

# STATEMENT

## 11 NOVEMBER 2022



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## THE GOVERNMENT ISSUES A 2-YEAR EURO BOND

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On November 9, the government issued a euro bond maturing on November 18 2024. The bond was issued as a bullet bond with a coupon of 2.50 percent. In total euro 1.5 billion was issued. The issuance process and the composition of the investors can be seen in the attached press release.

By continuously issuing in the EMTN programme, the program is kept active and thus forms part of the central government's and Danmarks Nationalbank's liquidity reserve. The issuance also contributes to ensuring that everything in the issuance process functions as it should, and that the government maintains a strong and diversified market access in foreign currency funding.

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## Press Release – 11<sup>th</sup> November 2022

### Kingdom of Denmark EUR 1.5 billion 2-year Benchmark due 18<sup>th</sup> November 2024

#### Terms of Transaction

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|-----------------------------|---|
| <b>Issuer:</b>              | Kingdom of Denmark                                |
| <b>Amount:</b>              | EUR 1.5 billion                                   |
| <b>Rating:</b>              | Aaa Moody's / AAA S&P / AAA Fitch (all stable)    |
| <b>Pricing Date:</b>        | 9 <sup>th</sup> November 2022                     |
| <b>Settlement Date:</b>     | 16 <sup>th</sup> November 2022                    |
| <b>Maturity Date:</b>       | 18 <sup>th</sup> November 2024                    |
| <b>Coupon:</b>              | 2.500%, Fixed, annual ACT/ACT (first long coupon) |
| <b>Re-offer spread:</b>     | BKO 0.4% Sep-24 + 33bps                           |
| <b>Re-offer price:</b>      | 99.996%   |
| <b>Re-offer yield:</b>      | 2.502%  |
| <b>Joint Lead Managers:</b> | BNP Paribas, J.P. Morgan, Morgan Stanley, Nordea  |
| <b>ISIN:</b>                | XS2547290432                                      |

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#### Background Information

- On Wednesday, 9<sup>th</sup> November 2022, Kingdom of Denmark rated Aaa (Moody's) / AAA (S&P) / AAA (Fitch), successfully launched and priced a new 2-year EUR benchmark with a reoffer spread of BKO 0.4% Sep-24 +33bps in their first EUR issuance since 2011
- The transaction pays an annual coupon of 2.500% offering a re-offer yield of 2.502%, equating to a re-offer price of 99.996%
- Kingdom of Denmark maintains a regular presence in the foreign currency market with the objective of maintaining a complete and diversified market access through foreign currency funding in case it would be needed to support either the FX reserves or to cover a domestic financing requirement
- Joint Bookrunners (JLMs) on the transaction were BNP Paribas, J.P. Morgan, Morgan Stanley, and Nordea

#### Execution Process

- On 26<sup>th</sup> September 2022, the Kingdom of Denmark announced a mandate to arrange investor meetings, with the purpose to discuss their return to the international markets and provide an update on the domestic market, potentially followed by a short-dated EUR transaction
- After an extensive European roadshow and waiting for the best market window, on Tuesday 8<sup>th</sup> November the issuer released the formal mandate for a new EUR 2-year Benchmark maturing on 18<sup>th</sup> November 2024



BNP PARIBAS

J.P.Morgan

Morgan Stanley

Nordea



- Books officially opened the next morning at 09:22 CET with a guidance of BKO 0.4% Sep-24 +38bp area (equivalent to MS-50bp area)
- On the back of the productive investor meetings, the order book grew very quickly and at 11:18 CET the book size was in excess of EUR 2bn (excl. JLM interest) which allowed to release revised guidance to BKO 0.4% Sep-24 +35bps, +/- 2bps WPIR (will price in the range of)
- The second update at 12:45 CET demonstrated the strength of investor demand with books in excess of EUR 2.9bn (excl. JLM), the spread was set at BKO 0.4% Sep-24 +33bps, this is 5bps tighter from guidance, one of the largest tightening's by a sovereign in the EUR market in 2022
- Books closed at 13.31 CET with very little attrition, in excess of EUR 2.5bn (excl. JLM). The size was set at EUR 1.5bn
- The transaction officially priced at 15:50 UKT offering a re-offer yield of 2.502% equating to a price of 99.996%

### **Distribution**

- The geographical distribution of investors shows a strong demand internationally, 51% includes investors from Europe and 40% from Asia, the remaining 6% and 3% were split between North America Investors and other regions, respectively
- The syndicated amount has been allocated, largely, to Central Banks & Official Institutions (56%), followed by Asset Managers (28%), Pension Funds & Insurance (9%) and, finally, Banks (7%)

### **Distribution Stats**

