Report

19 March 2019

Subject: Use of Green Bond Proceeds for the period 01.01.2018 to 31.12.2018

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

FX rates[1]: EURNOK = 9.95, GBPNOK = 11.12 NOK, SEKNOK = 0.97

All statements and numbers are valid as of 31 December 2018.

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[2].

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 Åmliden Vindkraft AB and Vindkraft I Ytterberg AB were sold during 2018.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	Financing status
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	Operatonal	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	Repaid Dec 2017
6	Åmliden Vindkraft AB	Sweden	Onshore wind	0	Operational	Category B	Sold Q4 2018
7	Vindkraft I Ytterberg AB	Sweden	Onshore wind	0	Operational	Category B	Sold Q4 2018
8	Arise Wind Farm 21 AB	Sweden	Onshore wind	13	Operational	Category B	Sold Q3 2016
9	Brattön Vind AB	Sweden	Onshore wind	15	Operational	Category B	Refinanced w/o DNB
10	Dingleskogen Vind AB	Sweden	Onshore wind	32	Operational	Category B	Refinanced w/o DNB
11	Kil Vind AB	Sweden	Onshore wind	8	Operational	Category B	Refinanced w/o DNB
12	Lemnhult Energi AB	Sweden	Onshore wind	0	Operational	N/A	Refinanced w/o DNB
13	Digerberget AB	Sweden	Onshore wind	12	Operational	N/A	Repaid Q1 2015
14	Lincs Wind Farm Limited	UK	Offshore wind	270	Operational	Category B	Sold Q1 2017
			Total	**792**			

Source: DNB

[1] *Note that the FX rates used are as of 31.12.18 quoted by Norges Bank*

[2] *The Green Bond Principles (GBP) serve as voluntary guidelines on recommended the 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 1.08x as of 31.12.18

The loan volume backing the NOK1bn Green bond was NOK1.08bn as of 31.12.2018.

Therefore the collateralisation ratio is at 1.08x and above the minimum level of 1.0x.

Managing Green Bond proceeds	DNB share
Aggregated loan amount (NOKm)	1,076
Green Bond proceeds covered by portfolio (NOKm)	1,000
Over-collateralisation	1.08

Source: DNB

100% 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 four remaining wind projects in the financing portfolio have a total installed capacity of 305MW, of which DNB's share of the loan volumes covers 107MW. All four of these projects were operational during the full year. The total production for the financing portfolio was reported at 1,898GWh in 2018 of which 724GWh is attributed to DNB share of the loans.

2.2 CO_2 savings in period:

DNBs share of the financing portfolio contributed to 150,686 metric tons of CO_2 savings in 2018 and 487,087 metric tons of savings since the issuing date, 10 February 2015.[3]

Exhibit 3: Production and CO_2 footprint of the financing portfolio in 2018

The financing portfolio produced a total of 1.9TWh in 2018 of which 724GWh (38.2%) can be attributed DNBs financing share.

DNBs financing share has contributed to an estimated 434,087 metric tons in reduced CO_2 emissions since the issuing date.

Environmental benefits of Green Bond proceeds	Total	DNB financing share
Installed capacity (MW)	792	277
Actual production 2017 (GWh)	1,898	724
Annual CO_2 savings 2018 (tonne)	411,184	150,686
CO_2 Savings since Green Bond issuing (tonne)	2,254,949	487,087

Source: DNB, project reports, IEA

[3] *Calculations of CO_2 savings for 2018 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.

3.6 Åmliden Vindkraft AB ("Åmliden")
Åmliden was sold during 2018 and the loan repaid. We have conservatively not assumed any production figures for calculations of environmental footprints in 2018.

3.7 Vindkraft I Ytterberg AB ("Ytterberg")
Ytterberg was sold during 2018 and the loan repaid. We have conservatively not assumed any production figures for calculations of environmental footprints in 2018.

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 refinanced without DNB financing during 2017 and the loan repaid.

3.10 Dingleskogen Vind AB ("Dingleskogen")
Dingleskogen was refinanced without DNB financing during 2017 and the loan repaid.

3.11 Kil Vind AB ("Kil")
Kil was refinanced without DNB financing during 2017 and the loan repaid.

3.12 Lemnhult Energi AB ("Lemnhult")
Lenhult was refinanced during 2018 without DNB financing, and the loan repaid. We have conservatively not assumed any production figures for calculations of environmental footprints in 2018.

3.13 Digerberget AB
Digerberget was refinanced during 2015 without DNB financing and the loan repaid.

3.14 Lincs Wind Farm Limited ("Lincs")
Lincs was sold during 2017 and the loan repaid.