

Financial results Q2 2017

KLP Group

Oslo, 17th August 2017



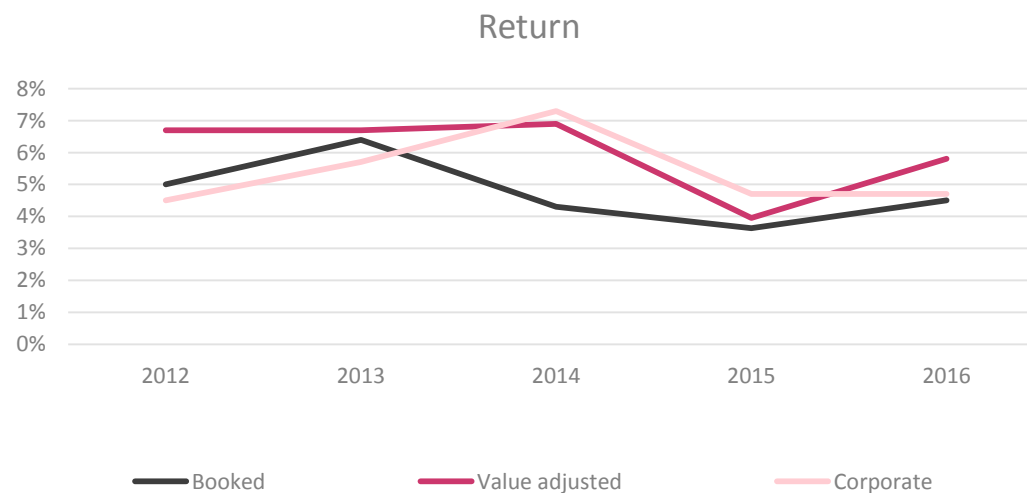
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Main features

- Total group assets: NOK 628 billion
- Common portfolio of life company:
 - Book return of 1.5 per cent
 - Value adjusted return of 3.0 per cent
- Corporate portfolio returned 2.2 per cent
- Solvency ratio KLP: 216 per cent

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



KLP Group – results by segment

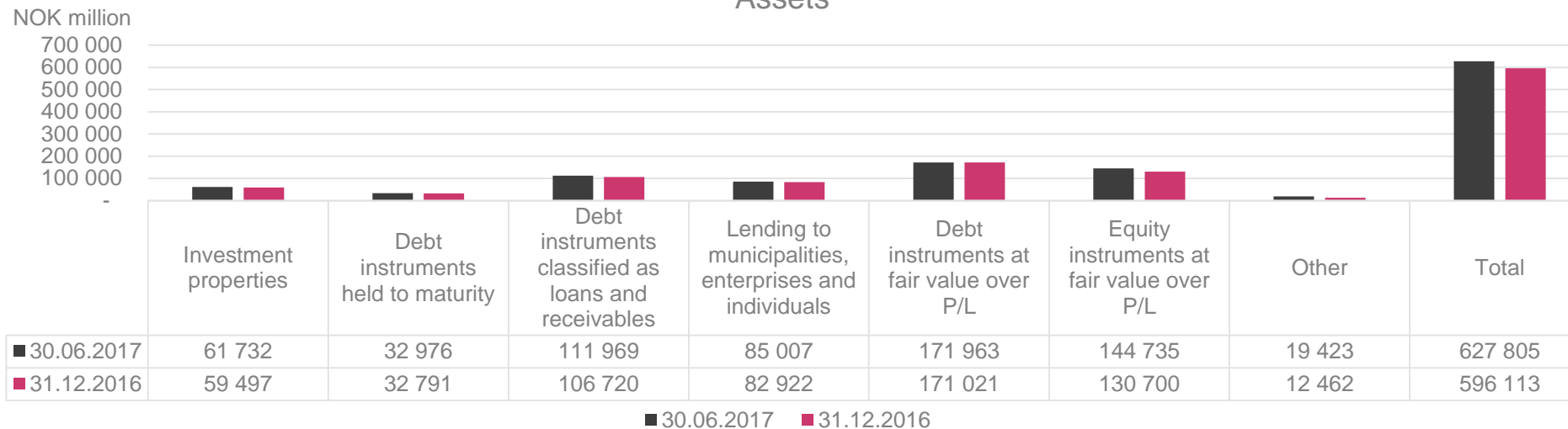
NOK million	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Life insurance	1068	689	294	589
Non-life insurance	65	50	69	70
Banking	24	23	0,6	33
Asset management	9	17	1	15
Other	0	0	0	0
Group result before tax	1167	779	364	707

KLP Group – main figures - results

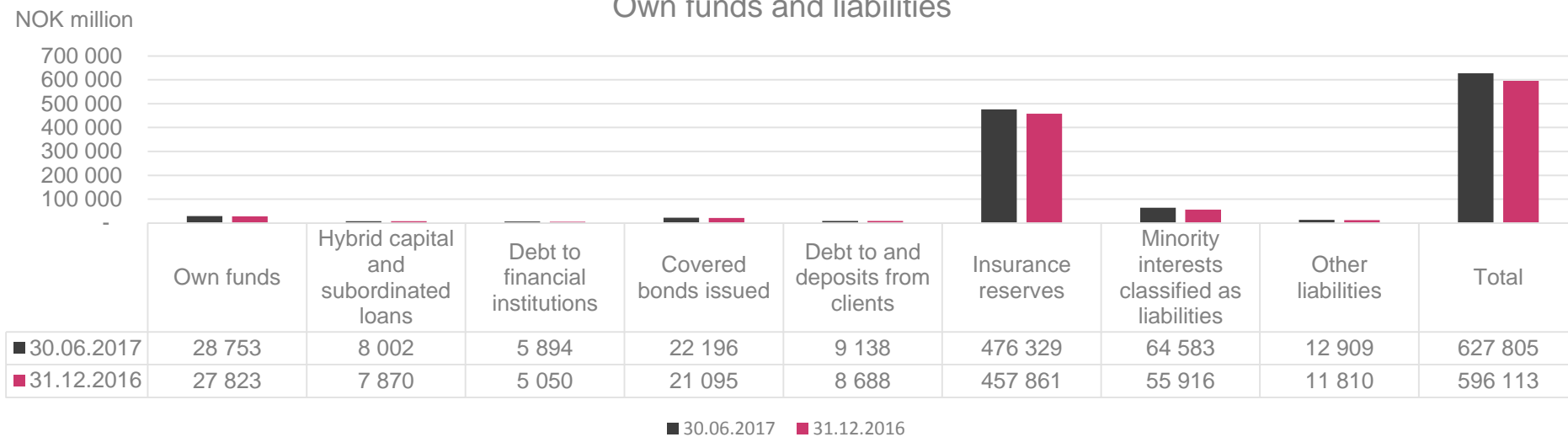
NOK million	30.06.2017	31.12.2016
Pension premiums and incoming transfers	16 289	38 497
- of which premium reserves transferred from another company	560	3 434
Allocated investment income	18 850	30 888
Minority share of return of financial instruments	-3 761	-3 061
Claims f.o.a.	-9 367	-17 370
- of which premium reserves transferred to another company	-288	-158
Insurance provisions	-10 665	-27 973
Interest expenses and value adjustments subordinated loans and subordinated bonds	-420	382
Operating cost	-819	-1 756
Other income and cost	3	-12
Technical result	10 109	19 594
To/from value adjustment fund life insurance	-7 091	-6 876
To/from supplementary reserves life insurance	12	-4 026
Surplus allocated Life insurance clients	-1 085	-6 244
Group result pre-tax	1 946	2 449
Tax	-1 107	359
Other profit/loss elements	47	47
Group result pre-tax	886	2 855

KLP Group - Balance

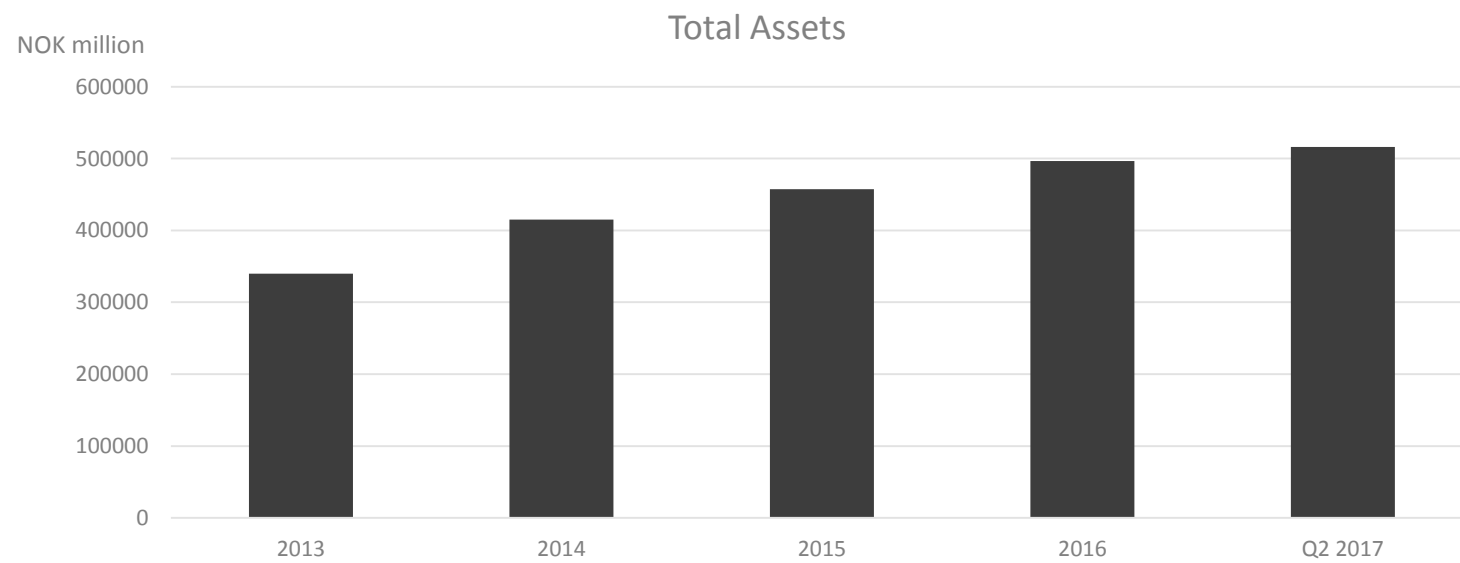
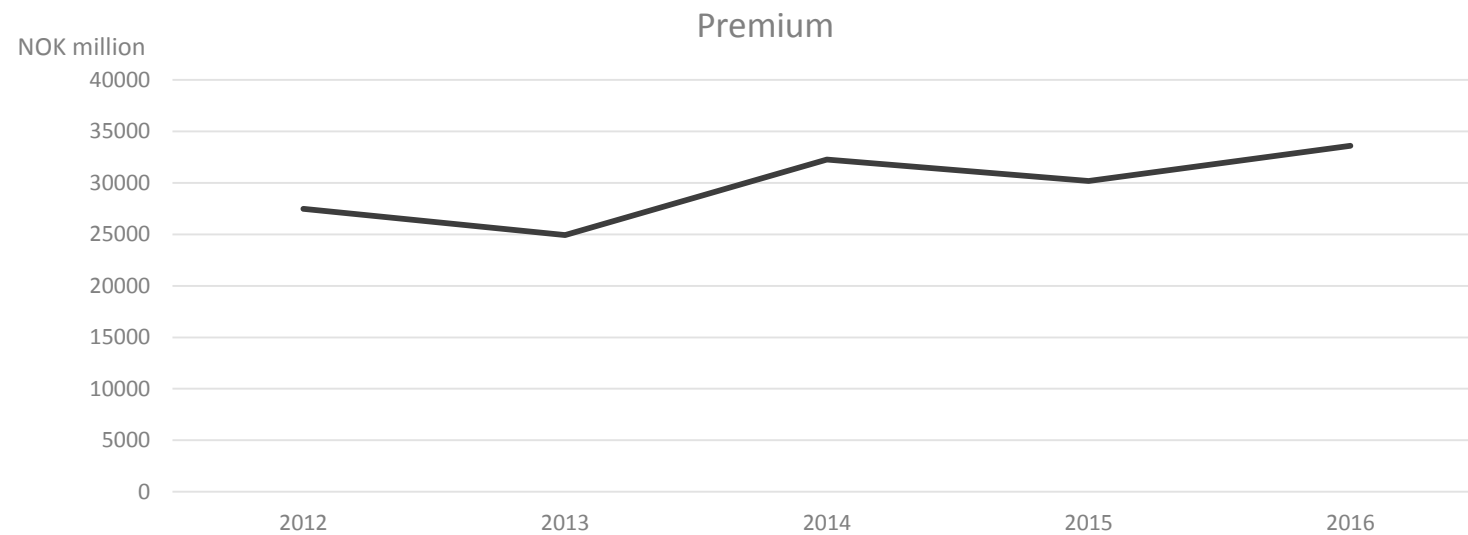
Assets



Own funds and liabilities

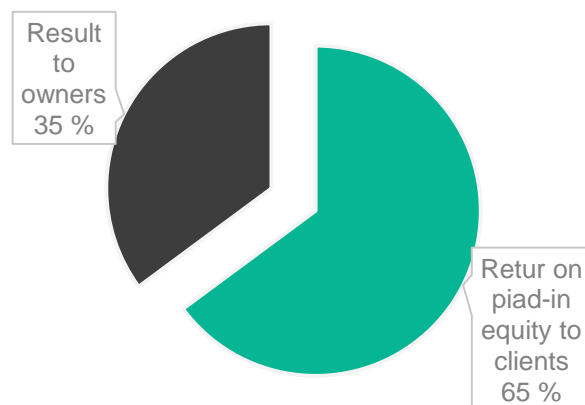


KLP Life

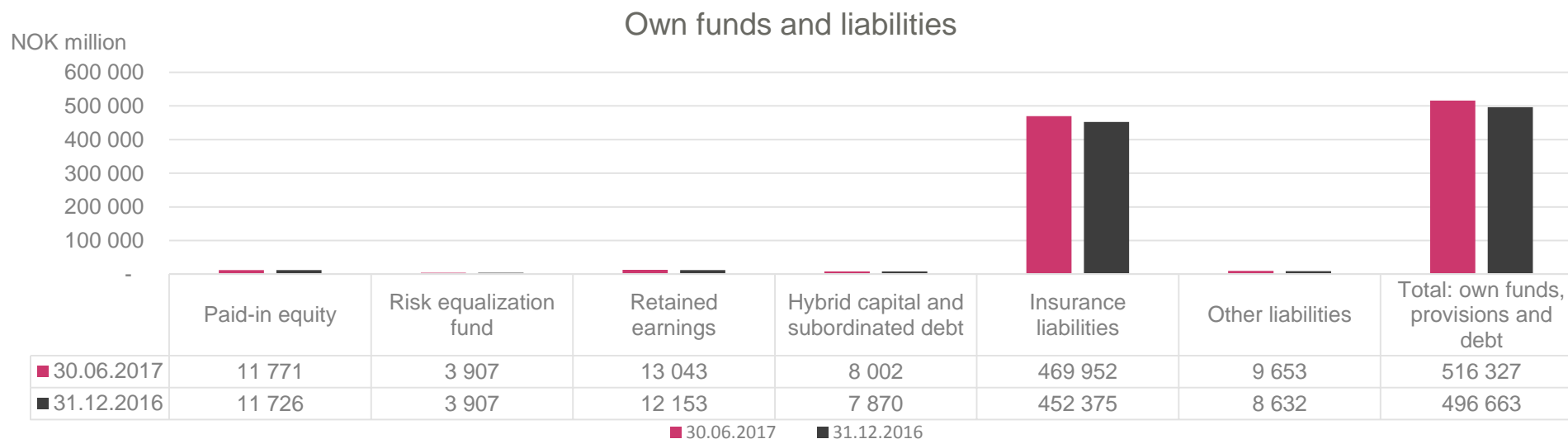
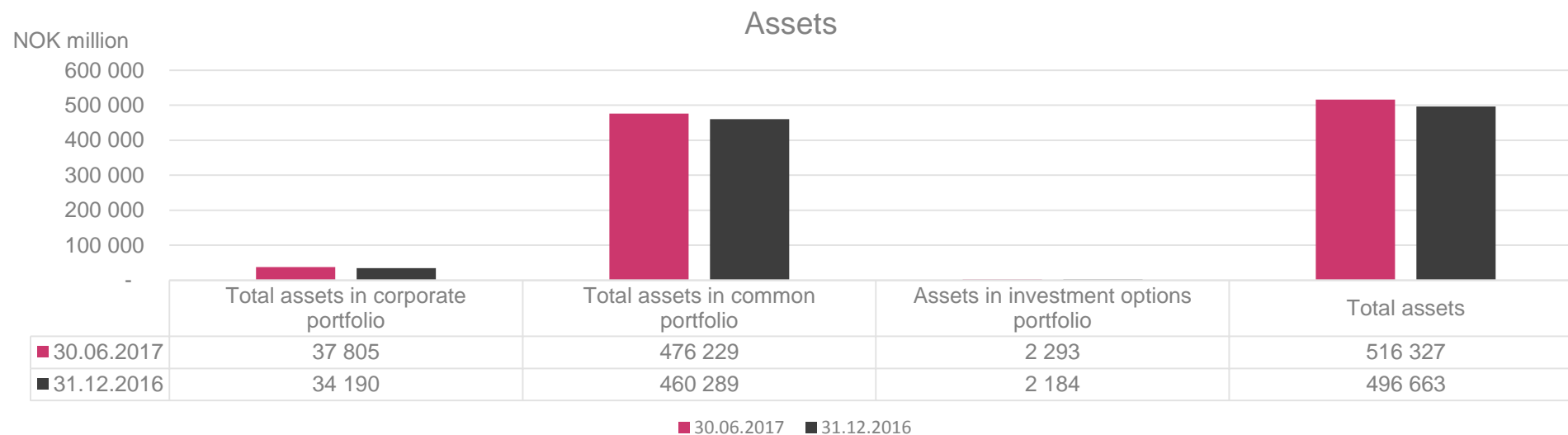


KLP – Appropriation of results

Nok million	Result Customers	Result Company	30.06.2017	31.12.2016
Interest result	1 507	60	1567	8 094
Risk result	136	136	272	784
Premium interest rate guarantee		350	350	690
Administration result		51	51	-50
Net income corporate portfolio		488	488	945
Tax		-194	-194	773
Other result elements		-	-	-24
Total	1 643	890	2 533	11 213



KLP Life - Balance

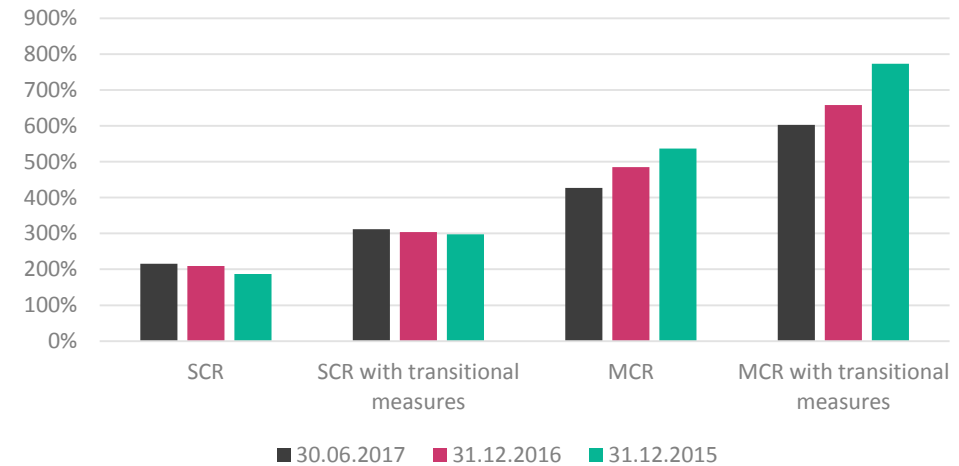


KLP Life - Solvency

- Solvency ratio Q2: 216* per cent
- Minimum solvency ratio Q2: 427* per cent
- *without transitional measures

	30.06.2017	31.03.2017	31.12.2016	30.09.2016
Solvency ratio (SCR)	216 %	214 %	209 %	208 %
Kapitaldekning (SCR) with transitional measures	314 %	311 %	304 %	359 %
Minimum solvency ratio (MCR)	427 %	503 %	485 %	586 %
Minimum solvency ratio (MCR) with transitional measures	603 %	655 %	658 %	861 %

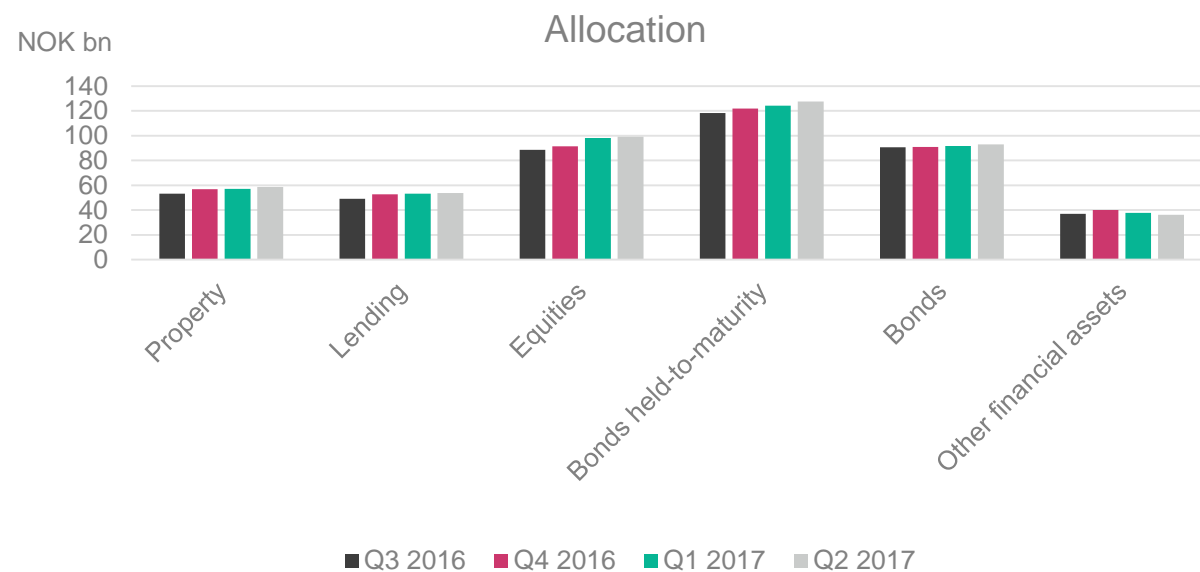
Solvency Ratio



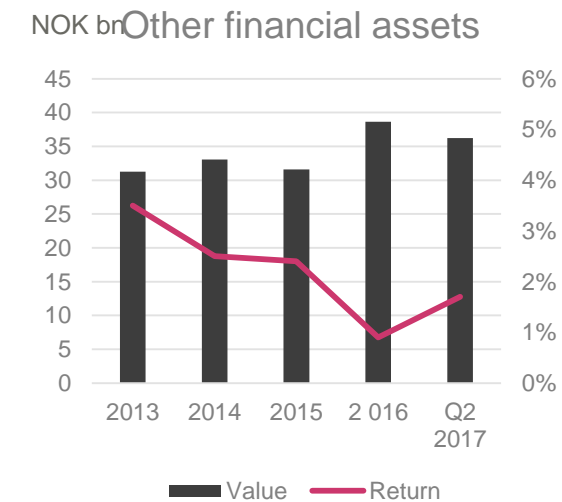
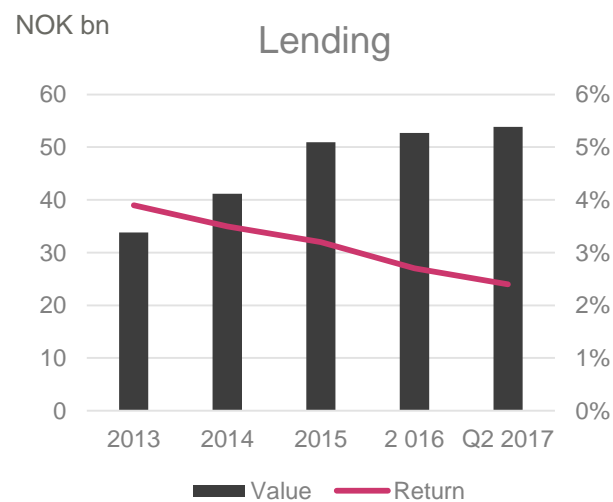
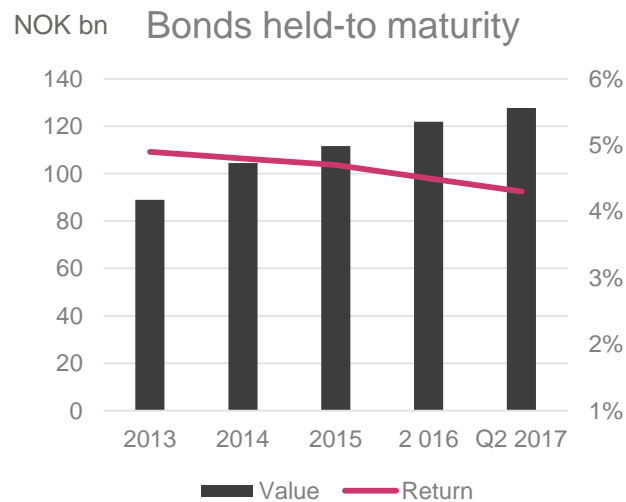
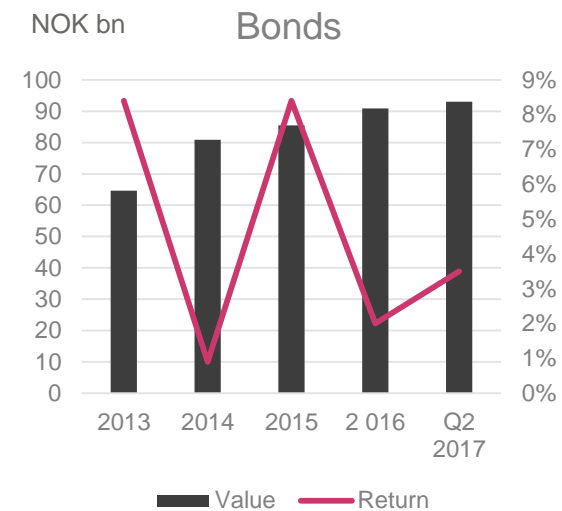
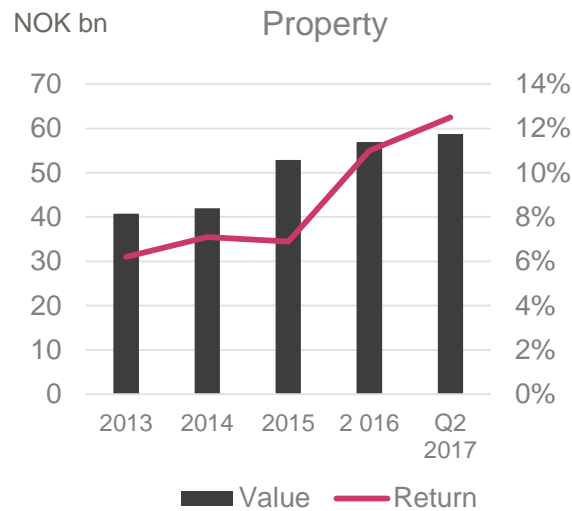
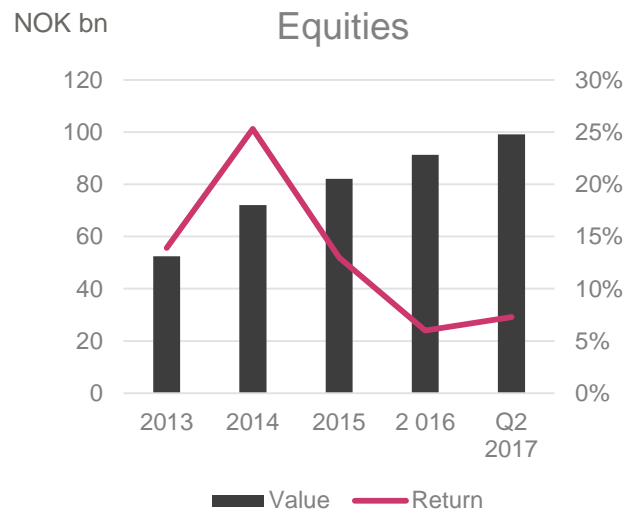
KLP Life - Common Portfolio

	Share*	Return	Share*	Return
	30.06.2017	30.06.2017	31.12.2016	31.12.2016
Equities	21.2 %	6.8 %	20.1 %	7.3 %
Bonds	19.9 %	1.9 %	20.0 %	3.5 %
Bonds held-to-maturity	27.2 %	2.0 %	26.8 %	4.3 %
Lending	11.5 %	1.1 %	11.6 %	2.4 %
Property	12.5 %	3.6 %	12.5 %	12.5 %
Other financial assets	7.7 %	0.9 %	8.9 %	1.7 %

*) Measured by exposure



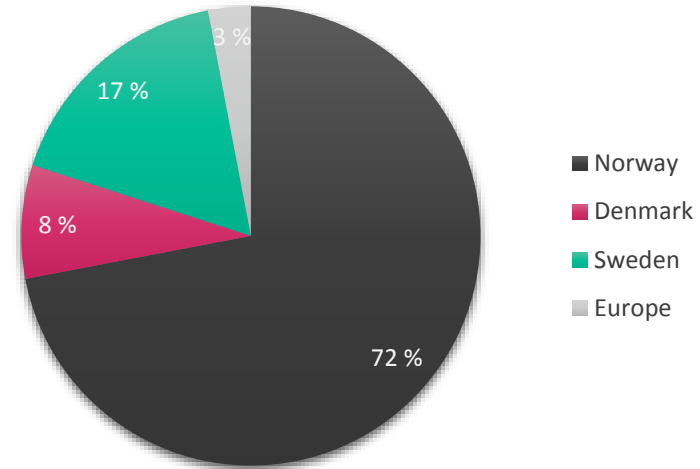
KLP Life - Allocation



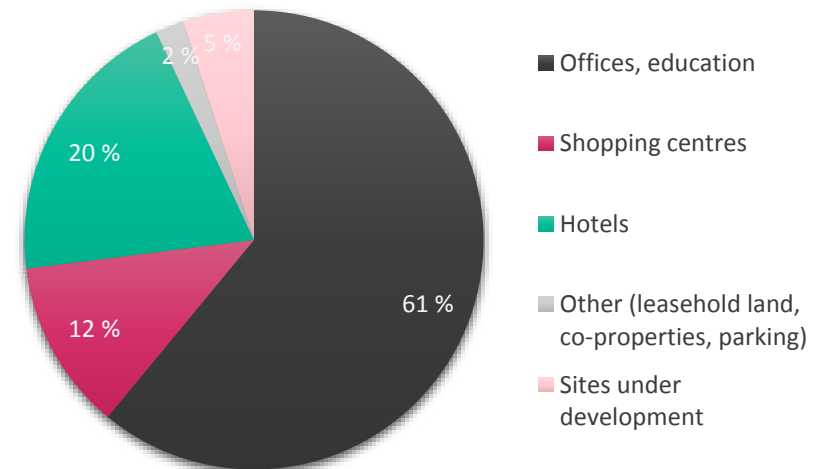
KLP Life - Property

- The portfolio written up by NOK 816 millioner (1.4%) in Q2
- New investments / sales in 2017
 - Sold Storgaten 1 in Sandefjord (part of Hvaltorvet shopping center)

Property value - by country



Property value - by sector



KLP Life – Property

NOK million	30.06.2017	31.03.2017	31.12.2016	30.09.2016
Fair value total portfolio*	60 389	59 111	58 840	55 805
Fair value common portfolio*	56 786	55 580	55 307	52 316

*Incl exchange-rate hedged and excl. property fund

	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Value adjustment in per cent	1.4 %	0,0 %	3.2 %	1.5 %
Value adjustment in per cent common portfolio	1.3 %	0,0 %	3.3 %	1.5 %
Total return common portfolio**	2.5 %	1,0 %	4.3 %	2.6 %

**Incl exchange-rate hedged and property fund

KLP Skadeforsikring (non-life insurance)

- Operating result 1. half NOK 114.9 million
- Growth in all segments - gross premium stock increased by 7.1% since 31.12.16
- One injurie over 10 million in 1. half
- Revenue recognition of previous years reserves of NOK 48.4 million
- Financial result 2.5 per cent in 1. half-year
- Solvency-ratio: 264 per cent



KLP Skadeforsikring (non-life insurance)

NOK million	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Premium written f.o.a.	319.4	304.5	298.3	291.4
Claims f.o.a.	-233.3	-247.0	-186.0	-238.8
Insurance related expenses	-70.3	-66.4	-83.9	-56.6
Other insurance related income	0.5	0.5	-9.2	0.2
Result from technical activities	16.4	-8.4	19.2	-3.8
Result from investment activities	48.8	57.9	50.5	73.0
Other income	0.1	0.1	0.1	0.1
Result from ordinary operation	65.3	49.6	69.8	69.4
Estimated tax expense	-13.9	-9.0	-6.2	-14.8
Other elements	0.0	0	5.1	-0.9
Provisions for equity fund	-13.3	-13.7	-0.7	-10.1
Result after provisions for equity fund	38.1	26.9	68.0	43.6

KLP Skadeforsikring (non-life insurance)

Revenues, NOK million	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Gross premium written	319	305	298	291
Premium income for own account	-233	-247	-186	-239
Claims paid for own account	-70	-66	-83	-57
Insurance related costs for own account	49	58	50	73
Results	65	50	70	69
Key figure balance sheet, NOK million	30.06.2017	31.03.2017	31.12.2016	30.09.2016
Financial assets	4 341	4 302	4 111	4 204
Total assets	4 773	4 731	4 489	4 522
Equity	1 806	1 752	1 712	1 809
Provisions in insurance funds for own account	2 431	2 481	2 125	2 264

KLP Bedriftspensjon – main figures

NOK million	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Interest result	4.5	-2.6	17.8	4.6
Risk result	-2.4	-4.1	2.2	3.8
Administration result	-20.0	-9.1	-13.9	-5.8
Interest rate guarantee and profit element	2.7	1.6	1.8	1.9
Non-technical result	3.7	2.1	0.2	2.1
Other profit elements	0	0	0.9	-0.1
Total result	-11.5	-12.1	9.0	6.5
Of which result to clients	5.9	0	23.0	7.7
Result to owner	-17.4	-12.1	-17.0	-2.6
Reserve Management from equity	0	0	3.0	1.5

KLP Bedriftspensjon – return and solvency

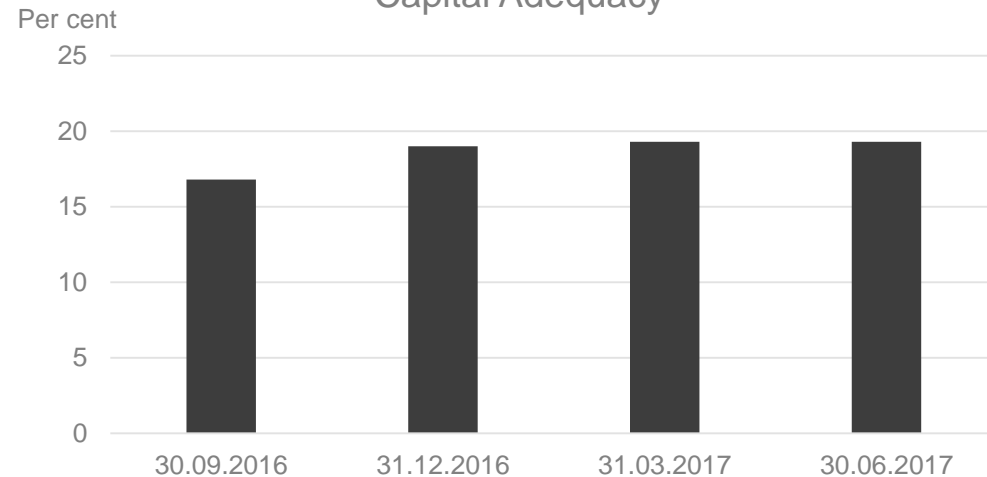
	30.06.2017	31.03.2017	31.12.2016	30.09.2016
Common portfolio				
Book	1.8 %	0.6 %	5.3 %	3.3 %
Value adjusted	2.4 %	1.2 %	5.8 %	4.4 %
Investment options portfolio	4.4 %	2.6 %	7.0 %	4.4 %
Corporate portfolio	1.3 %	0.7 %	2.4 %	2.3 %
	30.06.2017	31.03.2017	31.12.2016	30.09.2016
Solvency ratio (scr)	185 %	33 %	22 %	98 %
Kapitaldekning (scr) with transitional measures	377 %	223 %	253 %	382 %
Minimum solvency ratio (mcr)	415 %	47 %	19 %	184 %
Minimum solvency ratio (mcr) with transitional measures	923 %	559 %	657 %	816 %
NOK million	30.06.2017	31.03.2017	31.12.2016	30.09.2016
Value adjustment fund	78.1	77	66.8	75.1
Supplementary reserves	46.5	47.5	47.6	37.3
Solvency capital	718.1	483.3	479.4	516.9

KLP Bank-group – main figures

- Retail market: 51 000 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	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest revenues	57.2	51.4	45.0	49.1
Net fee – and commissions income	2.5	2.6	2.8	2.9
Management fees	14.3	14.3	14.3	14.3
Operating cost	-49.1	-48.6	-54.1	37.2
Value changes financial instruments	-0.1	3.7	-7.4	3.6
Pre-tax earnings	24.7	23.2	0.6	32.7
Total assets	35 140	34 383	34 382	34 949

Capital Adequacy



KLP Bank-group – main figures

KLP Kommunekreditt, NOK million	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest revenues	20.9	18.6	14.1	17.3
Operating cost	-4.6	-4.5	-6.1	-3.7
Value changes financial instruments	-1.0	2.4	-6.8	2.5
Pre-tax earnings	15.3	16.4	1.2	16.0
Total assets	19 315	19 101	19 516	20 426
KLP Banken, NOK million	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest revenues	25.7	23.4	23.0	22.9
Net fee – and commissions income	2.5	2.6	2.8	2.9
Management fees	14.3	14.3	14.3	14.3
Operating cost	-36.7	-36.4	-39.1	-27.1
Value changes financial instruments	0.9	1.2	-0.6	1.2
Pre-tax earnings	6.7	5.1	0.4	14.2
Total assets	12 645	12 725	12 966	12 864
KLP Boligkreditt, NOK million	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest revenues	10.6	9.4	7.9	8.9
Operating cost	-7.9	-7.8	-8.9	-6.4
Value changes financial instruments	0.0	0.1	0.0	-0.1
Pre-tax earnings	2.7	1.7	-1.0	2.5
Total assets	4 750	4 817	4 886	4 703

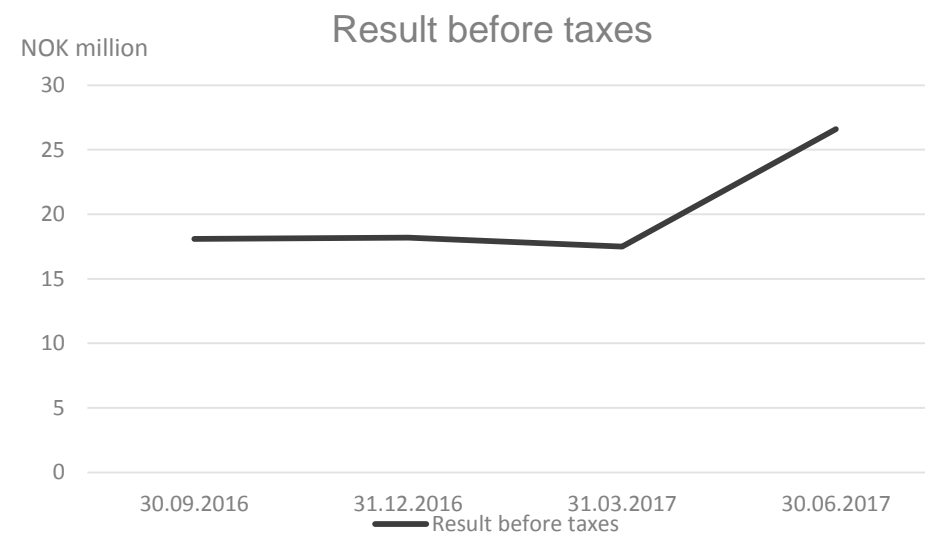
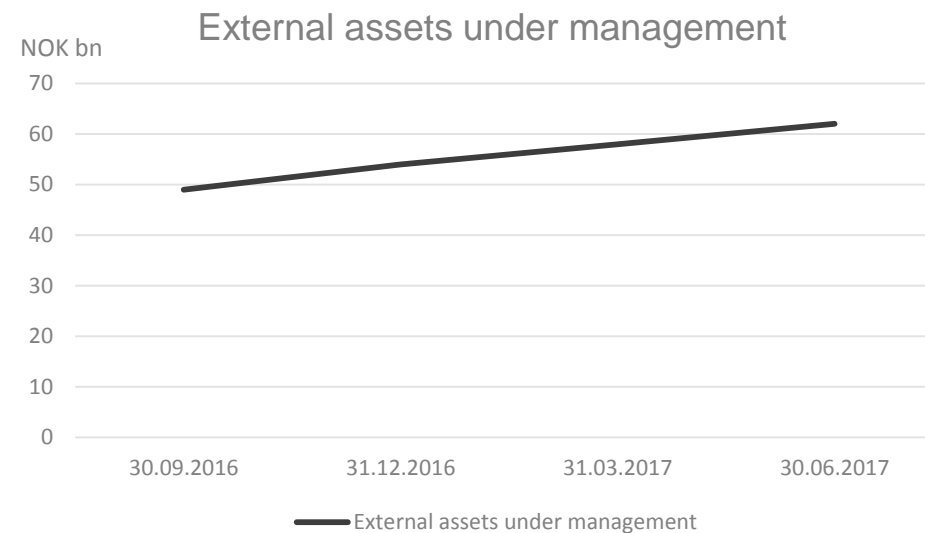
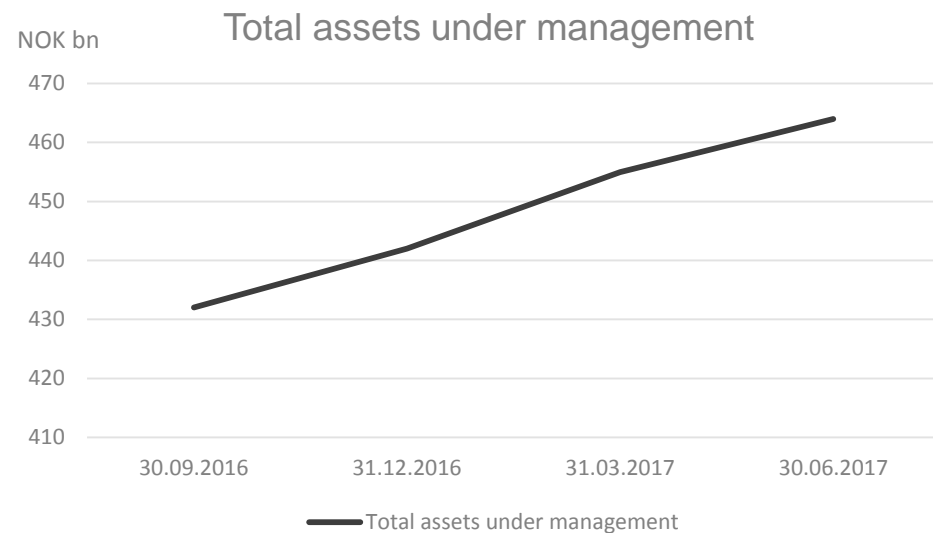
KLP Bank-group – lending and deposits

Mortgage loans, NOK million	30.06.2017	31.03.2017	31.12.2016	30.09.2016
KLP Banken AS	9.2	8.8	8.0	8.3
KLP Boligkreditt AS	4.5	4.6	4.7	4.5
KLP (Management agreement)	3.2	3.1	3.2	2.6
Total	16.9	16.4	15.9	15.4

Public sector loans, NOK million	30.06.2017	31.03.2017	31.12.2016	30.09.2016
KLP Kommunekreditt AS	16.9	17.0	17.2	17.3
KLP (Management agreement)	41.6	40.5	40.4	37.8
KLP (currency loans)	9.1	9.7	9.1	8.7
Total	67.6	67.2	66.5	63.5

Deposits, NOK million	30.06.2017	31.03.2017	31.12.2016	30.09.2016
KLP Banken AS	9.1	8.9	8.7	8.4
Total	9.1	8.9	8.7	8.4

KLP Kapitalforvaltning (Asset management)



Contacts in KLP

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