

Financial results Q1 2020

KLP Group

Oslo, 6th May 2020



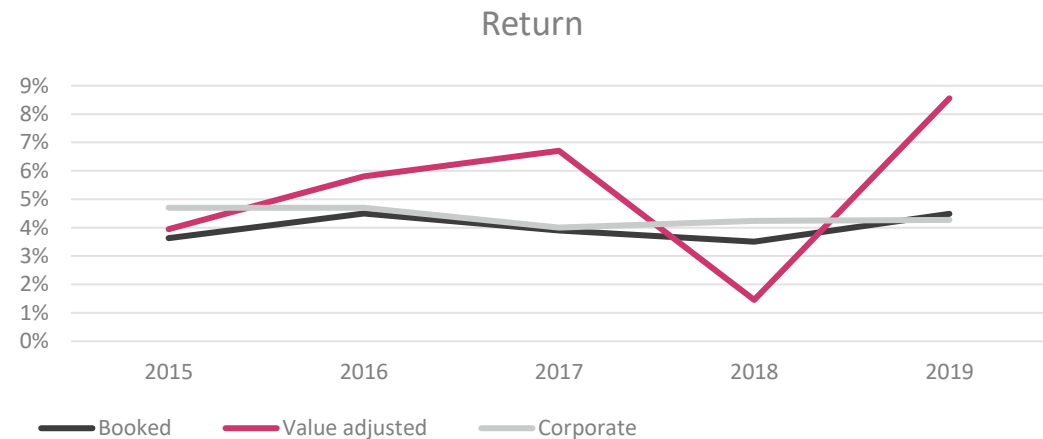
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Main features

- Total group assets: NOK 764,9 billion
- Common portfolio of life company:
 - Book return of 0.5 per cent
 - Value adjusted return of -3.7 per cent
- Corporate portfolio returned -0.1 per cent
- Solvency ratio KLP: 234 per cent

	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Common portfolio				
Booked return	0.5 %	1.8 %	0.7 %	1.0 %
Value adjusted return	-3.7 %	1.8 %	1.8 %	1.6 %
Value adjusted return incl. HTM bonds/bonds booked at amortised costs	-3.4 %	1.3 %	1.9 %	1.8 %
Investment options portfolio	-5.8 %	2.3 %	1.9 %	1.7 %
Corporate portfolio	-0.1 %	0.8 %	0.8 %	1.3 %



KLP Group – results by segment

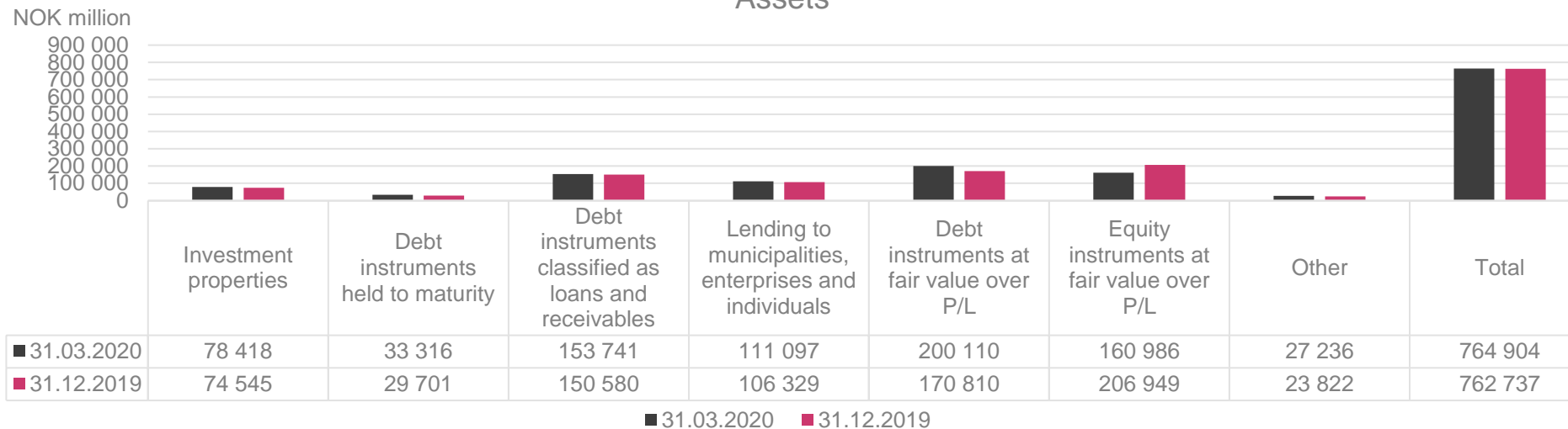
NOK million	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Life insurance	2 668	476	786	648
Non-life insurance	-1	25	2	29
Banking	-126	25	27	27
Asset management	166	-1	26	21
Other	22	0	-1	0
Group result before tax	44	674	841	725

KLP Group – main figures - results

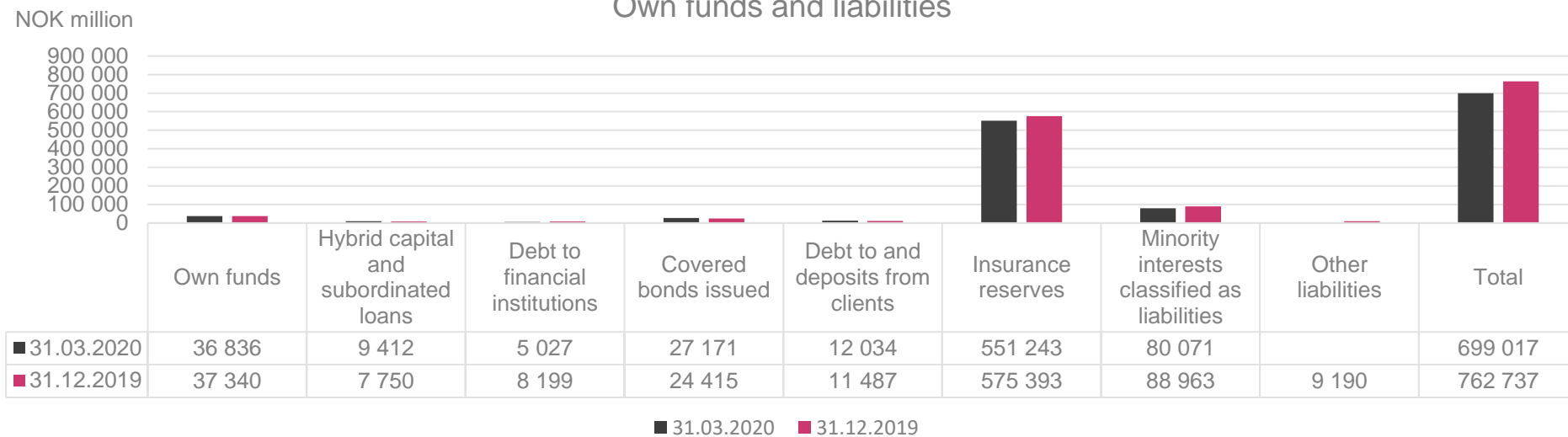
NOK million	31.03.2020	31.12.2019
Pension premiums and incoming transfers	10 273	42 716
Allocated investment income	-35 838	63 156
Minority share of return of financial instruments	11 996	-14 736
Claims f.o.a.	-11 869	-21 616
Insurance provisions	101	-29 954
Interest expenses and value adjustments subordinated loans and subordinated bonds	-1 662	-372
Operating cost	-493	-1 892
Other income and cost	154	-384
Technical result	-27 338	36 919
To/from value adjustment fund life insurance	24 570	-22 277
To/from supplementary reserves life insurance	0	-52
Surplus allocated Life insurance clients	2 919	-11 398
Group result pre-tax	151	3 193
Tax	-173	-1 200
Other profit/loss elements	-248	258
Group result	-270	2 251

KLP Group - Balance

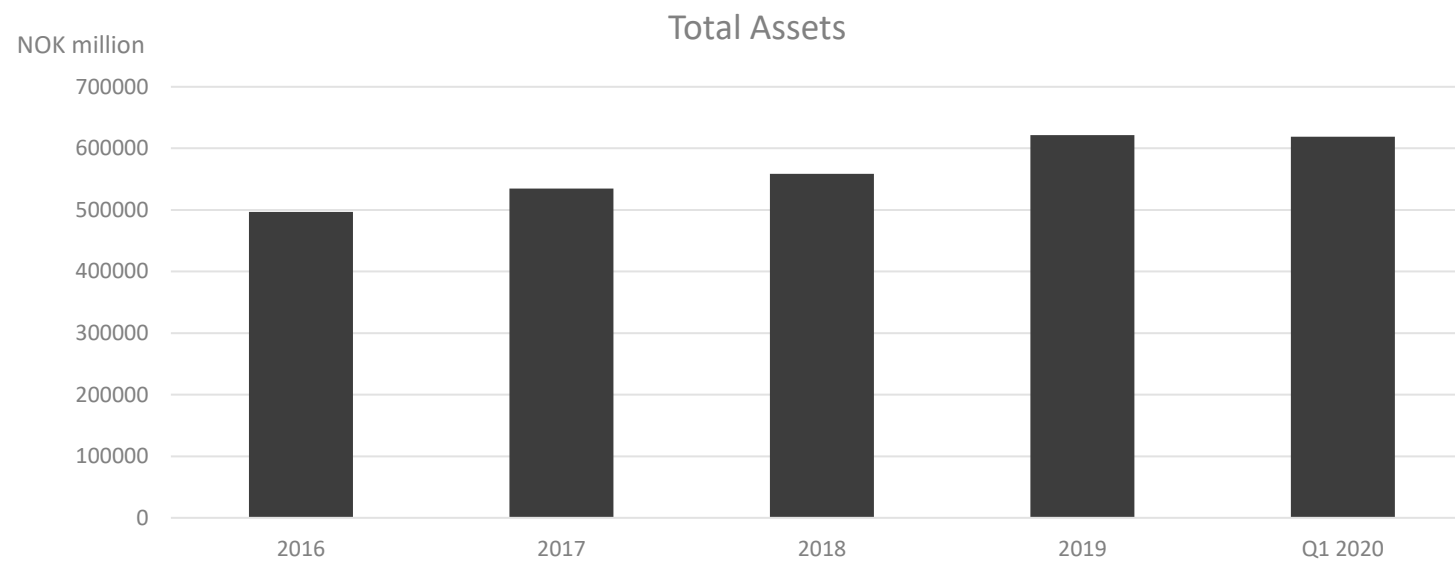
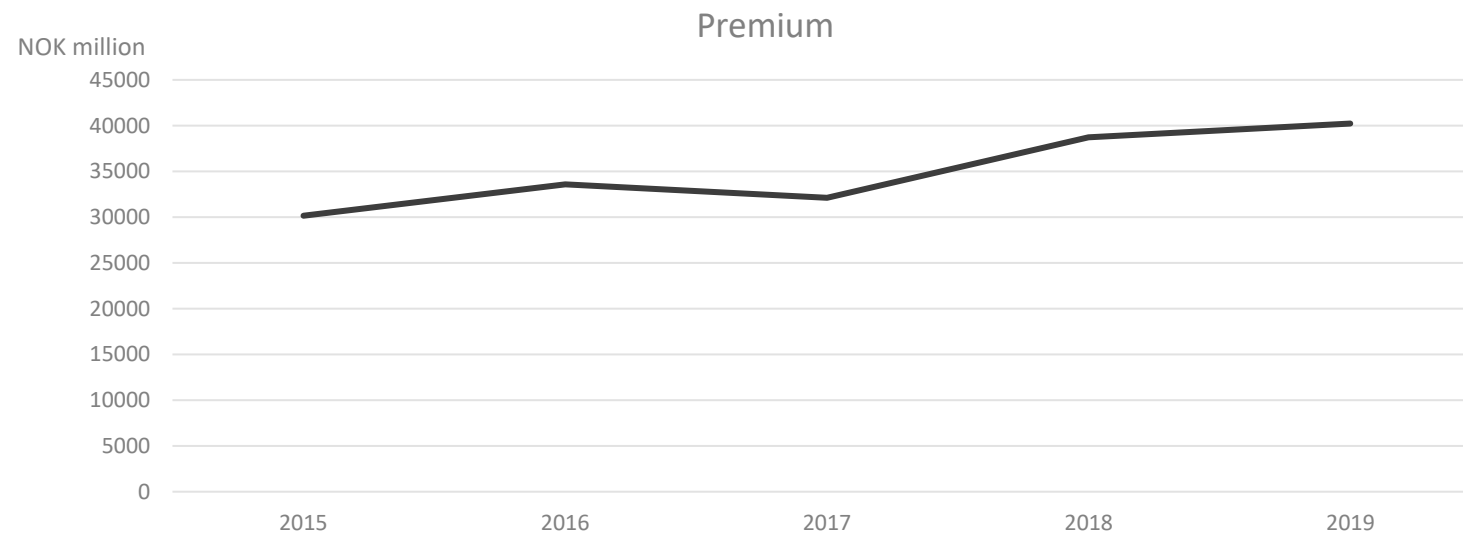
Assets



Own funds and liabilities



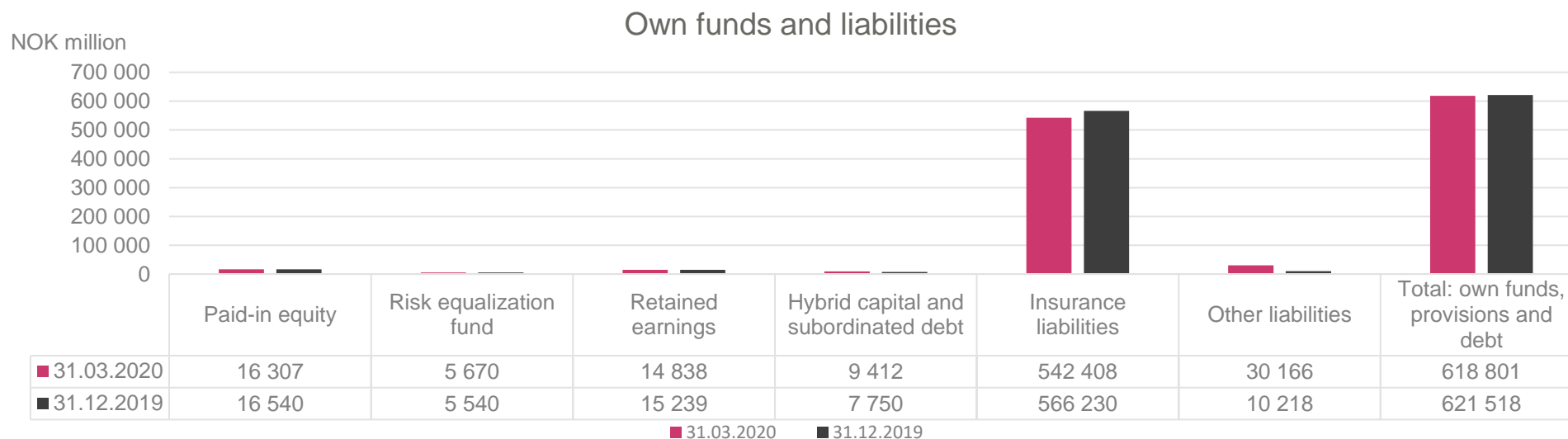
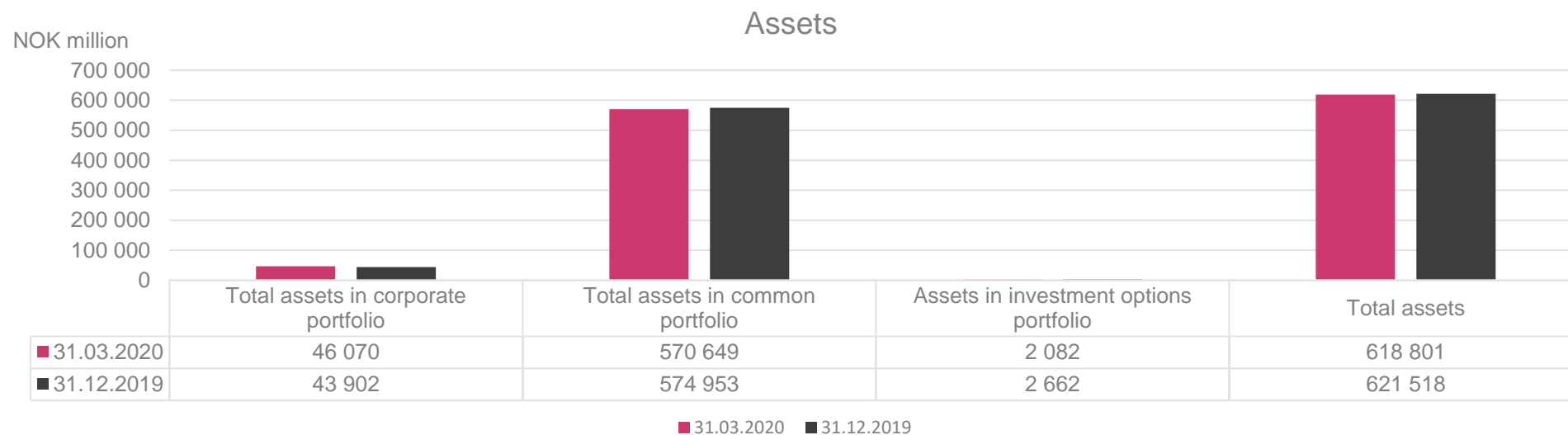
KLP Life



KLP – Appropriation of results

Nok million	Result Customers	Result Company	31.03.2020	31.12.2019
Interest result	-179	30	-149	10 624
	179	-179	-	
Risk result	100	100	200	1 031
Premium interest rate guarantee		127	127	476
Administration result		39	39	247
Net income corporate portfolio		-86	-86	1 167
Tax		-9	-9	-502
Other result elements		-292	-292	132
Total	100	-271	-171	13 161

KLP Life - Balance



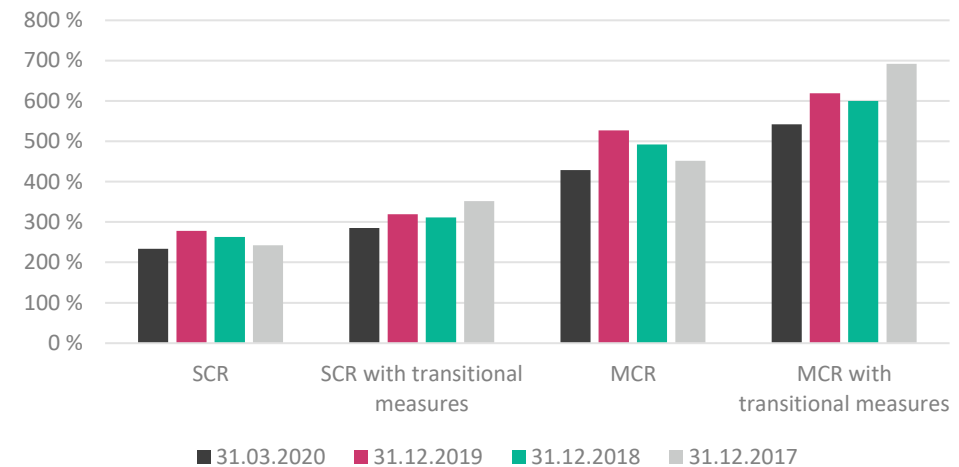
KLP Life - Solvency

- Solvency ratio Q1: 234* per cent
- Minimum solvency ratio Q1: 429* per cent

**without transitional measures*

	31.03.2020	31.12.2019	30.09.2019	30.06.2019
Solvency ratio (SCR)	234 %	278 %	274 %	264 %
Solvency ratio (SCR) with transitional measures	285 %	319 %	362 %	349 %
Minimum solvency ratio (MCR)	429 %	527 %	518 %	495 %
Minimum solvency ratio (MCR) with transitional measures	542 %	619 %	714 %	684 %

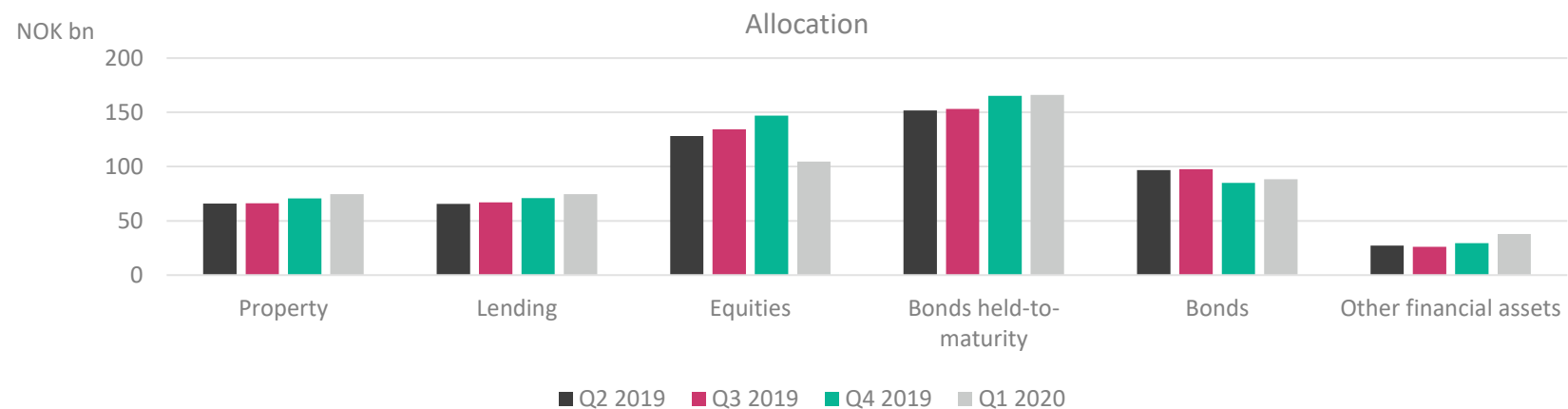
Solvency Ratio



KLP Life - Common Portfolio

	Share*	Return	Share*	Return
	31.03.2020	31.03.2020	31.12.2019	31.12.2019
Equities	19.2 %	-15.6 %	25.9 %	21.5 %
Bonds	16.2 %	-1.1 %	15.0 %	7.9 %
Bonds held-to-maturity	30.4 %	1.0 %	29.1 %	3.6 %
Lending	13.7 %	0.6 %	12.5 %	2.4 %
Property	13.6 %	0.9 %	12.4 %	6.7 %
Other financial assets	7.0 %	-0.3 %	5.2 %	1.9 %

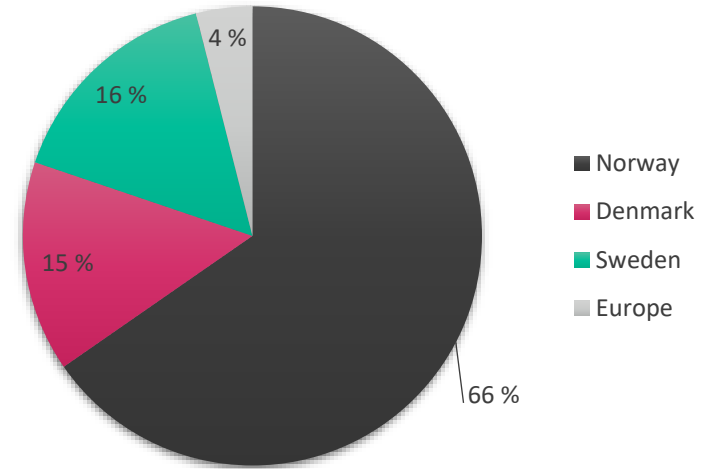
*) Measured by exposure



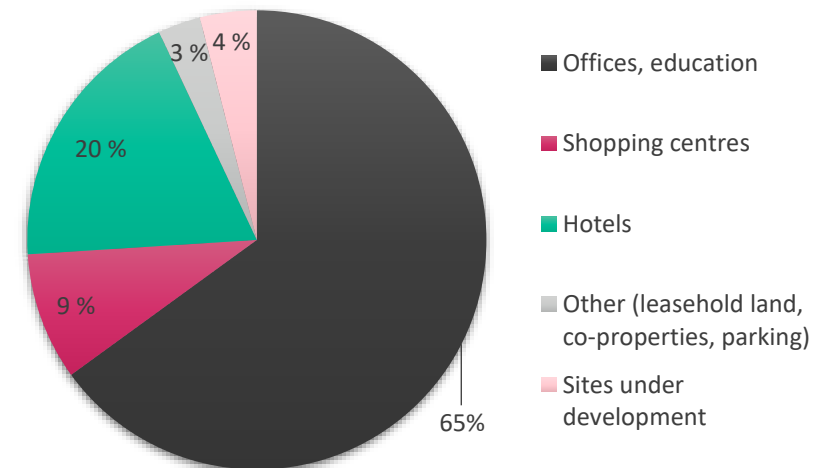
KLP Life - Property

- The portfolio written down by NOK 12 million (0.0 %)
- New investments / sales in 2019
 - Taken over
 - Ranheimsveien 9 in Trondheim

Property value - by country



Property value - by sector



KLP Life – Property

NOK million	31.03.2020	31.12.2019	30.09.2019	30.06.2019
Fair value total portfolio*	75 501	73 644	68 687	68 527
Fair value common portfolio*	70 569	68 719	63 775	63 662

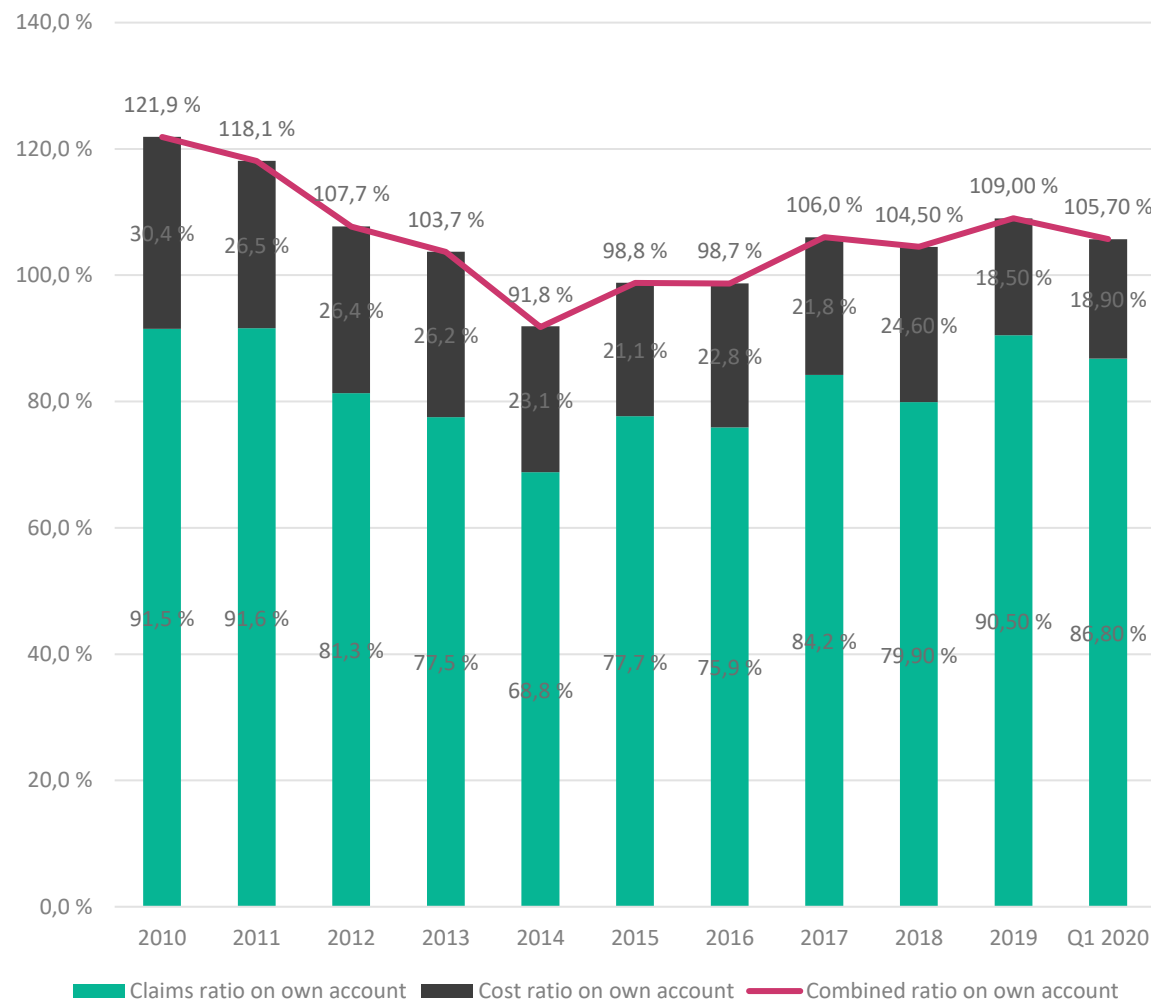
*Incl exchange-rate hedged and excl. property fund

	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Value adjustment in per cent	0,0 %	0,9 %	0,2 %	1,1 %
Value adjustment in per cent common portfolio	0,0 %	1,0 %	0,2 %	0,9 %
Total return common portfolio**	0,9 %	2,0 %	1,3 %	1,9 %

**Incl exchange-rate hedged and property fund

KLP Skadeforsikring (non-life insurance)

- Results and operations strongly influenced by the Covid-19 situation
- Operation result of NOK -126 million
- Weak financial return of NOK -104 million, corresponding to -2.3%
- 15% increase in premium due
- Low departure rate in all segments
- Maintains the market leadership position within public insurance
- Insurance result for the year:
 - Motor, property and group life still weak
 - A major loss of NOK 32 million
- Revenue recognition of previous years reserves of NOK 41 million
- Solvency ratio: 240 per cent



KLP Skadeforsikring (non-life insurance)

NOK million	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Premium written f.o.a.	397.9	384.8	376.4	364.5
Claims f.o.a.	-345.3	-344.7	-377.8	-330.3
Insurance related expenses	-75.4	-78.4	-58.0	-70.7
Other insurance related income	0.5	0.8	-0.2	0.5
Result from technical activities	-22.2	-37.5	-59.6	-36.1
Result from investment activities	-104.2	62.3	61.5	64.6
Other income	0.3	0.3	0.3	0.3
Result from ordinary operation	-126.1	25.0	2.2	28.8
Estimated tax expense	31.5	20.9	-0.5	-7.2
Other elements	-26.0	18.8	0	0
Provisions for equity fund	-2.9	-10.3	-9.7	-1.1
Result after provisions for equity fund	-123.5	54.3	-8.0	20.5

KLP Skadeforsikring (non-life insurance)

Revenues, NOK million	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Gross premium written	398	384	376	364
Premium income for own account	-345	-345	-378	-330
Claims paid for own account	-75	-78	-58	-71
Insurance related costs for own account	-104	62	62	65
Results	-126	25	2	29

Key figure balance sheet, NOK million	31.03.2020	31.12.2019	30.09.2019	30.06.2019
Financial assets	4 656	4 437	4 572	4 609
Total assets	5 306	4 907	4 979	5 047
Equity	1 820	1 941	1 876	1 874
Provisions in insurance funds for own account	2 918	2 451	2 586	2 668

KLP Bedriftspensjon – main figures

NOK million	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Interest result	2.1	5.0	2.7	2.4
Risk result	-6.3	6.9	2.8	-3.7
Administration result	-9.6	-11.4	-7.5	-9.7
Interest rate guarantee and profit element	3.0	0.4	3.0	2.5
Non-technical result	-0.9	2.8	3.4	3.8
Other profit elements	-4.1	0.8	0.0	-1.4
Total result	-15.7	4.6	4.4	-6.1
Of which result to clients	2.0	7.5	2.4	3.1
Result to owner	-17.7	-1.7	2.0	-9.2
Transferred from supplementary reserves	0	-1.2		

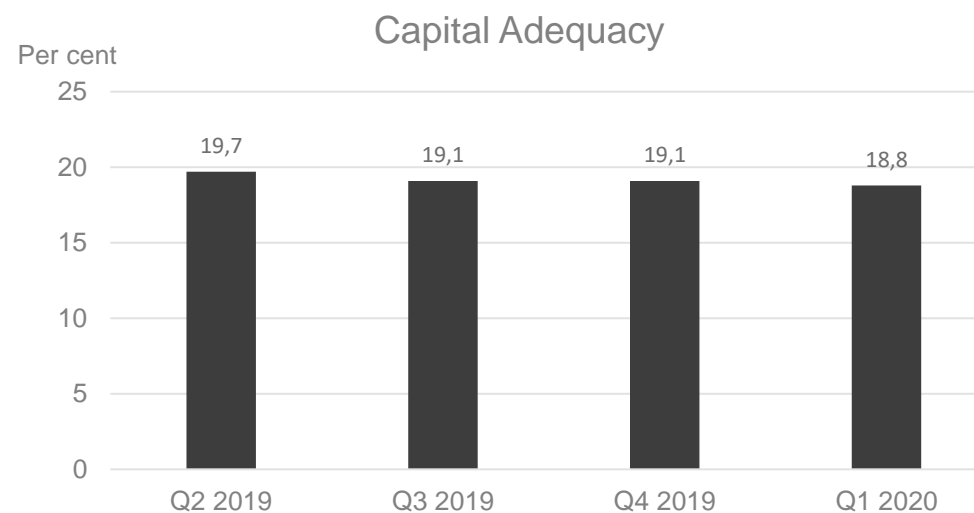
KLP Bedriftspensjon – return and solvency

	31.03.2020	31.12.2019	30.09.2019	30.06.2019
Common portfolio				
Book	0.75 %	3.40 %	2.44 %	1.62 %
Value adjusted	0.20 %	4.05 %	2.93 %	1.99 %
Investment options portfolio	-11.90 %	16.76 %	12.58 %	9.51 %
Corporate portfolio	-0.14 %	3.02 %	2.46 %	1.76 %
	31.03.2020	31.12.2019	30.09.2019	30.06.2019
Solvency ratio (scr)	81 %	204 %	122 %	124 %
Kapitaldekning (scr) with transitional measures	245 %	360 %	298 %	289 %
Minimum solvency ratio (mcr)	180 %	453 %	272 %	275 %
Minimum solvency ratio (mcr) with transitional measures	543 %	799 %	663 %	643 %
NOK million	31.03.2020	31.12.2019	30.09.2019	30.06.2019
Value adjustment fund	9.3	19.2	16.4	14.5
Supplementary reserves	110.0	110.0	112.5	112.6
Solvency capital	758.2	763.9	692.5	676.3

KLP Bank-group – main figures

- The total number of active customers as of the first quarter of 2020 was 43,712 customers. The net customer growth retail market became 927 customers in Q1.
- The first quarter of 2020 saw a net mortgage growth of NOK 802 million, compared with a net mortgage growth of NOK 258 million at the same time in 2019.
- The Group's capital adequacy ratio is 18.8%, which is well above the ICAAP of 16.5%. In addition.
- Countercyclical capital buffer was reduced from 2.5 per cent to 1.0 per cent with immediate effect on 13 March 2020

NOK million	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Net interest revenues	78.5	83.5	71.3	72.0
Net fee – and commissions income	4.6	5.2	5.1	4.8
Management fees	14.8	14.5	14.8	14.8
Operating cost	-63.6	-70.8	-53.3	-57.0
Value changes financial instruments	-12.7	-7.4	-11.2	-8.1
Pre-tax earnings	21.6	24.9	26.7	26.6
Total assets	44 253	39 699	39 611	38 861



KLP Bank-group – main figures

KLP Kommunekreditt, NOK million	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Net interest revenues	14.7	19,3	12.5	16.6
Operating cost	-4.2	-8,2	-3.3	-3.4
Value changes financial instruments	-6.5	-4,7	-1.5	-6.4
Pre-tax earnings	4.0	6,4	7.7	6.7
Total assets	19 975	18 549	18 752	18 863
KLP Banken. NOK million	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Net interest revenues	43.7	47,3	43.8	39.9
Net fee – and commissions income	4.6	5,2	5.1	4.8
Management fees	14.8	14,5	14.8	14.8
Operating cost	-47.1	-48,6	-39.3	-42.2
Value changes financial instruments	-2.3	-1,1	-0.9	0.1
Pre-tax earnings	13.7	17,2	23.5	17.5
Total assets	16 846	15 099	15128	14 700
KLP Boligkreditt. NOK million	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Net interest revenues	20.0	16,9	15.0	15.5
Operating cost	-12.2	-13,9	-10.8	-11.3
Value changes financial instruments	-3.9	-1,6	-8.8	-1.9
Pre-tax earnings	3.9	1,4	-4.5	2.4
Total assets	10 558	7 930	8 007	7 689

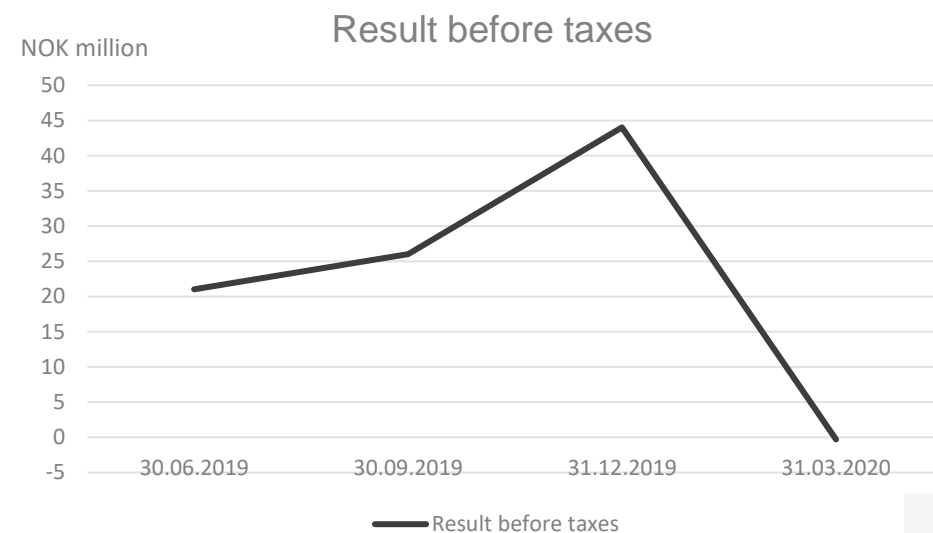
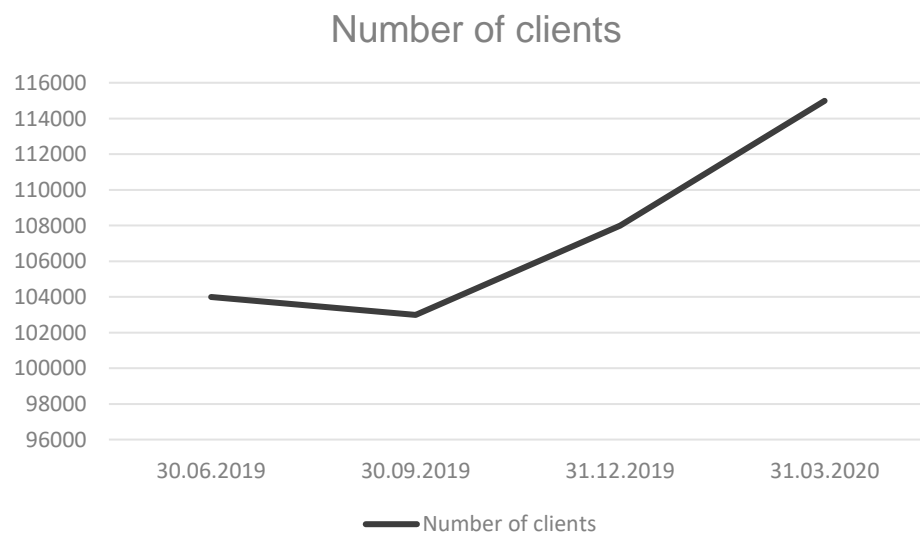
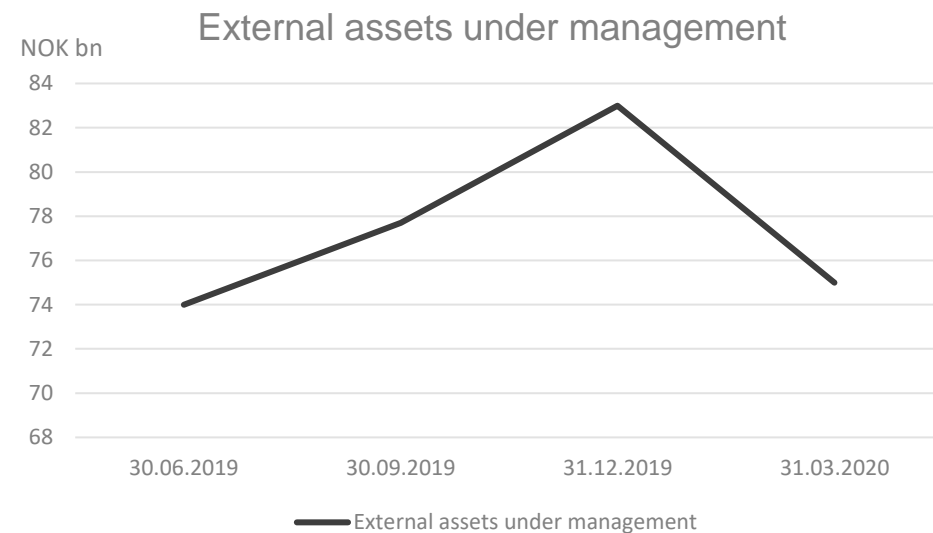
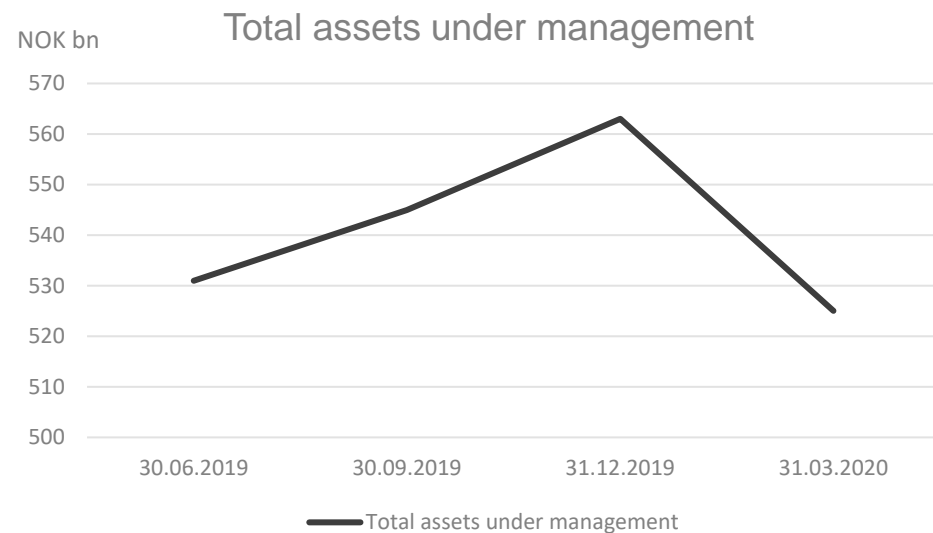
KLP Bank-group – lending and deposits

Mortgage loans, NOK billion	31.03.2020	31.12.2019	30.09.2019	30.06.2019
KLP Banken AS	9.1	11.0	10.5	10.2
KLP Boligkreditt AS	10.0	7.3	7.2	7.1
KLP (Management agreement)	3.4	3.4	3.1	2.9
Total	22.5	21.7	20.7	20.2

Public sector loans, NOK billion	31.03.2020	31.12.2019	30.09.2019	30.06.2019
KLP Kommunekreditt AS	16.6	16.5	16.4	16.2
KLP (Management agreement)	58.1	56.9	55.4	44.7
KLP (currency loans)	13.1	10.7	8.6	9.0
Total	87.9	84.1	80.4	69.9

Deposits, NOK billion	31.03.2020	31.12.2019	30.09.2019	30.06.2019
KLP Banken AS	12.0	11.5	11.6	11.5
Total	12.0	11.5	11.6	11.5

KLP Kapitalforvaltning (Asset management)



Contacts in KLP

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