

Q3 2018 Presentation KLP Banken Group

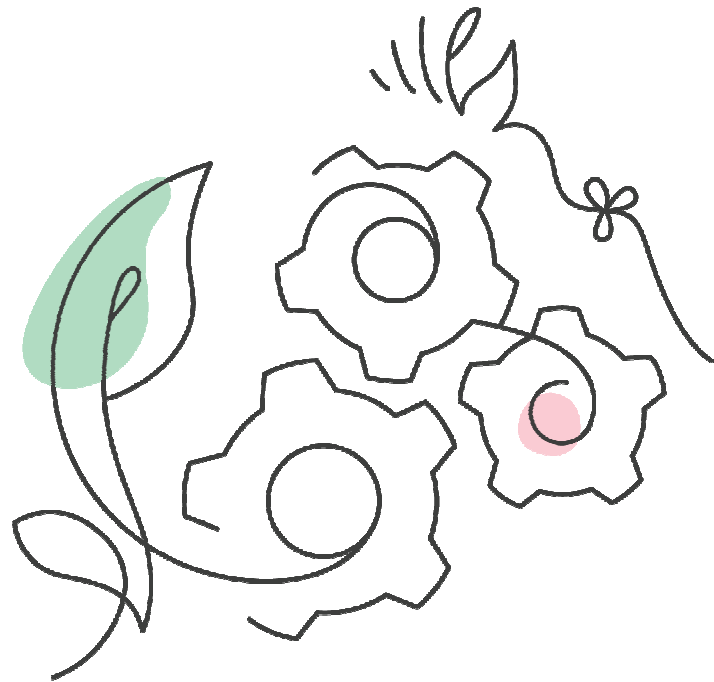
Q3 2018 - financial highlights and cover pool



KLP

Content

- [Financial highlights](#)
- Cover Pool Report – KLP Boligkreditt AS
- Cover Pool Report – KLP Kommunekreditt AS



Overview - group

Profitability

NOK MILLIONS, YTD	Q3 2018	Q3 2017
Profit before tax	71	82
Total income	239	225
Operating expenses	156	141
ROE, annualised b.t.	4,5 %	7,9 %

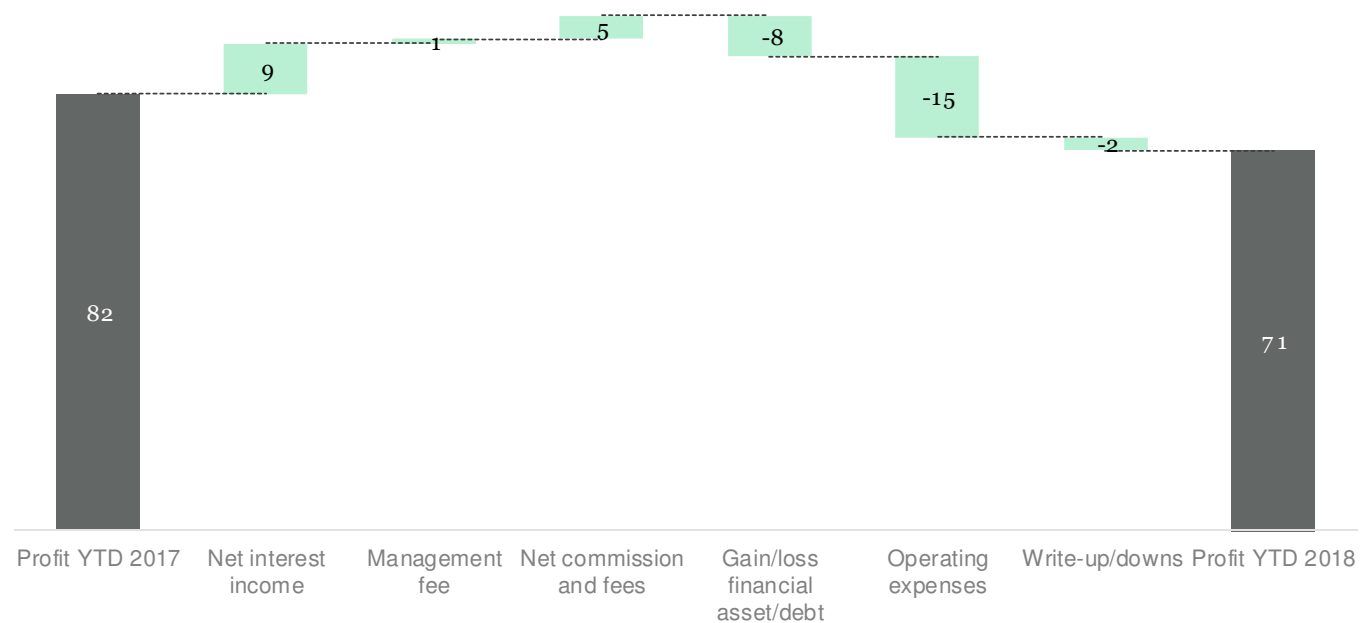
Balance sheet

NOK MILLIONS	30.09.2018	30.09.2017
Mortgage loans	16,2	13,9
Public sector loans	16,1	16,8
Customer deposits	10,4	9,3
Capital adequacy (CET 1)	19,9 %	19,5 %

Profit development

Group profit before tax

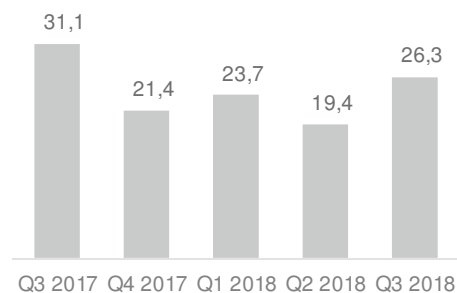
NOK millions, YTD this year vs. YTD last year



Profit development

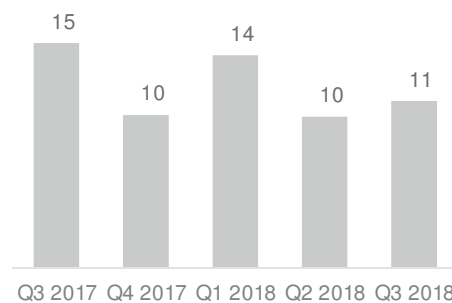
Group PBT

NOK millions



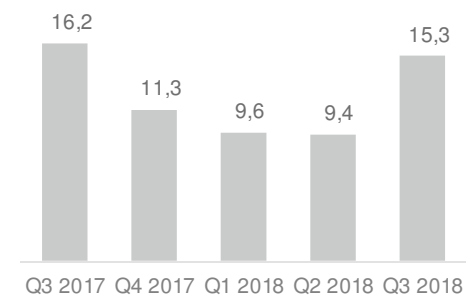
Retail market PBT

NOK millions



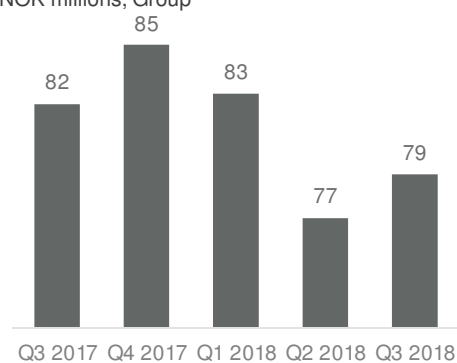
Public sector PBT

NOK millions



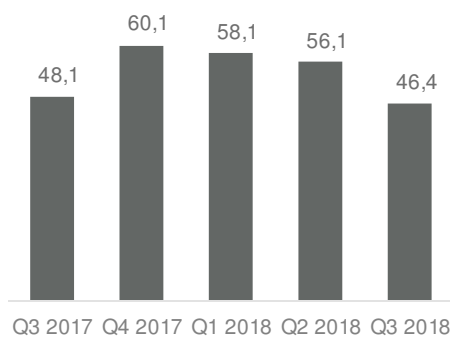
Total income

NOK millions, Group



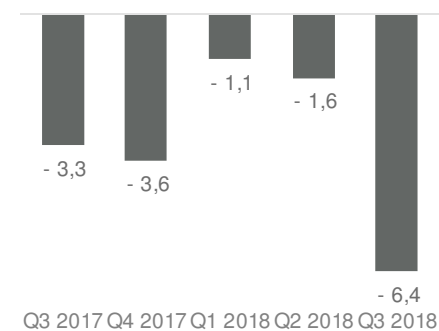
Operating expenses

NOK millions, Group



Financial gains/losses

NOK millions, Group



Profit development

Delinquent loans, mortgage and public sector

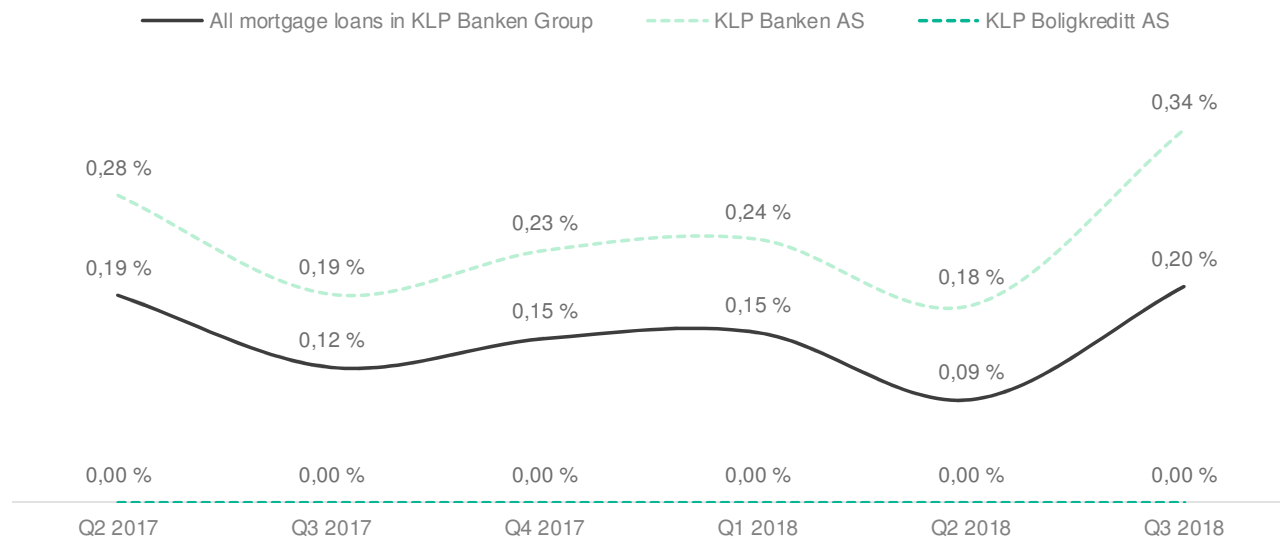
NOK MILLIONS	30.09.2018
Delinquencies in % of Group total lending	0,10 %

Loss provisions

NOK MILLIONS	2016	2017	2018
Mortgage loans	1	3	5
Public sector loans	-	-	-0,0

Retail loan delinquencies

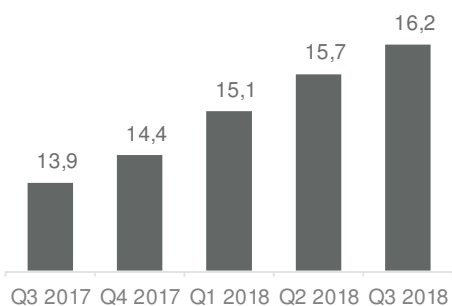
>90 days, % of company total lending balance



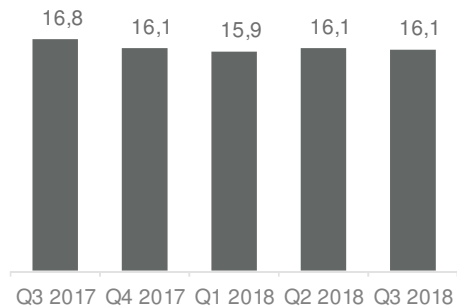
Business volumes

NOK BILLIONS	MORTGAGE LOANS	PUBLIC SECTOR LOANS	CUSTOMER DEPOSITS*
KLP Banken AS	9,3		10,4
KLP Boligkreditt AS	6,8		
KLP Kommunekreditt AS		16,1	
Total	16,1	16,1	10,4

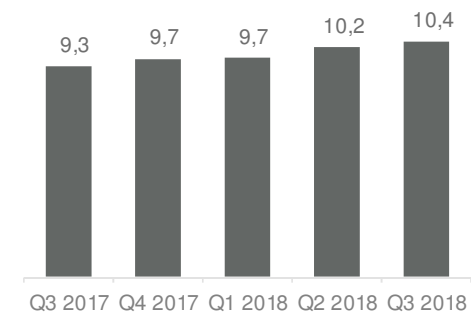
Mortgage loans
NOK billions



Public sector loans
NOK billions



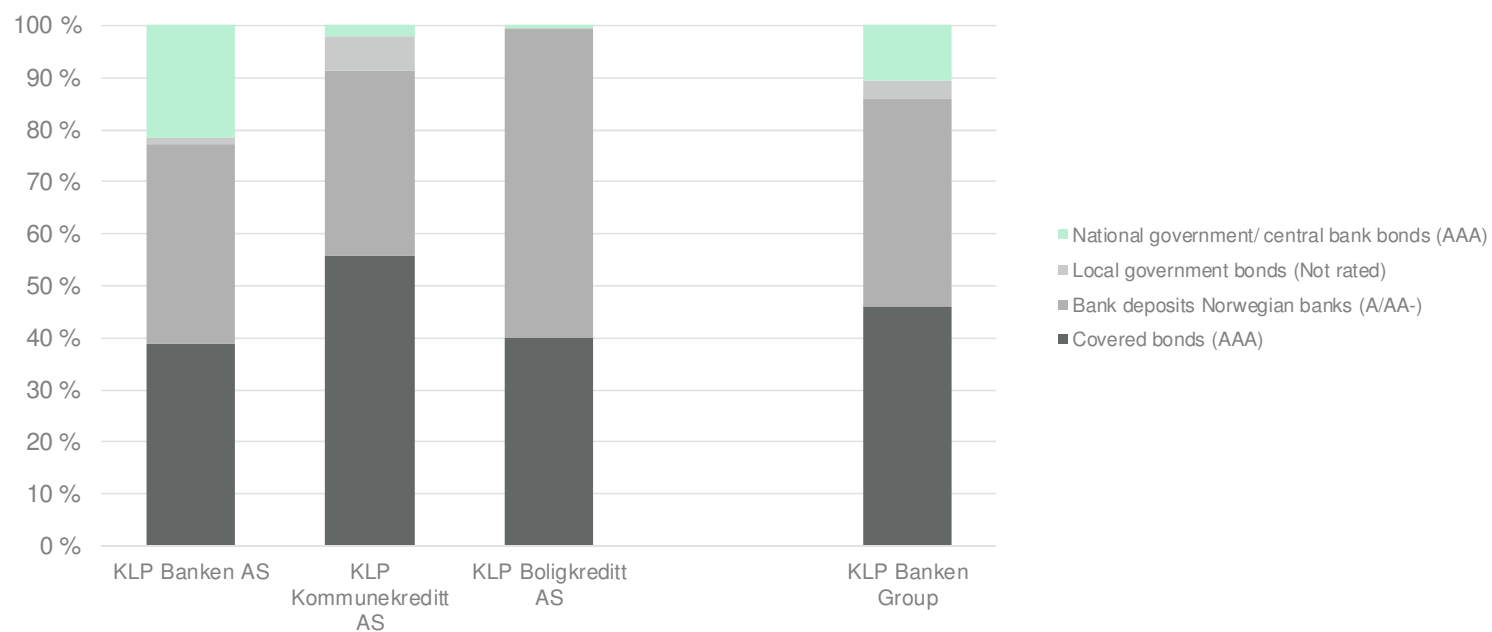
Deposits
NOK billions



Liquidity placements

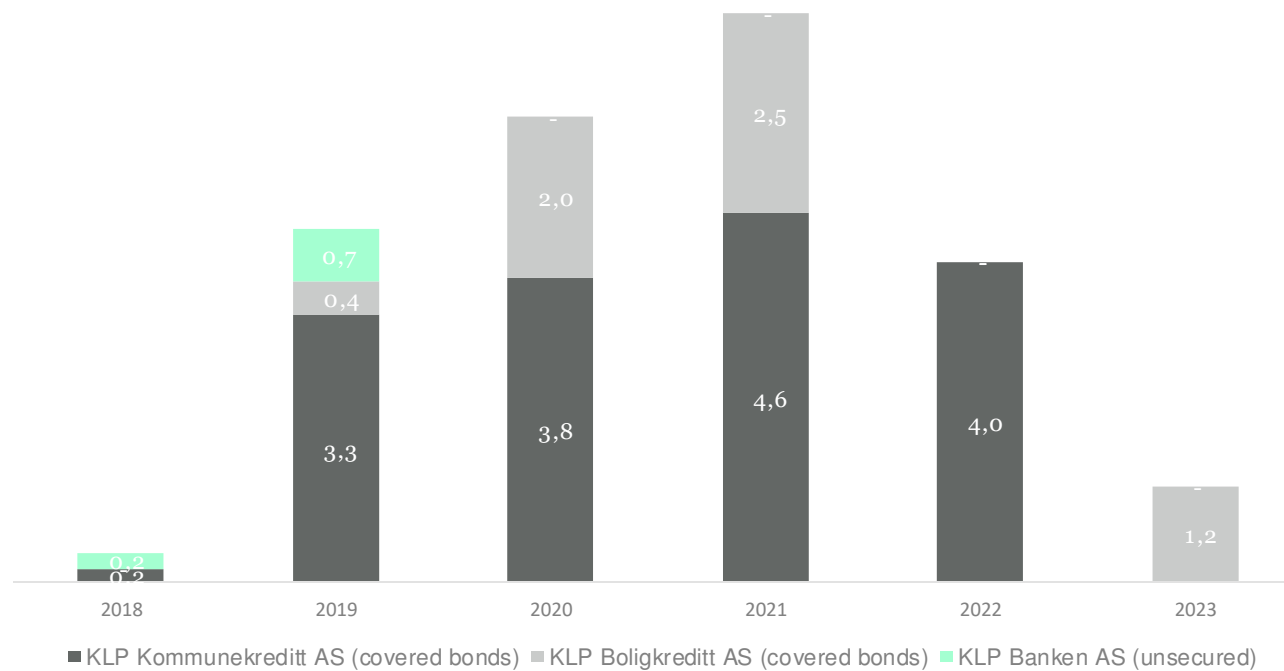
Composition of liquidity placements

Quarter end



Issued bond debt

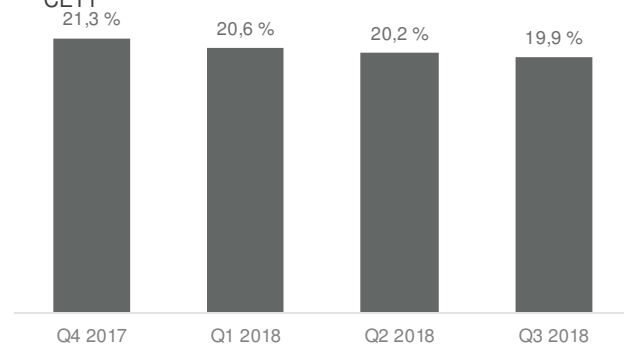
Maturity profile of issued bond debt
NOK billions



Core capital adequacy

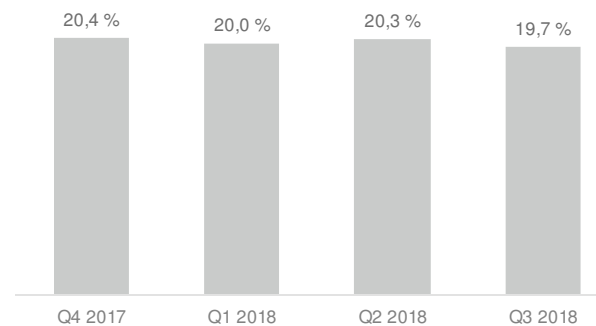
KLP Banken Group

CET1



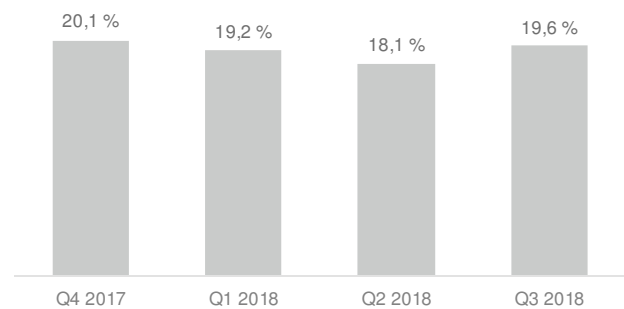
KLP Banken AS

CET1



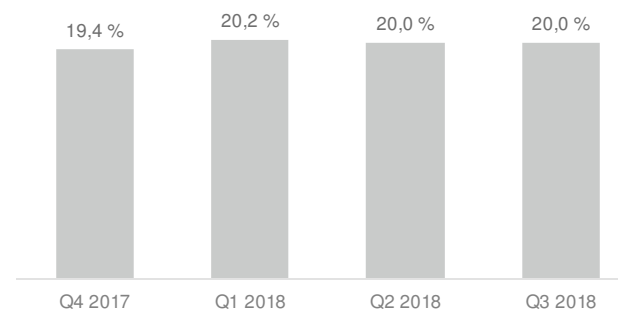
KLP Boligkreditt AS

CET1



KLP Kommunekreditt AS

CET1



P&Ls

KLP Banken Group

NOK MILLIONS, YTD	Q3 2018	Q3 2017	2017
Net interest income	183	174	242
Management fee	43	43	57
Net commission and fees	12	8	11
Gain/loss financial asset/debt	-7	0	-3
Operating expenses	-156	-141	-200
Write-up/downs	-5	-3	-3
Earnings before tax	71	82	103

KLP Banken AS

NOK MILLIONS, YTD	Q3 2018	Q3 2017	2017
Net interest income	93	80	113
Management fee	43	43	57
Net commission and fees	12	8	11
Gain/loss financial asset/debt	-0	2	1
Operating expenses	-113	-105	-150
Write-up/downs	-5	-3	-3
Earnings before tax	31	25	30

Numbers do not include effects from group contribution

KLP Boligkreditt AS

NOK MILLIONS, YTD	Q3 2018	Q3 2017	2017
Net interest income	39	32	46
Gain/loss financial asset/debt	-1	0	0
Other income	-	-	-
Operating expenses	-31	-23	-33
Earnings before tax	7	10	14

KLP Kommunekreditt AS

NOK MILLIONS, YTD	Q3 2018	Q3 2017	2017
Net interest income	51	61	82
Gain/loss financial asset/debt	-7	-2	-5
Other income	-	-	-
Operating expenses	-11	-13	-17
Earnings before tax	33	46	60

Balance sheets

KLP Banken Group

NOK MILLIONS	30.09.2018	30.09.2017	31.12.2017
Lending to credit institutions	1 536	966	1 286
Loans to customers	32 449	31 018	30 763
Interest bearing securities	2 303	2 707	2 759
Other assets	181	164	173
Total assets	36 468	34 855	34 981
Borrowing from credit inst.	-	-	-
Bond debt	23 495	23 223	22 924
Deposits	10 531	9 401	9 669
Other debt	312	322	285
Total liabilities	34 339	32 945	32 878
Equity	2 130	1 910	2 102
Total liabilities and equity	36 468	34 855	34 981

KLP Boligkreditt AS

NOK MILLIONS	30.09.2018	30.09.2017	31.12.2017
Lending to credit institutions	304	120	123
Loans to customers	6 818	4 926	5 057
Interest bearing securities	207	4	5
Other assets	10	6	1
Total assets	7 340	5 055	5 187
Borrowing from credit inst.	700	370	500
Bond debt	6 124	4 298	4 298
Deposits	-	-	-
Other debt	9	9	3
Total liabilities	6 833	4 677	4 802
Equity	507	379	385
Total liabilities and equity	7 340	5 055	5 187

KLP Banken AS

NOK MILLIONS	30.09.2018	30.09.2017	31.12.2017
Lending to credit institutions	1 850	1 414	1 449
Loans to customers	9 424	9 077	9 384
Interest bearing securities	1 083	1 267	1 318
Other assets	1 256	1 099	1 135
Total assets	13 614	12 858	13 285
Borrowing from credit inst.	-	-	-
Bond debt	861	1 489	1 477
Deposits	10 531	9 401	9 669
Other debt	181	102	111
Total liabilities	11 573	10 992	11 257
Equity	2 042	1 866	2 028
Total liabilities and equity	13 614	12 858	13 285

KLP Kommunekreditt AS

NOK MILLIONS	30.09.2018	30.09.2017	31.12.2017
Lending to credit institutions	557	227	489
Loans to customers	16 206	17 015	16 321
Interest bearing securities	1 012	1 436	1 436
Other assets	105	126	91
Total assets	17 880	18 806	18 339
Borrowing from credit inst.	475	425	275
Bond debt	16 511	17 436	17 149
Deposits	-	-	-
Other debt	148	234	180
Total liabilities	17 134	18 095	17 603
Equity	746	711	735
Total liabilities and equity	17 880	18 806	18 339

Content

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



Overview

Key data

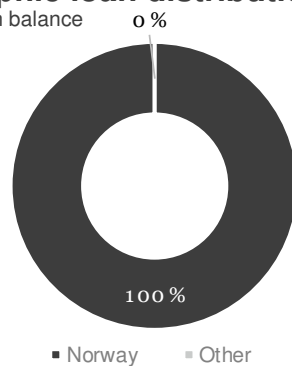
NOK MILLIONS	30.09.2018
Total loan balance	6 701 364 433
Bank deposits	304 234 369
Norwegian AAA-rated covered bonds	900 000 000
Total cover pool	7 905 598 801
Covered bonds issued	6 917 000 000
Over-collateralisation	14,3 %
No. of loans	5 475
Average loan balance	1 223 994
WA Seasoning (months)	46,6
WA Remaining terms (months)	258,6
WA Indexed LTV	48,1 %
WA Unindexed LTV	51,5 %
Percentage variable mortgages	100,0 %

Ratings

CURRENT RATING	Moody's
KLP Banken AS	A2
KLP Boligkreditt covered bond rating	Aaa

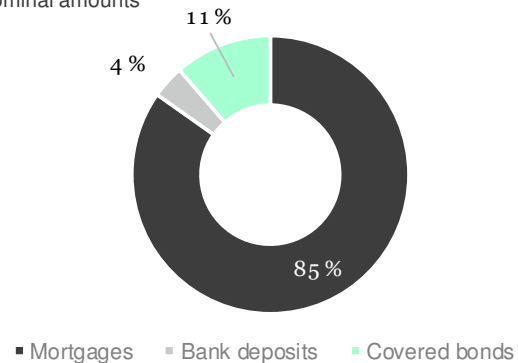
Geographic loan distribution

Nominal loan balance



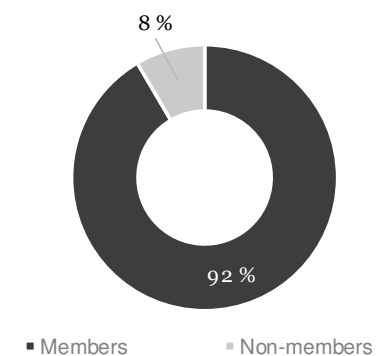
Cover pool composition

Nominal amounts



KLP members' share

of total loan balance



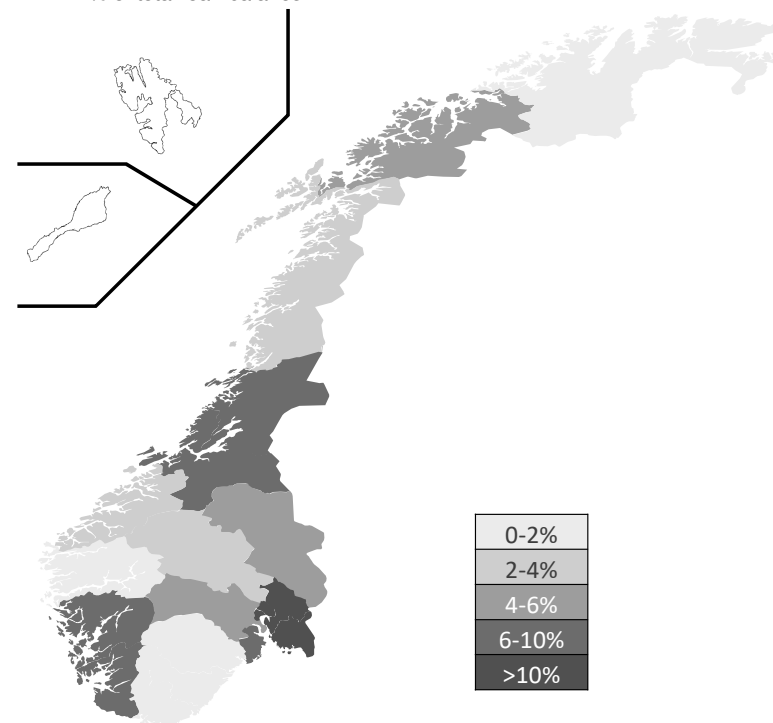
Geographical distribution

Geographical mortgage distribution

COUNTY	NOK
Akershus	1 295 013 542
Østfold	781 128 410
Oslo	713 233 164
Hordaland	549 591 125
Vestfold	498 613 214
Rogaland	451 577 355
Trøndelag	406 317 065
Buskerud	343 597 063
Troms	310 536 403
Hedmark	272 241 574
Nordland	254 682 463
Møre og Romsdal	223 652 371
Oppland	195 105 940
Telemark	128 005 931
Finnmark	90 621 862
Vest-Agder	84 636 364
Aust-Agder	70 025 056
Sogn og fjordane	32 047 106
Svalbard	738 427
Total loan balance	6 701 364 433

Geographical loan distribution

% of total loan balance



Loan-to-value

Unindexed LTV distribution

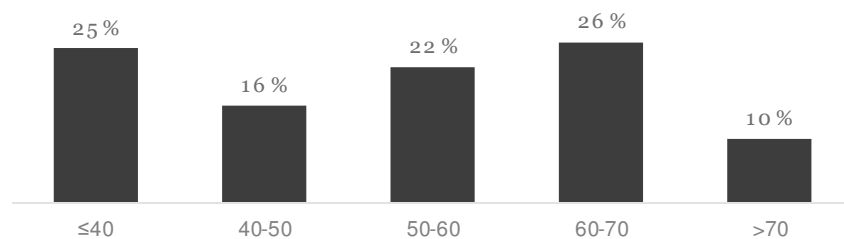
LTV INTERVAL	NOK
≤40	1 691 085 755
40-50	1 065 362 819
50-60	1 488 563 175
60-70	1 761 655 449
>70	694 697 235
Total loan balance	6 701 364 433

Indexed LTV distribution

LTV INTERVAL	NOK
≤40	2 119 996 504
40-50	1 179 180 324
50-60	1 501 482 576
60-70	1 496 494 826
>70	404 210 203
Total loan balance	6 701 364 433

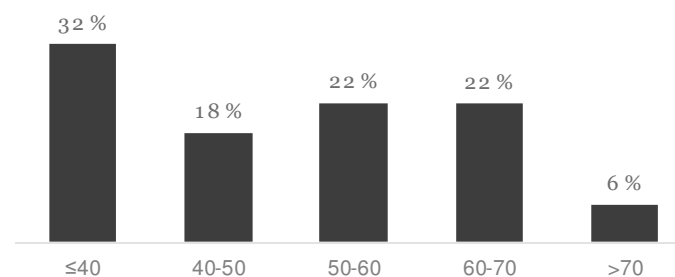
LTV-distribution

Unindexed, % of total



LTV-distribution

Indexed, % of total



Seasoning

Remaining terms

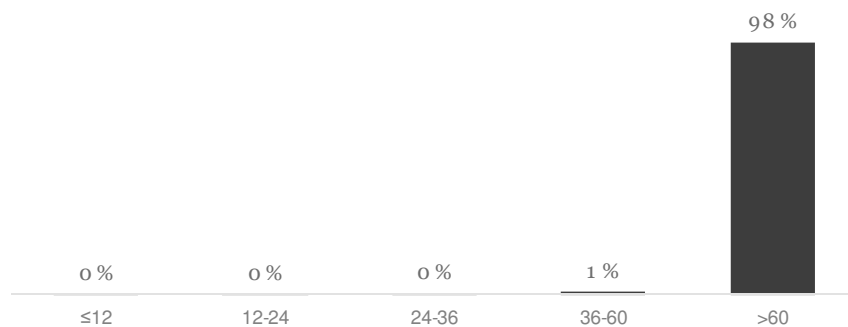
MONTHS	NOK
≤12	2 630 598
12-24	10 237 950
24-36	22 615 273
36-60	70 054 437
>60	6 595 826 175
Total loan balance	6 701 364 433

Seasoning

MONTHS	NOK
≤12	1 430 772 621
12-24	1 176 036 806
24-36	1 178 266 720
36-60	1 346 203 258
>60	1 570 085 027
Total loan balance	6 701 364 433

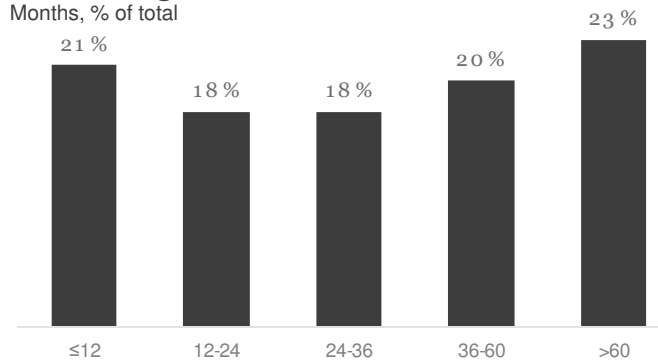
Remaining terms

Months, % of total



Seasoning

Months, % of total



Interest and repayment

Interest rate structure

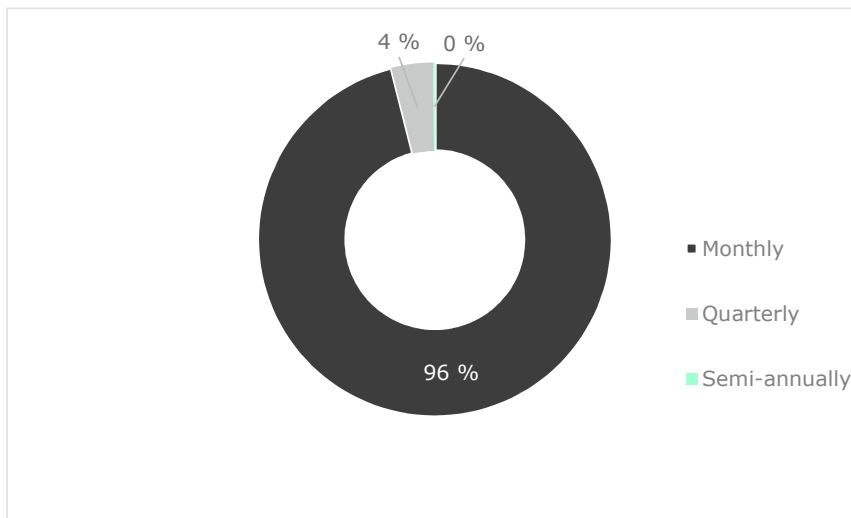
FREQUENCY	NOK
Monthly	6 436 026 567
Quarterly	254 743 200
Semi-annually	10 594 666
Total loan balance	6 701 364 433

Repayment structure

TYPE	NOK
Annuity	6 488 403 207
Constant amortisation	212 961 226
Total loan balance	6 701 364 433

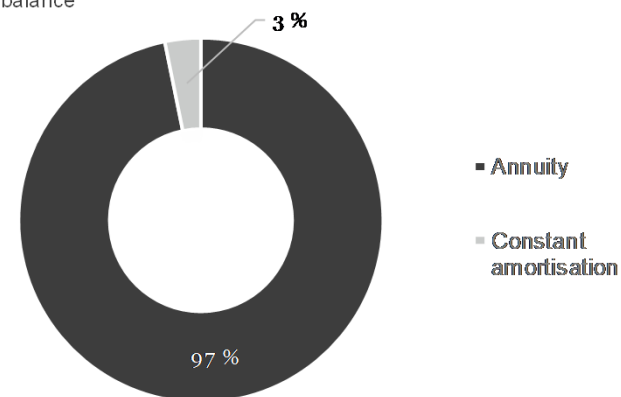
Interest payment frequency

% 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	69 802 855	274 627	1,0 %
30< >90 days	-	-	0,0 %
>90 days	-	-	0,0 %
Total	69 802 855	274 627	1,0 %

Content

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



Overview

Key data	
Amounts in NOK	30.09.2018
Total nominal loan balance	16 172 715 092
Bank deposits	553 697 342
AAA-rated bonds	2 021 000 000
Total cover pool	18 747 412 434
Covered bonds issued	17 825 000 000
Over-collateralisation	5,2 %
No. of loans	740
Average loan size	21 855 020
WA life (years)	11
WA Remaining terms (months)	251
Largest debtor/guarantor (in % of pool)	3,7 %

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

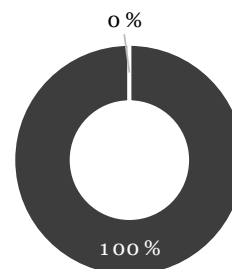
Covered bond rating

Moody's

Aaa

Geographic loan distribution

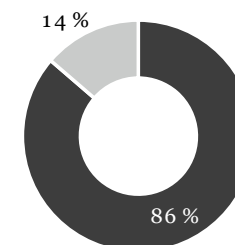
Nominal loan balance



■ Norway ■ Others

Cover pool composition

Nominal amounts



■ Public sector loans ■ Substitution assets

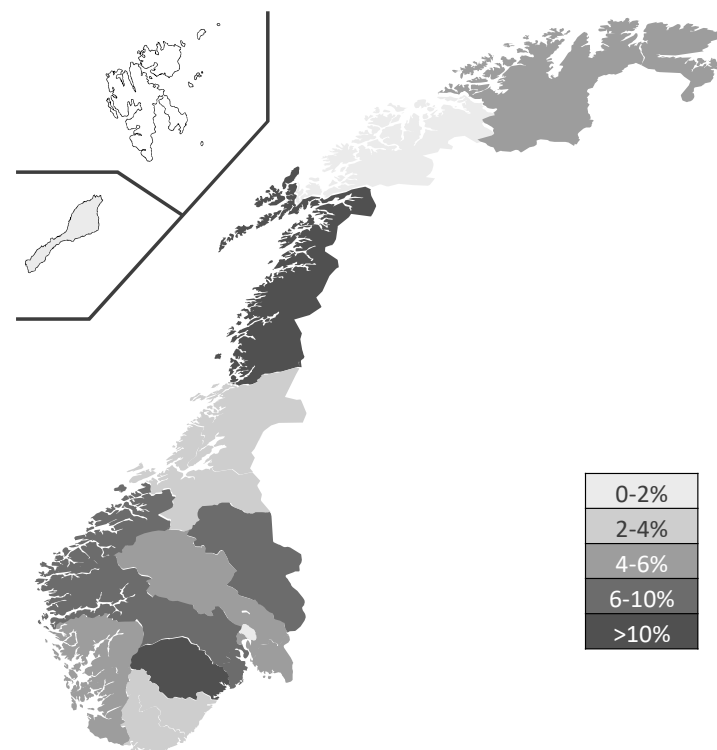
Geographical distribution

Geographical distribution

COUNTY	NOK
Trøndelag	2 101 596 926
Nordland	1 935 457 329
Hedmark	1 403 369 232
Vestfold	1 221 611 895
Buskerud	1 209 807 497
Møre og Romsdal	1 102 092 019
Sogn og Fjordane	1 017 956 507
Hordaland	835 993 609
Finnmark	784 228 274
Østfold	747 017 479
Akershus	746 267 662
Oppland	709 183 803
Rogaland	665 974 893
Troms	580 162 401
Vest-Agder	465 652 136
Aust-Agder	344 167 244
Telemark	171 313 765
Oslo	100 000 000
Svalbard	30 862 421
Total loan balance	16 172 715 092

Geographical loan distribution

% of total loan balance



Debtor and collateral concentration

TOP 10 LARGEST DEBTORS NOK

Debtor 1	625 864 610
Debtor 2	571 083 322
Debtor 3	436 500 000
Debtor 4	435 559 161
Debtor 5	404 323 668
Debtor 6	350 404 611
Debtor 7	343 860 520
Debtor 8	329 807 693
Debtor 9	298 325 287
Debtor 10	293 911 886

Top 10 total loan balance 4 089 640 758

Largest 10 in percent of total loan balance 25,3 %

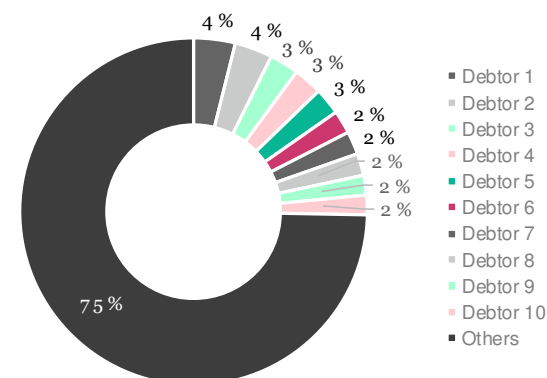
COLLATERAL TYPE NOK

Direct claim against municipality	13 302 344 318
Loan with guarantee of municipality	1 522 941 880
Direct claim against county	706 629 707
Loan with guarantee of county	640 799 187

Total loan balance 16 172 715 092

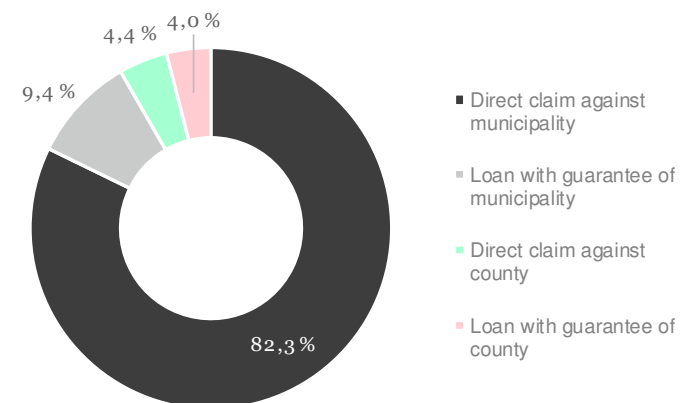
Debtor concentration

% 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	13 991 629 510	87 %	689
Annuity	53 835 555	0 %	4
Partial Bullet	195 921 000	1 %	7
Bullet	1 931 329 027	12 %	40
Total	16 172 715 092	100 %	740

Loan size

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
< 10 mill.	1 383 399 305	9 %	388
> 10 mill. - < 25 mill.	2 916 385 970	18 %	180
> 25 mill. - < 100 mill.	8 348 157 610	52 %	157
> 100 mill. - < 250 mill.	1 603 536 584	10 %	9
< 250 mill.	1 921 235 623	12 %	6
Total	16 172 715 092	100 %	740

Rate reset period

NOK	LOAN BALANCE	SHARE	ACC %
< 1 month	8 995 478 920	56 %	56 %
> 1 month - < 3 month	3 092 724 955	19 %	75 %
> 3 month - < 1 yr	566 198 066	4 %	78 %
> 1 yr - < 2 yr	700 677 708	4 %	83 %
> 2 yr - < 5 yr	2 125 472 165	13 %	96 %
> 5 yr	692 163 278	4 %	100 %
Total	16 172 715 092	100 %	

Interest rate type

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
Variable	12 233 057 519	76 %	633
Fixed	3 939 657 573	24 %	107
Total	16 172 715 092	100 %	740

Delinquencies

NOK	LOAN BALANCE	AMOUNT IN ARREARS	LOAN BALANCE IN % OF COVER POOL LOANS
0< >30 days	23 224 741	1 056 678	0,1 %
30< >60 days	-	-	0,0 %
60< >90 days	-	-	0,0 %
>90 days	-	-	0,0 %
Total	23 224 741	1 056 678	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



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