

# KommuneKredit

DKK 1bn 5Y 0.125% due 8 November 2023

## Transaction Terms

Issuer	KommuneKredit
Status	Senior unsecured
Issuer rating	Aaa/AA+
Launch Date	31 October 2018
Maturity Date	8 November 2023
Coupon	0.125% pa
Re-offer yield	0.089% pa
Listing	Nasdaq Copenhagen
Joint Bookrunner	Danske Bank

## Execution timeline

09:00 CET

### BOOKS OPEN

Guidance: DGB 1.500%  
November 2023 +25bp a

10:20 CET

### BOOK UPDATE

Books approaching DKK 7.5bn  
Price set to: DGB 1.500% November 2023 + 23bp  
Books to close: 11:00 CET

11:00 CET

### BOOKS CLOSED

Books above DKK 7.9bn (Ex JLM)

CLOSE TO 20 ACCOUNTS

ORDERBOOK ABOVE DKK 7.9BN

## About KommuneKredit

KommuneKredit is one of the oldest local government credit institutions and is legally organized as a credit association. KommuneKredit has been active in the financial markets for more than 110 years. KommuneKredit enjoys a direct joint and several guarantee from all the municipalities and regions in Denmark. They are the closest thing to an investment proxy to the Danish State, and they do carry the same risk weighting/LCR classification. The daily business of KommuneKredit is lending to the regions and the municipalities in Denmark. This is done almost solely in DKK. Hence, funding in DKK would help KommuneKredit achieve a higher natural degree of matching between the funding and the lending side. In the beginning of October, KommuneKredit went on a domestic roadshow, meeting predominantly LCR investors, but also asset managers. It quickly became clear that KommuneKredit could help filling a gap of SSA issuance in DKK in the Danish market.

## Deal Highlights

After successfully completing the roadshow in the beginning of October, and allowing for autumn school holiday to end, KommuneKredit was on October 30 ready to announce to the market, an upcoming 5yr fixed DKK issue.

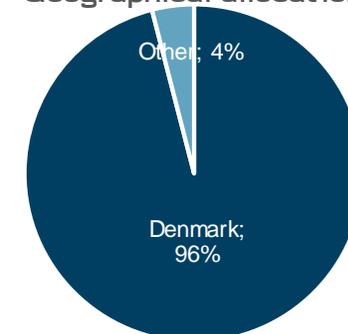
On the morning of October 31, books opened for a 3bn no-grow 5year transaction. Considering the close proxy to the Danish Government, it was decided to guide the market with a reference to DBG 1.500% November 2023. With a spread in the 25bp area, this allowed for the deal to attract immediate attention and within minutes, the book was oversubscribed. When the book update was announced at 10:20, the book had reached a size of almost 7.5bn clearly demonstrating the demand for DKK denominated 0% risk weighted assets offering a spread over Danish government bonds.

Along with the book update, the final spread was set to DGB 1.500% November 2023 + 23bps. With a tightening of 2bp on the back of a more than 2x oversubscribed book, the market reacted positive and additional orders came in. When books closed at 11:00, the book, good at re-offer level, was above 7.9bn. The transaction saw a very strong support from the domestic market, but accounts from abroad also participated.

The final pricing provided for a nice pick-up to Danish government bonds for the investors, while it also allowed KommuneKredit to price inside of their Euro curve, and only slightly wide of their USD curve.

*Danske Bank is delighted to have been able to support KommuneKredit throughout the process which resulted in this very successful DKK issue!*

## Geographical allocation



## Investor type allocation

