Our vision is an attractive, sustainable and growing Stockholm region with freedom for its residents to shape their lives and make active decisions.
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## Key Credit Highlights

### Critical part of Swedish economy
- Region Stockholm incorporates 26 municipalities at the heart of the Kingdom of Sweden’s (Aaa/AAA/AAA) capital Stockholm
  - Responsible for over 32% of Swedish Gross Regional Product
  - Home to 23% of Swedish population
- Region Stockholm is rated AA+ (stable) by Standard & Poor’s

### Strong institutional framework
- Predictable and stable regional government policies
- Fiscal policy framework that promotes budgetary discipline

### Solid financial position
- Conservative financial policy
- Ability to levy taxes through the income tax rate
- Zero per cent risk weighted by Bank for International Settlements (BIS)

### Sustainability
- Systematic and goal oriented sustainability work as an integrated part of the organization
- The first environmental program was adapted in 1990

### Favourable macro-economic environment
- High employment rate and strong population growth
- Average Gross Regional Product (GRP) growth of 3.1% between 2001-2018

*Source: Eurostat, Länsstyrelsen and SCB (Statistics Sweden)*
### Region Stockholm Responsibilities and Structure

#### Sweden
- In Sweden, public sector consists of a three-tier system:
  1. Central Government
     - Higher education
     - Police and military
     - National roads
  2. Regions
     - Healthcare
     - Public transport
     - Regional planning
     - Culture
  3. Municipalities
     - Childcare
     - Compulsory education
     - Upper secondary education
     - Elderly care

#### Region Stockholm
- Region Stockholm is a legally independent entity
- It is a democratically controlled organisation and has:
  - Its own legislatures, *and*
  - Its own taxation rights
- It is the largest of Sweden’s 20 county councils
  - Includes 26 municipalities
  - Has 2.3 million inhabitants
Region Stockholm in brief

- Debt portfolio of approximately SEK 52bn
- Revenues of SEK 101bn 2018
- 2.9 million trips are conducted every day in our public transportation system
- Almost 100% of public transport is run on renewable energy
- Our public transportation system is #1 ranked in Europe and #2 globally
- 1,300 visits are made to an emergency room at emergency hospitals each day
- 80 children per day are born at one of our six obstetrics clinics
Region Stockholm also legally

- County Councils becoming Regions also legally as of January 1st 2020.
- Region Stockholm as legal part in all new financial contracts such as term sheets, pricing supplements etc.
A local government can not be declared bankrupt in Sweden:

- The Swedish Court has stated that the local governments in Sweden are NOT covered by the Bankruptcy Act (RH 1996:75) meaning bankruptcy in accordance to the Swedish Bankruptcy Act is not applicable for local governments.
- This is due to the fact that local governments have constitutional rights to levy taxes and this is also supported by the Swedish Constitution.

**Requirement for sound financial management**

Local governments must work according to a sound financial management.

**Balanced budget requirement**

Annual local government budgets should be in balance, imbalances are normally restored within 3 years.

**Local government financing principle**

If the government alters the tasks of local governments, the government must also neutralise their financial effect.

**Financial equalisation**

Imbalances between local governments are equalised annually through income and cost equalisation schemes.

**Law:**

- "Kommunallagen chapter 11, § 1 (2017:725)"
- "Kommunallagen chapter 11, § 5 (2017:725)"
- Approved by the parliament and in force since 1993
- "Lagen (2004:773) om kommunalekonomisk utjämning"
The 2020 budget in numbers

2020 BUDGET
108 BILLION SEK

TAX
12,08 SEK
/100 SEK earned

INVESTMENT PLAN 2020-2029
123 B SEK

RESULT:
311 MILLION SEK

COMMITTEE ALLOCATIONS:
+2,6%

2019
78,1 B SEK

2020
80 B SEK

Health and medical care
66 B SEK

PUBLIC TRANSPORT
11 BILLION SEK
Growing population, increasing demands

Age distribution 2015 and 2050

Population in the Stockholm region

Every day
Environmental Program 2017–2021

Health & medical care

Public & other transport

Properties & installations

Climate commitment & adaptation

Sustainable procurement

Sector goals

Sector goals

Sector goals
Sustainability is key to us

“A role model for the future”

Taking responsibility for the future, Region Stockholm pursues innovative environmental work that both improves and inspires.

- 15 Environmental goals
- 24 indicators
  - Construction materials
  - Foodwaste
  - Textiles
  - Pharmaceuticals
Region Stockholm’s goal for GHG emissions 2021 is 50% below 2011 and 75% below 1990.

Reduction of CO2 emissions
Since 1990 -70%
Since 2011 -45%
Social responsibility

Means that Region Stockholm:

- Combats discrimination and promotes equality in general
- Promotes gender equality
- Ensures access for people with disabilities
- Promotes national minorities and minority languages
- Promotes the rights of children according to the child convention
- Monitors the organization’s code of conduct for suppliers
Region Stockholm’s framework follows the Green Bond Principles

- Region Stockholm takes a broad view of climate change impact in its environmental policies, incorporating life-cycle analysis and suppliers.
- Region Stockholm has an updated and certified framework (Aug-18) which has been reviewed by an independent party, Cicero giving it a dark green rating.
- Dark green is allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future.
- Region Stockholm can finance eight project categories for instance:

  - Clean transportation
  - Green buildings
  - Waste management & circular economy
  - Environmental management
Transparent reporting

- Region Stockholm provides transparency through an annual impact report.
- The impact report follows the guidelines set out in the position paper on green bonds impact reporting.
- All reports could be found at: https://www.sll.se/greenbonds
- An earmarked account is used for use of proceeds.
- Region Stockholm offers investors to yearly participate in site visits.
Growth in our green financing portfolio

- Green financing: 58%
- Other financing: 42%

- Total green financing: 30,940 SEK m
- EIB/NIB loans: 17,740 SEK m
- Green bonds: 13,200 SEK m
### Green bond portfolio

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>SEK 1.1bn</td>
<td>6 years</td>
</tr>
<tr>
<td>2015</td>
<td>SEK 1.8bn</td>
<td>6 years</td>
</tr>
<tr>
<td>2016</td>
<td>SEK 1.5bn</td>
<td>5 years 4m</td>
</tr>
<tr>
<td>2017</td>
<td>SEK 2bn</td>
<td>5 years</td>
</tr>
<tr>
<td>2018</td>
<td>SEK 1bn</td>
<td>5 years 8m</td>
</tr>
<tr>
<td>2018</td>
<td>SEK 2.5bn</td>
<td>Short 3 year</td>
</tr>
<tr>
<td>2019</td>
<td>SEK 1bn</td>
<td>6 years</td>
</tr>
<tr>
<td>2019</td>
<td>SEK 1bn</td>
<td>6 years 8m</td>
</tr>
<tr>
<td>2019</td>
<td>SEK 500m</td>
<td>6 years 3m</td>
</tr>
<tr>
<td>2019</td>
<td>SEK 400m</td>
<td>4 years</td>
</tr>
<tr>
<td>2020</td>
<td>SEK 400m</td>
<td>7 years</td>
</tr>
</tbody>
</table>

- **Green transportation**: 62%
- **Green building**: 38%
Summary green bonds

<table>
<thead>
<tr>
<th>6</th>
<th>11.9</th>
<th>8</th>
<th>2014-2019 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green projects financed</td>
<td>SEK billion</td>
<td>Green bonds issued</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2017-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions avoided</td>
</tr>
<tr>
<td>Energy savings</td>
</tr>
<tr>
<td>Renewable energy production</td>
</tr>
</tbody>
</table>
Financial Policy

Policy is reviewed annually and monitored daily

- Full hedging of all foreign exchange risk inherent in non-SEK debt.
- Interest rate derivatives only against underlying debt, no speculative trading.
- Derivatives only entered into with highly credit worthy counterparties.
  - (S&P: A-, Moodys:A3, Fitch: A-)

Source: SCC, Financial Policy 2019
Financial prerequisites

January – August 2019 in brief

▪ **The surplus** for January – August 2019 amounted to SEK 2,908 million.

▪ **Operating expenses** for the period increased by 4.4%.

▪ **Investments** for the period totalled SEK 7,041 million, which is equivalent to a completion rate of approximately 45% of budget for the whole year.

▪ **Tax revenues** for the period increased by 4.0%.

▪ **Increased cost efficiently efforts** to reduce operating expenses.

Source: SCC Financial results January - August 2019
Debt Portfolio and Maturity Profile

Debt maturity profile

Back-up facilities

<table>
<thead>
<tr>
<th>Back-up facilities</th>
<th>SEK Amount</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overdraft Facility</td>
<td>SEK 3bn</td>
<td>2019-2026</td>
</tr>
<tr>
<td>Green Revolving Credit Facility*</td>
<td>SEK 2bn</td>
<td>2015-2021</td>
</tr>
<tr>
<td>Evergreen</td>
<td>SEK 500m</td>
<td></td>
</tr>
</tbody>
</table>

* The facility includes a SEK 500m green revolving credit tranche. The tranche can be used for environmentally sustainable projects.

Debt type breakdown

- Bilateral loans (EIB/NIB): 34%
- Green bonds (SEK): 25%
- Bonds (other currencies): 21%
- Leasing: 10%
- Bonds (SEK): 10%
- Bilateral loans (EIB/NIB): 10%

Total debt: SEK 52bn

Source: Region Stockholm, as per 27th January 2020
## Funding Plans for 2020

<table>
<thead>
<tr>
<th>2020 Funding plans</th>
<th>Completed activities 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Estimated funding need SEK 3-8 billion + pre-financing need for 2021</td>
<td>▪ 2x Benchmark SEK 1bn Green Bonds</td>
</tr>
<tr>
<td></td>
<td>▪ Private Placement bonds in SEK</td>
</tr>
<tr>
<td></td>
<td>▪ EIB loan</td>
</tr>
<tr>
<td></td>
<td>▪ Certificates in SEK</td>
</tr>
</tbody>
</table>

### Available funding sources

- Benchmark Bond (Green/non-green)
- Opportunistic Private Placements (Green/non-green)
- Bilateral loans from EIB
- Certificates in SEK

*Cash flows will be closely linked to the pace of investments and are assessed on an ongoing basis. Investors are encouraged to contact Region Stockholm directly for the latest information.*
Strong and stable rating (AA+/Stable)

“In our view, Region of Stockholm’s budgetary performance will gradually improve through 2021, supported by strong operating surpluses following peaking investments over the past few years. The region's liquidity, financial management, and contingent liabilities are other rating strengths, and they somewhat offset the region's high debt burden and rigid expenditure structure...”

Source: Standard & Poor’s, April 5 2019

Rated by S&P since September 1999
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