

24 August 2018

MIFID II product governance – Professional investors and ECPs only target market

Solely for the purposes of each manufacturer's product approval process, 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 and professional clients only, each as defined in Directive 2014/65/EU (as amended, *MIFID II*); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a *distributor*) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

FINAL TERMS

EUR 500,000,000 0.125 per cent. Fixed Rate Notes due 28 August 2023 pursuant to its EUR 30,000,000,000 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 18 May 2018 (the *Information Memorandum*). These Final Terms must be read in conjunction with the Information Memorandum.

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| 1. | Issuer: | KommuneKredit |
| 2. | (i) Series Number: | I18Z141074 |
| | (ii) Tranche Number: | 01 |
| 3. | Specified Currency or Currencies: | Euro (EUR) |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | EUR 500,000,000 |
| | (ii) Tranche: | EUR 500,000,000 |
| 5. | (i) Issue Price: | 99.881 per cent. of the Aggregate Nominal Amount |
| | (ii) Net Proceeds: | EUR 498,780,000 |
| 6. | (i) Specified Denominations: | EUR 100,000 and integral multiples of EUR 1,000 thereof |
| | (ii) Calculation Amount: | EUR 1,000 |
| 7. | (i) Issue Date: | 28 August 2018 |
| | (ii) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 28 August 2023 |
| 9. | Interest Basis: | 0.125 per cent. per annum Fixed Rate |
| 10. | Redemption/Payment Basis: | Redemption at par |
| 11. | Change of Interest or Redemption/Payment | Not Applicable |

Basis:	
12. Put/Call Options:	Not Applicable
13. Status of Notes:	Senior
14. Listing:	Luxembourg regulated market
15. Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions:	Applicable
(i) Rate of Interest:	0.125 per cent. per annum payable annually in arrear
(ii) Interest Payment Dates:	28 August in each year commencing 28 August 2019 up to and including the Maturity Date
(iii) Business Day Convention:	Following Business Day Convention. For the avoidance of doubt, the Following Business Day Convention shall only apply in the case of payment. The Interest Payment Dates will not be adjusted for the calculation of interest and there will be no adjustment of any Fixed Interest Period.
(iv) Additional Business Centres:	Not Applicable
(v) Fixed Coupon Amount:	EUR 1.25 per Calculation Amount
(vi) Broken Amount:	N/A
(vii) Day Count Fraction:	Act/Act ICMA, Following Unadjusted
(viii) Determination Date(s):	Not Applicable
(ix) 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
21. Equity-Linked Interest Note Provisions:	Not Applicable
22. Commodity-Linked Interest Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

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| 23. Issuer Call: | Not Applicable |
| 24. Investor Put: | Not Applicable |
| 25. Final Redemption Amount: | EUR 1,000 per Calculation Amount |
| 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): | Not Applicable |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 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: | Yes |
| 31. Additional Financial Centre(s) or other special provisions relating to Payment Dates: | Not Applicable |
| 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: | Not Applicable |
| 34. Details relating to Instalment Notes: | Not Applicable |
| 35. Redenomination, renominalisation and reconventioning provisions: | Not Applicable |
| 36. Consolidation provisions: | Not Applicable |
| 37. Other terms or special conditions: | Not Applicable |

For the purposes of this issue of Notes, a supplement is made to the section “*Investor Considerations – Risks related to Notes generally*” in the Information Memorandum as set out in Annex A hereto.

DISTRIBUTION

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| 38. (i) If syndicated, names of Managers: | BNP Paribas
Landesbank Baden-Württemberg
Société Générale |
| (ii) Stabilising Manager (if any): | BNP Paribas |
| 39. If non-syndicated, name of Dealer: | Not Applicable |
| 40. Additional selling restrictions: | Not Applicable |

OPERATIONAL INFORMATION

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| 41. ISIN Code: | XS1872356859 |
| 42. Common Code: | 187235685 |
| 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): | Not Applicable |
| 46. Intended to be held in a manner which would allow Eurosystem eligibility: | Yes |

Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of Euroclear Bank SA/NV or Clearstream Banking SA as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

LISTING APPLICATION

These Final Terms comprise the details required to list the issue of Notes described herein pursuant to the listing of the EUR 30,000,000,000 Euro Medium Term Note Programme of KommuneKredit.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:

Duly authorised