

Financial results Q1 2019

KLP Group

Oslo, 7th May 2019



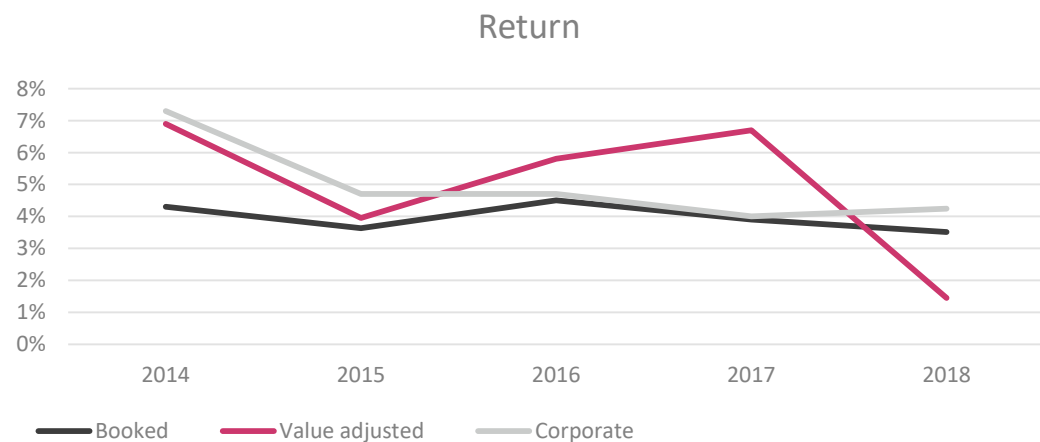
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Main features

- Total group assets: NOK 699 billion
- Common portfolio of life company:
 - Book return of 1.0 per cent
 - Value adjusted return of 3.1 per cent
- Corporate portfolio returned 3.7 per cent
- Solvency ratio KLP: 270 per cent

	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Common portfolio				
Booked return	1.0 %	0.4 %	0.8 %	1.0 %
Value adjusted return	3.1 %	-1.4 %	1.6 %	1.7 %
Value adjusted return incl. HTM bonds/bonds booked at amortised costs	3.5 %	-1.4 %	1.2 %	1.8 %
Investment options portfolio	3.7 %	-2.4 %	1.8 %	2.2 %
Corporate portfolio	1.3 %	1.2 %	0.7 %	0.7 %



KLP Group – results by segment

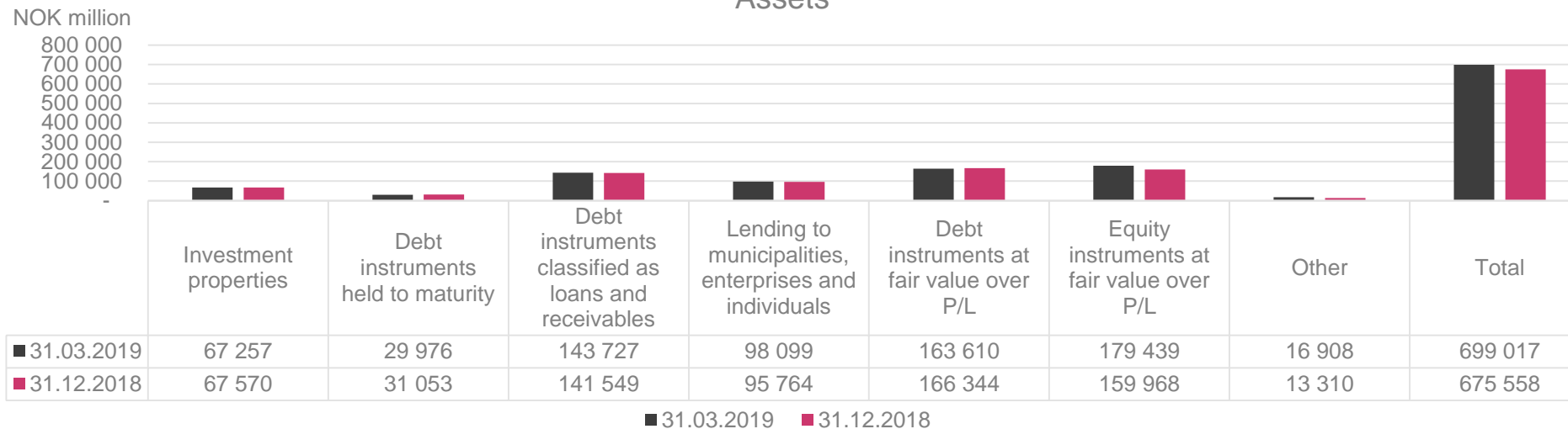
NOK million	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Life insurance	824	673	615	566
Non-life insurance	110	-88	69	49
Banking	22	11	28	19
Asset management	-2	-10	28	1
Other	-1	-1	-1	0
Group result before tax	953	585	739	635

KLP Group – main figures - results

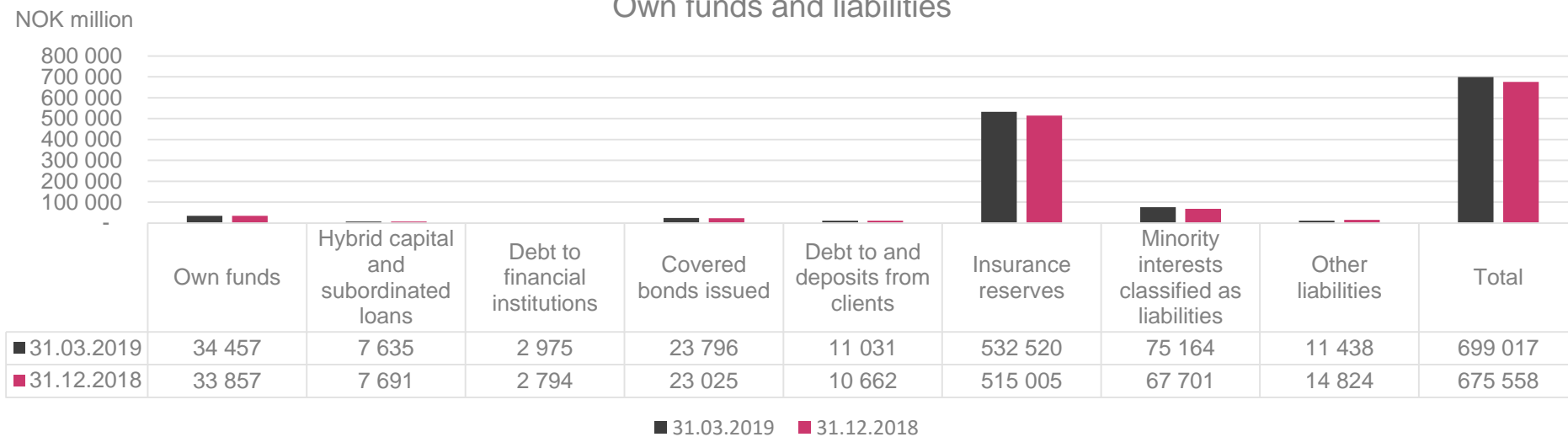
NOK million	31.03.2019	31.12.2018
Pension premiums and incoming transfers	7 378	40 921
- of which premium reserves transferred from another company	202	524
Allocated investment income	23 574	5 732
Minority share of return of financial instruments	-6 339	4 022
Claims f.o.a.	-5 297	-20 015
Insurance provisions	-4 245	-28 096
Interest expenses and value adjustments subordinated loans and subordinated bonds	55	-483
Operating cost	-454	-1 872
Other income and cost	24	33
Technical result	14 696	240
To/from value adjustment fund life insurance	-10 880	8 862
To/from supplementary reserves life insurance	0	-2 792
Surplus allocated Life insurance clients	-2 864	-3 469
Group result pre-tax	953	2 840
Tax	-309	-125
Other profit/loss elements	-35	150
Group result	609	2 866

KLP Group - Balance

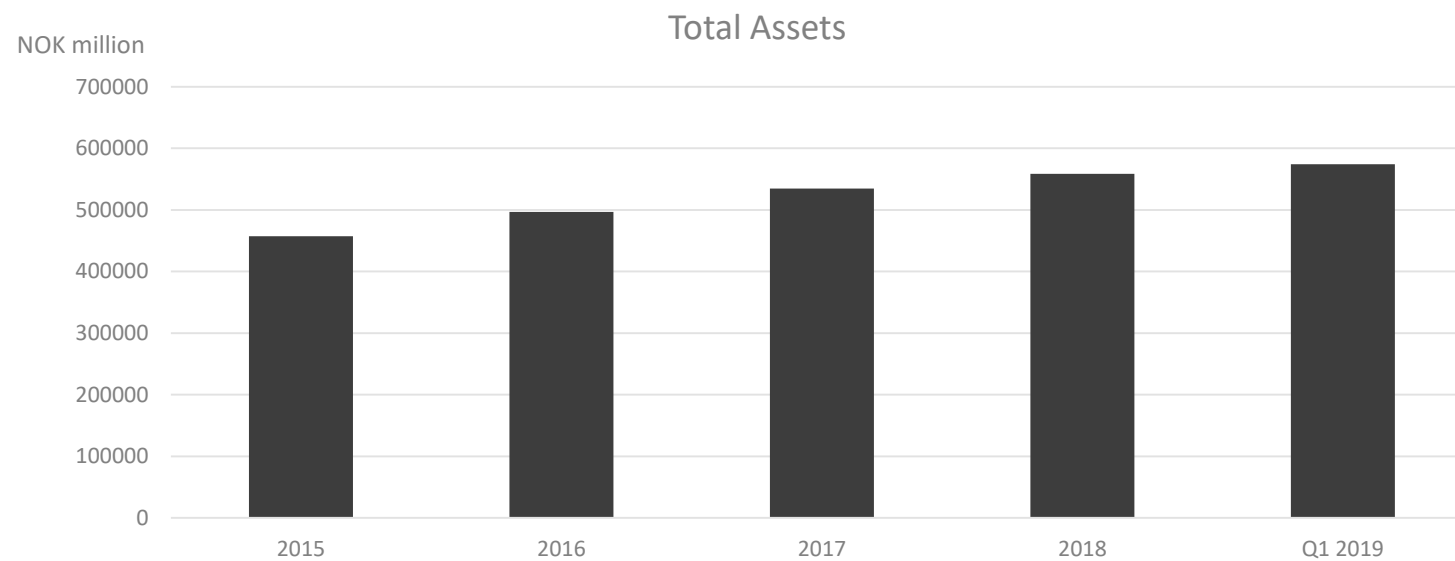
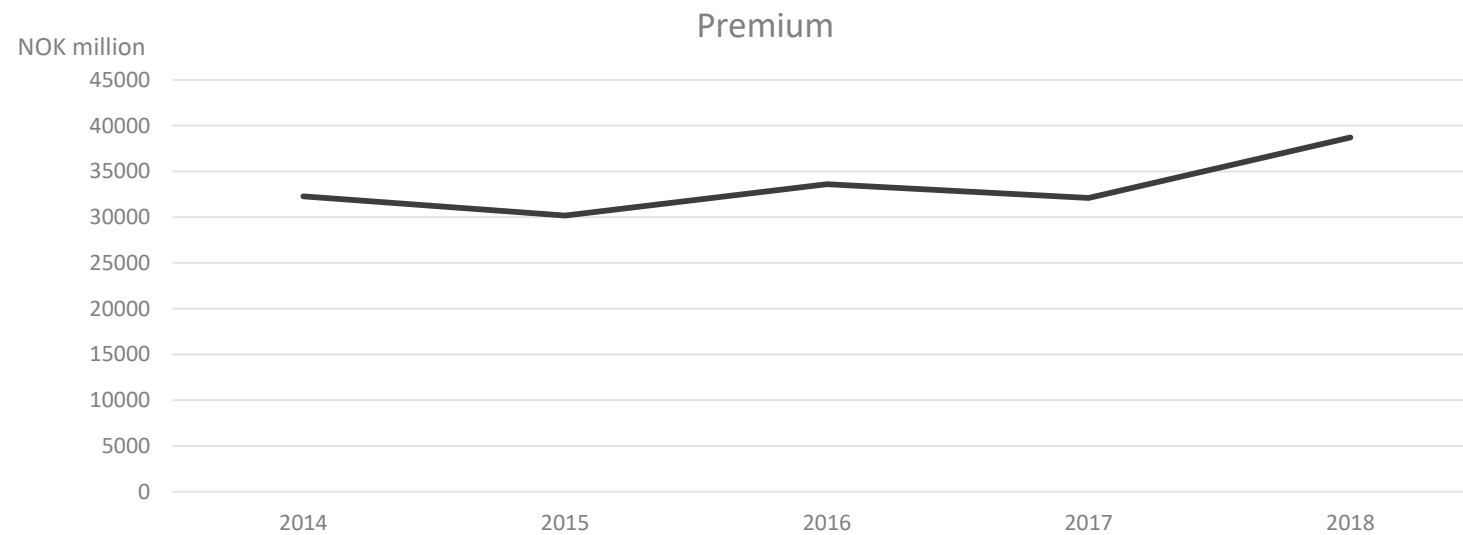
Assets



Own funds and liabilities

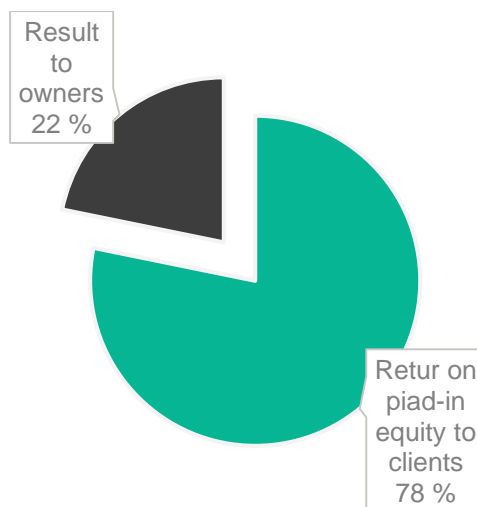


KLP Life

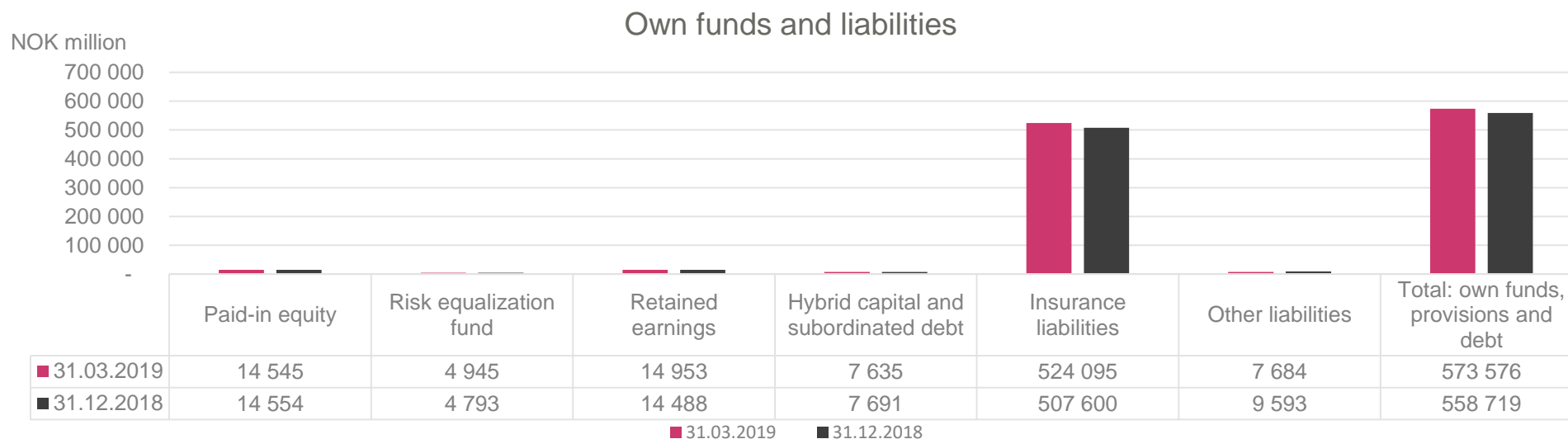
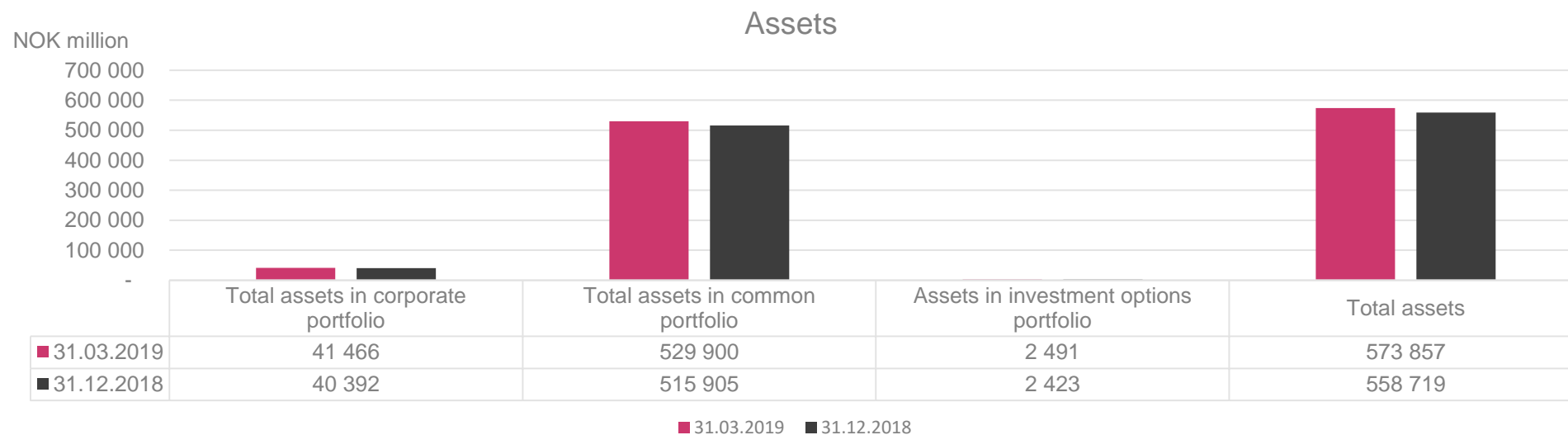


KLP – Appropriation of results

Nok million	Result Customers	Result Company	31.03.2019	31.12.2018
Interest result	2 109	48	2 157	5 207
Risk result	104	103	207	958
Premium interest rate guarantee		207	207	758
Administration result		48	48	137
Net income corporate portfolio		402	402	1 109
Tax		-146	-146	-624
Other result elements		-45	-45	-21
Total	2 213	617	2 829	7 524



KLP Life - Balance



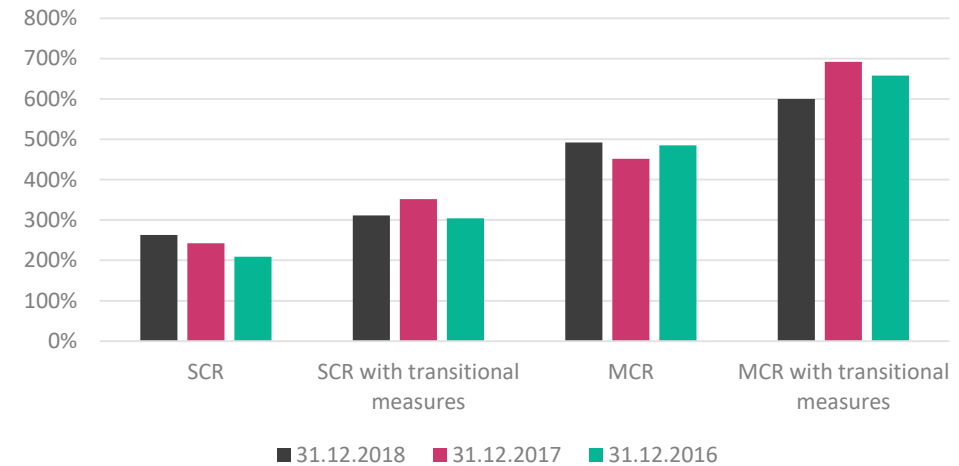
KLP Life - Solvency

- Solvency ratio Q1: 270* per cent
- Minimum solvency ratio Q1: 508* per cent

**without transitional measures*

	31.03.2019	31.12.2018	30.09.2018	30.06.2018
Solvency ratio (SCR)	270 %	263 %	274 %	253 %
Solvency ratio (SCR) with transitional measures	342 %	311 %	321 %	321 %
Minimum solvency ratio (MCR)	508 %	492 %	517 %	472 %
Minimum solvency ratio (MCR) with transitional measures	669 %	600 %	623 %	623 %

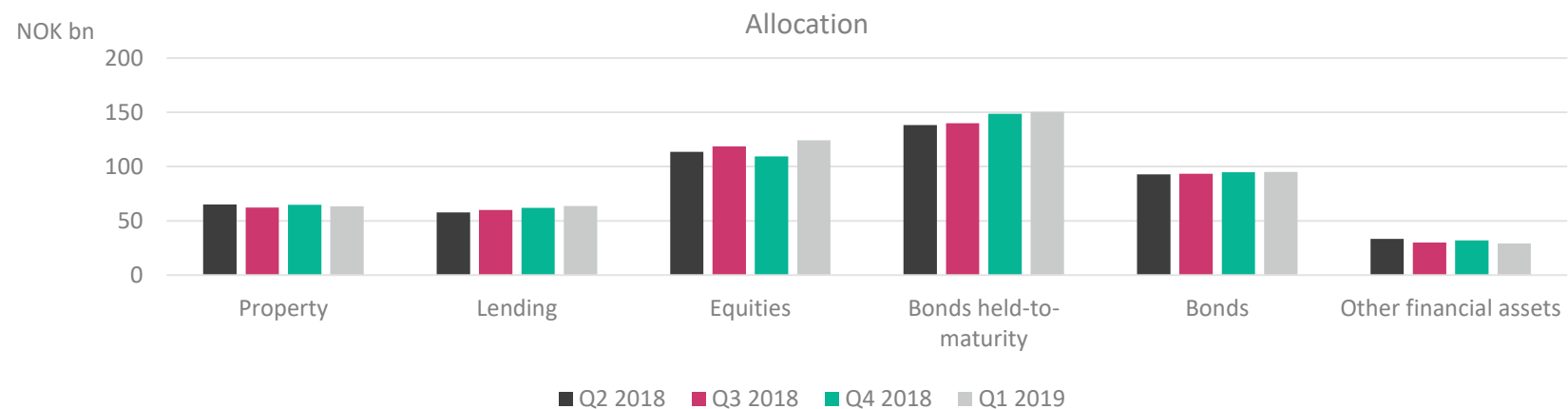
Solvency Ratio



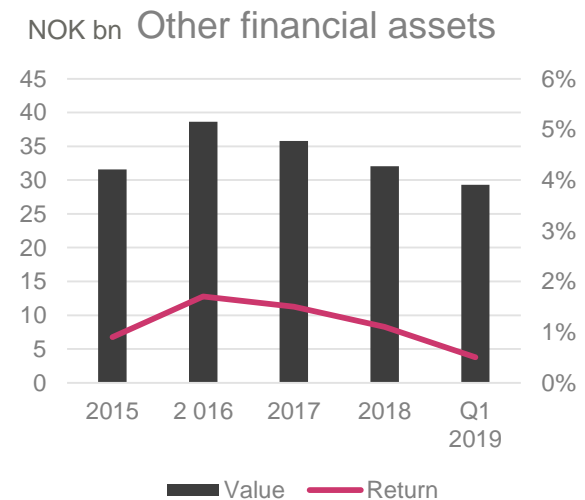
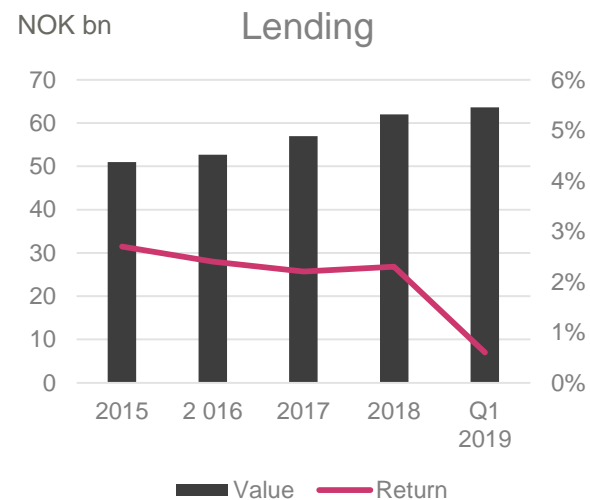
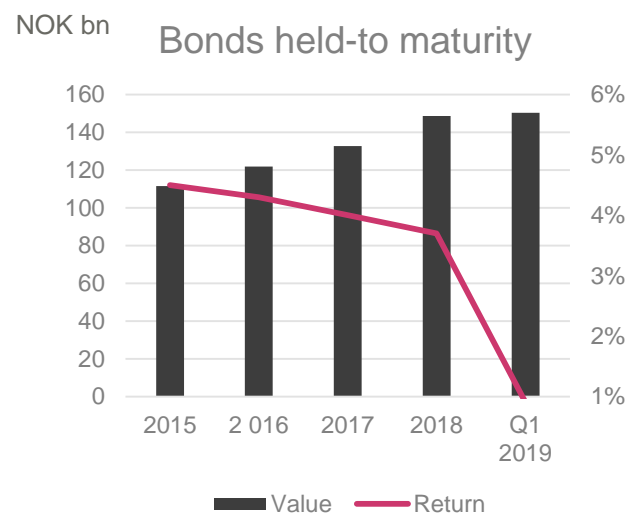
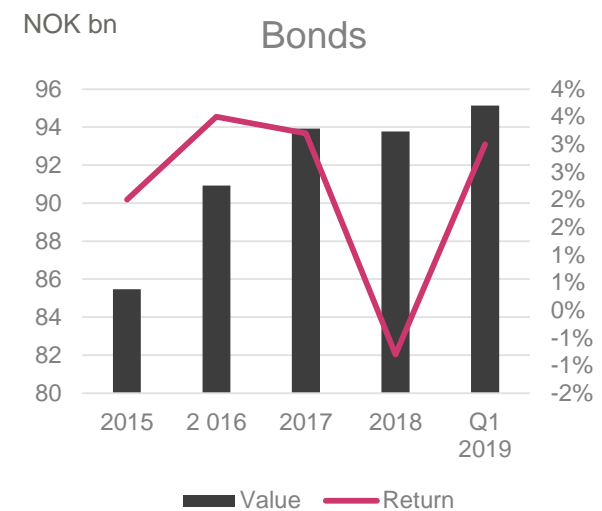
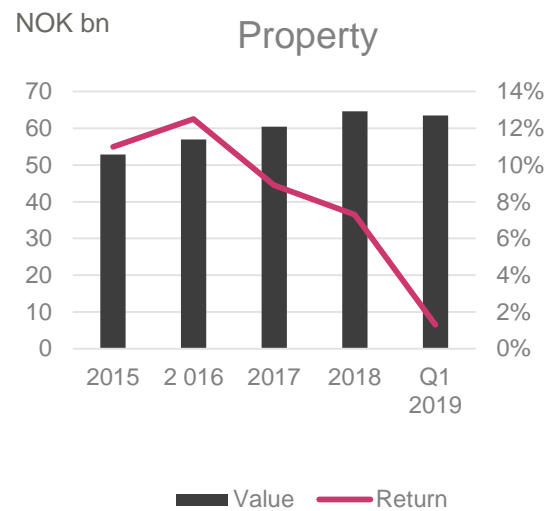
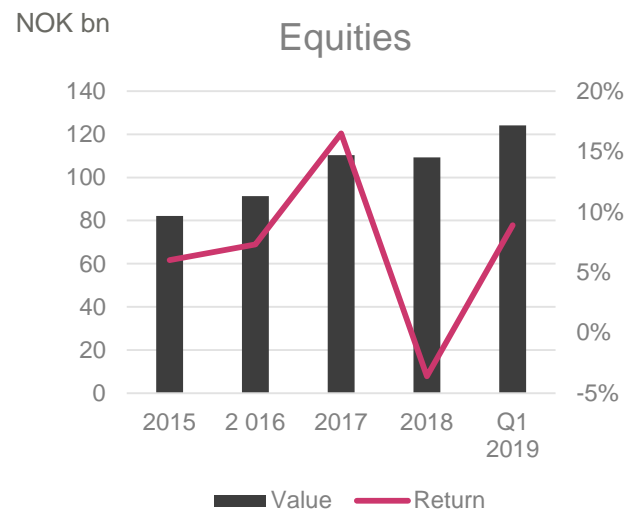
KLP Life - Common Portfolio

	Share*	Return	Share*	Return
	31.03.2019	31.03.2019	31.12.2018	31.12.2018
Equities	23.6 %	8.9 %	21.4 %	-3.6 %
Bonds	18.1 %	3.0 %	18.4 %	-0.8 %
Bonds held-to-maturity	28.6 %	0.9 %	29.1 %	3.7 %
Lending	12.1 %	0.6 %	12.1 %	2.3 %
Property	12.1 %	1.3 %	12.7 %	7.3 %
Other financial assets	5.6 %	0.5 %	6.3 %	1.1 %

*) Measured by exposure



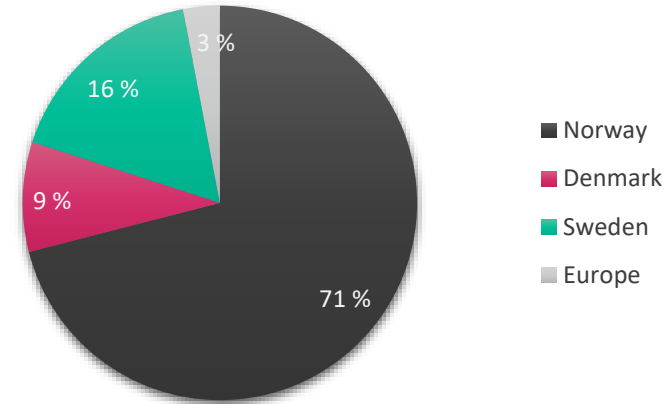
KLP Life - Allocation



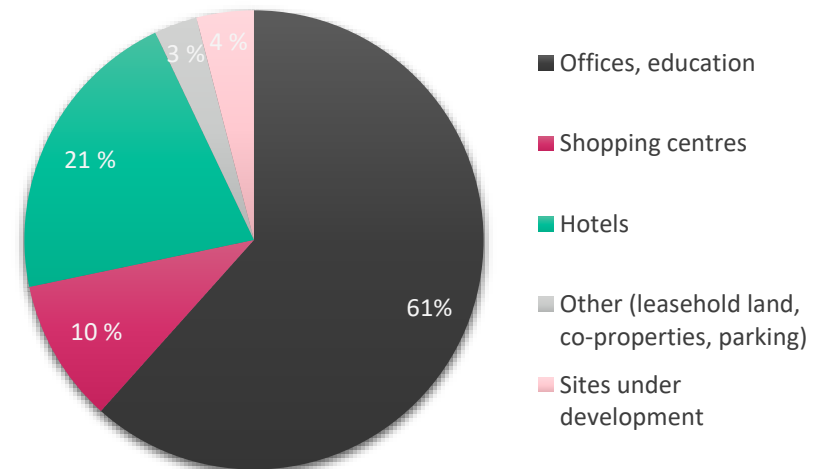
KLP Life - Property

- The portfolio written up by NOK 120 million (0.2 %) in Q1
- New investments / sales in 2018
 - None

Property value - by country



Property value - by sector



KLP Life – Property

NOK million	31.03.2019	31.12.2018	30.09.2018	30.06.2018
Fair value total portfolio*	66 076	65 788	63 798	62 788
Fair value common portfolio*	61 380	61 949	60 199	59 193

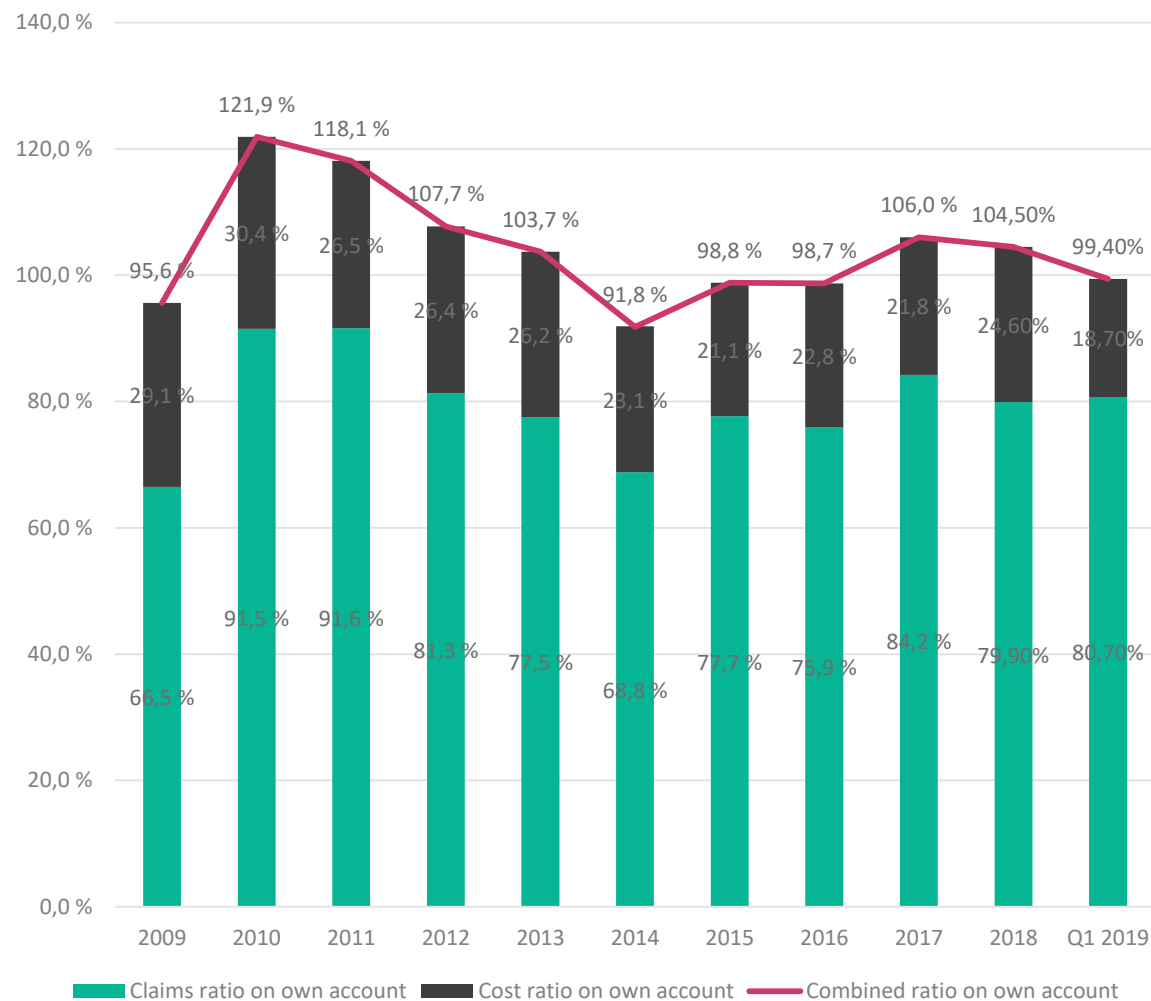
*Incl exchange-rate hedged and excl. property fund

	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Value adjustment in per cent	0.2 %	1.0 %	0.2 %	2.3 %
Value adjustment in per cent common portfolio	0.1 %	0.6 %	0.2 %	2.3 %
Total return common portfolio**	1.3 %	1.7 %	1.3 %	3.3 %

**Incl exchange-rate hedged and property fund

KLP Skadeforsikring (non-life insurance)

- Surplus of NOK 110 million in Q1
- None large injuries estimated over NOK 10 million.
- Some industries have unsatisfactory high claims rates
 - Motor, Public
 - Property Public
 - Group life
- Revenue recognition of previous years reserves of NOK 47 million, 2.7 per cent of reserves at the beginning of the year
- Financial income of NOK 107million in Q1 (2,5 per cent)
- Solvency ratio: 246 per cent



KLP Skadeforsikring (non-life insurance)

NOK million	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Premium written f.o.a.	350.0	326,0	321.4	314.2
Claims f.o.a.	-282.3	-300.5	-251.5	-260.4
Insurance related expenses	-65.6	-81.7	-50.8	-68.4
Other insurance related income	0.4	0,5	0.4	0.2
Result from technical activities	2.5	-55,5	19.5	-14.4
Result from investment activities	106.8	-32,7	49.6	63.1
Other income	0.2	0,1	0.1	0.1
Result from ordinary operation	109.5	-88,1	69.2	49.0
Estimated tax expense	-27.4	4,1	-16.2	-9.7
Other elements	-4.5	-1,1	0	0
Provisions for equity fund	-4.3	-10,1	-4.3	-10.0
Result after provisions for equity fund	73.3	-95,2	48.7	29.2

KLP Skadeforsikring (non-life insurance)

Revenues, NOK million	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Gross premium written	350	326	321	314
Premium income for own account	-282	-301	-252	-260
Claims paid for own account	-66	-82	-51	-68
Insurance related costs for own account	107	-33	50	63
Results	110	-88	69	49

Key figure balance sheet, NOK million	31.03.2019	31.12.2018	30.09.2018	30.06.2018
Financial assets	4 538	4 164	4 401	4 425
Total assets	4 985	4 495	4 694	4 822
Equity	1 853	1 775	1 861	1 807
Provisions in insurance funds for own account	2 662	2 262	2 400	2 505

KLP Bedriftspensjon – main figures

NOK million	Q1 2018	Q4 2018	Q3 2018	Q2 2018
Interest result	3.3	2.8	5,4	8.4
Risk result	1.7	11.3	-5,4	-2.8
Administration result	-9.6	-10.3	-6,8	-10.6
Interest rate guarantee and profit element	2.9	2.5	2,2	2.2
Non-technical result	4.9	0.8	2,3	2.5
Other profit elements	-0.7	-0.3	0	0
Total result	2.5	6.9	-2,4	-0.2
Of which result to clients	4.0	2.8	6,1	7.9
Result to owner	-1.4	4.1	-8,5	-8.2

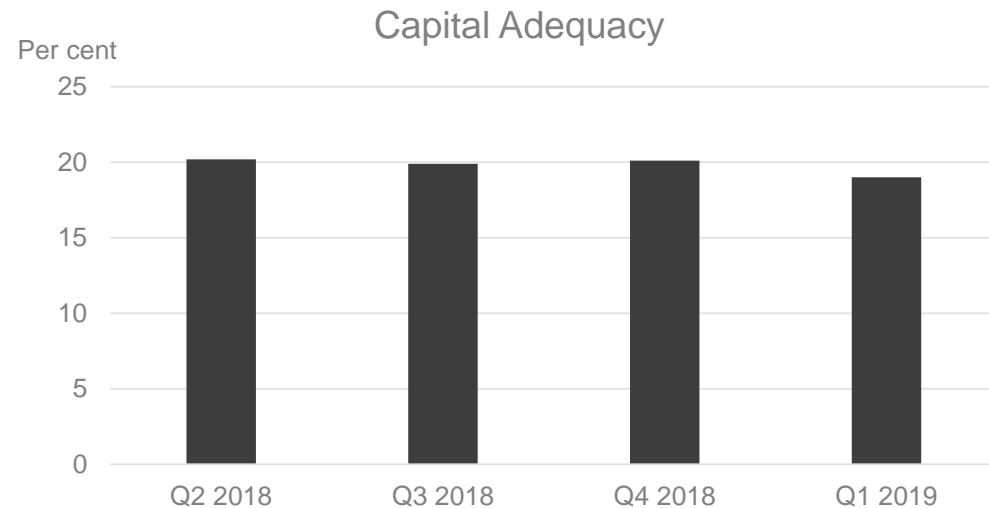
KLP Bedriftspensjon – return and solvency

	31.03.2019	31.12.2018	30.09.2018	30.06.2018
Common portfolio				
Book	0.8 %	4.51 %	3,57 %	2.55 %
Value adjusted	1.2 %	3.02 %	2,38 %	1.41 %
Investment options portfolio	7.4 %	-3.80 %	4,47 %	1.13 %
Corporate portfolio	1.0 %	1.11 %	0,96 %	0.50 %
	31.03.2019	31.12.2018	30.09.2018	30.06.2018
Solvency ratio (scr)	140 %	150 %	133 %	128 %
Kapitaldekning (scr) with transitional measures	289 %	308 %	295 %	290 %
Minimum solvency ratio (mcr)	312 %	333 %	295 %	285 %
Minimum solvency ratio (mcr) with transitional measures	642 %	684 %	659 %	669 %
NOK million	31.03.2019	31.12.2018	30.09.2018	30.06.2018
Value adjustment fund	13.1	7.9	12,5	12.9
Supplementary reserves	111.7	111.4	104,8	105.0
Solvency capital	672.4	646.3	640,9	665.8

KLP Bank-group – main figures

- Retail market: 64 700 clients, net increase of 1 800 clients.
- The Group's capital adequacy ratio is 19.0%, which is well above the ICAAP of 17.6%. In addition, there is an internal requirement of 0.5% buffer over ICAAP.

NOK million	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Net interest revenues	66.0	65.3	60,6	58.0
Net fee – and commissions income	4.1	4.9	4,0	4.6
Management fees	14.8	14.5	14,5	14.5
Operating cost	-57.5	-66.3	-46,3	-56.3
Value changes financial instruments	-3.4	-7.7	-4,7	-1.6
Pre-tax earnings	24.0	10.8	28,1	19.2
Total assets	38 586	37 089	36 468	35 817



KLP Bank-group – main figures

KLP Kommunekreditt, NOK million	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Net interest revenues	14.5	14.6	17.6	14.4
Operating cost	-4.6	-4.4	-2.9	-3.9
Value changes financial instruments	-5.6	-5.8	-1.1	-1.5
Pre-tax earnings	4.3	4.4	13.6	9.0
Total assets	19 007	18 206	17 880	17 820
KLP Banken, NOK million	Q1 2019	Q4 2018	Q3 2018	Q3 2018
Net interest revenues	36.0	35.3	29.5	31.0
Net fee – and commissions income	4.1	4.9	4.0	4.5
Management fees	14.8	14.5	14.5	14.5
Operating cost	-41.9	-47.9	-33.2	-41.4
Value changes financial instruments	1.8	-0.1	-1.7	-0.3
Pre-tax earnings	14.8	6.7	13.1	8.3
Total assets	14 150	13 868	13 614	13 545
KLP Boligkreditt, NOK million	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Net interest revenues	15.6	15.3	13.5	12.7
Operating cost	-11.0	-13.9	-10.2	-11.0
Value changes financial instruments	0.4	-0.3	-1.9	0.3
Pre-tax earnings	4.9	1.2	1.4	2.0
Total assets	7 743	7 669	7 340	7 721

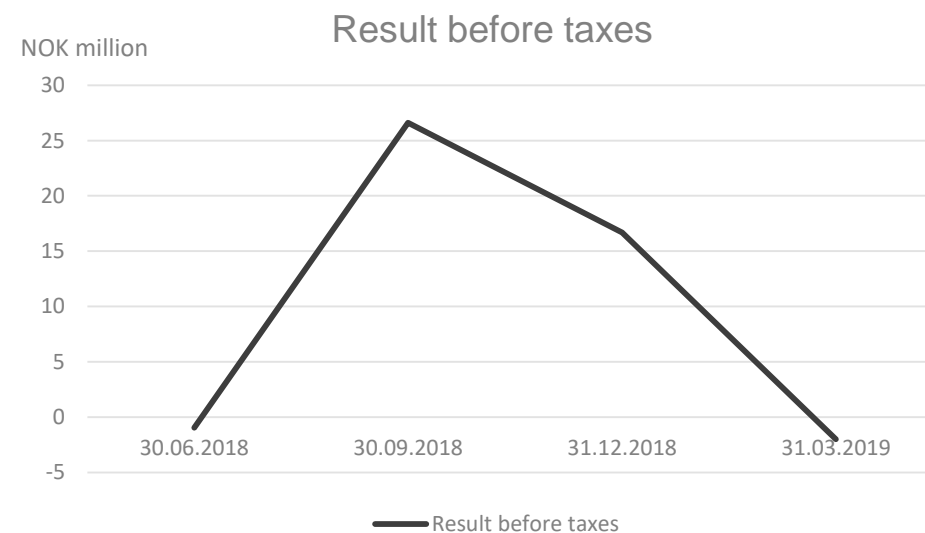
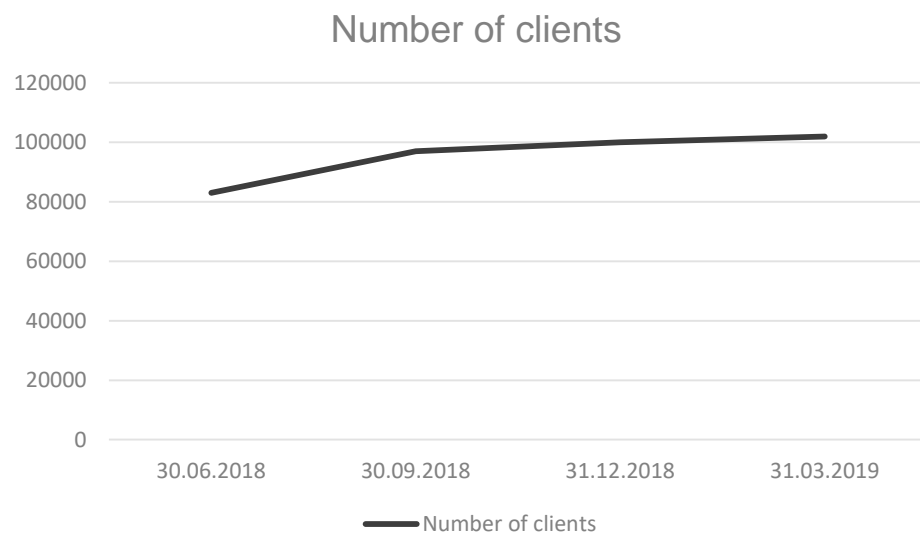
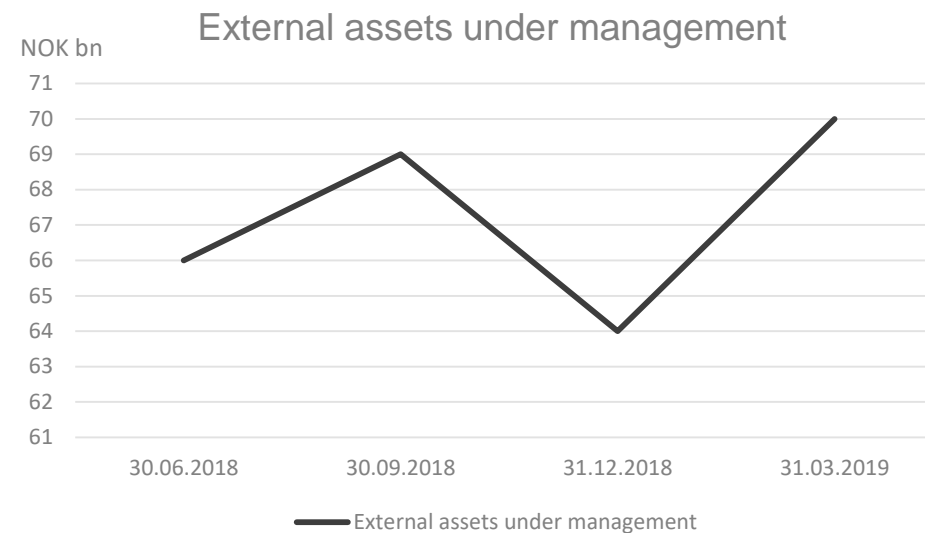
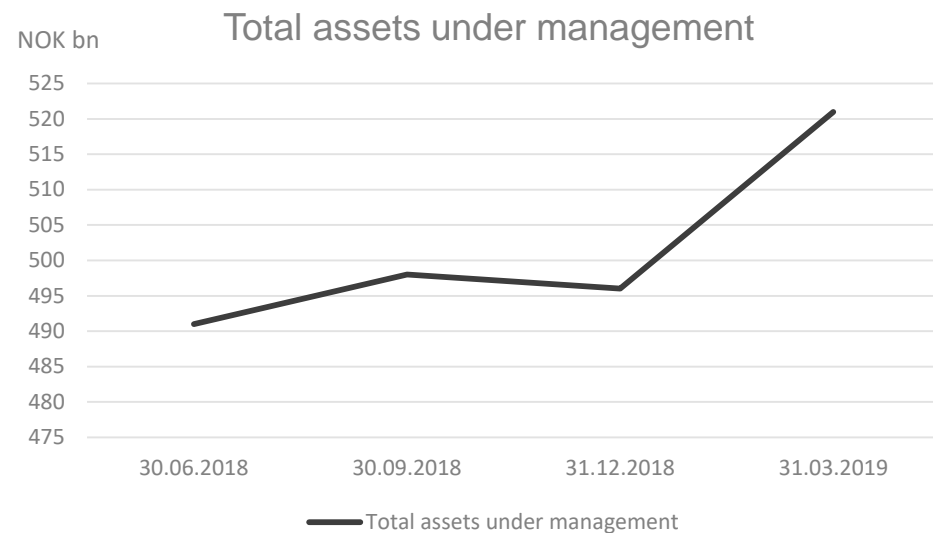
KLP Bank-group – lending and deposits

Mortgage loans, NOK billion	31.03.2019	31.12.2018	30.09.2018	30.06.2018
KLP Banken AS	9.9	9.5	9.4	8.2
KLP Boligkreditt AS	7.1	7.2	6.8	7.6
KLP (Management agreement)	2.9	3.0	3.0	3.1
Total	19.9	19.6	19.2	18.8

Public sector loans, NOK billion	31.03.2019	31.12.2018	30.09.2018	30.06.2018
KLP Kommunekreditt AS	16.7	16.8	16.2	16.3
KLP (Management agreement)	42.8	51.0	49.4	47.2
KLP (currency loans)	9.0	8.0	7.6	7.4
Total	68.3	75.6	73.1	70.8

Deposits, NOK billion	31.03.2019	31.12.2018	30.09.2018	30.06.2018
KLP Banken AS	11.0	10.7	10.5	10.2
Total	11.0	10.7	10.5	10.2

KLP Kapitalforvaltning (Asset management)



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