

KommuneKredit

24 May 2017

EUR 500 million 0.750% Green Bond Benchmark due 18 May 2027

Issuer:	KommuneKredit
Rating:	Aaa/AAA (Stable/Stable)
Issuer Size:	EUR 500m
Payment Date:	1 June 2017 (T+7)
Maturity Date:	18 May 2027
Coupon:	0.750% Fixed, Annual, Act/Act, short first
Re-offer Price:	99.362%
Re-offer Yield:	0.817%
Re-offer vs. Mid Swaps:	-2bps
Re-offer vs. Benchmark:	41.1bps over DBR 0.25% February 2027
Lead Managers:	Crédit Agricole CIB, HSBC plc, SEB

Launch and execution process

- On Tuesday, 23rd May 2017, KommuneKredit, the Danish local government credit institution, successfully launched its inaugural Green Bond. The EUR 500mn Reg S/ Bearer 10-year fixed rate benchmark, which was jointly led by Crédit Agricole CIB, HSBC plc and SEB, pays a coupon of 0.75% and a spread of 41.1bps over the DBR 0.25% February 2027, equivalent to 2bps through mid-swaps.
- An amount equal to the net proceeds of the issue will be credited to a separate Green Bond portfolio, which will finance projects that promote the transition to a low carbon and climate resilient growth. The eligible projects fit within the categories of water management, district heating, energy efficiency and clean transportation as defined within the Green Bond Framework.
- The Green Bond mandate was announced at 14:45pm CET on Monday, 22nd May, following a European-wide investor roadshow to introduce the issuer's Green Bond Framework. The order book was officially opened at 9:00am CET on Tuesday with spread guidance of MS flat area and an issue size capped at EUR 500m. The book grew with notable momentum, paving the way for KommuneKredit to revise and directly set the spread to MS-2bps at 10:00am CET. At 10:30am CET order books closed in excess of EUR 1.4bn from over 50 investors. The transaction priced at 13:00pm CET.
- Investors with a Sustainability motivation represented a large proportion of the final allocation, including: Alecta, APG Asset Management, AP4, Actiam N.V., Barclays Treasury, Humanis Gestion d'Actifs, Mirova, NN Investment Partners, SPP Storebrand, Union Investment, Veritas Pension Insurance Co Ltd.
- The granularity of the order book reflects the high quality and diversity of demand for KommuneKredit's Green Bond. The order book was dominated by investors from Germany/Austria (35%), followed by the Nordics (20%), the UK (13%), Asia (11%), Benelux (9%), Switzerland (7%), France (4%) and Italy (1%). Banks took the lion share of allocations (52%), followed by

Central Banks/Official Institutions (19%), Pension Funds (15%), Asset Managers (13%) and Insurance companies (1%).

"Given the exemplarity of Danish local authorities on the transition to a low carbon economy, this was a much awaited transaction, which Green investors have massively welcomed." **Tanguy Claquin, Sustainable Banking, Crédit Agricole CIB**

"An impressive debut to the Green bond market from KommuneKredit today. The issuer achieved significant participation of "green focused" investors from a large, high quality and granular orderbook. This is testament to KommuneKredit's proactive investor marketing and high quality framework around Danish public sector lending."

Elena Farrell, DCM, HSBC

"It is an honor to be a part of this transaction where KommuneKredit is showing the strength of the Danish public sector and kick-starting the Danish Green Bond market."

Christopher Flensburg, Head of Sustainable Products and Product Development, SEB

"By introducing the new type of green funding for municipalities, regions and utility companies we do our part to increase focus on the improvement of environmental and climate conditions, which is achieved through investments in the Danish local communities."

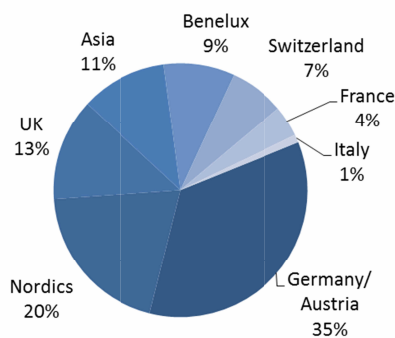
Jens Lundager, CEO, KommuneKredit

About KommuneKredit

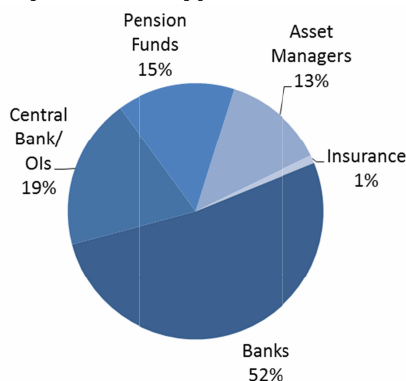
KommuneKredit is Denmark's Local Government Funding Agency. KommuneKredit was established as a membership organization under Danish law in 1899. Its voluntary membership is restricted to Danish local governments (the municipalities and regions) and currently all local governments are members, thereby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

Distribution Statistics

By geography



By investor type



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