



KOMMUNALBANKEN NORWAY (KBN) USD 500mn Long 3-year Green Bond

*** TALKING POINTS ***

Issuer:	KOMMUNALBANKEN NORWAY (KBN)
Rating:	Aaa/AAA (stable/stable)
Issue Amount:	USD 500mn (no-grow)
Pricing Date:	14 th April 2021
Settlement Date:	21 st April 2021
Coupon:	0.5% Fixed S/A, 30/360
Maturity:	21 st October 2024
Reoffer Price:	99.675%
Reoffer Yield:	0.594%
Reoffer vs. Mid-Swaps:	MS-1bp
Reoffer vs Benchmark:	CT3+23.7bps
Lead Managers:	Crédit Agricole CIB, Nordea, TD Securities

Transaction Highlights

- On 14th April 2021, KOMMUNALBANKEN NORWAY (KBN) successfully priced a new USD 500mn long 3-year Green Bond.
- The deal follows the update of KBN's Green Bond Framework, which was published on April 8th, and marks the first public USD Green Bond from KBN since 2016.
- Demand was largely driven by Central Banks and Official Institutions, which received 67.5% of the final allocation.
- The deal was priced with a reoffer spread of MS-1bp, 3bps tighter vs. initial price thoughts (IPTs).
- The 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.

Execution

- On Friday 9th April, KBN announced a series of investor calls to present its updated Green Bond Framework ahead of a long 3-year USD 500mn Green Bond transaction.
- The mandate for the Green Bond transaction was communicated to the market at 12pm CET on Tuesday 13th April 2021 with IPTs at MS+2bps area.
- The transaction garnered strong investor interest from the onset, with indications of interests (IOIs) standing in excess of USD 1.1bn at 9.15am CET the following morning, at which point books were officially opened with revised guidance of MS flat area.
- At 11.40am CET, the decision was taken to set the final spread at MS-1bp as demand grew in excess of USD 1.35bn (exc. JLM).
- Books closed shortly thereafter with a final size of USD 1.2bn (excl. JLM) for the capped deal size of USD 500mn.



KOMMUNALBANKEN NORWAY (KBN) USD 500mn Long 3-year Green Bond

- The new USD 500mn long 3-year Green Bond was priced at 4.20pm CET with a reoffer spread of MS-1bp and a 0.5% semi-annual coupon, offering a yield of 0.594% and a cash price of 99.675%. This is equivalent to a spread of +23.7bps over CT3.

Distribution Stats

By Geography		By Investor Type	
Americas	44.2%	CB/OI	67.5%
EMEA	34.4%	Fund Managers	20.6%
Asia	21.4%	Banks	6.6%
		Pension Fund / Insurance	5.3%

Quotes from the leads:

Credit Agricole CIB is extremely proud to have assisted KBN with its successful return to the public USD Green Bond market. KBN has deep roots in the Green Bond market and has continuously supported the development of this sector within the Nordic region and on a global scale. Today's successful transaction, which follows the update of its Green Bond framework, was characterised by strong investor demand of the highest quality, and is a true tribute to the fantastic Green Bond work done by KBN over the years. Congratulations from CA-CIB!

Tanguy Claquin, Global Head of Sustainable Banking, Credit Agricole CIB

Being one of the first European issuers to issue a Green Bond in USD, KBN also provides the market with best-in-class impact reporting as illustrated by winning the Environmental Finance's Impact Report of the Year 2020 Award. With its longstanding green commitment coupled with its excellent credit quality, it is no surprise that KBN's first USD green bond benchmark since 2016 received such an outstanding reception. Nordea is delighted to have participated in such a prestigious transaction.

Kamal Grossard-Amin, Managing Director and Head of SSA DCM at Nordea Bank

What an excellent return to the USD green market for KBN with this new long 3yr transaction. Amidst a busy backdrop it is very impressive that KBN achieved a negative spread to mid-swaps, driven by the exceptional high quality orderbook from global investors. In particular, the noteworthy participation from green investors is a testament to the significant work and leading role KBN have played in the green bond market over the years. We applaud the full KBN team on this transaction and their new Green Bond Framework.

Laura Quinn, Managing Director, Head of Origination & Syndicate, TD Securities Dublin

KBN contacts for more information:

Thomas Møller
Head of Funding & IR
+47 21 50 20 41
thm@kbn.com

Marius Ruud
SVP, International Funding
+47 21 50 20 43
mar@kbn.com

Evan Rodger Morgan
SVP, International Funding
+47 21 50 20 48
erm@kbn.com