

## Final Terms

Final Terms dated 26 October 2010

### KommuneKredit

#### EUR15,000,000,000 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 9th June, 2010. These Final Terms must be read in conjunction with such Information Memorandum.

1.	Issuer:	KommuneKredit
2.	(i) Series Number:	I201004486
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies:	Japanese Yen ("JPY")
4.	Aggregate Nominal Amount:	
	(i) Series:	JPY 700,000,000
	(ii) Tranche:	JPY 700,000,000
5.	(i) Issue Price:	100 per cent. of the Aggregate Nominal Amount
	(ii) Net proceeds:	JPY 700,000,000
6.	(i) Specified Denominations:	JPY 100,000,000
	(ii) Calculation Amount:	JPY 100,000,000
7.	(i) Issue Date:	28 October 2010
	(ii) Interest Commencement Date:	28 October 2010
8.	Maturity Date:	28 October 2030, subject to adjustment in accordance with the Modified Following Business Day Convention on an unadjusted basis
9.	Interest Basis:	As 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	Not Applicable
19.	Index-Linked Interest Note Provisions	Applicable

(i) Index/Formula:

From (and including) the Interest Commencement Date to (but excluding) the Maturity Date, the rate of interest per Calculation Amount shall be calculated as follows:

$$2.35\% \times [\text{FX Level}/81.60]$$

For the avoidance of doubt, the interest amount per Calculation Amount shall be payable on the Specified Interest Payment Date in JPY by applying the following formula (unadjusted):

$$\text{AUD } 14,399.51 \times \text{FX Level}$$

Provided that, the resultant amount shall be rounded to the nearest whole JPY (half a JPY being rounded upwards).

Where:

"FX Level" means, as determined by the Calculation Agent, the mid exchange rate of the AUD/JPY, expressed as a number of JPY per AUD which appears on Reuters Screen JPNU Page (or such other page as may replace that page on that service) as of 3:00 p.m. Tokyo time ten (10) Business Days prior to each Specified Interest Payment Date (each such date an "FX Determination Date").

"Reuters Screen" shall mean, when used in connection with any designated page, the display page so designated on the Reuters Money Market Rate Services or such other services or service as may be nominated as the information vendor for the purpose of displaying the specific page on that service or such other page as may replace that page on that service or such other service, in all cases for the purposes of displaying comparable rates in succession thereto.

"Reuters Screen "JPNU" Page" means the display page "JPNU" on the Reuters Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying the AUD/JPY exchange rates).

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

JP Morgan Chase Bank, N.A.

- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: If no such rate appears on any FX Determination Date on the Reuters Screen "JPNU" Page (or such other page as may replace such page on that service), FX Level will be determined by the Calculation Agent as follows:

The Calculation Agent will request five leading reference banks (selected by the Calculation Agent at its sole discretion) in the Tokyo inter-bank market for mid market quotations in respect of the AUD/JPY spot exchange rate at approximately 3:00 p.m. Tokyo time on any FX Determination Date. The highest, or, in the event of equality, one of the highest, and lowest, or, in the event of equality, one of the lowest, of such quotations will be disregarded and the arithmetic mean of the remaining quotations (as determined by the Calculation Agent, acting in good faith and in accordance with standard market practice) will be the FX Level.

Provided that, if only four quotations are so provided, then the FX Level shall be the arithmetic mean of such quotations without regard to the highest, or, in the event of equality, one of the highest, and lowest, or, in the event of equality, one of the lowest, values (as determined by the Calculation Agent, acting in good faith and in accordance with standard market practice) quoted. If fewer than four quotations but at least two quotations are obtained, then the FX Level shall be the arithmetic mean of the quotations actually obtained by the Calculation Agent (as determined by the Calculation Agent, acting in good faith and in accordance with standard market practice).

If only one quotation is available the Calculation Agent may determine in its sole discretion that such quotation shall be the FX Level, and if no such quotation is available or if the Calculation Agent determines in its sole discretion that no suitable reference bank which is prepared to quote is available, the Calculation Agent will determine the FX Level in its sole discretion, acting in good faith and in accordance with standard market practice.

- (iv) Specified Period(s)/Specified Interest Payment Date: 28 April and 28 October in each year commencing 28 April 2011 up to and including the Maturity Date, each such date subject to adjustment in accordance with the Business Day Convention specified below.

(v)	Business Day Convention:	Modified Following Business Day Convention
(vi)	Additional Business Centre(s):	London, Tokyo, New York and Sydney
(vii)	Minimum Rate of Interest:	Not Applicable
(viii)	Maximum Rate of Interest:	Not Applicable
(ix)	Day Count Fraction:	30/360 (unadjusted)
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):	JPY 100,000,000 per JPY 100,000,000 Specified Denomination

#### **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, Tokyo, New York and Sydney
32.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	Yes, the maturity date of any talon will be determined upon exchange of the Permanent Global note, if any.

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| 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:   | "Business Day" means a 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 currency deposits) in London, Tokyo, New York and Sydney. |

## **DISTRIBUTION**

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| 38. | (i) If syndicated, names of Managers: | Not Applicable   |
|     | (ii) Stabilising Manager (if any):    | Not Applicable   |
| 39. | If non-syndicated, name of Dealer:    | J.P. Morgan Securities Ltd.  |
| 40. | Additional selling restrictions:      | <p><u>Japan</u></p> <p>The dealer represents and agrees that it is purchasing Notes as principal and that in connection with the offering of the Notes, it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation of other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except in compliance with the Financial Instruments and Exchange Law and any applicable laws and regulation of Japan and furthermore undertakes that any financial instruments dealer to whom it sells any Notes will agree that it is purchasing the Notes as principal and that it will not offer or sell any Note, directly or indirectly, in Japan or to or for the benefit of any residents of Japan (except as aforesaid).</p> |

**OPERATIONAL INFORMATION**

- 41. ISIN Code: XS0549585015
- 42. Common Code: 054958501
- 43. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- 44. Delivery: Delivery against payment
- 45. Additional Paying Agent(s) (if any): Not Applicable
- 46. Intended to be held in a manner which would allow Eurosystem eligibility: No

**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

**Johnny Munk**  
Managing Director