ASSESSMENT
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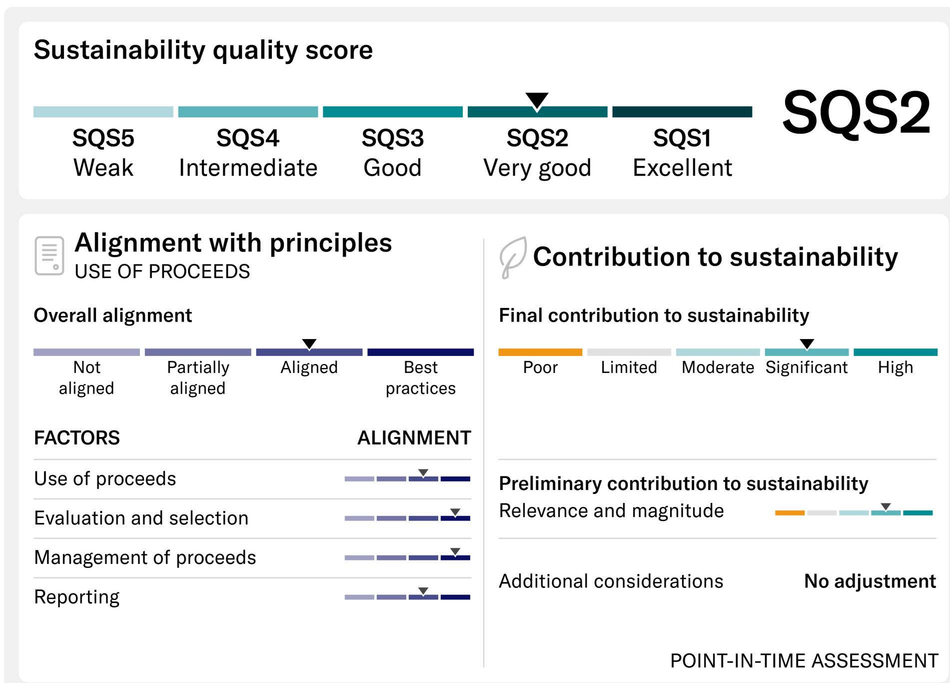
BN Bank ASA

Second Party Opinion – Green Bond Framework Assigned SQS2 Sustainability Quality Score

Summary

We have assigned an SQS2 Sustainability Quality Score (very good) to BN Bank ASA's (BN Bank) green bond framework dated December 2025. The issuer has established its use-of-proceeds framework with the aim of financing projects in one eligible green category — green buildings. The framework is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2025. The framework demonstrates a significant contribution to sustainability.



Scope

We have provided a second party opinion (SPO) on the green credentials of BN Bank ASA's (BN Bank) green bond framework, including the framework's alignment with the ICMA GBP 2025. Under its framework, the bank plans to issue green bonds to finance projects across a single green category, as outlined in Appendix 3 of this report.

Our assessment is based on the last updated version of the framework received on 10 December 2025, and our opinion reflects our point-in-time assessment[1] of the details contained in this version of the framework, as well as other public and non-public information provided by the financing institution.

We produced this SPO based on our Assessment Framework: Second Party Opinions on Sustainable Debt, published in October 2025.

Issuer profile

BN Bank, headquartered in Trondheim, primarily operates as a digital institution catering to both individual and business clients in Norway. In the retail sector, the bank concentrates on residential mortgage lending, particularly in eastern Norway. In the corporate sector, it specializes in commercial real estate lending, predominantly in the Oslo area. The bank is entirely owned by member banks of the SpareBank 1 Alliance, and this cooperative relationship supports its operations. The bank's lending portfolio is composed of 62% retail and 38% corporate loans. As of June 30, 2025, the total lending amounted to NOK 68 billion (€5.85 billion), which includes loans transferred to SpareBank 1 Næringskreditt and SpareBank 1 Boligkreditt.

Strengths

» The single green buildings category targets key sustainability challenges for real estate in Norway by increasing energy efficiency and decreasing carbon emissions.

» The processes for evaluating and selecting projects, along with the management of proceeds, align with the market's best practices.

Challenges

» While eligible buildings must exhibit energy performance within the top 15% in Norway, which represents a good threshold, this does not ensure that they will be aligned with a 1.5°C pathway in the long term.

» There is no independent verification of the impact reporting on environmental benefits associated with the financed projects.

Alignment with principles

BN Bank's green bond framework is aligned with the four core components of the ICMA's GBP 2025. For a summary alignment with principles scorecard, please see Appendix 1.

- [x] Green Bond Principles (GBP)
- [ ] Green Loan Principles (GLP)
- [ ] Social Bond Principles (SBP)
- [ ] Social Loan Principles (SLP)
- [ ] Sustainability-Linked Bond Principles (SLBP)
- [ ] Sustainability Linked Loan Principles (SLLP)

Use of proceeds

Clarity of the eligible category – BEST PRACTICES

BN Bank has clearly communicated the nature of expenditures, as well as the eligibility and exclusion criteria for the single eligible category of green buildings. The framework specifies eligibility criteria by referencing relevant EU Taxonomy criteria, supplemented by incorporating recognized certification schemes. All of the assets and projects are located in Norway, with a focus on eastern Norway, especially Trøndelag and the Oslo region.

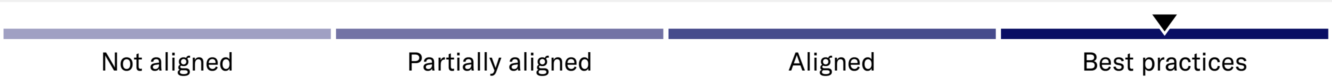
Clarity of the environmental or social objectives – BEST PRACTICES

The issuer has clearly outlined the environmental objective as climate change mitigation, which is relevant for the eligible category and is coherent with recognized international standards, including the EU Taxonomy and the United Nations' (UN) Sustainable Development Goals (SDGs).

Clarity of expected benefits – ALIGNED

The expected environmental benefits are clearly defined and relevant for the eligible category. These benefits are measurable, and the bank plans to include these quantitative benefits in its ongoing reporting. BN Bank will disclose the estimated share of refinancing solely in its post-issuance reporting, diverging from the Moody's-identified best practice of providing this information before an issuance. The issuer has specified transparently that there will be no look-back period for eligible projects.

Process for project evaluation and selection



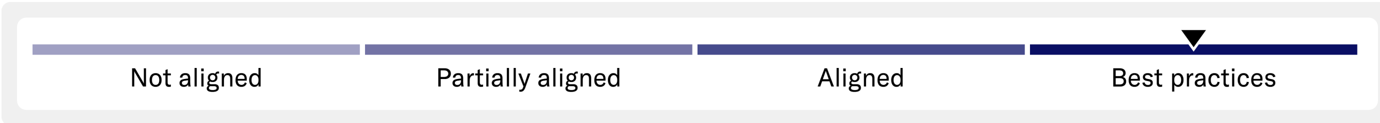
Transparency and clarity of the process for defining and monitoring eligible projects – BEST PRACTICES

BN Bank has established a clear and structured decision-making process for determining the eligibility of projects, which is detailed in its publicly available framework.

The bank has formed a Green Bond Committee (GBC) tasked with evaluating, selecting and monitoring the eligible projects. The GBC comprises the Chief Financial Officer, Deputy Chief Executive Officer, Head of Treasury, the Executive Director for Retail Banking and other relevant internal experts. The committee will convene at least annually to monitor the volume of green projects and assets, ensuring they are accurately recorded in the Green Register.

If a project fails to meet the eligibility criteria or faces delays or divestment, it will be removed from the Green Register and replaced. The compliance of the projects will be monitored throughout the bonds' lifetime. The process for identifying and managing environmental and social risks (E&S) is outlined in the publicly available sustainability report.

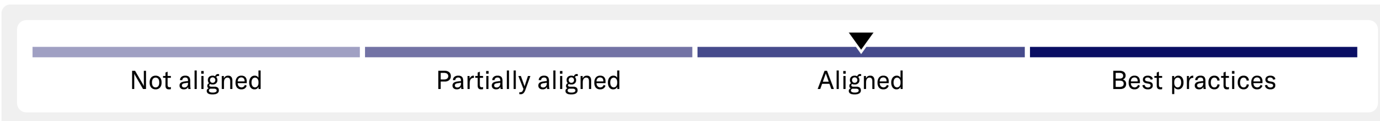
Management of proceeds



Allocation and tracking of proceeds – BEST PRACTICES

The issuer has clearly defined the process for allocating and tracking proceeds within its publicly available framework. Proceeds will be managed using a portfolio approach, placed in the general treasury and monitored using the Green Bond Register to ensure they are used for their intended purposes. The allocation period is set at 12 months (on a best-efforts basis). Any unallocated proceeds will be maintained as a liquidity reserve, conforming to the exclusion criteria. The balance of tracked proceeds will be adjusted at least annually.

Reporting

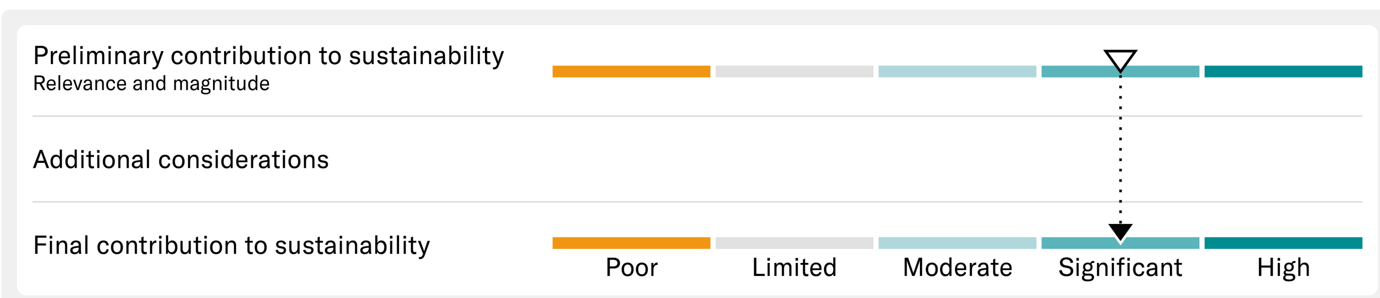


Reporting transparency – ALIGNED

BN Bank has committed to providing annual reports on allocation and impact until maturity is reached or in the event of material developments, which is in line with market´s best practice. The report will be publicly accessible on the bank's website and will cover clear, relevant and exhaustive information about the allocation of proceeds and the expected sustainable benefits of the projects. The bank intends to report on quantitative impact indicators wherever relevant data is available, detailing the calculation methodologies and assumptions used in the report. The allocation report will undergo an annual external review, with the resulting report also available on BN Bank's website. However, the issuer has confirmed that there will be no independent evaluation of the environmental impact.

Contribution to sustainability

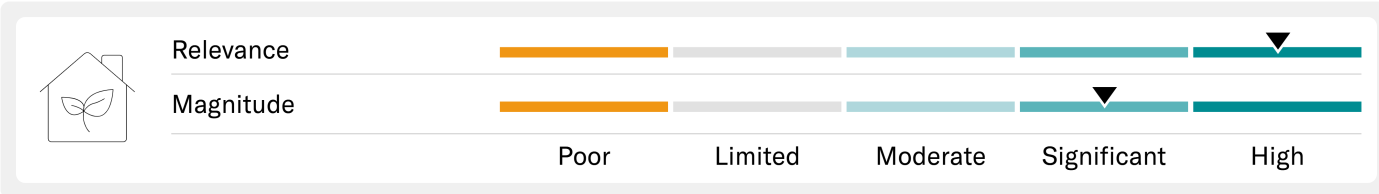
The framework demonstrates a significant overall contribution to sustainability. This reflects a preliminary contribution to sustainability score of significant, based on the relevance and magnitude of the single eligible project category, and we have not made any adjustments to the preliminary score based on additional contribution to sustainability considerations.



Preliminary contribution to sustainability

The preliminary contribution to sustainability is significant, based on the relevance and magnitude of the single eligible project category. A detailed assessment is provided below.

Green buildings



Eligible projects address climate change mitigation—a highly relevant objective given the Norwegian real estate sector's substantial energy consumption. This relevance is further underscored by the fact that real estate is the sector to which the issuing bank is most heavily exposed. Despite Norway's goal to cut energy usage in existing buildings by 10 TWh by 2030 from 2016 levels, progress has been slow, with current energy usage at around 80 TWh, accounting for 40% of the country's total energy consumption. The country's housing stock, mostly wooden single-family houses built between 1950 and 1990, now requires substantial upgrading – addressed by the inclusion of criteria for renovated buildings in the current framework, albeit the issuer does not expect allocation to renovation in the short-term future. With an average energy usage of 200 kWh/m^2 in dwellings, improving energy efficiency in buildings and reaching a more energy-efficient housing stock, including through construction of new, highly efficient buildings, are critical for Norway's energy system. Achieving energy-efficient buildings aligns with Norway's goal to reduce greenhouse gas (GHG) emissions by at least 55% by 2030 and become a low-emission society by 2050, a challenge increased by the fact that most straightforward emission reduction strategies have already been implemented.

Eligible projects focused on constructing and acquiring new and existing buildings with robust energy performance or stringent environmental certifications are expected to, overall, significantly contribute to reducing energy consumption and related GHG emissions in the Norwegian building sector. Under the framework, most of the allocation is expected to be directed toward acquisition, which primarily drives the overall magnitude score. New construction accounts for a lesser portion, while little to no funding is expected to be allocated toward building renovations, at least in the short term.

For the acquisition of buildings built before 2021, the primary selection criterion is anticipated to be belonging to the top 15% of the most energy-efficient buildings in Norway, with an alternative eligibility criterion of holding an Energy Performance Certificate (EPC) of A. In the Norwegian context, the top 15% threshold of the Norwegian housing stock is considered ambitious, but not the most ambitious. Buildings satisfying this criterion can have EPCs of A or B or in some cases C (buildings with A or B make up 9.3% of the housing stock), and to be in line with the TEK10 or TEK17 building standards, with some potentially under TEK07. All houses in the top 15% will achieve an energy performance below 145 kWh/m^2/year (the threshold for EPC C), with most below 120 kWh/m^2/year (EPC B); all apartments will be below 110 kWh/m^2/year (the threshold for EPC C), with most below 95 kWh/m^2/year (EPC B). In Norway, the stringency of current building regulations and the rate of new construction are likely to gradually improve the average energy efficiency of the top 15% of buildings over time. However, this improvement rate is still slower than what is needed to align with a 1.5°C long-term trajectory. Alternatively, the acquisition of commercial buildings under the framework could instead be eligible through holding a BREEAM-NOR or BREEAM In-Use certificate of "Excellent" or better, which is not the most stringent level, and the point-based system of such certifications does not guarantee a minimum energy efficiency performance. However, buildings relying on certifications only are a small share of overall allocation.

For new construction, defined as buildings built since the beginning of 2021, we consider operational energy performance, embodied emissions and externalities. Nearly all new buildings will follow the eligibility criterion of operational energy performance that is 10% below the national Nearly Zero Energy Building (NZEB) standard. For apartment buildings, the most common building type in BN Bank's eligible green portfolio, the Norwegian NZEB minus 10% requires an energy performance of 60.3 kWh/m^2/year. When adjusted for equipment and lighting, this figure rises to 89.2 kWh/m^2/year, which is below the current but above the long-term Carbon Risk Real Estate Monitor (CRREM) thresholds for a 1.5°C scenario. Alternatively, new commercial buildings could instead hold a BREEAM-NOR certification of "Excellent" or above; while this does not guarantee a minimum energy efficiency performance, such buildings account for only a small portion of allocation. On embodied emissions, the issuer does not require any specific criteria or quantitative thresholds, even though embodied emissions typically account for at least 30%—and often more—of a building's life cycle emissions in the Nordic context.[2,3] However, Norwegian legislation requires all new buildings since 1 January 2023 to have a life cycle assessment (LCA) covering the product stage, transport and construction process (life cycle stages A1-A5). While an LCA measures the total embodied emissions footprint, it does not impose limits on it. Finally, environmental and social externalities can be considered to be generally well managed due to the stringent requirements embedded within Norwegian regulation, in particular the newest building code TEK17.

Finally, renovations must demonstrate an improvement in energy efficiency that results in an annual reduction in primary energy demand (PED) of at least 30%, which is in line with good market standards, though not the most ambitious ones. In any case, the issuer has estimated renovation to receive around 0% of total allocation, at least in the short term.

Additional contribution to sustainability considerations

We have not made any adjustments to the preliminary contribution to sustainability score based on additional considerations.

BN Bank displays robust management of ESG risks. E&S risk management is integrated into the credit process of the bank. For corporate exposures exceeding NOK 10 million, BN Bank uses an ESG module to assign an ESG score to the customer. This risk module covers physical climate risk, transition risk, social conditions, and corporate governance. The bank has performed a double materiality analysis identifying central risks and opportunities for its own operations. Employees of the bank undergo training in the areas of sustainability, equality and inclusion. The bank has processes and safeguards in place to prevent illegal usage of its services and products.

The framework is coherent with the overall sustainability strategy of BN Bank. The bank has set a net zero target for its loan portfolio by 2050. Additionally, the bank targets net zero direct emissions and emissions related to energy consumption and heating by 2025, and net zero emissions from suppliers and travel and waste by 2030. The bank has formulated concrete measures to reach these targets as part of its sustainability strategy, “Together for a better future”. As part of its strategy, BN Bank is working on a transition plan. Next to climate change mitigation, the bank is considering the circular economy as an important topic for its operations. Here, the bank focuses on reducing waste in new construction tied to its loan portfolio.

Appendix 1 - Alignment with principles scorecard for BN Bank's green bond framework

Factor	Sub-factor	Component	Component score	Sub-factor score	Factor score
Use of proceeds	Clarity of the eligible categories	Nature of expenditure	A	Best practices	Aligned
		Definition of content, eligibility and exclusion criteria for nearly all categories	A		
		Location	A		
		BP: Definition of content, eligibility and exclusion criteria for all categories	Yes		
	Clarity of the objectives	Relevance of objectives to project categories for nearly all categories	A	Best practices	
		Coherence of project category objectives with standards for nearly all categories	A		
		BP: Objectives are defined, relevant and coherent for all categories	Yes		
	Clarity of expected benefits	Identification and relevance of expected benefits for nearly all categories	A	Aligned	
		Measurability of expected benefits for nearly all categories	A		
		BP: Relevant benefits are identified for all categories	Yes		
		BP: Benefits are measurable for all categories	Yes		
		BP: Disclosure of refinancing prior to issuance and in post-allocation reporting	No		
		BP: Commitment to communicate refinancing look-back period prior to issuance	Yes		
Process for project evaluation and selection	Transparency and clarity of the process for defining and monitoring eligible projects	Clarity of the process	A	Best practices	**Best practices**
		Disclosure of the process	A		
		Transparency of the environmental and social risk mitigation process	A		
		BP: Monitoring of continued project compliance	Yes		
Management of proceeds	Allocation and tracking of proceeds	Tracking of proceeds	A	Best practices	**Best practices**
		Periodic adjustment of proceeds to match allocations	A		
		Disclosure of the intended types of temporary placements of unallocated proceeds	A		
		BP: Disclosure of the proceeds management process	Yes		
		BP: Allocation period is 24 months or less	Yes		
Reporting	Reporting transparency	Reporting frequency	A	Aligned	**Aligned**
		Reporting duration	A		
		Report disclosure	A		
		Reporting exhaustivity	A		
		BP: Allocation reporting at least until full allocation of proceeds, and impact reporting until full bond maturity or loan payback	Yes		
		BP: Clarity and relevance of the indicators on the sustainability benefits	Yes		
		BP: Disclosure of reporting methodology and calculation assumptions	Yes		
		BP: Independent external auditor, or other third party, to verify the tracking and allocation of funds	Yes		
		BP: Independent impact assessment on environmental and social benefits	No		
				Overall alignment with principles score:	**Aligned**

Legend: BP - Best practice, A - Aligned, PA - Partially aligned, NA - Not aligned

Appendix 2 - Mapping eligible category to the United Nations' Sustainable Development Goals

The single eligible category included in BN Bank's framework is likely to contribute to two of the United Nations' Sustainable Development Goals (SDGs), namely:

UN SDG 17 Goals		SDG Targets
GOAL 7: Affordable and Clean Energy	*Green Buildings*	7.3: Double the global rate of improvement in energy efficiency
GOAL 13: Climate Action		Measures to reduce GHG emissions contribute to climate action under SDG 13

The United Nations' Sustainable Development Goals (SDGs) mapping in this SPO considers the eligible project category and associated sustainability objectives/benefits documented in the issuer's green bond framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

Appendix 3 - Summary of eligible category in BN Bank's framework

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Green Buildings	Construction of new residential and commercial buildings • Primary Energy Demand (PED) at least 10% lower than the threshold set for Nearly Zero Energy Building (NZEB) according to national building regulations , or • For commercial buildings, BREEAM-NOR/BREEAM In-Use Excellent or better Acquisition and ownership of residential and commercial buildings • EPC A or within top 15% of the national or regional building stock expressed as operational PED and demonstrated by adequate evidence , or • For commercial buildings, BREEAM-NOR/BREEAM In-Use Excellent or better Major renovations • Renovations leading to primary energy savings of at least 30% within maximum of three years and validated through an EPC upon completion of the renovation, or • The building renovation complies with the applicable requirements for major renovations	Climate Change Mitigation	- Estimated annual GHG emissions reduced and/or avoided (tCO2e) - Estimated annual energy savings (GWh)

Endnotes

1 The point-in-time assessment is applicable only on the date of assignment or update.

2 Petrović et al. (2021), "Life Cycle Cost Analysis of a Single-Family House in Sweden", *Buildings* 11(5)

3 Rinne et al. (2022), "Comparative Study on Life-Cycle Assessment and Carbon Footprint of Hybrid, Concrete and Timber Apartment Buildings in Finland," *Int. J.* Environ. *Res. Public Health* 19(2).

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