



Green Bond Report 2017

October 2017

Invested in each other



Rabobank

Green Bond Report 2017

About this document

This document is the first annual report on the use of proceeds of Rabobank's first Green Bond, issued on October 4th, 2017, based on the [Rabobank Green and Sustainability Bond Framework](#) (hereafter: "the Framework")

The report covers the period 1 October 2016 up to 30 September 2017.

Green Bond fully aligned with our Framework and the Green Bond Principles

Rabobank's 2016 Green Bond's use of proceeds are fully aligned with the eligible projects and the use of proceeds as defined in the Framework and with the Green Bond Principles 2016 (Table 1). They have been fully allocated to a portfolio of loans to projects that generate solar, onshore wind and offshore wind energy.

IN A NUTSHELL

Rabobank has been able to allocate all the proceeds of its Green Bond offering of EUR 500 million to 12 new wind and solar energy projects that were closed after the date of the issuance of the Green Bond. The proceeds supported the additional lending to our renewable energy portfolio and resulted in an installed capacity attributed to the Green Bond's proceeds of 229 megawatt. All projects are located in OECD countries. The Equator Principles III and Rabobank sustainability policies are applicable to all projects.

Use of Proceeds	We have allocated the full proceeds of EUR 500 million to a loan portfolio of 12 renewable wind and solar energy projects within the first year after bond issuance.
Project Selection and Evaluation	<p>The net proceeds of any Green Bond issued under the Framework have been allocated to a loan portfolio of new and ongoing renewable energy projects (wind and solar).</p> <p>Proceeds will be allocated to Eligible Projects closed after a bond issuance under the Framework or disbursed within a period of maximum 18 months prior to the issuance of the bond.</p> <p>Rabobank's sustainability policies and the Equator Principles III are applicable to all loans balanced by the proceeds of the Green Bond.</p>
Management of Proceeds	Up to the full allocation of the net proceeds of its Green Bond, Rabobank held or invested –at its own discretion - the balance of net proceeds not yet allocated to eligible renewable energy projects in its liquidity portfolio
Installed Capacity	The installed capacity attributed to the Green Bond's proceeds is 229 megawatt. The installed capacity attributed to the use of proceeds of our Green Bond is estimated as the percentage of our loan exposure in EUR to the projects in the portfolio relative to the total costs of the projects.
Equator Principles III	The Equator Principles III were applied to all projects in the portfolio. 11 out of 12 projects were classified as a category B project in the sense of the Equator Principles, following the regular Rabobank procedures to apply the Equator Principles. One project has a combined B/C category, pertaining to different sites of the same project.

Reporting	<p>The allocated amounts of the use of proceeds will be included in our Annual Report and will be subject to the verification of our Annual Report by an external assurance provider as part of the regular external assurance process applied to our Annual Report.</p> <p>The application of the Equator Principles III to the projects in the loan portfolio will also be included in our Annual Report and in the Equator Principles' website in accordance with the disclosure requirements of the Equator Principles III. They will also be subject to our regular external assurance procedures thereof.</p>
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Table 1: Green Bond's use of proceeds aligned with Green Bond Principles and our Framework.

The projects

The proceeds of the Green Bond were allocated to renewable wind and solar power generation projects in OECD countries, the financing of which was closed between 1 October 2016 and 30 September 2017 (see Table 2).

<i>Project name</i>	<i>EP III* Category</i>	<i>Energy Source</i>	<i>Financial Close</i>	<i>Project Stage</i>	<i>Location</i>	<i>Installed Capacity (MW*)</i>
Rentel	B	Offshore Wind	05/10/2016	Construction	Belgium	308.7
Fluvanna	B	Onshore Wind	22/11/2016	Construction	United States	155.4
Norther	B	Offshore Wind	14-12-16	Construction	Belgium	369.6
Socore II	B/C	Solar	22-12-16	Portfolio of construction and operating assets	United States	60.1
SolaireHolman	B	Solar	17-03-17	Operational	United States	50.0
Krammer	B	Onshore Wind	22-03-17	Construction	The Netherlands	102.0
Willow Springs	B	Onshore Wind	30-03-17	Construction	United States	250.0
Race Bank	B	Offshore Wind	01-05-17	Construction	United Kingdom	573.3
Hecate	B	Solar	08-05-17	Construction	United States	20.0
Borkum II	B	Offshore Wind	09-05-17	Construction	Germany	202.6
Meenwaun	B	Onshore Wind	30-06-17	Construction	Ireland	11.0
Deutsche Bucht	B	Offshore Wind	21-08-17	Construction	Germany	268.8

Table 2: Project overview

* Equator Principles III

* Megawatt

Some examples

Norther

Norther NV is a 369 MW offshore wind farm, the largest in Belgium, to be built 23 kilometers off the coast from Ostend. Norther is the sixth offshore wind project in the Belgian North Sea and it will consist of 44 turbines supplied by Mitsubishi Vestas Offshore Wind with a capacity of 8.4 MW (megawatt) each.

The total project investment amounts to around EUR 1.2 billion and is expected to produce around 1,400 GWh (Gigawatt-hour) per annum of renewable electricity from 2019 onwards, which is enough to supply approximately 400,000 households.

Race Bank

Race Bank is a 573 MW offshore wind farm (under construction). Race Bank will consist of 91 Siemens turbines and is owned by Dong Energy, Macquarie and Sumitomo Corp.

Trianel Windpark Borkum II

The project will commence construction in 2017 and is scheduled to be completed in 2019. Once completed, it will have a capacity of 200 MW and comprises 32 Senvion 6.2M152 turbines. As such, the project will supply approximately 145,000 German households with green power each year.

Installed capacity

Table 3 shows the installed capacity attributed to the use of proceeds of the Green Bond.

Country	Installed capacity in megawatt of the projects attributed to the proceeds
Belgium	34.0
Germany	29.9
The Netherlands and Ireland	26.9
United States of America	116.3
United Kingdom	22.0
Total	229.1

Table 3: Installed capacity for renewable energy generation attributed to the use of proceeds, by country.