

**Subject: Use of Green Bond Proceeds for the period 01.01.2017 to 31.12.2017**

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 = 9.84, GBPNOK = 11.09 NOK, SEKNOK = 0.99

All statements and numbers are valid as of 31 December 2017.

## 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 loans to BRI Wind Farms 3 Ltd , Lincs Wind Farm Limited, Bråtton Vind AB, Dingleskoden Vind AB and Kil Vind AB were repaid to DNB during 2017. 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	Operational	Category B
4	BRI Wind Farms 2 Ltd	Ireland	Onshore wind	153	Operational	N/A
5	BRI Wind Farms 3 Ltd / GR Wind Farms 1	Ireland	Onshore wind	137	Operational	Category B
6	Åmliden 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>984</b>	

Source: DNB

<sup>1</sup>

Note that the FX rates used are as of 29.12.17 quoted by Norges Bank

<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 is 1.80x as of 31.12.17**

The loan volume backing the NOK1bn Green bond was NOK1.8bn as of 31.12.2017.

Therefore the collateralisation ratio is at 1.80x and well above the minimum level of 1.0x.

Managing Green Bond proceeds	DNB share
Aggregated loan amount (NOKm)	1,802
Green Bond proceeds covered by portfolio (NOKm)	1,000
Over-collateralisation	1.80

Source: DNB

75.51% 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 7 remaining wind projects in the financing portfolio have a total installed capacity of 497MW, of which DNB's share of the loan volumes covers 187MW. All seven of these projects were operational during the full year. The total production for the financing portfolio was reported at 1,916GWh in 2017 of which 734GWh is attributed to DNB share of the loans

### 2.2 CO<sub>2</sub> savings in period:

DNBs share of the financing portfolio contributed to 98,312 metric tons of CO<sub>2</sub> savings in 2017 and 434,712 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 2017**

The financing portfolio produced a total of 1.92TWh in 2017 of which 734GWh (38.3%) can be attributed DNBs financing share.

DNBs financing share has contributed to an estimated 434,712 metric tons in reduced CO<sub>2</sub> emissions since the issuing date.

Environmental benefits of Green Bond proceeds	Total	DNB financing share
Installed capacity (MW)	984	369
Actual production 2017 (GWh)	1,916	734
Annual CO <sub>2</sub> savings 2017* (tonne)	263,542	98,312
CO <sub>2</sub> Savings since Green Bond issuing (tonne)	2,107,307	434,712

Source: DNB, project reports, IEA

<sup>3</sup> \*Calculations of CO<sub>2</sub> savings for 2017 are based on IEA reports. Previous reports have been from DERFA who have discontinued the overseas publication of conversion factors. The new calculation basis differs somewhat from those in previous reports.

### 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 was sold during 2017 and the loan repaid. We have conservatively not assumed any production figures for calculations of environmental footprints in 2017.

### 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.

### 3.9 Brätton Vind AB (“Brätton”)

Brätton was sold during 2017 and the loan repaid. We have conservatively not assumed any production figures for calculations of environmental footprints in 2017.

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

Dingleskogen was sold during 2017 and the loan repaid. We have conservatively not assumed any production figures for calculations of environmental footprints in 2017.

### 3.11 Kil Vind AB (“Kil”)

Kil was sold during 2017 and the loan repaid. We have conservatively not assumed any production figures for calculations of environmental footprints in 2017.

### 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 was sold during 2017 and the loan repaid. We have conservatively not assumed any production figures for calculations of environmental footprints in 2017.