

Announcement: Moody's assigns Green Bond Assessment (GBA) of GB1 to Svensk FastighetsFinansiering AB (SFF) medium term notes

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New York, November 08, 2017 -- Moody's Investors Service, ("Moody's") has today assigned a Green Bond Assessment (GBA) of GB1 to Svensk FastighetsFinansiering AB's (SFF) (unrated) senior secured medium term notes (MTN). SFF is expected to issue 1.25 billion Swedish kronor (SEK) (approximately \$147 million) under a two-year and fixed and floating rate note due November 2019, pursuant to SFF's MTN program. The proceeds will be allocated to refinance various green buildings that are aligned with SFF's Green Bond Framework. Green buildings constitute an eligible category under the Green Bond Principles (GBP). This is a first time Moody's green bond assessment for SFF.

ASSESSMENT RATIONALE

The GB1 (excellent) green bond assessment reflects SFF's experience issuing green bonds whose use of proceeds is dedicated to promoting low-carbon climate resilient transition in the commercial property segment. SFF currently manages a green bond portfolio with over \$500 million in USD equivalent through ten distinct green bond transactions since November 2015. SFF's GB1 overall score is further supported by a Green Bond Framework independently verified as "medium green" by CICERO in September 2015. CICERO is a climate research institute based in Oslo and reviewed SFF's framework for both project selection and investment. We understand that SFF's framework has not changed since it was issued in September 2015.

Under this transaction, SFF will refinance outstanding loans on four properties that focus largely on green buildings for commercial use in and around Stockholm, Gothenburg and Malmö, the three largest cities in Sweden. These buildings at a minimum must adhere to internationally recognized building certification schemes such as the Leadership in Energy and Environmental Design (LEED) in the U.S, Building Research Establishment Environmental Assessment Methodology (BREEAM) in the U.K. and a Swedish certification scheme specific to the Swedish market. Under SFF's framework the buildings must meet, at a minimum, Gold or "Very Good" standards under LEED and BREEAM, respectively, which are the 2nd highest green building categories under their respective certification schemes. Several buildings within the SFF portfolio have obtained the highest certification rating, an element that helps contribute to their GB1 overall score.

SFF discloses the actual environmental benefits of the eligible projects at least annually and provides interim reports on their webpage for green bond issuances, including kilowatt-hours of electricity consumed and carbon dioxide emissions data per square meter of office space. Once approved by SFF's board, consisting of the five chief financial officers of the real estate firms that collectively own SFF along with SFF's chief executive officer, the report is made publicly available on SFF's website. However, SFF does not provide a precise target of electricity consumption or carbon-dioxide emissions at initial financing, inhibiting the comparison of actual to intended results, a slight weakness in the transaction.

Svensk FastighetsFinansiering AB (SFF) is a real-estate finance company owned by Catena AB, Dios Fastigheter AB, Fabege AB, Platzer Fastigheter Holding AB and Wihlborgs Fastigheter AB, with a 20 per cent share each. The owners are all stock-listed commercial real estate companies operating in Sweden. The company serves as a financial vehicle for its owners to enable an increased focus on environmental issues.

The principal methodology used in this rating/analysis was Green Bonds Assessment (GBA) published in March 2016. Please see the Rating Methodologies page on www.moody's.com for a copy of this methodology.

Please see www.moody's.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

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