



## Kommunalbanken Norway (KBN)

### AUD300 million 3-Year Green Kangaroo Benchmark

28<sup>th</sup> September 2021

#### Final Terms

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Borrower:	<b>Kommunalbanken AS (“KBN”)</b>
Ratings:	Aaa (Stable) / AAA (Stable) by Moody’s / S&P
Format:	Kangaroo
Pricing Date:	28 <sup>th</sup> September 2021
Payment Date:	8 <sup>th</sup> October 2021 (T+7)
Coupon:	0.500%, semi-annual, RBA bond basis
Size:	AUD 300 million
Maturity Date:	8 <sup>th</sup> October 2024
Re-offer Spread:	ASW+6bps s/q   ACGB Apr-24 + 55.75bps   ACGB Nov-24 + 27.25bps   EFP +11.5bps
Joint Bookrunners:	Nomura, RBC Capital Markets, TD Securities

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#### Issue Highlights

- A highly successful transaction; marking KBN’s return to the Kangaroo Green market since their inaugural offering in 2018.
- Final re-offer spread of ASW+6bps s/q marks the issuer’s tightest ever Kangaroo Bond.
- Combined orderbook closed in excess of AUD370 million (incl. AUD75m JLM) from over 20 accounts, with particularly strong domestic participation (33%).
- Utilised KBN’s Green Bond Framework; updated in 2021, which generated exceptionally strong placement to ESG-motivated accounts (75%).
- The October 2024 maturity extends KBN’s existing Kangaroo Green Benchmark curve beyond the September 2023 tenor.

#### Issue Details

- On Tuesday 28<sup>th</sup> September, Kommunalbanken Norway (KBN) rated Aaa/AAA (both Stable) by Moody’s & S&P, priced a new AUD300 million 3-Year (Oct-24) Green Kangaroo Bond at ASW+6bps, equivalent to ACGB Apr-24+55.75bps | ACGB Nov-24+27.25bps.
- KBN reacted swiftly to take advantage of the clear issuance window and constructive market tone to launch their second ever 3-Year Green Kangaroo Benchmark at 12.00pm AEST on Monday afternoon. Guidance of ASW+6bps s/q was also released.
- The transaction enjoyed a strong response from the outset with broad-based interests from accounts across the time zones; orderbooks were in excess of AUD270 million (incl. A\$75m JLM) by the time of the first update at 08.55am AEST on Tuesday morning. Guidance remained unchanged at this juncture.
- The strong momentum continued throughout the Asian trading day and by the time of the second update at 11.55am AEST, orderbooks were in excess of AUD370 million (incl. A\$75m JLM). Orderbooks eventually closed at 13.30pm AEST.
- The final re-offer spread of ASW+6bps s/q represents the issuer’s tightest ever Kangaroo transaction.
- In terms of geographical distribution, the transaction was broadly diversified across Australia (33%), Europe (36%), Japan (14%) and Asia accounts (ex. Australia & Japan) (17%). Asset Managers were the largest investor component taking 47% of final allocations, supplemented by strong participation from Central Banks & Official Institutions (29%) and Bank Treasury accounts (24%).

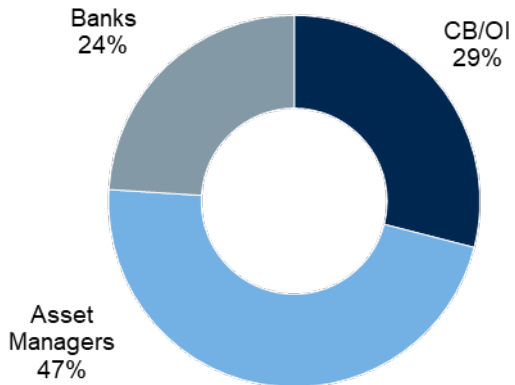
- A total of 75% of the transaction was allocated into ESG-motivated accounts, with the deal diversified across Dark Green (39%), Medium Green (19%), Light Green (17%) and non-ESG accounts (25%).

**Use of Proceeds**

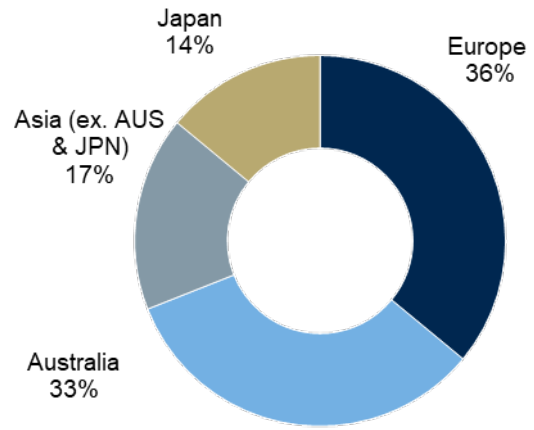
Net proceeds from the Green Bond will be utilised according to the issuer’s Green Bond Framework, which has received a governance score of “Excellent” and a ‘Medium Green’ second opinion by Cicero Shades of Green. The Framework and Second Opinion are available on: <https://www.kbn.com/en/about-us/news/2021/kbn-launches-updated-green-bond-framework/>

**Sales Distribution**

**By Investor Type**



**By Geography**



Source: Joint Bookrunners