

National Bank of Greece

Type of Engagement: Annual Review

Date: January 25, 2023

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Introduction

In October 2020, the National Bank of Greece (“NBG” or the “Issuer”) issued a EUR 500 million green bond¹ (the “2020 Green Bond”) under the National Bank of Greece Green Bond Framework (the “Framework”).² The 2020 Green Bond was aimed at financing or refinancing investments in the development, manufacture, construction, operation, distribution, maintenance and equipment for onshore wind energy, solar thermal energy and small hydropower projects in Greece. Sustainalytics provided a Second-Party Opinion on the Framework in April 2020.³

In January 2023, NBG engaged Sustainalytics to review the projects funded with proceeds from the 2020 Green Bond and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in the Framework. This is Sustainalytics’ second annual review of NBG’s 2020 Green Bond following a previous review in February 2022.⁴

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the 2020 Green Bond based on whether the projects:

1. Met the use of proceeds and eligibility criteria outlined in the Framework; and
2. Reported, in aggregate, by use of proceeds category outlined in the Framework, on at least one key performance indicator (KPI).

Table 1: Use of Proceeds Category, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Renewable Energy	Equipment, development, manufacturing, construction, operation, distribution and maintenance of renewable energy projects from the following generation sources: <ul style="list-style-type: none"> • Onshore wind energy • Solar thermal energy • Small hydro projects (< 20 MW) 	<ul style="list-style-type: none"> • Installed renewable energy capacity (measured in GW or MW) • Expected or actual annual renewable energy generated (measured in GWh or MWh) • Annual GHG emissions reduced or avoided (measured in tCO₂)

Issuer’s Responsibility

NBG is responsible for providing accurate information and documentation relating to the details of the funded projects, including description of projects, amounts allocated and project impact.

¹ The National Bank of Greece, “Sustainable and Green Bonds Framework”, at: <https://www.nbg.gr/en/group/investor-relations/debt-investors/sustainable-and-green-bonds-framework>

² The National Bank of Greece Green Bond Framework is available at: https://www.nbg.gr/-/jssmedia/Files/nbgportal/debt-investors/documents/NBG-Green-Bond-Framework_April-2020vF.pdf?rev=-1

³ The National Bank of Greece Green Bond Framework Second-Party Opinion is available at: <https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/national-bank-of-greece/national-bank-of-greece-green-bond-framework-second-party-opinion/national-bank-of-greece-green-bond-framework-second-party-opinion-pdf>

⁴ The first review covered the allocation and impact of proceeds until September 2021, where NBG disclosed to Sustainalytics that 70% (EUR 346.6 million) of the proceeds from the 2020 Green Bond had been allocated as of 15 September 2021.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of use of proceeds from NBG's 2020 Green Bond. The work undertaken as part of this engagement included collection of documentation from NBG and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by NBG. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by NBG.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,⁵ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds criteria and reporting commitments in the National Bank of Greece Green Bond Framework. NBG has disclosed to Sustainalytics that the proceeds from the 2020 Green Bond were fully allocated as of 18 January 2023.⁶

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded with proceeds from the 2020 Green Bond to determine if projects aligned with the use of proceeds criteria outlined in the Framework and above in Table 1.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the projects funded with proceeds from the 2020 Green Bond to determine if the impact of projects was reported in line with the KPIs outlined in the Framework and above in Table 1. For a list of KPIs reported, please refer to Appendix 1.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

⁵ Sustainalytics' limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, estimated and realized costs of projects, and project impact, as provided by the Issuer, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

⁶ The Issuer has disclosed to Sustainalytics that the last loan matched to net proceeds of the 2020 Green Bond issuance was disbursed on 30 November 2022. NBG's ESG Management Committee approved the final allocation of net proceeds on 18 January 2023. Therefore, Sustainalytics has considered the latter to be the effective date of full allocation.

Appendix

Appendix 1: Allocation and Impact of the 2020 Green Bond Proceeds

NBG issued a EUR 500 million green bond in October 2020 aimed at financing or refinancing renewable energy assets, namely onshore wind, solar thermal energy and small hydropower projects in Greece. Of the EUR 500 million, EUR 153.16 million (31%) and EUR 97.76 million (19%) were used to finance new projects in 2022 and 2021 respectively. The remaining EUR 249.48 million (50%) were used to refinance existing assets between October 2018 and September 2020. Table 3 below provides a summary of the total allocation and impact of NBG's 2020 Green Bond as of 2022.

Table 3: Total allocation and impact of the 2020 Green Bond Proceeds as of 2022

Use of Proceeds Category	Type of financing	Type of project	No. of projects	Installed capacity (MW)	Annual renewable energy generation (actual or estimated) (MWh)	Annual GHG emissions reduced or avoided (tCO ₂)	Net Proceeds Allocation (EUR million)
Renewable Energy	Financing of new projects in 2022	Onshore wind	2	186.0	426,348.30	179,066.29	99.36
		Solar thermal energy	13	88.0	136,995.81	57,538.24	49.16
		Small hydro	1	3.0	9,511.00	3,994.62	4.64
	Financing of new projects in 2021	Onshore wind	6	67.3	156,174.00	65,593.08	51.97
		Solar thermal energy	14	96.51	152,474.70	64,039.37	30.06
		Small hydro	3	7.84	22,003.20	9,241.34	15.73
	Refinancing of existing projects	Onshore wind	13	371.48	914,584.00	384,125.28	238.02
		Solar thermal energy	4	4.26	5,399.59	2,267.83	6.07
		Small hydro	2	5.82	17,986.00	7,554.12	5.39
Total allocation and impact			58	830.21	1,841,477	773,420	500.39
Total amount of unallocated proceeds							0

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