



Press Release – 09th June 2020

Kommunalbanken Norway USD 1.5 billion 10-year Benchmark due 14 June 2030

Key Highlights

- First 10-year issuance from KBN since 2015, and the largest ever issuance size in the 10-year tenor
- Significant demand with the orderbook finishing in excess of USD 2.9 billion, one of KBN's largest ever in the USD market

Issue Details

- On Tuesday 9th June, Kommunalbanken ("KBN"), 100% owned by the Kingdom of Norway and rated Aaa (stab)/AAA (stab), successfully priced a new USD 1.5 bn 10-year RegS/144A benchmark. The issue has a final maturity of 14th June 2030, pays a semi-annual coupon of 1.125% and has an issue price of 99.539%, to give a spread of 38bps over mid-swaps, equivalent to a spread of 36.38bps over the 0.625% US Treasury due 15 May 2030.
- The mandate was announced at 10:15 UKT on Monday 08th June. Shortly thereafter, at 11:45 UKT, Initial Price Thoughts (IPTs) were communicated at ms+40bps area.
- The transaction attracted strong support from the outset, with Indications of Interest (IOIs) in excess of USD 1.4bn (excl. JLM) by the time the orderbook officially opened at 08:00am UKT on Tuesday. Guidance was released at ms+40bps, unchanged from IPTs.
- The momentum continued throughout the European morning and the orderbook surpassed USD 2.2bn (excl. JLM) by 09:50 UKT, at which point the spread was set 2bps tighter than IPTs, at ms+38bps, 2bps inside of IPTs.
- At 12:00 UKT, books reached more than USD 2.6bn (excl. JLMs), before closing in Asia and in the EMEA. At 09:00 New York, the global orderbook was officially closed in excess of USD 2.9bn (excl. JLM). The significant demand enabled a transaction size of USD 1.5bn, which represents the largest ever issue size in the 10-year tenor for KBN.
- Over 76 investors participated in this deal. Central banks and official institutions from across the globe represented the bulk of the demand, receiving 53% of the final allocations. Investors in the EMEAs were dominant at 58%, followed by investors in Americas at 28% and the APAC region (14%).

Adrien de Naurois, SSA Syndicate, BofA Securities: "A great result for Kommunalbanken with their first 10yr USD benchmark in 5 years. A very strong orderbook with final orders in excess of USD 2.9bn and over 75 accounts participating globally demonstrated the very broad appeal of the issuer."

Massimo Antonelli, Managing Director, DCM & Syndicate, BMO Capital Markets: "A 10Y USD benchmark is a rare occurrence for any issuer as well as for KBN with their last outing at this maturity dating back to April 2015. We are delighted to continue to see such strong sponsorship from KBN's long-standing buyer base even further out on the curve. Congratulations to the KBN team on a fantastic outcome."

Ebba Wexler, Director, SSA DCM, Citi: "An impressive outcome for KBN's first 10 year benchmark since 2015. The USD2.9bn+ order book stands at one of the largest in KBN's history, highlighting the diversity of KBN's investor base and the appeal of the Norwegian credit out to 10 years. Citi was delighted to be bookrunner on this fabulous transaction."

Ben Adubi, Executive Director, Head of SSA Syndicate, Morgan Stanley: "A triumphant return to the 10-year USD maturity for KBN. The level of subscription is extremely impressive and is further evidence of the broad-based global investor following that

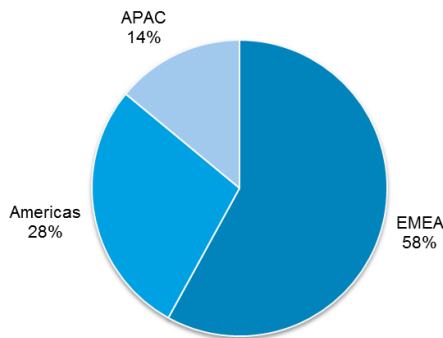
KBN consistently demonstrates time and again in the USD market. The 10-year tenor is often cited to be a challenging exercise for SSA issuers, and in this case it was expertly navigated by KBN. Morgan Stanley is proud to be a part of this transaction.”

Final Terms

Issuer:	Kommunalbanken (KBN)
Size:	USD 1.5 billion
Rating:	Aaa / AAA
Pricing:	09 th June 2020
Settlement:	16 th June 2020
Maturity:	14 th June 2030
Coupon:	1.125% (s.a)
Re-offer spread to mid-swaps:	+38 bps
Re-offer spread to Treasuries:	+36.38 bps
Re-offer price:	99.539%
Re-offer yield:	1.174% (s.a.)
Lead managers	BofA Securities, BMO Capital Markets, Citi, Morgan Stanley

Distribution Statistics

Statistics by Geography



Statistics by Investor Type

