

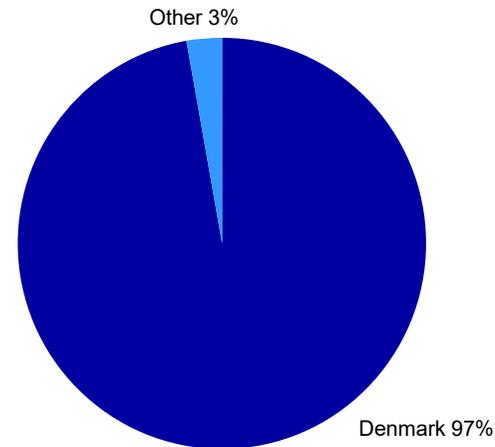
KommuneKredit – DKK 5bn 0.0% May-22 Benchmark



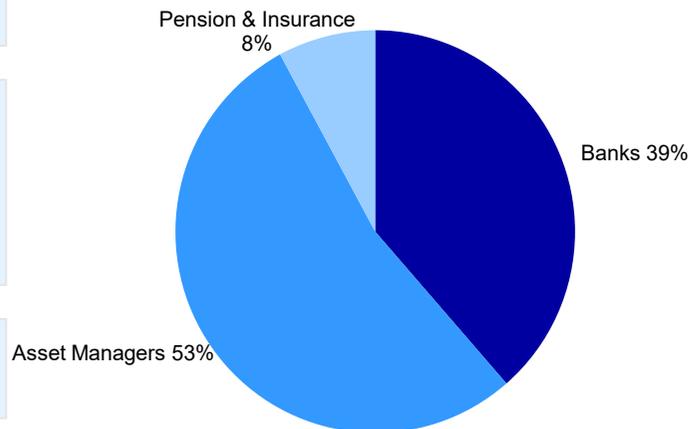
Execution timeline (CET)



Allocations – Geography



Allocations – Investor Type



Final books at DKK 6.85bn (at re-offer)

14 accounts participating

Transaction Details

Issuer	KommuneKredit
Issue type	Senior unsecured, VP Book entry
Issuer rating	Aaa / AA+ (all stable)
Trade / Settlement date	7 January / 15 January 2019
Maturity date	19 May 2022
Currency	Danish Krone
Size	DKK 5,000,000,000
Coupon	0.0%, Fixed, Annually, Act/Act
Reoffer spread	Interpolated DGB 2021 & 2023 + 19 bps
Reoffer price / yield	100.836% / -0.249%
Governing law	Danish Law
Listing	Nasdaq Copenhagen
ISIN	DK0008931298
Joint lead managers	Danske Bank, Nordea

Highlights

- KommuneKredit brought a very successful long 3-year Danish Kroner 5bn fixed-rate issue to the market this week. KommuneKredit has thus taken its second step in constructing a benchmark curve in the DKK market, following up on its inaugural syndicated 5-year DKK transaction in late-October last year.
- The mandate was announced on Friday January 4, giving investors the weekend to prepare for the transaction, with books opening early the following Monday morning with a spread guidance of interpolated Danish government bonds + 20bp area. Amidst a positive opening in the European market as well as strong backing by Danish investors, books quickly reached in excess of DKK 6bn with only few investors expressing price sensitivity.
- The large book backed by very high quality investors allowed KommuneKredit to fix spread at interpolated DGBs + 19 bp. Despite the tight print, books almost reaching 7bn allowed for the issuer to take out DKK 5bn (against 3bn in the inaugural 5-year issue last October).
- 14 different accounts took part in the transaction, including prime Danish pension funds, bank treasuries, and asset managers. A few Nordic accounts from outside Denmark also took part in the transaction, eyeing an opportunity for DKK exposure with pickup to Govies.
- In terms of pricing, the transaction allowed KommuneKredit to print in size well through where they would have borrowed in the EUR and USD benchmark markets. Furthermore, by opting for the DKK market, KommuneKredit managed to raise appx. 10% of their funding needs for 2019 while avoiding the turbulence and general early-issuance traffic characteristic of the USD and EUR market at the start of the year.