

## FINAL TERMS

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Mortgage Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (as defined below). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Mortgage Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Mortgage Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Mortgage Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Mortgage Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Mortgage Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Mortgage Covered Bonds has led to the conclusion that: (i) the target market for the Mortgage Covered Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Mortgage Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Mortgage Covered Bonds (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 Mortgage Covered Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**UK MIFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Mortgage Covered Bonds has led to the conclusion that: (i) the target market for the Mortgage Covered Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Mortgage Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Mortgage Covered Bonds (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Mortgage Covered Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

**NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (as amended) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Mortgage

Covered Bonds to be capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in the Monetary Authority of Singapore (the MAS) Notice SFA 04-N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

18 January 2021

**Komerční banka, a.s.**

**Legal Entity Identifier (LEI): IYKCAVNFR8QGF00HV840**

**Issue of €500,000,000 0.01 per cent. Mortgage Covered Bonds (in Czech, *hypoteční zástavní listy*) due 2026 under the €5,000,000,000 Mortgage Covered Bond (in Czech, *hypoteční zástavní list*) Programme**

## **Part A – Contractual Terms**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 4 January 2021 (the **Base Prospectus**) which constitutes a base prospectus for the purposes of Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the **Prospectus Regulation**). This document constitutes the Final Terms of the Mortgage Covered Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)). The Final Terms will also be published on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

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|----|-----|--|---|
| 1. | (a) | Series Number:   | 1   |
|    | (b) | Tranche Number:  | 1   |
|    | (c) | Date on which the Mortgage Covered Bonds will be consolidated and form a single Series:  | Not Applicable  |
| 2. |     | Specified Currency or Currencies:  | EUR   |
| 3. |     | Aggregate Nominal Amount:  |   |
|    | (a) | Series:  | €500,000,000  |
|    | (b) | Tranche:   | €500,000,000  |
| 4. |     | Issue Price:   | 101.640 per cent. of the Aggregate Nominal Amount   |
| 5. | (a) | Specified Denominations:   | €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Mortgage Covered Bonds in definitive form will be issued with a denomination above €199,000. |
|    |     | (As referred to under Condition 1 (Form, Denomination and Title) (in the case of Registered Mortgage Covered Bonds, this means the minimum integral amount in which transfers can be made) |   |
|    | (b) | Calculation Amount:  | €1,000  |
|    |     | As referred to under Condition 4.1 (Interest on Fixed Rate Mortgage Covered Bonds) and Condition 4.2(d) (Determination of Rate of Interest and calculation of Interest Amounts))           |   |

6. (a) Issue Date: 20 January 2021

(b) Trade Date: 13 January 2021

(c) Interest Commencement Date:

(As referred to under Condition 4.1 (Interest on Fixed Rate Mortgage Covered Bonds) and Condition 4.2(a) (Interest Payment Dates))

(i) Period to Maturity Date: Issue Date

(ii) Period from Maturity Date to Extended Maturity Date: Maturity Date

7. Maturity Date: 20 January 2026

8. Extended Maturity Date: 20 January 2027

In accordance with the Conditions, if the Issuer or the Covered Block Administrator fails to redeem all Mortgage Covered Bonds of the Relevant Series in full on the Maturity Date or within 14 Business Days thereafter, the maturity of the principal amount outstanding of the Mortgage Covered Bonds of the Relevant Series will automatically be extended up to the Extended Maturity Date and such extension shall constitute an Issuer Event of Default (as defined in Condition 9.1 (Issuer Events of Default)), but it shall not give any Mortgage Covered Bondholder any right to receive any payment of interest, principal or otherwise on the relevant Mortgage Covered Bonds other than as expressly set out in the Conditions and, for the avoidance of doubt, shall not itself constitute a breach of the Conditions by the Issuer or give any Mortgage Covered Bondholder any right to seek damages from the Issuer or any other person. In that event, the interest rate payable on, and the interest periods and Interest Payment Dates, in respect of the Mortgage Covered Bonds, will change from those that applied up to the Maturity Date and the Issuer may and, if the Czech National Bank (“CNB”) has appointed the Covered Block Administrator and to the extent there are sufficient monies available in the International Covered Block and it is permitted by the applicable law, the Covered Block Administrator shall, redeem all or part of the principal amount outstanding of those Mortgage Covered Bonds on an Interest Payment Date falling after the Maturity Date up to and including

the Extended Maturity Date, all in accordance with the Conditions. See Conditions 4.4 (Interest Rate and Payments from the Maturity Date in the Event of Extension of Maturity of the Mortgage Covered Bonds up to the Extended Maturity Date) and 6.9 (Extension of Maturity up to Extended Maturity Date).

9. Interest Basis:

(As referred to under Condition 4 (Interest))

(a) Period to (and including) Maturity Date: 0.01 per cent. Fixed Rate per annum

(further particulars specified below)

(b) Period from (but excluding) Maturity Date up to (and including) Extended Maturity Date: 1 month EURIBOR + 0.12 per cent. per annum

(further particulars specified below)

10. Redemption Basis:

(As referred to under Condition 6 (Redemption and Purchase))

Subject to any purchase and cancellation or early redemption, the Mortgage Covered Bonds will be redeemed on the Maturity Date (or, if applicable, the Extended Maturity Date) at 100 per cent. of their nominal amount

11. Change of Interest Basis:

(As referred to under Condition 4 (Interest))

If the maturity of the principal amount outstanding of the Mortgage Covered Bonds is extended beyond the Maturity Date up to the Extended Maturity Date in accordance with Condition 6.9 (Extension of Maturity up to Extended Maturity Date), the interest rate payable on, and the interest periods and Interest Payment Dates, in respect of the Mortgage Covered Bonds, will change from those that applied up to the Maturity Date and be made in accordance with the Floating Rate Mortgage Covered Bond Provisions. See paragraph 9 above and refer to paragraphs 13 and 14 below for further particulars.

12. Issuer Call:

Not Applicable

(As referred to under Condition 6.4 (Redemption at the Option of the Issuer (Issuer Call)))

**Provisions Relating to Interest (if any) Payable**

13. Fixed Rate Mortgage Covered Bond Provisions

(As referred to under Condition 4.1 (Interest on Fixed Rate Mortgage Covered Bonds))

(a) To Maturity Date: Applicable

- (b) From Maturity Date up to Extended Maturity Date: Not Applicable
- (i) Rate(s) of Interest:
- (A) To Maturity Date: 0.01 per cent. per annum payable in arrear on each Interest Payment Date
- (B) From Maturity Date up to Extended Maturity Date: Not Applicable
- (ii) Interest Payment Date(s):
- (A) To Maturity Date: 20 January in each year, commencing on 20 January 2022 up to and including the Maturity Date.
- (B) From Maturity Date up to Extended Maturity Date: Not Applicable
- (iii) Fixed Coupon Amount(s):
- (A) To Maturity Date: EUR 0.1 per Calculation Amount
- (B) From Maturity Date up to Extended Maturity Date: Not Applicable
- (iv) Broken Amount(s):
- (A) To Maturity Date: Not Applicable
- (B) From Maturity Date up to Extended Maturity Date: Not Applicable
- (v) Day Count Fraction:
- (A) To Maturity Date: Actual/Actual (ICMA)
- (B) From Maturity Date up to Extended Maturity Date: Not Applicable
- (vi) Determination Date(s):
- (A) To Maturity Date: 20 January in each year
- (B) From Maturity Date up to Extended Maturity Date: Not Applicable

14. Floating Rate Mortgage Covered Bond Provisions

(As referred to under Condition 4.2 (Interest on Floating Rate Mortgage Covered Bonds))

- (a) To Maturity Date: Not Applicable
- (b) From Maturity Date up to Extended Maturity Date: Applicable

- (i) Specified Period(s)/Specified Interest Payment Dates:
- (A) To Maturity Date: Not Applicable
- (B) From Maturity Date up to Extended Maturity Date: 20<sup>th</sup> day in each month, commencing on 20 February 2026 up to and including the Extended Maturity Date, subject to adjustment in accordance with the Business Day Convention set out in (ii) below.
- (ii) Business Day Convention:
- (A) To Maturity Date: Not Applicable
- (B) From Maturity Date up to Extended Maturity Date: Modified Following Business Day Convention
- (iii) Additional Business Centre(s):
- (A) To Maturity Date: Not Applicable
- (B) From Maturity Date up to Extended Maturity Date: TARGET2 System
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined:
- (A) To Maturity Date: Not Applicable
- (B) From Maturity Date up to Extended Maturity Date: Screen Rate Determination
- (v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s): The Bank of New York Mellon, London Branch (the **Calculation Agent**)
- (vi) Screen Rate Determination:
- (A) To Maturity Date: Not Applicable
- (B) From Maturity Date up to Extended Maturity Date:
- Term Rate: Applicable
  - Overnight Rate: Not Applicable
  - Reference Rate and Relevant Financial Centre: Reference Rate: 1 month EURIBOR  
Relevant Financial Centre: Brussels
  - Specified Time: 11 a.m. in the Relevant Financial Centre

	• Interest Determination Date(s):	The second day on which the TARGET2 System is open prior to the start of each Interest Period
	• Relevant Screen Page:	Reuters Page EURIBOR01
	• Reference Rate Replacement:	Applicable
(vii)	ISDA Determination:	Not Applicable
(viii)	Linear Interpolation:	Not Applicable
(ix)	Margin(s):	
	(A) To Maturity Date:	Not Applicable
	(B) From Maturity Date up to Extended Maturity Date:	+ 0.12 per cent. per annum
(x)	Minimum Rate of Interest:	
	(A) To Maturity Date:	Not Applicable
	(B) From Maturity Date up to Extended Maturity Date:	Zero
(xi)	Maximum Rate of Interest:	
	(A) To Maturity Date:	Not Applicable
	(B) From Maturity Date up to Extended Maturity Date:	Not Applicable
(xii)	Day Count Fraction:	
	(A) To Maturity Date:	Not Applicable
	(B) From Maturity Date up to Extended Maturity Date:	Actual/360
15.	Zero Coupon Mortgage Covered Bond Provisions	Not Applicable

**Provisions Relating to Redemption**

16.	Notice periods for Condition 6.2	Minimum period: 5 days
	(Redemption for Tax Reasons):	Maximum period: 30 days
17.	Notice periods for Condition 6.3	Minimum period: 5 days
	(Redemption Due to Illegality or Invalidity):	Maximum period: 30 days
18.	Issuer Call:	Not Applicable
	(As referred to under Condition 6.4 (Redemption at the Option of the Issuer (Issuer Call)))	

19. Final Redemption Amount: €1,000 per Calculation Amount  
(As referred to under Condition 6.1 (Redemption at Maturity))
20. Early Redemption Amount payable on redemption for taxation reasons, due to illegality or invalidity or on event of default: €1,000 per Calculation Amount  
(As referred to under Condition 6.5 (Early Redemption Amounts))

**General Provisions Applicable to the Mortgage Covered Bonds**

21. Form of Mortgage Covered Bonds:  
Form: Registered Mortgage Covered Bonds:  
Registered Global Mortgage Covered Bond (EUR500,000,000 nominal amount) registered in the name of a nominee for a Common Safekeeper for Euroclear and Clearstream, Luxembourg  
New Safekeeping Structure: Yes
22. Additional Financial Centre(s): Prague and London  
(As referred to under Condition 5.7 (Payment Day))
23. Talons for future Coupons to be attached to definitive Mortgage Covered Bonds: Not Applicable

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on Luxembourg Stock Exchange's regulated market and for listing on the Official List of the Luxembourg Stock Exchange of the Mortgage Covered Bonds described herein.



**Signed** on behalf of Komerční banka, a.s.:

By:



*Duly authorised*

By:



*Duly authorised*

[Signature Page to the Final Terms]

## Part B – Other Information

### 1. Listing and Admission to Trading

- (a) Listing and Admission to trading: Application has been made by the Issuer (or on its behalf) for the Mortgage Covered Bonds to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and listing on the Official List of the Luxembourg Stock Exchange with effect on or around 20 January 2021.
- (b) Estimate of total expenses related to admission to trading: €3,600

### 2. Ratings

Ratings: The Mortgage Covered Bonds to be issued are expected to be rated AAA by Fitch Ratings Ireland Ltd (**Fitch** or the **Rating Agency**). Fitch's long-term credit ratings are set up along a scale from AAA, AA, A, BBB, BB, B, CCC, CC, C, RD down to D. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. As a result, there is no guarantee that the above rating will be maintained following the date of these Final Terms. Up-to-date information should always be sought by direct reference to the Rating Agency.

Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of 16 September 2009 of the European Parliament and of the Council on Credit Rating Agencies (as amended) (the **CRA Regulation**). The list of registered and certified rating agencies is published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

### 3. Interests of Natural and Legal Persons involved in the Issue

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Mortgage Covered Bonds has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

### 4. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

- (a) Reasons for the offer: See "Use of Proceeds" in the Base Prospectus
- (b) Estimated net proceeds: Aggregate Nominal Amount multiplied by Issue Price
- (c) Estimated total expenses: Information not required

5. **Yield** (*Fixed Rate Mortgage Covered Bonds Only*)
- Indication of yield: -0.315 per cent. per annum
6. **Historic Interest Rates** (*Floating Rate Mortgage Covered Bonds Only*) Details of historic EURIBOR rates can be obtained from Reuters.
7. **Operational Information**
- (a) ISIN: XS2289128162
- (b) Common Code: 228912816
- (c) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- (d) Delivery: Delivery against payment
- (e) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (f) Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "yes" simply means that the Mortgage Covered Bonds are intended upon issue to be deposited with either Euroclear or Clearstream, Luxembourg (together the **ICSDs**) as one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper), and does not necessarily mean that the Mortgage Covered Bonds 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 the ECB being satisfied that Eurosystem eligibility criteria have been met.
8. **Distribution**
- (a) If syndicated, names of Managers: Barclays Bank Ireland PLC  
J.P. Morgan AG  
Société Générale  
Norddeutsche Landesbank–Girozentrale–  
Landesbank Hessen–Thüringen Girozentrale
- (b) Date of Subscription Agreement: 18 January 2021
- (c) If non-syndicated, name of relevant Dealer: Not Applicable
- (d) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA not applicable