



KOMMUNINVEST

Kommuninvest long 3-year SEK 3bn Green Bond transaction due 15th December 2021

Press Points: 23rd April 2018

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| Issuer: | Kommuninvest i Sverige AB (publ) ("KOMINS") |
| Rating: | Aaa / AAA (Moody's / S&P) |
| Size: | SEK 3 billion |
| Pricing Date: | 23 April 2018 |
| Settlement Date: | 30 April 2018 |
| Maturity Date: | 15 December 2021 |
| Coupon: | 0.125% |
| Issue Price: | 99.964% |
| Re-offer spread: | MS-14 bps |
| Format: | Reg S |
| Joint Lead Managers: | Danske Bank, Nordea and SEB |
| Use of Proceeds: | In accordance with the Issuer's Green Bonds Framework (as amended from time to time) published on the Issuer's web page. Eligible Loans create a pool of selected loans from the Issuer which are financing, in whole or in part, Eligible Projects (as described below) of the Issuer's member municipalities/county councils and their subsidiaries; and Eligible Projects include projects consisting of renewable energy, energy Efficiency in energy systems, green buildings and energy efficiency, clean transportation, waste management, water management, adaptation measures in buildings, infrastructure and sensitive surroundings and environmental management. |

Comment from Christian Ragnartz, Head of Debt Management at Kommuninvest:

"We are pleased to be able to contribute to the growing green bond market with this year's second largest transaction in Swedish kronor. The fact that investors are willing to accept a reduced yield for green demonstrate the tangible value of sustainability, and makes it easier for Kommuninvest to support the green transition of the municipal sector."

Comment from Thomas Bäck, Portfolio Manager at Swedbank Robur:

"Green bonds are a strategically important focus area for Swedbank Robur, as we are focused on delivering more than just a financial return to our clients. By investing in a strong Green issuer such as Kommuninvest, we ensure that we get the best in class when it comes to Green bonds. Their great work on transparency and impact reporting makes it easier for us to specifically target a Green impact through our investments, and in turn, deliver the best overall return to our clients."

Deal Highlights

On Monday, April 23rd, Kommuninvest (Aaa/AAA), the Swedish local government debt office, issued a new SEK 3bn, long-3 year Green Bond. The issue has a final maturity of 15th December 2021, pays an annual fixed coupon of 0.125% and has an issue price of 99.964%, with a corresponding spread of Mid Swaps minus 14 bps. Danske Bank, Nordea, and SEB were mandated as Joint Lead Managers.

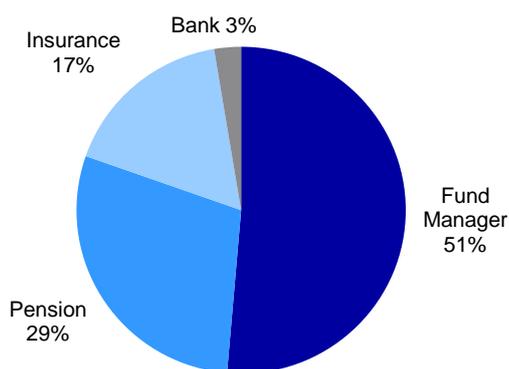
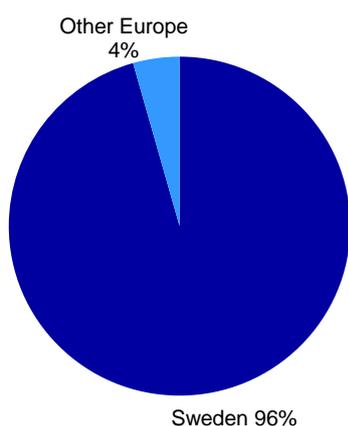
Danske Bank

Nordea

SEB

- This is Kommuninvest’s fourth Green Bond and the issuer’s second foray into SEK-denominated Green benchmarks, and the second largest green bond this year in the Swedish Krona market. The swift and successful execution of the transaction is a testament to Kommuninvest’s commitment to green issuance and subsequent support from the broader Green and global investor community.
- The announcement of the SEK Green Bond mandate on Tuesday, April 17th came on the heels of the release of Kommuninvest’s updated Green Bond framework in late March, and Green Bonds Impact Report in mid-April. An update followed a day later communicating size and maturity expectations as well as timing for global investor calls to be hosted ahead of launch.
- A presentation to Swedish investors was held on Wednesday, April 18th, and two global investor calls were both held on Thursday, April 19th. Guidance of Mid Swaps minus 13 bps was announced simultaneously as books were opened the morning on Monday, April 23rd.
- The order book gained momentum swiftly, such that just 30 minutes after books opened, the first update informed investors that books were above SEK 3bn. The book continued to build to SEK 4.5bn, at which point a quality book and solid demand allowed for revised guidance of mid swaps -13/-15 (WPIR) at 11:00am CET.
- With the book continuing to build after revised guidance was announced, and with a continued high quality in the orderbook, spread was set at Mid Swaps minus 14 bps, 1 bp inside of guidance and 3.0 bps through Kommuninvest’s fair value curve, while size was set at SEK 3bn. The deal priced at 3:00pm CET with a coupon of 0.125% p.a. and a re-offer yield of 0.135%.
- Nearly 90% of bonds were placed with the so-called “Green investor community”, i.e. those who have expressed a dedication to Green and Sustainable investments, including Affirmative Investment Management, AI Pension, AP7, Blackrock, Danske Capital Folksamgruppen, Länsförsäkringar Bank, Nordea fonder, Raiffeisen KAG, SEB Fonder, Swedbank Robur, PostFinance AG samt Öhman fonder.
- Regarding distribution, a large majority of bonds were placed into Sweden (96%). The remaining bonds were dispersed between Switzerland, the UK, Austria, and Italy. Fund managers took roughly half of total issue size, while pension funds and insurance bought 46%.

Distribution Statistics



Geography

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| Sweden | 96% |
| Other Europe | 4% |

Investor Type

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|---------------|-----|
| Asset Manager | 51% |
| Pension Fund | 29% |
| Insurance | 17% |
| Bank | 3% |

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