

Final Terms dated 5 October 2012

**KOMMUNALBANKEN AS**

**Issue of**

**USD 250,000,000**

**Floating Rate Instruments due 27 March 2017**

**(the "Instruments")**

**under the**

**Programme for the Issuance of Debt Instruments**

**(to be consolidated and form a single series with the USD 300,000,000**

**Floating Rate Instruments due 27 March 2017 issued on 27 March 2012,**

**the USD 200,000,000 Floating Rate Instruments due 27 March 2017 issued on**

**2 May 2012, the USD 100,000,000 Floating Rate Instruments due**

**27 March 2017 issued on 22 May 2012, the USD 300,000,000 Floating Rate**

**Instruments due 27 March 2017 issued on 23 August 2012 and the USD**

**300,000,000 Floating Rate Instruments due 27 March 2017 issued on 11 September**

**2012**

**(the "Original Instruments"))**

**PART A - CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 19 April 2011 and incorporated by reference in the Base Prospectus dated 18 April 2012. This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the prospectus Directive (Directive 2003/71/EC, as amended) (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated 18 April 2012, which constitutes a base prospectus for the purposes of the Prospectus Directive and includes the Conditions which are incorporated by reference therein. 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 dated 18 April 2012. 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 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.

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|----|----------------------|-------------------|
| 1. | Issuer:              | Kommunalbanken AS |
| 2. | (i) Series Number:   | 4047              |
|    | (ii) Tranche Number: | 6                 |

The Instruments will initially be represented by a Regulation S Global Instrument and will be consolidated and form a single series with the Original

Instruments not earlier than 40 days from the Issue Date following the expiration of the distribution compliance period (as defined in Regulation S).

3. Specified Currency or Currencies: United States dollars ("USD")
4. Aggregate Principal Amount:
  - (i) Series: USD 1,450,000,000
  - (ii) Tranche: USD 250,000,000
5. Issue Price: 100.947 per cent. of the Aggregate Principal Amount
6. (i) Specified Denominations: USD 100,000 and integral multiples of USD 2,000 in excess thereof  
(ii) Calculation Amount: USD 2,000
7. (i) Issue Date: 12 October 2012  
(ii) Interest Commencement Date: 27 September 2012
8. Maturity Date: 27 March 2017
9. Interest Basis: 3 month USD LIBOR plus 0.38 per cent. Floating Rate (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. (i) Status of the Instruments: Senior, unsecured and unsubordinated  
(ii) Date of approval for issuance of Instruments obtained: Not Applicable
14. Method of distribution: Syndicated

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

15. **Fixed Rate Instrument Provisions** Not Applicable
16. **Floating Rate Instrument Provisions** Applicable
  - (i) Interest Period(s): Quarterly

- (iii) Specified Interest Payment Dates: Interest shall be payable quarterly in arrear on 27 December, 27 March, 27 June and 27 September in each year commencing on 27 December 2012, up to (and including) the Maturity Date
- (iv) First Interest Payment Date: 27 December 2012
- (v) Business Day Convention: Modified Following Business Day Convention
- (vi) Relevant Financial Centre(s): London, New York and TARGET
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Issue and Paying Agent): Not Applicable
- (ix) Screen Rate Determination:
- Reference Rate: 3 month USD LIBOR
  - Interest Determination Date(s): 2 London Banking Days prior to the first day of each Interest Period
  - Relevant Screen Page: Reuters Screen, LIBOR01
  - Relevant Time: 11:00 a.m. London time
  - Relevant Financial Centre: London
- (x) ISDA Determination: Not Applicable
- (xi) Margin: Plus 0.38 per cent. per annum
- (xii) Minimum Rate of Interest: Not Applicable
- (xiii) Maximum Rate of Interest: Not Applicable
- (xiv) Day Count Fraction: Actual/360 (ISDA), Adjusted
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out: Not Applicable

in the Conditions:

- |     |   |                |
|-----|---|----------------|
| 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. | Call Option  | Not Applicable                   |
| 21. | Put Option   | Not Applicable                   |
| 22. | Maturity Redemption Amount of each Instrument  | USD 2,000 per Calculation Amount |
| 23. | Early Redemption Amount  |                                  |
|     | 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): | USD 2,000 per Calculation Amount |

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

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|-----|--|--|
| 24. | Form of Instruments:   | Registered Instruments:<br>The Instruments will initially be represented by a Regulation S Global Instrument |
| 25. | New Global Instrument:   | No   |
| 26. | Relevant Financial Centre(s) or other special provisions relating to Payment Dates:  | London, New York and TARGET  |
| 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 | Not Applicable   |

to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Instruments and interest due on late payment:

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|-----|--|----------------|
| 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:   | Not Applicable |

## DISTRIBUTION

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|-----|---|---|
| 32. | (i) If syndicated, names and addresses of Managers: | <p><b>Credit Suisse Securities (Europe) Limited</b><br/>           One Cabot Square<br/>           London E14 4QU<br/>           United Kingdom</p> <p><b>Goldman Sachs International</b><br/>           Peterborough Court<br/>           133 Fleet Street<br/>           London EC4A 2BB<br/>           United Kingdom</p> <p><b>HSBC Bank plc</b><br/>           8 Canada Square<br/>           London E14 5HQ<br/>           United Kingdom</p> |
|     | (ii) Date of Subscription Agreement:                | 5 October 2012  |
|     | (iii) Stabilising Manager(s) (if any):              | Not Applicable  |
| 33. | If non-syndicated, name and address of Dealer:      | Not Applicable  |
| 34. | U.S. Selling Restrictions:                          | Regulation S Category 2 and Rule 144A/3(c)(7)   |
| 35. | 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, (the " <b>Code</b> ") and any   |

entity whose underlying assets include, or are deemed for the purposes of ERISA 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)

36. Non-exempt Offer: Not Applicable
37. Additional selling restrictions: Not Applicable

#### **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the Luxembourg Stock Exchange 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: 

## 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 admitted to listing 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

### 2. RATINGS

- Ratings: The Instruments have been rated:
- Standard & Poor's Credit Market Services Europe Limited: AAA
- 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 and are registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended.

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

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: See "*Use of Proceeds*" in the Base Prospectus
- (ii) Estimated net proceeds: USD 252,444,947.92 (inclusive of accrued interest amounting to USD 77,447.92 in respect of the period from, and including, 27 September 2012 to, but excluding, the Issue Date).



5. **HISTORIC INTEREST RATES**

Details of historic LIBOR rates can be obtained from Reuters.

6. **OPERATIONAL INFORMATION**

Regulation S Temporary ISIN Code:	XS0842229337
Regulation S ISIN Code:	XS0764743117
Regulation S Temporary Common Code:	084222933
Regulation S Common Code:	076474311
Rule 144A ISIN Code:	US50048MAN02
Rule 144A Common Code:	076545014
CUSIP:	50048MAN0
New Global Instrument intended to be held in a manner which would allow Eurosystem eligibility:	Not Applicable
Clearing system(s):	Euroclear, Clearstream, Luxembourg and 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