

Financial results Q3 2016

KLP Group

Oslo, 3rd November 2016



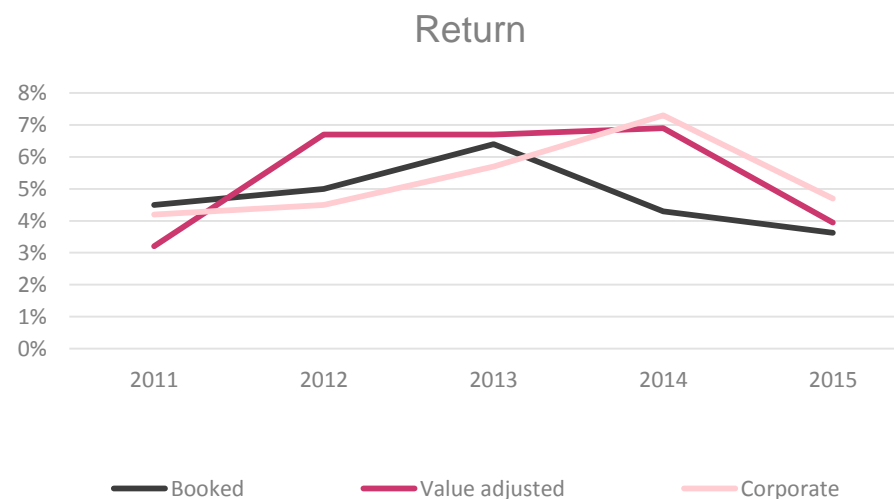
Table of contents

1. Main features
2. KLP Group
3. Life and pension
4. KLP Non-Life Insurance
5. Bedriftspensjon
6. Banking and credits
7. KLP Asset Management
8. Summary

Main features

- Total group assets: NOK 589 billion
- Common portfolio of life company:
 - Book return of 3.5 per cent
 - Value adjusted return of 4.4 per cent
- Corporate portfolio returned 4.0 per cent
- Solvency ratio: 208 per cent

	Q3 2016	Q2 2016	Q1 2015	Q4 2015
Common portfolio				
Booked return	1.3 %	1.1 %	1.1 %	1.0 %
Value adjusted return	1.7 %	1.7 %	1.0 %	2.0 %
Value adjusted return incl. HTM bonds/bonds booked at amortised costs	1.5 %	1.8 %	1.6 %	1.6 %
Investment options portfolio	1.8 %	1.7 %	1.5 %	2.2 %
Corporate portfolio	1.2 %	1.7 %	1.0 %	1.5 %



KLP Group – results by segment

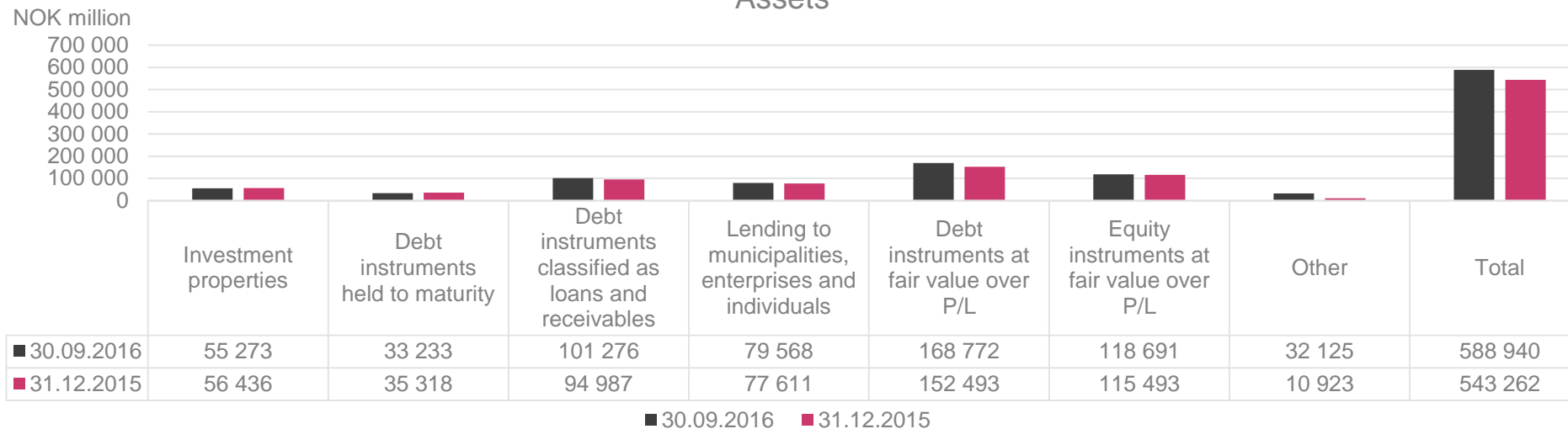
NOK million	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Life insurance	589	688	513	3 096
Non-life insurance	70	66	50	137
Banking	33	38	20	15
Asset management	15	7	-5	1
Other	0	1	0	0
Group result before tax	707	800	578	3 249

KLP Group – main figures - results

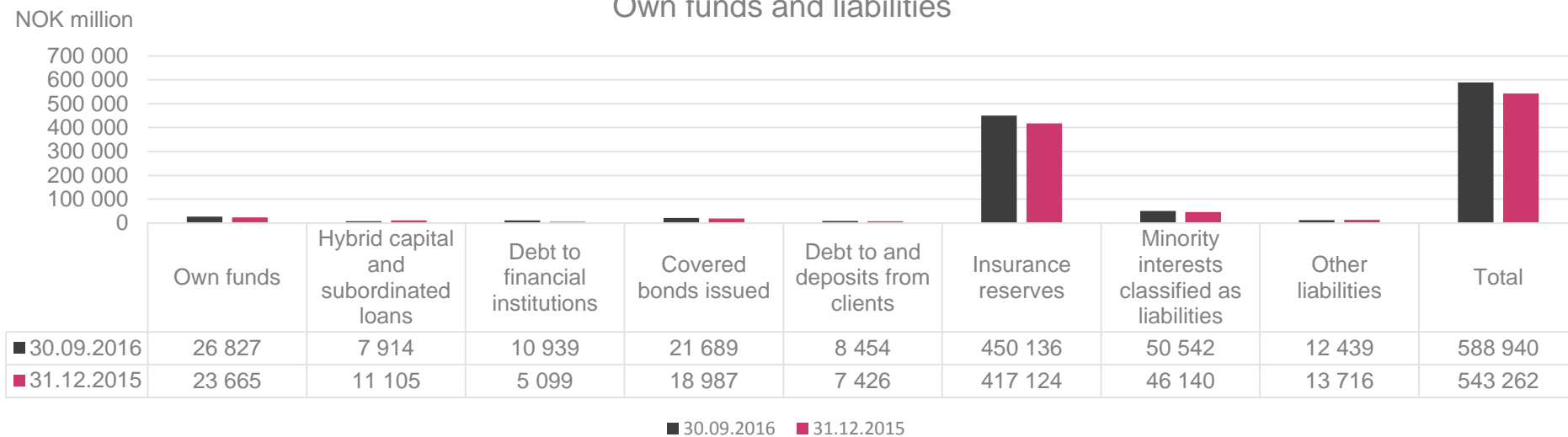
NOK million	30.09.2016	30.09.2015	31.12.2015
Pension premiums and incoming transfers	30 879	33 075	40 236
- of which premium reserves transferred from another company	3 630	9 402	9 397
Allocated investment income	22 729	8 717	19 089
Minority share of return of financial instruments	-1 146	222	-1 949
Claims f.o.a.	-12 974	-12 116	-16 161
Insurance provisions	-23 142	-26 360	-11 740
Interest expenses and value adjustments subordinated loans and subordinated bonds	360	-1195	-1490
Operating cost	-1 059	-1 032	-1 429
Other income and cost	0	44	43
Technical result	15 647	1 356	26 598
To/from value adjustment fund life insurance	-4 548	2 078	-1 951
To/from supplementary reserves life insurance	7	57	-3 073
Surplus allocated Life insurance clients	-9 022	-1 601	-16 435
Group result pre-tax	2 085	1 889	5 138
Tax	-225	-578	-927
Other profit/loss elements	2	132	261
Group result pre-tax	1 862	1 444	4 472

KLP Group - Balance

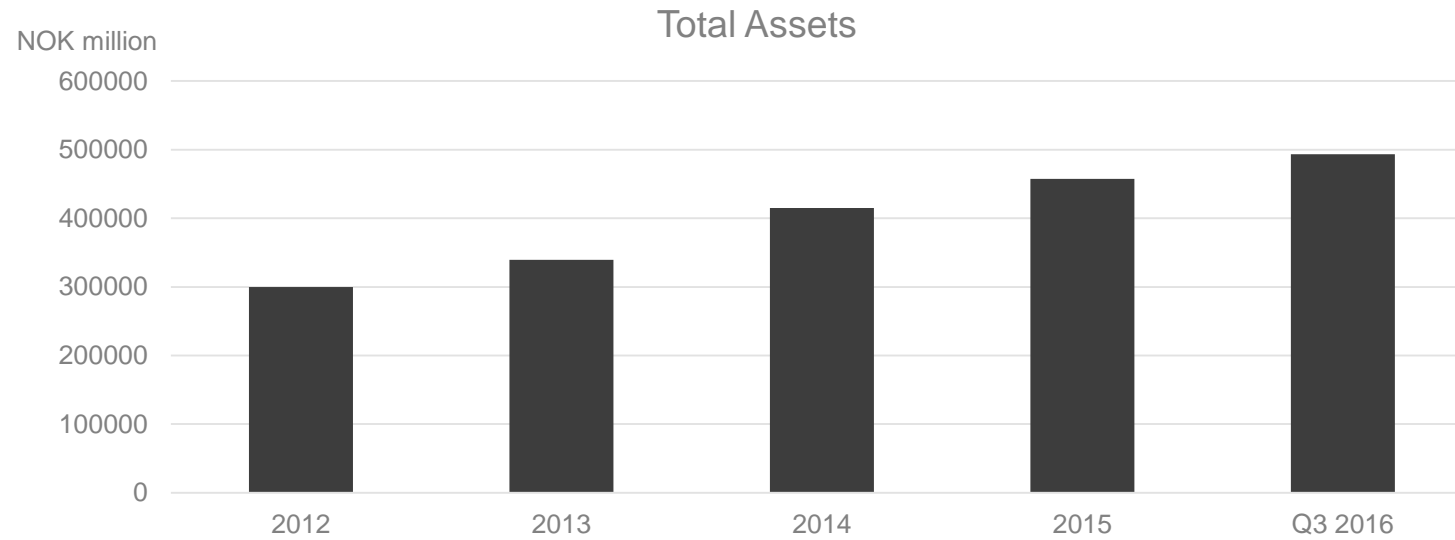
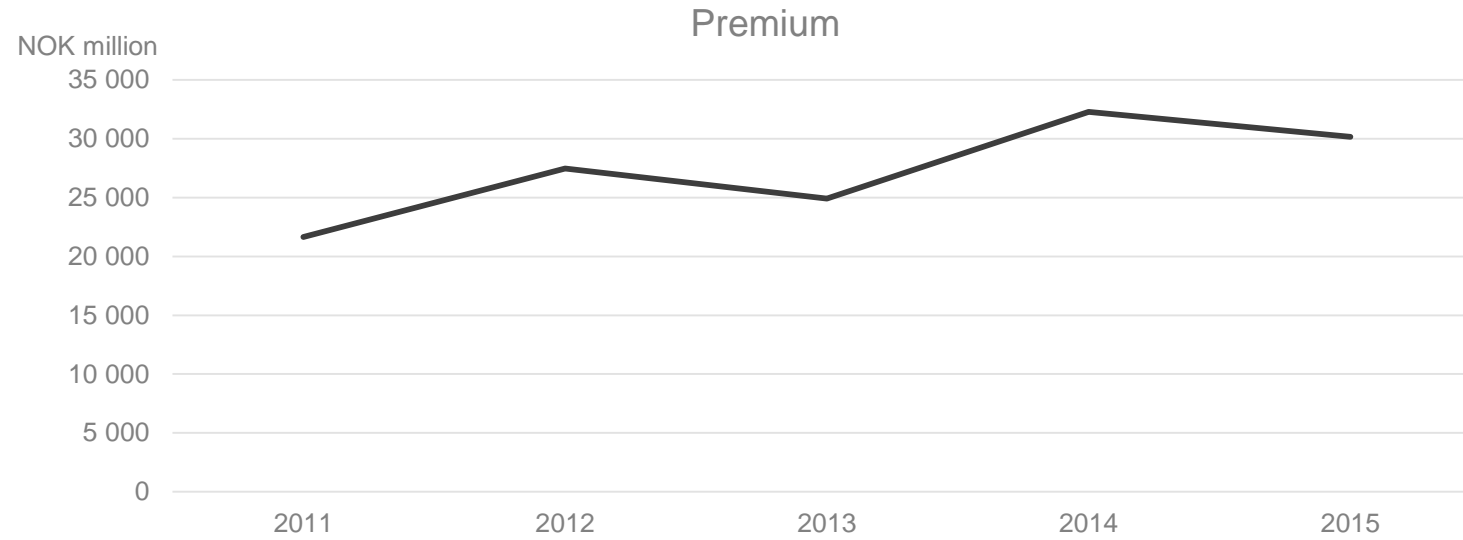
Assets



Own funds and liabilities

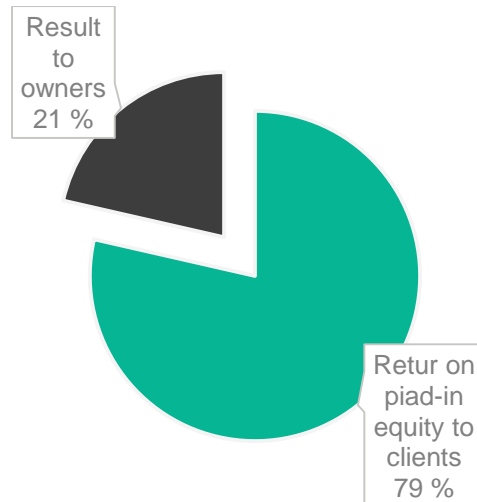


KLP Life

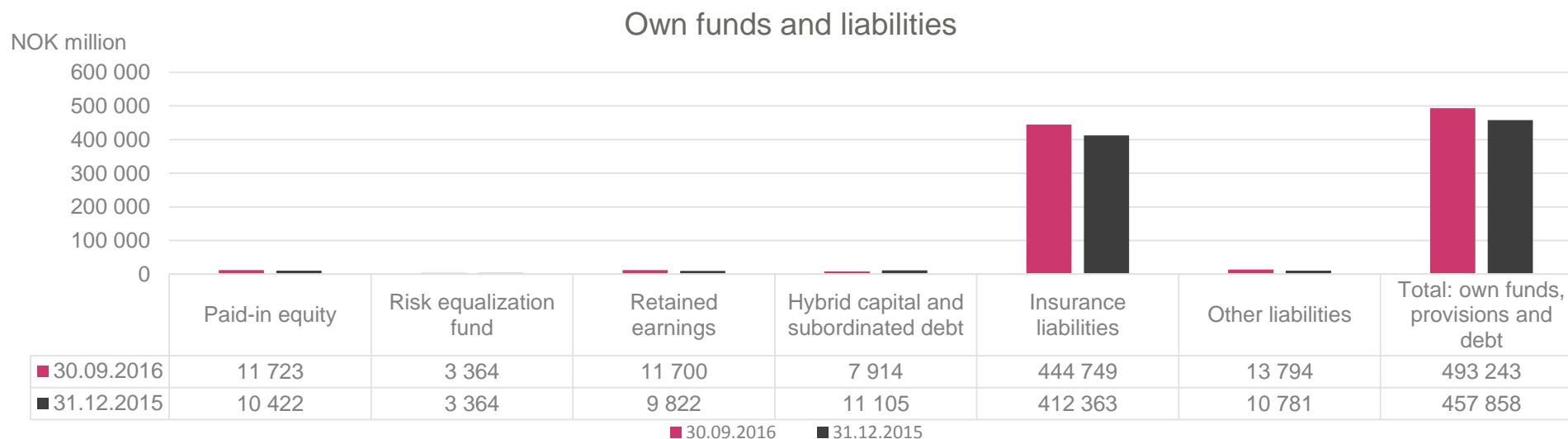
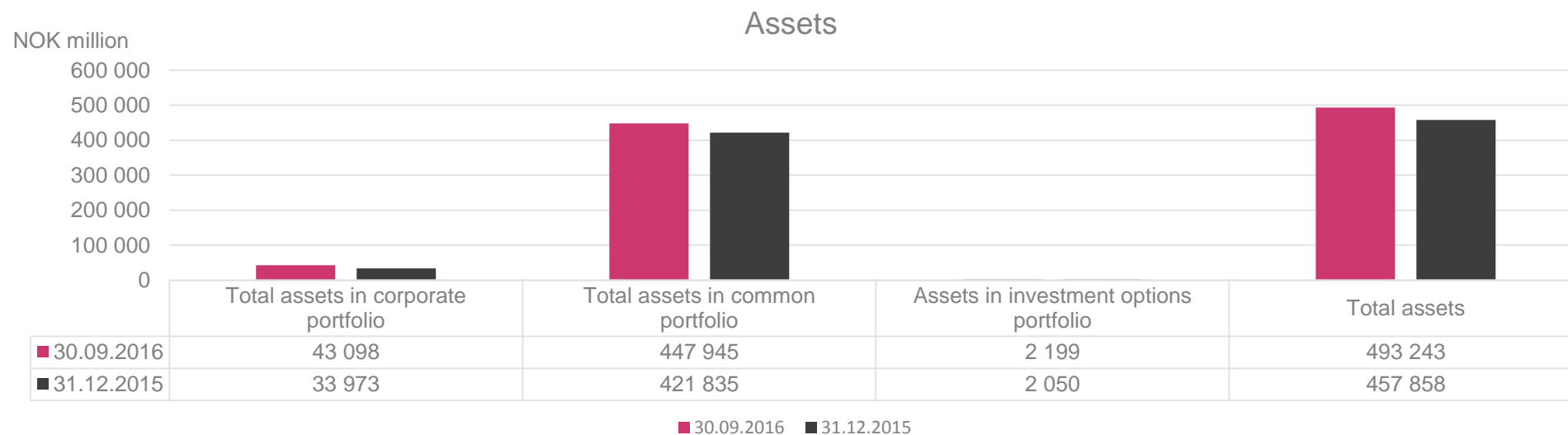


KLP – Appropriation of results

Nok million	Result Customers	Result Company	30.09.2016	30.09.2015
Interest result	6 640	119	6 759	2 134
Risk result	240	235	475	473
Premium interest rate guarantee		514	514	618
Administration result		135	135	197
Net income corporate portfolio		855	855	495
Tax		85	85	-226
Other result elements		-66	-66	84
Total	6 880	1 877	8 757	3 744



KLP Life - Balance

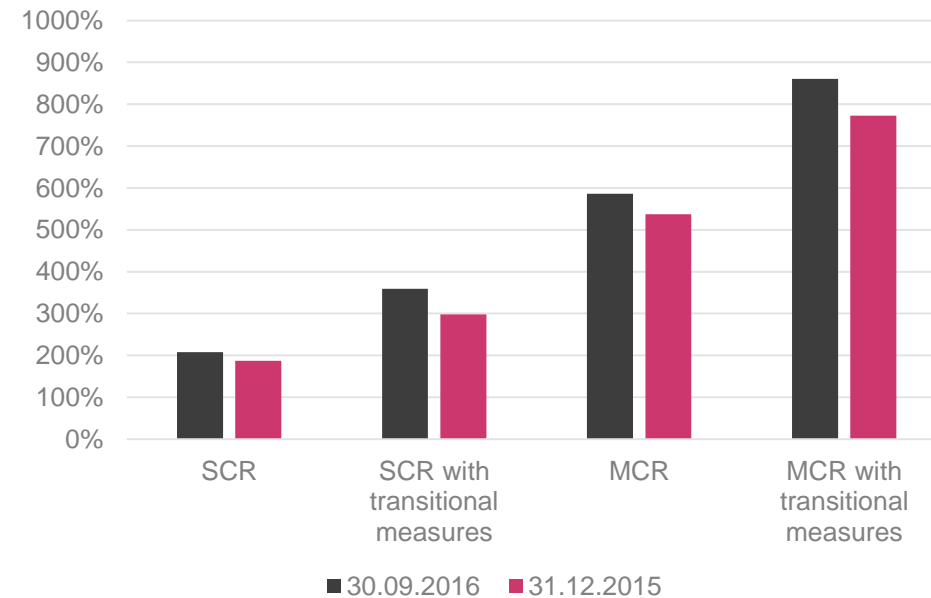


KLP Life - Solvency

- Solvency ratio Q3: 208* per cent
- Minimum solvency ratio Q3: 586* per cent
- *without transitional measures

	30.09.2016	30.06.2016	31.03.2016	31.12.2015
Solvency ratio (SCR)	208 %	189 %	187 %	189 %
Kapitaldekning (SCR) with transitional measures	359 %	343 %	334 %	298 %
Minimum solvency ratio (MCR)	586 %	534 %	488 %	537 %
Minimum solvency ratio (MCR) with transitional measures	861 %	843 %	758 %	773 %

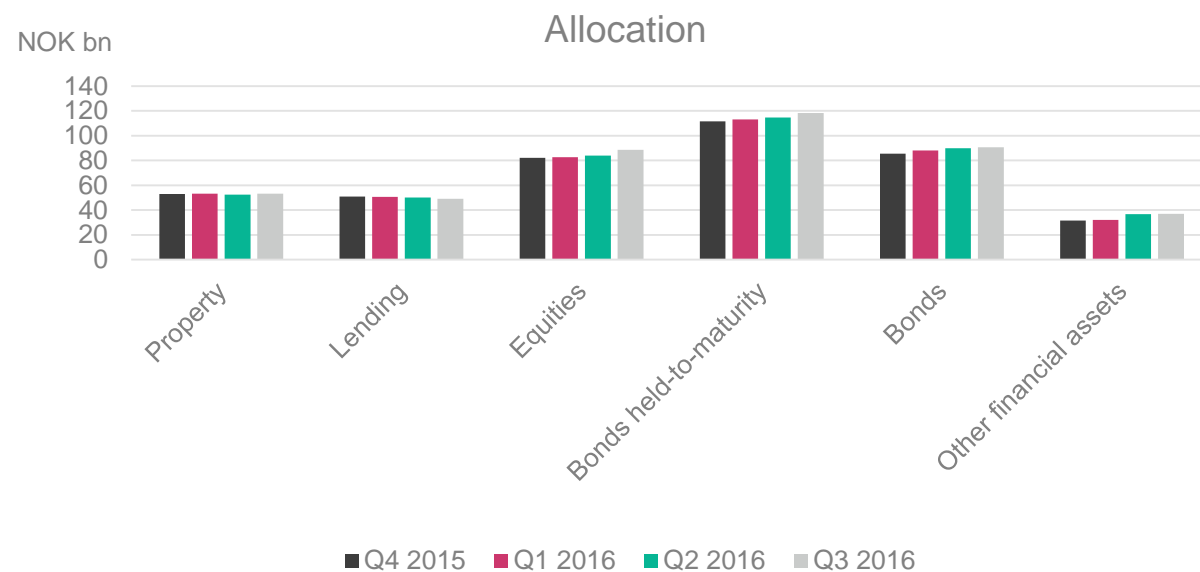
Solvency Ratio



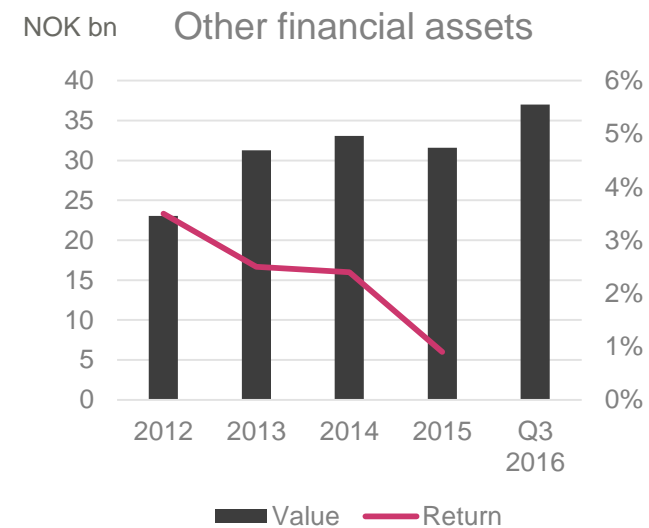
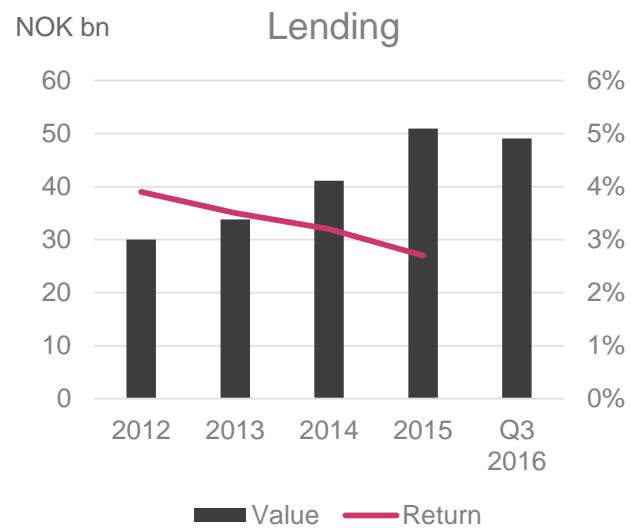
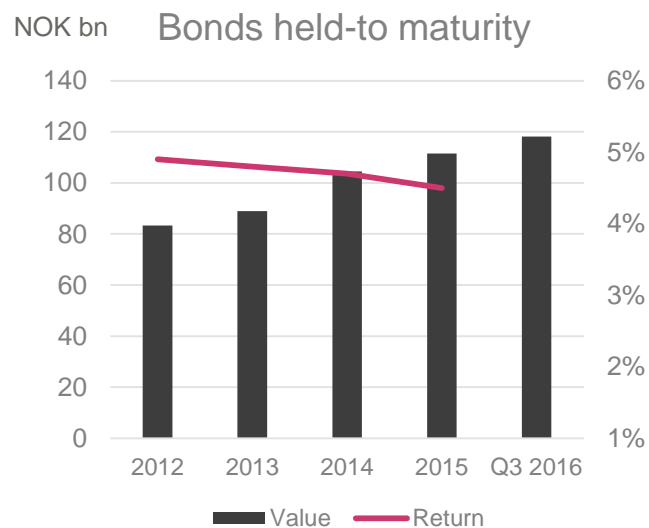
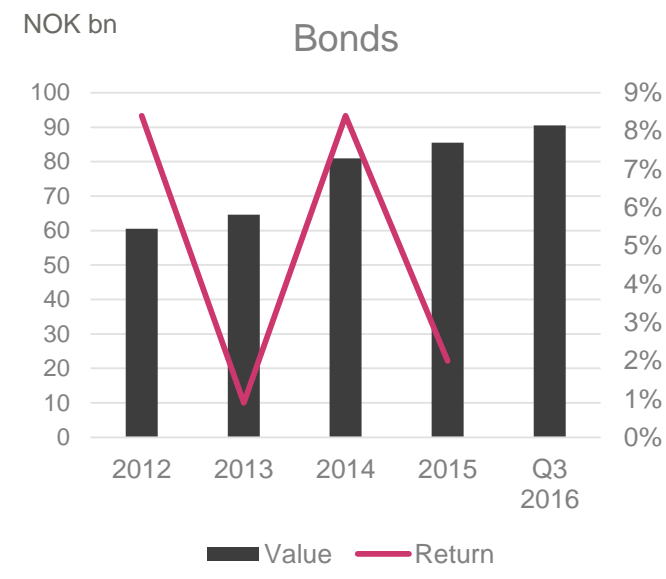
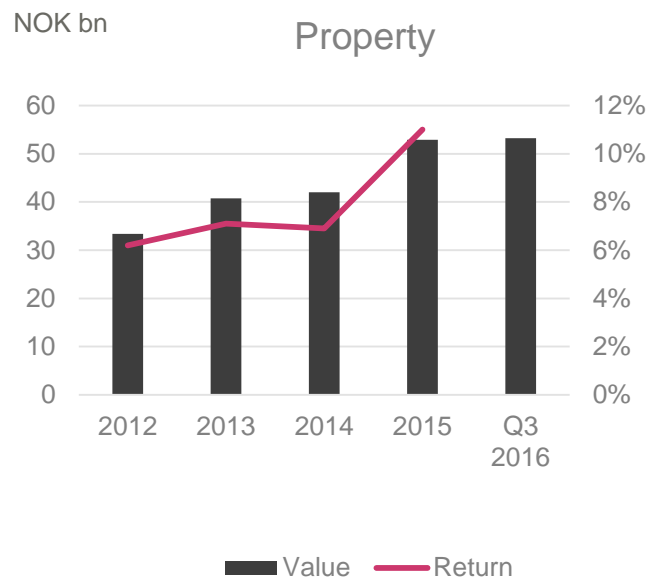
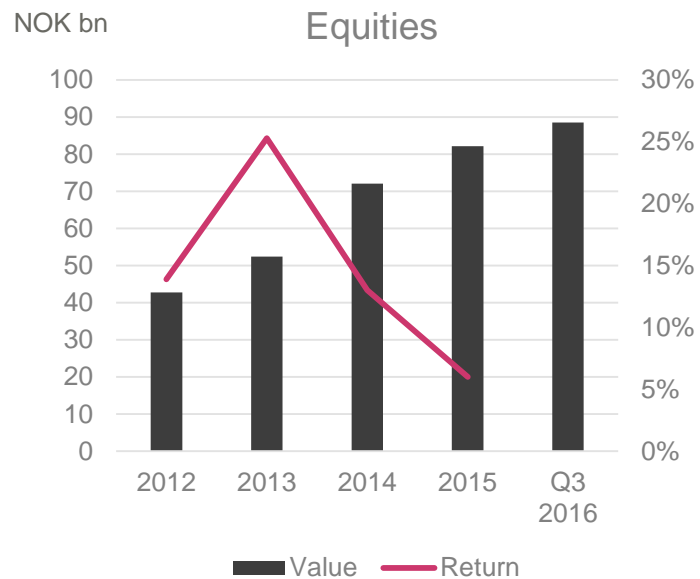
KLP Life - Common Portfolio

	Share*	Return	Share*	Return
	30.09.2016	30.09.2016	31.12.2015	31.12.2015
Equities	20.3 %	0.6 %	19.8 %	6.0 %
Bonds	20.7 %	5.5 %	20.6 %	2.0 %
Bonds held-to-maturity	27.1 %	3.2 %	26.9 %	4.5 %
Lending	11.2 %	1.8 %	12.3 %	2.7 %
Property	12.2 %	7.8 %	12.8 %	11.0 %
Other financial assets	8.5 %	1.4 %	7.6 %	0.9 %

*) Measured by exposure



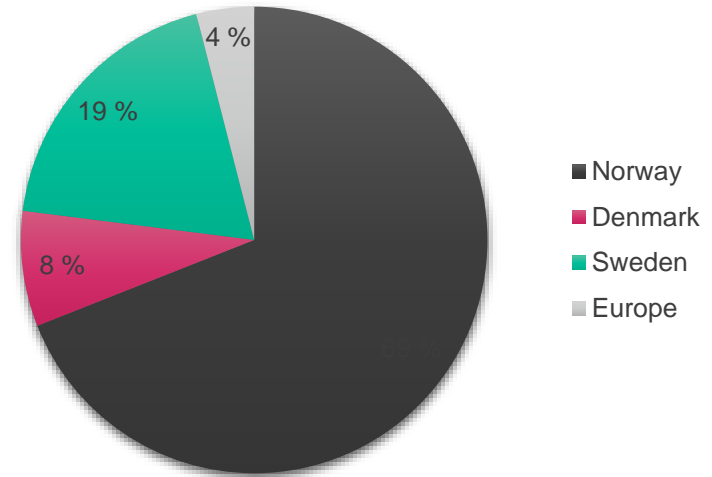
KLP Life - Allocation



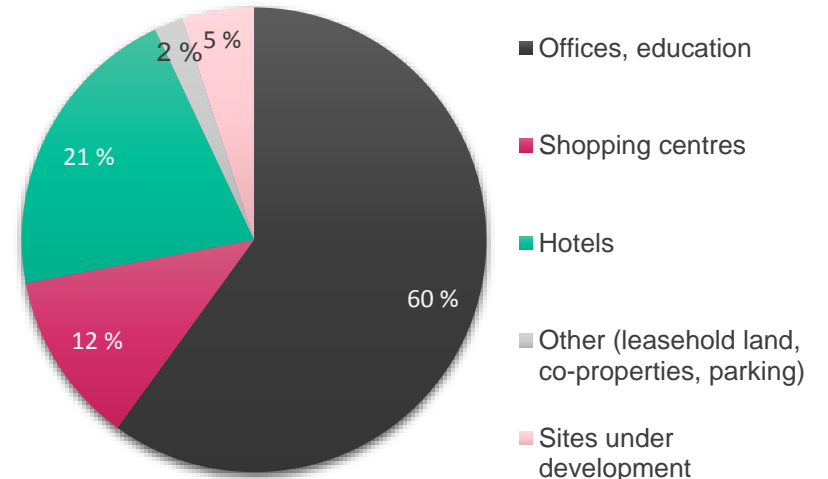
KLP Life - Property

- The portfolio written up by NOK 831 millioner (1.5%) in Q3
- New investments / sales in 2016:
 - Sold Krambukvartalet in Trondheim
 - Sold Munkedamsveien 53B in Oslo
 - Sold Fløisbonnveien 2-4 utenfor Oslo
 - Sold parts of Bergerveien 12 i Asker
 - Sold Solna Haga outside Stockholm
 - Bought Tempeveien 10 in Trondheim

Property value - by country



Property value - by sector



KLP Life – Property

NOK million	30.09.2016	30.06.2016	31.03.2016	31.12.2015
Fair value total portfolio*	55 805	55 016	55 686	55 353
Fair value common portfolio*	52 316	51 587	52 458	52 126

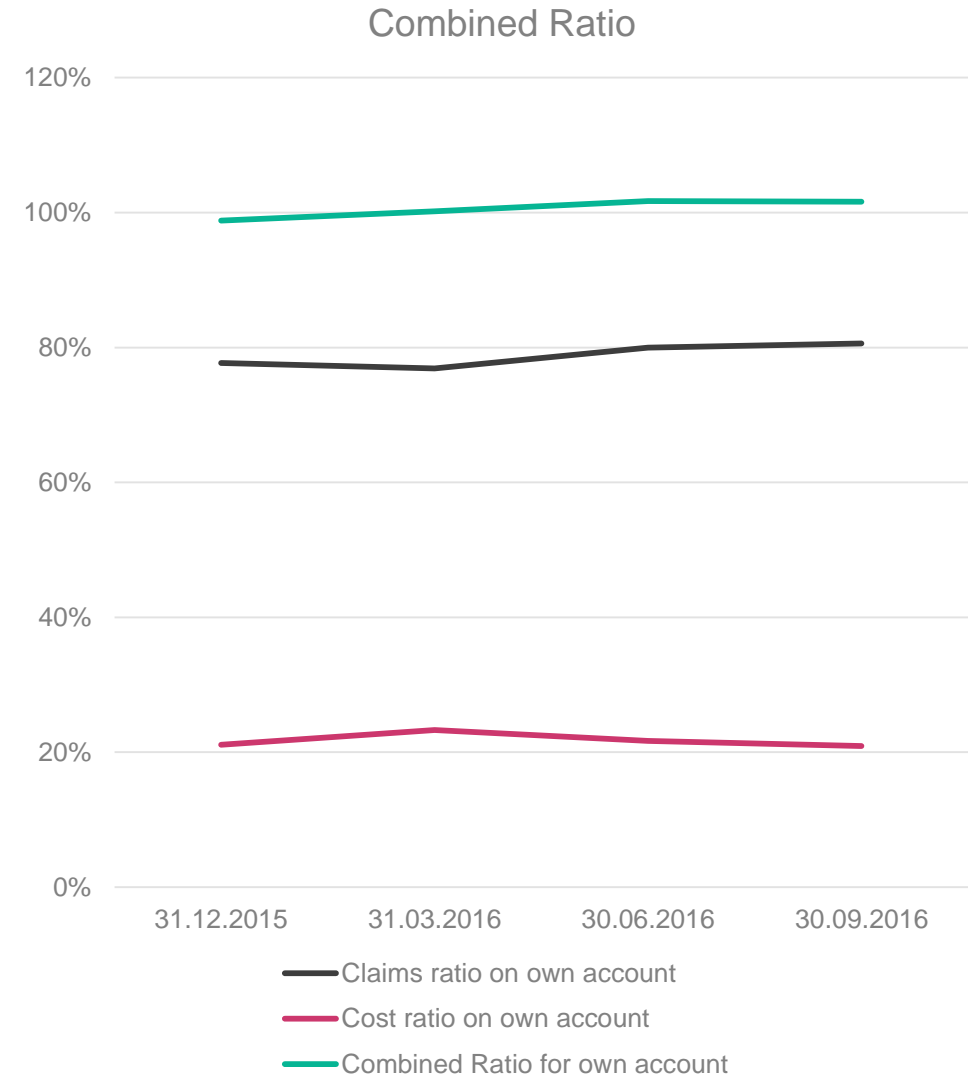
*Incl exchange-rate hedged and excl. property fund

	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Value adjustment in per cent	1.5 %	2.2 %	0.6 %	2.8 %
Value adjustment in per cent common portfolio	1.5 %	1.9 %	0.6 %	2.7 %
Total return common portfolio**	2.7 %	3.2 %	1.8 %	4.2 %

**Incl exchange-rate hedged and property fund

KLP Skadeforsikring (non-life insurance)

- Operating result Q3 NOK 69.3 million, and NOK 185.6 million YTD
- Financial result 1.8 per cent for Q3, and 4.9 per YTD
- Two injuries over 10 million this year
- Security provisions increased by 10.9 per cent
- Solvency ratio 275 per cent



KLP Skadeforsikring (non-life insurance)

NOK million	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Premium written f.o.a.	291.4	284.1	276.4	266.7
Claims f.o.a.	-238.8	-235.8	-212.4	-142.8
Insurance related expenses	-56.6	-57.2	-64.5	-62.0
Other insurance related income	0.2	0.4	0.2	0.3
Result from technical activities	-3.8	-8.6	-0.2	62.2
Result from investment activities	73.0	75.3	49.5	74.4
Other income	0.1	0.1	0.2	0.1
Result from ordinary operation	69.4	66.8	49.5	136.7
Estimated tax expense	-14.8	-14.1	-13	-33.1
Other elements	-0.9	0	-6.1	20.1
Provisions for equity fund	-10.1	-10.3	2.5	1.4
Result after provisions for equity fund	43.6	42.4	32.9	125.1

KLP Skadeforsikring (non-life insurance)

Revenues, NOK million	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Gross premium written	291	284	276	267
Premium income for own account	-239	-236	-212	-143
Claims paid for own account	-57	-57	-64	-62
Insurance related costs for own account	73	75	50	75
Results	69	67	49	137
Key figure balance sheet, NOK million	30.09.2016	30.06.2016	31.03.2016	31.12.2015
Financial assets	4 204	4 189	4 228	3 835
Total assets	4 522	4 568	4 567	4 128
Equity	1 809	1 755	1 706	1 672
Provisions in insurance funds for own account	2 264	2 359	2 439	2 057

KLP Bedriftspensjon – main figures

NOK million	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Interest result	4.6	6.1	2.5	9.8
Risk result	3.8	-0.6	0.6	-0.4
Administration result	-5.8	-5.2	-7.6	-8.2
Interest rate guarantee and profit element	1.9	1.9	1.8	1.8
Non-technical result	2.1	2.6	2.6	0.3
Other profit elements	-0.1	0.0	-1.1	-0.5
Total result	6.5	4.8	-1.2	2.7
Of which result to clients	7.7	5.4	3.1	9.7
Result to owner	-2.6	-2.2	-5.8	-9
Reserve Management	1.5	1.5	1.5	2

KLP Bedriftspensjon – return and solvency

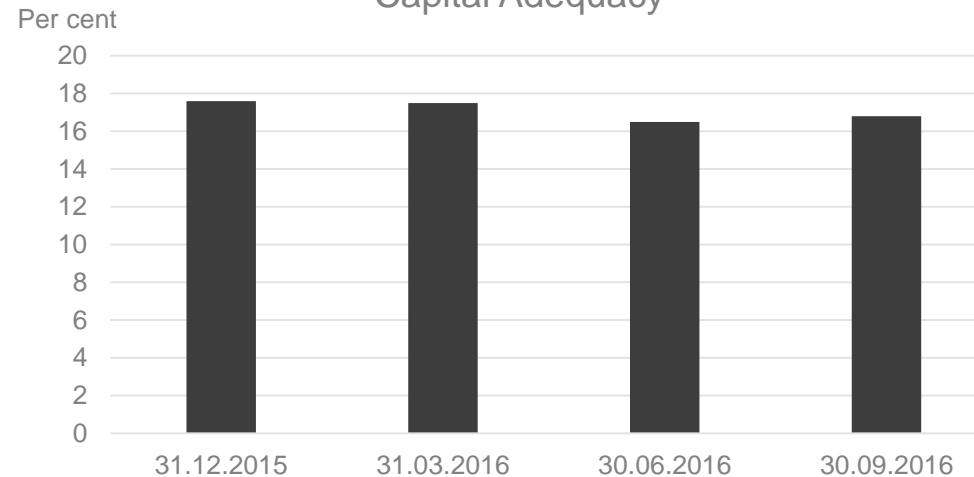
	30.09.2016	30.06.2016	31.03.2016	31.12.2015
Common portfolio				
Book	3.3 %	2.2 %	1.0 %	4.8 %
Value adjusted	4.4 %	2.8 %	1.1 %	4.7 %
Investment options portfolio	4.4 %	1.8 %	-0.2 %	2.1 %
Corporate portfolio	2.3 %	1.7 %	1.1 %	0.9 %
	30.09.2016	30.06.2016	31.03.2016	31.12.2015
Solvency ratio (scr)	98 %	69 %	57 %	100 %
Kapitaldekning (scr) with transitional measures	382 %	319 %	302 %	319 %
Minimum solvency ratio (mcr)	184 %	134 %	106 %	227 %
Minimum solvency ratio (mcr) with transitional measures	816 %	804 %	773 %	855 %
NOK million	30.09.2016	30.06.2016	31.03.2016	31.12.2015
Value adjustment fund	75.3	67.3	60.2	56.6
Supplementary reserves	37.3	37.5	38.0	37.7
Solvency capital	516.9	516.3	480.0	461.0

KLP Bank-group – main figures

- Retail market: 45 200 clients
- KLP Boligkreditt AS has issued new covered bonds and had a loan balance at 4.5 billion at 30. June

NOK million	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Net interest revenues	49.1	49.4	50.9	54.0
Net fee – and commissions income	2.9	2.4	1.2	2.4
Management fees	14.3	14.2	14.3	14.4
Operating cost	37.0	-36.1	-53.0	-48.0
Value changes financial instruments	3.4	8.1	6.5	-7.5
Pre-tax earnings	32.7	38.1	19.9	15.3
Total assets	34 949	34 145	32 200	31 294

Capital Adequacy



KLP Bank-group – main figures

KLP Kommunekreditt, NOK million	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Net interest revenues	17.2	17.8	18.9	17.8
Operating cost	-3.8	-4.1	-4.9	-6.6
Value changes financial instruments	2.5	5.1	3.3	-5.5
Pre-tax earnings	16.0	18.8	17.2	5.7
Total assets	20 426	19 972	19 184	19 349
KLP Banken, NOK million	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Net interest revenues	22.9	22.0	21.6	23.6
Net fee – and commissions income	2.9	2.4	1.2	2.4
Management fees	14.2	14.2	14.3	14.4
Operating cost	-26.9	-26.3	-40.2	-33.2
Value changes financial instruments	1.1	2.7	0.1	-2.8
Pre-tax earnings	14.2	15.0	-3.0	4.4
Total assets	12 864	12 742	12 718	11 933
KLP Boligkreditt, NOK million	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Net interest revenues	8.9	9.5	10.5	12.6
Operating cost	-6.4	-5.6	-7.9	-8.3
Value changes financial instruments	-0.1	0.4	3.0	0.8
Pre-tax earnings	2.5	4.3	5.6	5.1
Total assets	4 703	4 429	4 251	3 959

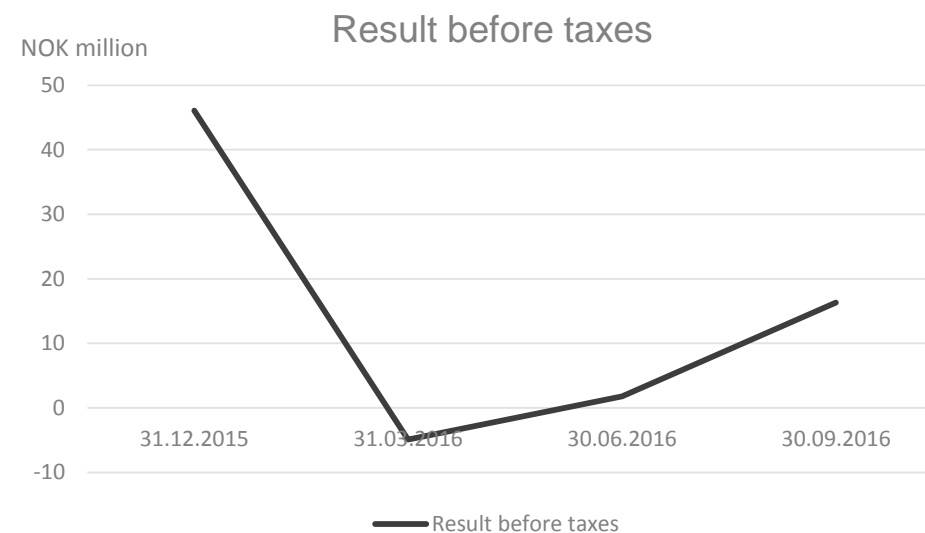
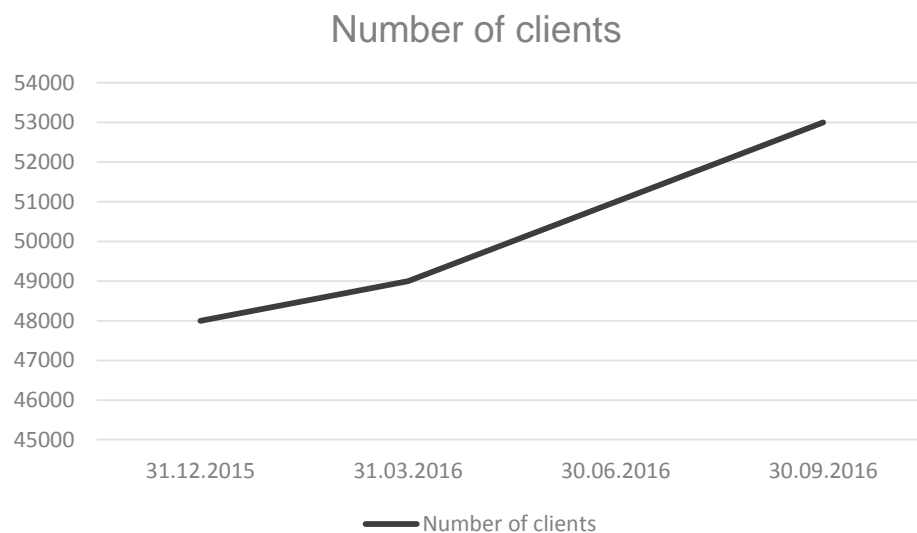
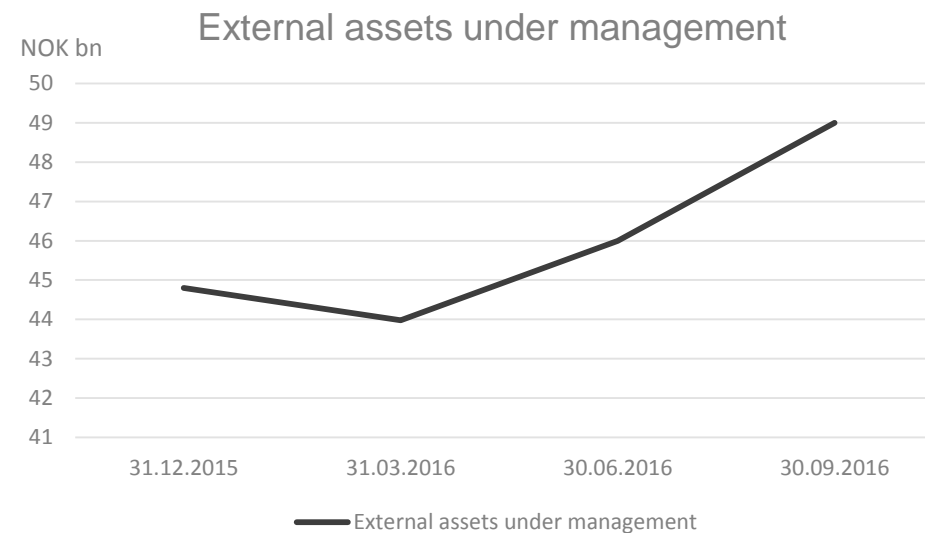
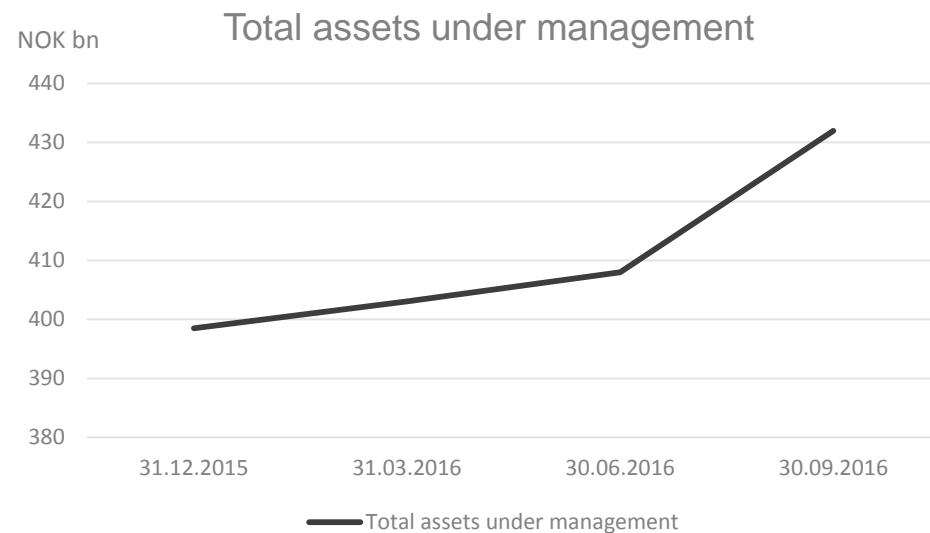
KLP Bank-group – lending and deposits

Mortgage loans, NOK million	30.09.2016	30.06.2016	31.03.2016	31.12.2015
KLP Banken AS	8.3	8.1	7.3	6.9
KLP Boligkreditt AS	4.5	4.2	4.0	3.7
KLP (Management agreement)	2.6	2.7	3.2	3.4
Total	15.4	15.0	14.5	14.1

Public sector loans, NOK million	30.09.2016	30.06.2016	31.03.2016	31.12.2015
KLP Kommunekreditt AS	17.0	15.7	15.4	15.3
KLP (Management agreement)	37.8	38.2	37.9	37.4
KLP (currency loans)	8.7	9.2	9.7	10.1
Total	63.5	63.1	62.9	62.9

Deposits, NOK million	30.09.2016	30.06.2016	31.03.2016	31.12.2015
KLP Banken AS	8.4	8.3	7.9	7.4
Total	8.4	8.3	7.9	7.4

KLP Kapitalforvaltning (Asset management)



Contacts in KLP

Position	Name	Phone	E-mail
Executive Vice President & CFO	Aage E. Schaanning	+47 22 03 79 01/90 52 43 12	aes@klp.no
Director Finance	Oliver Siem	+47 934 31 820	sie@klp.no