



Securities Note

KLP Boligkreditt AS

Tap of
FRN KLP Boligkreditt AS Covered Bond Issue 2019/2024
(Extendable to 26 September 2025)

Ordinary ISIN NO0010864606
Temporary ISIN NO0010873342

Arranger:

Nordea

Trondheim/Oslo, 10 March 2020

Important notice

The Securities Note has been prepared in connection with listing of the securities at Oslo Børs. New information that is significant for the Borrower or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to the expiry of the subscription period. Such information will be published as a supplement to the Securities Note pursuant to Regulation (EU) 2017/1129. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Borrower or its subsidiaries may not have been changed.

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturers' product approval process, the target market assessment in respect of the notes has led to the conclusion that: (i) the target market for the notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The notes 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 ("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in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as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 Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Only the Borrower and the Arranger are entitled to procure information about conditions described in the Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply.

In certain jurisdictions, the distribution of the Securities Note may be limited by law, for example in the United States of America or in the United Kingdom. Verification and approval of the Securities Note by Finanstilsynet implies that the Securities Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required. Persons that receive the Securities Note are ordered by the Borrower and the Arranger to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy bonds.

The content of the Securities Note does not constitute legal, financial or tax advice and bond owners should seek legal, financial and/or tax advice.

Contact the Borrower to receive copies of the Securities Note.

This Securities Note should be read together with the Registration Document dated 19 November 2019 and the Supplement number 1 to the Registration Document dated 10 March 2020. The three documents together constitute a Prospectus.

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1. Risk factors

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. An investment in interest bearing securities is only suitable for investors who understand the risk factors associated with this type of investments and who can afford a loss of all or part of the investment. Please refer to the Registration Document dated 19 November 2019 for a listing of company specific risk factors.

In each category below, the Issuer sets out the most material risk in the Issuer's assessment, taking into the negative impact of such risk on the Issuer and the bonds and the probability of its occurrence.

Financial risk

Market risk is the risk that the value of the Loan will decrease due to the change in value of the market risk factors. The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of this bond issue in the market. In spite of an underlying positive development in the Issuers business activities, the price of a bond may fall independent of this fact. Bond issues with a relatively short tenor and a floating rate coupon rate do however in general carry a lower price risk compared to loans with a longer tenor and/or with a fixed coupon rate.

KLP Boligkreditt AS has as of September 2019 issued NOK 7 billion of Covered Bonds and is a small issuer in the Norwegian Covered Bond market. No market-maker agreement is entered into in relation to this bond issue, and the liquidity of bonds will at all times depend on the market participants view of the credit quality of the Issuer as well as established and available credit lines.

Interest rate risk is the risk borne by the Loan due to variability of the NIBOR interest rate. The coupon payments, which depend on the NIBOR interest rate and the Margin, will vary in accordance with the variability of the NIBOR interest rate. The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (NIBOR 3 months) over the 5 year tenor (extendable up to 6 years). The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Issuer specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.

Changes or uncertainty in respect of NIBOR and/or other interest rate benchmarks may affect the value or payment of interest under the listed bonds

The Listed bonds are linked to NIBOR. NIBOR and other benchmark rates are the subject of recent national and international regulatory guidance and proposals for reform including, without limitation, the Benchmark Regulation and certain other international and national reforms.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks", (including NIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Bonds linked to or referencing such a "benchmark".

The Benchmarks Regulation could have a material impact on any Bonds linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

Risks relating to the covered bonds

Covered Bonds are obligations of the Issuer only

The Covered Bonds constitute obligations of the Issuer only, which have the benefit of a statutory preference under Chapter 11, Sub-chapter II of the Financial Undertakings Act in the Issuer Cover Pool. An investment in the Covered Bonds involves a reliance on the creditworthiness of the Issuer. The Covered Bonds are not guaranteed by the Bank or any other person.

In addition, an investment in the Covered Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the relevant Covered Bonds.

Credit ratings may not reflect all risks

Moody's has assigned an Aaa long-term rating to the Covered Bonds. Aaa rated bonds are judged to be of the highest quality, subject to the lowest level of credit risk. There is no guarantee that such rating of the Covered Bonds will be maintained or that such credit rating reflects the potential impact of all risks related to an investment in the Covered Bonds. Accordingly, a credit rating is not a recommendation to buy, sell or hold Covered Bonds and may be revised or withdrawn by Moody's at any time. Any such revision or withdrawal could adversely affect the market value of the Covered Bonds. The Issuer may, at any time, vary the rating agency or agencies from which credit ratings of the Covered Bonds are obtained or vary the number of credit rating agencies from whom credit ratings of the Covered Bonds are obtained.

Credit ratings may be subject to change

The credit ratings of the Covered Bonds are important to the issuers business. There can be no assurance that Moody's will not downgrade the ratings of the Covered Bonds either as a result of the financial position of the Group or changes to applicable rating methodologies used by Moody's. Moody's evaluation of the Issuer may also be based on a number of factors not entirely within the control of the Issuer, such as conditions affecting the financial services industry generally. Any reduction in the ratings of the Issuer's debt instruments could adversely affect its liquidity and competitive position, undermine confidence in the Issuer, increase its borrowing costs, limit its access to the capital markets, or limit the range of counterparties willing to enter into transactions with the Issuer. Such development could have a material adverse effect on the Issuer's business, financial situation, results of operations, liquidity and/or prospects.

Risks related to the Issuer Cover Pool

There can be no assurance that the Issuer Cover Pool will be sufficient to pay in full the amounts payable under the Covered Bonds.

The Issuer has established a senior unsecured revolving credit facility with KLP Banken AS 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. During the life of the covered bond KLP Banken AS's credit risk can change and the ability to fulfill its obligations can be materially reduced.

2. Person responsible

2.1 Persons responsible for the information

KLP Boligkreditt AS, Beddingen 8, 7042 Trondheim, is responsible for the content in this Prospectus.

2.2 Declaration by persons responsible

KLP Boligkreditt AS confirms that the information contained in the Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Trondheim, 10 March 2020

KLP Boligkreditt AS



Christopher Steen
Managing director, CEO

2.3 Experts' report

No statement or report attributed to a person as an expert is included in the securities note.

2.4 Third Party information

No information given in this securities note has been sourced from a third party.

2.5 Competent Authority Approval

KLP Boligkreditt AS confirm that:

- a) This securities note has been approved by the Finanstilsynet, as competent authority under Regulation (EU) 2017/1129;
- b) the Finanstilsynet only approves this securities note as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129;
- c) such approval should not be considered as an endorsement of the quality of the securities that are the subject of this securities note and
- d) investors should make their own assessment as to the suitability of investing in the securities.

3. Information concerning the securities

Ordinary ISIN code:	NO0010864606
Temporary ISIN code:	NO0010873342
The Loan/The Issue/The Bonds:	FRN KLP Boligkreditt AS Covered Bond Issue 2019/2024 (Extendable to 26 September 2025)
Borrower/Issuer:	KLP Boligkreditt AS
Security Type:	Open covered bond issue with floating rate.
Borrowing Limit – Tap Issue:	NOK 2,000,000,000
First Tranche:	NOK 2,000,000,000
[2] Tranche	NOK 500,000,000
Denomination – Face Value – Each Bond:	NOK 1,000,000 - each and among themselves pari passu ranking.
Securities Form:	The Bonds are electronically registered in book-entry form with the Securities Depository.
Disbursement/Settlement/Issue Date:	16 January 2020 ([2] tranche)
Interest Bearing From and Including:	27 December 2019 ([2] tranche)
Interest Bearing To:	Maturity Date
Maturity Date:	26 September 2024
Extended Maturity Date:	26 September 2025
NIBOR:	3 months NIBOR.
Margin:	0.33 percentage points p.a.
Coupon Rate:	NIBOR + Margin.
Current Rate:	2.21 %.
Day Count Fraction:	Actual/360
Business Day Convention:	Modified Following Business Day. Convention for adjusting any relevant payment date ("Payment Date") if it would otherwise fall on a day that is not a Business Day; If the Coupon Date is not a Business Day, the applicable Payment Date shall be the first following Business Day unless that day falls in the next calendar month, in which case the date shall be the first preceding Business Day.
Coupon Rate Determination Date/ Reset Date:	20 December 2019, and thereafter two Business Days prior to each Coupon Date.
Coupon Date:	26 March, 26 June, 26 September and 26 December each year
#Days first term:	90 days.
Issue Price:	100,196%.

Yield:	Dependent on the market price. On 16 January 2020 the yield was estimated to 2,11 % p.a.
Business Day:	Any day on which the CSD settlement system is open and the relevant currency settlement system is open.
Amortisation:	<p>The bonds will run without installments and be repaid in full at Maturity Date at par.</p> <p>If the amount due is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Maturity Date, provided that any amount representing the amount due and remaining unpaid on the Maturity Date may be paid by the Issuer on any Coupon Date occurring thereafter up to (and including) the relevant Extended Maturity Date.</p>
Redemption:	Matured interest and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Status of the Bonds:	<p>The Bonds are unsubordinated obligations issued as covered bonds (obligasjoner med fortrinnsrett) in accordance with Chapter 11, Sub-chapter II and appurtenant regulations of the Financial Undertaking Act and rank pari passu among (i) themselves, (ii) any other bonds issued by the Issuer that have been given the same preferential rights to the Cover Pool and (iii) any obligations of the Issuer to counterparties under derivative contracts, if any, as referred to in Section 11-8 (1) (e) of the Financial Undertaking Act that have been provided the same preferred rights to settlement against the Cover Pool.</p> <p>To the extent that claims in relation to the Bonds, other covered bonds and relating derivative agreements (both as registered in the Cover Pool Register) are not met out of the Cover Pool, the residual claims will rank pari passu with the unsecured and unsubordinated obligations of the Issuer, save for those preferred by law.</p>
Security	The Bonds are unsecured. In accordance with the Financial Undertakings Act, the Bonds, together with any other assets as set out in the Covered Bond Agreement Clause 3.2 (Status) which are registered in the Cover Pool Register at any time, shall in the event of bankruptcy, negotiation of debt under the Bankruptcy Act, winding up of the Issuer or public administration of the Issuer, have an exclusive, equal and proportional preferential claim over the Cover Pool.
Cover Pool:	<p>The pool of assets to which:</p> <ul style="list-style-type: none">(i) the Bondholders,(ii) any other holders of bonds issued by the Issuer that have been given the same preferential rights in the same cover pool, and(iii) counterparties to derivative contracts that have been given the same preferential rights in the same cover pool, if any, as referred to in Section 11-8 (1) (e) of the Financial Undertaking Act, <p>have a preferential right in accordance with the Financial Undertakings Act Chapter 11, Sub-chapter II and regulations given pursuant thereto, comprising of assets described in Clause 3.2 and which are registered in the designated Cover Pool Register at any time, subject to changes pursuant to Clause 3.2. in the Bond Agreement.</p>

Cover Pool Register:	<p>The register of:</p> <ul style="list-style-type: none">(i) the Bonds,(ii) any other bonds issued by the Issuer that have been given the same preferential rights to the Cover Pool,(iii) the derivative contracts which have been given the same preferential rights as the Bonds, and(iv) the assets in the Cover Pool, <p>- to be established and maintained by the Issuer in accordance with the Financial Undertaking and regulations given pursuant thereto,</p>
Covenants:	For Covenants see Bond Agreement section 4.2 and 4.3
Listing:	An application for listing will be sent to Oslo Børs.
Purpose and net proceeds:	<p>The Issuer will use the net proceeds from the issuance of the bonds for its general corporate purposes.</p> <p>Estimated net proceeds [2] Tranche: NOK 501,514,989</p>
NIBOR-definition:	<p>Means, for FRN, the Norwegian Interbank Offered Rate, being the interest rate fixed for a period comparable to the relevant period between each Interest Payment Date on Oslo Børs' webpage at approximately 12:15 (Oslo time) on the Interest Quotation Date or, on days on which Oslo Børs has shorter opening hours (New Year's Eve and the Wednesday before Maundy Thursday), the data published at approximately 10.15 a.m. (Oslo time) on the Interest Quotation Date shall be used. In the event that such page is not available, has been removed or changed such that the quoted interest rate no longer represents, in the opinion of the Bond Trustee, a correct expression of the relevant interest rate, an alternative page or other electronic source which in the opinion of the Bond Trustee and the Issuer gives the same interest rate shall be used. If this is not possible, the Bond Trustee shall calculate the relevant interest rate based on comparable quotes from major banks in Oslo.</p>
Reference Rate:	NIBOR rounded to the nearest hundredth of a percentage point on each Reset Date, for the period stated.
Approvals:	<p>The Bonds were issued in accordance with the Borrower's Board approval dated 29 November 2017 and 21 November 2019.</p> <p>The Bond Trustee consented to increase the Borrowing Limit on 15 January 2020 (effective from 16 January 2020).</p> <p>This Securities Note has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129 (see definition of Prospectus for duties and responsibility of the Norwegian FSA).</p> <p>The Norwegian FSA approved the Registration Document and the Securities Note for the first tranche on 19 November 2019.</p> <p>The Norwegian FSA approved the Registration Document for the second tranche on 19 November 2019 and the Supplement number 1 to the Registration Document on 10 March 2020.</p> <p>The Norwegian FSA approved the Securities Note for the second tranche by e-mail on 10 March 2020.</p> <p>The prospectus has also been sent to Oslo Børs ASA for review in relation to a listing application of the bonds.</p>

Bond Agreement/Bond Terms:	<p>The Covered Bond Agreement has been entered into between the Borrower and the Trustee. The Bond Agreement regulates the Bondholder's rights and obligations in relations with the issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement.</p> <p>By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by the Bond Agreement and any other Finance Document, without any further action required to be taken or formalities to be complied with.</p> <p>Information regarding the bondholders, bondholders' meeting and the Bondholder's right to vote are described in the Bond Agreement clause 6 and 7.</p> <p>Information regarding the role of the Bond Trustee, see Bond Agreement clause 8.</p> <p>The Bond Agreement and the consent from the Bond Trustee to increase the Borrowing Limit is attached to this Securities Note.</p>
Availability of the Documentation:	<p>https://www.klp.no/om-klp/finans-og-ir/investorinformasjon-klp-banken</p>
Bond Trustee:	<p>Nordic Trustee AS, P.O. Box 1470 Vika, 0116 Oslo, Norway.</p>
Arranger and Listing Agent:	<p>Nordea Bank AB (publ) filial i Norge, P. O. Box 1166 Sentrum, 0107 Oslo</p>
Paying Agent:	<p>DNB Bank ASA, Dronning Eufemias gate 30, 0191 Oslo, Norway.</p> <p>The Paying Agent is in charge of keeping the records in the Securities Depository.</p>
Calculation Agent:	<p>The Trustee</p>
CSD:	<p>The central securities depository in which the Bonds are registered, being VPS ASA.</p> <p>On Disbursement Date the Securities Depository is Verdipapirregisteret ("VPS"), Postboks 4, 0051 OSLO</p>
Market-Making:	<p>There is no market-making agreement entered into in connection with the Loan.</p>
Legislation under which the Securities have been created:	<p>Norwegian law.</p>
Fees and Expenses:	<p>The Borrower shall pay any stamp duty and other public fees in connection with the loan. Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation. The Borrower is responsible for withholding any withholding tax imposed by Norwegian law.</p>
Fees:	<p>Prospectus fee (NFSA) Supplement to the Registration Document: NOK 17 000 Prospectus fee (NFSA) Securities Note second tranche: NOK 17 000 Listing fee 2020 including second tranche (Oslo Børs): NOK 41,350 Registration fee (Oslo Børs) first tranche: NOK 3 550</p>

Prospectus:

Registration Document dated 19 November 2019, the Supplement number 1 to the Registration Document dated 10 March 2020 and this Securities Note dated 10 March 2020 constitutes the Prospectus.

This Securities Note has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the securities.

4. Additional information

The involved persons in this Issue have no interest, nor conflicting interests that is material to the Issue.

Moody's Investor service Ltd has rated all covered bonds issued by KLP Boligkreditt AS –Aaa". Aaa rated bonds are judged to be of the highest quality, subject to the lowest level of credit risk.

Moody's Investor Service Ltd is established in the EU and have been registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the Credit Rating Agencies Regulation).

KLP Boligkreditt AS has mandated Nordea Bank AB (publ) filial i Norge, as Arranger for the issuance of the Loan. The Arranger has acted as advisor to KLP Boligkreditt AS in relation to the pricing of the Loan.

The Arranger and/or any of its affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Securities Note and may perform or seek to perform financial advisory or banking services related to such instruments. The Arranger's corporate finance department may act as manager or co-manager for this Borrower in private and/or public placement and/or resale not publicly available or commonly known.

5. Appendix

- Bond Agreement
- Consent from the Bond Trustee to increase the Borrowing Limit