

Press Release – 18th January 2017

Kommunalbanken Norway USD 1.5 billion 5-year RegS/144A Benchmark

Today Kommunalbanken (“KBN”), 100% owned by the Kingdom of Norway, priced a new USD 1.5 billion 5-year RegS/144A benchmark. The issue has a final maturity of 25th January 2022, pays a semi-annual coupon of 2.25% and has an issue price of 99.991% to give a spread of +40.3 basis points over the 2% US Treasury due December 2021 and +35 basis points over mid-swaps.

Following the US holiday on Monday 16th January, KBN opted to move ahead with their first US Dollar benchmark of 2017, taking advantage of the supportive market backdrop. With a busy primary market expected, KBN announced the mandate at the London open on Tuesday 17th January in order to focus investor attention as early as possible on their transaction. Initial price thoughts of mid swaps + 37bps area were subsequently released to the market at 12:30pm London time.

Indications of Interest grew steadily and at the official orderbook opening time of 8:10am London time on Wednesday 18th January, these were in excess of USD 1.75 billion. Given the strong momentum in the orderbook, official price guidance was set 1bp tighter than IPTs and released simultaneously at +36bps area. The orderbook continued to grow, reaching over USD 2.5 billion by 9:55am London time, at which point the final spread was set at mid swaps + 35bps.

More than 55 investors participated in the transaction. Central banks from across the globe drove the transaction, representing 52% of the final allocations. Investors in EMEA were dominant at 48%, whilst US investors were also a significant portion of demand at 36%.

Ebba Wexler, Director, SSA DCM, **Citi**; “A stellar performance from KBN who navigated an extremely busy issuance window to achieve their largest orderbook in over 3 years. The breadth of distribution is testament to KBN’s appeal across central banks, bank treasuries and other real money investors alike.”

John Lee-Tin, Head of SSA Debt Capital Markets, **J.P. Morgan**; “Kommunalbanken Norway has long been a beacon to attract investors to the Nordic space and this new 5-year is another perfect example, garnering over \$2.5bn of interest from investors globally. A fantastic result.”

Spencer Dove, Managing Director, SSA DCM, **Nomura**; “With its first public outing of 2017 KBN continues its winning streak for 5-year US\$ benchmarks. Despite a heavy pipeline ahead of the US inauguration and an impending Chinese New Year holidays; KBN delivered an extremely high quality and granular orderbook that is testament to the strategic efforts the team undertakes to engage the global investor community.”

Kerr Finlayson, Director, SSA Syndicate, **RBC Capital Markets**; “A superb outing from Kommunalbanken for their inaugural USD benchmark of 2017. The issuer was able to navigate through a busy primary market receiving more than \$2.5bn of orders with hardly any price sensitivity; once again highlighting the support for their credit from a broad scope of high quality accounts.”

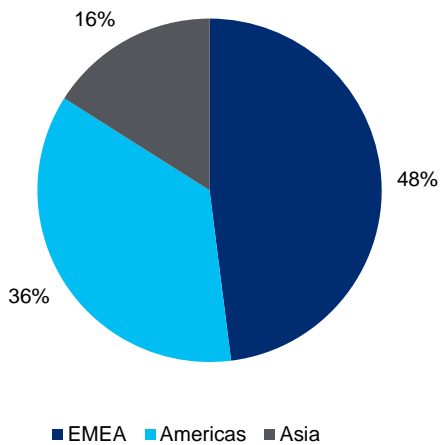
Established by an act of Parliament in 1926 as a state administrative body, KBN gained its status and structure through a conversion act in 1999. KBN is a direct continuation of its predecessor Norges Kommunalbank and has for 90 years been the main provider of credit to the local government sector in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

Final Terms

Issuer:	Kommunalbanken (KBN)
Size:	USD 1.5 billion
Rating:	Aaa / AAA
Pricing:	18 th January 2017
Settlement:	25 th January 2017
Maturity:	25 th January 2022
Coupon:	2.25% (s.a)
Re-offer spread to mid-swaps:	+35 basis points
Re-offer spread to Treasuries:	+40.3 basis points
Re-offer price:	99.991%
Re-offer yield:	2.252% (s.a.)
Lead managers	Citi, J.P. Morgan, Nomura, RBC Capital Markets

Distribution Statistics

Statistics by Geography



Statistics by Investor Type

