**KommuneKredit Inaugural SOFR-linked transaction**

**USD 700 million 4-year SOFR-linked FRN**

***Transaction Highlights:***

* On Thursday 9th September 2021, KommuneKredit (Aaa / AAA, both stable) successfully priced its inaugural SOFR-linked transaction. The USD 700 million RegS four-year bond was jointly led by Barclays, Morgan Stanley and Scotiabank.
* The mandate for the new 4-year bond was announced on Wednesday 8th September at 10:45 CET, with IPTs at SOFR+19bps area.
* The orderbook opened at 09:15 CET the following day, with guidance at SOFR+19bps area, flat to IPTs, and IOIs over USD 510 million (incl. USD 25 million JLM).
* The momentum continued unabated, with the orderbook reaching more than USD 740 million (incl. USD 25 million JLM) at 11:45 CET, at which point the spread was set 1bp tighter, at SOFR+18bps.
* The high demand and strong quality of the orderbook allowed KommuneKredit to upsize the transaction and ultimately set the size at USD 700 million.
* The final orderbook closed in excess of USD 725 million (incl. USD 25 million JLM), and the transaction was subsequently priced at 17.20 CET.
* The transaction attracted a high quality orderbook, with particularly strong support from the bank treasury community.

***Summary Terms and Conditions for the new bond issue:***

|  |  |
| --- | --- |
| Issuer | KommuneKredit |
| Rating | Aaa / AAA (stable / stable) |
| Issue Amount | USD 700 million |
| Format | RegS, Bearer (TEFRA D) |
| Pricing Date | 09 September 2021 |
| Payment Date | 16 September 2021 (T+5) |
| Maturity Date | 16 September 2025 |
| Coupon | FRN, Compounded Daily SOFR + 100bps, Quarterly, Actual/360 |
| Convention | O/N SOFR Rate. 5-day lookback period. No lockout and no observation shift |
| Re-offer vs. Compounded SOFR | +18bps |
| Reoffer Price |  103.311 % |
| ISIN | XS2386981620 |
| Listing | Luxembourg Stock Exchange's Regulated Market |
| Joint Lead Managers | Barclays, Morgan Stanley, Scotiabank |

***Composition of allocation for the issue:***

|  |  |
| --- | --- |
| **By Geographical Region** | **By Investor Type** |
| North America: 53% | Banks: 87% |
| UK & Ireland: 38% | Central Bank/Official Institutions: 11% |
| Rest of Europe: 9%  | Asset Managers/Insurance: 2% |

***About KommuneKredit:***

KommuneKredit is Denmark’s Local Government Funding Agency. KommuneKredit was established as a membership organization under Danish law in 1899. Its voluntary membership is restricted to Danish local governments (the municipalities and regions) and currently all local governments are members, thereby representing the entire population of Denmark. Its objective as a non-profit organization is to secure cost-efficient financing for its clients.

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