

Press release

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Gothenburg City first in Nordics to issue 'green' bonds

SEB facilitates the first Nordic 'green' bond issuance with a SEK 500 million bond for the City of Gothenburg. With the issuance, the City of Gothenburg is a pioneer in the Nordic region for using the green bond financial framework, developed by SEB together with The World Bank and other Swedish investors. The issuance is part of a potential SEK 2 billion green bond programme from Gothenburg to help fund environmental projects.

- The City of Gothenburg's issuance represents a breakthrough for green bonds in the Nordics. Interest in green bonds continues to grow among investors. They see that green bonds offer the the same yield as other investments with similar conditions, but at the same time these bonds contribute to a better environment and higher awareness of climate-related challenges and solutions, says Christopher Flensburg, head of sustainable investments at SEB.

With its environmental programme, the City of Gothenburg intends to raise financing to support various environmental projects on public transport, water management, energy and waste management.

- We have a thorough programme for environmental projects in Gothenburg. The City intends to be an obvious choice for investors seeking green investments, says City of Gothenburg CFO Magnus Borelius.

Green bonds were first issued by The World bank in 2008, after developing the concept with SEB starting in 2007. Since then, the market has steadily grown. In total, organisations around the world including, the European Bank for Reconstruction and Development (EBRD), the World Bank and the Export-Import Bank of Korea have issued green bonds worth USD 10 billion. The concept is seen as a way to generate awareness among financial institutions on climate-related challenges and solutions. Many other institutions including the United Nations are interested in understanding how the concept can be used.

The City of Gothenburg's green bond is for six years and will be listed on the London Stock Exchange. Storebrand/SPP, Andra AP-fonden, Nordea Bostadsobligationsfond, SEB Företagsobligationsfond Flexibel, Svenska Kyrkan, Länsförsäkringar Västerbotten subscribed to the bond. Gothenburg has held the highest credit rating possible from Moody's (AAA) since 2006 and the second highest rating possible from Standard & Poor's (AA+) since 2007. The outlook for both ratings is stable.

Read more on green bonds [here](#).

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