



# Financial results Q3 2020

**KLP Group**  
Oslo, 5th November 2020

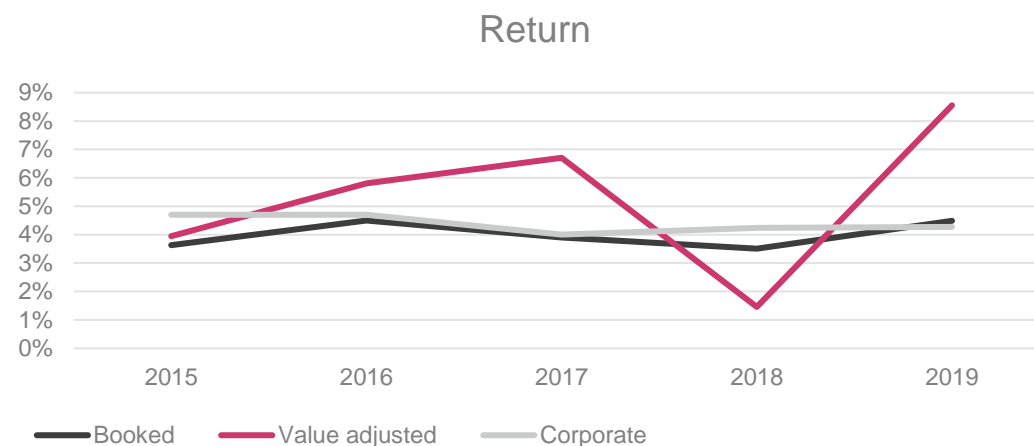
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# Main features

- Total group assets: NOK 790.0 billion
- Common portfolio of life company after third quarter:
  - Book return of 3.2 per cent
  - Value adjusted return of 1.4 per cent
- Corporate portfolio returned 1.3 per cent first half
- Solvency ratio KLP: 264 per cent

	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Common portfolio				
Booked return	1.2 %	1.4 %	0.6 %	1.8 %
Value adjusted return	1.9 %	3.4 %	-3.7 %	1.8 %
Value adjusted return incl. HTM bonds/bonds booked at amortised costs	2.0 %	4.8 %	-3.4 %	1.3 %
Investment options portfolio	2.2 %	4.2 %	-5.8 %	2.3 %
Corporate portfolio	0.9 %	0.5 %	-0.1 %	0.8 %



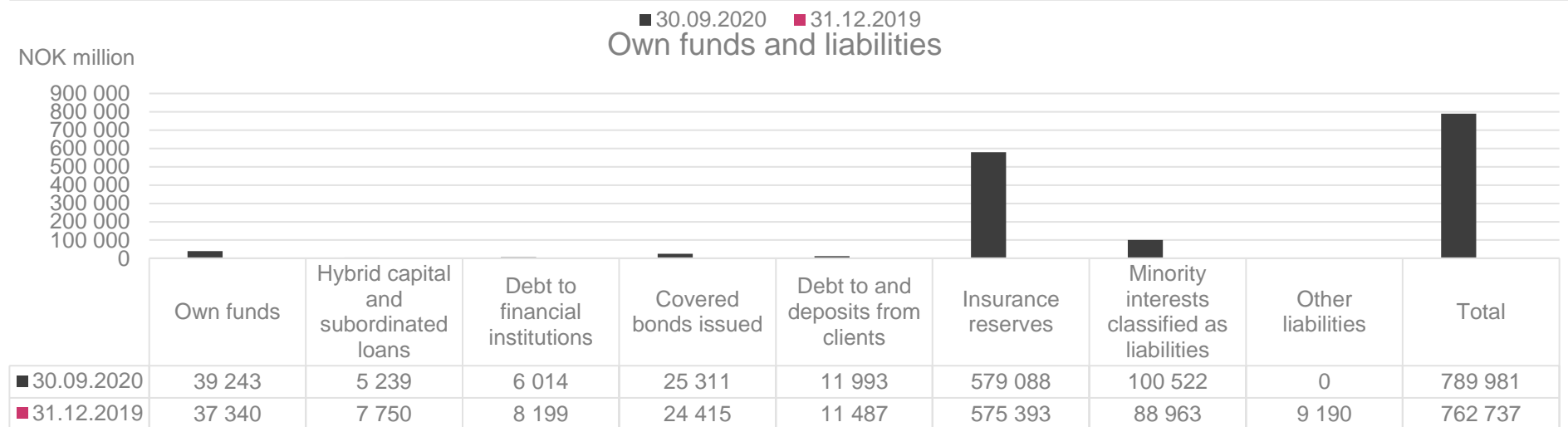
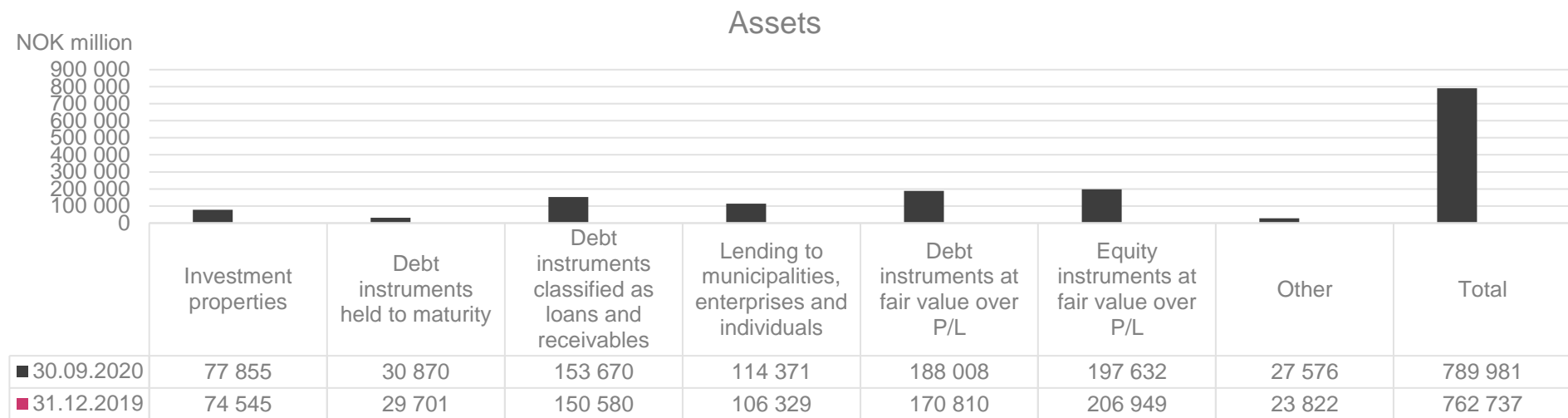
# KLP Group – results by segment

NOK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Life insurance	1 289	523	17	476
Non-life insurance	97	18	-126	25
Banking	102	40	20	25
Asset management	26	-2	0	-1
Other	-1	-34	0	0
<b>Group result before tax</b>	<b>1 682</b>	<b>713</b>	<b>151</b>	<b>674</b>

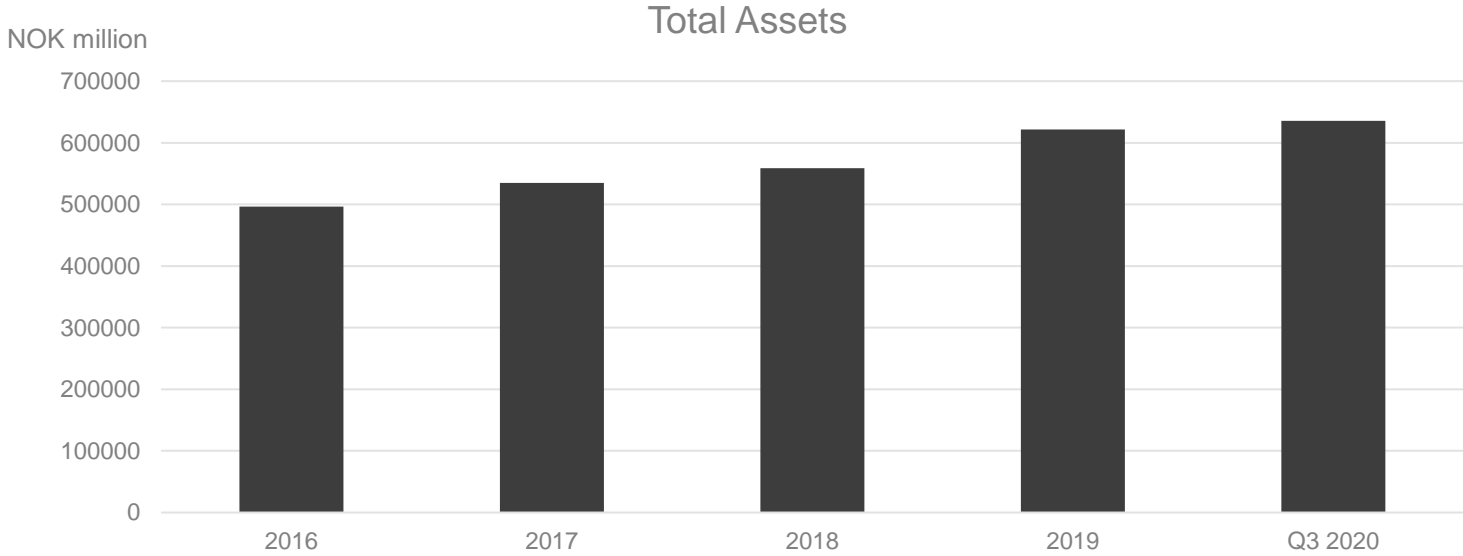
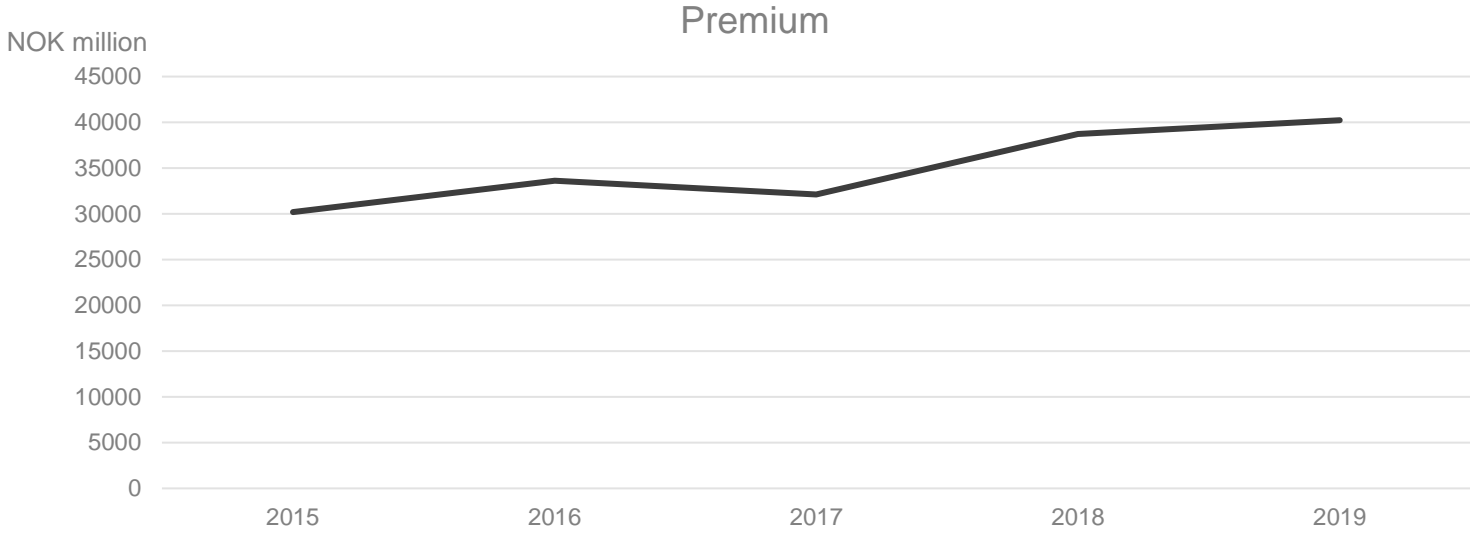
# KLP Group – main figures - results

NOK million	30.09.2020	31.12.2019
Pension premiums and incoming transfers	34 021	42 716
Allocated investment income	110 855	63 156
Minority share of return of financial instruments	-10 152	-14 736
Claims f.o.a.	-16 148	-21 616
Insurance provisions	-24 279	-29 954
Interest expenses and value adjustments subordinated loans and subordinated bonds	-456	-372
Operating cost	-1 287	-1 892
Other income and cost	-4	-384
<b>Technical result</b>	<b>29 393</b>	<b>36 919</b>
To/from value adjustment fund life insurance	-21 097	-22 277
To/from supplementary reserves life insurance	16	-52
Surplus allocated Life insurance clients	-5 793	-11 398
<b>Group result pre-tax</b>	<b>2 518</b>	<b>3 193</b>
Tax	-929	-1 200
Other profit/loss elements	103	258
<b>Group result</b>	<b>1 692</b>	<b>2 251</b>

# KLP Group - Balance



# KLP Life

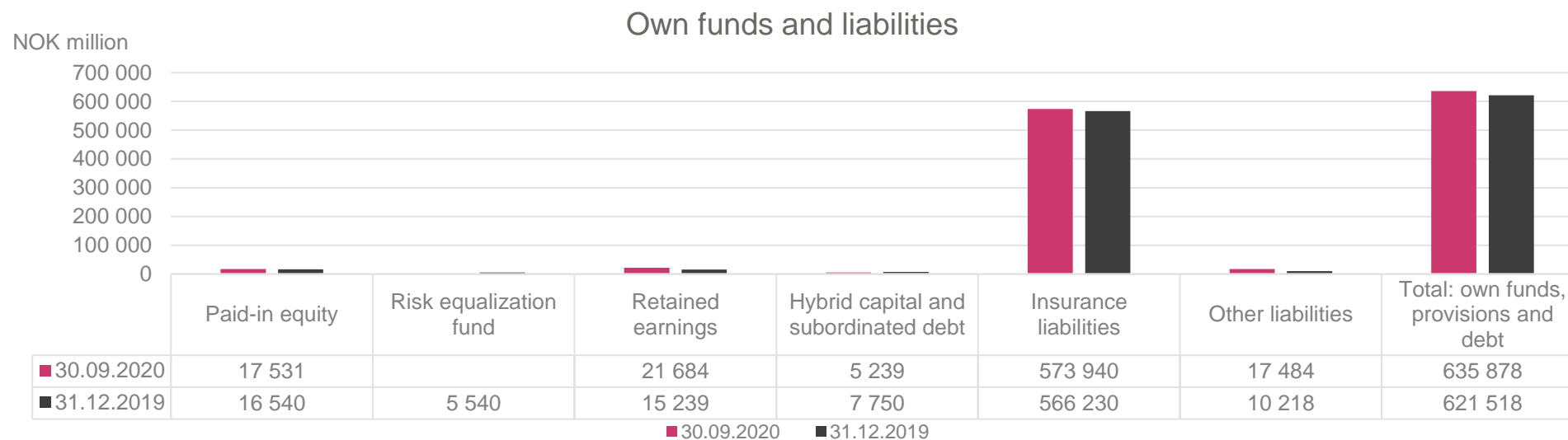
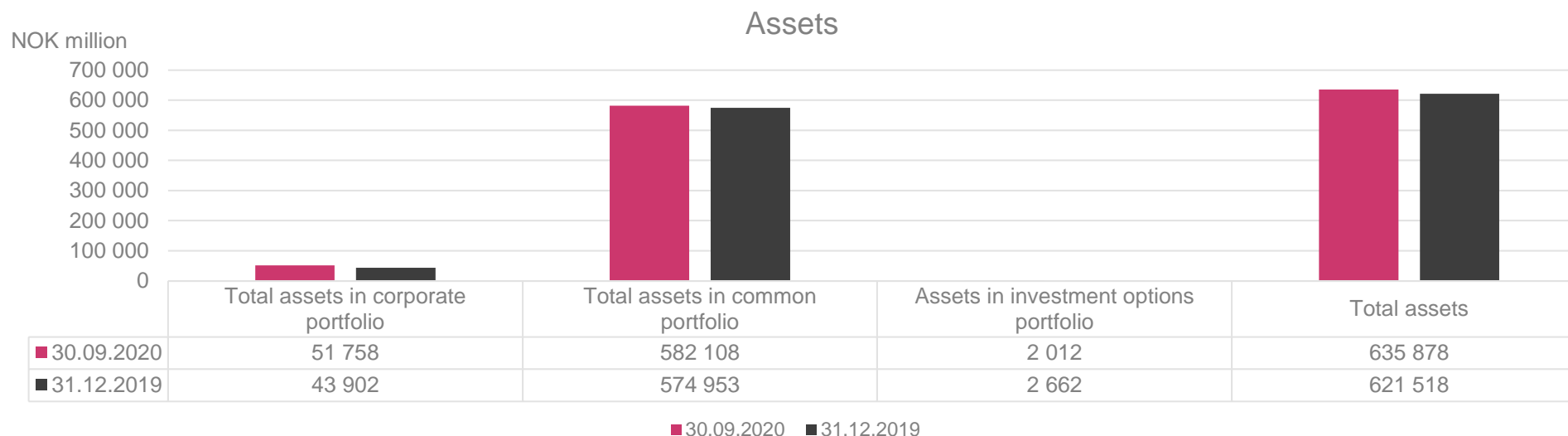


# KLP – Appropriation of results

Nok million	Result Customers	Result Company	31.09.2020	31.12.2019
Interest result common portfolio	6 691	175	6 866	10 624
Interest result corporate portfolio	-35		-35	
Risk result	352	354	706	1 031
Premium interest rate guarantee		368	368	476
Administration result		187	187	247
Net income corporate portfolio		218	218	1 167
Tax		-174	-174	-502
Other result elements		-223	-223	132
<b>Total</b>	<b>7 007</b>	<b>906</b>	<b>7 913</b>	<b>13 161</b>



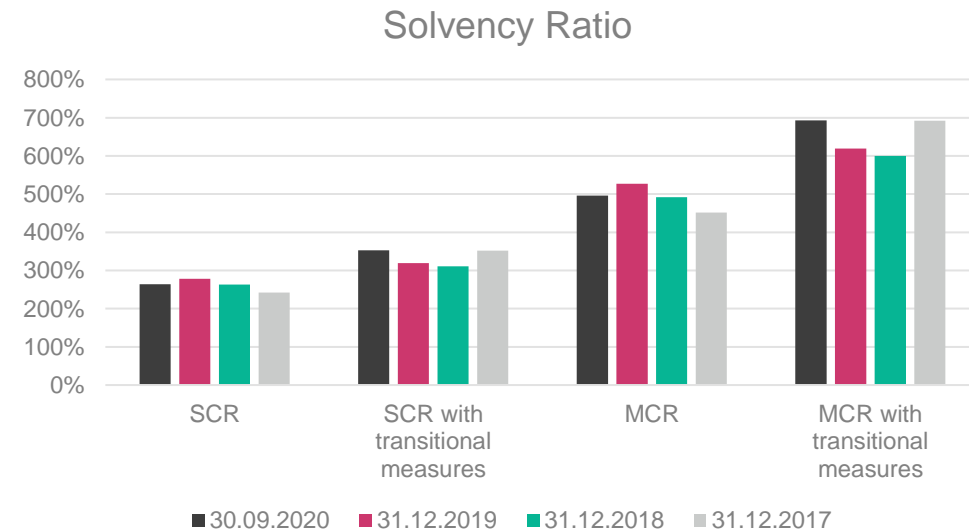
# KLP Life - Balance



# KLP Life - Solvency

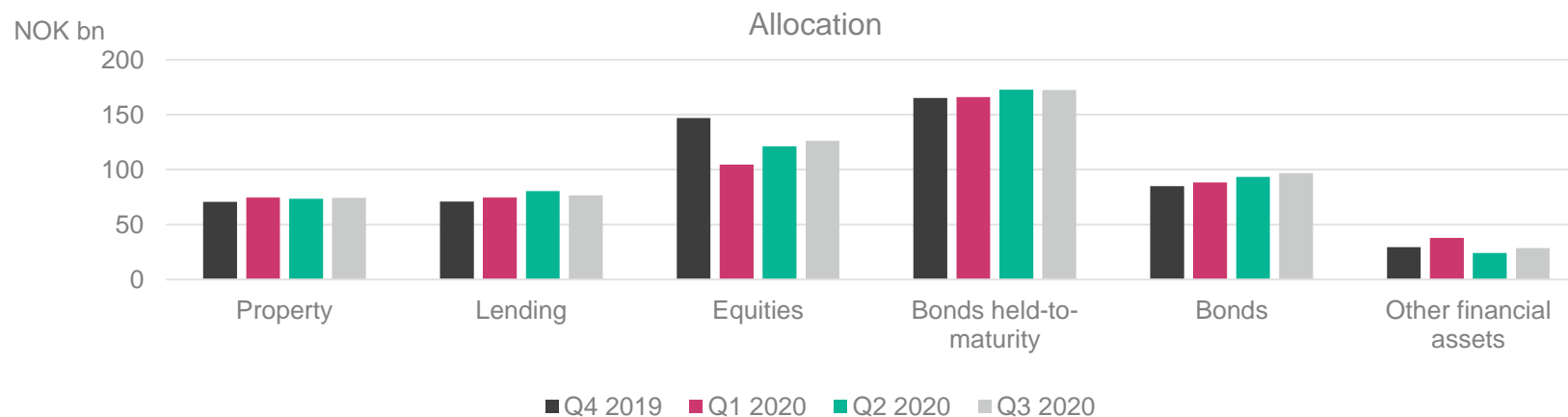
- Solvency ratio Q3: 264\* per cent
- Minimum solvency ratio Q3: 496\* per cent
- *\*without transitional measures*

	30.09.2020	30.06.2020	31.03.2020	31.12.2019
Solvency ratio (SCR)	264 %	252 %	234 %	278 %
Solvency ratio (SCR) with transitional measures	353 %	333 %	285 %	319 %
Minimum solvency ratio (MCR)	496 %	469 %	429 %	527 %
Minimum solvency ratio (MCR) with transitional measures	694 %	649 %	542 %	619 %



# KLP Life - Common Portfolio

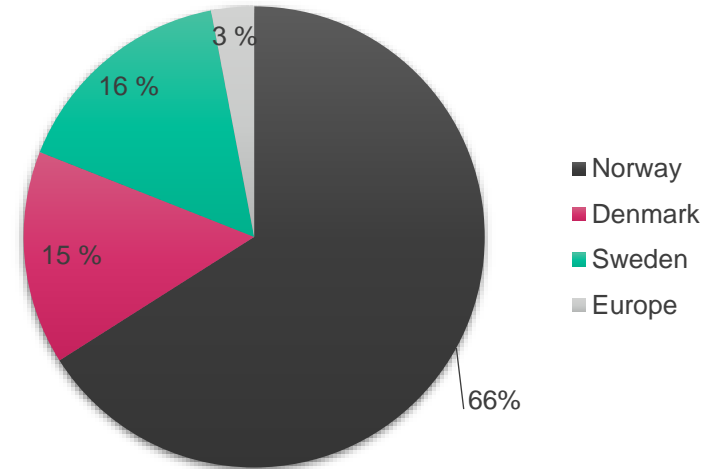
	Share*	Return	Share*	Return
	30.09.2020	30.09.2020	31.12.2019	31.12.2019
Equities	22.0 %	-1.7 %	25.9 %	21.5 %
Bonds	16.8 %	5.3 %	15.0 %	7.9 %
Bonds held-to-maturity	30.0 %	2.7 %	29.1 %	3.6 %
Lending	13.3 %	1.7 %	12.5 %	2.4 %
Property	12.9 %	2.6 %	12.4 %	6.7 %
Other financial assets	5.0 %	1.3 %	5.2 %	1.9 %



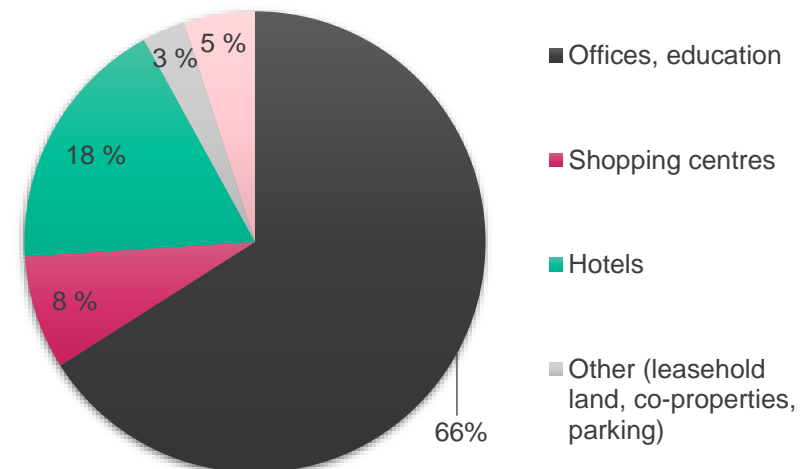
# KLP Life - Property

- The portfolio written up by NOK 60 million (0.1 %) in Q3
- New investments / sales in 2020
  - Taken over
    - Ranheimsveien 9 in Trondheim

Property value - by country



Property value - by sector



# KLP Life – Property

NOK million	30.09.2020	30.06.2020	31.03.2020	31.12.2019
Fair value total portfolio*	76 154	76 307	75 501	73 644
Fair value common portfolio*	71 315	71 272	70 569	68 719

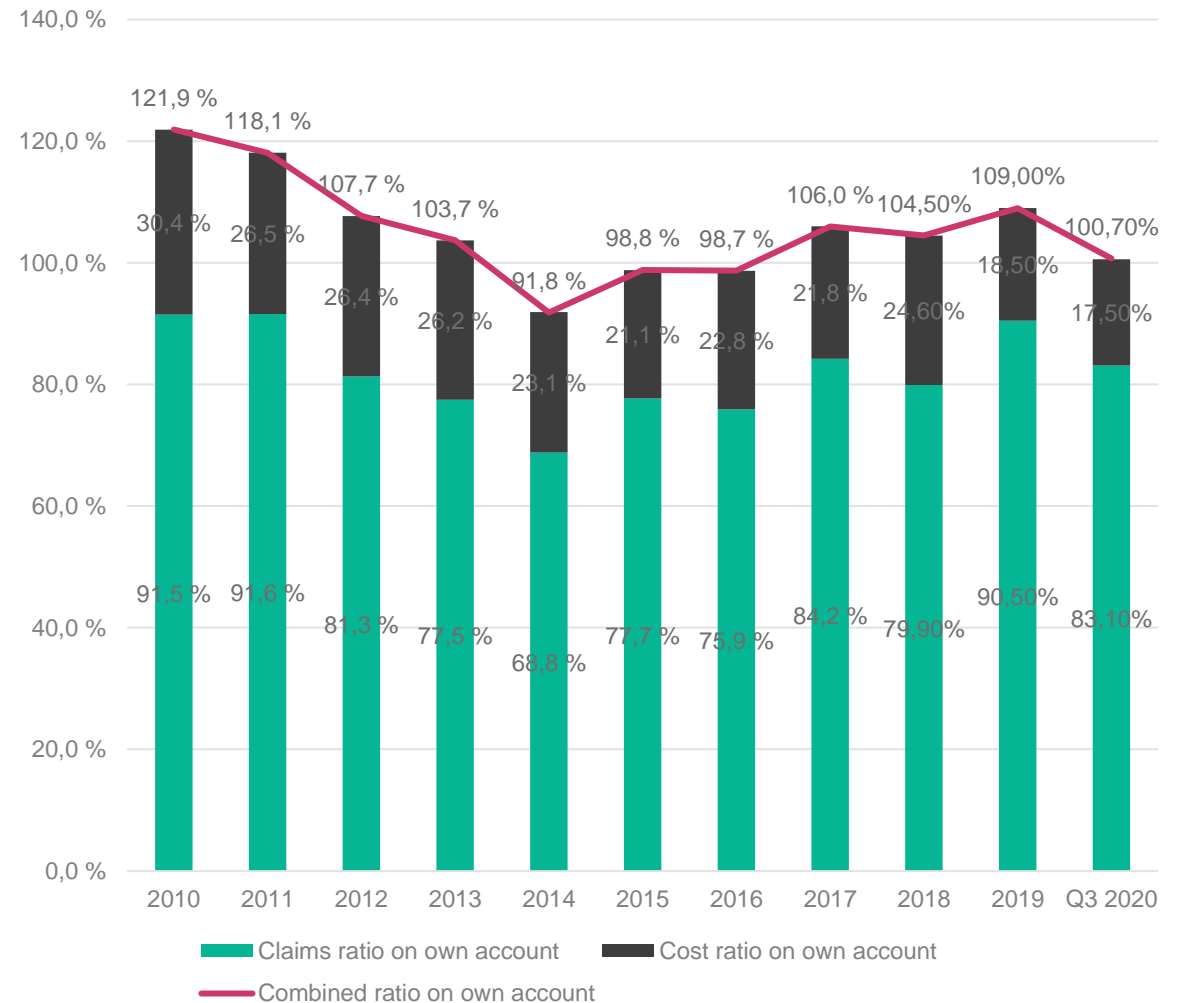
\*Incl exchange-rate hedged and excl. property fund

	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Value adjustment in per cent	0.1 %	-0.1 %	0.0 %	0.9 %
Value adjustment in per cent common portfolio	0.1 %	-0.3 %	0.0 %	1.0 %
Total return common portfolio**	1.1 %	0.8 %	0.9 %	2.0 %

\*\*Incl exchange-rate hedged and property fund

# KLP Skadeforsikring (non-life insurance)

- Quarterly result of NOK 70 million
- Operation result of NOK 97 million
- Financial return of NOK 71.5 million in the quarter, corresponding to 1.5 per cent
- Solvency ratio: 247 per cent



# KLP Skadeforsikring (non-life insurance)

NOK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Premium written f.o.a.	423.2	406.7	397.9	384.8
Claims f.o.a.	-350.6	-324.8	-345.3	-344.7
Insurance related expenses	-65.6	-74.3	-75.4	-78.4
Other insurance related income	0.6	0.6	0.5	0.8
<b>Result from technical activities</b>	<b>7.6</b>	<b>8.1</b>	<b>-22.2</b>	<b>-37.5</b>
Result from investment activities	71.5	136.1	-104.2	62.3
Other income	0	0	0.3	0.3
<b>Result from ordinary operation</b>	<b>79.1</b>	<b>144.3</b>	<b>-126.1</b>	<b>25.0</b>
Estimated tax expense	-19.8	-36.1	31.5	20.9
Other elements	7.4	-4.1	-26.0	18.8
Provisions for equity fund	-12.2	-8.6	-2.9	-10.3
<b>Result after provisions for equity fund</b>	<b>54.5</b>	<b>95.5</b>	<b>-123.5</b>	<b>54.3</b>

# KLP Skadeforsikring (non-life insurance)

Revenues, NOK million	Q4 2020	Q2 2020	Q1 2020	Q4 2019
Gross premium written	423	407	398	384
Premium income for own account	-351	-325	-345	-345
Claims paid for own account	-66	-74	-75	-78
Insurance related costs for own account	72	136	-104	62
<b>Results</b>	<b>79</b>	<b>144</b>	<b>-126</b>	<b>25</b>

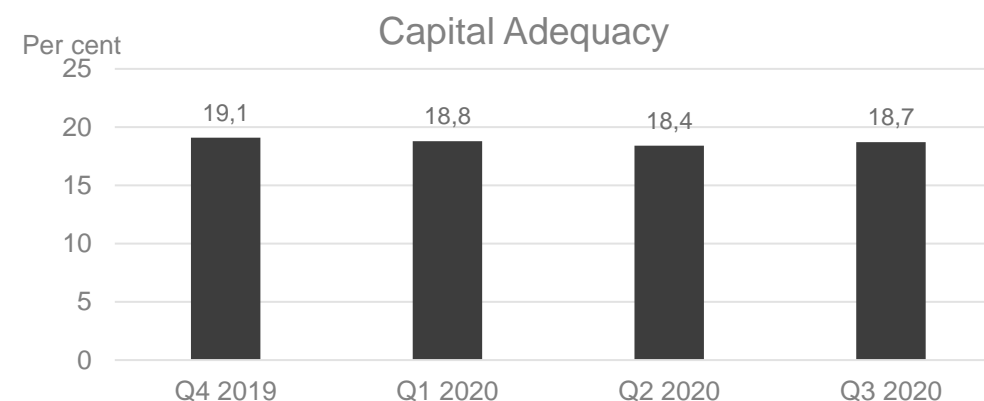
Key figure balance sheet, NOK million	30.09.2020	30.06.2020	31.03.2020	31.12.2019
Financial assets	4 770	4 803	4 656	4 437
Total assets	5 269	5 338	5 306	4 907
Equity	1 991	1 924	1 820	1 941
<b>Provisions in insurance funds for own account</b>	<b>2 708</b>	<b>2 918</b>	<b>2 451</b>	<b>2 586</b>



# KLP Bank-group – main figures

- The total number of active customers as of the third quarter of 2020 was 44,842 customers. The net customer growth retail market became 2,057 customers.
- The third quarter of 2020 saw a net mortgage growth of NOK 457 million.
- Net mortgage growth so far this year of more than NOK 2.1 billion, which is well above the budgeted growth of NOK 1.5 billion for the whole of 2020. Net mortgage growth so far in 2019 was by comparison NOK 1.1 billion.
- The Group's capital adequacy ratio is 18.4%, which is well above the ICAAP of 16.5%. In addition.
- Countercyclical capital buffer was reduced from 2.5 per cent to 1.0 per cent with immediate effect on 13 March 2020

NOK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019
<b>Net interest revenues</b>	96.2	63.1	78.5	83.5
<b>Net fee – and commissions income</b>	4.8	4.8	4.6	5.2
<b>Management fees</b>	14.8	14.8	14.8	14.5
<b>Operating cost</b>	-48.8	-61.1	-63.6	-70.8
<b>Value changes financial instruments</b>	-5.6	3.3	-19.4	-7.4
<b>Pre-tax earnings</b>	61.8	24.9	15.0	24.9
<b>Total assets</b>	43 438	43 850	42 002	39 699



# KLP Bank-group – main figures

KLP Kommunekreditt, NOK million	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Net interest revenues	24.2	18.4	14.7	19,3
Operating cost	-3.2	-4.7	-4.2	-8,2
Value changes financial instruments	-2.3	-8.7	-6.5	-4,7
<b>Pre-tax earnings</b>	<b>18.7</b>	<b>5,.</b>	<b>4.0</b>	<b>6,4</b>
Total assets	19 381	19 768	19 975	18 549

KLP Banken. NOK million	Q3 2020	Q2 2020	Q2 2020	Q4 2019
Net interest revenues	42.5	30.5	43.7	47,3
Net fee – and commissions income	4.8	4.8	4.6	5,2
Management fees	14.8	14.8	14.8	14,5
Operating cost	-33.9	-40.3	-47.1	-48,6
Value changes financial instruments	12.8	25.5	-2.3	-1,1
<b>Pre-tax earnings</b>	<b>41.0</b>	<b>35.2</b>	<b>13.7</b>	<b>17,2</b>
Total assets	18 154	18 667	16 846	15 099

KLP Boligkreditt. NOK million	Q3 2020	Q2 2020	Q2 2020	Q4 2019
Net interest revenues	29.4	14.2	20.0	16,9
Operating cost	-11.2	-16.1	-12.2	-13,9
Value changes financial instruments	-11.1	-2.0	-3.9	-1,6
<b>Pre-tax earnings</b>	<b>7.1</b>	<b>-3.9</b>	<b>3.9</b>	<b>1,4</b>
Total assets	11 289	11 087	10 558	7 930

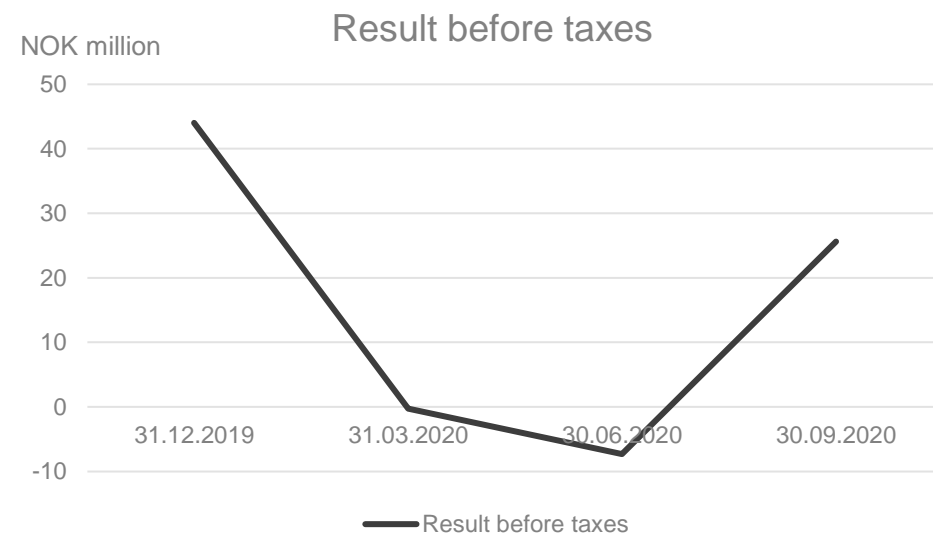
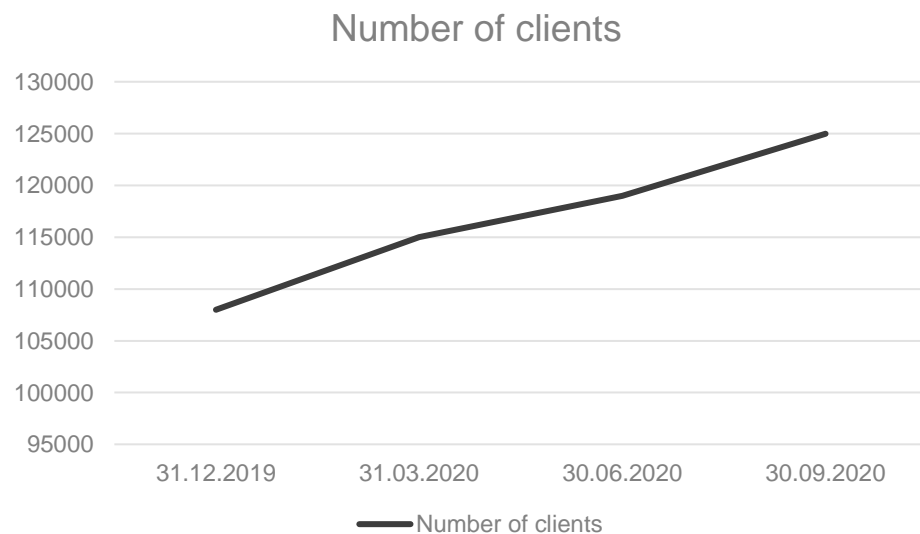
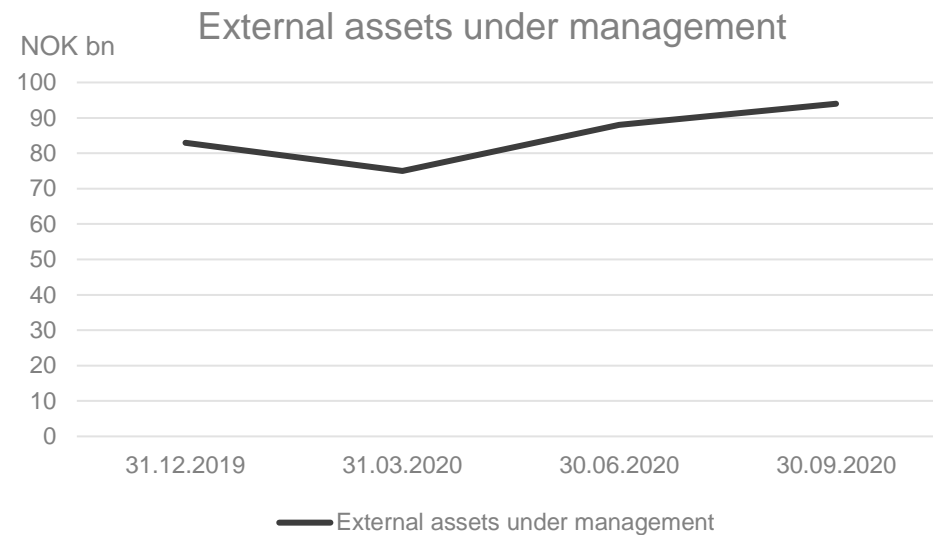
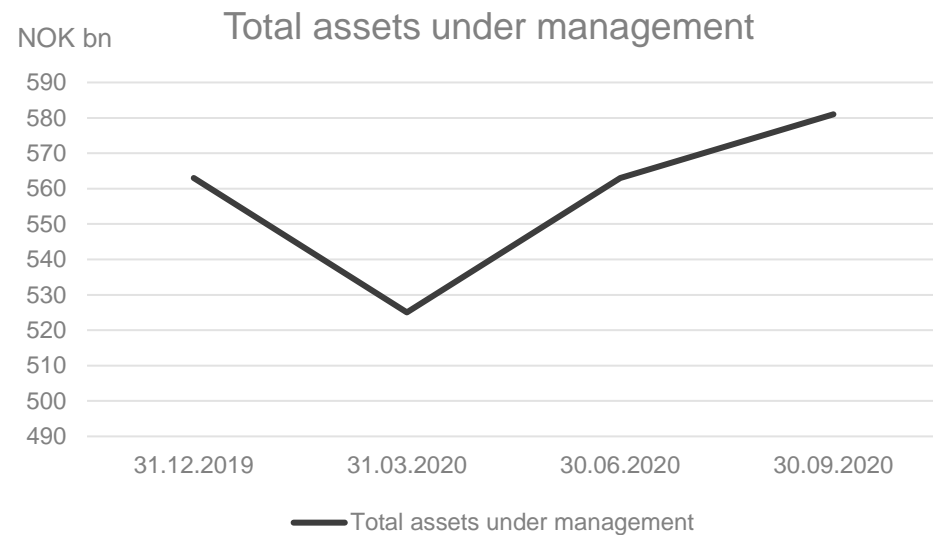
# KLP Bank-group – lending and deposits

Mortgage loans, NOK billion	30.09.2020	30.06.2020	31.03.2020	31.12.2019
KLP Banken AS	10.0	9.8	9.1	11.0
KLP Boligkreditt AS	10.6	10.3	10.0	7.3
KLP (Management agreement)	3.3	3.3	3.4	3.4
<b>Total</b>	<b>23.8</b>	<b>23.3</b>	<b>22.5</b>	<b>21.7</b>

Public sector loans, NOK billion	30.09.2020	30.06.2020	31.03.2020	31.12.2019
KLP Kommunekreditt AS	16.8	17.2	16.6	16.5
KLP (Management agreement)	63.8	62.4	58.1	56.9
KLP (currency loans)	10.1	14.8	13.1	10.7
<b>Total</b>	<b>90.0</b>	<b>94.4</b>	<b>87.9</b>	<b>84.1</b>

Deposits, NOK billion	30.09.2020	30.06.2020	31.03.2020	31.12.2019
KLP Banken AS	12.2	12.2	12.0	11.5
<b>Total</b>	<b>12.2</b>	<b>12.2</b>	<b>12.0</b>	<b>11.5</b>

# KLP Kapitalforvaltning (Asset management)



# Contacts in KLP

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