

26 January 2021

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 (a) in the European Economic Area, eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MIFID II**) and (b) in the United Kingdom, eligible counterparties (as defined in the FCA Handbook Conduct of Business Sourcebook) and professional clients (as defined in Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018) only; 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 (a) MIFID II and/or (b) the FCA Handbook Product Intervention and Product Governance Sourcebook, 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

USD 1,000,000,000 0.500 per cent. Fixed Rate Notes due 28 January 2026 (the **Notes**) 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 27 March 2020 (the **Information Memorandum**). These Final Terms must be read in conjunction with the Information Memorandum.

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| 1. | Issuer: | KommuneKredit |
| 2. | (i) Series Number: | I21Z162243 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | U.S dollar (USD) |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | USD 1,000,000,000 |
| | (ii) Tranche: | USD 1,000,000,000 |
| 5. | (i) Issue Price: | 99.539 per cent. of the Aggregate Nominal Amount |

	(ii) Net Proceeds:	USD 994,140,000.00
6.	(i) Specified Denominations:	USD 200,000 and multiples of USD 1,000 thereafter
	(ii) Calculation Amount:	USD 1,000
7.	(i) Issue Date:	28 January 2021
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	28 January 2026
9.	Interest Basis:	0.500 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:	0.500 per cent. per annum payable annually in arrear
	(ii) Interest Payment Dates:	28 January in each year up to and including Maturity Date, commencing on 28 January 2022
	(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 and New York
	(v) Fixed Coupon Amount:	USD 5.00 per Calculation Amount

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| (vi) | Broken Amount: | Not Applicable |
| (vii) | Day Count Fraction: | 30/360, Following Unadjusted |
| (viii) | Determination Date(s): | Not Applicable |
| (ix) | Other terms relating to the method of calculating interest for Fixed Rate Notes: | |
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: USD 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.

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| 30. New Global Note: | Yes |
| 31. Additional Financial Centre(s) or other special provisions relating to Payment Dates: | London and New York |
| 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, renominatisation and reconventioning provisions: | Not Applicable |
| 36. Consolidation provisions: | Not Applicable |
| 37. Other terms or special conditions: | Not Applicable |

DISTRIBUTION

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|---|---|
| | Bank of Montreal, London Branch |
| 38. (i) If syndicated, names of Managers: | BofA Securities Europe SA
Daiwa Capital Markets Europe Limited
RBC Europe Limited |
| (ii) Stabilising Manager (if any): | BofA Securities Europe SA |
| 39. If non-syndicated, name of Dealer: | Not Applicable |
| 40. Additional selling restrictions: | Not Applicable |

OPERATIONAL INFORMATION

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| 41. ISIN Code: | XS2291068992 |
| 42. Common Code: | 229106899 |
| 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: