



US\$ 1.5 billion 0.375% Benchmark due 11 September 2025

Press Release – 3rd September 2020

Issuer:	Kommunalbanken AS (KBN)
Rating:	Aaa / AAA
Size:	USD 1.5 billion
Pricing Date:	3 September 2020
Settlement Date:	11 September 2020
Maturity:	11 September 2025
Coupon:	0.375%
Re-offer spread to mid-swaps:	+15 bps
Re-offer spread to Treasuries:	UST 0.250% Aug-25 + 22.0 bps
Re-offer price:	99.585%
Re-offer yield:	0.459% (s.a.)
Lead Managers:	Deutsche Bank, J.P. Morgan, Scotiabank, TD

Execution Highlights:

- On Thursday 3rd September 2020, Kommunalbanken (“KBN”), 100% owned by the Kingdom of Norway and rated Aaa (stable)/AAA (stable) by Moody’s/S&P, successfully issued a new USD 1.5 billion 5-year RegS/144A benchmark. The issue has a final maturity of 11th September 2025, pays a semi-annual coupon of 0.375% and has an issue price of 99.585%, to give a spread of +22 basis points over the 0.250% US Treasury due 31 August 2025, equivalent to mid-swaps plus 15 basis points. Deutsche Bank, J.P. Morgan, Scotiabank and TD were mandated as Joint-Lead Managers for the transaction.
- This issuance represents KBN’s third USD benchmark of the year following 2 successful outings in 5 and 10-years in 2020.
- On the back of a constructive market backdrop with respect to investor demand and high issuance volumes across the board, KBN decided to access the market in the first week of September. The deal was announced at 12.15 UK Time on Wednesday 2nd September with Initial Pricing Thoughts (“IPTs”) at mid-swaps +18bps area, allowing ample time for gathering Indications of Interest (“IOIs”) over the European afternoon and overnight in the Americas and Asia.
- The transaction immediately gained momentum amongst the stable rates and spreads backdrop with the order book growing fast and benefitting from very high-quality orders from Official Institutions and Central Banks into the London close. Books were officially opened at 07:55 UKT on Thursday with guidance of mid-swaps +16bps area – 2bps tighter from IPTs – on the back of IOIs in excess of USD 2.4 billion.
- The momentum continued in the European morning and books surpassed the USD 3.2 billion mark by 9.30 UK Time, when the final spread was set to mid-swaps +15bps and the deal size was later set to USD 1.5 billion at 11.32 UK Time.
- The final order book was in excess of USD 3.6 billion, which was the largest on record for KBN, from over 80 investors. Central Banks and Official Institutions across the globe represented the bulk of the demand, receiving 65% of the final allocations, followed by Banks/Bank Treasuries (24%), Asset Managers (7%) and Corporates/Other (4%). Regional distribution was skewed towards EMEA (42%) and the Americas (37%), while Asian investors accounted for 21% of the final allocation.
- The quality and granularity of the orderbook testifies once again the strength of the KBN signature across the international investor community.



Dealer Quotes

"Amid competing supply, KBN drew remarkable headlines today starting with one of their strongest ever IOIs numbers followed by an excellent final book size. All-in-all, this transaction was a great success for the KBN team and again shows their nimble sense for good judgement and market understanding. The timing was superb and the total outcome clearly confirms this." - **Jonas Juel Ulrich, Director, SSA Origination, Deutsche Bank**

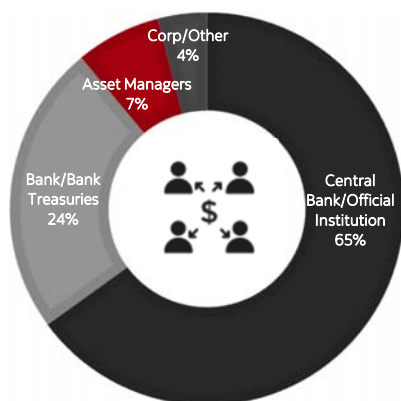
"KBN delivers a double hat-trick pricing its fourth USD 5-year benchmark in a row at MS+15bps reoffer spread, this time garnering its largest-ever USD orderbook to-date at USD 3.6bn+. We are delighted to have been involved; congratulations to the KBN team on this exceptional result!" - **Matthieu Batard, Head of SSA Syndicate, J.P. Morgan**

"We are proud to support KBN on this standout USD Benchmark transaction, which is a testament to KBN's best-in-class market read. A textbook execution, with a USD 3.6bn+ orderbook, represents a record for the Nordic agency space. Congratulations to the KBN team on another successful outing!" - **Cesare Roselli, Global Head of SSA Origination, Scotiabank**

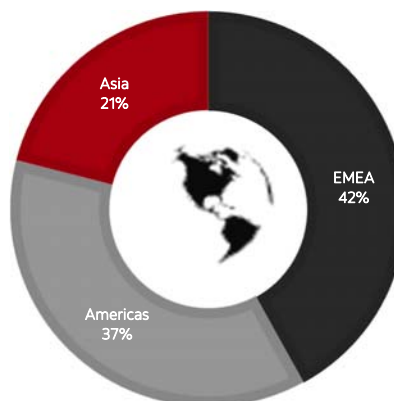
"What a truly fantastic result today for KBN who have shown their prowess in the USD market with this trade. The decision to take this window resulted in KBN's largest USD orderbook to date despite tightening 3bps during execution. In addition, the high quality of the final book is a testament to KBN's global investor distribution. Congratulations once again to the KBN team." - **Laura Quinn, Managing Director, Head of Origination, TD Securities**

Distribution Statistics

Allocations by Investor Type



Allocations by Geography



About KBN

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.

