

Subject: Use of Green Bond Proceeds for the period 01.01.2015 to 31.12.2015

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 rates¹: EURNOK = 9.00, GBPNOK = 12.00 NOK, SEKNOK = 1.00

All statements and numbers are valid as of 31 December 2015.

1 Background

On 10 February 2015, DNB Bank ASA issued a NOK1bn green bond on the back of 14 wind project financings. 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 Principles².

This report covers the ongoing obligation to annually report 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 calculation of environmental footprint (section 2). We provide some further details of the underlying assets in section 3 of this report.

One project, the 12MW Digerberget AB has been repaid after the green bond issue and in this reporting period. Digerberget has therefore not been included in the calculations of ratios or environmental footprint assessment in this report. 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	0	Operational	N/A
14	Lincs Wind Farm Limited	UK	Offshore wind	270	Operational	Category B
Total				972		

Source: DNB

¹ Note that the FX rates used are higher than actual FX rates on 31.12.2015, and are therefore conservative.

² 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									
<p>The loan volume backing the NOK1bn Green bond was NOK2.75bn as of 31.12.2015.</p> <p>Therefore the collateralisation ratio stands at 2.75x and well above the minimum level of 1.0x.</p>	<table border="1"> <thead> <tr> <th style="background-color: #008080; color: white;">Managing Green Bond proceeds</th> <th style="background-color: #008080; color: white;">DNB share</th> </tr> </thead> <tbody> <tr> <td>Aggregated loan amount (NOKm)</td> <td style="text-align: right;">2,750</td> </tr> <tr> <td>Green Bond proceeds covered by portfolio (NOKm)</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>Over-collateralisation</td> <td style="text-align: right;">2.75</td> </tr> </tbody> </table>	Managing Green Bond proceeds	DNB share	Aggregated loan amount (NOKm)	2,750	Green Bond proceeds covered by portfolio (NOKm)	1,000	Over-collateralisation	2.75
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<p>Source: DNB</p>									

83% of the loan amounts in the portfolio have maturity after the maturity of the Green Bond.

2 Environmental footprint

2.1 Production and capacity in the period:

The 13 remaining wind projects (except for the previously mentioned Digerberget project) in the financing portfolio has a total installed capacity of 972MW, of which DNB's share of the loan volumes covers 297MW. 12 of these projects were operational during the full year, whereas one project is expected to reach COD during Q2 2016.

The total production for the financing portfolio was reported at 2,955 GWh in 2015 of which 811 GWh is attributed to DNB share of the loans.

2.2 CO2 savings in period:

DNBs share of the financing portfolio contributed 155,593 metric tons of CO₂ savings in 2015 and 138,115 metric tons of savings since the issuing date, 10 February 2015.³

Exhibit 3: Production and CO₂ footprint of the financing portfolio in 2015																	
<p>The financing portfolio produced a total of 2.95TWh in 2015 of which 811GWh (27.5%) can be attributed DNBs financing share.</p> <p>DNBs financing share has contributed to an assessed 138,115 tons of CO₂ in reduced emissions since the issuing date.</p>	<table border="1"> <thead> <tr> <th style="background-color: #008080; color: white;">Environmental benefits of Green Bond proceeds</th> <th style="background-color: #008080; color: white;">Total</th> <th style="background-color: #008080; color: white;">DNB financing share</th> </tr> </thead> <tbody> <tr> <td>Installed capacity (MW)</td> <td style="text-align: right;">972</td> <td style="text-align: right;">297</td> </tr> <tr> <td>Actual production 2015 (GWh)</td> <td style="text-align: right;">2,955</td> <td style="text-align: right;">811</td> </tr> <tr> <td>Annual CO₂ savings 2015* (tonne)</td> <td style="text-align: right;">940,682</td> <td style="text-align: right;">155,593</td> </tr> <tr> <td>CO₂ Savings since Green Bond issuing (tonne)</td> <td style="text-align: right;">835,016</td> <td style="text-align: right;">138,115</td> </tr> </tbody> </table>		Environmental benefits of Green Bond proceeds	Total	DNB financing share	Installed capacity (MW)	972	297	Actual production 2015 (GWh)	2,955	811	Annual CO ₂ savings 2015* (tonne)	940,682	155,593	CO ₂ Savings since Green Bond issuing (tonne)	835,016	138,115
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<p>Source: DNB, project report, Department for Environment Food & Rural Affairs (DEFRA)</p>																	

³ *Calculations of CO₂ savings based on Department for Environment Food & Rural Affairs (DEFRA) statistics of CO₂ per kWh electricity supplied in the country of each wind project

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 is under construction with expected COD in Q2 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 exempted 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 on 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 is a 12.8MW wind project on the west coast of Sweden. It consists of eight WTGs. The project has been operational since Q4 2013.

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



Source: DNB, Project monitoring report

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. We have conservatively not assumed any production figures for calculations of environmental footprints in 2015.

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 monopole 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.



Source: DNB, Project monitoring report