tenor is 5 years from the issuing date. This and other green bonds issued by DNB will hereafter be defined as DNB Green Bond.

DNV GL provided a third party opinion dated 27 January 2015. In this opinion DNV GL confirms that the DNB Green Bond meets the criteria set out in the DNB Green Bond Framework and is aligned with the Green Bond Principles<sup>2</sup>.

This report covers the ongoing obligation to annually report on the impact and status of the projects that are eligible for use of the green bond proceeds ("the financing portfolio"). This obligation includes providing an over-collateralisation statement (see Exhibit 2) and calculations of environmental footprints (section 2). We provide further details on the underlying assets in section 3 of this report.

The loan to the 12MW Digerberget AB project was repaid in 2015 and the loan to the 13MW Arise Wind Farm 21 AB project was repaid during 2016. These have therefore been excluded from the calculations in this reporting period. There are no other major movements in the portfolio in the reporting period.

### Exhibit 1: Original portfolio of wind project financings used for Green Bond proceeds

#	Borrower name	Country	Type of Project	Size (Installed MW)	Construction/Operational	Equator Principles Assessment
1	Knocknagoum Windfarm Ltd	Ireland	Onshore wind	44	Operational	Category B
2	Coir Na Gaoithe Teoranta	Ireland	Onshore wind	43	Operational	Category B
3	Green Energy Supply Ltd	Ireland	Onshore wind	65	Construction	Category B
4	BRI Wind Farms 2 Ltd	Ireland	Onshore wind	153	Operational	N/A
5	BRI Wind Farms 3 Ltd	Ireland	Onshore wind	137	Operational	Category B
6	Ämliden Vindkraft AB	Sweden	Onshore wind	52	Operational	Category B
7	Vindkraft I Ytterberg AB	Sweden	Onshore wind	44	Operational	Category B
8	Arise Wind Farm 21 AB	Sweden	Onshore wind	13	Operational	Category B
9	Brattön Vind AB	Sweden	Onshore wind	15	Operational	Category B
10	Dingleskogen Vind AB	Sweden	Onshore wind	32	Operational	Category B
11	Kil Vind AB	Sweden	Onshore wind	8	Operational	Category B
12	Lemnhult Energi AB	Sweden	Onshore wind	96	Operational	N/A
13	Digerberget AB	Sweden	Onshore wind	12	Operational	N/A
14	Lincs Wind Farm Limited	UK	Offshore wind	270	Operational	Category B
			<b>Total</b>	<b>983</b>		

Source: DNB

<sup>1</sup>

Note that the FX rates used are as of 30.12.16

<sup>2</sup> The [Green Bond Principles](#) serve as voluntary guidelines on recommended process for issuing Green Bond, initially developed by 13 leading international banks in January 2014. DNB became a full member of the GBP in May 2014.

**Exhibit 2: Over-collateralisation ratio**

The loan volume backing the NOK1bn Green bond was NOK2.3bn as of 31.12.2016.

Therefore the collateralisation ratio is at 2.33x and well above the minimum level of 1.0x.

Managing Green Bond proceeds	DNB share
Aggregated loan amount (NOKm)	2,325
Green Bond proceeds covered by portfolio (NOKm)	1,000
Over-collateralisation	2.33

Source: DNB

89.6% of the loan amounts in the portfolio have maturities after the maturity of the Green Bond.

**2 Environmental footprint**

**2.1 Production and capacity in the period:**

The 12 remaining wind projects (except for the previously mentioned Digerberget and Arise project) in the financing portfolio have a total installed capacity of 959MW, of which DNB's share of the loan volumes covers 285MW. All twelve of these projects were operational during the full year. The total production for the financing portfolio was reported at 2.761 GWh in 2016 of which 705 GWh is attributed to DNB share of the loans

**2.2 CO2 savings in period:**

DNBs share of the financing portfolio contributed 178.439 metric tons of CO<sub>2</sub> savings in 2016 and 336.401 metric tons of savings since the issuing date, 10 February 2015.<sup>3</sup>

**Exhibit 3: Production and CO<sub>2</sub> footprint of the financing portfolio in 2016**

The financing portfolio produced a total of 2.8TWh in 2016 of which 705GWh (25.5%) can be attributed DNBs financing share.

DNBs financing share has contributed to an estimated 336.401 in reduced CO<sub>2</sub> emissions since the issuing date.

Environmental benefits of Green Bond proceeds	Total	DNB financing share
Installed capacity (MW)	959	285
Actual production 2016 (GWh)	2,761	705
Annual CO <sub>2</sub> savings 2016* (tonne)	977,997	178,439
CO <sub>2</sub> Savings since Green Bond issuing (tonne)	1,843,765	336,401

Source: DNB, project report, CO<sub>2</sub>Focus <https://www.portal.cemasys.com/>

<sup>3</sup> \*Calculations of CO<sub>2</sub> savings based on calculations of CO<sub>2</sub> savings in cities where DNB has offices, conducted by CO<sub>2</sub>Focus AS an independent consultancy firm. Estimates for England are applied to Ireland.

### 3 Information of the underlying assets in the financing portfolio

#### 3.1 Knocknagoum Windfarm (“Project Kerry”)

Project Kerry is located in the south of Ireland. It consists of 26 WTGs and has a total installed capacity of 44.35MW. The project has been operational since Q4 2013.

The project is classified as a Category B project in accordance with the Equator Principles.



Source: DNB, Project monitoring report

#### 3.2 Coir Na Gaoithe Teoranta (“Project Galway”)

Project Galway is located in County Galway in the western part of Ireland. It consists of 17 WTGs and has a total installed capacity of 42.8MW. The project has been operational since Q3 2014.

The project is classified as a Category B project in accordance with the Equator Principles.



Source: DNB, Project monitoring report

#### 3.3 Green Energy Supply Ltd (“Project Knockduff”)

Project Knockduff is located in the south of Ireland. It consists of 26 WTGs and has a total installed capacity of 65MW. The project reached completion in Q3 2016.

The project is classified as a Category B project in accordance with the Equator Principles.



Source: DNB, Project monitoring report

### 3.4 BRI Wind Farms 2 Ltd (“Temple 1”)

Temple 1 is a portfolio financing of nine separate projects spread across Ireland. The nine projects have a combined installed capacity of 152.7MW.

The projects were operational when financed and therefore except from the requirement of obtaining an Equator principles assessment.



Source: DNB, Project monitoring report

### 3.5 BRI Wind Farms 3 Ltd (“Temple 2”)

Temple 2 is a portfolio financing spread over three sites in Ireland. The projects have a total of 56 WTGs and installed capacity of 137MW.

The projects have been operational since 2014 and 2015 respectively.

Temple 2 is classified as a Category B project in accordance with the Equator Principles.



Source: DNB, Project monitoring report

### 3.6 Åmliden Vindkraft AB (“Åmliden”)

Åmliden is a 41MW wind project in Måla (Västerbotten) in the north of Sweden. It consists of 29 WTGs. The project has been operational since Q4 2012.

Åmliden is classified as a Category B project in accordance with the Equator Principles.



Source: DNB, Project monitoring report

### 3.7 Vindkraft I Ytterberg AB (“Ytterberg”)

Ytterberg is a 44MW wind project in Västerbotten in the north of Sweden. It consists of 22 WTGs. The project has been operational since Q4 2011.

Ytterberg is classified as a Category B project in accordance with the Equator Principles.



Source: DNB, Project monitoring report

### 3.8 Arise Wind Farm 21 AB (“Bohult”)

Bohult was sold during 2016 and the loan repaid. We have conservatively not assumed any production figures for calculations of environmental footprints in 2016.

### 3.9 Brätton Vind AB (“Brätton”)

Brätton is a 15MW wind project located about 30 km north of Uddevalla on the west coast of Sweden and consists of six WTGs. The project has been operational since Q2 2010.

Brätton is classified as a Category B project in accordance with the Equator Principles.



Source: DNB, Project monitoring report

### 3.10 Dingleskogen Vind AB (“Dingleskogen”)

Dingleskogen is a 27.6MW wind project in Munkedals municipality in the south western part of Sweden. It comprises of 14 WTGs, of which Rabbalshede Kraft owns 12 and the Swedish Church the remaining two.

The project has been operational since August 2013.

Dingleskogen is classified as a Category B project in accordance with the Equator Principles.



Source: DNB, Project monitoring report

### 3.11 Kil Vind AB (“Kil”)

Kil is an 8MW wind project located on the west coast of Sweden and consists of four WTGs. The project has been operational since August 2009.

Kil is classified as a Category B project in accordance with the Equator Principles.



Source: DNB, Project monitoring report

### 3.12 Lemnhult Energi AB (“Lemnhult”)

Lemnhult is a 96 MW wind project in Vetlanda municipality in southern Sweden and consists of 32 WTGs. The project has been operational since April 2013.

Lemnhult is structured as a corporate facility and therefore not classified per the Equator Principles.



Source: DNB, Project monitoring report

### 3.13 Digerberget AB

Digerberget was refinanced during Q2 2015 without DNB financing.

### 3.14 Lincs Wind Farm Limited (“Lincs”)

Lincs is an offshore wind farm located off the East Coast of England. With a total installed capacity of 270 MW, Lincs is capable of delivering annual electricity to approximately 200,000 households.

The wind farm consists of 75 WTGs, supported on steel monopile foundations sunk into the seabed.

Lincs Wind Farm is operational since Q4 2013 and is classified as a Category B project in accordance with the Equator Principles.

The Lincs project was sold and repaid early in 2017, as such DNB does not have production figures for 2016. Actual production is assumed to be on par with 2015 levels in our calculations of CO<sub>2</sub> savings.



Source: DNB, Project monitoring report