

# KBN USD 1.5billion 5 Year RegS/144A Benchmark

4<sup>th</sup> January 2018

## Final Terms

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Borrower:	<b>Kommunalbanken Norway ("KBN")</b>
Ratings:	Aaa (Stable) / AAA (Stable) by Moody's / S&P
Instrument:	Fixed Senior Unsecured Notes
Coupon:	2.500% semi-annual
Size:	USD1.5 billion
Price Date:	4 <sup>th</sup> January 2018
Payment Date:	11 <sup>th</sup> January 2018
Maturity Date:	11 <sup>th</sup> January 2023
Reoffer Spread:	Mid-Swaps + 20bps / CT5 + 24.1bps
Joint Lead Managers:	BoAML, J. P. Morgan, Nomura, RBC Capital Markets

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## Issue Highlights

- KBN's joint largest USD transaction since January 2014; driven by a USD2.5bn+ final orderbook, consisting of 66 investors
- KBN's first 5-year USD benchmark since January 2017 and the first in the Supranational & Agency sector this year
- Priced 2bps inside IPTs, resulting in a minimal new issue concession

## Issue Details

- On Thursday 4<sup>th</sup> January, Kommunalbanken Norway (KBN), rated Aaa / AAA (stable / stable) by Moody's / S&P, priced a new 5-year benchmark at 20bps over mid-swaps, equivalent to 24.1bps over the UST 2.125% December 2022 benchmark.
- The transaction marks KBN's return to the 5-year tenor, following their successful \$1.5bn 5-year benchmark transaction in January 2017, as well as the first 5-year USD Supranational & Agency benchmark to be launched this year.
- Given the strong market backdrop following the Christmas & New Year holiday, KBN were quick to take advantage of the conducive conditions, announcing IPTs of mid-swaps plus 22bps area at 13.00pm GMT on Wednesday 3<sup>rd</sup> January. Demand grew swiftly from the outset, reaching in excess of \$1.5bn (excluding JLM interest) by the time orderbooks officially opened at 8.10am BST on Thursday morning. Given the demand already indicated, price guidance was tightened to mid-swaps plus 21bps area.
- The orderbook continued to grow strongly throughout the morning and at 9.30am GMT, demand was in excess of \$2.3bn and the spread was set at MS+20bps to provide clarity to investors. The orderbook ultimately went subject at 10.00 GMT, with final demand in excess of \$2.5bn.
- The transaction enjoyed a broad & highly granular distribution across both geographies and investor types with over 66 investors participating. In terms of investor type, Central Banks & Official Institutions led the way taking 46% of the final allocation. In terms of geographical distribution Americas (40%) and EMEA (39%) accounts took the majority of the allocation, supplemented by Asia (21%).

## Issuer Overview

Kommunalbanken Norway (KBN) finances important welfare services through providing credit to the local authorities in Norway. KBN is defined as a state instrumentality, having a public policy mandate from the

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central government to provide low cost financing to the Norwegian local government sector.

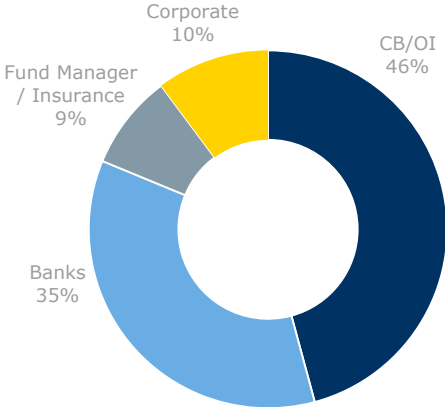
KBN's lending to the local government sector is funded by issuing securities in the international capital markets maintaining the highest possible credit rating. KBN is a wholly owned state company.

KBN is targeting a borrowing programme of USD12-14 billion in 2018.

### Sales Distribution

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**By Investor Type**



**By Geography**

