

# Financial results Q1 2017

## KLP Group

Oslo, 11th May 2017



KLP

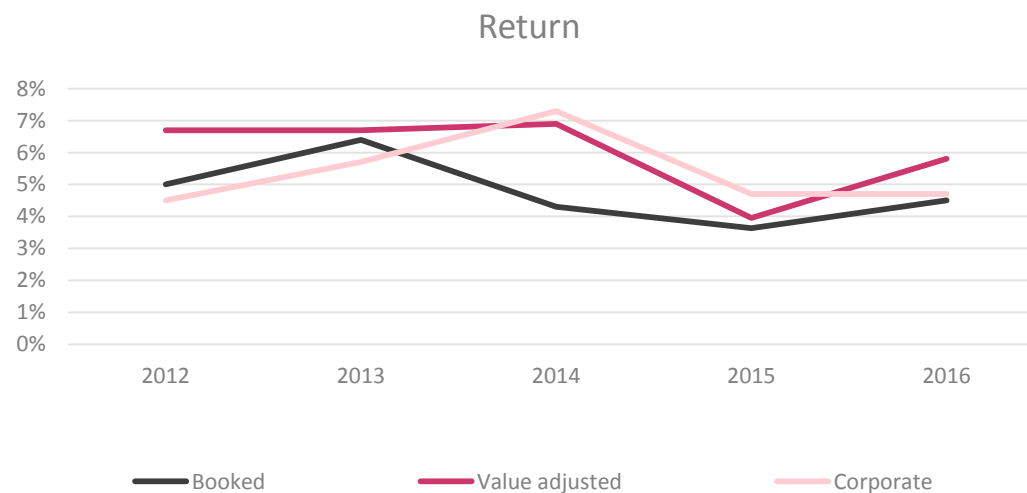
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# Main features

- Total group assets: NOK 612 billion
- Common portfolio of life company:
  - Book return of 0.6 per cent
  - Value adjusted return of 1.7 per cent
- Corporate portfolio returned 0.9 per cent
- Solvency ratio: 214 per cent

	Q1 2017	Q4 2016	Q3 2016	Q2 2015
Common portfolio				
Booked return	0.6 %	0.9 %	1.3 %	1.1 %
Value adjusted return	1.7 %	1.4 %	1.7 %	1.7 %
Value adjusted return incl. HTM bonds/bonds booked at amortised costs	1.9 %	0.5 %	1.5 %	1.8 %
Investment options portfolio	1.8 %	1.7 %	1.8 %	1.7 %
Corporate portfolio	0.9 %	0.7 %	1.2 %	1.7 %



## KLP Group – results by segment

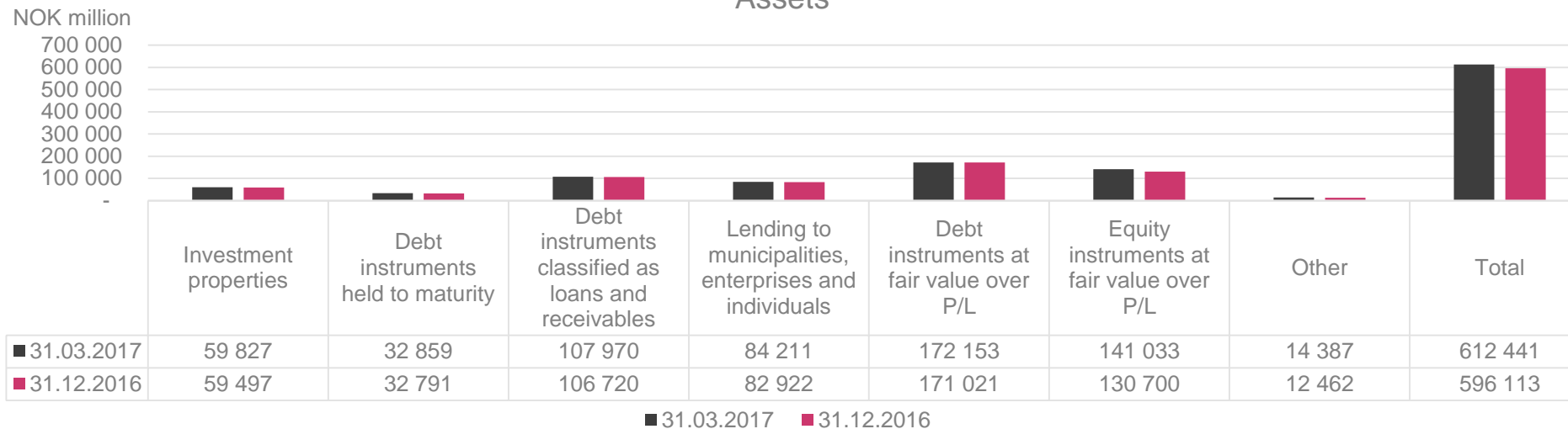
NOK million	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Life insurance	689	294	589	688
Non-life insurance	50	69	70	66
Banking	23	0,6	33	38
Asset management	17	1	15	7
Other	0	0	0	1
<b>Group result before tax</b>	<b>779</b>	<b>364</b>	<b>707</b>	<b>800</b>

## KLP Group – main figures - results

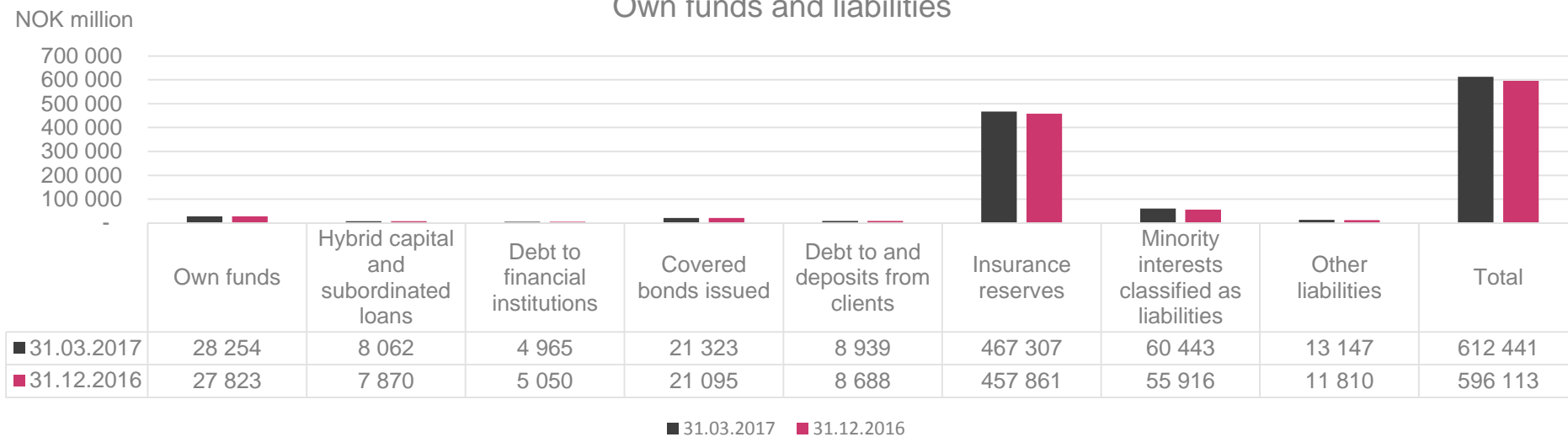
NOK million	31.03.2017	31.12.2016
Pension premiums and incoming transfers	7 073	38 497
- of which premium reserves transferred from another company	386	3 434
Allocated investment income	10 790	30 888
Minority share of return of financial instruments	-2 349	-3 061
Claims f.o.a.	-4 777	-17 370
- of which premium reserves transferred to another company	-238	-158
Insurance provisions	-4 185	-27973
Interest expenses and value adjustments subordinated loans and subordinated bonds	-192	382
Operating cost	-400	-1 756
Other income and cost	0	-12
<b>Technical result</b>	<b>5 962</b>	<b>19 594</b>
To/from value adjustment fund life insurance	-5 102	-6 876
To/from supplementary reserves life insurance	-	-4 026
Surplus allocated Life insurance clients	-81	-6 244
<b>Group result pre-tax</b>	<b>779</b>	<b>2 449</b>
Tax	-389	359
Other profit/loss elements	4	47
<b>Group result pre-tax</b>	<b>394</b>	<b>2 855</b>

# KLP Group - Balance

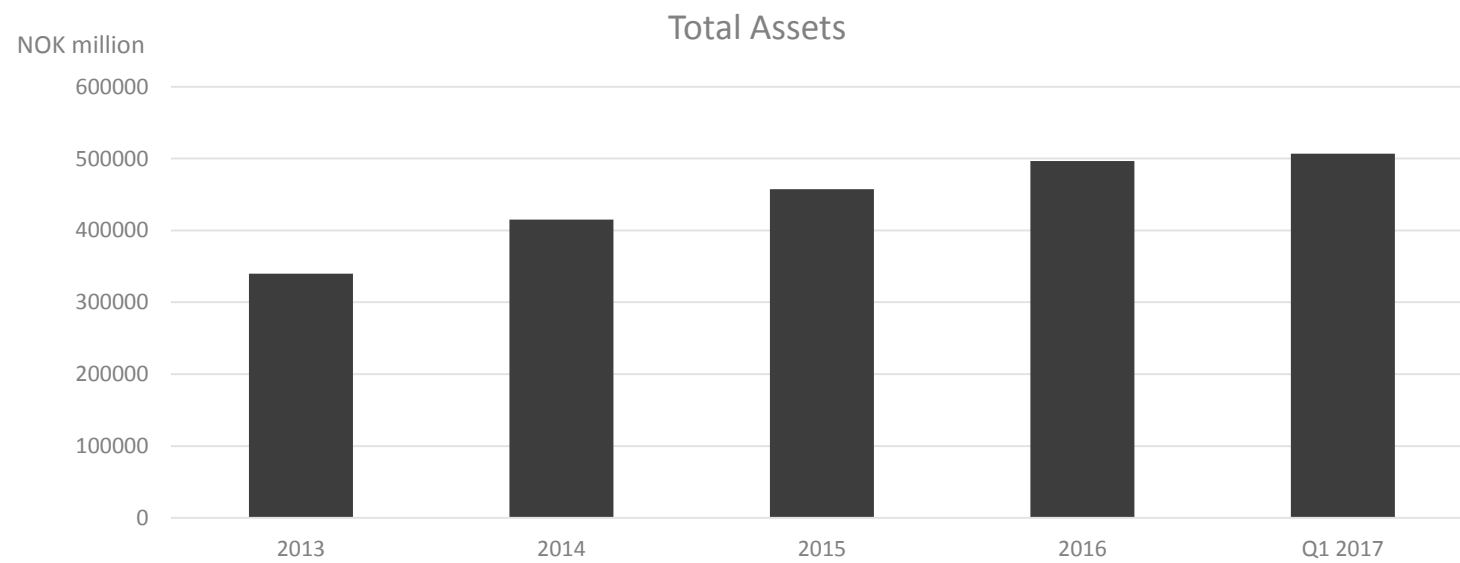
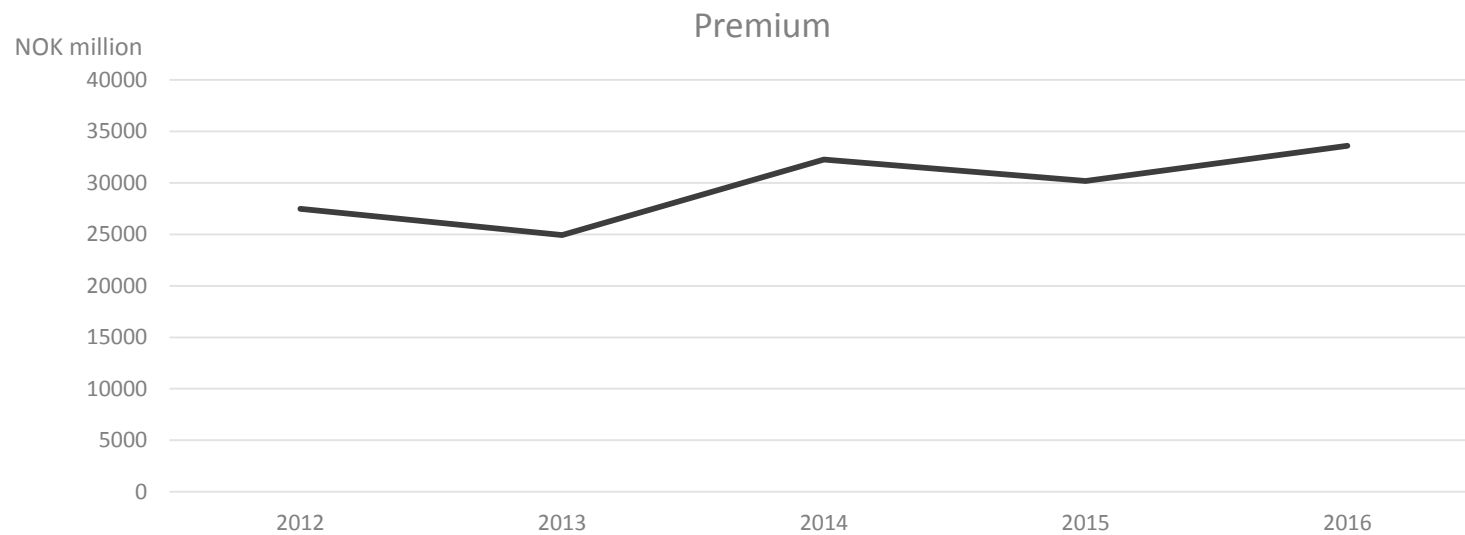
## Assets



## Own funds and liabilities

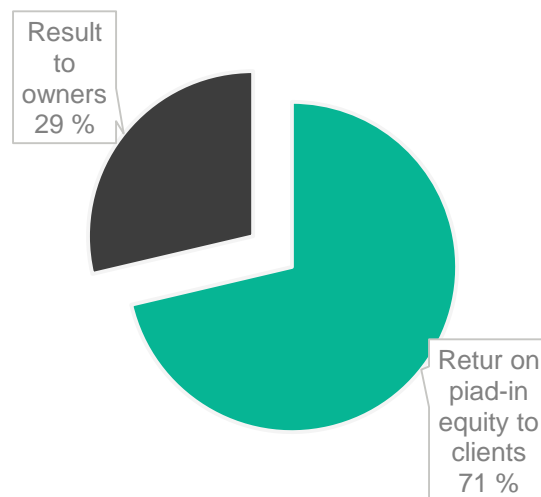


# KLP Life



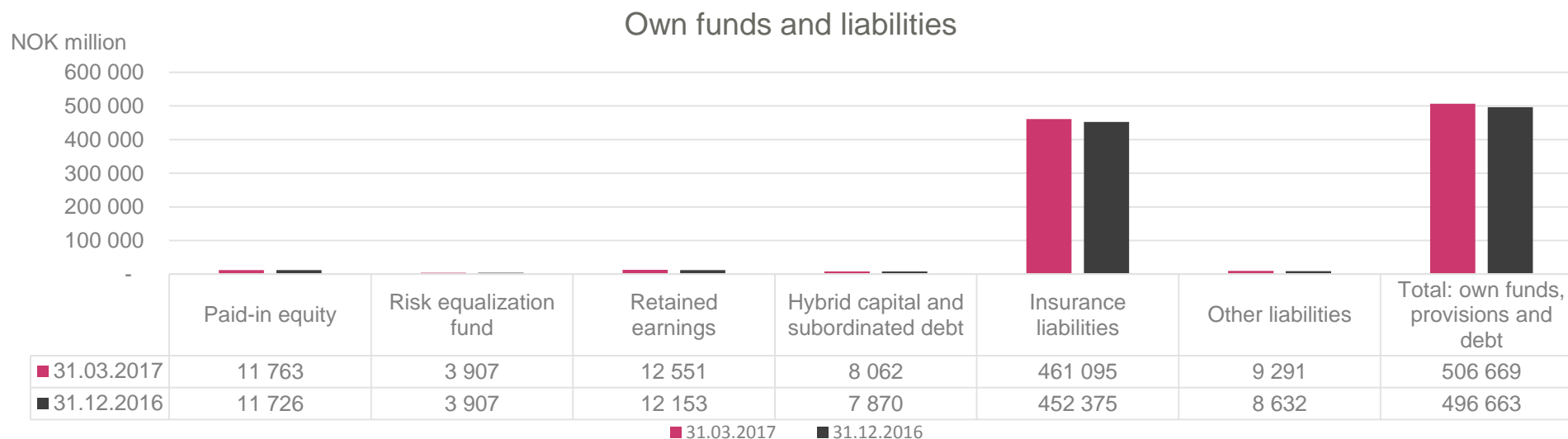
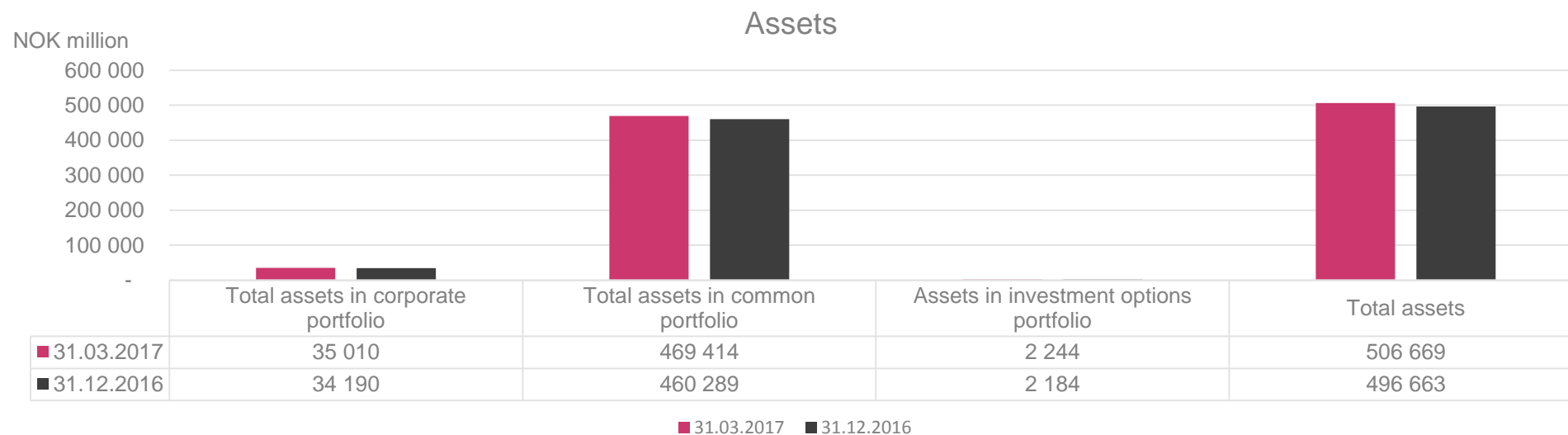
## KLP – Appropriation of results

Nok million	Result Customers	Result Company	31.03.2017	31.12.2016
Interest result	110	29	139	8 094
Risk result	50	50	100	784
Premium interest rate guarantee		176	176	690
Administration result		32	32	-50
Net income corporate portfolio		188	188	945
Tax		-77	-77	773
Other result elements		-	-	-24
<b>Total</b>	<b>160</b>	<b>398</b>	<b>559</b>	<b>11 213</b>





# KLP Life - Balance

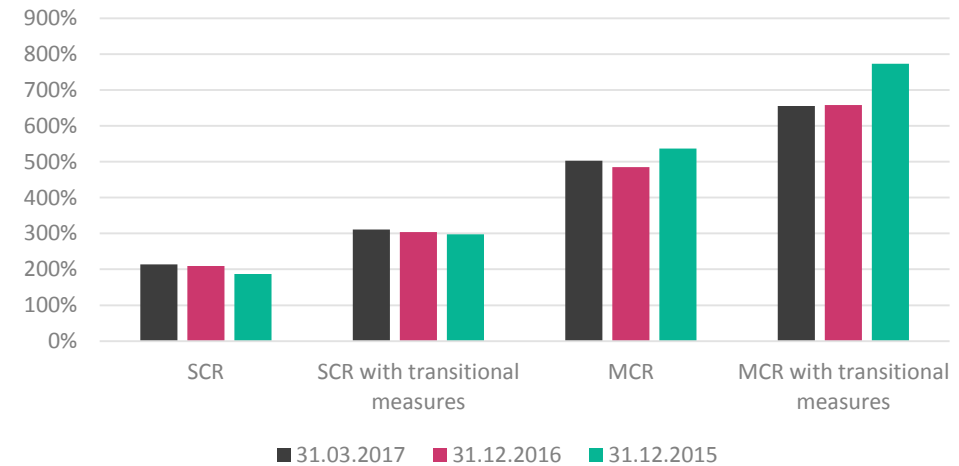


# KLP Life - Solvency

- Solvency ratio Q1: 214\* per cent
- Minimum solvency ratio Q1: 503\* per cent
- \*without transitional measures

	31.03.2017	31.12.2016	30.09.2016	30.06.2016
Solvency ratio (SCR)	214 %	209 %	208 %	189 %
Kapitaldekning (SCR) with transitional measures	311 %	304 %	359 %	343 %
Minimum solvency ratio (MCR)	503 %	485 %	586 %	534 %
Minimum solvency ratio (MCR) with transitional measures	655 %	658 %	861 %	843 %

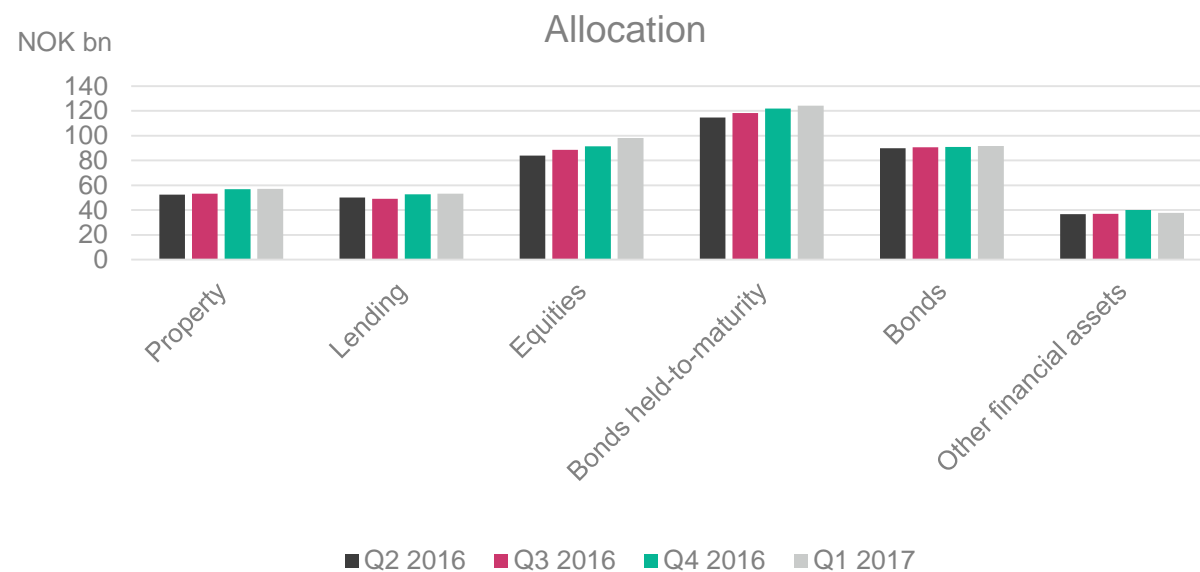
Solvency Ratio



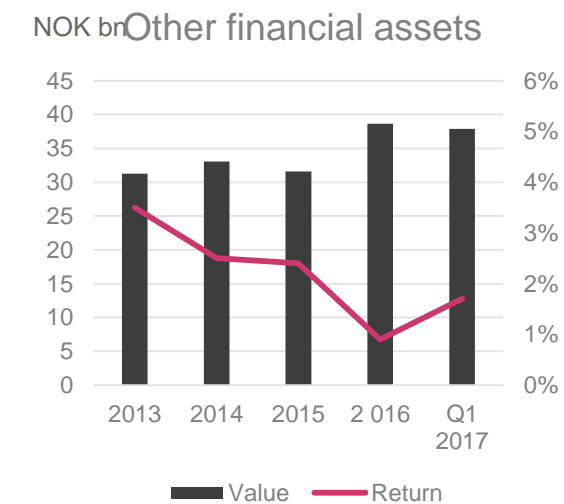
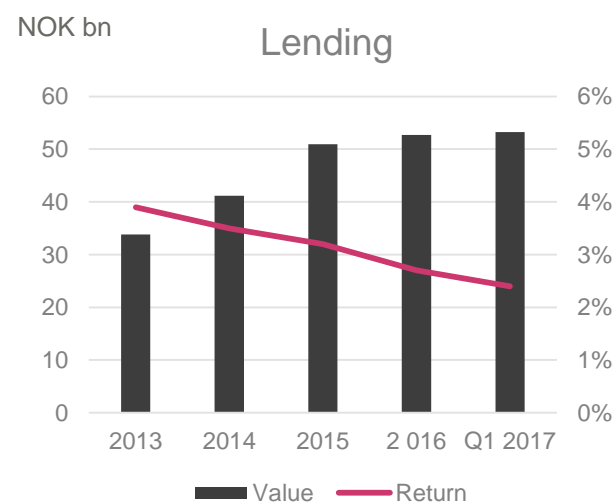
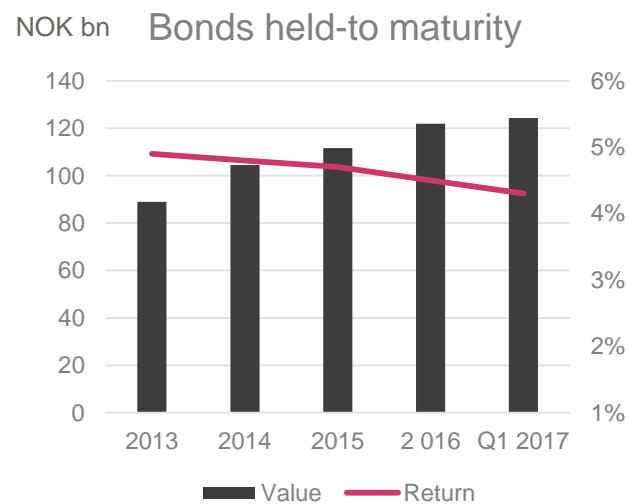
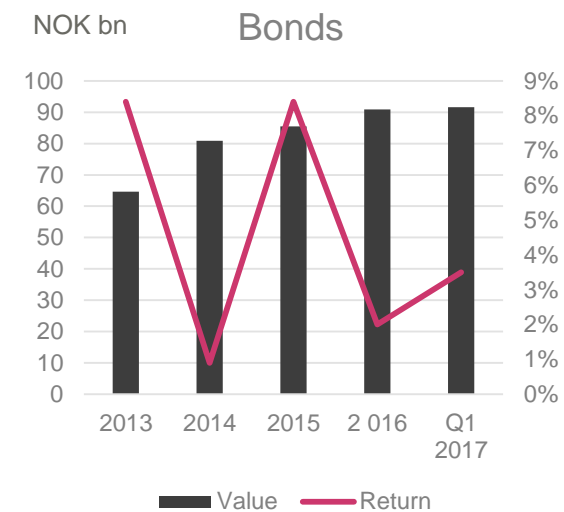
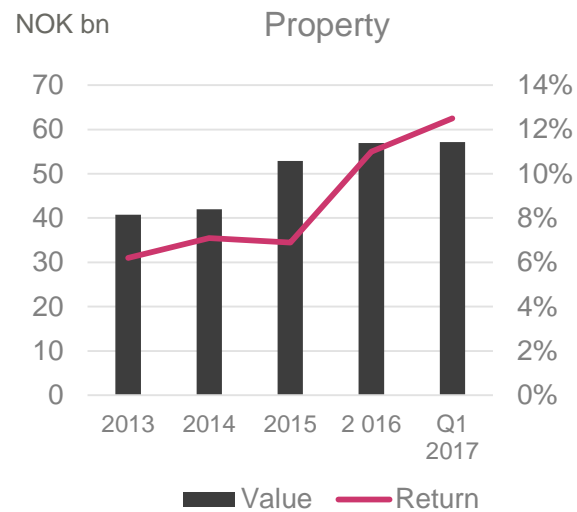
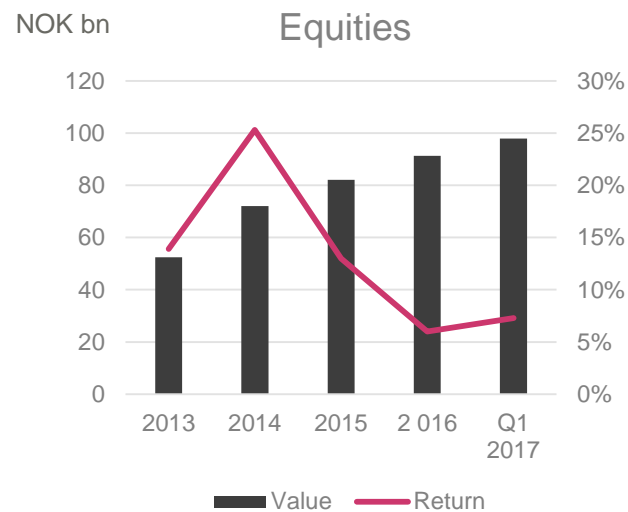
# KLP Life - Common Portfolio

	Share*	Return	Share*	Return
	31.03.2017	31.03.2017	31.12.2016	31.12.2016
Equities	21.2 %	4.4 %	20.1 %	7.3 %
Bonds	19.8 %	0.8 %	20.0 %	3.5 %
Bonds held-to-maturity	26.9 %	1.0 %	26.8 %	4.3 %
Lending	11.5 %	0.6 %	11.6 %	2.4 %
Property	12.4 %	1.0 %	12.5 %	12.5 %
Other financial assets	8.2 %	0.5 %	8.9 %	1.7 %

\*) Measured by exposure



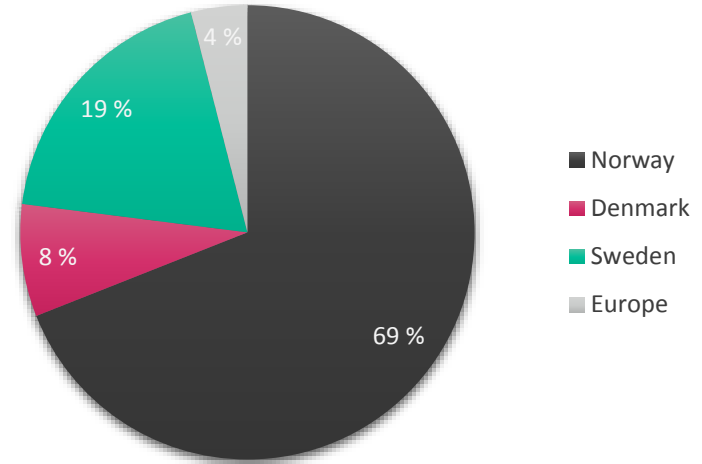
# KLP Life - Allocation



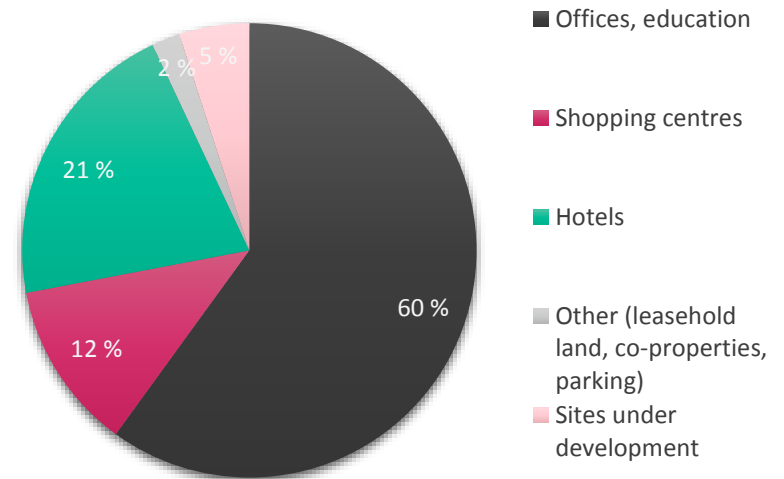
# KLP Life - Property

- The portfolio written down by NOK 20 millioner (-0,0%) in Q1
- No investments / sales in Q1 2017

Property value - by country



Property value - by sector



# KLP Life – Property

NOK million	31.03.2017	31.12.2016	30.09.2016	30.06.2016
Fair value total portfolio*	59 111	58 840	55 805	55 016
Fair value common portfolio*	55 580	55 307	52 316	51 587

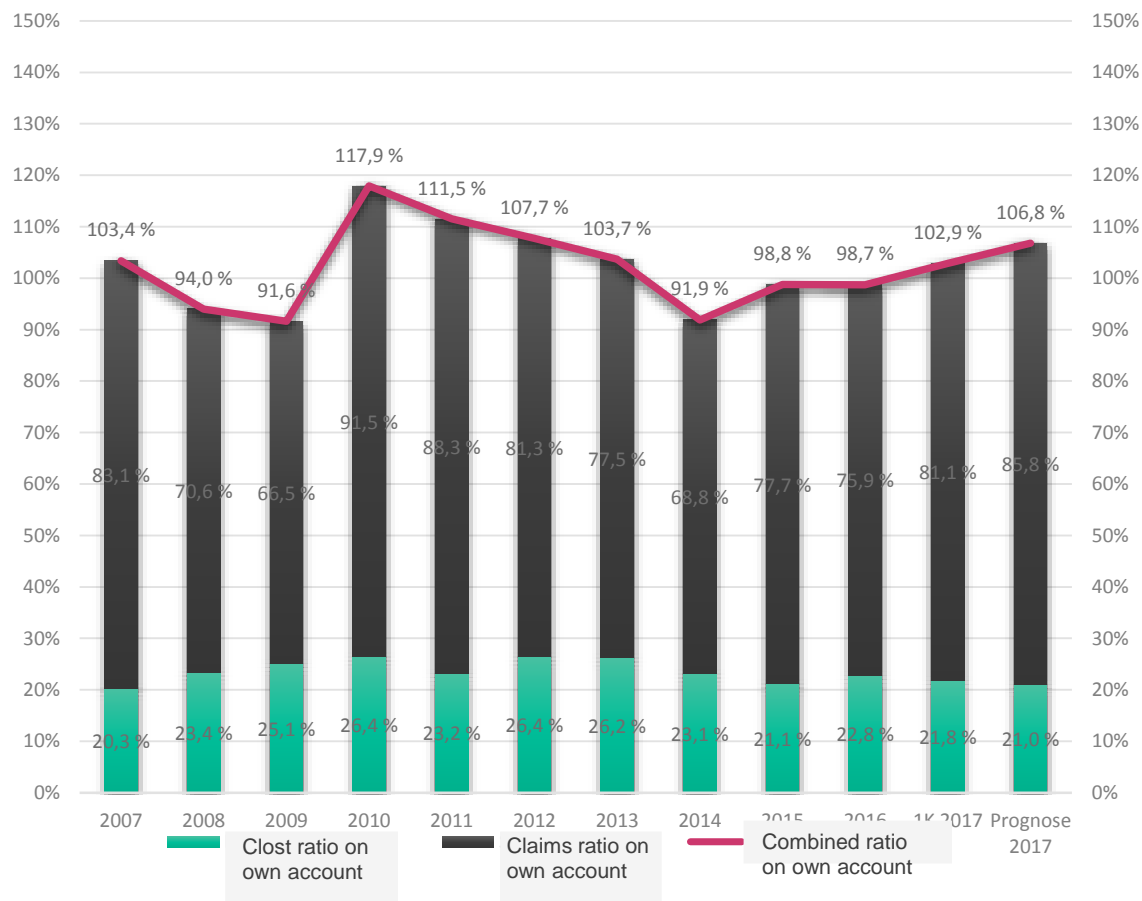
\*Incl exchange-rate hedged and excl. property fund

	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Value adjustment in per cent	0,0 %	3.2 %	1.5 %	2.2 %
Value adjustment in per cent common portfolio	0,0 %	3.3 %	1.5 %	1.9 %
Total return common portfolio**	1,0 %	4.3 %	2.6 %	3.2 %

\*\*Incl exchange-rate hedged and property fund

# KLP Skadeforsikring (non-life insurance)

- Operating result Q1 NOK 49,7 million
- Growth in all segments - gross premium stock increased by 3.9% since 31.12.16
- One injurie over 10 million in Q1
- Revenue recognition of previous years reserves of NOK 33.5 million
- Financial result 1.4 per cent in Q1



## KLP Skadeforsikring (non-life insurance)

NOK million	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Premium written f.o.a.	304.5	298.3	291.4	284.1
Claims f.o.a.	-247.0	-186.0	-238.8	-235.8
Insurance related expenses	-66.4	-83.9	-56.6	-57.2
Other insurance related income	0.5	-9.2	0.2	0.4
<b>Result from technical activities</b>	<b>-8.4</b>	<b>19.2</b>	<b>-3.8</b>	<b>-8.6</b>
Result from investment activities	57.9	50.5	73.0	75.2
Other income	0.1	0.1	0.1	0.1
<b>Result from ordinary operation</b>	<b>49.6</b>	<b>69.8</b>	<b>69.4</b>	<b>66.8</b>
Estimated tax expense	-9.0	-6.2	-14.8	-14.1
Other elements	0	5.1	-0.9	0.0
Provisions for equity fund	-13.7	-0.7	-10.1	-10.3
<b>Result after provisions for equity fund</b>	<b>26.9</b>	<b>68.0</b>	<b>43.6</b>	<b>42.4</b>



## KLP Skadeforsikring (non-life insurance)

Revenues, NOK million	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Gross premium written	305	298	291	284
Premium income for own account	-247	-186	-239	-236
Claims paid for own account	-66	-83	-57	-57
Insurance related costs for own account	58	50	73	75
<b>Results</b>	<b>50</b>	<b>70</b>	<b>69</b>	<b>67</b>
Key figure balance sheet, NOK million	31.03.2017	31.12.2016	30.09.2016	30.06.2016
Financial assets	4 302	4 111	4 204	4 189
Total assets	4 731	4 489	4 522	4 568
Equity	1 752	1 712	1 809	1 755
Provisions in insurance funds for own account	2 481	2 125	2 264	2 359

## KLP Bedriftspensjon – main figures

NOK million	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Interest result	-2.6	17.8	4.6	6.1
Risk result	-4.1	2.2	3.8	-0.6
Administration result	-9.1	-13.9	-5.8	-5.2
Interest rate guarantee and profit element	1.6	1.8	1.9	1.9
Non-technical result	2.1	0.2	2.1	2.6
Other profit elements	0	0.9	-0.1	0.0
<b>Total result</b>	<b>-12.1</b>	<b>9.0</b>	<b>6.5</b>	<b>4.8</b>
Of which result to clients	0	23.0	7.7	5.4
Result to owner	-12.1	-17.0	-2.6	-2.2
Reserve Management from equity	0	3.0	1.5	1.5

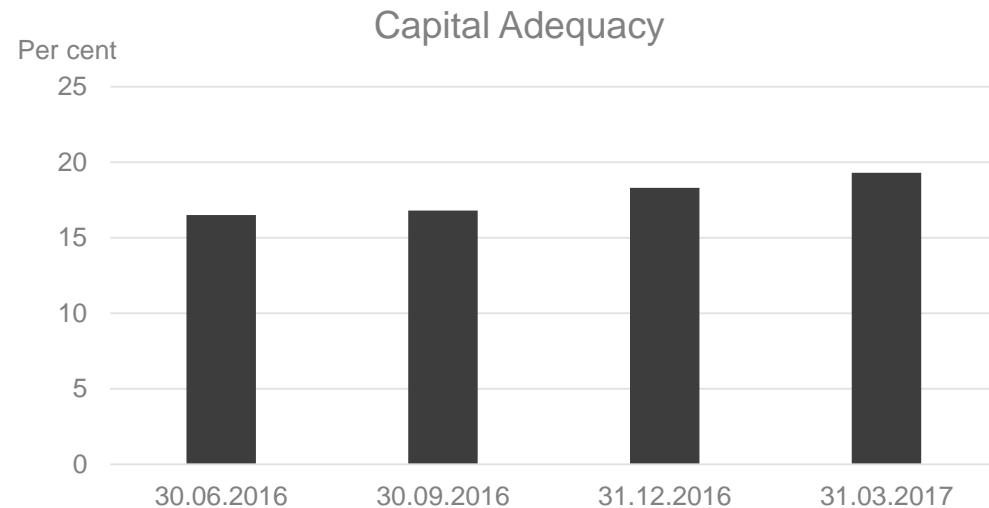
## KLP Bedriftspensjon – return and solvency

	31.03.2017	31.12.2016	30.09.2016	30.06.2016
<b>Common portfolio</b>				
Book	0.6 %	5.3 %	3.3 %	2.2 %
Value adjusted	1.2 %	5.8 %	4.4 %	2.8 %
<b>Investment options portfolio</b>	2.6 %	7.0 %	4.4 %	1.8 %
<b>Corporate portfolio</b>	0.7 %	2.4 %	2.3 %	1.7 %
	31.03.2017	31.12.2016	30.09.2016	30.06.2016
<b>Solvency ratio (scr)</b>	33 %	22 %	98 %	69 %
<b>Kapitaldekning (scr) with transitional measures</b>	223 %	253 %	382 %	319 %
<b>Minimum solvency ratio (mcr)</b>	47 %	19 %	184 %	134 %
<b>Minimum solvency ratio (mcr) with transitional measures</b>	559 %	657 %	816 %	804 %
<b>NOK million</b>	31.03.2017	31.12.2016	30.09.2016	30.06.2016
<b>Value adjustment fund</b>	77	66.8	75.1	67.3
<b>Supplementary reserves</b>	47.5	47.6	37.3	37.5
<b>Solvency capital</b>	483.3	479.4	516.9	516.3

## KLP Bank-group – main figures

- Retail market: 49 000 clients
- The Group's capital adequacy ratio is 19.3%, which is well above the ICAAP of 17.1%. This requirement increase to 17.6% at year end. In addition, there is an internal requirement of 0.5% buffer over ICAAP.

NOK million	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Net interest revenues	51.4	45.0	49.1	49.4
Net fee – and commissions income	2.6	2.8	2.9	2.4
Management fees	14.3	14.3	14.3	14.2
Operating cost	-48.6	-54.1	37.2	-36.3
Value changes financial instruments	3.7	-7.4	3.6	8.5
<b>Pre-tax earnings</b>	<b>23.2</b>	<b>0.6</b>	<b>32.7</b>	<b>38.1</b>
<b>Total assets</b>	<b>34 383</b>	<b>34 382</b>	<b>34 949</b>	<b>34 145</b>



## KLP Bank-group – main figures

KLP Kommunekreditt, NOK million	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Net interest revenues	18.6	14.1	17.2	17.8
Operating cost	-4.5	-6.1	-3.8	-4.1
Value changes financial instruments	2.4	-6.8	2.5	5.1
<b>Pre-tax earnings</b>	<b>16.4</b>	<b>1.2</b>	<b>16.0</b>	<b>18.8</b>
Total assets	19 101	19 516	20 426	19 972
KLP Banken, NOK million	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Net interest revenues	23.4	23.0	22.9	22.0
Net fee – and commissions income	2.6	2.9	2.9	2.4
Management fees	14.3	14.3	14.3	14.2
Operating cost	-36.5	-38.4	-26.9	-26.3
Value changes financial instruments	1.0	-1.3	1.0	2.7
<b>Pre-tax earnings</b>	<b>5.1</b>	<b>0.5</b>	<b>14.2</b>	<b>15.0</b>
Total assets	12 725	12 966	12 864	12 742
KLP Boligkreditt, NOK million	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Net interest revenues	9.4	7.9	8.9	9.5
Operating cost	-7.8	-8.9	-6.4	-5.6
Value changes financial instruments	0.1	0.0	-0.1	0.4
<b>Pre-tax earnings</b>	<b>1.7</b>	<b>-1.0</b>	<b>2.5</b>	<b>4.3</b>
Total assets	4 817	4 886	4 703	4 429

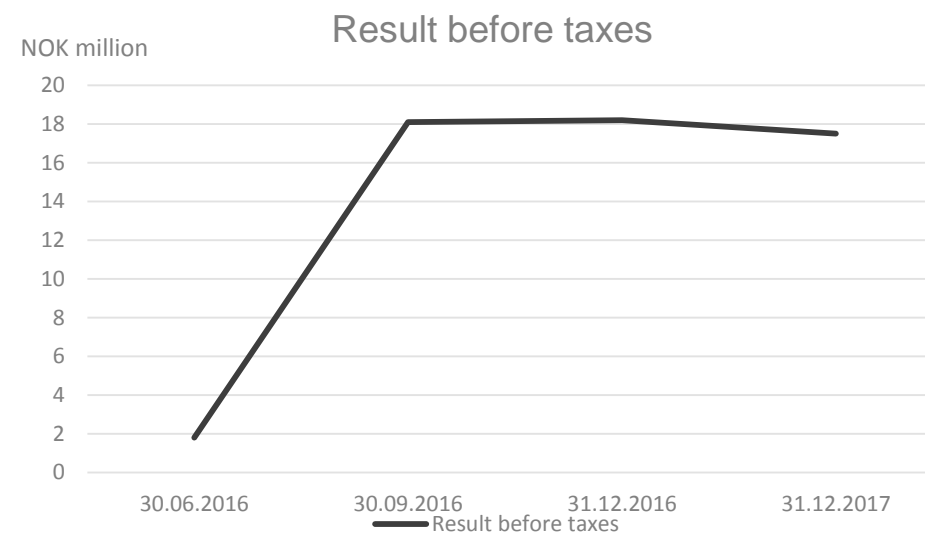
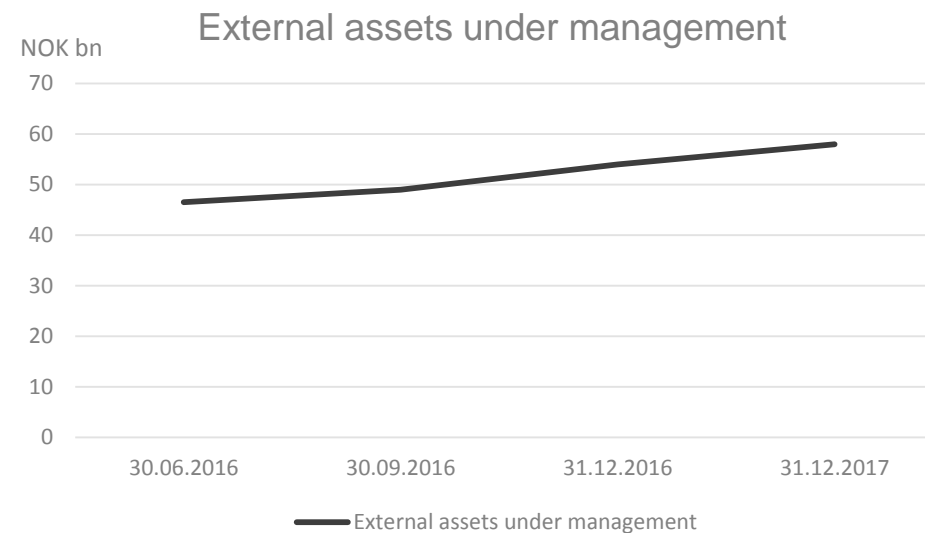
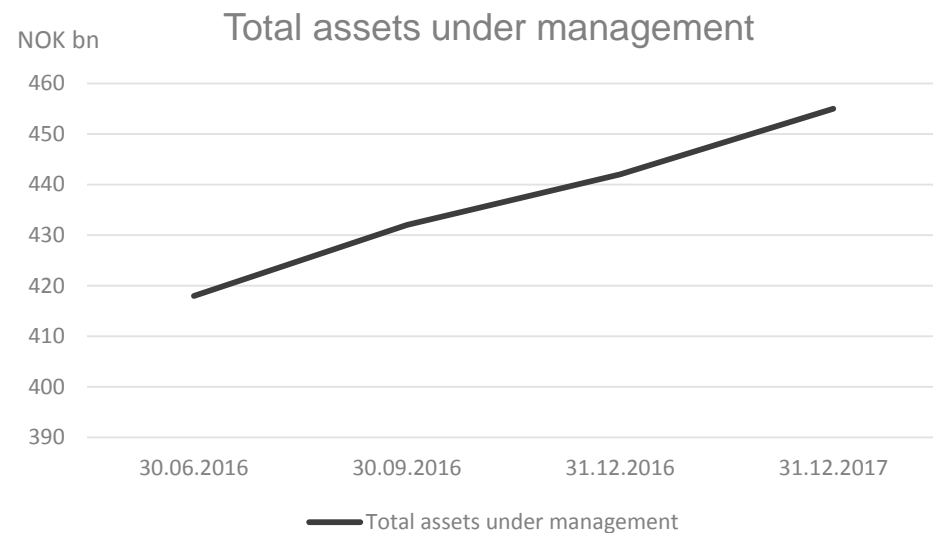
## KLP Bank-group – lending and deposits

Mortgage loans, NOK million	31.03.2017	31.12.2016	30.09.2016	30.06.2016
KLP Banken AS	8.8	8.0	8.3	8.1
KLP Boligkreditt AS	4.6	4.7	4.5	4.2
KLP (Management agreement)	3.1	3.2	2.6	2.7
<b>Total</b>	<b>16.4</b>	<b>15.9</b>	<b>15.4</b>	<b>15.0</b>

Public sector loans, NOK million	31.03.2017	31.12.2016	30.09.2016	30.06.2016
KLP Kommunekreditt AS	17.0	17.2	17.3	16.0
KLP (Management agreement)	40.5	40.4	37.8	38.2
KLP (currency loans)	9.7	9.1	8.7	9.2
<b>Total</b>	<b>67.2</b>	<b>66.5</b>	<b>63.5</b>	<b>63.1</b>

Deposits, NOK million	31.03.2017	31.12.2016	30.09.2016	30.06.2016
KLP Banken AS	8.9	8.7	8.4	8.3
<b>Total</b>	<b>8.9</b>	<b>8.7</b>	<b>8.4</b>	<b>8.3</b>

# KLP Kapitalforvaltning (Asset management)



## Contacts in KLP

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