

Final Terms dated 18 June 2007

KOMMUNALBANKEN AS

Issue of

MXN 1,000,000,000

8.34 per cent. Fixed Rate Instruments due 20 June 2014

under the euro 20,000,000,000**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 27 April 2007 and the supplement to the Base Prospectus dated 15 June 2007 which constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (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 as so supplemented. 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 and the supplement to the Base Prospectus are available for viewing at Kommunalbanken AS, Munkedamsveien 45, 0110 Oslo Norway and Deutsche Bank Luxembourg S.A., 2, Boulevard Konrad Adenauer, L-1115 Luxembourg and the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies may be obtained from Kommunalbanken AS, Munkedamsveien 45, 0110 Oslo Norway and Deutsche Bank Luxembourg S.A., 2, Boulevard Konrad Adenauer, L-1115 Luxembourg.

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| 1. Issuer: | Kommunalbanken AS |
| 2. (i) Series Number: | 2288 |
| (ii) Tranche Number: | 1 |
| 3. Specified Currency or Currencies: | The lawful currency of United Mexican States on the Issue Date (" Mexican Peso " or " MXN ") (which is deemed to include any lawful successor currency of the United Mexican States). |
| 4. Aggregate Principal Amount: | MXN 1,000,000,000 |
| (i) Series: | 2288 |
| (ii) Tranche | 1 |
| 5. Issue Price: | 100 per cent. of the Aggregate Principal Amount |
| 6. Specified Denomination: | MXN 1,000,000 |
| 7. (i) Issue Date: | 20 June 2007 |

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| (ii) Interest Commencement Date | 20 June 2007 |
| 8. Maturity Date: | 20 June 2014, subject to the automatic extension of the Maturity Date until and including 20 June 2027 (the " Final Extended Maturity Date ") (as further provided for below under 'Other final terms') and further subject to adjustment in accordance with the Modified Following Business Day Convention. |
| 9. Interest Basis: | 8.34 per cent. Fixed Rate |
| 10. Redemption/Payment Basis: | Redemption at Aggregate Principal Amount |
| 11. Change of Interest or Redemption/Payment Basis: | Not applicable |
| 12. Put/Call Options: | Not applicable |
| 13. (i) Status of the Instruments: | Direct, unconditional, unsecured and unsubordinated |
| 14. Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. Fixed Rate Instrument Provisions | Applicable |
| (i) Rate of Interest: | 8.34 per cent. per annum payable semi-annually in arrear |
| (ii) Interest Payment Date(s): | 20 June and 20 December in each year commencing on 20 December 2007 up to and including the Maturity Date, and if such date is not a Business Day, then the Interest Payment Date shall be the first following Business Day; for the avoidance of doubt, the amount of interest payable in respect of any Interest Period shall not be affected by any such postponement of an Interest Payment Date. No adjustments will be made to Fixed Coupon Amounts. |
| (iii) Fixed Coupon Amount[(s)]: | MXN 83,400 per MXN 1,000,000 in Aggregate Principal Amount |
| (iv) Broken Amount(s): | Not Applicable |
| (v) Day Count Fraction: | Actual/360 |
| (vi) Determination Dates: | Not Applicable |

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| (vii) | Relevant Financial Centre: | London, Mexico City and New York City |
| (viii) | Calculation Agent: | J.P. Morgan Chase Bank, N.A., New York office |
| (ix) | 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

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| 20. | Call Option | Not Applicable |
| 21. | Put Option | Not Applicable |
| 22. | Final Redemption Amount of each Instrument | Par |
| 23. | Early Redemption Amount | |

Early Redemption Amount(s) of each Instrument 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):	Condition 6.2 (<i>Early Redemption for Taxation Reasons</i>) not applicable. Early redemption on Event of Default will be at the Aggregate Principal Amount.
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GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

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| 24. | Form of Instruments: | Bearer Instruments:
Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Instruments in the limited circumstances specified in the Permanent Global Instrument |
| 25. | New Global Instrument: | Not Applicable |
| 26. | Relevant Financial Centre(s) or other special provisions relating to Payment Dates: | Mexico City, London, New York City |

27. Talons for future Coupons or Receipts to be attached to Definitive 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 and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Instruments and interest due on late payment: 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. Consolidation provisions: Not Applicable
32. Other final terms:
1. In the event that, at any time, the Mexican Government by means of any law, rule, regulation or decree, takes any action which is in effect or has effect on any relevant payment date, which legally or defacto prevents or has the effect of restricting or limiting:
 - (i) the general availability of Mexican Pesos in Mexico;
 - (ii) the general availability for Mexico Pesos in any foreign exchange market or the availability of Mexican pesos on commercially reasonable terms;
 - (iii) the exchange of USD for Mexican Pesos; or
 - (iv) the transfer or receipt of Mexican Pesos inside or outside of Mexico,

then the Issuer, at its option, may deliver to or to the order of the holders of Instruments (to the extent

and in the manner permitted by applicable law) (a) in Mexico the amount due in Mexican Pesos or (b) outside of Mexico a USD amount, at accounts designated by the holders of Instruments, or established by the Issuer for the benefit of holders of Instruments, calculated based on the Mexican amount that was due exchanged to USD based on the exchange rate on the date of determination, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner and, in either case, the Issuer's obligations shall be deemed fully satisfied and discharged upon transfer of the necessary amounts in the relevant currency.

2. The maturity of the Notes shall be extended automatically on 20 June 2014 (the "**Initial Extension Date**") and thereafter for an additional six-month period on each Interest Payment Date (each an "**Additional Extension Date**") with a final maturity no later than the Final Extended Maturity Date; *provided, that* the Issuer shall have the right, commencing on the Initial Extension Date, and with respect of each Additional Extension Date to cancel the automatic extension of the maturity of the Instruments by sending a notice (a "**Maturity Notice**") on a date that is no more than fifteen Business Days and no less than five Business Days before the Initial Extension Date or Additional Extension Date, as the case may be, informing the holders of the Instruments that the automatic extension of the maturity of the Instruments is cancelled and the Instruments will mature and be

finally redeemed on such Initial Extension Date or Additional Extension Date, as the case may be.

DISTRIBUTION

3. (i) If syndicated, names and addresses of Managers and underwriting commitments: Not Applicable
- (ii) Date of Subscription Agreement: 18 June 2007
- (iii) Stabilising Manager(s) (if any): Not Applicable
4. If non-syndicated, name and address of Dealer: J.P. Morgan Securities Ltd
125 London Wall
London EC2Y 5AJ
England
5. TEFRA: The D Rules are applicable
6. Additional selling restrictions: As set out under "Subscription and Sale" in the Prospectus and the additional selling restriction shall apply: **United Mexican States**
- The Notes will not be and are not intended to be registered in the securities section of the Mexican National Securities Registry (*Registro Nacional de Valores*), and, therefore, the Notes are not and may not be offered publicly in Mexico, and may not be the subject of the Mexican Securities Market Law) within Mexico. The Notes may be the subject of a private placement in Mexico, pursuant to Article 8 of the Securities Market Law in effect locally.


LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Instruments described herein pursuant to the euro 20,000,000,000 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: 
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Duly authorised
Thomas Møller
Executive Vice President & CFO

Part A
OTHER INFORMATION

1. LISTING

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| (i) Listing: | Luxembourg Stock Exchange, London Stock Exchange and Sistema Intenacional de Cotizaciones of the Bolsa Mexicana de Valores ("SIC") |
| (ii) Admission to trading: | Luxembourg Stock Exchange, London Stock Exchange and SIC |

2. RATINGS

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| Ratings: | The Instruments to be issued have been rated:
S & P: AAA
Moody's: Aaa |
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3. NOTIFICATION

The Commission de Surveillance du Secteur Financier has been requested to provide the competent authorities in Austria, Germany, Spain, Denmark, Belgium, France, Italy, Ireland, The Netherlands and the United Kingdom with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

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

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer/issue of the Instruments has an interest material to the offer/issue.

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

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| (i) Reasons for the offer | See "Use of Proceeds" in the Base Prospectus |
| (ii) Estimated net proceeds: | 1,000,000,000 |
| (iii) Estimated total expenses: | £28,000 |

6. Fixed Rate Instruments only – YIELD

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| Indication of yield: | 8.34 per cent.
Calculated as on the Issue Date.
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. |
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7. **Floating Rate Instruments only – HISTORIC INTEREST RATES**

Not applicable

8. ***Index-Linked or other variable-linked Instruments only* – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Not applicable

9. ***Dual Currency Instruments only* – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Not applicable

10. **OPERATIONAL INFORMATION**

ISIN Code: XS0307175033

Common Code: 030717503

New Global Instrument intended to be held in a manner which would allow Eurosystem eligibility: No

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Societe Anonyme and the relevant identification number(s): S.D. Indeval, S.A. de C.V., Institucion para el Deposito de Valores Mexico and the relevant identification number(s):

Delivery: Delivery

Names and addresses of additional Paying Agent(s) (if any): Not applicable