

# Q2 2019 Presentation KLP Banken Group

*Q2 2019 - financial highlights and cover pool*



# Content

- **Financial highlights**
- Cover Pool Report – KLP Boligkreditt AS
- Cover Pool Report – KLP Kommunekreditt AS



# Overview - group

## Profitability

NOK MILLIONS, YTD	Q2 2019	Q2 2018
Profit before tax	51	43
Total income	177	160
Operating expenses	111	111
ROE, annualised b.t.	9,5 %	8,3 %

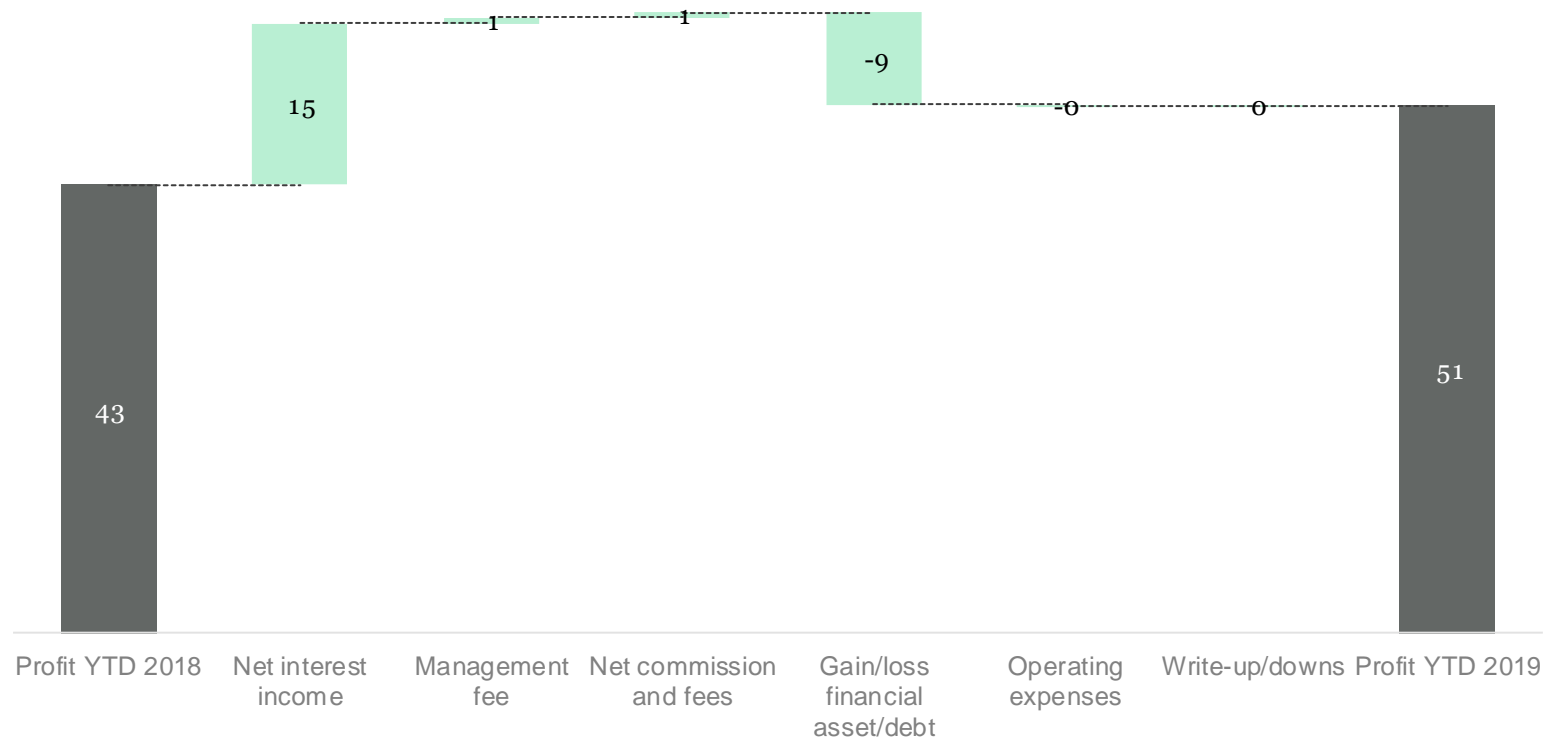
## Balance sheet

NOK MILLIONS	30.06.2019	30.06.2018
Mortgage loans	17,3	15,7
Public sector loans	16,2	16,1
Customer deposits	11,4	10,2
Capital adequacy (CET 1)	19,7 %	20,2 %

# Profit development

## Group profit before tax

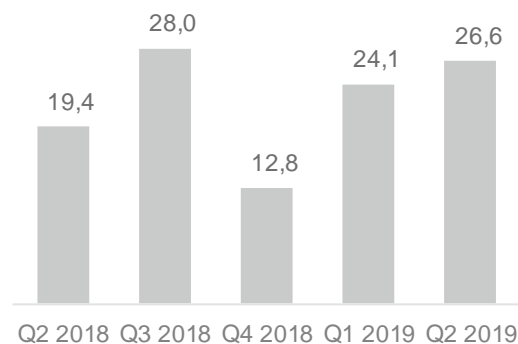
NOK millions, YTD this year vs. YTD last year



# Profit development

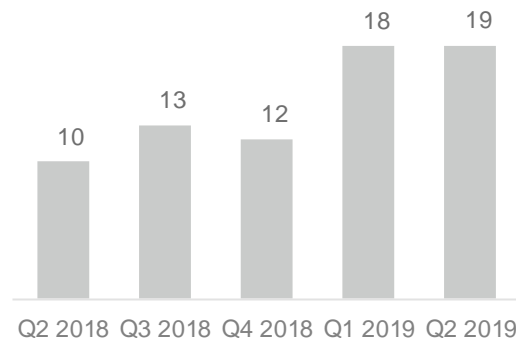
## Group PBT

NOK millions



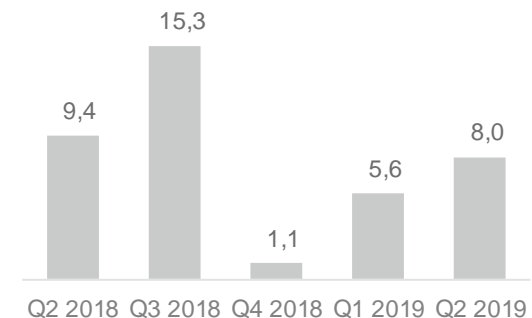
## Retail market PBT

NOK millions



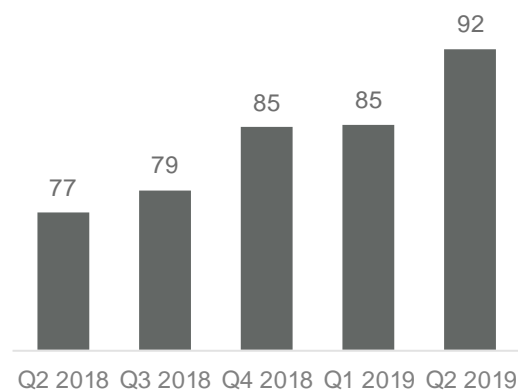
## Public sector PBT

NOK millions



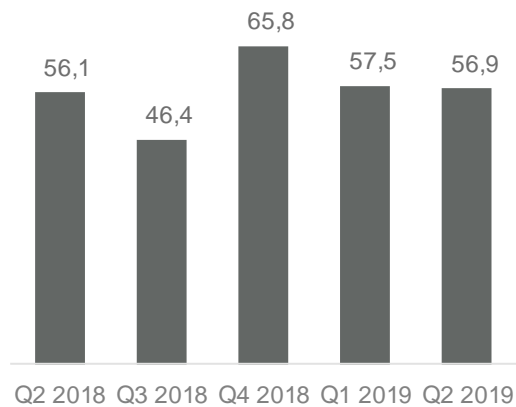
## Total income

NOK millions, Group



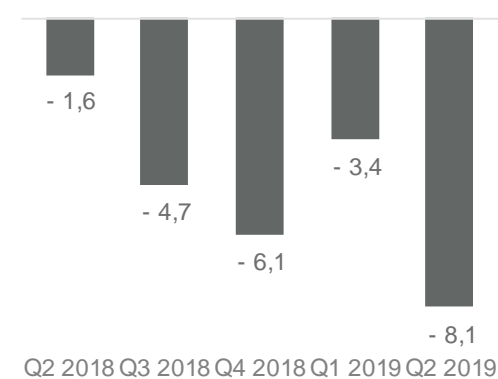
## Operating expenses

NOK millions, Group



## Financial gains/losses

NOK millions, Group



# Profit development

## Delinquent loans, mortgage and public sector

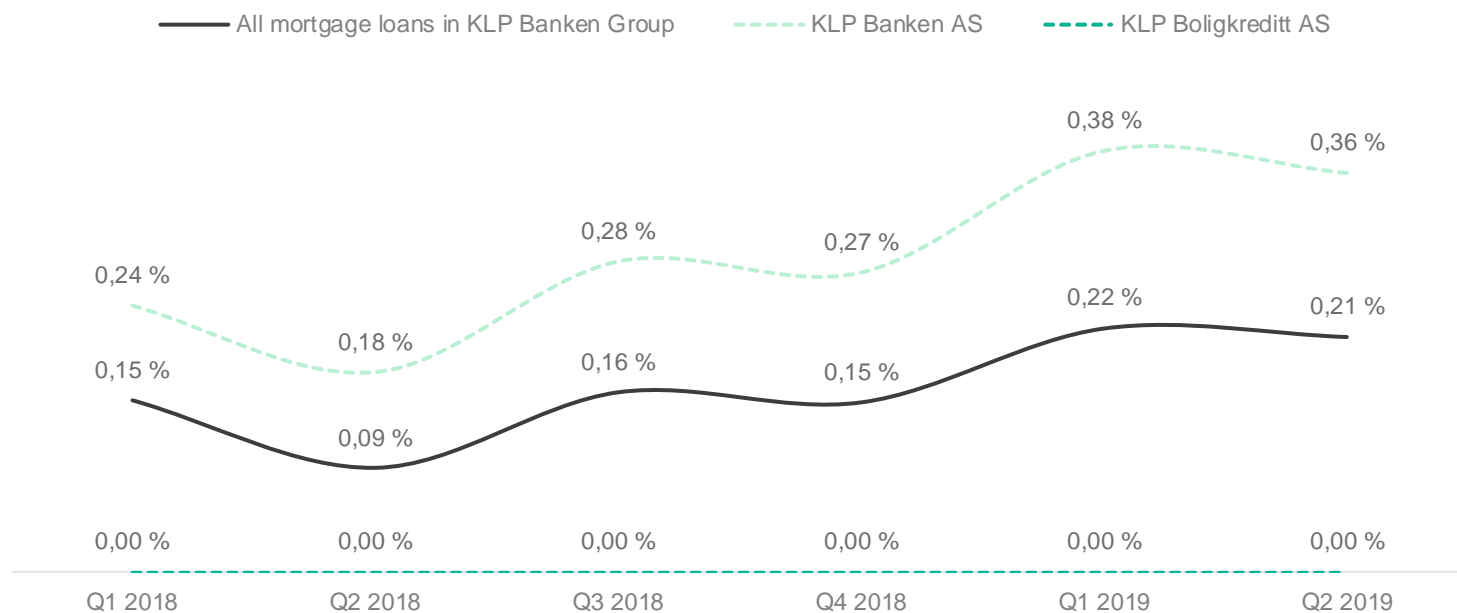
NOK MILLIONS	30.06.2019
Delinquencies in % of Group total lending	0,18 %

## Loss provisions

NOK MILLIONS	2017	2018	2019
Mortgage loans	3	7	3
Public sector loans	-	-0,0	-0,0

## Retail loan delinquencies

>90 days, % of company total lending balance

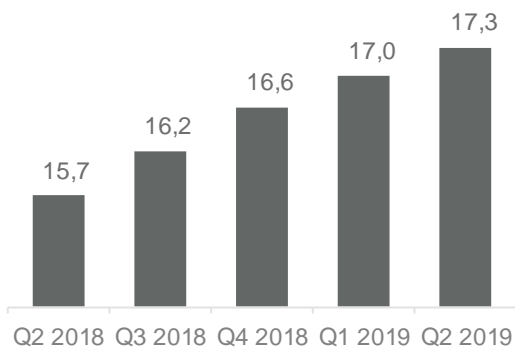


# Business volumes

NOK BILLIONS	MORTGAGE LOANS	PUBLIC SECTOR LOANS	CUSTOMER DEPOSITS*
KLP Banken AS	10,2		11,4
KLP Boligkreditt AS	7,1		
KLP Kommunekreditt AS		16,2	
<b>Total</b>	<b>17,3</b>	<b>16,2</b>	<b>11,4</b>

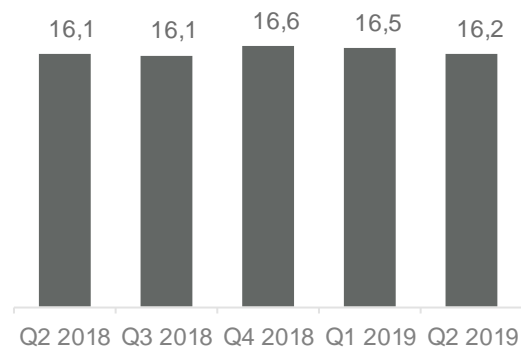
## Mortgage loans

NOK billions



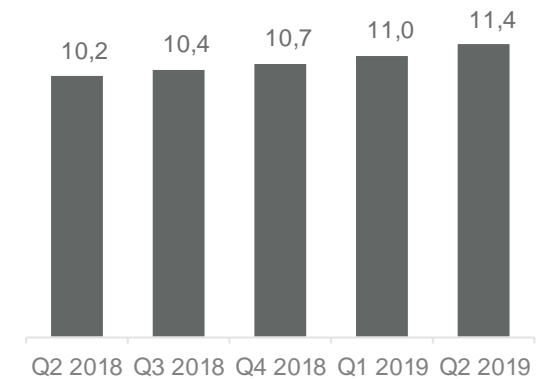
## Public sector loans

NOK billions



## Deposits

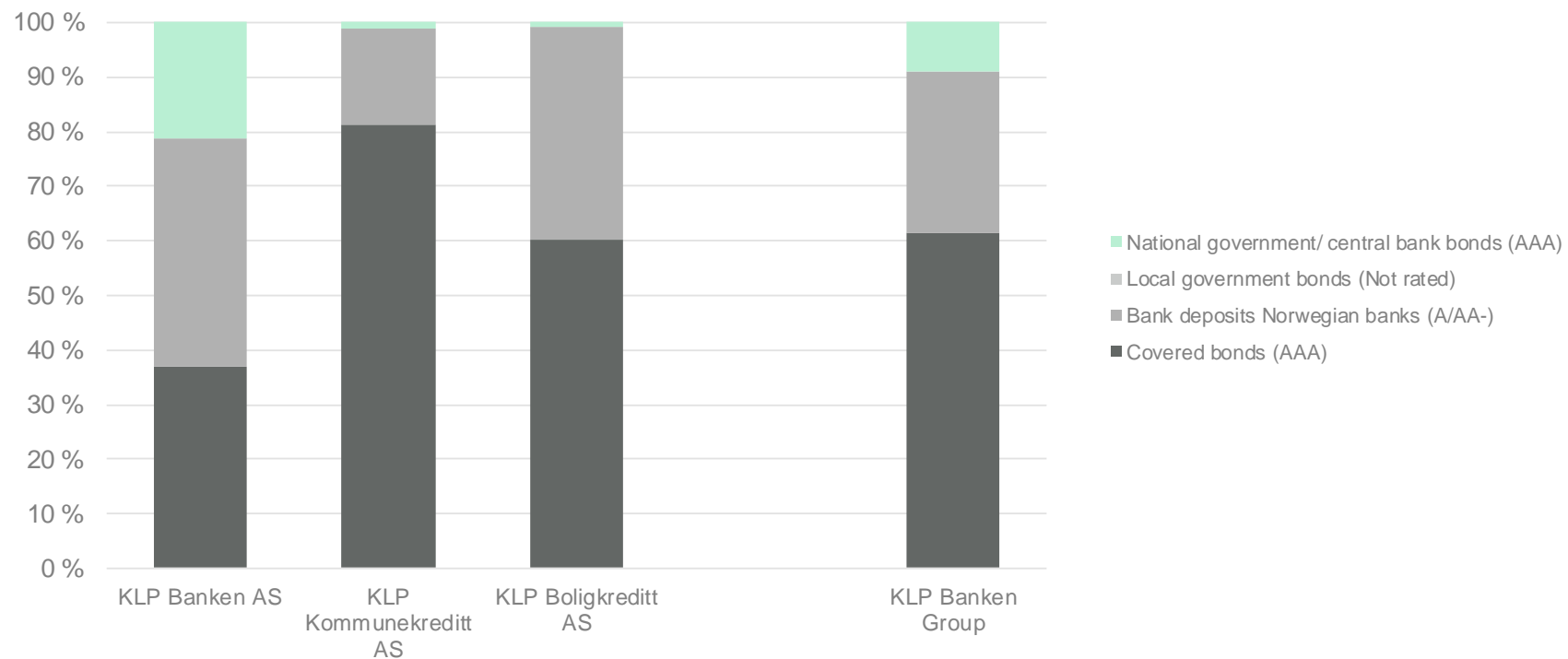
NOK billions



# Liquidity placements

## Composition of liquidity placements

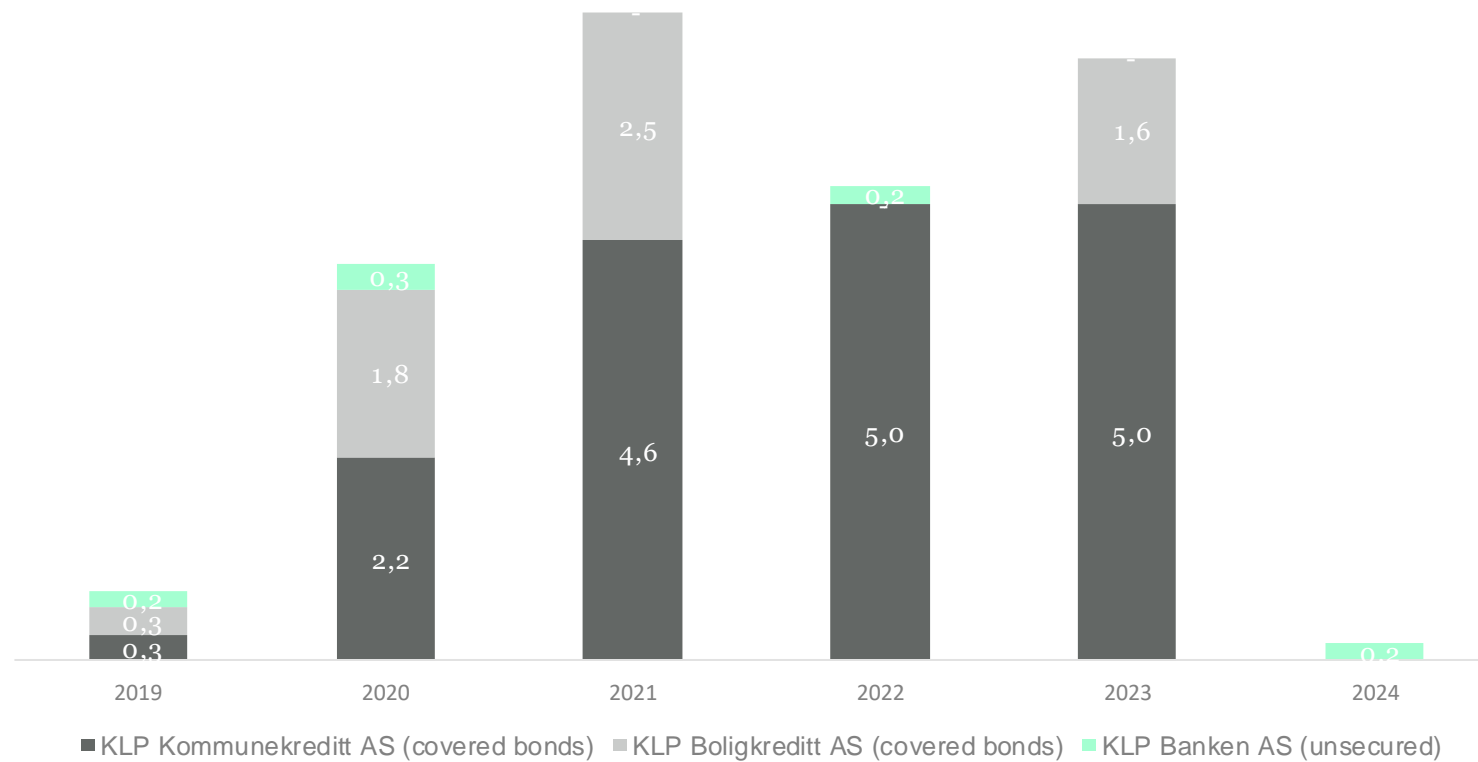
Quarter end





# Issued bond debt

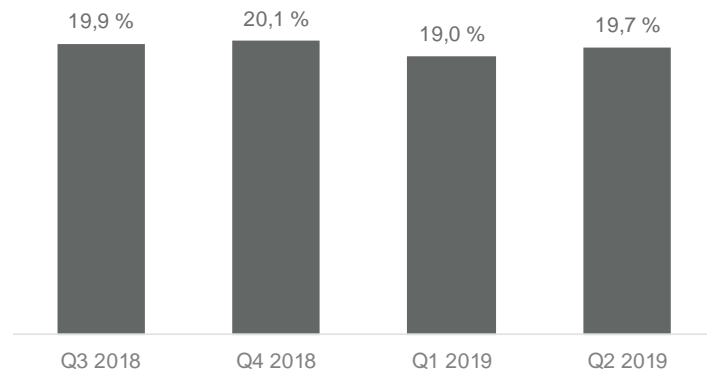
Maturity profile of issued bond debt  
NOK billions



# Core capital adequacy

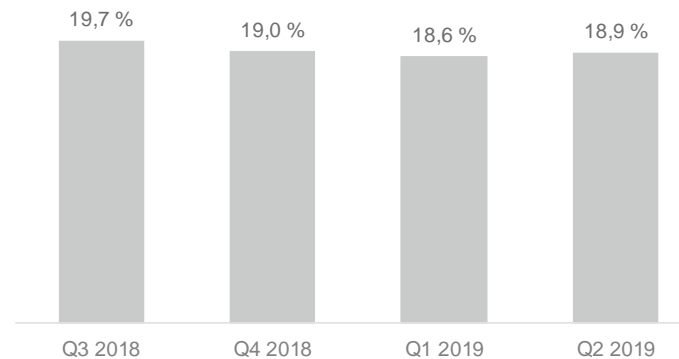
## KLP Banken Group

CET1



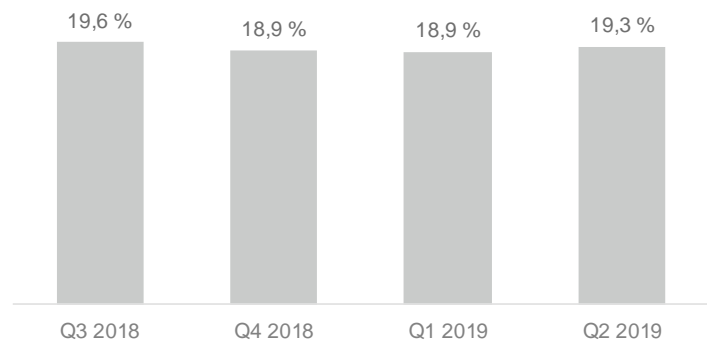
## KLP Banken AS

CET1



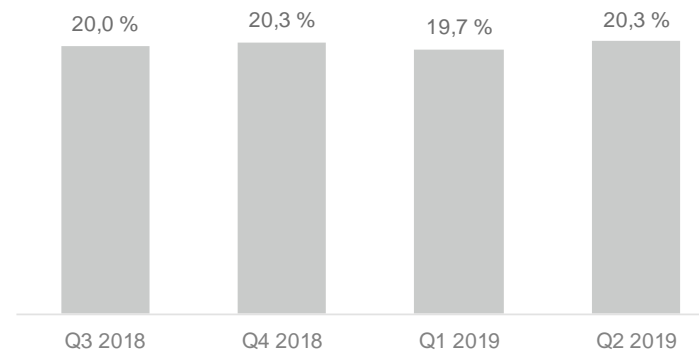
## KLP Boligkreditt AS

CET1



## KLP Kommunekreditt AS

CET1



# P&Ls

## KLP Banken Group

NOK MILLIONS, YTD	Q2 2019	Q2 2018	2018
Net interest income	138	123	249
Management fee	30	29	58
Net commission and fees	9	8	17
Gain/loss financial asset/debt	-12	-3	-12
Operating expenses	-111	-111	-220
Write-up/downs	-3	-3	-7
<b>Earnings before tax</b>	<b>51</b>	<b>43</b>	<b>85</b>

## KLP Banken AS

NOK MILLIONS, YTD	Q2 2019	Q2 2018	2018
Net interest income	76	64	128
Management fee	30	29	58
Net commission and fees	9	8	17
Gain/loss financial asset/debt	2	2	-0
Operating expenses	-81	-82	-159
Write-up/downs	-3	-3	-7
<b>Earnings before tax</b>	<b>32</b>	<b>18</b>	<b>38</b>

Numbers do not include effects from group contribution

## KLP Boligkreditt AS

NOK MILLIONS, YTD	Q2 2019	Q2 2018	2018
Net interest income	31	26	55
Gain/loss financial asset/debt	-1	1	-1
Other income	-0	-0	-0
Operating expenses	-22	-21	-45
<b>Earnings before tax</b>	<b>7</b>	<b>6</b>	<b>9</b>

## KLP Kommunekreditt AS

NOK MILLIONS, YTD	Q2 2019	Q2 2018	2018
Net interest income	31	33	66
Gain/loss financial asset/debt	-12	-6	-12
Other income	0	-0	-0
Operating expenses	-8	-8	-16
<b>Earnings before tax</b>	<b>11</b>	<b>19</b>	<b>37</b>

# Balance sheets

## KLP Banken Group

NOK MILLIONS	30.06.2019	30.06.2018	31.12.2018
Lending to credit institutions	1 511	1 485	1 439
Loans to customers	33 644	32 046	33 474
Interest bearing securities	3 555	2 108	2 015
Other assets	150	178	160
<b>Total assets</b>	<b>38 861</b>	<b>35 817</b>	<b>37 089</b>
Borrowing from credit inst.	-	-	-
Bond debt	24 858	23 084	24 040
Deposits	11 465	10 218	10 662
Other debt	363	407	249
<b>Total liabilities</b>	<b>36 686</b>	<b>33 709</b>	<b>34 951</b>
Equity	2 174	2 108	2 138
<b>Total liabilities and equity</b>	<b>38 861</b>	<b>35 817</b>	<b>37 089</b>

## KLP Boligkreditt AS

NOK MILLIONS	30.06.2019	30.06.2018	31.12.2018
Lending to credit institutions	229	147	148
Loans to customers	7 097	7 560	7 228
Interest bearing securities	356	5	288
Other assets	7	9	4
<b>Total assets</b>	<b>7 689</b>	<b>7 721</b>	<b>7 669</b>
Borrowing from credit inst.	933	1 506	1 037
Bond debt	6 239	5 703	6 116
Deposits	-	-	-
Other debt	3	5	8
<b>Total liabilities</b>	<b>7 176</b>	<b>7 215</b>	<b>7 161</b>
Equity	514	506	508
<b>Total liabilities and equity</b>	<b>7 689</b>	<b>7 721</b>	<b>7 669</b>

## KLP Banken AS

NOK MILLIONS	30.06.2019	30.06.2018	31.12.2018
Lending to credit institutions	2 046	2 954	2 108
Loans to customers	10 254	8 204	9 488
Interest bearing securities	1 137	1 129	1 000
Other assets	1 263	1 259	1 272
<b>Total assets</b>	<b>14 700</b>	<b>13 545</b>	<b>13 868</b>
Borrowing from credit inst.	-	-	-
Bond debt	879	1 021	1 015
Deposits	11 465	10 218	10 662
Other debt	289	275	146
<b>Total liabilities</b>	<b>12 632</b>	<b>11 514</b>	<b>11 822</b>
Equity	2 068	2 032	2 045
<b>Total liabilities and equity</b>	<b>14 700</b>	<b>13 545</b>	<b>13 868</b>

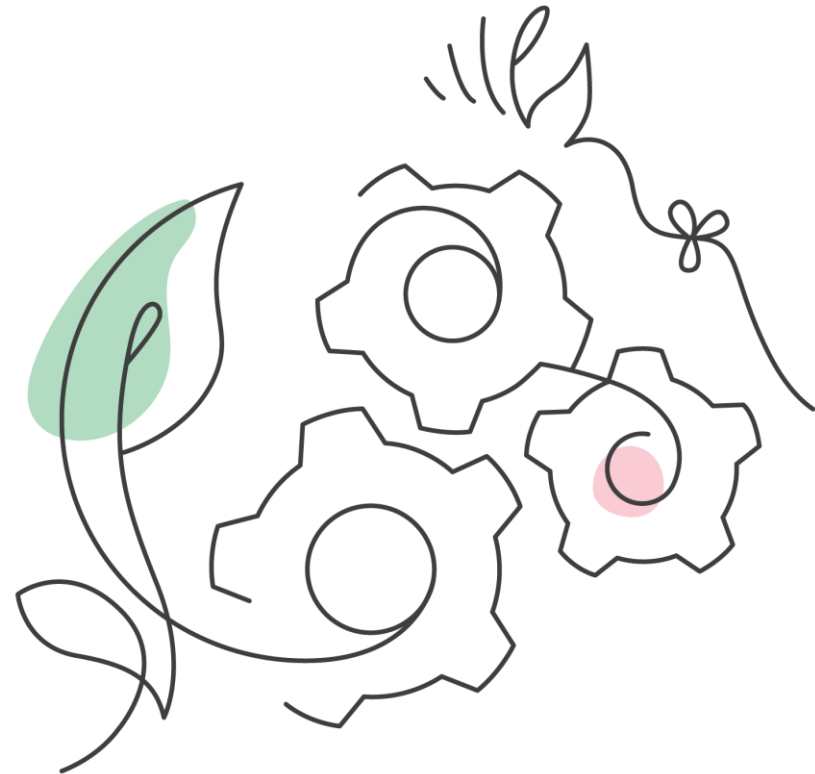
## KLP Kommunekreditt AS

NOK MILLIONS	30.06.2019	30.06.2018	31.12.2018
Lending to credit institutions	440	466	650
Loans to customers	16 293	16 282	16 759
Interest bearing securities	2 062	974	727
Other assets	67	98	71
<b>Total assets</b>	<b>18 863</b>	<b>17 820</b>	<b>18 206</b>
Borrowing from credit inst.	270	575	430
Bond debt	17 741	16 360	16 909
Deposits	-	-	-
Other debt	93	149	117
<b>Total liabilities</b>	<b>18 104</b>	<b>17 084</b>	<b>17 456</b>
Equity	758	736	750
<b>Total liabilities and equity</b>	<b>18 863</b>	<b>17 820</b>	<b>18 206</b>



# Content

- Financial highlights
- Cover Pool Report – KLP Boligkreditt AS
- Cover Pool Report – KLP Kommunekreditt AS



# Overview

## Key data

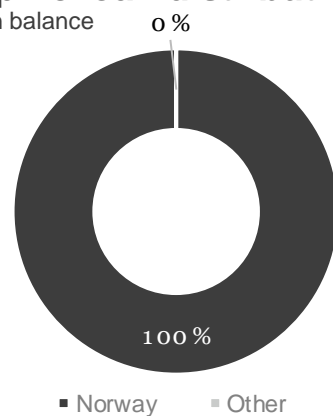
NOK MILLIONS	30.06.2019
Total loan balance	6 965 998 100
Bank deposits	228 823 571
Norwegian AAA-rated covered bonds	964 000 000
<b>Total cover pool</b>	<b>8 158 821 671</b>
<b>Covered bonds issued</b>	<b>6 908 000 000</b>
Over-collateralisation	18,1 %
No. of loans	5 553
Average loan balance	1 254 457
WA Seasoning (months)	47,7
WA Remaining terms (months)	259,3
WA Indexed LTV	47,1 %
WA Unindexed LTV	50,5 %
Percentage variable mortgages	100,0 %

## Ratings

CURRENT RATING	Moody's
KLP Banken AS (Bank Deposits)	A3
KLP Boligkreditt covered bond rating	Aaa
Covered bond program Boligkreditt	Aaa

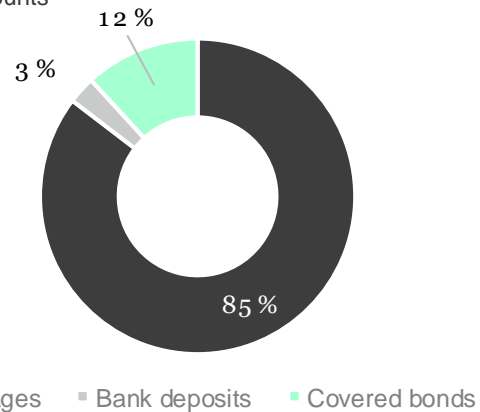
## Geographic loan distribution

Nominal loan balance



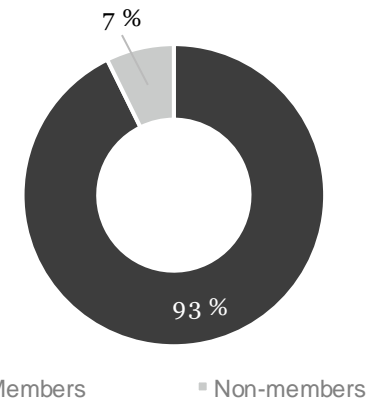
## Cover pool composition

Nominal amounts



## KLP members' share

of total loan balance



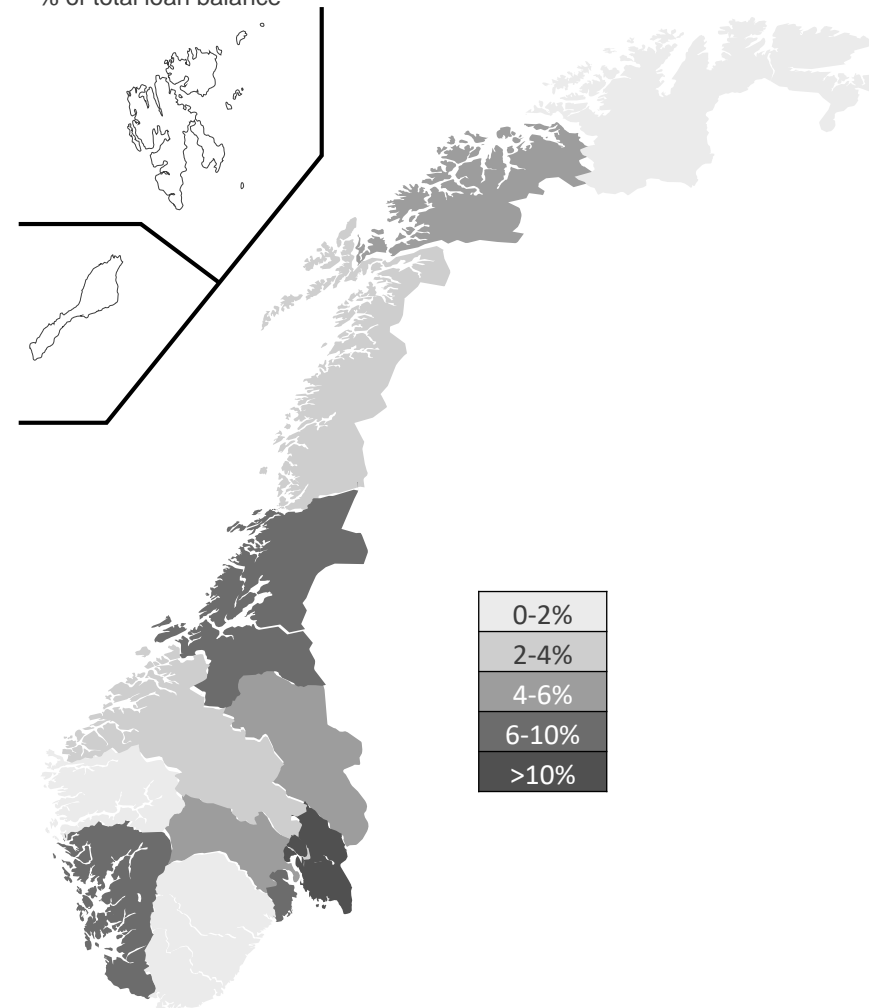
# Geographical distribution

## Geographical mortgage distribution

COUNTY	NOK
Akershus	1 350 580 571
Østfold	811 516 960
Oslo	756 760 563
Hordaland	564 026 012
Vestfold	529 959 475
Rogaland	440 401 661
Trøndelag	410 080 749
Buskerud	376 167 257
Hedmark	294 295 276
Troms	279 392 789
Nordland	263 954 949
Møre og Romsdal	243 500 553
Oppland	199 174 842
Telemark	148 606 459
Finnmark	93 872 299
Vest-Agder	92 012 722
Aust-Agder	72 522 971
Sogn og fjordane	38 464 061
Svalbard	707 931
<b>Total loan balance</b>	<b>6 965 998 100</b>

## Geographical loan distribution

% of total loan balance



# Loan-to-value

## Unindexed LTV distribution

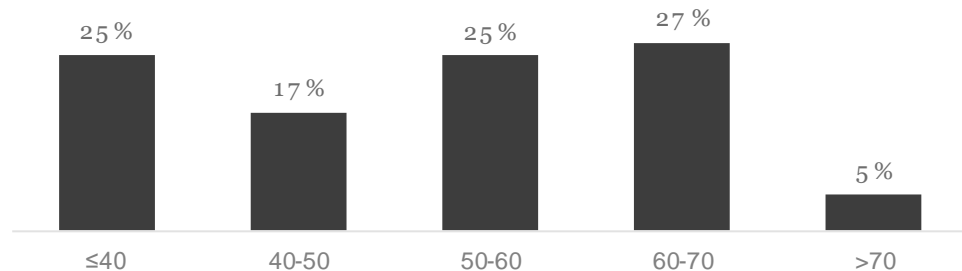
LTV INTERVAL	NOK
≤40	1 759 958 092
40-50	1 189 436 394
50-60	1 757 266 563
60-70	1 892 500 635
>70	366 836 415
<b>Total loan balance</b>	<b>6 965 998 100</b>

## Indexed LTV distribution

LTV INTERVAL	NOK
≤40	2 188 590 353
40-50	1 302 114 443
50-60	1 866 415 982
60-70	1 456 694 183
>70	152 183 140
<b>Total loan balance</b>	<b>6 965 998 100</b>

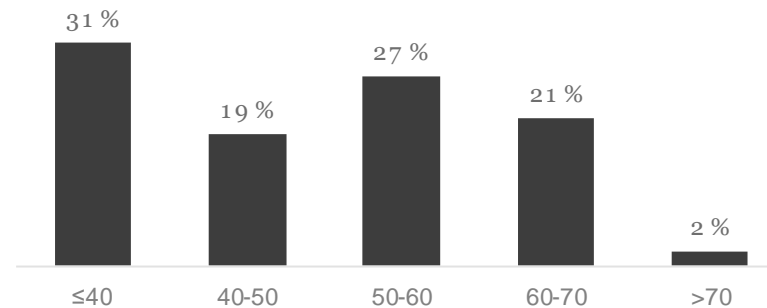
## LTV-distribution

Unindexed, % of total



## LTV-distribution

Indexed, % of total





# Seasoning

## Remaining terms

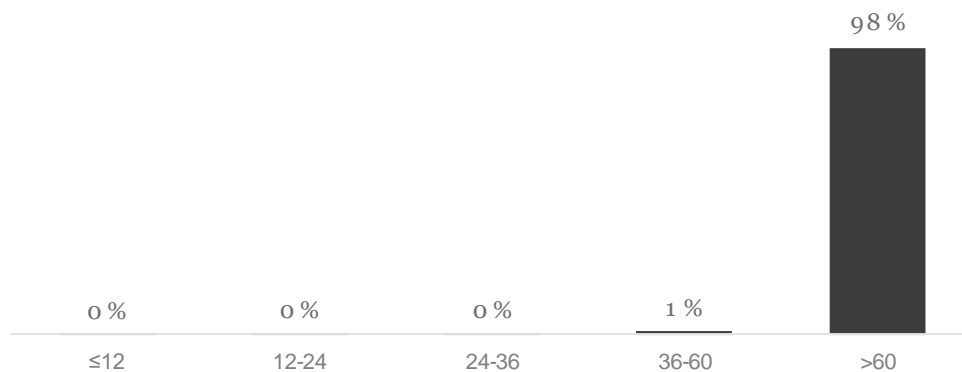
MONTHS	NOK
≤12	3 514 971
12-24	13 143 438
24-36	17 506 975
36-60	76 256 617
>60	6 855 576 098
<b>Total loan balance</b>	<b>6 965 998 100</b>

## Seasoning

MONTHS	NOK
≤12	1 095 385 190
12-24	1 669 650 785
24-36	909 998 917
36-60	1 569 054 850
>60	1 721 908 357
<b>Total loan balance</b>	<b>6 965 998 100</b>

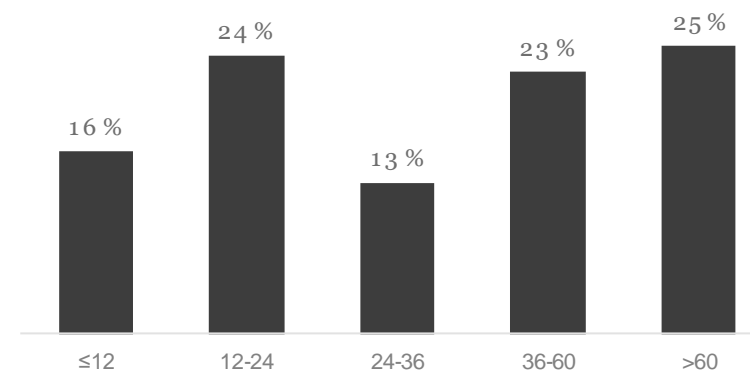
## Remaining terms

Months, % of total



## Seasoning

Months, % of total



# Interest and repayment

## Interest rate structure

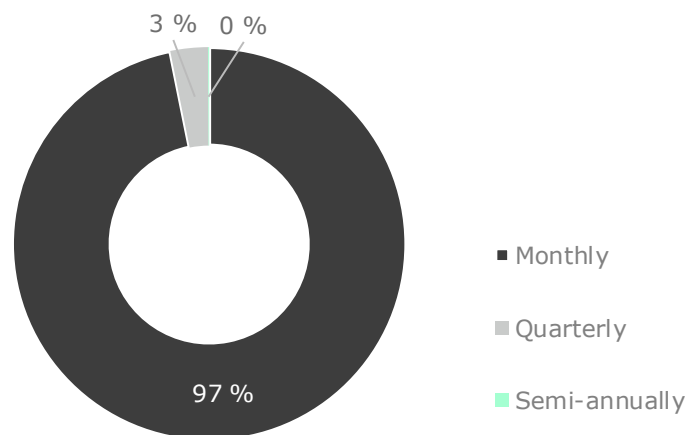
FREQUENCY	NOK
Monthly	6 745 421 478
Quarterly	214 716 235
Semi-annually	5 860 387
<b>Total loan balance</b>	<b>6 965 998 100</b>

## Repayment structure

TYPE	NOK
Annuity	6 766 414 457
Constant amortisation	199 583 643
<b>Total loan balance</b>	<b>6 965 998 100</b>

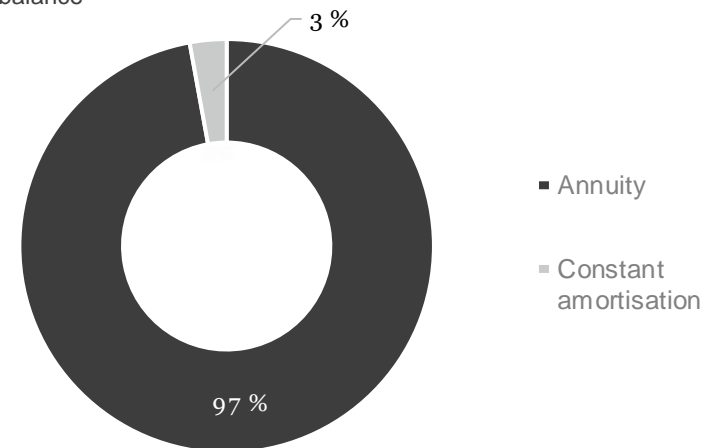
## Interest payment frequency

% of total loan balance



## Payment profile

% of total loan balance



# Delinquencies

NOK	LOAN BALANCE	AMOUNT IN ARREARS	LOAN BALANCE IN % OF COVER POOL LOANS
7< >30 days	82 645 281	189 393	1,2 %
30< >90 days	-	-	0,0 %
>90 days	-	-	0,0 %
<b>Total</b>	<b>82 645 281</b>	<b>189 393</b>	<b>1,2 %</b>

# Content

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- Cover Pool Report – KLP Boligkreditt AS
- Cover Pool Report – KLP Kommunekreditt AS



# Overview

Key data	
Amounts in NOK	30.06.2019
Total nominal loan balance	16 183 663 258
Bank deposits	438 185 987
AAA-rated bonds	2 150 000 000
<b>Total cover pool</b>	<b>18 771 849 245</b>
<b>Covered bonds issued</b>	<b>18 138 000 000</b>
Over-collateralisation	3,5 %
No. of loans	722
Average loan size	22 415 046
WA life (years)	10
WA Remaining terms (months)	257
Largest debtor/guarantor (in % of pool)	3,2 %

KLP KOMMUNEKREDITT AS RATINGS	Moody's
Covered bond rating	Aaa

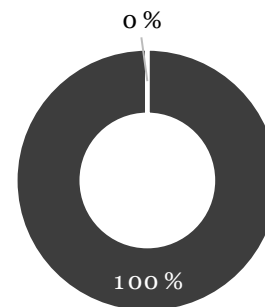
All loans are either made directly to or are guaranteed by Norwegian municipalities or county administrations.

The pool only includes loans with an unconditional and irrevocable on-demand guarantee of payment covering both interest and principal.

All covered bonds are issued in NOK.

## Geographic loan distribution

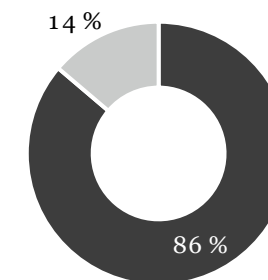
Nominal loan balance



■ Norway ■ Others

## Cover pool composition

Nominal amounts



■ Public sector loans ■ Substitution assets

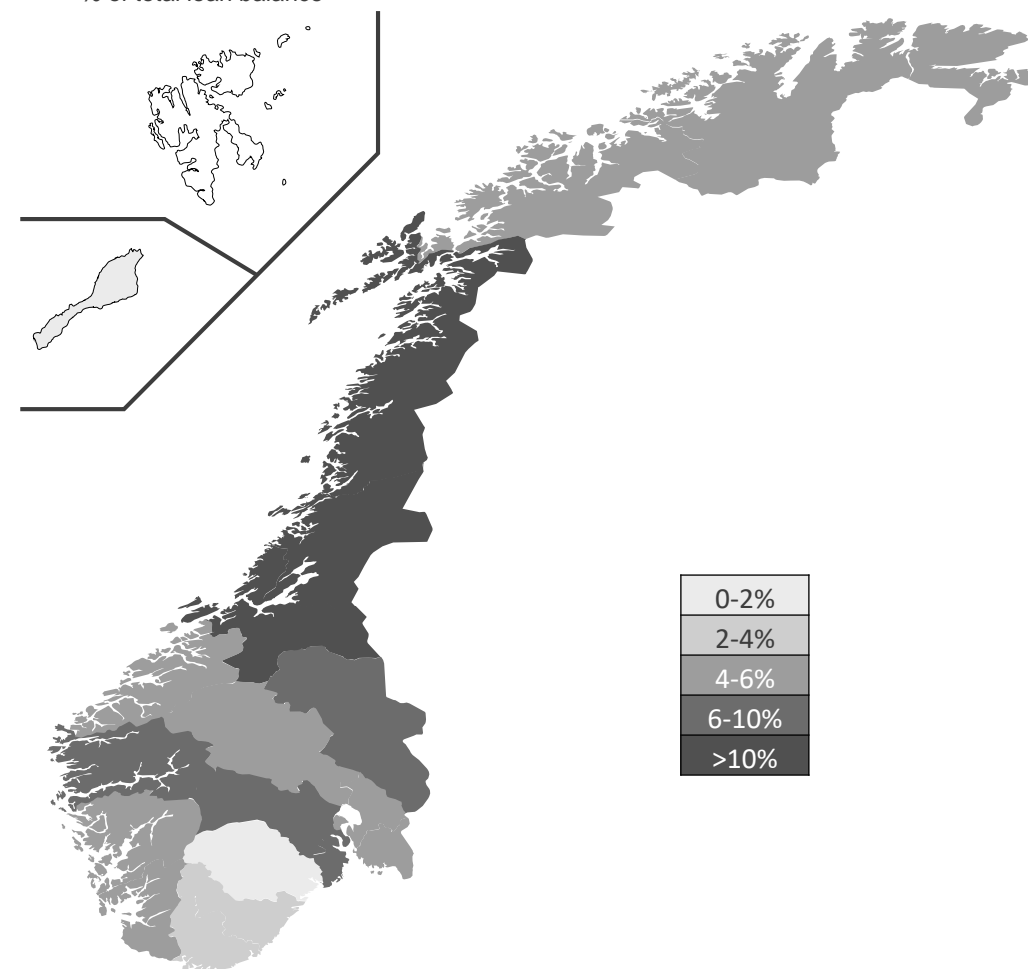
# Geographical distribution

## Geographical distribution

COUNTY	NOK
Trøndelag	2 054 272 894
Nordland	1 978 381 250
Vestfold	1 426 852 688
Buskerud	1 405 427 799
Hedmark	1 256 604 403
Sogn og Fjordane	1 014 301 525
Akershus	873 189 289
Møre og Romsdal	864 759 023
Finnmark	858 418 559
Rogaland	767 584 826
Hordaland	758 463 986
Østfold	745 110 807
Oppland	710 396 040
Troms	645 068 456
Vest-Agder	423 161 319
Aust-Agder	203 234 018
Telemark	171 811 648
Svalbard	26 624 728
Oslo	-
<b>Total loan balance</b>	<b>16 183 663 258</b>

## Geographical loan distribution

% of total loan balance



# Debtor and collateral concentration

## TOP 10 LARGEST DEBTORS NOK

Debtor 1	769 072 995
Debtor 2	562 249 986
Debtor 3	525 861 492
Debtor 4	426 500 000
Debtor 5	388 746 504
Debtor 6	331 579 780
Debtor 7	324 504 605
Debtor 8	302 884 617
Debtor 9	289 682 913
Debtor 10	265 422 327

**Top 10 total loan balance** **4 186 505 219**

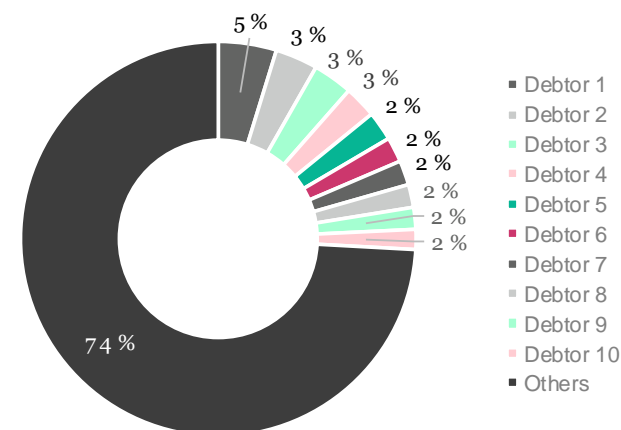
Largest 10 in percent of total loan balance 25,9 %

## COLLATERAL TYPE NOK

Direct claim against municipality	13 704 766 299
Loan with guarantee of municipality	1 524 024 746
Loan with guarantee of county	550 080 792
Direct claim against county	404 791 421
<b>Total loan balance</b>	<b>16 183 663 258</b>

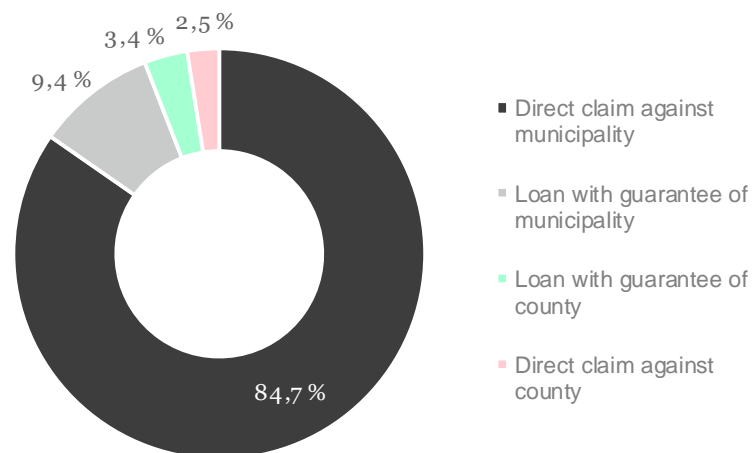
## Debtor concentration

% of total loan balance



## Collateral concentration

% of total loan balance



# Interest and repayment structure

## Repayment structure

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
Constant Amortisation	13 933 917 406	86 %	669
Annuity	49 659 595	0 %	3
Partial Bullet	481 053 269	3 %	12
Bullet	1 719 032 988	11 %	38
<b>Total</b>	<b>16 183 663 258</b>	<b>100 %</b>	<b>722</b>

## Loan size

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
< 10 mill.	1 340 761 799	8 %	374
> 10 mill. - < 25 mill.	2 907 915 394	18 %	177
> 25 mill. - < 100 mill.	8 500 351 103	53 %	156
> 100 mill. - < 250 mill.	1 826 799 200	11 %	10
< 250 mill.	1 607 835 762	10 %	5
<b>Total</b>	<b>16 183 663 258</b>	<b>100 %</b>	<b>722</b>

## Rate reset period

NOK	LOAN BALANCE	SHARE	ACC %
< 1 month	10 022 466 483	62 %	62 %
> 1 month - < 3 month	2 436 806 478	15 %	77 %
> 3 month - < 1 yr	999 533 085	6 %	83 %
> 1 yr - < 2 yr	425 444 979	3 %	86 %
> 2 yr - < 5 yr	1 655 957 901	10 %	96 %
> 5 yr	643 454 332	4 %	100 %
<b>Total</b>	<b>16 183 663 258</b>	<b>100 %</b>	

## Interest rate type

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
Variable	13 103 637 744	81 %	639
Fixed	3 080 025 514	19 %	83
<b>Total</b>	<b>16 183 663 258</b>	<b>100 %</b>	<b>722</b>



# Delinquencies

NOK	LOAN BALANCE	AMOUNT IN ARREARS	LOAN BALANCE IN % OF COVER POOL LOANS
0< >30 days	150 761 585	2 152 171	0,9 %
30< >60 days	-	-	0,0 %
60< >90 days	-	-	0,0 %
>90 days	-	-	0,0 %
<b>Total</b>	<b>150 761 585</b>	<b>2 152 171</b>	<b>0,9 %</b>

# Contacts

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