

Kommunalbanken Norway (KBN)

USD 1.25 billion 3-Year RegS / 144A Benchmark



Final Terms

| | |
|-----------------------------|---|
| Issuer: | Kommunalbanken Norway (KBN), 100% owned by Kingdom of Norway |
| Ratings: | Aaa / AAA (Stable / Stable - Moody's / S&P) |
| Format: | RegS / 144A |
| Coupon: | 4.625%, Fixed, S/A, 30/360 |
| Size: | USD 1.25 billion |
| Pricing date: | 4 June 2024 |
| Payment date: | 11 June 2024 (T+5) |
| Maturity Date: | 10 September 2027 (3Y) |
| Re-offer Spread: | SOFR MS +32bps CT3 +10.8bps |
| Joint Lead managers: | Barclays, BMO, CIBC Capital Markets, Morgan Stanley |

Issue Highlights:

- With a re-offer spread of SOFR MS +32bps / CT3 +10.8bps, **KBN achieved its tightest US Dollar benchmark pricing outcome versus US Treasuries since October 2021.**
- The depth of investor demand enabled KBN to **tighten the final reoffer spread by 3bps from IPTs, with books 2.7 times oversubscribed and 62 investors participating.**
- The transaction enjoyed particularly **strong support from Central Banks and Official Institutions**, who took 73% of the final allocations.
- **Geographically diverse investor participation**, with bonds placed in EMEA (42%), Americas (32%), and APAC (26%).
- This new issue marks **KBN's third outing in the USD market in 2024.** The issuer's previous Benchmark transaction in the currency was a 5-year US Dollar Benchmark priced in January 2024, followed by a 4-year US Dollar FRN priced in February 2024.

Issue Details

- KBN's 3-year US Dollar Benchmark was announced at 13:00 CET on Monday 3rd June 2024, with IPTs of SOFR MS +35bps area, equivalent to CT3 +14.9bps area at the time.
- Books were officially opened at 09:00 CET on Tuesday 4th April 2024, with official price guidance of SOFR MS +33bps area (2 bp tighter from IPTs), and over USD 1.8bn of IOIs.
- Following a book update of USD 2.75bn at 10:40 CET, the spread was set at SOFR MS +32bps (3 bp tighter from IPTs). At 15:00 CET the final deal size was set at USD 1.25bn.
- The deal was subsequently priced at 17:55 CET, with a re-offer spread of SOFR MS +32bps / T 4 ½ 05/15/27 Govt +10.8bps. The final book size was USD 3.3bn.
- Take-up from the Central Bank and Official Institution community was notably high for this tenor, with 73% sold to this investor base. Banks also provided significant support to the transaction with 22% of the bonds going to them and Asset Managers, Insurance and Pension Funds buying the remaining 5% of the bonds.

Reactions

YU Miao Yang, Managing Director, Head of Fixed Income Syndicate, EMEA, Barclays

"Impressive return to the USD market by the KBN team achieving the biggest ever 3-year KBN order book, at the tightest spreads to treasuries in this tenor for the credit. Participation from across the investor spectrum is a testament to KBN's continued global appeal and strong credit fundamentals. Barclays was delighted to have worked alongside the issuer in delivering the outcome."

Massimo Antonelli, Managing Director, BMO Capital Markets

"Congratulations to the KBN team for a very successful second outing in the USD fixed rate space in 2024. The orderbook composition was of exceptionally high quality, which allowed KBN to price 3bps tighter than IPTs, effectively flat to fair value. The bonds performed on the break, testament to the success of the trade and to the recognition that KBN enjoys among investors."

Anthony Vivès de Montal, Executive Director, Government Solutions Group, CIBC Capital Markets

"For its second USD Benchmark transaction of the year, KBN was able to tap into a high level of investor demand for 3-year paper. The prime quality of the orderbook and the diversity of accounts involved, combined with the high level of oversubscription, underscore continued appetite for KBN paper in the US Dollar primary market. This will undoubtedly become a reference point for comparable names wanting to issue in this tenor over the coming months."

Ben Adubi, Head of SSA, Managing Director, Morgan Stanley

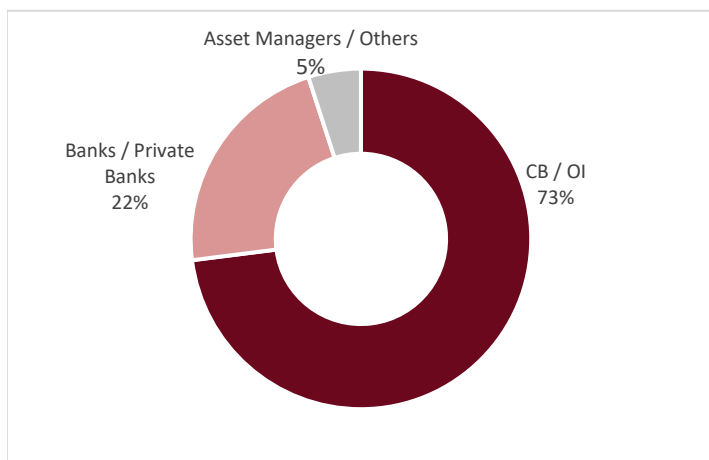
"Another successful outing in the USD market for KBN following their strong 5Y issued earlier this year. Taking advantage of the stable market backdrop and opportunistic window, the deal amassed a high-quality and granular orderbook with the lionshare going to CB/OIs, which is a testament to the strength of KBN's credit quality. Congratulations to the KBN team on another stellar transaction, Morgan Stanley is delighted to have been involved!"

Issuer Overview

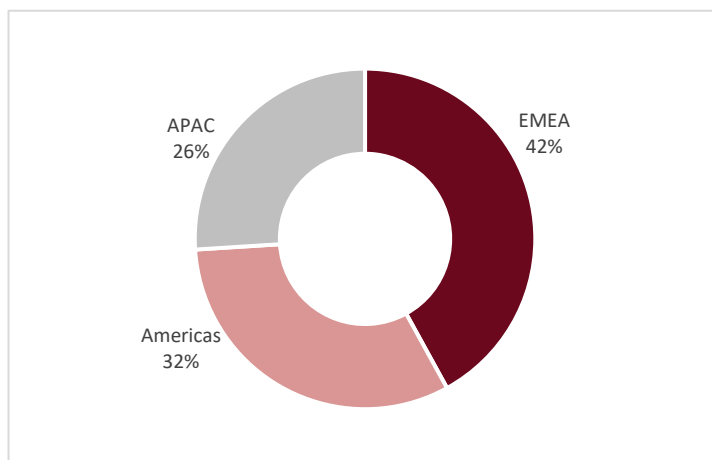
- Established by an act of Parliament in 1926 as a state administrative body, KBN gained its current status and structure through a conversion act in 1999. KBN is a direct continuation of its predecessor Norges Kommunalbank and has for more than 90 years been the main provider of credit to the local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

Disclaimer

CIBC Capital Markets (Europe) S.A. (RCS Luxembourg: B236326) is authorised by the European Central Bank (the "ECB") and supervised by the Luxembourg Financial Supervisory Authority (Commission de Surveillance du Secteur Financier) under the oversight of the ECB.

CIBC Capital Markets is a trademark brand name under which Canadian Imperial Bank of Commerce ("CIBC"), its subsidiaries and affiliates (including, without limitation, CIBC World Markets Inc., CIBC World Markets Corp. and CIBC Capital Markets (Europe) S.A.) provide products and services to our customers around the world. Securities and other products offered or sold by CIBC Capital Markets are subject to investment risks, including possible loss of the principal invested. Each subsidiary or affiliate of CIBC is solely responsible for its own contractual obligations and commitments. Unless stated otherwise in writing, CIBC Capital Markets products and services are not insured by the Canada Deposit Insurance Corporation, the Federal Deposit Insurance Corporation, or other similar deposit insurance and are not endorsed or guaranteed by any bank.

This confidential document has been prepared by CIBC Capital Markets FOR DISCUSSION PURPOSES ONLY. The information contained in this document is strictly confidential and furnished to you solely for your benefit and internal use only for the purpose of evaluating your interest in this opportunity. CIBC Capital Markets expressly disclaims any liability to any other person who purports to rely on it. These materials may not be reproduced, disseminated, quoted from or referred to in whole or in part at any time, in any manner or for any purpose, without obtaining the prior written consent of CIBC Capital Markets in each specific instance. Nothing contained herein is an offer or solicitation to transact in any product or financial instrument, nor a confirmation of any transaction.

The materials described herein are provided "as is" without warranty of any kind, either express or implied, to the fullest extent permissible pursuant to applicable law, including but not limited to the implied warranties of merchantability, operation, usefulness, completeness, accuracy, timeliness, reliability, fitness for a particular purpose or noninfringement. The information and data contained herein has been obtained or derived from sources believed to be reliable, without independent verification by CIBC Capital Markets, and we do not represent or warrant that any such information or data is accurate, adequate or complete and we assume no responsibility or liability of any nature in connection therewith. CIBC Capital Markets assumes no obligation to update any information, assumptions, opinions, data or statements contained herein for any reason or to notify any person in respect thereof. The information and any analyses in this presentation are preliminary and are not intended to constitute a "valuation," "formal valuation," "appraisal," "prior valuation," or a "report, statement or opinion of an expert" for purposes of any securities legislation in Canada or otherwise. This printed presentation is incomplete without reference to the oral presentation, discussion and any related written materials that supplement it.

The services, securities and investments discussed in this document may not be available to, nor suitable for, all investors. These materials do not (nor do they purport to) disclose all the risks and other significant issues relating to any of the securities, products or financial instruments described herein or any transaction related thereto. Nothing contained herein constitutes financial, business, legal, tax, investment, regulatory or accounting advice. Prior to making any investment in a product or financial instrument described herein, you should make your own appraisal of the risks from a financial, business, legal, tax, investment, regulatory and accounting perspective, without relying on the information contained herein, by consulting, if you deem it necessary, your own advisors in these matters or any other professional advisors. CIBC employees are prohibited from offering to change or otherwise influence any research report, rating or price target to any company as inducement for the receipt of any business or compensation.