

Financial results Q3 2017

KLP Group

Oslo, 2nd November 2017



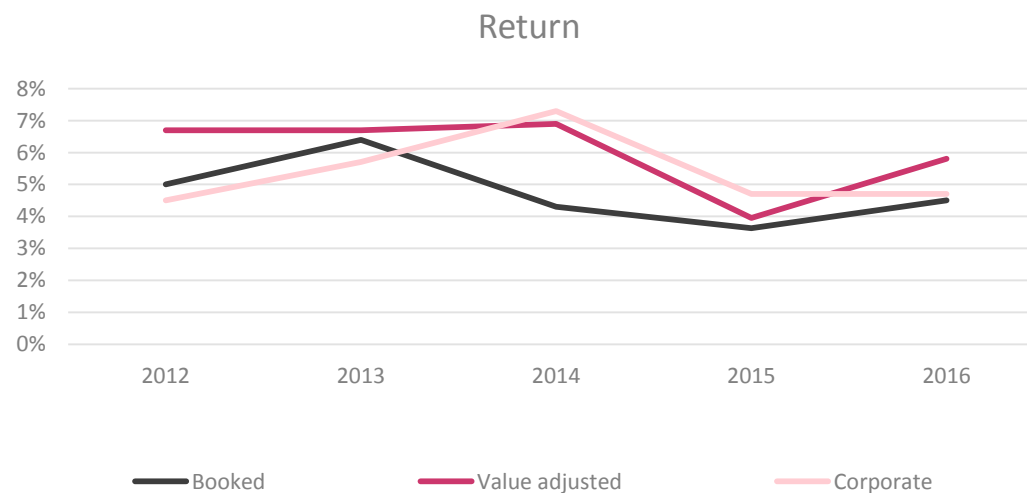
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Main features

- Total group assets: NOK 641 billion
- Common portfolio of life company:
 - Book return of 3.1 per cent
 - Value adjusted return of 4.6 per cent
- Corporate portfolio returned 3.0 per cent
- Solvency ratio KLP: 223 per cent

	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Common portfolio				
Booked return	1.5 %	0.9 %	0.6 %	0.9 %
Value adjusted return	1.5 %	1.3 %	1.7 %	1.4 %
Value adjusted return incl. HTM bonds/bonds booked at amortised costs	1.6 %	1.1 %	1.9 %	0.5 %
Investment options portfolio	1.8 %	1.3 %	1.8 %	1.7 %
Corporate portfolio	0.8 %	1.3 %	0.9 %	0.7 %



KLP Group – results by segment

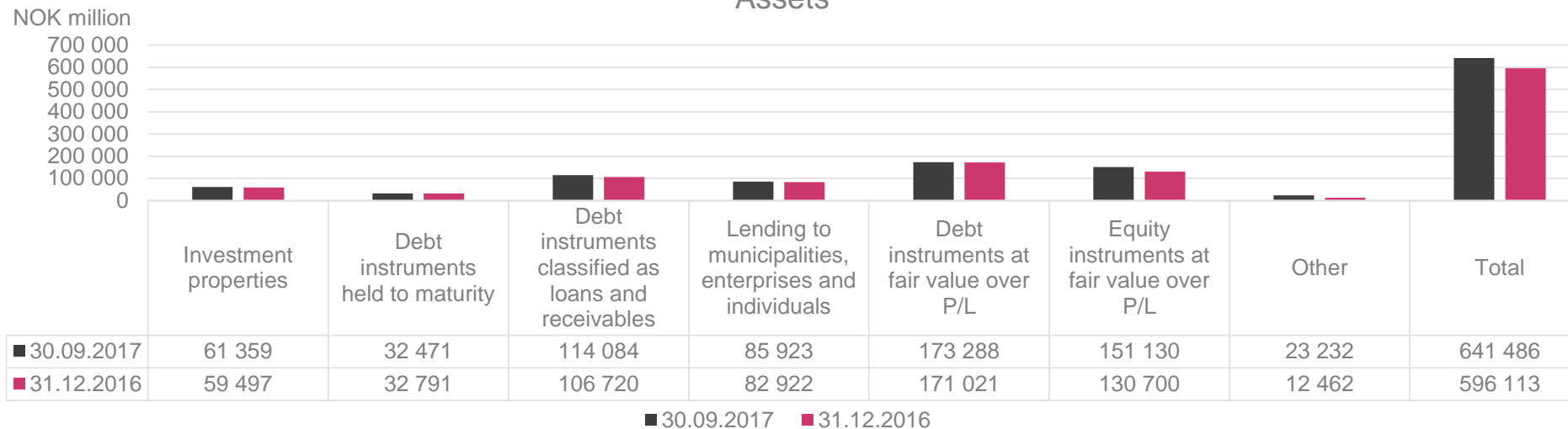
NOK million	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Life insurance	758	1068	689	294
Non-life insurance	38	65	50	69
Banking	34	24	23	0,6
Asset management	24	9	17	1
Other	0	0	0	0
Group result before tax	854	1167	779	364

KLP Group – main figures - results

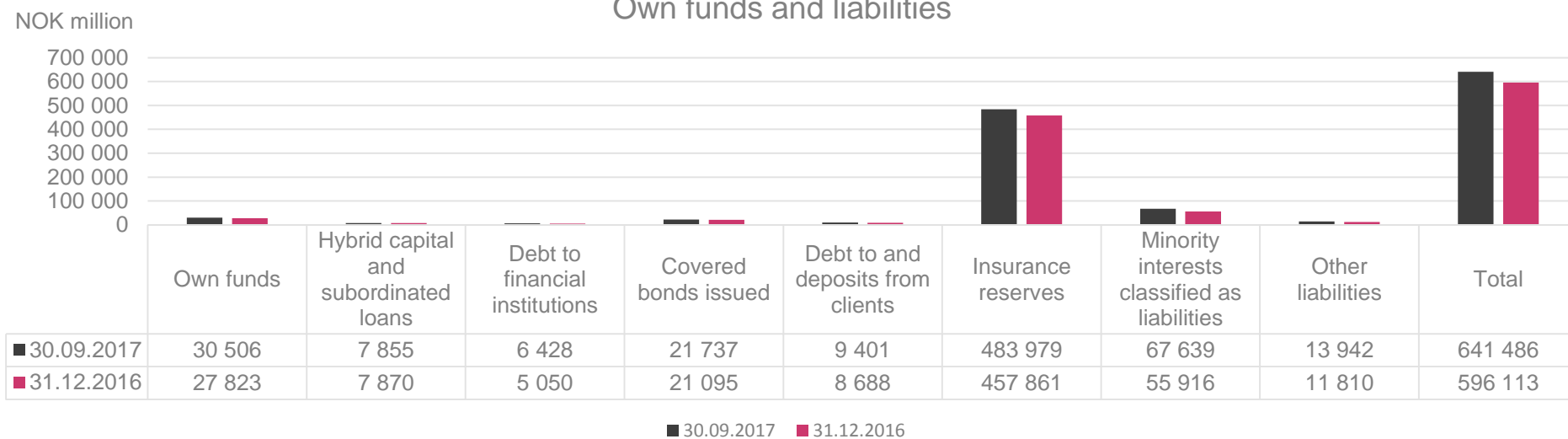
NOK million	30.09.2017	31.12.2016
Pension premiums and incoming transfers	25 623	38 497
- of which premium reserves transferred from another company	655	3 434
Allocated investment income	28 805	30 888
Minority share of return of financial instruments	-5 788	-3 061
Claims f.o.a.	-13 977	-17 370
- of which premium reserves transferred to another company	-301	-158
Insurance provisions	-17 335	-27 973
Interest expenses and value adjustments subordinated loans and subordinated bonds	-273	382
Operating cost	-1 140	-1 756
Other income and cost	35	-12
Technical result	15 950	19 594
To/from value adjustment fund life insurance	-7 751	-6 876
To/from supplementary reserves life insurance	13	-4 026
Surplus allocated Life insurance clients	-5 413	-6 244
Group result pre-tax	2 799	2 449
Tax	-1 492	359
Other profit/loss elements	-20	47
Group result pre-tax	1 288	2 855

KLP Group - Balance

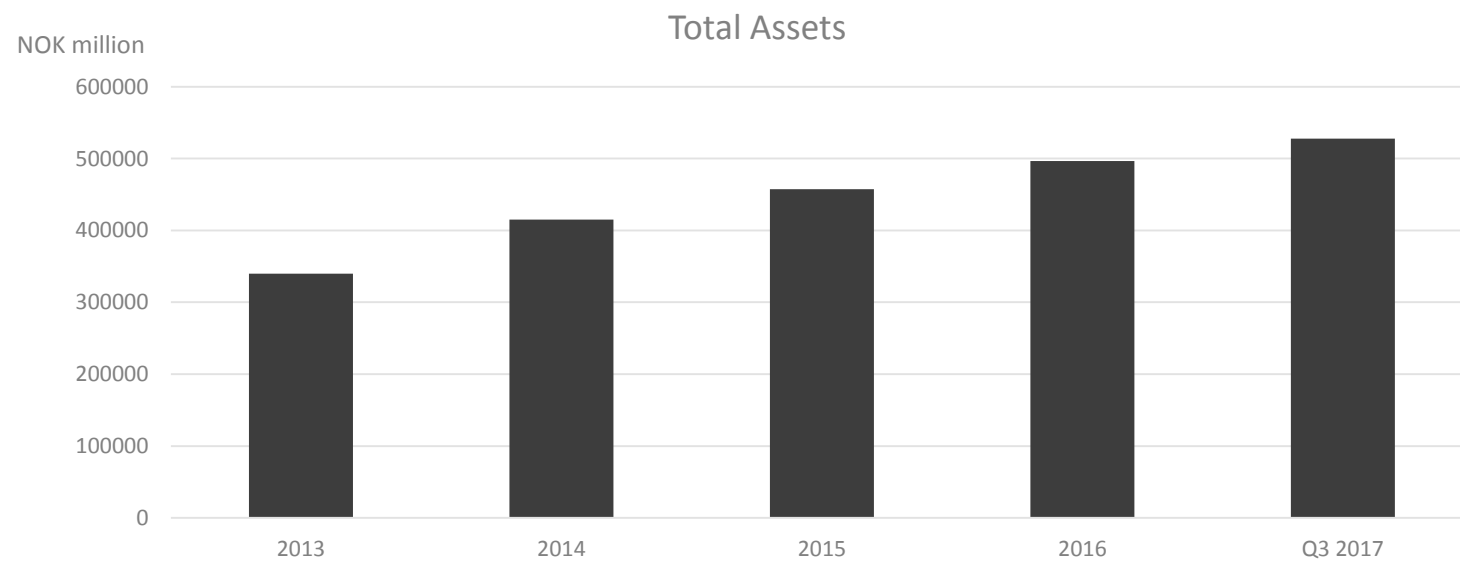
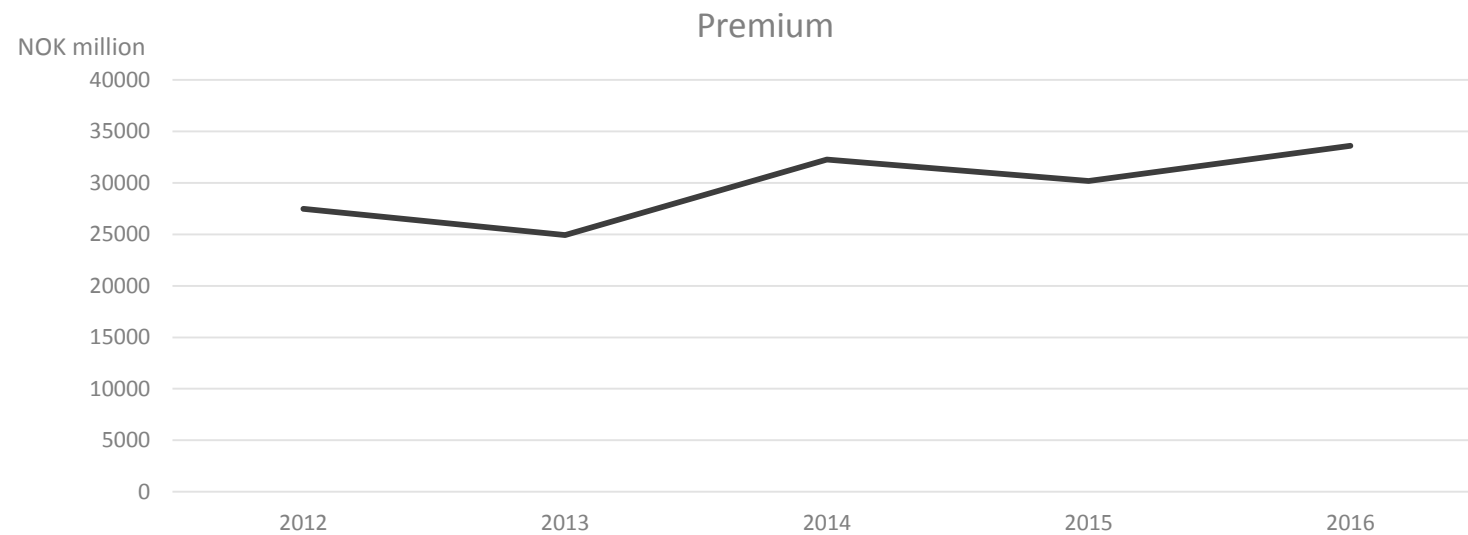
Assets



Own funds and liabilities

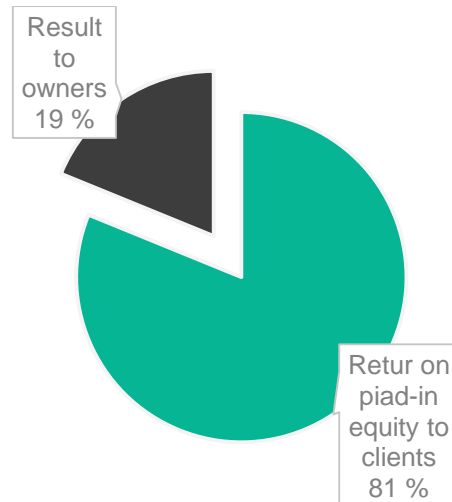


KLP Life

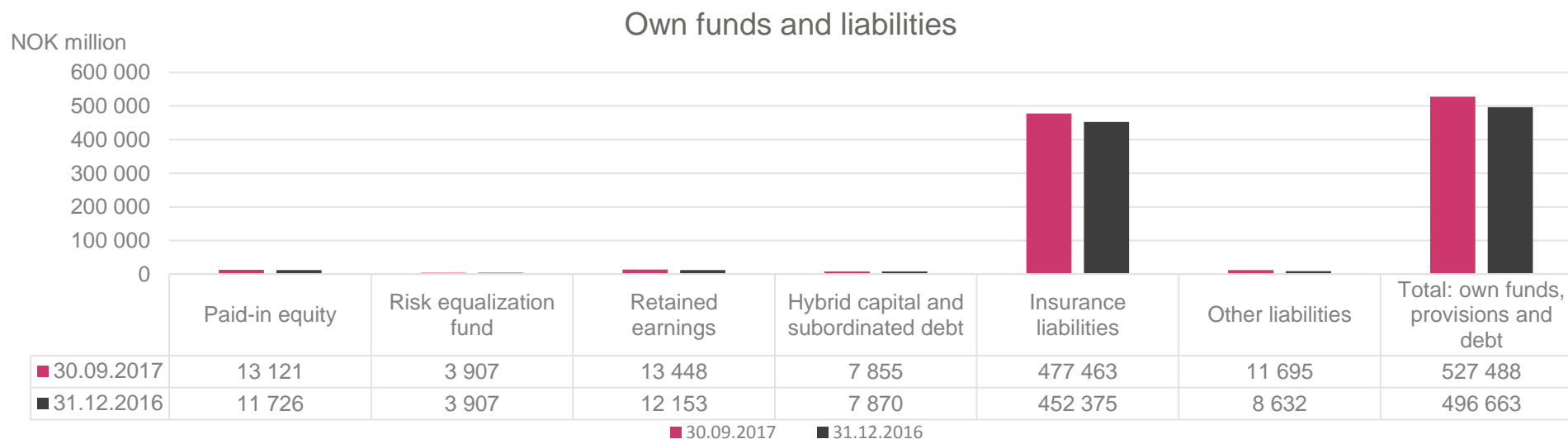
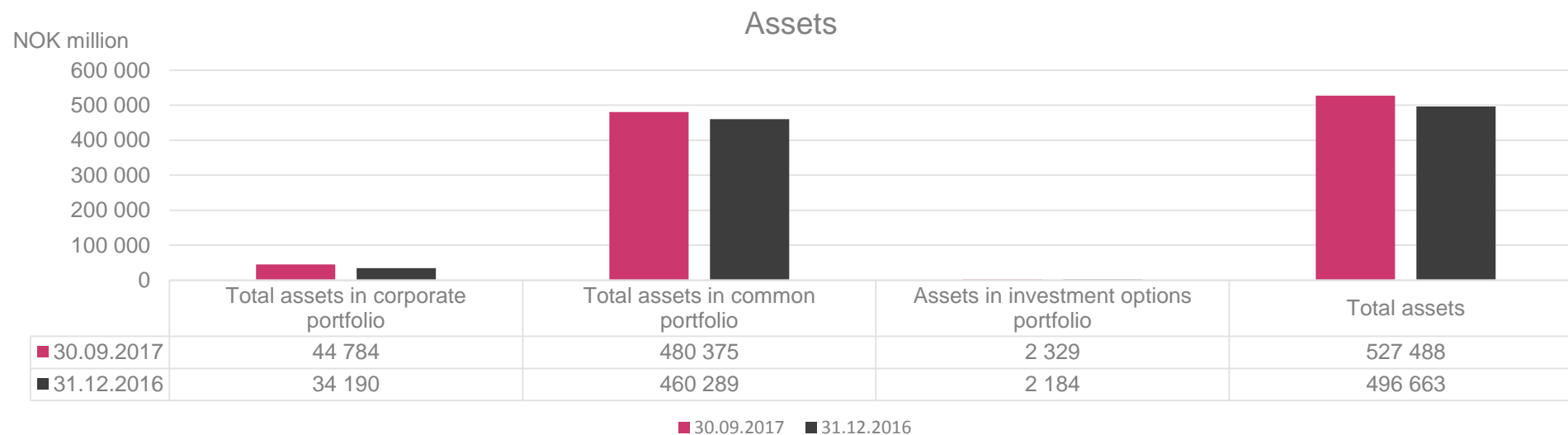


KLP – Appropriation of results

Nok million	Result Customers	Result Company	30.09.2017	31.12.2016
Interest result	5 368	119	5 487	8 094
Risk result	213	213	426	784
Premium interest rate guarantee		529	529	690
Administration result		143	143	-50
Net income corporate portfolio		692	692	945
Tax		-323	-323	773
Other result elements		-79	-79	-24
Total	5 581	1 295	6 875	11 213



KLP Life - Balance



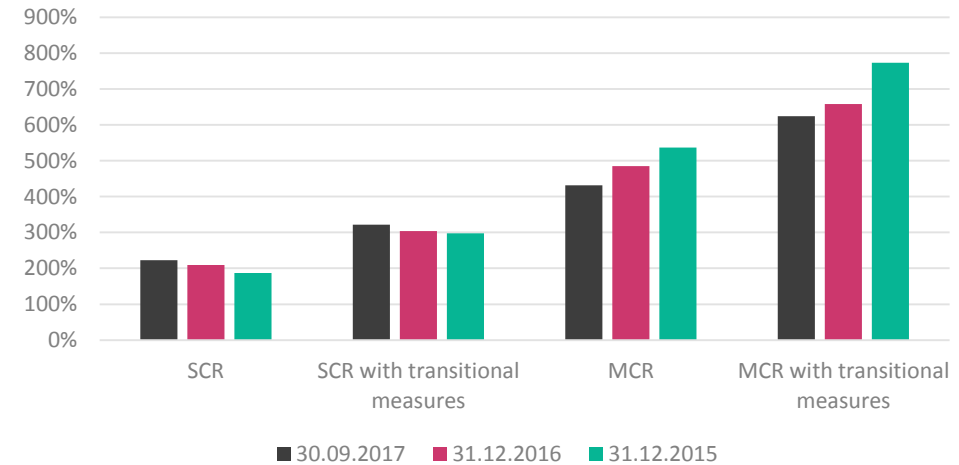
KLP Life - Solvency

- Solvency ratio Q3: 223* per cent
- Minimum solvency ratio Q3: 431* per cent

**without transitional measures*

	30.09.2017	30.06.2017	31.03.2017	31.12.2016
Solvency ratio (SCR)	223 %	216 %	214 %	209 %
Kapitaldekning (SCR) with transitional measures	322 %	314 %	311 %	304 %
Minimum solvency ratio (MCR)	431 %	427 %	503 %	485 %
Minimum solvency ratio (MCR) with transitional measures	624 %	603 %	655 %	658 %

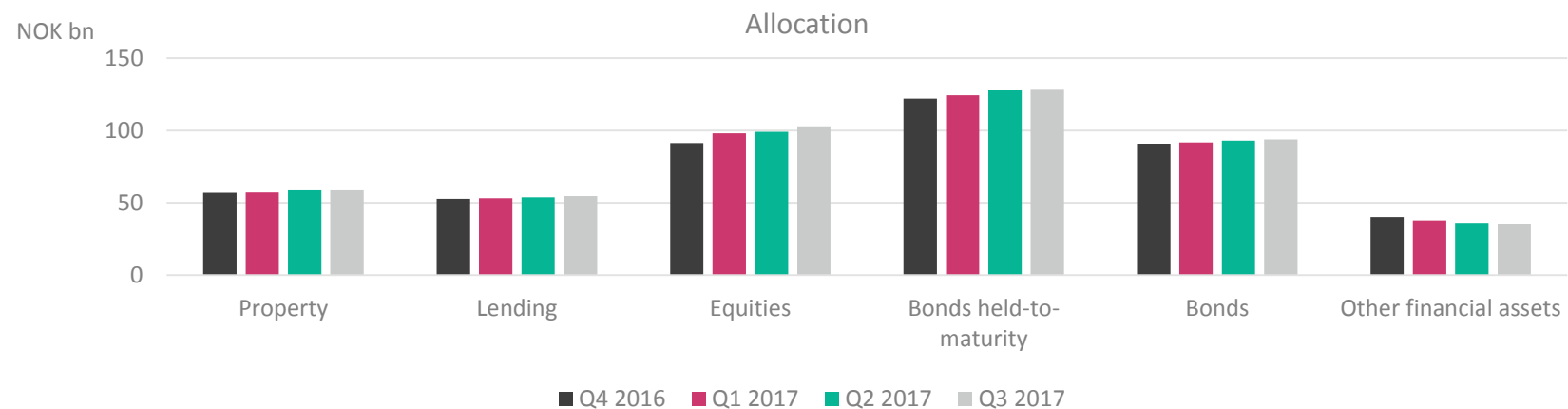
Solvency Ratio



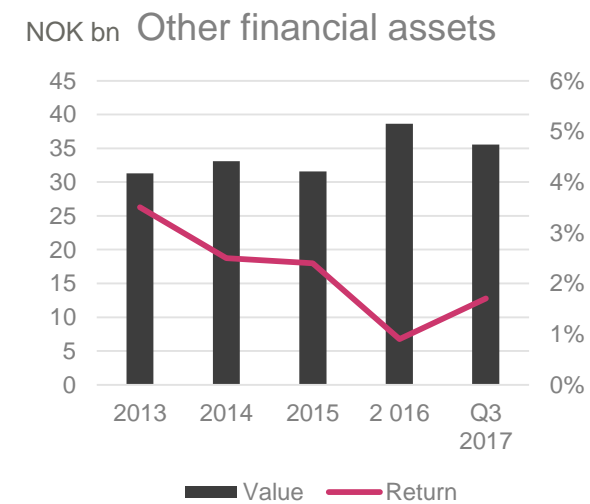
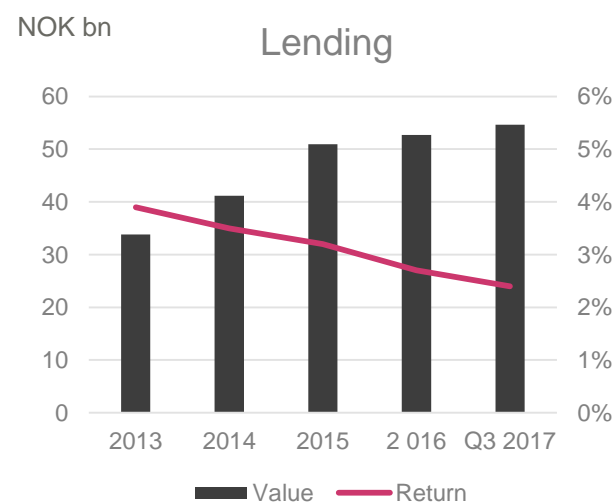
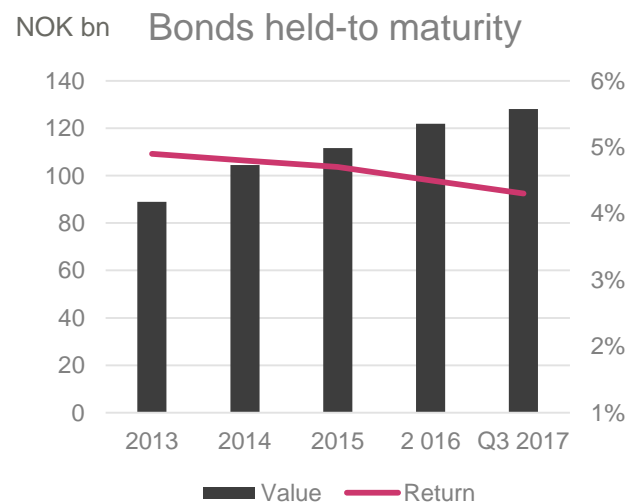
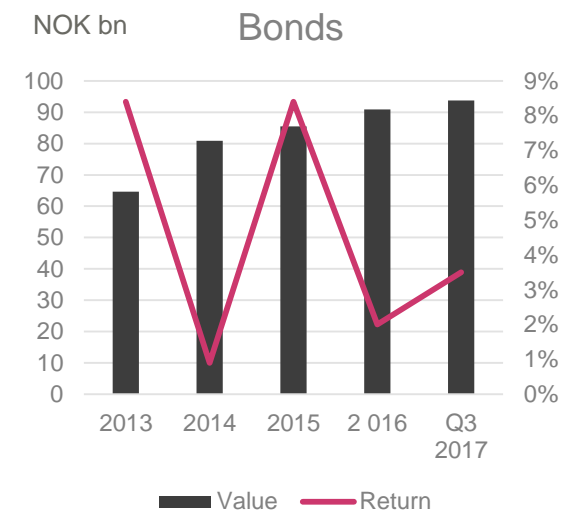
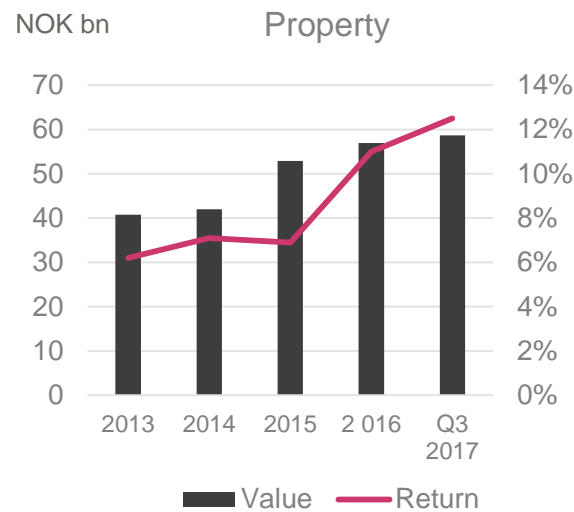
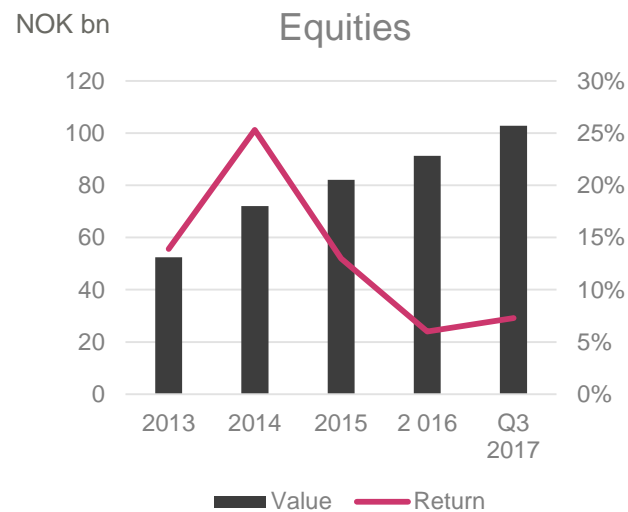
KLP Life - Common Portfolio

	Share*	Return	Share*	Return
	30.09.2017	30.09.2017	31.12.2016	31.12.2016
Equities	21.7 %	11.1 %	20.1 %	7.3 %
Bonds	19.8 %	2.6 %	20.0 %	3.5 %
Bonds held-to-maturity	27.0 %	3.0 %	26.8 %	4.3 %
Lending	11.5 %	1.7 %	11.6 %	2.4 %
Property	12.4 %	5.1 %	12.5 %	12.5 %
Other financial assets	7.5 %	1.3 %	8.9 %	1.7 %

*) Measured by exposure



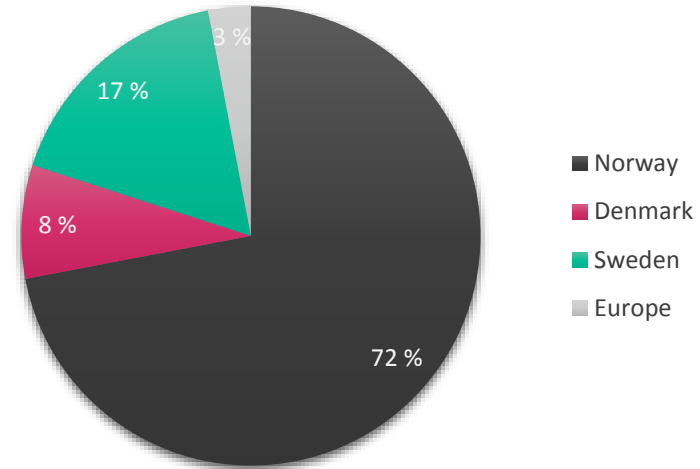
KLP Life - Allocation



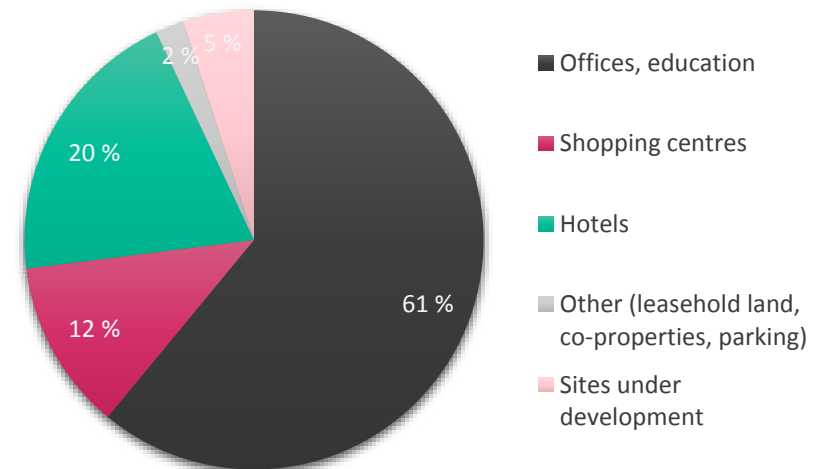
KLP Life - Property

- The portfolio written up by NOK 120 millioner (0.2 %) in Q3
- New investments / sales in 2017
 - Sold Storgaten 1 in Sandefjord (part of Hvaltorvet shopping center)
 - Sold Fornebu Sentrum II-tomten

Property value - by country



Property value - by sector



KLP Life – Property

NOK million	30.09.2017	30.06.2017	31.03.2017	31.12.2016
Fair value total portfolio*	60 330	60 389	59 111	58 840
Fair value common portfolio*	56 720	56 786	55 580	55 307

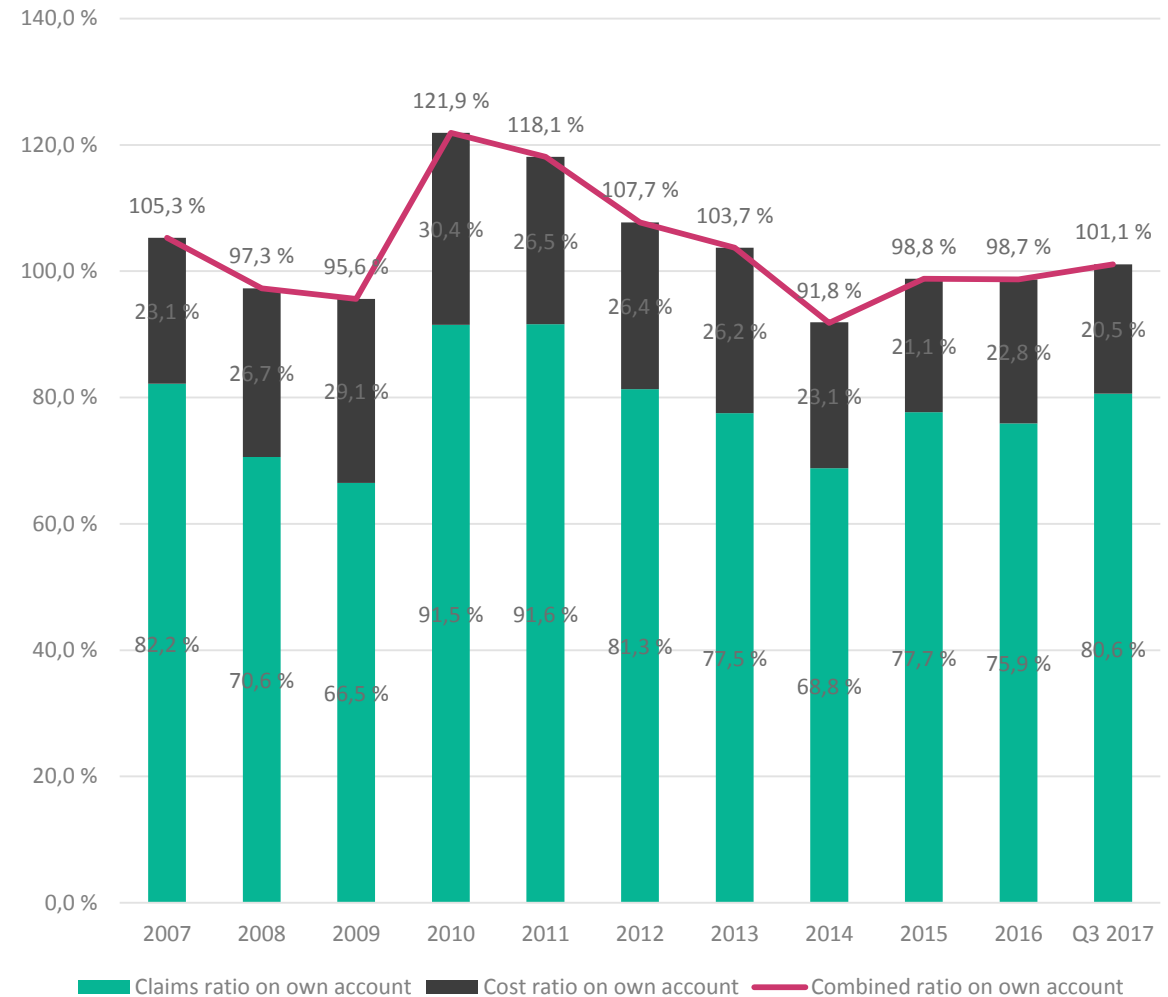
*Incl exchange-rate hedged and excl. property fund

	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Value adjustment in per cent	0.2 %	1.4 %	0,0 %	3.2 %
Value adjustment in per cent common portfolio	0.2 %	1.3 %	0,0 %	3.3 %
Total return common portfolio**	1.5 %	2.5 %	1,0 %	4.3 %

**Incl exchange-rate hedged and property fund

KLP Skadeforsikring (non-life insurance)

- Operating result NOK 152.6 million YTD
- Growth in all segments - gross premium stock increased by NOK 116.8 million (9.2%) since 31.12.16
- Two injuries over 10 million YTD
- Revenue recognition of previous years reserves of NOK 51.2 million
- Financial result 3.8 per cent YTD
- Solvency-ratio: 257 per cent



KLP Skadeforsikring (non-life insurance)

NOK million	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Premium written f.o.a.	330,8	319.4	304.5	298.3
Claims f.o.a.	-288,7	-233.3	-247.0	-186.0
Insurance related expenses	-58,8	-70.3	-66.4	-83.9
Other insurance related income	0,6	0.5	0.5	-9.2
Result from technical activities	-16,2	16.4	-8.4	19.2
Result from investment activities	53,9	48.8	57.9	50.5
Other income	0,1	0.1	0.1	0.1
Result from ordinary operation	37,7	65.3	49.6	69.8
Estimated tax expense	-7,8	-13.9	-9.0	-6.2
Other elements	-7,6	0.0	0	5.1
Provisions for equity fund	-6,7	-13.3	-13.7	-0.7
Result after provisions for equity fund	15,7	38.1	26.9	68.0

KLP Skadeforsikring (non-life insurance)

Revenues, NOK million	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Gross premium written	331	319	305	298
Premium income for own account	-289	-233	-247	-186
Claims paid for own account	-59	-70	-66	-83
Insurance related costs for own account	54	49	58	50
Results	38	65	50	70
Key figure balance sheet, NOK million	30.09.2017	30.06.2017	31.03.2017	31.12.2016
Financial assets	4 275	4 341	4 302	4 111
Total assets	4 651	4 773	4 731	4 489
Equity	1 829	1 806	1 752	1 712
Provisions in insurance funds for own account	2 334	2 431	2 481	2 125

KLP Bedriftspensjon – main figures

NOK million	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Interest result	11.6	7.1	-2.6	17.8
Risk result	-0.7	1.7	-4.1	2.2
Administration result	-8.0	-11.0	-9.1	-13.9
Interest rate guarantee and profit element	1.4	1.2	1.6	1.8
Non-technical result	2.9	1.6	2.1	0.2
Other profit elements	-1.3	0	0	0.9
Total result	5.9	0.6	-12.1	9.0
Of which result to clients	11.9	5.9	0	23.0
Result to owner	-6.0	-5.3	-12.1	-17.0
Reserve Management from equity	0	0	0	3.0

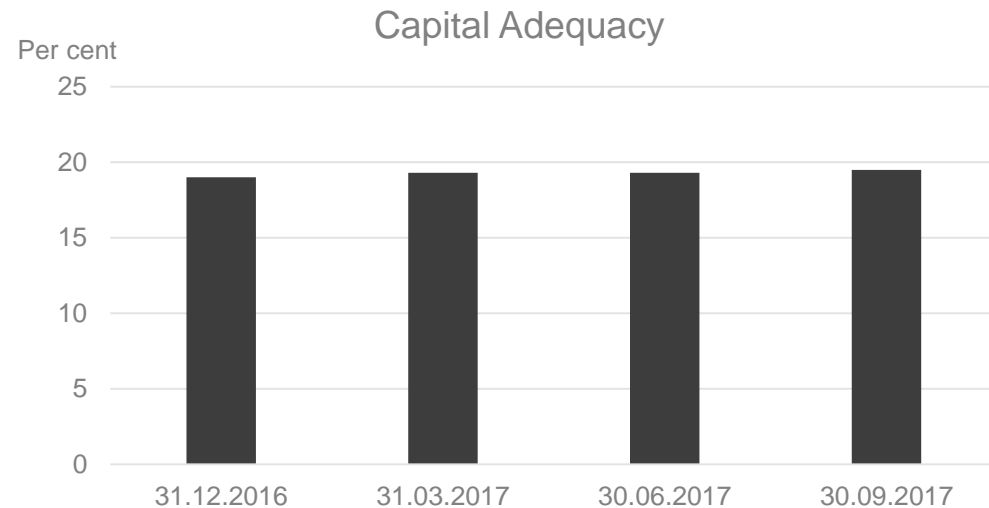
KLP Bedriftspensjon – return and solvency

	30.09.2017	30.06.2017	31.03.2017	31.12.2016
Common portfolio				
Book	3.3 %	1.8 %	0.6 %	5.3 %
Value adjusted	3.7 %	2.4 %	1.2 %	5.8 %
Investment options portfolio	8.3 %	4.4 %	2.6 %	7.0 %
Corporate portfolio	1.8 %	1.3 %	0.7 %	2.4 %
	30.09.2017	30.06.2017	31.03.2017	31.12.2016
Solvency ratio (scr)	147 %	185 %	33 %	22 %
Kapitaldekning (scr) with transitional measures	317 %	377 %	223 %	253 %
Minimum solvency ratio (mcr)	344 %	415 %	47 %	19 %
Minimum solvency ratio (mcr) with transitional measures	827 %	923 %	559 %	657 %
NOK million	30.09.2017	30.06.2017	31.03.2017	31.12.2016
Value adjustment fund	75.7	78.1	77	66.8
Supplementary reserves	46.5	46.5	47.5	47.6
Solvency capital	708.7	718.1	483.3	479.4

KLP Bank-group – main figures

- Retail market: 52 500 clients
- The Group's capital adequacy ratio is 19.5%, 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	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net interest revenues	65.4	57.2	51.4	45.0
Net fee – and commissions income	2.8	2.5	2.6	2.8
Management fees	14.3	14.3	14.3	14.3
Operating cost	-45.4	-49.1	-48.6	-54.1
Value changes financial instruments	-3.3	-0.1	3.7	-7.4
Pre-tax earnings	33.8	24.7	23.2	0.6
Total assets	34 855	35 140	34 383	34 382



KLP Bank-group – main figures

KLP Kommunekreditt, NOK million	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net interest revenues	21.8	20.9	18.6	14.1
Operating cost	-3.7	-4.6	-4.5	-6.1
Value changes financial instruments	-3.4	-1.0	2.4	-6.8
Pre-tax earnings	14.7	15.3	16.4	1.2
Total assets	18 806	19 315	19 101	19 516
KLP Banken, NOK million	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net interest revenues	31.2	25.7	23.4	23.0
Net fee – and commissions income	2.8	2.5	2.6	2.8
Management fees	14.3	14.3	14.3	14.3
Operating cost	-34.5	-36.7	-36.4	-39.1
Value changes financial instruments	95.1	0.9	1.2	-0.6
Pre-tax earnings	14.0	6.7	5.1	0.4
Total assets	12 858	12 645	12 725	12 966
KLP Boligkreditt, NOK million	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net interest revenues	12.3	10.6	9.4	7.9
Operating cost	-7.2	-7.9	-7.8	-8.9
Value changes financial instruments	0.0	0.0	0.1	0.0
Pre-tax earnings	5.1	2.7	1.7	-1.0
Total assets	5 055	4 750	4 817	4 886

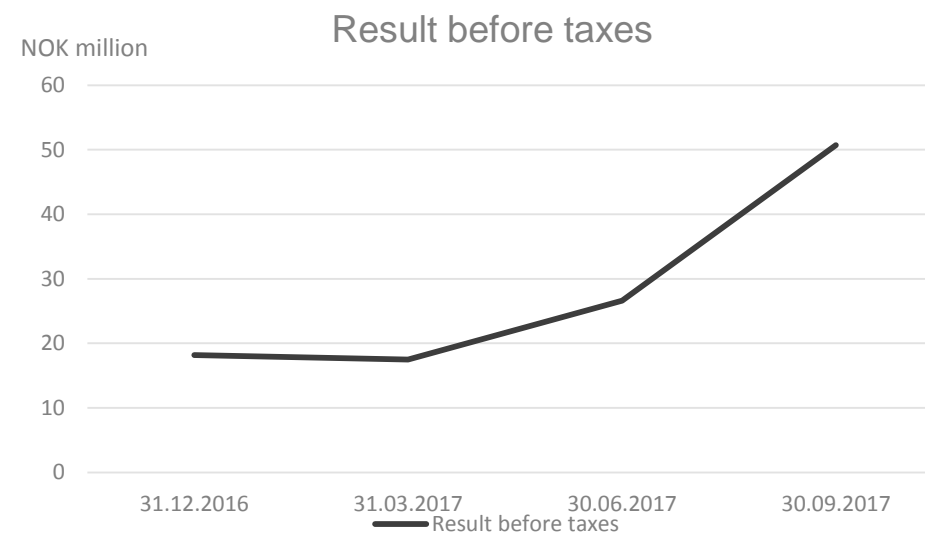
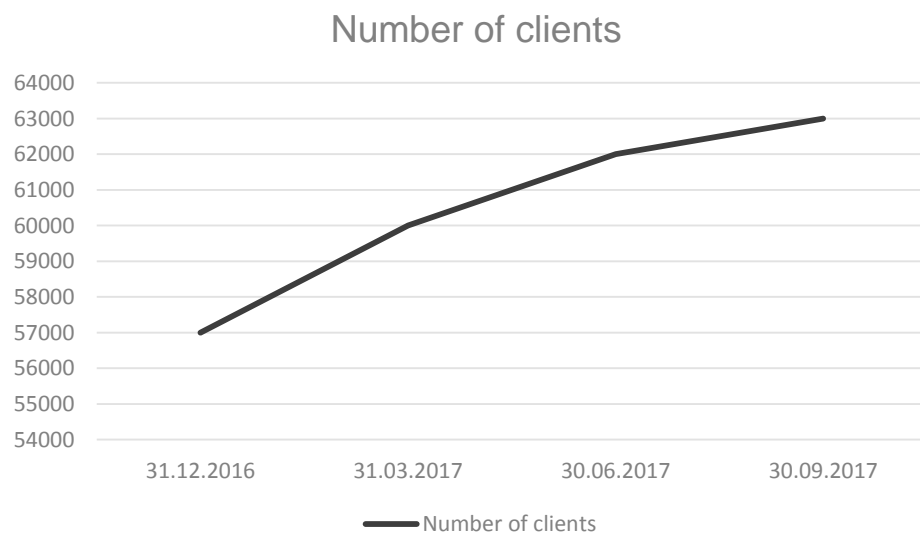
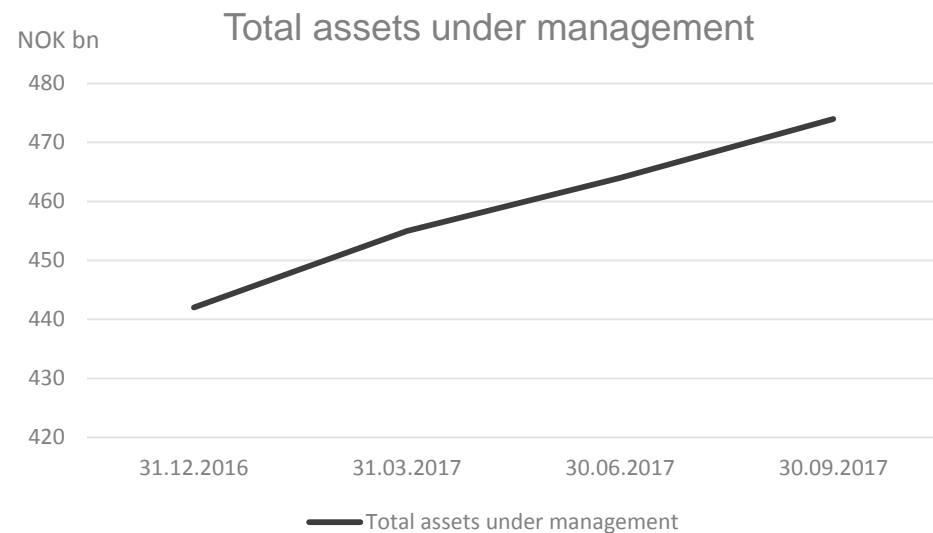
KLP Bank-group – lending and deposits

Mortgage loans, NOK billion	30.09.2017	30.06.2017	31.03.2017	31.12.2016
KLP Banken AS	9.0	9.2	8.8	8.0
KLP Boligkreditt AS	4.9	4.5	4.6	4.7
KLP (Management agreement)	3.3	3.2	3.1	3.2
Total	17.2	16.9	16.4	15.9

Public sector loans, NOK billion	30.09.2017	30.06.2017	31.03.2017	31.12.2016
KLP Kommunekreditt AS	16.8	16.9	17.0	17.2
KLP (Management agreement)	43.4	41.6	40.5	40.4
KLP (currency loans)	8.0	9.1	9.7	9.1
Total	68.1	67.6	67.2	66.5

Deposits, NOK billion	30.09.2017	30.06.2017	31.03.2017	31.12.2016
KLP Banken AS	9.3	9.1	8.9	8.7
Total	9.3	9.1	8.9	8.7

KLP Kapitalforvaltning (Asset management)



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