

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

24<sup>th</sup> November 2020



**KOMMUNINVEST**

**Priced: USD 1.25 billion 0.250% short 3-year RegS / 144a Benchmark**

Tobias Landström, Deputy Head of Debt Management at Kommuninvest, commented:

*“The USD market, with a very active interest from leading global investors, has been an attractive source of funding for us throughout the year. This translates into good loan conditions for the welfare investments that municipalities and regions make in Sweden.”*

## Transaction Highlights

*Kommuninvest (Aaa/AAA), the Swedish local government debt office, priced a new USD 1.25 billion short 3-year RegS/144A transaction on Tuesday 24<sup>st</sup> November 2020 at 2.37pm London time. The issue has a final maturity of 9<sup>th</sup> August 2023, pays a semi-annual coupon of 0.250% and has an issue price of 99.810%, to give a spread of mid-swaps + 4bps, equivalent to +11.1bps over the UST 0.250% due November 2023. The new issue priced with a marginally negative new issue concession.*

- Taking advantage of a constructive market backdrop supported by positive Covid-19 vaccine headlines over the preceding days, Kommuninvest announced the mandate for a new USD 1 billion short 3-year benchmark at 12.00pm London time on Monday 23<sup>rd</sup> November with Initial Price Thoughts (“IPTs”) of mid-swaps + 6bps area.
- The announcement was met with strong demand with books formally opening at 8.00am London time the following morning with indications of interest exceeding USD 2.3 billion (excluding JLM interest). To provide investors with clarity on pricing, the spread was set at mid-swaps +4bps at this time, two basis points inside IPTs.
- In just over half an hour, orderbooks had reached in excess of USD 2.6 billion (excluding JLM interest), at which point EMEA & Asia books were announced to close at 9.00am London time, with US books set to close at 8.30am New York time.
- At 10.00am London time, orderbooks were over USD 3.0 billion (excluding JLM interest). The significant demand from high-quality investors allowed the transaction size to be set at USD 1.25 billion. After US books closed, the final orderbook remained in excess of USD 3.0 billion (excluding JLM interest).
- The bond subsequently priced at 2.37pm London and pays a semi-annual coupon of 0.250% with re-offer price of 99.810%, and a re-offer yield of 0.321%.
- Central Banks and Official Institutions took the majority of allocations at 59%, followed by Banks at 25% and Fund Managers at 11%. Corporates and Other Investors took the remaining 5% of allocations.
- Geographically, the distribution was well-diversified, with 50% of allocations going to EMEA investors, followed by 32% to the Americas and 18% to Asia.

## Joint Lead Manager Quotes

"This transaction, the 5<sup>th</sup> in the USD market in 2020 for Kommuninvest, is a fantastic way to conclude a very intense year for the issuer. Despite coming in one of the latest windows still available, the deal priced very efficiently and without concession thanks to the strong presence of high quality central bank / official institutions accounts in the orderbook and the ongoing support from its wider investor base." - *Lee Cumbes, Head of Public Sector, Barclays*

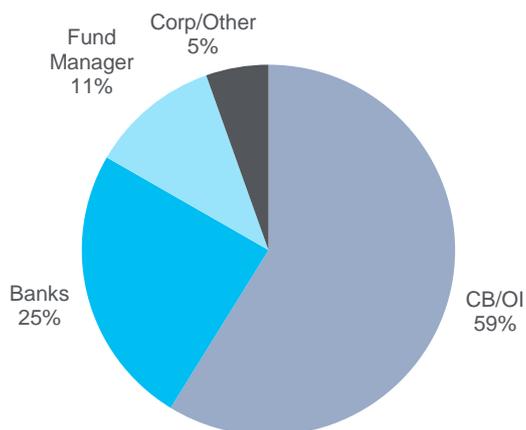
"Our congratulations to the Kommuninvest team for yet another successful USD benchmark. Being able to achieve such a high quality orderbook whilst navigating supply in the final window before Thanksgiving is a testament to the issuer and the support they receive from the global investor base." - *Robert Matthews, SSA DCM, BNP Paribas*

"Another terrific outcome for Kommuninvest in the USD market. This is their 5<sup>th</sup> short dated USD transaction in 2020 and yet again they have garnered an impressive book in terms of size and quality. This is indeed a loyal investor base that is committed to Kommuninvest's triple A rating, LCR level 1 treatment and regular provision of liquid benchmark issues. Citi was delighted to be involved." - *Ebba Wexler, Public Sector DCM, Citi*

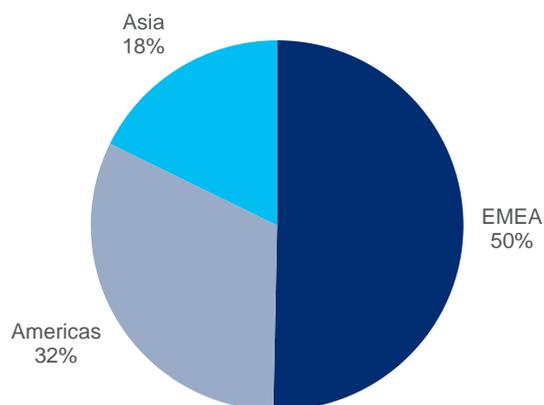
"An excellent outcome for Kommuninvest in what is likely to be their final USD benchmark of the year, with a high quality, almost 2.5 times oversubscribed order book and pricing through fair value. With this transaction, Kommuninvest continues to show leadership among Nordic local government agency issuers in terms of timely and accurately balancing funding volumes between their selected strategic funding markets in order to raise competitive funding for Swedish regions and municipalities. Danske Bank is proud to have supported Kommuninvest in their successful USD funding." - *Gustav Landström, Global Head of SSA Origination, Danske Bank*

## Distribution statistics

### By Investor Type



### By Geography



## Summary Terms

<b>Issuer:</b>	Kommuninvest i Sverige Aktiebolag
<b>Rating:</b>	Aaa (stb) / AAA (stb)
<b>Issue amount:</b>	USD 1.25 billion
<b>Pricing date:</b>	24 November 2020
<b>Payment Date:</b>	02 December 2020 (T+5)
<b>Maturity:</b>	09 August 2023
<b>Coupon:</b>	0.250% (semi-annual)
<b>Re-offer Price:</b>	99.810%
<b>Re-offer Yield:</b>	0.321% (semi-annual)
<b>Benchmark UST:</b>	UST 0.250% due 15 <sup>th</sup> November 2023
<b>Re-offer vs. UST:</b>	+11.1 bps
<b>Denominations:</b>	USD 200,000 and increments of USD 1,000 thereof
<b>Listing:</b>	Luxembourg Stock Exchange's Regulated Market
<b>Joint-lead Managers:</b>	Barclays, BNP Paribas, Citi, Danske Bank

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