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 25% 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 positive population growth although affected by the pandemic
- Average Gross Regional Product (GRP) growth of 3.1% between 2001-2019

*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 51bn
- 2.9 million trips are conducted every day in our public transportation system
- Our public transportation system is #1 ranked in Europe and #2 globally
- Revenues of SEK 115bn 2020
- Almost 100% of public transport is run on renewable energy
- 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
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

<table>
<thead>
<tr>
<th>Requirement for sound financial management</th>
<th>Balanced budget requirement</th>
<th>Local government financing principle</th>
<th>Financial equalisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local governments must work according to a sound financial management</td>
<td>Annual local government budgets should be in balance, imbalances are normally restored within 3 years</td>
<td>If the government alters the tasks of local governments, the government must also neutralise their financial effect</td>
<td>Imbalances between local governments are equalised annually through income and cost equalisation schemes</td>
</tr>
<tr>
<td><strong>Law:</strong> &quot;Kommunallagen chapter 11, § 1 (2017:725)&quot;</td>
<td><strong>Law:</strong> &quot;Kommunallagen chapter 11, § 5 (2017:725)&quot;</td>
<td>Approved by the parliament and in force since 1993</td>
<td><strong>Law:</strong> &quot;Lagen (2004:773) om kommunalekonomisk utjämning&quot;</td>
</tr>
</tbody>
</table>
Region Stockholm in numbers

- Region Stockholm is the growth engine of Sweden
  - Considerable proportion of the national output

- Continued population growth
  - Unemployment rate lower than the national average but negatively affected by the pandemic

Region Stockholm’s position in Sweden

<table>
<thead>
<tr>
<th>Geographical size</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRP</td>
<td>Unemployment</td>
</tr>
</tbody>
</table>

- **Geographical size**
  - 1% (6,488 km²)

- **Population**
  - 2020 23% (2.4m)

- **GRP**
  - 2019 25%

- **Unemployment**
  - Unemployment 2020

Source: Latest available data from SCB (Statistics Sweden) and Länsstyrelsen Stockholm

"GRP" - Gross Regional Product
Robust underlying economy

Region Stockholm - GRP growth per year

Net population growth

Large service sector

Source: SCB (Statistics Sweden)
"RGDP" - Regional Gross Domestic Product
Environmental Program 2017–2021

Health & medical care

Public & other transport

Properties & installations

Sector goals

Climate commitment & adaptation

Sustainable procurement

Region Stockholm
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
Climate commitment

Region Stockholm’s goal for GHG emissions 2021 is 50% below 2011 and 75% below 1990.

Reduction of CO2 emissions

Since 1990
-67%

Since 2011
-48%
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 a 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:
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
- Region Stockholm offers investors to yearly participate in site visits.

Investor visit Södertälje Sjukhus

Investor visit Norsborgsdepån
Our green financing portfolio

- Green bonds: 15,100 SEK m
- EIB/NIB loans: 13,740 SEK m
- Total green financing: 28,840 SEK m

Other financing: 44% SEK m

Green financing: 56% SEK m
## Green bond portfolio

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<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 1bn</td>
<td>10 years</td>
</tr>
<tr>
<td>2020</td>
<td>SEK 400m</td>
<td>7 years</td>
</tr>
<tr>
<td>2020</td>
<td>SEK 1bn</td>
<td>7 years</td>
</tr>
<tr>
<td>2021</td>
<td>SEK 1bn</td>
<td>7 years</td>
</tr>
</tbody>
</table>

Green transportation: 54%
Green building: 46%
# Summary green bonds

<table>
<thead>
<tr>
<th>8 Green projects financed</th>
<th>SEK 15.1 billion outstanding</th>
<th>14 Green bonds outstanding</th>
<th>2021 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GHG emissions avoided</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 000 tCO2e</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>2019</th>
<th></th>
<th>2017-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions avoided</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28 000 tCO2e</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Region Stockholm first to issue a Health Impact Bond

<table>
<thead>
<tr>
<th>Short fact about the Health Impact Bond</th>
<th>Investor yield (p.a.) at different success rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Amount: SEK 30m</td>
<td><img src="image" alt="Graph" /></td>
</tr>
<tr>
<td>▪ Maturity: 5yr</td>
<td></td>
</tr>
<tr>
<td>▪ Investor: Skandia</td>
<td></td>
</tr>
<tr>
<td>▪ Intermediator: SEB</td>
<td></td>
</tr>
<tr>
<td>▪ Interest: based on the outcome of a diabetes type 2 prevention</td>
<td></td>
</tr>
<tr>
<td>▪ Use of proceeds: the proceeds from the bond will be used to finance a prevention programme for up to 925 prediabetic individuals in Stockholm County</td>
<td></td>
</tr>
<tr>
<td>▪ Documentation: the documentation is based on standard stand-alone SEK bond documentation</td>
<td></td>
</tr>
</tbody>
</table>

Yield cap (the maximum accumulated return over the 5-year period is 10%)

Yield floor (the minimum accumulated return over the 5-year period is -20%)
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-)
Financial prerequisites

2020 in brief

- **The surplus** for 2020 amounted to SEK 5,802 million. The large surplus is mainly a result of one-off items such as lower pension costs, nonrecurring items such as capital gains from property sales and temporary state grants to offset the effects of the pandemic.

- **Operating expenses** for the year increased by 3.9%.

- **Investments** for the year totalled SEK 10,916 million, which is equivalent to a completion rate of approximately 73% of budget for the whole year.

- **Tax revenues** for the year increased by 4.3%.

- The positive result means that Region Stockholm has fulfilled the conditions for allocating funds in a profit equalisation reserve, RUR.

- The pandemic is still ongoing in 2021, making **economic development very uncertain**. In addition, the healthcare and other activities that have been postponed because of the pandemic, and the effects of the shortfall in revenue due to the reduced use of public transport, will need to be addressed.

Source: Region Stockholm 2020 Financial results
Debt Portfolio and Maturity Profile

Debt maturity profile*

Total debt: SEK 51bn

Back-up facilities

<table>
<thead>
<tr>
<th></th>
<th>SEK million</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overdraft Facility</td>
<td>SEK 3bn</td>
<td>2019-2026</td>
</tr>
<tr>
<td>Revolving Credit Facility</td>
<td>SEK 4bn</td>
<td>2020-2023</td>
</tr>
</tbody>
</table>

Debt type breakdown

* As per 24th February 2021
## Funding Plans for 2021

<table>
<thead>
<tr>
<th>2021 Funding plans</th>
<th>Completed activities 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Estimated funding need SEK 2-6 billion + pre-financing need for 2022</td>
<td>▪ 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>▪ Commercial Papers in SEK</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Available funding sources</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Benchmark Bond (Green/non-green)</td>
<td></td>
</tr>
<tr>
<td>▪ Opportunistic Private Placements (Green/non-green)</td>
<td></td>
</tr>
<tr>
<td>▪ Bilateral loans from EIB</td>
<td></td>
</tr>
<tr>
<td>▪ Commercial Papers in SEK</td>
<td></td>
</tr>
</tbody>
</table>

*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.*
"Despite the uncertainties related to COVID-19 and changes to the cost equalization system, we expect the Region of Stockholm to post strong operating balances in 2020-2022. Furthermore, although we expect high investment needs, we have revised down our capital expenditure forecast, partly owing to risks of a prolonged lockdown in the construction sector. Consequently, in combination with strong operating cash flows, we expect the region’s debt burden to decrease throughout the forecast period."

Source: Standard & Poor’s, April 3 2020
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