



KOMMUNE
KREDIT

KOMMUNEKREDIT

as Issuer

INFORMATION MEMORANDUM

€5,000,000,000

Euro-Commercial Paper Programme

UBS Investment Bank

as Arranger

Barclays

BofA Merrill Lynch

Citigroup

ING

UBS Investment Bank

as Dealers

IMPORTANT NOTICE

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the “**Information Memorandum**”) contains summary information provided by KommuneKredit (the “**Issuer**”) in connection with a euro-commercial paper programme (the “**Programme**”) under which the Issuer may issue and have outstanding at any time euro-commercial paper notes (the “**Notes**”) up to a maximum aggregate amount of €5,000,000,000 or its equivalent in alternative currencies. The Issuer has, pursuant to an amended and restated dealer agreement dated 18 December 2015 (the “**Dealer Agreement**”), appointed UBS Limited as arranger for the Programme (the “**Arranger**”), appointed Bank of America Merrill Lynch International Limited, Barclays Bank PLC, Citibank International Limited¹, ING Bank N.V. and UBS Limited as dealers for the Notes (the “**Dealers**”) and authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on their behalf to purchasers or potential purchasers of the Notes.

The Issuer has confirmed to the Arranger and the Dealers that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading.

Neither the Issuer, the Arranger nor the Dealers accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

No person is authorised by the Issuer to give any information or to make any representation not contained in the Information Memorandum and any information or representation not contained therein must not be relied upon as having been authorised.

Neither the Arranger nor any Dealer has independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by the Arranger or the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum is not and should not be construed as a recommendation by the Arranger, the Dealers or the Issuer that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor undertakes to advise any recipient of the Information Memorandum of any information or change in such information coming to the Arranger’s or any Dealer’s attention.

Neither the Arranger nor any of the Dealers accepts any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information

¹ Citibank International Limited will merge with Citibank Europe plc on 1 January 2016 and will thereafter be dissolved by operation of law. Following the transfer of Citibank International Limited’s assets and liabilities to Citibank Europe plc as part of such merger, Citibank Europe plc will become a Dealer under the Programme.

Memorandum and other information in relation to the Notes and the Issuer set out under "Selling Restrictions" below.

UNDER THE PROGRAMME, THE ISSUER MAY ISSUE NOTES OUTSIDE THE UNITED STATES PURSUANT TO REGULATION S ("REGULATION S") OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S).

No application will be made at any time to list the Notes on any stock exchange. A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received in connection with the issue or sale of any Notes will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

TAX

No comment is made or advice given by the Issuer, the Arranger or any Dealer in respect of taxation matters relating to the Notes and each investor is advised to consult its own professional adviser.

INTERPRETATION

In the Information Memorandum, references to Euro and € are to the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time; references to US Dollars and US\$ are to United States dollars; references to DKK are to Danish Kroner; references to Sterling and £ are to pounds sterling; references to JPY and ¥ are to Japanese Yen and references to CHF and Swiss Francs are to the lawful currency of Switzerland.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

DOCUMENTS INCORPORATED BY REFERENCE

The most recently published audited financial statements of the Issuer and any subsequently published interim financial statements (whether audited or unaudited) of the Issuer shall be incorporated in, and to form part of, this Information Memorandum.

Any statement contained in a document incorporated by reference into this Information Memorandum shall be modified or superseded to the extent that a statement contained in any subsequent document which also is incorporated by reference into this Information Memorandum modifies or supersedes such statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Information Memorandum.

Except as provided above, no other information, including information on the web site of the Issuer is incorporated by reference into this Information Memorandum.

Each Dealer will, following receipt of such documentation from the Issuer, provide to each person to whom a copy of this Information Memorandum has been delivered, upon request of such person, a copy of any or all the documents incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the relevant Dealer at its office as set out at the end of this Information Memorandum.

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TERMS AND CONDITIONS

Issuer:	KommuneKredit
Arranger:	UBS Limited
Dealers:	Bank of America Merrill Lynch International Limited Barclays Bank PLC Citibank International Limited ING Bank N.V. UBS Limited
Issue Agent and Principal Paying Agent:	Citibank, N.A., London Branch
Paying Agent:	Banque Internationale à Luxembourg, société anonyme
Maximum Amount of the Programme:	The outstanding principal amount of the Notes will not exceed €5,000,000,000 (or its equivalent in other currencies) at any time. The maximum amount may be increased from time to time in accordance with the Dealer Agreement.
Programme Ratings:	The Programme has been rated P-1 by Moody's Investors Service Ltd. (" Moody's ") and A-1+ by Standard & Poor's Credit Market Services Europe Limited (" S&P "). A 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 relevant rating agency.
Form of the Notes:	The Notes will be in bearer form. The Notes will initially be in global form (" Global Notes "). A Global Note will be exchangeable into definitive notes (" Definitive Notes ") only in the circumstances set out in that Global Note.
Delivery:	Global Notes will be deposited with a common depository for Euroclear Bank S.A./N.V. (" Euroclear ") and Clearstream Banking, société anonyme (" Clearstream, Luxembourg ") or with any other recognised clearing system. Account holders will, in respect of Global Notes, have the benefit of an amended and restated Deed of Covenant dated 18 December 2015 (the " Deed of Covenant "), copies of which may be inspected during normal business hours at the specified office of the Issuer and Principal Paying Agent. Definitive Notes (if any are printed) will be available in London for collection or for delivery to Euroclear, Clearstream, Luxembourg or any other recognised clearing system.
Currencies:	Notes may be denominated in Euro, US Dollars, Danish Kroner, Japanese Yen, Sterling or Swiss Francs or any other currency subject to compliance with any applicable legal and regulatory requirements.
Term of Notes:	The tenor of the Notes shall be not less than one day or more than 364 from and including the date of issue, subject to compliance with any applicable legal and regulatory requirements.
Denomination of the Notes:	Notes may have any denomination, subject to compliance with any applicable legal and regulatory requirements. The initial minimum denominations for Notes are €500,000, US\$500,000, DKK100,000, £100,000, CHF500,000 and ¥100,000,000. The minimum denominations of Notes denominated in other currencies will be in accordance with any applicable legal and regulatory requirements. Minimum denominations may be changed from time to time.
Listing:	The Notes will not be listed on any stock exchange.

Yield Basis:	<p>The Notes may be issued at a discount or may bear fixed or floating rate interest. Notes in respect of which interest is to be calculated in accordance with a specified reference rate or index will only be issued by the Issuer under the Programme if such reference rate or index is a customary inter-bank, money market or bond market reference rate such as, without limitation, Euribor, Libor or Eonia.</p> <p>The Issuer will not issue Notes under this Programme in respect of which the principal amount repayable upon final maturity is to be calculated in accordance with a specified reference rate or index.</p>
Status of the Notes:	<p>The Issuer's obligations under the Notes will constitute unsecured and unsubordinated obligations of the Issuer and will rank at least <i>pari passu</i> with all present and future unsecured and unsubordinated obligations of the Issuer other than obligations mandatorily preferred by law applying to companies generally.</p>
Selling Restrictions:	<p>Offers and sales of Notes and the distribution of this Information Memorandum and other information relating to the Issuer and the Notes are subject to certain restrictions, details of which are set out under "Selling Restrictions" below.</p>
Taxes:	<p>Subject to the limitations and exceptions set out in the Notes, all payments under the Notes will be made free and clear of withholding for any taxes imposed by The Kingdom of Denmark or any jurisdiction through or from which payments are made.</p>
Governing Law:	<p>The Notes and any non-contractual obligations arising out of or in connection therewith, will be governed by and construed in accordance with English law.</p>

DESCRIPTION OF THE ISSUER

Introduction

The establishment of KommuneKredit was authorised under Danish Parliamentary Act No. 35 of 19 March 1898 succeeded as of 1 January 2007 by Act No. 383 of 3 May 2006 (the "Act"). Its purpose is to provide loans to Danish local governments and to Danish semi-municipal institutions, which are fully guaranteed by local governments. KommuneKredit borrows funds in its own name and then on-lends the funds for capital investment purposes.

The members of KommuneKredit comprise kommuner (municipalities) and regioner (regions) which have loans outstanding from KommuneKredit or which have outstanding guarantees of loans made by KommuneKredit to semi-municipal institutions. Municipalities are the lowest tier of local government in Denmark in geographic terms and encompass the whole country. Regions are the second tier and comprise the territory of a number of municipalities. At 1 January 2015 the members of KommuneKredit comprised all municipalities and regions in Denmark. The members of KommuneKredit thereby represent 100 per cent of the Danish population.

The members of KommuneKredit are directly, jointly and severally liable for all of KommuneKredit's obligations including its borrowings.

The Notes are securities which are in the manner set forth in the articles of association of KommuneKredit unconditionally and irrevocably guaranteed by the members of KommuneKredit and thus remain unaffected by the Prospectus Directive.

Danish Local Government

Denmark is divided into 98 municipalities and 5 regions, each covering several municipalities.

The main duties of the local governments are set out in statutory provisions. The most important duties include the provision of social security, schools, hospitals, healthcare, medical services, day care for children, housing for the elderly and infrastructure projects. The planning of the provision and in many cases the supply of water, gas, electricity, district heating and sewage and refuse disposal is also usually a local government responsibility. In addition, local governments provide public facilities such as parks, playgrounds and sporting and cultural centres. Local governments also provide services for unemployed. The level of spending by local government amounts to approximately 31 per cent of the total gross domestic product of Denmark.

Some services are subcontracted or are provided indirectly by local governments. In the latter case the budgets for these services lie outside those of the local governments and the services in question are often managed as semi-municipal institutions on a non-profit making basis. Local governments may, within control of borrowing limits set by central government, guarantee capital investment loans raised by semi-municipal institutions. District heating, refuse incineration and water supply are examples of the services provided by semi-municipal institutions.

The cost of providing local government services, including investments and debt service, must generally be met out of current revenues from local taxes, user fees from certain services provided and grants from central government. Municipalities are empowered to levy taxes on personal income and property and have an obligation to levy sufficient taxes to balance their annual budgets, taking into account other income such as fees for services and grants from central government. Furthermore an equalisation system has been established which enables local governments with a lower income base to provide adequate services. Regions are financed through grants from central government.

However, certain categories of capital investment by local governments, both directly and through semi-municipal institutions, may be financed with borrowed funds. This borrowing is subject to the control of central government, the current rules being set out in Executive Orders No. 1580 of 17 December 2013 and No. 1581 of 17 December 2013. These Executive Orders restrict local government borrowing to the funding of approved categories of capital expenditure and set out requirements as to certain terms of the borrowings such as maximum maturities. The main types of capital expenditure which may at present be funded with borrowed funds are those for the purposes of the provision of power plants, water supply, the purchase of land, urban renewal, environmental improvement and housing for the elderly.

Local governments deliver their audited accounts to central government thereby providing an opportunity for checking that capital expenditure funded by loans falls within permitted categories. In addition, the overall level of local government expenditure for both capital and current purposes is set pursuant to informal guidelines agreed with central government, although no formal approval procedure exists.

Lending

KommuneKredit provides financing according to article 2 of its articles of association to local governments and semi-municipal institutions guaranteed by local governments in order to fund capital expenditure falling within Executive Orders No. 1580 and No. 1581 as mentioned above. At 31 December 2014 its total loan portfolio amounted to DKK 152.1 billion of which lease receivables constitute DKK 4.2 billion.

The loans made available by KommuneKredit are unsecured and have maturities depending on the type of financing involved but ranging up to 40 years. Loans are either repaid by instalments or at the maturity of the loans. Interest is payable on the basis of fixed or floating rates, at the option of the relevant borrower. As KommuneKredit does not carry on business primarily in order to make a profit it does not charge a margin over its cost of funds but instead obtains contributions from its borrowers towards its administrative expenses.

KommuneKredit provides financial leasing services to municipalities and regions and semi-municipal institutions for which local governments grant a 100 per cent. guarantee. In 2014, gross lending amounted to DKK 1,453 million.

The leasing contracts are primarily designed to finance operating equipment, first of all computer equipment. Other contracts are for motor vehicles, technical acquisitions, hospital equipment and ferryboats.

The following table gives certain information with regard to KommuneKredit's activities during the five years ended 31 December 2014.

<u>Year ended/as of 31 December</u>	<u>New Lending</u>	<u>Outstanding Loans</u>	<u>Profit before tax</u>	<u>Equity</u>
		<i>(DKK millions)</i>		
2010	34,851	125,136	411	4,684
2011	25,799	128,979	691	5,200
2012	35,862	136,296	694	5,716
2013	30,295	142,711	332	5,995
2014	29,427	152,085	338	6,244

The annual report for the year 2010, 2011, 2012, 2013 and 2014 have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union.

KommuneKredit is the largest single lender to local governments in The Kingdom of Denmark. KommuneKredit's level of lending depends on the capital expenditure requirements of its customers which may vary considerably from year to year and on competitive factors, the major source of competition being commercial banks.

KommuneKredit has never suffered a loss on any of its loans.

Funding

One of KommuneKredit's sources of funding in Denmark consists of bonds issued in the Danish capital markets and listed on the NASDAQ OMX Copenhagen A/S. A range of such issues will normally be available of which further tranches can be issued in order to supply funding which matches the requirements of KommuneKredit's clients. The various series of bonds cover a range of maturities and interest rates.

Since 1987 KommuneKredit has been allowed to fund itself outside Denmark and has since developed and strengthened its position in the international capital market.

In February 1990 an ECP-programme was established. The maximum outstanding amount under the programme is EUR 5 billion. In February 1993 the Euro Medium Term Note (EMTN) Programme was established. Since KommuneKredit's first appearance in the international capital market a number of EMTN issues, private placements and bank loans have been effected.

KommuneKredit has obtained the same credit rating from Moody's and S&P as The Kingdom of Denmark, i.e. KommuneKredit's long term ratings in both foreign currencies and DKK are Aaa/AAA and short term P-1/A-1+.

KommuneKredit does not assume any currency risk if the on-lending takes place in foreign currency; hence it is the borrower who takes the currency risk. If the borrower wishes to receive a currency other than the funding currency, KommuneKredit will use swaps to provide the borrower with the funds needed. KommuneKredit has strict guidelines as to which swap counterparties can be accepted.

In its funding operations KommuneKredit was until April 1992 subject to restrictions according to which funds borrowed in the international capital market had to be matched by corresponding on-lending to local governments. KommuneKredit obtained in April 1992 the sanction of the Ministry of Social Affairs and the Interior (at such time still called the 'Ministry of Economic Affairs and the Interior') for borrowing without the requirement of simultaneous and matched on-lending to local governments for a maximum amount of DKK 350 million.

KommuneKredit is permitted to raise funding without immediate relending (mismatch). The mismatch limit is calculated as 25 per cent. of total lending at book value for the latest quarter.

Articles of Association

The Board of Directors decided to amend the Issuer's articles of association on 6 March 2015. The articles of association of the Issuer were approved subsequently by The Minister of Economic Affairs and the Interior on 25 March 2015. The Issuer's articles of association then came into force on 25 March 2015.

Notices to Members

The Issuer communicates with its members by direct mail, e-mail, the issuance of newsletters and news on the Issuer's website.

Capital Structure

Share capital, voting rights and dividends

KommuneKredit is organized as an association under the Act; no share capital, no authorized or conditional capital and no profit sharing certificates is or are outstanding. According to Section 8 of the Act, the equity capital of the association shall always be at least 1 per cent. of the association's total liabilities.

The Board of Directors shall be elected by the members of the association. The municipalities will have the right to nominate six candidates, and the regions will have the right to nominate two candidates. As to a description of the Danish Local Government please refer to the information set forth on pages 60 and 61 of this Programme. The security for KommuneKredit's obligations consists of (a) the direct, joint and several liability of the members, and (b) the reserve funds of KommuneKredit, excluding its pension fund.

The Issuer does not pay any dividends to its members of association.

Organisation, Management and Audit

KommuneKredit is organised as an association whose members, the local governments which have loans, leases or guarantees outstanding to it, have direct, joint and several liability for all of its obligations including borrowings. Members are not permitted to withdraw from the association while any loan made to, or guaranteed by them, remains outstanding.

The members elect a Board of Directors to determine general policy and to approve major decisions. The Board of Directors has nine members of whom two are elected by regions and six by municipalities. The Board of Directors will elect one member, who shall be independent of the association and is qualified in accounting or auditing. The normal term of office for the directors is four years. The Board of Directors normally meets four times a year.

The following are members of the current Board of Directors:

Erik Nielsen	Mayor, Rødovre	Chairman
Lars Krarup	Mayor, Herning	Vice Chairman
Hans Toft	Mayor, Gentofte	
Henrik Zimino	Mayor, Tårnby	
Sophie Hæstorp Andersen	Region council Chairman, The Capital Region of Denmark	
Anker Boye	Mayor, Odense	
Kaj V. Holm	Deputy CEO, Øresundsbro Konsortiet	Independent member
Mikael Klitgaard	Mayor, Brønderslev	
Anne V. Kristensen	Region council Vice Chairman, Central Denmark Region	

KommuneKredit's management is headed by two managing directors, both of whom are appointed by the Board of Directors and one of whom is also chief executive. The management is authorised to take all decisions relating to daily business.

The following are senior members of management:

Jens Lundager	Managing Director and Chief Executive Officer
Johnny Munk	Managing Director
Eske Hansen	Senior Vice President and Head of Funding and Treasury
Jette Moldrup	Senior Vice President and Head of Lending
Morten Søtofte	Senior Vice President and Chief Financial and Risk Officer
Frank Hammer	Director (Leasing)
Helene Møllmann	Head of Secretariat

As at 31 December 2014, KommuneKredit had 62 full time employees including the members of the management.

The business address of the Board of Directors and the management is Kultorget 16, DK-1175 Copenhagen K, Denmark.

The Board of Directors appoints one or two auditors approved by the Ministry of Social Affairs and the Interior, at least one of whom must be a state authorised public accountant. A further auditor is appointed by the Ministry of Social Affairs and the Interior and is in particular responsible for checking that KommuneKredit operates within all relevant legal and regulatory constraints applicable to KommuneKredit which include the requirement that quarterly summary management accounts be submitted to the Ministry of Social Affairs and the Interior. The auditors for 2013 were KPMG Statsautoriseret Revisionspartnerselskab represented by Torben Bender and Anders Duedahl-Olesen (State Authorised Public Accountants) and Emil le Maire, former Prefect, appointed by the Ministry of Social Affairs and the Interior and for 2014 Ernst & Young, Godkendt Revisionspartnerselskab, represented by Torben Bender and Hans Peter Lindegård Buhrkal (State Authorised Public Accountants) and Emil le Maire, former Prefect, appointed by the Ministry of Social Affairs and the Interior. The change in audit firms was a consequence of KPMG Statsautoriseret Revisionspartnerselskab leaving the KPMG network and joining the Ernst & Young network on 1 July 2014; its name was hence changed to Ernst & Young, Godkendt Revisionspartnerselskab. Ernst & Young, Godkendt Revisionspartnerselskab is a member of the "FSR – Danske Revisorer" (Association of State Authorised Public Accountants).

SELLING RESTRICTIONS

1. GENERAL

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute the Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

2. UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the Securities Act and the Notes, if applicable, may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in accordance with Regulation S. Each Dealer has represented and agreed that it has offered and sold, and will offer and sell, Notes only outside the United States to non-US persons in accordance with Rule 903 of Regulation S. Accordingly, each Dealer has represented and agreed that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has also agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.”

Terms used in this paragraph have the meanings given to them by Regulation S.

3. THE UNITED KINGDOM

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

4. KINGDOM OF DENMARK

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any of the Notes directly or indirectly in The Kingdom of Denmark by way of public offering, unless in compliance with the Danish Consolidation Act No. 1530 of 2 December 2015 on Trading in Securities as amended and

Executive Orders issued thereunder.

5. JAPAN

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the "Financial Instruments and Exchange Act") and disclosure under the Financial Instruments and Exchange Act has not been and will not be made with respect to the Notes. Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes, or any interest therein, in Japan or to or for the account of any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and all other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities.

6. CANADA

Each Dealer has acknowledged that the Notes have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof and may not be offered or sold directly or indirectly in Canada, or to or for the benefit of any resident thereof, in contravention of the securities laws of Canada or any province or territory thereof. Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or distributed, and that it will not offer, sell or distribute, any Notes, directly or indirectly, in Canada or to, or for the benefit of, any resident thereof other than in compliance with the applicable securities laws of Canada or any province or territory thereof. Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree it will not distribute this Information Memorandum, or any other offering material relating to the Notes, in Canada except in compliance with the applicable securities laws of Canada or any province or territory thereof.

FORMS OF NOTES

FORM OF MULTICURRENCY GLOBAL NOTE (Interest Bearing/Discounted/Index-Linked)

The Securities covered hereby have not been registered under the US Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.

KOMMUNEKREDIT (Established under the laws of The Kingdom of Denmark)

No:..... Series No.:.....

Issued in London on:..... Maturity Date:¹

Specified Currency: Denomination:

Nominal Amount: Reference Rate: LIBOR/EURIBOR²

(words and figures if a Sterling Note)

Calculation Agent:³ Minimum Redemption Amount:⁴

Fixed Interest Rate:⁵% per annum Margin:⁶%

Calculation Agent:⁷ Interest Payment Dates:⁸

(Interest)

1. For value received, KommuneKredit (the “**Issuer**”) promises to pay to the bearer of this Global Note on the above-mentioned Maturity Date:
- (a) the above-mentioned Nominal Amount; or
 - (b) if this Global Note is index-linked, an amount (representing interest) to be calculated by the Calculation Agent named above, in accordance with the interest calculation, a copy of which is attached to this Global Note and is available for inspection at the offices of the Principal Paying Agent referred to below,
- together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

1 “Not to be more than 364 days from (and including) the Issue Date.”

2 Delete as appropriate. The reference rate will be LIBOR unless this Global Note is denominated in Euro and the Issuer and the relevant Dealer agree that the reference rate should be EURIBOR.

3 Complete for index-linked Notes only.

4 Complete for a Sterling index-linked Note.

5 Complete for fixed rate interest bearing Notes only.

6 Complete for floating rate interest bearing Notes only.

7 Complete for floating rate interest bearing Notes only.

8 Complete for interest bearing Notes

All such payments shall be made in accordance with an amended and restated agency agreement dated 18 December 2015 between the Issuer, Citibank, N.A., London Branch at 21st Floor, Canada Square, Canary Wharf, London E14 5LB, United Kingdom as the Issue Agent and the Principal Paying Agent (the "**Principal Paying Agent**") and Banque Internationale à Luxembourg, société anonyme, 69 route d'Esch L-2953 Luxembourg as the Paying Agent (the "**Paying Agent**" which expression shall where the context permits, include the Principal Paying Agent), a copy of which is available for inspection at the offices of the Principal Paying Agent, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the offices of a Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of that currency or, in the case of a Global Note denominated or payable in Euro by transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in US Dollars, payments shall be made by transfer to an account denominated in US Dollars in the principal financial centre of any country outside of the United States that the Issuer or Principal Paying Agent so chooses.

2. This Global Note is issued in representation of an issue of Notes in the above-mentioned aggregate Nominal Amount.
3. All payments in respect of this Global Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of The Kingdom of Denmark or any political subdivision or taxing authority of or in any of the foregoing or any jurisdiction through or from which payment is made ("**Taxes**"), unless such withholding or deduction is required by law. If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with The Kingdom of Denmark other than the mere holding of this Global Note; or
 - (b) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting this Global Note to another Paying Agent in a member state of the European Union; or
 - (c) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Global Note on the last day of such period of 15 days.
4. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Global Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

“Payment Business Day” means any day (other than a Saturday or Sunday) which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in any relevant place of presentation, and
- (B) either (i) if the above-mentioned Specified Currency is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (ii) if the above-mentioned Specified Currency is Euro, a day which is a TARGET Business Day; and

“TARGET Business Day” means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in Euro.

Provided that if the Principal Paying Agent determines with the agreement of the Issuer that the market practice in respect of Euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Principal Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in Euro falls due to be made in such manner as the Principal Paying Agent may determine.

- 5. The payment obligation of the Issuer represented by this Global Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least pari passu with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law applying to companies generally.
- 6. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
- 7. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):
 - (a) if the clearing system(s) in which this Global Note is held at the relevant time is closed for a continuous period of 14 days or more (other than by reason of weekends or public holidays statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
 - (b) if default is made in the payment of any amount payable in respect of this Global Note.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of Citibank, N.A., London Branch acting as Issue Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issue Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the above-mentioned Specified Currency in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

- 8. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under an amended and restated Deed of

Covenant dated 18 December 2015 (as amended, re-stated or supplemented as of the date of issue of the Notes) entered into by the Issuer).

9. If this is an interest bearing Global Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in part (a) or (b) (as the case may be) of paragraph 1 shall be payable on such fifteenth day;
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Schedule hereto shall be duly completed by the Principal Paying Agent to reflect such payment; and
 - (c) if no Interest Payment Dates are specified on the face of the Global Note, the Interest Payment Date shall be the Maturity Date.

10. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
 - (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an “**Interest Period**” for the purposes of this paragraph.

11. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
 - (a) in the case of a Global Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days.

As used in this Global Note:

“**LIBOR**” shall be equal to the rate defined as “**LIBOR-BBA**” in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note, (the “**ISDA Definitions**”)) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Global Note is denominated in Sterling, on the first day thereof (a “**LIBOR Interest Determination Date**”), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Note in relation to the Reference Rate; and

“**London Banking Day**” shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Global Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the above-mentioned Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note, “**EURIBOR**” shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a “**EURIBOR Interest Determination Date**”);

- (c) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date or 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the “**Amount of Interest**”) for the relevant Interest Period. “**Rate of Interest**” means (A) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 11(b), and (B) in any other case, the rate which is determined in accordance with the provisions of paragraph 11(a). The Amount of Interest shall be calculated by applying the Rate of Interest to the Nominal Amount of one Note of each denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;
- (d) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “**Interest Period**” for the purposes of this paragraph; and
- (e) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 7, will be published in a leading English language daily newspaper published in London (which is expected to be the Financial Times).

12. If the proceeds of this Global Note are accepted in the United Kingdom, the Nominal Amount or Minimum Redemption Amount (as applicable) shall be not less than £100,000 (or the equivalent in any other currency).

13. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Global Note as follows:

- (a) if this Global Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
- (b) if this Global Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
- (c) in all other cases, at least one Business Day prior to the relevant payment date. As used in this paragraph, “**Business Day**” means:
- (i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any relevant place of presentation; and

- (ii) either (1) in relation to Notes denominated or payable in Euro, a day on which the TARGET2 System is operating, or (2) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency.

- 14. This Global Note shall not be validly issued unless manually authenticated by Citibank, N.A., London Branch as Issue Agent.
- 15. This Global Note and all matters and any non-contractual obligations arising out of or in connection therewith, are governed by, and shall be construed in accordance with, English law.

The English courts have jurisdiction to settle any dispute arising out of or in connection with this Global Note (including a dispute regarding the existence, validity or termination of this Global Note).

The Issuer irrevocably submits to the jurisdiction of the courts of England and the competent courts of The Kingdom of Denmark and waives any objection to Proceedings in any such court whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the bearer of this Note and shall not affect its right to take Proceedings in any other court of competent jurisdiction (including any Danish court of competent jurisdiction or to take steps anywhere relating to the conservation of assets or the enforcement or execution of a judgment in connection with Proceedings in England or The Kingdom of Denmark) nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other court of competent jurisdiction (whether concurrently or not).

The Issuer (if not incorporated in England and Wales) irrevocably appoints Clifford Chance Secretaries Limited, currently at 10 Upper Bank Street, London E14 5JJ, England as its agent for service of process in any proceedings before the English courts in connection with this Global Note. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 15 does not affect any other method of service allowed by law.

The Issuer, irrevocably and unconditionally, agrees not to claim any immunity from proceedings brought by the bearer against it in relation to this Global Note and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.

- 16. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

AUTHENTICATED by
CITIBANK, N.A., LONDON BRANCH
without recourse, warranty or
liability and for authentication
purposes only

Signed on behalf of:
KOMMUNEKREDIT

By:
(Authorised Signatory)

By:
(Authorised Signatory)

SCHEDULE

PAYMENTS OF INTEREST

The following payments of interest in respect of this Global Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Principal Paying Agent
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]

**PRO-FORMA INTEREST CALCULATION
(INDEX-LINKED GLOBAL NOTE)**

This is the Interest Calculation relating to the attached index-linked Global Note:

Calculation Date:.....

Calculation Agent:

Redemption Amount (per note): to be calculated by the Calculation Agent as follows:

[Insert particulars of the calculation of the coupon]

Confirmed:

.....

For **KOMMUNEKREDIT**

Note: The Calculation Agent is required to notify the Principal Paying Agent for the Notes of the Redemption Amount immediately upon completing its calculation of the same.

**FORM OF MULTICURRENCY DEFINITIVE NOTE
(Interest Bearing/Discounted/Index-Linked)**

The Securities covered hereby have not been registered under the US Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.

**KOMMUNEKREDIT
(Established under the laws of The Kingdom of Denmark)**

No:..... Series No.:.....

Issued in London on:..... Maturity Date:¹

Specified Currency: Denomination:

Nominal Amount: Reference Rate: LIBOR/EURIBOR²

(words and figures if a Sterling Note)

Calculation Agent:³ Minimum Redemption Amount:⁴

Fixed Interest Rate:⁵% per annum Margin:⁶%

Calculation Agent:⁷ Interest Payment Dates:⁸

(Interest)

1. For value received, KommuneKredit (the “**Issuer**”) promises to pay to the bearer of this Note on the above-mentioned Maturity Date:
- (a) the above-mentioned Nominal Amount; or
 - (b) if this Note is index-linked, an amount (representing interest) to be calculated by the Calculation Agent named above, in accordance with the interest calculation, a copy of which is attached to this Note and is available for inspection at the offices of the Principal Paying Agent referred to below,
- together (in any case) with interest thereon at the rate and at the times (if any) specified herein.
-

1 “Not to be more than 364 days from (and including) the Issue Date.”

2 Delete as appropriate. The reference rate will be LIBOR unless this Note is denominated in Euro and the Issuer and the relevant Dealer agree that the reference rate should be EURIBOR.

3 Complete for index-linked Notes only.

4 Complete for a Sterling index-linked Note.

5 Complete for fixed rate interest bearing Notes only.

6 Complete for floating rate interest bearing Notes only.

7 Complete for floating rate interest bearing Notes only.

8 Complete for interest bearing Notes

All such payments shall be made in accordance with an amended and restated agency agreement dated 18 December 2015 between the Issuer, Citibank, N.A., London Branch at 21st Floor, Canada Square, Canary Wharf, London E14 5LB, England as the Issue Agent and the Principal Paying Agent (the "**Principal Paying Agent**") and Banque Internationale à Luxembourg, société anonyme, 69 route d'Esch L-2953 Luxembourg as the Paying Agent (the "**Paying Agent**" which expression shall where the context permits, include the Principal Paying Agent), a copy of which is available for inspection at the offices of the Principal Paying Agent, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the offices of a Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with a bank in the principal financial centre in the country of that currency or, in the case of a Note denominated or payable in Euro by transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union.

Notwithstanding the foregoing, presentation and surrender of this Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Note denominated in US Dollars, payments shall be made by transfer to an account denominated in US Dollars in the principal financial centre of any country outside of the United States that the Issuer or Principal Paying Agent so chooses.

2. All payments in respect of this Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of The Kingdom of Denmark or any political subdivision or taxing authority of or in any of the foregoing or any jurisdiction through or from which payment is made ("**Taxes**"), unless such withholding or deduction is required by law. If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Note is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with The Kingdom of Denmark other than the mere holding of this Note; or
 - (b) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting this Note to another Paying Agent in a member state of the European Union; or
 - (c) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Note on the last day of such period of 15 days.
3. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to

any interest or other sums in respect of such postponed payment.

As used in this Note:

“Payment Business Day” means any day (other than a Saturday or Sunday) which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in any relevant place of presentation, and
- (B) either (i) if the above-mentioned Specified Currency is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (ii) if the above-mentioned Specified Currency is Euro, a day which is a TARGET Business Day; and

“TARGET Business Day” means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (known as TARGET2) System which was launched in 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in Euro.

Provided that if the Principal Paying Agent determines with the agreement of the Issuer that the market practice in respect of Euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Principal Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in Euro falls due to be made in such manner as the Principal Paying Agent may determine.

- 4. The payment obligation of the Issuer represented by this Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least pari passu with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law applying to companies generally.
- 5. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
- 6. If this is an interest bearing Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in part (a) or (b) (as the case may be) of paragraph 1 shall be payable on such fifteenth day;
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Principal Paying Agent to reflect such payment; and
 - (c) if no Interest Payment Dates are specified on the face of the Note, the Interest Payment Date shall be the Maturity Date.
- 7. If this is a fixed rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:
 - (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in

the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards); and

- (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an “**Interest Period**” for the purposes of this paragraph.

8. If this is a floating rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:

- (a) in the case of a Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days.

As used in this Note:

“**LIBOR**” shall be equal to the rate defined as “**LIBOR-BBA**” in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note, (the “**ISDA Definitions**”)) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Note is denominated in Sterling, on the first day thereof (a “**LIBOR Interest Determination Date**”), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Note in relation to the Reference Rate; and

“**London Banking Day**” shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the above-mentioned Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note, “**EURIBOR**” shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a “**EURIBOR Interest Determination Date**”);

- (c) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date or 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the “**Amount of Interest**”) for the relevant Interest Period. “**Rate of Interest**” means (A) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 8(b), and (B) in any other case, the rate which is determined in accordance with the provisions of paragraph 8(a). The Amount of Interest shall be calculated by applying the Rate of Interest to the Nominal Amount, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;

- (d) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “**Interest Period**” for the purposes of this paragraph; and
- (e) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest.

Such notice will be delivered to the bearer of this Note or, if that is not possible, it will be published in a leading English language daily newspaper published in London (which is expected to be the Financial Times).

- 9. If the proceeds of this Note are accepted in the United Kingdom, the Nominal Amount or Minimum Redemption Amount (as applicable) shall be not less than £100,000 (or the equivalent in any other currency).
- 10. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Note as follows:
 - (a) if this Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
 - (b) if this Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
 - (c) in all other cases, at least one Business Day prior to the relevant payment date. As used in this paragraph, “**Business Day**” means:
 - (i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any relevant place of presentation; and
 - (ii) either (1) in relation to Notes denominated or payable in Euro, a day on which the TARGET2 System is operating, or (2) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency. This Note shall not be validly issued unless manually authenticated by Citibank, N.A., London Branch as Issue Agent.
- 11. This Note and all matters and any non-contractual obligations arising out of or in connection therewith, are governed by, and shall be construed in accordance with, English law.

The English courts have jurisdiction to settle any dispute arising out of or in connection with this Note (including a dispute regarding the existence, validity or termination of this Note).

The Issuer irrevocably submits to the jurisdiction of the courts of England and the competent courts of The Kingdom of Denmark and waives any objection to Proceedings in any such court whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the bearer of this Note and shall not affect its right to take Proceedings in any other court of competent jurisdiction (including any Danish court of competent jurisdiction or to take steps anywhere relating to the conservation of assets or the enforcement or execution of a judgment in connection with Proceedings in England or The Kingdom of Denmark) nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other court of competent jurisdiction (whether concurrently or not).

The Issuer irrevocably appoints the Clifford Chance Secretaries Limited, currently at 10 Upper Bank Street, London E14 5JJ, England as its agent for service of process in any proceedings before the English courts in connection with this Note. If any person appointed as process agent is

unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 12 does not affect any other method of service allowed by law.

The Issuer, irrevocably and unconditionally, agrees not to claim any immunity from proceedings brought by the bearer against it in relation to this Note and to ensure that no such claim is made on its behalf, consents generally to the giving of any relief or the issue of any process in connection with those proceedings, and waives all rights of immunity in respect of it or its assets.

12. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

AUTHENTICATED by
CITIBANK, N.A., LONDON BRANCH
without recourse, warranty or
liability and for authentication
purposes only

Signed on behalf of:
KOMMUNEKREDIT

By:
(Authorised Signatory)

By:
(Authorised Signatory)

SCHEDULE

PAYMENTS OF INTEREST

The following payments of interest in respect of this Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Principal Paying Agent
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]

PROGRAMME PARTICIPANTS

ISSUER

KommuneKredit

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Telephone No: +45 33 11 15 12
Facsimile No: +45 33 91 15 21
Attention: Funding and Treasury Department

ARRANGER

UBS Limited

1 Finsbury Avenue
London EC2M 2PP
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Facsimile No: +44 20 7336 2002
Attention: ECP Desk

DEALERS

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London EC1A 1HQ
Telephone No: +44 20 7996 8904
Facsimile No: +44 20 7995 0048
Attention: ECP Desk

To 31 December 2015:

Citibank International Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
Telephone No: +44 20 7986 9070
Facsimile No: +44 20 7986 6837
Attention: Short-term fixed income desk

ING Bank N.V.

Foppingadreef 7
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Telephone No: +31 20 563 8181
Facsimile No: +31 20 501 3888
Attention: ECP Desk / TRC 00.114

Barclays Bank PLC

5 The North Colonnade
Canary Wharf
London E14 4BB
Telephone No: +44 20 7773 9075
Facsimile No: +44 20 7516 7548
Attention: ECP Trading Desk

From 1 January 2016:

Citibank Europe plc

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
Telephone No: +44 20 7986 9070
Facsimile No: +44 20 7986 6837
Attention: Short-term fixed income desk

UBS Limited

1 Finsbury Avenue
London EC2M 2PP
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Telephone No: +44 20 7567 2324
Facsimile No: +44 20 7336 2002
Attention: : ECP Desk

THE ISSUE AND PAYING AGENT

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London E14 5LB

Telephone No: +44 20 7508 3824
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Attention: Global Agency and Trust Services

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to KommuneKredit (as to Danish law)

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to the Dealers (as to English law)

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS

THE PAYING AGENT

Banque Internationale à Luxembourg, société anonyme

69, route d'Esch
L-2953 Luxembourg

Telephone No: +352 45901
Facsimile No: +352 4590 4227
Attention: New Issues – Transactional Execution Group