



## Kommunalbanken AS (“KBN”)

USD 1.5bn 0.250% New 3-year benchmark due 8<sup>th</sup> December 2023

Press Release – 1<sup>st</sup> December 2020

### Final Terms

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**Issuer:** Kommunalbanken AS (“KBN”)  
**Ratings:** AAA (stable) / Aaa (stable) (S&P / Moody’s)  
**Format:** RegS/144a  
**Size:** USD 1.5bn  
**Coupon:** 0.250% Fixed, S/A, 30/360  
**Pricing Date:** 1<sup>st</sup> December 2020  
**Payment Date:** 8<sup>th</sup> December 2020 (T+5)  
**Reoffer:** 0.318% / 99.797% S/A  
**Spread:** MS +4, CT3+11.275bps  
**Denoms:** US\$200k + US\$2k  
**ISIN:** XS2270141729 (RegS) / US50048MCY49 (144A)  
**Bookrunners:** Citi / HSBC / NatWest Markets / Nomura

### Issue Highlights

- The transaction marks KBN’s fourth fixed rate USD benchmark for the year and completes issuance across the core USD maturities having successfully issued two new 5-year syndications in March and September and a new 10-year in June
- An exceptional transaction amidst the end of the funding year taking advantage of constructive market conditions
- USD 2.2bn final orderbook, with 43 investors participating; a testament to KBN’s global investors following

### Transaction Details

- On Tuesday 1st December, Kommunalbanken Norway (KBN), rated Aaa/ AAA (stable / Stable) by Moody’s / S&P, priced a new USD1.5bn 3-year benchmark at MS+4bps, equivalent to 11.275bps over the UST benchmark
- KBN took advantage of the strong market conditions and clear execution window post Thanksgiving holidays, to return to the 3-year part of the curve with their first outing in this tenor since October 2018. The deal was announced in the afternoon of Monday 1st December at 13.00hrs Ldn time, at IPTs of MS+6bps area
- The deal was met with very strong reception, with IOIs in excess of USD1.5bn by the time orderbooks officially at 08.00hrs Ldn time on Tuesday morning. Given the strong interest, price guidance was reviewed simultaneously 1bps tighter to MS+5bps area
- Building on strong momentum during the European morning, price guidance was further revised and set at MS+4bps by 10.15hrs Ldn time on the back of demand in excess of USD2.3bn. The USD1.5bn transaction size was set at 12.00hrs Ldn time
- The orderbook closed at 13.30hr Ldn time with final interest above USD2.2bn reflecting the high quality and diversity of demand for KBN’s credit. With 43 accounts participating globally, geographical distribution was led by European accounts who took 48.8% of the transaction followed by Americas (28.8%) and Asia (22.4%). The orderbook was of the highest quality with

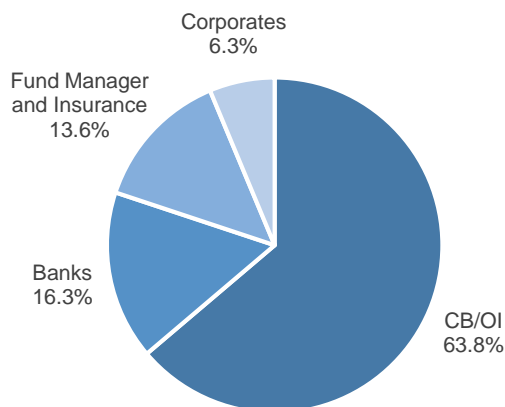


Central Banks and Official Institutions taking the majority of the allocations at 63.8% followed by Banks 16.3% and Fund Managers & Insurance at 13.6%

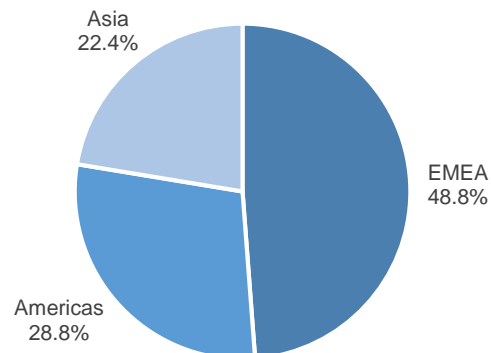
- The new 3-year benchmark transaction priced at 14:55hrs Ldn with a semi-annual coupon of 0.250%, an issue price of 99.797%, to give a spread of +4 basis point over mid-swaps, equivalent to +11.275 basis points over the UST Nov-23

## Sales Distribution

### By Investor Type



### By Geography



## Reactions

### Ebba Wexler, Director, SSA DCM at Citi

"KBN have closed out the year with another hugely successful new issue; moving price on their first 3-year benchmark in over two years by two basis points on the back of a high-quality orderbook, and sizing the transaction at \$1.5bn. Following equally successful 5-year and 10-year USD benchmark issuance earlier in the year, KBN have showcased the strength of their credit via the breadth and depth of investor demand that they enjoy across the curve. Citi is delighted to have been involved."

### Elena Farrell, Director, SSA DCM at HSBC

"Another fantastic result for KBN in the US Dollar market today - Amassing over USD2.3bn demand, KBN upsized the deal and tightened pricing 2bps from IPTs, in spite of limited pricing concession and volatility in swap spreads. A testament to KBN's strong recognition in the US Dollar market."

### Damien Carde, Managing Director, Head of FBG DCM at NatWest Markets

"Another excellent result for KBN with a 1.5bn print at fair value. The high quality book and lack of price sensitivity, despite volatile swap spreads, are testament to the broad global appeal of the KBN name. We are very proud to have been involved at NatWest Markets."

### Spencer Dove, Managing Director, Head of SSA DCM at Nomura

"KBN has completed the 2020 funding task with another blow out US\$ benchmark, its fourth of a very successful year completing the USD grand slam of 3, 5 and 10-year benchmarks. The distribution was once again testament to the broad appeal of the KBN credit and consistent focus of the team in enfranchising the global investor base."