

Kommunalbanken Norway (KBN)

USD1 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:	4.000%, Fixed, S/A, 30/360
Size:	USD1 billion
Price Date:	11 January 2023
Payment Date:	19 January 2023 (T+5)
Maturity Date:	19 January 2028
Re-Offer Spread:	SOFR MS+57bps CT5+32.5bps
Joint Lead Managers:	Citi, HSBC, J.P. Morgan, RBC Capital Markets

Issue Highlights

- **Marked the first Nordic agency USD benchmark of 2023 YTD & KBN's first 5-Year USD benchmark since January 2022.**
- **Final orderbook closed in excess of USD1.9 billion (excl. JLM); with broad global distribution from over 70 accounts.**
- **Strong participation from Central Banks / Official Institutions and Banks & Bank Treasuries, taking 52% and 29% of the final allocation respectively.**
- **KBN is targeting an estimated total issuance programme of USD 8-10 billion equivalent in 2023.**

Issue Details

- On Wednesday 11th January, Kommunalbanken Norway (KBN), rated Aaa / AAA (both stable) by Moody's / S&P, priced a new USD1 billion 5-Year RegS/144a Benchmark at SOFR MS+57bps, equivalent to CT5+32.5bps.
- KBN reacted swiftly to the constructive market tone at the start of the year to announce their first 5-Year USD Benchmark since January 2022 at 13.00 CET on Tuesday afternoon. Initial-price-thoughts of SOFR MS+58bps area were also released alongside the mandate.
- The transaction enjoyed a solid reception from the outset, with indications of interest in excess of USD1.1 billion (excl. JLM) by the time books opened at 09.00 CET on Wednesday morning. Spread guidance remained at SOFR MS+58bps area at this juncture.
- Momentum continued throughout the European morning with high quality demand coming from across the investor spectrum; reaching in excess of USD1.85 billion (excl. JLM) by the time of the first update at 11.50am CET. In order to provide clarity to investors, the spread was tightened and fixed at SOFR MS+57bps, 1bp tighter than IPTs at this stage. It was also communicated that books were to close at 14.30 CET.
- Orderbooks ultimately closed in excess of USD1.9 billion (excl. JLM), allowing KBN to comfortably set the size of the transaction at USD1 billion.
- In terms of geographical distribution, the transaction was broadly diversified across EMEA (50%), Americas (35%), Asia (12%) and Other accounts (3%). Central Banks & Official Institutions were the largest investor component taking 52% of final allocations, supported by strong participation from Banks & Bank Treasuries (29%), Fund Managers / Insurance / Pension Funds (17%) and Other accounts (2%).
- The broad and global distribution of this transaction is once again testament to KBN's unwavering support within the global investor community.

Reactions

Ebba Wexler, Managing Director, Head of SSA Debt Capital Markets, Citi

"Congratulations to the KBN team for their first Dollar benchmark of 2023. In a volatile market, KBN executed a significantly oversubscribed USD 1 billion 5-year benchmark. The final orderbook of USD 1.9 billion demonstrated KBN's strong support from the SSA investor community. Citi was delighted to be appointed bookrunner on this important transaction which successfully kicked off KBN's funding activity for the year."

Elena Farrell, Director, SSA Debt Capital Markets, HSBC

"Congratulations to the KBN team on today's USD1bn 5 year benchmark! An impressive start to the 2023 funding programme – finding a high degree of oversubscription and pricing inside of guidance. A testament to the strong sponsorship from across the global investor community of the Norwegian local government sector."

Keith Price, Head of Frequent Borrower Group, J.P. Morgan

"Congratulations to the KBN team for a successful return to the 5-year maturity in the USD benchmark market, for the first time since January 2022. The healthy oversubscription and very high quality of the orderbook is a testament to KBN's strong global investor following, even during periods of higher volatility and uncertainty. J.P. Morgan is delighted to have been involved on this transaction."

James Taunton, Director, SSA Debt Capital Markets, RBC Capital Markets

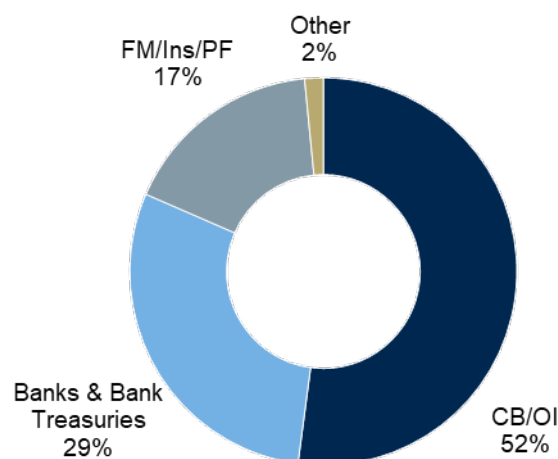
"Congratulations to the KBN team for once again re-opening the USD market for their peer group, with this successful USD1bn 5-Year benchmark. Despite an extremely busy primary market backdrop, KBN's ability to garner such a high quality orderbook of over \$1.9 billion is a clear testament to the strong & loyal following that they enjoy within the global investor community. RBC was delighted to have been involved on this successful transaction."

Issuer Overview

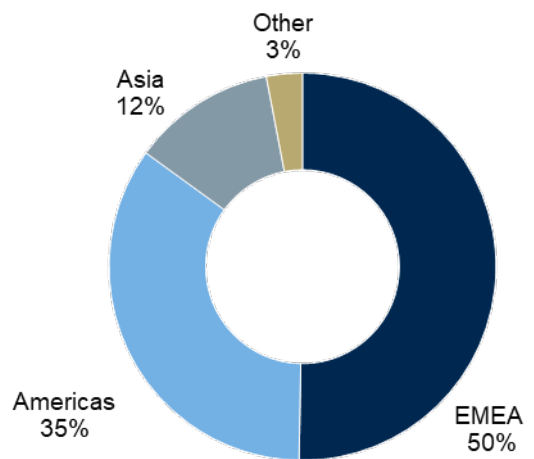
- Established by an act of Parliament in 1926 as a state administrative body, KBN gained its current status and structure through a conversion act in 1999. KBN is a direct continuation of its predecessor Norges Kommunalbank and has for more than 90 years been the main provider of credit to the local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

Sales Distribution

By Investor Type



By Geography



Source: Joint Bookrunners

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