


OK 9/5-05 **PRICING SUPPLEMENT**

10 May 2005

KommuneKredit**Issue of CAD 17,000,000 0.50 per cent. Deep Discount Notes due 11 May, 2029****under the U.S.\$10,000,000,000 Euro Medium Term Note Programme**

This document constitutes the Pricing Supplement 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 13 May, 2004 and the Supplemental Information Memorandum dated 24 February, 2005 (together the "Information Memorandum"). This Pricing Supplement must be read in conjunction with such Information Memorandum.

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| 1. | Issuer: | KommuneKredit |
| 2. | (i) Series Number: | I200503902 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Canadian Dollars ("CAD") |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | CAD 17,000,000 |
| | (ii) Tranche: | CAD 17,000,000 |
| 5. | (i) Issue Price: | 36.005 per cent. of the Aggregate Nominal Amount |
| | (ii) Net proceeds: | Not Applicable |
| 6. | Specified Denominations: | CAD 10,000 |
| 7. | (i) Issue Date: | 11 May, 2005 |
| | (ii) Interest Commencement Date (if different from the Issue Date): | Not Applicable |
| 8. | Maturity Date: | 11 May, 2029 |
| 9. | Interest Basis: | 0.50 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(s) of Interest:	0.50 per cent. per annum payable annually in arrear
(ii)	Interest Payment Date(s):	11 May in each year commencing 11 May, 2006 up to and including the Maturity Date
(iii)	Fixed Coupon Amount(s):	CAD 50 per CAD 10,000 in Nominal Amount
(iv)	Broken Amount(s):	Not Applicable
(v)	Day Count Fraction:	Actual/Actual (ISMA)
(vi)	Determination Date(s)	11 May in each year
(vii)	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	Not Applicable
20.	Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	Issuer Call	Not Applicable
22.	Investor Put	Not Applicable
23.	Final Redemption Amount	Par
24.	Early Redemption Amount	
	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):	As set out in the Conditions

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	Bearer Notes: Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.
26.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	London, Toronto and TARGET
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	Yes (if required)
28.	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
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
30.	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
31.	Consolidation provisions:	Not Applicable
32.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

33.	(i) If syndicated, names of Managers:	Not Applicable
	(ii) Stabilising Manager (if any):	Not Applicable
34.	If non-syndicated, name of Dealer:	Royal Bank of Canada Europe Limited

35. Additional selling restrictions: The Notes will not be qualified for sale under the securities laws of any province or territory of Canada. The Dealer has represented and agreed that it has not offered, sold or distributed and will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with the applicable securities laws thereof. The Dealer has also represented and agreed that it has not and will not distribute or deliver the prospectus, or any other offering material in connection with any offering of the Notes in Canada, other than in compliance with the applicable securities laws thereof.

OPERATIONAL INFORMATION

36. ISIN Code: XS0218683299
37. Common Code: 021868329
38. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
39. Delivery: Delivery against payment
40. Additional Paying Agent(s) (if any): Not Applicable

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of ~~the Issuer~~:

By:

Duly authorised
~~JOHNNY MUNK~~ ~~ESKE HANSEN~~
MANAGING DIRECTOR Senior Vice President