

## MIFID II product governance – Professional investors and ECPs only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, *MIFID II*); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a *distributor*) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the SFA) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the CMP Regulations 2018), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).

### FINAL TERMS

EUR 500,000,000 0.625 per cent. Fixed Rate Notes due 21 November 2039 pursuant to its EUR 30,000,000,000 Euro Medium Term Note Programme

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 28 March 2019 (the *Information Memorandum*). These Final Terms must be read in conjunction with such Information Memorandum.

- |    |                                   |   |
|----|-----------------------------------|---|
| 1. | Issuer:                           | KommuneKredit   |
| 2. | (i) Series Number:                | I19Z151418  |
|    | (ii) Tranche Number:              | 1   |
| 3. | Specified Currency or Currencies: | Euro (EUR)  |
| 4. | Aggregate Nominal Amount:         |   |
|    | (i) Series:                       | EUR 500,000,000   |
|    | (ii) Tranche:                     | EUR 500,000,000   |
| 5. | (i) Issue Price:                  | 99.775 per cent. of the Aggregate Nominal Amount        |
|    | (ii) Net Proceeds:                | EUR 497,750,000   |
| 6. | (i) Specified Denominations:      | EUR 100,000 and integral multiples of EUR 1,000 thereof |
|    | (ii) Calculation Amount:          | EUR 1,000   |
| 7. | (i) Issue Date:                   | 19 November 2019  |

(ii) Interest Commencement Date:	Issue Date
8. Maturity Date:	21 November 2039
9. Interest Basis:	0.625 per cent. per annum Fixed Rate
10. Redemption/Payment Basis:	Redemption at par
11. Change of Interest or Redemption/Payment Basis:	Not Applicable
12. Put/Call Options:	Not Applicable
13. Status of Notes:	Senior
14. Listing:	Luxembourg regulated market
15. Method of distribution:	Syndicated

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16. Fixed Rate Note Provisions:	Applicable
(i) Rate of Interest:	0.625 per cent. per annum payable annually in arrear
(ii) Interest Payment Dates:	21 November in each year up to and including Maturity Date
(iii) Business Day Convention:	Following Business Day Convention. For the avoidance of doubt, the Following Business Day Convention shall only apply in the case of payment. The Interest Payment Dates will not be adjusted for the calculation of interest and there will be no adjustment of any Fixed Interest Period.
(iv) Additional Business Centres:	London
(v) Fixed Coupon Amount:	EUR 6.25 per Calculation Amount
(vi) Broken Amount:	EUR 6.28 in respect of the period from and including the Issue Date to but excluding the first Interest Payment Date.
(vii) Day Count Fraction:	Act/Act ICMA, Following Unadjusted
(viii) Determination Date(s):	Not Applicable
(ix) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
17. Floating Rate Note Provisions:	Not Applicable
18. Zero Coupon Note Provisions:	Not Applicable

19. Index-Linked Interest Note Provisions:	Not Applicable
20. Dual Currency Note Provisions:	Not Applicable
21. Equity-Linked Interest Note Provisions:	Not Applicable
22. Commodity-Linked Interest Note Provisions:	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

23. Issuer Call:	Not Applicable
24. Investor Put:	Not Applicable
25. Final Redemption Amount:	EUR 1,000 per Calculation Amount
26. Equity-Linked Redemption Note Provisions:	Not Applicable
27. Commodity-Linked Redemption Note Provisions:	Not Applicable
28. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	Not Applicable

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

29. Form of Notes:	Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.
30. New Global Note:	Yes
31. Additional Financial Centre(s) or other special provisions relating to Payment Dates:	London
32. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
33. Details relating to Partly Paid Notes:	Not Applicable
34. Details relating to Instalment Notes:	Not Applicable
35. Redenomination, renominalisation and reconventioning provisions:	Not Applicable
36. Consolidation provisions:	Not Applicable
37. Other terms or special conditions:	<i>Use of Proceeds</i> An amount equal to the net proceeds of the issue will be credited to a separate portfolio, which will allow the Issuer to track

the Earmarked Proceeds of the issuance. The Green Bond Portfolio will finance the Eligible Projects.

The outstanding notional of the Issuer credit facilities and loans to Eligible Projects are tracked under another special portfolio (referred to as the Green Loan Portfolio).

KommuneKredit intends to build up principal in the Green Loan Portfolio before a Green Bond is issued. However if a Client makes a larger, unexpected redemption, and the Green Bond Portfolio is temporarily larger than the Green Loan Portfolio, the Earmarked Proceeds will temporarily be invested in accordance with the Issuer's general Investment Policy. The ambition is to maintain an adequate outstanding notional in the Green Loan Portfolio to more than match the outstanding notional in the Green Bond Portfolio even with a suitable buffer to absorb unexpected redemptions.

Eligible Projects are defined as a selected pool of credit facilities and loans granted by the Issuer which are financing partly or in whole, a Client's project or investment that promotes transition of a low carbon and climate resilient growth as determined by the Issuer and fit within the Eligible categories of: Water management, District Heating, Energy Efficiently and Clean transportation as defined within the Green Bond Framework. This Framework will be available on the Issuer's website: [www.kommunekredit.com/Investor-Info/Green-Bonds/Framework](http://www.kommunekredit.com/Investor-Info/Green-Bonds/Framework).

The Issuer will provide an annual investor letter. The investor letter as well as the use of proceeds, distribution between re-financing and new financing, tracking and management of funds will be assured by the Issuer's internal

auditor. The investor letter and opinion of the internal auditor will be made publically available on the Issuer's webpage

[www.kommunekredit.com](http://www.kommunekredit.com)

The Managers make no assurances as to: (i) whether the Notes will meet investor criteria and expectations with regard to environmental impact and sustainability performance for any investors; (ii) whether the use of the net proceeds will be used for Eligible Projects; or (iii) the characteristics of the Eligible Projects, including their environmental and sustainability criteria.

*Supplement to the Information Memorandum*

For the purposes of this issue of Notes, a supplement is made to the section "*Investor Considerations – Risks related to Notes generally*" in the Information Memorandum as set out in Annex A hereto.

## **DISTRIBUTION**

- |   |   |
|---|---|
| 38. (i) If syndicated, names of Managers: | Crédit Agricole Corporate and Investment Bank<br>Merrill Lynch International<br>Skandinaviska Enskilda Banken AB (publ) |
| (ii) Stabilising Manager (if any):        | Merrill Lynch International   |
| 39. If non-syndicated, name of Dealer:    | Not Applicable  |
| 40. Additional selling restrictions:      | Not Applicable  |

## **OPERATIONAL INFORMATION**

- |  |                |
|--|----------------|
| 41. ISIN Code:   | XS2081058096   |
| 42. Common Code:   | 208105809      |
| 43. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable |

- |   |                          |
|---|--------------------------|
| 44. Delivery:   | Delivery against payment |
| 45. Additional Paying Agent(s):   | Not Applicable           |
| 46. Intended to be held in a manner which would allow Eurosystem eligibility: | Yes                      |

Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of Euroclear Bank SA/NV or Clearstream Banking SA as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

## **LISTING APPLICATION**

These Final Terms comprise the details required to list the issue of Notes described herein pursuant to the listing of the EUR 30,000,000,000 Euro Medium Term Note Programme of KommuneKredit.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: .....

Duly authorised

## ANNEX A

The following text shall be deemed inserted at the end of *“Investor Considerations - Risks related to Notes generally”* in the Information Memorandum:

**“In respect of any Notes issued with a specific use of proceeds, such as a Green Bond, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor**

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer’s intention to apply the proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and other environmental purposes (“Eligible Projects”). Prospective investors should have regard to the information set out in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer, the Arranger or any Dealer that the use of such proceeds for any Eligible Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects. Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green” or “sustainable” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green” or “sustainable” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Projects will meet any or all investor expectations regarding such “green”, “sustainable” or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Eligible Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Information Memorandum. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other



person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Eligible Projects in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Projects. Nor can there be any assurance that such Eligible Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Eligible Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.”