

Kommunalbanken AS (“KBN”)

USD1.25 billion 5-Year RegS/144A Benchmark



Final Terms

Issuer:	Kommunalbanken AS (“KBN”)
Ratings:	AAA (stable) / Aaa (stable), (S&P / Moody's)
Format:	RegS/144a
Coupon:	0.875% S/A, 30/360
Size:	USD1.25 billion
Pricing Date:	5th March 2020
Payment Date:	12th March 2020 (T+5)
Maturity Date:	12th March 2025
Re-offer Spread:	MS+15bps (CT5+21.5bps)
Bookrunners:	J.P. Morgan, Nomura, RBC Capital Markets (B&D), TD Securities

Issue Highlights

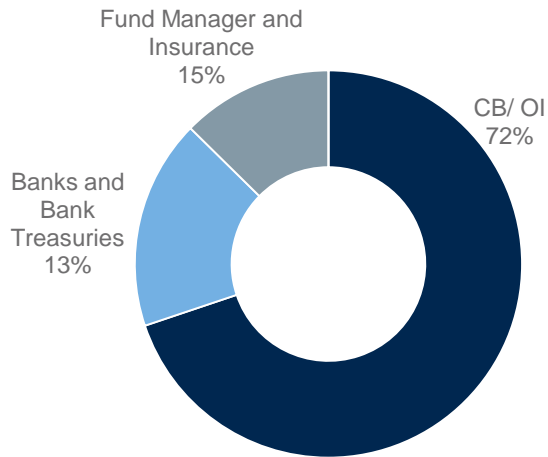
- An exceptional outcome amidst heightened global market volatility
- USD2.2bn final orderbook, with over 85 investors participating; a clear testament to KBN's strong following within the global investor community
- Priced with the lowest ever coupon on a KBN 5-Year USD benchmark

Issue Details

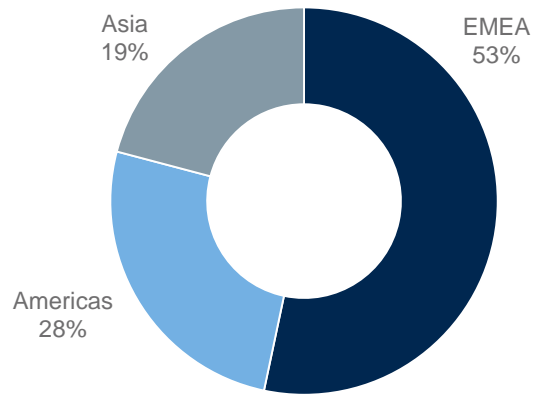
- On Thursday 5th March, Kommunalbanken Norway (KBN), rated Aaa/ AAA (stable / Stable) by Moody's / S&P, priced a new USD1.25bn 5-year benchmark at MS+15bps, equivalent to 21.5 over the UST benchmark.
- KBN reacted swiftly to a stabilisation in market tone on Wednesday, the clear execution window and favourable demand dynamics to return to the 5-year part of the curve with their first outing in this tenor since June 2019. The deal was announced in the afternoon of Wednesday 4th March at 14.00 GMT, with IPTs of MS+17bps area.
- The transaction attracted strong support from the outset, with IOIs in excess of USD1.4bn by the time orderbooks officially at 8am on Thursday morning. Given the strong demand already indicated, price guidance was set 1bps tighter IPTs at MS+16bps area.
- Momentum continued throughout the European morning with high quality demand coming from across the time zones; reaching in excess USD2bn by 10.30am GMT. At this stage, the decision was taken to tighten and set the spread at MS+15bps in order to provide clarity to investors.
- Books ultimately closed at 11.30am in EMEA and 1.00pm in US, with final demand in excess of USD2.2bn. Based on the size, high quality and limited price sensitivity of demand, the deal was successfully sized at the capped deal size of USD1.25bn.
- The transaction enjoyed a broad distribution across both geographies and investor types with over 85 investors participating; a clear testament to the strong following that KBN enjoys across the global investor base. Central Bank and Official Institutions dominated demand, taking over 70% of the final allocations. In terms of geographical distribution, EMEA accounted for the largest region with 53%.

Sales Distribution

By Investor Type



By Geography



Source: KBN

Reactions

Matthieu Batard, Head of SSA Syndicate at J.P. Morgan

“KBN has successfully navigated in a challenging environment to price a stellar transaction with the lowest coupon to date for a KBN USD 5-year benchmark. The extremely high quality order book is a testament of solid support for KBN from investors globally. A fabulous result and we were delighted to contribute.”

Spencer Dove, Head of SSA DCM at Nomura

“A fantastic achievement in challenging times. KBN’s first benchmark of 2020 demonstrates a commitment to the USD market, achieving a remarkably strong orderbook and keen pricing setting the standard for the agency sector to follow.”

James Taunton, Director at RBC Capital Markets

“A fantastic result for KBN on their first USD benchmark of the year and all the more impressive given the challenging market conditions. The continued success of KBN’s US\$ benchmark programme is a real testament to the tireless efforts of the funding team in engaging with the global investor base. A really great outcome and RBC was delighted to have been involved.”

Ally Goddard, Director at TD Securities

“An undeniable stellar transaction, in an exceptionally volatile market, where keeping a cool head and taking a calculated risk paid off immeasurably. Congratulations to KBN.”