

Oslo, 19th February 2015

Financial results Q4 2015

KLP Group



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



KLP 31.12.2015

- Total group assets: NOK 543 billion
- Common portfolio of life company
 - Book return of 3.6 per cent
 - Value adjusted return of 4.0 per cent
- Corporate portfolio returned 4.7 per cent
- Total solvency capital NOK 87.5 billion



KLP return on investment portfolios

<i>All figures in per cent</i>	Q4 2015	Q4 2014	Year 2015
Common portfolio			
Booked return	1.0	1.7	3.6
Value adjusted return	2.0	2.0	4.0
Value adjusted return incl. HTM bonds/bonds booked at amortised costs	1.6	3.1	2.8
Investment options portfolio	2.2	2.0	3.7
Corporate portfolio	1.5	2.0	4.7

KLP Group



KLP Group – results by segment

<i>NOK million</i>	2015	2014
Life insurance	4 860	801
Non-life insurance	173	304
Banking	50	28
Asset management	46	56
Other	0	1
Group result before tax	5 128	1 189

KLP Group – main figures - results

<i>NOK million</i>	2015	2014
Pension premiums and incoming transfers	40 236	63 611
	9 397	30 324
<i>- of which premium reserves transferred from another company</i>	17 599	29 374
Allocated investment income	-1 949	-3 343
Minority share of return of financial instruments	-16 161	-18 643
Claims f.o.a.	-156	-4 213
Insurance provisions	-11 751	-51 848
Operating cost	-1 429	-1 167
Other income and cost	43	71
Technical result	26 588	18 056
To/from value adjustment fund life insurance	-1 951	-9 130
To/from supplementary reserves life insurance	-3 073	-3 415
Surplus allocated Life insurance clients	-16 435	-4 322
Group result pre-tax	5 128	1 189
Tax	-389	-324
Other profit/loss elements	261	-2
Group result pre-tax	5 000	863

KLP Group – assets

<i>NOK million</i>	31.12.2015	31.12.2014	Change
Investment properties	56 436	44 467	11 969
Debt instruments held to maturity	35 318	30 620	4 698
Debt instruments classified as loans and receivables	94 987	86 974	8 013
Lending to municipalities, enterprises and individuals	77 611	67 010	10 601
Debt instruments at fair value over P/L	152 493	152 489	5
Equity instruments at fair value over P/L	115 493	101 123	14 370
Financial derivatives	1 292	1 785	-493
Share in associated companies	368	248	120
Assets in defined contribution life insurance	1 183	842	341
Deferred tax assets	134	88	47
Immaterial assets	526	448	78
Other assets	7 521	4 800	2 721
Total assets	543 363	490 894	52 469

KLP Group – own funds and liabilities

<i>Millioner kroner</i>	31.12.2015	31.12.2014	Change
Own funds	23 807	17 558	6 249
Hybrid capital and subordinated loans	11 105	4 676	6 429
Debt to financial institutions	5 099	5 220	-121
Covered bonds issued	18 987	18 468	519
Debt to and deposits from clients	7 426	6 251	1 175
Insurance reserves	417 663	383 309	34 355
Minority interests classified as liabilities	46 139	36 968	9 171
Other liabilities	13 136	18 445	-5 309
Total own funds and debt	543 363	490 894	52 469

Life and pension




Life and pension

Kommunal Landspensjonskasse is the operative unit for the group's core business, supplying public sector occupational pensions and group life-insurance to the municipal and health sectors as well as to enterprises with public sector type pension plans. Kommunal Landspensjonskasse is referred to as KLP in this presentation and tables.

KLP Bedriftspensjon offers defined contribution and private sector type pension plans to clients not obliged to provide public sector pensions for their employees.

Life and pension



**Preliminary result
return of NOK 20 650
million to clients**

**Corporate results
so far this year
4 047 million**

Life division

- Focus on operational efficiency and lower costs without this being at the expense of customer service.
- Further improvement in our own pension funds solution for relevant customers.
- High level of activity in KLP Bedriftspensjon results in volume growth and increase of new clients.



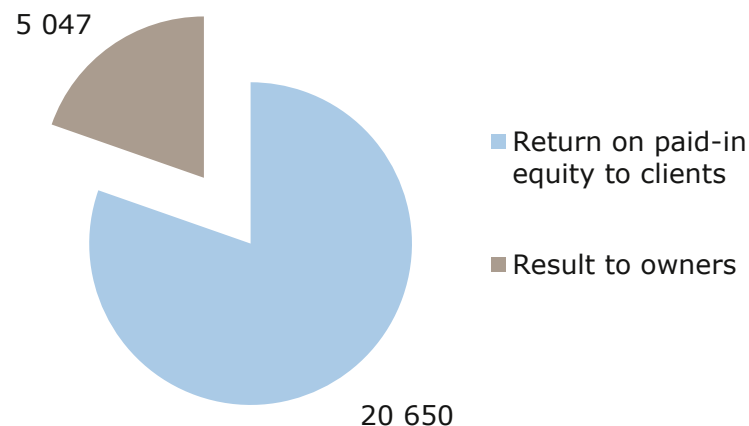
KLP – presentation of accounts

NOK million		
	2015	2014
Pension premiums and incoming transfers	38 789	62 454
Net revenues from investments in Common portfolio	15 505	23 557
Claims paid and outgoing transfers	-15 277	-17 996
Changes in valuation reserves	-16 547	-64 160
Allocations to insurance contracts	-17 508	-3 414
Insurance related operating costs	-922	-752
Other insurance related costs	14	58
Technical result	4 054	-253
Net income from investments in the corporate portfolio	1 213	1 446
Other income and cost	-409	-233
Non-technical result	804	1 212
Result before tax	4 858	959
Tax	58	35
Result before other components	4 916	994
Comprehensive income	132	-143
Total result	5 047	852

KLP – appropriation of results

<i>Nok million</i>	Result Customers	Result Company	2015	2014
Interest result	3 373	79	3 452	5 059
Risk result I	250	248	498	701
Risk result II	17 076	2 567	19 644	-
Premium interest rate guarantee		826	826	601
Administration result		264	264	345
Net income corporate portfolio		804	804	1 212
Returned reserve contribution	-50	50	-	-
Tax		14	14	88
Other result elements		195	195	-195
Total	20 650	5 047	25 697	7 810

- Good return on common portfolio
- Good contribution from corporate portfolio
- Return of NOK 20.7 bn to clients



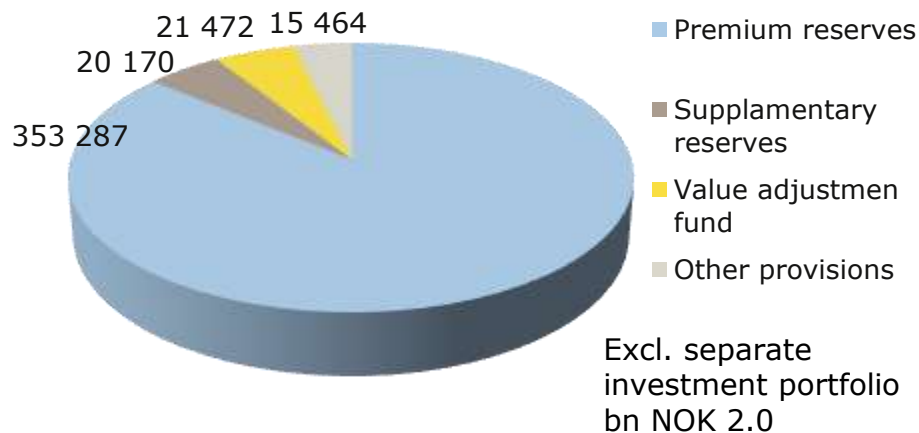
KLP – assets

<i>NOK million</i>	31.12.2015	31.12.2014	Change YTD 2015
Total assets in corporate portfolio	33 669	25 090	8 580
Total assets in common portfolio	421 835	387 982	33 853
Assets in investment options portfolio	2 050	1 958	92
Total assets	457 554	415 030	42 525

KLP – own funds and liabilities

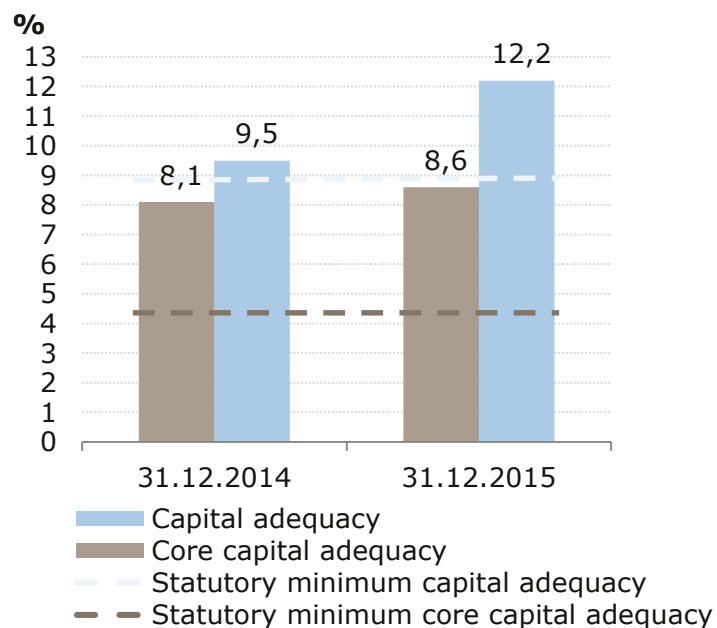
<i>NOK million</i>	31.12.2015	31.12.2014	Change YTD 2015
Paid-in equity	10 422	9 173	1 249
	3 364	528	2 836
Retained earnings	9 964	7 754	2 211
Hybrid capital and subordinated debt	11 105	4 676	6 429
Insurance liabilities	412 363	378 602	33 761
Other liabilities	10 336	14 298	-3 962
Total: own funds, provisions and debt	457 554	415 030	42 525

Insurance liabilities 31.12.2015 - NOK bn



KLP – capital adequacy

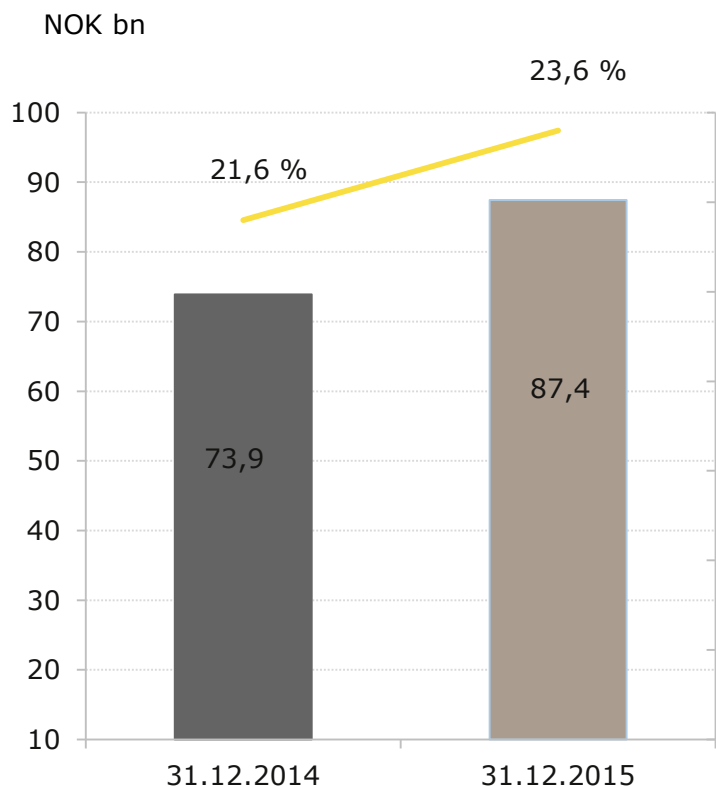
Per cent	31.12.2015	31.12.2014
Capital adequacy	12.2	9.5
Core capital adequacy	8.6	8.1
Statutory minimum capital adequacy	8.0	8.0
Statutory minimum core capital adequacy	4.0	4.0



KLP – buffer capital

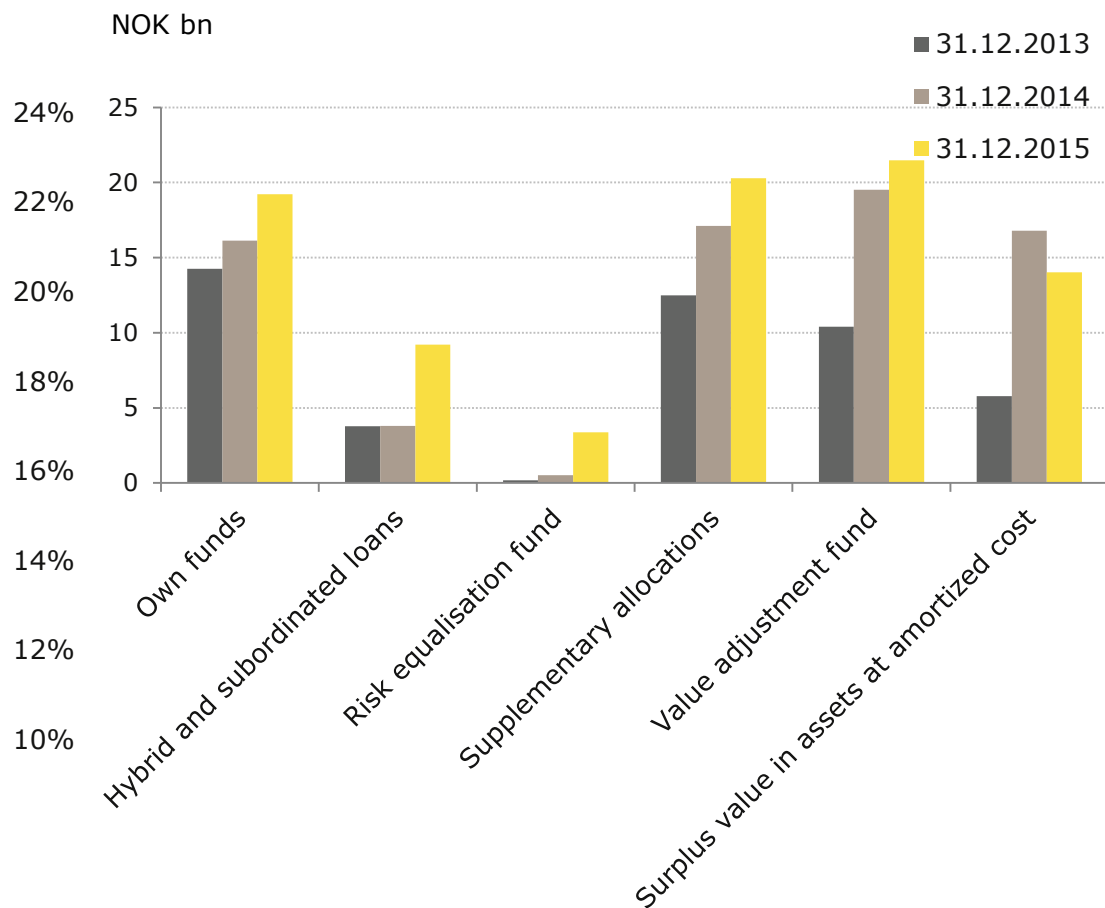
<i>NOK million</i>	31.12.2015	31.12.2014
Valuation reserve	21 472	19 522
Supplementary reserve	20 284	17 103
Core capital margin	9 743	3 210
Regulatory buffer capital	51 499	39 835
Valuation reserve booked at amortised costs	14 025	16 789

KLP – financial solidity



■ Total solvency capital

■ As percentage of liabilities with interest guarantee



KLP – growth in assets

NOK bn

Per cent

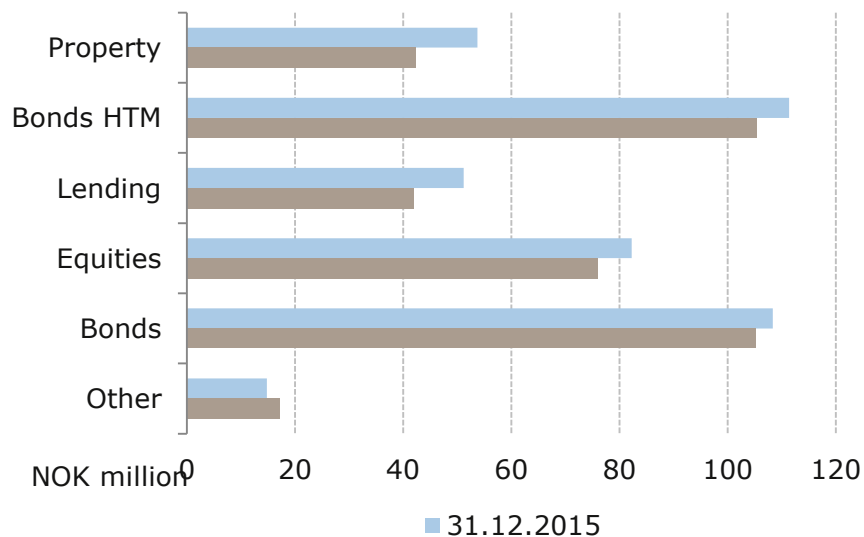


KLP common portfolio – allocation and return

<i>Alle tall i prosent</i>	Share*	Return	Share*	Return
	31.12.2015	31.12.2015	31.12.2014	31.12.2014
Equities	19.8	6.0	20.4	13.0
Bonds	20.6	2.0	21.4	8.4
Bonds held-to-maturity	26.9	4.5	27.6	4.7
Lending	12.3	2.7	10.9	3.2
Property	12.8	11.0	11.1	6.9
Other financial assets	7.6	0.9	8.7	2.4

*) Measured by exposure

Balance 31.12.2015 Assets in the common portfolio

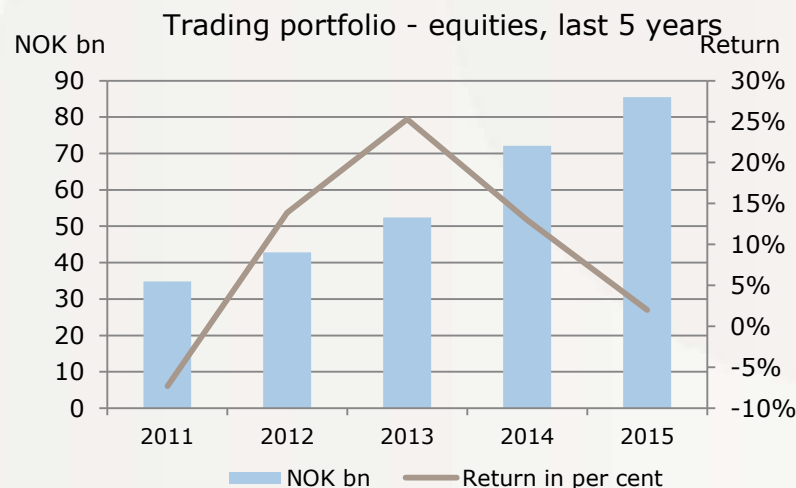


Trading portfolios – equities

KLP common portfolio

Trading portfolio equities*	31.12.2015	31.12.2014
Value equities (NOK mill)	80 244	72 087
Return equity portfolio	6.0 %	13.0 %
Share index-tracking equities	58.6 %	61.1 %
Share of active management equities	11.8 %	13.5 %
Share of low beta equities	29.6 %	25.4 %

*This table is an overview of financial assets. The statutory reported figures differ due to difference in classification

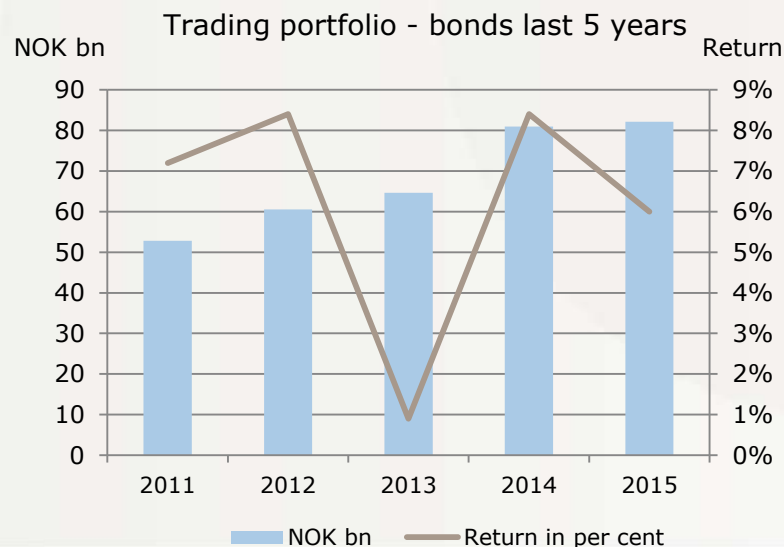


Trading portfolios – bonds

KLP common portfolio

Trading portfolios fixed-income *	31.12.2015	31.12.2014
Value fixed income (NOK mill)	117 063	117 859
Return trading portfolios fixed income	1.7 %	6.5 %
Share index-tracking fixed-income	47.6 %	43.4 %

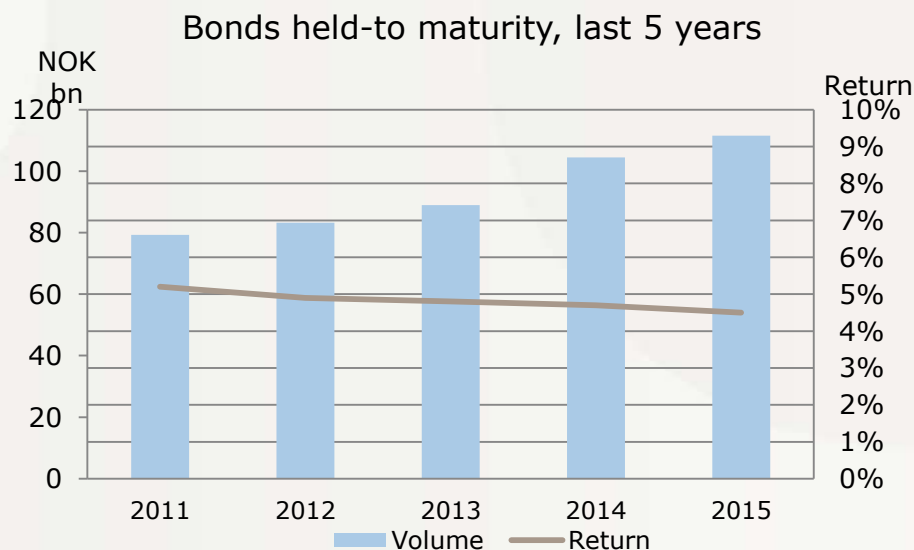
*This table is an overview of financial assets. The statutory reported figures differ due to difference in classification.



Bonds booked at amortised costs

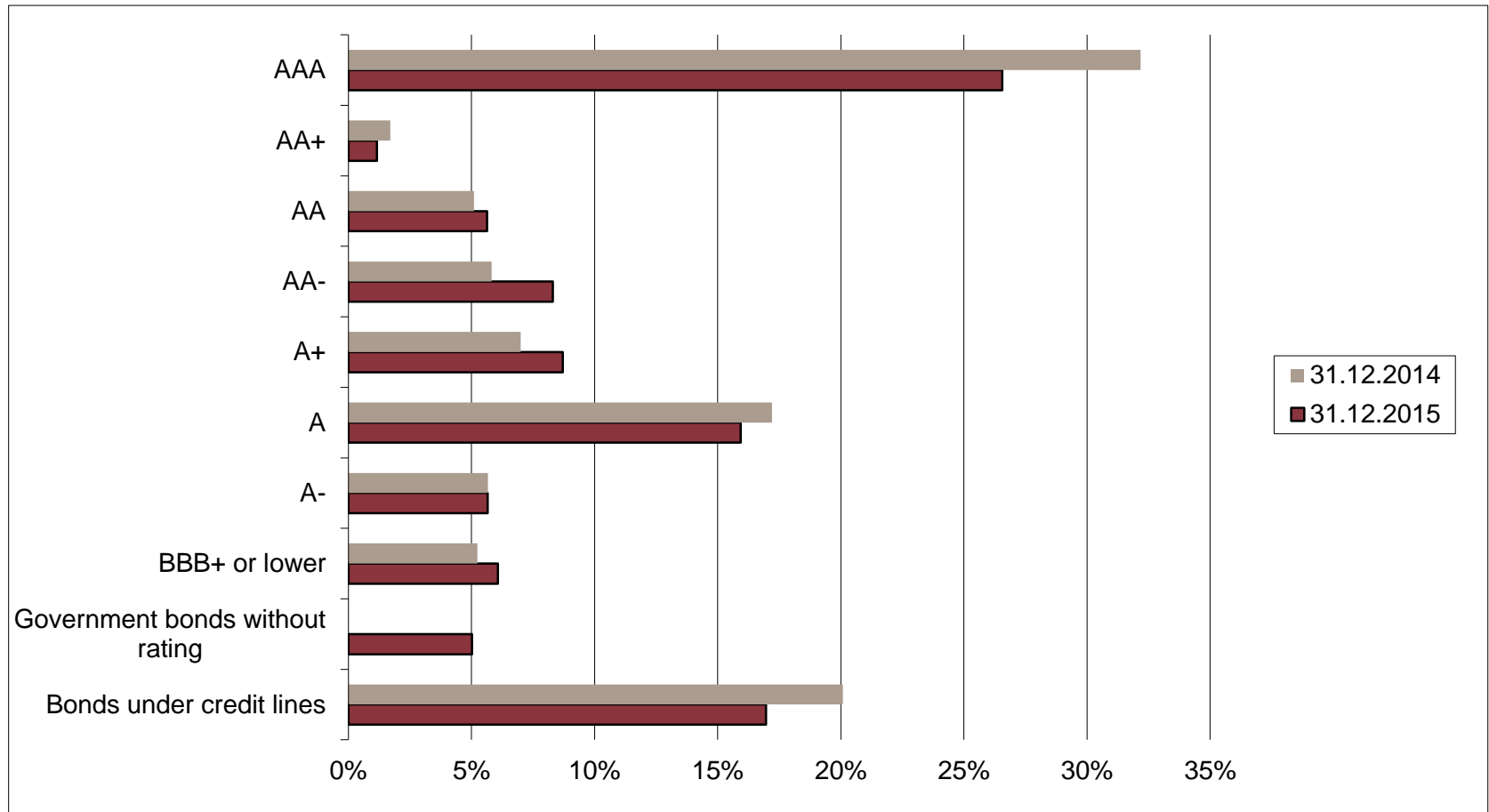
KLP common portfolio

	31.12.2015	31.12.2014
Book value (NOK mill)	111 545	104 504
Valuation reserve (NOK mill)	11 844	14 590
Return (per cent)	4.5	4.7



Bonds booked at amortised costs

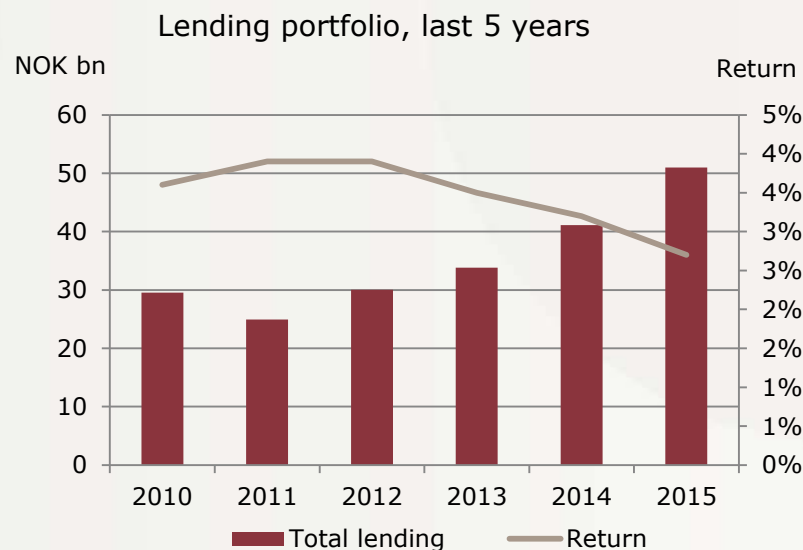
KLP common portfolio



Lending portfolio

KLP common portfolio

	2015	2014
Book value (NOK mill)	50 959	41 136
Of this: fixed rate loans (NOK mill)	18 589	18 031
Return year to date (in per cent)	2.7	3.2
Specific and general credit loss provisions (NOK mill)	0.5	0.7

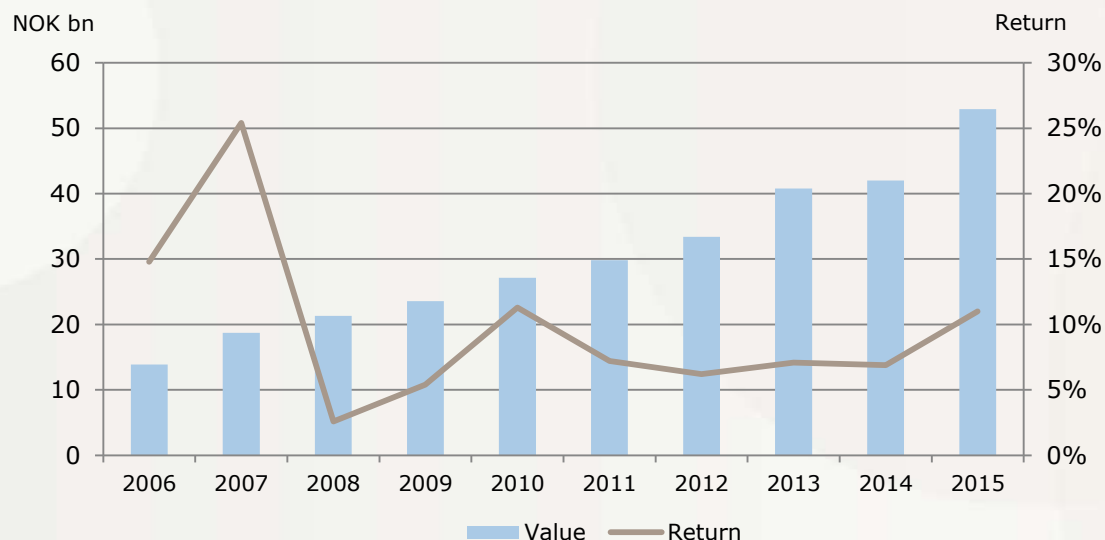


Property investments

Total portfolio

	2015	2014
Book value (value-adjusted NOK mill)*	56 964	45 652
Occupancy rate (per cent)	95,4	95,4
Average lease duration (year)	7.6	8.2

*Excl exchange-rate hedged and property fund



Incl exchange-rate hedged and property fund

KLP's real-estate activities

KLP Eiendom AS is part of the common portfolio, however, the company also manages the real-estate portfolios of other group companies.

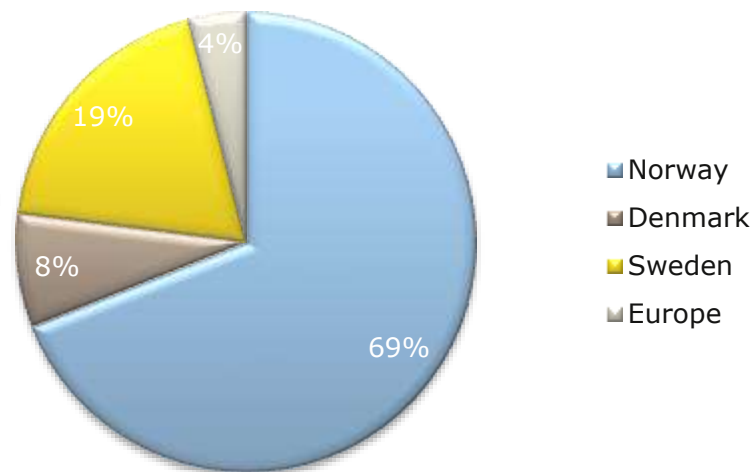
The price development for centrally located properties is stable, the portfolio written up by NOK 1 494 million (2.8 per cent), post currency hedging in Q4

New investments / sales in 2015:

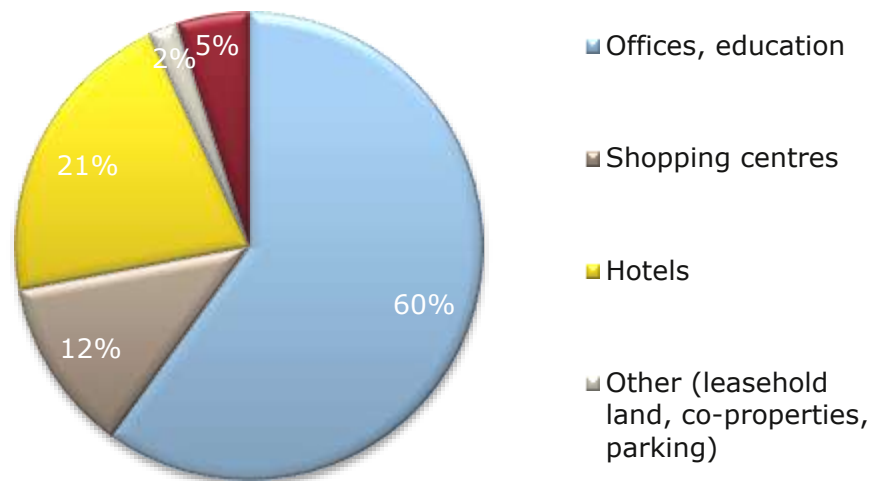
- Hovlandsbanen i Larvik
- Ulvenveien 75B i Oslo
- Verftsgata/Ferjemannsveien 10 i Trondheim
- Lysaker Torg 35
- Citypassagen i Oslo
- Aberdeen-porteføljen:
 - Lysaker Torg 45
 - Bergerveien 12 i Asker
 - Munkedamsveien 53B i Oslo
 - Fløisbonnveien 2-4 utenfor Oslo
 - Munkedamsveien 35 i Oslo
 - Søren Bulls vei 2 i Oslo (solgt igjen i Q3)
 - Solsiden i Trondheim
- Sundkrogsgate 7-9 in Copenhagen
- Stockholm Hotel Waterfront
- Sold Hotell Park Inn in Stavanger

Real-estate investments constitute 12.8 per cent of the common portfolio

Property value - by country



Property value - by sector



KLP's real-estate investments

Property value	Ytd 2015	2014
Fair value total portfolio*	55 361	44 610
Value adjustment in per cent	5.0 %	2.0 %
Fair value common portfolio (NOK mill)*	52 133	41 734
Value adjustment in per cent common portfolio	4.8 %	1.6 %
Return	Ytd 2015	2014
Total return*	11.2 %	7.2 %
Total return common portfolio**	11.0 %	6.8 %


*Incl exchange-rate hedged and excl. property fund

**Incl exchange-rate hedged and property fund

Skadeforsikring (non-life insurance)



KLP Skadeforsikring



Total premiums
increased by 192
million (20.8%)
during the year

Good sales in the 4th
quarter

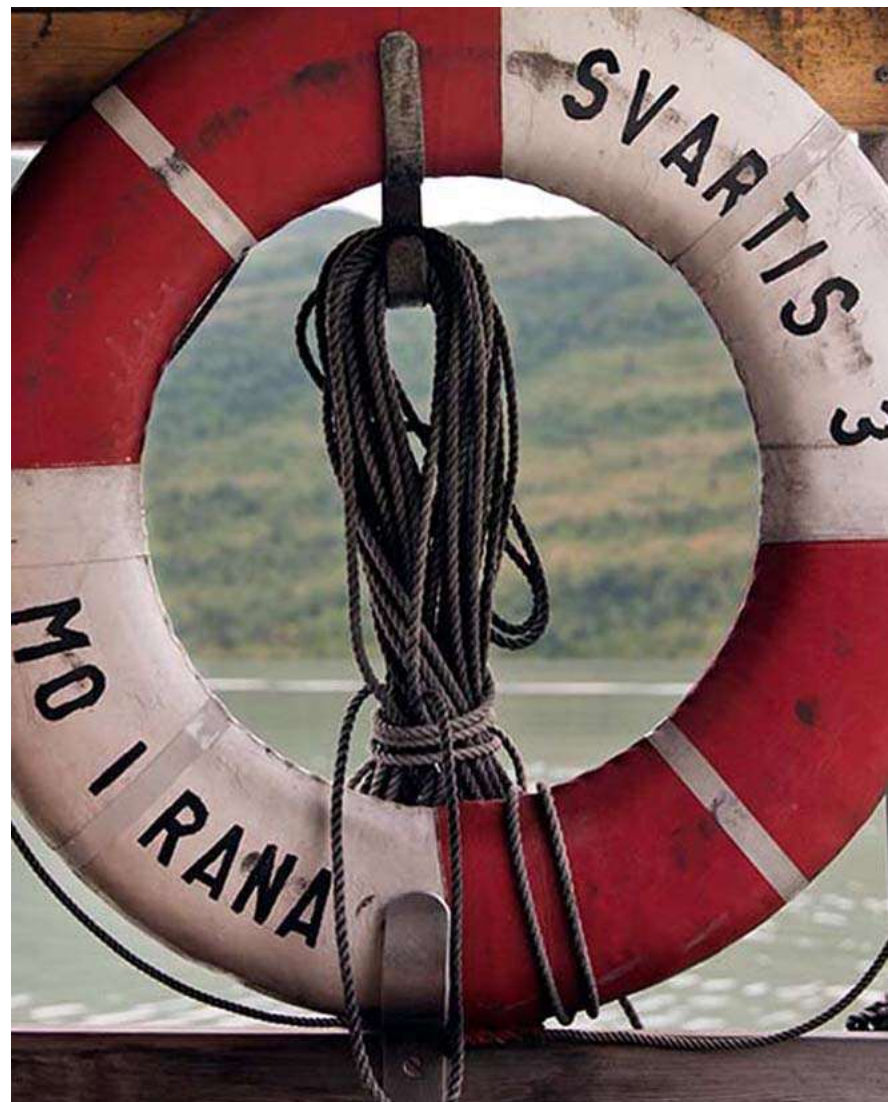
Good results in 2015:
172.8 million

Result in Q4: 126.5
million

For the fifth year we
won EPSI for the
corporate market

KLP Skadeforsikring 31.12.2015

- Operating result Q4 NOK 127 million, and year to date 173 million
- Total premiums increased by 20.8% during the year
- High and increasing membership share in the retail market
- Large claims of Q1 characterize this year's earnings, however no injuries over 10 million in Q4
- Run-off gain of NOK 151 million
- Satisfying financial result - 1.9 per cent in Q4 and 4.4 percent year end
- Security provisions increased by 10 million, equivalent increased minimum
- Strong solvency maintained, even after significant damages in Q1
- Financial position remains robust also under Solvency II requirements introduced pr. 1st January 2016



KLP Skadeforsikring – profit & loss

<i>NOK 1 000</i>	2015	2014
Premium written f.o.a.	1 035	842
Allocated investment income	21	42
Claims f.o.a.	-804	-579
Insurance related expenses	-218	-194
Other insurance related income	1	2
Changes in security reserves etc.	-10	-3
Result from technical activities	25	110
Result from investment activities	168	235
Allocated investment income	-21	-42
Other income	1	1
Result from ordinary operation	173	304
Estimated tax expense	-47	-64
other elements	19	-16
Provisions for equity fund	29	-27
Result after provisions for equity fund	174	196

KLP Skadeforsikring – main figures

Key figures, <i>per cent</i>	31.12.2015	31.12.2014
Claims ratio on own account	77.7	68.8
Cost ratio on own account	21.1	23.1
Combined Ratio for own account	98.8	91.9
Return on capital	4.4	6.5
Capital adequacy ratio	48.9	44.0
Revenues, <i>NOK mill</i>	31.12.2015	31.12.2014
Gross premium written	1 113	921
Premium income for own account	1 035	842
Claims paid for own account	-804	-579
Insurance related costs for own account	-218	-194
Results	173	304
Key figure balance sheet. <i>NOK mill</i>	31.12.2015	31.12.2014
Financial assets	3 835	3 712
Total assets	4 128	3 945
Equity	1 267	1 122
Provisions in insurance funds for own account	2 597	2 526

Bedriftspensjon



KLP Bedriftspensjon – main figures

NOK million	YTD	
	2015	2014
Interest result	22.9	17.3
Risk result	-1.8	5.2
Administration result	-27.5	-30.7
Interest rate guarantee and profit element	7.3	5.1
Non-technical result	0.7	4.1
Other profit elements	0.4	-2.0
Total result	1.9	-1.0
Of which result to clients	22.2	21.9
Result to owner	-23.7	-24.7
Reserve Management	3.4	1.8

KLP Bedriftspensjon – return and solvency

<i>Per cent</i>	Year 2015	Year 2014
Common portfolio		
Book	4.8	4.6
Value adjusted	4.7	6.1
Investment options portfolio	2.1	8.8
Corporate portfolio	0.9	3.6

<i>Per cent</i>	31.12.2015	31.12.2014
Capital coverage	35.4	12.7
Solvency ratio	446	165
Buffer capital employment	79.5	372.0

<i>NOK million</i>	31.12.2015	31.12.2014
Value adjustment fund	56.6	55.5
Supplementary reserves	37.7	30.1
Solvency capital	461.0	265.4

Banking and credit



Banking and credit



Net Interest in the Group increased due to stronger retail loans

Lending volume relatively stable in the fourth quarter in both business

Value adjusted income is negative due to developments in spreads also in Q4

KLP Banken Q4

- Growth in lending and unchanged deposits in retail market.
- Margins on mortgage stable good
- Maintained profitability on stable public sector loan portfolio, however accounting losses from financial investments and refinancing of loans reduce results
- Higher costs in the Group, due to increased IT investments and overall lending growth
- KLP Boligkreditt AS has issued new covered bonds and had a loan balance at 37 billion at 31. December



KLP Bank-group – main figures

<i>NOK million</i>	KLP Kommunekreditt		KLP Banken		KLP Boligkreditt	
	2015	2014	2015	2014	2015	2014
Net interest revenues	69.9	71.7	69.9	46.9	47.3	14.5
Net fee and commission income	-	-	10.2	10.0	-	-
Management fees	-	-	57.6	58.0	-	-
Operational costs	-20.5	-19.9	-121.8	-126.0	-27.9	-11.5
Value adjustment financial instruments	-29.7	-15.2	34.0	31.0	-0,9	-0.2
Result before taxes	19.6	36.5	50.0	20.0	18.5	2.8
Total assets	19 348	20 022	11 927	10 827	3 959	3 074

KLP Bank-group – main figures

NOK million	KLP Banken group	
	2015	2014
Net interest revenues	187.1	133.0
Net fee – and commissions income	10.2	10.0
Management fees	57.6	58.0
Operating cost	-170.2	-157.4
Value changes financial instruments	-35.1	-15.0
Pre-tax earnings	49.6	28.7
Total assets	31 285	29 755

KLP Bank-group – lending and deposits

<i>NOK billion</i>	Mortgage loans		Public sector loans		Deposits	
	2015	2014	2015	2014	2015	2014
KLP Banken AS (parent)	6.9	5.6	-	-	7.4	6.2
KLP Boligkreditt AS	3.7	3.0	-	-		
KLP Kommunekreditt AS	-	-	15.3	15.9	-	-
KLP (management agreement)	3.4	4.1	37.4	32.4	-	-
KLP (currency loans)	-	-	10.1	5.2	-	-
Total	14.1	12.6	62.9	53.5	7.4	6.2

Asset management



Asset management



Manages total
NOK 398 billion

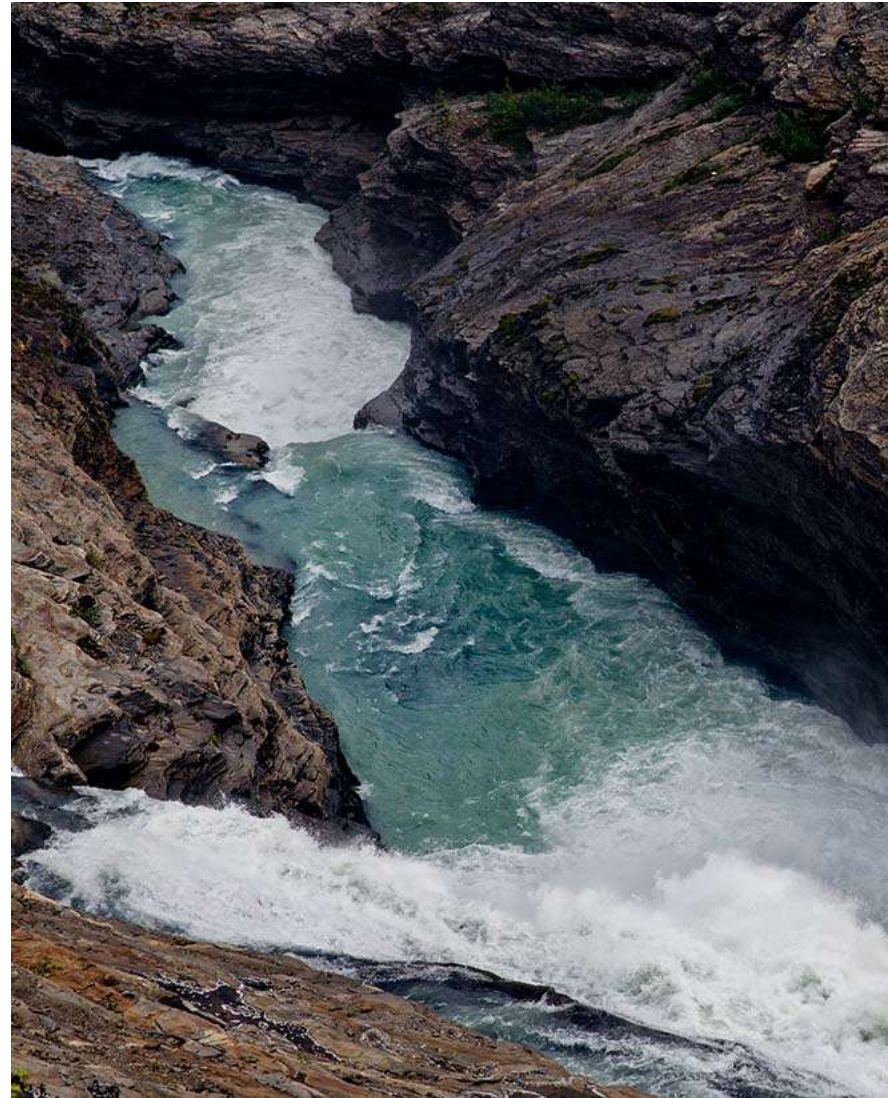
Managing NOK
45 billion for
external clients

Net inflows
6 billion
in 2015

Number of clients
in KLP's funds
have during one
year increased by
10,000 to 48,000

KLP Kapitalforvaltning

- KLP Kapitalforvaltning AS manages investments in securities on behalf of KLP Group and other customers
- Assets under management totals NOK 398 billion at the end of the year
- NOK 45 billion managed on behalf of external investors and retail clients. There are about 48 000 holders of KLP funds
- Profit before tax 31.12.2015: NOK 46.1 million



Summing up



2015 – solid basis for the future

Fully reserved for longevity. KLP has regained necessary flexibility for allocation of results and continued building of solvency

Demanding transfer process completed.
Focus on:

- Efficient operation
- Cost reduction
- Service and Customer Satisfaction

Preparations for Solvency II on schedule

- Necessary amendments for adaptation to new laws and regulations in place
- Routines and models for reporting and monitoring according to plan



Contacts in KLP

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