

Financial results Q4 2016

KLP Group

Oslo, 20th February 2016



KLP

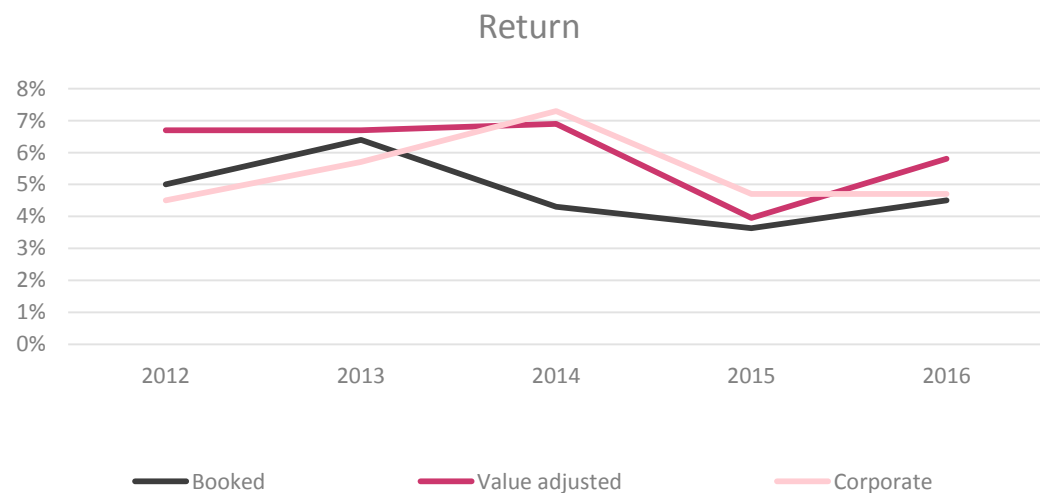
Table of contents

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 596 billion
- Common portfolio of life company:
 - Book return of 4.5 per cent
 - Value adjusted return of 5.8 per cent
- Corporate portfolio returned 4.7 per cent
- Solvency ratio: 209 per cent

	Q4 2016	Q3 2016	Q2 2015	Q1 2016
Common portfolio				
Booked return	0.9 %	1.3 %	1.1 %	1.1 %
Value adjusted return	1.4 %	1.7 %	1.7 %	1.0 %
Value adjusted return incl. HTM bonds/bonds booked at amortised costs	0.5 %	1.5 %	1.8 %	1.6 %
Investment options portfolio	1.7 %	1.8 %	1.7 %	1.5 %
Corporate portfolio	0.7 %	1.2 %	1.7 %	1.0 %



KLP Group – results by segment

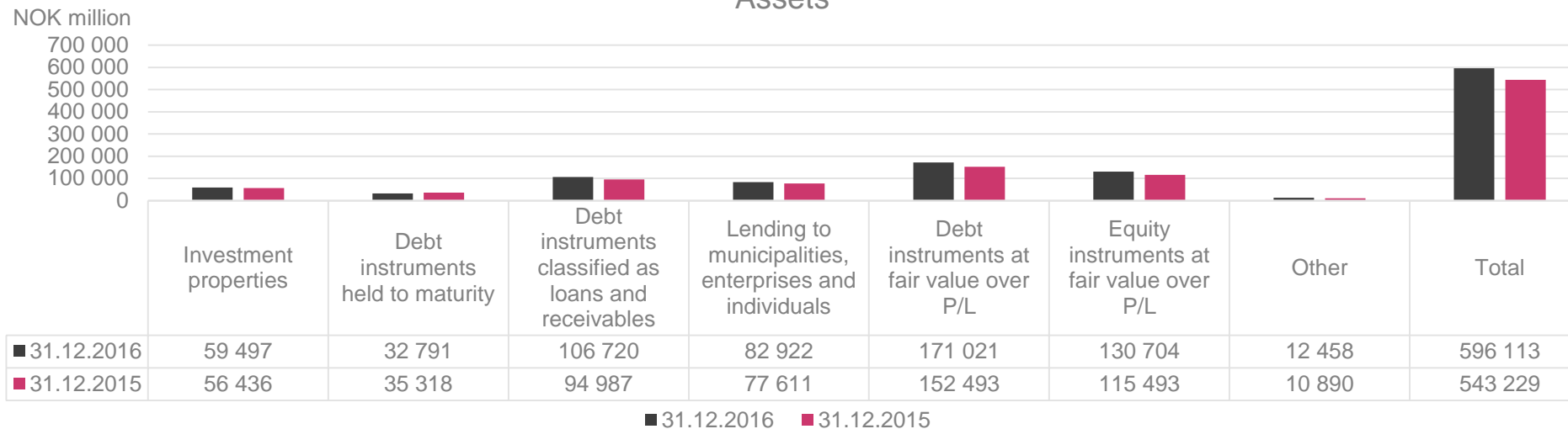
NOK million	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Life insurance	294	589	688	513
Non-life insurance	69	70	66	50
Banking	-9	33	38	20
Asset management	1	15	7	-5
Other	0	0	1	0
Group result before tax	364	707	800	578

KLP Group – main figures - results

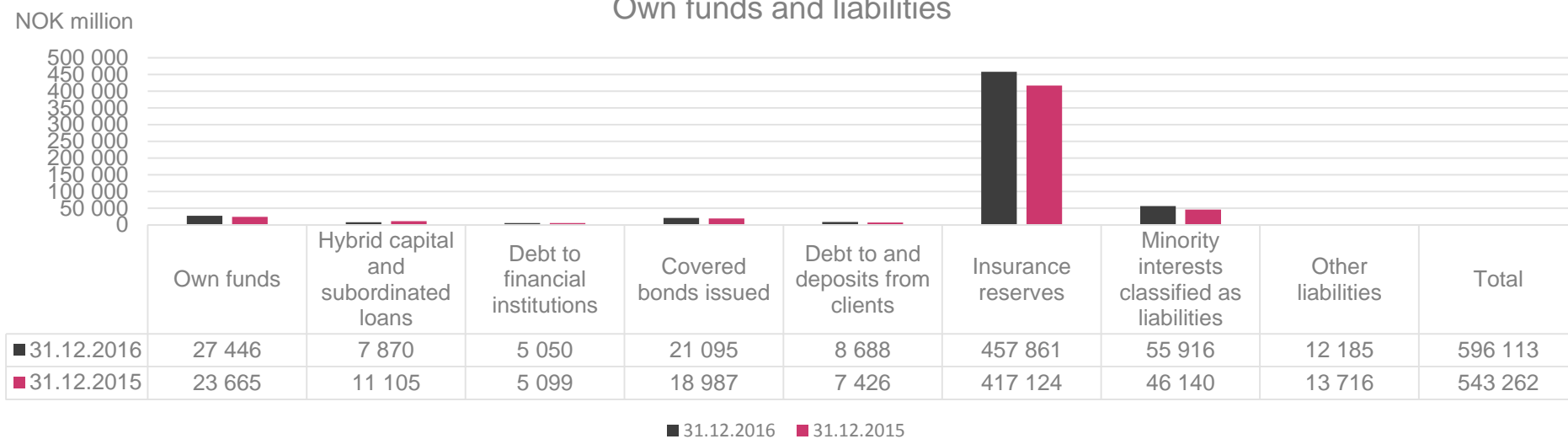
NOK million	31.12.2016	31.12.2015
Pension premiums and incoming transfers	38 497	40 236
- of which premium reserves transferred from another company	3 434	9 397
Allocated investment income	31 269	17 599
Minority share of return of financial instruments	-3 061	-1 949
Claims f.o.a.	-17 370	-16 161
Insurance provisions	-158	-156
Interest expenses and value adjustments subordinated loans and subordinated bonds	-27 973	-11 740
Operating cost	-1 756	-1 429
Other income and cost	-12	43
Technical result	19 594	26 598
To/from value adjustment fund life insurance	-6 876	-1 951
To/from supplementary reserves life insurance	-4 026	-3 073
Surplus allocated Life insurance clients	-6 244	-16 435
Group result pre-tax	2 449	5 138
Tax	359	-927
Other profit/loss elements	47	261
Group result pre-tax	2 855	4 472

KLP Group - Balance

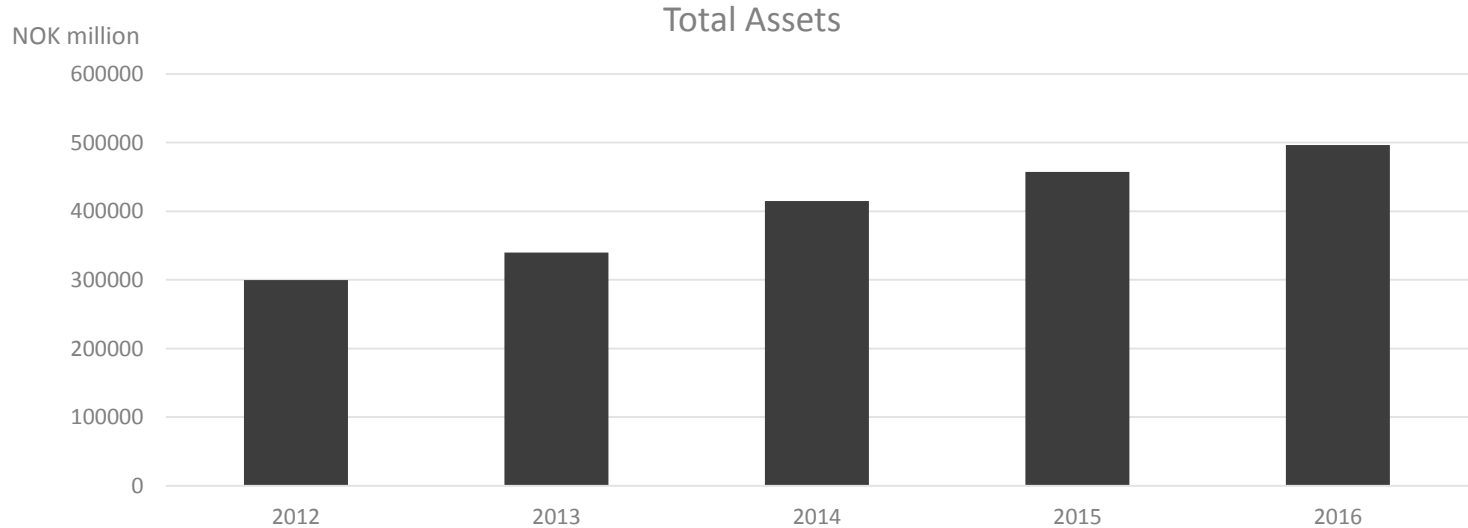
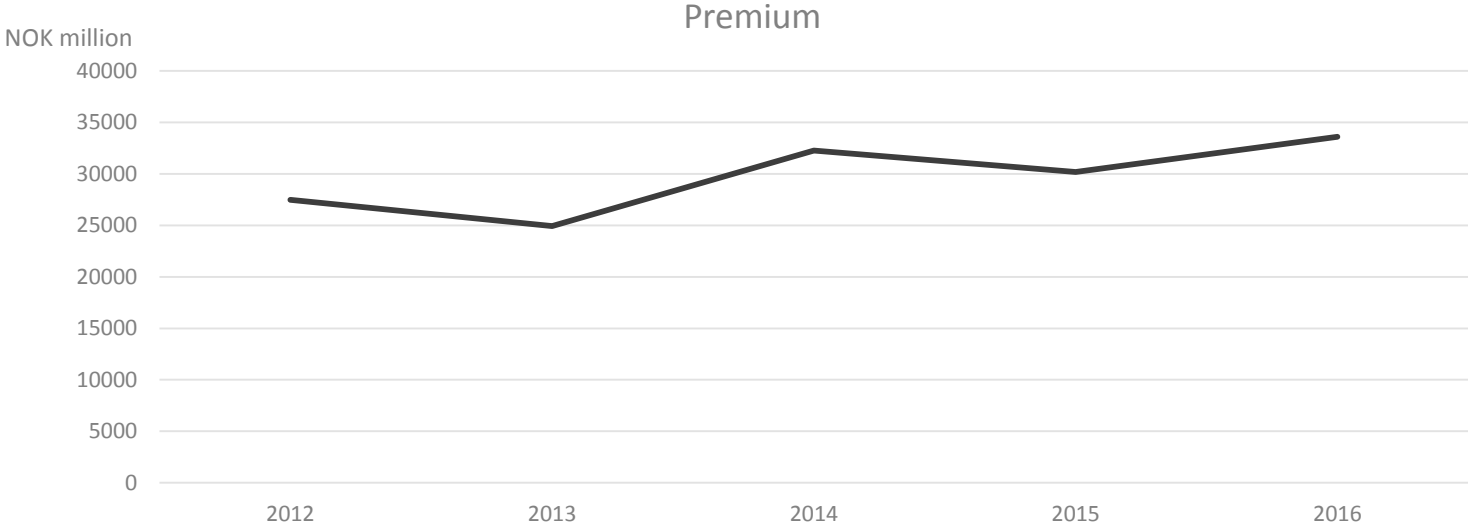
Assets



Own funds and liabilities

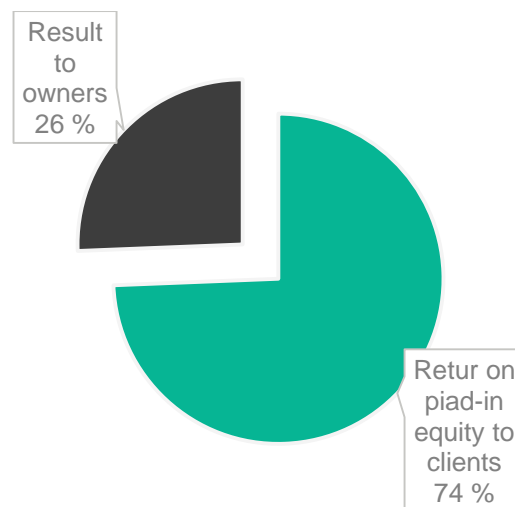


KLP Life

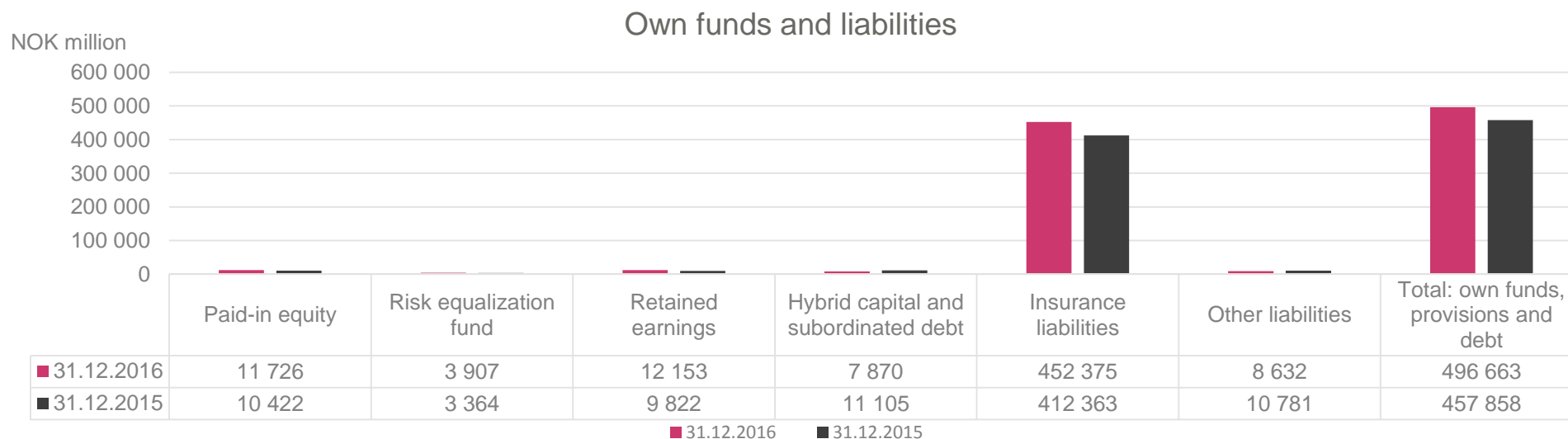
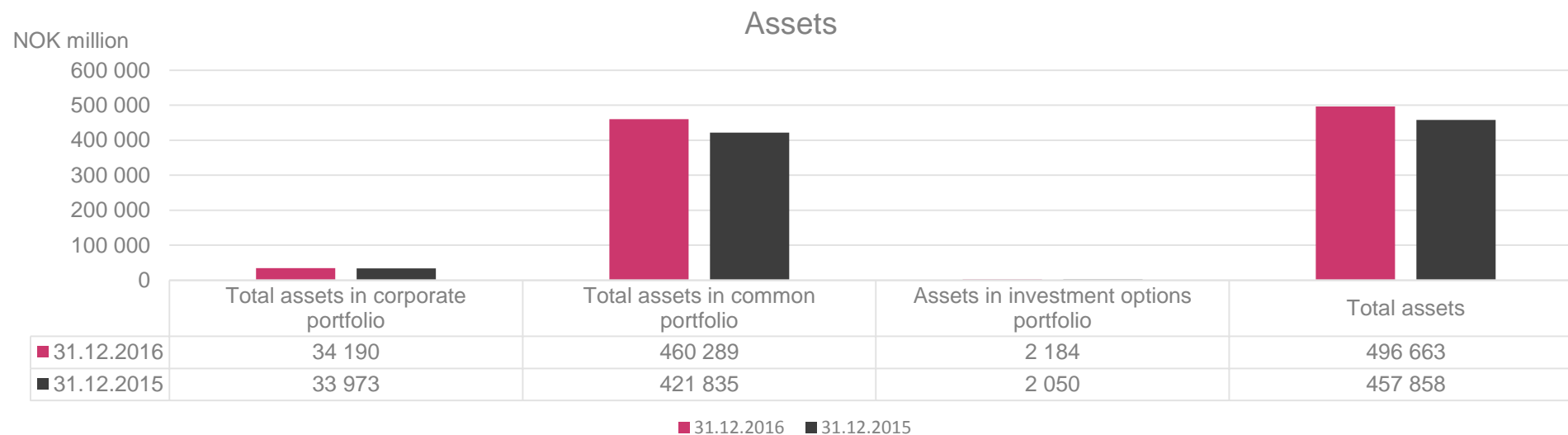


KLP – Appropriation of results

Nok million	Result Customers	Result Company	31.12.2016	31.12.2015
Interest result	7 944	150	8 094	3 452
Risk result	394	390	784	498
Risk result II				19 644
Premium interest rate guarantee		690	690	826
Administration result		-50	-50	264
Net income corporate portfolio		945	945	842
Tax		773	773	-489
Other result elements		-24	-24	132
Total	8 339	2 874	11 213	25 169



KLP Life - Balance

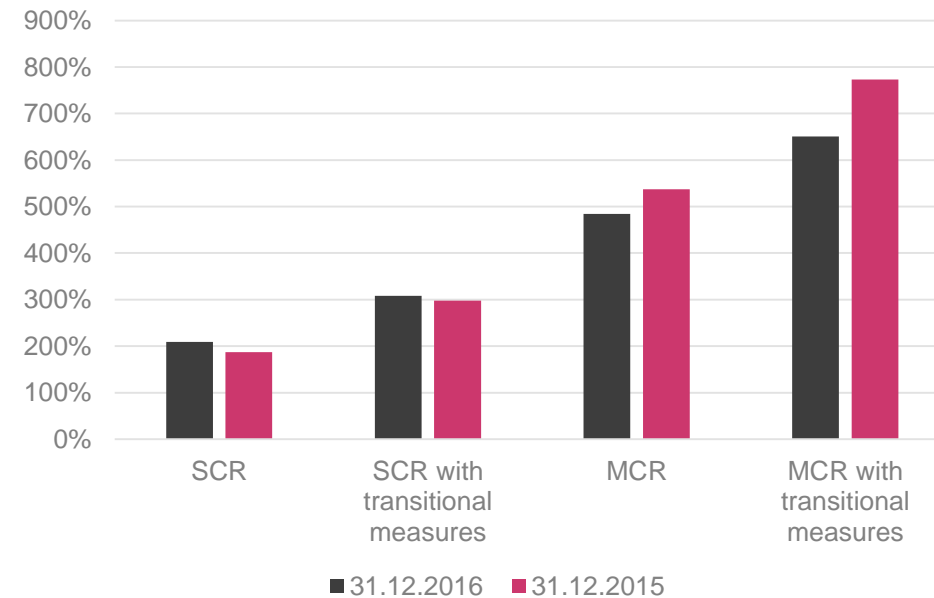


KLP Life - Solvency

- Solvency ratio Q4: 209* per cent
- Minimum solvency ratio Q4: 485* per cent
- *without transitional measures

	31.12.2016	30.09.2016	30.06.2016	31.03.2016
Solvency ratio (SCR)	209 %	208 %	189 %	187 %
Kapitaldekning (SCR) with transitional measures	304 %	359 %	343 %	334 %
Minimum solvency ratio (MCR)	485 %	586 %	534 %	488 %
Minimum solvency ratio (MCR) with transitional measures	658 %	861 %	843 %	758 %

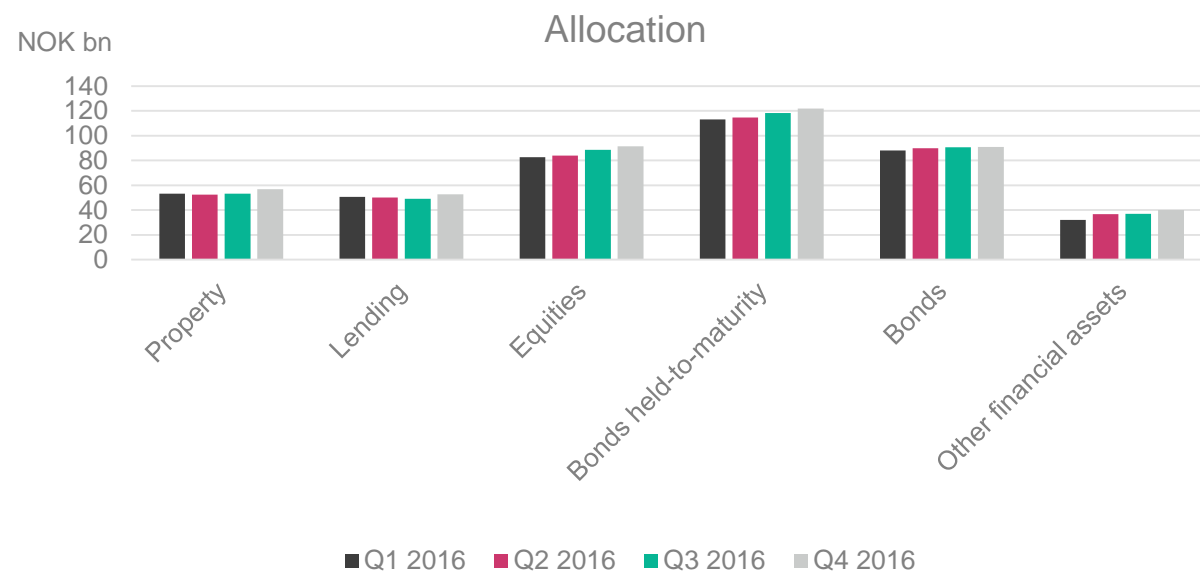
Solvency Ratio



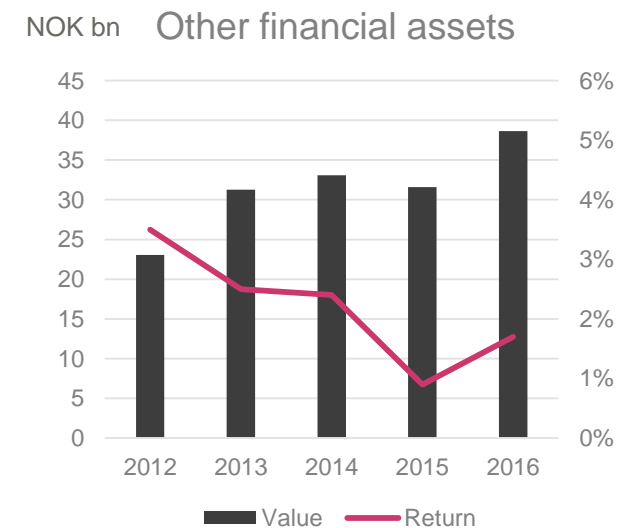
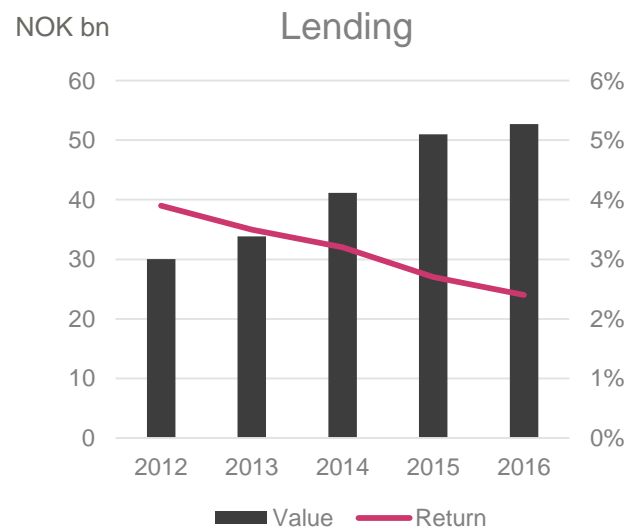
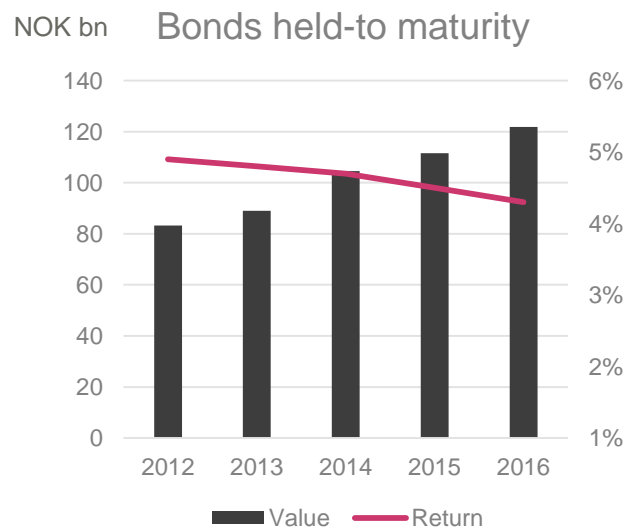
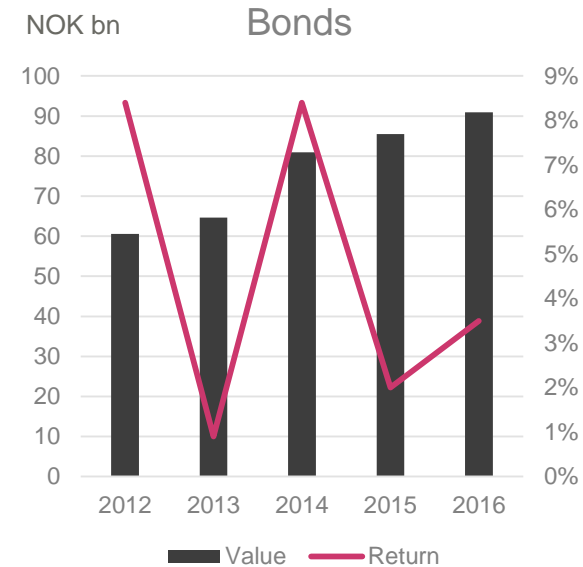
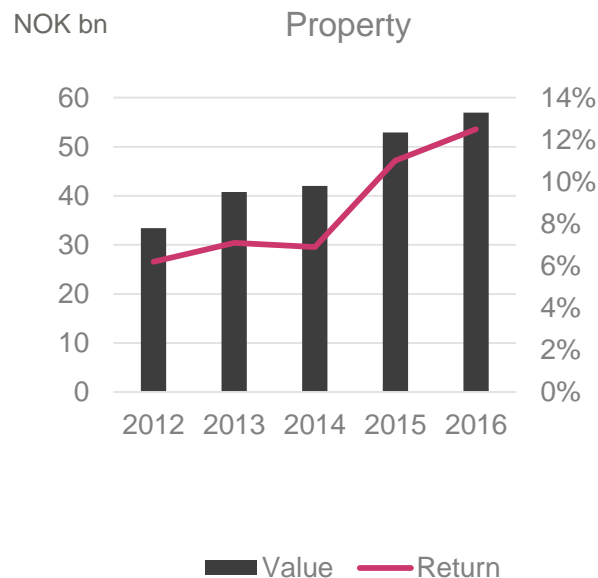
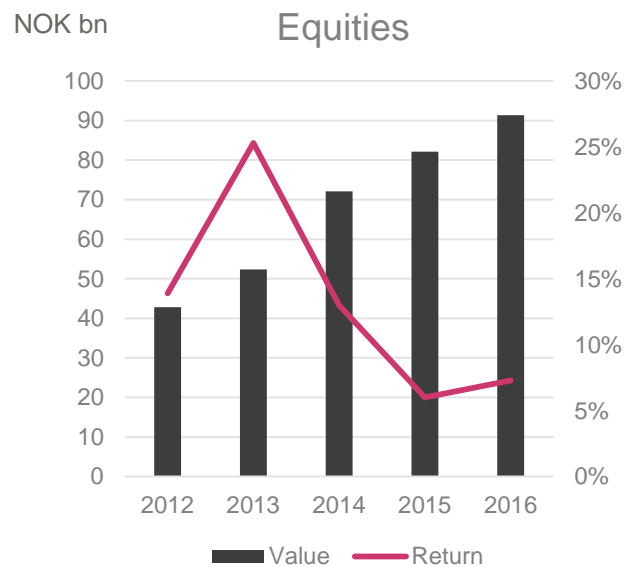
KLP Life - Common Portfolio

	Share*	Return	Share*	Return
	31.12.2016	31.12.2016	31.12.2015	31.12.2015
Equities	20.1 %	7.3 %	19.8 %	6.0 %
Bonds	20.0 %	3.5 %	20.6 %	2.0 %
Bonds held-to-maturity	26.8 %	4.3 %	26.9 %	4.5 %
Lending	11.6 %	2.4 %	12.3 %	2.7 %
Property	12.5 %	12.5 %	12.8 %	11.0 %
Other financial assets	8.9 %	1.7 %	7.6 %	0.9 %

*) Measured by exposure



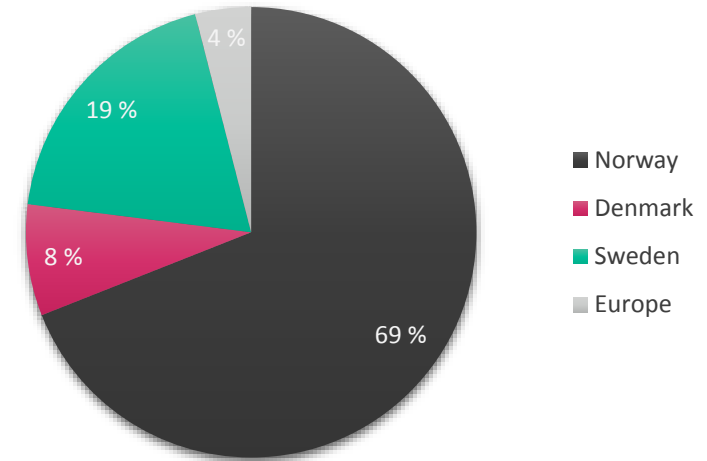
KLP Life - Allocation



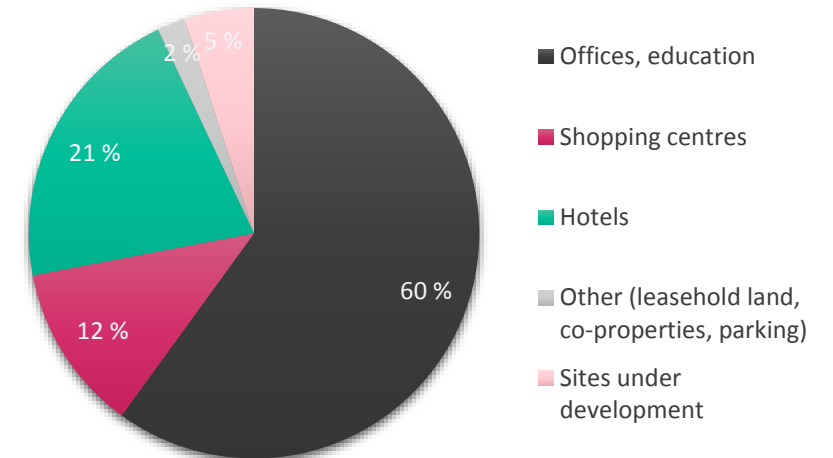
KLP Life - Property

- The portfolio written up by NOK 1 802 millioner (3.2%) in Q4
- 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
 - Bought Zander Kaaes gt 7 in Bergen
 - Bought Tjuvholmen Allé 16 in Oslo

Property value - by country



Property value - by sector



KLP Life – Property

NOK million	31.12.2016	30.09.2016	30.06.2016	31.03.2016
Fair value total portfolio*	58 840	55 805	55 016	55 686
Fair value common portfolio*	55 307	52 316	51 587	52 458

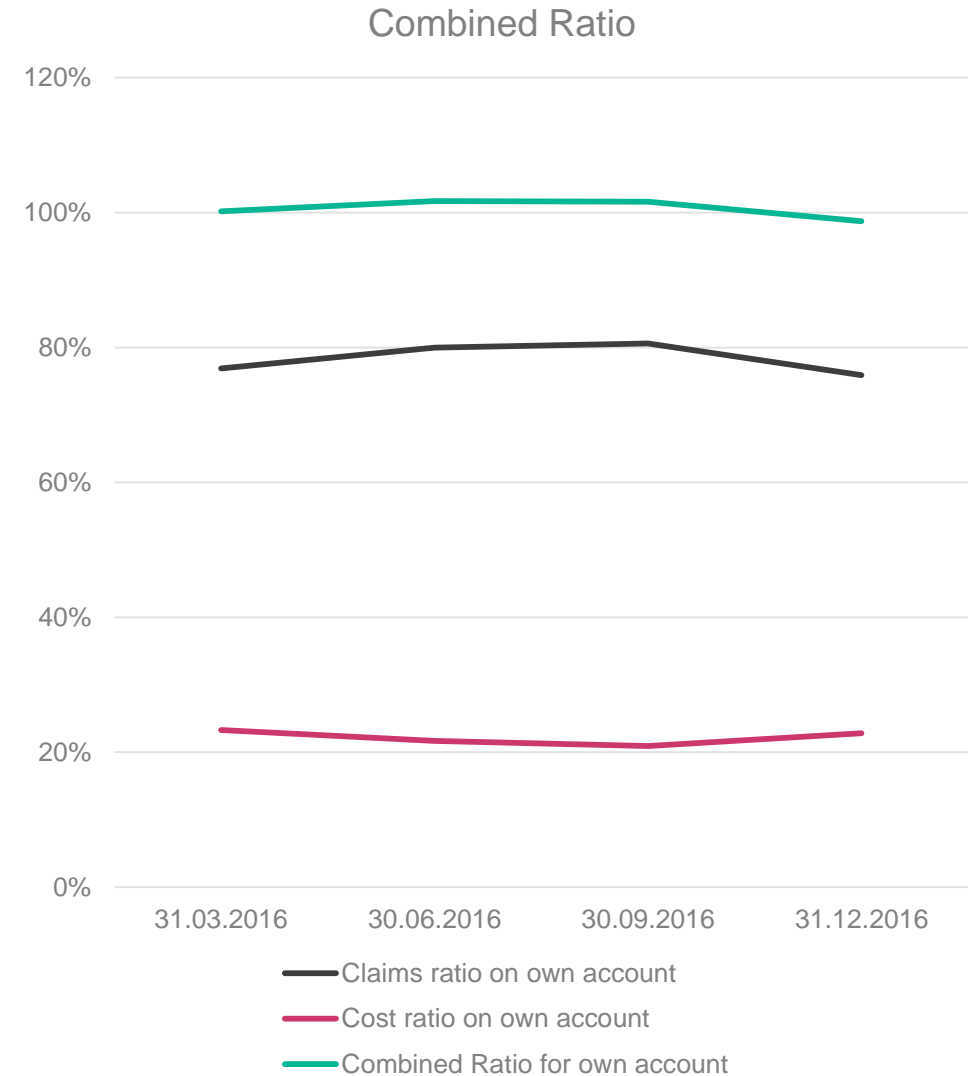
*Incl exchange-rate hedged and excl. property fund

	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Value adjustment in per cent	3.2 %	1.5 %	2.2 %	0.6 %
Value adjustment in per cent common portfolio	3.3 %	1.5 %	1.9 %	0.6 %
Total return common portfolio**	4.3 %	2.6 %	3.2 %	1.8 %

**Incl exchange-rate hedged and property fund

KLP Skadeforsikring (non-life insurance)

- Operating result Q4 NOK 69.8 million, and NOK 255.4 million YTD
- Financial result 1.3 per cent for Q4, and 6.1 per YTD
- Five injuries over 10 million this year
- Security provisions increased by 13.9 per cent YTD
- Solvency ratio 261 per cent



KLP Skadeforsikring (non-life insurance)

NOK million	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Premium written f.o.a.	298.3	291.4	284.1	276.4
Claims f.o.a.	-186.0	-238.8	-235.8	-212.4
Insurance related expenses	-83.9	-56.6	-57.2	-64.5
Other insurance related income	-9.2	0.2	0.4	0.2
Result from technical activities	19.2	-3.8	-8.6	-0.2
Result from investment activities	50.5	73.0	75.2	49.5
Other income	0.1	0.1	0.1	0.2
Result from ordinary operation	69.8	69.4	66.8	49.5
Estimated tax expense	-6.2	-14.8	-14.1	-13.0
Other elements	5.1	-0.9	0.0	-6.1
Provisions for equity fund	-0.7	-10.1	-10.3	2.5
Result after provisions for equity fund	68.0	43.6	42.4	32.9

KLP Skadeforsikring (non-life insurance)

Revenues, NOK million	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Gross premium written	298	291	284	276
Premium income for own account	-186	-239	-236	-212
Claims paid for own account	-83	-57	-57	-64
Insurance related costs for own account	50	73	75	50
Results	70	69	67	49
Key figure balance sheet, NOK million	31.12.2016	30.09.2016	30.06.2016	31.03.2016
Financial assets	4 111	4 204	4 189	4 228
Total assets	4 489	4 522	4 568	4 567
Equity	1 712	1 809	1 755	1 706
Provisions in insurance funds for own account	2 125	2 264	2 359	2 439

KLP Bedriftspensjon – main figures

NOK million	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Interest result	17.8	4.6	6.1	2.5
Risk result	2.2	3.8	-0.6	0.6
Administration result	-13.9	-5.8	-5.2	-7.6
Interest rate guarantee and profit element	1.8	1.9	1.9	1.8
Non-technical result	0.2	2.1	2.6	2.6
Other profit elements	0.9	-0.1	0.0	-1.1
Total result	9.0	6.5	4.8	-1.2
Of which result to clients	23.0	7.7	5.4	3.1
Result to owner	-17.0	-2.6	-2.2	-5.8
Reserve Management from equity	3.0	1.5	1.5	1.5

KLP Bedriftspensjon – return and solvency

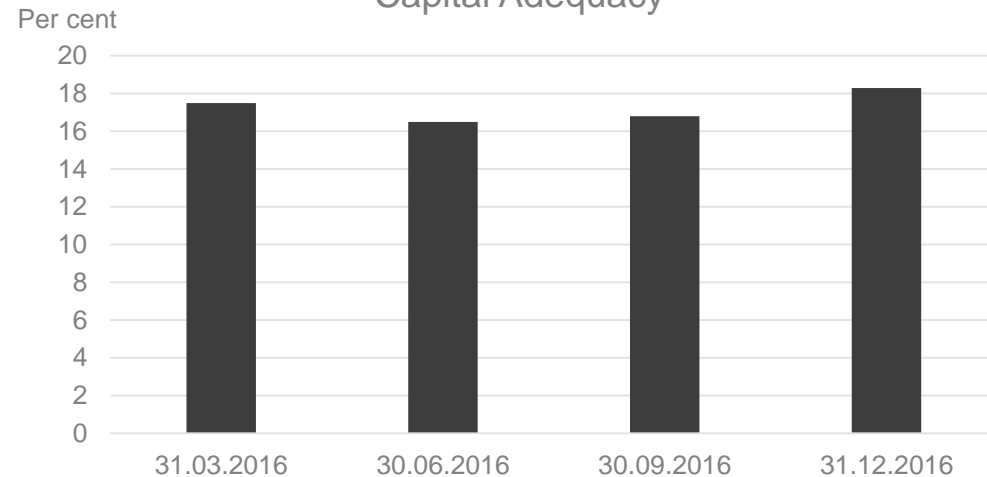
	31.12.2016	30.09.2016	30.06.2016	31.03.2016
Common portfolio				
Book	5.3 %	3.3 %	2.2 %	1.0 %
Value adjusted	5.8 %	4.4 %	2.8 %	1.1 %
Investment options portfolio	7.0 %	4.4 %	1.8 %	-0.2 %
Corporate portfolio	2.4 %	2.3 %	1.7 %	1.1 %
	31.12.2016	30.09.2016	30.06.2016	31.03.2016
Solvency ratio (scr)	79 %	98 %	69 %	57 %
Kapitaldekning (scr) with transitional measures	330 %	382 %	319 %	302 %
Minimum solvency ratio (mcr)	141 %	184 %	134 %	106 %
Minimum solvency ratio (mcr) with transitional measures	701 %	816 %	804 %	773 %
NOK million	31.12.2016	30.09.2016	30.06.2016	31.03.2016
Value adjustment fund	66.8	75.1	67.3	60.2
Supplementary reserves	47.6	37.3	37.5	38.0
Solvency capital	479.4	516.9	516.3	480.0

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	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest revenues	45.0	49.1	49.4	50.9
Net fee – and commissions income	2.8	2.9	2.4	1.2
Management fees	14.3	14.3	14.2	14.3
Operating cost	-53.4	37.0	-36.1	-53.0
Value changes financial instruments	-8.0	3.4	8.1	6.5
Pre-tax earnings	0.6	32.7	38.1	19.9
Total assets	34 379	34 949	34 145	32 200

Capital Adequacy



KLP Bank-group – main figures

KLP Kommunekreditt, NOK million	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest revenues	14.1	17.2	17.8	18.9
Operating cost	-6.1	-3.8	-4.1	-4.9
Value changes financial instruments	-6.8	2.5	5.1	3.3
Pre-tax earnings	1.2	16.0	18.8	17.2
Total assets	19 518	20 426	19 972	19 184
KLP Banken, NOK million	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest revenues	23.0	22.9	22.0	21.6
Net fee – and commissions income	2.9	2.9	2.4	1.2
Management fees	14.3	14.2	14.2	14.3
Operating cost	-38.4	-26.9	-26.3	-40.2
Value changes financial instruments	-1.3	1.1	2.7	0.1
Pre-tax earnings	0.5	14.2	15.0	-3.0
Total assets	12 979	12 864	12 742	12 718
KLP Boligkreditt, NOK million	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest revenues	7.9	8.9	9.5	10.5
Operating cost	-8.9	-6.4	-5.6	-7.9
Value changes financial instruments	0.0	-0.1	0.4	3.0
Pre-tax earnings	-1.0	2.5	4.3	5.6
Total assets	4 886	4 703	4 429	4 251

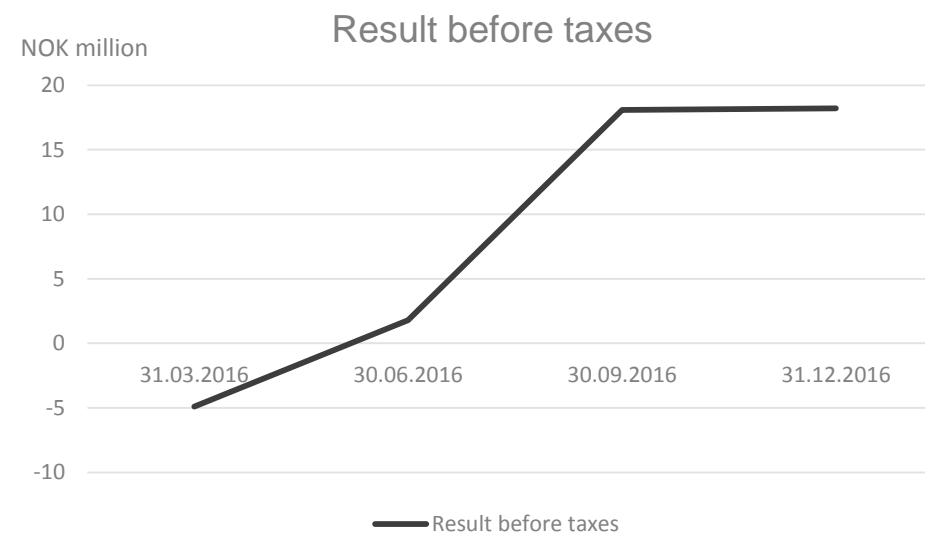
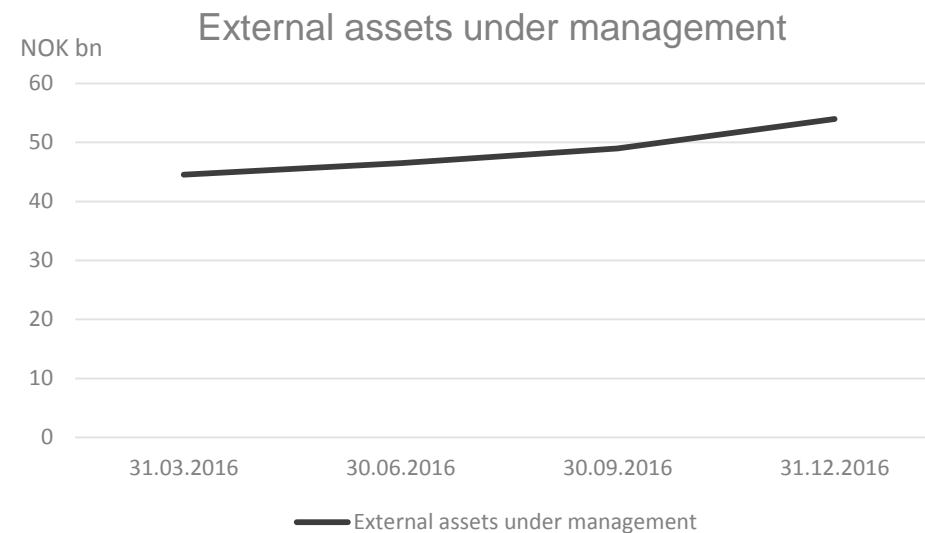
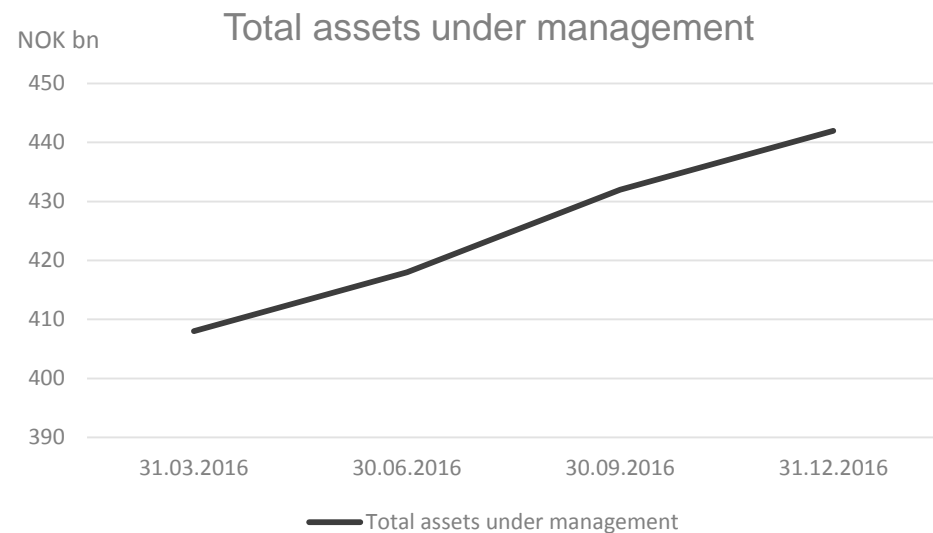
KLP Bank-group – lending and deposits

Mortgage loans, NOK million	31.12.2016	30.09.2016	30.06.2016	31.03.2016
KLP Banken AS	8.0	8.3	8.1	7.3
KLP Boligkreditt AS	4.7	4.5	4.2	4.0
KLP (Management agreement)	3.2	2.6	2.7	3.2
Total	15.9	15.4	15.0	14.5

Public sector loans, NOK million	31.12.2016	30.09.2016	30.06.2016	31.03.2016
KLP Kommunekreditt AS	17.2	17.3	16.0	15.8
KLP (Management agreement)	40.4	37.8	38.2	37.9
KLP (currency loans)	9.1	8.7	9.2	9.7
Total	66.5	63.5	63.1	62.9

Deposits, NOK million	31.12.2016	30.09.2016	30.06.2016	31.03.2016
KLP Banken AS	8.7	8.4	8.3	7.9
Total	8.7	8.3	7.9	7.4

KLP Kapitalforvaltning (Asset management)



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