



## USD 1.25 billion 3.00% Benchmark due 23 March 2022

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

### Transaction Summary

---

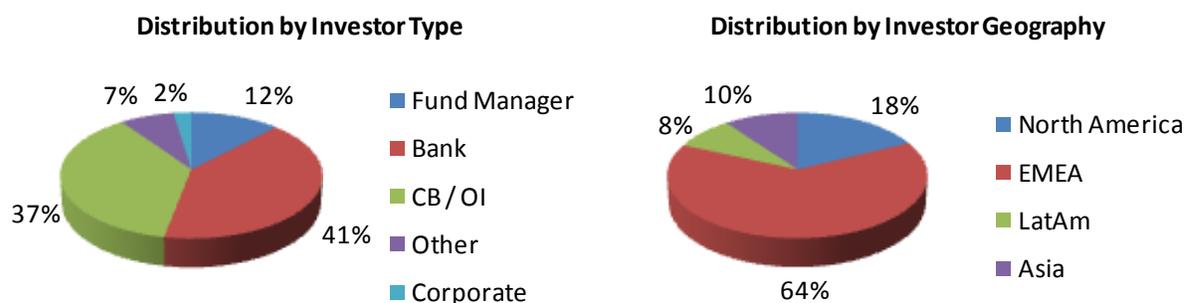
<b>Issuer:</b>	Kommuninvest i Sverige Aktiebolag (publ)
<b>Rating:</b>	Aaa (Moody's) / AAA (S&P) (Stable/Stable)
<b>Issue amount:</b>	USD 1.25 billion
<b>Pricing date:</b>	21 November 2018
<b>Payment date:</b>	29 November 2018
<b>Coupon:</b>	3.00% (s.a.)
<b>Maturity:</b>	23 March 2022
<b>Re-offer Price:</b>	99.743%
<b>Re-offer Yield:</b>	3.083% (s.a.)
<b>Re-offer vs. mid-swaps:</b>	+6.0 bps
<b>Re-offer vs. UST (CT3):</b>	+23.3 bps
<b>Lead Managers:</b>	Barclays, BNP Paribas, Citigroup, Nomura

---

### Transaction Highlights and Execution:

- On Wednesday 21<sup>st</sup> November 2018, Kommuninvest, the Swedish local government debt office, rated Aaa (stable) / AAA (stable), successfully issued a new USD 1.25 billion long 3-year RegS/144A bond due 23<sup>rd</sup> March 2022 at a spread of mid swaps +6 basis points.  
Barclays, BNP Paribas, Citigroup and Nomura acted as Joint Lead Managers (JLM) on the transaction, which represents Kommuninvest's sixth USD benchmark of the year.
- The mandate was announced at 1pm GMT on Tuesday, 20<sup>th</sup> November with Initial Price Thoughts of mid swaps +7 bps area and an expected size of USD 1 bn.
- The transaction received significant indications of interest overnight in excess of USD 1 bn (excluding JLM interest) and books officially opened on Wednesday 21<sup>st</sup> at 7.55am GMT with an official price guidance of mid swaps +7 bps area, in line with IPTs.

- At 10.33am GMT, a first update has been released confirming book size over USD 1.5 bn (excluding JLM interest) and the spread was set at mid swaps +6 basis points, 1 bp tighter than guidance on the back of the healthy book.
- A second update has been released at 11.45am GMT to inform market participants of the book size above USD 1.6 bn (excluding JLM interest).
- Orderbook closed at 2pm GMT, with the books having closed to European and Asian investors beforehand at 12pm GMT, in excess of USD 1.6 bn (excluding JLM interest). The size of the deal was confirmed at USD 1.25bn thanks to the magnitude of orders received.
- The deal was officially priced at 3.23pm GMT at mid-swaps +6 basis points at a re-offer price of 99.743%. The pricing level was equivalent to a spread of 23.3 basis points versus the UST 2.875% Nov-21 and the bond pays a semi-annual coupon of 3.00%.
- The transaction attracted over 40 accounts in a diverse orderbook: investors from the EMEA region represented the largest allocation geographically at 64%, followed by North America at 18%. In terms of investor type, Bank Treasuries were dominant with 41% and the rest of the orderbook was largely comprised of Central Banks / Official Institutions at 37%.



## Transaction Comments:

- *“In spite of the challenging market back-drop, we were able to complete an oversubscribed, upsized transaction with strong demand from our core investor base of high quality accounts. This is a satisfying way to wrap up this year’s funding activities”, said Tobias Landström, Deputy Head of Debt Management, Kommuninvest.*
- *“With this fifth USD benchmark in 2018, Kommuninvest showed strength today by executing a well received long 3-year transaction. The issuer capitalised on its credit standing and recognition among global investors, a well chosen tenor and a general lack of supply during the past couple of weeks. With this, Kommuninvest was able to gather a very healthy orderbook with significant participation from high-quality Official Institutions and print the transaction with minimal new issue concession”, said Lee Cumbes, Head of Public Sector EMEA, Barclays.*

- *“Utilising the final execution window before the Thanksgiving period, Kommuninvest generated a large orderbook dominated by Official Institution and Bank Treasury accounts, allowing them to print their largest USD 3-year transaction of 2018 and extend their USD curve out to 2022. Using Nordic peer curves, we observe this trade pricing close to flat to fair value, an excellent result given the current market backdrop”, **said Robert Matthews, SSA DCM, BNP Paribas.***
- *“Today’s transaction met all of Kommuninvest’s objectives and further established them as one of the SSA market’s most reliable issuers. The market backdrop was challenging, with elevated commodity and equity volatility during the execution window, however Kommuninvest’s strong rapport with investors allowed them to navigate the market in a calm fashion achieving an attractive price, a high quality orderbook and an issue size of \$1.25bn”, **said Ebba Wexler, Director, SSA DCM, Citi.***
- *“Kommuninvest have acted very thoughtfully in the execution of this transaction, and as result have been rewarded with a fantastic trade. The deal reflects Kommuninvest’s strong credit quality and is testimony to the team’s investor marketing efforts, which has paid out particularly taking into account the current market backdrop”, **said Nick Dent, Head of Syndicate, Nomura.***

## **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.