

ANNEX 1 TO THE SUBSCRIPTION AGREEMENT

FINAL TERMS

22 October 2007

Terra BoligKreditt AS

**Issue of CHF225,000,000 3.125 per cent. Notes due 2013
under the €3,000,000,000
Euro Medium Term Covered Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes other than VPS Notes set forth in the Offering Circular dated 10 August 2007 which constitutes 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 Notes described herein (the **Notes**) and must be read in conjunction with the Offering Circular and the Swiss listing prospectus dated 22 October 2007 (the **Listing Prospectus**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Offering Circular and the Listing Prospectus. The Offering Circular is available for viewing at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and copies may be obtained from the registered office of the Issuer and at the specified office of the Agent.

1. Issuer: Terra BoligKreditt AS
2. (a) Series Number: 4
(b) Tranche Number: 1
3. Specified Currency or Currencies: Swiss Francs (**CHF**)
4. Aggregate Nominal Amount:
(a) Series: CHF225,000,000
(b) Tranche: CHF225,000,000
5. Issue Price: 100.127 per cent. of the Aggregate Nominal Amount
6. (a) Specified Denominations: CHF5,000
(b) Calculation Amount: CHF5,000
7. (a) Issue Date: 24 October 2007
(b) Interest Commencement Date: 24 October 2007
8. Maturity Date: 24 October 2013
9. Extended Final Maturity Date: Interest Payment Date falling on or closest to 24 October 2014

If the Final Redemption Amount is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the Extended Final Maturity Date.

10. Interest Basis: In respect of the period from (and including) the Interest Commencement Date to (but excluding) the Maturity Date, 3.125 per cent. Fixed Rate
- In respect of the period from (and including) the Maturity Date to (but excluding) the Extended Final Maturity Date (if applicable), one month CHF LIBOR + 0.07 per cent. Floating Rate
(further particulars specified below)
11. Redemption/Payment Basis: Redemption at par
12. Change of Interest Basis or Redemption/Payment Basis: See paragraphs 10, 16 and 17
13. Put/Call Options: Not Applicable
14. Date Board approval for issuance of Notes obtained: 5 June 2007
15. Method of distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions Applicable, from (and including) the Interest Commencement Date to (but excluding) the Maturity Date
- (c) Rate(s) of Interest: 3.125 per cent. per annum payable annually in arrear
- (d) Interest Payment Date(s): 24 October in each year up to and including the Maturity Date
- (e) Fixed Coupon Amount(s): CHF 156.25 per Calculation Amount
(Applicable to Notes in definitive form.)
- (f) Broken Amount(s): Not Applicable
(Applicable to Notes in definitive form.)
- (g) Day Count Fraction: 30/360

- (h) Determination Date(s): Not Applicable
- (i) Other terms relating to the method of calculating interest for Fixed Rate Notes: None
17. Floating Rate Note Provisions Applicable, from (and including) the Maturity Date to (but excluding) the Extended Final Maturity Date, if applicable
- (a) Specified Interest Payment Dates: 24th day in each month from and including the 24 November 2013 to and including the Extended Final Maturity Date, if applicable
- (b) Business Day Convention: Modified Following Business Day Convention
- (c) Additional Business Centre(s): Zurich
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: Screen Rate Determination
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): Principal Swiss Paying Agent
- (f) Screen Rate Determination:
- Reference Rate: One month CHF LIBOR
 - Interest Determination Date(s): Second London business day prior to the start of each Interest Period
 - Relevant Screen Page: LIBOR02
- (g) ISDA Determination: Not Applicable
- (h) Margin(s): + 0.07 per cent. per annum, if applicable
- (i) Minimum Rate of Interest: Not Applicable
- (j) Maximum Rate of Interest: Not Applicable
- (k) Day Count Fraction: actual/360
18. Zero Coupon Note Provisions Not Applicable

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| 19. | Index Linked Interest Note Provisions | Not Applicable |
| 20. | Dual Currency Interest Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 21. | Issuer Call: | Not Applicable |
| 22. | Investor Put: | Not Applicable |
| 23. | Final Redemption Amount: | CHF5,000 per Calculation Amount |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 24. | Form of Notes: | |
| | (a) Form: | Bearer form Permanent Global Note in substantially the form set out in Schedule 1 to the Supplemental Agency Agreement dated 22 October 2007 between, inter alia, the Issuer and UBS AG as Principal Swiss Paying Agent, exchangeable for definitive bearer Notes in certain circumstances (see paragraph 30 below) |
| | (b) New Global Note : | No |
| 25. | Additional Financial Centre(s) or other special provisions relating to Payment Days: | Zurich |
| 26. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 27. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 28. | Details relating to Instalment Notes: | |
| | (a) Instalment Amount(s): | Not Applicable |
| | (b) Instalment Date(s): | Not Applicable |
| 29. | Redenomination applicable: | Redenomination not applicable |

30. Other final terms:

The Permanent Global Note is exchangeable for definitive bearer Notes (the **Definitive Notes**) with Coupons attached if UBS AG in its capacity as the Principal Swiss Paying Agent (acting reasonably) should deem such printing necessary, after consultation with the Issuer, or if the presentation of Definitive Notes and Coupons is required by Swiss or other applicable laws and regulations in connection with the enforcement of the rights of the Noteholders. In such case, the Issuer shall provide, at its own cost and expense, for the printing and delivery of Definitive Notes and Coupons attached in accordance with the rules and regulations of the SWX Swiss Exchange.

In accordance with the regulations of the SWX Swiss Exchange, owners of beneficial interests in the Permanent Global Note do not have the right to request the printing and delivery of Definitive Notes.

The Notes will be in bearer form and will be represented by a Permanent Global Note dated 24 October 2007. The Permanent Global Note shall be deposited with SIS SegInterSettle AG, the Swiss Securities Services Corporation in Olten, Switzerland (**SIS SegInterSettle AG**, which expression shall include any other clearing institution recognized by the SWX Swiss Exchange) until final redemption or the exchange thereof for Definitive Notes in accordance with the terms of such Permanent Global Note. The Permanent Global Note will document the right to receive principal and interest thereon and all other rights and obligations in connection therewith. So long as the Notes are represented by the Permanent Global Note, each person (determined on the basis of statements of account provided by the respective depository bank) shall be the beneficial owner of an interest in the Permanent Global Note to the extent of the amount (determined in the basis of statements of account provided by the respective depository bank) of their investment therein.

DISTRIBUTION

31. (a) If syndicated, names of Managers: UBS AG, acting through its business group UBS Investment Bank
Bank Sarasin & Co. Ltd
Bank Vontobel Ltd
Credit Suisse
Pictet et Cie
Banque Cantonale de Genève
- (b) Stabilising Manager (if any): Not Applicable
32. If non-syndicated, name of relevant Dealer: Not Applicable

33. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable or TEFRA D (Swiss practice): TEFRA D rules are applicable in accordance with usual Swiss practice
34. Additional selling restrictions: Not Applicable

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €3,000,000,000 Euro Medium Term Covered Note Programme of Terra BoligKredit AS.


RESPONSIBILITY

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

Signed on behalf of the Issuer

By: 

Duly authorised



PART B — OTHER INFORMATION

1. LISTING

- (i) Listing: SWX Swiss Exchange
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the SWX Swiss Exchange with effect from 18 October 2007

2. RATINGS

- Ratings: Notes issued under the Programme will be rated:
Moody's: AAA

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

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- Estimated net proceeds: CHF 223,473,250

5. OPERATIONAL INFORMATION

- (iii) ISIN Code: CH0034269511
- (iv) Common Code: 032346561
- (v) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, société anonyme or Swiss Securities Services Corporation and the relevant identification number(s): SIS SegInterSettle AG, the Swiss Securities Services Corporation in Olten, Switzerland
Swiss Security Number: 3.426.951
- (vi) Delivery: Delivery against payment
- (vii) Names and addresses of additional Paying Agent(s) (including any Swiss Paying Agents or Principal Swiss Paying Agent) (if any): UBS AG
Bank Sarasin & Co. Ltd
Bank Vontobel Ltd
Credit Suisse
Pictet et Cie
Banque Cantonale de Genève

(viii) Intended to be held in manner which
would allow Eurosystem eligibility: No

A handwritten signature in blue ink, consisting of a stylized, cursive letter 'A' followed by a small mark.