KOMMUNINVEST

USD 500 million 1.875% Green Bond due 1st June 2021

*** PRESS POINTS ***

Issuer:	**Kommuninvest i Sverige AB**
Rating:	Aaa/AAA (stb/stb)
Issue amount:	USD 500 million
Settlement Date:	23 May 2017
Coupon:	1.875% (semi-annual)
Maturity:	1 June 2021
Reoffer Price:	99.95%
Reoffer Yield:	1.888% (semi-annual) (short first)
Re-offer vs. m/s:	+10bps
Re-offer vs. Benchmark:	UST 1.500% due 15th May 2020 + 41.45bps
Lead Manager:	Crédit Agricole CIB, HSBC, J.P. Morgan

Execution Highlights:

- On 16th May, Kommuninvest, the Swedish local government debt office, rated AAA/Aaa, issued a new USD 500mn 4-year RegS/144A Green Bond due 1st June 2021. The transaction pays a coupon of 1.875% and a spread of +41.45bps over the UST 1.500% due 15th May 2020, equivalent to 10bps over mid-swaps. Crédit Agricole CIB, HSBC and J.P. Morgan were mandated as Joint-Lead Managers.
- This is Kommuninvest's third Green Bond and marks the issuer's third USD benchmark outing in 2017. The success of the deal testifies to the strength of Kommuninvest's global investor following as well as solid support from the Green investor community.
- Kommuninvest announced the USD 4-year Green transaction on Wednesday 10th May, communicating that a global investor call would be hosted ahead of the launch to update investors on the its green bonds framework, including the build-up of eligible assets and its recently published first green bonds impact report.
- The global investor call took place during the London afternoon of Monday 15th May. Subsequently, Initial Pricing Thoughts (IPTs) were announced at mid-swaps + low teens area for a USD 500mn "no-grow" transaction.
- Following a constructive overnight session, Indications of Interest stood in excess of USD 450mn by the following morning. Books opened at 8:15am with price guidance of mid-swaps +12 area.
- The order book rapidly gained traction as orders exceeded USD 1.2bn within two hours of book opening. Given the deal size limit at 500mn no-grow and the high quality of orders, Kommuninvest revised price guidance to mid-swaps +11bps area (+/- 1bps) at 10:30am London time.
- Further encouraged by the size and quality of the order book, the decision was taken to set the spread at mid-swaps +10bps at 12:00pm London time, 2bps inside of initial guidance.

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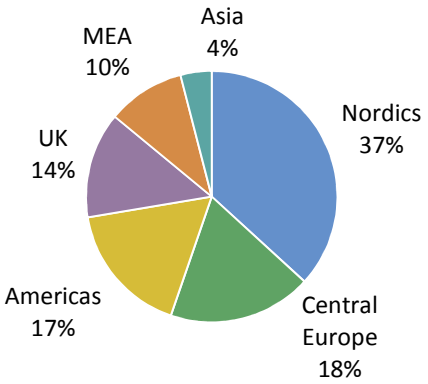
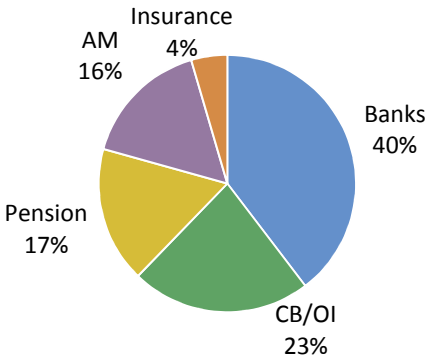
- The transaction priced at around 15:45pm London time with a coupon of 1.875% s.a., a re-offer yield of 1.888% p.a. and a spread of +41.45 bps versus 3-year US Treasuries.
- Despite the considerable spread tightening, the final order book stood at $700mn of final interest coming from c.40 accounts, many of which were dedicated Green investors such as Affirmative IM Partners, Amundi, ANDRA AP FONDEN, California State Teachers Retirement System, Praxis Impact Bond Fund and SEB IM. The bulk of allocation went to banks and central banks / official institutions who took 40% and 23% respectively. In terms of regional distribution, Nordic and Central European accounts took 37% and 18% respectively, while investors from the Americas were not far behind at 17%.

Distribution:





By Geography

Nordics	37%
Central Europe	18%
Americas	17%
UK	14%
MEA	10%
Asia	4%

By Investor Type

Banks	40%
Central Banks / Official Institutions	23%
Pension funds	17%
Asset Managers	16%
Insurance	4%

About Kommuninvest:

Kommuninvest i Sverige AB ("Kommuninvest") was founded in 1986 and provides loans, debt management, and other services to municipal members of the Kommuninvest Cooperative Society.

Kommuninvest is owned by Swedish local governments; of the total 310 municipalities and county councils/regions in Sweden, 288 are currently members of Kommuninvest. Kommuninvest is guaranteed explicitly, irrevocably, jointly and unlimited by its owners.

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Issuer's transaction comment:

"With this third green bond, following shortly after the publication of our first green bonds impact report, we feel we have firmly established our green bonds framework in the market. We are again pleased with the strong demand for green bonds from Kommuninvest, and particularly happy to see such a diversified and high-quality order book, with several renowned dark green investors participating."

Anders Gånge, Head of Funding & Treasury

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