

*The Bond Terms are prepared in Danish and translated into English. In case of discrepancies between this version and the Danish version, the Danish version shall prevail. This document is for informational purposes only.*

## **BOND TERMS FOR KOMMUNEKREDIT 1% BULLET LOAN FOR SUBSIDIZED HOUSING DUE 2030**

### **Fixed rate non-callable bonds (hereafter "the Bonds")**

Issuer	KommuneKredit (hereafter "KommuneKredit" or the "Issuer").
Legal Framework	<p>KommuneKredit is established by Act (Lov om kreditforeningen af kommuner og regioner i Danmark).</p> <p>KommuneKredit's purpose is to provide lending and financial leasing to municipalities, regions, municipal companies and other institutions that are jointly and severally liable for loans raised, or in which one or more municipalities or regions participate, or to institutions, where one or more municipalities or regions have guaranteed the loan amount.</p> <p>As supervisory authority the Ministry of Industry, Business and Financial Affairs ensures compliance with the Act and regulations issued pursuant to the Act.</p>
Issuer's CVR (VAT) number	22128612
Issuer's LEI Number	529900D8QLTZ6PRLJL76
Issuer Rating	Aaa (Moody's) / AAA (S&P)
Are the Bonds to be rated?	Yes
Bond Rating (expected)	Aaa (Moody's) / AAA (S&P)
ISIN Code	DK0008931454
Series Number	Series 348
Bond Type	Bullet loan. The Bonds are non-callable. The Bonds are redeemed in full on the Maturity Date or the first Banking Day thereafter.
Denomination	Danish kroner (DKK)
First day of Listing	12 November 2019

## BOND TERMS

Closing Date	30 November 2029
Maturity Date	1 January 2030
Denomination	DKK 0.01
Form of Bonds	No definitive bonds are issued. The Bonds are issued as dematerialized Bonds registered at the Place of Registration.
Negotiability	The Bonds are negotiable debt instruments. The Bonds are non-registered.
Status of Bonds	Senior unsecured
Liability	All claims against KommuneKredit are secured through the members' joint and several liability for all of KommuneKredit's liabilities. The members can only be Danish municipalities and regions. If KommuneKredit defaults on a payment obligation relating to the bonds, the bondholders can, effective immediately, assert a claim against any of KommuneKredit's members.
Callability	The Bonds are irredeemable by the bondholders.
Conditional renewal of term to maturity	Yes. See 'Other terms and conditions'.
<b>Interest and Payment</b>	
Interest Basis	Fixed Rate
Nominal Interest Rate	1 per cent per annum
Yield to maturity	Cannot be specified, as the Bonds are issued on an ongoing basis.
Interest Rate Spread per annum	Not applicable as the Bonds are Fixed Rate.
Reference Rate	Not applicable as the Bonds are Fixed Rate.
Fixing	Not applicable as the Bonds are Fixed Rate.

## BOND TERMS

Fixing method	Not applicable as the Bonds are Fixed Rate.
Fixing period	Not applicable as the Bonds are Fixed Rate.
Information on movements in the price for the money market rate which forms basis for the reference rate	Not applicable as the Bonds are Fixed Rate.
Day Count Fraction	Act/Act (ICMA)
Number of Interest Rate Periods per annum	1
Interest Rate Periods	1 January – 31 December  Interest is calculated from and including the first day of the Interest Rate Period to and including the last day of the of the Interest Rate Period (unadjusted). The first Interest Rate Period commences on 1 January 2018.
Payment Dates for Interest	1 January of each year from and including 1 January 2019 to and including the Maturity Date. If the Payment Date for Interest is a day, which is not a Banking Day, payment is postponed to the following Banking Day.
Banking Day	Danish Banking Days  Danish Banking Day means any day on which Danish payment service providers and Danish commercial banks are open for general business.
Payments	Payment of interest etc. are made via transfer on the relevant date to the designated financial institution.
Redemption	Bonds are redeemed on the Maturity Date.

### **Underlying loans**

Are the bonds based on underlying loans?	Yes  The Bonds issued are used to fund rate-adjustable loans for housing for the
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## BOND TERMS

	elderly in accordance with the relevant laws.
Bullet loans	No
Annuity loans	Yes
Serial loans	No
Interest-only option offered to borrowers	No
Callable	No
Borrower's Early Redemption	The Borrower may only redeem a loan early by making payment in bonds from the series and the interest rate through which the loan was raised.
Redemption Price at Maturity	100

### **Securities Depository and Regulated Market**

Place of Registration	VP Securities A/S Weidekampsgade 14 P.O. Box 4040 DK-2300 Copenhagen S. Denmark
Place of Listing	The Bonds are listed on Nasdaq Copenhagen A/S.
Date of Listing	12 November 2019
Calculation Agent	Issuer

### **Costs and offering**

Costs of admission to trading on a regulated market	Costs shall not be covered by investor.
Costs payable by investor	Investors are themselves responsible for checking which trade costs for example commissions and/or charges of extra brokerage fees are imposed by third parties in connection with the purchase of the Bonds.
Issue Price	Market price

## BOND TERMS

Settlement	The Bonds are traded 2 Banking Days prior to Settlement.
Outstanding Amount	The Outstanding Amount of Bonds issued in this series will be announced regularly at the website of Nasdaq Copenhagen A/S <a href="http://www.nasdaqomxnordic.com">www.nasdaqomxnordic.com</a> .
Offer Period	There will not be any public offering as the Bonds are sold by the Issuer via the regulated market at the Place of Listing.
Limitations for the investor	The Issuer has not imposed limitations on the individual investor's right to subscribe for the Bonds.
Access to information on bondholders	No
Agreements on placement/underwriting of the offer	The Issuer has not entered into any binding agreements with any third party concerning the placement and/or underwriting of the issue of the Bonds.
Agreements on market making	The Issuer has not entered into any agreement with any third party concerning market making in the Bonds.
Taxation	<p>The Issuer shall not be held liable for any changes in the tax treatment of the Bonds or in the tax position of the bondholders – including any withholding of tax of any kind or collection of tax at source imposed by public authorities.</p> <p>All bondholders are encouraged to seek separate and individual advice.</p>
Limitation	The Bonds are subject to limitation in accordance with the Act on Limitation in respect of a claim.
Governing law and jurisdiction	The Bonds, and legal matters related hereto, are governed by Danish law. The judicial district, in which KommuneKredit has its headquarters at any given time, will have jurisdiction.
<b>Other terms and conditions</b>	
Conditional extension of the term to maturity	When the Bonds are used to finance KommuneKredit's rate-adjustable loans and the term to maturity of an rate-

## BOND TERMS

adjustable loan is longer than the term to maturity of the Bonds, it shall apply to the Bonds, which on maturity are to be replaced by new bonds refinancing the rate-adjustable loan, that, if there are not enough buyers for all the required new bonds, then the term to maturity of the Bonds in question is extended by 12 months at a time, until refinancing can be completed with enough buyers for all the required new bonds. Thus, all or part of this series may be subject to extension.

Interest on the Bonds, which are subject to an extension on the term to maturity, is fixed at the Yield-to-maturity of a bond with an 11-14 months remaining term to maturity, fixed 11-14 months prior, plus 5 percentage points. Interest is fixed the first time the term to maturity of the Bonds is extended. Further extension of the term to maturity will not cause a change in interest.

### Other Definitions

Day Count Fraction Act/Act (ICMA)

Means that:

- for a period corresponding to a whole Interest Rate Period the coupon payment per Denomination is calculated as:  $\text{Denomination} * \text{Nominal Interest Rate} / \text{Number of annual Interest Rate Periods}$ ,
- for a period, which is shorter than the whole Interest Rate Period, the coupon payment per Denomination shall be calculated as:  $\text{Denomination} * (\text{Nominal Interest Rate} / \text{Number of annual Interest Rate Periods}) * (\text{Actual number of days in the period} / \text{Number of days in the Interest Rate Period})$ ,
- for a period, which is longer than the whole Interest Rate Period, the coupon payment per Denomination shall be calculated as the sum of:
  - $\text{Denomination} * (\text{Nominal Interest Rate} / \text{Number of annual Interest Rate Periods}) * (\text{Actual number of days to fall within the Interest Rate Period in which the period starts} / \text{Number of days in$

## BOND TERMS

- the Interest Rate Period in which the period starts), and
- Denomination \* (Nominal Interest Rate / Number of annual Interest Rate Periods) \* (Actual number of days falling within the Interest Rate Period in which the period ends / Number of days in the Interest Rate Period in which the period ends).

Copenhagen, 5 November 2019

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Henrik Andersen

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Eske Hansen