

Registration Document

**KLP Boligkreditt AS
(the Issuer)**

28 June 2018

Important notice

This Registration Document has been prepared solely in connection with listing of the Issuer's Covered Bonds on Oslo Børs. The Registration Document together with the relevant Securities Notes constitutes a Prospectus.

Only the Issuer is entitled to obtain information about conditions described in the Registration Document. Information provided by any other person does not have relevance to the registration document and should therefore not be trusted.

Copies of this Registration Document are not being mailed or otherwise distributed or sent in or into or made available in the United States other than on the Issuer's web page. Persons receiving this Registration Document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States.

Other than in compliance with applicable United States securities laws, no solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The Registration Document is subject to Norwegian law, unless otherwise expressly stated. Any dispute regarding the Registration Document shall be resolved by Norwegian law.

The distribution of the Registration Document may be limited by law also in other jurisdictions, for example in Canada, Japan and in the United Kingdom. The Prospectus has been reviewed and approved by Finanstilsynet (the Financial Supervisory Authority of Norway- the Norwegian FSA) in accordance with sections 7-7 and 7-8, cf. section 7-3 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in this Prospectus. The approval given by the Norwegian FSA only relates to the Issuer's descriptions pursuant to a pre-defined check list of requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or otherwise covered by this Prospectus. The approval by the Norwegian FSA is dated on 29 June 2018. This prospectus is valid for 12 months from the date of approval.

This Registration Document does not constitute an offer to subscribe or purchase any bonds or other securities.

The content of the Registration Document is not any form of legal, financial or tax advice. Any Bondholder should consult with their own legal and/or financial advisor and/or tax adviser.

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1 Risk factors

There are risks associated with all investments in Covered Bonds issued by KLP Boligkreditt AS.

The key risk factors relating to the Issuer are the following:

1.1 Credit risk

Credit risk is defined as the risk of loss due to customers or counterparties being unable to meet their obligations. Credit risk affects all receivables against customers or counterparties, such as loan receivables, positions arising under derivative contracts, bank deposits, etc. Credit risk also entails the risk for a change in real estate prices as a decline in real estate prices could lead to losses if a security is realised.

1.2 Market risk

The Issuer is exposed to market risk in the form of fluctuations in market prices for interest rates and in the financial markets. As the Issuer is exposed to different markets with respect to its borrowing and lending activities, there is a risk that interest levels on its borrowings may increase at a time when it is not able to similarly increase the interest levels on its receivables, which may have a negative effect on its ability to fulfil its obligations. The issuer is also exposed to the risk that the value of a substitute asset may decrease as a result of the trend in market factors, such as interest rates, credit spreads and the volatility of these factors.

1.3 Liquidity risk

Liquidity risk is defined as the risk that the Issuer is only able to meet its obligations by incurring substantial costs, in worst case that it cannot obtain sufficient funding to meet its obligations at maturity.

1.4 Operational risk

Operational risk is defined as the risk of loss due to inadequate or failing internal processes, routines or systems, human error, crime or external events.

Failure to control one or more of these risks could result in adverse effects on the Issuer's financial performance and reputation.

See section 4.6 for a more detailed description of how KLP Boligkreditt AS manages these risk factors.

2 Persons responsible

KLP Boligkreditt AS, Beddingen 8, 7042 Trondheim (the "**Issuer**"), is responsible for the content in this registration document.

Declaration by persons responsible

The Issuer confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this registration document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Christopher Steen



Managing director, CEO
28 June 2018

3 Statutory auditor

The Issuer's auditor for the period which has covered the historical financial information in this registration document has been PwC.

Contact information:

PriceWaterhouseCoopers AS (PwC)
Dronning Eufemias gate 8
Postboks 748 Sentrum
N-0191 Oslo
Norway

PriceWaterhouseCoopers AS (PwC) is a member of the Norwegian Institute of Public Accountants.

4 Information about the Issuer

4.1 General information

Registration number: 912 719 634
Date of incorporation: 30.10.2013
Legal name: KLP Boligkreditt AS
Address: Beddingen 8, 7042 Trondheim
Telephone: +47 55 54 85 00
Mailing address: Beddingen 8, 7042 Trondheim
County: Trondheim
Country: Norway

The Issuer is registered in the Norwegian Register of Business Enterprises (*Foretaksregisteret*) and the VAT Register (*Merverdiavgiftsregisteret*).

The Issuer is organized under the laws of Norway. Special laws applicable for the Issuer is i.a. the Financial Institutions Act (*finansforetaksloven*), Financial Contracts Act (*finansavtaleloven*), Money Laundering Act (*hvitvaskingsloven*) and Limited Liability Companies Act (*aksjeloven*).

The Issuer was established as a mortgage credit institution (*boligkredittforetak*) in Trondheim under the name KLP Boligkreditt AS with a share capital of NOK 100,000,000. The Financial Supervisory Authority of Norway granted the Issuer licence to become a mortgage credit institution (*boligkredittforetak*) on 5 February 2014, with permission to issue Covered Bonds (*obligasjoner med fortrinnsrett*). The mortgage loans will be marketed under the name of KLP Banken.

The Issuer is a wholly owned subsidiary of KLP Banken AS ("KLP Banken") who in turn, is a wholly owned subsidiary of KLP Bankholding AS ("**KLP Bankholding**") who in turn, is a wholly-owned subsidiary of Kommunal Landspensjonskasse gjensidig forsikringsselskap (Kommunal Lanspensjonskasse Mutual Insurance Company) ("**KLP**"). As KLP is a mutual insurance company, it is not permitted to directly own a banking operation and KLP Bankholding is the parent company of KLP Banken. KLP Banken is the parent company of the Issuer and Kommunekreditt AS ("**KLP Kommunekreditt**").

The Issuer's objective is to acquire residential mortgage loans with financing primarily raised by issuing Covered Bonds. Residential mortgage loans are acquired from KLP and KLP Banken, and the Issuer markets the Covered Bonds to prospective investors. The Cover Pool (Norwegian: sikkerhetsmasse) will only include residential mortgage loans originated by KLP Banken and KLP. The loans will be acquired by the Issuer pursuant to the Transfer and Servicing Agreement (as defined below).

4.2 Eligible loans

The guidelines adopted by the Issuer's Board of Directors with respect to the eligibility of loans for transfer and the transfer procedure are set out in the Issuer's credit policy (the "**Credit Policy**") Eligible loans are assets which are eligible for inclusion in the Cover Pool, as determined by the Financial Institutions Act and Regulations (as amended, varied or supplemented from time to time) and the Credit Policy ("**Eligible Loans**"). The Credit Policy may put limits on Eligible Loans depending on: type of loan products; concentration of exposures to particular borrowers; concentration of exposures to particular loan maturities and any other criteria the Issuer's Board of Directors may, from time to time, think necessary.

4.3 Transfer and management of loans

As the Issuer has a relatively low number of employees and purchases all services related to the management of the loan portfolio, the loan generation and management of the Issuer from KLP Banken and KLP, the Issuer is, as it is now set up, dependent on these companies. The Issuer is as well dependent upon the transfer of Eligible Loans from KLP Banken and/or KLP, as the Issuer does not generate any Eligible Loans itself. The dependency could cease if the organisation of the Issuer is changed.

As a 100 % owned subsidiary of KLP Banken, the Issuer is dependent on the owner company for any increase of own funds in excess of profits generated.

The Issuer has entered into a transfer and servicing agreement with KLP and KLP Banken to acquire and transfer Eligible Loans from KLP to the Issuer (the "**Transfer and Servicing Agreement**"). Pursuant to the Transfer and Servicing Agreement, KLP Banken is appointed by the Issuer as the service provider of all Eligible Loans that are transferred to the Issuer.

The Issuer has also agreements with KLP Banken and KLP concerning group services, treasury functions etc., and purchases according to these all services related to the management of the Issuer from the two companies.

Repayments of loans are made to an account in KLP Banken's name and transferred the following day to an account in the issuer's name. This account is included in the Cover Pool.

4.4 Revolving Credit Facility

The Issuer has established a senior unsecured revolving credit facility with KLP Banken in order to ensure the Issuer has access to liquidity to meet its payment obligations in respect of all Covered Bonds then outstanding, including any principal, interest and any connected derivative agreements, for the next 12 months on a rolling basis, and for the previous 12 months on a rolling basis, for claims due, but not paid. KLP Banken may or may not agree to any request from the Issuer to so amend or supplement the credit facility in its absolute discretion. The unsecured nature of the credit facility means that claims of secured creditors and holders of the Issuer's Covered Bonds rank in priority to those of KLP Banken under the credit facility. Any claim by KLP Banken under the credit facility will not have the benefit of a preferential right to the Cover Pool. For so long as any Covered Bonds are outstanding, there are no events of default under the credit facility and the maturity of any loan under the facility will be structured to fall after the final maturity of any Covered Bonds issued by the Issuer.

4.5 Independent examiner

PriceWaterhouseCoopers AS (PWC) has been appointed by the Financial Supervisory Authority of Norway as the independent examiner pursuant to section 2-34, sub-section 1, of the Financial Institutions Act.

4.6 Risk Management

The Issuer's purpose is to acquire residential mortgage loans with financing primarily raised by issuing Covered Bonds. The Covered Bonds are issued with high ratings from Moody's. This means that the Issuer seeks to maintain a low risk profile in line with requirements set out by the Norwegians government for mortgage companies. The residential mortgage loans are acquired from KLP and KLP Banken.

Emphasis for the Issuer's risk management policies is placed on identifying, measuring and managing risk factors in a way that supports the capital markets' confidence in the Issuer, in order for the Issuer to maintain high ratings on the Covered Bonds issued.

The Issuer is subject to a high degree of legal requirements. Special laws applicable for the Issuer are mainly the Financial Institutions Act (finansforetaksloven), Financial Contracts Act (finansavtaleloven), Money Laundering Act (hvitvaskingsloven) and Limited Liability Companies Act (aksjeloven).

CREDIT RISK

Credit risk is managed through the Issuer's strategy and policy documents, establishing the criteria for loans being eligible (Eligible Loans) for the Cover Pool (Norwegian: *sikkerhetsmasse*), and what requirements are set for borrowers and collateral for loans that may be acquired by the Issuer. The policy documents also ensure a sufficient reserve of retail mortgage loans that can withstand a decline in real estate prices and still be eligible for the Cover Pool. The loans eligible for the Cover Pool are acquired from KLP Banken or KLP. The documents are established at least annually by the Board of Directors of KLP Boligkreditt.

The risk management objectives are monitored and reported periodically to the Board of Directors.

The credit risk is considered by KLP Banken as the initial lender and as administrator for KLP's mortgage loan portfolio.

MARKET RISK

The market risk policy ensures that the business is run in accordance with the Group's overall strategy and that any risk is reflected in the return. The Board of Directors has set management objectives for market risk. Follow-up takes place through ongoing reporting to the Issuer's management and Board of Directors.

Residential mortgage loans acquired by the Issuer will have either fixed or floating interest rates. The interest levels for residential mortgage loans with floating interest rates can, if certain conditions are fulfilled, be changed by the Issuer with a 6 weeks prior written notice to the borrower. The Issuer's outstanding Covered Bonds will be denominated in NOK, with floating rates linked to 3 month NIBOR, or fixed rates swapped to 3 month NIBOR.

According to law and regulations, the Issuer's exposure to interest risk must on balance be sound and reasonable. The Issuer has established limits for maximum interest and exchange risk, which have been approved by the Board of Directors. The Issuer will mainly use financial derivatives to keep the afore-mentioned risk at the desired levels.

LIQUIDITY RISK

The Issuer's liquidity risk policy ensures a prudent liquidity management for meeting its paying obligations, ensures a sound ratio between the Issuer's liquidity and obligations, and ensures that the business is run in accordance with the group's overall strategy.

The Issuer may issue Covered Bonds where it has the option to extend the scheduled maturity date by up to twelve months, if the Issuer has problems refinancing at the time of ordinary maturity.

The Issuer has a revolving Credit Facility Agreement with KLP Banken, where the bank is obliged to provide liquid funds in order that outstanding bonds and any associated derivatives receive timely settlement.

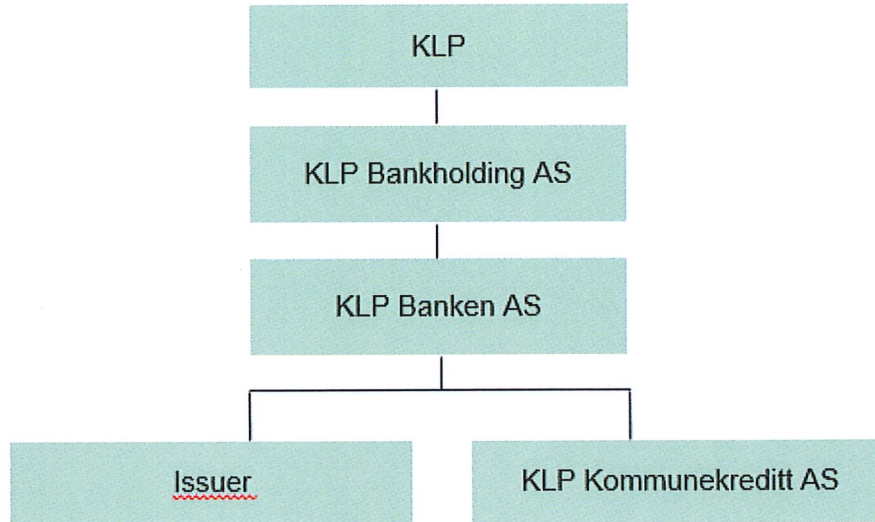
OPERATIONAL RISK

The Issuer has entered into a framework agreement with KLP Banken, which includes loan management, group services and treasury functions, etc. Under the agreement, the bank bears the risk of any errors within the supplies and services provided. The operational risk and internal control is assessed on an ongoing basis. An annual risk assessment is made of important risks for the Issuer.

The Issuer has an internal auditor function that reports to the Board of Directors.

5 Organization

5.1 Organization plan



5.2 KLP Banken AS

KLP Banken AS is a commercial bank owned by Kommunal Landspensjonskasse gjensidig forsikringsselskap (KLP) through KLP Bankholding AS. KLP Banken AS also owns all the shares in the subsidiaries KLP Boligkreditt AS (the Issuer) and KLP Kommunekreditt AS. KLP Banken was introduced to the market in February 2010.

The KLP Banken Group's purpose is financing of housing mortgages and lending to municipalities, county administrations and companies carrying out public sector assignments. KLP Banken Group also manages a lending portfolio on behalf of KLP. The Group (KLP Banken and its subsidiaries) manages lending totalling NOK 79,6 billion, thereof NOK 18,3 billion is residential mortgage loans and NOK 61,4 billion is lending to public sector and other enterprises (as per 31.03.2018). The Issuer's (KLP Boligkreditt AS) loans to customers as of 31 March 2018 amounted to NOK 5.4 billion. The overall business of KLP Banken AS and its subsidiaries is divided into the retail market and public sector loans business areas.

KLP Banken is a retail bank with standardised saving and lending products, such as current and saving accounts, online banking, debit cards, credit cards, residential mortgage loans and housing-linked credits.

In its operation and marketing KLP Banken pays particular attention to the members of the pension schemes administered by KLP. KLP Banken is to be a direct bank for customers seeking a long-term and predictable partner. In this way KLP Banken wants to be the preferred bank for KLP's members and pensioners as well as other retail customers who find the bank's services and fundamental values attractive. KLP Banken has approximately 57 600 individual clients.

The size distribution of the residential mortgage loans under KLP Banken's management is as follows (as per 31.03.2018):

Volume class	Percentage
< 0,75 mill. NOK	12 %
0,75 - 1,5 mill. NOK	25 %
1,5 - 3 mill. NOK	47 %
> 3 mill. NOK	16 %

The geographic distribution of the residential mortgage loans under KLP Banken's management is as follows (as per 31.03.2018):

County	Percentage
Akershus	17 %
Oslo	11 %
Østfold	10 %
Hordaland	9 %
Rogaland	9 %
Vestfold	7 %
Trøndelag	6 %
Buskerud	5 %
Troms	4 %
Nordland	4 %
Hedmark	4 %
Møre og Romsdal	4 %
Oppland	3 %
Telemark	2 %
Vest-Agder	2 %
Finnmark	2 %
Aust-Agder	1 %
Sogn og Fjordane	1 %

5.3 KLP

KLP was established in Norway in February 1949 to administer municipal pension schemes and in 1974 it received its charter as a mutual insurance company from the regulatory authorities. KLP is one of the largest pension and life insurance companies in Norway. (Finans Norge: Market shares and accounting, Q4 2017. To be found on <http://www.fno.no/Statistikk/Livsforsikring/Regnskap-og-balanse/>. Statistics as per 31 December 2017)

KLP's legal name is Kommunal Landspensjonskasse gjensidig forsikringsselskap and it is registered in Oslo under registration number 938 798 606 with its registered office at Dronning Eufemias gate 10, 0109 Oslo, Norway. KLP's telephone number is +47 55 54 85 00.

KLP operates under the Act on Insurance Activity and the Financial Institutions Act and is under the supervision of the Financial Supervisory Authority of Norway. KLP carries an A2 stable outlook rating from Moody's and an A- stable outlook rating from Standard & Poor's. A list of registered credit rating agencies can be found at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>.

6 Statement of no material adverse change

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.

7 Administrative, management and supervisory bodies

7.1 Board of Directors

The Issuer's Board of Directors consists of 4 members elected by the General Meeting (Norwegian: Generalforsamlingen). The current directors are as follows:

Sverre Thornes	Chairman (Other roles: CEO of KLP)
Aage Elmenhorst Schaanning	Board member (Other roles: CFO of KLP)
Marit Barosen	Board member (Other roles: Finance Manager at Nordlandssykehuset HF)
Ingrid Johansen Aune	Board member (Other roles: Mayor of Malvik municipality)

The business address of the 4 members of the Issuer's Board of Directors is the registered address of the Issuer.

Two of the Issuer's directors (Sverre Thornes and Aage Elmenhorst Schaanning) are also members of the management bodies of KLP. These persons, as well as Ingrid Johansen Aune are members of the Board of Directors of KLP Banken AS, KLP Bankholding AS and KLP Kommunekreditt AS, appointed in accordance with the relevant regulations under Norwegian law. It is therefore possible that potential conflicts of interest may arise for these directors between their duties to the Issuer and their duties to the relevant KLP companies in relation to intra-group matters (for example, the allocation of costs, or any intra group transactions between the relevant KLP companies and the Issuer). However, since the Issuer's primary business is to issue covered bonds on behalf of the KLP Group, the Issuer does not believe that any conflicts of interest will arise. No actual conflicts of interest have arisen between these three directors' duties to the Issuer or the relevant KLP companies and their private interests or other duties. Beyond the abovementioned, there is no other conflict between these three directors duties to the Issuer and their private interests or other duties. Nor Marit Barosen has any conflict between her duties to the Issuer and her private interests or other duties.

7.2 Management

Christopher Steen is the CEO of the Issuer.

Silje Skoglund Steinmo is the Chief Risk Officer of the Issuer.

The management (Christopher Steen and Silje Skoglund Steinmo) is also employed by KLP Banken AS, as Chief Financial Officer and Chief Risk Officer. It is therefore possible that potential conflicts of interest may arise for these directors between their duties to the Issuer and their duties to KLP Banken AS in relation to intra-group matters (for example, the allocation of costs, or any intra group transactions between KLP Banken and the Issuer). However, since the Issuer's primary business is to issue covered bonds financing the residential mortgage lending of the Group, the Issuer does not believe that any conflicts of interest will arise. No actual conflicts of interest have arisen between these two officers' duties to the Issuer and KLP Banken. There are no conflicts of interests between their duties to the Issuer and their private interests or other duties.

8 Shareholder information

The Issuer's 1000 shares, each of NOK 220 000, are owned by KLP Banken AS.

9 Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses

9.1 Historical financial information

The annual financial statement for the years ended 31 December 2016 and 2017 have been prepared in accordance with International Finance Reporting Standards (IFRS) as adopted by the EU.

The historical financial information for the annual periods ended 31 December 2016 and 2017 has been audited. The historical financial information for the interim period Q1 2018 has not been audited. PricewaterhouseCoopers AS has not audited, reviewed or produced any report on any other information provided in this Registration Document or the Prospectus.

The historical financial information, to be found in the Annual Reports for 2016 and 2017 and the Interim Report for Q1 2018, is incorporated by reference.

<u>Financial Information, annual and quarterly report:</u>	<u>2016</u>	<u>2017</u>	<u>Q1 2018</u>
Income Statement	p 7	p 12	p 4
Balance Sheet	p 8	p 13	p 5
Statement of owner's equity	p 9	p 14	p 6
Statement of cash flows	p 10	p 15	p 7
Declaration	p 11	p 16	
Notes to the accounts	p 12-30	p 17-41	p 8-15
Auditor's report	p 31	p 43	Unaudited

Annual- and quarterly reports are published on the following website:
<https://www.klp.no/om-klp/finans-og-ir/rapporter-og-presentasjoner>

9.2 Last year of financial information

The last year of audited financial information is 2017 for KLP Boligkreditt AS. The first quarter 2018 financial report has not been audited.

9.3 Legal arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer 's financial position or profitability.

9.4 Significant change in the Issuer's financial or trading positions

There has been no significant change in the financial or trading position of the Issuer which has occurred since the end of the last financial period for which interim financial information has been published.

10 Documents on display

The following documents (or copies thereof) may be inspected as long as the Registration Document is valid, at the headquarters of KLP Boligkreditt AS in Beddingen 8, Trondheim.

- a) The Memorandum of incorporation and The Articles of Association of KLP Boligkreditt AS.
- b) All reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at KLP Boligkreditt's request, which is included or referred to in the Registration Document.
- c) The historical financial information of KLP Boligkreditt AS for the two financial years preceding the publication of the Registration Document (being the Annual Reports for 2016 and 2017).

11 Definitions

KLP Boligkreditt or the Issuer or the Company	KLP Boligkreditt AS
KLP	Kommunal Landspensjonskasse gjensidig forsikringsselskap
KLP Group	Kommunal Landspensjonskasse gjensidig forsikringsselskap with subsidiaries.
KLP Banken	KLP Banken AS, the 100 % owner of KLP Boligkreditt
KLP Banken Group:	KLP Banken AS and its subsidiaries KLP Boligkreditt AS and KLP Kommunekreditt AS
NOK	the lawful currency for the time being i Norway
NIBOR	Norwegian Inter Bank Offer Rate
Board of Directors	the Board of Directors of KLP Boligkreditt AS
Management	The Management of KLP Boligkreditt AS
Control Committee	The Control Committee of KLP Boligkreditt AS
Board of Representatives	The Board of Representatives of KLP Boligkreditt AS.
Bondholder	A person who is registered in the CSD as directly registered owner or nominee holder of a Bond
Covered Bonds	Those covered bonds issued by the Issuer in accordance with the Financial Undertakings Act
Cover Pool	The Cover Pool maintained by the Issuer in accordance with the terms of the Financial Undertakings Act. Shall have the same meaning as prescribed in the Financial Undertakings Act (Norwegian: sikkerhetsmassen)
Eligible Loans	Eligible loans are assets which are eligible for inclusion in the Cover Pool, as determined by the Financial Institutions Act and Regulations (as amended, varied or supplemented from time to time) and the Credit Policy
IFRS	International Finance Reporting Standards
Annual Report 2016	The Annual Report 2016 for KLP Boligkreditt AS.
Annual Report 2017	The Annual Report 2017 for KLP Boligkreditt AS.
Interim Report Q1 2018	The Interim Report Q1 2018 for KLP Boligkreditt AS.
The Registration Document	This registration document, made according to The Securities Trading AS chapter 7.
Securities Notes	Any security note made according to The Securities Trading Act chapter 7, for the purpose of issuing Covered Bonds during the validity period of this Registration Document.
Prospectus	Prospectus according to the Securities Act chapter 7, comprising the Registration Document and the Security Note.