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THE KINGDOM OF DENMARK IS PREPARING THE ISSUANCE OF A 10-YEAR EUROPEAN GREEN BOND UNDER AN UPDATED GREEN BOND PRO- GRAMME

The Kingdom of Denmark expects to become the first sovereign in the world to launch a European Green Government Bond (EuGB) under the European Green Bond Standard (EuGB Standard). The bond will have a maturity of 10 years and is planned to be opened via syndication.

The issuance of a Danish EuGB government bond follows the update of the central government's green bond programme. The updated programme fully complies with the EU's requirements for documentation, transparency, and green investments.

The proceeds from the issuance will be directed towards green central government expenditures – including the transformation of the energy sector, sustainable transport, conversion of agricultural land as well as nature restoration.

"With the upcoming issuance, the Danish state actively supports a common European language for green investments. The European Green Bond Standard creates transparency and trust in the market – and the Danish state is leading the way by adhering to the highest standards, thereby supporting the development of green capital markets", says Governor of Danmarks Nationalbank, Signe Krogstrup.

The Kingdom of Denmark's European Green Bond Factsheet has been externally reviewed by Sustainable Fitch, and it has been found to align with both ICMA's Green Bond Principles and the European Green Bond Standard.

As is the case for existing outstanding green central government bonds, the new EuGB government bond will be issued as a twin to the central government's 10-year conventional bond, ensuring liquidity and investor flexibility.

FACT BOX: Kingdom of Denmark European Green Bond

- In the central government's borrowing strategy for 2025 it was announced that the central government's green bond programme would be updated.
- The aim of the updated programme remains to support the development of the green bond market.
- The update to the programme includes the launch of a new green government bond under the European Green Bond Standard. The bond will be opened in the second half of 2025, with the first issuance to take place via syndication. Thereafter, the bond will become part of the central government's list of on-the-run bonds and will be offered regularly through auctions during the remainder of 2025.
- The total proceeds from EuGB government bond issuances are expected to amount to a maximum of DKK 10 billion in 2025.
- The new EuGB government bond will be issued as a twin bond to DGB 2.25% 2035 (ISIN: DK0009924961) and will therefore carry a coupon rate of 2.25% with a maturity date 15 November 2035.
- The new EuGB government bond will be issued under the Kingdom of Denmark's European Green Bond Factsheet, where proceeds are linked to central government expenditures that fully comply with the EU Taxonomy ([link](#)).
- The Kingdom of Denmark's European Green Bond Factsheet has been externally reviewed and found to align with both the European Green Bond Standard and ICMA's Green Bond Principles. The external review was conducted by Sustainable Fitch ([link](#)).
- An amount equivalent to the proceeds from the issuance of EuGB government bonds is used to finance central government expenditures from the year prior to issuance, within the expenditure categories defined in the Kingdom of Denmark's European Green Bond Factsheet ([link](#)).
- The Kingdom of Denmark plans to issue EuGB government bonds under the new Factsheet for as long as no substantial changes are made to its content.

- The Kingdom of Denmark will continue to regularly publish allocation and impact reports, which describe the allocation of proceeds from issued green bonds and outline the climate-related impacts of the green expenditures to which the proceeds have been allocated ([link](#)).
- BNP Paribas, Nordea, and Skandinaviska Enskilda Banken (SEB) served as coordinators in the update of the Kingdom of Denmark's European Green Bond Factsheet.

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