

Financial results Q2 2019

KLP Group

Oslo, 22nd August 2019



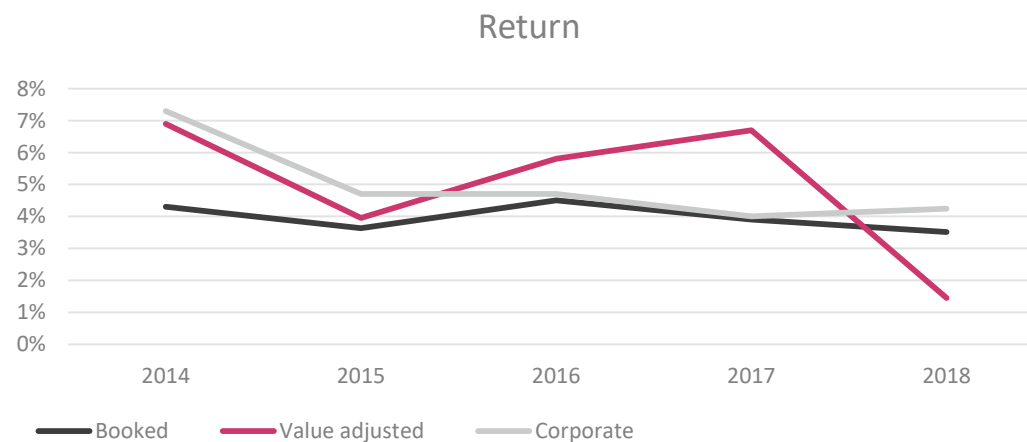
Table of contents

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 737 billion
- Common portfolio of life company:
 - Book return of 2.0 per cent
 - Value adjusted return of 4.8 per cent
- Corporate portfolio returned 2.6 per cent
- Solvency ratio KLP: 264 per cent

	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Common portfolio				
Booked return	1.0 %	1.0 %	0.4 %	0.8 %
Value adjusted return	3.1 %	3.1 %	-1.4 %	1.6 %
Value adjusted return incl. HTM bonds/bonds booked at amortised costs	3.5 %	3.5 %	-1.4 %	1.2 %
Investment options portfolio	3.7 %	3.7 %	-2.4 %	1.8 %
Corporate portfolio	1.3 %	1.3 %	1.2 %	0.7 %



KLP Group – results by segment

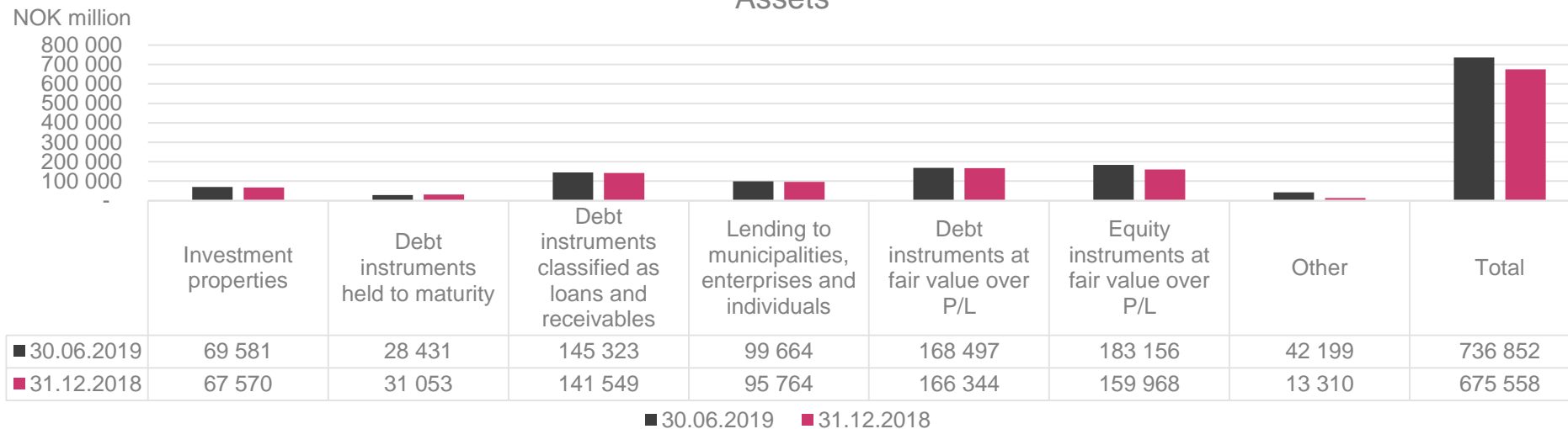
NOK million	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Life insurance	648	824	673	615
Non-life insurance	29	110	-88	69
Banking	27	24	12	28
Asset management	21	-2	-10	28
Other	0	-1	-1	-1
Group result before tax	725	953	585	739

KLP Group – main figures - results

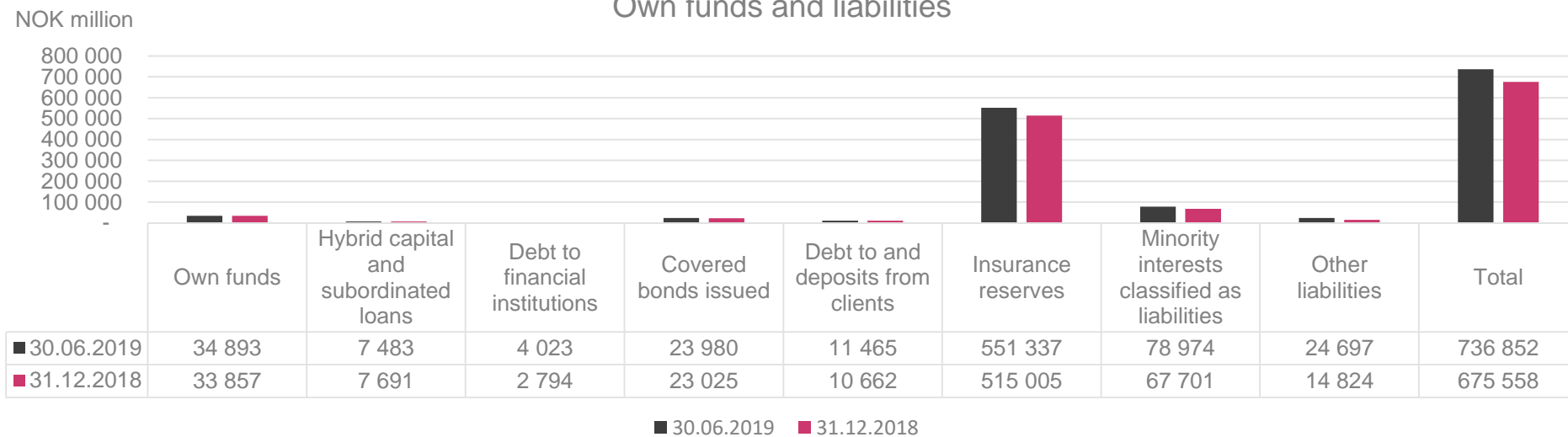
NOK million	30.06.2019	31.12.2018
Pension premiums and incoming transfers	23 107	40 921
- of which premium reserves transferred from another company	310	524
Allocated investment income	35 314	5 732
Minority share of return of financial instruments	-8 232	4 022
Claims f.o.a.	-10 663	-20 015
Insurance provisions	-16 751	-28 096
Interest expenses and value adjustments subordinated loans and subordinated bonds	-73	-483
Operating cost	-921	-1 872
Other income and cost	7	33
Technical result	21 787	240
To/from value adjustment fund life insurance	-14 657	8 862
To/from supplementary reserves life insurance	15	-2 792
Surplus allocated Life insurance clients	-5 468	-3 469
Group result pre-tax	1 678	2 840
Tax	-708	-125
Other profit/loss elements	68	150
Group result	1 038	2 866

KLP Group - Balance

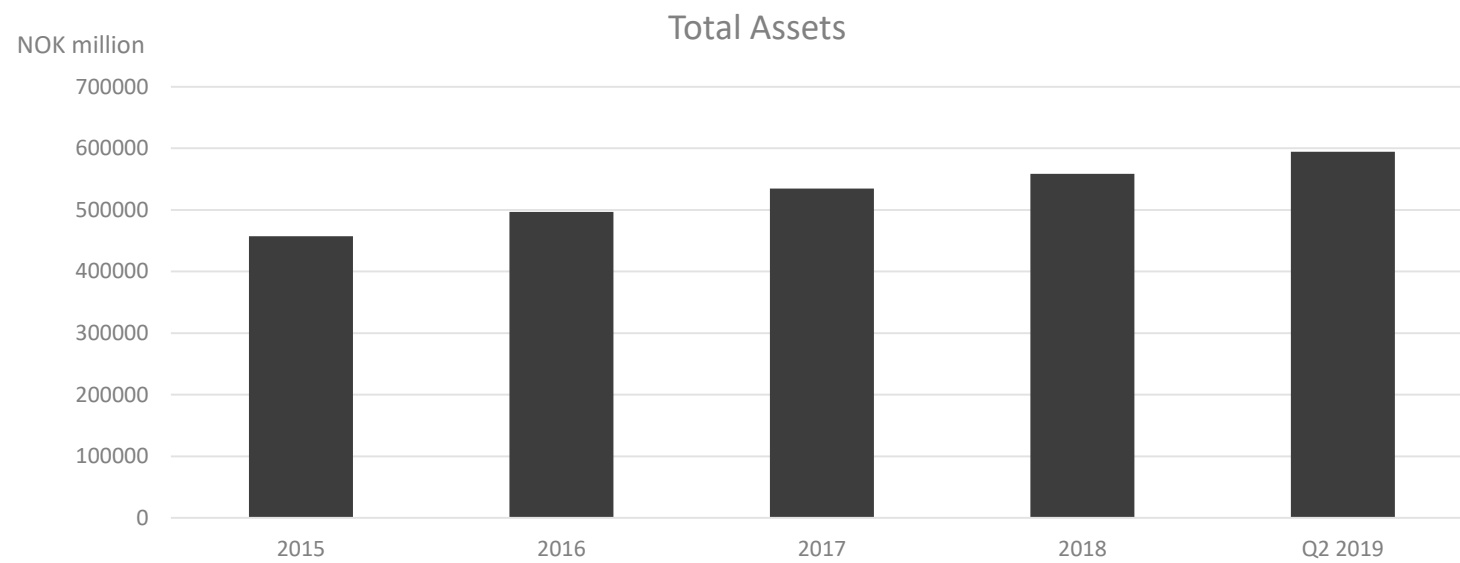
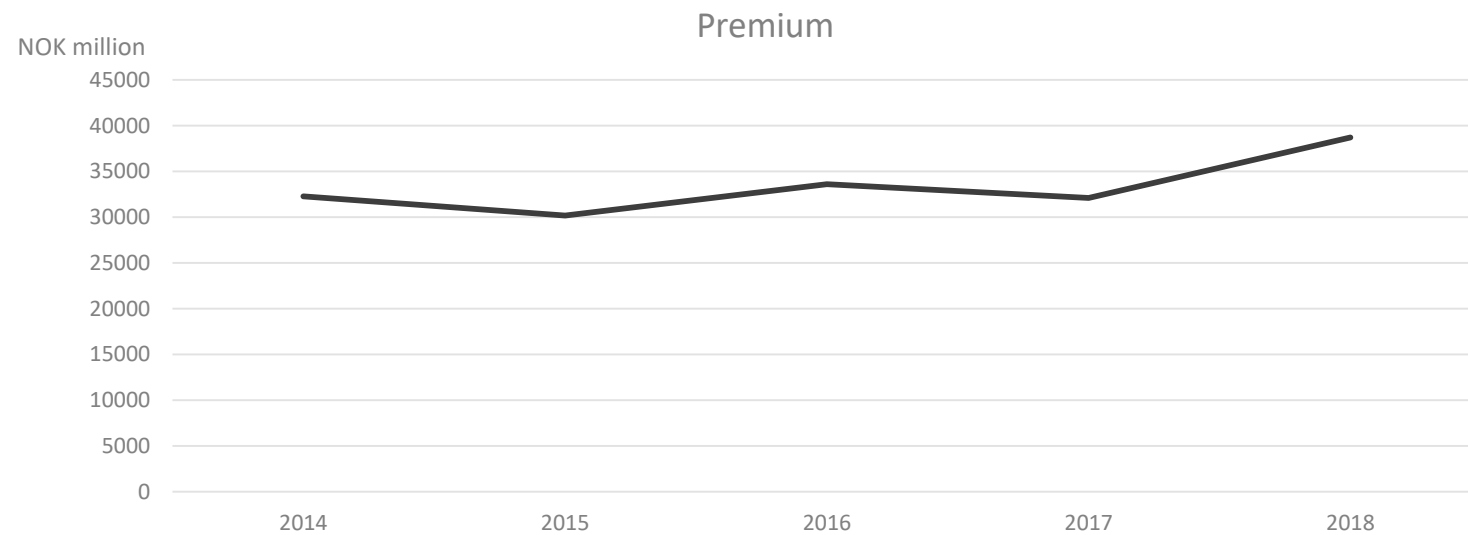
Assets



Own funds and liabilities

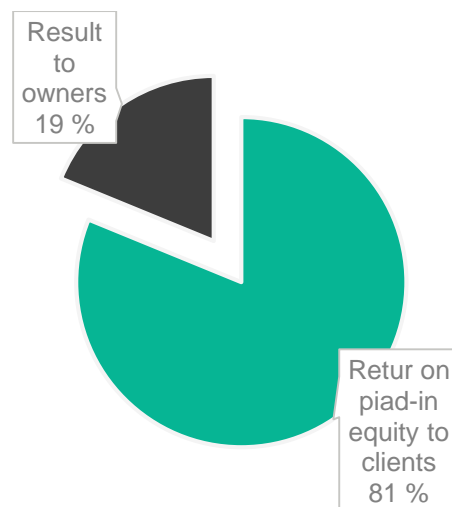


KLP Life

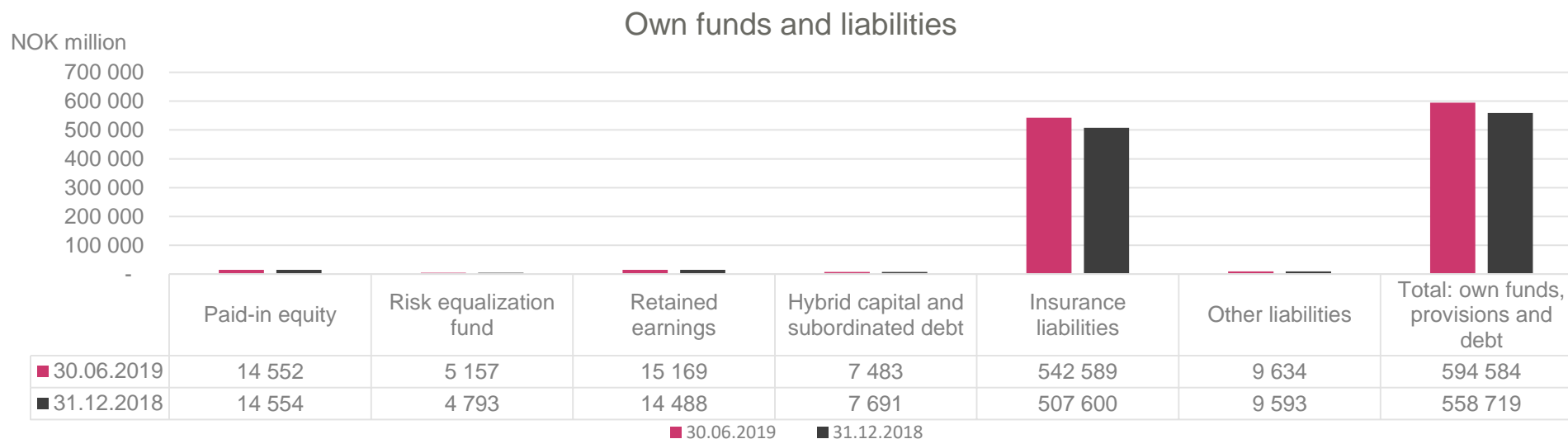
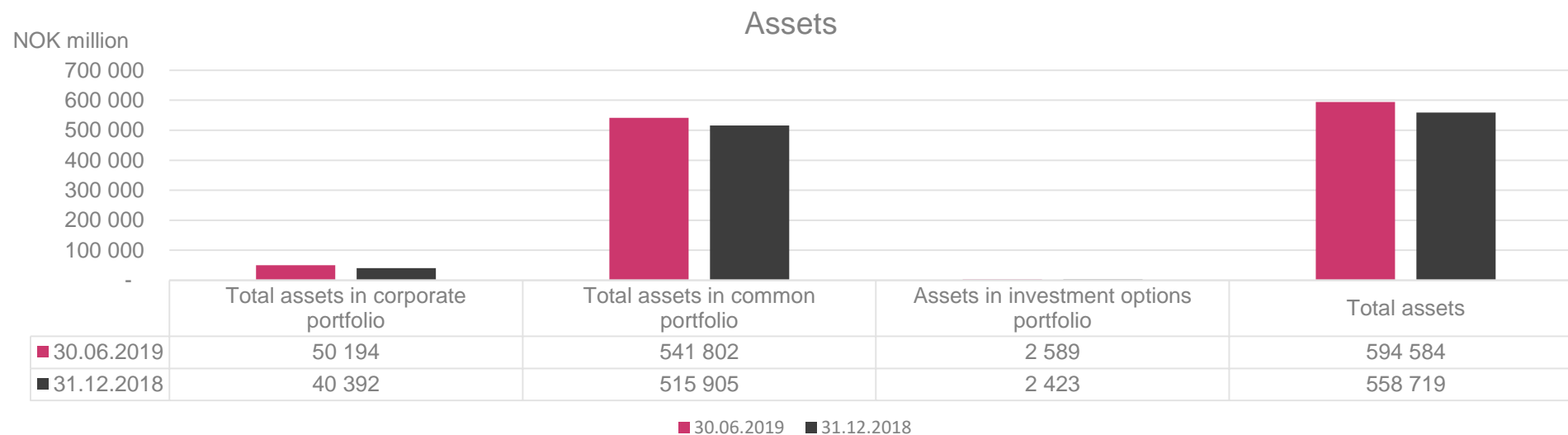


KLP – Appropriation of results

Nok million	Result Customers	Result Company	30.06.2019	31.12.2018
Interest result	4 243	96	4 338	5 207
Risk result	268	268	536	958
Premium interest rate guarantee		235	235	758
Administration result		80	80	137
Net income corporate portfolio		778	778	1 109
Tax		-367	-367	-624
Other result elements		-45	-45	-21
Total	4 510	1 045	5 555	7 524



KLP Life - Balance



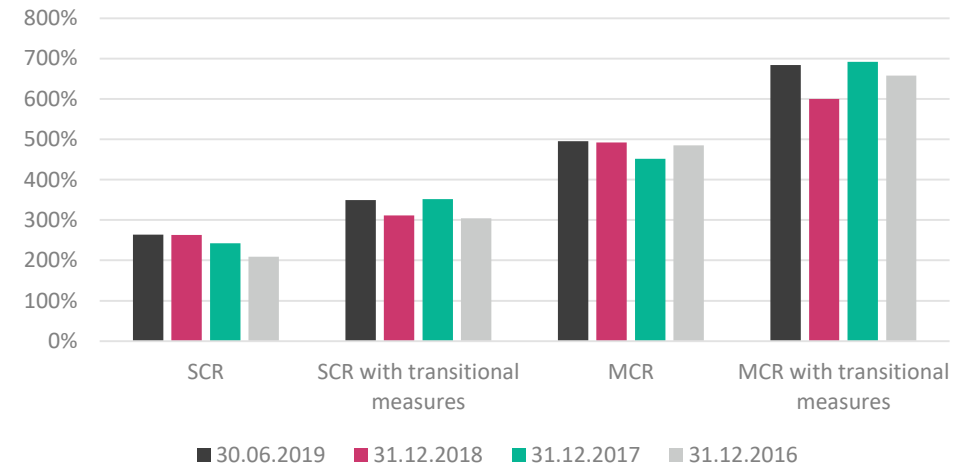
KLP Life - Solvency

- Solvency ratio Q2: 264* per cent
- Minimum solvency ratio Q2: 495* per cent

**without transitional measures*

	30.06.2019	31.03.2019	31.12.2018	30.09.2018
Solvency ratio (SCR)	264 %	270 %	263 %	274 %
Solvency ratio (SCR) with transitional measures	349 %	342 %	311 %	321 %
Minimum solvency ratio (MCR)	495 %	508 %	492 %	517 %
Minimum solvency ratio (MCR) with transitional measures	684 %	669 %	600 %	623 %

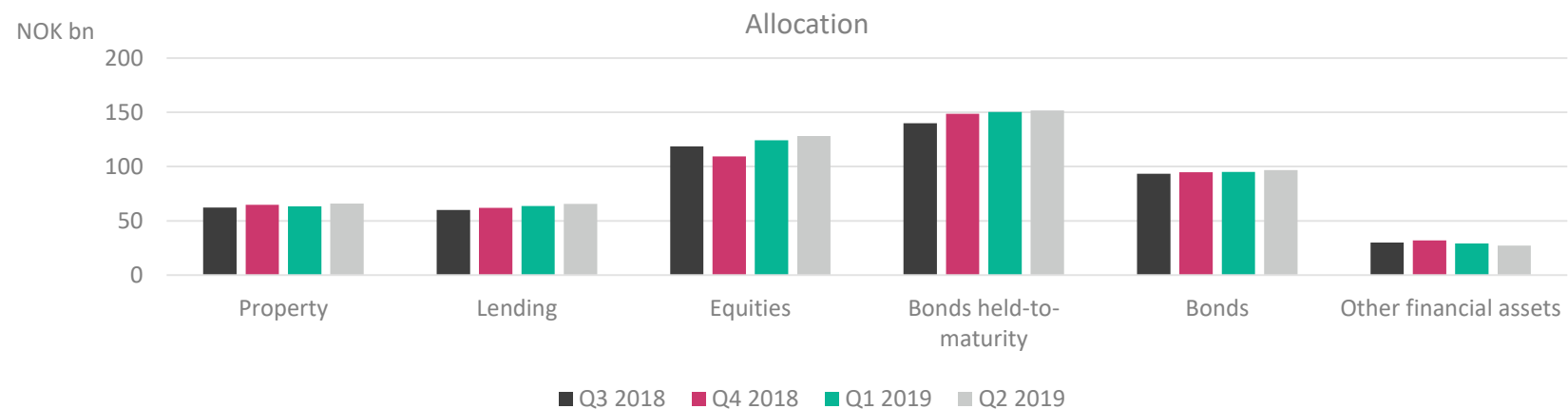
Solvency Ratio



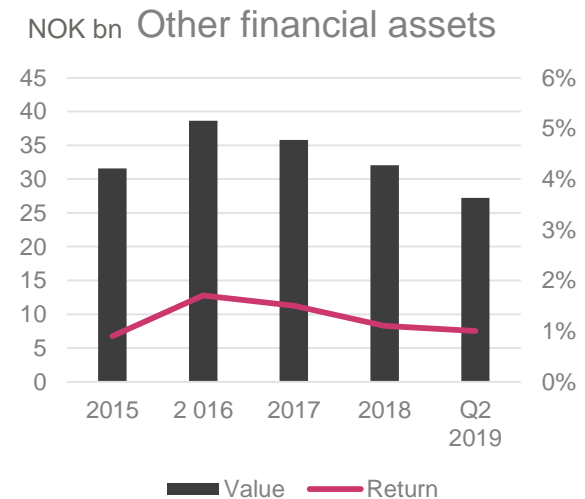
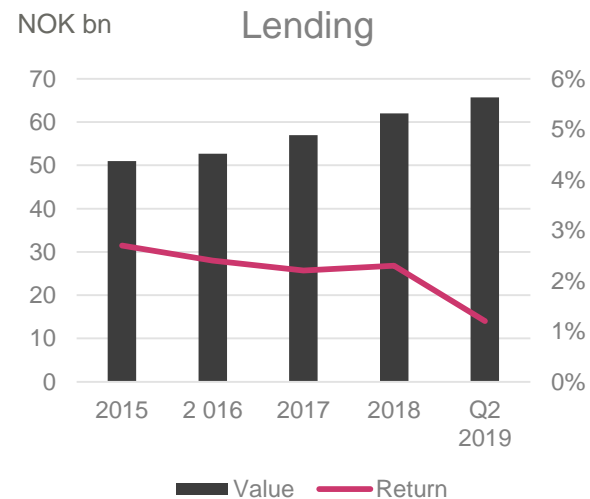
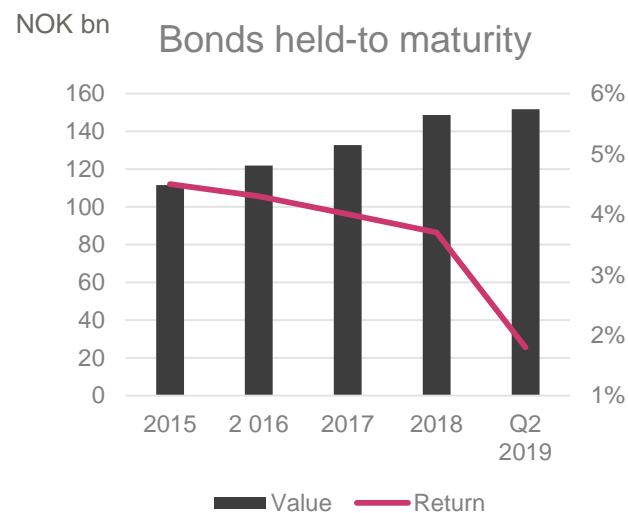
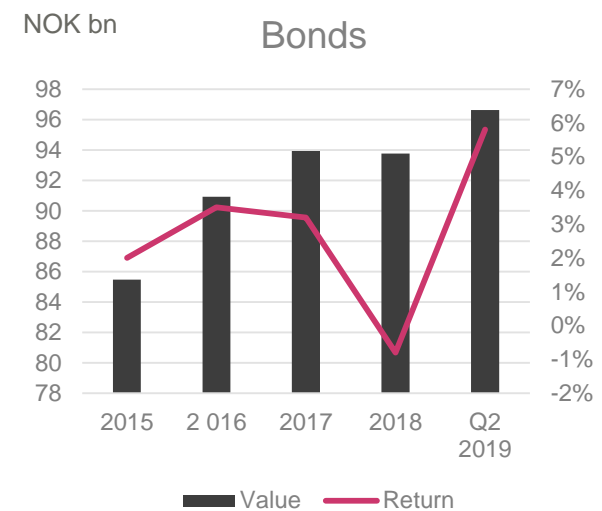
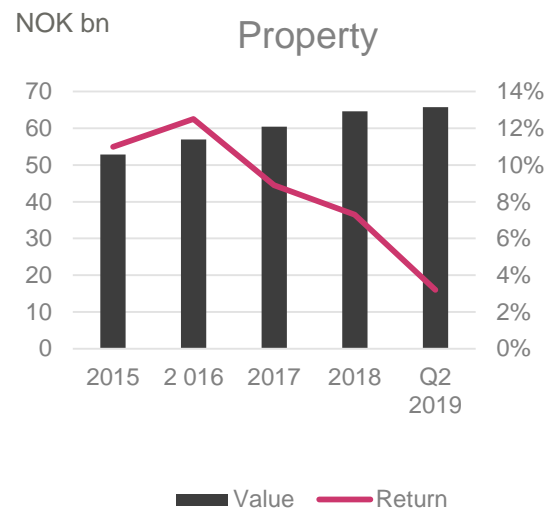
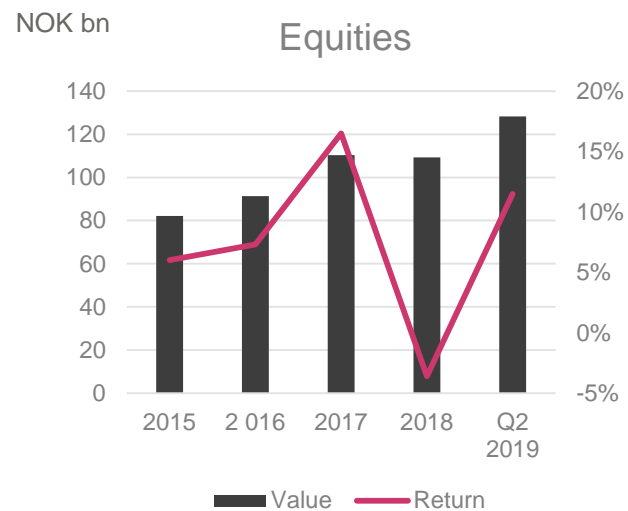
KLP Life - Common Portfolio

	Share*	Return	Share*	Return
	30.06.2019	30.06.2019	31.12.2018	31.12.2018
Equities	24.0 %	11.5 %	21.4 %	-3.6 %
Bonds	18.1 %	5.8 %	18.4 %	-0.8 %
Bonds held-to-maturity	28.3 %	1.8 %	29.1 %	3.7 %
Lending	12.3 %	1.2 %	12.1 %	2.3 %
Property	12.3 %	3.2 %	12.7 %	7.3 %
Other financial assets	5.1 %	1.0 %	6.3 %	1.1 %

*) Measured by exposure



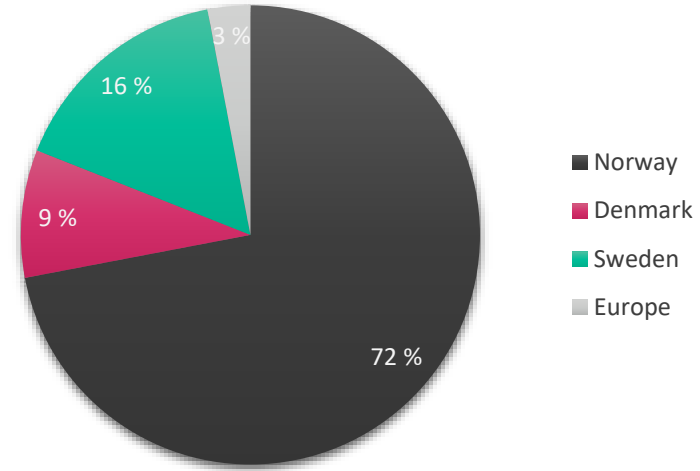
KLP Life - Allocation



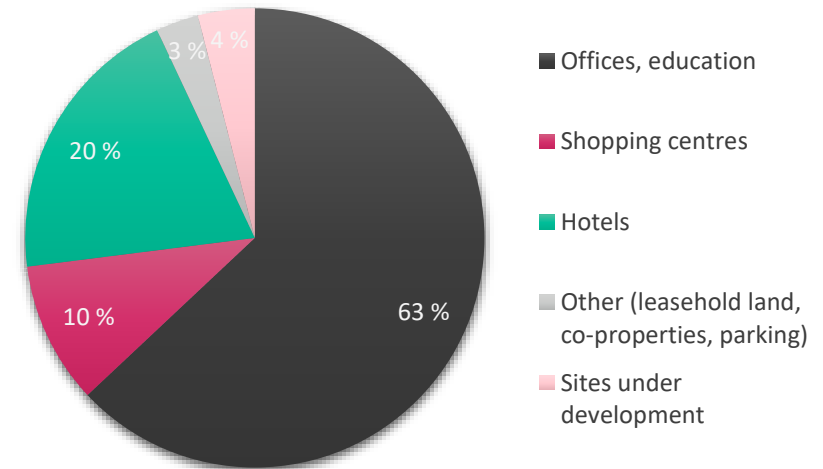
KLP Life - Property

- The portfolio written up by NOK 730 million (1.1 %) in Q2
- New investments / sales in 2019
 - Taken over Eufemia in Oslo

Property value - by country



Property value - by sector



KLP Life – Property

NOK million	30.06.2019	31.03.2019	31.12.2018	30.09.2018
Fair value total portfolio*	68 527	66 076	65 788	63 798
Fair value common portfolio*	63 662	61 380	61 949	60 199

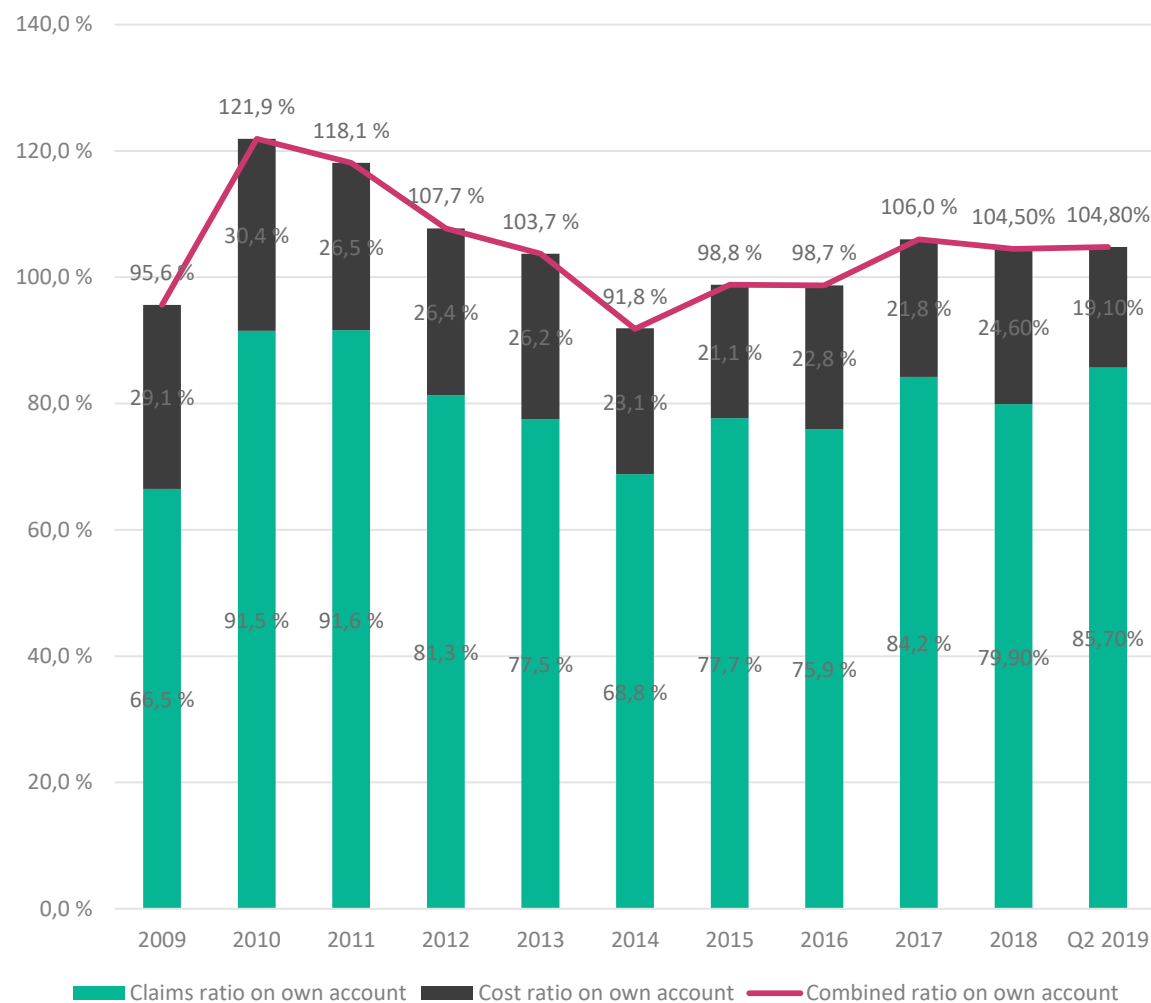
*Incl exchange-rate hedged and excl. property fund

	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Value adjustment in per cent	1.1 %	0.2 %	1.0 %	0.2 %
Value adjustment in per cent common portfolio	0.9 %	0.1 %	0.6 %	0.2 %
Total return common portfolio**	1.9 %	1.3 %	1.7 %	1.3 %

**Incl exchange-rate hedged and property fund

KLP Skadeforsikring (non-life insurance)

- Surplus of NOK 138 million in first half
- Two large injuries estimated over NOK 10 million, 71 and 20 million.
- Some industries have unsatisfactory high claims rates
 - Motor, Public
 - Property Public
 - Group life
- Revenue recognition of previous years reserves of NOK 91 million, 5.3 per cent of reserves at the beginning of the year
- Financial income of NOK 171 million (3.9 per cent)
- Solvency ratio: 248 per cent



KLP Skadeforsikring (non-life insurance)

NOK million	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Premium written f.o.a.	364.5	350.0	326.0	321.4
Claims f.o.a.	-330.3	-282.3	-300.5	-251.5
Insurance related expenses	-70.7	-65.6	-81.7	-50.8
Other insurance related income	0.5	0.4	0.5	0.4
Result from technical activities	-36.1	2.5	-55.5	19.5
Result from investment activities	64.6	106.8	-32.7	49.6
Other income	0.3	0.2	0.1	0.1
Result from ordinary operation	28.8	109.5	-88.1	69.2
Estimated tax expense	-7.2	-27.4	4.1	-16.2
Other elements	0	-4.5	-1.1	0
Provisions for equity fund	-1.1	-4.3	-10.1	-4.3
Result after provisions for equity fund	20.5	73.3	-95.2	48.7

KLP Skadeforsikring (non-life insurance)

Revenues, NOK million	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Gross premium written	364	350	326	321
Premium income for own account	-330	-282	-301	-252
Claims paid for own account	-71	-66	-82	-51
Insurance related costs for own account	65	107	-33	50
Results	29	110	-88	69

Key figure balance sheet, NOK million	30.06.2019	31.03.2019	31.12.2018	30.09.2018
Financial assets	4 609	4 538	4 164	4 401
Total assets	5 047	4 985	4 495	4 694
Equity	1 874	1 853	1 775	1 861
Provisions in insurance funds for own account	2 668	2 662	2 262	2 400

KLP Bedriftspensjon – main figures

NOK million	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Interest result	2.4	3.3	2.8	5.4
Risk result	-3.7	1.7	11.3	-5.4
Administration result	-9.7	-9.6	-10.3	-6.8
Interest rate guarantee and profit element	2.5	2.9	2.5	2.2
Non-technical result	3.8	4.9	0.8	2.3
Other profit elements	-1.4	-0.7	-0.3	0
Total result	-6.1	2.5	6.9	-2.4
Of which result to clients	3.1	4.0	2.8	6.1
Result to owner	-9.2	-1.4	4.1	-8.5

KLP Bedriftspensjon – return and solvency

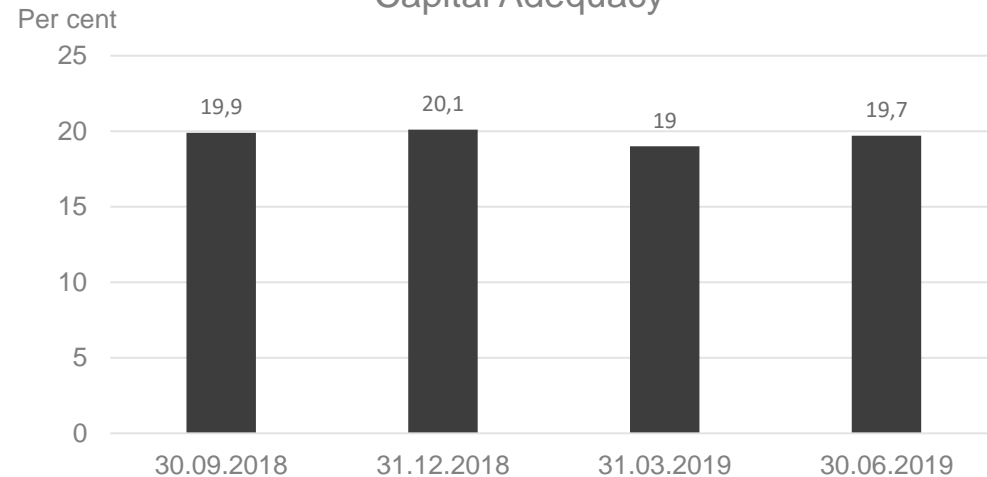
	30.06.2019	31.03.2019	31.12.2018	30.09.2018
Common portfolio				
Book	1.62 %	0.84 %	4.51 %	3.57 %
Value adjusted	1.99 %	1.15 %	3.02 %	2.38 %
Investment options portfolio	9.51 %	7.35 %	-3.80 %	4.47 %
Corporate portfolio	1.76 %	0.98 %	1.11 %	0.96 %
	30.06.2019	31.03.2019	31.12.2018	30.09.2018
Solvency ratio (scr)	124 %	140 %	150 %	133 %
Kapitaldekning (scr) with transitional measures	289 %	289 %	308 %	295 %
Minimum solvency ratio (mcr)	275 %	312 %	333 %	295 %
Minimum solvency ratio (mcr) with transitional measures	643 %	642 %	684 %	659 %
NOK million	30.06.2019	31.03.2019	31.12.2018	30.09.2018
Value adjustment fund	14.5	13.1	7.9	12.5
Supplementary reserves	112.6	111.7	111.4	104.8
Solvency capital	676.3	672.4	646.3	640.9

KLP Bank-group – main figures

- Retail market: 67 000 clients, net increase of almost 3 500 clients.
- The Group's capital adequacy ratio is 19.7%, which is well above the ICAAP of 17.6%. In addition, there is an internal requirement of 0.5% buffer over ICAAP.

NOK million	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Net interest revenues	72.0	66.0	65.3	60.6
Net fee – and commissions income	4.8	4.1	4.9	4.0
Management fees	14.8	14.8	14.5	14.5
Operating cost	-57.0	-57.5	-66.3	-46.3
Value changes financial instruments	-8.1	-3.4	-7.7	-4.7
Pre-tax earnings	26.6	24.0	10.8	28.1
Total assets	38 861	38 586	37 089	36 468

Capital Adequacy



KLP Bank-group – main figures

KLP Kommunekreditt, NOK million	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Net interest revenues	16.6	14.5	14.6	17.6
Operating cost	-3.4	-4.6	-4.4	-2.9
Value changes financial instruments	-6.4	-5.6	-5.8	-1.1
Pre-tax earnings	6.7	4.3	4.4	13.6
Total assets	18 863	19 007	18 206	17 880
KLP Banken, NOK million	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Net interest revenues	39.9	36.0	35.3	29.5
Net fee – and commissions income	4.8	4.1	4.9	4.0
Management fees	14.8	14.8	14.5	14.5
Operating cost	-42.2	-41.9	-47.9	-33.2
Value changes financial instruments	0.1	1.8	-0.1	-1.7
Pre-tax earnings	17.5	14.8	6.7	13.1
Total assets	14 700	14 150	13 868	13 614
KLP Boligkreditt, NOK million	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Net interest revenues	15.5	15.6	15.3	13.5
Operating cost	-11.3	-11.0	-13.9	-10.2
Value changes financial instruments	-1.9	0.4	-0.3	-1.9
Pre-tax earnings	2.4	4.9	1.2	1.4
Total assets	7 689	7 743	7 669	7 340

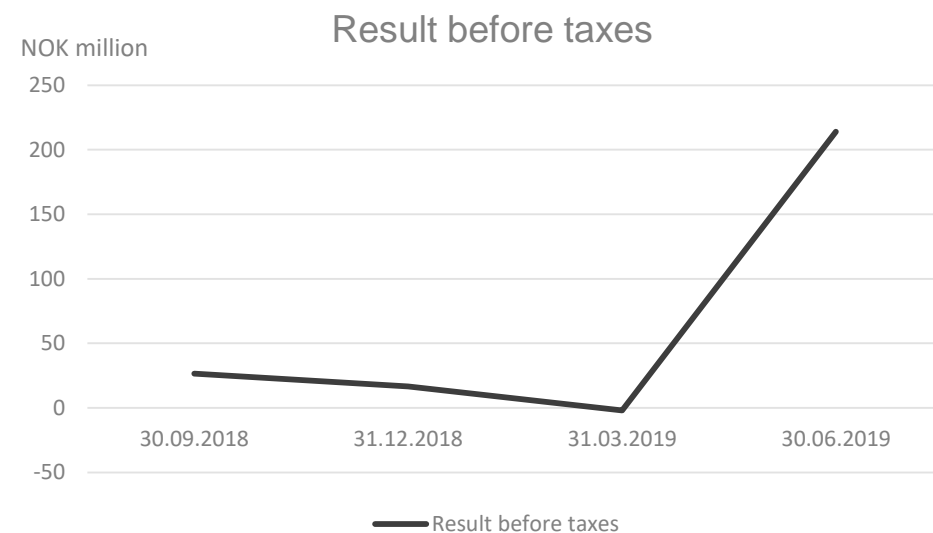
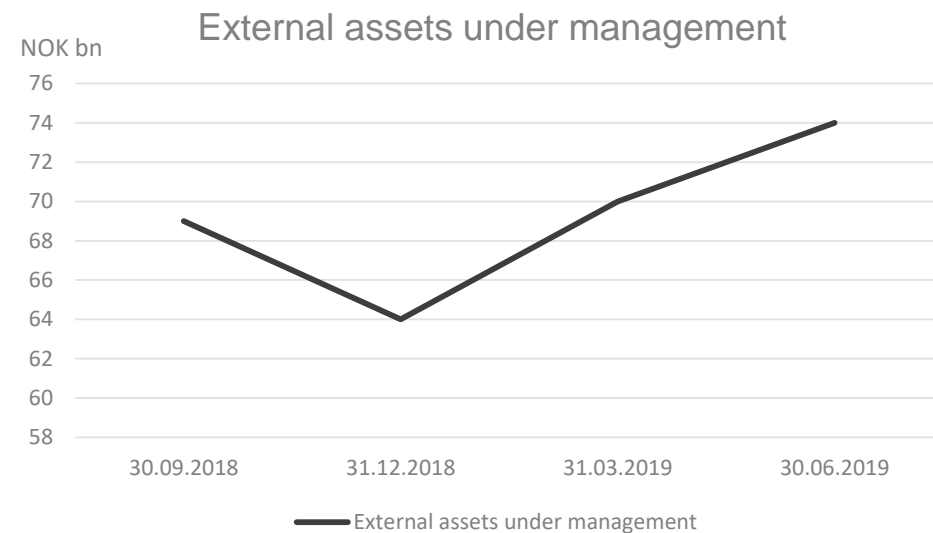
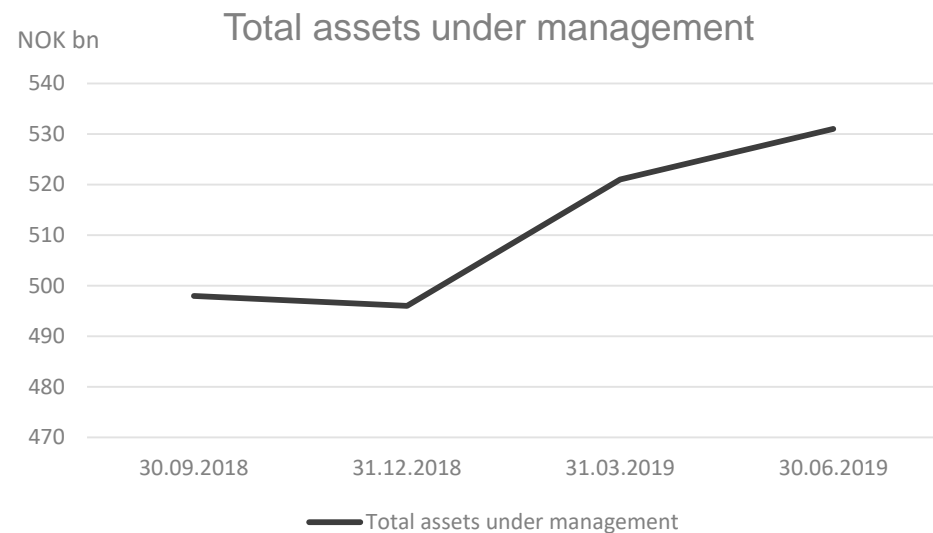
KLP Bank-group – lending and deposits

Mortgage loans, NOK billion	30.06.2019	31.03.2019	31.12.2018	30.09.2018
KLP Banken AS	10.2	9.9	9.5	9.4
KLP Boligkreditt AS	7.1	7.1	7.2	6.8
KLP (Management agreement)	2.9	2.9	3.0	3.0
Total	20.2	19.9	19.6	19.2

Public sector loans, NOK billion	30.06.2019	31.03.2019	31.12.2018	30.09.2018
KLP Kommunekreditt AS	16.2	16.7	16.8	16.2
KLP (Management agreement)	44.7	42.8	51.0	49.4
KLP (currency loans)	9.0	9.0	8.0	7.6
Total	69.9	68.3	75.6	73.1

Deposits, NOK billion	30.06.2019	31.03.2019	31.12.2018	30.09.2018
KLP Banken AS	11.5	11.0	10.7	10.5
Total	11.5	11.0	10.7	10.5

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