

Kommunalbanken Norway (KBN)

EUR 1 billion 7-Year RegS Benchmark



Final Terms

Issuer:	Kommunalbanken Norway (KBN), 100% owned by Kingdom of Norway
Ratings:	Aaa / AAA (Stable / Stable - Moody's / S&P)
Format:	RegS
Coupon:	2.625%, Fixed, A, Act/Act ICMA
Size:	EUR 1 billion
Price Date:	05 February 2025
Payment Date:	12 February 2025 (T+5)
Maturity Date:	12 February 2032
Re-Offer Spread:	MS + 40bps DBR 0.000% 15/02/2032 + 46.4bps
Joint Lead Managers:	BofA Securities, BNP Paribas, DZ Bank, Nordea

Issue Highlights

- **KBN issued a new EUR 7y benchmark after successfully navigating the crowded second wave of supply.**
- The response from investor's was extraordinary, resulting in **KBN's largest ever EUR orderbook in excess of EUR 3.1 billion (excl. JLM interest) and over 90 investors participating.**
- **Investor demand was of high quality from the outset**, allowing KBN to tighten the final re-offer spread by 2bps from guidance and price tight to Fair Value.
- In less than a month, **KBN has strategically visited both the EUR and USD benchmark markets**, starting 2025 with a fast pace of funding and capitalising on the strength of current market conditions.
- **KBN has now completed over 30% of its estimated 2025 total issuance program of USD 10 billion equivalent.**

Issue Details

- On Wednesday 5th February 2025, Kommunalbanken Norway ("KBN"), rated Aaa / AAA (both stable) by Moody's / S&P, issued a new EUR 1 billion 7-Year RegS Benchmark at MS+40bps, equivalent to DBR 15/02/2032 + 46.94bps.
- KBN strategically announced a mandate for a new EUR 7-Year benchmark at 14.52 CET on Tuesday, after taking the opportunity of a window opening to benefit from the strong investor demand ahead of further supply.
- With a stable backdrop and positive overnight feedback from accounts, books were officially opened the following morning at 08.58 CET with a guidance spread at MS+42 basis points (bps) area.
- The good quality and diverse investor base allowed KBN to set the spread at MS+40bps and a final size of EUR 1 billion with an orderbook update in excess of EUR 2.2 billion at 10.32 CET (excl. JLM interest).
- The clarity on the final terms and limited price sensitivities attracted further high-quality orders. Books closed at 11.00 CET with more than EUR 3.1 billion (excl. JLM interest), a record-breaking orderbook for KBN in EUR. The new bond was finally priced at 14.00 CET with a coupon of 2.625%, a re-offer price of 99.962% and a re-offer yield of 2.631%/
- With respect to the investor type split, the final allocations were decently split across the spectrum: Central Banks & Official Institutions (37%), Asset Manager (29%), Banks (27%) and Insurance & Pension Funds (7%).
- Broad support from several geographies: Germany / Austria / Switzerland (22%), followed by the Rest of Europe (19%), Middle East & APAC (17%), BeNeLux (14%), Nordics (14%) and the United Kingdom & Ireland (14%)

Reactions

Adrien de Naurois, Head of SSA & EMEA IG Syndicate, Bank of America

"An outstanding outing for KBN in the EUR market where the KBN team was able to seize a strategic window and issue their first EUR benchmark of the calendar year. The orderbook composition and strong sponsorship from a diverse set of accounts demonstrated KBN's appeal as a name to investors globally. Congratulations to the KBN team for an incredibly successful transaction, we were delighted to have been involved in the trade!"

Salma Guerich, DCM SSA, BNP Paribas

"A very strong start to 2025! By closely monitoring market windows and showing flexibility, the KBN team achieved an outstanding new EUR 7-year benchmark at very tight valuations, with a record-breaking EUR final orderbook. BNP Paribas is proud to have participated in this deal, which showcases the growth and diversification of KBN's EUR investor base over the years.

Philipp Bergmann, Vice President, DZ Bank

"Big congratulations to the whole KBN team for a tremendous transaction showcasing the largest orderbook ever for a KBN EUR benchmark. It is truly inspiring to see the increased demand for KBN EUR paper since the first EUR benchmark issuance of KBN in 2016. That's clearly a testimony to the successful strategic EUR funding approach of KBN. DZ BANK is delighted having been awarded with the trust to jointly lead manage this record-breaking transaction."

Marcus Viitamäki, Head of SSA DCM, Nordea

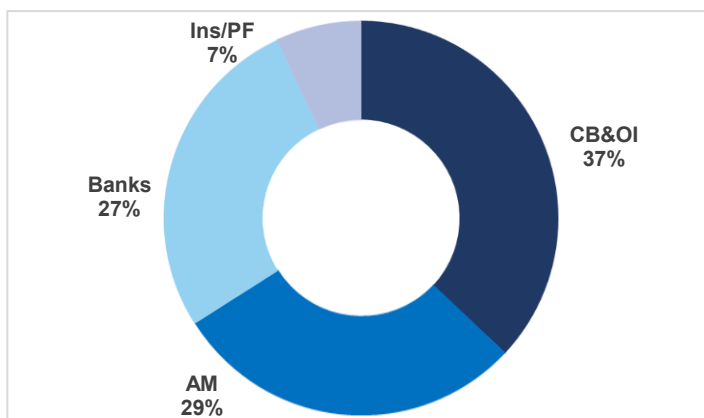
"Big congratulations to the KBN team for a fantastic return to the EUR market with its new EUR 1bn benchmark! KBN navigated the heavy EUR SSA market supply perfectly and reached the issuer's record EUR order book of 3.1bn. The final pricing very close to fair value together with the massive and high-quality order book are testaments to KBN's credit and investor work over the years. Nordea is privileged to have been involved in this landmark KBN EUR benchmark."

Issuer Overview

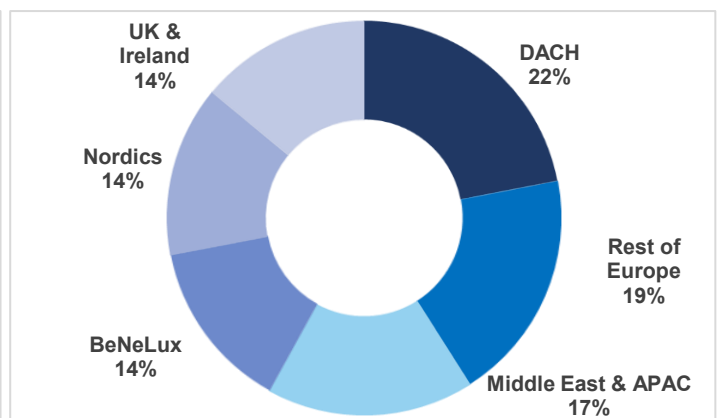
- Established by an act of Parliament in 1926 as a state administrative body, KBN gained its current status and structure through a conversion act in 1999. KBN is a direct continuation of its predecessor Norges Kommunalbank and has for more than 90 years been the main provider of credit to the local government sector in Norway.
- KBN is defined as a state instrumentality with a public policy mandate from the central government to provide lowcost finance to the Norwegian local government sector. The Norwegian Central Government is 100% owner of KBN.

Sales Distribution

By Investor Type



By Geography



Source: Joint Bookrunners

Joint Lead Managers:



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