

Final Terms dated 5 June 2017

**KOMMUNALBANKEN AS**

Issue of

**USD 400,000,000 Floating Rate Instruments due March 2020 (the "Instruments")**  
**(to be consolidated and form a single series with the USD 500,000,000 Floating Rate Instruments due**  
**March 2020 issued on 17 March 2015, USD 300,000,000 Floating Rate Instruments due March 2020**  
**issued on 3 June 2015 and USD 350,000,000 Floating Rate Instruments due March 2020 issued on 8**  
**March 2017 (the "Original Instruments"))**

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

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Instruments in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Member State, from the requirement to publish a prospectus for offers of the Instruments. Accordingly any person making or intending to make an offer in that Member State of the Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Instruments in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

**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 17 April 2014. This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and, save in respect of the Conditions, must be read in conjunction with the base prospectus dated 7 April 2017, which constitutes a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"). A summary of the Instruments (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Conditions are incorporated by reference in the 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, the Base Prospectus and the Conditions. The Base Prospectus and the Conditions are 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.

1.
  - (i) Series Number: 4925
  - (ii) Tranche Number: 4
  - (iii) Date on which the Instruments become fungible: The Instruments shall be consolidated, form a single series and be interchangeable for trading purposes with those Original Instruments also represented by a Rule 144A Global Instrument on the Issue Date and the Instruments represented by the Regulation S Global Instrument will be consolidated, become fungible and form a single Series with those Original Instruments also represented by a Regulation S Global Instrument not earlier than 40 days from the Issue Date following the expiration of the distribution compliance period (as defined in Regulation S)
2. Specified Currency: United States Dollars ("USD")  
  
Condition 9.4(g) (*Alternative Currency*): Not Applicable
3. Aggregate Principal Amount:
  - (i) Series: USD 1,550,000,000
  - (ii) Tranche: USD 400,000,000
4. Issue Price: 100.116 per cent. of the Aggregate Principal Amount plus 82 days accrued interest from, and including, the Interest Commencement Date to, but excluding, the Issue Date
5.
  - (i) Specified Denominations: USD 100,000 and multiples of USD 2,000 thereafter
  - (ii) Calculation Amount: USD 2,000
6.
  - (i) Issue Date: 7 June 2017
  - (ii) Interest Commencement Date: 17 March 2017
7. Maturity Date: Interest Payment Date falling in or nearest to March 2020
8. Types of Instruments: Floating Rate

- |     |   |  |
|-----|---|--|
| 9.  | Interest Basis:                                     | 3-month USD LIBOR + 0.07 per cent. Floating Rate (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 Redemption/<br>Payment Basis: | Not Applicable   |
| 12. | Put/Call Options:                                   | Not Applicable   |
| 13. | Status of the Instruments:                          | Senior   |

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

- |        |   |  |
|--------|---|--|
| 14.    | <b>Fixed Rate Instrument Provisions</b>                       | Not Applicable   |
| 15.    | <b>Floating Rate Instrument Provisions</b>                    | Applicable   |
| (i)    | Interest Period(s):   | Quarterly  |
| (ii)   | Specified Period:   | Not Applicable   |
| (iii)  | Interest Payment Dates:                                       | Interest shall be payable quarterly in arrear on 17 June, 17 September, 17 December and 17 March of each year commencing on the First Interest Payment Date, up to and including the Maturity Date |
| (iv)   | First Interest Payment Date:                                  | 19 June 2017 (as adjusted)   |
| (v)    | Business Day Convention:                                      | Modified Following Business Day Convention   |
| (vi)   | Manner in which the Interest Rate(s) is/are to be determined: | ISDA Determination   |
| (vii)  | Screen Rate Determination:                                    | Not Applicable   |
| (viii) | ISDA Determination:   | Applicable   |
|        | • Floating Rate Option:                                       | USD-LIBOR-BBA  |
|        | • Designated Maturity:  | 3 months   |
|        | • Reset Date:   | 2 London Banking Days prior to the first day of each Interest Period   |

	• Variable Rate:	Not Applicable
(ix)	Linear Interpolation:	Not Applicable
(x)	Margin(s):	+0.07 per cent. per annum
(xi)	Minimum Interest Rate:	Not Applicable
(xii)	Maximum Interest Rate:	Not Applicable
(xiii)	Day Count Fraction:	Actual/360
(xiv)	Weighted Average Reference Rate:	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 Condition 6.2 ( <i>Early Redemption for Taxation Reasons</i> ):	As set out in Condition 6.2
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 redemption:	USD 2,000 per Calculation Amount
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**

35.	Form of Instruments:	
		<b>Registered Instruments:</b>
		Regulation S Instrument and Rule 144A Instrument
36.	New Global Instrument:	No
37.	Applicable Financial Centre(s) or other special provisions relating to Payment Dates:	New York and London
38.	Talons for future Coupons or Receipts to be attached to Definitive Bearer Instruments (and dates on which such Talons mature):	No

- |     |  |   |
|-----|--|---|
| 39. | 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  |
| 40. | Details relating to Instalment Instruments: amount of each instalment, date on which each payment is to be made:                             | Not Applicable  |
| 41. | Calculation Agent (including, in the case of Renminbi Instruments, the party responsible for calculating the Fixed Coupon Amount(s)):        | Deutsche Bank AG, London Branch<br>Winchester House<br>1 Great Winchester Street<br>London EC2N 2DB<br>United Kingdom |

**SIGNATURE**

Signed on behalf of the Issuer:

By: 

*Duly authorised*

**Stian Gjein**  
Loan and Portfolio Administrator

  
**Kristine H. Lien**  
International Funding

## 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                 |
|   | The Original Instruments are admitted to listing on the official list of the Luxembourg Stock Exchange  |
| (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 |
|   | The Original Instruments are admitted to trading on the regulated market of the Luxembourg Stock Exchange   |
| (iii) Estimate of total expenses related to admission to trading: | EUR 400 (listing fee)   |

### 2. RATINGS

The Instruments are expected to be 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.

Standard & Poor's Credit Market Services Europe Limited and Moody's Investors Service Ltd are 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 applied by the Issuer to meet part of its general financing requirements |
| (ii)  | Estimated net proceeds:   | USD 401,465,888.22 (including accrued interest amounting to USD 1,109,888.22)   |
| (iii) | Estimated total expenses: | Not Applicable  |

5. **YIELD**

Not Applicable

6. **HISTORIC INTEREST RATES**

Details of historic LIBOR rates can be obtained from Reuters

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

8. **OPERATIONAL INFORMATION**

Regulation S ISIN Code:	Until the Instruments are consolidated, become fungible with and form a single Series with the Original Instruments, the Instruments will have the temporary ISIN XS1626175324. After that, the Instruments will have the same ISIN as the Original Instruments, which is XS1203975088
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Regulation S Common Code:	Until the Instruments are consolidated, become fungible with and form a single Series with the Original Instruments, the Instruments will have the temporary Common Code 162617532. After that, the Instruments will have the same Common Code as the Original Instruments, which is 120397508
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144A ISIN Code:	US50048MBY57
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144A Common Code:	120426443
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CUSIP Number:	50048MBY5
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 and addresses of Managers and underwriting commitments:	<p><i>Joint Lead Managers</i></p> <p>Bank of Montreal, London Branch 95 Queen Victoria Street London EC4V 4HG United Kingdom</p> <p>USD 133,334,000</p> <p>Merrill Lynch International 2 King Edward Street London, EC1A 1HQ United Kingdom</p> <p>USD 133,333,000</p> <p>Scotiabank Europe plc 201 Bishopsgate 6th Floor London, EC2M 3NS United Kingdom</p> <p>USD 133,333,000</p>
(iii)	Date of Subscription Agreement:	5 June 2017
(iv)	If non-syndicated, name and address of Manager:	Not Applicable

- |        |   |   |
|--------|---|---|
| (v)    | Stabilising Manager(s) (if any):                            | Bank of Montreal, London Branch   |
| (vi)   | Total (underwriting and placing) commission and concession: | Not Applicable  |
| (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**

The information relating to credit rating systems set out under Paragraph 2 of Part B of these Final Terms has been extracted from the websites of Moody's and Standard & Poor's, as applicable). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Moody's and Standard & Poor's, as applicable, no facts have been omitted which would render the reproduced inaccurate or misleading.

## SUMMARY OF THE ISSUE

*Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A - E (A.1 - E.7).*

*This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".*

	<b>Section A - Introduction and Warnings</b>	
<b>A.1</b>	<b>Introduction:</b>	<i>This summary should be read as introduction to the Base Prospectus; and any decision to invest in the Instruments should be based on consideration of the Base Prospectus as a whole by the investor. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such Instruments.</i>
<b>A.2</b>	<b>Consent:</b>	<i>Not Applicable. No Public Offer of the Instruments will be made.</i>
	<b>Section B – Issuer</b>	
<b>B.1</b>	<b>Legal name of the Issuer:</b>  <b>Commercial name of the Issuer:</b>	Kommunalbanken AS ("KBN" or the "Issuer")  Kommunalbanken Norway (KBN)

B.2	Domicile, legal form, legislation and country of incorporation of the Issuer:	The Issuer is registered in Oslo, Norway as a joint stock company under the Norwegian law for limited companies ( <i>Lov om aksjeselskap</i> ) and operates under such law.																																												
B.4b	Trends:	Not Applicable. There is no known trend affecting the Issuer and the industry in which it operates.																																												
B.5	The Group:	Not Applicable. The Issuer does not belong to a group.																																												
B.9	Profit Forecast and Profit Estimate:	Not Applicable. The Issuer does not make profit forecasts or profit estimates.																																												
B.10	Audit Report Qualifications:	Not Applicable. There are no qualifications in the audit reports for the Issuer.																																												
B.12	Selected Key Financial Information:	<p>The table below shows certain selected summarised financial information which is derived from, and must be read together with, the Issuer's audited financial statements for the years ended 31 December 2016 and 31 December 2015 and the Issuer's audited non-consolidated financial statements for the year ended 31 December 2014 included as comparatives in the 31 December 2015 audited financial statements. The financial statements for the years ended 31 December 2016, 31 December 2015 and 31 December 2014 and the auditor's report and notes thereto are incorporated by reference in this Base Prospectus.</p> <table><tr><td></td><td colspan="3">31 December</td></tr><tr><td></td><td>2016</td><td>2015</td><td>2014</td></tr><tr><td></td><td colspan="3">(NOK millions)</td></tr><tr><td>Net interest income.....</td><td>2,087</td><td>1,642</td><td>1,515</td></tr><tr><td>Profit before tax.....</td><td>919</td><td>2,583</td><td>673</td></tr><tr><td>Instalment loans .....</td><td>267,521</td><td>256,815</td><td>249,928</td></tr><tr><td>Total assets .....</td><td>418,327</td><td>449,361</td><td>455,466</td></tr><tr><td>Senior securities issued .....</td><td>369,933</td><td>390,107</td><td>398,669</td></tr><tr><td>Total liabilities .....</td><td>405,875</td><td>437,159</td><td>447,130</td></tr><tr><td>Share capital .....</td><td>3,145</td><td>3,145</td><td>2,145</td></tr><tr><td>Total equity .....</td><td>12,452</td><td>12,202</td><td>8,336</td></tr></table> <p>There has been no material adverse change in the prospects or condition of the Issuer since 31 December 2016, being the date of its last published audited financial statements.</p> <p>There has been no significant change in the financial or trading position of the Issuer which has occurred since 31 December 2016, being the date of its last published audited financial statements.</p>		31 December				2016	2015	2014		(NOK millions)			Net interest income.....	2,087	1,642	1,515	Profit before tax.....	919	2,583	673	Instalment loans .....	267,521	256,815	249,928	Total assets .....	418,327	449,361	455,466	Senior securities issued .....	369,933	390,107	398,669	Total liabilities .....	405,875	437,159	447,130	Share capital .....	3,145	3,145	2,145	Total equity .....	12,452	12,202	8,336
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<b>B.13</b>	<b>Recent Events:</b>	Not Applicable. There have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.
<b>B.14</b>	<b>Dependence upon other entities within the Group:</b>	Not Applicable. As stated in Element B.5 above, the Issuer does not belong to a group.
<b>B.15</b>	<b>The Issuer's Principal Activities:</b>	<p>The Issuer's principal objective is to provide loans on competitive terms to counties, municipalities and inter-municipal companies for a variety of investment projects. Loans are also granted for power plants, private health institutions, co-operative water works and other entities that perform local government services, <i>provided that</i> loans are used to finance projects that can be designated as primary municipal investments and that each such loan benefits from a municipal guarantee.</p> <p>The Issuer offers a range of products to the municipal sector. The largest segment of the loan portfolio is linked to floating interest rates based either on short term money market rates or Norwegian Interbank Offer Rates (NIBOR) with various interest rate reset dates. Loans are also granted on a fixed rate basis with varying fixed rate periods set to meet each individual customer's needs and market views.</p> <p>The objective of the Issuer's funding operations is to meet growing borrowing requirements with a well diversified funding base, effectively achieved by regular issuance of benchmark transactions, a visible presence in institutional niche markets and by being a flexible issuer of structured instruments. The majority of funding is issued off the Programme. Bond issues take the form of public offerings or private placements. Public offerings are made to institutional and retail investors in a number of currencies and countries.</p>
<b>B.16</b>	<b>Controlling Persons:</b>	The Issuer is owned entirely by the Norwegian State represented by the Ministry of Local Government.

B.17	Ratings assigned to the Issuer or its Debt Securities:	<p>As at the date of this Base Prospectus, each of Standard &amp; Poor's Credit Market Services Europe Limited and Moody's Investors Service Ltd have provided the following ratings:</p> <p><b>Moody's Investors Service Ltd</b></p> <table><tr><td></td><th colspan="3">Instruments issued under the Programme</th></tr><tr><th>Long-term senior debt</th><th>Senior unsecured</th><th>Subordinated</th><th>Short-term</th></tr><tr><td>Aaa</td><td>Aaa</td><td>Aa3</td><td>P-1</td></tr></table> <p><b>Standard &amp; Poor's Credit Market Services Europe Limited</b></p> <table><tr><td></td><th colspan="2">Instruments issued under the Programme</th></tr><tr><th>Long-term senior debt</th><th>Senior unsecured with maturity of one year or more</th><th>Senior unsecured with maturity of less than one year</th></tr><tr><td>AAA</td><td>AAA</td><td>A-1+</td></tr></table> <p>Each of Standard &amp; Poor's Credit Market Services Europe Limited and Moody's Investors Service Ltd is established in the European Economic Area and registered under Regulation (EC) No 1060/2009, as amended (the "<b>CRA Regulation</b>") and are, as of the date of this Base Prospectus, included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website (<a href="http://www.esma.europa.eu/page/list-registered-and-certified-CRAs">www.esma.europa.eu/page/list-registered-and-certified-CRAs</a>) in accordance with the CRA Regulation.</p> <p>The Instruments to be issued are expected to be rated:</p> <p>Standard &amp; Poor's Credit Market Services Europe Limited: AAA</p> <p>Moody's Investors Service Ltd: Aaa</p>		Instruments issued under the Programme			Long-term senior debt	Senior unsecured	Subordinated	Short-term	Aaa	Aaa	Aa3	P-1		Instruments issued under the Programme		Long-term senior debt	Senior unsecured with maturity of one year or more	Senior unsecured with maturity of less than one year	AAA	AAA	A-1+
	Instruments issued under the Programme																						
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Aaa	Aaa	Aa3	P-1																				
	Instruments issued under the Programme																						
Long-term senior debt	Senior unsecured with maturity of one year or more	Senior unsecured with maturity of less than one year																					
AAA	AAA	A-1+																					

<b>Section C - The Instruments</b>		
<b>C.1</b>	<b>Type and Class of Securities, Security Identification Number:</b>	<p>The Instruments are floating rate notes.</p> <p>The Instruments are issued as Series number 4925, Tranche number 4. The Instruments will be consolidated with the existing Series 4925 instruments (the "<b>Original Instruments</b>").</p> <p><b>Security Identification Number(s):</b></p> <p>Regulation S ISIN Code: Until the Instruments are consolidated, become fungible with and form a single Series with the Original Instruments, the Instruments will have the temporary ISIN XS1626175324. After that, the Instruments will have the same ISIN as the Original Instruments, which is XS1203975088.</p> <p>Regulation S Common Code: Until the Instruments are consolidated, become fungible with and form a single Series with the Original Instruments, the Instruments will have the temporary Common Code 162617532. After that, the Instruments will have the same Common Code as the Original Instruments, which is 120397508.</p> <p>144A ISIN: US50048MBY57</p> <p>144A Common Code: 120426443</p> <p>CUSIP Number: 50048MBY5</p>
<b>C.2</b>	<b>Currency of the Securities Issue:</b>	The currency of the Instruments is United States Dollars ("USD")
<b>C.5</b>	<b>Restrictions on Free Transferability:</b>	<p>The Issuer and the Joint Lead Managers have agreed certain restrictions on offers, sales and deliveries of Instruments and on the distribution of offering material.</p> <p>The Instruments may not be acquired by, on behalf of, or with the assets of any employee benefit plans or plans subject to the U.S. Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended.</p>

C.8	<p><b>The Rights Attaching to the Securities, including Ranking and Limitations to those Rights:</b></p>	<p><b>Negative Pledge:</b> The Instruments have the benefit of a negative pledge in respect of any indebtedness for money borrowed or raised in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).</p> <p><b>Cross Default:</b> The Instruments have the benefit of a cross default subject to a threshold of EUR20,000,000 (or its equivalent in any other currency or currencies).</p> <p><b>Status of the Instruments:</b> The Instruments are Unsubordinated Instruments.</p> <p><b>Governing Law:</b> The Instruments, all related contractual documentation and any non-contractual obligations arising out of or in connection with them are governed by English law.</p> <p><b>Enforcement of Instruments in Global Form:</b> In the case of Instruments in global form, the rights of investors will be supported by a Deed of Covenant dated 7 April 2017, a copy of which will be available for inspection at the specified office of the Issue and Paying Agent.</p>
C.9	<p><b>The Rights Attaching to the Securities (Continued), Including Information as to Interest, Maturity, Yield and the Representative of the Holders:</b></p>	<p>See C.8 for a description of the rights attaching to the Instruments, ranking and limitations.</p> <p><b>Interest:</b> The Instruments are interest bearing. The Instruments bear interest from 17 March 2017 at a floating rate equal to the sum of 0.07 per cent. per annum and 3 month USD LIBOR determined in respect of each Interest Period on the day which is 2 London Banking Days before the first day of the Interest Period and payable in arrear on 17 March, 17 June, 17 September and 17 December in each year.</p> <p>"LIBOR" is the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over administration of that rate).</p> <p><b>Maturities:</b> Unless previously redeemed, or purchased and cancelled, the Instruments will be redeemed on 17 March 2020.</p>



		<p><b>Redemption:</b> Unless previously redeemed, or purchased and cancelled, each Instrument will be redeemed at its Maturity Redemption Amount of 100 per cent. on the Maturity Date.</p> <p><b>Optional Redemption:</b> Not Applicable.</p> <p><b>Tax Redemption:</b> Early redemption will only be permitted if (i) the Issuer has or will become obliged to pay certain additional amounts in respect of the Instruments as a result of any change in the tax laws, regulations and rulings of Kingdom of Norway, (ii) such obligations cannot be avoided by the Issuer, and (iii) such circumstances are evidenced by the delivery by the Issuer of a certificate signed by two directors of the Issuer and an opinion of independent legal advisers of recognised standing that such circumstances prevail (in such a case, redemption (being in whole, but not in part) together with any accrued interest, and by the Issuer's giving of not less than 30 nor more than 60 day's prior notice to the Holders).</p> <p><b>Yield:</b> Not Applicable</p> <p><b>Representative of the Holders:</b> In the case of Instruments in global form, the rights of investors will be supported by a Deed of Covenant dated 7 April 2017.</p>
<b>C.10</b>	<b>Derivative components in interest payment:</b>	Not applicable; there is no derivative component in the interest payments.
<b>C.11</b>	<b>Trading on a regulated market:</b>	Application has been made for the Instruments to be admitted to trading on the regulated market of the Luxembourg Stock Exchange.
<b>C.15</b>	<b>Value of the Instruments and value of the Underlying:</b>	Not Applicable. There is no underlying which may affect the values of the Instruments.
<b>C.16</b>	<b>Exercise Date or Final Reference Date:</b>	Not Applicable. The Instruments do not have an underlying and are not derivative securities.

<b>C.17</b>	<b>Settlement Procedure:</b>	<p>Settlement of any Instruments that are represented by a Global Instrument shall take place on the relevant redemption date and will be effected by the Issuer paying the redemption amount to the relevant Paying Agents for onward transmission to Euroclear Bank SA/NV ("<b>Euroclear</b>"), Clearstream Banking S.A. ("<b>Clearstream Luxembourg</b>") and/or The Depository Trust Company ("<b>DTC</b>") (as applicable). Investors will receive their redemption monies through their accounts in Euroclear, Clearstream, Luxembourg and/or DTC (as applicable) in accordance with the standard settlement procedures of Euroclear, Clearstream, Luxembourg and/or DTC (as applicable).</p> <p>In respect of Instruments that are in definitive form, payment of the redemption amount will be made against presentation and surrender of the Instruments or (in the case of Registered Instruments) the Instrument Certificates at the specified office of any Paying Agent.</p>
<b>C.18</b>	<b>The Return:</b>	Not Applicable. The Instruments do not have an underlying and are not derivative securities.
<b>C.19</b>	<b>Exercise Price or Final Reference Price:</b>	Not Applicable. The Instruments do not have an underlying and are not derivative securities.
<b>C.20</b>	<b>Type of Underlying:</b>	Not Applicable. The Instruments do not have an underlying.

Section D - Risks		
<b>D.2</b>	<b>Key Risks Specific to the Issuer:</b>	<ul style="list-style-type: none"> <li>• <i>Interest rate risk</i> - The Issuer may not be able to manage the mismatch in the interest periods between its lending and funding activities.</li> <li>• <i>Counterparty risk</i> - The Issuer may face counterparty risks which it may not be able to effectively manage.</li> <li>• <i>Liquidity risk</i> - The Issuer may face liquidity risks which it may not be able to effectively manage.</li> <li>• <i>The Issuer has not registered, and will not register, as an investment company under the Investment Company Act</i> - The Issuer will seek to qualify for an exemption from the definition of "investment company" under the Investment Company Act and will not register as an investment company in the United States under the Investment Company Act.</li> <li>• <i>The Kingdom of Norway does not guarantee any of the Issuer's obligations</i> - As at the date of this Base Prospectus, the Issuer is owned entirely by the Norwegian State as represented by the Ministry of Local Government. However, the Norwegian State does not guarantee any of the Issuer's obligations including the Instruments and payment to holders of Instruments is therefore solely dependent on the creditworthiness of the Issuer.</li> </ul>
<b>D.3</b>	<b>Key Risks Specific to the Instruments:</b>	<ul style="list-style-type: none"> <li>• <i>Instruments subject to limited liquidity</i> - The Instruments may not be actively traded creating a lack of liquidity and resulting in the Instruments trading at a discount to their initial offering price.</li> <li>• <i>Reliance on the procedures of the clearing systems</i> - As the Issuer will make payments in respect of any Instrument held in a global form through the relevant clearing system, the beneficial holders of such Instruments will need to rely on the procedures of the relevant clearing system in respect of payments relating to the Instruments, as well as exercising of voting rights.</li> <li>• <i>Nominee arrangements</i> - Where a nominee service provider is used by an investor, the investor is exposed to credit and default risk in relation to such nominee. The nominee may also fail to perform its duties.</li> </ul>

		There are also certain risks relating to the Instruments generally, such as restrictions on transfer, credit or corporate ratings not reflecting all the risks, modification and waiver, change of law and minimum specified denominations.
<b>D.6</b>	<b>Risk Warning and key information on the key risks specific to the Instruments:</b>	Not applicable. The Instruments do not have a redemption amount linked to an underlying.
	<b>Section E - Offer</b>	
<b>E.2b</b>	<b>Reasons for the Offer and Use of Proceeds:</b>	The net proceeds of the issue of the Instruments will be applied by the Issuer to meet part of its general financing requirements.
<b>E.3</b>	<b>Terms and Conditions of the Offer:</b>	Not Applicable.
<b>E.4</b>	<b>Interests Material to the Issue:</b>	Syndicated Issue: The Issuer has appointed Bank of Montreal, London Branch, Merrill Lynch International and Scotiabank Europe plc (the " <b>Joint Lead Managers</b> ") as joint lead managers of the issue of the Instruments. The arrangements under which the Instruments are sold by the Issuer to, and purchased by, Joint Lead Managers are set out in the Subscription Agreement made between the Issuer and the Joint Lead Managers.
<b>E.7</b>	<b>Estimated Expenses:</b>	Not Applicable.