



Interim report

KLP BOLIGKREDITT

Table of contents

KLP BOLIGKREDITT

INTERIM FINANCIAL STATEMENTS 3/2016	3
INCOME STATEMENT	5
BALANCE SHEET	6
STATEMENT OF CHANGES IN EQUITY	7
STATEMENT OF CASH FLOWS	8
NOTES TO THE ACCOUNTS	9
— Note 1 General information	9
— Note 2 Accounting principles	9
— Note 3 Net interest income	9
— Note 4 Loans to customers	9
— Note 5 Categories of financial instruments	10
— Note 6 Fair value hierarchy	11
— Note 7 Securities liabilities - stock exchange listed covered bonds	13
— Changes in debt securities issued	13
— Note 8 Liabilities to credit institutions	13
— Note 9 Transactions with related parties	14
— Note 10 Other assets	14
— Note 11 Other liabilities and provision for accrued costs	15
— Note 12 Capital adequacy	15
— Note 13 Fixed-income securities	16
— Note 14 Net gain/(loss) on financial instruments	16
— Quarterly earnings trend	17
— Key figures	17

Interim Financial Statements 3/2016

KLP BOLIGKREDITT AS

MAIN FEATURES BY THIRD QUARTER END:

- Operating profit before tax amounted to NOK 12.4 million.
- The lending balance has increased to NOK 4.5 billion.
- No losses on lending

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 the first three quarters of 2016 were NOK 28.9 million. Operating expenses in the same period amounted to NOK 19.9 million. The Company has not had losses or made loss provisions on loans. Pre-tax profit by quarter end was NOK 12.4 million.

LENDING

The Company's loans to customers as at 30 September 2016 amounted to NOK 4.5 billion. All loans have been purchased from other KLP Group Companies. Loans totaling NOK 2.0 billion have been purchased during the year. Total assets amounted to NOK 4.7 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 3.9 billion at the reporting date while intercompany debt had a balance of NOK 0.5 billion. By quarter end, new covered bond issues amounted to NOK 1.4 billion. Bond restructuring have caused total accounting gains of NOK 3.0 million by the end of the third quarter. All covered bonds have an AAA rating.

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 September 2016, the bond portfolio's market value was NOK 4.0 million. The net gain associated with liquidity investments has not been material.

Interim Financial Statements 3/2016

KLP BOLIGKREDITT AS

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 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 third quarter 2016, core capital i.a.w. the capital adequacy rules was NOK 280 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 16.7 per cent at the end of the third quarter 2016. The minimum statutory requirement is 11.5 per cent core capital adequacy ratio and 15.0 per cent capital adequacy ratio.

Income statement

KLP BOLIGKREDITT AS

NOTE	NOK THOUSANDS	Q3 2016	Q3 2015	01.01.2016- 30.09.2016	01.01.2015- 30.09.2015	2015
	Interest income	25 869	30 262	77 708	88 771	117 064
	Interest expense	-16 921	-18 051	-48 761	-54 075	-69 795
3	Net interest income	8 947	12 211	28 946	34 696	47 269
14	Net gain/(loss) financial instruments	-82	-1 447	3 322	-1 701	-932
	Total other operating income	-82	-1 447	3 322	-1 701	-932
	Other operating expenses	-6 366	-6 142	-19 878	-19 560	-27 863
	Total operating expenses	-6 366	-6 142	-19 878	-19 560	-27 863
	Operating profit/loss before tax	2 499	4 622	12 390	13 435	18 474
	Tax ordinary income	-625	-1 248	-3 098	-3 596	-5 014
	Profit for the period	1 875	3 374	9 293	9 839	13 460
	Other comprehensive income	0	0	0	0	0
	Other comprehensive income for the period	0	0	0	0	0
	Comprehensive income for the period	1 875	3 374	9 293	9 839	13 460

Balance sheet

KLP BOLIGKREDITT AS

NOTE	NOK THOUSANDS	30.09.2016	30.09.2015	31.12.2015
ASSETS				
	Loans to credit institutions	141 960	102 137	122 973
4	Loans to customers	4 546 327	4 155 724	3 743 448
13	Interest-bearing securities	4 016	90 712	90 575
	Deffered tax assets	321	0	321
10	Other assets	10 454	5 793	1 826
	Total assets	4 703 079	4 354 367	3 959 142
LIABILITIES AND OWNERS EQUITY				
LIABILITIES				
8	Debt to credit institutions	470 367	1 677 982	825 732
7	Debt securities issued	3 942 028	2 403 833	2 854 556
	Deffered tax liabilities	0	0	5 366
11	Other Liabilities	9 236	9 516	7 229
11	Provision for accrued costs and liabilities	828	697	299
	Total liabilities	4 422 459	4 092 028	3 693 182
EQUITY				
	Share capital	100 000	100 000	100 000
	Share premium	150 463	150 463	150 463
	Retained earnings	30 156	11 876	15 497
	Total equity	280 619	262 339	265 960
	Total liabilities and equity	4 703 079	4 354 367	3 959 142

Statement of changes in equity

KLP BOLIGKREDITT AS

NOK THOUSANDS	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
Equity 1 January 2016	100 000	150 463	15 497	265 960
Profit for the period	0	0	9 293	9 293
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	0	0	9 293	9 293
Group contribution received	0	0	19 873	19 873
Group contribution made	0	0	-14 507	-14 507
Total transactions with the owners	0	0	5 366	5 366
Equity 30 September 2016	100 000	150 463	30 156	280 619

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	9 839	9 839
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	0	0	9 839	9 839
Group contribution received	0	0	1 945	1 945
Group contribution made	0	0	-1 945	-1 945
Total transactions with the owners	0	0	0	0
Equity 30 September 2015	100 000	150 463	11 876	262 339

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	13 460	13 460
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	0	0	13 460	13 460
Group contribution received	0	0	1 945	1 945
Group contribution made	0	0	-1 945	-1 945
Total transactions with the owners	0	0	0	0
Equity 31 December 2015	100 000	150 463	15 497	265 960

Statement of cash flows

KLP BOLIGKREDITT AS

NOK THOUSANDS	01.01.2016- 30.09.2016	01.01.2015- 30.09.2015	2015
OPERATING ACTIVITIES			
Payments received from customers - interest, commission & charges	76 172	85 825	114 057
Net receipts/disbursements on loans customers & credit institutions	-811 850	-1 190 305	-774 690
Net receipts/disbursements on operations	-20 482	-19 494	-26 951
Net receipts/disbursements from operating activities	2 357	-19 608	-5 114
Net interest investment accounts	1 200	2 323	2 738
Income tax paid	0	0	0
Net cash flow from operating activities	-752 603	-1 141 259	-689 960
INVESTMENT ACTIVITIES			
Payments on the purchase of securities	-102 463	-101 360	-101 361
Receipts on sale of securities	189 161	10 059	10 059
Receipts of interest from securities	928	771	1 196
Net cash flow from investment activities	87 626	-90 530	-90 106
FINANCING ACTIVITIES			
Net receipts/disbursements on loans from credit institutions	728 711	1 266 304	864 293
Net payment of interest on loans	-42 394	-54 093	-68 434
Change in owners' equity	0	-719	-719
Net cash flows from financing activities	686 317	1 211 491	795 140
Net cash flow during the period	21 340	-20 298	15 074
Cash and cash equivalents at the start of the period	117 854	102 780	102 780
Cash and cash equivalents at the end of the period	139 194	82 482	117 854
Net receipts/ disbursements (-) of cash	21 340	-20 298	15 074

Notes to the accounts

KLP BOLIGKREDITT AS

NOTE 1 General information

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

KLP Boligkreditt AS is registered and domiciled in Norway. KLP Boligkreditt AS's head office is at Beddingen 8 in Trondheim and the Company has departmental offices in Oslo.

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

NOTE 2 Accounting principles

The interim report includes the interim financial statements of KLP Boligkreditt AS for the period 1 January 2016 – 30 September 2016. The Auditor has reviewed the interim Financial Statements of KLP Boligkreditt AS.

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

There are no changes in the accounting principles in 2016 that have been of significance for the interim financial statements following the third quarter. Attention is drawn to KLP Boligkreditt's annual report for 2015 for detailed description of accounting principles.

The annual financial statements are available at klp.no

NOTE 3 Net interest income

NOK THOUSANDS	01.01.2016- 30.09.2016	01.01.2015- 30.09.2015	2015
Interest on loans to and receivables from credit institutions	1 204	2 367	2 739
Interest on loans to customers	75 783	85 412	112 920
Interest on securities	721	992	1 405
Total interest income	77 708	88 771	117 064
Interest on covered bonds	40 892	28 495	38 381
Interest on liabilities to KLP Banken	6 146	25 369	31 191
Premium/discount on covered bonds	1 723	211	222
Total interest costs	48 761	54 075	69 795
Net interest income	28 946	34 696	47 269

NOTE 4 Loans to customers

NOK THOUSANDS	30.09.2016	30.09.2015	31.12.2015
Loans to cutomers before write-downs	4 541 331	4 149 614	3 738 063
Individual write-downs	0	0	0
Write-downs by group	0	0	0
Loans to cutomers after write-downs	4 541 331	4 149 614	3 738 063
Accured interest	4 996	6 110	5 385
Change in fair value due to interest rate changes (fair value hedging)	0	0	0
Loans to customers	4 546 327	4 155 724	3 743 448

NOTE 5 Categories of financial instruments

NOK THOUSANDS	30.09.2016		30.09.2015		31.12.2015	
	Capitalized value	Fair value	Capitalized value	Fair value	Capitalized value	Fair value
FINANCIAL ASSETS AT FAIR VALUE						
Fixed-income securities	4 016	4 016	90 712	90 712	90 575	90 575
Total financial assets at fair value	4 016	4 016	90 712	90 712	90 575	90 575
FINANCIAL ASSETS AT AMORTIZED COST						
Loans to and receivables from credit institutions	141 960	141 960	102 137	102 137	122 973	122 973
Lending to the retail market	4 546 327	4 546 327	4 155 724	4 155 724	3 743 448	3 743 448
Total financial assets at amortized cost	4 688 288	4 688 288	4 257 861	4 257 861	3 866 421	3 866 421
Total financial assets	4 692 304	4 692 304	4 348 573	4 348 573	3 956 997	3 956 997
FINANCIAL LIABILITIES AT AMORTIZED COST						
Liabilities to credit institutions	470 367	470 367	1 677 982	1 677 982	825 732	825 732
Covered bonds issued	3 942 028	3 945 539	2 403 833	2 362 067	2 854 556	2 797 035
Total financial liabilities at amortized cost	4 412 395	4 415 906	4 081 815	4 040 049	3 680 289	3 622 768
Total financial liabilities	4 412 395	4 415 906	4 081 815	4 040 049	3 680 289	3 622 768

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for on normal market terms and conditions. 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 - government**

Bloomberg is used as a source for pricing Norwegian government bonds. It is Oslo Børs (Stock Exchange) that provides the price (via Bloomberg). The prices are compared with the prices from Reuters to reveal any errors.

Fixed-income securities - non-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. The theoretical price is based on the assumed present value on the sale of the position. A zero-coupon curve is used for discounting. The zero-coupon curve is adjusted upwards by means of a credit spread, which is to take account of the risk the bond entails. The credit spread is calculated on the basis of a spread curve taking account of the duration of the bond. Nordic Bond Pricing is the main source of spread curves.

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. Fair value of fixedrate loans is calculated by discounting contractual cash flows by the marked rate including a relevant risk margin on the reporting date.

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 covered bonds

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 30.09.2016
ASSETS				
Financial assets recognized at fair value:				
Fixed-income securities	998	3 018	0	4 016
Financial derivatives	0	0	0	0
Total financial assets recognized at fair value	998	3 018	0	4 016
Financial assets recognized at fair value in Note 5:				
Loans to and receivables from credit institutions	0	141 960	0	141 960
Loans to and receivables from customers	0	4 546 327	0	4 546 327
Total financial assets at amortized cost	0	4 688 288	0	4 688 288
LIABILITIES				
Financial liabilities recognized at fair value in Note 5:				
Liabilities to credit institutions	0	470 367	0	470 367
Covered bonds issued	0	3 945 539	0	3 945 539
Total financial liabilities at amortized cost	0	4 415 906	0	4 415 906

NOK THOUSANDS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL 30.09.2015
ASSETS				
Financial assets recognized at fair value:				
Fixed-income securities	0	90 712	0	90 712
Financial derivatives	0	0	0	0
Total financial assets recognized at fair value	0	90 712	0	90 712
Financial assets recognized at fair value in Note 5:				
Loans to and receivables from credit institutions	0	102 137	0	102 137
Loans to and receivables from customers	0	4 155 724	0	4 155 724
Total financial assets at amortized cost	0	4 257 861	0	4 257 861
LIABILITIES				
Financial liabilities recognized at fair value in Note 5:				
Liabilities to credit institutions	0	1 677 982	0	1 677 982
Covered bonds issued	0	2 362 067	0	2 362 067
Total financial liabilities at amortized cost	0	4 040 049	0	4 040 049

NOTE 6 Fair value hierarchy — cont.

NOK THOUSANDS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL 31.12.2015
ASSETS				
Financial assets recognized at fair value:				
Financial derivatives	0	90 575	0	90 575
Total financial assets recognized at fair value	0	90 575	0	90 575
Financial assets recognized at fair value in Note 5:				
Loans to and receivables from credit institutions	0	122 973	0	122 973
Loans to and receivables from customers	0	3 743 448	0	3 743 448
Total financial assets at amortized cost	0	3 866 421	0	3 866 421
LIABILITIES				
Financial liabilities recognized at fair value in Note 5:				
Liabilities to credit institutions	0	825 732	0	825 732
Covered bonds issued	0	2 797 036	0	2 797 036
Total financial liabilities at amortized cost	0	3 622 768	0	3 622 768

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.

There has been no movement between levels.

NOTE 7 Securities liabilities - stock exchange listed covered bonds

NOK THOUSANDS	30.09.2016	30.09.2015	31.12.2015
Bond debt, nominal amount	4 300 000	2 400 000	3 400 000
Adjustments	-8 558	-1 951	-2 269
Accrued interest	10 586	5 783	6 825
Own holdings, nominal amount	-360 000	0	-550 000
Total debt securities issued	3 942 028	2 403 833	2 854 556

Changes in debt securities issued

NOK THOUSANDS	BALANCE SHEET 30.09.2016	ISSUED	MATURED / REDEEMED	OTHER ADJUSTMENTS	BALANCE SHEET 31.12.2015
Bond debt, nominal amount	4 300 000	1 395 000	-495 000	0	3 400 000
Adjustments	-8 558	0	0	-6 289	-2 269
Accrued interest	10 586	0	0	3 761	6 825
Own holdings, nominal amount	-360 000	0	190 000	0	-550 000
Total debt securities issued	3 942 028	1 395 000	-305 000	-2 528	2 854 556

NOTE 8 Liabilities to credit institutions

NOK THOUSANDS	DUE DATE	NOMINAL	ACCRUED INTEREST	30.09.2016 BOOK VALUE
Debt to KLP Banken AS	15.12.2017	330 000	285	330 285
Debt to KLP Banken AS	15.12.2017	140 000	83	140 083
Total liabilities to credit institutions		470 000	367	470 367

NOK THOUSANDS	DUE DATE	NOMINAL	ACCRUED INTEREST	30.09.2015 BOOK VALUE
Debt to KLP Banken AS	15.12.2015	1 265 270	1 125	1 266 395
Debt to KLP Banken AS	15.12.2015	180 000	78	180 078
Debt to KLP Banken AS	15.12.2015	231 423	86	231 509
Total liabilities to credit institutions				1 677 982

NOTE 8 Liabilities to credit institutions — cont.

NOK THOUSANDS	DUE DATE	NOMINAL	ACCRUED INTEREST	31.12.2015 BOOK VALUE
Debt to KLP Banken AS	15.03.2016	825 000	732	825 732
Total liabilities to credit institutions				825 732

NOTE 9 Transactions with related parties

NOK THOUSANDS	01.01.2016- 30.09.2016	01.01.2015- 30.09.2015	2015
INCOME STATEMENT ITEMS			
KLP Banken AS, interest on borrowing	-6 146	-25 369	-31 191
KLP Banken AS, administrative services (at cost)	-18 674	-18 375	-25 611
KLP Kapitalforvaltning AS, fees for services provided	-68	0	0
KLP Group companies, subsidised interest employee loans	761	380	573
Total	-24 126	-43 365	-56 230

NOK THOUSANDS	30.09.2016	30.09.2015	31.12.2015
FINANCIAL POSITION STATEMENT ITEMS			
KLP Banken AS, borrowing Group current liabilities	-470 367	-1 677 982	-825 732
KLP Banken AS, net internal liabilities	10 222	5 704	1 640
Net outstanding accounts to:			
KLP Banken AS, loan settlement	-6 092	-5 889	-7 229
KLP	176	0	133
KLP Group companies, net other internal accounts	44	89	53
Total	-466 016	-1 678 077	-831 136

There are no direct salary cost in KLP Boligkreditt 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	30.09.2016	30.09.2015	31.12.2015
Intercompany receivables	10 454	5 793	1 826
Total	10 454	5 793	1 826

NOTE 11 Other liabilities and provision for accrued costs

NOK THOUSANDS	30.09.2016	30.09.2015	31.12.2015
Creditors	37	0	0
Intercompany payables	6 102	5 889	7 229
Other liabilities	3 098	3 628	0
Total other liabilities	9 236	9 516	7 229
VAT	0	0	23
Accrued expenses	828	697	276
Total accrued costs and liabilities	828	697	299

NOTE 12 Capital adequacy

NOK THOUSANDS	30.09.2016	30.09.2015	31.12.2015
Share capital and share premium fund	250 463	250 463	250 463
Other owners' equity	20 863	2 037	15 497
Total owners' equity	271 326	252 500	265 960
Interim profit/loss	9 293	0	0
Deferred tax asset	-321	0	-321
Core capital/Tier 1 capital	280 298	252 500	265 639
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)	280 298	252 500	265 639
Capital requirement	134 294	120 608	108 217
Surplus of own funds (Tier 1 and Tier 2 capital)	146 004	131 892	157 422
ESTIMATE BASIS CREDIT RISK:			
Institutions	30 669	39 727	25 300
Investments with mortgage security in real estate	1 590 906	1 454 510	1 309 374
Covered bonds	302	0	9 128
Calculation basis credit risk	1 621 877	1 494 237	1 343 802

NOTE 12 Capital adequacy — cont.

NOK THOUSANDS	30.09.2016	30.09.2015	31.12.2015
Credit risk	129 750	119 539	107 504
Operating risk	4 544	1 069	713
Total capital requirement assets	134 294	120 608	108 217
Core capital adequacy ratio	16.7 %	16.7 %	19.6 %
Supplementary capital ratio	0.0 %	0.0 %	0.0 %
Capital adequacy ratio	16.7 %	16.7 %	19.6 %
Leverage ratio	6.0 %	5.8 %	6.9 %

CAPITAL REQUIREMENT PER 30.09.2016	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	1.5 %	0.0 %	1.5 %
Current capital requirement incl. buffers	11.5 %	3.5 %	15.0 %

NOTE 13 Fixed-income securities

NOK THOUSANDS	30.09.2016		30.09.2015		31.12.2015	
	Acquisition cost	Market value	Acquisition cost	Market value	Acquisition cost	Market value
Certificates	998	998	0	0	0	0
Bonds	3 047	3 018	91 281	90 712	91 281	90 575
Total fixed-income securities	4 045	4 016	91 281	90 712	91 281	90 575

NOTE 14 Net gain/(loss) on financial instruments

NOK THOUSANDS	01.01.2016-30.09.2016	01.01.2015-30.09.2015	2015
Net gain/(loss) on fixed-income securities	350	-807	-932
Net gain/(loss) financial derivatives and realized repurchase of own debt	2 972	-894	0
Total net gain/(loss) financial instruments	3 322	-1 701	-932

Quarterly earnings trend

NOK MILLIONS	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Interest income	25.9	24.8	27.0	28.3	30.3
Interest expense	-16.9	-15.3	-16.5	-15.7	-18.1
Net interest income	8.9	9.5	10.5	12.6	12.2
Net gain/ (loss) financial instruments	-0.1	0.4	3.0	0.8	-1.4
Total other operating income	-0.1	0.4	3.0	0.8	-1.4
Other operating expenses	-6.4	-5.6	-7.9	-8.3	-6.1
Total operating expenses	-6.4	-5.6	-7.9	-8.3	-6.1
Operating profit/loss before tax	2.5	4.3	5.6	5.0	4.6
Tax ordinary income	-0.6	-1.1	-1.4	-1.4	-1.2
Profit for the period	1.9	3.2	4.2	3.7	3.4

Key figures

ACCUMULATED FIGURES IN NOK MILLIONS	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Pre-tax income	12.4	9.9	5.6	18.5	13.4
Net interest income	28.9	20.0	10.5	47.3	34.7
Other operating income	0.0	0.0	0.0	0.0	0.0
Other operating cost and depreciation	-19.9	-13.5	-7.9	-27.9	-19.6
Net realized/unrealized change fin. instruments at fair value	3.3	3.4	3.0	-0.9	-1.7
Housing mortgage lending	4 546.3	4 206.5	4 012.0	3 743.4	4 155.7
Non-performing loans	-	-	-	-	-
Total liabilities created on issuance of securities	3 942.0	4 141.4	3 796.0	2 854.6	2 403.8
Other borrowing	470.4	0.0	170.2	825.7	1 678.0
Total assets	4 703.1	4 428.6	4 250.9	3 959.1	4 354.4
Average total assets	4 331.1	4 193.9	4 105.0	3 516.8	3 714.4
Equity	280.6	278.7	275.5	266.0	262.3
Interest net	0.67 %	0.48 %	0.26 %	1.34 %	0.93 %
Profit/loss from ordinary operation before taxes	0.29 %	0.24 %	0.14 %	0.53 %	0.36 %
Return on equity	4.42 %	3.55 %	2.03 %	6.96 %	5.12 %
Capital adequacy ratio	16.7 %	17.2 %	18.1 %	19.6 %	16.7 %
Liquidity coverage ratio (LCR)	113 %	119 %	102 %	0 %	0 %



KLP BOLIGKREDITT AS

Beddingen 8, 7042 Trondheim

Organization no.: 912 719 634

VISITING ADDRESS

Trondheim: Beddingen 8

Oslo: Dronning Eufemias gate 10

klpbanken.no

Tel: 05554

Fax: 73 53 38 39

klpbanken@klp.no