

Kommunalbanken Norway (KBN)

USD2 billion 5-Year RegS/144A Benchmark



Final Terms

Borrower:	Kommunalbanken Norway (KBN), 100% owned by Kingdom of Norway
Ratings:	Aaa (Stable) / AAA (Stable) by Moody's / S&P
Format:	RegS / 144A
Coupon:	0.500%, Fixed, S/A, 30/360
Size:	USD2 billion
Price Date:	6 January 2021
Payment Date:	13 January 2021 (T+5)
Maturity Date:	13 January 2026
Re-Offer Spread:	MS+9bps CT5+15.1bps
Joint Lead Managers:	BNPP, JP Morgan, Nomura, RBCCM

Issue Highlights

- **An exceptional transaction; representing KBN's tightest 5yr benchmark vs. UST** and the joint tightest vs. mid-swaps to date
- USD2 billion deal size marks **KBN's largest USD benchmark since 2013** & their joint largest to date
- **Final orderbook closed in excess of USD3.5 billion**; with broad global distribution across 85 investors
- **Final pricing was set 2bps tighter than IPTs at MS+9bps**, representing no new issue concession vs. KBN's outstanding USD benchmark curve

Issue Details

- On Wednesday 6th January, Kommunalbanken Norway (KBN), rated Aaa/AA (both stable) by Moody's / S&P, priced a new USD2 billion 5-year RegS/144a Benchmark at MS+9bps, equivalent to CT5+15.1bps over the CT5.
- KBN reacted swiftly to the favourable demand dynamics and constructive market tone early in the year to announce the first agency USD benchmark of 2021; a new 5-year USD RegS/144a transaction shortly before 1.00pm GMT on Tuesday afternoon. Initial-price-thoughts of MS+11bps area were announced alongside the mandate.
- The transaction enjoyed a very strong reception from the outset, with indications of interest in excess of USD2 billion (excl. JLM) by the time books opened at 8.00am GMT on Wednesday morning. Given the size & high quality of the interest already reflected, spread guidance was tightened 1bps tighter from IPTs to MS+10bps area at this juncture.
- Momentum continued throughout the European morning with high quality demand coming from across the investor spectrum; reaching in excess of USD3.1bn (excl. JLM) by the first update at 10.35am GMT. In order to provide clarity to investors, the spread was tightened and fixed at MS+9bps. It was also communicated that EMEA & APAC books were to close at 11.30am GMT, while books in the Americas would close at 1.30pm GMT.
- Orderbooks ultimately closed in excess of USD3.5 billion (excl. JLM), allowing KBN to comfortably set the size of the transaction at USD2 billion; representing their largest USD benchmark since 2013. Final pricing of MS+9bps (CT5+15.1bps) represented KBN's tightest 5yr Benchmark vs UST to date.
- In terms of geographical distribution, the transaction was broadly diversified across Asia (19%), EMEA (46%) and the Americas (35%). Central Banks & Official Institutions were the largest investor component taking 46% of final allocations, supplemented by strong participation from Bank Treasuries (40%), Asset Managers (11%) and Insurance & Pension Funds (3%).

- 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 at BNP Paribas

"Huge congratulations to the KBN team for an outstanding start to 2021 and setting a benchmark for others to follow. Being able to print their joint largest ever transaction ahead of the large supply expectations for Q1 is a testament to the support KBN receives from the global investor base."

Angelica-Maria Strolz, Executive Director at J.P. Morgan

"KBN's flexibility and swiftness enabled the issuer to take advantage of a clear, early issuance window, and a favourable yield backdrop. The agency achieved its largest USD benchmark size since 2013, and the tightest mid-swap spread for a 5-year USD transaction since 2015. Congratulations to the KBN team!"

Spencer Dove, Managing Director, Head of SSA DCM at Nomura

"What a way to start 2021, an outstanding transaction for Kommunalbanken and thoroughly well-deserved by the team. Easily the strongest and most diverse orderbook I have seen for the issue and a testament to KBN's global reach. With total orders in excess of \$3.5bn and a tightest ever UST spread and joint largest transaction this deal really stands out! Nomura is delighted to have been part of the team on this deal."

James Taunton, Director at RBC Capital Markets

"A truly fantastic transaction to re-open the USD agency market in 2021. KBN's ability to launch their largest USD benchmark since 2013 & joint largest to date, with no concession to the curve is a real testament to the tireless efforts of the KBN team in engaging with the global investor base. A really great outcome and RBC was delighted to have been involved."

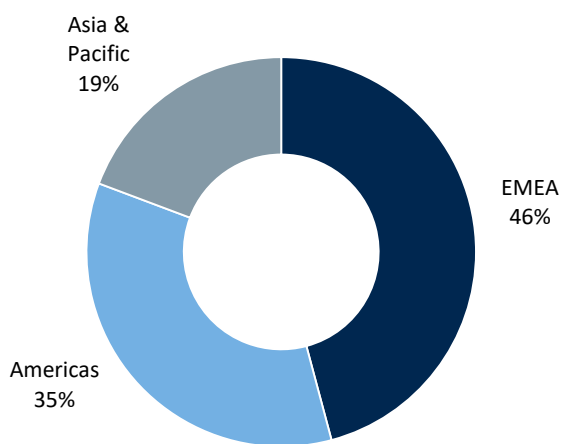
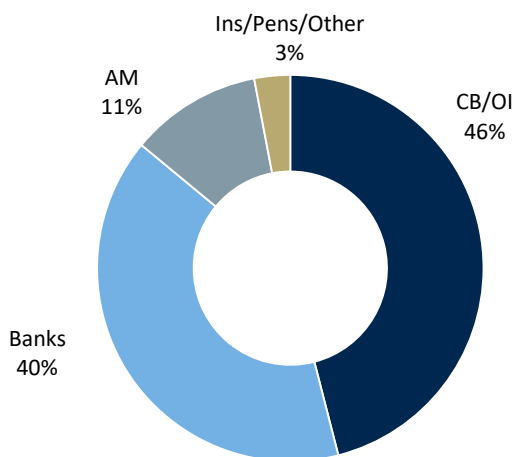
Issuer Overview

- Established by an act of Parliament in 1926 as a state administrative body, KBN gained its 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 per cent owner of KBN.

Sales Distribution

By Investor Type

By Geography



Source: Joint Bookrunners

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