

Green Bond Fact Sheet

Svenska Handelsbanken			Date: 27-Jun-2018
Issue date: 03-Jul-2018 Maturity date: 03-Jul-2023 Tenor: 5			
Issuer Name	Svenska Handelsbanken	Amount Issued	EUR500m(USD583m)
Country of risk	Sweden	CBI Database	Included
Issuer Type ¹	Financial Corporate	Bond Type	Senior unsecured
Green Bond Framework	Link to Framework	Second party opinion	CICERO
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input checked="" type="checkbox"/> Energy	<input checked="" type="checkbox"/> Solar <input checked="" type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input checked="" type="checkbox"/> Geothermal <input type="checkbox"/> Hydro <input type="checkbox"/> Tidal	<input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input checked="" type="checkbox"/> Waste to energy <input type="checkbox"/> District heating <input checked="" type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Buildings	<input checked="" type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input checked="" type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Transport	<input checked="" type="checkbox"/> Electric vehicles <input checked="" type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input checked="" type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input checked="" type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Water & wastewater	<input checked="" type="checkbox"/> Water distribution <input checked="" type="checkbox"/> Water treatment <input checked="" type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input checked="" type="checkbox"/> Waste management	<input checked="" type="checkbox"/> Recycling <input checked="" type="checkbox"/> Waste prevention <input checked="" type="checkbox"/> Pollution control <input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input checked="" type="checkbox"/> FSC/PEFC Forestry <input type="checkbox"/> FSC Cellulose & paper <input type="checkbox"/> Land remediation <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> ICT <input type="checkbox"/> Industry: process
Issue details	
Reporting	<p>Handelsbanken will publish an annual report on its website disclosing allocation of proceeds and performance indicators. A list of indicative key performance indicators can be found in the “Reporting” section of the Green Bond Framework. An external auditor or similar party will be appointed by the issuer to ensure that an amount equivalent to net proceeds has been allocated to eligible green projects/assets.</p>
Company information	<p>Handelsbanken is one of the major publicly traded Swedish banks that provides personal and corporate banking, financing, mortgage loans, investment banking, and private banking. The bank is headquartered in Stockholm.</p>
Firsts, records and certifications	
Proceeds description	<p>Proceeds can be allocated to renewable energy, clean transport, waste and water management, green buildings or sustainable forestry. Green buildings can qualify if certified at Miljöbyggna Silver, BREEAM-SE Very Good, BREEAM-in-use Very Good, LEED Gold, Svaven or better, or if they have 15% lower energy use than required by the applicable national building code. The eligibility requirement for large-scale forestry (>1500ha) is FSC or PEFC certification, while small-scale forestry (50-1500ha) needs to be compliant with the Swedish Forestry Act.</p>
Climate Bonds view	<p>For forestry related assets, we take into account the sustainability of both small and large holdings. The Climate Bonds Forestry Criteria – still in public consultation – acknowledge that smallholders may not be able afford an external certification and set out specific requirements to demonstrate compliance with the mitigation and resilience components of the Criteria.</p> <p>The Forestry Stewardship Council (FSC) definition of small and low intensity managed forests (SLIMF) in Sweden is holdings of up to 1000 hectares. The issuer’s definition of small forestry holder exceeds this threshold. However, the Swedish Forestry Act provides us with sufficient assurance of the sustainable management of the holdings. In the future, we would like to see eligibility criteria for smallholders without FSC/PEFC certifications including specific requirements on soil health, water management, fire management, riparian areas protection, biodiversity management, species selection and chemical use, as set out in the public consultation document of the Forestry Criteria.</p>
Underwriters	HSBC, Bank of America Merrill Lynch, Handelsbanken Capital Markets

Deal comments	
Credit Rating	
Pricing summary	Final pricing of mid-swaps plus 23 basis points (bps) represented a premium of 3 bps. According to the bank, the bond attracted the lowest new issue premium in the low beta Euro preferred senior market since the onset of volatility in March. (source)
Investors summary	The deal attracted about 100 investors from across Europe, with the largest proportion from Germany and Austria (29%), followed by the Nordics (22%), France and Benelux (both 16%) and the UK (9%).

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign