

FINAL TERMS

3rd July, 2007

KommuneKredit

U.S.\$10,000,000,000 Euro Medium Term Note Programme JPY 1,500,000,000 Fixed and Index-Linked Automatic Early Redemption Notes due 2022

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 10th July, 2006. These Final Terms must be read in conjunction with such Information Memorandum.

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|-----|---|---|
| 1. | Issuer: | KommuneKredit |
| 2. | (i) Series Number: | I200704215 |
| | (ii) Tranche Number: | Not Applicable |
| 3. | Specified Currency or Currencies: | Japanese Yen ("JPY") |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | JPY 1,500,000,000 |
| | (ii) Tranche: | Not Applicable |
| 5. | (i) Issue Price: | 100.00 per cent. of the Aggregate Nominal Amount |
| | (ii) Net Proceeds: | Not Applicable |
| 6. | Specified Denominations: | JPY 100,000,000 |
| 7. | (i) Issue Date: | 5th July, 2007 |
| | (ii) Interest Commencement Date (if different from the Issue Date): | Not Applicable |
| 8. | Maturity Date: | 5th July, 2022 |
| 9. | Interest Basis: | Fixed Rate and Index-Linked Interest (further particulars specified below) |
| 10. | Redemption/Payment Basis: | Redemption at par |
| 11. | Change of Interest or Redemption/Payment Basis: | Fixed Rate in respect of the period from and including the Issue Date to but excluding 5th July, 2008 and Index-Linked Interest in respect of the period from and including 5th July, 2008 to but excluding the Maturity Date |
| 12. | Put/Call Option: | Not Applicable |
| 13. | Status of Notes: | Senior |
| 14. | Listing | None |

15. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions	Applicable
(i)	Rate(s) of Interest:	4.80 per cent. per annum payable semi-annually in arrear on each Interest Payment Date
(ii)	Interest Payment Date(s):	5th January, 2008 and 5th July, 2008
(iii)	Fixed Coupon Amount(s):	JPY 2,400,000 per Specified Denomination
(iv)	Broken Amount(s):	Not Applicable
(v)	Day Count Fraction:	30/360
(vi)	Determination Date(s):	Not Applicable
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
17.	Floating Rate Note Provisions	Not Applicable
18.	Zero Coupon Note Provisions	Not Applicable
19.	Index-Linked Interest Note Provisions	Applicable
(i)	Index/Formula:	Please see the attached Appendix
(ii)	Calculation Agent responsible for calculating the interest due:	Credit Suisse International Any determination made by the Calculation Agent will be consistent with the related swap determination for the swap entered into in relation to this issue
(iii)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	Please see the attached Appendix
(iv)	Specified Period(s)/Specified Interest Payment Dates:	Please see the attached Appendix
(v)	Business Day Convention:	Not Applicable
(vi)	Additional Business Centre(s):	Not Applicable
(vii)	Minimum Rate of Interest:	Please see the attached Appendix
(viii)	Maximum Rate of Interest:	Please see the attached Appendix
(ix)	Day Count Fraction:	Please see the attached Appendix
20.	Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	Issuer Call	Not Applicable
22.	Investor Put	Not Applicable
23.	Final Redemption Amount	Par
24.	Early Redemption Amount	100.00 per cent. of the Aggregate Nominal Amount

Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
26.	New Global Note:	No
27.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Payment Day means 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 London, Tokyo, Sydney, and TARGET Settlement Day.
28.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
29.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
30.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
31.	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
32.	Consolidation provisions:	Not Applicable
33.	Other terms or special conditions:	The Notes are subject to Automatic Early Redemption, please see the attached Appendix

DISTRIBUTION

34. (i) If syndicated, names of Managers: Not Applicable
- (ii) Stabilising Manager (if any): Not Applicable
35. If non-syndicated, name of Dealer: Nomura International plc
36. Additional selling restrictions: Not Applicable

OPERATIONAL INFORMATION

37. ISIN Code: XS0307254762
38. Common Code: 030725476
39. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
40. Delivery: Delivery against payment
41. Additional Paying Agent(s) (if any): Not Applicable
42. Intended to be held in a manner which would allow Eurosystem eligibility: No

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.
Signed on behalf of the Issuer:

By: .
Duly authorised, Lisbeth Christensen
Legal Counsel

ESKE HANSEN
Senior Vice President

APPENDIX

1. INDEX LINKED INTEREST

The Index-Linked Interest Notes will bear interest from and including 5th July, 2008 to but excluding the Maturity Date payable in amounts (each an "Index-Linked Interest Amount") determined in accordance with the provisions set out below. Interest will be payable semi-annually in arrear on 5th January and 5th July in each year (each an "Index-Linked Interest Date"), commencing 5th January, 2009 to and including the Maturity Date. The period from and including 5th July, 2008 to but excluding the first Index-Linked Interest Date and each successive period from and including an Index-Linked Interest Date to but excluding the next following Index-Linked Interest Date is herein called an "Index-Linked Interest Period". For the avoidance of doubt, each Index-Linked Interest Period is not subject to adjustment.

The Index-Linked Interest Amount per Specified Denomination for each Index-Linked Interest Period shall be calculated by the Calculation Agent in accordance with the following formula, provided that (1) the resultant figure of the formula shall be rounded to the nearest whole JPY, half a JPY being rounded upwards, (2) the resultant figure of the square bracket shall be rounded to the nearest six decimal places of one per cent., (3) the resultant figure of the square bracket shall never be less than zero, and (4) the resultant figure of the square bracket shall never exceed 4.80% and if it does so exceed, the resultant figure of the square bracket shall be deemed to be the relevant Maximum Rate:

$$\text{JPY } 100,000,000 \times [20.00\% \times (\text{FX1}/102.50) - 15.20\%] \times \text{Day Count Fraction}$$

Where:

"Calculation Agent" means Credit Suisse International whose calculations and determinations shall be binding in the absence of manifest error;

"Day Count Fraction" means 30/360;

"FX1" shall mean the arithmetic mean of the offered rate and bid rate of the AUD/JPY exchange rates which appear under the "AUD" column on Reuters Screen Page "JPNU" as of 5:00 p.m. Tokyo time on the relevant Interest Determination Date; provided that if no such exchange rate or rates is or are published on Reuters Screen Page "JPNU" or Reuters Screen Page "JPNU" is not available on the Interest Determination Date, then FX1 will be determined by the Calculation Agent as follows: the Calculation Agent will request five leading reference banks (selected by the Calculation Agent at its discretion) in the Tokyo interbank market for their mid quotations of the AUD/JPY spot exchange rate at approximately 5:00 p.m. Tokyo time on the relevant Interest Determination Date. The highest and the lowest of such quotations will be disregarded and the arithmetic mean of the remaining quotations will be FX1. If only four quotations are provided, then FX1 will be the arithmetic mean of such quotations without regard to the highest and lowest values quoted. If fewer than four quotations but at least two quotations are provided as requested, the FX1 will be the arithmetic mean of the quotations actually obtained by the Calculation Agent. If only one quotation is available, the Calculation Agent may determine that such quotation will be FX1. If no such quotation is available, or if the Calculation Agent determines in its sole discretion that no suitable reference bank that is prepared to quote is available, the Calculation Agent will determine FX1 in its sole discretion while acting in a commercially reasonable manner.

"Interest Determination Date" means the day that is the tenth (10) Tokyo, London, Sydney Business Day and TARGET Settlement Day prior to the relevant Indexed-Linked Interest Date;

"Reuters Screen Page "JPNU" " means the display page "JPNU" on the Reuter Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying the AUD/JPY exchange rates); and

"AUD" shall mean Australian Dollar

For the avoidance of doubt, if interest is required to be calculated for a period other than for a full Indexed-Linked Interest Period, such interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days and, in the case of an incomplete month, the number of days elapsed.

2. AUTOMATIC EARLY REDEMPTION

Notwithstanding paragraph 8 above, the Notes will automatically be redeemed in whole but not in part at 100.00 per cent per Specified Denomination, (together with the interest accrued) on July 5th in each year from and including July 5th, 2011 to and including July 5th, 2021 (each an “**Automatic Early Redemption Date**”) if FX2 is greater than or equal to the Trigger Rate on the relevant Automatic Early Redemption Determination Date:

Where:

“**Trigger Rate**” shall mean, with respect to each relevant Automatic Early Redemption Date:

Automatic Early Redemption Date	Trigger Rate
July 5th, 2011	101.50
July 5th, 2012	100.50
July 5th, 2013	99.50
July 5th, 2014	98.50
July 5th, 2015	97.50
July 5th, 2016	96.50
July 5th, 2017	95.50
July 5th, 2018	94.50
July 5th, 2019	93.50
July 5th, 2020	92.50
July 5th, 2021	91.50

“**FX2**” shall mean FX1 as defined above except that the term “Interest Determination Date” as used in the definition of FX1 shall be replaced with the term “Automatic Early Redemption Determination Date”.

“**Automatic Early Redemption Determination Date**” shall mean the day that is the tenth (10) Tokyo, London, Sydney Business Day and TARGET Settlement Day prior to each Automatic Early Redemption Date;