

PRESS RELEASE

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Price differentiation on green loans

To date, Faberge has secured green financing for a total of almost SEK 4bn and created scope for an additional approximately SEK 1.4bn via green bond financing. The latest is a green bank loan from Danske Bank, which is the first of the banks to offer improved terms for green loans, since the risk is deemed to be lower, a welcome break in the trend.

Faberge's ambition is for its entire property portfolio to be environmentally certified by 2018. As environmental certification gets under way, the company is also aiming for its financing to be green. This is provided more banks develop their offerings.

“We're seeing a growing interest in green financing. Our close partnership with Faberge has allowed us to develop a new type of green bank loan, which supports Faberge's business concept of sustainable urban development. It's great to see green loans contributing towards attractive, environmentally certified properties,” says Karin Blomstrand, Senior Account Manager at Danske Bank.

The loan from Danske Bank amounts to a total of SEK 1.6bn and is made up of two parts, with the green element financing environmentally certified properties.

“The fact that the financial market has caught on and is now encouraging sustainability is a break in the trend. It's positive to see the financial market increasingly taking responsibility for the climate issue by offering various green financing alternatives. They have huge opportunities to influence developments and in our dialogue with the banks we are now seeing a clear increase in interest in these issues,” comments Åsa Lind, Faberge's Head of Treasury.

In October 2015, Faberge secured a ten-year loan of SEK 939m from the European Investment Bank (EIB) concerning investments in environmentally certified property projects. Faberge has so far issued green covered bonds totalling just over SEK 1.5bn under the Green Framework within the co-owned company Nya Svensk FastighetsFinansiering AB (Nya SFF). April saw the launch of a green MTN programme of SEK 2bn, within which green bonds totalling SEK 600m have been issued to date. The programme was the first of its kind, with special conditions relating to sustainability and the environment.

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