

# Kommunalbanken Norway (KBN)

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



### Final Terms

<b>Issuer:</b>	<b>Kommunalbanken Norway (KBN), 100% owned by Kingdom of Norway</b>
Ratings:	Aaa / AAA (Stable / Stable - Moody's / S&P)
Format:	RegS / 144A
Coupon:	4.250%, Fixed, S/A, 30/360
Size:	USD1.5 billion
Price Date:	17 January 2024
Payment Date:	24 January 2024 (T+5)
Maturity Date:	24 January 2029
Re-Offer Spread:	SOFR MS + 50bps   CT5 + 23.7bps
<b>Joint Lead Managers:</b>	<b>BofA Securities, Daiwa Capital Markets, J.P. Morgan, RBC Capital Markets</b>

### Issue Highlights

- **KBN's largest ever USD orderbook closed in excess of USD6.8 billion (incl. USD250m JLM).**
- **USD1.5 billion deal size marks KBN's largest USD 5-Year Benchmark since January 2021.**
- **The first USD SSA Benchmark from a Nordic Agency issuer in 2024 YTD.**
- **High quality demand from 147 investors resulted in the final re-offer spread being tightened by 3bps from IPTs.**
- **Strong participation from Central Banks / Official Institutions and Banks / Private Banks, taking 54% and 30% of the final allocations respectively.**
- **KBN is targeting an estimated total issuance programme of USD10 billion equivalent in 2023.**

### Issue Details

- On Wednesday 17th January, Kommunalbanken Norway (KBN), rated Aaa / AAA (both stable) by Moody's / S&P, priced a new USD1.5 billion 5-Year RegS/144a Benchmark at SOFR MS+50bps, equivalent to CT5+23.7bps.
- KBN reacted swiftly to the constructive market tone to commence the year to announce a new USD 5-Year Benchmark at just before 13.40 CET on Tuesday afternoon. Initial Price Thoughts (IPTs) of SOFR MS+53bps area were also released alongside the mandate.
- The transaction enjoyed an outstanding reception from the outset, attracting KBN's largest ever USD Indications of Interest of in excess of USD3.8 billion (incl. USD250m JLM) by the time books opened at 09.12 CET on Wednesday morning. Given the exceptionally strong demand already indicated, price guidance was communicated at SOFR MS+51bps area at this juncture, 2bps tighter than IPTs.
- Strong momentum continued throughout the European morning with high quality demand coming from across the investor spectrum; reaching in excess of USD6 billion (incl. USD250m JLM) by the time of the next update at 10.04 CET. Given the size of demand and in order to provide clarity to investors, the deal size was set at USD1.5 billion and the final spread was fixed at SOFR MS+50bps, 3bps tighter than IPTs. It was also communicated that global orderbooks were to close at 10.20 CET.
- KBN's largest ever USD orderbook closed in excess of USD6.8 billion (incl. USD250m JLM), allowing KBN to comfortably set the size of the transaction at USD1.5 billion.
- In terms of geographical distribution, the transaction was broadly diversified across EMEA (52%), Americas (27%) and APAC accounts (21%). Central Banks & Official Institutions were the largest investor component taking (54%)

of final allocations, supported by strong participation from Banks / Private Banks (30%), Asset Managers (15%) and Other accounts (1%).

- The broad and global distribution of this transaction is once again testament to KBN's unwavering support within the global investor community.

## Reactions

### Robert Matthews, SSA DCM, BofA Securities

"Many congratulations to the KBN team for a hugely successful first USD outing of 2024. Despite the extremely busy USD SSA market backdrop, KBN's record-breaking orderbook stands as testament to the ongoing engagement with the global investor base undertaken by the team. An excellent way to kick-start benchmark funding for the year."

### Jez Walsh, Head of EMEA Debt Syndicate, Daiwa Capital Markets

"Congratulations to KBN for the exceptional result on its new USD 1.5bn 5-year benchmark. That this transaction amassed the largest ever orderbook for a KBN benchmark of over USD6.8bn (incl. USD 250mn JLM), and managing to tighten pricing by 3bps, is testament to the issuer team who recognised the extremely supportive primary market conditions. Daiwa was delighted to have supported KBN to achieve this fantastic outcome."

### Keith Price, Head of Frequent Borrower Group, J.P. Morgan

"The KBN team were able to seize a strong window to bring their first USD benchmark of the year, a \$1.5bn 5-year benchmark coming on the back of an impressive \$6bn+ orderbook - the issuer's largest book size to date. The strong momentum and resulting price tension were achieved despite an extremely busy primary market backdrop, demonstrating the solid global investor support that KBN continues to enjoy. Congratulations to the KBN team, we are delighted to have been involved in this trade!"

### James Taunton, Director, SSA Debt Capital Markets, RBC Capital Markets

"Congratulations to the KBN team on a fantastic USD1.5 billion 5-Year Benchmark. Despite an extremely busy primary market backdrop to start the year, KBN's ability to garner a record breaking orderbook of in excess of \$6.8 billion and print their largest USD 5-Year Benchmark since January 2021 is a clear testament to the strong & loyal following that they enjoy within the global investor community. Congratulations to the KBN team. RBC was delighted to have been involved on this exceptional transaction."

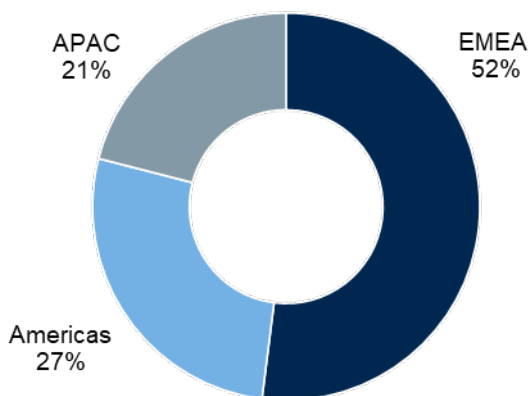
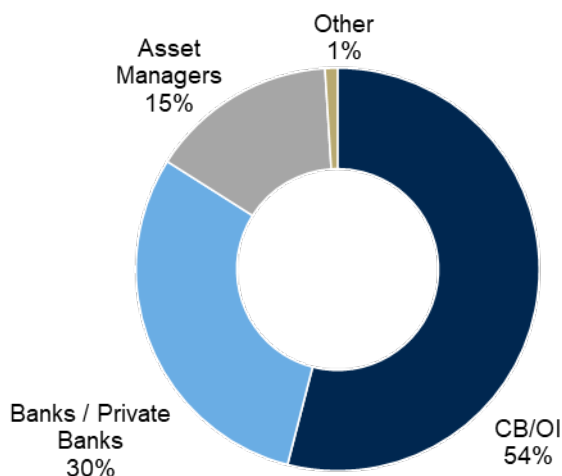
## Issuer Overview

- 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



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