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Press release →

New Kangaroo Bond programme of LBBW

LBBW issues a debut A\$ 750 million Kangaroo bond

- **New Kangaroo programme enables further diversification of funding**
- **First bond of its kind from a German commercial bank**
- **LBBW's debut issue in Australian dollars was met with high investor demand**

On the 25th of July, LBBW made its successful debut in the Australian bond market: The bank established a Kangaroo Bond programme – a dedicated issuance programme specifically designed for accessing the Australian bond market – for the purpose of this issuance. The debut A\$ 750 million, Senior Preferred bond transaction has a maturity of five years and represents the first of its kind from a German commercial bank. The transaction was placed with a broad range of investors across Australia and Asia.

Patrick Steeg, Head of Asset and Liability Management at LBBW: “For many years, LBBW has strategically focused on accessing diverse sources of funding. The establishment of the Kangaroo Bond programme allows LBBW to further diversify its sources of funding internationally.” LBBW has raised funding already through various funding programmes and products, not just in the EUR market, but also denominated in US Dollar, British Pound, Swiss Franks as well as Singapore Dollar and Hong Kong Dollars.

Jan Krüger, Head of Financial Markets Asia Pacific added, “The successful issuance evidences the strength of LBBW’s APAC Financial Markets team and highlights the importance of the Asia-Pacific region for the growth and resilience of the bank.”

High demand for LBBW's first Kangaroo Bond

The Kangaroo Bond was met with very high demand. The final order book peaked at over A\$ 1.6 billion and included 70 international investors. LBBW therefore increased the originally planned issue volume of up to A\$ 500 million for its debut bond to A\$ 750 million. The high demand also made it possible to price the bond at 127 basis points above the local Australian benchmark interest rate (BBSW) - and thus below the originally planned marketing level of 135 basis points above BBSW. The strong investor demand and the definitive spread tightening made this first transaction in Australian dollars a resounding success for LBBW.

The establishment of the Kangaroo Bond programme demonstrates LBBW's commitment to being a repeat issuer in the Australian bond market. This successful debut transaction marks a strong start and an important milestone.

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