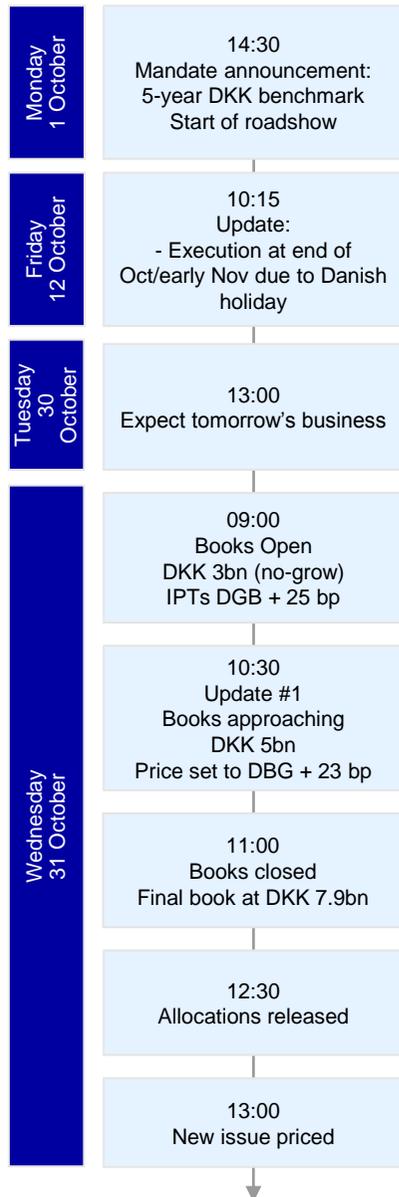


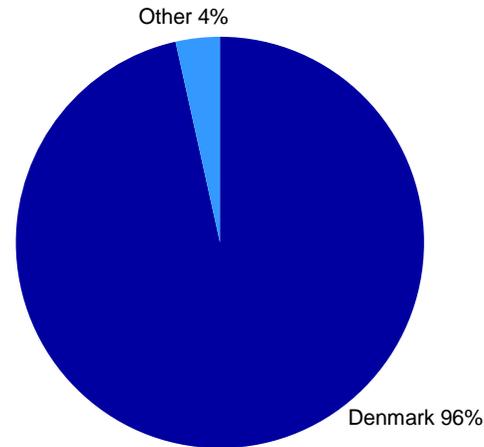
KommuneKredit – DKK 3bn 0.125% Nov-23 Benchmark



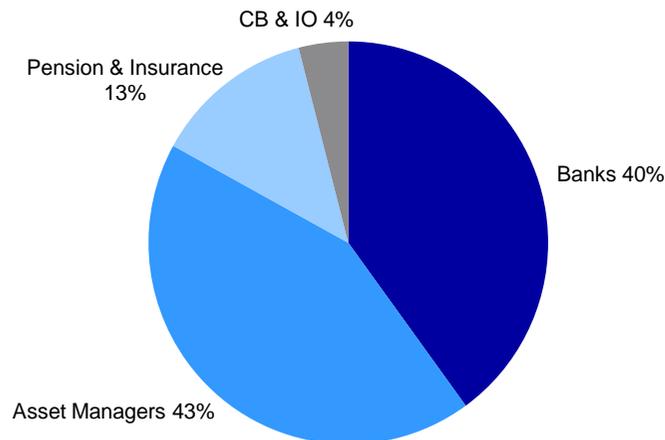
Execution timeline (CET)



Allocations – Geography



Allocations – Investor Type



Final books at DKK 7.9bn (at re-offer)

16 accounts participating

Transaction Details

Issuer	KommuneKredit
Issue type	Senior unsecured, VP Book entry
Issuer rating	Aaa / AA+ (all stable)
Trade / Settlement date	31 October / 08 November 2018
Maturity date	08 November 2023
Currency	Danish Krone
Size	DKK 3bn
Coupon	0.125%, Fixed, Annually, Act/Act
Reoffer spread	DGB 1.500% Nov-2023 + 23 bps
Reoffer price / yield	100.180% / 0.890%
Governing Law	Danish Law
Listing	Nasdaq Copenhagen
ISIN	DK0008931108
Joint lead managers	Danske Bank, Nordea

Highlights

- KommuneKredit has come to the market this week with a 5-year DKK 3bn fixed-rate bond, their first benchmark issue denominated in Danish Krone since 2011.
- The duration of the transaction was exactly one month, starting with a mandate announcement on Monday, October 1st. A roadshow across Denmark commenced two days later, and concluded the following week ahead of the Danish fall holiday period. The next update came on Tuesday, October 30th, alerting the market to expect books to open the following day.
- Books opened at 9:00 CET on Wednesday, October 31st, with initial price talks starting at 25 bps area above the DGB 1.500% Nov-2023 benchmark. The book quickly built momentum, with books approaching DKK 5bn by the release of the first update at 10:30. Due to the strong interest and high quality of the book, the spread was fixed at DGB + 23 bps at this time.
- The book continued to grow steadily until books closed just after 11:00, with the final book just shy of DKK 8bn at re-offer (excluding Joint Lead Managers), reflecting the strong enthusiasm in the market for the KommuneKredit name in its domestic currency.
- Overall, there were 16 investors to whom bonds were allocated, where the largest portion was asset managers (43%), followed closely by bank treasuries (40%). In terms of geography, the transaction saw the majority of support coming from the domestic investor base in Denmark, with 4% of bonds being allocated to international investors.
- At the time of pricing, the final spread of 23 bps over the DGB corresponded to the Danish midswap minus 40 bps. The outcome is roughly in line with KommuneKredit's USD benchmark curve at the 5y maturity point, while it is some 4-5 bps tighter than their EUR benchmark curve. All in all, a very successful outcome, whereby KommuneKredit has paved the way for future benchmarks in their home currency.

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