



Press Talking Points

KommuneKredit USD 1bn long 3Y Benchmark due 14 April 2022

12 March 2019

On Tuesday 12 March 2019, KommuneKredit, rated Aaa/AA+ (both stable), successfully priced a new USD 1bn long 3Y RegS benchmark via BMO, HSBC, RBC CM and TD.

The mandate was announced to the market on Monday 11 March in conjunction with a switch and tender offer of two outstanding short-dated fixed-rate KommuneKredit benchmarks maturing in August 2019 and January 2020.

IPTs of MS +9bps area were released on Monday at 12.15 LDN time and indications of interest grew significantly throughout the London, Americas and Asian overnight session to exceed USD 2.3bn in new money and switch interest.

Books officially opened on Tuesday morning at 8.00am London time and given the strength of the demand and the fact that the deal was capped at USD 1bn from the outset, the issuer and the leads were able to fix the spread to MS +7bps early in the process. Books closed shortly thereafter at 9.00 LDN time with orders in excess of USD 2.75bn (new money and switch). This represents the largest-ever orderbook for a KommuneKredit USD benchmark and pricing of MS +7bps was 1-1.5bps through fair value.

The trade priced at 3.05pm London time with a coupon of 2.500% a re-offer price / yield of 99.715% / 2.599% p.a. and a spread of MS +7bps equivalent to +15.5bps over the 3Y Treasury.

The Switch and Tender Offer was met with strong interest, resulting in a repurchase amount of USD 449.762mn across the two tranches, more specifically:

- USD 1bn 1.125% due 23-Aug-19 – USD 273.01mn at 99.39 (of which USD 229.3 in switch)
- USD 1bn 1.750% due 10-Jan-20 – USD 176.752mn at 99.36 (of which USD 151.752 in switch)

Over 65 investors participated in this new issue either on switch or new money, with particularly strong participation from Central Banks / Official Institutions and Bank Treasuries.

By Geography

EMEA	48%
AMERICAS	30%
ASIA	22%

By Investor Type

CB/OI	58%
Banks/PB	38%
FM/Ins	4%



Bond Summary Terms

Issuer	KommuneKredit
Issuer Rating	Aaa / AA+ (both stable)
Format	Reg S, Bearer
Amount	USD 1bn
Launch Date	12 March 2019
Settlement Date	21 March 2019
Maturity Date	14 April 2022
Re-offer Spread	MS +7bps (UST 2.375% Mar-22 +15.5bps)
Coupon	2.500% p.a.
Re-offer	99.715 / 2.599 % p.a.
Joint-Lead-Managers	BMO / HSBC / RBC CM / TD
ISIN	XS1964640426