

**The Green Bond Market in the Nordics-Green bond issuance at record high,  
Handelsbanken hosts new report launch at annual Green Bonds and Sustainable Capital  
Markets Conference**

**London/Stockholm: 15<sup>th</sup> February 2018: 12:00 GMT 13:00 CET:** The Climate Bonds Initiative has just released its first full report examining green finance developments in the Nordic nations. [The Green Bond Market in the Nordics](#) as launched in Stockholm today at Handelsbanken's 4<sup>th</sup> annual Green Bonds and Sustainable Capital Markets conference, co-hosted by Nasdaq Stockholm.

Commissioned by Handelsbanken the report is the first comprehensive overview of all Nordic green bonds issued in each nation since market inception with analysis by issuer type and financial sector. [The Green Bond Market in the Nordics](#) also identifies an overview of future market directions and identifies industry sectors conducive to future green bond issuance.

**Report Highlights:**

**Cumulative**

- Despite their relatively small size, Nordic nations rank highly in global cumulative green bond with Sweden at 6<sup>th</sup>, Norway 16<sup>th</sup>, Denmark 17<sup>th</sup> and Finland 20<sup>th</sup>.
- The Nordic Investment Bank (NIB) is the region's largest issuer to date.
- Nordic nations including supranational NIB, account for 6.7% of global cumulative green bond issue volume and 18.5% of European issuance.

**2017**

- 2017 global rankings also reflected high levels of issuance with Sweden at 6<sup>th</sup>, Denmark 16<sup>th</sup>, Finland 19<sup>th</sup> and Norway 23<sup>rd</sup>.
- Annual issuance broke a new record in 2017 at EUR7.8bn, 64% up from 2016 and 10.5 times higher than the 2013 total.
- Fifteen new green bond issuers entered the market in 2017.
- Corporate issuance was boosted by large deals from Danish energy company Orsted and three commercial banks – Nordea, SEB and Swedbank.
- Swedish property company Atrium Ljungberg, a newcomer to the market became a repeat issuer during the year.

**Use of proceeds & sectors keep evolving**

Use of proceeds have become more diversified over time. In 2017 Renewable Energy (31%), Low Carbon Buildings (31%) and Low Carbon Transport (13%) dominated, with Water and Waste Water (7%), Waste Management (8%) Land Use (7%) and Adaption (3%) at the smaller end of the scale.

Local government, local government funding agencies, government-backed entities, state banks and supranational NIB account for two thirds of overall Nordic green bond issuance.

The private sector covers the remaining one third. There is a clear opportunity for private entities, especially financial institutions, to take up a bigger role in green bond issuance.

## **Opportunities for accelerating market development**

Several sector opportunities for increased green bond issuance have been identified including:

- Public sector issuers could tap the green bond market for projects such as upgrades, network and capacity improvements for public transport. Rail is easily aligned with a low-carbon transition;
- Financial institutions could step up their efforts to finance loan pools linked to a wide range of climate-aligned sectors, as well as more targeted deals such as covered bonds and energy efficiency mortgages;
- Investments in Low Carbon Buildings are expected to keep growing, as current private sector issuers keep returning to market. Housing, specialised real estate and public infrastructure companies are also expected to add scale.
- Opportunities exist in sustainable forestry with FSC related assets suitable for green issuance. Within the Water and Waste Water sectors there are existing bond issuers who could follow vanilla issuance with green bonds.

### **Tobias Lindbergh, Head of Sustainable Finance at Handelsbanken DCM**

“There is significant activity and development in the Nordics. Handelsbanken is proud to have contributed in this market for many years, assisting numerous clients on the development of green bond frameworks and further advancing standards in this growing asset class.”

“Nordic issuers and investors are very focused on ESG and green investments and we foresee continued strong growth in the foreseeable future. The time had come for an independent study to be done on the Nordic market and it was important to us that we contribute to such a project.”

“This report provides a basis for further discussion amongst issuers, investors, public entities and policy makers on green finance and sustainable investment. We are pleased to have been able to support the Climate Bonds Initiative in its production.”

### **Sean Kidney, CEO of Climate Bonds Initiative:**

“Nordic countries have been at the forefront of green bond market development in Europe and worldwide, maintaining a presence in the Top 20 of issuing nations is a significant achievement.”

“Continued policy measures to promote environmental sustainability and low carbon development with support from institutional investors and stock exchanges can help maintain the momentum. In combination with existing public sector green investment directions, more aggregation structures and sovereign issuance, a new phase of accelerated green finance could emerge between now and 2020.”

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### **For more information:**

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## Notes for Journalists

**About Climate Bonds Initiative:** The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy. It undertakes advocacy and outreach to inform and stimulate green bond markets, provides policy models and government advice, international development programs, market data and analysis and administers the Standards & Certification Scheme. For more information, please visit [www.climatebonds.net](http://www.climatebonds.net).

The Green Bond Market in the Nordics 2018 is [available here](#).

**About Handelsbanken:** Handelsbanken is one of Sweden's leading banks, founded 1871 and with over 800 branches in more than 20 countries. It provides universal banking services, including corporate transactions, investment banking and consumer banking. More information [is here](#).

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