

Final Terms dated 13 December 2011

**KOMMUNALBANKEN AS**

**Issue of**

**NOK 200,000,000 3.000 per cent. Instruments due 2 September 2016  
(the "Instruments")**

**(to be consolidated and form a single Series with the NOK 500,000,000  
3.000 per cent. Instruments due 2 September 2016 issued on 2 September 2011, the  
NOK 100,000,000 3.000 per cent. Instruments due 2 September 2016 issued on 11  
October 2011 and the NOK 100,000,000 3.000 per cent. Instruments due 2 September  
2016 issued on 18 November 2011  
(the "Original Instruments"))**

**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 19 April 2011, which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended) (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 VII's Gate 5b, 0110 Oslo, Norway and Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from Kommunalbanken AS, Haakon VII's Gate 5b, 0110 Oslo, Norway and Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.

- |    |                                   |   |
|----|-----------------------------------|---|
| 1. | Issuer:                           | Kommunalbanken AS   |
| 2. | (i) Series Number:                | 3818  |
|    | (ii) Tranche Number:              | 4   |
|    |                                   | The Instruments will, on their Issue Date, be consolidated and will form a single Series with the Original Instruments. |
| 3. | Specified Currency or Currencies: | Norwegian Krone (" <b>NOK</b> ")  |
| 4. | Aggregate Principal Amount:       |   |
|    | (i) Series:                       | NOK 900,000,000   |

- (ii) Tranche: NOK 200,000,000
5. Issue Price: (1) In respect of NOK 100,000,000 as of trade date 5 December 2011:  
101.616 per cent. of the Aggregate Principal Amount of the Instruments  
(2) In respect of NOK 100,000,000 as of trade date 7 December 2011:  
101.755 per cent. of the Aggregate Principal Amount of the Instruments  
plus 105 days' accrued interest of NOK 1,721,311.48 for the period from, and including, 2 September 2011 to, but excluding, the Issue Date.
6. (i) Specified Denominations: NOK 10,000  
(ii) Calculation Amount: NOK 10,000
7. (i) Issue Date: 16 December 2011  
(ii) Interest Commencement Date: 2 September 2011
8. Maturity Date: 2 September 2016
9. Interest Basis: 3.000 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. Pull/Call Options: Not Applicable
13. Status of the Instruments: Senior, unsubordinated
14. Method of distribution: Non-syndicated

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

15. **Fixed Rate Instrument Provisions** Applicable
- (i) Rate of Interest: 3.000 per cent. per annum payable annually in arrear
- (ii) Interest Payment Date(s): 2 September in each year commencing on 2 September 2012

- |        |  |   |
|--------|--|---|
| (iii)  | Adjustment of Interest Payment Date(s) for 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 Amount:   | NOK 300 per Calculation Amount  |
| (v)    | Broken Amount(s):  | Not Applicable  |
| (vi)   | Day Count Fraction:  | Actual/Actual (ICMA)  |
| (vii)  | Determination Dates:   | 2 September in each year  |
| (viii) | Other terms relating to the method of calculating interest for Fixed Rate Instruments: | Not Applicable  |
16. **Floating Rate Instrument Provisions** Not Applicable
17. **Zero Coupon Instrument Provisions** Not Applicable
18. **Index-Linked Interest Instrument/other variable-linked interest Instrument Provisions** Not Applicable
19. **Dual Currency Instrument Provisions** Not Applicable

## PROVISIONS RELATING TO REDEMPTION

- |     |  |                                   |
|-----|--|-----------------------------------|
| 20. | <b>Call Option</b>   | Not Applicable                    |
| 21. | <b>Put Option</b>  | Not Applicable                    |
| 22. | <b>Maturity Redemption Amount of each Instrument</b>   | NOK 10,000 per Calculation Amount |
| 23. | <b>Early Redemption Amount</b>   |                                   |
|     | Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): | NOK 10,000 per Calculation Amount |

## GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

- |     |                      |                            |
|-----|----------------------|----------------------------|
| 24. | Form of Instruments: | <b>Bearer Instruments:</b> |
|-----|----------------------|----------------------------|

Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Bearer Instruments in the limited circumstances specified in the Permanent Global Instrument

- |     |  |  |
|-----|--|--|
| 25. | New Global Instrument:   | Yes  |
| 26. | Relevant Financial Centre(s) or other special provisions relating to Payment Dates:  | London and Oslo                                |
| 27. | Talons for future Coupons or Receipts to be attached to Definitive Bearer Instruments (and dates on which such Talons mature):               | No   |
| 28. | Details relating to Partly Paid Instruments: amount of each payment comprising the Issue Price and date on which each payment is to be made: | Not Applicable                                 |
| 29. | Details relating to Instalment Instruments: amount of each instalment, date on which each payment is to be made:                             | Not Applicable                                 |
| 30. | Redenomination, renominatisation and reconventioning provisions:   | Not Applicable                                 |
| 31. | Other final terms:   | Condition 15 ( <i>Further Issues</i> ) applies |

## DISTRIBUTION

- |     |  |  |
|-----|--|--|
| 32. | (i) If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable   |
|     | (ii) Date of Subscription Agreement:   | Not Applicable   |
|     | (iii) Stabilising Manager(s) (if any):   | Not Applicable   |
| 33. | If non-syndicated, name and address of Dealer:                                   | <b>RBC Europe Limited</b><br>Riverbank House<br>2 Swan Lane<br>London EC4R 3BF<br>United Kingdom |
| 34. | Total (underwriting and placing) commission and concession:                      | 1.875 per cent. of the Aggregate Principal Amount of the Tranche                                 |

35. U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D
36. ERISA: Employee benefit plans subject to Title 1 of the U.S. Employee Retirement Income Security Act of 1974, as amended (ERISA), "plans" subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, and any entity whose underlying assets include, or are deemed for purposes of ERISA or the Code to include, the assets of any such employee benefit plan or plan, generally will not be permitted to purchase or hold the Instruments (or any interest therein)
37. Non-exempt Offer: An offer of the Instruments may be made by the Managers named in Paragraph 32(i) above other than pursuant to Article 3(2) of the Prospectus Directive in Austria, Belgium, Germany, Luxembourg and the United Kingdom (the "**Public Offer Jurisdictions**") during the period from 13 December 2011 until 16 December 2011 (the "**Offer Period**") *provided, however, that* the Offer Period in Austria will not commence until the day after the registration of the issue terms with the Registration Office (*Meldestelle*) has been duly made as required by the Austrian Capital Markets Act. See further Paragraph 7 of Part B below
38. Additional selling restrictions: Not Applicable

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue, public offer in the Public Offer Jurisdictions and admission to trading on the regulated market of the Luxembourg Stock Exchange of the Instruments described herein pursuant to the Programme for the Issuance of Debt Instruments of Kommunalbanken AS.

## RESPONSIBILITY

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

Signed on behalf of the Issuer:

By:

.....  
*Duly authorised*

  
**Geir Brust**  
Controller

  
**Andreas Alestrøm**  
International Funding

## PART B- OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Luxembourg
- (ii) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to listing on the official list of the Luxembourg Stock Exchange and to trading on the regulated market of the Luxembourg Stock Exchange with effect from the Issue Date.

The Original Instruments are admitted to trading on the regulated market of the Luxembourg Stock Exchange.

### 2. RATINGS

Ratings: The Instruments to be issued have been rated:

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

Moody's Investors Service Ltd.:                      Aaa

These credit ratings have been issued by Standard & Poor's Credit Market Services Europe Limited and Moody's Investors Service Ltd., which are established in the European Economic Area (the "EEA") and have applied for registration under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**"), although as at the date of these Final Terms notification of the corresponding registration decision has not yet been provided by the relevant competent authority

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is

provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER**

Save as discussed in "Subscription and Sale" in the Base Prospectus, 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 applied by the Issuer to meet part of its general financing requirements |
| (ii)  | Estimated net proceeds:   | NOK 201,342,311.48  |
| (iii) | Estimated total expenses: | Not Applicable  |

5. **YIELD**

- |                      |  |
|----------------------|--|
| Indication of yield: | (1) In respect of NOK 100,000,000 as of trade date 5 December 2011:<br><br>2.629 per cent. per annum<br><br>(2) In respect of NOK 100,000,000 as of trade date 7 December 2011:<br><br>2.598 per cent. per annum<br><br>As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield |
|----------------------|--|

6. **OPERATIONAL INFORMATION**

- |   |                                       |
|---|---------------------------------------|
| ISIN Code:  | XS0669838541                          |
| Common Code:  | 066983854                             |
| CUSIP Number:   | Not Applicable                        |
| New Global Instrument intended to be held in a manner which would allow Eurosystem eligibility: | No                                    |
| Clearing System(s):   | Euroclear and Clearstream, Luxembourg |

Delivery: Delivery against payment

Names and addresses of additional Not Applicable

Paying Agent(s) or Foreign

Exchange Agent(s) (if any):

Name and address of Not Applicable

Luxembourg Intermediary Agent:



## 7. TERMS AND CONDITIONS OF THE OFFER

Offer Price:	Issue Price
Conditions to which the offer is subject:	The Offer Period in Austria shall not commence until the day after the registration of the issue terms with the Registration Office ( <i>Meldestelle</i> ) has been duly made as required by the Austrian Capital Markets Act
Description of the application process:	Not Applicable
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	Not Applicable
Details of the minimum and/or maximum amount of application:	Not Applicable
Details of the method and time limits for paying up and delivering the Instruments:	Not Applicable
Manner in and date on which results of the offer are to be made public:	Not Applicable
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable
Categories of potential investors to which the Instruments are offered and whether tranche(s) have been reserved for certain countries:	Not Applicable
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	Not Applicable
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	Not Applicable
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	None