

Final Terms

Final Terms dated 28 January 2013

KommuneKredit

Issue of

BRL 32,460,000 Fixed Rate Notes with Discounted Issue Price due 20 February 2020 under the EUR15,000,000,000 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 31st May, 2012. These Final Terms must be read in conjunction with such Information Memorandum.

1. Issuer: KommuneKredit
2. (i) Series Number: I201304610
(ii) Tranche Number: 1
3. Specified Currency or Currencies: Brazilian Real ("**BRL**"), provided that all payments in respect of the Notes will be made in Japanese Yen ("**JPY**")
4. Aggregate Nominal Amount:
 - (i) Series: BRL 32,460,000
 - (ii) Tranche: BRL 32,460,000
5. (i) Issue Price: 68.40 per cent. of the Aggregate Nominal Amount
(ii) Net proceeds: BRL 22,202,640.00 payable in JPY, equal to JPY 964,926,734 as of the Issue Date
6. (i) Specified Denominations: BRL 10,000
(ii) Calculation Amount: BRL 10,000
7. (i) Issue Date: 27 February 2013
(ii) Interest Commencement Date: Issue Date
8. Maturity Date: 20 February 2020, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention.
9. Interest Basis: 0.50 per cent. Fixed Rate
(further particulars specified below)
10. Redemption/Payment Basis: Redemption at par, payable on the Maturity Date in JPY in accordance with paragraph 2 of the Annex hereto
11. Change of Interest or Redemption/Payment Basis: Not Applicable
12. Put/Call Options: 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 of Interest: 0.50 per cent. per annum payable annually in arrear
- (ii) Interest Payment Date(s): 20 February in each year commencing 20 February 2014 up to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention specified in item 16(iii) below.
- (iii) Business Day Convention: Modified Following Business Day Convention
- (iv) Additional Business Centre(s): TARGET2, Tokyo, New York and London in addition to Brazil, where Brazil means any of Rio de Janeiro, Brasilia or São Paulo
- (v) Fixed Coupon Amount(s): BRL 50.00 per Calculation Amount, payable in JPY in accordance with paragraph 1 of the Annex hereto
- (vi) Broken Amount(s): BRL 49.03 per Calculation Amount, payable on the Interest Payment Date falling in February 2014 in JPY in accordance with paragraph 1 of the Annex hereto
- (vii) Day Count Fraction: 30/360, unadjusted
- (viii) Determination Date(s): Not Applicable
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes: If, upon due presentation of any Note on or after the due date for redemption or the date on which such Note becomes due and payable pursuant to Condition 7 (as the case may be), payment of principal is improperly withheld or refused, interest shall accrue thereon (as well after as before any judgement) from (and including) the due date for redemption or the date on which such Note becomes due and payable pursuant to Condition 7 (as the case may be) until whichever is the earlier of (i) the date on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note and (ii) the day on which the Agent has notified the holder thereof (either in accordance with Condition 11 or individually) of receipt of all sums due in respect thereof up to that date at a rate equal to the sum of the Accrual Yield (as defined in item 28 below) and 0.50 per cent. per annum.
17. Floating Rate Note Provisions: Not Applicable
18. Zero Coupon Note Provisions: Not Applicable
19. Index-Linked Interest Note Provisions: Not Applicable
20. Dual Currency Note Provisions: Not Applicable

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| 21. | Equity-Linked Interest Note Provisions: | Not Applicable |
| 22. | Commodity-Linked Interest Note Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 23. | Issuer Call: | Not Applicable |
| 24. | Investor Put: | Not Applicable |
| 25. | Final Redemption Amount: | BRL 10,000 per Calculation Amount, payable in JPY in accordance with paragraph 2 of the Annex hereto |
| 26. | Equity-Linked Redemption Note Provisions: | Not Applicable |
| 27. | Commodity-Linked Redemption Note Provisions: | Not Applicable |
| 28. | Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): | Early Redemption Amount per Calculation Amount payable on redemption for taxation reasons or on Event of Default shall be an amount (the " Amortised Face Amount ") equal to the sum of (a) BRL 6,840 (the " Reference Price ") and (b) the product of 5.591522 per cent. per annum (the " Accrual Yield ") (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for the redemption or (as the case may be) the date upon which such Note becomes due and repayable (the " Early Redemption Date "), and shall be payable in JPY as determined by the Calculation Agent in accordance with paragraph 3 of the Annex hereto. |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 29. | Form of Notes: | Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note. |
| 30. | New Global Note: | No |
| 31. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | TARGET2, Tokyo, New York and London in addition to Brazil, where Brazil means any of Rio de Janeiro, Brasilia or São Paulo |
| 32. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No. |

33. Details relating to Partly Paid Notes: Not Applicable
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:
34. Details relating to Instalment Notes: Not Applicable
amount of each instalment, date on which each payment is to be made:
35. Redenomination, renominatisation and reconventioning provisions: Not Applicable
36. Consolidation provisions: Not Applicable
37. Other terms or special conditions: On the second line from the bottom of paragraph (b) of Condition 11, the phrase "the seventh day after" shall be deemed deleted.

DISTRIBUTION

38. (i) If syndicated, names of Managers: Not Applicable
- (ii) Stabilising Manager (if any): Not Applicable
39. If non-syndicated, name of Dealer: Tokai Tokyo Securities Europe Limited
40. Additional selling restrictions: **Japan**
For the purpose of the issue of the Notes only and not for the purposes of any other Notes issued under the Programme, the selling restrictions relating to Japan under the heading "SUBSCRIPTION AND SALE - JAPAN" in the Information Memorandum dated 31st May 2012 will be deleted and replaced by the following wording:

"The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (except as mentioned below) and Tokai Tokyo Securities Europe Limited (the "Dealer") undertakes that it will not offer or sell the Notes, directly or indirectly, in Japan, or to or for the benefit of, any Japanese Person or to others for reoffering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time, provided that a supplemental document to Shelf Registration Statement (the "**Supplemental Document**") will be filed by the Issuer with the Director General of Kanto Local Finance

Bureau pursuant to the Financial Instruments and Exchange Law of Japan to enable certain securities companies in Japan to offer the Notes for sale to the public in Japan. The Dealer (i) understands that the Notes may be offered in Japan for sale pursuant to and in accordance with the terms contained in such Supplemental Document and otherwise in compliance with the Financial Instruments and Exchange Law of Japan and with all other applicable laws and regulations of Japan, and (ii) agrees that it will observe such restrictions. For the purpose hereof, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan."

Brazil

The Dealer has acknowledged that the Instruments may not be offered or sold to the public in Brazil and that accordingly, the offering of the Instruments has not been submitted to the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários, the CVM) for approval. The Dealer has represented and agreed that documents relating to such offering, as well as the information contained herein and therein, may not be supplied to the public, as public offering in Brazil or be used in connection with any offer for subscription or sale to the public in Brazil.

OPERATIONAL INFORMATION

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| 41. ISIN Code: | XS0880321103 |
| 42. Common Code: | 088032110 |
| 43. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable |
| 44. Delivery: | Delivery against payment |
| 45. Additional Paying Agent(s): | Not Applicable |
| 46. Intended to be held in a manner which would allow Eurosystem eligibility: | No |

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:

Duly authorised

Søren Høgenhaven
Managing Director
Chief Executive

Johnny Munk
Managing Director

ANNEX

Capitalised terms used herein but not otherwise defined herein shall have the meanings set forth in paragraph 4 of this Annex below and the Conditions of the Information Memorandum and the Final Terms to which this Annex is attached. In the event of any inconsistency between the Conditions, the Final Terms and paragraph 4 of this Annex, paragraph 4 of this Annex will govern.

1. Fixed Coupon Amount and Broken Amount

Unless the Notes have previously been redeemed or purchased and cancelled as specified in these Final Terms and subject as provided herein, the Fixed Coupon Amount and the Broken Amount in respect of each Interest Period shall be payable in respect of each Note (of the Specified Denomination) on each Interest Payment Date in JPY as determined by the Calculation Agent in respect of the related FX Determination Date in accordance with the following formula:

In case of the Broken Amount payable on the Interest Payment Date falling in February 2014:

BRL 49.03 multiplied by BRLJPY Fixing Rate

In case of the Fixed Coupon Amount payable on each subsequent Interest Payment Date:

BRL 50.00 multiplied by BRLJPY Fixing Rate

The amount resulting from such calculation will be rounded to the nearest JPY, with JPY 0.5 being rounded upwards.

2. Final Redemption Amount

Unless the Notes have previously been redeemed or purchased and cancelled as specified in these Final Terms and subject as provided herein, the Final Redemption Amount payable per Note (of the Specified Denomination) on the Maturity Date will be payable in JPY as determined by the Calculation Agent on the FX Determination Date immediately prior to the Maturity Date in accordance with the following formula:

BRL 10,000 multiplied by BRLJPY Fixing Rate

The amount resulting from such calculation will be rounded to the nearest JPY, with JPY 0.5 being rounded upwards.

For the avoidance of doubt, the Final Redemption Amount payable on the Maturity Date shall be in addition to any interest payable in respect of each Note (of the Specified Denomination) on the Interest Payment Date scheduled to fall on the Maturity Date pursuant to paragraph 1 (*Fixed Coupon Amount and Broken Amount*) of this Annex.

3. Early Redemption Amount

The Early Redemption Amount payable per Note (of the Specified Denomination) on the Early Redemption Date will be payable in JPY as determined by the Calculation Agent in respect of the relevant FX Determination Date in accordance with the following formula:

Amortised Face Amount (defined in paragraph 28 above) multiplied by BRLJPY Fixing Rate

The amount resulting from such calculation will be rounded to the nearest JPY with JPY 0.5 being rounded upwards.

For the avoidance of doubt, the Early Redemption Amount payable on the Early Redemption Date shall be in addition to any accrued but unpaid interest payable from and including the immediately preceding Interest Payment Date to but excluding the Early Redemption Date in respect of each Note (of the Specified Denomination) and payable in JPY as calculated by the Calculation Agent on the relevant FX Determination Date in accordance with the following formula:

BRL AI multiplied by BRLJPY Fixing Rate

Where:

BRL AI = Specified Denomination X Rate of Interest X Day Count Fraction, rounded to the nearest BRL 0.01 with BRL 0.005 being rounded upwards.

The JPY amount resulting from such calculation will be rounded to the nearest JPY, with JPY 0.5 being rounded upwards.

4. Definitions

The following terms shall have the following meanings:

"BRL Business Day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in any of Rio de Janeiro, Brasilia or São Paulo.

"BRL" means the Brazilian Real, being the lawful currency of the Federative Republic of Brazil.

"BRL 09" means, in respect of an FX Determination Date, the USD/BRL offered rate for USD, expressed as the amount of BRL per one USD, for settlement in two FX Business Days reported by the Banco Central do Brasil on SISBACEN Data System under transaction code PTAX-800 ("**Consultas de Câmbio**" or Exchange Rate Inquiry), Option 5 ("**Cotacões para Contabilidade**" or Rates for Accounting Purposes), by approximately 1.15 p.m., São Paulo time, for that FX Determination Date. BRL 09 is also reported by Bloomberg as the offered side on Page <BZFXPTAX ><INDEX> but if any inconsistencies arise between the rate reported on Bloomberg and the rate reported on SISBACEN, the rate reported on SISBACEN will be used for all calculations.

"BRLJPY Fixing Rate" means, in respect of an FX Determination Date, the BRL/JPY exchange rate, expressed as the amount of JPY per one BRL determined by the Calculation Agent on such FX Determination Date as the reciprocal number (expressed as the number of JPY per 1.00 BRL and being rounded to the nearest two decimal places, with 0.005 being rounded upwards) of the BRLJPY PTAX Rate subject to adjustment in accordance with the provisions of paragraph 5 (*Disruption Event*) and subject to the provisions of paragraph 6 (*Successor Currency*) of this Annex.

"BRLJPY PTAX Rate" means, in respect of an FX Determination Date, the JPY/BRL commercial rate, expressed as the amount of BRL per one JPY on such FX Determination Date as reported by Banco Central do Brasil on the SISBACEN Data System under transaction code PTAX-800 ("**Consultas de Câmbio**" or Exchange Rate Inquiry), Option 5, "Venda" or ask

side ("**Cotacões para Contabilidade**" or Rates for Accounting Purposes), by approximately 1.15 p.m., São Paulo time, for that FX Determination Date. BRL-PTAX Rate is also reported by Bloomberg as the offered side on Page <BZFXJPY><INDEX> (or its successor page for the purpose of displaying such rate) but if any inconsistencies arise between the rate reported on Bloomberg and the rate reported on SISBACEN, the rate reported on SISBACEN will be used for all calculations.

"**Calculation Agent**" means Credit Suisse International or any duly authorised successor thereto.

"**FX Business Day**" means a day which is both (i) a BRL Business Day and (ii) a day on which commercial banks and foreign exchange markets settle payments generally in New York, London, TARGET2 and Tokyo.

"**FX Determination Date**" means the day that is, based on publicly available information on such date, (i) in respect of each Interest Payment Date, the fifth (5th) FX Business Day prior to such Interest Payment Date; (ii) in respect of the Maturity Date, the fifth (5th) FX Business Day prior to the Maturity Date, and (iii) in respect of an Early Redemption Date, the fifth (5th) FX Business Day prior to such Early Redemption Date.

"**USD**" means United States dollars, being the lawful currency of the United States of America.

"**USDJPY Bid Rate**" means the foreign exchange spot rate determined by the Calculation Agent as the bid rate for USD/JPY foreign exchange rate (expressed as the number of JPY per 1.00 USD) published on Reuters Page JPNW in the column with the heading "DLR" and to the right of the caption "1600", or any substitute or successor page, at approximately 4:00 p.m. New York time, or any other time the Calculation Agent deems appropriate on the relevant FX Determination Date.

5. **Disruption Event**

A "**Disruption Event**" is deemed to occur if (i) it becomes impossible to obtain the BRLJPY PTAX Rate ("**Price Source Disruption**") or (ii) the BRL 09 differs from the Secondary Rate by at least the Price Materiality Percentage ("**Price Materiality**") on the FX Determination Date (or, if different, the day on which rates for that FX Determination Date would, in the ordinary course, be published or announced by the relevant price source).

If a Disruption Event occurs, then the Calculation Agent shall determine the BRLJPY Fixing Rate as a cross currency foreign exchange rate derived by dividing the USDJPY Bid Rate by the Secondary Rate.

If it is impossible to obtain the BRLJPY Fixing Rate after considering the fallback described above, then the Calculation Agent shall determine, in good faith and in a commercially reasonable manner, the BRLJPY Fixing Rate in its sole discretion.

"**Secondary Rate**" means EMTA BRL Industry Survey Rate ("**BRL12**", as defined in the 1998 FX and Currency Option Definitions as published by the International Swaps and Derivatives Association, Inc., EMTA, Inc. and the Foreign Exchange Committee (as amended from time to time)).

"**Price Materiality Percentage**" means 3 %.

6. **Successor Currency**

If the BRL ceases to exist and is replaced by a successor currency exchange rate that is reported, sanctioned, recognised, published, announced or adopted (or other similar action) by the Governmental Authority in Brazil (the "**Official Successor Rate**"), then the BRLJPY Fixing Rate for the relevant FX Determination Date will be determined as if the parties had specified any available price source which publishes or announces the Official Successor Rate (including, but not limited to, an official publication of the Governmental Authority in Brazil) on such FX Determination Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by the relevant price source) as the applicable BRLJPY Fixing Rate.