

Q4 2018 Presentation KLP Banken Group

Q4 2018 - 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 2018	Q4 2017
Profit before tax	82	103
Total income	324	310
Operating expenses	220	200
ROE, annualised b.t.	3,8 %	5,6 %

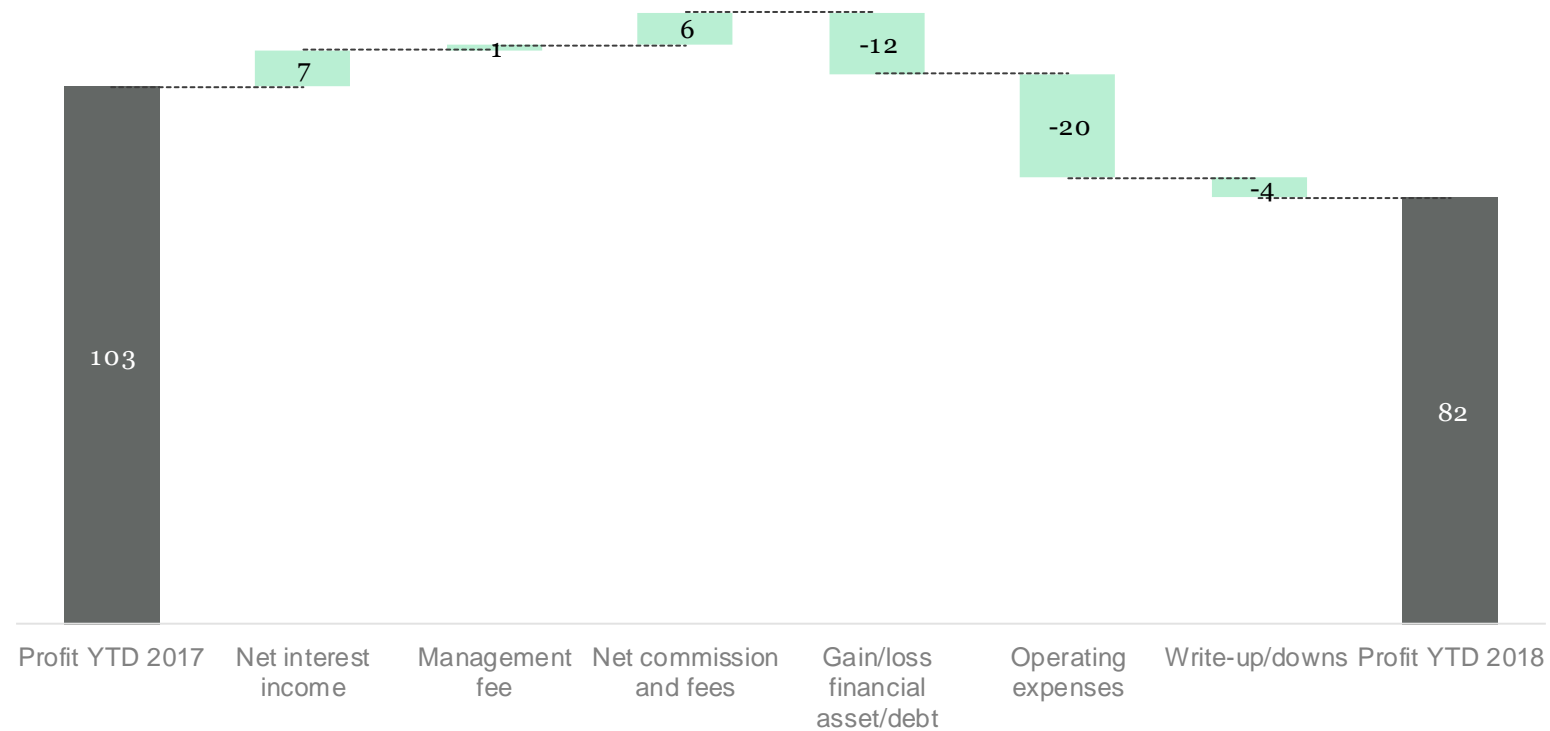
Balance sheet

NOK MILLIONS	31.12.2018	31.12.2017
Mortgage loans	16,6	14,4
Public sector loans	16,6	16,1
Customer deposits	10,7	9,7
Capital adequacy (CET 1)	20,1 %	21,3 %

Profit development

Group profit before tax

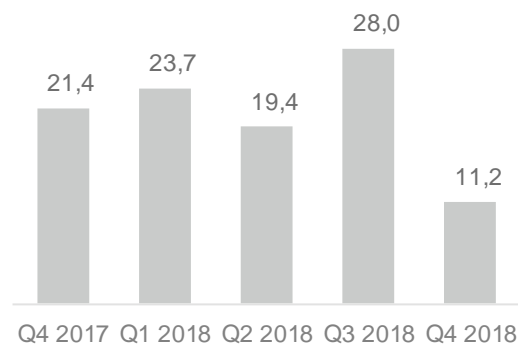
NOK millions, YTD this year vs. YTD last year



Profit development

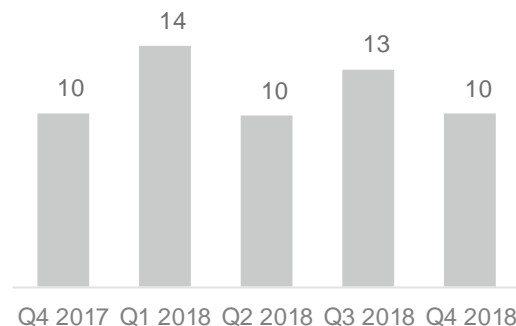
Group PBT

NOK millions



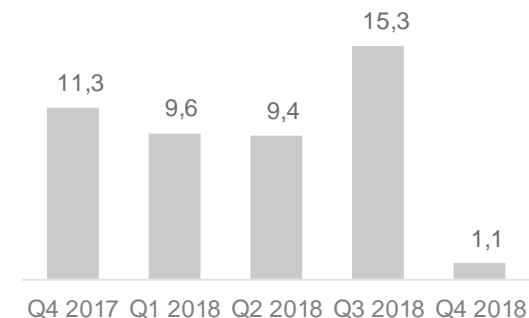
Retail market PBT

NOK millions



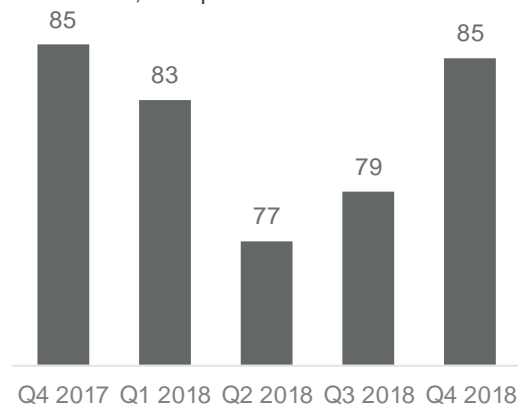
Public sector PBT

NOK millions



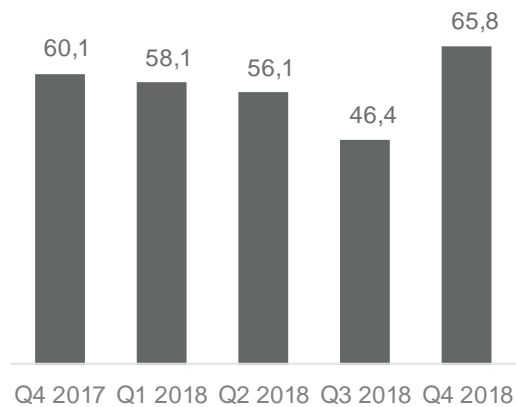
Total income

NOK millions, Group



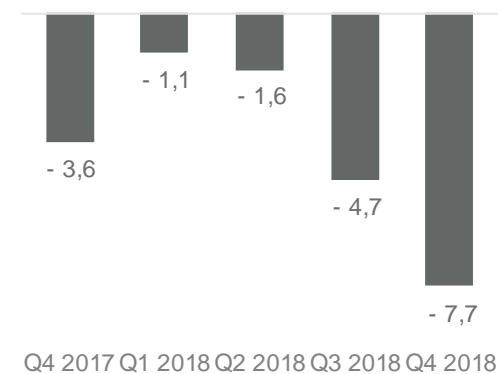
Operating expenses

NOK millions, Group



Financial gains/losses

NOK millions, Group



Profit development

Delinquent loans, mortgage and public sector

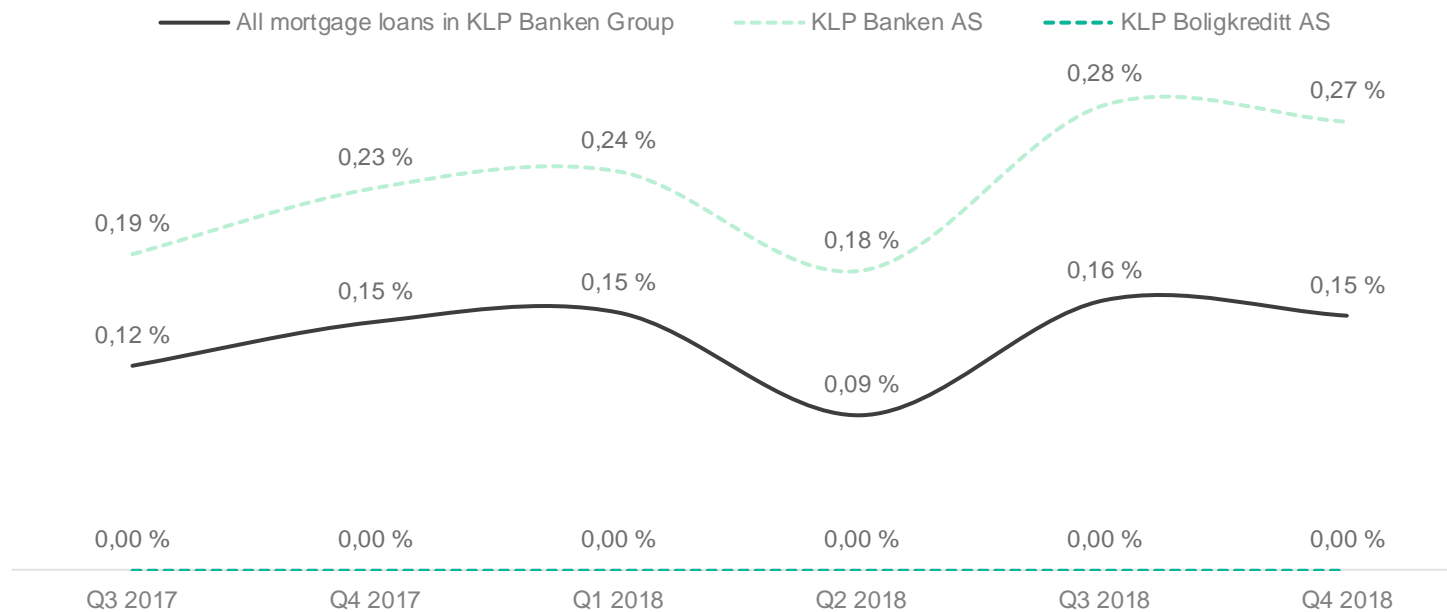
NOK MILLIONS	31.12.2018
Delinquencies in % of Group total lending	0,17 %

Loss provisions

NOK MILLIONS	2016	2017	2018
Mortgage loans	1	3	7
Public sector loans	-	-	-0,0

Retail loan delinquencies

>90 days, % of company total lending balance

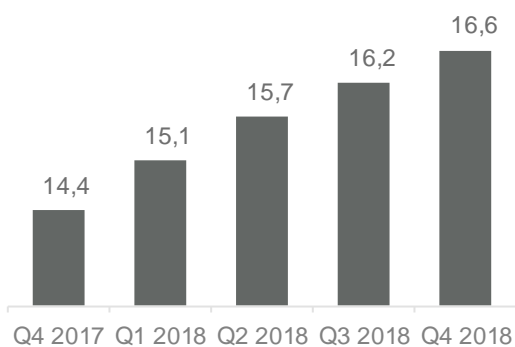


Business volumes

NOK BILLIONS	MORTGAGE LOANS	PUBLIC SECTOR LOANS	CUSTOMER DEPOSITS*
KLP Banken AS	9,4		10,7
KLP Boligkreditt AS	7,2		
KLP Kommunekreditt AS		16,6	
Total	16,6	16,6	10,7

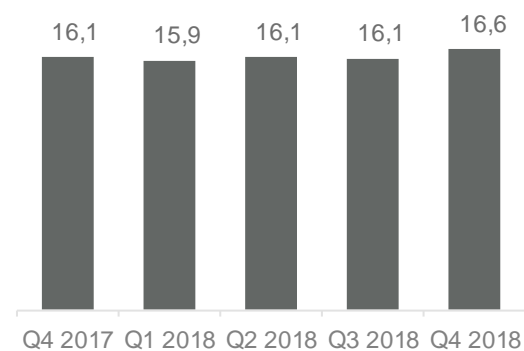
Mortgage loans

NOK billions



Public sector loans

NOK billions



Deposits

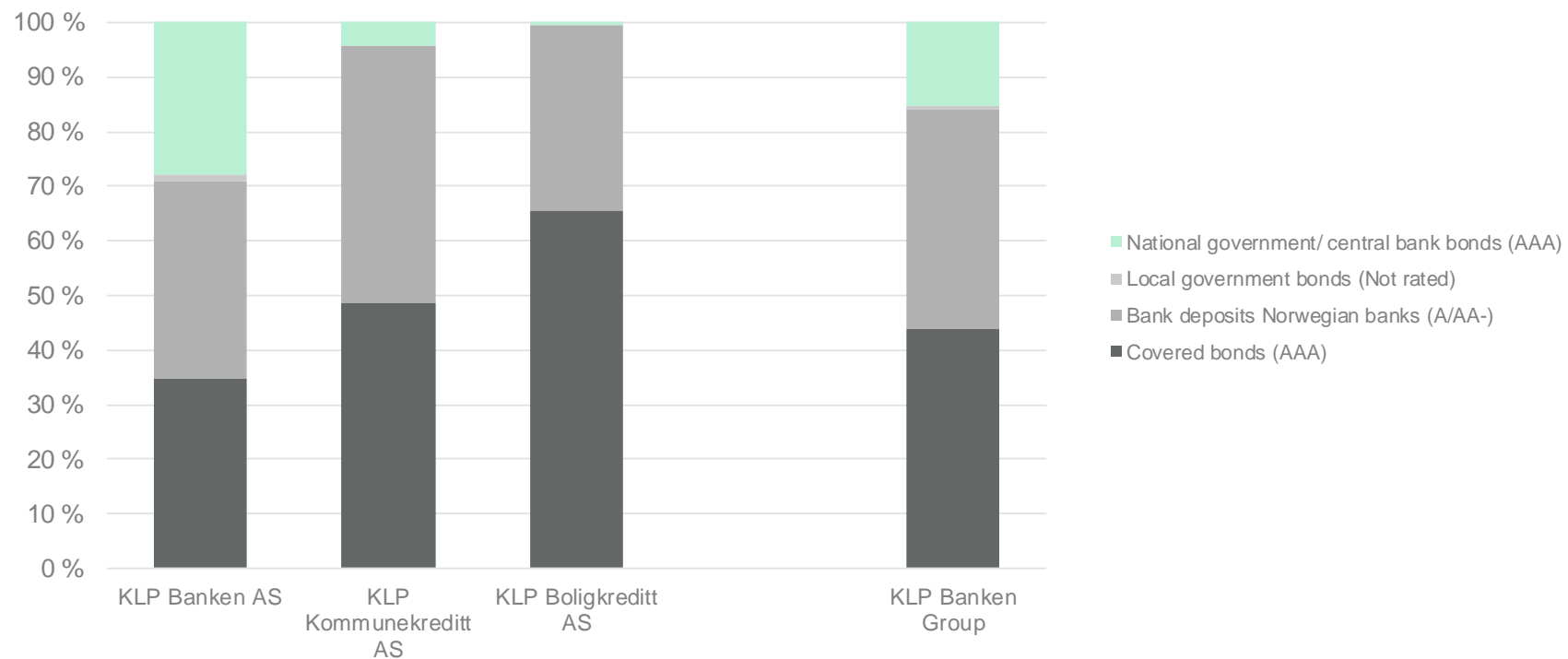
NOK billions



Liquidity placements

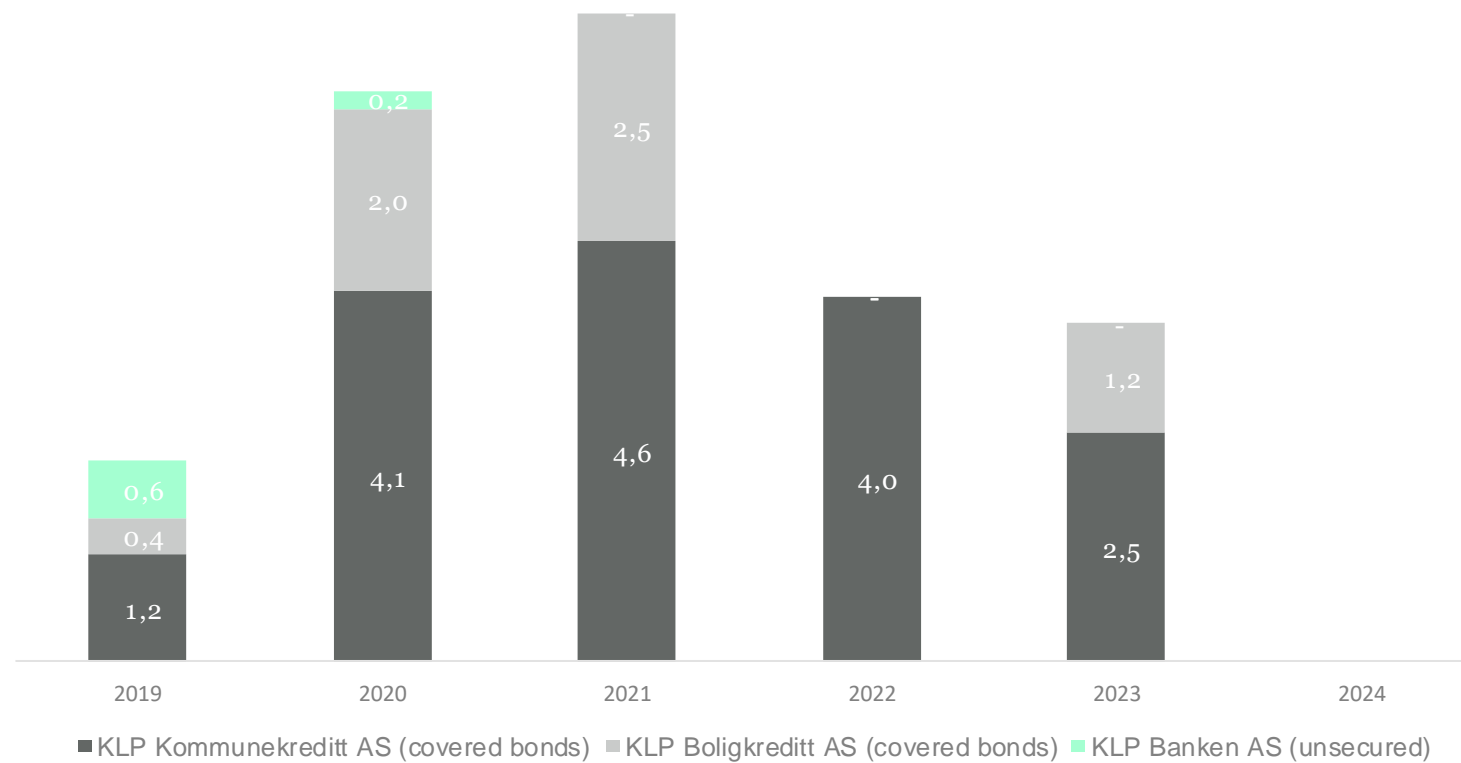
Composition of liquidity placements

Quarter end



Issued bond debt

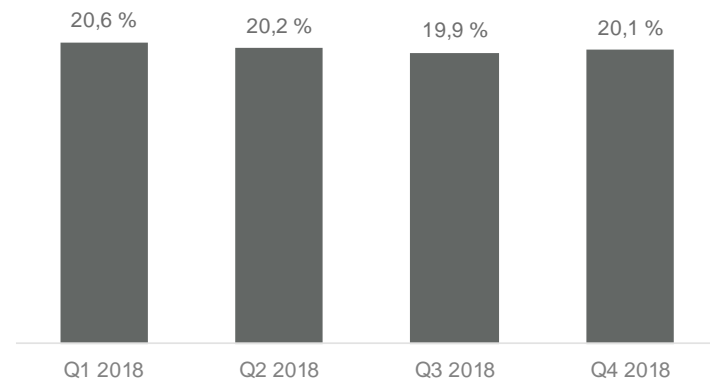
Maturity profile of issued bond debt
NOK billions



Core capital adequacy

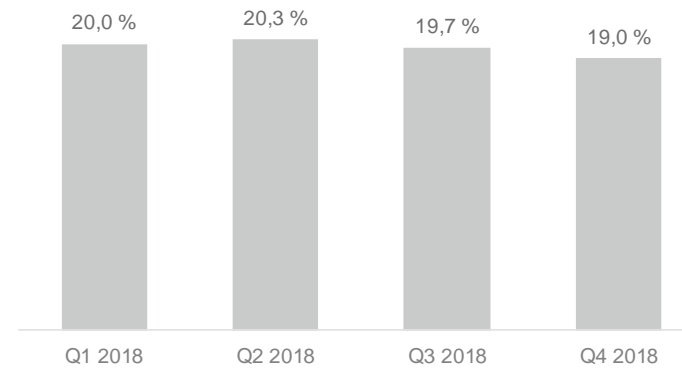
KLP Banken Group

CET1



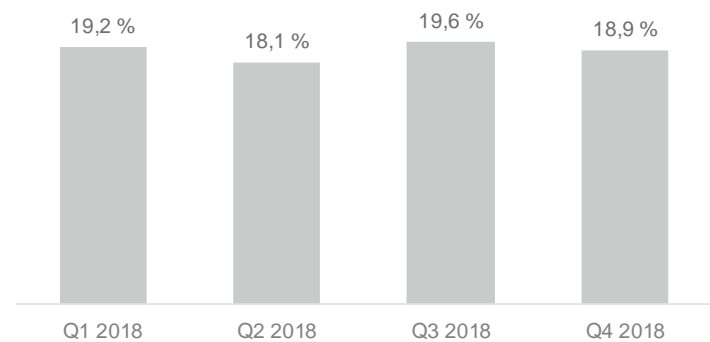
KLP Banken AS

CET1



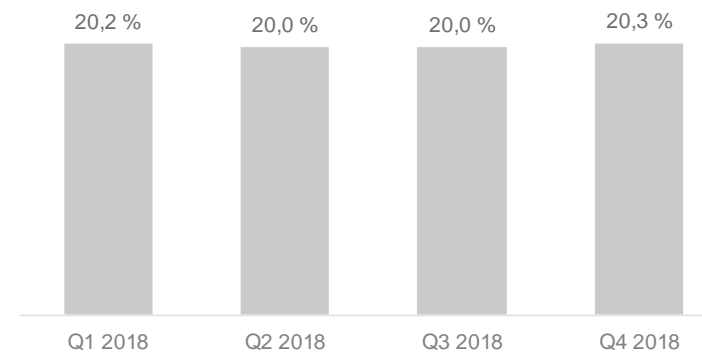
KLP Boligkreditt AS

CET1



KLP Kommunekreditt AS

CET1



P&Ls

KLP Banken Group

NOK MILLIONS, YTD	Q4 2018	Q4 2017	2017
Net interest income	249	242	242
Management fee	58	57	57
Net commission and fees	17	11	11
Gain/loss financial asset/debt	-15	-3	-3
Operating expenses	-220	-200	-200
Write-up/downs	-7	-3	-3
Earnings before tax	82	103	103

KLP Banken AS

NOK MILLIONS, YTD	Q4 2018	Q4 2017	2017
Net interest income	128	113	113
Management fee	58	57	57
Net commission and fees	17	11	11
Gain/loss financial asset/debt	-2	1	1
Operating expenses	-159	-150	-150
Write-up/downs	-7	-3	-3
Earnings before tax	36	30	30

Numbers do not include effects from group contribution

KLP Boligkreditt AS

NOK MILLIONS, YTD	Q4 2018	Q4 2017	2017
Net interest income	55	46	46
Gain/loss financial asset/debt	-1	0	0
Other income	-	-	-
Operating expenses	-45	-33	-33
Earnings before tax	9	14	14

KLP Kommunekreditt AS

NOK MILLIONS, YTD	Q4 2018	Q4 2017	2017
Net interest income	66	82	82
Gain/loss financial asset/debt	-12	-5	-5
Other income	-	-	-
Operating expenses	-16	-17	-17
Earnings before tax	37	60	60

Balance sheets

KLP Banken Group

NOK MILLIONS	31.12.2018	31.12.2017	31.12.2017
Lending to credit institutions	1 439	1 286	1 286
Loans to customers	33 474	30 763	30 763
Interest bearing securities	2 015	2 759	2 759
Other assets	160	173	173
Total assets	37 089	34 981	34 981
Borrowing from credit inst.	-	-	-
Bond debt	24 040	22 924	22 924
Deposits	10 662	9 669	9 669
Other debt	249	285	285
Total liabilities	34 951	32 878	32 878
Equity	2 138	2 102	2 102
Total liabilities and equity	37 089	34 981	34 981

KLP Boligkreditt AS

NOK MILLIONS	31.12.2018	31.12.2017	31.12.2017
Lending to credit institutions	148	123	123
Loans to customers	7 228	5 057	5 057
Interest bearing securities	288	5	5
Other assets	4	1	1
Total assets	7 669	5 187	5 187
Borrowing from credit inst.	1 037	500	500
Bond debt	6 116	4 298	4 298
Deposits	-	-	-
Other debt	8	3	3
Total liabilities	7 161	4 802	4 802
Equity	508	385	385
Total liabilities and equity	7 669	5 187	5 187

KLP Banken AS

NOK MILLIONS	31.12.2018	31.12.2017	31.12.2017
Lending to credit institutions	2 108	1 449	1 449
Loans to customers	9 488	9 384	9 384
Interest bearing securities	1 000	1 318	1 318
Other assets	1 272	1 135	1 135
Total assets	13 868	13 285	13 285
Borrowing from credit inst.	-	-	-
Bond debt	1 015	1 477	1 477
Deposits	10 662	9 669	9 669
Other debt	146	111	111
Total liabilities	11 822	11 257	11 257
Equity	2 045	2 028	2 028
Total liabilities and equity	13 868	13 285	13 285

KLP Kommunekreditt AS

NOK MILLIONS	31.12.2018	31.12.2017	31.12.2017
Lending to credit institutions	650	489	489
Loans to customers	16 759	16 321	16 321
Interest bearing securities	727	1 436	1 436
Other assets	71	91	91
Total assets	18 206	18 339	18 339
Borrowing from credit inst.	430	275	275
Bond debt	16 909	17 149	17 149
Deposits	-	-	-
Other debt	117	180	180
Total liabilities	17 456	17 603	17 603
Equity	750	735	735
Total liabilities and equity	18 206	18 339	18 339

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- Cover Pool Report – KLP Kommunekreditt AS



Overview

Key data

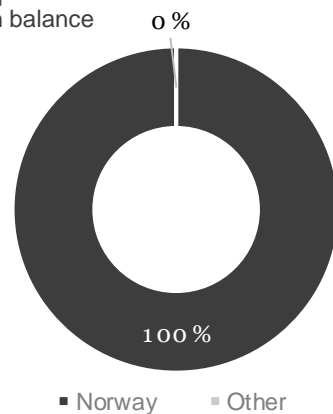
NOK MILLIONS	31.12.2018
Total loan balance	7 121 812 241
Bank deposits	148 413 663
Norwegian AAA-rated covered bonds	1 030 000 000
Total cover pool	8 300 225 904
Covered bonds issued	6 908 000 000
Over-collateralisation	20,2 %
No. of loans	5 679
Average loan balance	1 254 061
WA Seasoning (months)	46,9
WA Remaining terms (months)	260,1
WA Indexed LTV	48,1 %
WA Unindexed LTV	51,1 %
Percentage variable mortgages	100,0 %

Ratings

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

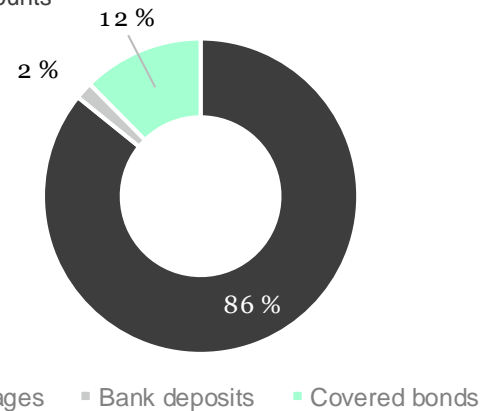
Geographic loan distribution

Nominal loan balance



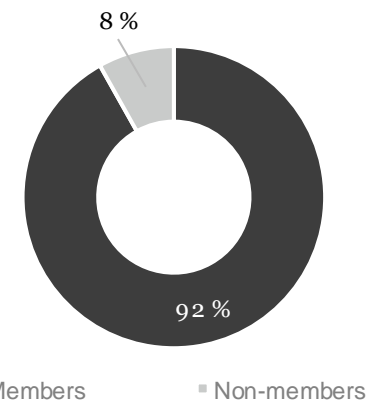
Cover pool composition

Nominal amounts



KLP members' share

of total loan balance



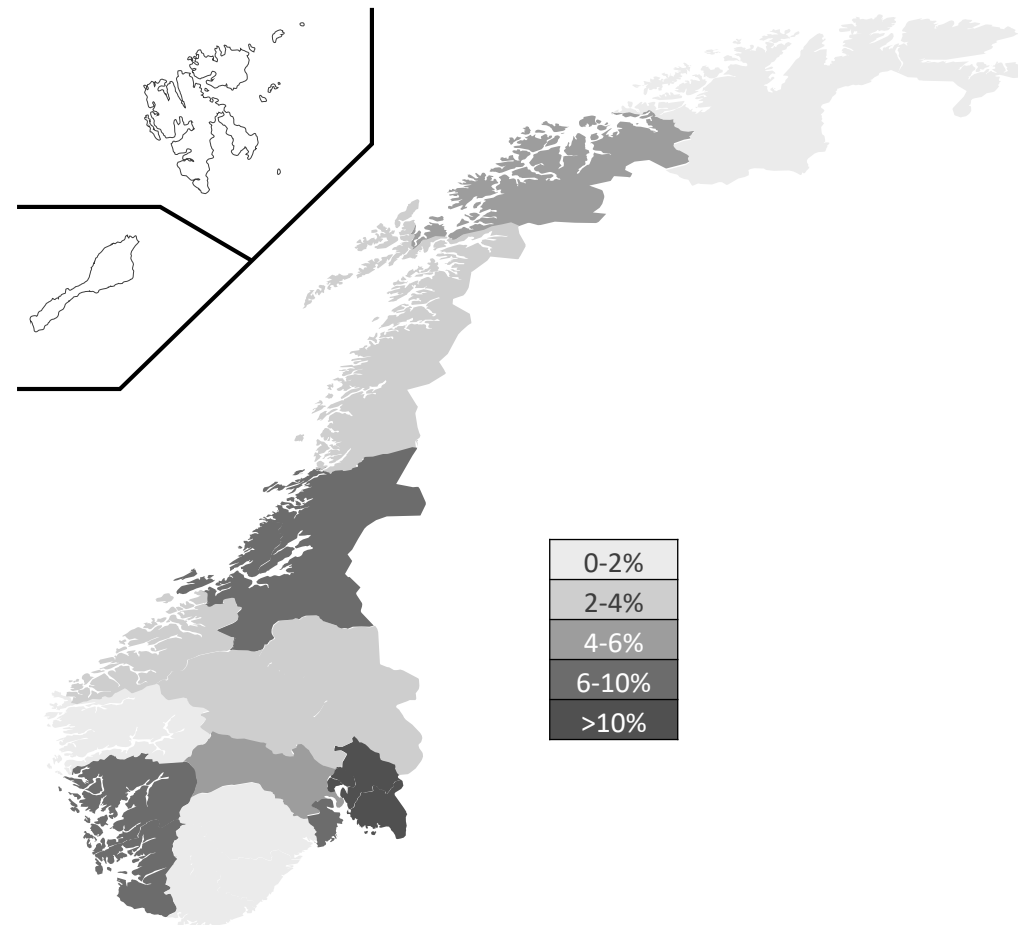
Geographical distribution

Geographical mortgage distribution

COUNTY	NOK
Akershus	1 359 302 123
Østfold	835 028 493
Oslo	759 188 830
Hordaland	610 434 469
Vestfold	522 514 457
Rogaland	474 199 943
Trøndelag	450 691 862
Buskerud	379 469 822
Troms	311 218 996
Hedmark	280 038 321
Nordland	256 973 582
Møre og Romsdal	253 784 203
Oppland	191 930 680
Telemark	139 477 356
Finnmark	94 722 793
Vest-Agder	91 151 503
Aust-Agder	76 870 825
Sogn og fjordane	34 085 793
Svalbard	728 191
Total loan balance	7 121 812 241

Geographical loan distribution

% of total loan balance



Loan-to-value

Unindexed LTV distribution

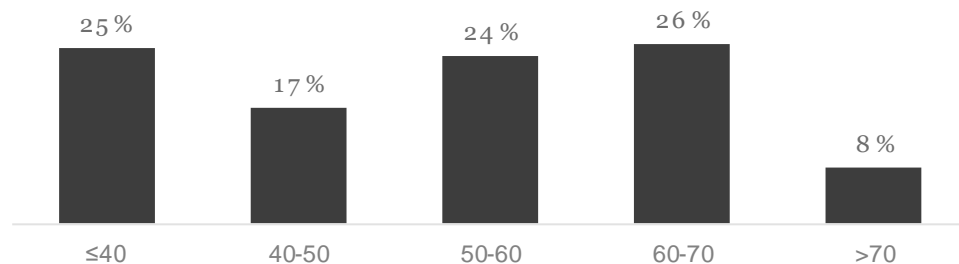
LTV INTERVAL	NOK
≤40	1 798 545 741
40-50	1 188 427 475
50-60	1 717 767 270
60-70	1 840 547 383
>70	576 524 372
Total loan balance	7 121 812 241

Indexed LTV distribution

LTV INTERVAL	NOK
≤40	2 186 993 194
40-50	1 286 876 340
50-60	1 734 889 103
60-70	1 559 531 898
>70	353 521 705
Total loan balance	7 121 812 241

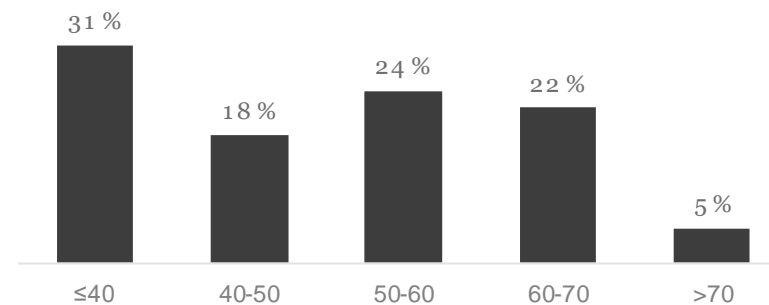
LTV-distribution

Unindexed, % of total



LTV-distribution

Indexed, % of total



Seasoning

Remaining terms

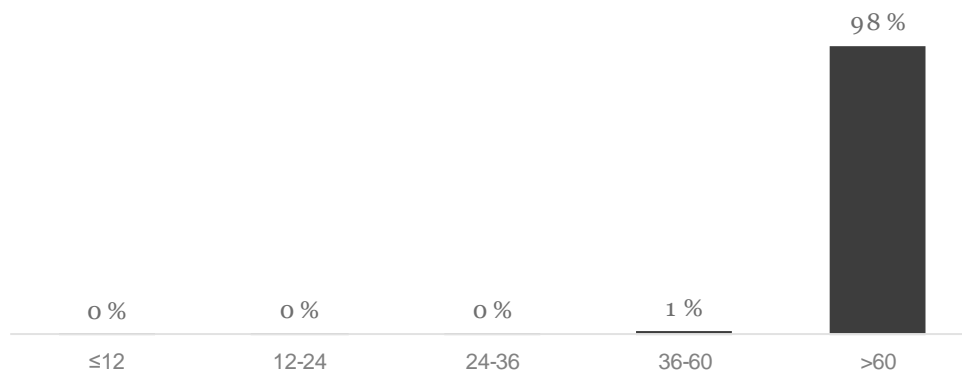
MONTHS	NOK
≤12	3 159 729
12-24	10 577 313
24-36	20 382 548
36-60	74 066 455
>60	7 013 626 196
Total loan balance	7 121 812 241

Seasoning

MONTHS	NOK
≤12	1 507 531 827
12-24	1 360 973 567
24-36	1 137 000 429
36-60	1 412 528 725
>60	1 703 777 692
Total loan balance	7 121 812 241

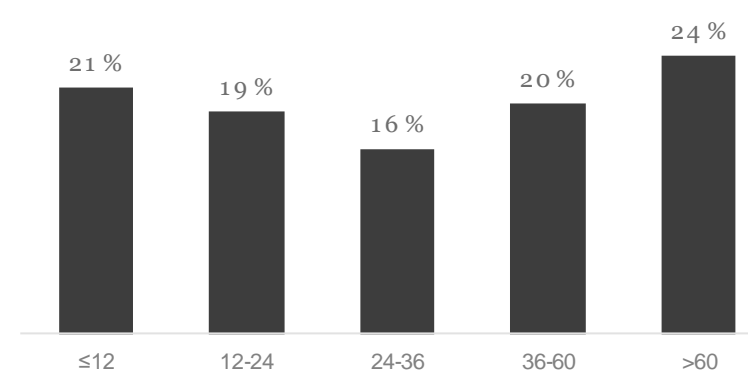
Remaining terms

Months, % of total



Seasoning

Months, % of total



Interest and repayment

Interest rate structure

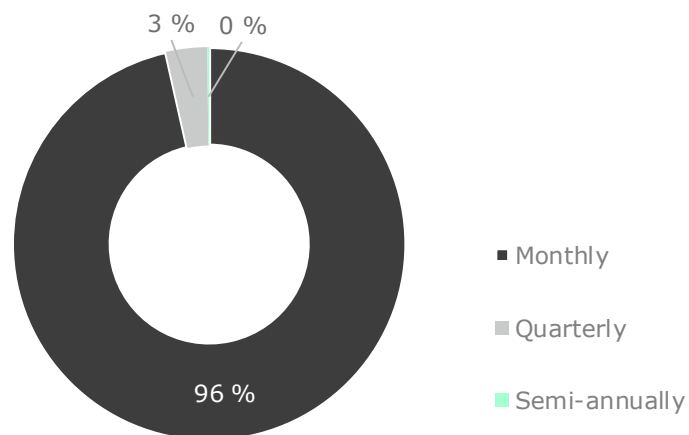
FREQUENCY	NOK
Monthly	6 871 293 121
Quarterly	240 037 571
Semi-annually	10 481 549
Total loan balance	7 121 812 241

Repayment structure

TYPE	NOK
Annuity	6 898 595 691
Constant amortisation	223 216 550
Total loan balance	7 121 812 241

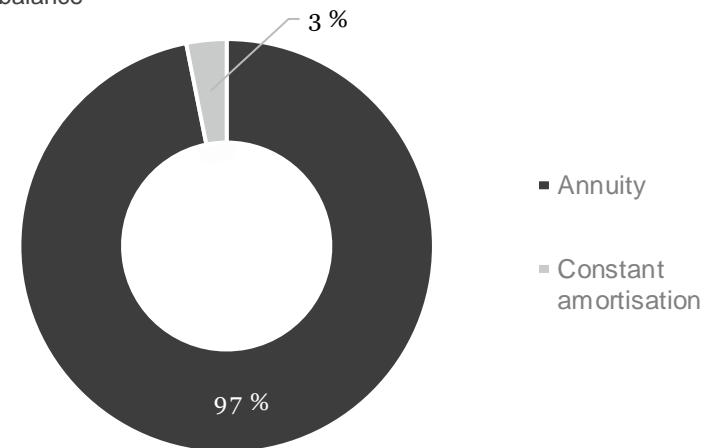
Interest payment frequency

% 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	68 181 493	212 324	1,0 %
30< >90 days	-	-	0,0 %
>90 days	-	-	0,0 %
Total	68 181 493	212 324	1,0 %

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Overview

Key data	
Amounts in NOK	31.12.2018
Total nominal loan balance	16 646 683 053
Bank deposits	649 794 836
AAA-rated bonds	1 245 000 000
Total cover pool	18 541 477 889
Covered bonds issued	17 743 000 000
Over-collateralisation	4,5 %
No. of loans	743
Average loan size	22 404 688
WA life (years)	12
WA Remaining terms (months)	255
Largest debtor/guarantor (in % of pool)	4,2 %

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

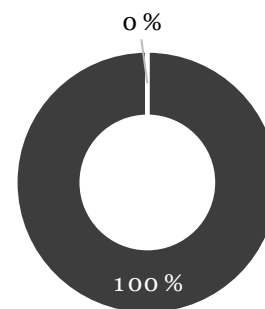
Moody's

Covered bond rating

Aaa

Geographic loan distribution

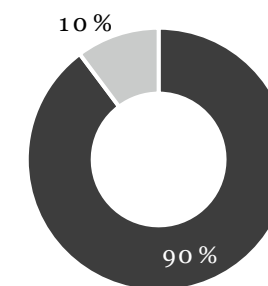
Nominal loan balance



■ Norway ■ Others

Cover pool composition

Nominal amounts



■ Public sector loans ■ Substitution assets

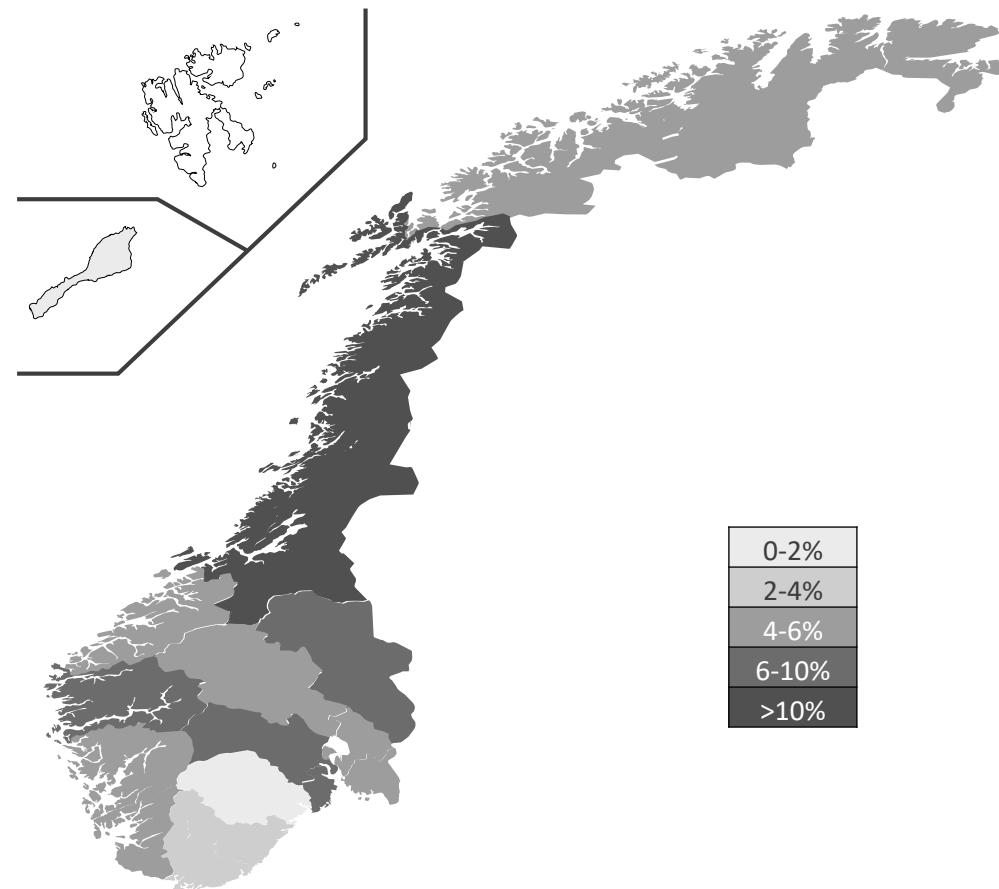
Geographical distribution

Geographical distribution

COUNTY	NOK
Trøndelag	2 123 605 221
Nordland	1 943 756 746
Vestfold	1 456 806 806
Hedmark	1 401 351 930
Buskerud	1 389 329 265
Sogn og Fjordane	1 076 813 242
Møre og Romsdal	926 545 075
Finnmark	885 202 157
Hordaland	814 622 551
Østfold	763 040 217
Akershus	749 654 863
Rogaland	716 464 768
Oppland	710 439 224
Troms	675 789 573
Vest-Agder	468 399 921
Aust-Agder	340 621 701
Telemark	175 367 891
Svalbard	28 871 902
Oslo	-
Total loan balance	16 646 683 053

Geographical loan distribution

% of total loan balance

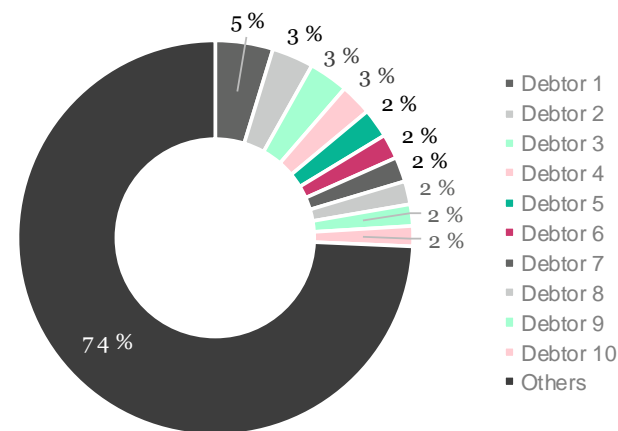


Debtor and collateral concentration

TOP 10 LARGEST DEBTORS	NOK
Debtor 1	784 968 375
Debtor 2	566 666 654
Debtor 3	536 386 689
Debtor 4	431 500 000
Debtor 5	396 535 086
Debtor 6	337 720 150
Debtor 7	337 454 608
Debtor 8	316 346 155
Debtor 9	294 004 100
Debtor 10	275 349 494
Top 10 total loan balance	4 276 931 311
Largest 10 in percent of total loan balance	25,7 %

Debtor concentration

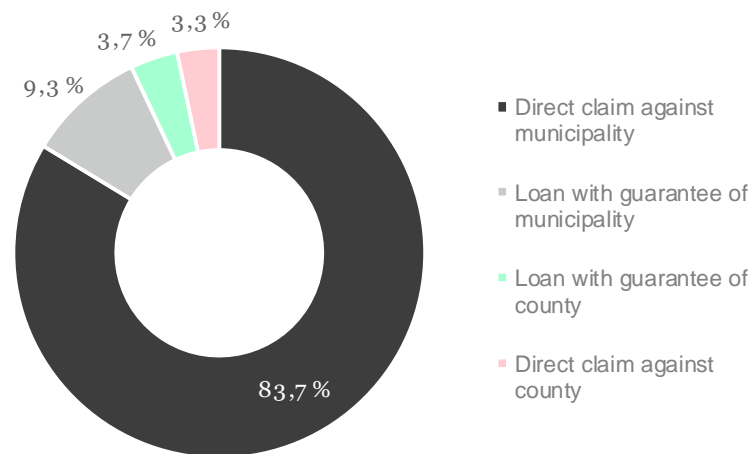
% of total loan balance



COLLATERAL TYPE	NOK
Direct claim against municipality	13 933 630 835
Loan with guarantee of municipality	1 544 070 496
Loan with guarantee of county	620 155 374
Direct claim against county	548 826 347
Total loan balance	16 646 683 053

Collateral concentration

% of total loan balance



Interest and repayment structure

Repayment structure

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
Constant Amortisation	14 280 873 053	86 %	688
Annuity	50 921 958	0 %	3
Partial Bullet	481 253 269	3 %	12
Bullet	1 833 634 773	11 %	40
Total	16 646 683 053	100 %	743

Loan size

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
< 10 mill.	1 367 960 808	8 %	380
> 10 mill. - < 25 mill.	2 971 480 585	18 %	183
> 25 mill. - < 100 mill.	8 802 170 437	53 %	165
> 100 mill. - < 250 mill.	1 615 506 739	10 %	9
< 250 mill.	1 889 564 484	11 %	6
Total	16 646 683 053	100 %	743

Rate reset period

NOK	LOAN BALANCE	SHARE	ACC %
< 1 month	9 990 555 978	60 %	60 %
> 1 month - < 3 month	2 440 346 684	15 %	75 %
> 3 month - < 1 yr	1 270 514 916	8 %	82 %
> 1 yr - < 2 yr	445 541 712	3 %	85 %
> 2 yr - < 5 yr	1 819 626 436	11 %	96 %
> 5 yr	680 097 327	4 %	100 %
Total	16 646 683 053	100 %	

Interest rate type

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
Variable	13 301 018 212	80 %	651
Fixed	3 345 664 841	20 %	92
Total	16 646 683 053	100 %	743

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 %
Total	-	-	0,0 %

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