



Reporting and Self-Assessment Template

Principles for Responsible Banking



Links and references:

- Annual report 2024: [Fana Sparebank Årsrapport 2024](#)
- Påvirkningsanalyse 2024/Impact analysis 2024: [Impact Analysis 2024](#)

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Fana Sparebank ("the bank") is an independent, local savings bank operating in the greater Bergen region, Vestland county in Norway.

We provide banking services in the retail and corporate areas (SME), which include mortgages, home loans, commercial loans mainly to commercial real estate, and loan facilities for development or real estate projects. In addition, we provide credit card services, savings accounts, deposit accounts and current accounts with payment services.

Fana Sparebank also has a digital bank service, under the brand name Himla banktjenester. Himla offers mortgages nationwide, in addition to standardised services such as credit cards, current account and savings accounts.

Fana Sparebank has a fully owned subsidiary, Fana Sparebank Eiendom AS, operating as a real estate agency.

Retail lending accounts for approx. 75% (NOK 21.1 billion) of our total loan portfolio, and corporate lending accounts for the remaining 25% (NOK 7 billion).

In total we are 141 full-time equivalent employees.

Annual report 2024:

- "Dette er Fana Sparebank", page 6-8
- «Sosiale forhold, organisasjon og kultur», page 41-44
- «Økonomiske resultater for 2024», page 29-33

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priorities for your bank?

☒ Yes

☐ No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- ☒ UN Guiding Principles on Business and Human Rights
- ☐ International Labour Organization fundamental conventions
- ☒ UN Global Compact
- ☐ UN Declaration on the Rights of Indigenous Peoples
- ☒ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: EU Taxonomy, CSRD
- ☒ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: Transparency Act (Norwegian regulation)
- ☐ None of the above

Fana Sparebank has embedded sustainability at the core of its corporate strategy, committing to five key Sustainable Development Goals (SDGs) as focal points for future initiatives: SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 11 (Sustainable Cities and Communities), SDG 13 (Climate Action), and SDG 17 (Partnerships for the Goals).

Embracing the philosophy that "No one can do everything, but we can all do something," we recognize our unique position and responsibility within the community as a local, independent savings bank.

As a savings bank under Norwegian legislation, we contribute substantially by allocation from our annual earnings to social and community projects, mainly through Fana Sparebank's endowment fund. A highlight among these initiatives is our annual night walk event, inviting Bergen's residents to engage with the 17 SDGs through interactive stations hosted by various NGOs.

In 2020, we established our inaugural Sustainability and ESG strategy, which was thoroughly reviewed and updated in 2022 by our board of directors. This update involved a comprehensive restructuring of our strategy to include SMART goals and targets that align with the Paris Climate Agreement. The strategy is updated and approved by the board annually. Last revision made in March 2024.

Moreover, Fana Sparebank has aligned with the *Roadmap for Green Competitiveness* in the Norwegian Financial Sector, orchestrated by Finance Norway. This association represents a broad spectrum of financial institutions, including banks, insurance companies, investment firms, and pension providers. We are proud to contribute to this initiative, with representation in a sustainability-focused professional committee within Finance Norway.

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Fana Sparebank's core business areas are retail banking, mainly with exposure to mortgages for housing purposes (in excess of 75%) and business/corporate banking (approximately 25 %). For the corporate segment, a significant part of the lending is aimed at financing commercial real estate.

Lending to retail and corporate areas, including our services related to savings account have been considered in the impact analysis.

Påvirkningsanalyse
2024/Impact Analysis
2024

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

The Impact analysis considers the composition of Fana Sparebank's business portfolio. As Fana Sparebank solely operates in Norway, the analysis considers the bank in a nation-wide perspective (Norway). Below, you will find the bank's exposure as a percentage of the accrued, national lending and/or business activity.

Consumer banking (all figures approx.)

Påvirkningsanalyse
2024/Impact Analysis
2024

¹ That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

² Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

³ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

<ul style="list-style-type: none"> - Current accounts with payment services (0,15%) - Savings accounts (0,46%) - Credit (~0%) - Credit cards (~0%) - Consumer loan and overdraft (~0%) - Housing loans/mortgages (0,55%) <p>Institutional banking</p> <ul style="list-style-type: none"> - A Agriculture, forestry and fishing (~0%) - B Mining and Quarrying (~0%) - D Electricity, gas steam and AC supply (~0%) - F Construction (0,01%) - G wholesale and retail trade (~0%) - H Transportation and storage (~0%) - L Real estate activities (0,04%) - S Other service activities (~0%) <p>The analysis is based on internal data and data from Statistics Norway.</p>	
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c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

The context module present four main challenges and priorities to sustainable development in Norway:

- Availability, accessibility, affordability, quality of resources and services
- Biodiversity and healthy ecosystems
- Circularity

Påvirkningsanalyse
2024/Impact Analysis
2024

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁵? Please disclose.

Upon conducting our Impact Analysis, Fana Sparebank has identified key sustainability areas where our bank exerts the most significant impact. Our portfolio, heavily weighted towards housing loans, with a substantial share of lending to small and medium-sized enterprises, has highlighted how we can impact both positively and negatively.

Identified Impact Areas for Retail Banking:

Positive Impacts: The principal positive impact in the retail market is providing access to housing and promoting financial inclusion through products such as home loans, deposit accounts, and savings options like BSU and mutual funds. These services are fundamental to supporting socioeconomic conditions essential for an inclusive and healthy economy.

Negative Impacts: Conversely, the negative impact in the retail sector primarily relates to greenhouse gas emissions associated with housing, including high electricity consumption. Our focus is shifting towards more circular solutions to promote resource-efficient housing in Norway going forward.

Identified Impact Areas for Corporate Banking:

Positive Impacts: In the corporate market, our financing of small and medium-sized enterprises positively influences local economies. Indirectly, by financing housing cooperatives, we contribute positively to communities by facilitating access to housing.

Negative Impacts: However, we acknowledge significant emissions, particularly linked to construction projects in the real estate development sector we finance. Our portfolio's impact on climate stability and resource utilization demands a strategic

Påvirkningsanalyse
2024/Impact Analysis
2024

⁴ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

⁵ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

focus on reducing emissions and embracing a circular economy mindset.

Prioritization and Target Setting:

With these insights, Fana Sparebank has prioritized two significant impact areas:

Climate Change: Recognizing the urgent need to address our environmental footprint, we have committed to achieving net-zero emissions by 2050. This ambitious target reflects our dedication to reducing negative impacts associated with our lending practices. Our strategy includes integrating sustainability criteria into our lending processes and encouraging our clients to adopt more sustainable practices.

Financial Health and Inclusion: Building on our positive impacts, we aim to further expand our financial education initiatives and outreach initiatives. By setting specific targets for the number of individuals reached through our financial literacy courses and the expansion of services for those with limited access to digital banking, we endeavor to play a pivotal role in enhancing financial inclusion and literacy within the community.

Our impact analysis, followed by our targets, is based on careful considerations of our societal role and aligns with sustainability pillars especially relevant to Norway. We actively engage with stakeholders to ensure our approach is informed and responsible, and that we consider both the local and global contexts in which we operate.

d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the [Annex](#).

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Fana Sparebank has identified *climate change* and *financial health & inclusion* as its two priority impact areas.

For climate change, we have determined that retail housing, commercial real estate, and real estate development are the main contributors to our negative impact.

For our mortgage portfolio, we have detailed estimates for energy use and associated emissions for each mortgage. We use quantitative indicators such as the volume of CO2 emissions financed per square meter and financed emissions per million in lending.

For corporate lending, our current data granularity is less refined. We initially apply sector-based emission factors from aggregated Statistics Norway data as a provisional measure, with a strategic goal to gather more business-specific data to fine-tune our assessment.

Regarding financial health and inclusion, our retail sector initiatives, including the financial literacy course 'Pengefellen' ('The Money Trap') for middle school students, digital tool training sessions, and the 'Bankbilen' (The Bank Car) home visit service, substantially contribute positively to the local community. We track our performance in this area by monitoring the number of courses conducted, participants reached, and 'Bankbilen' visits completed. These metrics serve as tangible indicators of the reach and effectiveness of our inclusion efforts.

Our impact evaluation is multi-faceted, incorporating stakeholder engagement, internal data analysis, and external data from national sources like Statistics Norway. These activities inform our baseline indicators, against which we will measure our progress towards set targets, enabling us to bolster our positive impacts and curtail the negatives.

Fana Sparebank's approach to assessing the intensity of impact is both direct, through indicators directly linked to our activities, and indirect, considering the broader societal and economic contributions of the sectors we finance. By continuously refining our impact assessment methodology and performance measurement, we aim to align our business objectives with the long-term sustainability of our communities and the environment.

In 2025, Fana Sparebank has taken steps towards adopting a

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

⁶ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

Context: ☒ Yes ☐ In progress ☐ No
 Performance measurement: ☐ Yes ☒ In progress ☐ No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation and financial health & inclusion

How recent is the data used for and disclosed in the impact analysis?

- ☐ Up to 6 months prior to publication
- ☐ Up to 12 months prior to publication
- ☒ Up to 18 months prior to publication
- ☐ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.:
(optional)

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Climate change:

This target is aligned with the United Nations Sustainable Development Goal 13 (Climate Action), the goals of the Paris Agreement, and Norway's national climate policies. By aiming to reduce our emissions by 50% by 2030, and to be a net zero emission bank by 2050, including our financed emissions, we contribute to limiting global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels, as stipulated by the Paris Agreement.

Financial Health and Inclusion:

The target aligns with Sustainable Development Goal 1 (No Poverty), Goal 4 (Quality Education), Goal 10 (Reduced Inequalities), and Goal 11 (Sustainable Cities and Communities).

Annual report

- «Klima og miljø», page 25-29
- "Rapportering Samfunnsansvar og ESG", page 140-142

Climate Report 2022

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation	...	
	...	
	...	

Impact area	Indicator code	Response
	...	

Financial health & inclusion	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Climate Change Mitigation:

This target supports the global effort to limit global warming to well below 2, preferably to 1.5 degrees Celsius, above pre-industrial levels. Our commitment to reduce our emissions by 50% by 2030 and achieve net zero by 2050, including our financed emissions, directly contributes to these objectives.

Baseline: The baseline for our climate change mitigation target was established using 2022 as the reference year. Our key indicators include:

- CO₂e emissions from our operations.
- For financed emissions from retail lending we measure CO₂e-emissions per square meter financed.
- For financed emissions from our corporate lending we measure CO₂e emissions per million in lending.

This baseline allows us to track progress towards our 2030 and 2050 goals.

Financial Health and Inclusion:

We have not yet decided on which indicators to include for our second impact area, but are discussing indicators such as the number of financial literacy courses provided per year, and the number of school classes that participate in our "Pengefellen"-program, and the reach of "Bankbilen". All of these directly contribute to the goals. We are committed to establishing these baselines prior to the next reporting cycle.

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- «Klima og miljø», page 25-29
- "Rapportering Samfunnsansvar og ESG", page 140-142

Climate Report 2022

c) SMART targets (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

⁷ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁸ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

⁹ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

Climate Change Mitigation

Our overarching goal is to reduce CO₂ equivalent (CO₂e) emissions from our own operations and financed emissions by 50% by 2030, with a long-term vision of achieving net zero by 2050.

The primary Key Performance Indicators (KPIs) include:

- CO₂e emissions from our own operations
- Estimated CO₂e emissions per square meter for our retail banking portfolio
- Estimated CO₂e emissions per million in lending for our corporate banking portfolio

Financial Health and Inclusion

As of now, Fana Sparebank has not set specific SMART targets for Financial Health and Inclusion. However, recognizing the importance of this area, we are actively working to define clear, achievable goals that will support financial health and inclusivity for our clients and the broader community.

We commit to establishing these targets before the next reporting cycle. Our goal is to identify objectives that are both ambitious and directly supportive of the Sustainable Development Goals, particularly those related to No Poverty (SDG 1), Quality Education (SDG 4), Reduced Inequalities (SDG 10), and Sustainable Cities and Communities (SDG 11).

Upcoming KPIs:

The Key Performance Indicators (KPIs) for Financial Health and Inclusion will be determined in conjunction with the targets. These KPIs will be designed to measure our progress in improving financial literacy among youths, expanding access to financial services, and supporting economic empowerment among underserved populations.

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- «Klima og miljø», page 25-29
- “Rapportering Samfunnsansvar og ESG”, page 140-142

Climate Report 2022

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Action Plan for Goal Achievement

To achieve our goals in climate change mitigation and financial health and inclusion, Fana Sparebank has defined the following action points:

Climate Change:

To meet our climate target, we have established the following actions:

- **Green Finance Framework Renewal:** We will renew our Green Finance Framework in 2024 to strengthen our commitment to green financing and ensure our financing activities are aligned with our sustainability goals.
- **Launch Energy Efficiency Loan:** Introduction of new loan products for energy efficiency upgrades for both retail and corporate customers, to encourage energy-efficient upgrades that contribute to reduced greenhouse gas emissions.
- **ESG Module Update for Corporate Customers:** We will update our ESG module for corporate customers to promote sustainable practices and to make us able to make better ESG-risk assessments.
- **Enhancement of Sustainability Visibility:** Through an update of our websites, we will make the bank's sustainability efforts and ambitions more visible to all stakeholders.
- **Mandatory Sustainability Course for New Employees:** All new employees must complete mandatory sustainability courses to ensure a common understanding and commitment to the bank's sustainability goals.
- **Credit Exposure Measurement:** We will measure our credit exposure in accordance with the TCFD (Task Force on Climate-related Financial Disclosures) and the EU taxonomy to better understand and manage climate risk in our portfolio.
- **Detailed Data of Emissions:** A project to collect more detailed data for calculating emissions from the corporate market portfolio will be undertaken to improve the accuracy of our climate risk assessment.
- **Training in CSRD Reporting:** Key employees will receive training in reporting according to the Corporate Sustainability Reporting Directive (CSRD) to ensure high quality and transparency in our sustainability reporting.

Financial Health and Inclusion:

To enhance financial health and inclusion, the following actions will be implemented:

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- «Klima og miljø», page 25-29
- “Rapportering Samfunnsansvar og ESG”, page 140-142

Climate Report 2022

- **Courses and Seminars:** We will offer courses and seminars targeted at specific needs, including addressing women's financial situations, pension, and insurance schemes, to promote economic equality.
 - **Digital Banking Training Courses:** We will organize customized training courses for customer groups that need assistance using online and mobile banking, to improve the accessibility and user-friendliness of our digital services.
 - **Continuation of the 'Bankbilen' Service:** Our bank car service will continue to be an important offering to reach out to customers who cannot easily visit the bank.
 - **Continued Support for 'Pengefellen':** In collaboration with VilVite*, we will continue to support 'Pengefellen', an initiative aimed at increasing financial knowledge among youth, as part of our contribution to quality education and increased financial awareness.
- * VilVite is one of the largest science centres in Scandinavia, visited annually by 120 000 guests. Fana Sparebank is one of the main financial contributors and sponsors of the centre.*

These measures represent an integrated approach to meeting our set goals. We also recognize the importance of analyzing and addressing potential indirect effects of our goal setting to ensure we avoid, mitigate, or compensate for any negative impacts. Through continuous stakeholder dialogue and regular progress evaluation, we are committed to adjusting our action plan as necessary to achieve our ambitious goals.

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... (please name it)	... second area of most significant impact: ... (please name it)	(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

In 2023, Fana Sparebank made strides toward our sustainability goals under the revised strategy for social responsibility and ESG. However, our journey was not without its challenges, including slower progress in some areas and a transitional period in the sustainability-team that impacted our momentum.

Climate Change Mitigation:

Our progress towards the ambitious climate targets was not as rapid as we had hoped. The renewing of our Green Finance Framework is postponed to 2024. This is also the case for our launch of energy efficiency loans to corporate and retail customers. The departure of the previous head of sustainability in June 2023 and the gap until the new head started in November 2023 led to a temporary slowdown in our initiatives. We are now focused on regaining momentum and fully implementing our climate action plans.

Financial Health and Inclusion:

Our efforts to enhance financial health and inclusion made progress, particularly in holding financial literacy courses. Recognizing the importance of financial inclusion and education, we are committed to accelerating these efforts going forward.

Reflections and Adjustments:

The challenges we encountered in 2023 underscored the complex nature of sustainability work. Progress in areas like climate

Annual report 2023
• "Rapportering Samfunnsansvar og ESG", page 140-142

change mitigation was slower than anticipated, not just due to internal transitions but also reflecting broader challenges in sustainability efforts.

Sustainability is an evolving field, with its pace of progress influenced by technological advancements, regulatory changes, and shifting societal expectations. Our experiences have highlighted the importance of adaptability and resilience in our strategies. Moreover, these efforts require collaboration, not only with our clients, but across the entire society—businesses, governments, communities, and individuals must work together to achieve significant and lasting impact.

As we move forward, Fana Sparebank is more committed than ever to enhancing our sustainability practices, focusing on clear, measurable impacts while embracing the collaborative effort needed to drive meaningful change.

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

☒ Yes ☐ In progress ☐ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☐ Yes ☒ In progress ☐ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Fana Sparebank is deeply committed to fostering sustainability and integrating ESG (Environmental, Social, and Governance) principles into our core banking operations. Our engagement with clients and customers, both retail and corporate, is designed to encourage and facilitate sustainable practices, thereby contributing to a more sustainable economic future.

Retail Customer Engagement:

Our approach for retail customers incorporates sustainability into our product offerings, with a particular emphasis on our green product lines. Through initiatives such as our green deposits program, we offer customers a lower interest rate, where the differential from standard rates is allocated as a "Green Bonus," the bank then donates an equal amount, which is then donated to sustainability-focused organizations. This innovative mechanism actively involves the customers in the decision-making process, as they vote annually on the beneficiary organizations. This direct engagement promotes a greater sense of community involvement in sustainability efforts and enhances awareness of environmental issues among our clientele.

Corporate Client Engagement:

In 2021, Fana Sparebank initiated an ESG risk query. This comprehensive tool is integral to our commercial lending process,

enabling us to conduct detailed ESG screenings and analyses. The primary aim is to identify and mitigate potential ESG-related risks within our lending portfolio, but equally, it serves as a crucial platform for dialogue with our corporate clients about sustainability. The ESG risk query not only sets out our expectations regarding sustainable practices but also assists in the collection of climate-related data from our clients. This facilitates a better understanding of their sustainability profiles and encourages them to adopt more sustainable operational practices.

Future Plans and Impact:

Looking ahead, Fana Sparebank is committed to enhancing these initiatives. We plan to refine our ESG risk query to include more detailed collection of climate impact figures from our corporate clients. This will not only improve our risk assessment capabilities but also help our clients in tracking and managing their own sustainability performance. Additionally, we are exploring the expansion of our green product offerings to further incentivize sustainable choices among our retail and corporate clients.

Through these actions, Fana Sparebank aims to lead by example in the banking industry, demonstrating that financial institutions can play a pivotal role in promoting sustainability and facilitating the transition to a more sustainable economy. We believe that through continued engagement, innovation, and collaboration with our clients and customers, we can make a significant positive impact on the environment and society.

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Strategic Business Opportunities and Sustainable Product Innovations

Fana Sparebank has strategically positioned itself to not only mitigate negative environmental impacts but also to harness business opportunities that promote sustainability. Our approach is rooted in the development and enhancement of financial products and services that support environmental stewardship and social responsibility, aligning closely with the Sustainable Development Goals (SDGs).

Annual report
 • “Klimaomstilling gjennom finansiering”, page 27-29

¹⁰ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

Green Savings and Deposits:

Launched in 2016, our Green Saving account initiative, adhering to the Green Bond Principles established by the International Capital Market Association (ICMA), represents a pioneering step towards integrating sustainability into our banking practices (see response to 3.1). In 2020, we expanded this initiative to encompass all current and savings accounts for clients under 18, further integrating these efforts into our broader Green Finance Framework.

Green Mortgages:

In 2020, we furthered our commitment to sustainable finance by introducing Green Mortgages. These mortgages are offered at our most competitive interest rates to encourage and facilitate home improvements that result in achieving an Energy Performance Certificate (EPC) rating of 'A' or 'B'. This initiative extends to commercial real estate, rewarding classifications such as BREEAM Outstanding or Excellent, thus promoting higher energy efficiency and sustainability standards in the housing and commercial property sectors.

Future Initiatives and Impact Focus:

Looking forward to 2024, Fana Sparebank is excited to unveil new green product offerings aimed at incentivizing investments in energy efficiency technologies for both retail and corporate clients. These loans will be given to projects that can document energy efficiency improvements in buildings of 30% or more. These forthcoming products are designed to further reduce negative environmental impacts while maximizing positive societal outcomes.

Value and Impact Measurement:

Since their inception, our green financial products have given our consumers sustainable investment and saving options. The Green Deposits and Mortgages directly support several SDGs, including SDG 7 (Affordable and Clean Energy), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action), by facilitating greater financial inclusion in sustainable economic activities and promoting energy efficiency and renewable energy investments.

Through these targeted products and services, Fana Sparebank is not only capturing strategic business opportunities but also reinforcing our commitment to sustainability and responsible banking principles. We remain dedicated to expanding our green finance offerings and enhancing their impact, thereby contributing to a more sustainable and equitable future.

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?

☐ Yes ☒ In progress ☐ No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Stakeholder dialogue enables us to prioritise and present insights into what focus areas the bank should engage. The main focus through 2023 have been located at Key resources, aiming to increase employee engagement and ownership of measures within the organisation.

Key resources – engage (High influence and high interest)

These have both great influence and great interest in using it. They should be satisfied and engaged in the work.

- The board of directors, management, employees, subsidiaries, suppliers, and customers

Satisfy (High influence and low interest)

These have great influence, but little interest in using it. It is important to satisfy these in the project.

- Authorities, rating agency and analysts, capital markets and stock exchange, industry- and NGOs.

Keep informed (low influence and high interest)

Stakeholders who are interested but have little influence. They may have useful information and should be kept informed.

¹² Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

- The local community, media and educational institutions and research environment.

Fana Sparebank also has open communication and participates in various networks with other stakeholders such as competitors/ similar, independent savings banks, sharing experiences.

Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

☒ Yes ☐ In progress ☐ No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

The Norwegian savings banks were created in the 19th century to address social issues and aiding the public to put aside means to ensure financial security for their old age. This legacy is still part of the basic idea of the savings banks.

After the 17 SDGs were introduced in 2015, they have been adopted as guidelines for Fana Sparebank. We have used the SDGs in workshops including all employees, encouraging creativity and suggestions for actions.

Sustainability and the task of aligning the bank to a net-zero emission entity is adopted by The Board of directors, and executed by the CEO, the top-level leaders of the bank, and throughout the entire organization.

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

The bank has a full-time sustainability officer, in addition, the bank has established a sustainability group (comprising staff from various departments/disciplines), and sustainability committees on department level to engage employees, to foster engagement and to coordinate the work related to sustainability.

Annual report
• “Engasjerte ansatte og kunnskapsutvikling”, page 20-21

The sustainability group monitors progress on implementing the bank's strategy on sustainability, and report to the management group.

Starting within, employee initiatives have led us to adopt steps to show examples of what the future demands of us; certifying the bank as an Eco-Lighthouse (Norwegian: "Miljøfyrtårn"), encouraging the use of public transport for work travel, introducing a weekly meat-free day in the cafeteria, installing beehives on the roof of our headquarters, and engaging in an annual clean-up of the shores of a local lake.

To increase engagement, the initiative Bærekraftsskolen/ Sustainability School has been realised. Which aims to increase the ESG-competency level for all employees. There has been established a strategy for ESG -learning, including a combination of e-learning, workshops, and presentations concerning sustainability matters.

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹³ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

The Board of Directors adopt the Sustainability Strategy which serves as a guideline for the Bank's current status, plans and development of products aligned with the UN SDGs. Furthermore, the Boards also adopts and revises on an annual basis, the Bank's strategy papers for Credit policy, Investment strategy, Operational risk, AML, et al, all with references to relevant sustainability goals.

The execution of adopted strategies is the responsibility of the CEO and her top-level team of Directors, including a Sustainability Group with a particular mandate of overseeing and introducing sustainability measures.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

☒ Yes

☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

¹³ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

☒ Yes☐ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yes☐ In progress☐ No

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

☐ Yes ☒ Partially ☐ No

If applicable, please include the link or description of the assurance statement.

The Annual Report for 2023 is composed in an integrated form. The sustainability related information disclosed in the annual report have been assured as part of the assurance for the annual report.

Annual report 2023
• "Revisors beretning", page 130-134
Climate Report 2022

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- ☐ GRI
☐ SASB
☐ CDP
☐ IFRS Sustainability Disclosure Standards (to be published)
☒ TCFD
☒ Other:

• Eco-Lighthouse (Miljøfyrtårn)
 • Green Finance Framework (allocation and impact report)

Annual report 2023
 • TCFD appendix, page 136-139

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.

In 2024;
 • We have startet a project to improve our measurement of financed

¹⁴ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁵ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

<p>emissions from our corporate lending portfolio.</p> <ul style="list-style-type: none"> • We will work on setting SMART targets for our second impact area. • We will update the bank's Green Finance Framework. • We aim to launch new green loan products for both retail and corporate clients 	
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6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|---|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input checked="" type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input checked="" type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input checked="" type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input checked="" type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

Annex

A set of indicators has been produced for the impact areas of climate mitigation and financial health & inclusion. These indicators will support you in your reporting and in showing progress against PRB implementation. Banks are expected to set targets that address minimum two areas of most significant impact within the first four years after signing the PRB. That means that Banks should ultimately set targets using impact indicators. Acknowledging the fact that banks are in different stages of implementation and on different levels of maturity and therefore might not be able to report on impact from the beginning, a Theory of Change approach has been used to develop the set of indicators below.¹⁶ The Theory of Change shows the **pathway to impact** and considers the relationship between inputs, actions, outputs, and outcomes in order to achieve impact. The Theory of Change for climate mitigation can be found [here](#), the Theory of Change for financial health & inclusion can be found [here](#).

How to use: Both practice (action, outcome and output) and impact performance need to be understood because practice is the conduit for achieving desired impacts (including targets). The Theory of Change allows to identify metrics and set targets which align with a bank's maturity. The indicators below are all connected to a bank's impact and can be considered as steps towards measuring impact. Some of the practice indicators (on the action, output, and outcome levels respectively) are connected to portfolio composition and financial targets¹⁷ (highlighted in **green**) or to client engagement¹⁸ targets (highlighted in **blue**), which enable your overall target. If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex to measure your performance and baseline.¹⁹ Once you have set the target, you can use the indicators as guidance for your action plan as well as defining Key Performance Indicators (KPIs) which you can then use to measure progress against the set targets.

¹⁶ It is not required from banks to work with the Theory of Change concept internally. In fact, the Theory of Change has been used to structure the requirements of setting SMART targets using relevant indicators.

¹⁷ Financial targets also aim for real economy outcomes but are not directly expressed as such. Instead, they are expressed with financial indicators and metrics, e.g., to redirect flows of lending and investments to sectors, activities or projects aligned with SDGs and/or related to the selected impact area. Banks can also set financial targets related to specific types of customers e.g., low-income customers or female entrepreneurs.

¹⁸ Client engagement targets involve engaging relevant clients and customers to enable your overall target. The purpose of client engagement is to support clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹⁹ You might not be able to report on all indicators and/or on levels of practice (i.e. from left to right), in which case you should report on all applicable indicators on the respective level of practice no matter if it is an action, output or outcome indicator.

- **For Signatories of the Net-Zero Banking Alliance:** please report on the climate targets set as required in the [Guidelines for Climate Target Setting](#). As a member of the Alliance, you are required to publish first 2030 targets for priority sectors within 18 months and further sectoral targets within 36 months after signing. You can use the PRB template to disclose the required climate target information if its publication date is in line with the committed NZBA timeframe.
- **For Signatories of the Collective Commitment to Financial Health & Inclusion:** please report on financial health and/or financial inclusion targets set as required in the [Financial Health and Inclusion Commitment Statement](#). As a signatory to the Commitment, you have agreed to set a SMART ambitious target within 18 months after signing. To facilitate your process, please refer to the [Guidance on Target Setting for Financial Health and Inclusion](#) and the [Core Indicators](#) to measure financial health and inclusion. Keep in mind that signatories of the Commitment are encouraged to measure as many indicators as possible from the Core Set or their equivalent to be able to set a SMART impact driven target.

Impact area	Practice ²⁰ (pathway to impact)									Impact ²¹		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.1	Climate strategy: Does your bank have a climate strategy in place?	Yes / In progress / No	A.2.1	Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)?	Yes / Setting it up / No; If yes: Please specify for which clients (types of clients, sectors, geography, number of clients etc.)	A.3.1	Financial volume of green assets/low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	bln/mn USD or local currency, and/or % of portfolio; <i>please specify</i> the definition of green assets and low-carbon technologies used	A.4.1	Reduction of GHG emissions: how much have the GHG emissions financed been reduced?	% over time; baseline and tracking GHG emissions in kg of CO ₂ e (or applicable metrics) ²²
	A.1.2	Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	Yes / In progress / No; If yes: - please specify: to become net zero by when? - Emissions baseline / base year: What is the emissions baseline / base	A.2.2	Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or	Total GHG emissions or CO ₂ e (please also disclose what is excluded for now and why)	A.3.2	Financial volume lent to / invested in carbon intensive sectors and activities and transition finance: How much does your bank lend to / invest in carbon-intensive	bln/mn USD or local currency, and/or % of portfolio	A.4.2	Portfolio alignment: How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	% of portfolio (please specify which portfolio; for corporate and business clients: % of sectors financed)

²⁰ Practice: the bank's portfolio composition in terms of key sectors, its client engagement, and its relevant policies and processes, and, if applicable, its advocacy practices

²¹ Impact: the actual impact of the bank's portfolio

²² If possible and/or necessary, please contextualize the progress: Greenhouse gas emissions might even increase initially because the scope of measurements is extended and financed emissions from a growing proportion of the portfolio are measured, emission factors are updated etc. Emission reductions made by the clients should over time lead to a decrease in GHG emissions financed.

			year for your target? - Climate scenario used: What climate scenario(s) aligned with the Paris climate goals has your bank used?		investment portfolio?			sectors and activities ²³ ? How much does your bank invest in transition finance ²⁴ ?			
	A.1.3	Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	Yes / In progress / No	A.2.3	Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	Please specify which sector (<i>depending on the sector and/or chosen metric</i>): kg of CO ₂ e/ kWh, CO ₂ e / m ² ; kg of CO ₂ e/USD invested, or kg of CO ₂ e/revenue or profit					
	A.1.4	Portfolio analysis: Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes / In progress / No; <i>If yes:</i> please specify which parts of the lending and investment portfolio you have analyzed	A.2.4	Proportion of financed emissions covered by a decarbonization target: What proportion of your bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with	% (denominator: <i>financed emissions in scope of the target set</i>)					

²³ A list of carbon-intensive sectors can be found in the [Guidelines for Climate Target Setting](#).

²⁴ Transition finance is defined as financing the transition towards a low-carbon future in alignment with the Paris climate goals. It entails any form of financial support for non-pure play green activities to become greener and reduce emissions.

	A.1.5	Business opportunities and financial products: Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)?	Yes / In progress / No; Please specify which ones, and what financial volume and/or % of the portfolio they account for		a transition plan in place?							
B. Financial health	B.1.1	# of products and services in the portfolio with a focus on financial health	Internal data based. Measures how many of the products and services in the portfolio have a financial health focus. We deem a product or service to have this focus when it facilitates decision making and supports financial health increase based on our definition of financial health. This covers products and services embedded with nudges to simplify decision making, round-up, high yield savings accounts, easy investment tools, etc.	B.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective	B.3.1	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.	B.4.1	% of customers with a high level of financial health	Survey and/or transactional data based. Measures the percentage of customers with a high level of financial health according to the score chosen by the financial institution.

						means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.						
	B.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of	B.2.2	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including	B.3.2	% of customers who use the bank's services to create a financial action plan with the bank	Transactional and/or survey data based. Measures the percentage of customers who create a financial action plan with the bank using the bank's services. A financial action plan is anything that helps the customer build financial resilience. It is done "with the bank" if the bank can visualize,	B.4.2	% of customers for which spending exceeded 90% of inflows for more than 6 months last year	Survey and/or transactional data based. Measures the percentage of customers with a transaction account and/or savings/investment accounts for which spending exceeded 90% of inflows for more than 6 months in the year within the reporting period compared to the total of customers within PRB scope. Focus on main

			stronger skills, and thus, any individual that is supported with the initiative will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health			financial health tools)			through the transactions of the customer, the results of the plan.			financial institution customers.
	B.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.				B.3.3	% of customers using overdraft regularly	Transactional data based. Measures the percentage of customers using the overdraft option in their accounts or credit cards, regularly. Overdraft can be used to handle unexpected emergencies but more than 1/3 of the year (banks may deviate if proper reasons are provided) denotes regularity and a precursor to lower financial health	B.4.3	% of customers that feel confident about their financial situation in the next 12 months	Survey based data. Measures the percentage of customers that answered positively to feeling confident about their financial situation in the next 12 months compared to the total number of customers surveyed. By confident we mean not feeling worried about their financial situation.
							B.3.4	% of customers with a non-performing loan	Transactional data based. Measures the percentage of customers with past-due loans ("past due"	B.4.4	% of customers with products connected to long-term saving and investment plans	Transactional and/or survey data based. Measures the percentage of customers with products

									defined by policies at each bank) compared to the total amount of customers with loans in the bank's lending portfolio.			connected to long-term saving and investment plans. "Long-term" will depend on each bank's definition.
							B.3.5	% of customers showing an increase or stable amounts in savings, deposit and/or investment account balances, quarter on quarter.	Transactional data based. Measures the percentage of customers showing an increase or stable amounts in savings and/or deposit AND/OR investment accounts balances, quarter on quarter.	B.4.5	% of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense	Survey based data. Measures the percentage of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense. We consider a major unexpected expense, one that the customer hadn't planned for and would require them to spend more than what they have available for secondary expenses in their monthly budget or 1/20th of the country's Gross National Income (banks may deviate if proper reasons are provided). A good example is: unforeseen medical bills, large appliance malfunctioning, car repair, etc. Survey based

												using the question: "If a major unexpected expense arises, how can you cover it right now?" and give the multiple choice options of insurance, emergency funds, loan, credit card, family/friends, etc.
C. Financial Inclusion	C.1.1	# of products and services in the portfolio with a focus on financial inclusion	Internal data based. Measures how many of the products and services in the portfolio have a financial inclusion focus. We deem a product or service to have this focus when its design facilitates the access and usage by the prioritized customer. For example, no-fee savings account, low interest microloan, offline access or sim-based banking apps, etc	C.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is	C.3.1	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.	C.4.1	% of customers with 2 or more active financial products, from different categories, with the bank	Transactional data based. Measures the percentage of customers with 2 or more active financial products, from different categories, with the bank. By active we mean there's at least one usage per month. By category we mean credit/debt, savings/deposit/payment, insurance, investment, etc. Once a target has been set for this indicator, we encourage banks to ensure responsible selling policies or other initiatives so that the target doesn't become a toxic incentive.

					successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.							
	C.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative	C.2.2	% of customers with effective access to a basic banking product	Transactional data based. Measures the percentage of customers with effective access to a basic banking product. By effective we mean the usage beyond first access. Basic banking products vary by bank. Good examples are: checking accounts, payment accounts, credit cards, saving accounts, deposit accounts, e-	C.3.2	% of customers supported with dedicated customer journey/advisory services	"Transactional data based. Where dedicated customer journey/advisory services are in place for prioritized groups, this indicator measures the percentage of customers using such services. Depending on size of bank, either number or percentage can be the unit of measure.			

			will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health			money accounts, etc.						
	C.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.	C.2.3	# of new customers per month	Transactional data based. Measures the number of new customers per month. Once the bank sets a target, this indicator can become a KPI to measure the percentage of new customers from the prioritized groups, per month.	C.3.3	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools, if applicable)			