

KommuneKredit
Issue of INR 652,500,000 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: | I18Z137774 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Indian Rupee (" INR "), provided that all payments in respect of the Notes will be made in Japanese Yen (" JPY "), subject to Appendix attached hereto |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | INR 652,500,000 |
| | (ii) Tranche: | INR 652,500,000 |
| 5. | Issue Price: | 99.98 per cent. of the Aggregate Nominal Amount |
| 6. | (i) Specified Denominations: | INR 100,000 |
| | (ii) Calculation Amount: | INR 100,000 |
| 7. | (i) Issue Date: | 19 April 2018 |
| | (ii) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 19 April 2021 |
| 9. | Interest Basis: | 5.30 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

16.	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	5.30 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):	Tokyo, London, New York and Mumbai
	(v) Fixed Coupon Amount(s):	INR 2,650.00 per Calculation Amount, provided however, that each Fixed Coupon Amount will be paid in JPY, converted from INR at the Reference Rate applicable in relation to each Interest Payment Date as set out in Appendix attached hereto.
	(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:	INR 100,000 per Calculation Amount, provided however, that the Final Redemption Amount will

		be paid in JPY, converted from INR at the Reference Rate applicable in relation to the Maturity Date as set out in Appendix attached 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):	INR 100,000 per Calculation Amount, provided however, that the Early Redemption Amount will be paid in JPY, converted from INR at the Reference Rate applicable in relation to the day fixed for redemption as set out in Appendix attached hereto, and for the avoidance of doubt, plus accrued and unpaid interest, if any.

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:	Tokyo, London, New York and Mumbai
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.

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:

Not Applicable

(ii) Stabilising Manager (if any):

Not Applicable

39. If non-syndicated, name of Dealer:

Nomura International plc

40. Additional selling restrictions:

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 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.

INDIA

The Dealer has represented and agreed that it has not offered and sold, and will not offer or

sell, any Notes in India at any time except in circumstances which would not constitute an offering to the public within the meaning of the Companies Act 2013. Neither the Information Memorandum, nor any document pursuant to which the Notes are offered, will be generally distributed or circulated in India and such document will be for the sole consideration and exclusive use of the persons permitted to acquire any such Notes under Indian law.

OPERATIONAL INFORMATION

41.	ISIN Code:	XS1792359868
42.	Common Code:	179235986
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

Henrik Andersen
Managing Director



Tobias Schmidt
Senior Legal Counsel

Appendix

1. Fixed Rate Note Provisions

The Fixed Coupon Amount per Calculation Amount payable in JPY ("I") on each Interest Payment Date, shall be determined by the Calculation Agent on the relevant Rate Fixing Date in accordance with the following formula, provided that the resultant figure of the formula shall be rounded down to the next lower whole JPY:

$$I = \text{INR } 2,650.00 \times \text{Reference Rate}$$

For the avoidance of doubt, an interest amount which is payable on a day other than the Interest Payment Date shall be paid in JPY by applying *mutatis mutandis* the provisions above.

2. Redemption at Maturity

Unless previously redeemed or purchased and cancelled and subject as provided below, each Note will be redeemed at the Final Redemption Amount on the Maturity Date. The Final Redemption Amount per Calculation Amount payable in JPY ("F") shall be determined by the Calculation Agent on the Rate Fixing Date in relation to the Maturity Date in accordance with the following formula, provided that the resultant figure of the formula shall be rounded down to the next lower whole JPY:

$$F = \text{INR } 100,000 \times \text{Reference Rate}$$

3. Price Source Disruption Event

If Price Source Disruption Event occurs, the Reference Rate shall be determined in the following order.

- (a) The Reference Rate shall be determined by the Calculation Agent on such Rate Fixing Date in the following manner, acting in good faith and in a commercially reasonable manner, having taken into account relevant market practice:

Dividing the USD/JPY_fx by the USD/INR_fx and provided that such number (expressed as the number of JPY per one INR) shall be rounded to two decimal places with 0.005 being rounded upwards.

- (b) If USD/JPY_fx is not available on the relevant Rate Fixing Date, the Calculation Agent will request five leading reference banks (selected by the Calculation Agent at its sole discretion) in the Tokyo interbank market for their mid-market quotations of the USD/JPY spot exchange rate at approximately 3:30 p.m. Tokyo time on such date.

The highest and the lowest of such quotations will be disregarded and the arithmetic mean of the remaining three quotations will be USD/JPY_fx, 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.

Provided that, if only four quotations are so provided, then USD/JPY_fx 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 quotations but at least two quotations can be obtained then USD/JPY_fx 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 USD/JPY_fx, and if no such quotation is available or if the Calculation Agent determines in its sole discretion that no suitable reference bank who is prepared

to quote is available, USD/JPY_fx shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, having taken into account relevant market practice.

- (c) If USD/INR_fx is not available on the relevant Rate Fixing Date, the Calculation Agent will request five leading reference banks (selected by the Calculation Agent at its sole discretion) which regularly deal in the USD/INR exchange market, for their market quotations of the USD/INR spot exchange rate on such date.

The highest and the lowest of such quotations will be disregarded and the arithmetic mean of the remaining three quotations will be USD/INR_fx, 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.

Provided that, if only four quotations are so provided, then USD/INR_fx 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 quotations but at least two quotations can be obtained then USD/INR_fx 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 USD/INR_fx, and if no such quotation is available or if the Calculation Agent determines in its sole discretion that no suitable reference bank who is prepared to quote is available, USD/INR_fx shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, having taken into account relevant market practice.

- (d) Provided further that, if Rate Fixing Date falls on an Unscheduled Holiday, the USD/INR_fx will be determined by the Calculation Agent on such Rate Fixing Date, acting in good faith and in a commercially reasonable manner, having taken into account relevant market practice.

4. Definitions

"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 Tokyo, London, New York and Mumbai.

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

"Mumbai 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 Mumbai.

"Price Source Disruption Event" means the event that the RBIC Rate is not available on the relevant Rate Fixing Date.

"Rate Fixing Date" means the day that is ten (10) Business Days prior to the relevant Interest Payment Date (or, as the case may be, any date fixed for interest payment), the Maturity Date and any date (other than the Maturity Date) fixed for redemption of the Notes, respectively, which shall not be subject to adjustment by any Business Day Convention for this purpose, provided further that even if there is an Unscheduled Holiday between the relevant Rate Fixing Date and the relevant date of payment, such Rate Fixing Date shall not be subject to adjustment.

"RBIC Rate" means the spot JPY/INR foreign exchange rate (expressed as the number of INR per 100 JPY) as reported by the Reserve Bank of India which appears on Reuters Screen

"RBIC" Page (or such other page or services as may replace that page to be used for the purpose of obtaining the reference rate).

"**Reference Rate**" means the product of 100 and the reciprocal number of the RBIC Rate (100/RBIC) on each Rate Fixing Date. The resulting figure (expressed as the number of JPY per one INR) shall be rounded to four decimal places with 0.00005 being rounded upwards.

"**Unscheduled Holiday**" means a day that is not a Mumbai Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in Mumbai, two Mumbai Business Days prior to the relevant Rate Fixing Date.

"**USD/INR_fx**" means the spot USD/INR foreign exchange rate (expressed as the number of INR per one USD) reported by the Reserve Bank of India which appears on Reuters Screen "RBIB" Page (or such other page or services as may replace that page to be used for the purpose of obtaining the reference rate) on the relevant Rate Fixing Date.

"**USD/JPY_fx**" means the USD/JPY exchange rate (expressed as the number of JPY per one USD) which appears on Bloomberg Screen "BFIX (USD/JPY Fixings)" Page (or such other page or services as may replace that page to be used for the purpose of obtaining the reference rate) under the "MID" column, as of 3:30 p.m., Tokyo time on the relevant Rate Fixing Date.