

Final Terms dated 9 April 2018

KommuneKredit
Issue of MXN 30,300,000 Fixed Rate Notes due 19 April 2021
(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.

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|-----|-------------------------------------------------|--------------------------------------------------------------------|
| 1. | Issuer: | KommuneKredit |
| 2. | (i) Series Number: | I18Z137777 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Mexican Peso ("MXN") |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | MXN 30,300,000 |
| | (ii) Tranche: | MXN 30,300,000 |
| 5. | Issue Price: | 99.98 per cent. of the Aggregate Nominal Amount |
| 6. | (i) Specified Denominations: | MXN 100,000 |
| | (ii) Calculation Amount: | MXN 100,000 |
| 7. | (i) Issue Date: | 19 April 2018 |
| | (ii) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 19 April 2021 |
| 9. | Interest Basis: | 6.49 per cent. Fixed Rate
(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

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|-----|----------------------------|------------|
| 16. | Fixed Rate Note Provisions | Applicable |
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(i)	Rate of Interest:	6.49 per cent. per annum payable semi-annually in arrear
(ii)	Interest Payment Date(s):	19 April and 19 October in each year commencing 19 October 2018 up to and including the Maturity Date The period from and including an Interest Payment Date (or the Interest Commencement Date) to but excluding the next (or first) Interest Payment Date is called an " Interest Period ". For the avoidance of doubt, each Interest Period will not be subject to adjustment.
(iii)	Business Day Convention:	Following Business Day Convention
(iv)	Additional Business Centre(s):	London, Mexico City and New York
(v)	Fixed Coupon Amount(s):	MXN 3,245.00 per Calculation Amount
(vi)	Broken Amount(s):	Not Applicable
(vii)	Day Count Fraction:	30/360
(viii)	Determination Date(s):	Not Applicable
(ix)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	The words "the aggregate outstanding nominal amount" used in Condition 3(a)(A) shall be replaced by the words "the Calculation Amount".
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
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	Par

on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

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:	London, Mexico City and New York
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: In the event that the Issuer is due to make a payment in MXN and MXN is not available on the foreign exchange markets due to the imposition of exchange controls, MXN's replacement or disuse or other circumstances beyond the Issuer's control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in Euro on the basis of the spot exchange rate (the " FX Rate ") at which MXN is offered in exchange for Euro in the London foreign exchange market.

"FX Rate" shall be calculated and determined by the Calculation Agent as the mid EUR/MXN foreign exchange rate (expressed as a number of MXN per EUR 1.00) for spot foreign exchange transactions quoted by five major reference banks (the **"Reference Banks"**) (selected by the Calculation Agent at its sole discretion, acting in good faith and in a commercially reasonable manner) at approximately 10:00 a.m., London time, two Business Days prior to the date on which payment is due. The highest and the lowest of such quotations will be disregarded and the arithmetic mean of the remaining quotations will be the FX Rate, provided that, if two or more such quotations are the highest quotations, then only one of such highest quotations shall be disregarded, and if two or more such quotations are the lowest quotations then only one of such lowest quotations shall be disregarded.

If only four quotations are so provided then FX Rate shall be the arithmetic mean of such quotations without regard to the highest and lowest values quoted, provided that, if two or more such quotations are the highest quotations, then only one of such highest quotations shall be disregarded, and if two or more such quotations are the lowest quotations then only one of such lowest quotations shall be disregarded.

If fewer than four but at least two quotations are provided, FX Rate 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 the FX Rate, and if no such quotation is available or if the Calculation Agent determines that no suitable Reference Banks who are prepared to quote are available, the Calculation Agent, acting in good faith and in a commercially reasonable manner, having taken into account relevant market practice, shall determine a suitable rate, which will be the FX Rate.

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

Where:

"Business Day" means a day (other than a

Saturday or Sunday) 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, New York and Mexico City; and

“**Calculation Agent**” means Nomura International plc or any duly appointed successor.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II product governance / Eligible counterparties, professional investors, retail investors (Japanese only) target market – Solely for the purposes of the product governance requirements contained within: (a) MiFID II (Directive 2014/65/EU); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; (together, the “MiFID II Product Governance Requirements”), the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in MiFID II, provided that in respect of retail clients, such clients are resident in Japan; and (ii) all channels for distribution of the Notes to eligible counterparties,

professional clients and retail clients are appropriate, subject to compliance with applicable securities laws and regulations in the jurisdiction of the distribution. Any person subsequently offering, selling or recommending the Notes (**a distributor**) should take into consideration such target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes and determining appropriate distribution channels, with all sales subject to the distributor's suitability and appropriateness obligations under applicable securities laws and regulations in the jurisdiction of the distribution.

For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Notes.

Furthermore it should be noted, that the Issuer is not subject to either the PRIIPs Regulation, the Prospectus Directive or MiFID II.

DISTRIBUTION

- 38. (i) If syndicated, names of Managers:
- (ii) Stabilising Manager (if any):
- 39. If non-syndicated, name of Dealer:
- 40. Additional selling restrictions:

Not Applicable

Not Applicable

Nomura International plc

JAPAN

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 shelf registration statement and the amendment(s) and the supplemental document thereto having been filed or 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 rele-

vant 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.

UNITED MEXICAN STATES

The Dealer has represented and agreed that the Notes have not been, and will not be, registered with the Mexican National Registry of Securities maintained by the Mexican National Banking and Securities Commission nor with the Mexican Stock Exchange and therefore, may not be offered or sold publicly in the United Mexican States. The Information Memorandum may not be publicly distributed in the United Mexican States. The Notes may be privately placed in Mexico among institutional and qualified investors, pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law and otherwise in compliance with all applicable Mexican laws and regulations.

OPERATIONAL INFORMATION

41.	ISIN Code:	XS1792355445
42.	Common Code:	179235544
43.	Any clearing system(s) other than Euroclear and Clearstream 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. 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 intra day 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 

Jens Lundager
Managing Director
Chief Executive

Henrik Andersen
Managing Director