Sparebanken1Boligkreditt Inaugural EuGB - FAQs

1. **What is the difference between this EU Green Bond all the other Green Bonds previously issued by SpaBol?**
   The legal designation is different because this offering qualifies as 'European Green Bond' under the EU Green Bond Regulation (2023/2631 of the European Parliament and of the Council of 22 November 2023). This designation became available only when the EuGB Regulation entered into force on the 21st of December 2024 and it could not be used before that date. Our European Green Bond (and any potential future offering under this format) is also aligned with the ICMA Green Bond Principles, as assessed by Moody's and as per legal documentation. In the context of the latest Green Bond Framework update, we already aligned our Green Bond Framework with the EU Taxonomy (on a best effort basis at that time).

   We are now using an updated methodology to select EU Taxonomy aligned green homes, established by Eiendomsverdi and released in June 2026 (available here). The methodological update was motivated by a new labelling regulation coming into force in Norway in January 2026, a change in priority between the official energy certificate and the calculated energy rating, new official threahsold released by the Norwegian authorities for the top 15% criterion, and a new definition of the NZEB date.

2. **What is the rationale of issuing in EU GBS format?**
   The EU GBS is the latest standard provided by the EU which implies alignment with the EU Taxonomy. The issuance of European Green Bonds enables SpaBol to offer a product to investors that meet the EU regulatory definition of 'green', implying the assets have been assessed for resiliency to climate physical risks as well. Additionality, the EU Taxonomy offers a set of well established criteria to define and select assets under the economy activity 7.7. 'Acquisition and ownership of buildings'.
   EuGBs feel like a natural progression for SpaBol, given SpaBol was the first financial issuer to issue in green labelled format in Norway.

3. **Will future green bond issuance from SpaBol be all EU GBS labelled?**
   This should be possible, however we cannot commit to it, especially given potential EU Taxonomy changes (while the majority of our EU Taxonomy assets selected are likely not being affected by any changes, i.e. buildings build before 31st December 2020).
   This will depend, amongst others, on several factors including the ability to provide the data to align with EU Taxonomy, investor reception and market developments, regulatory amendments.

4. **Does the bond align with the ICMA Green Bond Principles?**
   Yes, as assed by Moody's via the Pre-issuance External Review and SPO.

5. **If the bond looses the EuGB designation, is it expected to fall back to a coventional bond status?**
   No, in the event that any issue of European Green Bonds, subsequent to their issue date, no longer meets the requirements of the EU Green Bond Regulation, the Issuer expects such Notes to be classified as Green Notes and to still comply with the requirements and processes in its Issuer's Green Bond Framework.

6. **What is the envisaged allocation of proceeds for this EU Green Bond? Can you confirm you will be fully allocated at issuance?**
   An amount equivalent to the EuGB proceeds will be allocated to a portfolio of EU Taxonomy aligned mortgages orginated by the owner banks and transferred to the cover pool. SpaBol will be fully allocated at issuance.

7. **What is the percentage of financing vs refinancing?**
   The amount / percentage of new mortgages transferred EU Taxonomy-aligned green mortgages in the year of issuance of the EuGBs is disclosed through the allocation report. The indicative amount for 2026 YTD is [insert data].

8. **Are you using the 15% flexibility pocket?**
   No. 100% of the assets within the green asset portfolio are EU Taxonomy aligned. This is in line with the requirements under the portfolio approach.

9. **What is the methodology for the top 15% and NZEB- 10%?**
   The Norwegian authorities have updated the threshold values that determine whether a home is categorised as green under the top 15% criterion. The new threshold values are 95 kWh/m² for apartments and 150 kWh/m² for houses (Ministry of Finance & Ministry of Energy, 2026). As of June 2026, no updated threshold values for NZEB calculation have been published. At present, NS 3031:2025 is therefore used to perform calculations, but standardised values from NS 3031:2014 are used because no updated threshold values are available.

   NEARLY ZERO-ENERGY BUILDING (KWH/M² HEATED AREA (BRA) PER YEAR)
   - Houses: 76 +1 600/m2 heated area BRA
   - Apartment blocks: 67

10. **How did you ensure the green assets comply with the Do No Significant Harm criteria for Climate Change Adaptation (CCA)?**
    The method for evaluating DNSH CCA is organized into multiple steps, with different parties responsible for various aspects. Eiendomsverdi primarily conducts the climate risk and vulnerability assessment. Subsequently, the SpareBank 1 Alliance (comprised of the owner banks) makes decisions on the materiality assessment of the buildings in the portfolio. This assessment occurs before the mortgages are transferred to SpaBol, which is responsible for ensuring compliance with DNSH CCA.
    As a specialized covered bond issuer offering green mortgages for residential real estate assets with long expected lifespans, assets in SpaBol's portfolio are exposed to a range of physical climate risks as identified by risk and vulnerability assessment. Eiendomsverdi gathers detailed property-level data to evaluate these assets against physical threats such as flooding, stormwater, landslides, avalanches, and sea level rise. Consequently, climate risk assessments are conducted across SpaBol's entire portfolio using recognized scenario analyses.
    At the time of publication of the Factsheet, a quantitative scoring method for evaluating physical climate risks is applied, rating each risk from 0 (no risk) to 6 (highest risk). The loan's ultimate risk score is the highest score among all assessed risks. Loans scoring 5 or 6 are considered to have material physical climate risks and are excluded from the green mortgage portfolio. SpaBol aims to follow leading market practices and guidance from Finance Norway, the financial industry trade and employers' association in Norway.
    After prioritizing risks, they are addressed through adaptation measures, which are subsequently integrated into continuous monitoring processes. SpaBol is committed to discussing these matters with the owner banks, including integrating adaptation solutions for urgent risks, as necessary and applicable.
    For new developments, adaptation solutions are aligned with local regulations. The Norwegian building codes TEK 10 and TEK 17, alongside building permits, ensure the consideration of various adaptations measures. These codes set forth general requirements for structural safety, addressing aspects such as water drainage and flood protection. The adaptation measures are designed to avoid negatively impacting the overall resilience of other individuals, the environment, and assets. They align with regional or national adaptation strategies and may integrate nature-based or green infrastructure methods.

11. **The EU Commission has launched a consultation to amend the EU Taxonomy and we understand the new criteria will be published by the end of the year. How is this going to affect this bond? How does the grandfathering rule work?**
    Given the tenor of the bond, it is technically grandfathered. Under the portfolio approach, we have seven years to remove from the portfolio of EuGB eligible assets all those assets that are not aligned with the amended technical screening criteria.

12. **Will you keep reporting on an annual basis on allocation and impact of your outstanding instruments?**
    We expect to keep reporting annually until maturity of the instruments in line with our longstanding approach to green financing.

13. **Is the provider of the Pre-Issuance Review registered with ESMA for the purposes of providing this service under the relevant EU GB transitional arrangements?**
    Yes, Moody's is on the updated list of pre-issuance reviewers registered with ESMA.