

Final Terms dated 21st February, 2006

KommuneKredit

U.S.\$10,000,000,000 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 12th July, 2005. These Final Terms must be read in conjunction with such Information Memorandum.

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| 1. | Issuer: | KommuneKredit |
| 2. | Series Number: | I200604062 |
| 3. | Specified Currency or Currencies: | Japanese Yen (“JPY”) and United States Dollars (“USD”) |
| 4. | Aggregate Nominal Amount: | JPY 1,000,000,000 |
| 5. | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| 6. | Specified Denominations: | JPY 100,000,000 |
| 7. | (i) Issue Date: | 21st February, 2006 |
| | (ii) Interest Commencement Date (if different from the Issue Date): | 21st February, 2006 |
| 8. | Maturity Date: | 21st February, 2036, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention |
| 9. | Interest Basis: | 5.05 per cent. Fixed Rate from and including the Issue Date to but excluding 21st February, 2007

Index-Linked Interest thereafter (further particulars specified below) |
| 10. | Redemption/Payment Basis: | Final Redemption Amount will be as specified in item 23 below |

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| 11. | Change of Interest or Redemption/Payment Basis: | Automatic Change of Interest Basis (as set out in item 9 above) |
| 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 |
| | (i) Rate of Interest: | 5.05 per cent. per annum payable in arrear in respect of the period from and including the Issue Date to but excluding 21st February, 2007 |
| | (ii) Interest Payment Date(s): | 21st February, 2007, subject to adjustment in accordance with the Modified Following Business Day Convention with no adjustment to Fixed Coupon Amounts |
| | (iii) Fixed Coupon Amount(s): | JPY 5,050,000 per Specified Denomination |
| | (iv) Broken Amount(s): | Not Applicable |
| | (v) Day Count Fraction: | 30/360 |
| | (vi) Determination Date(s): | Not Applicable |
| | (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 | Applicable |

(i) Index/Formula:

The Interest Amount in respect of the period from and including 21st February, 2007 to but excluding 21st February, 2036 shall be determined as follows:

JPY (128,085.11 MULTIPLIED BY FX)
MINUS JPY 10,000,000 per Specified
Denomination payable annually in arrear

The resulting amount shall be payable in JPY rounded to the nearest JPY with JPY 0.5 amounts being rounded upwards and shall not be less than zero

Where:

“FX” means the JPY/USD mid exchange rate (expressed as a number of JPY per USD 1.00) on Reuters Screen page “JPNU” (or such other page as may replace that page on that service) at 10.00am Tokyo time 10 (ten) London, New York, TARGET and Tokyo Business Days prior to each relevant Specified Interest Payment Date (each such date an “FX Determination Date”)
Further details in (iii) below

(ii) Calculation Agent responsible for calculating the interest due:

BNP Paribas

(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:

If, however, no such rate is published on “JPNU” on the FX Determination Date, the Calculation Agent shall obtain such exchange rate from Reuters Screen page “TKYFX” (or such page as may replace that page on such service) under the column “BANK OF JAPAN” “DLR/YEN” as of 10:00am Tokyo time on such FX Determination Date

If neither “JPNU” or “TKYFX” (or such other page as may replace such pages on those services) are available on any FX Determination Date, “FX” will be determined by the Calculation Agent as follows:

“FX” shall be the mid JPY/USD foreign exchange rate (expressed as a number of JPY per USD 1.00) for spot foreign exchange transactions quoted by five major reference banks (selected by the Calculation Agent at its sole discretion) at approximately 10:00am Tokyo time on such date. The highest and the lowest of such quotations will be disregarded and the arithmetic mean of the remaining quotations will be the “FX”.

If only four quotations are so provided then “FX” shall be the arithmetic mean of such quotations without regard to the highest and lowest values quoted.

If fewer than four but at least two quotations are provided, “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 the “FX”, 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 a commercially reasonable manner shall determine a suitable “FX” Rate.

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| (iv) Specified Period(s)/Specified Interest Payment Dates: | 21st February in each year commencing 21st February, 2008 until 21st February, 2036 (each a “Specified Interest Payment Date”), subject to adjustment in accordance with the Business Day Convention specified below with no adjustment to Interest Periods |
| (v) Business Day Convention: | Modified Following Business Day Convention |
| (vi) Additional Business Centre(s): | London, New York, TARGET and Tokyo |
| (vii) Minimum Rate of Interest: | Zero per cent. per annum |

(viii)	Maximum Rate of Interest:	Not Applicable
(ix)	Day Count Fraction:	30/360
20.	Dual Currency Note Provisions	Applicable
(i)	Rate of Exchange/method of calculating Rate of Exchange:	Final Redemption Amount as stated in item 23 below
(ii)	Calculation Agent, if any, responsible for calculating the principal and/or interest due:	Not Applicable
(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	Not Applicable
(iv)	Person at whose option Specified Currency(ies) is/are payable:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	Issuer Call	Not Applicable
22.	Investor Put:	Not Applicable
23.	Final Redemption Amount:	USD 1,538,461.54 per Specified Denomination
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):	100 per cent. per Specified Denomination payable in JPY

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	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.

26. Additional Financial Centre(s) or other special provisions relating to Payment Dates: London, New York, TARGET and Tokyo
- Payment Dates shall be adjusted in accordance with the Modified Following Business Day Convention
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): Yes
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, renominalisation 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: Daiwa Securities SMBC Europe Limited

35. Additional selling restrictions: Not Applicable

OPERATIONAL INFORMATION

36. ISIN Code: XS0243347241

37. Common Code: 024334724

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 these Final Terms.

Signed on behalf of the Issuer:

By

Duly authorised
SØREN HØGENHAVEN
managing director,
chief executive



SØREN HØGENHAVEN
managing director,
chief executive