

Kommunalbanken Norway (KBN)

CAD500 million 5-Year Green 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:	3.800%, Fixed, S/A, Act/Act
Size:	CAD500 million
Pricing Date:	30 November 2022
Payment Date:	07 December 2022 (T+5)
Maturity Date:	07 December 2027
Re-Offer Spread:	MS+19bps CAN 2.750% Sep-27 + 53.85bps
Joint Lead Managers:	RBC Capital Markets, Scotiabank, TD Securities

Issue Highlights

- **Highly successful transaction**, marking KBN's return to the CAD market following their inaugural CAD Green Bond in October 2021.
- **The first new CAD SSA 5-Year Benchmark since January 2022** (excl. domestic issuers).
- **High quality orderbook closed in excess of CAD650 million (excl. JLM) from over 20 accounts**.
- Utilisation of KBN's updated 2021 Green Bond Framework and the strong appeal of the KBN credit resulted in a **particularly strong placement to domestic Canadian investors (71%)**.

Issue Details

- On Wednesday 30th November, Kommunalbanken Norway (KBN), rated Aaa / AAA (both stable) by Moody's / S&P, priced a CAD500 million 5-Year Green RegS/144a Benchmark at MS+19bps, equivalent to CAN 2.750% Sep-27 + 53.85bps.
- KBN reacted swiftly to the constructive market tone and strong bid for CAD SSA ESG paper given the limited supply to announce the first new CAD SSA 5-Year Benchmark since January 2022; a new CAD 5-Year RegS/144a Green Benchmark just after 15.30 CET on Tuesday afternoon. Initial-price-thoughts (IPTs) of CAD MS+19bps area were announced alongside the mandate.
- The transaction enjoyed a strong reception from the outset, with indications of interest in excess of CAD325 million (excl. JLM) by the time books opened at 09.10 CET on Wednesday morning. Spread guidance remained unchanged from IPTs at MS+19bps area at this juncture.
- Momentum continued throughout the European morning with high quality demand coming from across the investor spectrum; reaching in excess of CAD520 million (excl. JLM) by the first update at 14.00 CET. In order to provide clarity to investors, the spread was fixed at MS+19bps. It was also communicated that books were to close at 15.30 CET.
- Orderbooks ultimately closed in excess of CAD650 million (excl. JLM), allowing KBN to comfortably set the deal size at the capped CAD500 million.
- In terms of distribution by investor type, Banks & Bank Treasuries were the largest investor component taking 67% of final allocations, supported by strong participation from Central Banks & Official Institutions (24%) and Fund Manager / Insurance / Pension Fund accounts (9%). In terms of geography, the transaction was well-placed amongst domestic investors (71%), EMEA (23%) and Americas ex. Canada accounts (6%).

- The broad and global distribution of this transaction, alongside the exceptional response to KBN's Green Bond Framework theme, is once again testament to KBN's unwavering support within the global investor community.

Reactions

"Congratulations to the KBN team on a stellar return to the Canadian Dollar Market! A patient approach to allow the majority of domestic supply to issue during the first part of November saw KBN with a clear window to access the market and print a very well-received Green Bond. KBN's commitment to the CAD market resulted in strong domestic support for the transaction, whilst their ongoing global investor relations contributed to the diversified investor distribution. RBC was honoured to have been a bookrunner on such a successful transaction." Sean Taor, European Head of DCM & Syndicate, RBC Capital Markets

"Scotiabank is proud to have acted as Bookrunner in KBN's 5-year CAD 500mm Green Benchmark, its second CAD Green Benchmark in the last two years. With this transaction, KBN was able to extend its reference CAD curve to the 5-year tenor, and did so navigating a crowded new issue pipeline in the Domestic Canadian market. The result has been a strong orderbook, which is a testament to the appeal of KBN credit across a variety of jurisdictions and investor types, and of the investors' appreciation of KBN's Green Bond Framework." Cesare Roselli, Global Head of SSA (Sovereign, Supranational, and Agency) Origination, Scotiabank

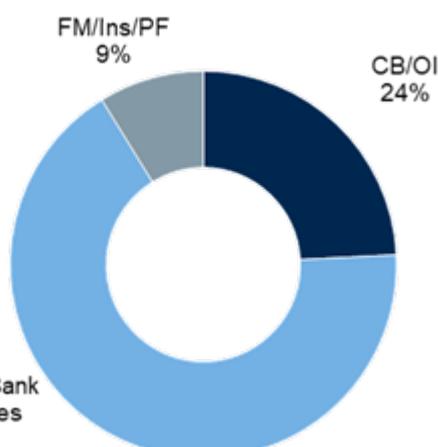
"Congratulations to the KBN team on taking advantage of the new Canadian fiscal year to issue a new 5y CAD benchmark, the first SSA agency CAD trade since February. KBN's recent commitment to the CAD market is reflected in the strong support seen from the domestic investor base, as well as good engagement from the international community also." Laura Quinn, Managing Director, Head of European DCM, TD Securities

Issuer Overview

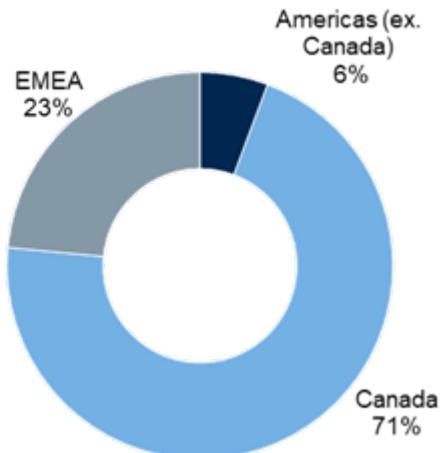
- Established by an act of Parliament in 1926 as a state administrative body, KBN gained its status and structure through a conversion act in 1999. KBN is a direct continuation of its predecessor Norges Kommunalbank and has for more than 90 years been the main provider of credit to the local government 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.
- KBN Green Bonds finance the transition to a low-carbon, climate resilient future in Norwegian local societies. KBN issued its first sustainability-themed transaction in 2010 and has been a regular issuer of public green bonds since 2013. This transaction marks the second CAD Green Bond for the issuer.
- The net proceeds of the Green Bonds issued by KBN will be used to finance or re-finance Eligible Projects that have been evaluated and selected by KBN in accordance to this Green Bond Framework.
- KBN's Green Bond Framework:** <https://www.kbn.com/globalassets/dokumenter/funding/green-bond-documents/kbn-green-bond-framework-21.pdf>

Sales Distribution

By Investor Type



By Geography



Source: Joint Bookrunners



Capital
Markets

Scotiabank.



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