



KOMMUNINVEST

## USD 1 billion 3.000% Benchmark due 16 November 2021

\*\*\* 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 billion
<b>Payment Date:</b>	9 October 2018
<b>Coupon:</b>	3.000% (semi-annual)
<b>Maturity:</b>	16 November 2021
<b>Reoffer Price:</b>	99.799%
<b>Reoffer Yield:</b>	3.069% (semi-annual)
<b>Re-offer vs. m/s:</b>	+3 bps
<b>Re-offer vs. Benchmark:</b>	UST 2 ¾ 09/15/21 +19.4bps
<b>Lead Manager:</b>	BofAML, BNP Paribas, HSBC, J.P. Morgan
<b>Co-Leads:</b>	Daiwa Capital Markets Europe Ltd, Nomura International plc, Mitsubishi UFJ Securities International plc, Tokai Tokyo Securities Europe Ltd, SMBC Nikko Capital Markets Ltd, Mizuho International plc

### Transaction Highlights:

- On the 2<sup>nd</sup> of October 2018 Kommuninvest, the Swedish local government debt office rated AAA/Aaa, successfully issued a new USD 1 billion 3-year RegS/144A benchmark due 16<sup>th</sup> November 2021 at mid-swaps plus 3bps, representing a spread of 19.4bps over the reference Treasury 2.75% due September 2021.
- Kommuninvest today achieved the tightest 3 year benchmark print from a European agency this year relative to US Treasuries, and one of the tightest relative to mid-swaps in 2018.
- BofAML, BNP Paribas, HSBC and J.P. Morgan acted as joint lead managers on Kommuninvest's fourth US Dollar benchmark of 2018. Kommuninvest has now issued SEK114bn of this year's SEK 130bn targeted funding programme.
- 50 investors participated in the deal with which saw strong support from central banks and official institutions, taking 59%. Geographic distribution was broad with accounts out of the Americas and EMEA being allocated 54% and 29% respectively.



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### Issuer's transaction comment:

"This was a solid outcome for Kommuninvest. Investor interest was geographically widespread, including strong participation from central banks, official institutions, bank treasuries and fund managers." said **Marcus Waineby, Senior Funding Manager at Kommuninvest**

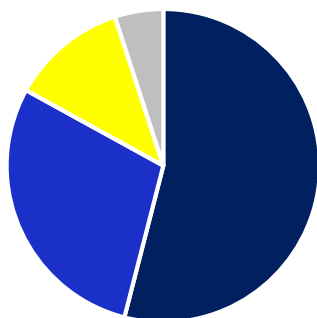
"An excellent outcome for Kommuninvest who has once again timed the transaction perfectly despite the slightly volatile market. The final level represented the tightest spread to mid-swaps set by Kommuninvest for a 3-year Benchmark so far this year and is a testament to the high-quality and diversified investor support in the name." said **Adrien de Naurois, SSA Syndicate at BofA Merrill Lynch**

"Taking advantage of an opportune issuance window with no competing supply, Kommuninvest successfully generated strong demand enabling them to price the tightest Nordic USD 3-year benchmark of 2018 at effectively flat to even slightly through their curve." said **Robert Matthews, SSA DCM at BNP Paribas**

"Kommuninvest has once again been highly successful in taking advantage of strong investor demand and a conducive backdrop in the USD market to generate a well-diversified and high quality orderbook. The issuer was able to print one of the tightest 3yr USD agency transactions of the year so far, further demonstrating the appeal of Kommuninvest's credit." said **Hector Snuggs, Head of Public Sector DCM at HSBC Bank PLC**

"At a spread of mid-swap +3bp, Kommuninvest achieved its tightest spread to mid-swap and US Treasuries to date, in an environment of rising yields and historically low USD supply. The deal took center stage on a non-traditional USD issuance week (Asian holidays) and attracted investor interest globally for a high-quality, oversubscribed book at a minimal new issue concession." said **Angelica-Maria Strolz, Executive Director, SSA DCM at J.P. Morgan**

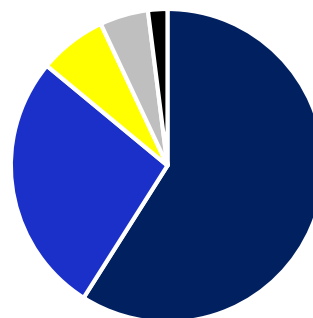
### Distribution:



- Americas (54%)
- EMEA (29%)
- Asia (12%)
- Others (5%)

#### By Geography

Americas	54%
EMEA	29%
Asia	12%
Others	5%



- CBs/ OIs (59%)
- Bank Treasuries (27%)
- Corporates (7%)
- Funds (5%)
- Insurance (2%)

#### By Investor Type

Central Banks/ Official Institutions	59%
Bank Treasuries	27%
Corporates	7%
Funds	5%
Insurance	2%



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### **Execution**

- Kommuninvest announced the mandate for the new USD 3-year benchmark on Monday 1<sup>st</sup> October 2018, at 14:00 UK time, with initial price thoughts (IPTs) of plus 3bps area over midswaps.
- Indications of interest (IOIs) exceeded USD 750 million the following morning at 8:20am in London, when books opened with official price guidance in line with IPTs.
- The orderbook continued to grow with high quality investor demand and less than an hour after opening demand was in excess of USD 1bn.
- Shortly after noon the spread was set at midswaps plus 3bps. Order books closed at 14:00 UKT in excess of USD 1.2 billion. The transaction was priced at 4.14pm UKT with a coupon of 3.000%, a re-offer yield of 3.069% semi-annual.
- The issuer printed USD 1 billion while offering a minimal new issue premium in the context of 0-1bps.

### **About Kommuninvest:**

- Kommuninvest of Sweden is a public sector owned and guaranteed credit market company, regulated by the Swedish Financial Supervisory Authority.
- Kommuninvest lends only to municipalities that are members of Kommuninvest Cooperative Society, and to their majority-owned companies. All members are jointly committed to unlimited cover of all Kommuninvest liabilities. 288 out of Sweden's 310 local governments are members of Kommuninvest Cooperative Society.