



GREEN BONDS IMPACT REPORT 2017

SBAB Bank AB (publ)

The objective of this report is to provide investors and other stakeholders with information on the impact of Eligible projects within SBAB's Green Bond Framework.

SBAB!

SUMMARY

Summary

As of 31 December, SBAB had issued two green bonds, for a total of SEK 3.75 billion. Eligible projects within SBAB's Green Bond Framework are estimated to generate an annual reduction in GHG emissions corresponding to 1,365 tonnes CO₂e.

Green Bond Framework

The framework 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.

Green bond issuance

As of 31 December, 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 2017, Eligible projects within the Green Bonds Framework totalled SEK 5.5 billion (in the form of construction loans and mortgage loans), distributed between 28 properties.

Energy efficiency is the basis for all Eligible projects, which means that the properties are to be built with the aim of achieving energy class A or B.

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

Impact results

Eligible projects within SBAB's Green Bond Framework are estimated to generate an annual reduction in GHG emissions corresponding to 1,365 tonnes CO₂e. SBAB's share of the financing, based on expected amounts disbursed relative to the production cost, is expected to correspond to an annual reduction of 1,134 tonnes CO₂e. That in turn corresponds to a reduction of 0.2 tonnes CO₂e per expected disbursed SEK million and year.

Calculations

The expected reduction in 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. Thereafter, reduction in GHG emissions have been estimated for each Eligible project based on average GHG emissions per kWh (158g CO₂e per kWh).¹⁾

¹⁾ Source: Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting, October 2017.

SBAB's green bonds

Issue date	Amount issued	Maturity	Coupon	ISIN
2016-06-16	SEK 1 billion	23 June 2021	1.048%	XS1436518606
	SEK 1 billion	23 June 2021	3M Stibor +95 bps	XS1436728916
2017-10-04	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

Customer	Property	Location	Construction loans		Mortgage loans, SEK million	Environmental requirements in accordance with
			Committed, SEK million	Disbursed, SEK million		
Customer 1	Property 1	Malmö			32	GreenBuilding
Customer 2	Property 2	Malmö			70	Passive building
Customer 3	Property 3	Stockholm	238	150		Sweden Green Building Council (Silver)
Customer 4	Property 4	Karlstad	275	217		Sweden Green Building Council (Silver)
Customer 5	Property 5	Uppsala	143	82		Sweden Green Building Council (Silver)
Customer 6	Property 6	Upplands-Bro	265	237		Sweden Green Building Council (Silver)
Customer 7	Property 7	Huddinge	256	91		Sweden Green Building Council (Silver)
Customer 8	Property 8	Huddinge	251	142		Sweden Green Building Council (Silver)
Customer 9	Property 9 & 10	Malmö	245	172		Sweden Green Building Council (Silver)
Customer 10	Property 11	Umeå	120	30		Sweden Green Building Council (Silver)
Customer 11	Property 12	Järfälla	275	160		Sweden Green Building Council (Silver)
Customer 12	Property 13	Malmö	193	121		Sweden Green Building Council (Silver)
Customer 13	Property 14	Göteborg	347	71		Sweden Green Building Council (Silver)
Customer 14	Property 15	Malmö	147	123		Sweden Green Building Council (Silver)
Customer 15	Property 16	Malmö			29	Sweden Green Building Council (Silver)
Customer 16	Property 17	Malmö	83	69		Sweden Green Building Council (Silver)
Customer 17	Property 18	Stockholm	889	800		Sweden Green Building Council (Silver)
Customer 18	Property 19	Sundbyberg	359	250		Sweden Green Building Council (Gold)
Customer 19	Property 20	Häbo	121	92		Sweden Green Building Council (Silver)
Customer 20	Property 21	Karlstad	146	125		Sweden Green Building Council (Silver)
Customer 21	Property 22	Malmö	197	29		Passive building
Customer 22	Property 23	Burlöv			36	Sweden Green Building Council (Silver)
Customer 23	Property 24	Burlöv	65	57		Sweden Green Building Council (Silver)
Customer 24	Property 25	Burlöv	41	41		Sweden Green Building Council (Silver)
Customer 25	Property 26	Burlöv	170	156		Sweden Green Building Council (Silver)
Customer 26	Property 27	Burlöv	184	13		Sweden Green Building Council (Silver)
Customer 27	Property 28	Stockholm	344	123		Sweden Green Building Council (Silver)
			5,353	3,349	167	

CALCULATION METHOD

Calculation

Customer	Property	Location	Climate zone	Object size <i>m² Atemp</i>	Allowed energy consumption <i>kWh/(m²*year)</i>	Expected/actual energy consumption <i>kWh/(m²*year)</i>	Own energy production <i>kWh/(m²*year)</i>
Customer 1	Property 1	Malmö	IV	5,300	75	59	0
Customer 2	Property 2	Malmö	IV	5,296	75	26	0
Customer 3	Property 3	Stockholm	III	10,411	80	54	0
Customer 4	Property 4	Karlstad	II	20,517	100	63	0
Customer 5	Property 5	Uppsala	III	6,960	80	73	0
Customer 6	Property 6	Upplands-Bro	III	15,485	80	56	0
Customer 7	Property 7	Huddinge	III	6,250	80	25	0
Customer 8	Property 8	Huddinge	III	6,175	80	26	0
Customer 9	Property 9 & 10	Malmö	IV	8,735	75	50	0
Customer 10	Property 11	Umeå	I	1,089	115	81	0
Customer 11	Property 12	Järfälla	III	6,947	80	27	0
Customer 12	Property 13	Malmö	IV	7,191	75	30	0
Customer 13	Property 14	Göteborg	III	7,898	80	10	1
Customer 14	Property 15	Malmö	IV	4,418	75	57	7
Customer 15	Property 16	Malmö	IV	3,140	75	55	6
Customer 16	Property 17	Malmö	IV	4,239	75	27	0
Customer 17	Property 18	Stockholm	III	21,899	80	50	0
Customer 18	Property 19	Sundbyberg	III	14,490	80	50	0
Customer 19	Property 20	Håbo	III	5,250	80	38	0
Customer 20	Property 21	Karlstad	II	8,566	100	58	0
Customer 21	Property 22	Malmö	IV	10,333	75	18	0
Customer 22	Property 23	Burlöv	IV	3,134	75	23	8
Customer 23	Property 24	Burlöv	IV	3,134	75	23	8
Customer 24	Property 25	Burlöv	IV	3,134	75	23	8
Customer 25	Property 26	Burlöv	IV	9,400	75	23	8
Customer 26	Property 27	Burlöv	IV	9,400	75	23	8
Customer 27	Property 28	Stockholm	III	6,238	80	30	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

$$(A - (B - C)) \times D \times E = 1\,365 \text{ tCO}_2\text{e / year}$$

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 (158g CO₂e per kWh)

Construction loans				Eligible projects GHG emissions avoided tCO ₂ e/year	SBAB financed GHG emissions avoided tCO ₂ e/year
Production cost ¹⁾ SEK million	Committed, SEK million	Disbursed, SEK million	Mortgage loans, SEK million		
26			32	14	
118			70	41	
240	238	150		43	
246	275	217		120	
130	143	82		8	
233	265	237		59	
301	256	91		54	
296	251	142		53	
288	245	172		34	
135	120	30		6	
324	275	160		59	
228	193	121		51	
308	347	71		89	
131	147	123		17	
78			29	13	
74	83	69		32	
1,400	889	800		105	
478	359	250		68	
161	121	92		35	
182	146	125		57	
252	197	29		93	
65			36	30	
67	65	57		30	
51	41	41		30	
219	170	156		89	
230	184	13		89	
483	344	123		49	
	5,353	3,349	167	1,365	1,134

SAMPLE PROJECTS



KLYVAREN 3

Klyvaren 3 is a newly produced multi-use property developed by Vita Örn. Located in the Västra Hamnen district in central Malmö, the property comprises rental apartments, offices and retail premises. The building is what is known as a “passive building,” which means that its total energy consumption is under 25 kWh/m²/year.

.....

BOMMEN 2

Bommen 2, under production by Riksbyggen, is located in Malmö borders Mastgränd to the west and Masttorget to the south. Comprising 49 tenant-owners’ association apartments, the project is being built according to Riksbyggen’s StegEtt concept, which focuses on small, energy-efficient studios and one-bedroom apartments for first-time homeowners. Riksbyggen’s aim is for all newly produced tenant-owners’ association apartments in multi-family dwellings to meet the highest standard of the Sweden Green Building Council – Silver.

