

**KommuneKredit**

**U.S.\$10,000,000,000 Euro Medium Term Note Programme**

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 28 June 2007. These Final Terms must be read in conjunction with such Information Memorandum.

1. Issuer: KommuneKredit
2. Series Number: I200704219
3. Specified Currency or Currencies: Japanese Yen (“JPY”)
4. Aggregate Nominal Amount: JPY 300,000,000
5. Issue Price: 100.00 per cent. of the Aggregate Nominal Amount
6. Specified Denominations: JPY 100,000,000. The Notes may not be subdivided or reissued in a smaller denomination.
7. (i) Issue Date: 23 July 2007  
(ii) Interest Commencement Date (if different from the Issue Date): Issue Date
8. Maturity Date: 23 July 2037, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention
9. Interest Basis: Fixed Rate/FX Linked Interest Notes (further particulars specified below)
10. Redemption/Payment Basis: The Notes will be redeemed as set out in items 21, 23 or 24 below
11. Change of Interest Basis or Redemption/ Payment Basis: From and including the Issue Date to but excluding 23 July 2008, the Notes will pay interest on a Fixed Rate basis, thereafter until maturity the Notes will pay interest based on the JPY/USD exchange rate
12. Put/Call Options: Not Applicable, however, from and including 23 July 2013 to and including 23 July 2036, the Instruments will be subject to Automatic Early Redemption in accordance with the provisions set out in item 21 below (further particulars specified below)
13. Status of Notes: Senior
14. Listing: None



“FX<sub>N</sub>” means the USD/JPY foreign exchange mid-market spot rate expressed as a number of JPY per USD determined by the Calculation Agent as the arithmetic mean of the bid and offer rate displayed on Reuters Screen “JPNU” page (or such other page as may replace such page on that service) as of 5:00 p.m. (Tokyo time) 10 Tokyo, New York and London business days prior to each Index-Linked Interest Payment Date (each such date an “FX Determination Date”).

The Calculation Agent shall inform the Issuer of all determinations made hereunder, including the relevant amount of interest.

- (ii) Calculation Agent responsible for calculating the interest due: JPMorgan Chase Bank, N.A. London
- Any FX<sub>N</sub> 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: If, however, no such rate appears on “JPNU” (or such other page as may replace such page on that service) on any FX Determination Date, FX<sub>N</sub> 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 sole discretion) in the Tokyo interbank market for their mid market quotations of the USD/JPY spot exchange rate at approximately 5:00 p.m. Tokyo time on such date. The highest and the lowest of such quotations will be disregarded and the arithmetic mean of the remaining three quotations will be FX<sub>N</sub>.
- Provided that, if only four quotations are so provided, then FX<sub>N</sub> shall 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 can be obtained then FX<sub>N</sub> shall be the arithmetic mean of the quotations actually obtained by the Calculation Agent.
- If only one quotation is available, in that event, the Calculation Agent may determine that such quotation shall be FX<sub>N</sub>, and if no such quotation is available or if the Calculation Agent determines in its sole discretion that no suitable reference bank who is prepared to quote is available, the Calculation Agent will determine FX<sub>N</sub> in its sole discretion.
- (iv) Specified Period(s)/Specified Interest Payment Date(s): 23 July in each year from and including 23 July 2009 to and including the Maturity Date, each such date subject to adjustment for payment only in accordance with the Business Day Convention specified below

(v)	Business Day Convention:	Modified Following Business Day Convention
(vi)	Additional Business Centre(s):	London, New York and Tokyo
(vii)	Minimum Rate of Interest:	Zero per cent. per annum
(viii)	Maximum Rate of Interest:	6.00 per cent. per annum
(ix)	Day Count Fraction:	30/360 (unadjusted)
20.	Dual Currency Note Provisions	Not applicable

#### **PROVISIONS RELATING TO REDEMPTION**

21.	Issuer Call	<p>Not Applicable, however, the Instruments will be subject to Automatic Early Redemption in accordance with the provisions set out below:</p> <p>If the Aggregate Interest Amount (as defined below) on any Specified Interest Payment Date from and including 23 July 2013 to and including 23 July 2036 is greater than or equal to 36.00 per cent. of the Aggregate Principal Amount (JPY 36,000,000 per JPY 100,000,000 in Principal Amount), the Instruments shall be automatically redeemed in whole, but not in part, on that Specified Interest Payment Date at 100.00 per cent. of the Aggregate Principal Amount plus the Interest Amount payable on such Specified Interest Payment Date.</p> <p>“Aggregate Interest Amount” means on any Specified Interest Payment Date, the sum of all Interest Amounts paid on the previous Interest Payment Dates from and including 23 July 2008 plus the Interest Amount due on the relevant Specified Interest Payment Date.</p> <p>For the avoidance of doubt, the last coupon will be paid in full.</p>
22.	Investor Put	Not applicable
23.	Final Redemption Amount	JPY100,000,000 per JPY100,000,000 Specified Denomination
24.	Early Redemption Amount	<p>JPY100,000,000 per JPY100,000,000 Specified Denomination</p> <p>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)</p>

#### **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:	London, New York and Tokyo
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:	Not applicable

#### **DISTRIBUTION**

34.	(i) If syndicated, names of Managers:	Not applicable
	(ii) Stabilising Manager (if any):	Not applicable
35.	If non-syndicated, name of Dealer:	Citigroup Global Markets Limited
36.	Additional selling restrictions:	Not applicable

#### **OPERATIONAL INFORMATION**

37.	ISIN Code:	XS0309012747
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38. Common Code: 030901274
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

~~JOHNNY MUNK~~  
~~MANAGING DIRECTOR~~

~~JETTE MOLDRUP~~  
Senior Vice President