

Final Terms dated 24 October 2017

**KommuneKredit**

**Issue of ZAR 100,000,000 Zero Coupon Notes due 26 October 2027**

**(the “Notes”)**

**Under the EUR30,000,000,000  
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 19 May 2017. These Final Terms must be read in conjunction with such Information Memorandum.

1. Issuer: KommuneKredit
2. (i) Series Number: I17Z133977  
(ii) Tranche Number: 1
3. Specified Currency or Currencies: South African Rand (“ZAR”)
4. Aggregate Nominal Amount:  
(i) Series: ZAR 100,000,000  
(ii) Tranche: ZAR 100,000,000
5. Issue Price: 45.74 per cent. of the Aggregate Nominal Amount
6. (i) Specified Denominations: ZAR 10,000  
(ii) Calculation Amount: ZAR 10,000
7. (i) Issue Date: 26 October 2017  
(ii) Interest Commencement Date: Not Applicable
8. Maturity Date: 26 October 2027
9. Interest Basis: Zero Coupon  
(further particulars specified below)
10. Redemption/Payment Basis: Redemption at par
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	Not Applicable
17.	Floating Rate Note Provisions:	Not Applicable
18.	Zero Coupon Note Provisions:	Applicable
	(i) Amortisation Yield/Accrual Yield:	7.8989 per cent. per annum, compounded quarterly
	(ii) Reference Price:	Issue Price
	(iii) Any other formula/basis of determining amount payable:	Not Applicable
	(iv) Day Count Fraction in relation to Early Redemption Amounts and late payment:	30/360
19.	Index-Linked Interest Note Provisions:	Not Applicable
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:	Par
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):	Amortised Face Amount as defined in the Conditions.

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

29.	Form of Notes:	Bearer Notes:
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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: Notwithstanding Condition 5, if the due date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, then the holder thereof shall not be entitled to payment until the next following Payment Day, unless such day falls in the next calendar month in which case such date shall be the first preceding day that is a Payment Day.
- Where:
- “Payment Day” means any day which is 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 and Johannesburg and a day on which the TARGET2 System is open.
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: The final paragraph of Condition 5 is not applicable to the Notes. Instead the following shall apply to the Notes:
- If the Calculation Agent determines that any amount payable in respect of the Notes on the respective Payment Business Day is not available to it in such freely negotiable and convertible funds for reasons beyond its control or that the Specified

Currency or any successor currency to it provided for by law (the "Successor Currency") is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payment in Euro on, or as soon as reasonably practicable after, the respective Payment Business Day, as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

Any payment made in the Successor Currency or Euro in accordance with this paragraph will not constitute an Event of Default.

Where:

"Calculation Agent" means Nomura International plc or any duly appointed successor;

and

"Payment Business Day" means any day which is (i) a day on which the relevant clearing system(s) are operating, and which is (ii) a Payment Day.

## DISTRIBUTION

- |     |      |                                    |                          |
|-----|------|------------------------------------|--------------------------|
| 38. | (i)  | If syndicated, names of Managers:  | Not Applicable           |
|     | (ii) | Stabilising Manager (if any):      | Not Applicable           |
| 39. |      | If non-syndicated, name of Dealer: | Nomura International plc |
| 40. |      | Additional selling restrictions:   | Republic of South Africa |

The Dealer has represented, warranted and agreed that it has not and will not offer for sale or subscription or sell any Notes, directly or indirectly, within the Republic of South Africa or to any person or corporate or other entity resident in the Republic of South Africa except in accordance with the exchange control regulations of the Republic of South Africa and to any entity resident or within the Republic of South Africa in accordance with the Commercial Paper regulations and the Companies Act 2008 and the Financial Advisory and Intermediary Services Act 2002.

## OPERATIONAL INFORMATION

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|-----|---|----------------|
| 41. | ISIN Code:  | XS1695269743   |
| 42. | Common Code:  | 169526974      |
| 43. | Any clearing system(s) other than Euroclear and Clearstream and the | Not Applicable |

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. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

**RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By: .....

Duly authorised