

KOMMUNEKREDIT

EUR 500mn 20-year Green Bond

PRESS RELEASE

Wednesday, 13 November 2019

Transaction Details:

Issuer:	KommuneKredit
Issuer Ratings:	Aaa/AAA (Moody's stable / S&P stable)
Format:	Reg S Bearer Form
Size:	EUR 500mn
Maturity:	21 th November 2039
Settlement:	19 th November 2019 (T+5)
Coupon:	0.625% Fixed, Annual, Act/Act
Re-offer Price:	99.775%
Re-offer Yield:	0.637%
Re-offer vs. Mid Swaps:	MS + 10bps
Re-offer vs. Benchmark:	+59.4bps over DBR 4.25% July 2039
Lead Managers:	Bank of America Securities, Crédit Agricole CIB, SEB

Execution Highlights

- On Tuesday, 12th November 2019, KommuneKredit, the largest provider of credit to local authorities in Denmark, successfully launched its third EUR Green Bond. The EUR 500mn Reg S / Bearer 20-year fixed-rate benchmark was jointly led by Bank of America Securities, Crédit Agricole CIB and SEB, and pays a coupon of 0.625%, offering a spread of 59.4bps over the DBR 4.25% July 2039, equating to MS+10bps.
- The mandate for a series of one-on-one investor calls in relation to a new EUR-denominated 20-year Green Bond transaction was announced to the market at 9.15am London time on Thursday, 7th November.
- The orderbook was officially opened on Tuesday, 12th November 2019 at 7.55am London time with spread guidance of MS+13bps area and with an issue size set at EUR 500mn. The transaction benefitted from a strong investor support from the onset and at 9am London time, a first update was published, announcing that demand was above EUR 1bn.
- By 9.45am London time, as demand grew in excess EUR 1.2bn (excl. JLMs), the spread guidance was revised to MS+11bps area. The final spread was set at MS+10bps at 10.25am London time as books reached over EUR 1.5bn (excl. JLMs).
- The orderbook closed shortly after with a final size in excess of EUR 2bn (excl. JLMs) with orders coming from close to 80 investors and a strong participation from ESG accounts.
- On this transaction, KommuneKredit was able to tighten pricing by 3bps without experiencing a diminution in demand. This is testament to the quality of the issuer's signature in the EUR market and Green Bond format.

- With this rare opportunity to buy KommuneKredit 20-year bonds at positive yields, the transaction received a strong support from the Insurance Companies and Pension Funds community, which took close to half of the issue. They were followed by Asset Managers (32.7%), Banks and Bank treasuries (10%) and Central Banks and Official Institutions (7.6%).
- From a geographical perspective, France, the Nordics and Germany/Austria took about three quarters of the issue (respectively 26.9%, 26.2% and 24.9%). The rest of the issue was allocated to accounts in BeNeLux (10.2%), Asia (3.6%), Switzerland (3.6%) and the UK (2.7%).
- An amount equal to the net proceeds of the issue will be credited to a separate portfolio, which will allow the Issuer to track the earmarked proceeds of the issuance. The Green Bond Portfolio will finance the eligible projects. As defined within KommuneKredit's Green Bond Framework, eligible categories of projects are water management, district heating, energy efficiency and clean transportation.

Distribution:

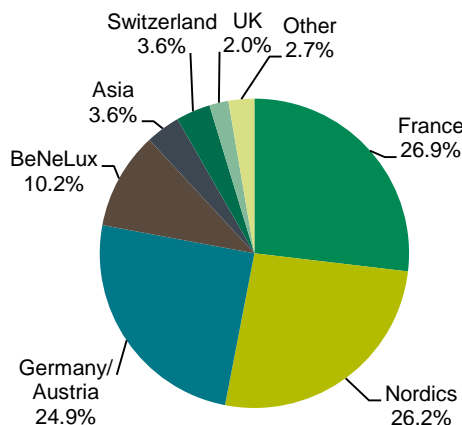
By Geography

France	26.9%
Nordics	26.2%
Germany/Austria	24.9%
BeNeLux	10.2%
Asia	3.6%
Switzerland	3.6%
UK	2.0%
Other	2.7%

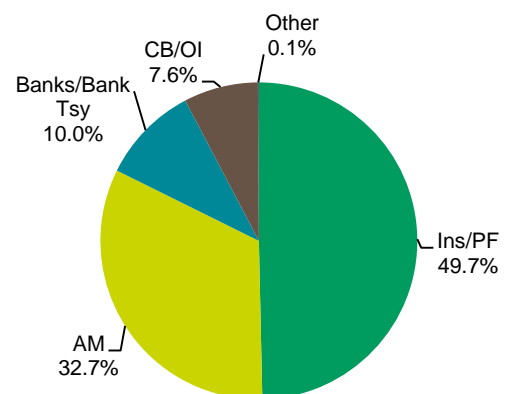
By Investor Type

Insurance / Pension Fund	49.7%
Asset Managers	32.7%
Banks and Bank Treasuries	10%
Central Banks and Official Institutions	7.6%
Other	0.1%

BY GEOGRAPHY



BY INVESTOR TYPE



Contact

Eske Hansen, Chief Funding & IR Manager

Tel: +45 3369 7607

Email: eha@kommunekredit.dk

Louise Rosentoft, Funding & IR Manager

Tel: +45 3369 7681

Email: lro@kommunekredit.dk

About KommuneKredit

KommuneKredit is Denmark's Local Government Funding Agency. KommuneKredit was established as a membership organization under Danish law in 1899. Its voluntary membership is restricted to Danish local governments (the municipalities and regions) and currently all local governments are members, thereby representing the entire population of Denmark. Its objective as a non-profit organization is to secure cost-efficient financing for its clients.
