

## Green Bond Fact Sheet

Banco Santander		Date: 15/10/2019	
Issue date: 04-10-2019 Maturity date: 04-10-2026 Tenor: 7			
Issuer Name	Banco Santander	Amount Issued	EUR1bn/USD1.1bn
Country of risk	Spain	CBI Database	Included
Issuer Type <sup>1</sup>	Financial corporate	Bond Type	Senior preferred
Green Bond Framework	<a href="#">Link to Framework</a>	Second party opinion	<a href="#">Vigeo Eiris</a>
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input checked="" type="checkbox"/> Energy	<input checked="" type="checkbox"/> Solar <input checked="" type="checkbox"/> Onshore wind <input checked="" 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 type="checkbox"/> Buildings	<input type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input 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 type="checkbox"/> Waste management	<input 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
<b>Issue details</b>	
<b>Reporting</b>	<p>Santander will report on the use of proceeds and environmental impacts. Allocations will be reported by project/asset, giving details about each one, and the impacts will focus on annual CO2 emissions reduced/avoided. The frequency of reporting is not clear but seems to be annual.</p>
<b>Company information</b>	<p>Banco Santander is one of the world's largest banks, with operations covering Europe, the US and Latin America and several business units, such as retail banking, commercial banking, and corporate &amp; investment banking. It was recently ranked the most sustainable bank in the world in the Dow Jones Sustainability Index and has multiple responsible banking targets, including the commitment to provide more than EUR120bn in green finance globally by 2025.</p>
<b>Firsts, records and certifications</b>	<p>First green bond from a Spanish financial corporate financing renewable energy exclusively (other deals were by BBVA and they also financed other categories). First senior preferred green bond from Spain (from those we have been able to confirm the bond type).</p>
<b>Proceeds description</b>	<p>Up to half of the proceeds will refinance existing renewable wind and solar energy projects, with the rest financing new projects in the next five years. These will include onshore and offshore wind as well as solar PV and CSP. The eligible projects will include the electricity generation technologies as described above, and also any ancillary infrastructure, such as transmission lines, substations, etc. Banco Santander's total portfolio of renewable energy project finance at the end of last year totalled EUR9.8bn, approximately half of the bank's total project finance portfolio. The renewable projects are spread over 360 transactions, of which 170 are wind and 145 solar. 65% of the financing is in Europe and the rest in the Americas.</p>
<b>Climate Bonds view</b>	<p>This is an important deal given the importance of large, global financial corporates in driving funding for green projects and their ability to put sustainable finance on the global agenda as well as increase its awareness among the general public.</p> <p>Santander has a significant portfolio of renewable energy project finance which would clearly be eligible for green bond financing. We therefore expect further issuances, not least due to Santander's ambitious sustainable/green finance plans, and hope that this expands to other projects, including related to new infrastructure given the bank's strong presence in Latin America.</p>
<b>Underwriters</b>	<p>Santander, Mediobanca, Natixis, SocGen, Unicredit</p>
<b>Deal comments</b>	
<b>Credit Rating</b>	
<b>Pricing summary</b>	<p>The bank was able to tighten the spread guidance to midswaps plus 0.65%</p>
<b>Investors summary</b>	<p>5.5x oversubscribed with a large number of investors</p>

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