

Green Bond Fact Sheet

Sparebank 1 SMN			Date: 19/09/2019
Issue date: 11-09-2019 Maturity date: 11-09-2026 Tenor:7			
Issuer Name	Sparebank 1 SMN	Amount Issued	EUR500m/USD552m
Country of risk	Norway	CBI Database	Included
Issuer Type ¹	Financial corporate	Bond Type	Senior unsecured
Green Bond Framework	Link to Green Bond Framework	Second party opinion	Sustainalytics
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input type="checkbox"/> Energy	<input type="checkbox"/> Solar <input type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Buildings	<input checked="" type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input checked="" type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Flood protection <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Waste management	<input checked="" type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input type="checkbox"/> Land remediation <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> FSC Forestry <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> FSC Cellulose & paper
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> ICT <input type="checkbox"/> Industry: process
Issue details	
Reporting	<p>Sparebank 1 SMN commits to publish an annual impact and proceeds report until the funds are fully allocated. This includes KPIs such as energy consumption and key impact indicators measured and reported by the certification schemes. The revenue that comes from certified products, services and processes and the corresponding proportion of eligible loans and the amount of unallocated proceeds will be disclosed as well.</p>
Issuer information	<p>Founded in 1823 and headquartered in Trondheim, Sparebank 1 SMN is a Norwegian savings bank. It provides commercial banking services to industry and private households and offers deposits, loans, money transfers, cash management, foreign exchange and financial advisory services. Sparebank 1 SMN employs approximately 1,500 employees.</p>
Firsts, records and certifications	
Proceeds description	<p>The proceeds will go towards green buildings and eco-efficient and/ or circular economy adapted products, production technologies and processes. Buildings are required to meet one or more of the following criteria:</p> <ol style="list-style-type: none"> 1. They belong to the top 15% in terms of energy performance within their building category in Norway. 2. LEED “Gold”, BREEAM or BREEAM-NOR “Excellent” or equivalent levels of certification, or the Nordic Swan Ecolabel. 3. Energy efficiency improvement by at least 30%.
Climate Bonds view	<p>We are pleased to see another financial corporation entering the green bond market in Norway. So far financial corporates have been mainly focussing on low-carbon buildings and therefore Sparebank 1 SMN is the first bank to finance circular economy projects with the use of proceeds.</p> <p>Sparebank 1 SMN has identified a number of certification schemes required for project to qualify for circular economy financing. These include schemes such as Nordic Swan Ecolabel, Eco-Lighthouse Label, the Marine Stewardship Council (MSC), the Aquaculture Stewardship Council (ASC) and the GLOBAL GAP – The Worldwide Standard for Good Agricultural Practices. While it is not clear what specific projects will be financed, we have taken the view that the use of certification schemes to screen projects is a good approach. It is advisable for issuers to provide more information on potential types of projects. We will monitor issuer reporting to confirm that the financed projects align to the Climate Bonds Taxonomy.</p>
Underwriters	BNP, Commerzbank, ING
Deal comments	
Credit Rating	A1 (Fitch) A- (Moody’s)

Pricing summary	
Investors summary	<ul style="list-style-type: none">• Interest spread: ms+65bps• Yield: 0.239 %• Coupon: 0.1250%• Price: 99.210%

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign