

Q4 2019 Presentation KLP Banken Group

Q4 2019 - financial highlights and cover pool



Content

- Financial highlights
- Cover Pool Report – KLP Boligkreditt AS
- Cover Pool Report – KLP Kommunekreditt AS



Overview - group

Profitability

NOK MILLIONS, YTD	Q4 2019	Q4 2018
Profit before tax	102	83
Total income	371	324
Operating expenses	232	220
ROE, annualised b.t.	6,4 %	3,8 %

Balance sheet

NOK MILLIONS	31.12.2019	31.12.2018
Mortgage loans	18,3	16,6
Public sector loans	16,5	16,6
Customer deposits	11,5	10,7
Capital adequacy (CET 1)	19,1 %	20,1 %

Profit development

Group profit before tax

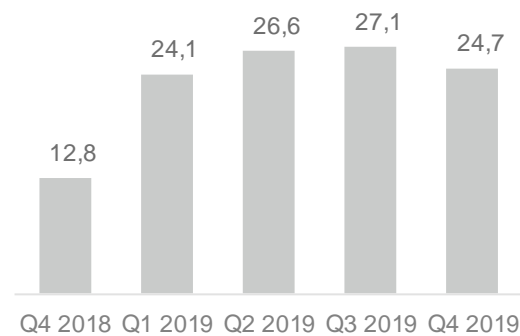
NOK millions, YTD this year vs. YTD last year



Profit development

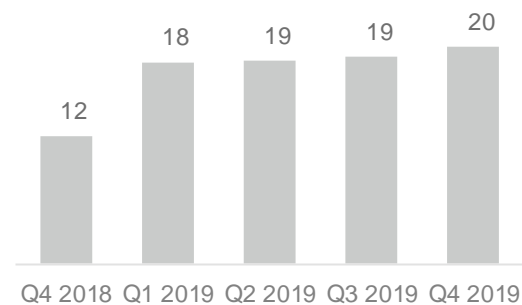
Group PBT

NOK millions



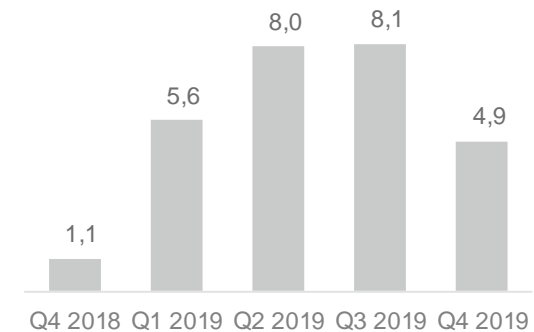
Retail market PBT

NOK millions



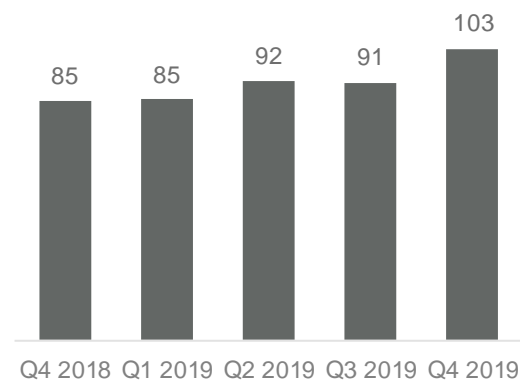
Public sector PBT

NOK millions



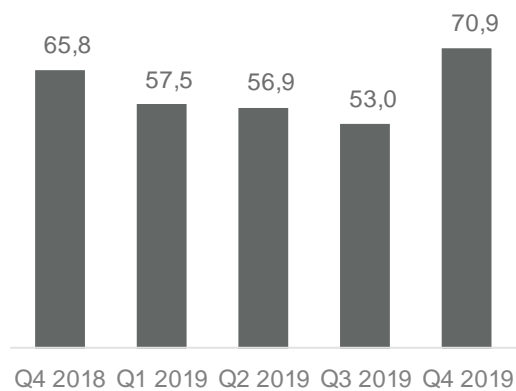
Total income

NOK millions, Group



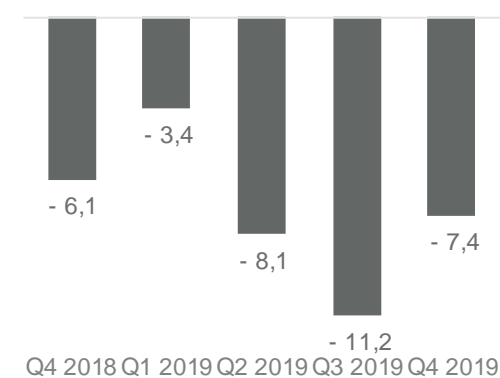
Operating expenses

NOK millions, Group



Financial gains/losses

NOK millions, Group



Profit development

Delinquent loans, mortgage and public sector

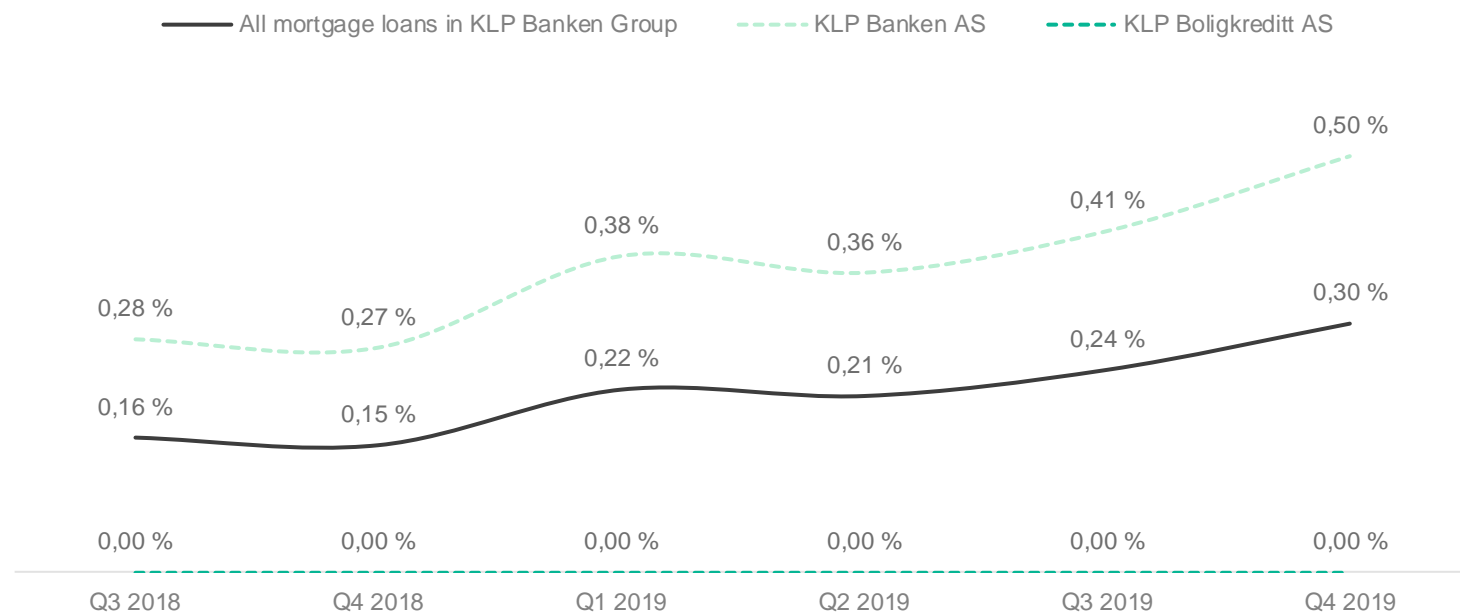
NOK MILLIONS	31.12.2019
Delinquencies in % of Group total lending	0,25 %

Loss provisions

NOK MILLIONS	2017	2018	2019
Mortgage loans	3	7	7
Public sector loans	-	-0,0	-0,0

Retail loan delinquencies

>90 days, % of company total lending balance

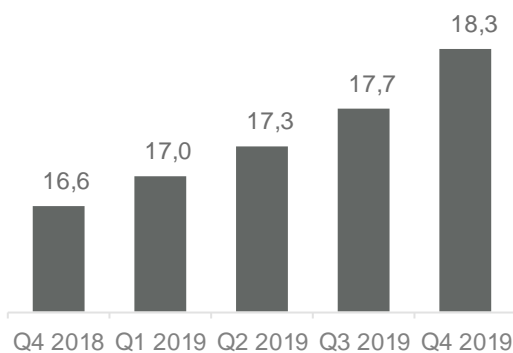


Business volumes

NOK BILLIONS	MORTGAGE LOANS	PUBLIC SECTOR LOANS	CUSTOMER DEPOSITS*
KLP Banken AS	11,0		11,5
KLP Boligkreditt AS	7,3		
KLP Kommunekreditt AS		16,5	
Total	18,3	16,5	11,5

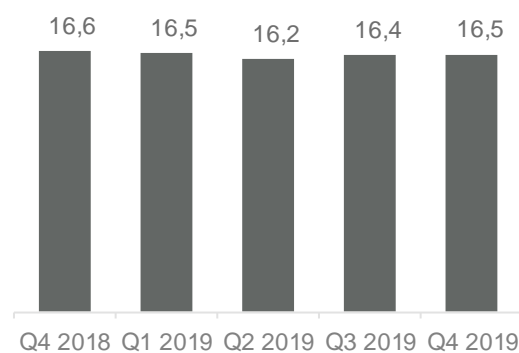
Mortgage loans

NOK billions



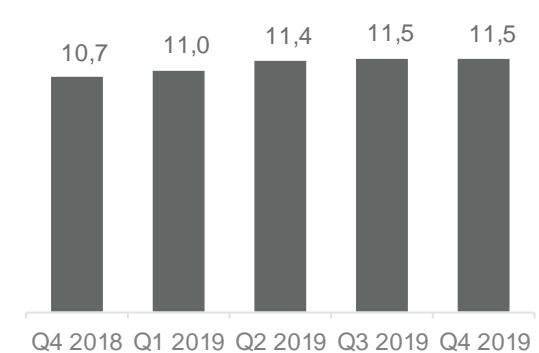
Public sector loans

NOK billions



Deposits

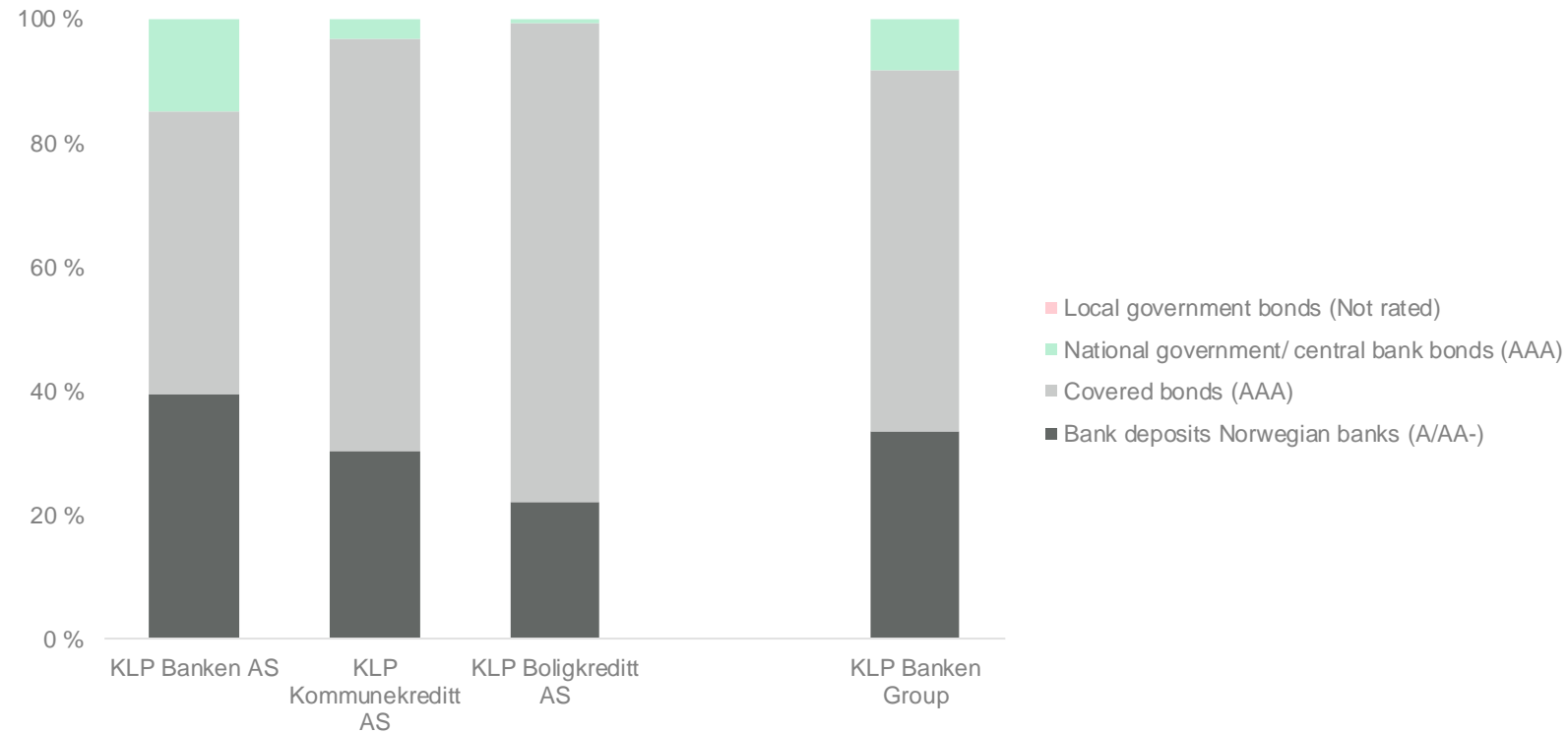
NOK billions



Liquidity placements

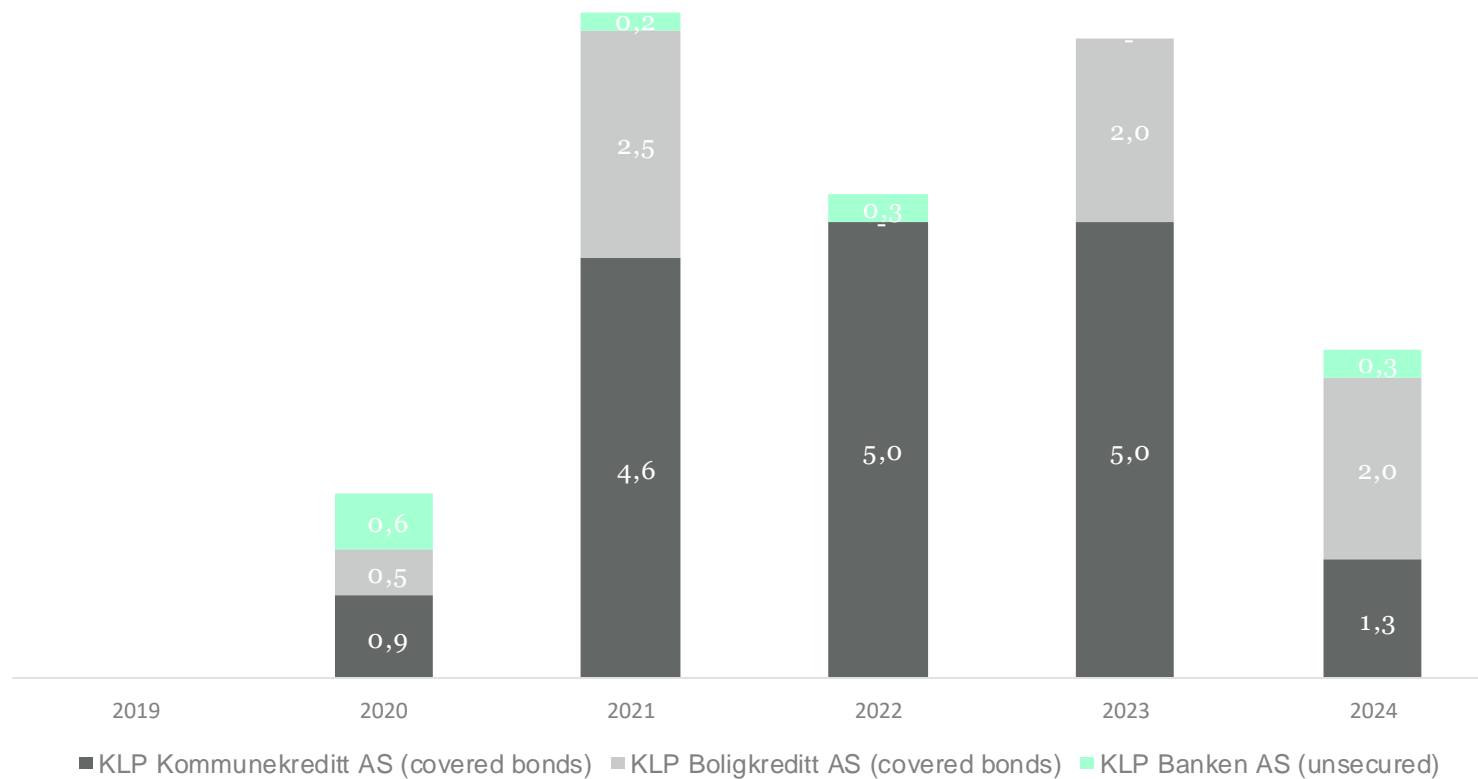
Composition of liquidity placements

Quarter end



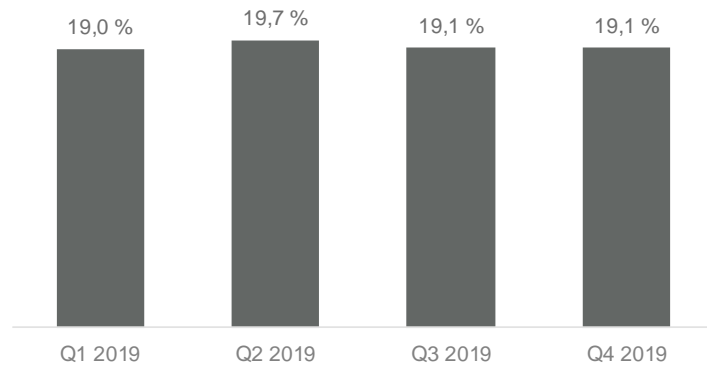
Issued bond debt

Maturity profile of issued bond debt
NOK billions

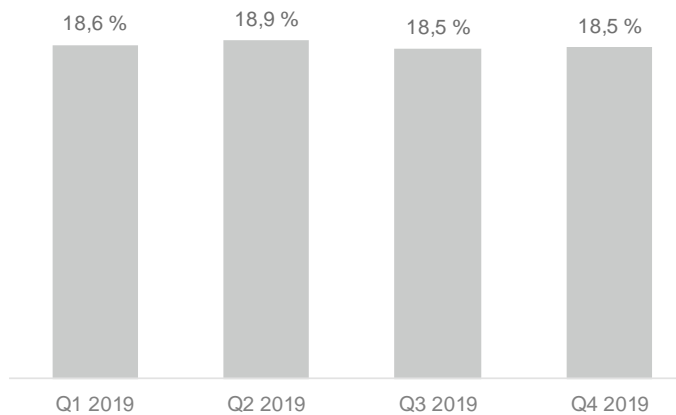


Core capital adequacy

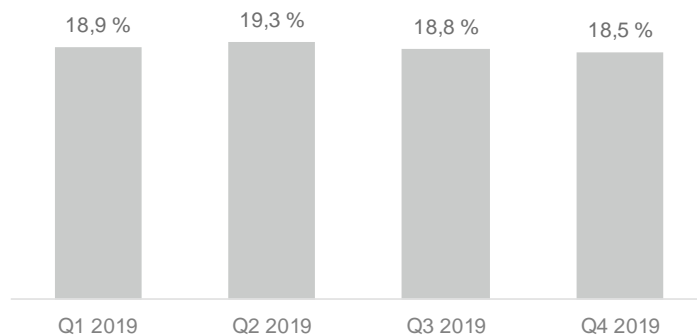
KLP Banken Group
CET1



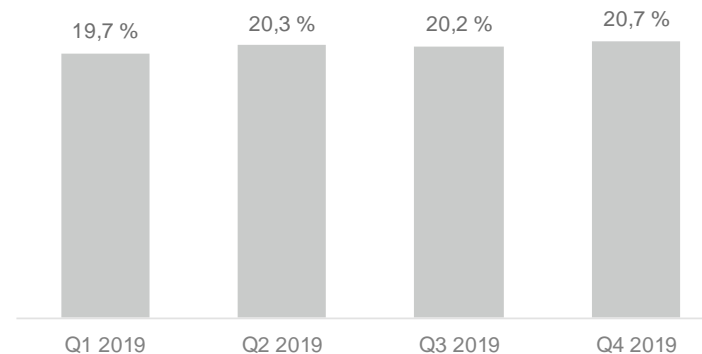
KLP Banken AS
CET1



KLP Boligkreditt AS
CET1



KLP Kommunekreditt AS
CET1



P&Ls

KLP Banken Group

NOK MILLIONS, YTD	Q4 2019	Q4 2018
Net interest income	293	249
Management fee	59	58
Net commission and fees	19	17
Gain/loss financial asset/debt	-30	-14
Operating expenses	-232	-220
Write-up/downs	-7	-7
Earnings before tax	102	83

KLP Banken AS

NOK MILLIONS, YTD	Q4 2019	Q4 2018
Net interest income	167	128
Management fee	59	58
Net commission and fees	19	17
Gain/loss financial asset/debt	-0	-0
Operating expenses	-165	-159
Write-up/downs	-7	-7
Earnings before tax	73	38

Numbers do not include effects from group contribution

KLP Boligkreditt AS

NOK MILLIONS, YTD	Q4 2019	Q4 2018
Net interest income	63	55
Gain/loss financial asset/debt	-12	-1
Other income	-0	-0
Operating expenses	-47	-45
Earnings before tax	4	9

KLP Kommunekreditt AS

NOK MILLIONS, YTD	Q4 2019	Q4 2018
Net interest income	63	66
Gain/loss financial asset/debt	-18	-12
Other income	0	-0
Operating expenses	-20	-16
Earnings before tax	25	37

Balance sheets

KLP Banken Group

NOK MILLIONS	31.12.2019	31.12.2018
Lending to credit institutions	1 498	1 439
Loans to customers	34 934	33 474
Interest bearing securities	3 119	2 015
Other assets	147	160
Total assets	39 697	37 089

Borrowing from credit inst.	-	-
Bond debt	25 822	24 040
Deposits	11 487	10 662
Other debt	151	249
Total liabilities	37 460	34 951
Equity	2 238	2 138
Total liabilities and equity	39 697	37 089

KLP Boligkreditt AS

NOK MILLIONS	31.12.2019	31.12.2018
Lending to credit institutions	129	148
Loans to customers	7 338	7 228
Interest bearing securities	460	288
Other assets	3	4
Total assets	7 929	7 669

Borrowing from credit inst.	387	1 037
Bond debt	7 027	6 116
Deposits	-	-
Other debt	2	8
Total liabilities	7 417	7 161
Equity	508	508
Total liabilities and equity	7 925	7 669

KLP Banken AS

NOK MILLIONS	31.12.2019	31.12.2018
Lending to credit institutions	1 482	2 108
Loans to customers	11 049	9 488
Interest bearing securities	1 292	1 000
Other assets	1 278	1 272
Total assets	15 101	13 868

Borrowing from credit inst.	-	-
Bond debt	1 407	1 015
Deposits	11 487	10 662
Other debt	91	146
Total liabilities	12 985	11 822
Equity	2 045	2 045
Total liabilities and equity	15 030	13 868

KLP Kommunekreditt AS

NOK MILLIONS	31.12.2019	31.12.2018
Lending to credit institutions	594	650
Loans to customers	16 547	16 759
Interest bearing securities	1 366	727
Other assets	42	71
Total assets	18 549	18 206

Borrowing from credit inst.	320	430
Bond debt	17 387	16 909
Deposits	-	-
Other debt	67	117
Total liabilities	17 775	17 456
Equity	750	750
Total liabilities and equity	18 524	18 206

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- Cover Pool Report – KLP Kommunekreditt AS



Overview

Key data

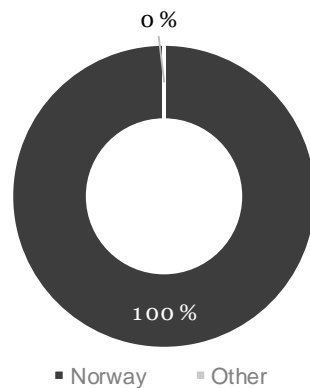
NOK MILLIONS	31.12.2019
Total loan balance	7 091 262 774
Bank deposits	128 595 504
Norwegian AAA-rated covered bonds	450 000 000
Total cover pool	7 669 858 277
Covered bonds issued	7 164 000 000
Over-collateralisation	7,1 %
No. of loans	5 584
Average loan balance	1 269 925
WA Seasoning (months)	47,9
WA Remaining terms (months)	260,1
WA Indexed LTV	48,5 %
WA Unindexed LTV	50,4 %
Percentage variable mortgages	100,0 %

Ratings

CURRENT RATING	Moody's
KLP Banken AS (Bank Deposits)	A3
KLP Boligkreditt covered bond rating	Aaa
Covered bond program Boligkreditt	Aaa

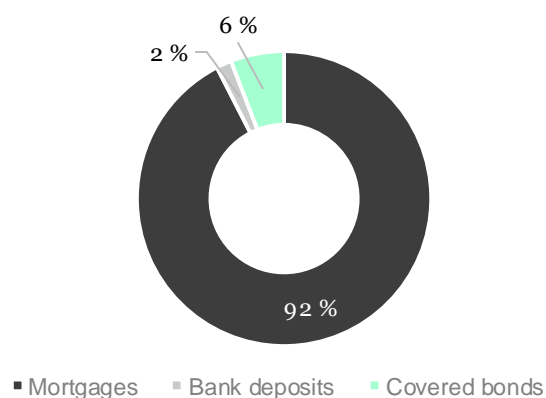
Geographic loan distribution

Nominal loan balance



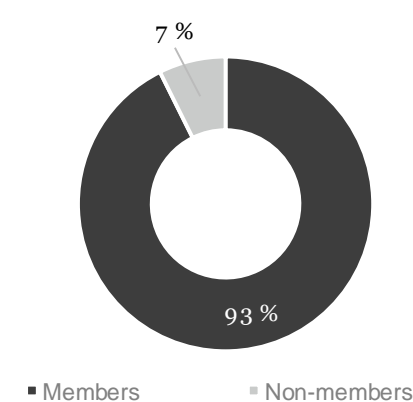
Cover pool composition

Nominal amounts



KLP members' share

of total loan balance



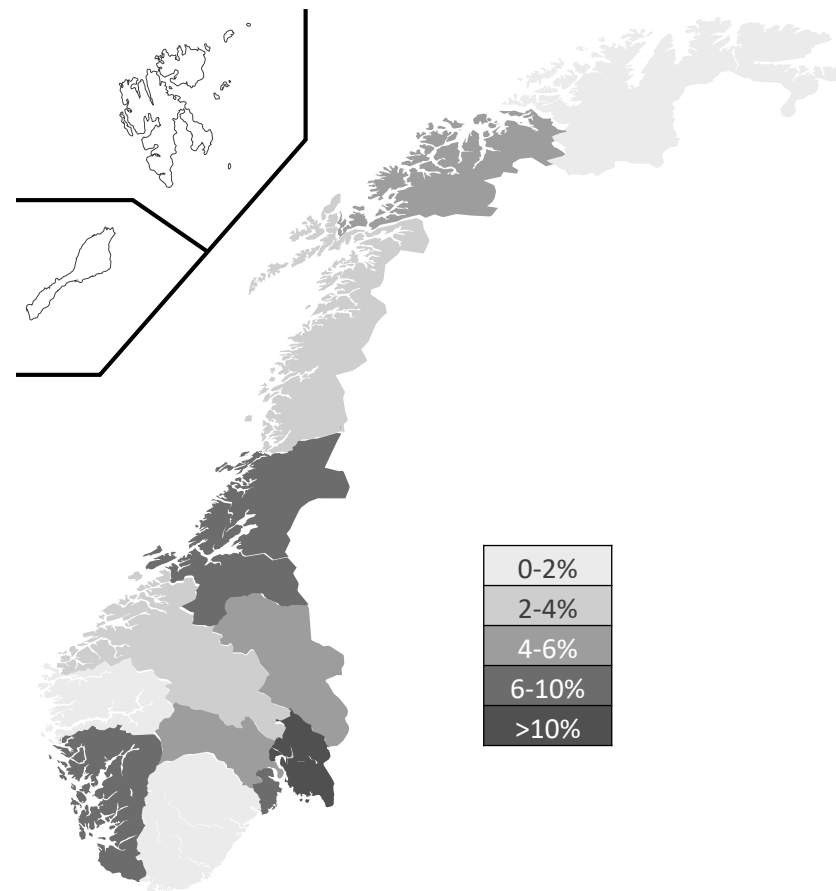
Geographical distribution

Geographical mortgage distribution

COUNTY	NOK
Akershus	1 448 577 567
Østfold	812 344 805
Oslo	747 398 058
Hordaland	571 381 007
Vestfold	522 011 637
Rogaland	429 607 549
Trøndelag	425 260 497
Buskerud	408 374 071
Hedmark	295 013 345
Troms	275 876 987
Nordland	258 579 175
Møre og Romsdal	252 057 809
Oppland	179 555 171
Telemark	161 614 226
Vest-Agder	101 998 110
Finnmark	93 731 282
Aust-Agder	68 442 321
Sogn og fjordane	39 439 159
Svalbard	-
Total loan balance	7 091 262 774

Geographical loan distribution

% of total loan balance



Loan-to-value

Unindexed LTV distribution

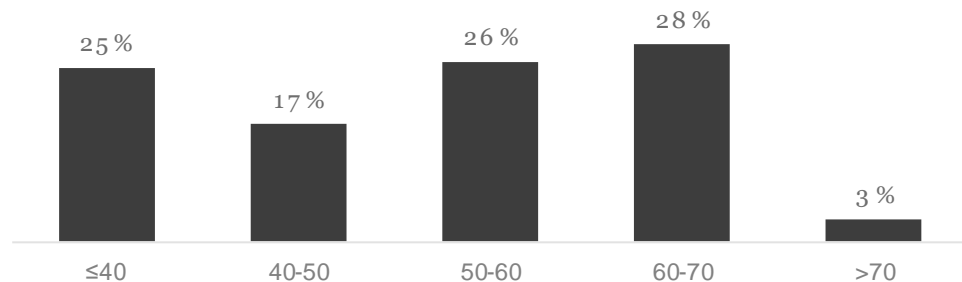
LTV INTERVAL	NOK
≤40	1 786 838 231
40-50	1 205 982 468
50-60	1 842 014 799
60-70	2 017 609 187
>70	238 818 089
Total loan balance	7 091 262 774

Indexed LTV distribution

LTV INTERVAL	NOK
≤40	2 071 392 603
40-50	1 232 837 235
50-60	1 819 205 176
60-70	1 724 827 204
>70	243 000 557
Total loan balance	7 091 262 774

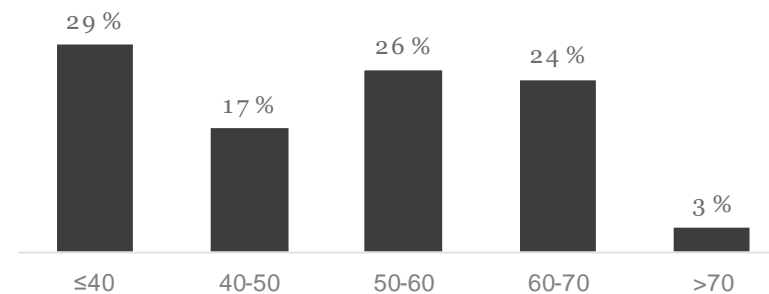
LTV-distribution

Unindexed, % of total



LTV-distribution

Indexed, % of total



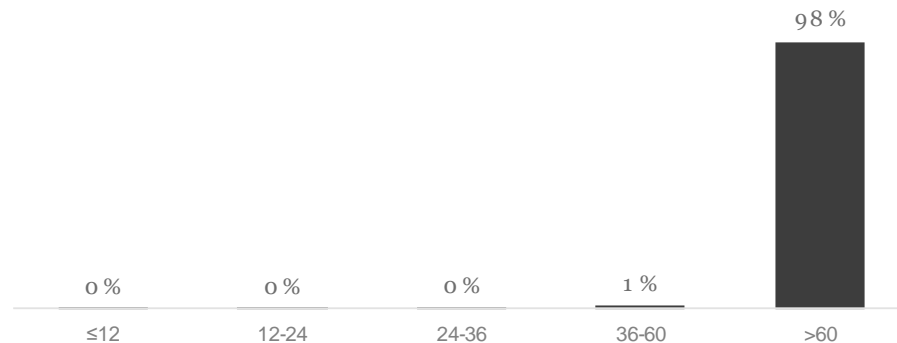
Seasoning

Remaining terms

MONTHS	NOK
≤12	2 480 423
12-24	11 571 272
24-36	20 726 740
36-60	76 317 400
>60	6 980 166 938
Total loan balance	7 091 262 774

Remaining terms

Months, % of total

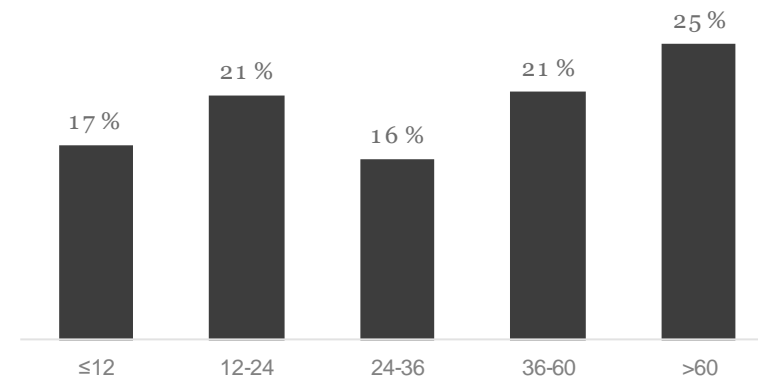


Seasoning

MONTHS	NOK
≤12	1 188 762 108
12-24	1 488 488 629
24-36	1 102 544 622
36-60	1 509 939 516
>60	1 801 527 899
Total loan balance	7 091 262 774

Seasoning

Months, % of total



Interest and repayment

Interest rate structure

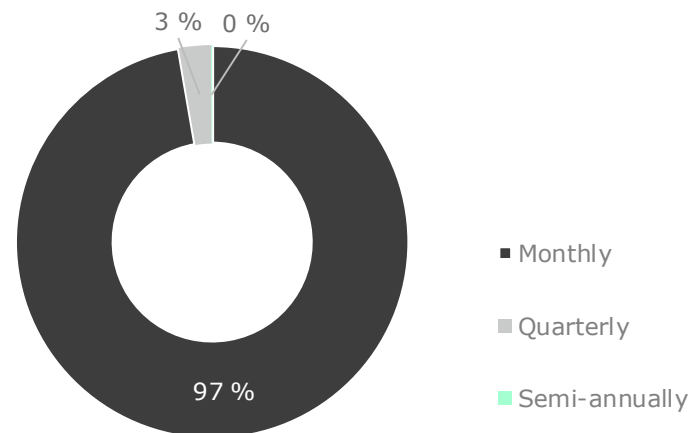
FREQUENCY	NOK
Monthly	6 898 412 709
Quarterly	187 183 032
Semi-annually	5 667 033
Total loan balance	7 091 262 774

Repayment structure

TYPE	NOK
Annuity	6 895 921 293
Constant amortisation	195 341 481
Total loan balance	7 091 262 774

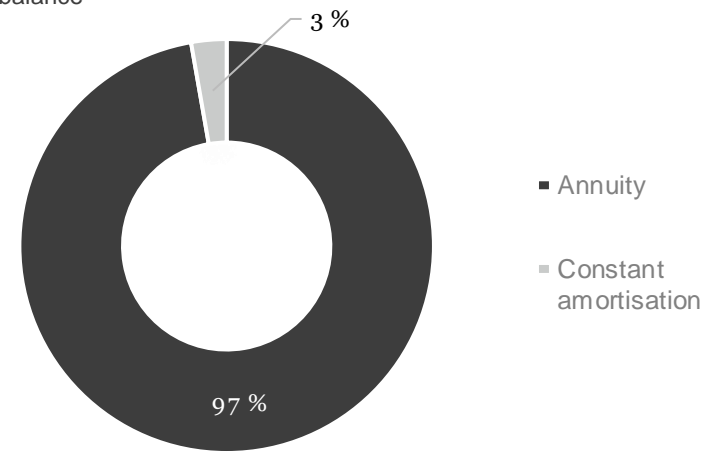
Interest payment frequency

% of total loan balance



Payment profile

% of total loan balance



Delinquencies

NOK	LOAN BALANCE	AMOUNT IN ARREARS	LOAN BALANCE IN % OF COVER POOL LOANS
7< >30 days	98 237 606	230 504	1,4 %
30< >90 days	191 802	2 692	0,0 %
>90 days	-	-	0,0 %
Total	98 429 408	233 196	1,4 %

Content

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- Cover Pool Report – KLP Boligkreditt AS
- Cover Pool Report – KLP Kommunekreditt AS



Overview

Key data	
Amounts in NOK	31.12.2019
Total nominal loan balance	16 468 492 826
Bank deposits	594 460 986
AAA-rated bonds	2 182 000 000
Total cover pool	19 244 953 812
Covered bonds issued	18 604 000 000
Over-collateralisation	3,4 %
No. of loans	709
Average loan size	23 227 775
WA life (years)	12
WA Remaining terms (months)	258
Largest debtor/guarantor (in % of pool)	3,9 %

All loans are either made directly to or are guaranteed by Norwegian municipalities or county administrations.

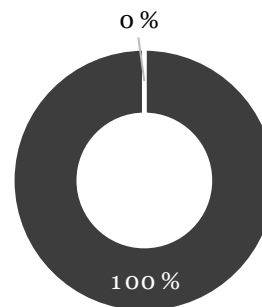
The pool only includes loans with an unconditional and irrevocable on-demand guarantee of payment covering both interest and principal.

All covered bonds are issued in NOK.

KLP KOMMUNEKREDITT AS RATINGS	Moody's
Covered bond rating	Aaa

Geographic loan distribution

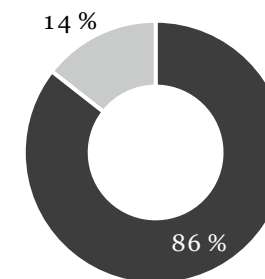
Nominal loan balance



■ Norway ■ Others

Cover pool composition

Nominal amounts



■ Public sector loans ■ Substitution assets

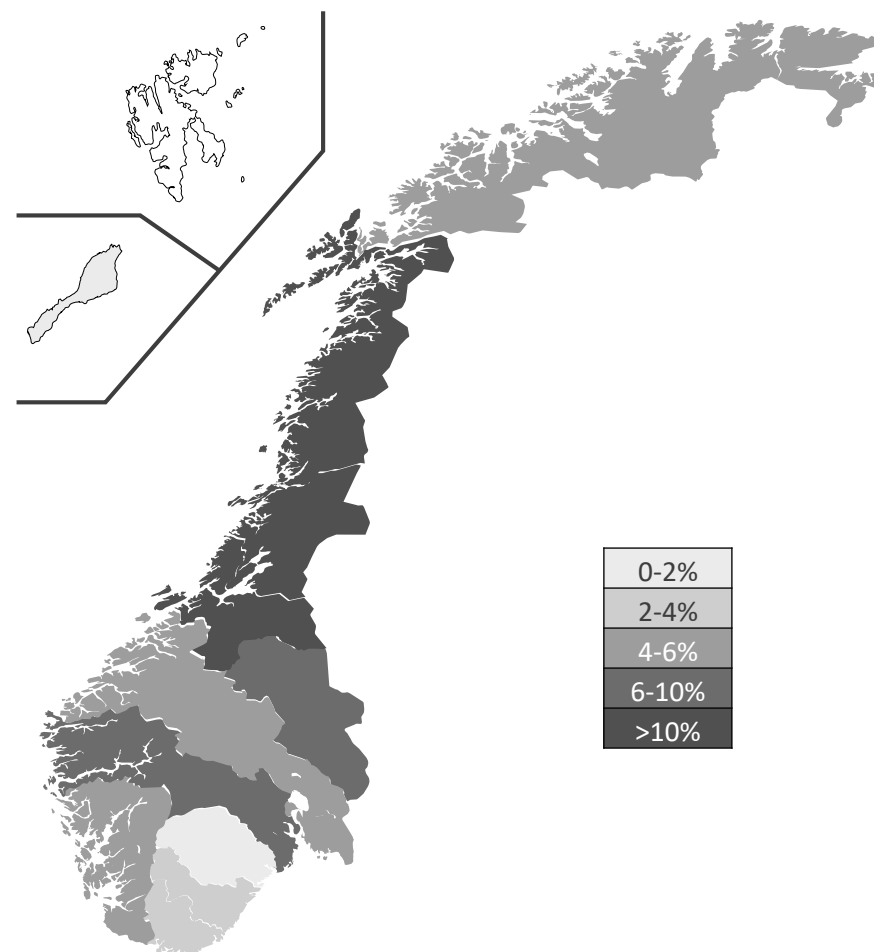
Geographical distribution

Geographical distribution

COUNTY	NOK
Nordland	2 037 298 798
Trøndelag	1 923 368 982
Vestfold	1 415 727 320
Buskerud	1 362 755 696
Hedmark	1 180 035 626
Sogn og Fjordane	1 132 512 331
Rogaland	981 757 814
Hordaland	948 360 757
Akershus	934 616 936
Møre og Romsdal	849 204 967
Finnmark	739 256 250
Østfold	719 204 338
Oppland	712 294 932
Troms	696 480 344
Vest-Agder	390 117 917
Telemark	231 266 224
Aust-Agder	189 966 040
Svalbard	24 267 554
Oslo	-
Total loan balance	16 468 492 826

Geographical loan distribution

% of total loan balance



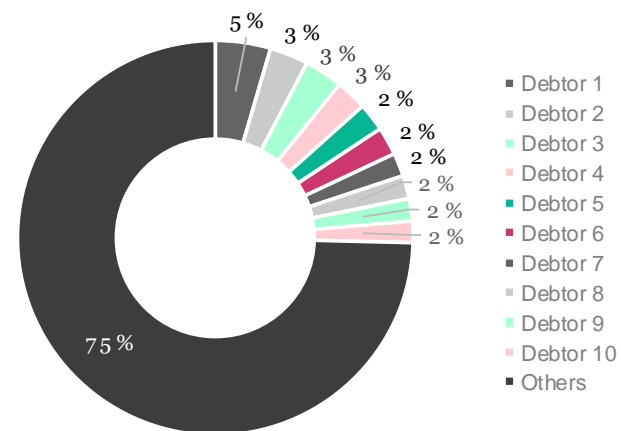
Debtor and collateral concentration

TOP 10 LARGEST DEBTORS	NOK
Debtor 1	743 676 760
Debtor 2	520 336 295
Debtor 3	516 869 557
Debtor 4	421 500 000
Debtor 5	380 957 922
Debtor 6	380 864 873
Debtor 7	314 248 450
Debtor 8	311 554 602
Debtor 9	302 975 000
Debtor 10	289 423 079
Top 10 total loan balance	4 182 406 538
Largest 10 in percent of total loan balance	
	25,4 %

COLLATERAL TYPE	NOK
Direct claim against municipality	14 062 212 736
Loan with guarantee of municipality	1 479 736 614
Loan with guarantee of region/federal state	498 206 210
Direct claim against region/federal state	390 568 680
Others	37 768 586
Total loan balance	16 468 492 826

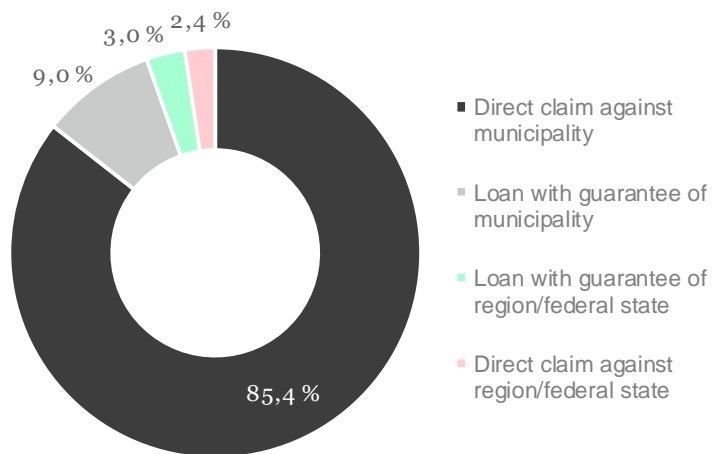
Debtor concentration

% of total loan balance



Collateral concentration

% of total loan balance



Interest and repayment structure

Repayment structure

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
Constant Amortisation	14 200 290 899	86 %	657
Annuity	44 031 051	0 %	2
Partial Bullet	477 790 946	3 %	12
Bullet	1 746 379 930	11 %	38
Total	16 468 492 826	100 %	709

Loan size

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
< 10 mill.	1 286 544 486	8 %	357
> 10 mill. - < 25 mill.	2 992 421 188	18 %	179
> 25 mill. - < 100 mill.	8 569 133 977	52 %	157
> 100 mill. - < 250 mill.	2 052 726 568	12 %	11
< 250 mill.	1 567 666 607	10 %	5
Total	16 468 492 826	100 %	709

Rate reset period

NOK	LOAN BALANCE	SHARE	ACC %
< 1 month	11 212 259 049	68 %	68 %
> 1 month - < 3 month	2 075 215 646	13 %	81 %
> 3 month - < 1 yr	650 574 549	4 %	85 %
> 1 yr - < 2 yr	1 260 303 622	8 %	92 %
> 2 yr - < 5 yr	569 330 471	3 %	96 %
> 5 yr	700 809 490	4 %	100 %
Total	16 468 492 826	100 %	

Interest rate type

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
Variable	13 708 485 657	83 %	632
Fixed	2 760 007 169	17 %	77
Total	16 468 492 826	100 %	709

Delinquencies

NOK	LOAN BALANCE	AMOUNT IN ARREARS	LOAN BALANCE IN % OF COVER POOL LOANS
0< >30 days	7 792 176	356 021	0,0 %
30< >90 days	16 555 000	1 524 350	0,1 %
>90 days	-	-	0,0 %
Total	24 347 176	1 880 371	0,1 %

Contacts

Christopher Steen

CEO KLP Boligkreditt AS / Head of Treasury KLP Banken Group

christopher.steen@klp.no

+ 47 952 24 953

Linda Bruneel

Business Controller

Linda.bruneel@klp.no

+ 47 986 23 977

Birgitte Elvrum

Business Controller

Birgitte.elvrum@klp.no

+ 47 907 74 226

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