

Final Terms dated 9 February 2015

**KOMMUNALBANKEN AS**

Issue of

**USD 500,000,000 2.125 per cent. Instruments due 11 February 2025**

**UNDER THE  
PROGRAMME FOR THE ISSUANCE OF DEBT INSTRUMENTS**

**PART A - CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 17 April 2014 which constitutes a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at Kommunalbanken AS, Haakon VIIs gate 5b, 0110 Oslo, Norway and Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from Kommunalbanken AS, Haakon VIIs gate 5b, 0110 Oslo, Norway and Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.

1.     (i)     Series Number:             4901  
         (ii)    Tranche Number:         1  
         (iii)   Date on which the Instruments become fungible:     Not Applicable
2.     Specified Currency:             United States dollars ("**USD**")
3.     Aggregate Principal Amount:
  - (i)     Series:                     USD 500,000,000
  - (ii)    Tranche:                    USD 500,000,000
4.     Issue Price:                    99.955 per cent. of the Aggregate Principal Amount
5.     (i)     Specified Denominations:     USD 200,000 and multiples of USD 2,000 thereafter  
         (ii)    Calculation Amount:        USD 2,000
6.     (i)     Issue Date:                11 February 2015

- |      |   |  |
|------|---|--|
| (ii) | Interest<br>Commencement Date:                      | 11 February 2015   |
| 7.   | Maturity Date:                                      | 11 February 2025   |
| 8.   | Types of Instruments:                               | Fixed Rate   |
| 9.   | Interest Basis:                                     | 2.125 per cent. Fixed Rate<br>(further particulars specified below)  |
| 10.  | Redemption/Payment Basis:                           | Subject to any purchase and cancellation or early redemption, the Instruments will be redeemed on the Maturity Date at 100 per cent. of their nominal amount |
| 11.  | Change of Interest or<br>Redemption/ Payment Basis: | Not Applicable   |
| 12.  | Put/Call Options:                                   | Not Applicable   |
| 13.  | Status of the Instruments:                          | Senior   |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

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|--------|--|---|
| 14.    | <b>Fixed Rate Instrument<br/>Provisions</b>                        | Applicable  |
| (i)    | Interest Rate:   | 2.125 per cent. per annum payable semi-annually in arrear   |
| (ii)   | Interest Payment<br>Date(s):                                       | 11 August and 11 February in each year from and including 11 August 2015 up to and including the Maturity Date  |
| (iii)  | Adjustment of Interest<br>Payment Date(s) for<br>payment purposes: | Interest Payment Dates will not be adjusted for calculation of interest; however, for payment purposes only, the Following Business Day Convention will apply |
| (iv)   | Fixed Coupon<br>Amount(s):   | USD 21.25 per Calculation Amount, payable on each Interest Payment Date   |
| (v)    | Broken Amount(s):  | Not Applicable  |
| (vi)   | Day Count Fraction:  | 30/360  |
| (vii)  | Determination Dates:   | Not Applicable  |
| (viii) | Additional Financial<br>Centre(s) relating to<br>Business Days:    | Not Applicable  |

15.	<b>Floating Rate Instrument Provisions</b>	Not Applicable
16.	<b>Fixed Interest Discounted Issue Instrument Provisions</b>	Not Applicable
17.	<b>Zero Coupon Instrument Provisions</b>	Not Applicable
18.	<b>Index Linked Interest Instrument Provisions</b>	Not Applicable
19.	<b>Share Linked Interest Instrument Provisions</b>	Not Applicable
20.	<b>FX Linked Interest Instrument Provisions</b>	Not Applicable
21.	<b>Fund Linked Interest Instrument Provisions</b>	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

22.	Notice periods for Conditions 6.2 ( <i>Early Redemption for Taxation Reasons</i> ) and/or 6.3 ( <i>Optional Early Redemption (Call)</i> ) and/or 6.6 ( <i>Optional Early Redemption (Put)</i> ):	Not Applicable
23.	<b>Call Option</b>	Not Applicable
24.	<b>Put Option</b>	Not Applicable
25.	<b>Automatic Early Redemption</b>	Not Applicable
26.	<b>Maturity Redemption Amount of each Instrument</b>	USD 2,000 per Calculation Amount
27.	<b>Early Redemption Amount</b>	
	(i) Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons	USD 2,000 per Calculation Amount
	(ii) Early Redemption Amount(s) per Calculation Amount payable on event of default or other early	USD 2,000 per Calculation Amount

redemption):

- |     |  |                |
|-----|--|----------------|
| 28. | <b>Index Linked Redemption Instruments</b>                           | Not Applicable |
| 29. | <b>Share Linked Redemption Instruments</b>                           | Not Applicable |
| 30. | <b>FX Linked Redemption Instruments</b>                              | Not Applicable |
| 31. | <b>Instruments with Dual or Other Currency Settlement Conditions</b> | Not Applicable |
| 32. | <b>Fund Linked Redemption Instruments</b>                            | Not Applicable |
| 33. | <b>Commodity Linked Redemption Instruments:</b>                      | Not Applicable |
| 34. | <b>Physical Delivery Instruments:</b>                                | Not Applicable |


#### **GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS**

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|-----|--|--|
| 35. | Form of Instruments:   | <b>Registered Instruments:</b><br><br>Regulation S Instrument and Rule 144A Instrument |
| 36. | New Global Instrument:   | No   |
| 37. | Relevant Financial Centre(s) or other special provisions relating to Payment Dates:  | New York   |
| 38. | Additional Financial Centre(s) relating to Relevant Financial Centre Days:   | London   |
| 39. | Talons for future Coupons or Receipts to be attached to Definitive Bearer Instruments (and dates on which such Talons mature): | No   |
| 40. | Details relating to Partly Paid Instruments:   | Not Applicable   |
| 41. | Details relating to Instalment Instruments: amount of each instalment, date on which each payment is to be made:               | Not Applicable   |

42. Calculation Agent (including, Not Applicable  
in the case of Renminbi  
Instruments, the party  
responsible for calculating the  
Fixed Coupon Amount(s)):

**SIGNATURE**

Signed on behalf of the Issuer:

By:   
Duly authorised

**Martin Spillum**  
COO

## PART B - OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Application has been made by the Issuer (or on its behalf) for the Instruments to be listed on the Official List of the Luxembourg Stock Exchange with effect from the Issue Date
- (ii) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from the Issue Date
- (iii) Estimate of total expenses related to admission to trading: EUR 400 (listing fee)

### 2. RATINGS

The Instruments to be issued have been rated:

Standard & Poor's Credit Market Services Europe Limited: AAA

Moody's Investors Service Ltd: Aaa

According to Moody's rating system, obligations rated "Aaa" are judged to be of the highest quality with minimal credit risk and according to the Standard & Poor's rating system, an obligor rated "AAA" has extremely strong capacity to meet its financial commitments.

Each of Standard & Poor's Credit Market Services Europe Limited and Moody's Investors Service Ltd is established in the European Economic Area (the "**EEA**") and registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**"), and is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu/page/list-registered-and-certified-CRAs](http://www.esma.europa.eu/page/list-registered-and-certified-CRAs)) in accordance with the CRA Regulation.

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

So far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: The net proceeds of the issue of the Instruments will be allocated within the Issuer's treasury liquidity portfolio to a sub portfolio (the "**Green Project Portfolio**")

for investments in Eligible Projects (as defined below) meeting the Eligibility Criteria (as defined below). Pending application of the net proceeds for investment in such Eligible Projects the Issuer will hold such net proceeds at its discretion, in certificates of deposit, commercial paper, bank deposits, repurchase transactions or other money market instruments. The balance of the Green Project Portfolio, until such amount is used in full, will be reduced at the end of each annual period by the amounts invested in such annual period in Eligible Projects meeting the Eligibility Criteria. The use of funds in the Green Project Portfolio will be monitored by the Issuer and/or third parties nominated by it to monitor compliance with the application of funds in the Green Project Portfolio.

**"Eligible Projects"** means financing (through making loans or through equity investments or otherwise) the construction costs and/or development of new and existing projects meeting the Eligibility Criteria.

**"Eligibility Criteria"** means a project included in the Norwegian local government's climate and energy plans. These are investments in the areas of energy efficiency, renewable energy, waste management, recycling, pedestrian and bicycle paths, water quality, public transportation and facilities for outdoor recreation.

- (ii) Estimated net proceeds: USD 498,900,000
- (iii) Estimated total expenses: Not Applicable

## 5. **YIELD**

Indication of yield: 2.130 per cent. semi-annual

## 6. **HISTORIC INTEREST RATES**

Not Applicable

## 7. **DESCRIPTION AND PERFORMANCE OF INDEX/ FORMULA/OTHER VARIABLE**

Not Applicable

8. **OPERATIONAL INFORMATION**

Regulation S ISIN Code:	XS1188118100
Regulation S Common Code:	118811810
CUSIP Number:	50048MBX7
144A ISIN Code:	US50048MBX74
144A Common Code:	118815262
New Global Instrument intended to be held in a manner which would allow Eurosystem eligibility:	Not Applicable
Clearing system(s):	Euroclear/Clearstream, Luxembourg/DTC
Delivery:	Delivery against payment
Names and addresses of additional Paying Agent(s) or Foreign Exchange Agent(s) (if any):	Not Applicable
Name and address of Luxembourg Intermediary Agent:	Not Applicable

9. **DISTRIBUTION**

(i)	Method of distribution:	Syndicated
(ii)	If syndicated, names of Managers:	<i>Joint Lead Managers:</i> HSBC Bank plc J.P. Morgan Securities plc Merrill Lynch International Morgan Stanley & Co. International plc
(iii)	Date of Subscription Agreement:	9 February 2015
(iv)	If non-syndicated, name and address of Manager:	Not Applicable
(v)	Stabilising Manager(s) (if any):	Not Applicable
(vi)	Total (underwriting and placing) commission and concession:	0.175 per cent. of the Aggregate Principal Amount



(vii) U.S. Selling Restrictions: Regulation S Category 2; Rule 144A and Section 3(c)(7) (QIBs that are also QPs)

(viii) Public Offer: Not Applicable

10. **TERMS AND CONDITIONS OF THE OFFER**

Not Applicable

11. **THIRD PARTY INFORMATION**

Not Applicable