

**Kommunalbanken Norway (KBN)****EUR500 million 5-year Green Bond****Final Terms**

Issuer:	<b>Kommunalbanken Norway (KBN)</b>
Rating:	Aaa / AAA (Moody's / S&P - both stable)
Format:	RegS Bearer, New Global Note
Amount:	EUR 500,000,000
Pricing date:	18 April 2024
Settlement date:	25 April 2024 (T+5)
Maturity date:	25 April 2029
Coupon:	2.875% fixed, annual, ACT/ACT
Re-offer spread:	MS + 11bps OBL 2.1% 2029 #189 + 48.6 bps
Re-offer price:	99.583%
Re-offer yield:	2.966% annual
Joint Lead Managers:	Citi, HSBC and Natixis
Sole Green Structuring Agent:	HSBC
Updated Green Bond Framework (Apr-24):	<a href="https://www.kbn.com/globalassets/dokumenter/funding/green-bond-documents/kbn-green-bond-framework-2024.pdf">https://www.kbn.com/globalassets/dokumenter/funding/green-bond-documents/kbn-green-bond-framework-2024.pdf</a>
Green Loans Criteria Document (Apr-24)	<a href="https://www.kbn.com/globalassets/dokumenter/gronne-lan/criteria-document.pdf">https://www.kbn.com/globalassets/dokumenter/gronne-lan/criteria-document.pdf</a>
Second Party Opinion (S&P – Apr-24)	<a href="https://www.kbn.com/globalassets/dokumenter/funding/green-bond-documents/second-party-opinion---kbn---green-bond-framework-2024.pdf">https://www.kbn.com/globalassets/dokumenter/funding/green-bond-documents/second-party-opinion---kbn---green-bond-framework-2024.pdf</a>

**Transaction highlights**

- **KBN's first Green bond in Euros and inaugural issuance under the updated Green Bond Framework (April 2024)**
- **KBN's largest and most oversubscribed Euro benchmark to date; final orderbooks over EUR2.7bn**
- **Priced 3bps inside guidance, at MS+11bps**

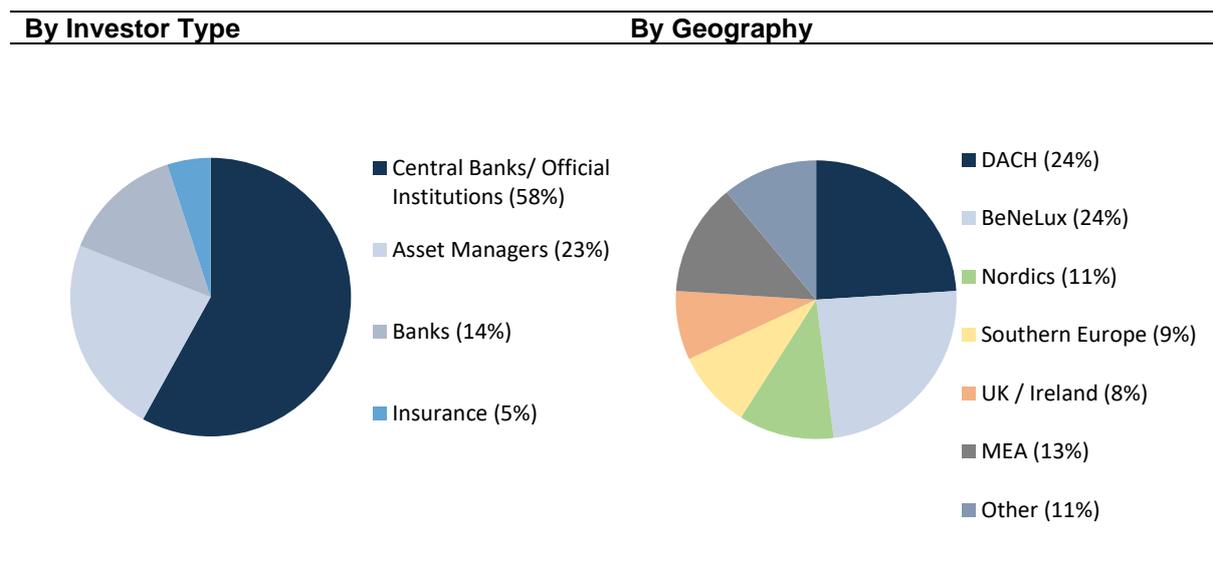
**Framework Highlights**

- KBN's 2024 Green Bond Framework and most recent Green Lending Criteria document sets out strengthened eligibility criteria for green lending aligning with developments in both Norwegian and global environmental standards, with the aim of motivating the local government sector in their transition efforts
- Notably, the 2024 Framework places greater emphasis on both nature- and climate-related risks, including a close examination of land use of all green lending to new building projects
- Framework Use of Proceeds: The eligible ICMA green project categories included are Green Buildings and Energy Efficiency, Renewable Energy, Clean Transportation, Green Buildings, Pollution Prevention and Control, Sustainable Water and Wastewater Management, Environmentally Sustainable Management of Living Natural Resources and Land Use and Climate Change Adaptation
- S&P Global attributed a Medium Green shade to KBN's Framework in recognition of the issuer's thorough selection process and stringent documentation requirements for green lending and going a step beyond in this iteration by also committing to getting an external assessment on impact reporting in future

**Issue Details**

- On Thursday 18th April 2024, Kommunalbanken Norway (KBN), rated Aaa (Moody's) / AAA (S&P), launched and priced a new 5-year Euro benchmark with a reoffer spread of MS+11bps, which equated to 48.6bps over the OBL 2.1% 2029. The transaction priced with a 2.875% annual coupon, a re-offer price of 99.583% and 2.966% re-offer yield.
- KBN took advantage of the constructive market backdrop and clear window in primary issuance, announcing the mandate for a new 5-year benchmark on Wednesday 17th April 2024.
- Orderbooks opened the following morning at 8am London time with price guidance of MS+14bps area to strong investor reception. Within two hours, demand was in excess of EUR2.3bn, allowing spread to be set 3bps inside IPTs at MS+11bps area.
- Final orderbooks were in excess of EUR2.7bn with demand from over 75 investors, its largest and most oversubscribed orderbook to date. The inaugural Euro Green benchmark received strong support from ESG accounts.
- There was particularly strong take up from DACH (24%) and Benelux accounts (24%), with diversified demand across Europe. In terms of investor type the deal enjoyed demand from Central Banks / Official Institutions (58%), Asset Managers (23%), Banks (14%) and Insurance (5%).

**Sales Distribution**



**Bookrunner Quotes**

*“Congratulations to the KBN team on an outstanding result for their inaugural green transaction in euros. KBN was able to leverage the recent update to their green bond framework to generate strong investor demand, which in turn enabled a 3bps move in spread from initial guidance. This transaction demonstrates the strong global support for KBN’s green lending programme. Citi is delighted to have been involved!”* **Alex Barnes, Head of Global SSA Syndicate, Citi**

*“Congratulations to the KBN team on today’s 5-year Euro, and new green bond framework. The 2024 framework strengthens criteria for green lending while placing greater emphasis on both nature- and climate-related risks, receiving credit in the second party opinion by S&P and Medium Green shading. Investor reception today was overwhelmingly supportive with demand over €2.7bn, allowing for a 3bps tightening on price”* **Elena Farrell, DCM Managing Director, HSBC**



*“Congratulations to the KBN team for the successful return to the Euro market with its first Green bond in this currency. The reception by investors was overwhelming and reflects not only the signature and interest in the new updated Green framework, but the strategy undertaken by the funding team. In selecting this window, KBN took advantage of optimal conditions to target an impressive final spread that cements an attractive new point on the curve. Results from today will only further encourage future transactions and we look forward to watching the continued success of KBN.” Emmanuel Smiecench, Co-Head Public Sector Origination & Syndication, Natixis*

### **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.