

Term sheet written in connection with application of listing on Nordic ABM

Date: 19 March 2020

Final

ISIN: NO0010877772



FRN KLP Boligkreditt AS Covered Bond issue 2020/2022 (Extendable to 26 June 2023)

Terms:

Documentation:

The Loan Agreement ¹⁾ is described more closely in Standard Terms

Before investing in the bond, the investor is encouraged to become familiar with relevant documents such as this term sheet, the Loan Agreement and the Issuer's financial accounts and articles of association and if relevant, listing document, cf ABM-rules section 2.7.2.3. The documents are available from the Issuer and in Relevant Places. In the case of any discrepancies between the Loan Agreement and this term sheet, the Loan Agreement will apply.

www.klp.no

Relevant Places:

Issuer/Borrower:

KLP Boligkreditt AS

Borrowing Limit – Tap Issue:

NOK 2 500 000 000

First Tranche / Loan Amount: ²⁾

NOK 1 500 000 000

Disbursement Date: ³⁾

24 March 2020

Maturity Date: ⁴⁾

24 June 2022, see Special (distinct) conditions.

NIBOR: ⁵⁾

3 month NIBOR

Margin:

0.50 per cent

Interest Rate: ⁶⁾

NIBOR + Margin

Day Count Fraction– Interest Rate:

Actual/360

Interest Payment Date: ^{7) 9)}

24 March, 24 June, 24 September and 24 December each year.

Business Day Convention: ⁸⁾

Modified Following Business Day

Interest accrual date (from and including):

Disbursement Date

Final interest payment date (to):

Maturity Date

days first term:

92 days

Status of the Loan ¹⁰⁾

Covered Bonds

Issue Price: ¹¹⁾

100 per cent

Denomination:

NOK 2,000,000

Call: ¹²⁾

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|----------------------------|-----|---------------|-----|
| Redemption Date(s): | N/A | Price: | N/A |
|----------------------------|-----|---------------|-----|

Issuer's org. number/LEI-code:

NO 912 719 634 / 5967007LIEEXZ5LZ409

Number / Codes:

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|---------------------|------|-------------------------|------|-------------------------------|-------|
| Sector Code: | 3500 | Geographic code: | 5001 | Industry (trade) Code: | 64920 |
|---------------------|------|-------------------------|------|-------------------------------|-------|

Usage of funds:

The Purpose of the Issue is general financing of the Issuer

Approvals / Permissions:

- The issuance is within the limits approved by board of the directors and has been resolved to be issued by the administration
- The listing document has been inspected by Oslo Børs, cf ABM-rules sec 2.7

Trustee / Bondholders' Representative:

Nordic Trustee AS, P O Box 1470 Vika, N-01116 Oslo Norway

Arranger(s):

DNB Bank ASA, DNB Markets

Paying Agent:

DNB Bank ASA, Registrars Department

Securities Depository:

The Norwegian Central Securities Depository (VPS)

Market making:

No market-maker agreement has been made for this Issue

MiFiD II target market of end clients:

Professional Clients / Eligible counterparty on PRIIPS, no KID

Withholding tax: ¹³⁾

No gross up

**Special (distinct) conditions:
Supplementary information about the status of the loan and collateral:¹⁰⁾**

Extended Maturity date: 26 June 2023

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.

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.

The bonds are unsecured. In accordance with the Financial Undertakings Act, the bonds, together with any other assets as set out in Clause 3.2 (Status) in the Bond Terms 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.

Standard Terms:

If any discrepancy should occur between this Loan Description and the Loan Agreement, then the Loan Agreement will apply.

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| Loan Agreement: ¹⁾ | The Loan Agreement will be entered into between the Issuer and the Trustee prior to Disbursement Date. The Loan 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 Loan Agreement. When bonds are subscribed/purchased, the Bondholder has accepted the Loan Agreement and is bound by the terms of the Loan Agreement. If subscription is made prior to finalisation of the Loan Agreement, the subscriber is deemed to have granted authority to the Trustee to finalise the Loan Agreement. For tap issues, the Loan Agreement will apply for later issues made within the Borrowing Limit. The parties' rights and obligations are also valid for subsequent issued bonds within the Borrowing Limit. |
| Open / Close: ³⁾⁴⁾ | Tap Issues will be opened on Disbursement Date and closed no later than five banking days before Maturity Date. |
| Disbursement Date: ³⁾ | Payment of the First Tranche / Loan Amount takes place on the banking date ahead of the Disbursement Date as agreed with the Manager(s). In case of late payment, the applicable default interest rate according to "lov 17. desember 1976 nr 100 om renter ved forsinket betaling m.m." will accrue. |
| Expansions – Tap Issues: ²⁾ | For Tap Issues the Issuer can increase the loan above the First Tranche/Loan Amount. For taps not falling on Interest Payment Dates, Accrued Interest will be calculated using standard market practice in the secondary bond market. The Issuer may apply for an increase of the Borrowing Limit. |
| Issue price – Tap Issues: ¹¹⁾ | Any taps under the Tap Issue will be made at market prices. |
| Interest Determination Date: ⁷⁾ | 2 Business Days prior to Date of Interest Payment Date |
| Interest Determination: ⁶⁾⁷⁾ | The regulation of the Interest Rate is effective from each Interest Payment Date. The new interest rate is determined on Interest Determination Date based on NIBOR with additional margin. If the Interest Rate becomes negative, the Interest Rate is set to zero. The new interest rate and the next interest term/period will be notified the Bondholders in writing through the Securities Depository. The Trustee and Nordic ABM shall also be notified immediately. |
| NIBOR – definition: ⁵⁾ | (Norwegian Interbank Offered Rate) Interest rate fixed for a defined period as distributed by Global Rate Set Systems (GRSS) at approximately 12.00 (Oslo time) on Interest Determination Date. In the event that this rate is not available, either a linear interpolation between the two closest interest rate periods using the same number of decimals, or another available interest rate for deposits for similar currency and period. If none of the above is available, the interest rate will be defined by the Bond Trustee in consultation with the issuer. In this latter case the rate will be set to the rate that is generally accepted by market participants as replacement for NIBOR or a rate that reflects the interest rate offered in the deposit market in NOK for the relevant Interest Period. NIBOR is calculated to two Business Days prior to every Interest Payment Date, rounded to the nearest hundredth of a percentage point, for the Interest Period stated. NIBOR applies with effect from each Interest Payment Date to the next Interest Payment Date. If NA is specified, Reference Rate does not apply. |
| Interest Period: ⁹⁾⁷⁾ | The interest is due in arrears on the Interest Payment Date. The first interest period matures on the first Interest Payment Date after the Disbursement Date. The next period runs from this date until the next Interest Payment Date. The last period of interest ends on Maturity Date. |

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| Accrued interest: | Accrued Interest for trades in the secondary bond market are calculated on the basis of current recommendations of Norsk Finansanalytikerforening (The Norwegian Society of Financial Analysts). |
| Standard Business Day Convention: ⁸⁾ | Modified Following: If the Interest Payment Date is not a banking day, the Interest Payment Date shall be postponed to the next banking day. However, if this day falls in the following calendar month, the Interest Payment Date is moved to the first banking day preceding the original date. |
| Condition – Issuer’s call option: ¹³⁾ | Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least ten Business Days prior to the relevant Call Date. Partial exercise of Call shall be carried out pro rata between the Bonds (according to the procedures in the Securities Register). |
| Registration: | The loan must prior to disbursement be registered in the Securities Depository. The bonds are being registered on each Bondholders account or nominee account in the Securities Depository. |
| Issuer’s acquisition of bonds: | The Issuer has the right to acquire Bonds and to retain, sell or discharge such Bonds in the Securities Depository. Subordinated bonds may not be purchased, sold or discharged by the Issuer without the consent of Finanstilsynet, provided that such consent is required. |
| Amortisation: ⁴⁾ | The bonds will run without instalments and be repaid in full on Maturity Date at par, provided the Issuer has not called the bonds. |
| 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. |
| Sale: | Tranche 1/ Loan Amount has been sold by the Arranger(s). Later taps can also be made by other authorized investment firms. |
| Legislation: | Disputes arising from or in connection with the Loan Agreement, which are not resolved amicably, shall be resolved in accordance with Norwegian law and the Norwegian courts. Legal suits shall be served at the Trustee’s competent legal venue. |
| Fees and expenses: | Any public fees payable in connection with the Bond Agreement and fulfilling of the obligations pursuant to the Bond Agreement shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds. |
| Withholding tax: ¹³⁾ | The issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the bonds. In case of Gross up, the issuer shall be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes. In case of No gross up, the issuer shall not be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes. |

Oslo, 19 March 2020

