

# Kommunalbanken Norway (KBN)

## CAD500 million 3-Year Green Benchmark

Bond Summary Terms	
Issuer:	Kommunalbanken Norway (KBN)
Ratings:	Aaa (Stable) / AAA (Stable) by Moody's / S&P
Format:	RegS / 144A
Pricing date:	27 September, 2023
Size:	CAD 500 million
Coupon:	4.900%, Fixed, S/A, Act/Act
Re-Offer Price:	99.771%
Re-Offer Spread:	CORRA MS + 24bps
Re-Offer Spread to Benchmark:	CAN 1% Sep-26 + 41.5bps
Payment date:	05 October, 2023 (T+5)
Maturity date:	05 October, 2026
Joint lead managers:	BMO Capital Markets, CIBC Capital Markets, National Bank Financial, Scotiabank

### Transaction Highlights

- **A successful CAD transaction**, representing KBN's return to the CAD Green Bond market after the 5-Year CAD Green Bond in November 2022.
- **The first time KBN accessing the CAD market twice within a year** since launching the inaugural CAD offering in 2021, entailing exceptional investor support and KBN's strong commitment to the CAD market.
- **KBN captured robust demand in the 3-Year space** tested by other new issues recently **and the favourable cross-currency levels** to successfully price the new 3-Year CAD Benchmark.
- **A high-quality orderbook of over CAD790 million (incl. JLM) across 28 well-diversifying accounts.**

### Transaction Details

- On Wednesday September 27<sup>th</sup>, Kommunalbanken AS ("KBN"), rated Aaa/AAA, successfully priced a CAD500 million 3-Year Green Benchmark at CORRA MS + 24bps, the equivalent of CAN 1% Sep-26 + 41.5bps.
- The transaction was launched in a constructive market environment and investors remained active for high quality credit. In addition, the transaction benefited from exceptional support from ESG investors on KBN's Green Bond Framework.
- The new October 2026 RegS/144a CAD Green Benchmark was announced at 16:00 CET on Tuesday 26<sup>th</sup> September 2023 with spread set at CORRA MS + 24bps.
- The transaction attracted strong lols after the deal announcement, amounting over CAD 450 million (including JLMs) by the time books opened on the following London morning. The books continued to gain momentum and grow steadily during the day.
- The orderbooks were closed in excess of CAD790 million (including JLMs) at 15:00 CET, giving KBN an absolute comfort to set the size at CAD500 million. The bond was priced shortly at 16:38 CET at the reoffer yield of 4.983% and price of 99.771%.
- The transaction garnered solid interests with final books of over CAD790 million across a broad range of investors. Regarding regions, distribution was led by EMEA (47%), followed by Americas (47%) and APAC (6%). In terms of investor type, the orderbook was dominated by CBs/OIs (38%) and Banks (40%), and the remainder split among AM/FM/Insurance (22%).

### Dealer Quotes

*"Congratulations to the KBN team for another very successful outing in CAD. Investors were very receptive of the short tenor and of the Green format, resulting in KBN being able to achieve the largest ever order-book for a CAD deal and broad investor participation with over 25 buyers."* **Massimo Antonelli, Managing Director at BMO Capital Markets**

*“This is another reference trade for Kommunalbanken, the second this year, as they continue to build a Maple Bond curve. The name recognition in this market combined with the strength of their Green Bond framework has enabled them to comfortably raise CAD\$ 500 million today.”* **Anthony Vivès de Montal, Government Solutions Group at CIBC Capital Markets**

*“KBN’s C\$ 3yr Green transaction was met with strong and broad domestic and international demand. The issuer removed uncertainty by fairly pricing the transaction from the onset, allowing for books to develop quickly and momentum to persist throughout the book build. Both the Green aspect of the bond and the quality of the credit band value proposition fueled demand in a more volatile market. NBF was thrilled to partner with KBN on its second C\$ transaction YTD.”* **Scott Graham, Managing Director and Head of US Government Finance and SSA at National Bank Financial**

*“Scotiabank is proud to serve as Joint Bookrunner on KBN’s 3-year CAD 500mm Green Bond Benchmark transaction, its second CAD-denominated transaction of the year. With this transaction, KBN reinforced its commitment to the Canadian Dollar market as an important currency of its funding program. The success of this transaction is a testament to the growing appeal of the KBN name and its Green Bond Framework among investors in the CAD space. Congratulations to the KBN team!”* **Cesare Roselli, MD & Head of Europe DCM & SSA Origination at Scotiabank**

## Orderbook Allocation

### By Geography

Americas	47%
EMEA	47%
APAC	6%

### By Investor Type

Central Banks / Official Institutions	38%
Banks	40%
Asset Managers / Fund Managers / Insurance	22%

## About KBN

- Created by Act of Parliament in 1926/1999, KBN has a public policy mandate from the central government to provide low-cost finance to the Norwegian local government sector. KBN’s sole purpose is to grant loans to local and regional governments or inter-municipal companies, in line with KBN’s public policy mandate.
- KBN is 100% owned by the Kingdom of Norway (Aaa/AAA), representing the closest proxy to Norwegian sovereign risk in international markets.
- The use of the proceeds of the Green Bonds will be used to finance or re-finance Eligible Projects that have been evaluated and selected by KBN in accordance with the Green Bond Framework.
- **KBN’S Green Bond Framework:** <https://www.kbn.com/globalassets/dokumenter/funding/green-bond-documents/kbn-green-bond-framework-21.pdf>

