

**KOMMUNALBANKEN AS****USD 290,000,000 Callable Zero Coupon Instruments due 27 February 2048  
(the "Instruments")****issued under the  
PROGRAMME FOR THE ISSUANCE OF DEBT INSTRUMENTS**

*Issue Price: 100.00 per cent of the Aggregate Principal Amount*

*Issue Date: 27 February 2018*

This information package includes the Base Prospectus dated 7 April 2017 in respect of the above programme (the "**Base Prospectus**") and the Final Terms dated 12 February 2018 in respect of the Instruments (the "**Final Terms**" and, together with the Base Prospectus, the "**Information Package**").

The Instruments will be issued by KOMMUNALBANKEN AS (the "**Issuer**") and application will be made by the Issuer for the Instruments to be listed on the Taipei Exchange (the "**TPEX**") in the Republic of China (the "**ROC**").

The Instruments will be listed on the TPEX pursuant to the applicable rules of the TPEX. The effective date of listing and trading of the Instruments is on or about 27 February 2018.

The TPEX is not responsible for the content of the Information Package and no representation is made by the TPEX to the accuracy or completeness of the Information Package. The TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this Information Package. Admission to the listing and trading of the Instruments on the TPEX shall not be taken as an indication of the merits of the Issuer or the Instruments.

The Instruments have not been, and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than "professional institutional investors" as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC. Purchasers of the Instruments are not permitted to sell or otherwise dispose of the Instruments except by transfer to the aforementioned professional institutional investors.

*Manager*  
**BNP Paribas, Taipei Branch**

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (as defined below). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Final Terms dated 12 February 2018

## **KOMMUNALBANKEN AS**

Issue of

**USD 290,000,000 Callable Zero Coupon Instruments due 27 February 2048**

### **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 the 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 the 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 set forth in the base prospectus dated 7 April 2017 which constitutes a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"). 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 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: 5445
- (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 290,000,000
  - (ii) Tranche: USD 290,000,000
4. Issue Price: 100.00 per cent. of the Aggregate Principal Amount
5. (i) Specified Denominations: USD 1,000,000
- (ii) Calculation Amount: USD 1,000,000
6. (i) Issue Date: 27 February 2018
- (ii) Interest Commencement Date: Not Applicable
7. Maturity Date: 27 February 2048
8. Types of Instruments: Zero Coupon
9. Interest Basis: Zero Coupon  
(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 348.563501 per cent. of their nominal amount
11. Change of Interest or Redemption/Payment Basis: Not Applicable
12. Put/Call Options: Issuer Call  
(further particulars specified below)
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>	Not Applicable
16.	<b>Fixed Interest Discounted Issue Instrument Provisions</b>	Not Applicable
17.	<b>Zero Coupon Instrument Provisions</b>	Applicable
	(i) Amortisation Yield:	4.250 per cent. per annum
	(ii) Reference Price:	Issue Price
	(iii) Day Count Fraction:	30/360
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>	Applicable	
	(i) Optional Redemption Date(s):	27 February 2023, 27 February 2033 and 27 February 2043, subject in each case to adjustment in accordance with the Modified Following Business Day Convention	
	(ii) Optional Redemption Amount(s) (Call) of all Instruments:	The Optional Redemption Amount (Call) for each Optional Redemption Date is set out below:	
		<u>Optional Redemption</u> <u>Amount (Call)</u> <u>(as a percentage)</u>	<u>Total Optional</u> <u>Redemption Amount</u> <u>(Call) of the Instruments</u>
	<u>Optional Redemption</u> <u>Date</u>		
	27 February 2023	123.13466076%	USD 357,090,516.20

	27 February 2033	186.69855416%	USD 541,425,807.08
	27 February 2043	283.07504899%	USD 820,917,642.07
(iii)	If redeemable in part:		
	(a)	Minimum Redemption Amount:	Not Applicable
	(b)	Maximum Redemption Amount:	Not Applicable
(iv)	Notice period:	Minimum period: 5 Business Days	
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 1,010,834,153.68 per Calculation Amount	
27.	<b>Early Redemption Amount</b>		
	(i)	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons:	Amortised Face Amount
	(ii)	Early Redemption Amount(s) per Calculation Amount payable on event of default or other early redemption:	Amortised Face 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>Bearer Instruments:</b><br><br>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 |
| 36. New Global Instrument:  | Yes  |
| 37. Applicable Financial Centre(s) or other special provisions relating to Payment Dates:   | London, New York and Taipei  |
| 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:  | Not Applicable   |
| 40. Details relating to Instalment Instruments:   | Not Applicable   |
| 41. Calculation Agent (including, in the case of Renminbi Instruments, the party responsible for calculating the Fixed Coupon Amount(s)): | Not Applicable   |

### SIGNATURE

Signed on behalf of the Issuer:

By:

*Stian Gjein*  
*Duly authorised*

**Stian Gjein**  
Loan and Portfolio Administrator

*Kristine H. Lien*

**Kristine H. Lien**  
International Funding

## PART B - OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

(i) Listing: Taipei Exchange ("TPEX") in the Republic of China ("ROC")

(ii) Admission to trading: Application is expected to be made by the Issuer (or on its behalf) for the Instruments to be admitted to trading and listing on the TPEX with effect from the Issue Date

The TPEX is not responsible for the content of this document and the Base Prospectus and any supplement or amendment thereto and no representation is made by the TPEX to the accuracy or completeness of this document and the Base Prospectus and any supplement or amendment thereto. The TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document and the Base Prospectus and any supplement or amendment thereto. Admission to the listing and trading of the Instruments on the TPEX shall not be taken as an indication of the merits of the Issuer or the Instruments

(iii) Estimate of total expenses related to admission to trading: \$70,000 New Taiwan Dollars

### 2. RATINGS

The Instruments to be issued 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 and registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**"), and are 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-andcertified-CRAs](http://www.esma.europa.eu/page/list-registered-andcertified-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 AND ESTIMATED NET PROCEEDS**

(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 289,710,000

5. **OPERATIONAL INFORMATION**

ISIN Code: XS1769934560

Common Code: 176993456

CUSIP Number: Not Applicable

New Global Instrument intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Instruments are capable of meeting them the Instruments may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Instruments will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met

Clearing system(s): Euroclear/Clearstream, Luxembourg

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

6. **DISTRIBUTION**

(i) Method of distribution: Non-syndicated



(ii)	If syndicated, names of Managers:	Not Applicable
(iii)	If non-syndicated, name and address of Manager:	BNP Paribas, Taipei Branch 71-72/F, Taipei 101 Tower 7 Xin Yi Road, Section 5 Taipei 110 Taiwan
(iv)	Stabilising Manager(s) (if any):	Not Applicable
(vi)	U.S. Selling Restrictions:	Regulation S Category 2; TEFRA D
(vii)	Public Offer:	Not Applicable
(viii)	Prohibition of sales to EEA Retail Investors:	Applicable
(ix)	Additional selling restriction:	<p><b>ROC</b></p> <p>The Instruments have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than "professional institutional investors" as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC. Purchasers of the Instruments are not permitted to sell or otherwise dispose of the Instruments except by transfer to the aforementioned professional institutional investors</p>

## 7. **ROC TAXATION**

*The following is a summary of certain taxation provisions under ROC law is based on current law and practice and that the Instruments will be issued, offered, sold and re-sold, directly or indirectly, to professional institutional investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC only. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the Instruments.*

### **Interest on the Instruments**

As the Issuer of the Instruments is not an ROC statutory tax with holder, there is no ROC withholding tax on the interest or deemed interest to be paid by the Issuer on the Instruments. ROC corporate holders must include the interest or deemed interest receivable under the Instruments as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is under \$500,000 New Taiwan Dollars), as they are subject to income tax on their worldwide

income on an accrual basis. The alternative minimum tax ("**AMT**") is not applicable.

### **Sale of the Instruments**

In general, the sale of corporate bonds or financial bonds is subject to 0.1 per cent. securities transaction tax ("**STT**") on the transaction price. Any sale of the Instruments will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, ROC corporate holders are not subject to income tax on any capital gains generated from the sale of the Instruments. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the Income Basic Tax Act (also known as the AMT Act), the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over 5 years to offset against capital gains of same category of income for the purposes of calculating their AMT.

## **8. ROC SETTLEMENT AND TRADING**

Investors with a securities book-entry account with an ROC securities broker and a foreign currency deposit account with an ROC bank, may require the approval of the Taiwan Depository & Clearing Corporation ("**TDCC**") for the settlement of the Instruments through the account of TDCC with Euroclear or Clearstream, Luxembourg and if such approval is granted by TDCC, the Instruments may be so cleared and settled. In such circumstances, TDCC will allocate the respective book-entry interest of such investor in the Instruments position to the securities book-entry account designated by such investor in the ROC. The Instruments will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEX as domestic bonds.

In addition, an investor may apply to TDCC (by filling in a prescribed form) to transfer the Instruments in its own account with Euroclear or Clearstream, Luxembourg to the TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or vice versa for trading in overseas markets.

For such investors who hold their interest in the Instruments through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg, distributions of principal and/or interest for the Instruments to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders will actually receive such distributions may vary depending upon the daily operations of the ROC banks with which the holder has the foreign currency deposit account.

9. **ADDITIONAL RISK FACTOR**

Application will be made for the listing of the Instruments on the TPEX. No assurance can be given as to whether the Instruments will be, or will remain, listed on the TPEX. If the Instruments fail to or cease to be listed on the TPEX, certain investors may not invest in, or continue to hold or invest in, the Instruments.