

Press release – 17<sup>th</sup> October 2019

## Kommunalbanken Norway EUR 1 billion 10-year RegS Benchmark

### Transaction highlights

- KBN's largest orderbook for a 10 year Euro benchmark to date
- Priced 1bps inside guidance, at MS+7bps

On Thursday 17<sup>th</sup> October 2019, Kommunalbanken Norway (KBN) rated Aaa (Moody's) / AAA (S&P), launched and priced a new 10 year Euro benchmark with a reoffer spread of MS+7bps, which equated to 48.6bps over the DBR 0% August 2029 reference bund. The transaction priced with a 0.05% annual coupon, a re-offer price of 99.562% and 0.094% re-offer yield.

This transaction extends KBN's Euro curve from the 0.875% May 2027 line issued two years ago, providing investors a new liquid reference.

The mandate for a new 10 year benchmark was announced on Wednesday. Orderbooks opened the following morning at 8am London time and found strong interest at the price guidance of MS+8bps area. Within an hour demand was in excess of EUR1bn, and by 10am over EUR1.6bn, allowing guidance to be revised to MS+7bps area. By 11.20am London the spread was set at MS+7bps, with demand over EUR1.8bn.

Timing targeted a clear window for competing supply and came after a significant move higher in rates over the course of October. However on the day, the issuer navigated a volatile backdrop in rates markets with headlines circulating around a potential for a Brexit deal between the European Union and UK.

Attracted KBN's largest orderbook for a 10 year Euro benchmark to date, in excess of EUR1.9bn with demand from 58 investors.

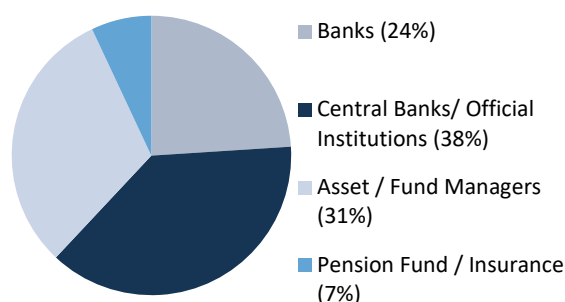
There was particularly strong take up from Germany (38%), with diversified demand across Europe and additional interest from Asia (8%). In terms of investor type the deal enjoyed demand from central banks / official institutions (38%), asset managers (31%), banks (24%) and pension funds / insurance (7%).

### Final Terms

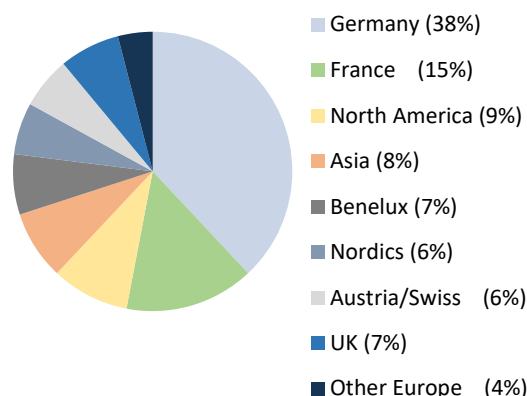
Issuer:	Kommunalbanken (KBN)
Amount:	EUR 1 billion
Rating:	Aaa / AAA (both stable)
Pricing date:	17 <sup>th</sup> October 2019
Settlement date:	24 <sup>th</sup> October 2019 (T+5)
Maturity date:	24 <sup>th</sup> October 2029
Coupon:	0.05% annual
Re-offer spread:	Mid-swaps + 7bps DBR 0 08/15/29 + 48.6bps
Re-offer price:	99.562%
Re-offer yield:	0.094%
Joint Lead Managers:	BNPP, Danske Bank, DB and HSBC



**Allocation by investor type**



**Allocation by geography**



**Bookrunner Quotes**

Elena Farrell, Director of SSA origination at **HSBC**: *“An excellent result for KBN today, refreshing and extending their Euro curve with a new 10 year benchmark. With minimal new issue premium the deal attracted KBN’s largest 10 year Euro orderbook to date and interest from almost 60 investors - a testament to the appeal of Norwegian local government risk amongst European investors. Congratulations!”*

Neal Ganatra, Director, SSA Syndicate, **Deutsche Bank** *“We are extremely honoured to have worked on KBN’s return to the EUR market with its first benchmark transaction since May 2017. The new 10-year bond establishes an important point on KBN’s EUR curve and its high-quality order book underscores the breadth of KBN’s investor reach. Congratulations to the KBN team on the excellent outcome, reflecting great timing and fine pricing.”*

Gustav Landström, Global Head of SSA Origination, **Danske Bank**: *“A fantastic outcome for KBN in their return to the EUR market! The top quality order book showed how investors valued this rare opportunity to get exposure to Norway in EUR benchmark format. Danske Bank is delighted to have supported Kommunalbanken on this important transaction.”*

Robert Matthews, SSA DCM, **BNP Paribas**: *“Congratulations to the KBN team on another excellent outing the EUR market. Today’s transaction highlights the Global investor demand for KBN across their currency offering, namely the Official Institution & Bank Treasury community. Utilising the clear execution window, the transaction generated significant early demand and supported the price tightening despite the volatile backdrop.”*