

Financial results Q1 2018

KLP Group

Oslo, 8th May 2018



KLP

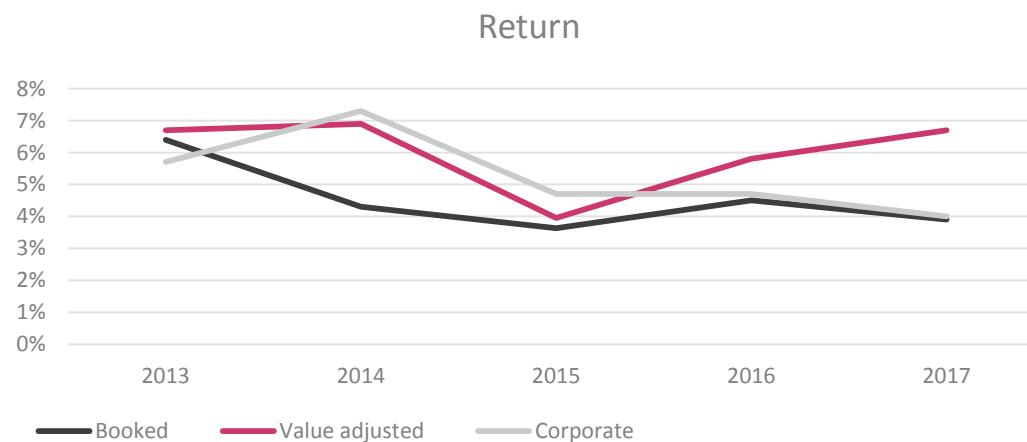
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Main features

- Total group assets: NOK 650 billion
- Common portfolio of life company:
 - Book return of 1.2 per cent
 - Value adjusted return of -0.4 per cent
- Corporate portfolio returned 1.6 per cent
- Solvency ratio KLP: 255 per cent

	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Common portfolio				
Booked return	1.2 %	0.9 %	1.5 %	0.9 %
Value adjusted return	-0.4 %	2.1 %	1.5 %	1.3 %
Value adjusted return incl. HTM bonds/bonds booked at amortised costs	-1.0 %	2.0 %	1.6 %	1.1 %
Investment options portfolio	-0.9 %	2.3 %	1.8 %	1.3 %
Corporate portfolio	1.6 %	0.9 %	0.8 %	1.3 %



KLP Group – results by segment

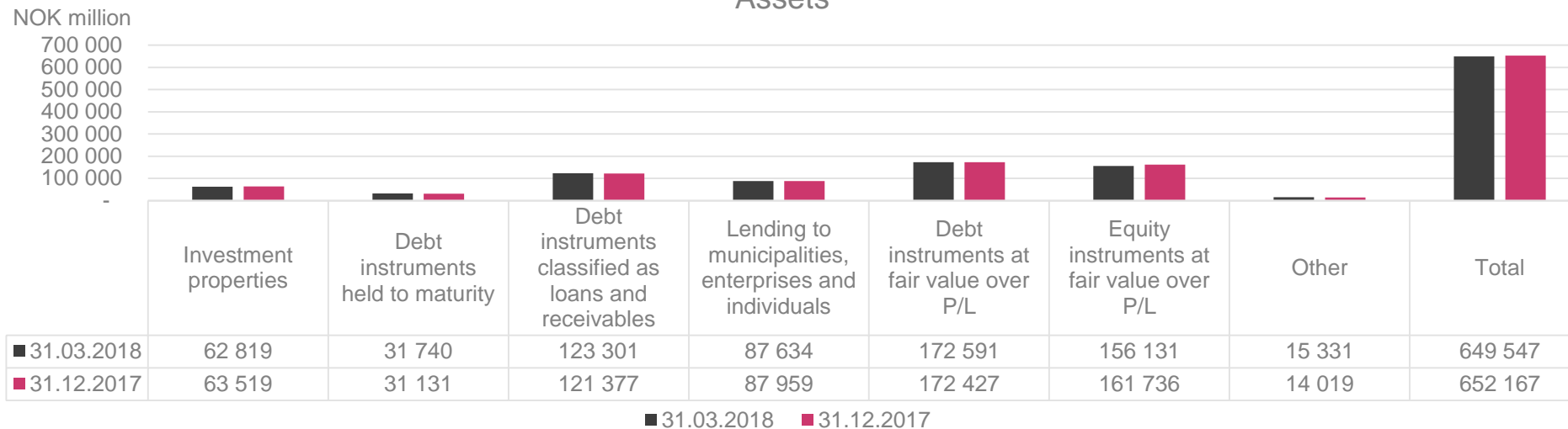
NOK million	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Life insurance	873	-354	758	1068
Non-life insurance	-13	12	38	65
Banking	24	22	34	24
Asset management	-2	-4	24	9
Other	-1	-1	0	0
Group result before tax	880	-325	854	1167

KLP Group – main figures - results

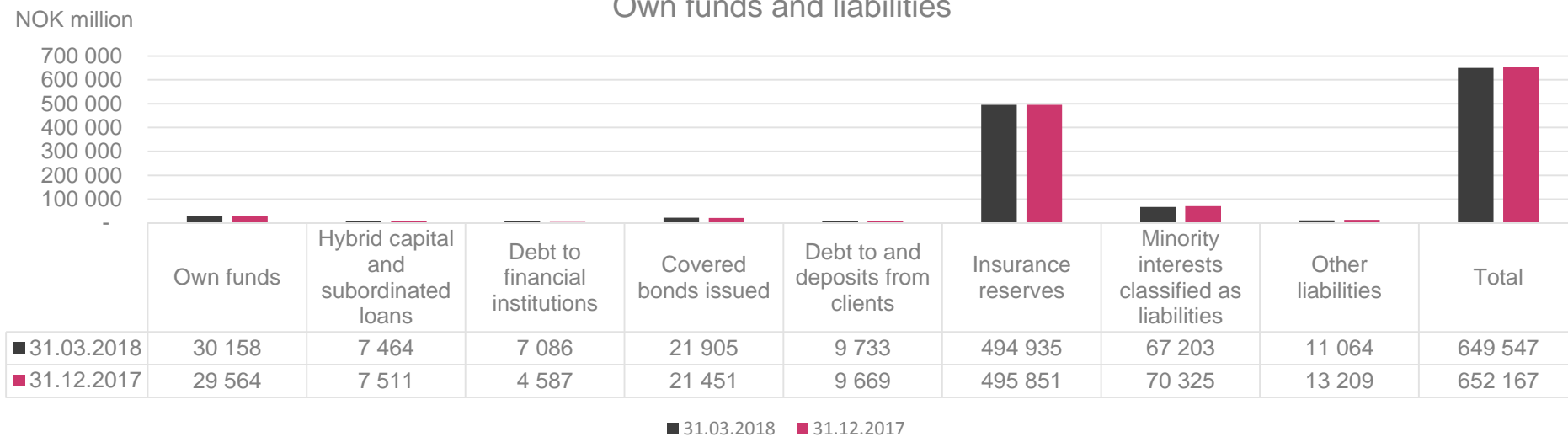
NOK million	31.03.2018	31.12.2017
Pension premiums and incoming transfers	6 851	34 590
- of which premium reserves transferred from another company	124	841
Allocated investment income	-2 957	41 430
Minority share of return of financial instruments	2 249	-8 648
Claims f.o.a.	-5 122	-18 665
Insurance provisions	-3 509	-24 425
Interest expenses and value adjustments subordinated loans and subordinated bonds	47	-527
Operating cost	-467	-1 673
Other income and cost	15	48
Technical result	-2 893	22 130
To/from value adjustment fund life insurance	7 637	-13 904
To/from supplementary reserves life insurance	0	-1 188
Surplus allocated Life insurance clients	-3 864	-4 564
Group result pre-tax	880	2 474
Tax	-277	-1 143
Other profit/loss elements	4	61
Group result	608	1 393

KLP Group - Balance

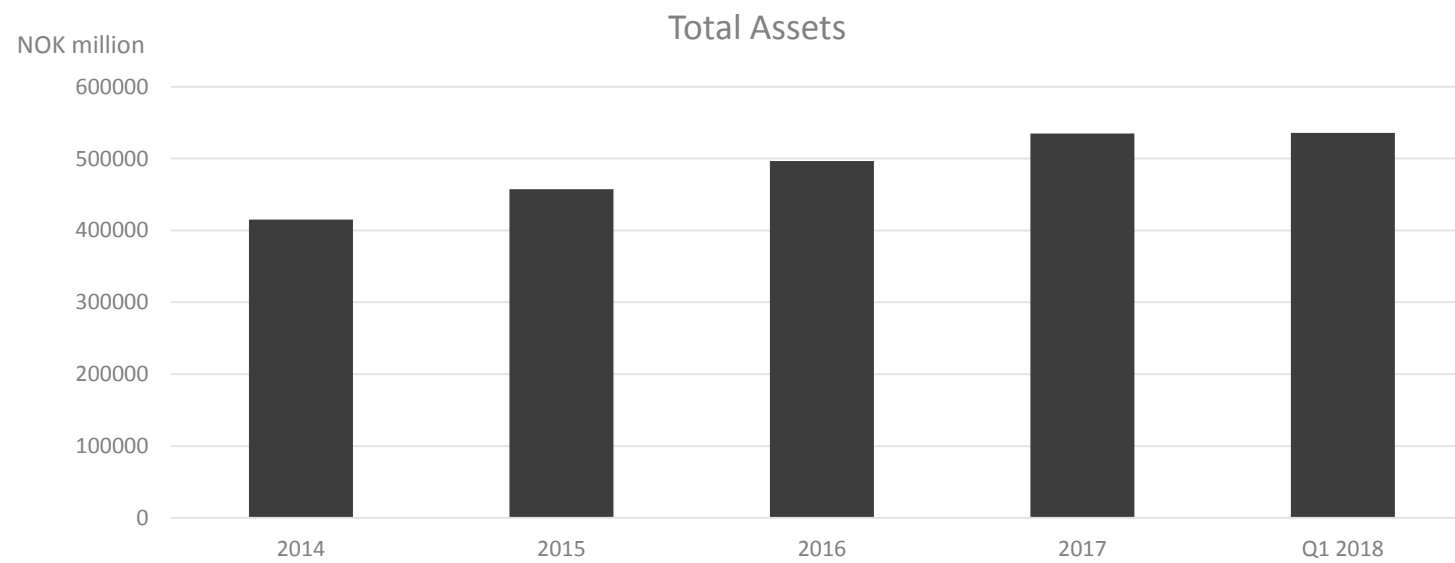
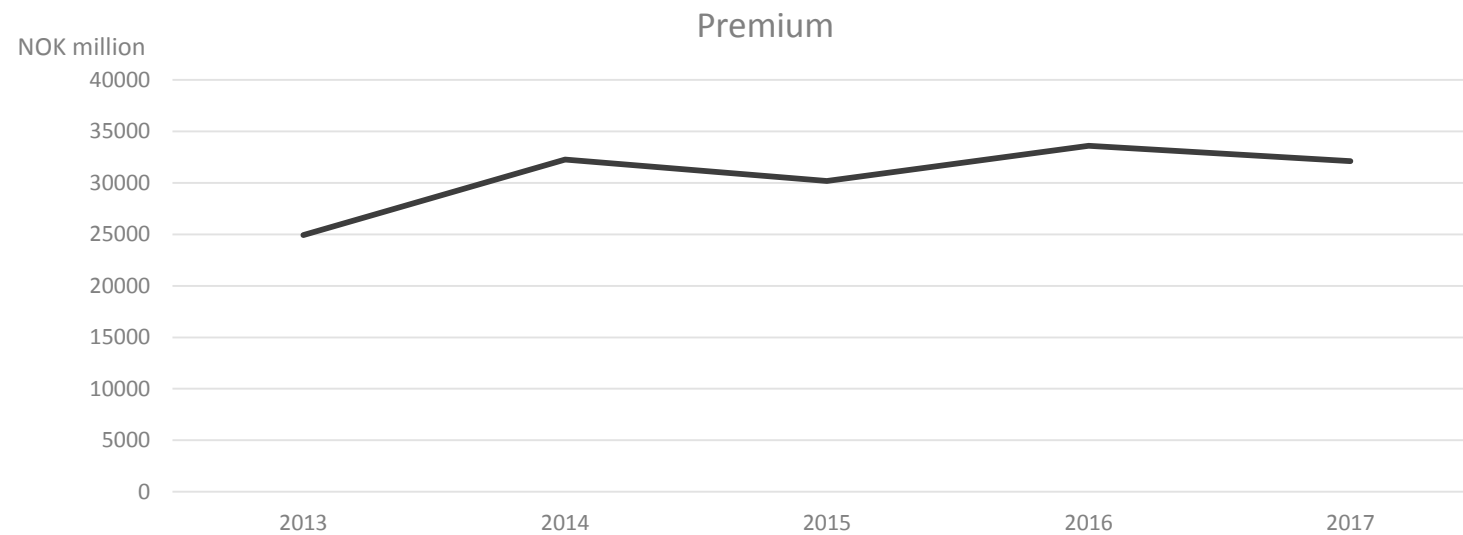
Assets



Own funds and liabilities

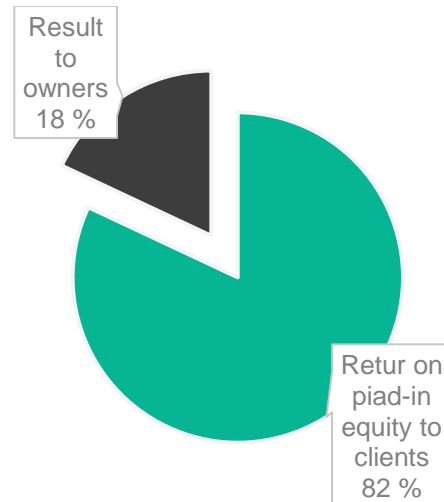


KLP Life

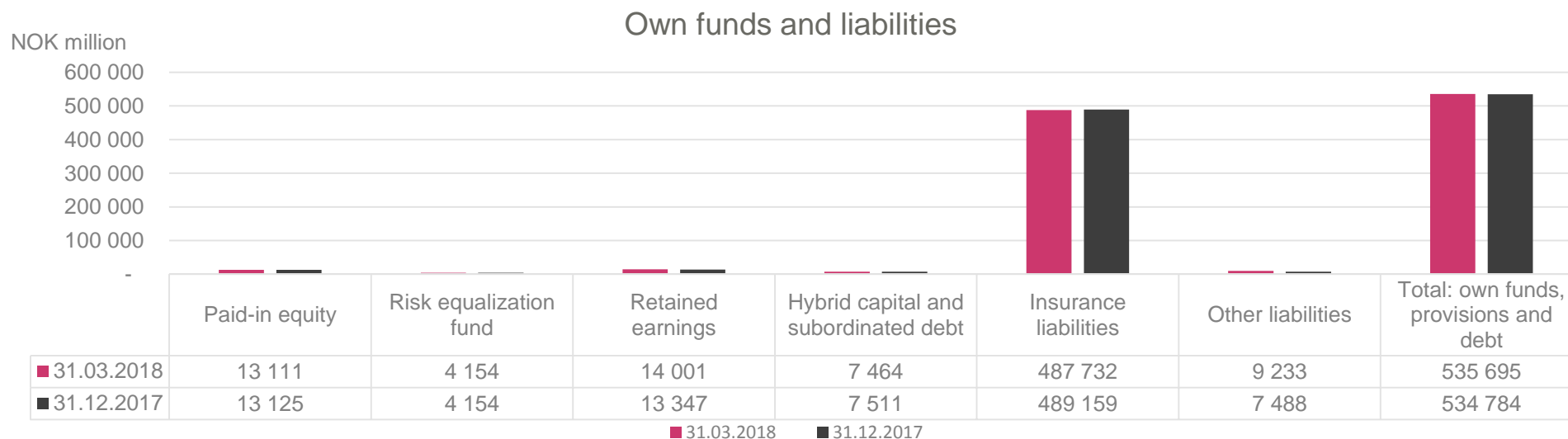
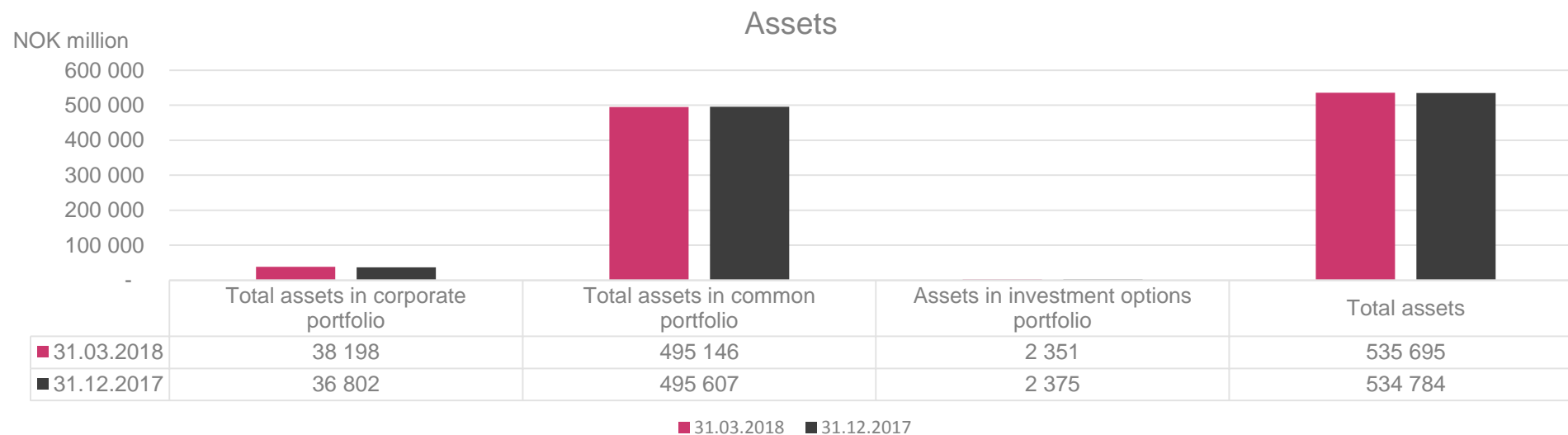


KLP – Appropriation of results

Nok million	Result Customers	Result Company	31.03.2018	31.12.2017
Interest result	2 879	52	2 931	6 769
Risk result	97	97	193	897
Premium interest rate guarantee		187	187	711
Administration result		29	29	141
Net income corporate portfolio		448	448	887
Tax		-157	-157	-496
Other result elements				-322
Total	2 976	654	3 630	8 588



KLP Life - Balance



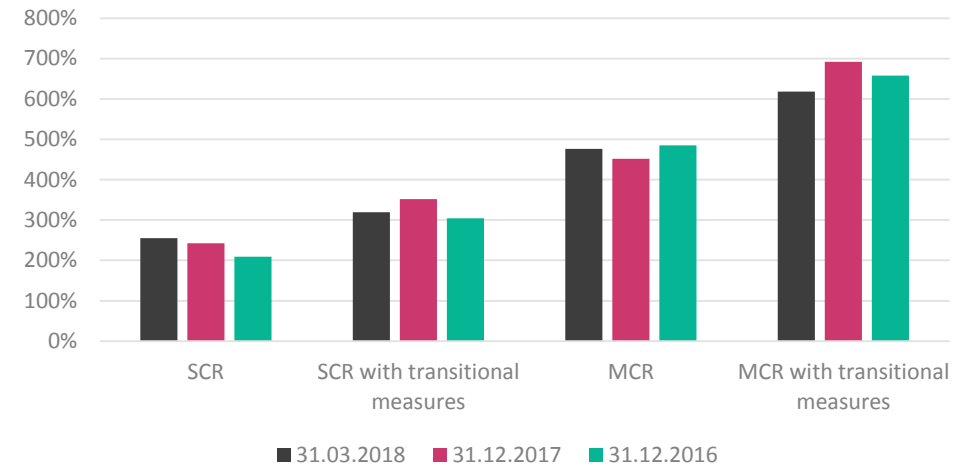
KLP Life - Solvency

- Solvency ratio Q1: 255* per cent
- Minimum solvency ratio Q1: 476* per cent

**without transitional measures*

	31.03.2018	31.12.2017	30.09.2017	30.06.2017
Solvency ratio (SCR)	255 %	242 %	223 %	216 %
Kapitaldekning (SCR) with transitional measures	319 %	352 %	322 %	314 %
Minimum solvency ratio (MCR)	476 %	452 %	431 %	427 %
Minimum solvency ratio (MCR) with transitional measures	618 %	692 %	624 %	603 %

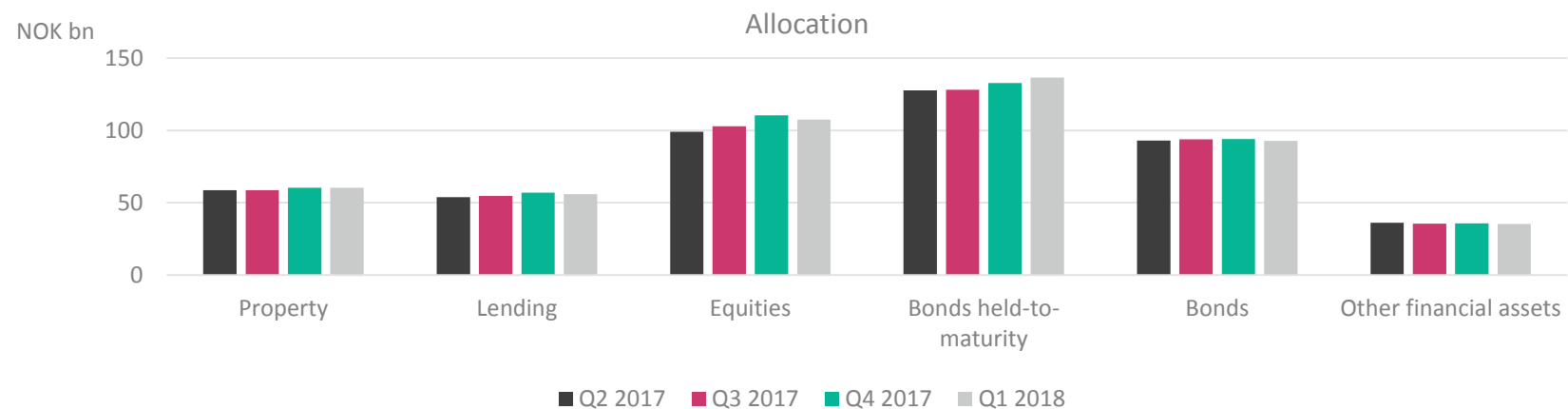
Solvency Ratio



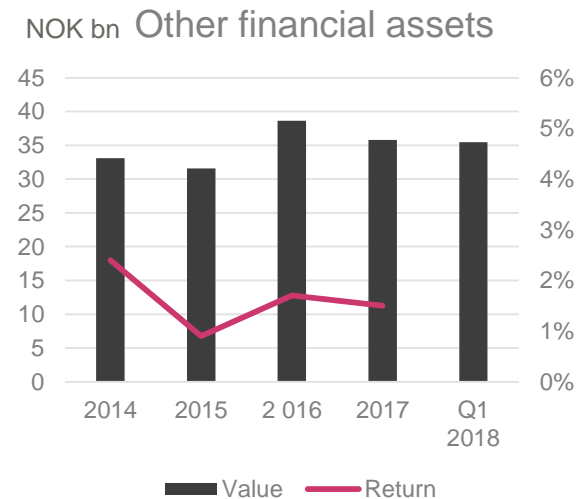
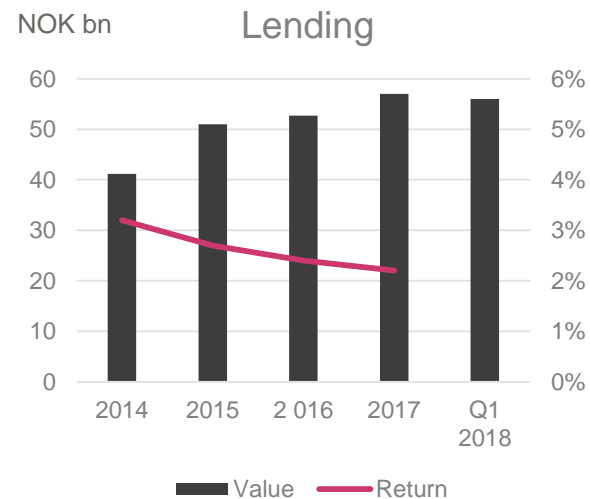
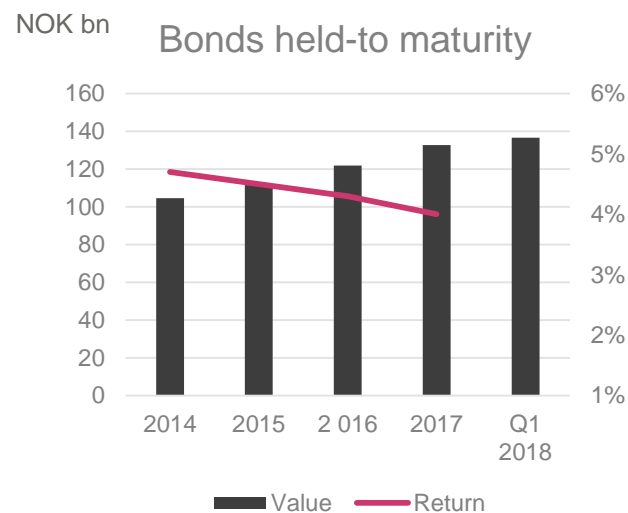
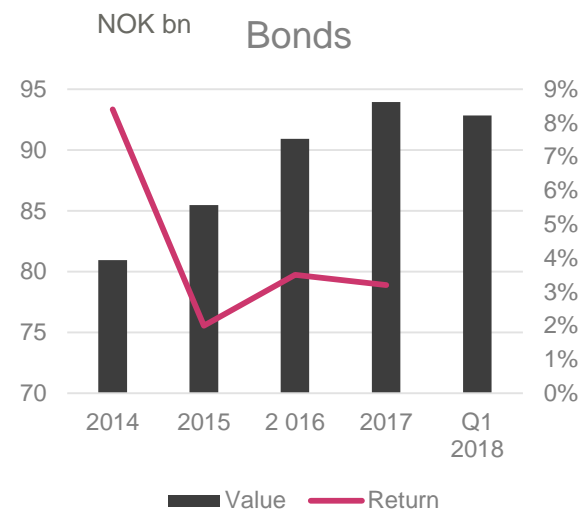
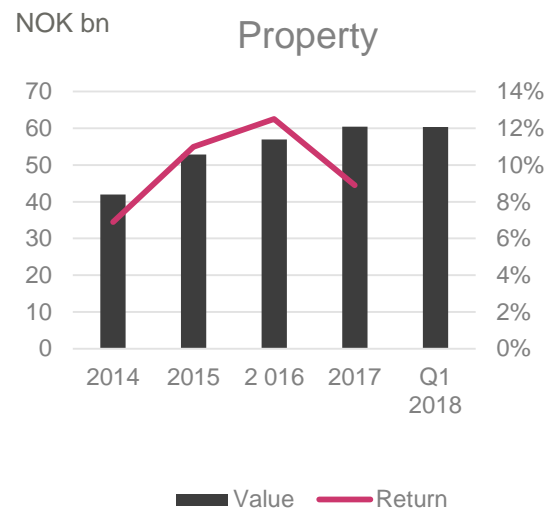
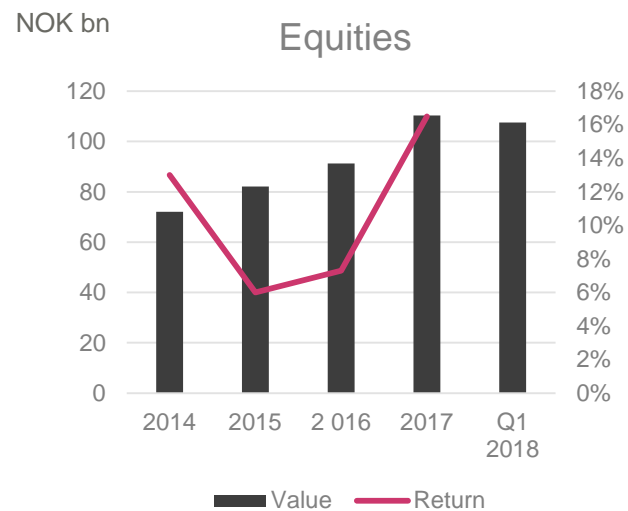
KLP Life - Common Portfolio

	Share*	Return	Share*	Return
	31.03.2018	31.03.2018	31.12.2017	31.12.2017
Equities	22.0 %	-3.5 %	22.5 %	16.5 %
Bonds	19.0 %	-1.2 %	19.2 %	3.2 %
Bonds held-to-maturity	27.9 %	0.9 %	27.1 %	4.0 %
Lending	11.5 %	0.5 %	11.6 %	2.2 %
Property	12.3 %	1.0 %	12.3 %	8.9 %
Other financial assets	7.3 %	0.3 %	7.3 %	1.5 %

*) Measured by exposure



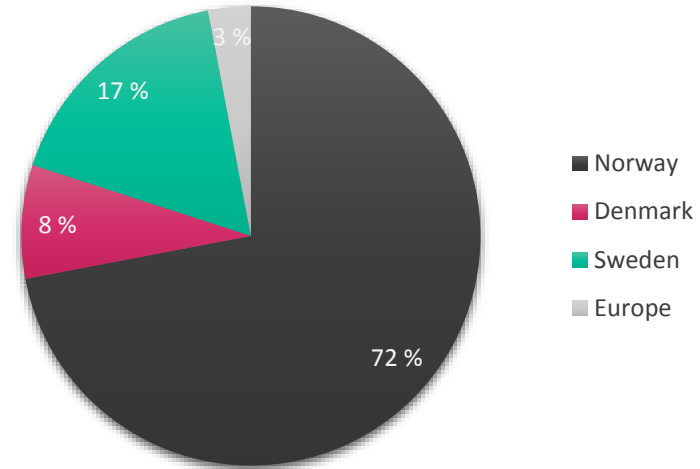
KLP Life - Allocation



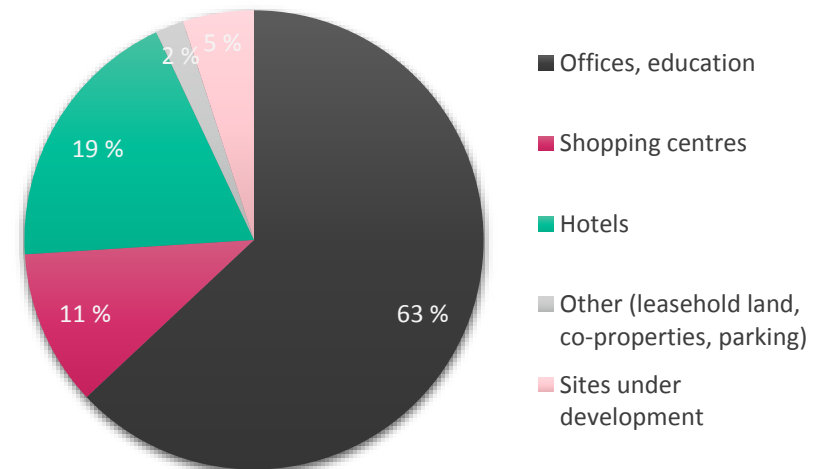
KLP Life - Property

- The portfolio written down by NOK -52 million (-0.1 %) in Q1
- New investments / sales in 2018
 - Sold a few smaller plots

Property value - by country



Property value - by sector



KLP Life – Property

NOK million	31.03.2018	31.12.2017	30.09.2017	30.06.2017
Fair value total portfolio*	61 910	62 155	60 330	60 389
Fair value common portfolio*	58 365	58 476	56 720	56 786

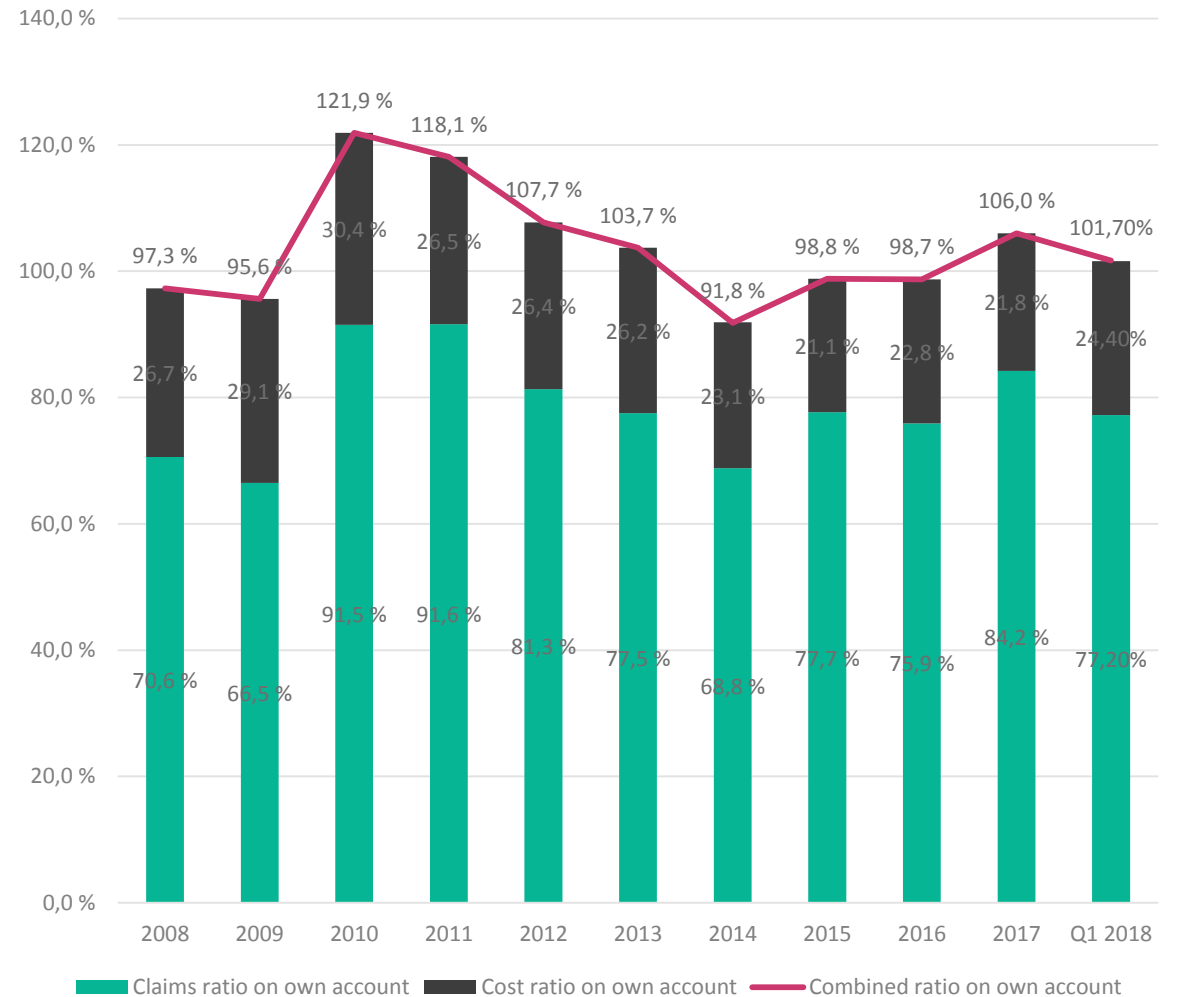
*Incl exchange-rate hedged and excl. property fund

	Q1 2017	Q4 2017	Q3 2017	Q2 2017
Value adjustment in per cent	-0.1 %	2.5 %	0.2 %	1.4 %
Value adjustment in per cent common portfolio	-0.1 %	2.5 %	0.2 %	1.3 %
Total return common portfolio**	1.0 %	3.6 %	1.5 %	2.5 %

**Incl exchange-rate hedged and property fund

KLP Skadeforsikring (non-life insurance)

- High growth in retail
- Largest injurie estimated to NOK 14 million
- Revenue recognition of previous years reserves of NOK 28 million
- Negative financial in first quarter
- Solvency-ratio: 237 per cent



KLP Skadeforsikring (non-life insurance)

NOK million	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Premium written f.o.a.	306.7	332.1	330.8	319.4
Claims f.o.a.	-236.7	-314.3	-288.7	-233.3
Insurance related expenses	-75.3	-84.5	-58.8	-70.3
Other insurance related income	0.8	0.8	0.6	0.5
Result from technical activities	-4.5	-66.1	-16.2	16.4
Result from investment activities	-8.1	77.5	53.9	48.8
Other income	0.1	0.1	0.1	0.1
Result from ordinary operation	-12.5	11.5	37.7	65.3
Estimated tax expense	8.5	11.3	-7.8	-13.9
Other elements	0	4.1	-7.6	0.0
Provisions for equity fund	-21.4	26.0	-6.7	-13.3
Result after provisions for equity fund	-25.4	52.9	15.7	38.1

KLP Skadeforsikring (non-life insurance)

Revenues, NOK million	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Gross premium written	307	332	331	319
Premium income for own account	-237	-314	-289	-233
Claims paid for own account	-75	-85	-59	-70
Insurance related costs for own account	-8	78	54	49
Results	-13	12	38	65

Key figure balance sheet, NOK million	31.03.2018	31.12.2017	30.09.2017	30.06.2017
Financial assets	4 448	4 143	4 275	4 341
Total assets	4 869	4 594	4 651	4 773
Equity	1 768	1 772	1 829	1 806
Provisions in insurance funds for own account	2 551	2 246	2 334	2 431

KLP Bedriftspensjon – main figures

NOK million	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Interest result	11.5	61.7	11.6	7.1
Risk result	0.3	2.5	-0.7	1.7
Administration result	-11.2	-10.8	-8.0	-11.0
Interest rate guarantee and profit element	1.7	1.5	1.4	1.2
Non-technical result	0.1	2.6	2.9	1.6
Other profit elements	0	0.6	-1.3	0
Total result	2.4	58.1	5.9	0.6
Of which result to clients	10.9	59.9	11.9	5.9
Result to owner	-8.5	-1.8	-6.0	-5.3

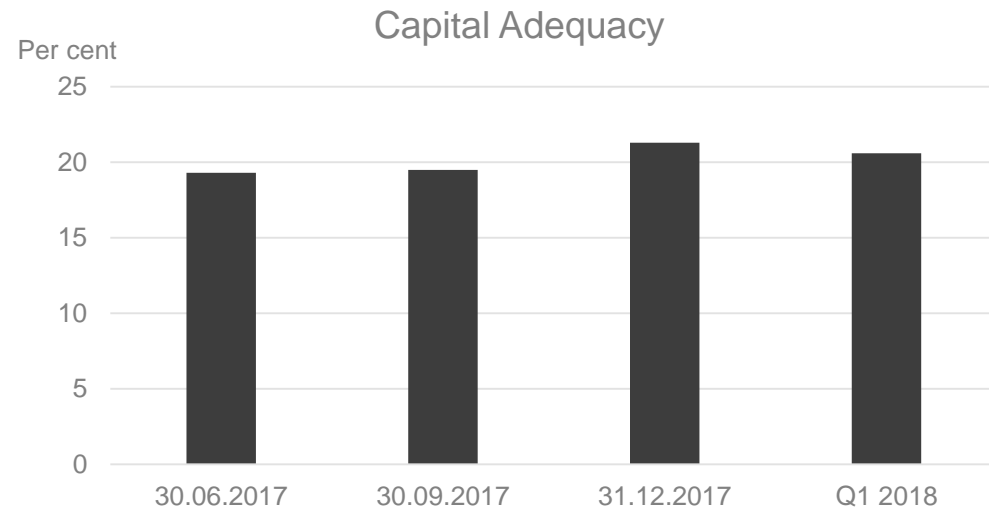
KLP Bedriftspensjon – return and solvency

	31.03.2018	31.12.2017	30.09.2017	30.06.2017
Common portfolio				
Book	1.35 %	8.3 %	3.3 %	1.8 %
Value adjusted	0.36 %	5.6 %	3.7 %	2.4 %
Investment options portfolio	-2.55 %	11.9 %	8.3 %	4.4 %
Corporate portfolio	0.03 %	2.3 %	1.8 %	1.3 %
	31.03.2018	31.12.2017	30.09.2017	30.06.2017
Solvency ratio (scr)	126 %	107 %	147 %	185 %
Kapitaldekning (scr) with transitional measures	298 %	299 %	317 %	377 %
Minimum solvency ratio (mcr)	292 %	264 %	344 %	415 %
Minimum solvency ratio (mcr) with transitional measures	714 %	774 %	827 %	923 %
NOK million	31.03.2018	31.12.2017	30.09.2017	30.06.2017
Value adjustment fund	14.8	30.0	75.7	78.1
Supplementary reserves	106.3	106.3	46.5	46.5
Solvency capital	674.4	721.3	708.7	718.1

KLP Bank-group – main figures

- Retail market: 57 600 clients
- The Group's capital adequacy ratio is 20.6%, 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 2018	Q4 2017	Q3 2017	Q2 2017
Net interest revenues	64.6	67.7	65.4	57.2
Net fee – and commissions income	3.8	3.2	2.8	2.5
Management fees	14.5	14.3	14.3	14.3
Operating cost	-58.1	-59.5	-45.4	-49.1
Value changes financial instruments	-1.1	-4.3	-3.3	-0.1
Pre-tax earnings	23.7	21.4	33.8	24.7
Total assets	35 404	34 981	34 855	35 140



KLP Bank-group – main figures

KLP Kommunekreditt, NOK million	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Net interest revenues	18.8	20.8	21.8	20.9
Operating cost	-4.5	-4.4	-3.7	-4.6
Value changes financial instruments	-4.1	-3.0	-3.4	-1.0
Pre-tax earnings	10.2	13.4	14.7	15.3
Total assets	17 966	18 339	18 806	19 315
KLP Banken. NOK million	Q1 2018	Q1 2018	Q3 2017	Q2 2017
Net interest revenues	32.6	32.7	31.2	25.7
Net fee – and commissions income	3.8	3.2	2.8	2.5
Management fees	14.5	14.3	14.3	14.3
Operating cost	-43.4	-45.6	-34.5	-36.7
Value changes financial instruments	2.0	-0.6	95.1	0.8
Pre-tax earnings	9.5	4.0	108.9	6.6
Total assets	13 285	13 285	12 858	12 645
KLP Boligkreditt. NOK million	Q1 2018	Q1 2018	Q3 2017	Q2 2017
Net interest revenues	13.1	14.1	12.3	10.6
Operating cost	-10.1	-10.2	-7.2	-7.9
Value changes financial instruments	0.9	0.0	0.0	0.0
Pre-tax earnings	4.0	3.9	5.1	2.7
Total assets	5 488	5 188	5 055	4 750

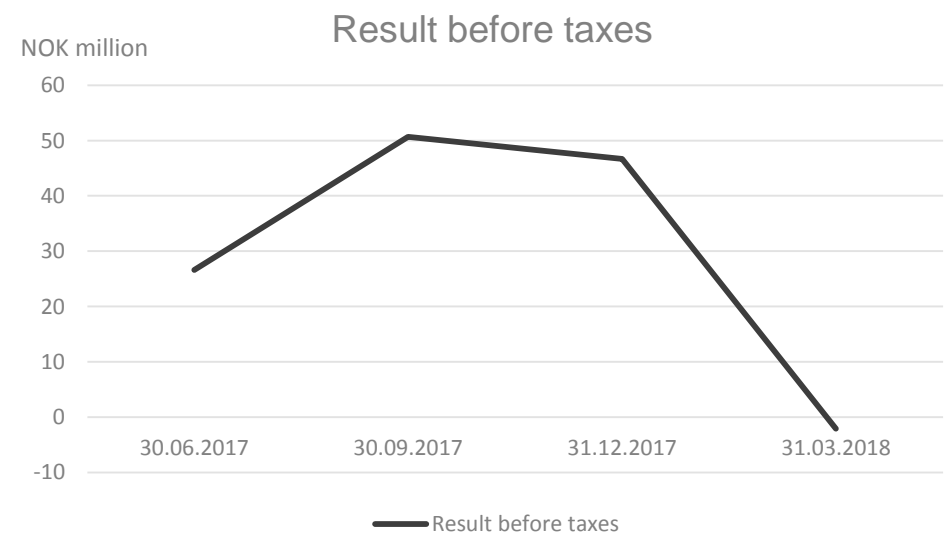
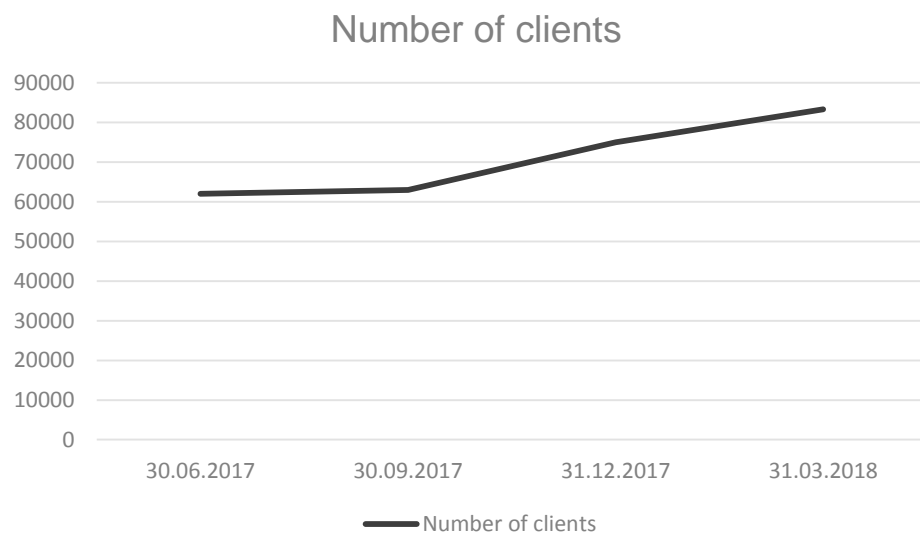
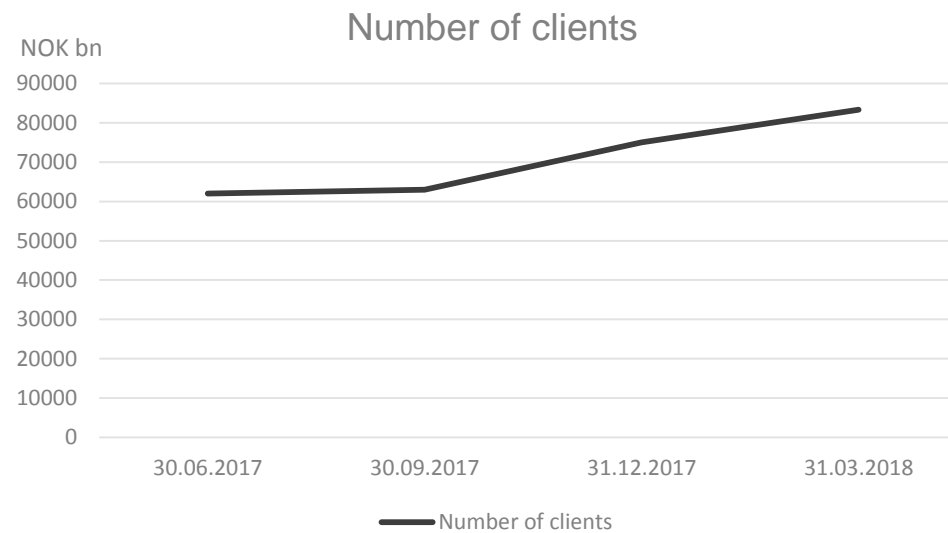
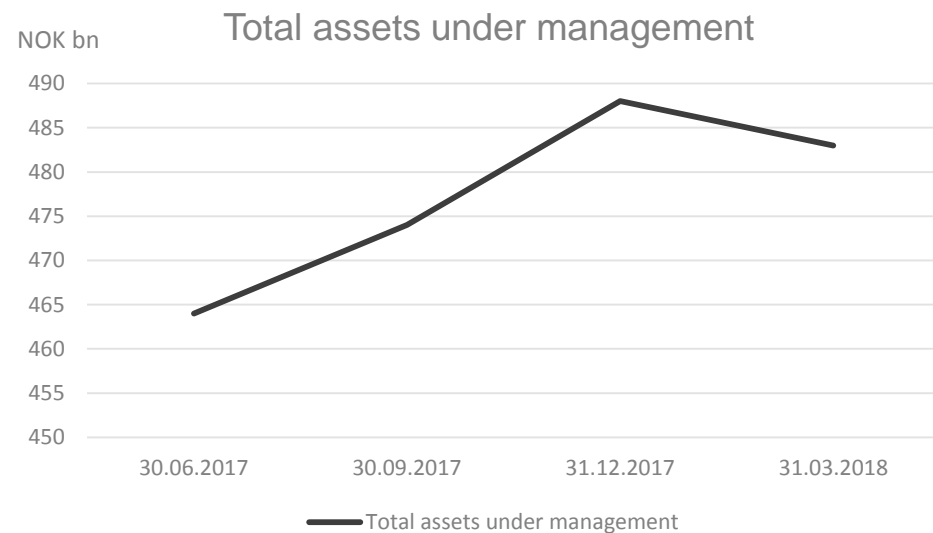
KLP Bank-group – lending and deposits

Mortgage loans, NOK billion	31.03.2018	31.12.2017	30.09.2017	30.06.2017
KLP Banken AS	9.7	9.3	9.4	9.2
KLP Boligkreditt AS	5.4	5.1	4.9	4.5
KLP (Management agreement)	3.2	3.3	3.3	3.2
Total	18.3	17.6	17.6	16.9

Public sector loans, NOK billion	31.03.2018	31.12.2017	30.09.2017	30.06.2017
KLP Kommunekreditt AS	15.9	16.1	16.1	16.9
KLP (Management agreement)	45.4	45.9	45.1	41.6
KLP (currency loans)	7.5	7.8	8.2	9..
Total	68.9	69.8	69.4	67.6

Deposits, NOK billion	31.03.2018	31.12.2017	30.09.2017	30.06.2017
KLP Banken AS	9.7	9.7	9.4	9.1
Total	9.7	9.7	9.4	9.1

KLP Kapitalforvaltning (Asset management)



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