

Financial results Q4 2017

KLP Group

Oslo, 19th February 2017



KLP

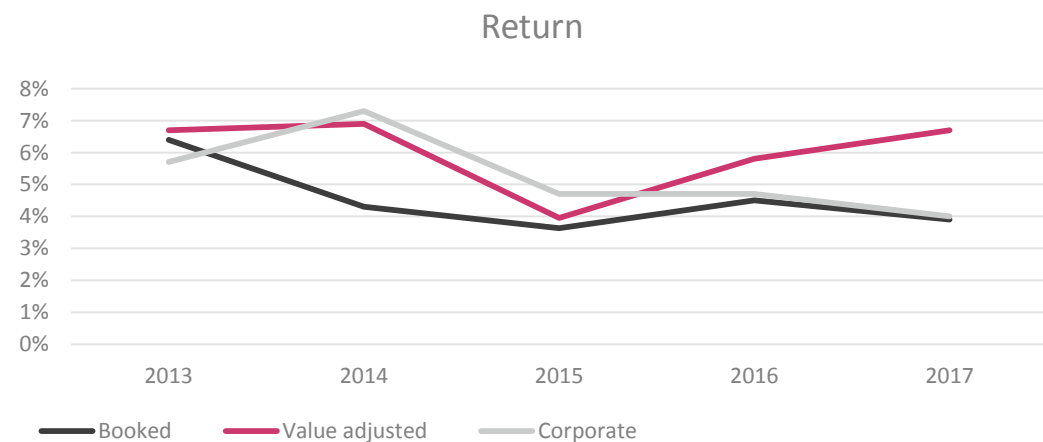
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Main features

- Total group assets: NOK 652 billion
- Common portfolio of life company:
 - Book return of 3.9 per cent
 - Value adjusted return of 6.7 per cent
- Corporate portfolio returned 4.0 per cent
- Solvency ratio KLP: 224 per cent

	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Common portfolio				
Booked return	0.9 %	1.5 %	0.9 %	0.6 %
Value adjusted return	2.1 %	1.5 %	1.3 %	1.7 %
Value adjusted return incl. HTM bonds/bonds booked at amortised costs	2.0 %	1.6 %	1.1 %	1.9 %
Investment options portfolio	2.3 %	1.8 %	1.3 %	1.8 %
Corporate portfolio	0.9 %	0.8 %	1.3 %	0.9 %



KLP Group – results by segment

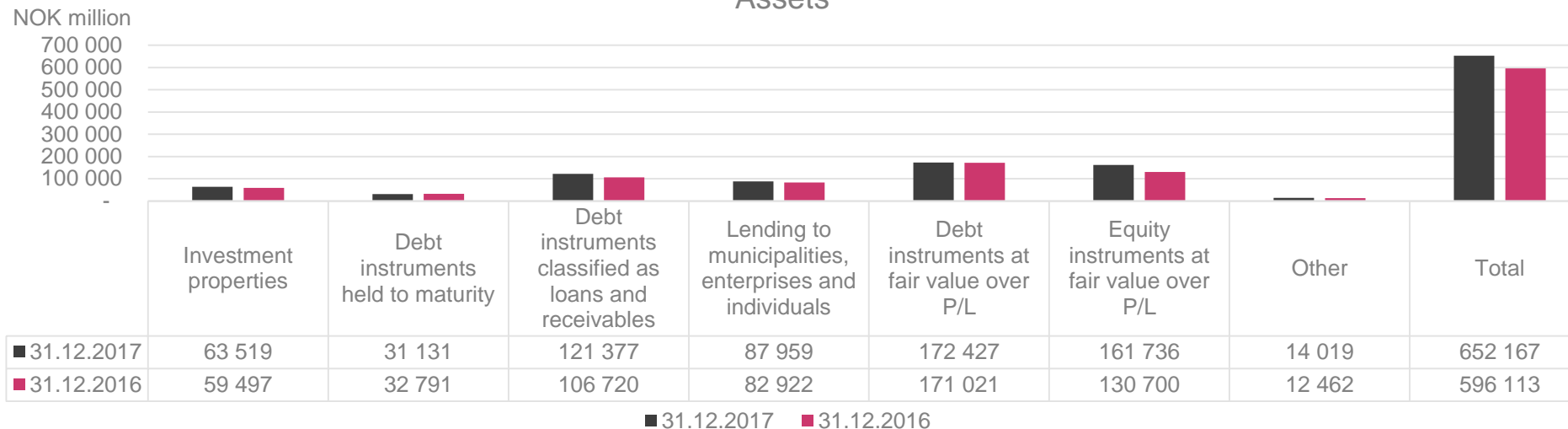
NOK million	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Life insurance	-354	758	1068	689
Non-life insurance	12	38	65	50
Banking	22	34	24	23
Asset management	-4	24	9	17
Other	-1	0	0	0
Group result before tax	-325	854	1167	779

KLP Group – main figures - results

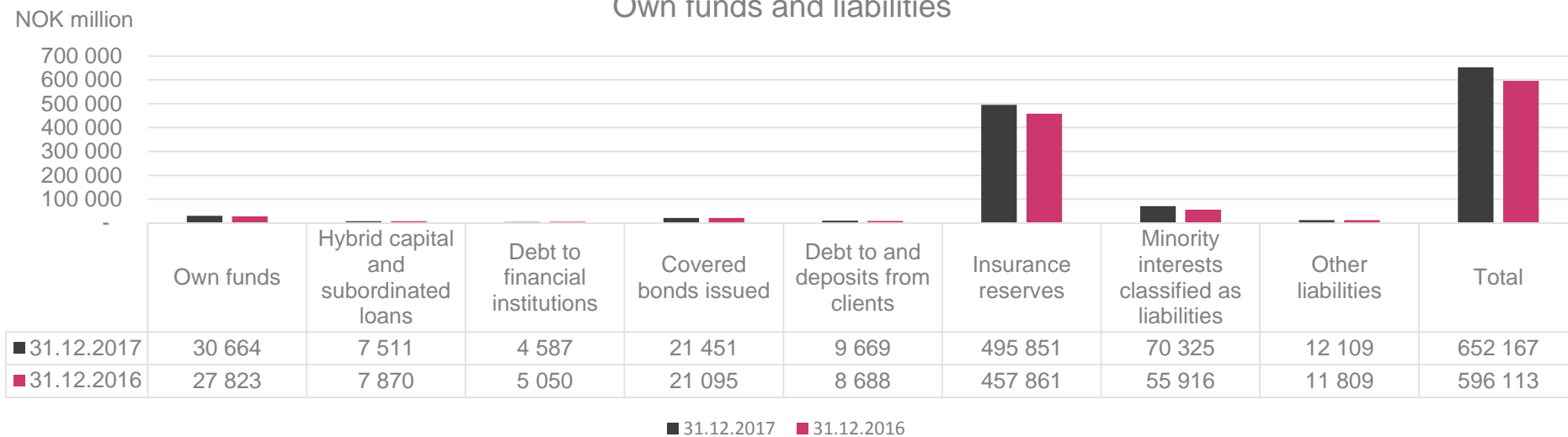
NOK million	31.12.2017	31.12.2016
Pension premiums and incoming transfers	34 590	38 497
- of which premium reserves transferred from another company	841	3 434
Allocated investment income	41 430	30 888
Minority share of return of financial instruments	-8 648	-3 061
Claims f.o.a.	-18 665	-17 370
- of which premium reserves transferred to another company	-315	-153
Insurance provisions	-24 425	-27 973
Interest expenses and value adjustments subordinated loans and subordinated bonds	-527	382
Operating cost	-1 673	-1 756
Other income and cost	48	-12
Technical result	22 130	19 594
To/from value adjustment fund life insurance	-13 904	-6 876
To/from supplementary reserves life insurance	-1 188	-4 026
Surplus allocated Life insurance clients	-4 564	-6 244
Group result pre-tax	2 474	2 449
Tax	-1 070	359
Other profit/loss elements	61	47
Group result pre-tax	1 465	2 855

KLP Group - Balance

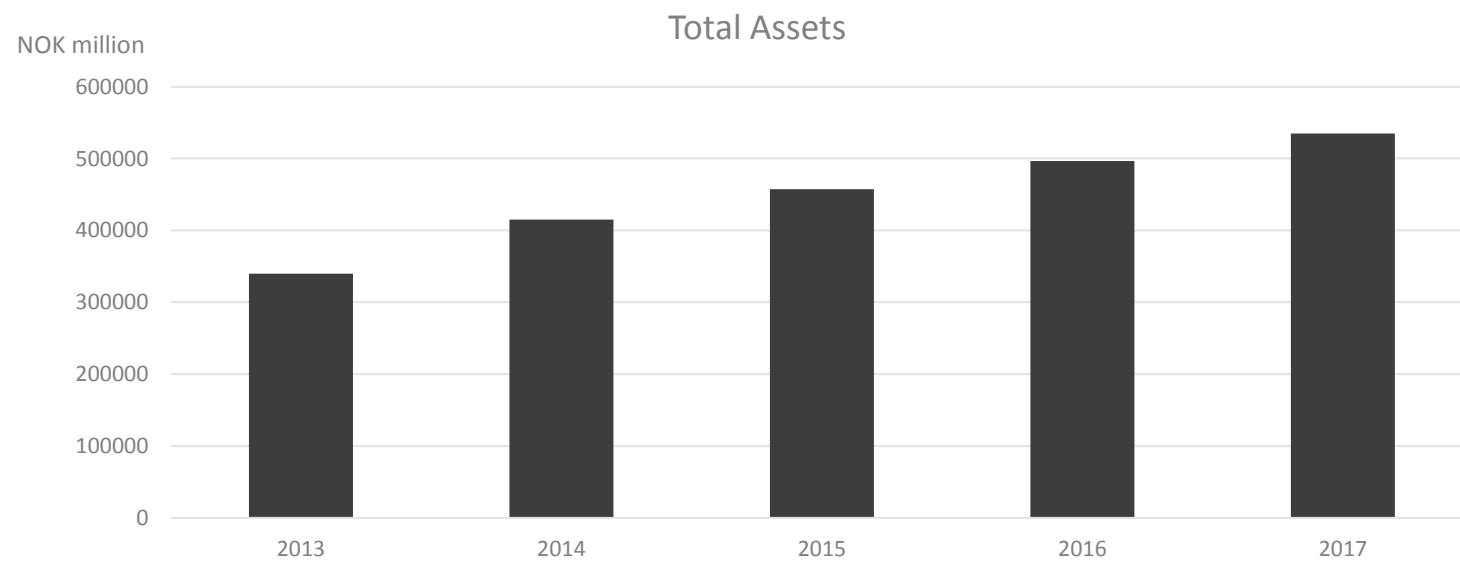
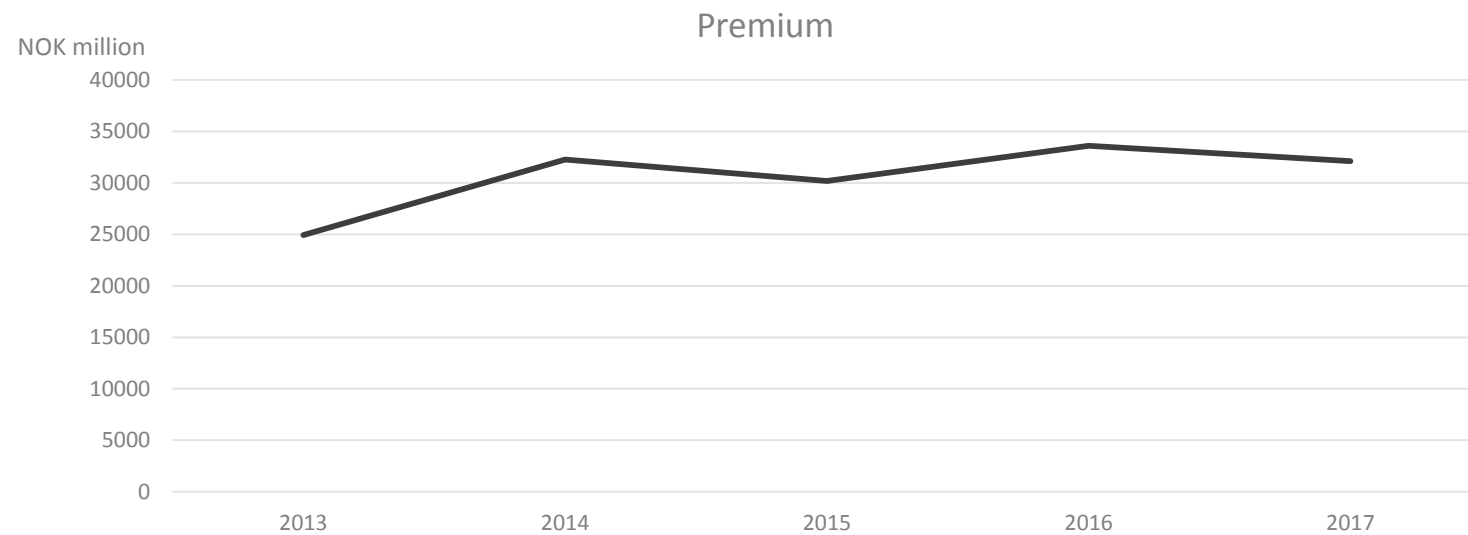
Assets



Own funds and liabilities

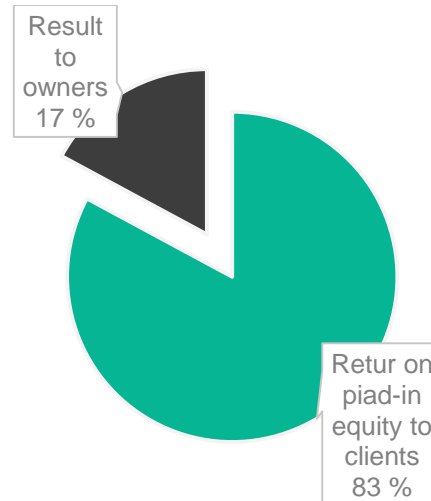


KLP Life

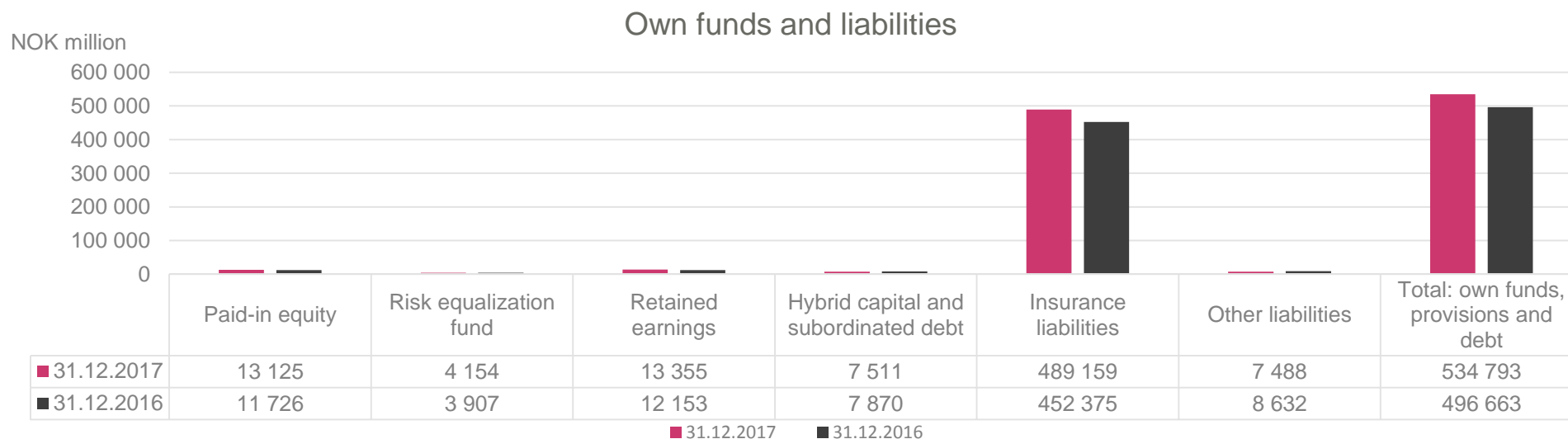
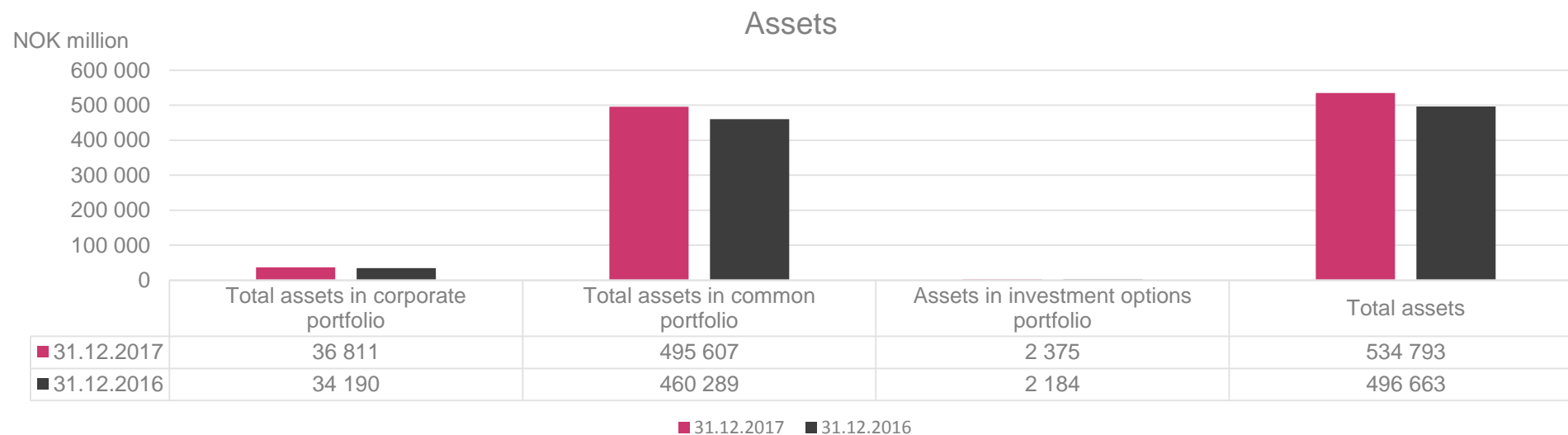


KLP – Appropriation of results

Nok million	Result Customers	Result Company	31.12.2017	31.12.2016
Interest result	6 601	168	6 769	8 094
Risk result	523	76	599	784
Premium interest rate guarantee		711	711	690
Administration result		141	141	-50
Net income corporate portfolio		896	896	945
Tax		-496	-496	773
Other result elements		-24	-24	-24
Total	7 124	1 473	8 596	11 213



KLP Life - Balance



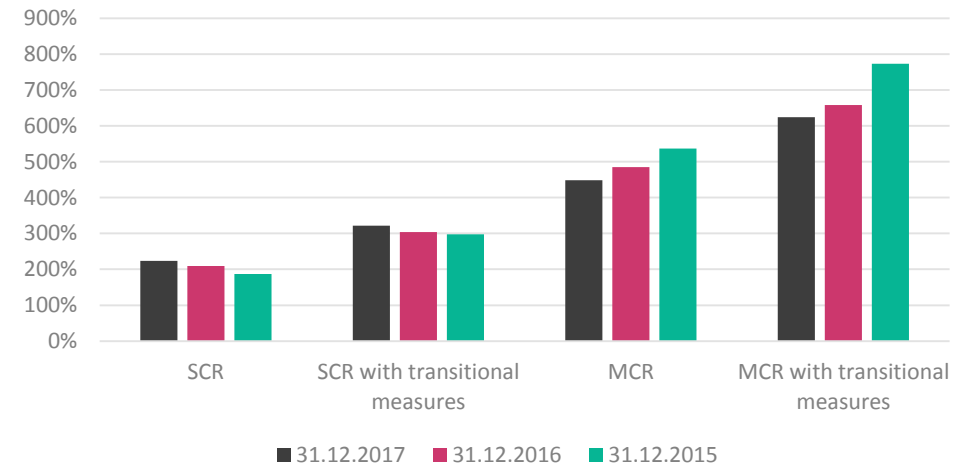
KLP Life - Solvency

- Solvency ratio Q4: 224* per cent
- Minimum solvency ratio Q4: 448* per cent

**without transitional measures*

	31.12.2017	30.09.2017	30.06.2017	31.03.2017
Solvency ratio (SCR)	224 %	223 %	216 %	214 %
Kapitaldekning (SCR) with transitional measures	322 %	322 %	314 %	311 %
Minimum solvency ratio (MCR)	448 %	431 %	427 %	503 %
Minimum solvency ratio (MCR) with transitional measures	624 %	624 %	603 %	655 %

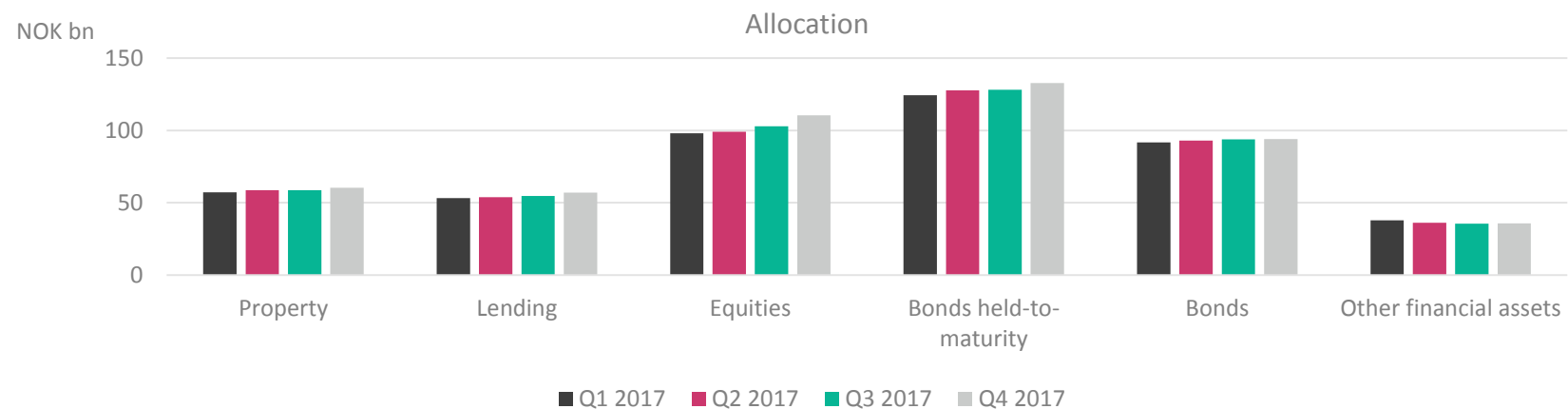
Solvency Ratio



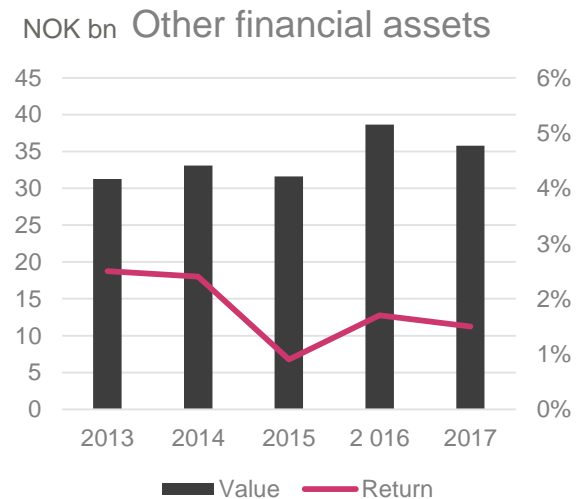
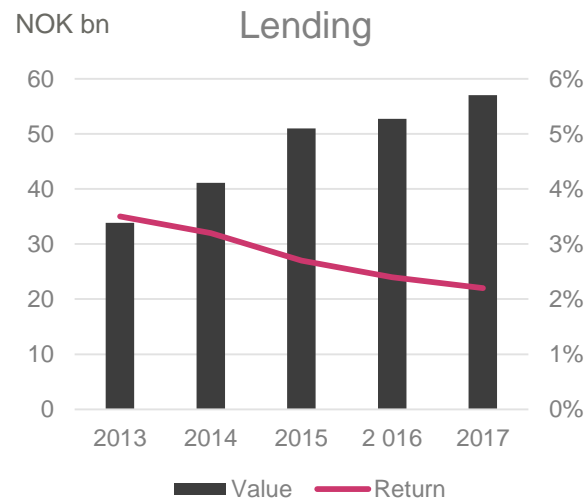
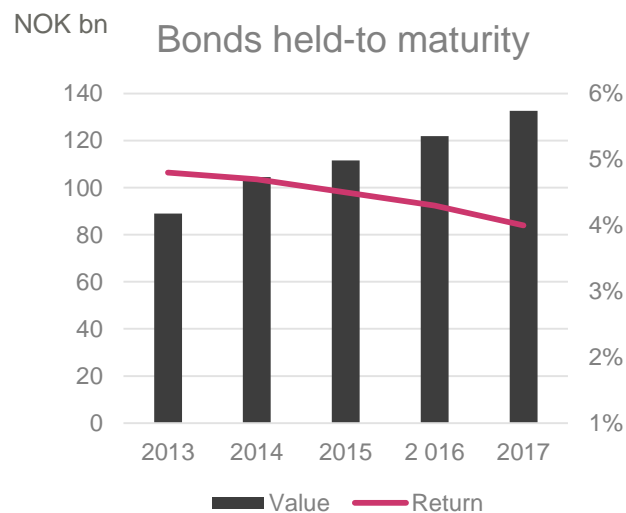
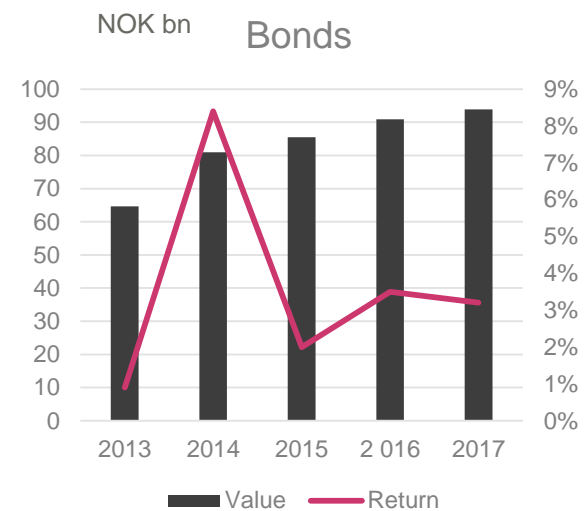
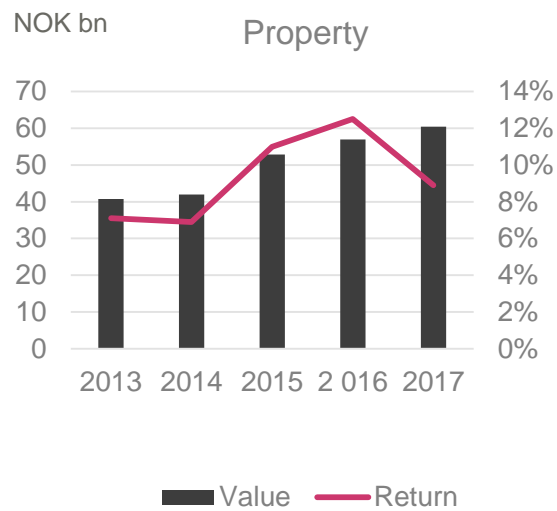
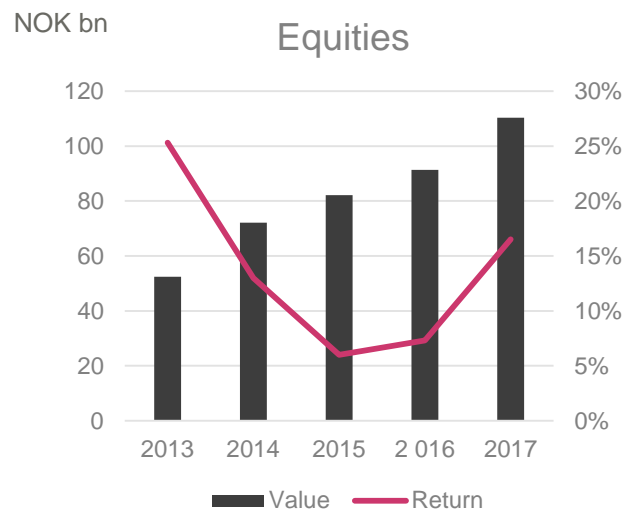
KLP Life - Common Portfolio

	Share*	Return	Share*	Return
	31.12.2017	31.12.2017	31.12.2016	31.12.2016
Equities	22.5 %	16.5 %	20.1 %	7.3 %
Bonds	19.2 %	3.2 %	20.0 %	3.5 %
Bonds held-to-maturity	27.1 %	4.0 %	26.8 %	4.3 %
Lending	11.6 %	2.2 %	11.6 %	2.4 %
Property	12.3 %	8.9 %	12.5 %	12.5 %
Other financial assets	7.3 %	1.5 %	8.9 %	1.7 %

*) Measured by exposure



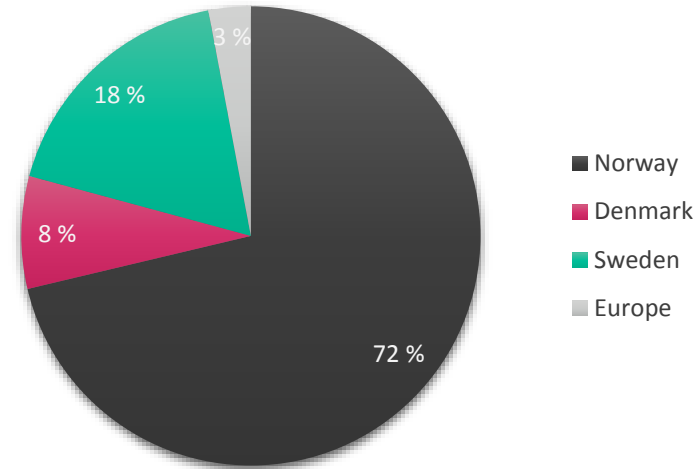
KLP Life - Allocation



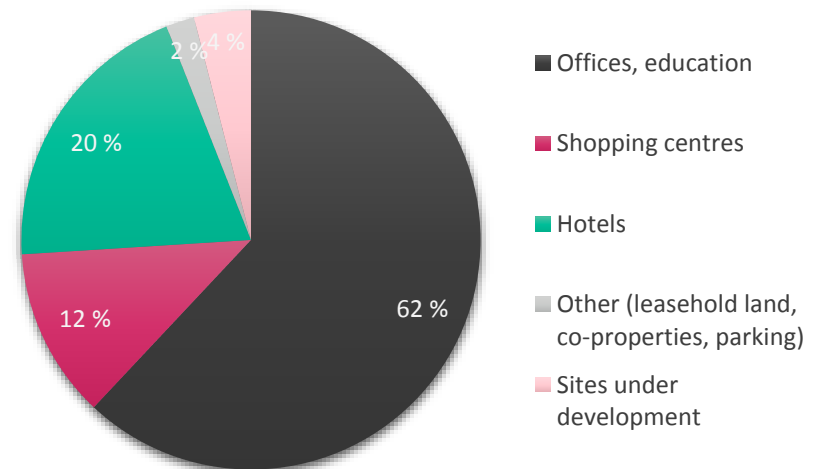
KLP Life - Property

- The portfolio written up by NOK 1 501 million (2.5 %) in Q4
- 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	31.12.2017	30.09.2017	30.06.2017	31.03.2017
Fair value total portfolio*	62 155	60 330	60 389	59 111
Fair value common portfolio*	58 476	56 720	56 786	55 580

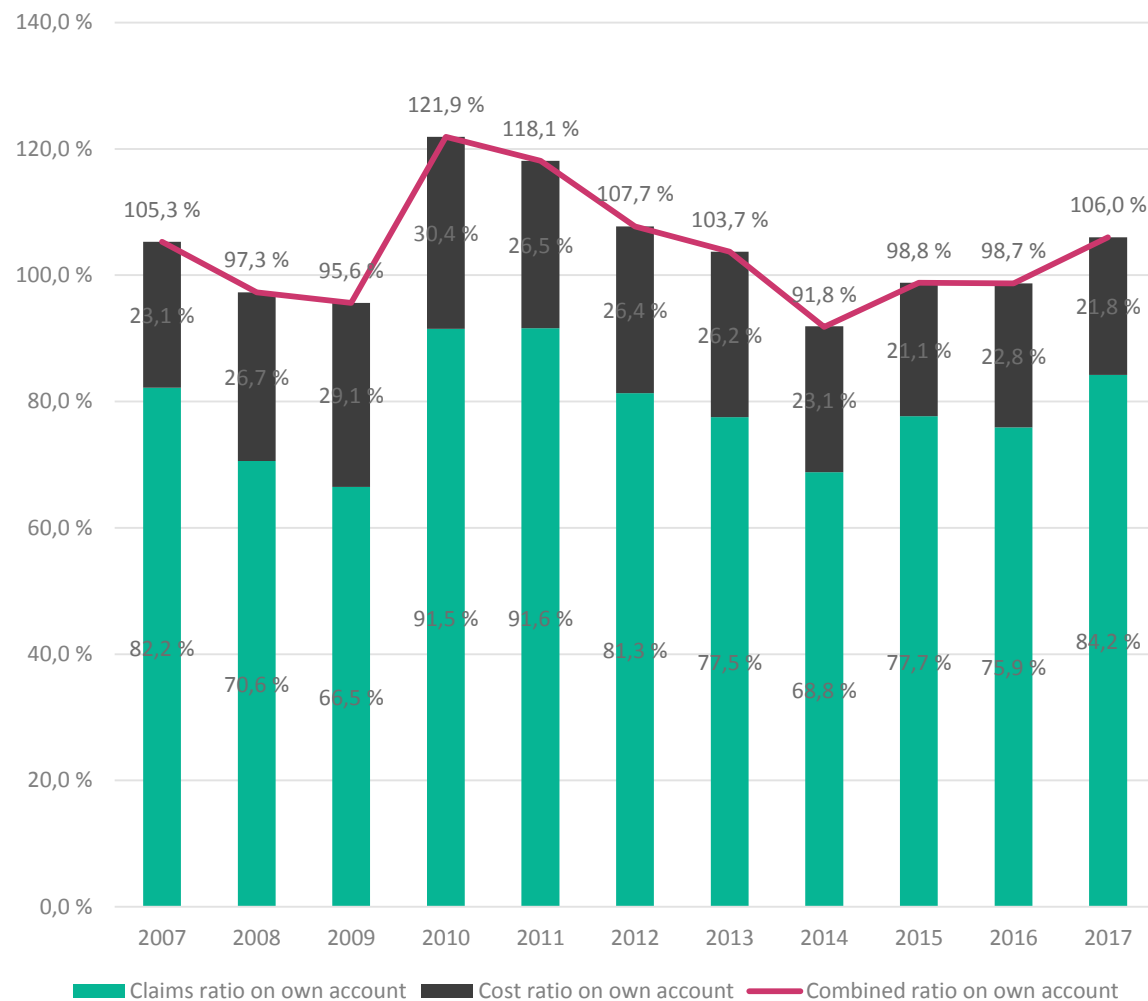
*Incl exchange-rate hedged and excl. property fund

	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Value adjustment in per cent	2.5 %	0.2 %	1.4 %	0,0 %
Value adjustment in per cent common portfolio	2.5 %	0.2 %	1.3 %	0,0 %
Total return common portfolio**	3.6 %	1.5 %	2.5 %	1,0 %

**Incl exchange-rate hedged and property fund

KLP Skadeforsikring (non-life insurance)

- Operating result NOK 164,2 million YTD
- Growth in all segments - gross premium stock increased by NOK 136.8 million (11.3%) since 31.12.16
- Five larger injuries of total 94.9 million YTD
- Revenue recognition of previous years reserves of NOK 76.2 million
- Financial result 5.6 per cent YTD
- Solvency-ratio: 233 per cent



KLP Skadeforsikring (non-life insurance)

NOK million	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Premium written f.o.a.	332.1	330.8	319.4	304.5
Claims f.o.a.	-314.3	-288.7	-233.3	-247.0
Insurance related expenses	-84.5	-58.8	-70.3	-66.4
Other insurance related income	0.8	0.6	0.5	0.5
Result from technical activities	-66.1	-16.2	16.4	-8.4
Result from investment activities	77.5	53.9	48.8	57.9
Other income	0.1	0.1	0.1	0.1
Result from ordinary operation	77.6	37.7	65.3	49.6
Estimated tax expense	11.3	-7.8	-13.9	-9.0
Other elements	4.1	-7.6	0.0	0
Provisions for equity fund	26.0	-6.7	-13.3	-13.7
Result after provisions for equity fund	52.9	15.7	38.1	26.9

KLP Skadeforsikring (non-life insurance)

Revenues, NOK million	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Gross premium written	332	331	319	305
Premium income for own account	-314	-289	-233	-247
Claims paid for own account	-85	-59	-70	-66
Insurance related costs for own account	78	54	49	58
Results	12	38	65	50
Key figure balance sheet, NOK million	31.12.2017	30.09.2017	30.06.2017	31.03.2017
Financial assets	4 143	4 275	4 341	4 302
Total assets	4 594	4 651	4 773	4 731
Equity	1 772	1 829	1 806	1 752
Provisions in insurance funds for own account	2 246	2 334	2 431	2 481

KLP Bedriftspensjon – main figures

NOK million	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Interest result	61.7	11.6	7.1	-2.6
Risk result	2.5	-0.7	1.7	-4.1
Administration result	-10.8	-8.0	-11.0	-9.1
Interest rate guarantee and profit element	1.5	1.4	1.2	1.6
Non-technical result	2.6	2.9	1.6	2.1
Other profit elements	0.6	-1.3	0	0
Total result	58.1	5.9	0.6	-12.1
Of which result to clients	59.9	11.9	5.9	0
Result to owner	-1.8	-6.0	-5.3	-12.1

KLP Bedriftspensjon – return and solvency

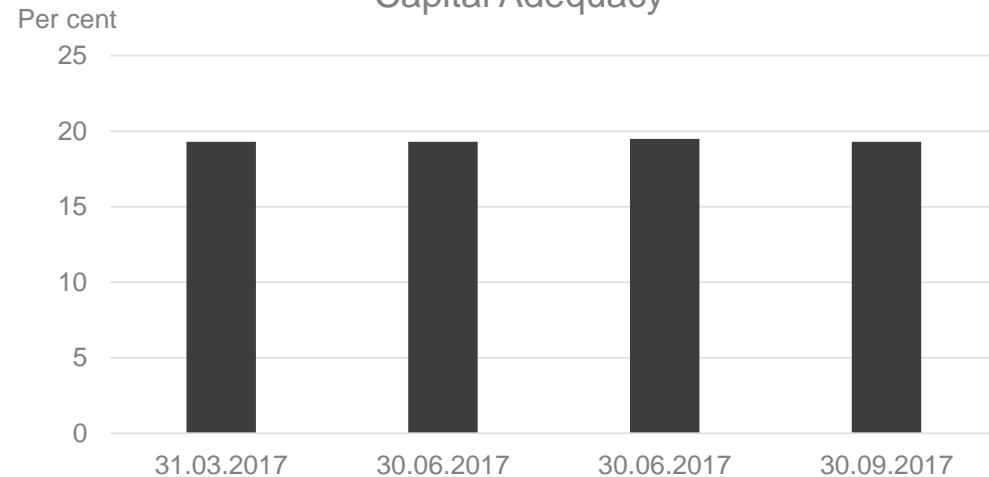
	31.12.2017	30.09.2017	30.06.2017	31.03.2017
Common portfolio				
Book	8.3 %	3.3 %	1.8 %	0.6 %
Value adjusted	5.6 %	3.7 %	2.4 %	1.2 %
Investment options portfolio	11.9 %	8.3 %	4.4 %	2.6 %
Corporate portfolio	2.3 %	1.8 %	1.3 %	0.7 %
	31.12.2017	30.09.2017	30.06.2017	31.03.2017
Solvency ratio (scr)	107 %	147 %	185 %	33 %
Kapitaldekning (scr) with transitional measures	299 %	317 %	377 %	223 %
Minimum solvency ratio (mcr)	264 %	344 %	415 %	47 %
Minimum solvency ratio (mcr) with transitional measures	774 %	827 %	923 %	559 %
NOK million	31.12.2017	30.09.2017	30.06.2017	31.03.2017
Value adjustment fund	30.0	75.7	78.1	77
Supplementary reserves	106.3	46.5	46.5	47.5
Solvency capital	721.3	708.7	718.1	483.3

KLP Bank-group – main figures

- Retail market: 54 500 clients
- The Group's capital adequacy ratio is 19.3%, which is well above the ICAAP of 17.6%. In addition, there is an internal requirement of 0.5% buffer over ICAAP.

NOK million	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest revenues	67.7	65.4	57.2	51.4
Net fee – and commissions income	3.2	2.8	2.5	2.6
Management fees	14.3	14.3	14.3	14.3
Operating cost	-59.5	-45.4	-49.1	-48.6
Value changes financial instruments	-4.3	-3.3	-0.1	3.7
Pre-tax earnings	21.4	33.8	24.7	23.2
Total assets	34 981	34 855	35 140	34 383

Capital Adequacy



KLP Bank-group – main figures

KLP Kommunekreditt, NOK million	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest revenues	20.9	21.8	20.9	18.6
Operating cost	-4.4	-3.7	-4.6	-4.5
Value changes financial instruments	-3.0	-3.4	-1.0	2.4
Pre-tax earnings	13.4	14.7	15.3	16.4
Total assets	18 339	18 806	19 315	19 101
KLP Banken, NOK million	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest revenues	32.7	31.2	25.7	23.4
Net fee – and commissions income	3.2	2.8	2.5	2.6
Management fees	14.3	14.3	14.3	14.3
Operating cost	-45.6	-34.5	-36.7	-36.3
Value changes financial instruments	-0.6	95.1	0.9	1.2
Pre-tax earnings	4.0	108.9	6.7	5.1
Total assets	13 285	12 858	12 645	12 725
KLP Boligkreditt, NOK million	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest revenues	14.1	12.3	10.6	9.4
Operating cost	-10.2	-7.2	-7.9	-7.8
Value changes financial instruments	0.0	0.0	0.0	0.1
Pre-tax earnings	3.9	5.1	2.7	1.7
Total assets	5 187	5 055	4 750	4 817

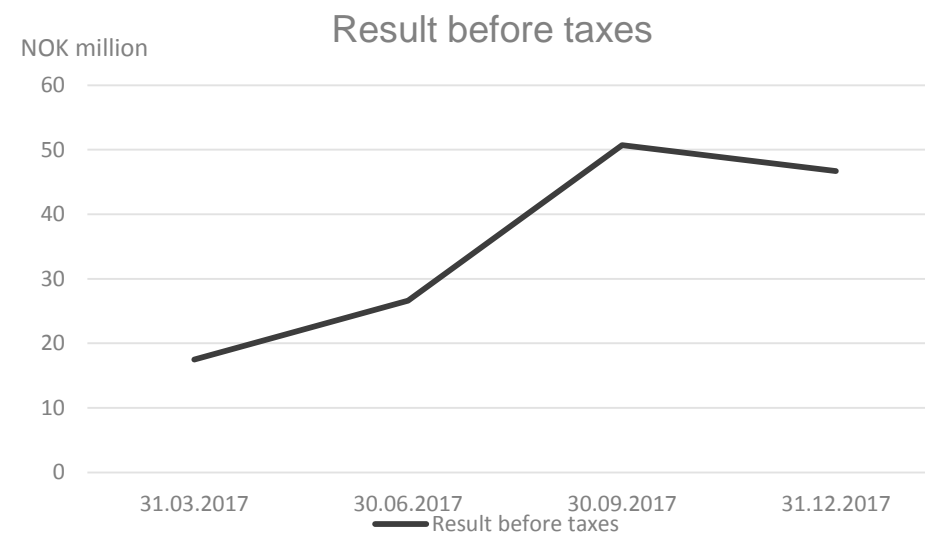
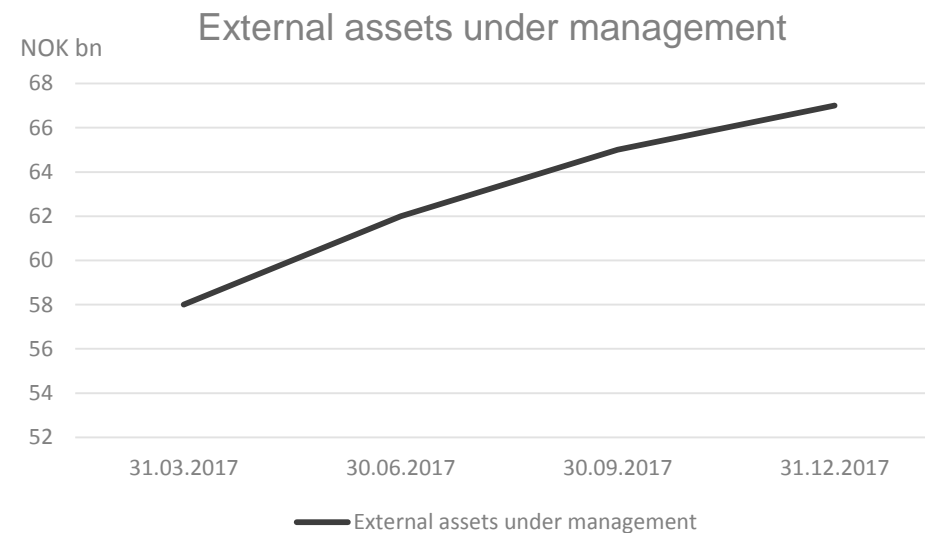
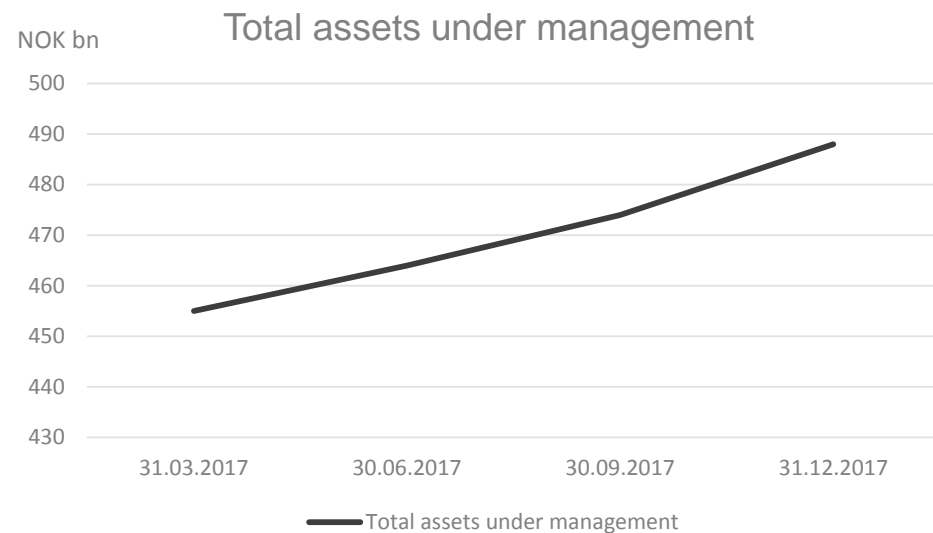
KLP Bank-group – lending and deposits

Mortgage loans, NOK billion	31.12.2017	30.09.2017	30.06.2017	31.03.2017
KLP Banken AS	9.4	9.1	9.3	8.8
KLP Boligkreditt AS	4.9	4.9	4.5	4.6
KLP (Management agreement)	3.2	3.2	3.1	3.2
Total	17.8	16.9	16.5	15.9

Public sector loans, NOK billion	31.12.2017	30.09.2017	30.06.2017	31.03.2017
KLP Kommunekreditt AS	16.1	17.0	17.2	17.3
KLP (Management agreement)	45.1	4.6	40.5	40.4
KLP (currency loans)	8.2	9.1	9.7	9.1
Total	69.4	67.6	67.2	66.5

Deposits, NOK billion	31.12.2017	30.09.2017	30.06.2017	31.03.2017
KLP Banken AS	9.7	9.4	9.1	8.9
Total	9.7	9.4	9.1	8.9

KLP Kapitalforvaltning (Asset management)



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