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KommuneKredit prices its first GBP benchmark since 2018

On Friday 7 May 2021, KommuneKredit priced a new GBP 400m benchmark. This transaction was KommuneKredits first GBP transaction since 2018.

KommuneKredit has issued its first GBP transaction in three years. 19 investors divided into different investor types participated in this new issue. Order books were in excess of GBP 300m just one hour after the official announcement. The strong investor interest allowed KommuneKredit to upsize its original target of GBP 250m to GBP 400m.

Chief Funding and IR Manager Eske Hansen says of the transaction:

“We’ve been looking for the right vehicle for re-entering the GBP-market, which has long been an important market for our funding efforts, and this issue has surpassed our expectations.”

The transaction was announced to the market on the morning of Friday 7 May with the spread set from the outset at UK Gilts plus 27bps. A GBP 250m size was also communicated at this point. By 11.15am London time, final books on the transaction closed in excess of GBP 450m.

The trade priced at 12.59pm London time with a coupon of 0.375%, re-offer price of 99.919%, re-offer yield of 0.398% s.a. and a spread of UKT+27bps.

Citibank, J.P. Morgan and TD Securities were Joint-Lead-Managers.

KommuneKredit is an association, whose purpose is to provide lending to municipalities and regions and companies with a 100% municipal guarantee.

The association is the municipalities and regions own credit institution and exist solely for our clients.

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