

Press Release – 1st September 2020

Kingdom of Sweden – SEK 20 billion Inaugural Green Bond due 9th September 2030

Final Bond Terms	
Issuer	Kingdom of Sweden
Issuer Rating	Aaa / AAA / AAA (all stable)
Format	Reg S / 144A
Size	SEK 20,000,000,000
Pricing Date	1 September 2020
Settlement Date	9 September 2020 (T+6)
Maturity Date	9 September 2030
Coupon	0.125%
Reoffer Spread	MS -32bp
Reoffer Price	100.348%
Reoffer Yield	0.090%
ISIN	XS2226974504 (RegS) / XS2226974413 (144A)
Joint Bookrunners	Barclays, Danske, Natwest Markets, SEB, Swedbank
Use of Proceeds	The use of proceeds of the Note will be used to fund Eligible Projects under the Green Bond Framework

Transaction Highlights

- On Tuesday the 1st September, the Kingdom of Sweden priced its inaugural Green Bond issue, an SEK 20 billion 10 year RegS/144a benchmark at mid-swaps minus 32 basis points.
- The final pricing at mid-swaps -32 basis points was 1bp through the fair value implied by Sweden's existing SEK benchmark curve at the time of the initial pricing thoughts (IPTs) announcement. The transaction is the first Green Sovereign benchmark syndicated issue to price through fair value.
- The final orderbook for the transaction was announced as in excess of SEK 47bn (including SEK 3.2bn Joint Lead Manager – JLM interest).
- Sweden's Green Bond framework was awarded a dark green label by Cicero, the highest possible environmental grade. Sweden is the first country to receive a dark green rating.
- The framework provides maximum transparency on the selection and monitoring of their environmental and climate initiatives focusing on limiting climate change, strengthening biodiversity, promoting renewable energy and lowering carbon dioxide emissions. The government is responsible for preparing the framework and selection the green expenditures from the central government budget.
- The success of the transaction highlights not only Sweden's strong safe-haven credit quality, but the clear acknowledgment by the investor base that it is a global leader in sustainability.

Execution Highlights

- On Monday 24th August, an announcement was made to the market that a series of investor calls would be held for the Kingdom to present its new established Green Bond Framework, starting with a Global Investor Call on Wednesday the 26th August.
- It was also announced that an inaugural SEK denominated RegS/144a Green bond transaction in the 7 to 10 -year tenor range would follow, subject to market conditions.
- Following a positive response to the investor outreach, the maturity of the transaction was confirmed as 10-years on Friday 28th August.
- On Monday 31st August, initial pricing thoughts (IPTs) were announced at mid-swaps minus 29 basis points area.

- Following strong indications of interest totalling in excess of SEK 40bn (including SEK 600m interest from the joint lead manager banks), the orderbook was opened at 9.38am CET, Tuesday the 1st September, with a price guidance of m/s -32 to -30, “will price in range”.
- The final orderbook grew to in excess of SEK 47bn (including SEK 3.2bn JLM interest), and at 11.40am CET the progress was announced to the market, with final pricing being set at the tight end of the marketing range, mid-swaps minus 32bp.
- EMEA and Asia orderbooks were officially closed at 12.10pm CET, with US books closing at 7.30am NYK time.
- The SEK 20 billion transaction was priced at 3.08pm CET.

Distribution Highlights

- The final orderbook of over SEK 47bn was made up of over 72 separate investors. Final allocations were strongly aligned with Green bond focused investors across geographies. International investors were particularly attracted by the high quality Green framework.
- The investors distribution shows a very high engagement of high quality, buy and hold accounts as Pension Funds and Insurances have jointly been allocated 54.1%. The investors geography split shows how the demand for the bond has been high both domestically and abroad as non-Nordic investors collectively accounted for 31.3% of the deal. The allocated distribution statistics are below:

