

KLP BOLIGKREDITT AS

Interim report

Q2 2015



INCOME STATEMENT

BALANCE SHEET

NOTES TO THE ACCOUNTS

A hand is shown holding a vibrant red flower, possibly a gerbera, against a solid blue background. The hand is positioned at the bottom left, with fingers gently gripping the base of the flower. The flower's petals are bright red and layered, with a yellowish center. The lighting is soft, highlighting the texture of the petals and the skin of the hand.

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KLP Boligkreditt AS -

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KLP Boligkreditt AS

Interim Financial Statements 2 / 2015

Main features in the first half year:

- Operating profit before tax in H1 amounted to NOK 8.8 million.
- The lending balance has increased to NOK 3.8 billion.

Objective and ownership

The Company's objective is to be the KLP Banken Group's vehicle for the issue of mortgage-covered bonds.

KLP Boligkreditt AS is a wholly owned subsidiary of KLP Banken AS. The KLP Banken Group is owned by Kommunal Landspensjonskasse (KLP). KLP Boligkreditt AS was established in 2013 and has its head office in Trondheim.

Income statement

Net interest and credit commission revenues in H1 2015 were NOK 22.5 million. Operating expenses in the same period amounted to NOK 13.4 million. The Company has not had losses or made loss provisions on loans. Pre-tax profit by quarter end was NOK 8.8 million.

Lending

The Company's loans to customers as at 30 June 2015 amounted to NOK 3.8 billion. All loans have been purchased from other KLP Group Companies. Total assets amounted to NOK 4.1 billion at the end of the quarter.

Borrowing

The Company's borrowing comprises of covered bonds as well as borrowing from its parent company. Outstanding bond debt was NOK 2.3 billion at the reporting date while intercompany debt amounted to NOK 1.5 billion. All covered bonds have an AAA rating. During H1 new covered bond issues amounted to NOK 0.6 billion.

Liquidity investments

KLP Boligkreditt AS has strict rules on what assets may be included in the securities holdings. In addition to mortgage loans, the securities holdings comprise secure bonds as well as deposits in other banks. The securities comprise of certificates and bonds of high credit quality, principally investments in covered bonds with AAA rating. As at 30 June 2015, the bond portfolio's market value was NOK 0.1 billion. The net loss associated with liquidity investments amounted to NOK 0.3 million.

Risk and capital adequacy

KLP Boligkreditt AS is exposed to various types of risk. The Company has established a framework for risk management aimed at ensuring that risks are identified, analysed and subjected to management using policies, limits, procedures and instructions. The Company is to have a prudent risk profile and earnings are to be principally a result of borrowing and lending activity as well as liquidity management. This means that the Company is to have low market risk, and interest and foreign-exchange risk arising within the borrowing and lending activity is reduced using derivatives. The Company is to have responsible long-term financing and limits have been established to ensure that this objective is achieved. The credit risk in the Company is low and the Company's lending is limited to loans with liens on housing and leisure property. Management of the Company's liquidity is conducted through investments in banks satisfying credit quality requirements and in securities in accordance with Board-approved credit lines. The Company's securities portfolio has high credit quality.

At the end of the second quarter 2015, core capital i.a.w. the capital adequacy rules was NOK 259.0 million. Mortgage loans are risk-weighted by 35 per cent in accordance with the authorities' capital adequacy regulations. KLP Boligkreditt AS had a core capital adequacy and capital adequacy ratio of 18.5 per cent at the end of the second quarter 2015. The minimum statutory requirement is 11.0 per cent core capital adequacy ratio and 14.5 per cent capital adequacy ratio.

Future prospect

KLP Boligkreditt AS is part of the financing structure of the KLP Banken Group and will be developed further through purchase of loans from KLP Banken or KLP. Business activities in the loan market will be primarily based on financing from issuance of mortgage-covered bonds.

Oslo, 14. august 2015

Sverre Thornes
Chair
(Sign.)

Aage E. Schaanning
Deputy chair
(Sign.)

Eva M. Salvesen
(Sign.)

Marit Barosen
(Sign.)

Christopher A. Steen
Managing director
(Sign.)

Income statement

KLP Boligkreditt AS

Note	NOK thousands	Q2 2015	Q2 2014	01.01.2015- 30.06.2015	01.01.2014- 30.06.2014	2014
	Interest income	30 909	905	58 509	1 065	33 497
	Interest expense	-19 902	-175	-36 024	-175	-19 014
3	Net interest income	11 006	730	22 484	890	14 483
	Net gain/ (loss) financial instruments	-92	0	-254	0	-233
	Total other operating income	-92	0	-254	0	-233
	Other operating expenses	-6 721	-933	-13 418	-933	-11 460
	Total operating expenses	-6 721	-933	-13 418	-933	-11 460
	Operating profit/loss before tax	4 193	-203	8 812	-43	2 790
	Tax ordinary income	-1 101	55	-2 348	12	-753
	Profit for the period	3 092	-148	6 464	-32	2 037
	Other comprehensive income for the period	0	0	0	0	0
	Comprehensive income for the period	3 092	-148	6 464	-32	2 037

Balance sheet

KLP Boligkreditt AS

Note	NOK thousands	30.06.2015	30.06.2014	2014
	ASSETS			
	Loans to credit institutions	205 135	81 726	102 785
4	Loans to customers	3 783 346	544 821	2 971 296
13	Interest-bearing securities	101 341	0	0
	Deffered tax assets	0	14	0
10	Other assets	4 438	4 305	401
	TOTAL ASSETS	4 094 260	630 866	3 074 482
	LIABILITIES AND OWNERS EQUITY			
	LIABILITIES			
8	Debt to credit institutions	1 521 547	480 175	1 011 240
7	Debt securities issued	2 304 284	0	1 803 395
	Deffered tax liabilities	0	0	751
11	Other Liabilities	8 833	259	6 343
11	Provision for accrued costs and liabilities	631	0	253
	TOTAL LIABILITIES	3 835 295	480 434	2 821 982
	EQUITY			
	Share capital	100 000	75 000	100 000
	Share premium	150 463	75 463	150 463
	Retained earnings	8 501	-32	2 037
	TOTAL EQUITY	258 964	150 432	252 500
	TOTAL LIABILITIES AND EQUITY	4 094 260	630 866	3 074 482

Statement of changes in equity

KLP Boligkreditt AS

NOK thousands	Share capital	Share premium	Retained earnings	Total equity
Equity 1 January 2015	100 000	150 463	2 037	252 500
Profit for the period	0	0	6 464	6 464
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	0	0	6 464	6 464
Group contribution received	0	0	2 665	2 665
Group contribution made	0	0	-2 665	-2 665
Total transactions with the owners	0	0	0	0
Equity 30 June 2015	100 000	150 463	8 501	258 964
Equity 1 January 2014	30	963	0	993
Profit for the period	0	0	-32	-32
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	0	0	-32	-32
Owners' equity received during the period	74 970	74 500	0	149 470
Total transactions with the owners	74 970	74 500	0	149 470
Equity 30 June 2014	75 000	75 463	-32	150 432
Equity 1 January 2014	30	963	0	993
Profit for the period	0	0	2 037	2 037
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	0	0	2 037	2 037
Owners' equity received during the period	99 970	149 500	0	249 470
Total transactions with the owners	99 970	149 500	0	249 470
Equity 31 December 2014	100 000	150 463	2 037	252 500

Statement of cash flow

KLP Boligkreditt AS

NOK thousands	01.01.2015- 30.06.2015	01.01.2014- 30.06.2014	2014
OPERATING ACTIVITIES			
Payments received from customers - interest, commission & charges	56 422	329	25 509
Net receipts/disbursements on loans customers & credit institutions	-816 432	-549 126	-2 965 013
Net receipts/disbursements on operations	-12 904	-674	-5 025
Net receipts/disbursements from operating activities	-9 028	0	-5
Net interest investment accounts	1 886	395	1 467
Income tax paid	0	0	0
Net cash flow from operating activities	-780 056	-549 077	-2 943 067
INVESTMENT ACTIVITIES			
Receipts on sale of securities	-101 341	0	0
Receipts of interest from securities	262	0	0
Net cash flow from investment activities	-101 079	0	0
FINANCING ACTIVITIES			
Net receipts/disbursements on loans from credit institutions	1 009 609	480 000	2 808 437
Net payment of interest on loans	-34 436	0	-13 051
Change in owners' equity	0	149 470	249 470
Group contribution paid	-719	0	0
Net cash flows from financing activities	974 453	629 470	3 044 856
Net cash flow during the period	93 318	80 392	101 789
Cash and cash equivalents at the start of the period	102 780	991	991
Cash and cash equivalents at the end of the period	196 098	81 383	102 780
Net receipts/ disbursements (-) of cash	93 318	80 392	101 789

STATEMENT PURSUANT TO SECTION §5-6 OF THE SECURITIES TRADING ACT

KLP Boligkreditt AS

We hereby confirm that the half yearly financial statement for the company for the period 1 January through 30 June 2015 to the best of our knowledge have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company taken as a whole.

To the best of our knowledge, the half-yearly report gives a true and fair overview of important events that occurred during the accounting period and their impact on the half-yearly financial statement, and a description of the principal risks and uncertainties facing the company over the next accounting period.

Oslo, 14. august 2015

Sverre Thornes
Chair
(Sign.)

Aage Schaanning
Deputy Chair
(Sign.)

Eva M. Salvesen
(Sign.)

Marit Barosen
(Sign.)

Christopher A. Steen
Managing Director
(Sign.)

Notes to the accounts

KLP Boligkreditt AS

Note 1 GENERAL INFORMATION

KLP Boligkreditt AS was founded on 30 oktober 2013. The company is a housing credit enterprise, and finance the activity primary through issuing covered bonds (OMF).

KLP Boligkreditt AS is registered and domiciled in Norway. Its head office is at Beddingen 8 in Trondheim.

The company is a wholly-owned subsidiary of KLP Banken AS, which is in turn wholly owned by Kommunal Landspensjonskasse (KLP), through KLP Bankholding AS. KLP is a mutual insurance company.

Note 2 ACCOUNTING PRINCIPLES

The interim report includes the consolidated financial statements of KLP Boligkreditt AS for the period 1 January 2015 - 30 June 2015.

The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim financial statements are audited.

There are no changes in the accounting rules in 2015, which has had an impact on the interim financial statements for the second quarter. The annual report for 2014 contains a more detailed description of accounting policies.

The annual financial statements are available at klp.no.

Note 3 NET INTEREST INCOME

NOK thousands	01.01.2015- 30.06.2015	01.01.2014- 30.06.2014	2014
Interest on loans to and receivables from credit institutions	1 891	737	1 469
Interest on loans to customers	56 100	328	32 029
Interest on securities	518	0	0
Total interest income	58 509	1 065	33 497
Interest on covered bonds	18 977	175	7 582
Interest on liabilities to KLP Banken	16 839	0	11 549
Premium/discount on covered bonds	209	0	-116
Total interest costs	36 024	175	19 014
Net interest income	22 484	890	14 483

Note 4 LOANS TO CUSTOMERS

NOK thousands	30.06.2015	30.06.2014	31.12.2014
Loans to cutomers before write-downs	3 777 145	543 984	2 964 774
Individual write-downs	0	0	0
Write-downs by group	0	0	0
Loans to cutomers after write-downs	3 777 145	543 984	2 964 774
Accured interest	6 201	837	6 522
Change in fair value due to interest rate changes (fair value hedging)	0	0	0
Loans to customers	3 783 346	544 821	2 971 296

Note 5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

NOK thousands	30.06.2015		30.06.2014		31.12.2014	
	Capitalized value	Fair value	Capitalized value	Fair value	Capitalized value	Fair value
FINANCIAL ASSETS AT FAIR VALUE						
Fixed-income securities	101 341	101 341	0	0	0	0
Total financial assets at fair value	101 341	101 341	0	0	0	0
FINANCIAL ASSETS AT AMORTIZED COST						
Loans to and receivables from credit institutions	205 135	205 135	81 726	81 726	102 785	102 785
Loans to and receivables from customers	3 783 346	3 783 346	544 821	544 821	2 971 296	2 971 296
Total financial assets at amortized cost	3 988 481	3 988 481	626 547	626 547	3 074 081	3 074 081
Total financial assets	4 089 822	4 089 822	626 547	626 547	3 074 081	3 074 081
LIABILITIES TO CREDIT INSTITUTIONS AT AMORTIZED COST						
Liabilities to credit institutions	1 521 547	1 521 547	480 175	480 175	1 011 240	1 011 240
Covered bonds issued	2 304 284	2 392 369	0	0	1 803 395	1 803 504
Total financial liabilities at amortized cost	3 825 831	3 913 916	480 175	480 175	2 814 635	2 814 744
Total financial liabilities	3 825 831	3 913 916	480 175	480 175	2 814 635	2 814 744

Fair value of investments listed in an active market is based on the current sales price. A financial instrument is considered to be listed in an active market if the listed price is simply and regularly available from a stock market, dealer, broker, industry grouping, price setting service or regulatory authority, and these prices represent actual and regularly occurring transactions at arm's length. If the market for the security is not active, or the security is not listed on a stock market or similar, valuation techniques are used to set fair value. These are based for example on information on recently completed transactions carried out on business terms and conditions, reference to trading in similar instruments and pricing using externally collected yield curves and yield spread curves. As far as possible the estimates are based on externally observable market data and rarely on company-specific information.

The different financial instruments are thus priced in the following way:

Fixed-income securities - other than government
Norwegian fixed-income securities, except government are priced directly on prices from Nordic Bond Pricing. Those securities that are not included in Nordic Bond Pricing are priced theoretically. In theoretical pricing a zero-coupon curve is used as well as yield spread curves for the pricing. Reuters is used as a source for the zero-coupon curve from 0 to 10 years. From 12 years and over, Bloomberg is used as the source since Reuters does not provide prices over 10 years. The yield curve spreads are received from Nordic Bond Pricing. These are based on yield curve spreads collected from several different market operators and converted to an average curve.

Fair value of loans to retail costumers
Fair value of lending without fixed interest rates is considered virtually the same as book value since the contract terms are continuously changed in step with market interest rates. Lending with fixed interest is

valued using a valuation model, including relevant credit spread adjustments obtained from the market.

Fair value of loans to and receivables from credit institutions

All receivables from credit institutions (bank deposits) are at variable interest rates. Fair value of these is considered virtually the same as book value since the contract terms are continuously changed in step with market interest rates.

Fair value of liabilities to credit institutions

These transactions are valued using a valuation model, including relevant credit spread adjustments obtained from the market.

Liabilities created on issuance of securities

Fair value in this category is determined on the basis of internal valuation models based on external observable data.

Note 6 FAIR VALUE HIERARCHY

NOK thousands	Level 1	Level 2	Level 3	Total 30.06.2015
ASSETS				
Interest-bearing securities	0	101 341	0	101 341
Financial derivatives	0	0	0	0
Total financial assets at fair value	0	101 341	0	101 341
LIABILITIES				
Financial derivatives	0	0	0	0
Total financial liabilities at fair value	0	0	0	0

NOK thousands	Level 1	Level 2	Level 3	Total 30.06.2014
ASSETS				
Interest-bearing securities	0	0	0	0
Financial derivatives	0	0	0	0
Total financial assets at fair value	0	0	0	0
LIABILITIES				
Financial derivatives	0	0	0	0
Total financial liabilities at fair value	0	0	0	0

NOK thousands	Level 1	Level 2	Level 3	Total 31.12.2014
ASSETS				
Interest-bearing securities	0	0	0	0
Financial derivatives	0	0	0	0
Total financial assets at fair value	0	0	0	0
LIABILITIES				
Financial derivatives	0	0	0	0
Total financial liabilities at fair value	0	0	0	0

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for at normal market terms and conditions. Highest quality in regard to fair value is based on listed prices in an active market. A financial instrument is considered as listed in an active market if listed prices are simply and regularly available from a stock market, dealer, broker, industry group, price-setting service or regulatory authority, and these prices represent actual and regularly occurring transactions at arm's length.

Level 1: Instruments at this level obtain fair value from listed prices in an active market for identical assets or liabilities to which the entity has access at the reporting date. Examples of instruments in Level 1 are stock market listed securities.

Level 2: Instruments at this level obtain fair value from observable market data. This includes prices based on identical instruments, but where the instrument does not maintain a high enough trading frequency and is not therefore considered to be traded in an active market, as well as prices based on corresponding assets and price-leading indicators that can be confirmed from market information. Example instruments at Level 2 are fixed-income securities priced on the basis of interest rate paths.

Level 3: Instruments at Level 3 contain non-observable market data or are traded in markets considered to be inactive. The price is based generally on discrete calculations where the actual fair value may deviate if the instrument were to be traded.

Note 7 SECURITIES LIABILITIES - STOCK EXCHANGE LISTED COVERED BONDS

NOK thousands							30.06.2015
ISIN kode	Nominal	Currency	Interest	Issued	Due date	Accrued interest	Book value
N00010719875	600 000	NOK	Floating	12.09.14	12.09.19	510	600 510
N00010721244	600 000	NOK	Floating	06.10.14	06.10.17	2 267	602 267
N00010723018	600 000	NOK	Floating	05.11.14	05.11.21	1 691	601 691
N00010729486	600 000	NOK	Floating	20.01.15	20.01.21	2 124	602 124
N00010729486 - own holdings	-100 000	NOK	Floating	20.01.15	20.01.21	-354	-100 354
Amortization / other changes							-1 953
Total liabilities issuance of certificate loans and secured bonds							2 304 284

NOK thousands							30.06.2014
ISIN kode	Nominal	Currency	Interest	Issued	Due date	Accrued interest	Book value
Total liabilities issuance of certificate loans and secured bonds							0

NOK thousands							31.12.2014
ISIN kode	Nominal	Currency	Interest	Issued	Due date	Accrued interest	Book value
N00010719875	600 000	NOK	Floating	12.09.14	12.09.19	613	600 613
N00010721244	600 000	NOK	Floating	06.10.14	06.10.17	2 567	602 567
N00010723018	600 000	NOK	Floating	05.11.14	05.11.21	1 777	601 777
Amortization / other changes							-1 562
Total liabilities issuance of certificate loans and secured bonds							1 803 395

Note 8 LIABILITIES TO CREDIT INSTITUTIONS

NOK thousands				30.06.2015
	Due date	Nominal	Accrued interest	Book value
Debt to KLP Banken AS	15.09.15	1 520 000	1 547	1 521 547
Total liabilities to credit institutions				1 521 547

NOK thousands				30.06.2014
	Due date	Nominal	Accrued interest	Book value
Debt to KLP Banken AS	15.09.14	480 000	175	480 175
Total liabilities to credit institutions				480 175

NOK thousands				31.12.2014
	Due date	Nominal	Accrued interest	Book value
Debt to KLP Banken AS	16.03.15	1 010 000	1 240	1 011 240
Total liabilities to credit institutions				1 011 240

Note 9 TRANSACTIONS WITH RELATED PARTIES

NOK thousands	30.06.2015	30.06.2014	2014
INCOME STATEMENT ITEMS			
KLP Banken AS, interest on borrowing	-16 839	-175	-11 549
KLP Banken AS, administrative services (at cost)	-12 483	-259	-7 941
KLP Group companies, subsidised interest employee loans	287	0	272
Total	-29 035	-434	-19 218

NOK thousands	30.06.2015	30.06.2014	31.12.2014
FINANCIAL POSTITION STATEMENT ITEMS			
KLP Banken AS, borrowing Group current liabilities	-1 521 547	-480 175	-1 011 240
KLP Banken AS, net internal liabilities	-6 339	-259	-6 305
KLP Banken AS, loan settlement	4 300	4 305	239
KLP Group companies, net other internal accounts	138	0	162
Total	-1 523 448	-476 129	-1 017 144

There are no direct salary cost in KLP Boligkredit AS. Personnel costs (administrative services) are allocated from KLP Banken AS.

Transactions with related parties are carried out at general market terms and conditions, with the exception of the Company's share of common functions (staff services), which are allocated at cost. The receivable is based on actual use. All internal receivables are settled as they arise.

Note 10 OTHER ASSETS

NOK thousands	30.06.2015	30.06.2014	31.12.2014
Intercompany receivables	4 438	4 305	401
Total	4 438	4 305	401

Note 11 OTHER LIABILITIES AND PROVISION FOR ACCRUED COSTS

NOK thousands	30.06.2015	30.06.2014	31.12.2014
Creditors	115	0	38
Intercompany payables	6 339	259	6 305
Other liabilities	2 379	0	0
Total other liabilities	8 833	259	6 343
VAT	0	0	21
Accrued expenses	631	0	232
Total accrued costs and liabilities	631	0	253

Note 12 CAPITAL ADEQUACY

NOK thousands	30.06.2015		30.06.2014		31.12.2014	
Share capital and share premium fund	250 463		150 463		250 463	
Other owners' equity	2 037		0		2 037	
Total owners' equity	252 500		150 463		252 500	
Interim profit/loss	6 464		-32		0	
Deferred tax asset	0		-14		0	
Core capital/Tier 1 capital	258 964		150 417		252 500	
Supplementary capital/Tier 2 capital	0		0		0	
Supplementary capital/Tier 2 capital	0		0		0	
Total eligible own funds (Tier 1 and Tier 2 capital)	258 964		150 417		252 500	
Capital requirement	111 978		16 632		84 848	
Surplus of own funds (Tier 1 and Tier 2 capital)	146 986		133 785		167 652	
ESTIMATE BASIS CREDIT RISK:						
Institutions	62 181		207 894		20 635	
Investments with mortgage security in real estate	1 324 181		0		1 039 966	
Calculation basis credit risk	1 386 362		207 894		1 060 601	
Credit risk	110 909		16 632		84 848	
Operating risk	1 069		0		0	
Total capital requirement assets	111 978		16 632		84 848	
Core capital adequacy ratio	18.5 %		72.4 %		23.8 %	
Supplementary capital ratio	0.0 %		0.0 %		0.0 %	
Capital adequacy ratio	18.5 %		72.4 %		23.8 %	
Leverage ratio	6.3 %				8.2 %	
Capital requirement per 30.06.2015	Tier 1 capital		Tier 2 capital		Tier 1 and Tier 2 capital	
Minimum requirement excl. buffers	4.5 %		3.5 %		8.0 %	
Protective buffer	2.5 %		0.0 %		2.5 %	
Systemic risk buffer	3.0 %		0.0 %		3.0 %	
Counter-cyclical capital buffer	1.0 %		0.0 %		1.0 %	
Current capital requirement incl. buffers	11.0 %		3.5 %		14.5 %	

Note 13 FIXED-INCOME SECURITIES

NOK thousands	30.06.2015		30.06.2014		31.12.2014	
	Acquisition cost	Market value	Acquisition cost	Market value	Acquisition cost	Market value
Certificates	0	0	0	0	0	0
Bonds	101 340	101 341	0	0	0	0
Total fixed-income securities	101 340	101 341	0	0	0	0

Key figures

Accumulated figures in NOK millions	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Pre-tax income	8.8	4.6	2.8	0.5	0.0
Net interest income	22.5	11.5	14.5	4.4	0.9
Other operating income	0.0	0.0	0.0	0.0	0.0
Other operating cost and depreciation	-13.4	-6.7	-11.5	-3.8	-0.9
Net realized/unrealized change fin. Instruments at fair value	-0.3	-0.2	-0.2	0.0	-0.9
Deposits	3 783.3	3 968.7	2 971.3	1 591.6	544.8
Housing mortgage lending	-	-	-	-	-
Non-performing loans	2 304.3	2 303.9	1 803.4	500.0	-
Total liabilities created on issuance of securities	1 521.5	1 870.4	1 011.2	1 036.2	480.2
Total assets	4 094.3	4 438.5	3 074.5	1 688.7	630.9
Average total assets	3 584.4	3 756.5	1 537.7	844.9	315.9
Equity	259.0	255.9	252.5	150.9	150.4
Interest net	0.63%	0.31%	0.94%	0.52%	0.28%
Profit/loss from ordinary operation before taxes	0.25%	0.12%	0.18%	0.06%	-0.01%
Return on equity	3.40%	1.81%	1.11%	0.36%	-0.03%
Capital adequacy ratio	18.5 %	16.9 %	23.8 %	26.1 %	72.4 %



To the Board of Directors of KLP Boligkreditt AS

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying balance sheet of KLP Boligkreditt AS as of 30 June 2015 and the related statements of income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with standards on auditing adopted by Den Norske Revisorforening, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Trondheim, 14 August 2015

PricewaterhouseCoopers AS

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Note: This translation from Norwegian has been prepared for information purposes only.



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