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Heimstaden Bostad issues EUR 600m hybrid capital

Heimstaden Bostad AB yesterday successfully issued a EUR 600 million subordinated perpetual hybrid bond with an annual fixed rate coupon of 3% and a non-call period of 6.6 years. The issue attracted strong interest and the book peaked at more than two times the nominal amount

S&P will classify the hybrid as having intermediate equity content and has assigned a 'BB+' rating to the issue. The proceeds will be accounted for as 100% equity by Heimstaden Bostad in accordance with IFRS and will be used for general corporate purposes and to finance the ongoing tender offer to buy back up to EUR 250 million of the EUR 700 million 2.125% senior unsecured bond due September 2023.

An application will be made for the bond to be listed on Euronext Dublin. The final listing particulars, once published, will be made available on Euronext Dublin and www.heimstadenbostad.com.

BNP Paribas, Deutsche Bank, ING Bank, JP Morgan and Nordea acted as Joint Bookrunners for the issue.

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Heimstaden Bostad is a leading residential real estate company in Europe, which buys, develops, and manages homes. Through our values Care, Dare and Share, we create value for owners and Friendly Homes for customers. We own about 114,000 homes with a property value of SEK 180 billion. Read more at www.heimstadenbostad.com.

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