Green Bonds Booming – What is in it for You?
Symposium - Greening Capital Markets in Brazil
Sao Paulo, 28 June 2016
Capital markets on the move – towards sustainable finance

1. Complex climate problems
2. Get above the clouds
   A holistic view
3. Simple and transparent solutions
   Mapping of assets, risks and transactions
Green Bonds – on the market for almost a decade
Green Bonds – in response to investor demand
1500 investors with AUM of USD 62 trillion aim to integrate ESG in their investment decisions

Increasing number of investors signing off on the 6 Principles for Responsible Investments (PRI) (1)

1. Incorporate ESG(2) into investment analysis and decision making process
2. Incorporate ESG into ownership policies and practices
3. Seek appropriate disclosure on ESG by entities in which we invest
4. Promote acceptance and implementation of the Principles within the industry
5. Work together to enhance our effectiveness in implementing the Principles
6. Report our activities and progress towards implementing the Principles

Source: Unpri.org
(1) PRI is an investor driven initiative in partnership with UNEP Finance Initiative and the UN Global Compact
(2) ESG=Environmental, Social & Governance
The five pillars of the Green Bond framework

1. Simplicity – Scalability
2. Governance – selection process
3. Credibility – vetting of Green
4. Traceability – earmarked account
5. Transparency – reporting
Where are Green Bond money used?
Allocation of Green Bond proceeds (2015)

Source, Climate Bonds Initiative, Data as of December 2015
Green Bond market development

Total cumulative issuance (USDbn)

Source: Bloomberg and SEB

Amount issuance per year and sector (USDbn)

Source: Bloomberg and SEB

Second opinion providers for outstanding Green Bonds in the market (volume) as at 31 Dec 2015

Source: Bloomberg and SEB

Regional issuance (USDbn)

Source: Bloomberg and SEB
SEB and the Green Bond market

**Selected Green Bond issues**

**KFW**
- 5 year EUR 1.5 billion 0.375%
  July 2019 Joint Lead

**NWB BANK**
- 5 year EUR 500m 0.432%
  July 2019 Joint Lead

**ING**
- 5 yr EUR 500m  3.500%
  July 2019 Joint Lead

**HSBC**
- 5 year EUR 500m 0.625%
  December 2020
  Joint Lead Manager
  Joint Lead Manager (no bookings)

**IFC**
- USD 1 billion 0.625% fixed bond
  November 2016 Joint Lead

**SEB**
- USD 500m 0.750% fixed bond
  October 2016 Joint Lead

**THE WORLD BANK**
- SEK 3.25bn
  3.500% fixed bond
  November 2014 Sole Lead

**SEB**
- USD 250m
  1.625% fixed bond
  April 2018 Joint Lead

**SKANSKA**
- 5 year SEK 500m
  FRN April 2019 Sole Bookrunner

**SCA**
- 5 year SEK 1bn/500m
  2.500% / FRN
  April 2019 Sole Bookrunner

**KBN Kommunbanken**
- USD 500m 0.750% fixed bond
  November 2016 Joint Lead

**SEB**
- SEK 2.10bn
  3.000% fixed bond
  April 2019 Joint Lead

**VASAKRONAN**
- SEK 1.30bn
  1.774% / FRN
  May 2016 Sole Lead

**EDC**
- USD 300m 0.875% fixed bond
  January 2017 Joint Lead

**Korea Eximbank**
- USD 500m
  1.750% fixed bond
  February 2018 Joint Lead

**Top 10 underwriters 2015 (Volume USDmn)**

Source: Bloomberg

**Top Green Bond Underwriters 2007-2015 (USDbn)**

Source: Bloomberg
Greening Capital Markets – What’s in it for You?

**Investors**
- Achieve intelligence on climate related issues inside existing management structure
  - Risk management
  - Climate stress
  - Regulations
  - Technology transition
- Live your values - competitiveness

**Issuers**
- Strengthen the financial position:
  - Investor diversification
  - Deepened dialogue
- Establish a targeted dialogue between operations (projects), Finance and Management
- Live your values - competitiveness

**Society**
- Activate (mobilize) human capital inside finance for society goals
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