



## KommuneKredit

### USD 1.0 billion 0.625% Benchmark due 10 June 2025

#### \*\*\* PRESS POINTS \*\*\*

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<b>Issuer:</b>	<b>KommuneKredit</b>
<b>Rating:</b>	Aaa (stable) / AAA (stable)
<b>Issue amount:</b>	USD 1.0 billion
<b>Pricing Date:</b>	3 June 2020
<b>Payment Date:</b>	10 June 2020 (T+5)
<b>Coupon:</b>	0.625%, Fixed, Annual 30/360
<b>Maturity:</b>	10 June 2025
<b>Reoffer Price:</b>	99.740%
<b>Reoffer Yield:</b>	0.677% p.a.
<b>Re-offer vs. m/s:</b>	MS +26bps
<b>Re-offer vs. Benchmark:</b>	+29.85bps over the 0.250% May-2025 UST
<b>Lead Manager:</b>	Barclays, BNP Paribas, J.P. Morgan and TD Securities (DM/B&D)

#### Key Aspects:

- On 3<sup>rd</sup> June 2020, KommuneKredit, the credit institution for Danish local and regional authorities rated AAA/Aaa (S&P / Moodys), issued its first USD transaction of 2020, a USD 1 bn 5-year RegS bond due 10 June 2025. The new issuance pays a coupon of 0.625% with a spread of 29.9bps over the UST 0.250% due May 2025, equivalent to 26bps over mid-swaps.
- The new transaction was met with strong interest from investors. Final orderbooks were in excess of USD 3.5bn with more than 82 orders, representing the largest USD orderbook ever achieved by KommuneKredit.
- Barclays, BNP Paribas, J.P. Morgan and TD Securities acted as Joint-Lead Managers for this transaction.

#### Execution Highlights:

- The mandate for this new USD 5-year benchmark was initially announced to the market at 10:20 UKT on Tuesday, 2<sup>nd</sup> June, in conjunction with a capped switch and tender offer of KommuneKredit's 2.250% notes due 8 January 2021 and 1.625% notes due 1 June 2021, along with an initial price thoughts of MS +30bps area.
- The transaction saw early investor interest, with Indications of Interest reaching over USD 2bn (Excl. JLM interest, incl. Switch and New Money) overnight. The orderbook officially opened the following morning at 08:11 UKT, with spread guidance of MS +28bps area.
- The strong momentum continued following the book opening, with orderbooks in excess of USD 3bn (Excl. JLM interest, incl. switch offer and New Money) within only forty minutes. This allowed KommuneKredit to set the spread at MS +26bps at 08:58 UKT, representing a 4bps tightening.
- Books closed at 09:20 UKT in excess of USD 3.6bn (excl. JLM interests, incl. Switch and New Money). The transaction was subsequently priced at 15:35 UKT at MS +26bps, offering a coupon of 0.625% and a re-offer yield of 0.677% s.a. This Equating to a re-offer price of 99.740% and a spread of 29.9bps over the UST 0.250% due May 2025.



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- Over 60 accounts contributed to the well-diversified final orderbook with Central Banks and Official Institutions making up 62% of allocations, followed by Banks and Banks Treasuries at 31% and Asset Managers, Hedge Funds, Insurance and Pension Funds at 7%.
- The geographical distribution reflects KommuneKredit's strong international investor base with Europe representing 42%, followed by Asia with 19%, followed by Americas with 16%, followed by Nordics with 11% and by MEA with 11%.

#### By Geography

Europe	42%
Asia	19%
Americas	16%
Nordics	11%
MEA	11%

#### By Investor Type

CBs/OI's	62%
Banks/Banks Treasuries	31%
AM/HF/Ins/Pens	7%

#### Liability Management

The Switch and Tender Offer for the below Notes was announced in conjunction with the new issue, with settlement on 8 June 2020. The total repurchase amount of USD 191,187,000.00 across both tranches, more specifically:

**USD 1bn 2.250% due 8 January 2021** – USD 55.21mn @ 101.136 of which USD 32.5mn were preferred offers and USD 22.71mn non-preferred.

**USD 1bn 1.625% due 1 June 2021** – USD 135.977mn @ 101.258 of which USD 120.977mn were preferred offers and USD 15mn non-preferred.

#### About KommuneKredit:

KommuneKredit was established in 1899 as an association under Danish law and provides cost-efficient financing to local governments or other clients which benefit from a 100% local government guarantee. KommuneKredit's obligations are guaranteed directly, jointly and severally by its members.

#### Funding & Investor Relations contacts at KommuneKredit:

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