

**Registration Document**

**KLP Kommunekreditt AS**  
**(the Issuer)**

**30 January 2020**

## **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.

**IMPORTANT – EEA RETAIL INVESTORS** - If the Securities Note in respect of any notes includes a legend titled "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 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in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or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 (as amended, 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.

MiFID II product governance / target market – The Securities Note in respect of any notes will include a legend titled "MiFID II product governance" which will outline the target market assessment in respect of the notes and which channels for distribution of the notes are appropriate. Any person subsequently offering, selling or recommending the notes (a "distributor") should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

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 approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves the Prospectus 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 Issuer that is the subject of the Prospectus. The approval by the Norwegian FSA is dated on 30.01.2020. 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 Kommunekreditt AS.

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

### **1.1 Financial risk**

The risks are presented in a descending order with regards to materiality.

#### *Refinancing risk*

If KLP Kommunekreditt AS is not able to refinance maturing Covered Bonds by issuing new Covered Bonds the Issuer may not be able to make timely payment on the principal of the maturing Covered Bond. This would occur if investors either do not want to or are not able to invest in Covered Bonds issued by KLP Kommunekreditt AS. Such a situation may arise because the Issuer has an increased credit risk or the Covered Bond market is not functioning satisfactorily. The amortisation of the cover pool assets does not generate sufficient liquidity to repay maturing Covered Bonds. As of 30 September 2019, the weighted average life of the cover pool assets was 10,6 years versus 2,7 years for Covered Bonds issued by KLP Kommunekreditt AS.

The Issuer's liquidity risk policy requires that KLP Kommunekreditt AS has liquidity sufficient to cover all Covered Bonds maturing the next twelve months. To fulfil this requirement The Issuer therefore refinances maturing Covered Bonds twelve months prior to maturity. In the case of an inability to issue Covered Bonds the liquidity risk policy requirement gives the Issuer twelve months to find measures so that the maturing Covered Bonds can be repaid when maturing. All Covered Bonds issued by KLP Kommunekreditt AS have a soft-bullet, enabling a one-year extension of the maturity of 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 fulfil its obligations can be materially reduced.

#### *Liquidity and market value of liquidity portfolio (securities)*

The Issuer is 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. As of September 30<sup>th</sup> 2019 the market value of the liquidity portfolio was 1 632 mill NOK with a weighted average life of 2,9 years. 96 % of the securities in the portfolio are Norwegian Covered Bonds. There is a maturity mismatch between the liquidity portfolio and the maturing Covered Bonds. In order to repay maturing Covered Bond the securities need to be sold in the securities market. In the case of the Norwegian Covered Bond market is not functioning satisfactorily there is a risk of not being able to sell the Covered Bonds in a timely manner or that the securities have to be sold with a substantial discount. An increase of 67 basis points would have a negative effect on the value of the liquidity portfolio of 32,5 million kroner.

#### *Increased interest rate on borrowing versus lending*

As the Issuer is exposed to different markets with respect to its borrowing and lending activities, there is a risk that interests 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.

#### *Operational risk*

Considering the issuer isolated and its relatively low number of employees, operational risks related to loan management and group services might occur. The organizational structure of the issuer, which carries a dependency between the issuer and the parent company, is exposed to the risks that comes with structural changes.

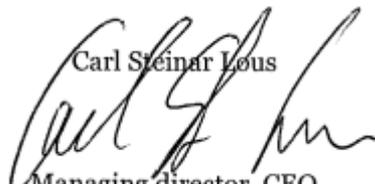
See section 4.6 for a more detailed description of how KLP Kommunekreditt AS manages these risk factors.

## 2 Persons responsible

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

### **Declaration by persons responsible**

The Issuer confirms that the information contained in this registration document is, to the best of its knowledge, in accordance with the facts and that the registration document makes no omission likely to affect its import.

  
Carl Steinar Lous  
Managing director, CEO  
30 January 2020

### **Experts' report**

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

### **Third Party informations**

No information given in this registration document has been sourced from a third party.

### **Competent Authority Approval**

KLP Kommunekreditt AS confirm that:

- a) the registration document has been approved by the Finanstilsynet, as competent authority under Regulation (EU) 2017/1129;
- b) the Finanstilsynet only approves this registration document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129;
- c) such approval shall not be considered as an endorsement of the Issuer that it the subject of this registration document.

### 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 71  
Postboks 748 Sentrum  
N-0194 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:	994 526 944
LEI-code (legal entity identifier):	549300AGRU020LR1DW94
Date of incorporation:	25.08.2009
Legal name:	KLP Kommunekreditt AS
Commercial name:	KLP Kommunekreditt
Address:	Beddingen 8, 7042 Trondheim
Telephone:	+47 55 54 85 00
Mailing address:	Beddingen 8, 7042 Trondheim
County:	Trondheim
Country:	Norway
Website:	<a href="https://www.klp.no">https://www.klp.no</a>

#### Disclaimer:

The information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.

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 credit institution (*OMF-foretak*) in Trondheim under the name KLP Kommunekreditt AS with a share capital of NOK 362,500,000. The Financial Supervisory Authority of Norway granted the Issuer licence to become a credit institution (*OMF-foretak*) on 9 December 2009, with permission to issue Covered Bonds (*obligasjoner med fortrinnsrett, OMF*). The mortgage loans will be marketed under the name of KLP Kommunekreditt.

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 forsikringssselskap (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 Boligkreditt AS ("KLP Boligkreditt").

The Issuer's objective is long-term financing of municipalities, county administrations and companies carrying out public sector assignments. The lending business is principally financed by issue of Covered Bonds. The Issuer markets the Covered Bonds to prospective investors. The Cover Pool (Norwegian: sikkerhetsmasse) is maintained by the Issuer in accordance with the terms of the Financial Undertakings Act. The Issuer has been operating in

this sphere of economic activity since the establishing of the company, and issued its first Covered Bond in December 2009.

The Issuer has no losses on lending as of 30.09.2019. Since the Issuer was established the Issuer has not incurred losses on lending.

#### **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 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 objective is long-term financing of municipalities, county administrations and companies carrying out public sector assignments 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 Norwegian government for covered bond companies.

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's 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 documents are established at least annually by the Board of Directors of KLP Kommunekreditt.

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

The credit risk is considered by KLP or KLP Banken as administrator for KLP's portfolio of public sector loans, or by KLP Banken on behalf of the Issuer and as administrator of the Issuer's portfolio of public sector loans.

#### 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.

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.

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#### 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.

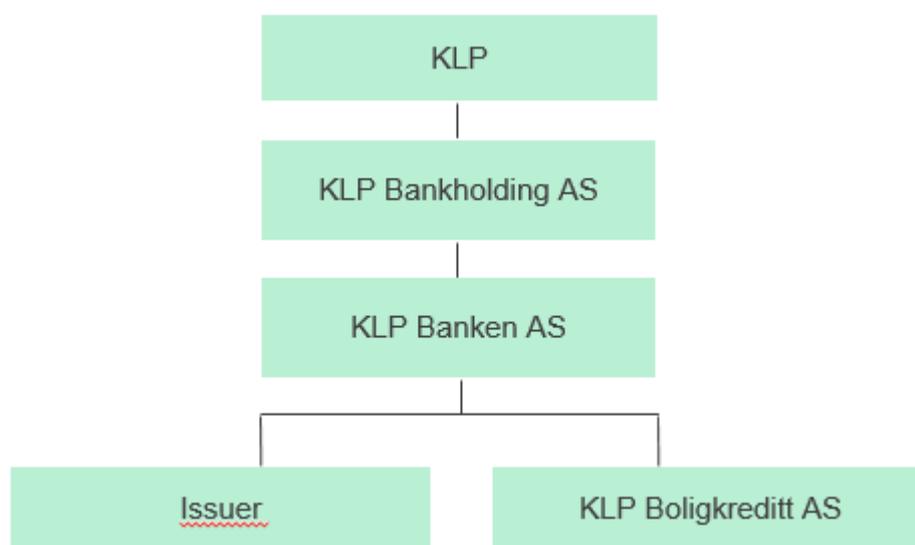
#### OPERATIONAL RISK

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 are 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 Kommunekreditt AS (the Issuer) and KLP Boligkreditt 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 101 billion, thereof NOK 20,7 billion is residential mortgage loans and NOK 71,8 billion is lending to public sector and other enterprises (as per 30.09.2019). The Issuer's (KLP Kommunekreditt AS) loans to customers as of 30.09.2019 amounted to NOK 16,4 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 41 000 individual clients.

The size distribution of the public sector loans under KLP Banken's management is as follows (as per 30.09.2019):

Volume class	Percentage
< 10 mill. NOK	5,2 %
10 – 100 mill. NOK	49,0 %
–100 - 250 mill. NOK	24,4 %
> 250 mill. NOK	21,4 %

The geographic distribution of the public sector loans under KLP Banken's management is as follows (as per 30.09.2019):

County	Percentage
Buskerud	15 %
Trøndelag	12 %
Nordland	9 %
Hordaland	8 %
Møre og Romsdal	7 %
Hedmark	6 %
Vestfold	6 %
Rogaland	5 %
Østfold	5 %
Troms	4 %
Sogn og Fjordane	4 %
Akershus	4 %
Oppland	4 %
Finnmark	3 %
Aust-Agder	2 %
Telemark	2 %
Vest-Agder	2 %
Oslo	0 %

### 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, Q3 2019. To be found on <http://www.fno.no/Statistikk/Livsforsikring/Regnskap-og-balanse/>. Statistics as per 30 September 2019)

KLP's legal name is Kommunal Landspensjonskasse gjensidig forsikringselskap 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 Negative statements

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements or any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of this registration document.

## 7 Administrative, management and supervisory bodies

### 7.1 Board of Directors

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

Aage Elmenhorst Schaanning	Chairman (Other roles: CFO of KLP)
Aud Norunn Strand	Board member (Other roles: Chief officer Modum municipality)
Kjell Fosse	Board member (Other roles: CEO Kjell Fosse Rådgivning)
Karianne Oldernes Tung	Board member (Other roles: Senior Advisor, communication and public relations NTNU, Member of Trondheim's City Council)

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

One of the Issuer's director (Aage Elmenhorst Schaanning) is also a member of the management bodies of KLP. This person, as well as Kjell Fosse and Karianne Oldernes Tung are members of the Board of Directors of KLP Banken AS, KLP Bankholding AS and KLP Boligkreditt 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 Aud Norunn Strand has any conflict between her duties to the Issuer and her private interests or other duties.

### 7.2 Management

Carl Steinar Lous is the CEO of the Issuer.

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

Christopher Steen is the Chief Financial Officer of the Issuer.

The management (Carl Steinar Lous, Silje Skoglund Steinmo and Christopher Steen) are also employed by KLP Banken AS, as Director of Public Sector Market, Chief Risk Officer and Chief Financial 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 public 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 3,625,000 shares of NOK 100,- are owned by KLP Banken AS. KLP Kommunekreditt AS is, according to this, a 100% owned subsidiary. There are no specific measures in place to ensure that the control is not abused. However, KLP Kommunekreditt AS has a separate Board of Directors, in which, according to the Financial Institutions Act 2015, 1/4 of the members has no position or duty in KLP Banken. The Board is, according to its regulation, obliged to see to that all substantial agreements with other group companies are made in writing. All substantial agreements with KLP Banken shall be approved by the general assembly. Both KLP Banken and KLP

Kommunekreditt is subject to group rules and regulations in Financial Institutions Act 2015 and Limited Liability companies Act.

There are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

## **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 2017 and 2018 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 2017 and 2018 has 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 Report 2017](#) and [Annual Report 2018](#) is incorporated by reference.

<u>Financial Information, annual and quarterly report:</u>	<u>2017</u>	<u>2018</u>
Income Statement	p 15	p 9
Balance Sheet	p 16	p 10
Statement of owner's equity	p 17	p 11
Statement of cash flows	p 18	p 12
Declaration	p 19	p 13
Notes to the accounts	p 21-49	p 15-45
Auditor's report	p 51-54	p 46-50

### **9.2 Last year of financial information**

The last year of audited financial information is 2018 for KLP Kommunekreditt AS. KLP Kommunekreditt has used IFRS 9 and IFRS 7R, which apply for the first time to years beginning 1 January 2018 and after. As permitted in the transitional provisions in IFRS 9, KLP Kommunekreditt AS have chosen not to restate comparative figures. The comparative figures for 2017, reported in accordance with IAS 39, are therefore not comparable with the information presented for 2018. Differences arising from the transition to IFRS 9 are charged directly to other equity as of 1 January 2018.

### **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 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 Kommunekreditt AS in Beddingen 8, Trondheim or on the website <https://www.klp.no>:

- (a) the up to date Memorandum of incorporation and The Articles of Association of KLP Kommunekreditt AS;
- (b) all reports, letters, and other documents, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in the registration document.

## **11 Definitions**

Annual Report 2017	The Annual Report 2017 for KLP Kommunekreditt AS.
Annual Report 2018	The Annual Report 2018 for KLP Kommunekreditt AS.
Arranger	A broker preparing the Securities Note on behalf of the issuer
Board of Directors	The Board of Directors of KLP Kommunekreditt AS.
Board of Representatives	The Board of Representatives of KLP Kommunekreditt AS.
Bondholder	A person who is registered in the CSD as directly registered owner or nominee holder of a Bond.
Control Committee	The Control Committee of KLP Kommunekreditt AS.
Covered Bonds	Those covered bonds issued by the Issuer in accordance with the Financial Institutions 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 Institutions Act.
Creditor	A person or firm to whom money is due.
Credit Institution	An undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account.
CSD	The central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).
EEA	European Economic Area
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.
Financial Contracts Act	Means the Norwegian act on financial contracts of 1. July 2000
Financial Institutions Act	Means the Norwegian act on financial undertakings of 10. April 2015.
General Meeting	A meeting of a company's board of directors and shareholders.
IFRS	International Finance Reporting Standards.
Issuer	The person or entity that has issued the Bonds and is the borrower (debtor).
KLP	Kommunal Landspensjonskasse gjensidig forsikringsselskap.
KLP Banken	KLP Banken AS, the 100 % owner of KLP Kommunekreditt.

KLP Banken Group:	KLP Banken AS and its subsidiaries KLP Boligkreditt AS and KLP Kommunekreditt AS.
KLP Group	Kommunal Landspensjonskasse gjensidig forsikringselskap with subsidiaries.
KLP Kommunekreditt or the Issuer or the Company	KLP Kommunekreditt AS.
Limited Liability Companies Act	Means the Norwegian act on Limited Liability Companies of 13. June 1997.
Listing	Indicates listing of the Covered Bonds on Oslo Børs.
Management	The Management of KLP Kommunekreditt AS.
Maturity Date	Means the date where the Outstanding Bonds are paid in full, adjusted according to the Business Day Convention.
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
Money Laundering Act	Means the Norwegian act on Money Laundering of 1. June 2018.
Moody's	Rating agency providing debt instruments and securities with credit ratings.
NIBOR	Norwegian Inter Bank Offer Rate.
NOK	The lawful currency for the time being i Norway.
Norwegian FSA	The Financial Supervisory Authority of Norway. Their remit is to promote financial stability and well-functioning markets through its supervision of institutions and markets.
Norwegian Register of Business Enterprises	A register for all Norwegian and foreign business enterprises in Norway. The register shall ensure legal protection and financial overview.
Oslo Børs	A marketplace for listing and trading of financial instruments in the Norwegian market.
Outstanding bonds	Meaning any Bonds not redeemed or otherwise discharged.
PRIIP	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products.
Prospectus	Prospectus according to Regulation (EU) 2017/1129,, comprising the Registration Document and the Security Note.
Registration Document	This registration document, made according to Regulation (EU) 2017/1129.
Revolving Credit Facility	A line of credit that is arranged between a bank and a business. It has an established maximum amount, where the business has access to the funds at any time when needed.

Securities Notes	Any security note made according to Regulation (EU) 2017/1129, for the purpose of issuing Covered Bonds during the validity period of this Registration Document.
Soft-bullet	One-year extension of the maturity of the Covered bonds.
VAT Register	A company has an obligation to register in the Norwegian Value Added Tax (VAT) register from when VAT liable sales exceed NOK 50 000 within a rolling 12-month period. The supply of goods and services in Norway are as a main rule liable to VAT unless otherwise exempted.