

Q2 2019 Presentation KLP Banken Group

Q2 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	Q2 2019	Q2 2018
Profit before tax	51	43
Total income	177	160
Operating expenses	111	111
ROE, annualised b.t.	9,5 %	8,3 %

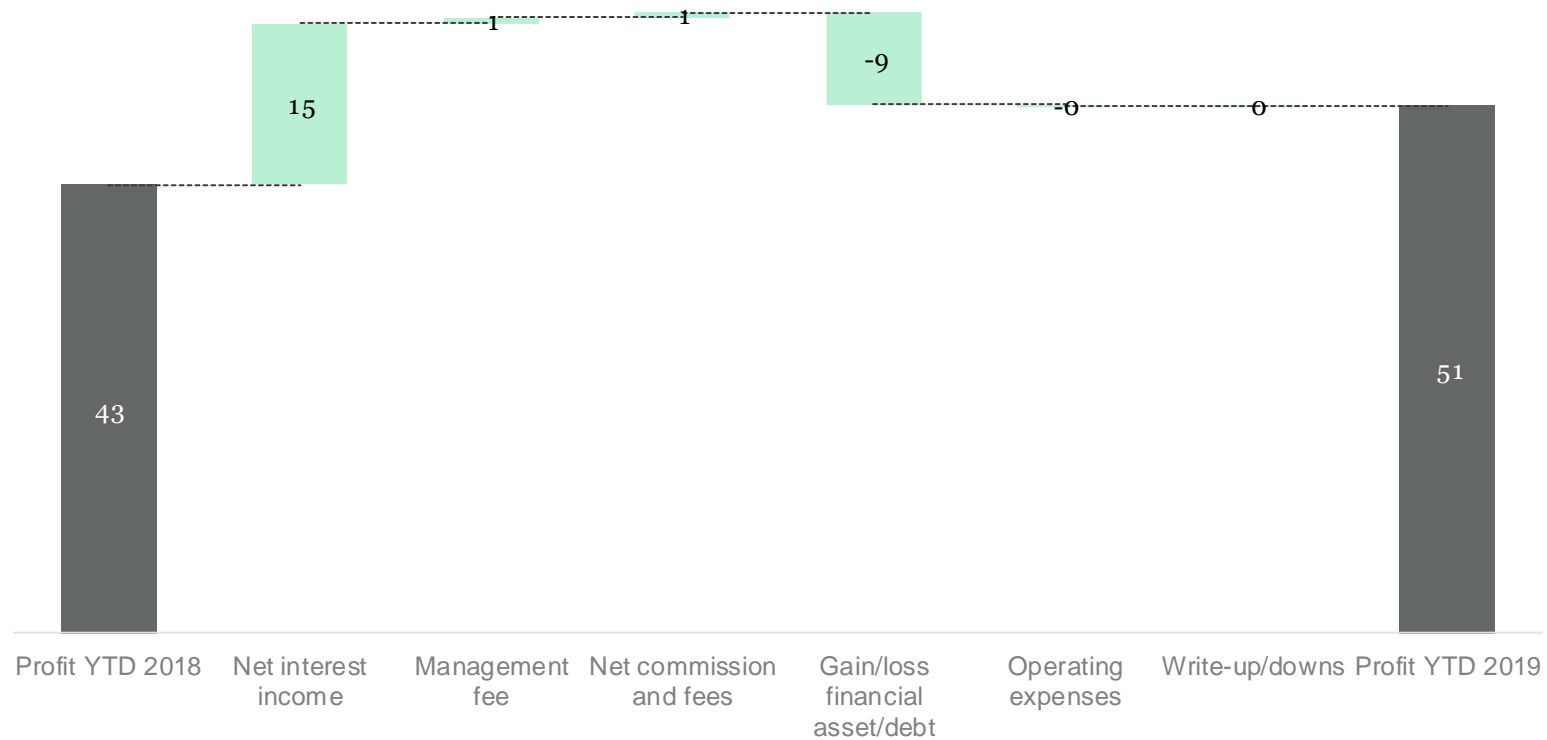
Balance sheet

NOK MILLIONS	30.06.2019	30.06.2018
Mortgage loans	17,3	15,7
Public sector loans	16,2	16,1
Customer deposits	11,4	10,2
Capital adequacy (CET 1)	19,7 %	20,2 %

Profit development

Group profit before tax

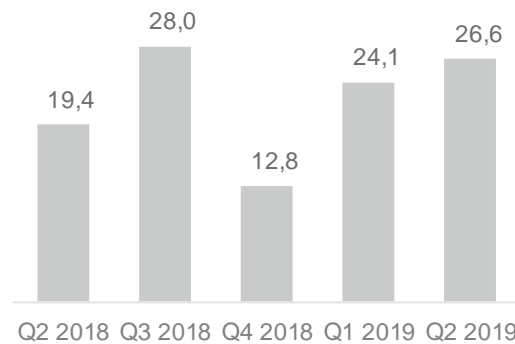
NOK millions, YTD this year vs. YTD last year



Profit development

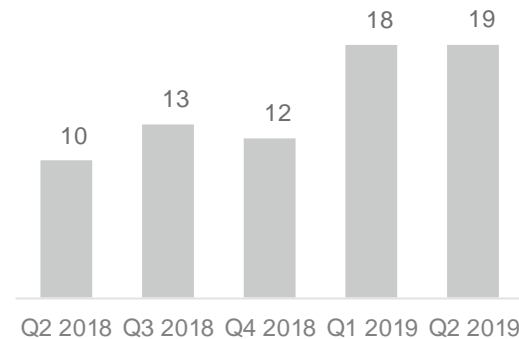
Group PBT

NOK millions



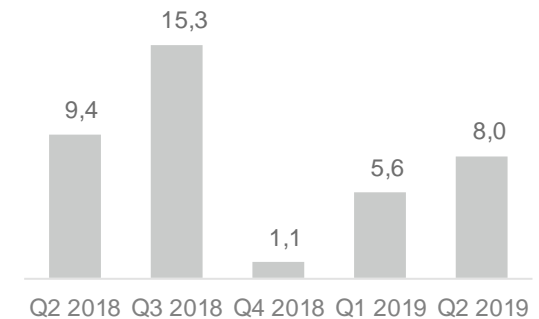
Retail market PBT

NOK millions



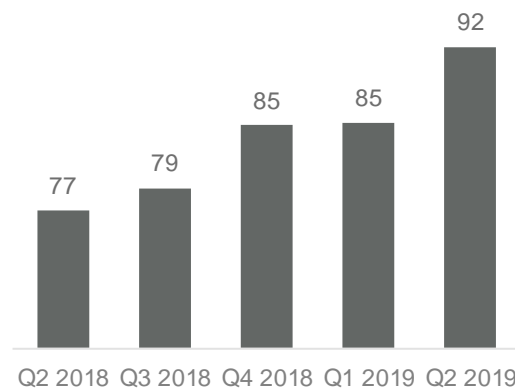
Public sector PBT

NOK millions



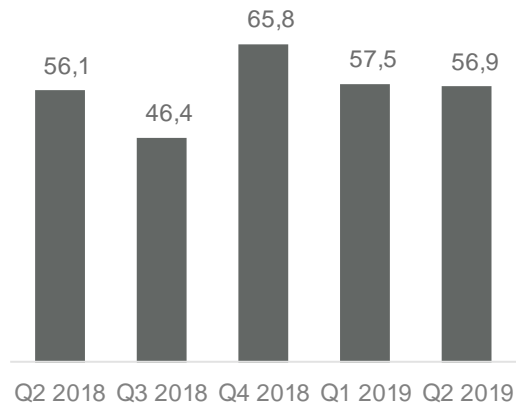
Total income

NOK millions, Group



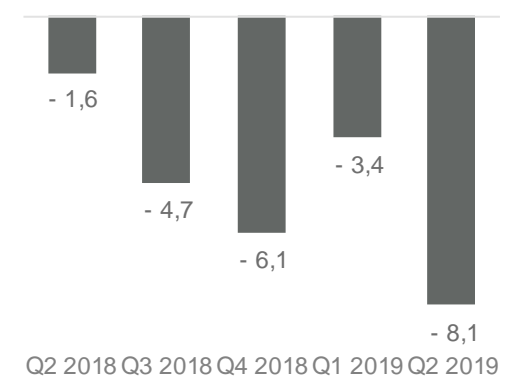
Operating expenses

NOK millions, Group



Financial gains/losses

NOK millions, Group



Profit development

Delinquent loans, mortgage and public sector

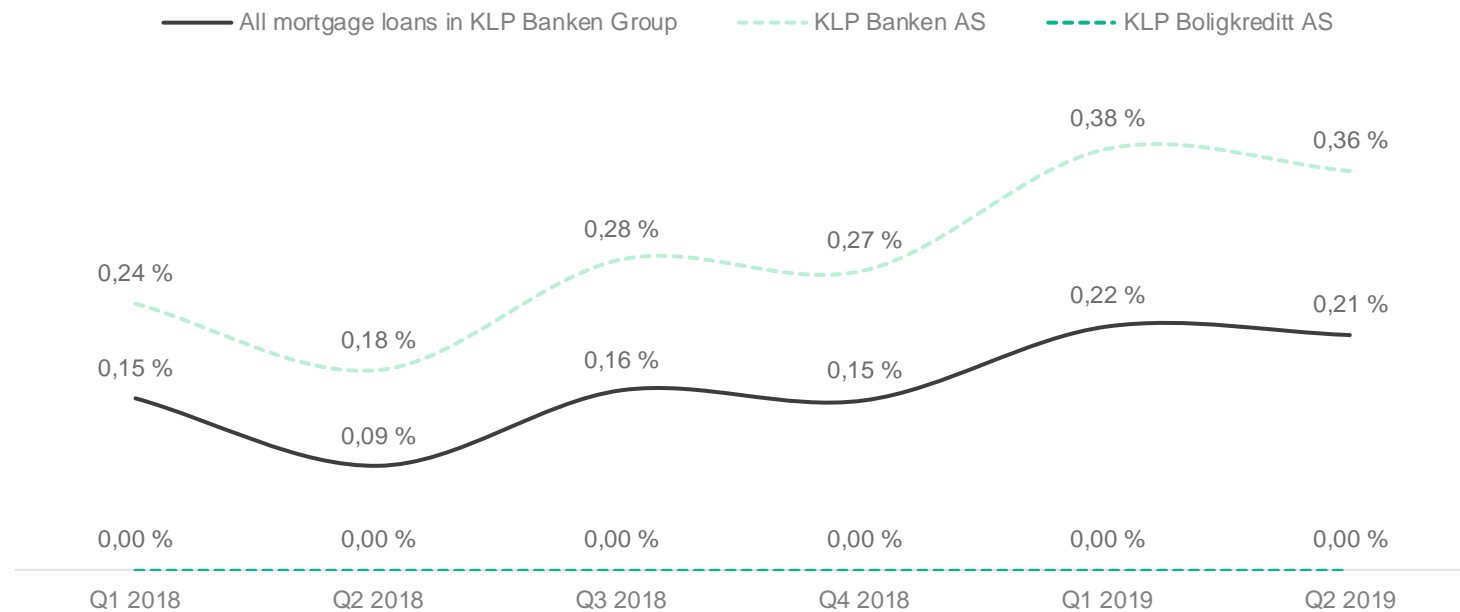
NOK MILLIONS	30.06.2019
Delinquencies in % of Group total lending	0,18 %

Loss provisions

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

Retail loan delinquencies

>90 days, % of company total lending balance

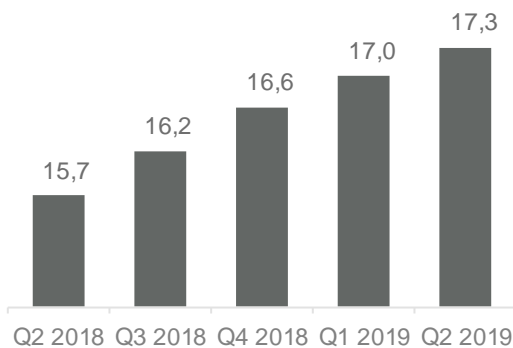


Business volumes

NOK BILLIONS	MORTGAGE LOANS	PUBLIC SECTOR LOANS	CUSTOMER DEPOSITS*
KLP Banken AS	10,2		11,4
KLP Boligkreditt AS	7,1		
KLP Kommunekreditt AS		16,2	
Total	17,3	16,2	11,4

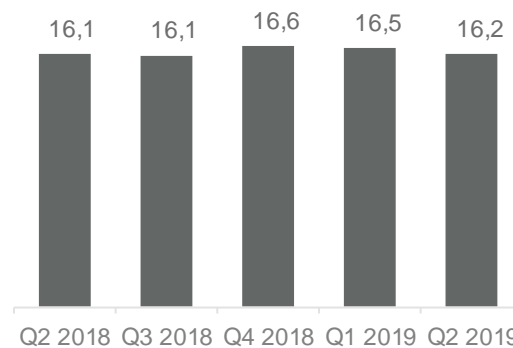
Mortgage loans

NOK billions



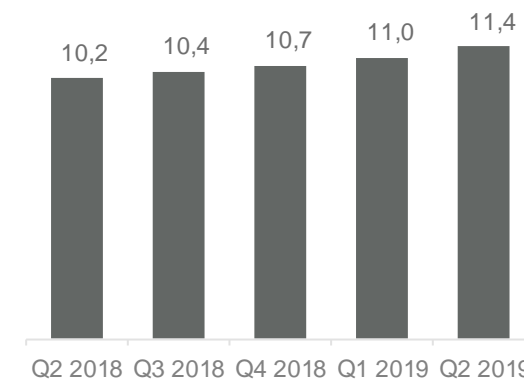
Public sector loans

NOK billions



Deposits

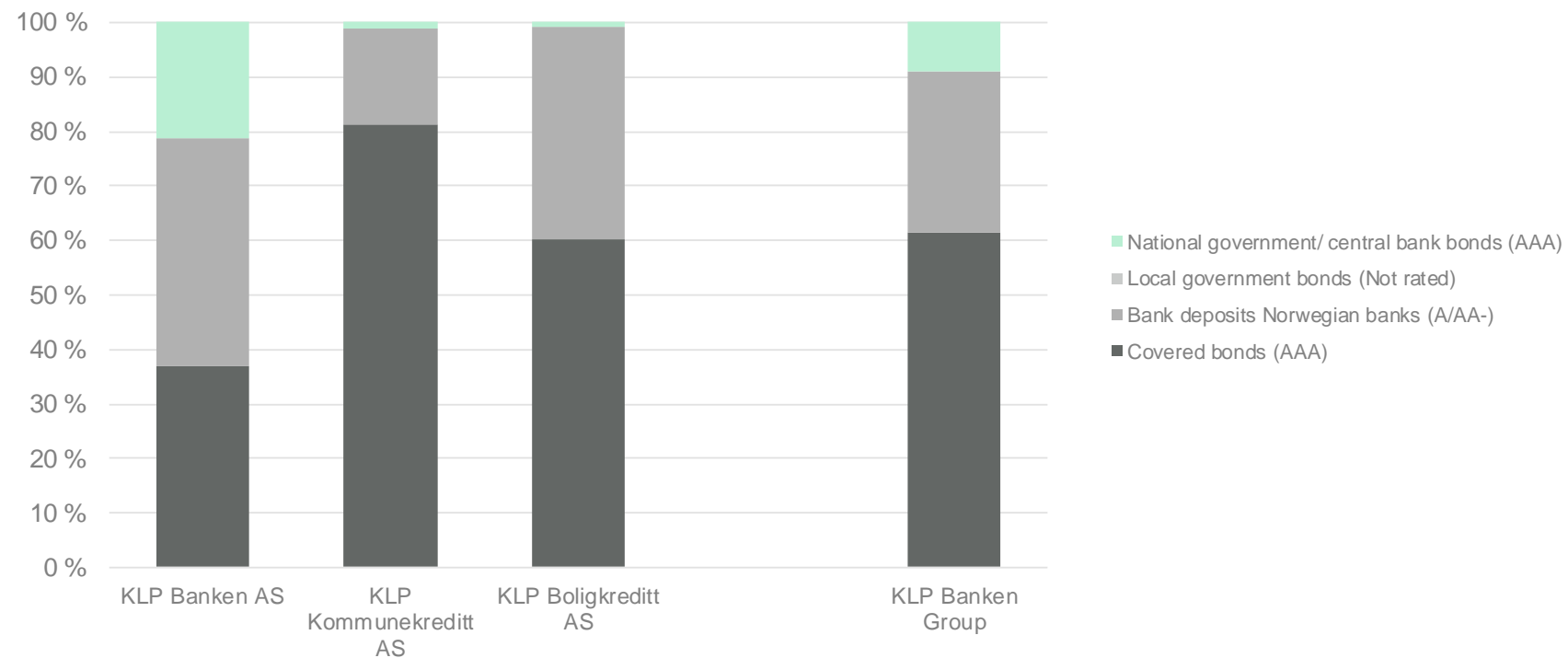
NOK billions



Liquidity placements

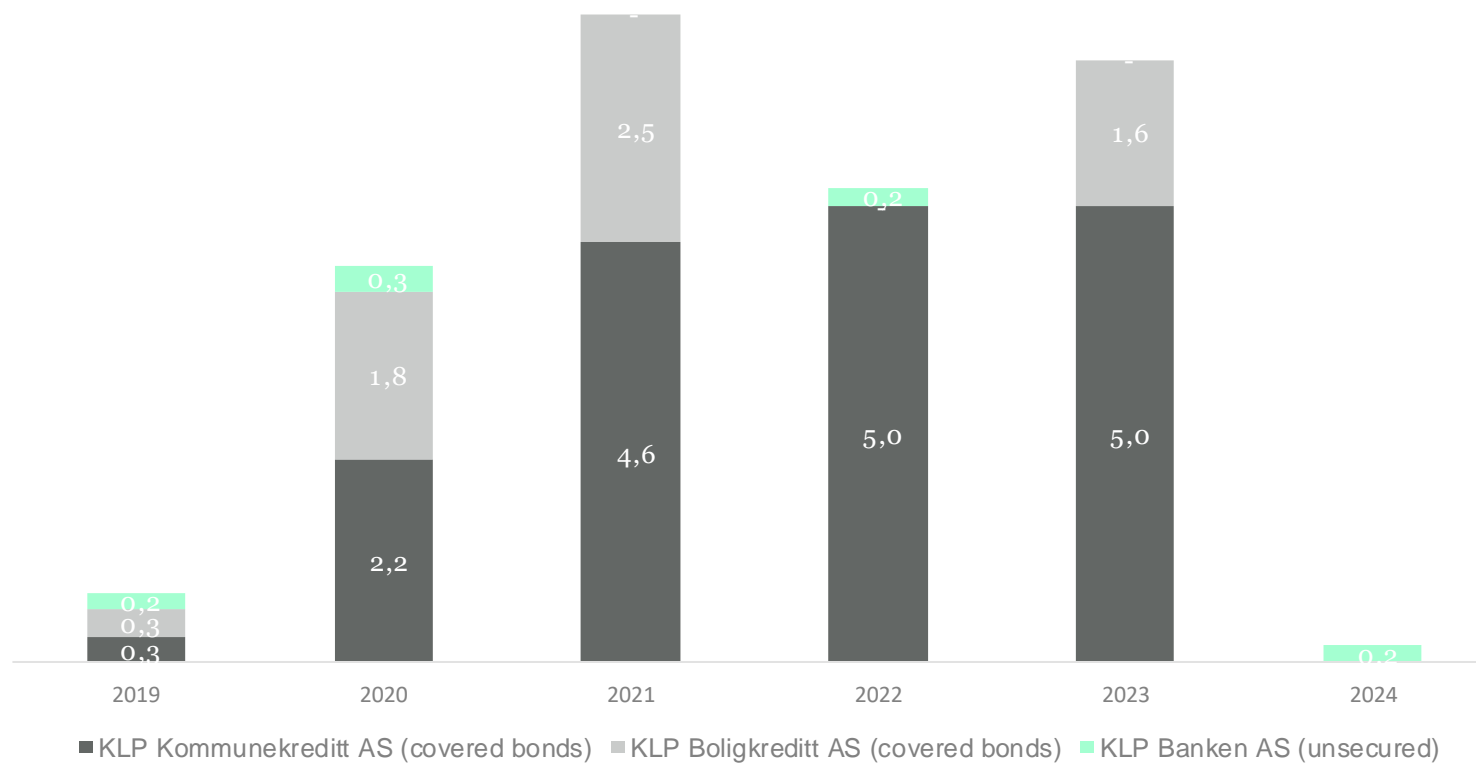
Composition of liquidity placements

Quarter end



Issued bond debt

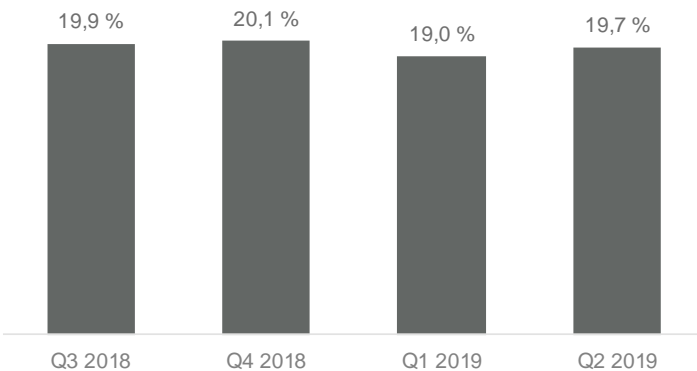
Maturity profile of issued bond debt
NOK billions



Core capital adequacy

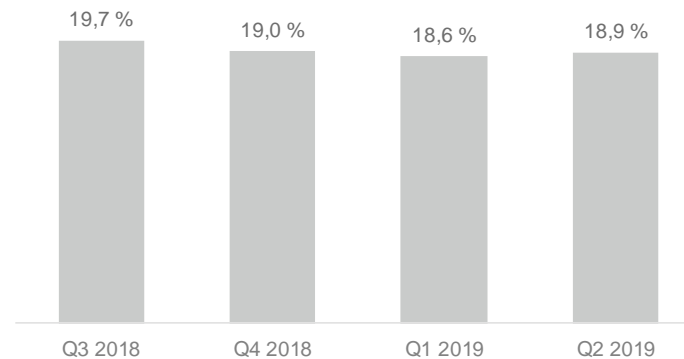
KLP Banken Group

CET1



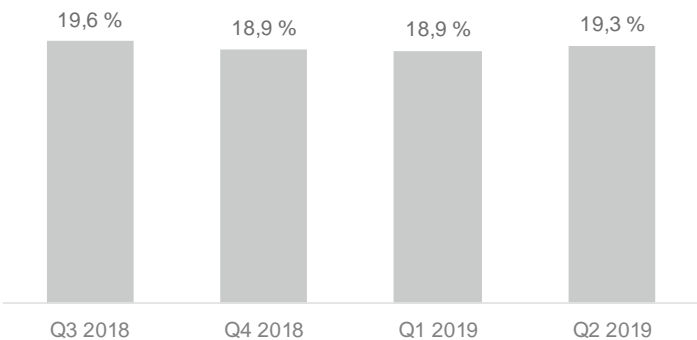
KLP Banken AS

CET1



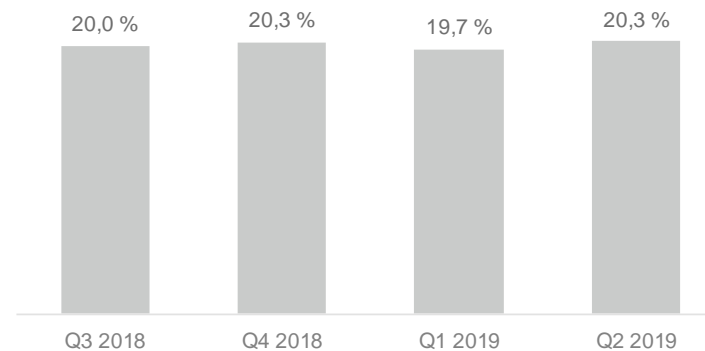
KLP Boligkreditt AS

CET1



KLP Kommunekreditt AS

CET1



P&Ls

KLP Banken Group

NOK MILLIONS, YTD	Q2 2019	Q2 2018	2018
Net interest income	138	123	249
Management fee	30	29	58
Net commission and fees	9	8	17
Gain/loss financial asset/debt	-12	-3	-12
Operating expenses	-111	-111	-220
Write-up/downs	-3	-3	-7
Earnings before tax	51	43	85

KLP Banken AS

NOK MILLIONS, YTD	Q2 2019	Q2 2018	2018
Net interest income	76	64	128
Management fee	30	29	58
Net commission and fees	9	8	17
Gain/loss financial asset/debt	2	2	-0
Operating expenses	-81	-82	-159
Write-up/downs	-3	-3	-7
Earnings before tax	32	18	38

Numbers do not include effects from group contribution

KLP Boligkreditt AS

NOK MILLIONS, YTD	Q2 2019	Q2 2018	2018
Net interest income	31	26	55
Gain/loss financial asset/debt	-1	1	-1
Other income	-0	-0	-0
Operating expenses	-22	-21	-45
Earnings before tax	7	6	9

KLP Kommunekreditt AS

NOK MILLIONS, YTD	Q2 2019	Q2 2018	2018
Net interest income	31	33	66
Gain/loss financial asset/debt	-12	-6	-12
Other income	0	-0	-0
Operating expenses	-8	-8	-16
Earnings before tax	11	19	37

Balance sheets

KLP Banken Group

NOK MILLIONS	30.06.2019	30.06.2018	31.12.2018
Lending to credit institutions	1 511	1 485	1 439
Loans to customers	33 644	32 046	33 474
Interest bearing securities	3 555	2 108	2 015
Other assets	150	178	160
Total assets	38 861	35 817	37 089

Borrowing from credit inst.	-	-	-
Bond debt	24 858	23 084	24 040
Deposits	11 465	10 218	10 662
Other debt	363	407	249
Total liabilities	36 686	33 709	34 951
Equity	2 174	2 108	2 138
Total liabilities and equity	38 861	35 817	37 089

KLP Boligkreditt AS

NOK MILLIONS	30.06.2019	30.06.2018	31.12.2018
Lending to credit institutions	229	147	148
Loans to customers	7 097	7 560	7 228
Interest bearing securities	356	5	288
Other assets	7	9	4
Total assets	7 689	7 721	7 669

Borrowing from credit inst.	933	1 506	1 037
Bond debt	6 239	5 703	6 116
Deposits	-	-	-
Other debt	3	5	8
Total liabilities	7 176	7 215	7 161
Equity	514	506	508
Total liabilities and equity	7 689	7 721	7 669

KLP Banken AS

NOK MILLIONS	30.06.2019	30.06.2018	31.12.2018
Lending to credit institutions	2 046	2 954	2 108
Loans to customers	10 254	8 204	9 488
Interest bearing securities	1 137	1 129	1 000
Other assets	1 263	1 259	1 272
Total assets	14 700	13 545	13 868

Borrowing from credit inst.	-	-	-
Bond debt	879	1 021	1 015
Deposits	11 465	10 218	10 662
Other debt	289	275	146
Total liabilities	12 632	11 514	11 822
Equity	2 068	2 032	2 045
Total liabilities and equity	14 700	13 545	13 868

KLP Kommunekreditt AS

NOK MILLIONS	30.06.2019	30.06.2018	31.12.2018
Lending to credit institutions	440	466	650
Loans to customers	16 293	16 282	16 759
Interest bearing securities	2 062	974	727
Other assets	67	98	71
Total assets	18 863	17 820	18 206

Borrowing from credit inst.	270	575	430
Bond debt	17 741	16 360	16 909
Deposits	-	-	-
Other debt	93	149	117
Total liabilities	18 104	17 084	17 456
Equity	758	736	750
Total liabilities and equity	18 863	17 820	18 206

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- Cover Pool Report – KLP Kommunekreditt AS



Overview

Key data

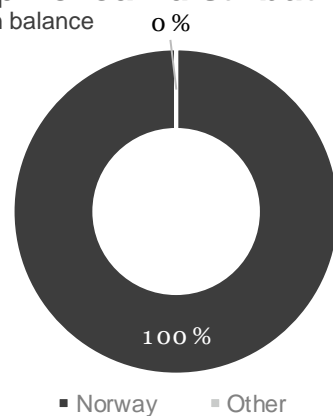
NOK MILLIONS	30.06.2019
Total loan balance	6 965 998 100
Bank deposits	228 823 571
Norwegian AAA-rated covered bonds	964 000 000
Total cover pool	8 158 821 671
Covered bonds issued	6 908 000 000
Over-collateralisation	18,1 %
No. of loans	5 553
Average loan balance	1 254 457
WA Seasoning (months)	47,7
WA Remaining terms (months)	259,3
WA Indexed LTV	47,1 %
WA Unindexed LTV	50,5 %
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

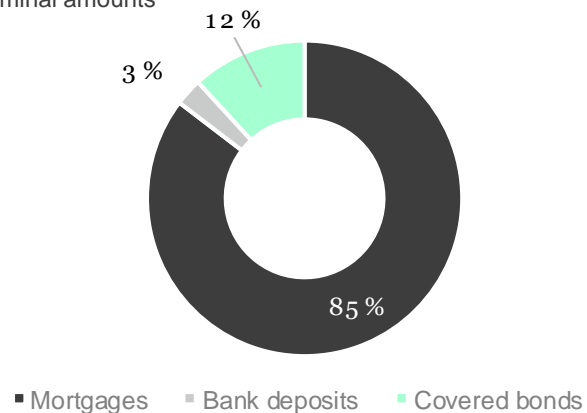
Geographic loan distribution

Nominal loan balance



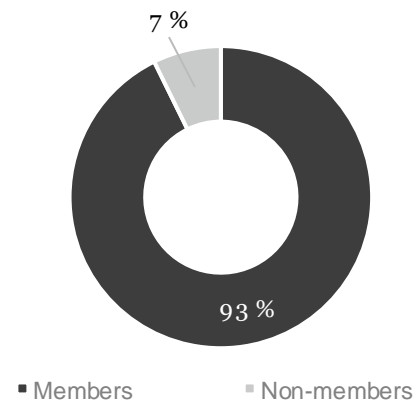
Cover pool composition

Nominal amounts



KLP members' share

of total loan balance



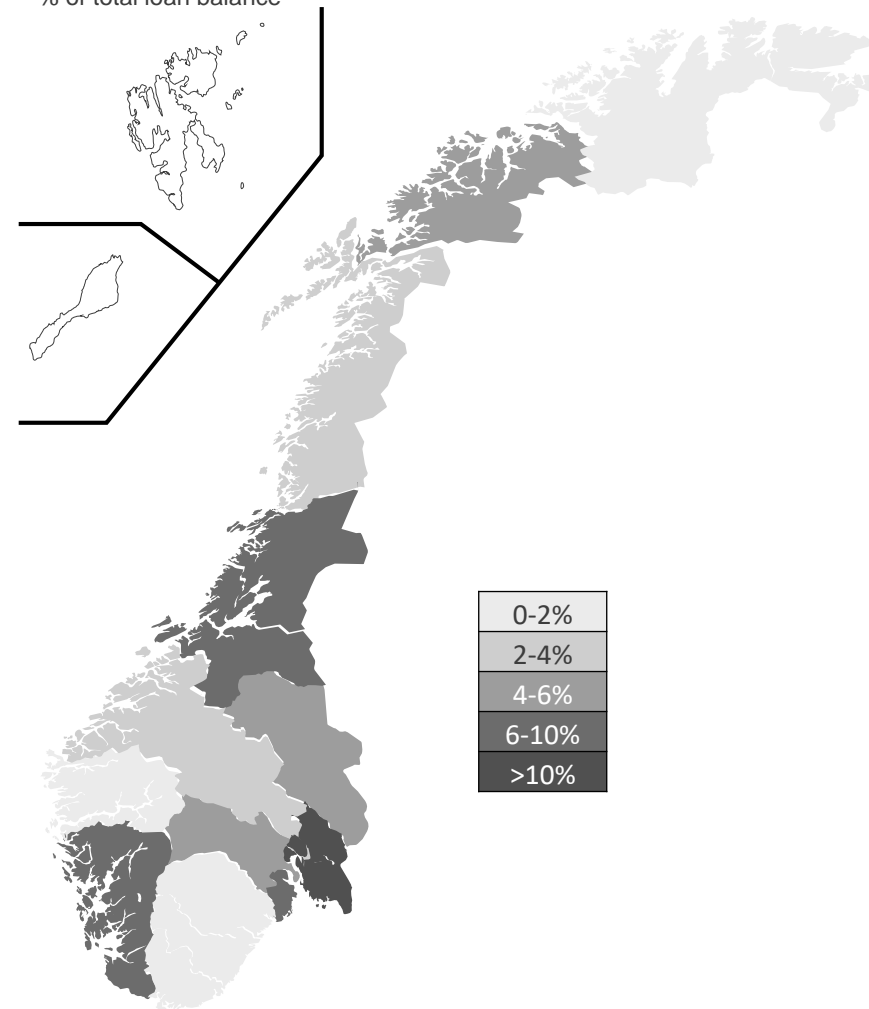
Geographical distribution

Geographical mortgage distribution

COUNTY	NOK
Akershus	1 350 580 571
Østfold	811 516 960
Oslo	756 760 563
Hordaland	564 026 012
Vestfold	529 959 475
Rogaland	440 401 661
Trøndelag	410 080 749
Buskerud	376 167 257
Hedmark	294 295 276
Troms	279 392 789
Nordland	263 954 949
Møre og Romsdal	243 500 553
Oppland	199 174 842
Telemark	148 606 459
Finnmark	93 872 299
Vest-Agder	92 012 722
Aust-Agder	72 522 971
Sogn og fjordane	38 464 061
Svalbard	707 931
Total loan balance	6 965 998 100

Geographical loan distribution

% of total loan balance



Loan-to-value

Unindexed LTV distribution

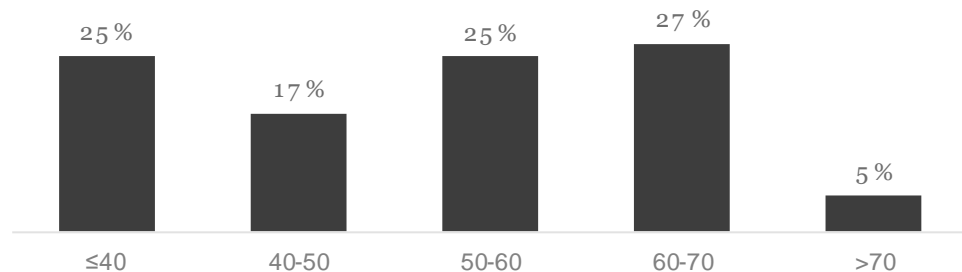
LTV INTERVAL	NOK
≤40	1 759 958 092
40-50	1 189 436 394
50-60	1 757 266 563
60-70	1 892 500 635
>70	366 836 415
Total loan balance	6 965 998 100

Indexed LTV distribution

LTV INTERVAL	NOK
≤40	2 188 590 353
40-50	1 302 114 443
50-60	1 866 415 982
60-70	1 456 694 183
>70	152 183 140
Total loan balance	6 965 998 100

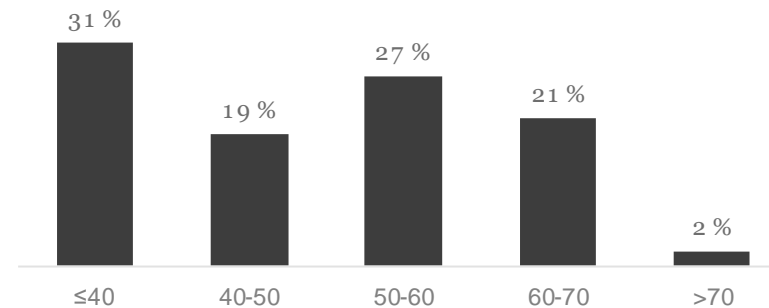
LTV-distribution

Unindexed, % of total



LTV-distribution

Indexed, % of total



Seasoning

Remaining terms

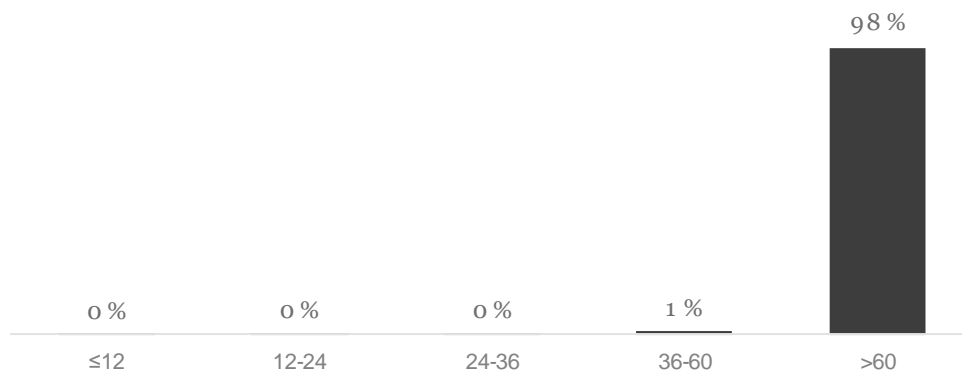
MONTHS	NOK
≤12	3 514 971
12-24	13 143 438
24-36	17 506 975
36-60	76 256 617
>60	6 855 576 098
Total loan balance	6 965 998 100

Seasoning

MONTHS	NOK
≤12	1 095 385 190
12-24	1 669 650 785
24-36	909 998 917
36-60	1 569 054 850
>60	1 721 908 357
Total loan balance	6 965 998 100

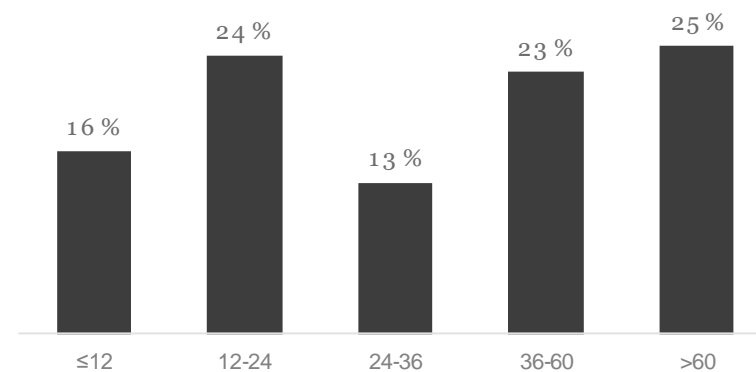
Remaining terms

Months, % of total



Seasoning

Months, % of total



Interest and repayment

Interest rate structure

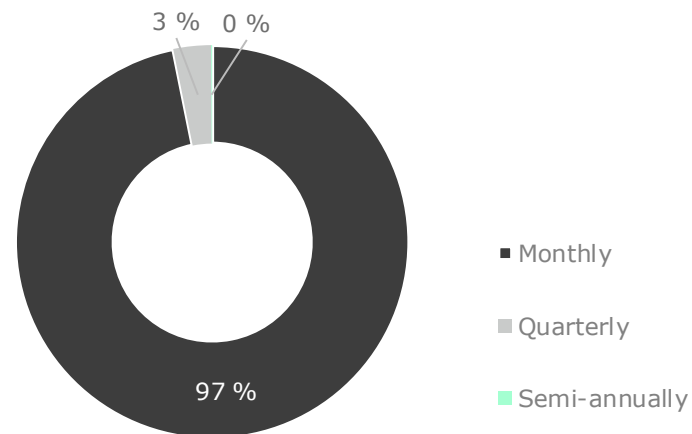
FREQUENCY	NOK
Monthly	6 745 421 478
Quarterly	214 716 235
Semi-annually	5 860 387
Total loan balance	6 965 998 100

Repayment structure

TYPE	NOK
Annuity	6 766 414 457
Constant amortisation	199 583 643
Total loan balance	6 965 998 100

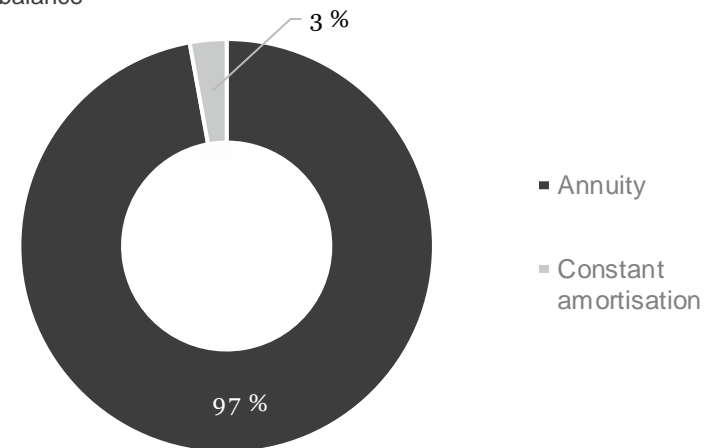
Interest payment frequency

% 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	82 645 281	189 393	1,2 %
30< >90 days	-	-	0,0 %
>90 days	-	-	0,0 %
Total	82 645 281	189 393	1,2 %

Content

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Overview

Key data	
Amounts in NOK	30.06.2019
Total nominal loan balance	16 183 663 258
Bank deposits	438 185 987
AAA-rated bonds	2 150 000 000
Total cover pool	18 771 849 245
Covered bonds issued	18 138 000 000
Over-collateralisation	3,5 %
No. of loans	722
Average loan size	22 415 046
WA life (years)	10
WA Remaining terms (months)	257
Largest debtor/guarantor (in % of pool)	3,2 %

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

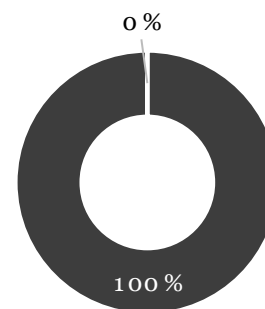
The pool only includes loans with an unconditional and irrevocable on-demand guarantee of payment covering both interest and principal.

All covered bonds are issued in NOK.

KLP KOMMUNEKREDITT AS RATINGS	Moody's
Covered bond rating	Aaa

Geographic loan distribution

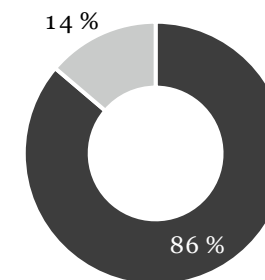
Nominal loan balance



■ Norway ■ Others

Cover pool composition

Nominal amounts



■ Public sector loans ■ Substitution assets

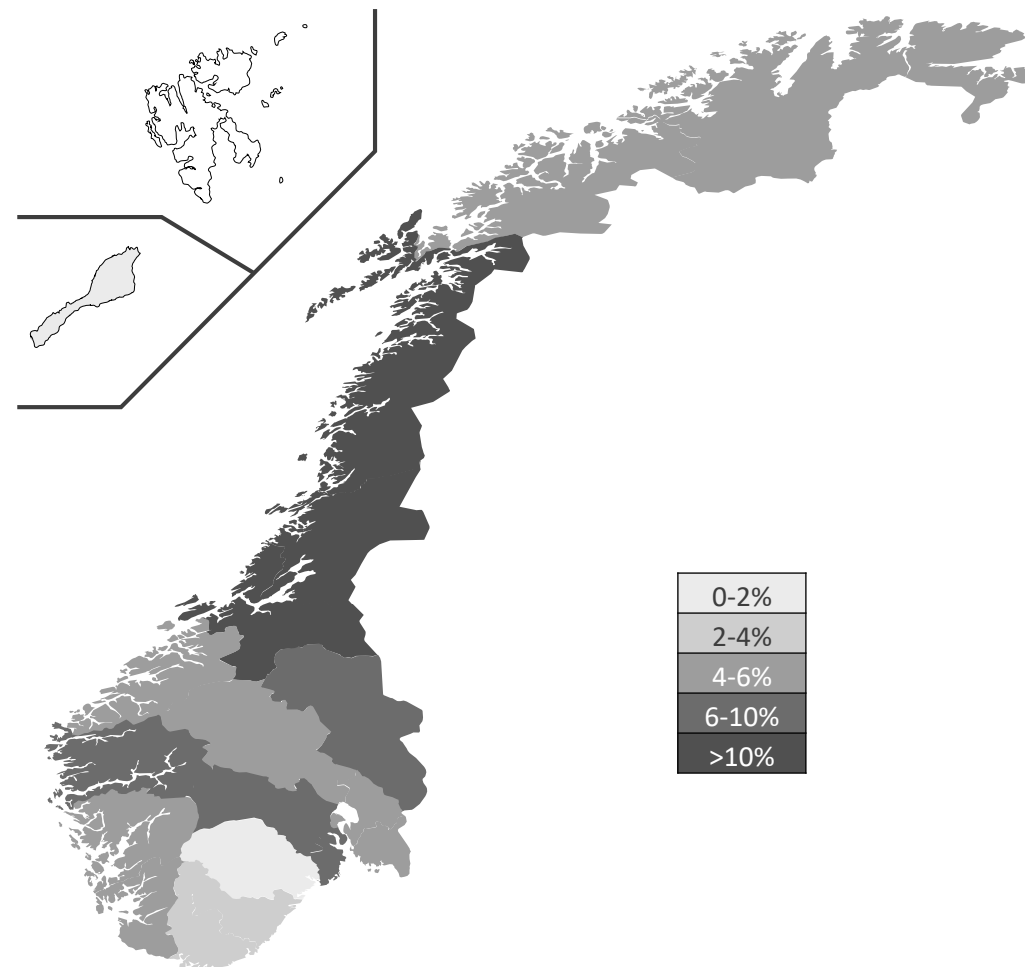
Geographical distribution

Geographical distribution

COUNTY	NOK
Trøndelag	2 054 272 894
Nordland	1 978 381 250
Vestfold	1 426 852 688
Buskerud	1 405 427 799
Hedmark	1 256 604 403
Sogn og Fjordane	1 014 301 525
Akershus	873 189 289
Møre og Romsdal	864 759 023
Finnmark	858 418 559
Rogaland	767 584 826
Hordaland	758 463 986
Østfold	745 110 807
Oppland	710 396 040
Troms	645 068 456
Vest-Agder	423 161 319
Aust-Agder	203 234 018
Telemark	171 811 648
Svalbard	26 624 728
Oslo	-
Total loan balance	16 183 663 258

Geographical loan distribution

% of total loan balance



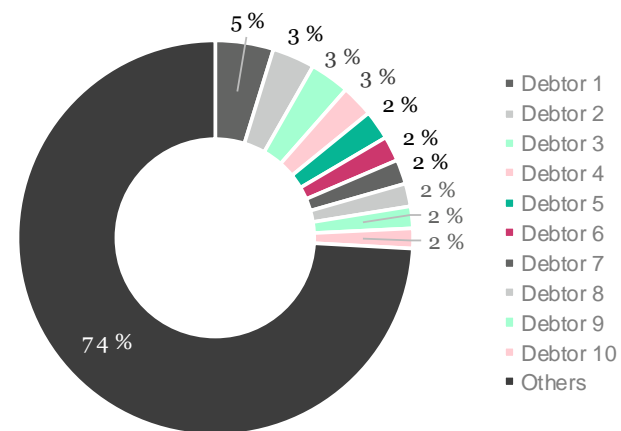
Debtor and collateral concentration

TOP 10 LARGEST DEBTORS	NOK
Debtor 1	769 072 995
Debtor 2	562 249 986
Debtor 3	525 861 492
Debtor 4	426 500 000
Debtor 5	388 746 504
Debtor 6	331 579 780
Debtor 7	324 504 605
Debtor 8	302 884 617
Debtor 9	289 682 913
Debtor 10	265 422 327
Top 10 total loan balance	4 186 505 219
Largest 10 in percent of total loan balance	
	25,9 %

COLLATERAL TYPE	NOK
Direct claim against municipality	13 704 766 299
Loan with guarantee of municipality	1 524 024 746
Loan with guarantee of county	550 080 792
Direct claim against county	404 791 421
Total loan balance	16 183 663 258

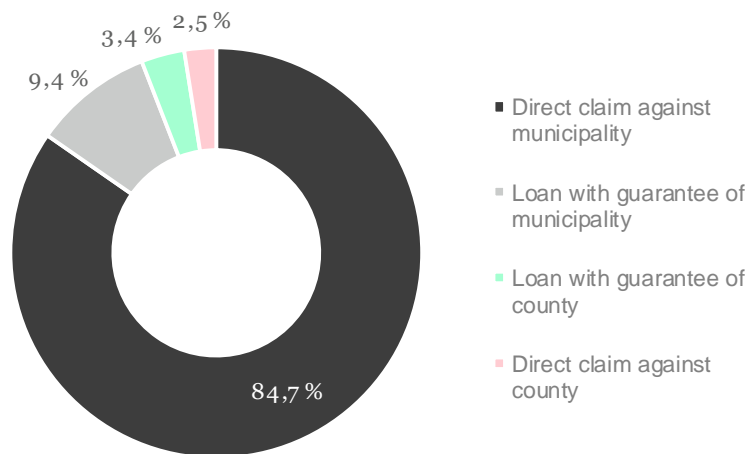
Debtor concentration

% 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	13 933 917 406	86 %	669
Annuity	49 659 595	0 %	3
Partial Bullet	481 053 269	3 %	12
Bullet	1 719 032 988	11 %	38
Total	16 183 663 258	100 %	722

Loan size

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
< 10 mill.	1 340 761 799	8 %	374
> 10 mill. - < 25 mill.	2 907 915 394	18 %	177
> 25 mill. - < 100 mill.	8 500 351 103	53 %	156
> 100 mill. - < 250 mill.	1 826 799 200	11 %	10
< 250 mill.	1 607 835 762	10 %	5
Total	16 183 663 258	100 %	722

Rate reset period

NOK	LOAN BALANCE	SHARE	ACC %
< 1 month	10 022 466 483	62 %	62 %
> 1 month - < 3 month	2 436 806 478	15 %	77 %
> 3 month - < 1 yr	999 533 085	6 %	83 %
> 1 yr - < 2 yr	425 444 979	3 %	86 %
> 2 yr - < 5 yr	1 655 957 901	10 %	96 %
> 5 yr	643 454 332	4 %	100 %
Total	16 183 663 258	100 %	

Interest rate type

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
Variable	13 103 637 744	81 %	639
Fixed	3 080 025 514	19 %	83
Total	16 183 663 258	100 %	722

Delinquencies

NOK	LOAN BALANCE	AMOUNT IN ARREARS	LOAN BALANCE IN % OF COVER POOL LOANS
0< >30 days	150 761 585	2 152 171	0,9 %
30< >60 days	-	-	0,0 %
60< >90 days	-	-	0,0 %
>90 days	-	-	0,0 %
Total	150 761 585	2 152 171	0,9 %

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