

Kommunalbanken Norway (KBN)

USD1.00 billion 3-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:	4.625%, Fixed, S/A, 30/360
Size:	USD1.00 billion
Price Date:	18 October 2022
Payment Date:	25 October 2022 (T+5)
Maturity Date:	24 October 2025
Re-Offer Spread:	SOFR MS+41bps CT3+25.4bps
Joint Lead Managers:	Barclays, Daiwa, Deutsche Bank, TD Securities

Issue Highlights

- **Final orderbook closed in excess of USD1.90 billion (excl. JLM)**; representing KBN's largest orderbook in 2022 to date.
- **Final pricing was set 2bps tighter than IPTs at SOFR MS+41bps**, representing a 3bps new issue concession relative to KBN's outstanding USD Benchmark curve.
- The new line brings a liquid and on-the-run reference point at the 3-year point of KBN's USD curve, refreshing a key benchmark maturity, which KBN last visited in 2021.

Issue Details

- On Tuesday 18th October, Kommunalbanken Norway (KBN), rated Aaa / AAA (both stable) by Moody's / S&P, priced a new USD1.00 billion 3-year RegS/144a Benchmark at SOFR MS+41bps, equivalent to CT3+25.4bps.
- Attuned to the broader market tone which had been volatile in recent sessions, KBN took advantage of the positive market open and constructive supply dynamics to announce a new USD1.00 billion 3-year USD Benchmark at 13.45pm UKT on Monday afternoon. To maximise transparency for investors from the outset, KBN utilised "no-grow" language and announced the mandate alongside initial-price-thoughts of SOFR MS+43bps area.
- The transaction enjoyed a strong reception post-announcement, with indications of interest in excess of USD1.1 billion (excl. JLM) by the time books opened at 8.10am UKT on Tuesday morning. Given the size and high quality demand already reflected, spread guidance was revised 1bp tighter from IPTs to SOFR MS+42bps area at this juncture.
- Momentum continued throughout the European morning with the orderbook accelerating in excess of USD1.7 billion (excl. JLM) by the time of the first update at 11.00am UKT. In order to provide clarity to investors, the spread was tightened and fixed at SOFR MS+41bps, 2bps tighter than IPTs. It was also communicated that EMEA books were to close at 11:30am UKT whilst Americas books were to close at 13:00pm UKT.
- The final orderbook ultimately closed in excess of USD1.90 billion (excl. JLM), comprised of 70 orders, with strong support from central banks and official institutions.
- In terms of geographical distribution, the transaction was broadly diversified across EMEA (49%), Americas (42%) and APAC accounts (9%). Central Banks & Official Institutions were the largest investor component taking 77% of final allocations, supplemented by participation from Banks (16%), Fund Managers / Insurance (6%) and Other accounts (1%).
- The broad and global distribution of this transaction is once again testament to investor appetite for the KBN credit within the global investor community.

Reactions

Lee Cumbes, Managing Director, Head of DCM & Public Sector EMEA, Barclays

"KBN has again demonstrated the unwavering support it has from the global investor community through a highly impressive new 3-year benchmark. Attracting final orders in excess of USD1.9 billion is impressive and a high point for the issuer in 2022. This result, in the current market, is a testament to the work of the KBN team and a demonstration of confidence for the future. Barclays was delighted to support this successful transaction."

Jez Walsh, Head of Syndicate, Daiwa Capital Markets Europe

"Congratulations to KBN on its third USD fixed benchmark of 2022, a strong result underpinned by a notably high quality book led by Central Banks, Official Institutions and Bank Treasuries. KBN's leading SSA status is once again highlighted by this trade reopening the USD market in challenging conditions after three weeks without USD primary activity."

Pieter van Blommestein, SSA DCM Origination, Deutsche Bank

"Congratulations to the KBN team on the successful new USD 1.00 billion no-grow 3-year benchmark. Despite challenging market conditions, the outcome of the financing highlights KBN's appeal to global investors as well as its strong AAA credit fundamentals. Anchored by central banks and official institutions, the oversubscribed orderbook in excess of USD1.90 billion allowed KBN to achieve attractive pricing. Deutsche Bank is pleased to have supported KBN in this US\$ offering".

Laura Quinn, Managing Director, Head of European DCM, TD Securities

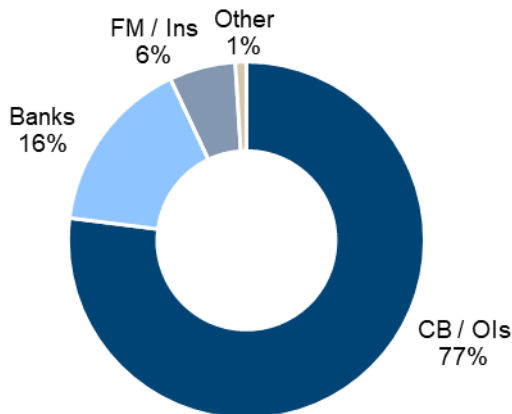
"Congratulations to the KBN team who today priced a highly successful new 3y USD 1bn benchmark. KBN's strong reputation and dependable execution strategy was an integral input into the trade, resulting in an impressively high quality orderbook amidst market conditions that continue to require appropriate navigation."

Issuer Overview

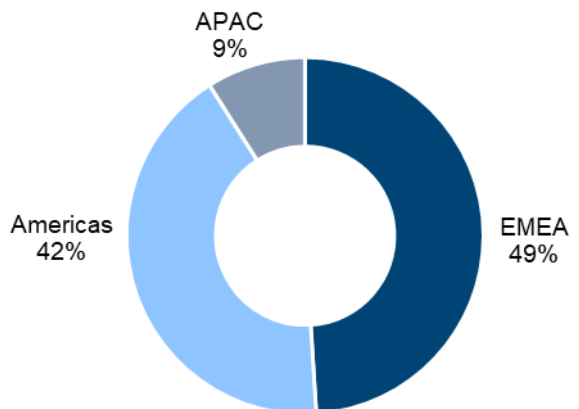
- Established by an act of Parliament in 1926 as a state administrative body, KBN gained its current status and structure through a conversion act in 1999. KBN is a direct continuation of its predecessor Norges Kommunalbank and has for more than 90 years been the main provider of credit to the local 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 per cent owner of KBN.

Sales Distribution

By Investor Type



By Geography



Source: Joint Bookrunners

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