

SBAB Bank AB (publ)

GREEN BONDS IMPACT REPORT 2018

Information on the impact of Eligible projects within SBAB's Green Bond Framework 2016

SBAB!

Summary

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As of 31 December 2018, SBAB had issued two green bonds, for a total of SEK 3.75 billion. Eligible projects within SBAB's Green Bond Framework 2016 are estimated to generate an annual avoidance of GHG emissions corresponding to 1,132 tonnes CO₂e.

Framework ("SBAB Green Bond Framework 2016")

The framework ("SBAB Green Bond Framework 2016") for selecting the projects to be financed through SBAB's green bonds has been reviewed and analysed by CICERO, the Center for International Climate and Environmental Research – Oslo. Under this framework, the funds that SBAB raises through green bonds are to be used exclusively to finance or refinance residential properties that meet a number of energy-efficiency criteria or certain environmental certifications. The framework and CICERO's statement are available at www.sbab.se.

SBAB's green bonds

As of 31 December 2018, SBAB had issued two green bonds, for a total of SEK 3.75 billion. SBAB's first green bond, a 5-year SEK 2 billion transaction, was issued in June 2016. The second green bond was issued in October 2017, a 5-year transaction amounting to SEK 1.75 billion.

Eligible projects

At year-end 2018, Eligible projects within the Green Bonds Framework totalled SEK 5.0 billion (in the form of construction loans and mortgage loans), distributed between 31 objects.

In addition to these eligible projects, SBAB has other unclassified loan assets that qualify to serve as the basis for issuing green bonds.

Impact reporting

Eligible projects within SBAB's Green Bond Framework 2016 are estimated to generate an annual avoidance in GHG emissions corresponding to 1,132 tonnes CO₂e. SBAB's share of the financing, based on expected amounts disbursed relative to the production cost, is estimated to correspond to an annual avoidance of 764 tonnes CO₂e. That in turn corresponds to an avoidance of 0.15 tonnes CO₂e per disbursed SEK million and year.

Calculation method

The expected avoidance of GHG emissions has been calculated based on how much less energy each Eligible projects' actual or expected energy consumption is compared with the allowed consumption as stated in the National Board of Housing, Building and Planning's building codes for new construction. Thereafter, reduction in GHG emissions have been estimated for

each Eligible project based on average GHG emissions per kWh¹⁾ (138.5g CO₂e per kWh²⁾).

¹⁾ Source: Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting, January 2019. District heating = 58g CO₂e per kWh. Electricity = 380g CO₂e per kWh.

²⁾ Based on assumption that a property in Sweden in average uses 75% district heating and 25% electricity for heating and domestic hot water. The calculation in this report is thus $0.75 \cdot 58g + 0.25 \cdot 380g = 138,5g$ CO₂e per kWh.

Updated framework for issuing covered green bonds

At the start of 2019, the SBAB Group published an updated framework for issuing green bonds (the "SBAB Group Green Bond Framework 2019"). This was for reasons including encompassing a new and broader green customer offering as well as to enabling further future issues of green bonds. The updated framework enables (i) SBAB to issue notes in the form of green bonds under SBAB's Euro Medium Term Note Programme (as amended from time to time) in force at the relevant issue date; and (ii) SCBC to issue covered bonds in the form of green bonds under SCBC's Euro Medium Term Covered Note Programme (as amended from time to time) in force at the relevant issue date. The updated framework has been reviewed by CICERO and is classified as Medium Green. Additional information is available on www.sbab.se.

SBAB's green bonds

Issue date	Amount issued	Maturity	Coupon	ISIN
16 June, 2016	SEK 1 billion	23 June 2021	1.048%	XS1436518606
	SEK 1 billion	23 June 2021	3M Stibor +95 bps	XS1436728916
4 October, 2017	SEK 1 billion	11 October 2022	0.98%	XS1697577556
	SEK 750 million	11 October 2022	3M Stibor +75 bps	XS1697766951
	SEK 3.75 billion			

Eligible projects

Eligible projects within SBAB's Green Bond Framework 2016

Customer	Property	Location	Construction loans		Mortgage loans, SEK million	Environmental requirements in accordance with
			Committed, SEK million	Disbursed, SEK million		
Customer 1	Object 1	Malmö			32	Green Building
Customer 2	Object 2	Malmö			70	Passive building
Customer 3	Object 3	Stockholm			246	Sweden Green Building Council (Silver)
Customer 4	Object 4	Uppsala	232	221		Sweden Green Building Council (Silver)
Customer 5	Object 5	Upplands-Bro			205	Sweden Green Building Council (Silver)
Customer 6	Object 6	Huddinge	256	240		Sweden Green Building Council (Silver)
Customer 7	Object 7	Huddinge			59	Sweden Green Building Council (Silver)
Customer 8	Object 8 and 9	Malmö			88	Sweden Green Building Council (Silver)
Customer 9	Object 10	Järfälla	275	266		Sweden Green Building Council (Silver)
Customer 10	Object 11	Malmö			67	Sweden Green Building Council (Silver)
Customer 11	Object 12	Gothenburg	347	164		Sweden Green Building Council (Silver)
Customer 12	Object 13	Malmö			35	Sweden Green Building Council (Silver)
Customer 13	Object 14	Stockholm			343	Sweden Green Building Council (Silver)
Customer 14	Object 15	Sundbyberg	359	352		Sweden Green Building Council (Gold)
Customer 15	Object 16	Håbo			68	Sweden Green Building Council (Silver)
Customer 16	Object 17	Karlstad			62	Sweden Green Building Council (Silver)
Customer 17	Object 18	Malmö	477	233		Passive building
Customer 18	Object 19	Burlöv			36	Sweden Green Building Council (Silver)
Customer 19	Object 20	Burlöv			32	Sweden Green Building Council (Silver)
Customer 20	Object 21	Burlöv			43	Sweden Green Building Council (Silver)
Customer 21	Object 22	Burlöv	170	170		Sweden Green Building Council (Silver)
Customer 22	Object 23	Burlöv	184	158		Sweden Green Building Council (Silver)
Customer 23	Object 24	Stockholm	344	301		Sweden Green Building Council (Silver)
Customer 24	Object 25	Göteborg	364	190		Sweden Green Building Council (Silver)
Customer 25	Object 26	Haninge	206	163		Sweden Green Building Council (Silver)
Customer 26	Object 27	Möndal	300	253		Sweden Green Building Council (Silver)
Customer 27	Object 28 and	Falkenberg	60	59		"Energy Class B"
Customer 28	Object 30 and	Haninge			57	Sweden Green Building Council (Silver)
			3,573	2,768	1,442	

Calculation method

Customer	Property	Location	Climate zone	Object size <i>m² Atemp</i>	Yearly allowed energy consumption for new construction <i>kWh/(m²*year)</i>	Expected/actual yearly energy consumption <i>kWh/(m²*year)</i>	Own energy production <i>kWh/(m²*year)</i>
Customer 1	Object 1	Malmö	IV	5,300	75	59	0
Customer 2	Object 2	Malmö	IV	5,296	75	26	0
Customer 3	Object 3	Stockholm	III	10,411	80	54	0
Customer 4	Object 4	Uppsala	III	6,960	80	73	0
Customer 5	Object 5	Upplands-Bro	III	15,485	80	56	0
Customer 6	Object 6	Huddinge	III	6,250	80	25	0
Customer 7	Object 7	Huddinge	III	6,175	80	26	0
Customer 8	Object 8 and 9	Malmö	IV	8,735	75	50	0
Customer 9	Object 10	Järfälla	III	6,947	80	27	0
Customer 10	Object 11	Malmö	IV	7,191	75	30	0
Customer 11	Object 12	Gothenburg	III	7,898	80	10	1
Customer 12	Object 13	Malmö	IV	4,239	75	27	0
Customer 13	Object 14	Stockholm	III	21,899	80	50	0
Customer 14	Object 15	Sundbyberg	III	14,490	80	50	0
Customer 15	Object 16	Håbo	III	5,250	80	38	0
Customer 16	Object 17	Karlstad	II	8,566	100	58	0
Customer 17	Object 18	Malmö	IV	10,333	75	18	0
Customer 18	Object 19	Burlöv	IV	3,134	75	23	8
Customer 19	Object 20	Burlöv	IV	3,134	75	23	8
Customer 20	Object 21	Burlöv	IV	3,134	75	23	8
Customer 21	Object 22	Burlöv	IV	9,400	75	23	8
Customer 22	Object 23	Burlöv	IV	9,400	75	23	8
Customer 23	Object 24	Stockholm	III	6,238	80	30	0
Customer 24	Object 25	Göteborg	III	7,468	80	74	0
Customer 25	Object 26	Haninge	III	6,437	80	67	2
Customer 26	Object 27	Möln dal	IV	10,932	75	58	1
Customer 27	Object 28 and 29	Falkenberg	IV	2,800	75	32	0
Customer 28	Object 30 and 31	Haninge	III	4,737	80	67	0

¹⁾ The calculation of the loan from SBAB's share of the GHG emissions from production is based on the production cost. When the production cost is unknown, we have used 80% of the acquisition cost. For object 1, the object's rateable value has been used instead of the production cost.

Calculation formula

$$(A - (B - C)) \times D \times E$$

- A** = Allowed energy consumption per m² Atemp and year
B = Expected/actual energy consumption per m² Atemp and year
C = Own energy production per m² Atemp and year
D = Object size, m² Atemp
E = Average GHG emissions per kWh (138.5g CO₂e per kWh)

$$= 1,132 \text{ tCO}_2\text{e / year}$$

Estimated avoidance of GHG emissions

Construction loans				IMPACT REPORTING	
Production cost ¹⁾ SEK million	Committed, SEK million	Disbursed, SEK million	Mortgage loans, SEK million	Estimated GHG emissions avoided tCO ₂ e/year	SBAB financed expected GHG emissions avoided tCO ₂ e/year
26			32	12	
118			70	36	
240			246	37	
130	232	221		7	
233			205	51	
301	256	240		48	
296			59	46	
288			88	30	
324	275	266		51	
228			67	45	
308	347	164		78	
74			35	28	
1,400			343	92	
478	359	352		59	
161			68	31	
182			62	50	
252	477	233		81	
65			36	26	
67			32	26	
51			43	26	
219	170	170		78	
230	184	158		78	
483	344	301		43	
323	364	190		6	
259	206	163		13	
392	300	253		27	
73	60	59		17	
179			57	9	
	3,573	2,768	1,442	1,132	764

Sample projects

Gjutformen 1



Gjutformen 1

Gjutformen 1 is a newly developed residential property by Vita Örn. Located in Limhamn in Malmö, the property comprises rental apartments and some smaller commercial premises. The property is what is known as a “passive building,” which means that its total energy consumption is under 25 kWh/m²/year.

Las Vega

Las Vega

BRF Las Vega is a newly developed residential property by Wästbygg Projektutveckling AB. Located in Vegastaden Haninge, the property comprises 103 tenant-owned apartments in sizes from 23 to 92 sqm. Regardless of apartment size, open floor plans for social interaction are prioritised. Speaking of social interaction, the property has three roof terraces totaling 300 sqm. The property holds a Silver certification with low energy usage and sound materials selection. The property is also equipped with solar cells on the roof.

