

Final Terms

Final Terms dated 17 February, 2015

KommuneKredit

issue of JPY 465,000,000 Index Linked Interest to Notes due 19 February 2020 (the "Notes")

under the

EUR25,000,000,000 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 22 May, 2014. These Final Terms must be read in conjunction with such Information Memorandum.

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| 1. | Issuer: | KommuneKredit |
| 2. | Series Number: | I14Z108522 |
| 3. | Specified Currency or Currencies: | Japanese Yen ("JPY") |
| 4. | Aggregate Nominal Amount: | JPY465,000,000 |
| 5. | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| 6. | (i) Specified Denominations: | JPY1,000,000 |
| | (ii) Calculation Amount: | JPY1,000,000 |
| 7. | (i) Issue Date: | 26 February, 2015 |
| | (ii) Interest Commencement Date: | 27 February, 2015 |
| 8. | Maturity Date: | 19 February, 2020, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention |
| 9. | Interest Basis: | Index Linked Interest
(further particulars specified below) |
| 10. | Redemption/Payment Basis: | Dual Currency (see Appendix hereto) |
| 11. | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. | Put/Call Options: | Issuer Call
(further particulars specified below) |
| 13. | Status of Notes: | Senior |
| 14. | Listing: | None |
| 15. | Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 16. | Fixed Rate Note Provisions: | 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:	See Appendix hereto
	(ii) Calculation Agent responsible for calculating the interest due:	See Appendix hereto
	(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	See Appendix hereto
	(iv) Specified Period(s)/Specified Interest Payment Dates:	19 February, 19 May, 19 August and 19 November in each year from and including 19 May, 2015 to and including the Maturity Date, subject to adjustment for payment only in accordance with the Business Day Convention specified in item 19(v) below
	(v) Business Day Convention:	Modified Following Business Day Convention
	(vi) Additional Business Centre(s):	London, New York, Sydney and Tokyo.
	(vii) Minimum Rate of Interest:	Not Applicable
	(viii) Maximum Rate of Interest:	Not Applicable
	(ix) Day Count Fraction:	30/360, unadjusted
20.	Dual Currency Note Provisions:	Applicable (see Appendix hereto)
21.	Equity-Linked Interest Note Provisions:	Not Applicable
22.	Commodity-Linked Interest Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

23.	Issuer Call:	Applicable
	(i) Optional Redemption Date(s):	Each Specified Interest Payment Date from and including 19 May, 2015 to and including 19 November, 2019, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	Redemption at par
	(iii) If redeemable in part:	
	(a) Minimum Redemption	Not Applicable

	Amount:	
	(b) Maximum Redemption Amount:	Not Applicable
	(iv) Notice period (if other than as set out in the Conditions):	Not less than ten (10) Business Days prior to the relevant Optional Redemption Date (subject to adjustment in accordance with the Modified Following Business Day Convention)
24.	Investor Put:	Not Applicable
25.	Final Redemption Amount:	See Appendix 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 of the Note shall mean (i) for redemption for tax reasons, the JPY amount which is determined by the Calculation Agent in its sole and absolute discretion to be the fair market value of such Note immediately prior to such early redemption, adjusted to account fully for any reasonable expenses and costs to the Issuer of unwinding any underlying and/or related hedging and funding arrangements and (ii) for redemption on event of default, JPY1,000,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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:	For the avoidance of doubt, "Financial Centres" shall mean London, New York, Sydney and Tokyo
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: 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	Not Applicable

forfeit the Notes and interest due on late payment:

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| 34. | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | Not Applicable |
| 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

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| 38. | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Stabilising Manager (if any): | Not Applicable |
| 39. | If non-syndicated, name of Dealer: | Mitsubishi UFJ Securities International plc |
| 40. | Additional selling restrictions: | A secondary distribution (Uridashi) of the Notes is scheduled to be made in Japan. The Notes may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, except in compliance with the terms of the Securities Registration Statement and any amendments thereto to be filed by the Issuer with the Director of the Kanto Local Finance Bureau pursuant to the Financial Instruments and Exchange Law of Japan in connection with such secondary distribution, or 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. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan. |

OPERATIONAL INFORMATION

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| 41. | ISIN Code: | XS1175274684 |
| 42. | Common Code: | 117527468 |
| 43. | Any clearing system(s) other than Euroclear and Clearstream, | Not Applicable |

Luxembourg and the relevant identification number(s):

- 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

APPENDIX

Capitalised terms used herein but not otherwise defined herein shall have the meanings set forth in Paragraph 3 of this Appendix below and the Conditions of the Information Memorandum and the Final Terms to which this Appendix is attached. In the event of any inconsistency between the Conditions, the Final Terms and Paragraph 3 of this Appendix, paragraph 3 of this Appendix will govern.

1. Index Linked Interest Amount

The Index Linked Interest Amount per Specified Denomination, expressed as an amount in JPY, payable on each Specified Interest Payment Date from and including 19 May, 2015 to and including the Maturity Date shall be calculated by the Calculation Agent in accordance with the following formula (the results thereof being rounded to the nearest whole JPY with one half JPY being rounded up):

If, in the determination of the Calculation Agent, on any Interest Determination Date, FX1 is greater than or equal to FX0, the Interest Rate applicable for the Specified Period related to such Specified Interest Payment Date shall be 3.50 per cent. per annum and the Index Linked Interest Amount on such Specified Interest Payment Date shall be JPY8,750 (except for the first Specified Period for which the interest amount shall be JPY7,972 payable on 19 May, 2015); or

If, in the determination of the Calculation Agent, on any Interest Determination Date, FX1 is less than FX0, the Interest Rate applicable for the Specified Period related to such Specified Interest Payment Date shall be 1.00 per cent. per annum and the Index Linked Interest Amount on such Specified Interest Payment Date shall be JPY2,500 (except for the first Specified Period for which the interest amount shall be JPY2,278 payable on 19 May, 2015).

2. Final Redemption Amount

Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer on the Maturity Date in respect of each Calculation Amount in accordance with the following conditions:

The Final Redemption Amount shall be calculated by the Calculation Agent, on the Redemption Determination Date, in accordance with the following:

(A) If, in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, FX3 is greater than or equal to FX2, the Notes will be redeemed at par and the Final Redemption Amount shall be payable in JPY.

Otherwise:

(B) If, in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, FX3 is less than FX2, the Final Redemption Amount shall be an amount payable in AUD, the result of which shall be rounded to the nearest AUD 0.01 with AUD 0.005 being rounded up, calculated in accordance with the following formula:

JPY 1,000,000 / Spot Rate

3. Definitions

"**AUD**" means Australian Dollars.

"**Calculation Agent**" means Barclays Bank PLC.

"**FX0**" means Spot Rate.

"**FX1**" means the Reference Rate on each Interest Determination Date.

"**FX2**" means Spot Rate minus 16.50.

"**FX3**" means the Reference Rate on the Redemption Determination Date.

"**Interest Determination Date**" means the day that is ten (10) Tokyo, London, Sydney and New York Business Days prior to each Specified Interest Payment Date (subject to adjustment in accordance with the Modified Following Business Day Convention).

"**Redemption Determination Date**" means a day that is ten (10) Tokyo, London, Sydney and New York Business Days prior to the Maturity Date (subject to adjustment in accordance with the Modified Following Business Day Convention).

"**Tokyo, London, Sydney and New York Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business and settle payments in Tokyo, London, Sydney and New York.

"**Reference Rate**" is the arithmetic mean of the offer and the bid JPY/AUD spot exchange rate (expressed as the number of JPY per one AUD) (rounded, if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) on the Reuters Screen Page "JPNU" under the column "AUD" on the relevant date at 11:00 a.m. Tokyo time, as determined by the Calculation Agent, provided that:

(i) If no such rate is published on the Reuters Screen Page "JPNU" on the relevant date, then the Calculation Agent will request five leading reference banks (selected by the Calculation Agent in its sole discretion) in the Tokyo interbank market for their mid rate quotations of the JPY/AUD spot exchange rate at approximately 11:00 a.m. Tokyo time on such date. The highest and the lowest quotations will be disregarded and the arithmetic mean (rounded, if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of the remaining quotations will be the Reference Rate.

(ii) If only four quotations are so provided, then the Reference Rate shall be the arithmetic mean (rounded, if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of such quotations without regard to the highest and the lowest values quoted.

(iii) If fewer than four but at least two quotations can be obtained, then the Reference Rate will be the arithmetic mean (rounded, if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of such quotations.

(iv) If only one quotation is available, then the Calculation Agent may determine that such quotation is the Reference Rate.

(v) If no such quotation is available or if the Calculation Agent determines in its sole discretion that no suitable reference bank, which is prepared to quote, is available, then the Calculation Agent will determine the Reference Rate in its sole discretion acting in good faith and in a commercially reasonable manner.

"Reuters Screen" shall mean, when used in connection with any designated page, the display page so designated on the Reuters Monitor Money Rates Service or such other service or services as may be nominated as the information vendor for the purpose of displaying the specific page on that service or such other page as may replace that page on that service or such other service, in all cases for the purpose of displaying comparable rates in succession thereto.

"Reuters Screen Page "JPNU"' means the display page "JPNU" on the Reuters Screen (or such other page as may replace that page on that service for the purpose of displaying the JPY/AUD spot exchange rates).

"Spot Rate" means the Reference Rate on the Interest Commencement Date.