

Financial results Q4 2019

KLP Group

Oslo, 17th February 2019



KLP

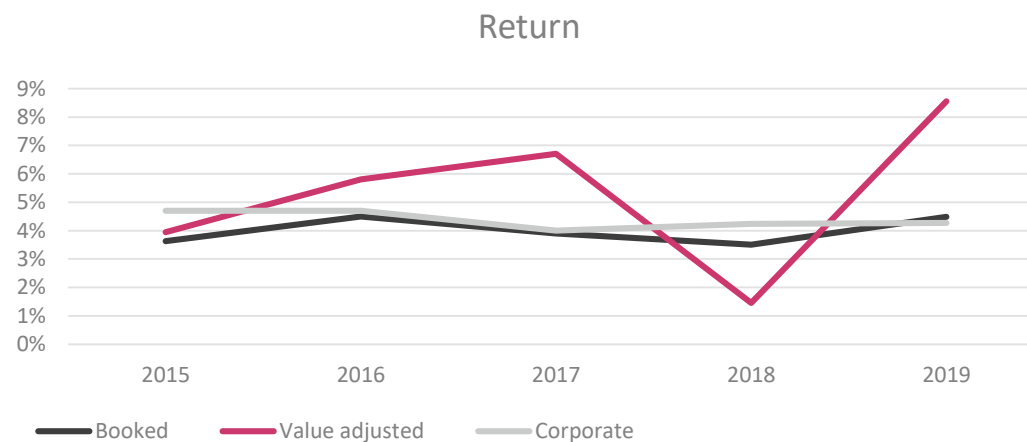
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Main features

- Total group assets: NOK 762,7 billion
- Common portfolio of life company:
 - Book return of 4.5 per cent
 - Value adjusted return of 8.5 per cent
- Corporate portfolio returned 4.3 per cent
- Solvency ratio KLP: 285 per cent

	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Common portfolio				
Booked return	1.8 %	0.7 %	1.0 %	1.0 %
Value adjusted return	1.8 %	1.8 %	1.6 %	3.1 %
Value adjusted return incl. HTM bonds/bonds booked at amortised costs	1.3 %	1.9 %	1.8 %	3.5 %
Investment options portfolio	2.3 %	1.9 %	1.7 %	3.7 %
Corporate portfolio	0.8 %	0.8 %	1.3 %	1.3 %



KLP Group – results by segment

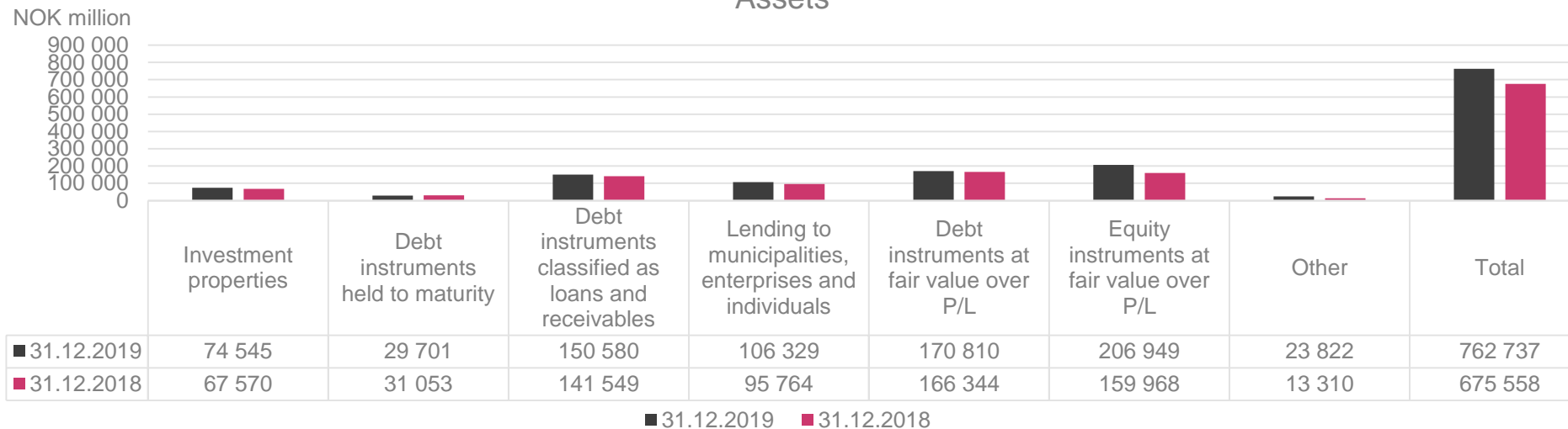
NOK million	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Life insurance	476	786	648	824
Non-life insurance	25	2	29	110
Banking	25	27	27	24
Asset management	-1	26	21	-2
Other	0	-1	0	-1
Group result before tax	674	841	725	953

KLP Group – main figures - results

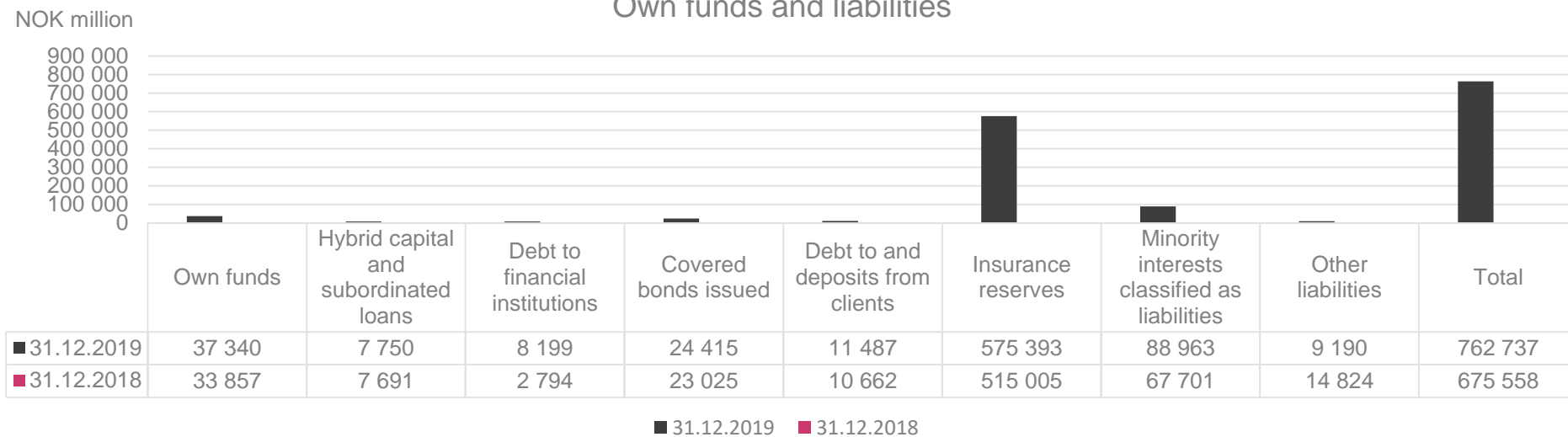
NOK million	31.12.2019	31.12.2018
Pension premiums and incoming transfers	42 716	40 921
- of which premium reserves transferred from another company	507	524
Allocated investment income	63 156	5 732
Minority share of return of financial instruments	-14 736	4 022
Claims f.o.a.	-21 616	-20 015
Insurance provisions	-29 954	-28 096
Interest expenses and value adjustments subordinated loans and subordinated bonds	-372	-483
Operating cost	-1 892	-1 872
Other income and cost	-384	33
Technical result	36 919	240
To/from value adjustment fund life insurance	-22 277	8 862
To/from supplementary reserves life insurance	-52	-2 792
Surplus allocated Life insurance clients	-11 398	-3 469
Group result pre-tax	3 193	2 840
Tax	-1 200	-125
Other profit/loss elements	258	150
Group result	2 251	2 866

KLP Group - Balance

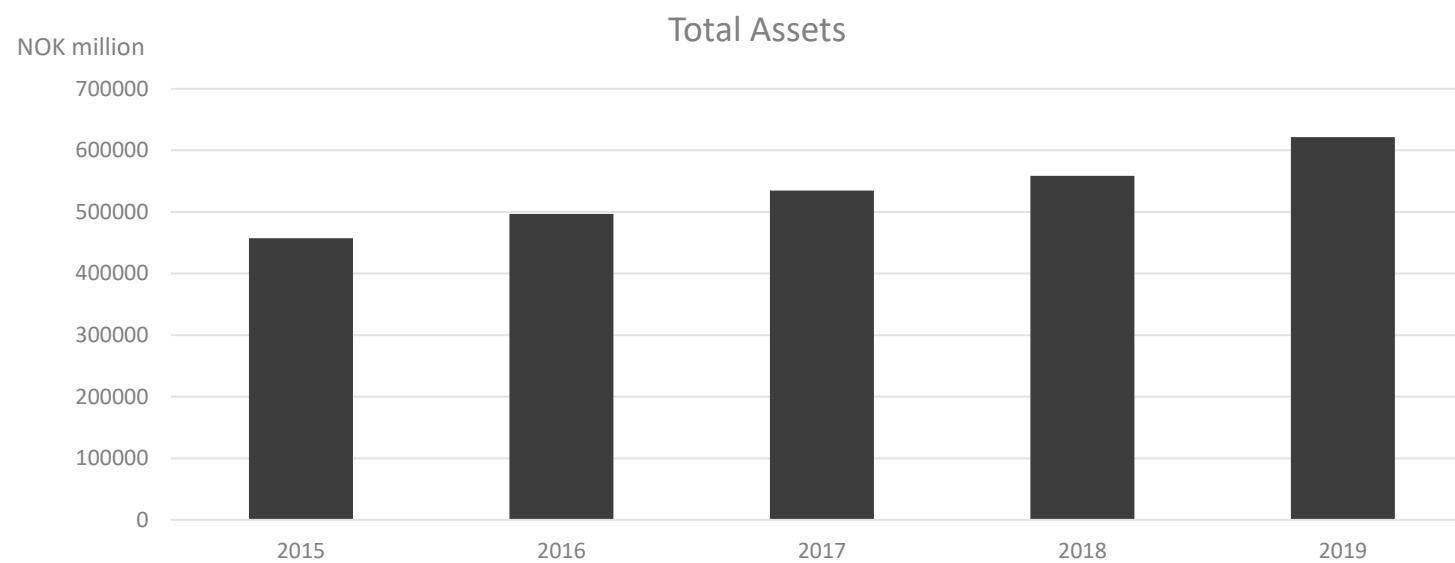
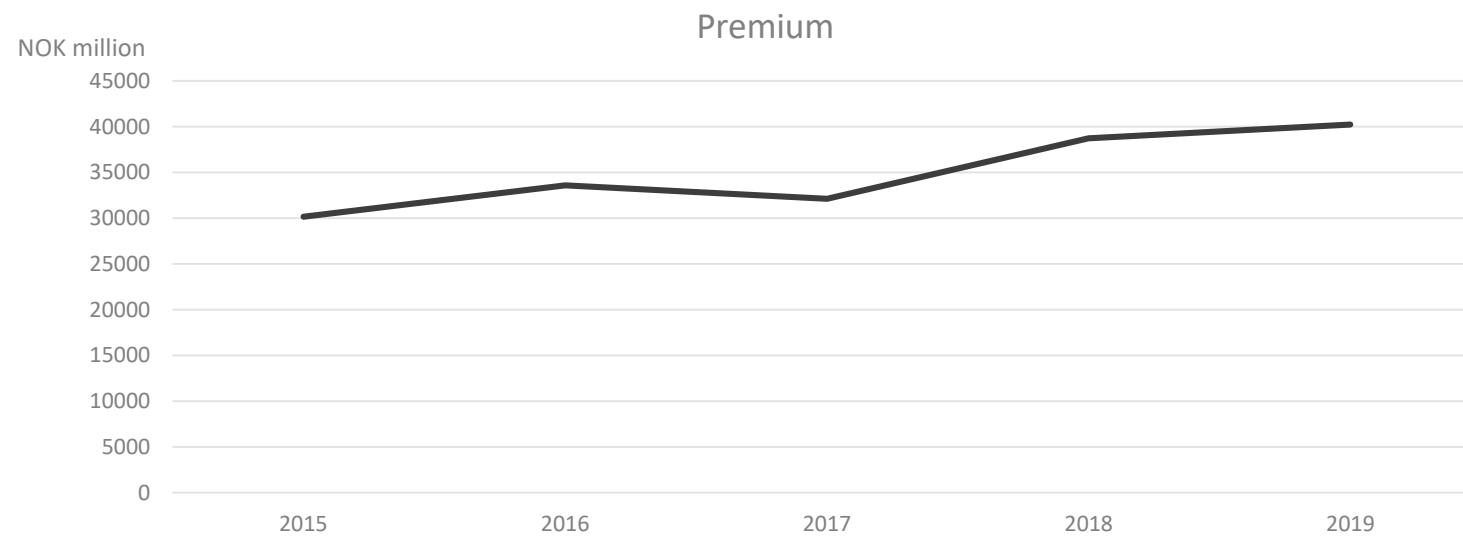
Assets



Own funds and liabilities

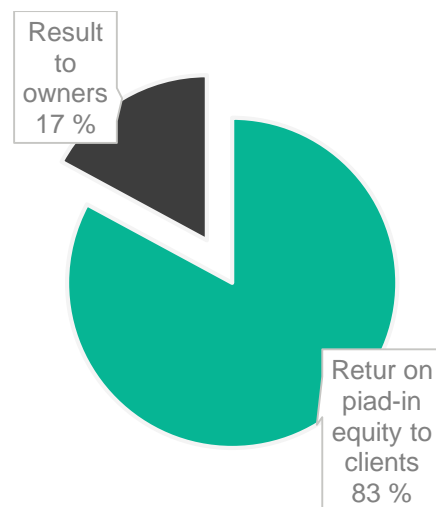


KLP Life

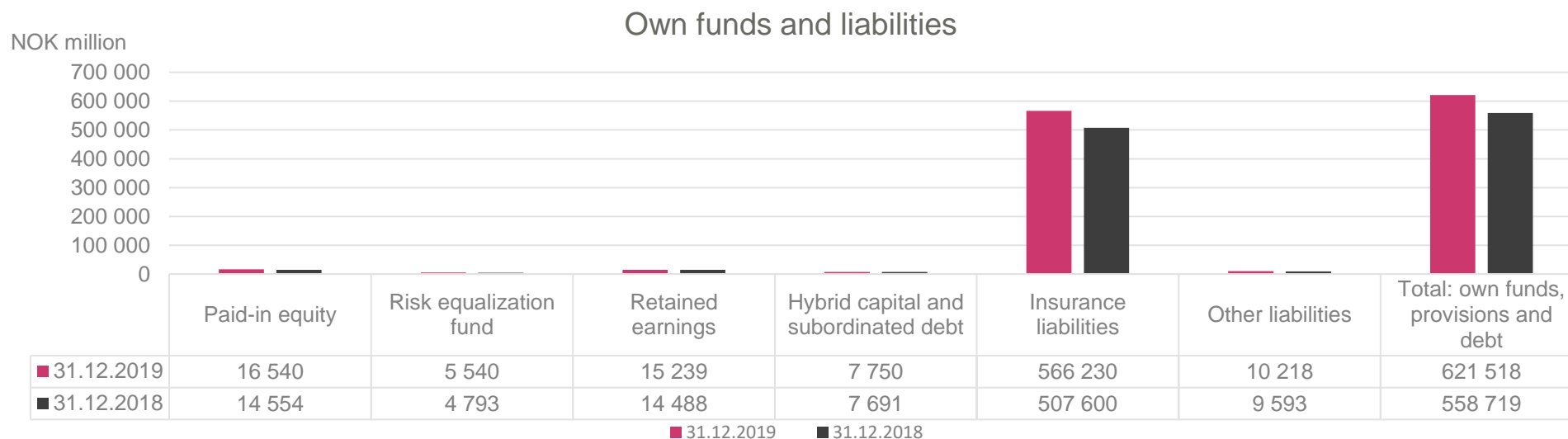
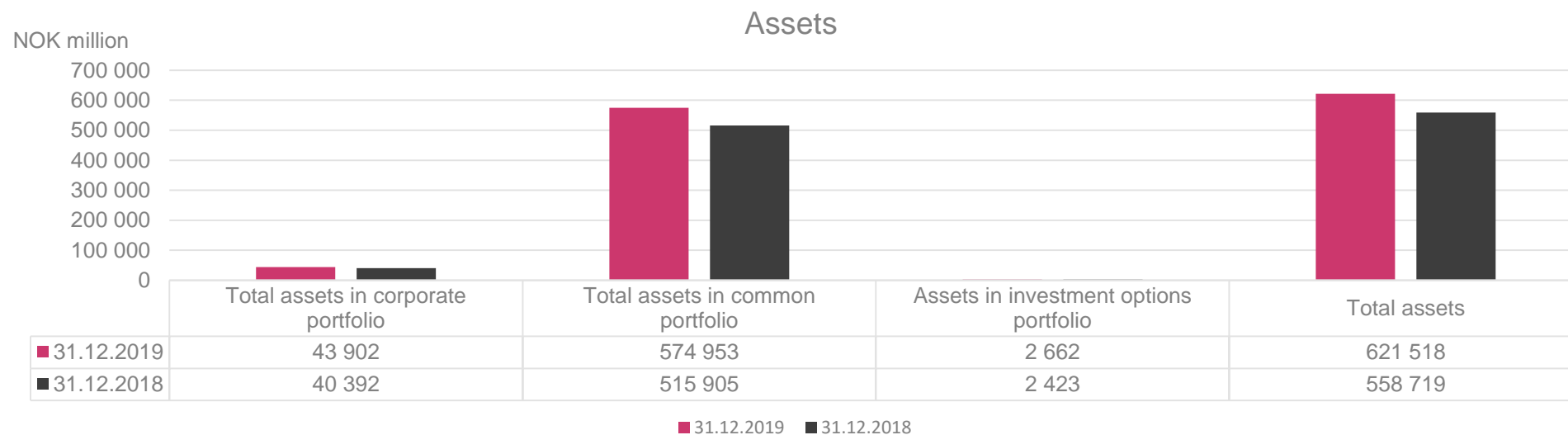


KLP – Appropriation of results

Nok million	Result Customers	Result Company	30.09.2019	31.12.2018
Interest result	10 394	231	10 624	5 207
Risk result	516	516	1 031	958
Premium interest rate guarantee		476	476	758
Administration result		247	247	137
Net income corporate portfolio		1 167	1 167	1 109
Tax		-502	-502	-624
Other result elements		135	132	-21
Total	10 909	2 252	13 161	7 524



KLP Life - Balance



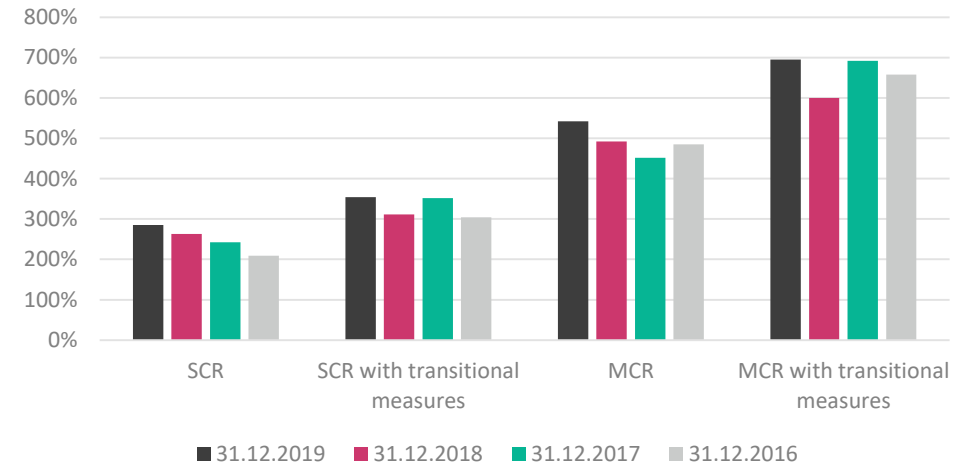
KLP Life - Solvency

- Solvency ratio Q4: 285* per cent
- Minimum solvency ratio Q4: 542* per cent

**without transitional measures*

	31.12.2019	30.09.2019	30.06.2019	31.03.2019
Solvency ratio (SCR)	285 %	274 %	264 %	270 %
Solvency ratio (SCR) with transitional measures	354 %	362 %	349 %	342 %
Minimum solvency ratio (MCR)	542 %	518 %	495 %	508 %
Minimum solvency ratio (MCR) with transitional measures	695 %	714 %	684 %	669 %

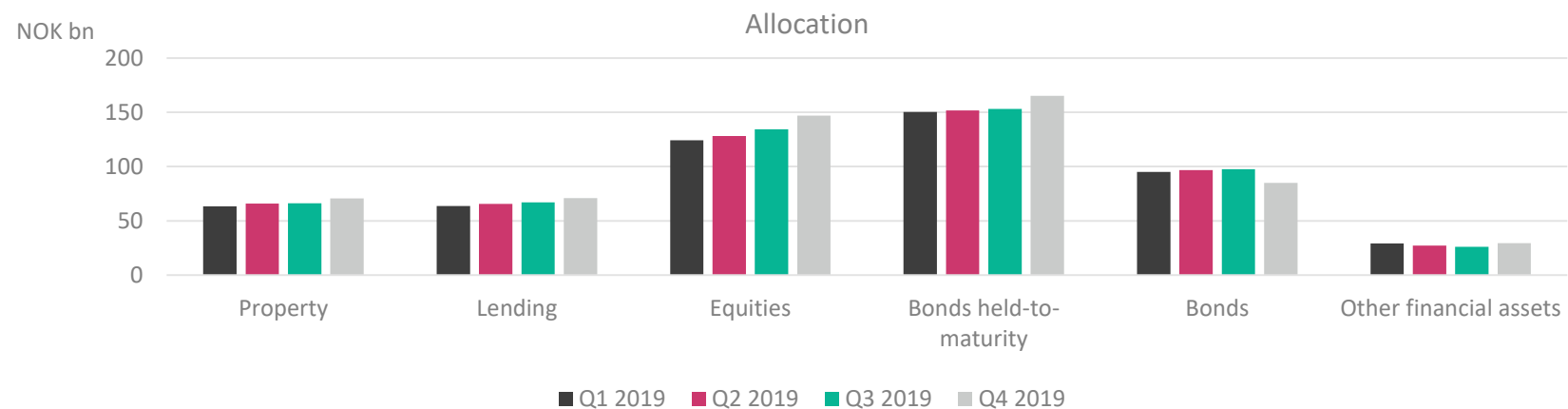
Solvency Ratio



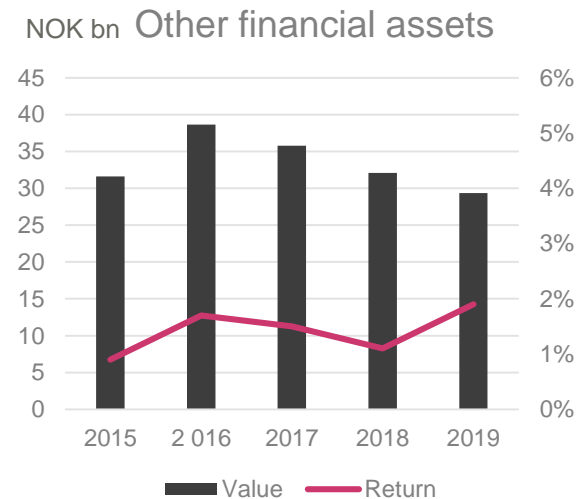
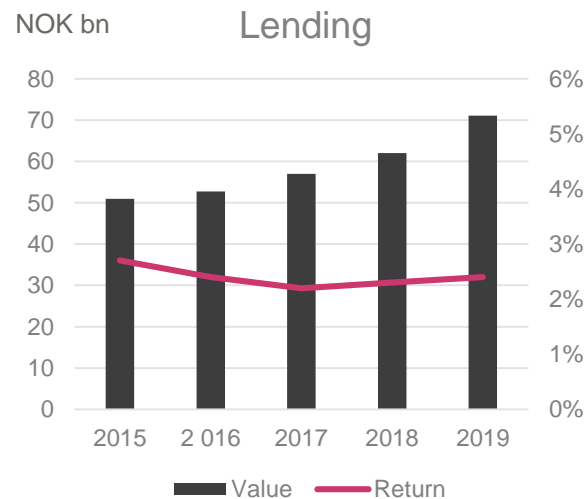
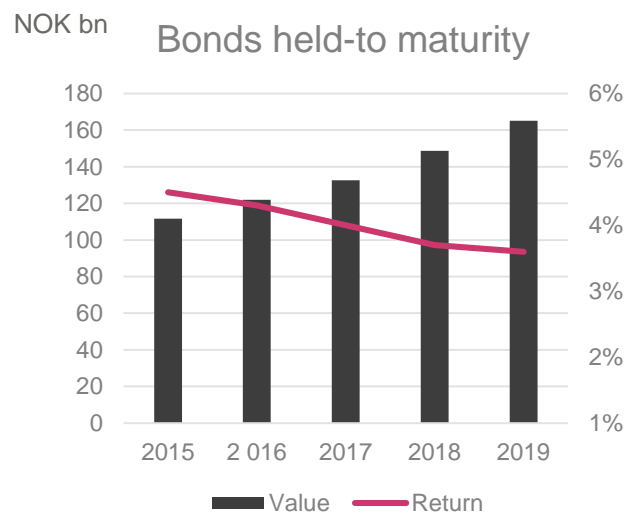
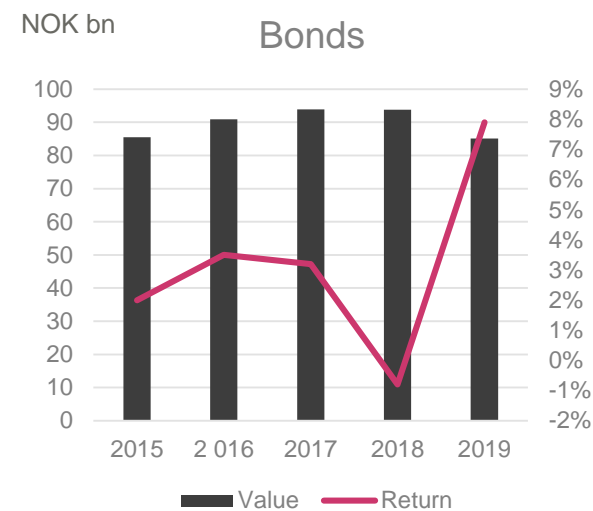
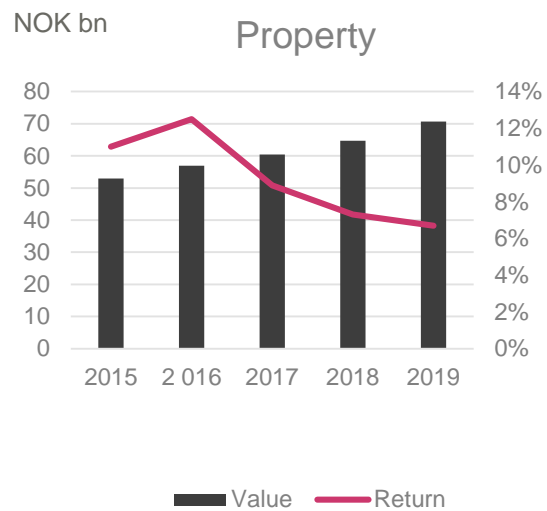
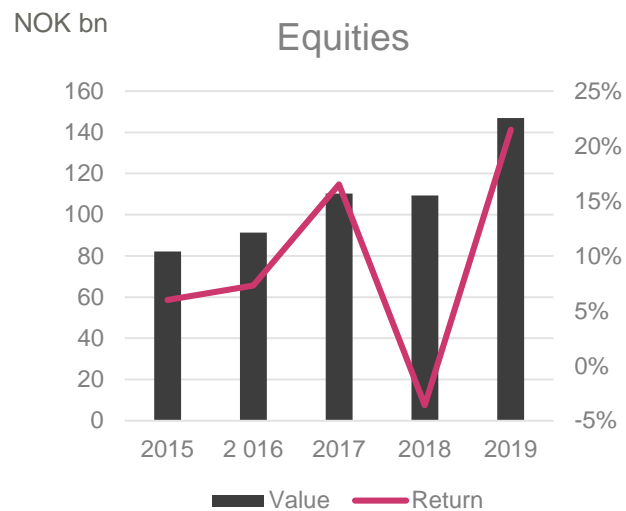
KLP Life - Common Portfolio

	Share*	Return	Share*	Return
	31.12.2019	31.12.2019	31.12.2018	31.12.2018
Equities	25.9 %	21.5 %	21.4 %	-3.6 %
Bonds	15.0 %	7.9 %	18.4 %	-0.8 %
Bonds held-to-maturity	29.1 %	3.6 %	29.1 %	3.7 %
Lending	12.5 %	2.4 %	12.1 %	2.3 %
Property	12.4 %	6.7 %	12.7 %	7.3 %
Other financial assets	5.2 %	1.9 %	6.3 %	1.1 %

*) Measured by exposure



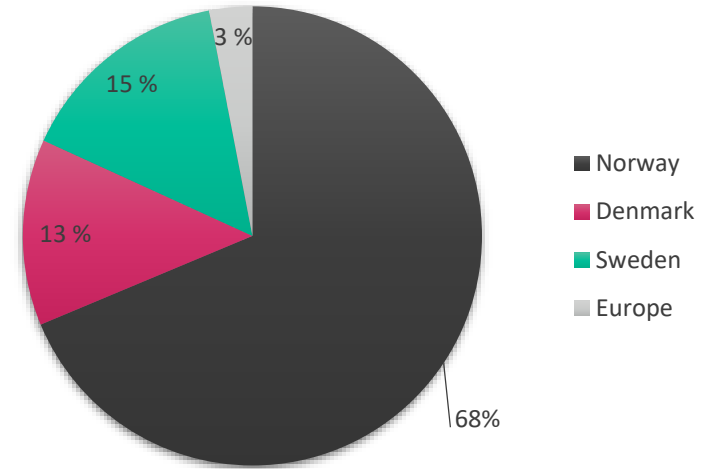
KLP Life - Allocation



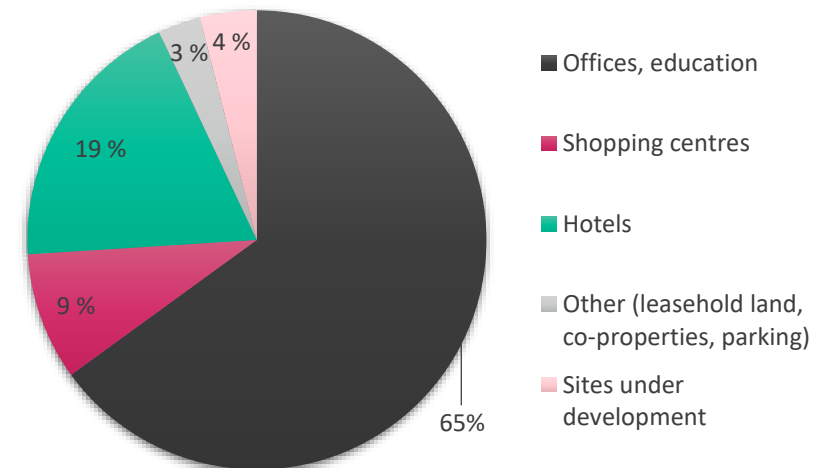
KLP Life - Property

- The portfolio written up by NOK 676 million (0.9 %)
- New investments / sales in 2019
 - Taken over
 - Eufemia in Oslo
 - Weidekampsgade 12-16 i København
 - Weidekampsgade 6 i København
 - 36 Broadway in London
 - Sold
 - Brynsealléen 2 in Oslo

Property value - by country



Property value - by sector



KLP Life – Property

NOK million	31.12.2019	30.09.2019	30.06.2019	31.03.2019
Fair value total portfolio*	73 644	68 687	68 527	66 076
Fair value common portfolio*	68 719	63 775	63 662	61 380

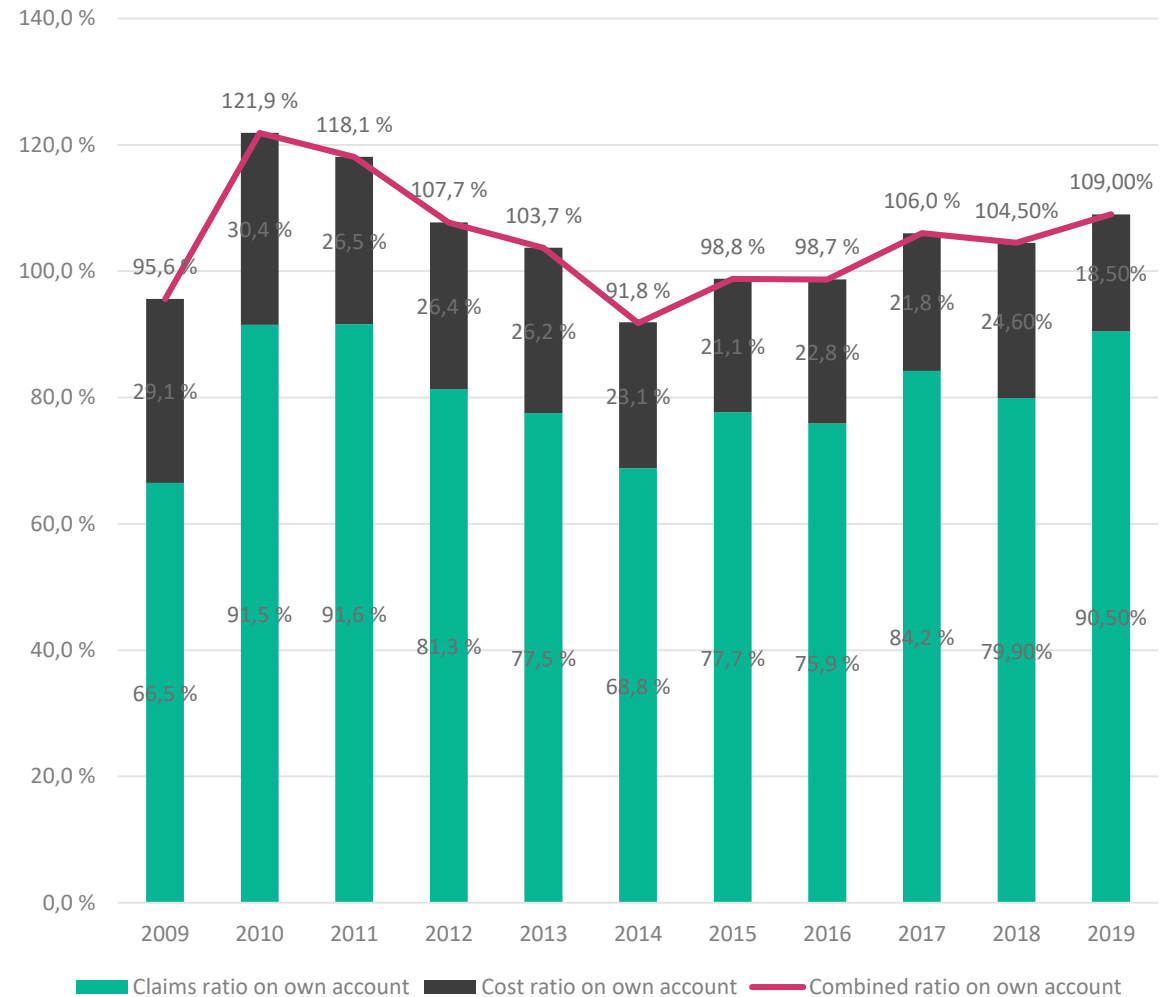
*Incl exchange-rate hedged and excl. property fund

	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Value adjustment in per cent	0,9 %	0.2 %	1.1 %	0.2 %
Value adjustment in per cent common portfolio	1,0 %	0.2 %	0.9 %	0.1 %
Total return common portfolio**	2,0 %	1.3 %	1.9 %	1.3 %

**Incl exchange-rate hedged and property fund

KLP Skadeforsikring (non-life insurance)

- Surplus of NOK 166 million
- Several large injuries in 2019, however one in Q4.
- Some industries have unsatisfactory high claims rates
 - Motor, Public
 - Property Public
 - Group life
- Revenue recognition of previous years reserves of NOK 148 million
- Financial income of 6.7 per cent
- Solvency ratio: 240 per cent



KLP Skadeforsikring (non-life insurance)

NOK million	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Premium written f.o.a.	384.8	376.4	364.5	350.0
Claims f.o.a.	-344.7	-377.8	-330.3	-282.3
Insurance related expenses	-78.4	-58.0	-70.7	-65.6
Other insurance related income	0.8	-0.2	0.5	0.4
Result from technical activities	-37.5	-59.6	-36.1	2.5
Result from investment activities	62.3	61.5	64.6	106.8
Other income	0.3	0.3	0.3	0.2
Result from ordinary operation	25.0	2.2	28.8	109.5
Estimated tax expense	20.9	-0.5	-7.2	-27.4
Other elements	18.8	0	0	-4.5
Provisions for equity fund	-10.3	-9.7	-1.1	-4.3
Result after provisions for equity fund	54.3	-8.0	20.5	73.3

KLP Skadeforsikring (non-life insurance)

Revenues, NOK million	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Gross premium written	384	376	364	350
Premium income for own account	-345	-378	-330	-282
Claims paid for own account	-78	-58	-71	-66
Insurance related costs for own account	62	62	65	107
Results	25	2	29	110

Key figure balance sheet, NOK million	31.12.2019	30.09.2019	30.06.2019	31.03.2019
Financial assets	4 437	4 572	4 609	4 538
Total assets	4 907	4 979	5 047	4 985
Equity	1 941	1 876	1 874	1 853
Provisions in insurance funds for own account	2 451	2 586	2 668	2 662

KLP Bedriftspensjon – main figures

NOK million	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Interest result	5.0	2.7	2.4	3.3
Risk result	6.9	2.8	-3.7	1.7
Administration result	-11.4	-7.5	-9.7	-9.6
Interest rate guarantee and profit element	0.4	3.0	2.5	2.9
Non-technical result	2.8	3.4	3.8	4.9
Other profit elements	0.8	0.0	-1.4	-0.7
Total result	4.6	4.4	-6.1	2.5
Of which result to clients	7.5	2.4	3.1	4.0
Result to owner	-1.7	2.0	-9.2	-1.4
Transferred from supplementary reserves	-1.2			

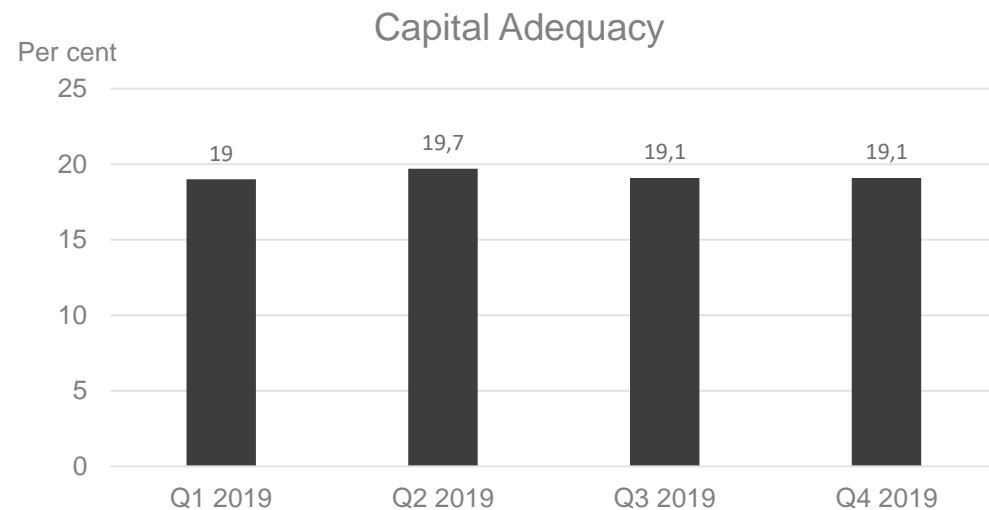
KLP Bedriftspensjon – return and solvency

	31.12.2019	30.09.2019	30.06.2019	31.03.2019
Common portfolio				
Book	3.40 %	2.44 %	1.62 %	0.84 %
Value adjusted	4.05 %	2.93 %	1.99 %	1.15 %
Investment options portfolio	16.76 %	12.58 %	9.51 %	7.35 %
Corporate portfolio	3.02 %	2.46 %	1.76 %	0.98 %
	31.12.2019	30.09.2019	30.06.2019	31.03.2019
Solvency ratio (scr)	204 %	122 %	124 %	140 %
Kapitaldekning (scr) with transitional measures	360 %	298 %	289 %	289 %
Minimum solvency ratio (mcr)	453 %	272 %	275 %	312 %
Minimum solvency ratio (mcr) with transitional measures	799 %	663 %	643 %	642 %
NOK million	31.12.2019	30.09.2019	30.06.2019	31.03.2019
Value adjustment fund	19.2	16.4	14.5	13.1
Supplementary reserves	110.0	112.5	112.6	111.7
Solvency capital	763.9	692.5	676.3	672.4

KLP Bank-group – main figures

- The customer definition was changed to active customers in August 2019. Inactive customers are no longer included in reports, and active customers are now divided into three categories;
 - Members
 - Non-members with membership price (IMM)
 - not Members
- The total number of active customers per quarter was 42 785 (includes customers with credit cards only). Net new members and IMM fourth quarter became 875 customers, and the total number of new customers per fourth quarter was 957 customers. All numbers by new definition.
- The Group's capital adequacy ratio is 19.1%, which is well above the ICAAP of 18.0%. In addition.

NOK million	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net interest revenues	83.5	71.3	72.0	66.0
Net fee – and commissions income	5.2	5.1	4.8	4.1
Management fees	14.5	14.8	14.8	14.8
Operating cost	-70.8	-53.3	-57.0	-57.5
Value changes financial instruments	-7.4	-11.2	-8.1	-3.4
Pre-tax earnings	24.9	26.7	26.6	24.0
Total assets	39 699	39 611	38 861	38 586



KLP Bank-group – main figures

KLP Kommunekreditt, NOK million	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net interest revenues	19,3	12.5	16.6	14.5
Operating cost	-8,2	-3.3	-3.4	-4.6
Value changes financial instruments	-4,7	-1.5	-6.4	-5.6
Pre-tax earnings	6,4	7.7	6.7	4.3
Total assets	18 549	18 752	18 863	19 007
KLP Banken. NOK million	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net interest revenues	47,3	43.8	39.9	36.0
Net fee – and commissions income	5,2	5.1	4.8	4.1
Management fees	14,5	14.8	14.8	14.8
Operating cost	-48,6	-39.3	-42.2	-41.9
Value changes financial instruments	-1,1	-0.9	0.1	1.8
Pre-tax earnings	17,2	23.5	17.5	14.8
Total assets	15 099	15 128	14 700	14 150
KLP Boligkreditt. NOK million	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net interest revenues	16,9	15.0	15.5	15.6
Operating cost	-13,9	-10.8	-11.3	-11.0
Value changes financial instruments	-1,6	-8.8	-1.9	0.4
Pre-tax earnings	1,4	-4.5	2.4	4.9
Total assets	7 930	8 007	7 689	7 743

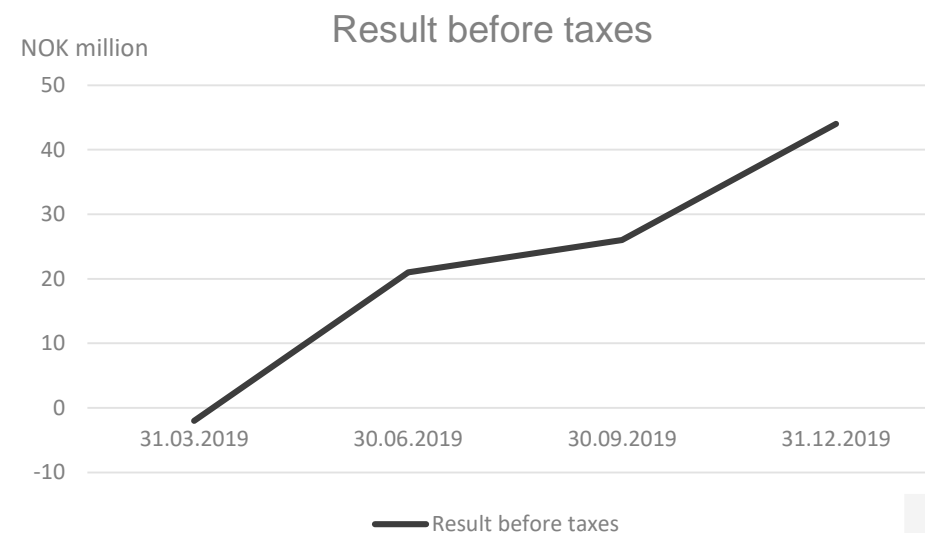
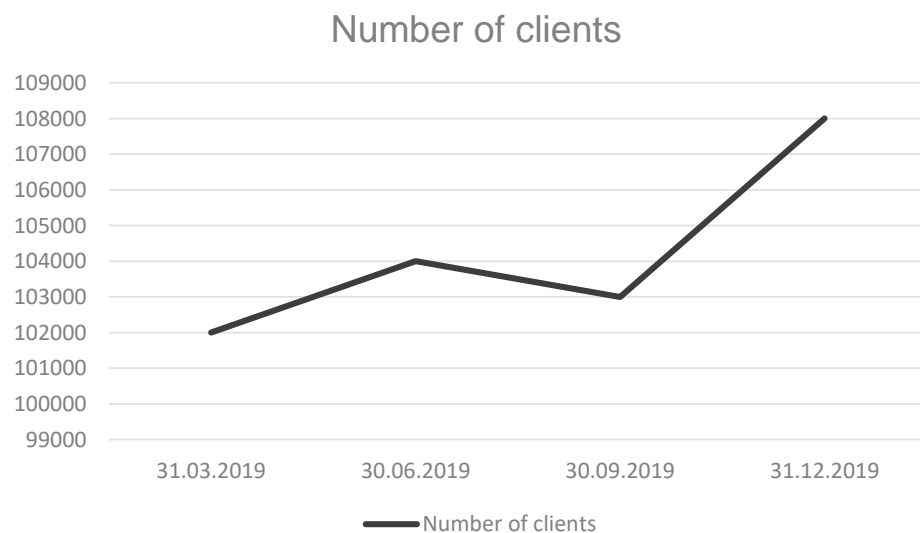
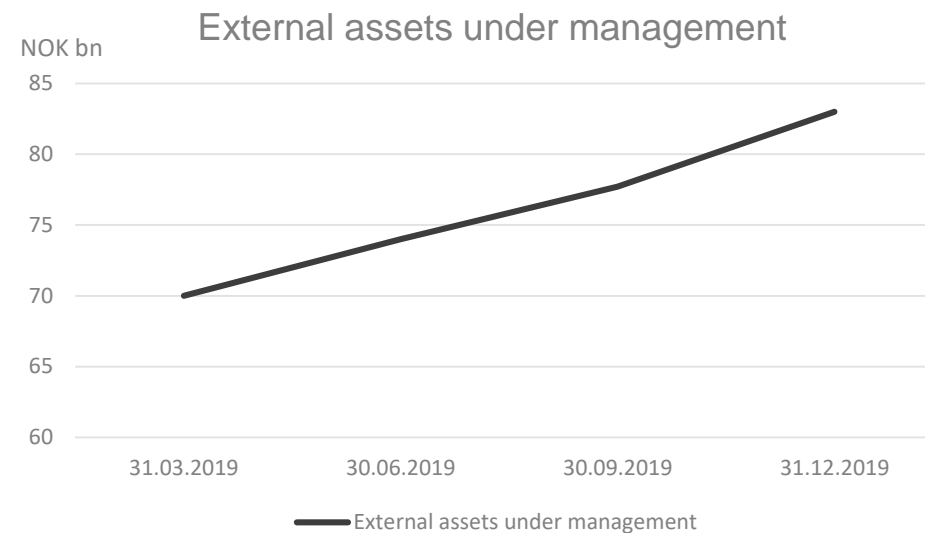
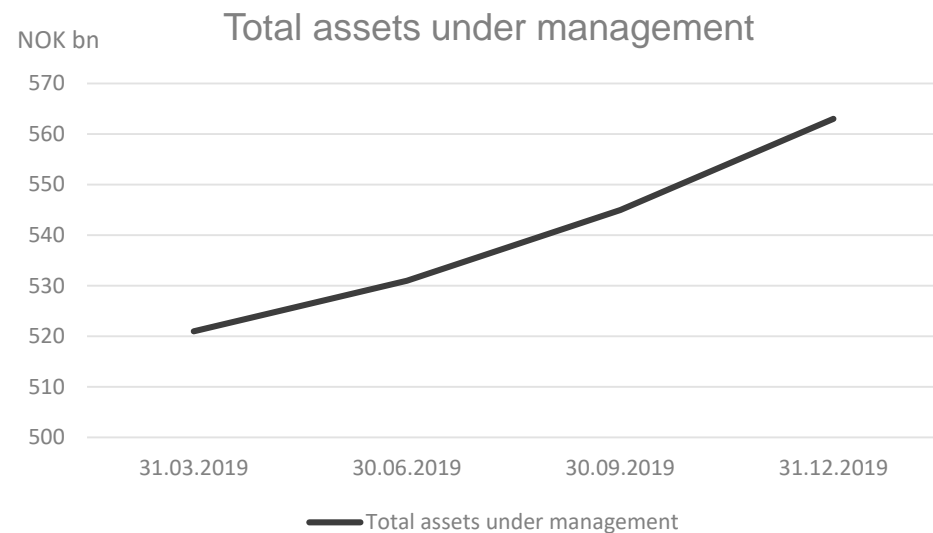
KLP Bank-group – lending and deposits

Mortgage loans, NOK billion	31.12.2019	30.09.2019	30.06.2019	31.03.2019
KLP Banken AS	11.0	10.5	10.2	9.9
KLP Boligkreditt AS	7.3	7.2	7.1	7.1
KLP (Management agreement)	3.4	3.1	2.9	2.9
Total	21.7	20.7	20.2	19.9

Public sector loans, NOK billion	31.12.2019	30.09.2019	30.06.2019	31.03.2019
KLP Kommunekreditt AS	16.5	16.4	16.2	16.7
KLP (Management agreement)	56.9	55.4	44.7	42.8
KLP (currency loans)	10.7	8.6	9.0	9.0
Total	84.1	80.4	69.9	68.3

Deposits, NOK billion	31.12.2019	30.09.2019	30.06.2019	31.03.2019
KLP Banken AS	11.5	11.6	11.5	11.0
Total	11.5	11.6	11.5	11.0

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