

Final Terms

KommuneKredit

JPY 979,000,000 FX Linked Interest & FX Linked Redemption Notes due May 2020 (the "Notes")

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.

1. Issuer: KommuneKredit
2. (i) Series Number: I15Z112067
(ii) Tranche Number: 1
3. Specified Currency or Currencies: Japanese Yen ("JPY")
4. Aggregate Nominal Amount:
(i) Series: JPY 979,000,000
(ii) Tranche: JPY 979,000,000
5. Issue Price: 100.00 per cent. of the Aggregate Nominal Amount
6. (i) Specified Denominations: JPY 1,000,000
(ii) Calculation Amount: JPY 1,000,000
7. (i) Issue Date: 15 May 2015
(ii) Interest Commencement Date: 18 May 2015
8. Maturity Date: 18 May 2020, subject to adjustment in accordance with the Modified Following Business Day Convention for the purposes of payment and determining the Final Valuation Date (the "**Scheduled Maturity Date**") and further subject to Automatic Early Redemption as set out in the Annex
9. Interest Basis: 7.00 per cent. Fixed Rate to FX Linked Interest (further particulars specified below)
10. Redemption/Payment Basis: FX Linked Redemption (See the Annex)
11. Change of Interest or Redemption/Payment Basis: Applicable
From and including the Interest Commencement Date to but excluding the Interest Payment Date specified in item 16(ii) below, the Notes pay interest

on a fixed rate basis and thereafter the Notes pay interest on an FX linked basis.

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| 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

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| 16. | Fixed Rate Note Provisions | Applicable from and including the Interest Commencement Date to but excluding the Interest Payment Date specified in item 16(ii) below |
| (i) | Rate of Interest: | 7.00 per cent. per annum payable quarterly in arrear |
| (ii) | Interest Payment Date(s): | 18 August 2015, subject to adjustment in accordance with the Business Day Convention set out in item 16(iii) below for the purposes of payment and determining the Automatic Early Redemption Valuation Dates

For the avoidance of any doubt, the Fixed Coupon Amount as provided in item 16(v) shall not be subject to adjustment. |
| (iii) | Business Day Convention: | Modified Following Business Day Convention |
| (iv) | Additional Business Centre(s): | Tokyo, London, New York and Brazil (any of Sao Paulo, Rio de Janeiro or Brasilia)

Notwithstanding Condition 3(g)(iii), “ Business Day ” means a day on which commercial banks and foreign exchange markets settle payments in Tokyo, London and New York and which is also a Brazil Business Day.

“ Brazil Business Day ” means a day on which the commercial banks and foreign exchange markets settle payments in any of Sao Paulo, Rio de Janeiro or Brasilia. |
| (v) | Fixed Coupon Amount: | JPY 17,500 per Calculation Amount |
| (vi) | Broken Amount(s): | Not Applicable |
| (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: | Not Applicable |

17. Floating Rate Note Provisions: Not Applicable
18. Zero Coupon Note Provisions: Not Applicable
19. Index-Linked Interest Note Provisions: Applicable
- From and after the Interest Payment Date specified in item 16(ii) above, the Notes pay interest linked to BRL/JPY Exchange Rate (as defined in the Annex).
- (i) Index/Formula: The Rate of Interest and Interest Amount payable on each Calculation Amount will be determined by the Calculation Agent as follows:
- (A) If BRL/JPY Exchange Rate on the relevant Coupon Determination Date is equal to or greater than Coupon Valuation FX, the Rate of Interest is 7.00 per cent per annum (JPY 17,500 per Calculation Amount);
- OR
- (B) If BRL/JPY Exchange Rate on the relevant Coupon Determination Date is less than Coupon Valuation FX, the Rate of Interest is 0.10 per cent per annum (JPY 250 per Calculation Amount).
- (ii) Calculation Agent responsible for calculating the interest due: J.P. Morgan Securities plc
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or - impracticable: See the Annex
- (iv) Specified Period(s)/Specified Interest - Payment Dates: 18 February, 18 May, 18 August and 18 November in each year from and including 18 November 2015 to and including the Maturity Date, each subject to adjustment in accordance with the Business Day Convention set out in item 19(v) below for the purposes of payment and determining the Coupon Determination Dates and the Automatic Early Redemption Valuation Dates (each, an **"Index-Linked Interest Payment Date"** and together with the Interest Payment Date specified in item 16(ii) above, the **"Interest Payment Dates"**)
- For the avoidance of any doubt, the Interest Amounts as provided in item 19(i) above shall not be subject to adjustment.
- (v) Business Day Convention: Modified Following Business Day Convention
- (vi) Additional Business: Tokyo, London, New York and Brazil (any of Sao

Centre(s):	Paolo, Rio de Janeiro or Brasilia)
	For the definition of “ Business Day ” please see item 16(iv) above.
(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:	Not Applicable
21. Equity-Linked Interest Note Provisions:	Not Applicable
22. Commodity-Linked Interest Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

23. Issuer Call:	Not Applicable
24. Investor Put:	Not Applicable
25. Final Redemption Amount:	See Annex
26. Equity-Linked Redemption Note Provisions:	Not Applicable
27. Commodity-Linked Redemption 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):	<p>For the Early Redemption Amount payable on redemption for taxation reasons, JPY amount which is determined by the Calculation Agent in its sole and absolute discretion and in a commercially reasonable manner to be the fair market value of the Notes 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 (including, without limitation, any options or swaps hedging the Issuer’s obligations under the Notes). Early Redemption Amount shall be determined by the Calculation Agent by including an amount in respect of accrued interest to (and excluding) the relevant redemption date prior to the Maturity Date.</p> <p>For Early Redemption Amount on event of default, 100% of the principal amount of the Notes.</p>

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:	(i) Tokyo, London and New York and (ii) Brazil (any of Sao Paulo, Rio de Janeiro or Brasilia)
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 forfeit the Notes and interest due on late payment:	Not Applicable
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. For further applicable provisions as set out in Annex.

DISTRIBUTION

38.	(i) If syndicated, names of Managers:	Not Applicable
	(ii) Stabilising Manager (if any):	Not Applicable
39.	If non-syndicated, name of Dealer:	J.P. Morgan Securities plc
40.	Additional selling restrictions:	A secondary distribution (<i>Uridashi</i>) 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 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: | XS1230068956 |
| 42. | Common Code: | 123006895 |
| 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): | |
| | (i) Additional Paying Agent (if any): | Not Applicable |
| | (ii) Swiss Paying Agent: | 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

Annex

1. Final Redemption

Unless previously redeemed or purchased and cancelled, the Final Redemption Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

- (i) if the BRL/JPY Exchange Rate on the Final Valuation Date is equal to or higher than the Redemption Determination FX, the Final Redemption Amount per Calculation Amount shall be JPY 1,000,000;
- (ii) if the BRL/JPY Exchange Rate on the Final Valuation Date is lower than the Redemption Determination FX, the Final Redemption Amount per Calculation Amount payable in JPY shall be calculated in accordance with the following formula:

$1,000,000 \times \text{BRL/JPY Exchange Rate on the Final Valuation Date} / \text{Redemption Determination FX}$

provided that the Final Redemption Amount shall be rounded to the nearest JPY, with half a JPY being rounded up and shall never be less than zero.

2. Automatic Early Redemption

If the Calculation Agent determines that on any Automatic Early Redemption Valuation Date the BRL/JPY Exchange Rate is equal to or higher than the Knock-out Level, the Notes shall be redeemed at par in whole but not in part on the immediately following Interest Payment Date (together with interest payable on such Interest Payment Date).

3. Calculations Binding

The Calculation Agent has been appointed as such in order to determine in its sole discretion the calculations with respect to certain amounts payable under the Notes and the determination with respect to certain events as more fully specified herein in accordance with the agreement(s) entered into between the Issuer and the Calculation Agent ("**Calculation Agency Agreement**"). All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the determinations by the Calculation Agent shall, in the absence of manifest error, be binding on the Issuer, the Agent and the Noteholders and (in the absence as aforesaid) no liability to the Issuer, the Agent or the Noteholders shall attach to the Calculation Agent in connection with the exercise by it of its powers, duties and discretion pursuant to the provisions herein. Any notice to be given by the Calculation Agent shall be deemed to have been given if given in accordance with the Calculation Agency Agreement.

4. Definitions

"**Automatic Early Redemption Valuation Date**" means the day that is 10 Business Days prior to each of the Interest Payment Dates except for the Maturity Date.

"**Base FX**" means the BRL/JPY Exchange Rate on the Initial Determination Date.

"**BRL/JPY Exchange Rate**" means, in respect of a relevant date, the reciprocal number of the ask side of the PTAX JPY Rate (rounded to two decimal places with 0.005 being rounded upwards), where the "**PTAX JPY Rate**" means the JPY/BRL commercial rate, expressed as the number of BRL per 1.00 JPY as reported by Banco Central do Brasil on its website (<http://www.bcb.gov.br/?english>) by approximately 1.15 p.m. São Paulo time and which appears on Bloomberg Page <BZFXJPY Index> or its successor page for the purpose of displaying such rate, provided that the PTAX JPY Rate found on the Banco Central do Brasil website shall prevail in case of conflict with the PTAX JPY Rate appearing on Bloomberg page <BZFXJPY Index>.

If the foregoing method is not available, the BRL/JPY Exchange Rate is determined by the Calculation Agent as the USD/JPY Exchange Rate as of the relevant date divided by the USD/BRL Exchange Rate as of the same date (rounded to two decimal places with 0.005 being rounded upwards).

If neither of the foregoing methods is available, the BRL/JPY Exchange Rate is determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner.

“Coupon Determination Date” means the day that is 10 Business Days prior to each Index-Linked Interest Payment Date.

“Coupon Valuation FX” means Base FX – JPY 5.00.

“Final Valuation Date” means the day that is 10 Business Days prior to the Scheduled Maturity Date.

“Knock-out Level” means Base FX + JPY 2.00.

“Initial Determination Date” means 18 May 2015 or, if such date is not a Business Day, the Initial Determination Date shall be the next following Business Day.

“Redemption Determination FX” means Base FX – JPY 9.00.

“USD/BRL Exchange Rate” means, in respect of a relevant date, the spot rate for USD/BRL specified rate for USD, expressed as the amount of BRL per one USD, as published on EMTA’s web site (www.emta.org) at approximately 3:45 p.m. (São Paulo time), or as soon thereafter as practicable, on such date. The spot rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA BRL Industry Survey Methodology (which means a methodology, dated as of March 1, 2004, as amended from time to time, for a centralized industry-wide survey of financial institutions in Brazil that are active participants in the BRL/USD spot markets for the purpose of determining the EMTA BRL Industry Survey Rate).

“USD/JPY Exchange Rate” means, in respect of a relevant date, the arithmetic mean of bid rate and ask rate of the USD/JPY foreign exchange rate expressed as the number of JPY per 1.00 USD as published at approximately 4:00 p.m. New York time on Reuters Page “JPNW” (or any substitute or successor page).