

Kommunalbanken Norway (KBN)

USD1.25 billion 5-Year RegS/144A Benchmark



Final Terms

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| Borrower: | Kommunalbanken Norway (KBN), 100% owned by Kingdom of Norway |
| Ratings: | Aaa (Stable) / AAA (Stable) by Moody's / S&P |
| Format: | RegS / 144A |
| Coupon: | 1.500%, Fixed, S/A, 30/360 |
| Size: | USD1.25 billion |
| Price Date: | 12 January 2022 |
| Payment Date: | 20 January 2022 (T+5) |
| Maturity Date: | 20 January 2027 |
| Re-Offer Spread: | SOFR MS+27bps CT5+12.8bps |
| Joint Lead Managers: | BofA Securities, HSBC, J.P. Morgan, RBC Capital Markets |

Issue Highlights

- **Final orderbook closed in excess of USD1.75 billion (excl. JLM)**; with broad global distribution
- **Final pricing was set 2bps tighter than IPTs at SOFR MS+27bps**, representing no new issue concession relative to KBN's outstanding USD Benchmark curve
- KBN's first USD benchmark of 2022 & the first 5-Year USD benchmark from an agency issuer YTD

Issue Details

- On Wednesday 12th January, Kommunalbanken Norway (KBN), rated Aaa / AAA (both stable) by Moody's / S&P, priced a new USD1.25 billion 5-year RegS/144a Benchmark at SOFR MS+27bps, equivalent to CT5+12.8bps.
- KBN reacted swiftly to the favourable demand dynamics and constructive market tone to announce the first 5-Year USD Benchmark from an agency issuer in 2022 at 13.30pm UKT on Tuesday afternoon. Initial-price-thoughts of SOFR MS+29bps area were also released alongside the mandate.
- The transaction enjoyed a strong reception from the outset, with indications of interest in excess of USD1.4 billion (excl. JLM) by the time books opened at 8.10am UKT on Wednesday morning. Given the size & high quality of the interest already reflected, spread guidance was revised 1bp tighter from IPTs to SOFR MS+28bps area at this juncture.
- Momentum continued throughout the European morning with high quality demand coming from across the investor spectrum; reaching in excess of USD1.9 billion (excl. JLM) by the time of the first update at 11.40am UKT. In order to provide clarity to investors, the spread was tightened and fixed at SOFR MS+27bps, 2bps tighter than IPTs. It was also communicated that books were to close at 13.30pm UKT.
- Orderbooks ultimately closed in excess of USD1.75 billion (excl. JLM), allowing KBN to comfortably set the size of the transaction at USD1.25 billion.
- In terms of geographical distribution, the transaction was broadly diversified across EMEA (48.0%), Americas (42.3%) and APAC accounts (9.7%). Banks were the largest investor component taking 54.7% of final allocations, supplemented by strong participation from Central Banks & Official Institutions (43.2%), Fund Managers / Insurance (1.0%) and Other accounts (1.1%).
- The broad and global distribution of this transaction is once again testament to KBN's unwavering support within the global investor community.

Reactions

Adrien de Naurois, Managing Director, Head of DCM SSA & EMEA IG Syndicate, Bank of America Merrill Lynch

"A successful return for KBN to the 5-year sector following their October 2021 outing. In a very busy primary environment, the issuer was able to garner significant focus from high quality investors at a tight spread. The broad geographical and sectoral distribution of the transaction is a testament to KBN's enduring appeal."

Elena Farrell, Director, HSBC

"Congratulations to the KBN team! Kicking off the 2022 funding programme in style, as the first Nordic agency to access the USD market. Today's new 5-year, priced 2bps inside of IPTs and increased size to their cap - on the back of a high-quality orderbook, a testament to KBN's global recognition in the capital markets".

Matthieu Batard, Head of SSA Syndicate, J.P. Morgan

"KBN has yet again smoothly executed a solid benchmark transaction in the USD market – with a 2bp spread tightening throughout the process, thanks to a healthy oversubscription from quality accounts. The issuer's first USD outing of the year sets the stage well for a further reopening of the agency sector's primary issuance in 2022."

James Taunton, Director, RBC Capital Markets

"KBN have once again re-opened the 5-Year USD Agency market for the year with this impressive transaction. Their ability to attract such a high quality orderbook of \$1.75bn+, particularly amidst such a busy primary market, is a clear testament to the unwavering commitment of the global investor base. Congratulations to the KBN on this fantastic outcome; RBC was delighted to have been involved on this successful transaction."

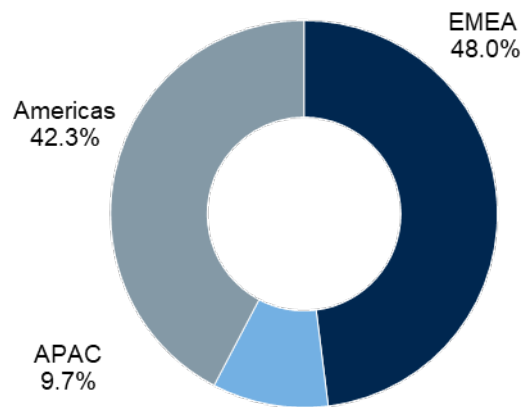
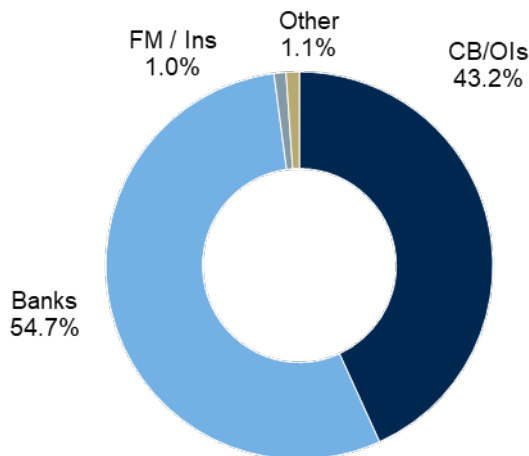
Issuer Overview

- 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 per cent owner of KBN.

Sales Distribution

By Investor Type

By Geography



Source: Joint Bookrunners

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