

# Q3 2019 Presentation KLP Banken Group

*Q3 2019 - financial highlights and cover pool*



KLP

# Content

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



# Overview - group

## Profitability

NOK MILLIONS, YTD	Q3 2019	Q3 2018
Profit before tax	77	71
Total income	268	239
Operating expenses	162	156
ROE, annualised b.t.	6,4 %	4,5 %

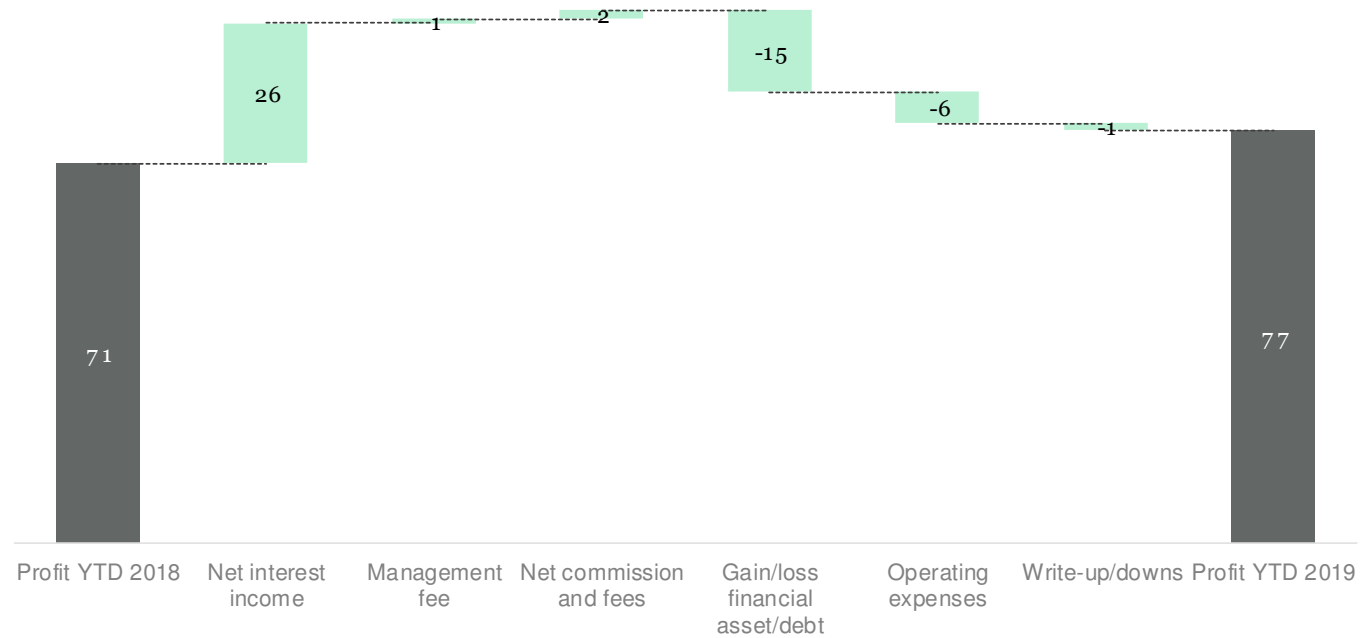
## Balance sheet

NOK MILLIONS	30.09.2019	30.09.2018
Mortgage loans	17,7	16,2
Public sector loans	16,4	16,1
Customer deposits	11,5	10,4
Capital adequacy (CET 1)	19,1 %	19,9 %

# Profit development

## Group profit before tax

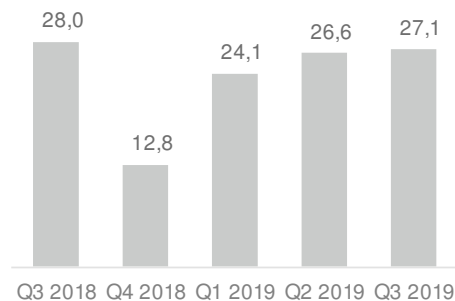
NOK millions, YTD this year vs. YTD last year



# Profit development

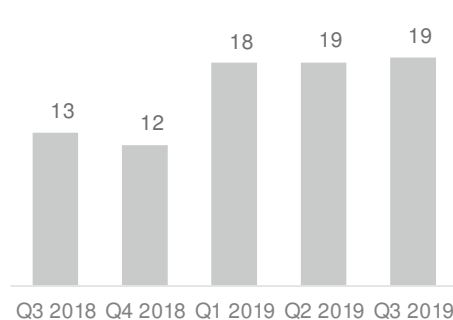
## Group PBT

NOK millions



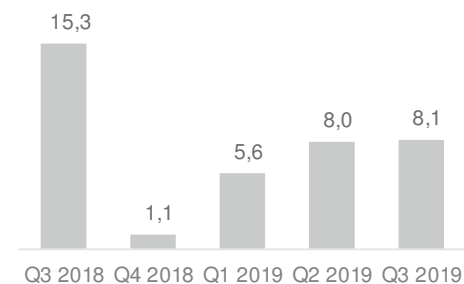
## Retail market PBT

NOK millions



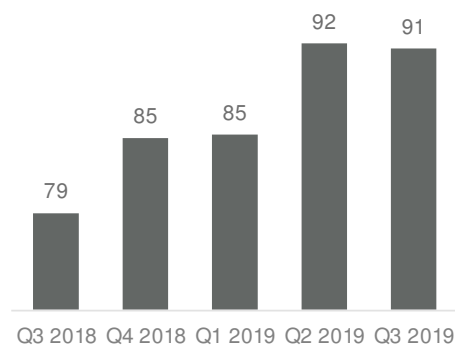
## Public sector PBT

NOK millions



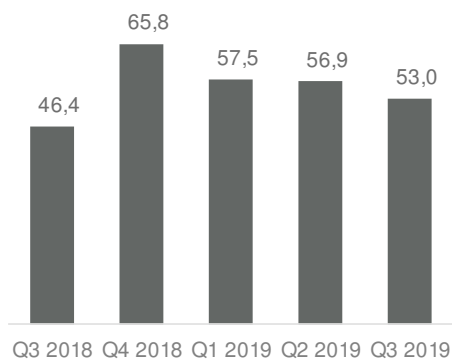
## Total income

NOK millions, Group



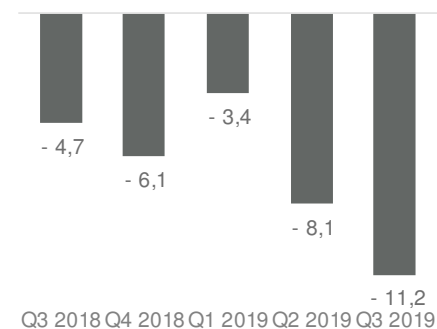
## Operating expenses

NOK millions, Group



## Financial gains/losses

NOK millions, Group



# Profit development

## Delinquent loans, mortgage and public sector

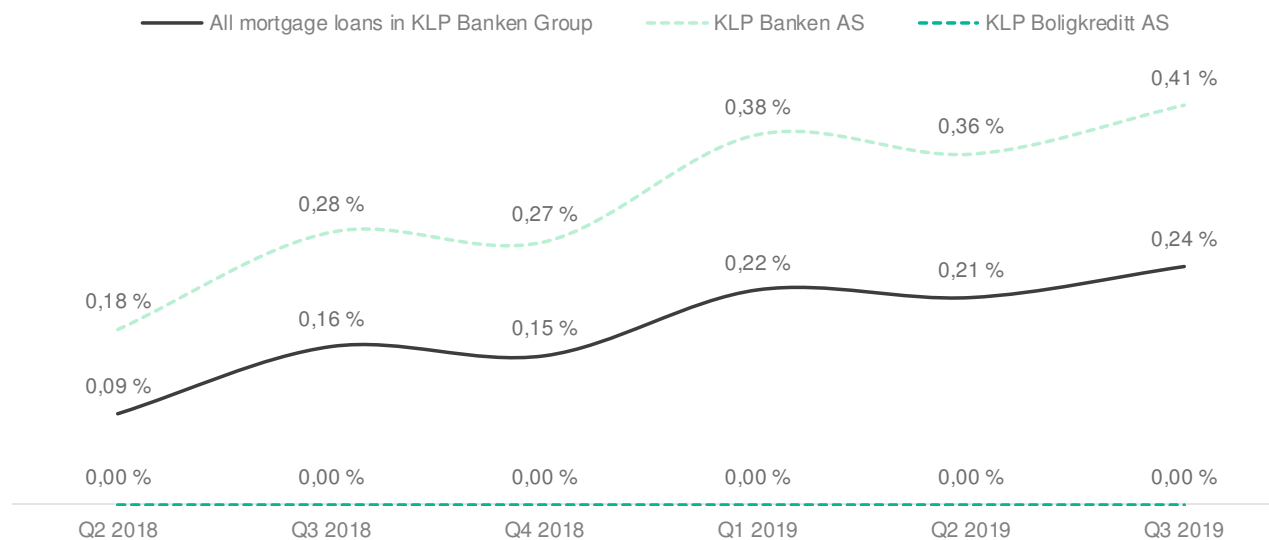
NOK MILLIONS	30.09.2019
Delinquencies in % of Group total lending	0,20 %

## Loss provisions

NOK MILLIONS	2017	2018	2019
Mortgage loans	3	7	6
Public sector loans	-	-0,0	-0,0

## Retail loan delinquencies

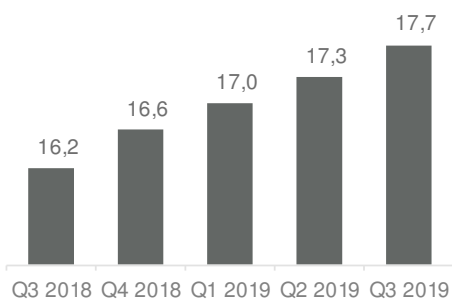
>90 days, % of company total lending balance



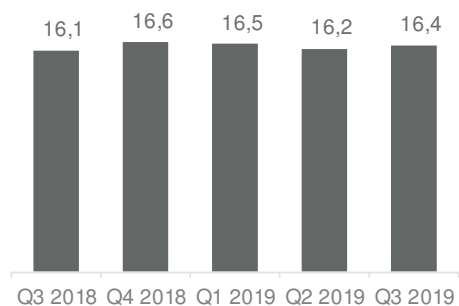
# Business volumes

NOK BILLIONS	MORTGAGE LOANS	PUBLIC SECTOR LOANS	CUSTOMER DEPOSITS*
KLP Banken AS	10,5		11,5
KLP Boligkreditt AS	7,2		
KLP Kommunekreditt AS		16,4	
<b>Total</b>	<b>17,7</b>	<b>16,4</b>	<b>11,5</b>

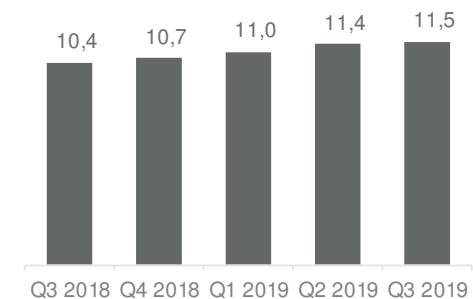
**Mortgage loans**  
NOK billions



**Public sector loans**  
NOK billions



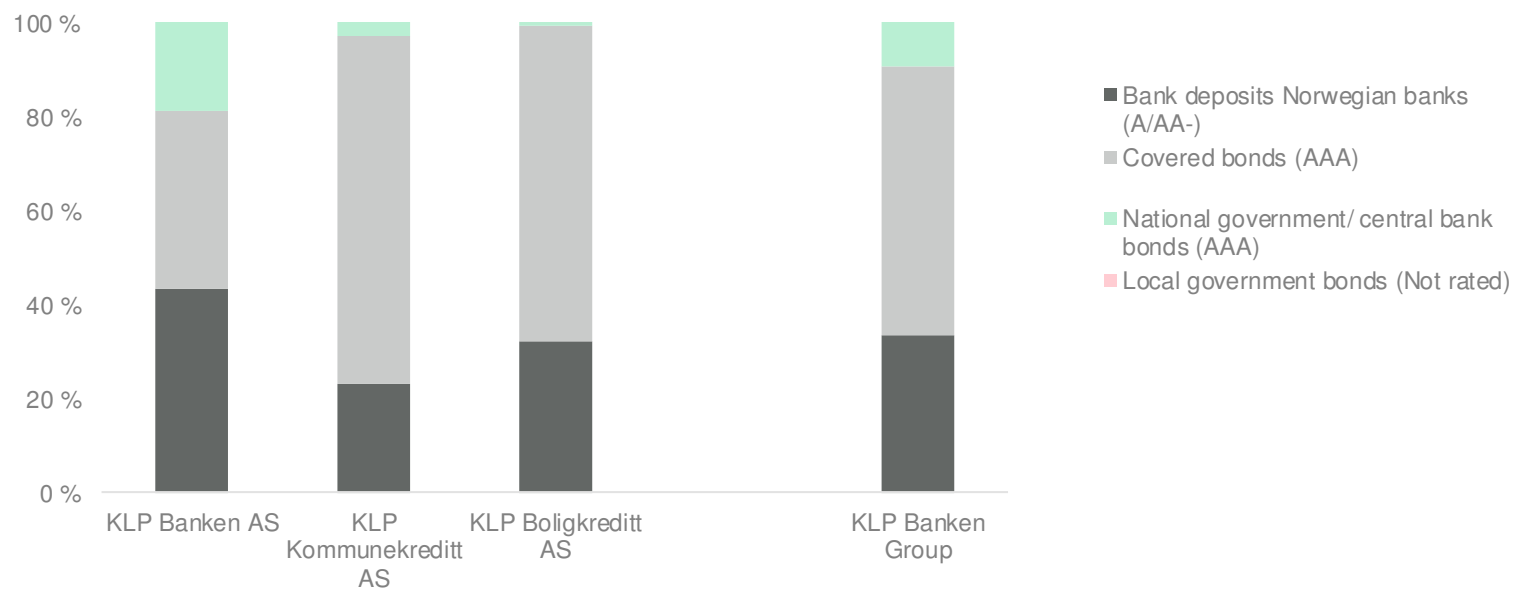
**Deposits**  
NOK billions



# Liquidity placements

## Composition of liquidity placements

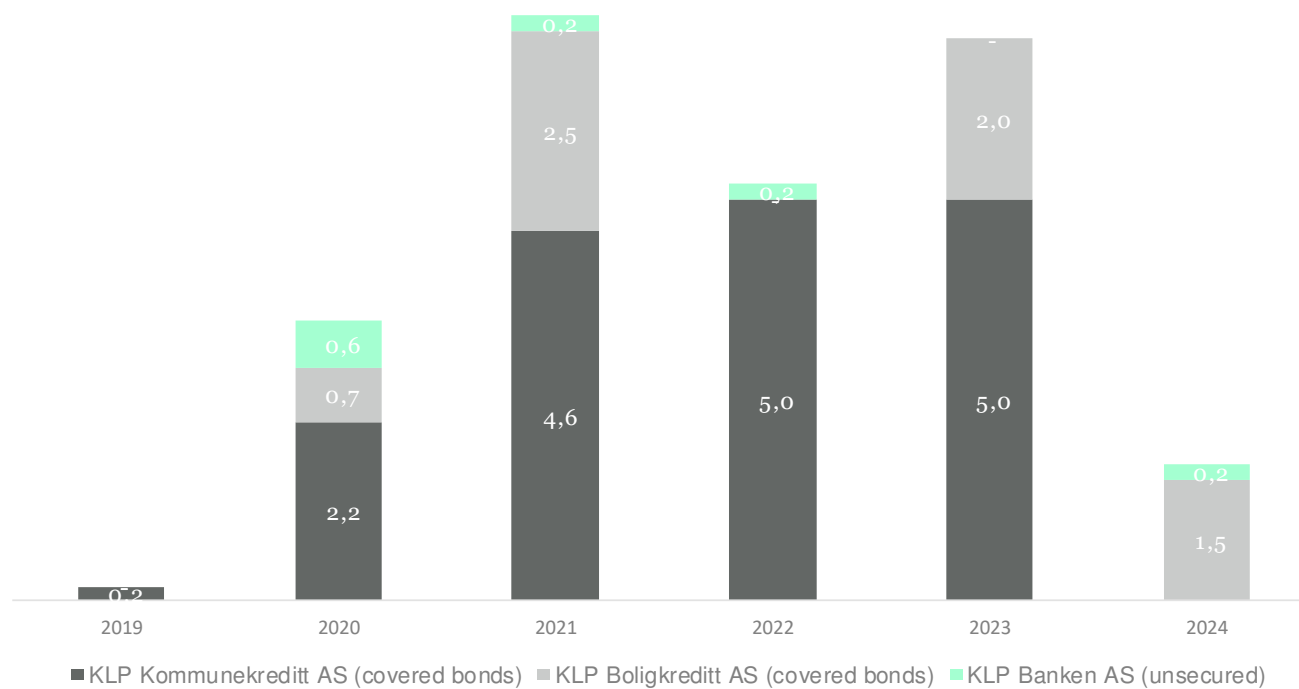
Quarter end





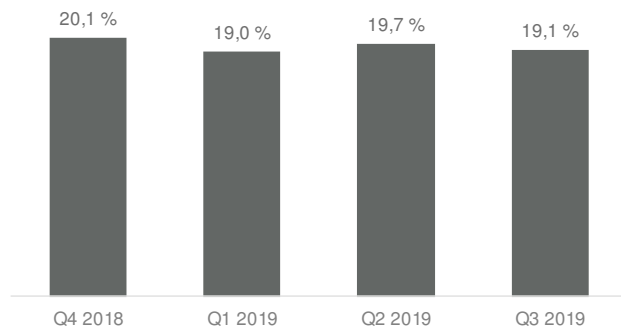
# Issued bond debt

Maturity profile of issued bond debt  
NOK billions

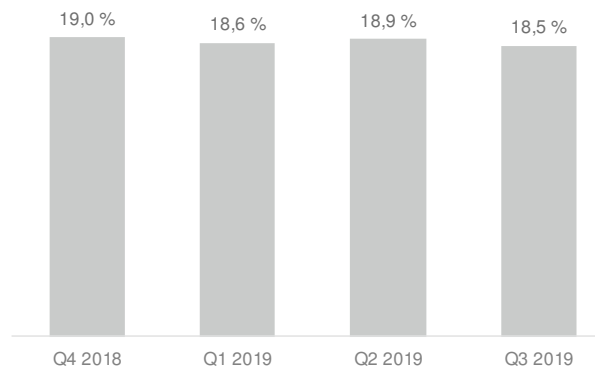


# Core capital adequacy

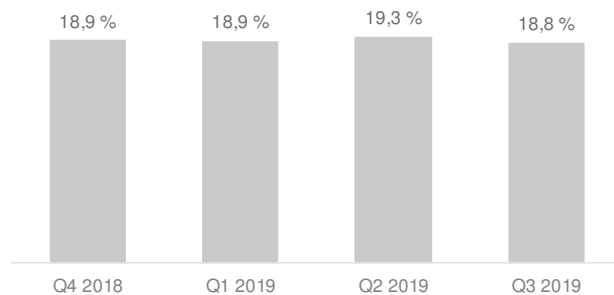
**KLP Banken Group**  
CET1



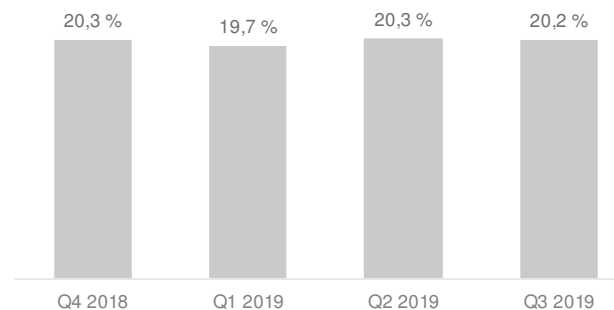
**KLP Banken AS**  
CET1



**KLP Boligkreditt AS**  
CET1



**KLP Kommunekreditt AS**  
CET1



# P&Ls

## KLP Banken Group

NOK MILLIONS, YTD	Q3 2019	Q3 2018	2018
Net interest income	209	183	249
Management fee	44	43	58
Net commission and fees	14	12	17
Gain/loss financial asset/debt	-23	-7	-12
Operating expenses	-162	-156	-220
Write-up/downs	-6	-5	-7
<b>Earnings before tax</b>	<b>77</b>	<b>71</b>	<b>85</b>

## KLP Banken AS

NOK MILLIONS, YTD	Q3 2019	Q3 2018	2018
Net interest income	120	93	128
Management fee	44	43	58
Net commission and fees	14	12	17
Gain/loss financial asset/debt	1	-0	-0
Operating expenses	-117	-113	-159
Write-up/downs	-6	-5	-7
<b>Earnings before tax</b>	<b>56</b>	<b>31</b>	<b>38</b>

Numbers do not include effects from group contribution

## KLP Boligkreditt AS

NOK MILLIONS, YTD	Q3 2019	Q3 2018	2018
Net interest income	46	39	55
Gain/loss financial asset/debt	-10	-1	-1
Other income	-0	-0	-0
Operating expenses	-33	-31	-45
<b>Earnings before tax</b>	<b>3</b>	<b>7</b>	<b>9</b>

## KLP Kommunekreditt AS

NOK MILLIONS, YTD	Q3 2019	Q3 2018	2018
Net interest income	44	51	66
Gain/loss financial asset/debt	-13	-7	-12
Other income	0	0	-0
Operating expenses	-11	-11	-16
<b>Earnings before tax</b>	<b>19</b>	<b>33</b>	<b>37</b>

# Balance sheets

## KLP Banken Group

NOK MILLIONS	30.09.2019	30.09.2018	31.12.2018
Lending to credit institutions	1 746	1 536	1 439
Loans to customers	34 270	32 449	33 474
Interest bearing securities	3 437	2 303	2 015
Other assets	159	181	160
<b>Total assets</b>	<b>39 611</b>	<b>36 468</b>	<b>37 089</b>
Borrowing from credit inst.	-	-	-
Bond debt	25 528	23 495	24 040
Deposits	11 649	10 531	10 662
Other debt	241	312	249
<b>Total liabilities</b>	<b>37 417</b>	<b>34 339</b>	<b>34 951</b>
Equity	2 194	2 130	2 138
<b>Total liabilities and equity</b>	<b>39 611</b>	<b>36 468</b>	<b>37 089</b>

## KLP Boligkreditt AS

NOK MILLIONS	30.09.2019	30.09.2018	31.12.2018
Lending to credit institutions	270	304	148
Loans to customers	7 167	6 818	7 228
Interest bearing securities	565	207	288
Other assets	4	10	4
<b>Total assets</b>	<b>8 007</b>	<b>7 340</b>	<b>7 669</b>
Borrowing from credit inst.	803	700	1 037
Bond debt	6 677	6 124	6 116
Deposits	-	-	-
Other debt	16	9	8
<b>Total liabilities</b>	<b>7 496</b>	<b>6 833</b>	<b>7 161</b>
Equity	510	507	508
<b>Total liabilities and equity</b>	<b>8 007</b>	<b>7 340</b>	<b>7 669</b>

## KLP Banken AS

NOK MILLIONS	30.09.2019	30.09.2018	31.12.2018
Lending to credit institutions	2 039	1 850	2 108
Loans to customers	10 579	9 424	9 488
Interest bearing securities	1 237	1 083	1 000
Other assets	1 273	1 256	1 272
<b>Total assets</b>	<b>15 128</b>	<b>13 614</b>	<b>13 868</b>
Borrowing from credit inst.	-	-	-
Bond debt	1 204	861	1 015
Deposits	11 649	10 531	10 662
Other debt	189	181	146
<b>Total liabilities</b>	<b>13 042</b>	<b>11 573</b>	<b>11 822</b>
Equity	2 086	2 042	2 045
<b>Total liabilities and equity</b>	<b>15 128</b>	<b>13 614</b>	<b>13 868</b>

## KLP Kommunekreditt AS

NOK MILLIONS	30.09.2019	30.09.2018	31.12.2018
Lending to credit institutions	489	557	650
Loans to customers	16 525	16 206	16 759
Interest bearing securities	1 634	1 012	727
Other assets	104	105	71
<b>Total assets</b>	<b>18 752</b>	<b>17 880</b>	<b>18 206</b>
Borrowing from credit inst.	250	475	430
Bond debt	17 646	16 511	16 909
Deposits	-	-	-
Other debt	91	148	117
<b>Total liabilities</b>	<b>17 987</b>	<b>17 134</b>	<b>17 456</b>
Equity	764	746	750
<b>Total liabilities and equity</b>	<b>18 752</b>	<b>17 880</b>	<b>18 206</b>



# Content

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



# Overview

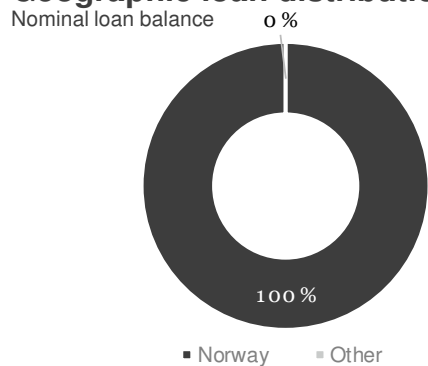
## Key data

NOK MILLIONS	30.09.2019
Total loan balance	6 962 224 636
Bank deposits	270 460 517
Norwegian AAA-rated covered bonds	803 000 000
<b>Total cover pool</b>	<b>8 035 685 154</b>
<b>Covered bonds issued</b>	<b>7 164 000 000</b>
Over-collateralisation	12,2 %
No. of loans	5 510
Average loan balance	1 263 562
WA Seasoning (months)	48,7
WA Remaining terms (months)	259,2
WA Indexed LTV	47,6 %
WA Unindexed LTV	50,6 %
Percentage variable mortgages	100,0 %

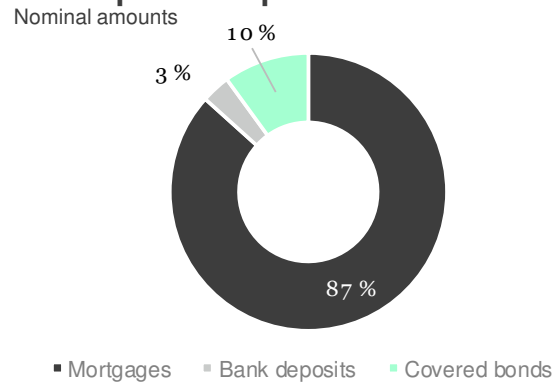
## Ratings

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

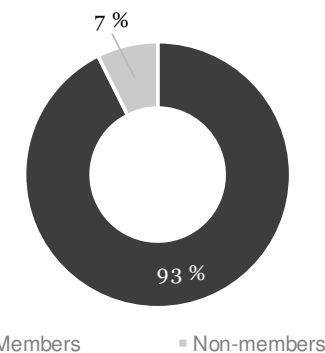
### Geographic loan distribution



### Cover pool composition



### KLP members' share of total loan balance



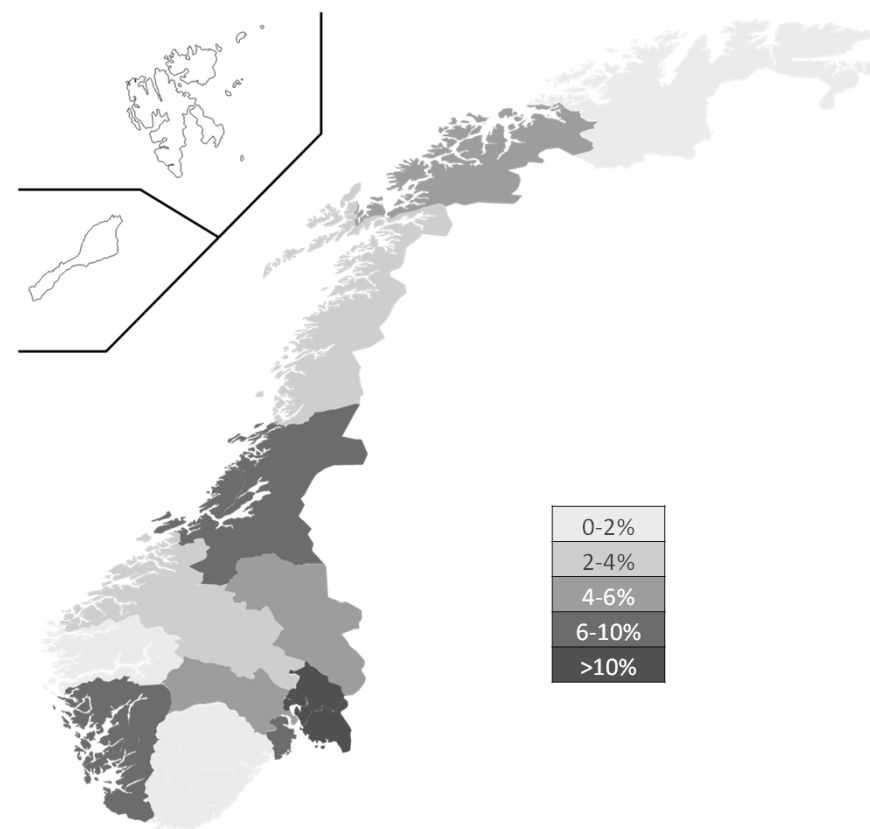
# Geographical distribution

## Geographical mortgage distribution

COUNTY	NOK
Akershus	1 373 587 312
Østfold	790 205 129
Oslo	743 993 806
Hordaland	582 300 209
Vestfold	534 894 517
Rogaland	418 111 395
Trøndelag	407 351 089
Buskerud	370 844 304
Hedmark	297 403 057
Troms	284 261 443
Nordland	268 481 981
Møre og Romsdal	241 573 158
Oppland	196 343 703
Telemark	152 338 829
Vest-Agder	98 477 595
Finnmark	91 265 314
Aust-Agder	73 858 843
Sogn og fjordane	36 932 951
Svalbard	-
<b>Total loan balance</b>	<b>6 962 224 636</b>

## Geographical loan distribution

% of total loan balance



# Loan-to-value

## Unindexed LTV distribution

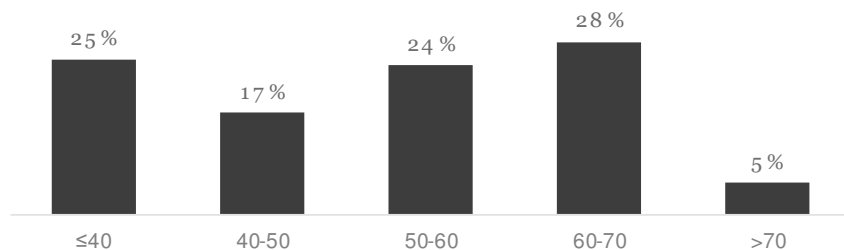
LTV INTERVAL	NOK
≤40	1 770 447 070
40-50	1 156 666 544
50-60	1 701 032 758
60-70	1 975 013 362
>70	359 064 903
<b>Total loan balance</b>	<b>6 962 224 636</b>

## Indexed LTV distribution

LTV INTERVAL	NOK
≤40	2 169 995 311
40-50	1 220 915 388
50-60	1 800 678 683
60-70	1 562 481 425
>70	208 153 830
<b>Total loan balance</b>	<b>6 962 224 636</b>

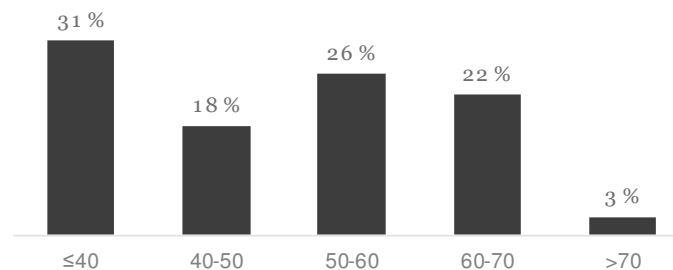
### LTV-distribution

Unindexed, % of total



### LTV-distribution

Indexed, % of total





# Seasoning

## Remaining terms

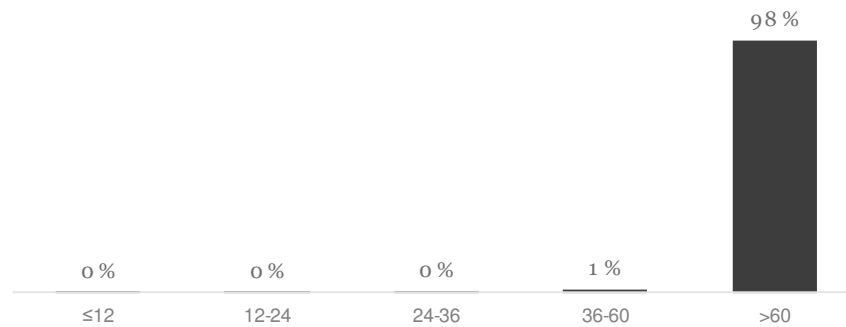
MONTHS	NOK
≤12	3 000 322
12-24	13 090 462
24-36	17 639 337
36-60	81 346 161
>60	6 847 148 354
<b>Total loan balance</b>	<b>6 962 224 636</b>

## Seasoning

MONTHS	NOK
≤12	1 016 970 268
12-24	1 671 349 931
24-36	911 364 158
36-60	1 617 743 107
>60	1 744 797 172
<b>Total loan balance</b>	<b>6 962 224 636</b>

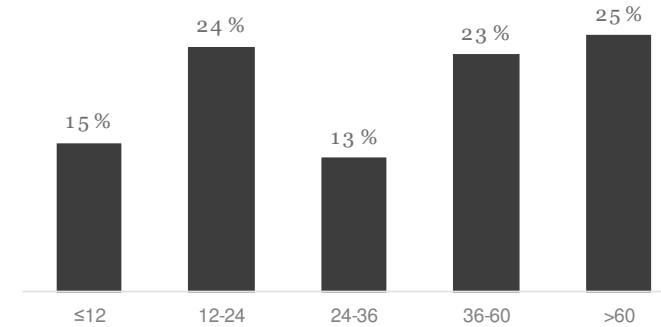
## Remaining terms

Months, % of total



## Seasoning

Months, % of total



# Interest and repayment

## Interest rate structure

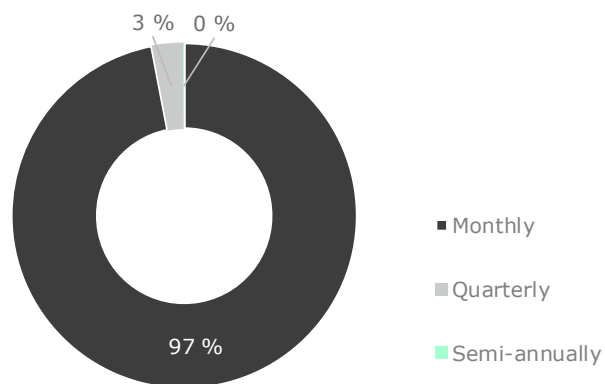
FREQUENCY	NOK
Monthly	6 752 980 050
Quarterly	203 471 584
Semi-annually	5 773 002
<b>Total loan balance</b>	<b>6 962 224 636</b>

## Repayment structure

TYPE	NOK
Annuity	6 764 482 909
Constant amortisation	197 741 727
<b>Total loan balance</b>	<b>6 962 224 636</b>

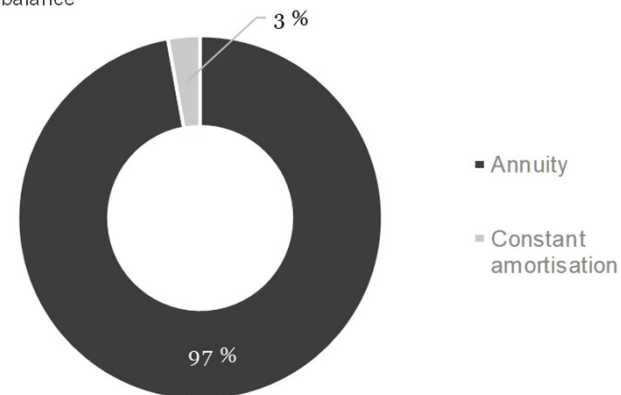
## Interest payment frequency

% 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	80 151 475	185 655	1,2 %
30< >90 days	-	-	0,0 %
>90 days	-	-	0,0 %
<b>Total</b>	<b>80 151 475</b>	<b>185 655</b>	<b>1,2 %</b>

# Content

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



# Overview

Key data	
Amounts in NOK	30.09.2019
Total nominal loan balance	16 399 591 539
Bank deposits	486 094 812
AAA-rated bonds	1 810 000 000
<b>Total cover pool</b>	<b>18 695 686 351</b>
<b>Covered bonds issued</b>	<b>18 138 000 000</b>
Over-collateralisation	3,1 %
No. of loans	713
Average loan size	23 000 830
WA life (years)	12
WA Remaining terms (months)	259
Largest debtor/guarantor (in % of pool)	4,1 %

KLP KOMMUNEKREDITT AS RATINGS	Moody's
Covered bond rating	Aaa

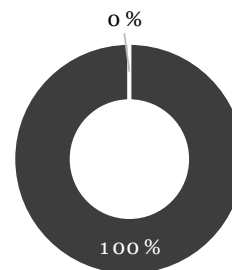
All loans are either made directly to or are guaranteed by Norwegian municipalities or county administrations.

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.

## Geographic loan distribution

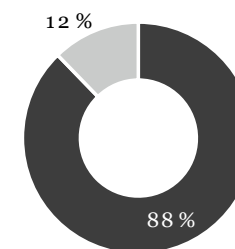
Nominal loan balance



■ Norway ■ Others

## Cover pool composition

Nominal amounts



■ Public sector loans ■ Substitution assets

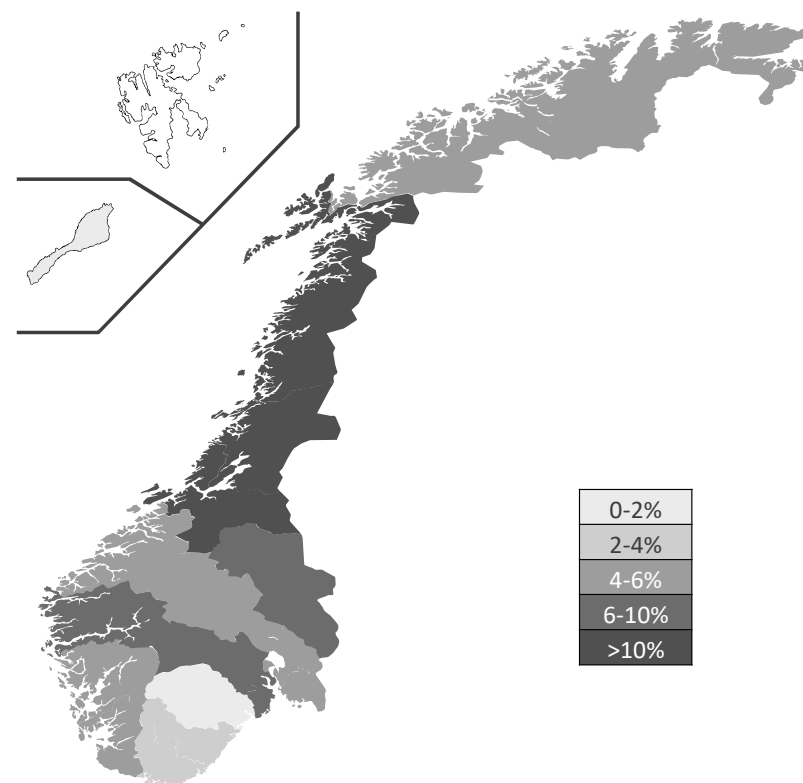
# Geographical distribution

## Geographical distribution

COUNTY	NOK
Trøndelag	1 998 826 916
Nordland	1 957 940 033
Vestfold	1 425 920 326
Buskerud	1 389 602 811
Hedmark	1 194 642 052
Sogn og Fjordane	1 086 040 332
Rogaland	1 008 700 965
Hordaland	889 691 103
Møre og Romsdal	878 581 115
Akershus	866 351 150
Finnmark	828 420 546
Østfold	731 362 756
Oppland	702 384 511
Troms	617 664 881
Vest-Agder	361 439 657
Telemark	241 632 972
Aust-Agder	194 131 339
Svalbard	26 258 073
Oslo	-
<b>Total loan balance</b>	<b>16 399 591 539</b>

## Geographical loan distribution

% of total loan balance



# Debtor and collateral concentration

## TOP 10 LARGEST DEBTORS NOK

Debtor 1	764 034 995
Debtor 2	560 041 652
Debtor 3	521 168 375
Debtor 4	424 000 000
Debtor 5	388 746 504
Debtor 6	384 096 099
Debtor 7	331 579 771
Debtor 8	320 112 937
Debtor 9	296 153 848
Debtor 10	285 606 626

**Top 10 total loan balance** **4 275 540 807**

Largest 10 in percent of total loan balance 26,1 %

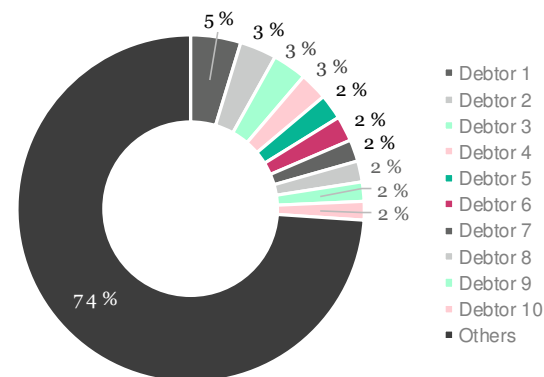
## COLLATERAL TYPE NOK

Direct claim against municipality	13 923 342 011
Loan with guarantee of municipality	1 515 481 997
Loan with guarantee of region/federal state	523 350 023
Direct claim against region/federal state	399 473 921
Others	37 943 586

**Total loan balance** **16 399 591 539**

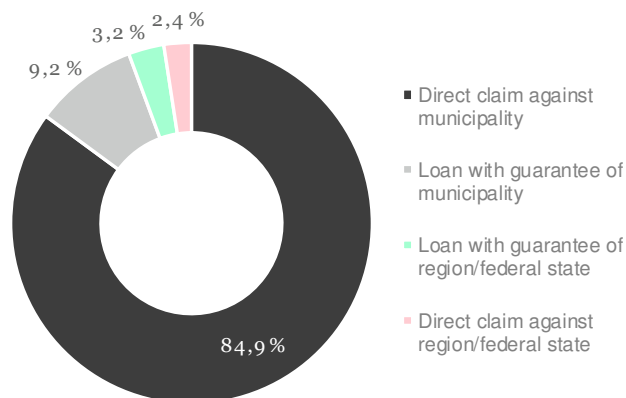
## Debtor concentration

% 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	14 171 106 047	86 %	661
Annuity	45 140 950	0 %	2
Partial Bullet	479 877 048	3 %	12
Bullet	1 703 467 494	10 %	38
<b>Total</b>	<b>16 399 591 539</b>	<b>100 %</b>	<b>713</b>

## Loan size

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
< 10 mill.	1 270 582 730	8 %	361
> 10 mill. - < 25 mill.	2 979 089 723	18 %	181
> 25 mill. - < 100 mill.	8 516 028 647	52 %	155
> 100 mill. - < 250 mill.	2 036 861 742	12 %	11
< 250 mill.	1 597 028 697	10 %	5
<b>Total</b>	<b>16 399 591 539</b>	<b>100 %</b>	<b>713</b>

## Rate reset period

NOK	LOAN BALANCE	SHARE	ACC %
< 1 month	10 988 224 351	67 %	67 %
> 1 month - < 3 month	2 424 471 793	15 %	82 %
> 3 month - < 1 yr	287 622 405	2 %	84 %
> 1 yr - < 2 yr	588 098 918	4 %	87 %
> 2 yr - < 5 yr	1 463 543 702	9 %	96 %
> 5 yr	647 630 370	4 %	100 %
<b>Total</b>	<b>16 399 591 539</b>	<b>100 %</b>	

## Interest rate type

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
Variable	13 569 539 401	83 %	634
Fixed	2 830 052 138	17 %	79
<b>Total</b>	<b>16 399 591 539</b>	<b>100 %</b>	<b>713</b>



# Delinquencies

NOK	LOAN BALANCE	AMOUNT IN ARREARS	LOAN BALANCE IN % OF COVER POOL LOANS
0< >30 days	-	-	0,0 %
30< >60 days	-	-	0,0 %
60< >90 days	-	-	0,0 %
>90 days	-	-	0,0 %
<b>Total</b>	-	-	<b>0,0 %</b>

# 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



# Disclaimer

This material does not constitute an offering circular in whole or part and you must read the actual offering circular related to the Covered Bond program and the notes which may be issued from time to time thereunder as referred to in this material (respectively the "Program" and the "Notes") before making an investment decision. The offering circular for the Program is available from the Arranger. You should consult the offering circular for more complete information about KLP Kommunekreditt AS / KLP Boligkreditt AS and the Programs.

This material is presented solely for information purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments and should not be treated as giving investment advice. It has no regard to the specific investment objectives, financial situation or particular needs of any recipient. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein. It should not be regarded by recipients as a substitute for the exercise of own judgment. Any opinions expressed in this material are subject to change without notice and KLP Kommunekreditt AS / KLP Boligkreditt AS is not under any obligation to update or keep current the information contained herein. In addition, institutions mentioned in this material, their affiliates, agents, directors, partners and employees may make purchases and/or sales of the Notes as principal or agent or may act as market maker or provide investment banking or other services in respect of the Program or the Notes which may be issued from time to time thereunder. KLP Kommunekreditt AS / KLP Boligkreditt AS, the Arranger and the Dealers and their respective affiliates, agents, directors, partners and employees accept no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this material.

KLP Kommunekreditt AS / KLP Boligkreditt AS cannot guarantee that the information contained herein is without fault or entirely accurate. The information in this material is based on sources that KLP Kommunekreditt AS / KLP Boligkreditt AS believes to be reliable. KLP Kommunekreditt AS / KLP Boligkreditt AS can however not guarantee that all the information is correct. Furthermore, information and opinions may change without notice. KLP Kommunekreditt AS / KLP Boligkreditt AS is under no obligation to make amendments or changes to this publication if errors are found or opinions or information change. KLP Kommunekreditt AS / KLP Boligkreditt AS accepts no responsibility for the accuracy of its sources.

The Notes are not to be offered or sold in any jurisdiction in circumstances in which the distribution of this document or the Notes would be prohibited in such jurisdiction. This document must not be acted on or relied on by persons who are not eligible to invest in the Notes. Any investment or investment activity to which this communication relates is available only to persons eligible to invest in the Notes and will be engaged in only with such persons.

Furthermore, you should consult with your own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent that you deem it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of an investment in the Notes which may be offered from time to time under the Program) based upon your own judgment and advice from such advisers as you deem necessary, and not upon any view expressed in this presentation.



ALP