



KOMMUNINVEST

## USD 1.0 billion 1.500% Benchmark due 22 January 2019

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

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<b>Issuer:</b>	<b>Kommuninvest i Sverige AB</b>
<b>Rating:</b>	Aaa/AAA
<b>Issue amount:</b>	USD 1.0 billion
<b>Payment Date:</b>	22 January 2016
<b>Coupon:</b>	1.500% (semi-annual)
<b>Maturity:</b>	22 January 2019
<b>Reoffer Price:</b>	99.991%
<b>Reoffer Yield:</b>	1.503% (semi annual)
<b>Re-offer vs. m/s:</b>	+29 bps
<b>Re-offer vs. Benchmark:</b>	UST 1.250% due 15 <sup>th</sup> December 2018 +30.8 bps
<b>Lead Manager:</b>	BNP Paribas, Citi, J.P. Morgan and Nomura
<b>Co-Leads:</b>	Daiwa Capital Market, Mizuho International, Mitsubishi UFJ Sec International, TokaiTokyo Security, SMBC Nikko Capital Market

### Execution Highlights:

- On 12<sup>th</sup> January, Kommuninvest, the Swedish local government debt office, rated AAA/Aaa, issued a new USD 1bn 3-year RegS/144A bond due 22<sup>nd</sup> January 2019. The transaction pays a coupon of 1.500% and a spread of 30.8bps over the UST 1.250% December 2018, equivalent to 29bps over mid-swaps. BNP Paribas, Citi, J.P. Morgan and Nomura International plc were mandated as Joint-Lead Managers.
- The strength of the deal highlights Kommuninvest's strong global investor following. In spite of the volatile market environment, the issuer was able to attract a large, high quality orderbook with central banks/ official institutions taking 60% of the transaction.
- This is Kommuninvest's first USD benchmark transaction of the year, kicking off the issuer's USD 15-17bn funding programme for 2016.
- Kommuninvest monitored the market during the first few days of 2016, taking advantage of a clear issuance window on the back of a receptive primary market environment and post stronger than expected Non Farm Payrolls. The issuer opted to announce the mandate for a USD 3-year benchmark around 10.30 London time on Monday 11<sup>th</sup> January, with initial price thoughts (IPT's) of mid-swaps +30 area.
- The transaction gained good momentum post announcement and benefited from high quality official institution and bank treasury account interest into the London close.
- With Indications of Interest exceeding USD 850mn on Tuesday London morning, books were opened with price guidance in line with IPTs, at mid-swaps +30 area.

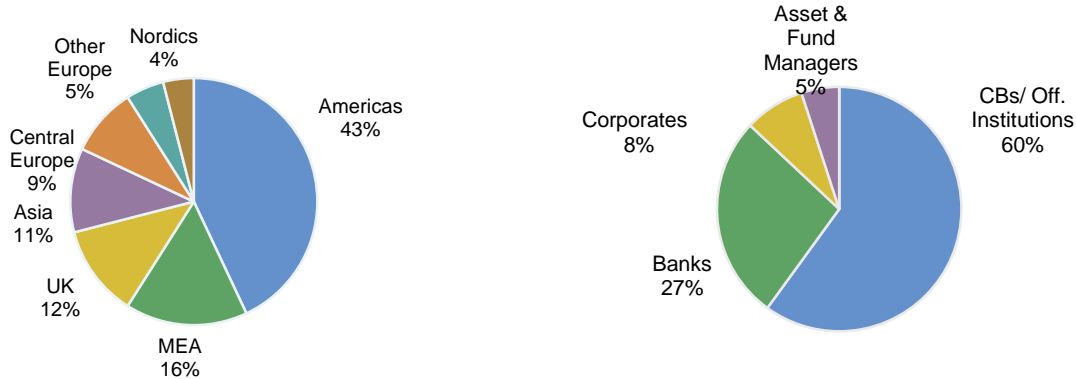


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- With further interest into the New York open and given the large and high quality demand, exceeding USD 1.3bn, and limited price sensitivity of accounts, the decision was taken to revise and set spread at mid-swaps +29 bps for a USD 1.0bn deal.
- The transaction priced at around 15.30 London time with a coupon of 1.500% s.a., a re-offer yield of 1.503% p.a. and a spread of +30.8 bps versus 3-year US Treasuries.
- Nearly 40 accounts participated in the diversified transaction which saw central banks and official institutions take the bulk of the trade, 60%. In terms of regional distribution, accounts out of the Americas and Europe were allocated 43% and 30% respectively, while ME and Asian investors took 16% and 11% of the deal.

### Distribution:



#### By Geography

Americas	43%
MEA	16%
UK	12%
Asia	11%
Central Europe	9%
Other Europe	5%
Nordics	4%

#### By Investor Type

Central Banks/ Official Institutions	60%
Banks	27%
Corporates	8%
Asset & Fund Managers	5%

### 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, 280 are currently members of Kommuninvest. Kommuninvest is guaranteed explicitly, irrevocably, jointly and unlimited by its owners.



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### **Issuer's transaction comment:**

“Given the challenging market conditions, we are happy to get such a robust deal done, with a solid order book and many high-quality investor accounts.”

Anders Gånge, Head of Funding & Treasury

### **Funding & Investor Relations contacts at Kommuninvest:**

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