

**Kommunalbanken Norway Launches New USD 1 billion (no-grow) Long 3-year RegS/144A
Benchmark due March 2027**

Bond Summary Terms	
Issuer:	Kommunalbanken AS ("KBN")
Issuer rating:	Aaa / AAA (Moody's / S&P) (all stable)
Amount:	USD 1 billion
Settlement date:	24 October, 2023
Coupon:	5.125%
Coupon payment dates:	Payable semi-annually in arrear on 01 March and 01 September each year, up to and including the maturity date, commencing with a full first coupon on 01 March 2024
Maturity date:	01 March 2027
Issue price:	99.964%
Denominations:	USD 200,000 and integral multiples of USD 2,000 thereafter
ISIN:	144a: US50048MDL19 / RegS: XS2707689209
Listing:	Luxembourg Stock Exchange
Clearing system:	DTC / Euroclear / Clearstream
Joint Lead Managers:	BNP Paribas, Citi, Credit Agricole, Deutsche Bank

Transaction highlights

- On Tuesday October 17th, Kommunalbanken AS ("KBN"), rated Aaa/AAA, successfully priced a new USD 1 (no-grow) billion Long 3-Year Benchmark bond. This represents KBN's third and final USD Benchmark transaction this year.
- Against a more supportive market backdrop, KBN seized an early issuance window ahead of a busy new issue pipeline to launch a new USD Benchmark transaction.
- The transaction attracted a high quality and granular orderbook consisting of over 55 orders, with the final orderbook closing in excess of USD 1.75 billion.
- In terms of geography, distribution was led by EMEA (82.4%), followed by Americas (16.4%) and APAC (1.2%). In terms of investor type, the orderbook was dominated by Central Banks/Official Institutions (60.0%) as well as Banks/Private Banks (30.8%), with the remainder split amongst Asset Managers (7.5%) and Others (1.8%).

Book Building Process

- The new March 2027 RegS/144a USD Benchmark Bond was announced at 10.22AM UKT on Monday, 16th October 2023 with IPTs released at SOFR MS+42bps area, equivalent to an interpolated G spread of +22bps area using the on-the-run 3-year and 5-year UST benchmarks.
- Investor engagement was positive from the beginning with Indication of Interest ("IOIs") in excess of USD 1.1bn by the time books opened at 8.18AM UKT the following day. This enabled spread guidance to be revised 1bps tighter to SOFR MS+41bps area.
- The orderbook momentum continued to build throughout the European morning with high quality orders adding to the book which grew in excess of USD 1.75bn by 11AM UKT, at which point the spread was set another 1bps tighter at SOFR MS+40bps.
- Shortly after the North American open, the bond was launched with the final deal size previously set at USD 1 billion (no-grow) and the final orderbook closing in excess of USD 1.75bn.
- The transaction successfully priced at 2.52PM UKT at a re-offer price of 99.964% and a re-offer yield of 5.139%, equivalent to a spread of +16.3bps over the on-the-run UST 4.625% due 15th October 2026 benchmark.

Investor Distribution

Distribution by Geography

EMEA	82.4%
Americas	16.4%
APAC	1.2%

Distribution by Investor Type

Central Banks/Official Institutions	60.0%
Banks/Private Banks	30.8%
Asset Managers	7.5%
Others	1.8%

Bookrunner Quotes

“Congratulations to the KBN team for successfully launching a USD1bn long 3y transaction. KBN’s ability to seize the right market window allowed them to capture a diverse investor demand, which is a testimony to their solid investor following despite a challenging market backdrop.” said **Salma Guerich, DCM SSA, BNP Paribas**

“KBN successfully navigated a busy dollar SSA window to price their third dollar benchmark of the year at a minimal new issue concession. Despite elevated levels of volatility in global markets, investor engagement was strong and the transaction was anchored by high-quality demand with central banks and official institutions representing over 50% of allocations. Citi is delighted to have been involved!” said **Ebba Wexler, Head of Global SSA DCM, Citi**

"Despite a very busy USD primary market, KBN was able to achieve an outstanding result for its third USD benchmark of the year. The new long 3-year deal garnered strong investor demand of the highest quality and allowed for a 2bps tightening from the IPT level. This successful outcome is a tribute to the long-standing presence and continuous work done by the KBN team over the years. Congratulations from the Credit Agricole CIB team!" said **Lawrence Duquesne-Garner, Managing Director, SSA DCM Origination, Credit Agricole**

“Congratulations to the KBN team for rounding up their funding programme with the launch of another successful US Dollar benchmark transaction. KBN navigated a busy pipeline and took advantage of a supportive market backdrop to secure an early window for launch. The March 2027 maturity responded to ongoing investor demand for front-end US Dollar paper, resulting in a high quality orderbook in excess of USD 1.75bn which supported a 2bps spread revision from the IPT levels. The strength of the orderbook highlights the appeal of KBN’s credit quality, especially with Central Banks and Official Institutions in search of safe assets. Deutsche Bank is delighted to have been involved in this transaction.” said **Katrin Wehle, Head of SSA DCM Origination, Deutsche Bank**

Overview of KBN

Created by Act of Parliament in 1926/1999, KBN has a public policy mandate from the central government to provide low-cost finance to the Norwegian local government sector. KBN’s sole purpose is to grant loans to local and regional governments or inter-municipal companies, in line with KBN’s public policy mandate. KBN is 100% owned by the Kingdom of Norway (Aaa/AAA), representing the closest proxy to Norwegian sovereign risk in international markets.