



Presentation KLP Banken Group

Q2 2020 - 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 2020	Q2 2019
Profit before tax	40	51
Total income	181	177
Operating expenses	122	111
ROE, annualised b.t.	3,6 %	4,7 %

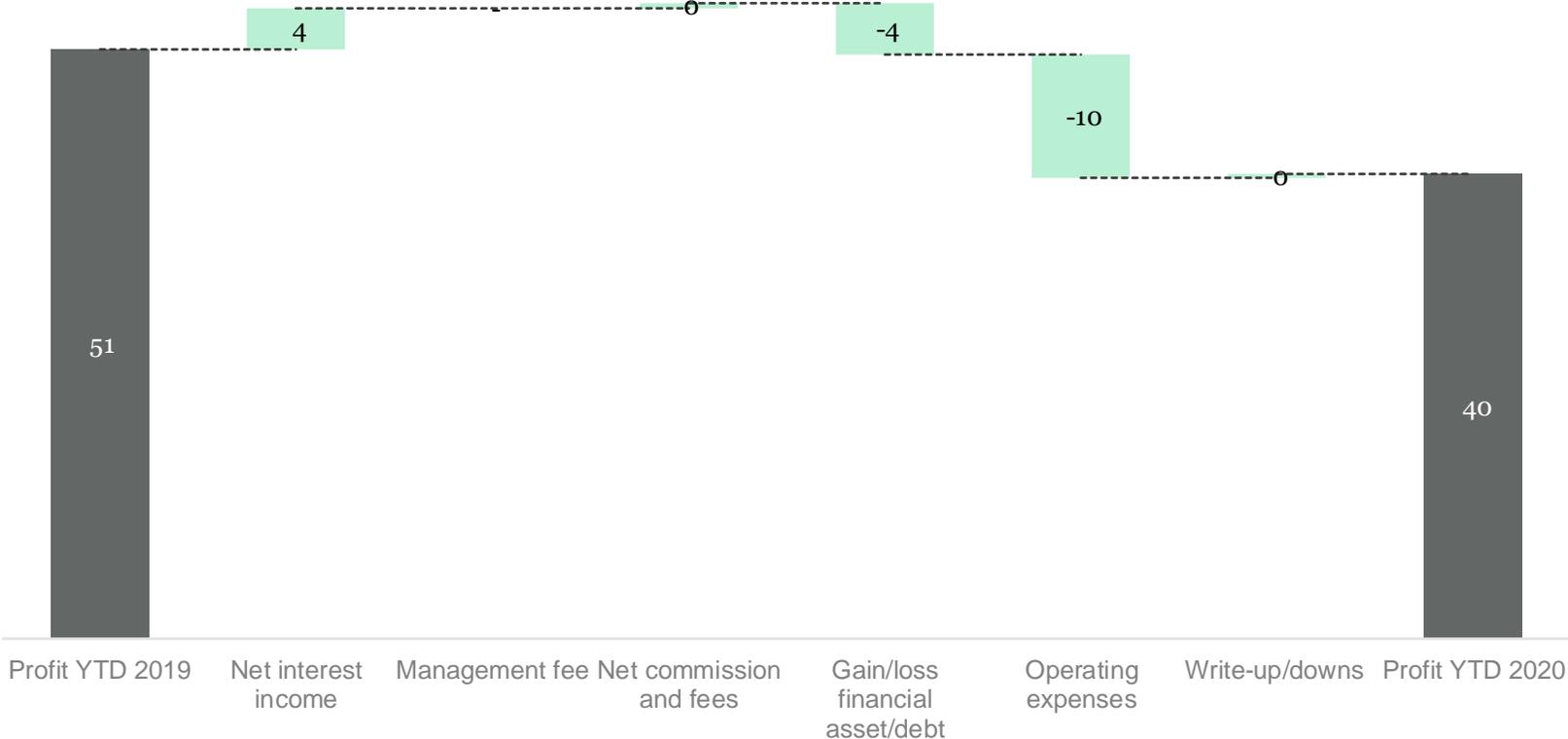
Balance sheet

NOK MILLIONS	Q2 2020	Q2 2019
Mortgage loans	20,1	17,3
Public sector loans	17,2	16,2
Customer deposits	12,2	11,4
Capital adequacy (CET 1)	18,4 %	19,7 %

Profit development

Group profit before tax

NOK millions, YTD this year vs. YTD last year



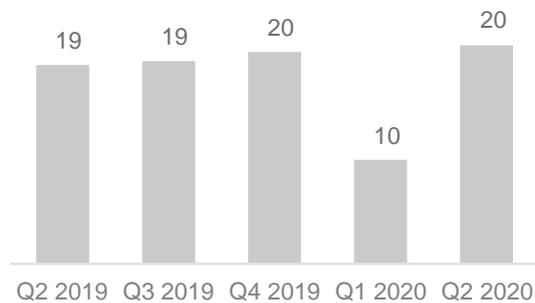
Group PBT

NOK millions



Retail market PBT

NOK millions



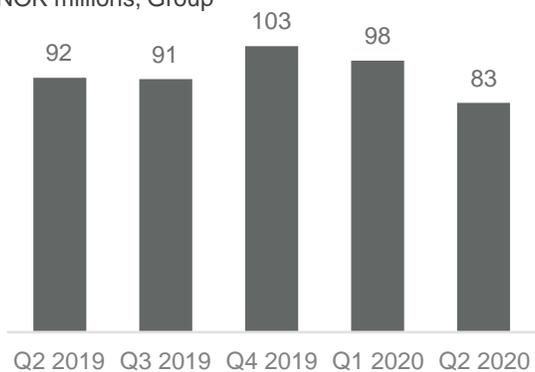
Public sector PBT

NOK millions



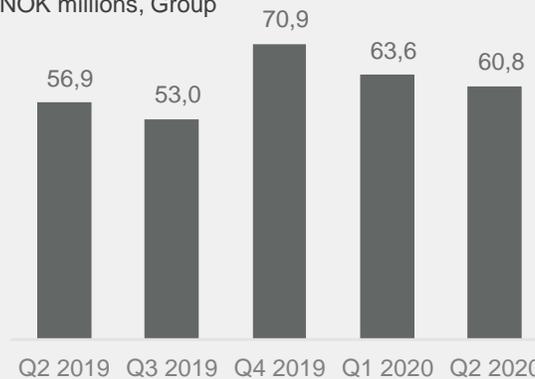
Total income

NOK millions, Group



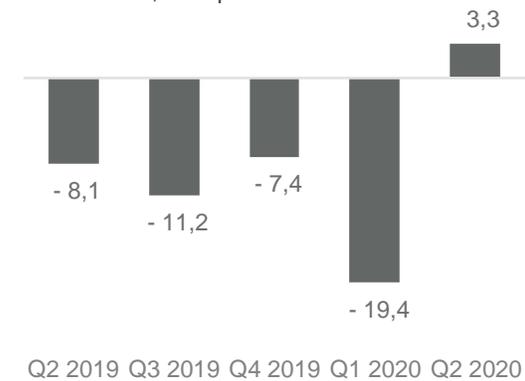
Operating expenses

NOK millions, Group



Financial gains/losses

NOK millions, Group



Delinquent loans, mortgage and public sector

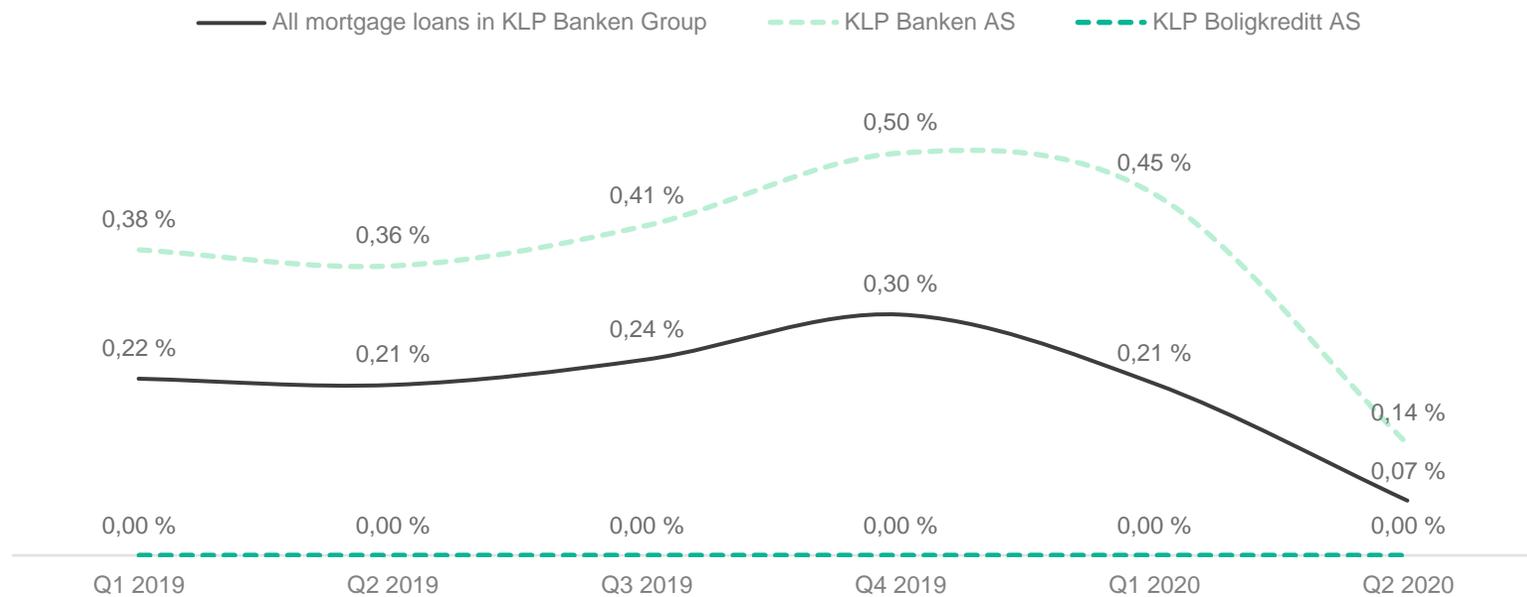
NOK MILLIONS	30.06.2020
Delinquencies in % of Group total lending	0,21 %

Loss provisions

NOK MILLIONS	2018	2019	2020
Mortgage loans	7	7	3
Public sector loans	-0,0	-0,0	0,0

Retail loan delinquencies

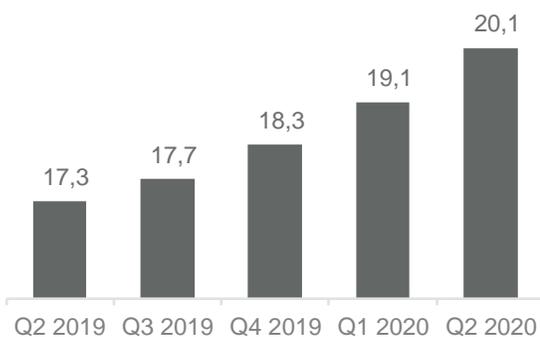
>90 days, % of company total lending balance



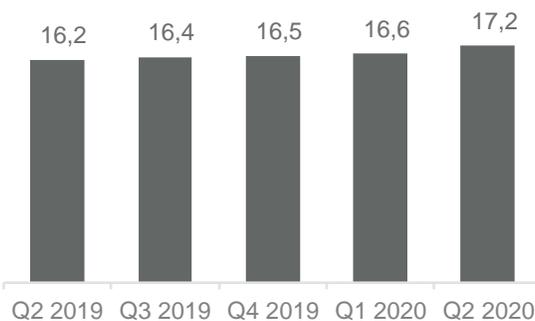
Business volumes

NOK BILLIONS	MORTGAGE LOANS	PUBLIC SECTOR LOANS	CUSTOMER DEPOSITS*
KLP Banken AS	9,8		12,2
KLP Boligkreditt AS	10,3		
KLP Kommunekreditt AS		17,2	
Total	20,1	17,2	12,2

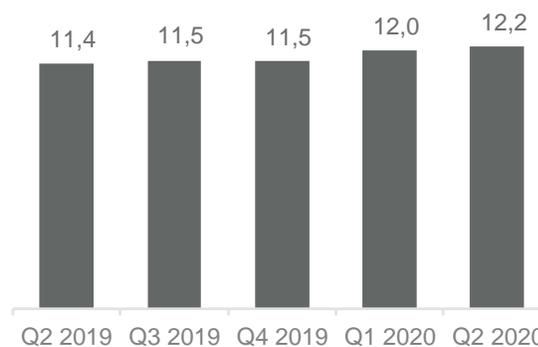
Mortgage loans
NOK billions



Public sector loans
NOK billions



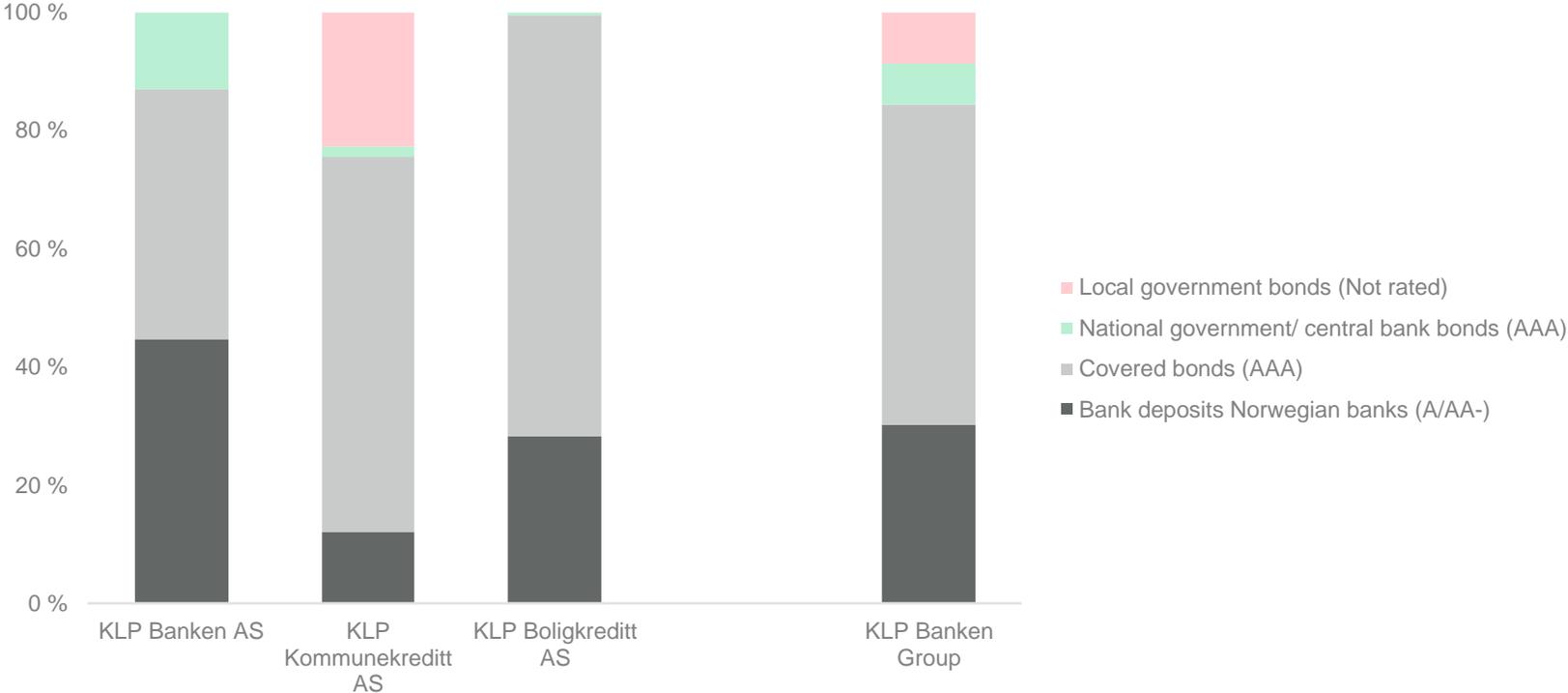
Deposits
NOK billions



Liquidity placements

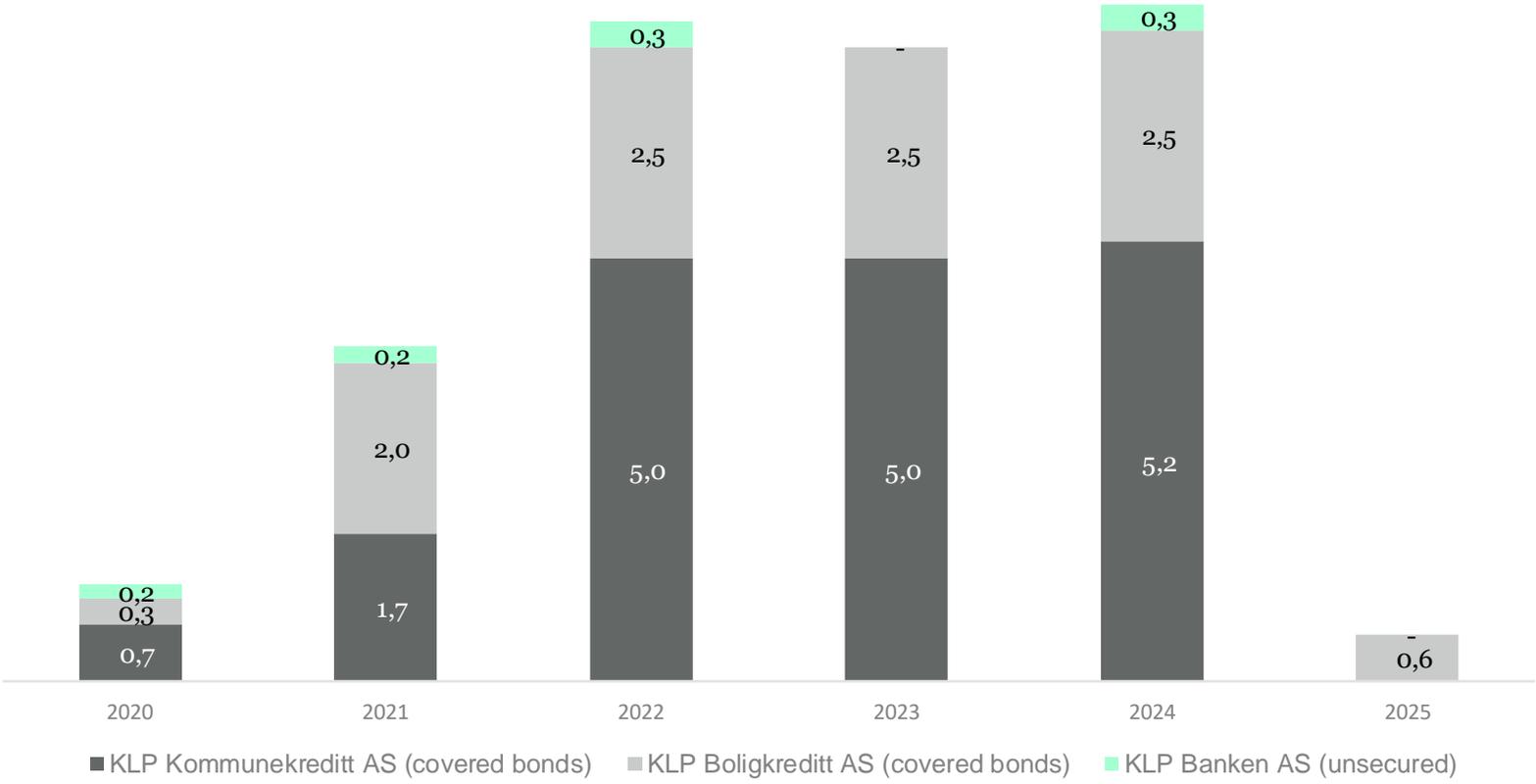
Composition of liquidity placements

Quarter end



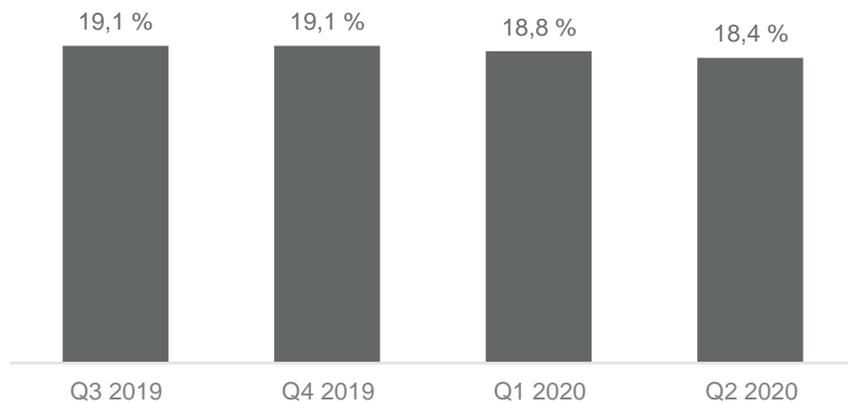
Issued bond debt

Maturity profile of issued bond debt
NOK billions

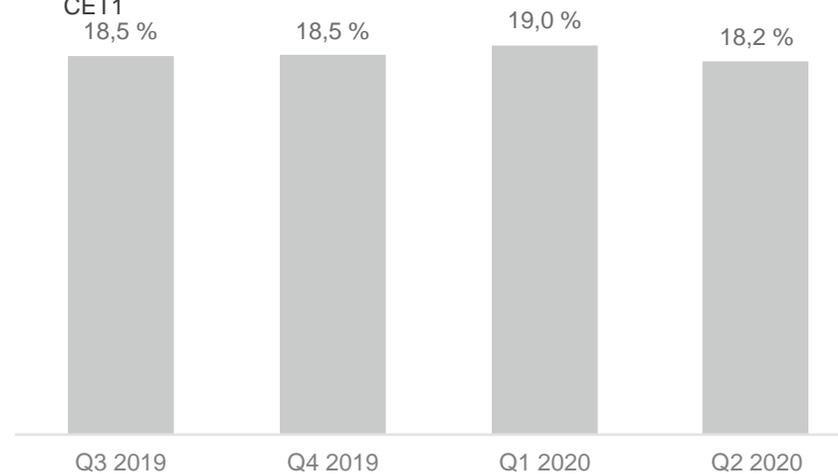


Core capital adequacy

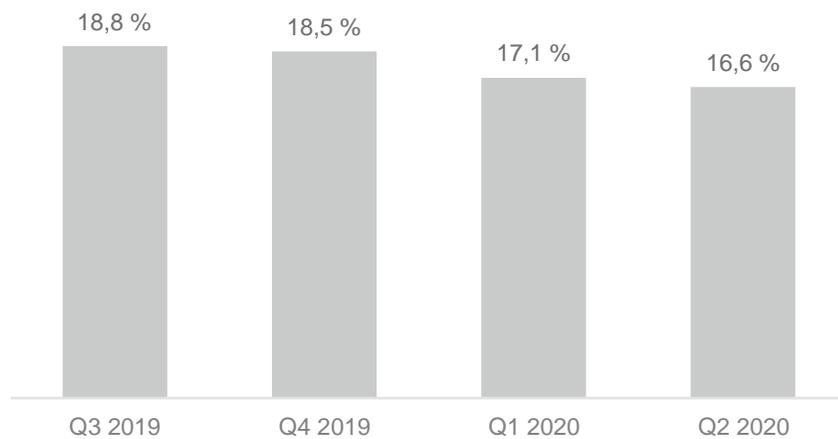
KLP Banken Group
CET1



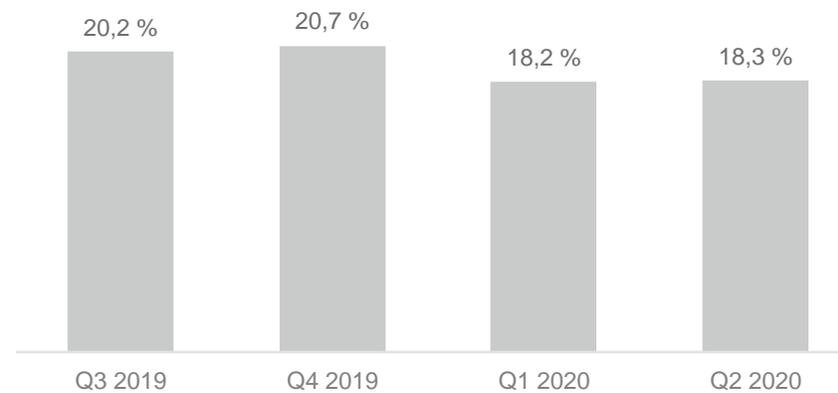
KLP Banken AS
CET1



KLP Boligkreditt AS
CET1



KLP Kommunekreditt AS
CET1



P&Ls

KLP Banken Group

NOK MILLIONS, YTD	Q2 2020	Q2 2019	2019
Net interest income	142	138	293
Management fee	30	30	59
Net commission and fees	9	9	19
Gain/loss financial asset/debt	-16	-12	-30
Operating expenses	-122	-111	-232
Write-up/downs	-3	-3	-7
Earnings before tax	40	51	102

KLP Banken AS

NOK MILLIONS, YTD	Q2 2020	Q2 2019	2019
Net interest income	74	76	167
Management fee	30	30	59
Net commission and fees	9	9	19
Gain/loss financial asset/debt	23	2	-0
Operating expenses	-85	-81	-165
Write-up/downs	-3	-3	-7
Earnings before tax	49	32	73

Numbers do not include effects from group contribution

KLP Boligkreditt AS

NOK MILLIONS, YTD	Q2 2020	Q2 2019	2019
Net interest income	34	31	63
Gain/loss financial asset/debt	-6	-1	-12
Other income	-0	-0	-0
Operating expenses	-28	-22	-47
Earnings before tax	0	7	4

KLP Kommunekreditt AS

NOK MILLIONS, YTD	Q2 2020	Q2 2019	2019
Net interest income	33	31	63
Gain/loss financial asset/debt	-15	-12	-18
Other income	-0	0	0
Operating expenses	-9	-8	-20
Earnings before tax	9	11	25

- The results ytd. for the KLP Banken Group has been adjusted for the effects of changes in value on own holdings of securities in the subsidiaries acquired by KLP Banken AS. This amounts to NOK 18.1 million. The various company results are not affected by this.

Balance sheets

KLP Banken Group

NOK MILLIONS	Q2 2020	Q2 2019	2019
Lending to credit institutions	1 795	1 511	1 498
Loans to customers	37 478	33 644	34 934
Interest bearing securities	4 385	3 555	3 119
Other assets	193	150	147
Total assets	43 850	38 861	39 697

Borrowing from credit inst.	3 002,00	-	-
Bond debt	25 993	24 858	25 822
Deposits	12 245	11 465	11 487
Other debt	272	363	151
Total liabilities	41 512	36 686	37 460
Equity	2 339	2 174	2 238
Total liabilities and equity	43 850	38 861	39 697

KLP Boligkreditt AS

NOK MILLIONS	Q2 2020	Q2 2019	2019
Lending to credit institutions	223	229	129
Loans to customers	10 275	7 097	7 338
Interest bearing securities	569	356	460
Other assets	20	7	3
Total assets	11 087	7 689	7 929

Borrowing from credit inst.	65	933	387
Bond debt	10 384	6 239	7 027
Deposits	-	-	-
Other debt	6	3	2
Total liabilities	10 455	7 176	7 417
Equity	631	514	508
Total liabilities and equity	11 087	7 689	7 925

KLP Banken AS

NOK MILLIONS	Q2 2020	Q2 2019	2019
Lending to credit institutions	2 033	2 046	1 482
Loans to customers	9 847	10 254	11 049
Interest bearing securities	5 392	1 137	1 292
Other assets	1 394	1 263	1 278
Total assets	18 667	14 700	15 101

Borrowing from credit inst.	3 002	-	-
Bond debt	974	879	1 407
Deposits	12 245	11 465	11 487
Other debt	164	289	91
Total liabilities	16 385	12 632	12 985
Equity	2 282	2 068	2 045
Total liabilities and equity	18 667	14 700	15 030

KLP Kommunekreditt AS

NOK MILLIONS	Q2 2020	Q2 2019	2019
Lending to credit institutions	279	440	594
Loans to customers	17 357	16 293	16 547
Interest bearing securities	2 038	2 062	1 366
Other assets	95	67	42
Total assets	19 768	18 863	18 549

Borrowing from credit inst.	675	270	320
Bond debt	18 232	17 741	17 387
Deposits	-	-	-
Other debt	136	93	67
Total liabilities	19 043	18 104	17 775
Equity	725	758	750
Total liabilities and equity	19 768	18 863	18 524

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Overview

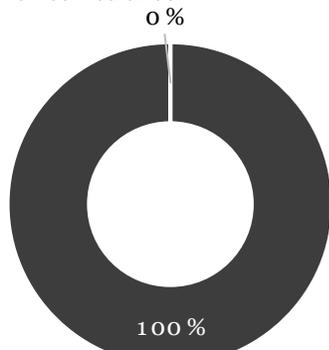
Key data

NOK MILLIONS	30.06.2020
Total loan balance	10 235 240 133
Bank deposits	223 346 490
Norwegian AAA-rated covered bonds	990 000 000
Total cover pool	11 448 586 622
Covered bonds issued	10 818 000 000
Over-collateralisation	5,8 %
No. of loans	7 616
Average loan balance	1 343 913
WA Seasoning (months)	44,8
WA Remaining terms (months)	265,3
WA Indexed LTV	52,1 %
WA Unindexed LTV	54,5 %
Percentage variable mortgages	100,0 %

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

Geographic loan distribution

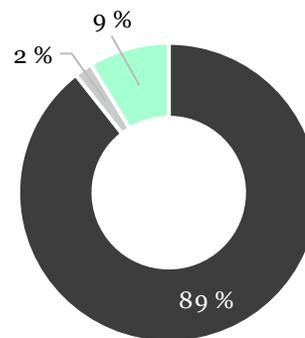
Nominal loan balance



■ Norway ■ Other

Cover pool composition

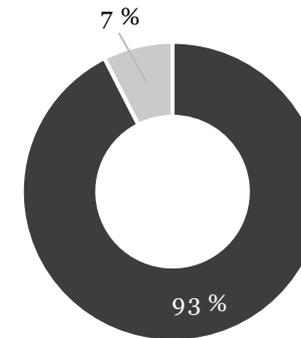
Nominal amounts



■ Mortgages ■ Bank deposits ■ Covered bonds

KLP members' share

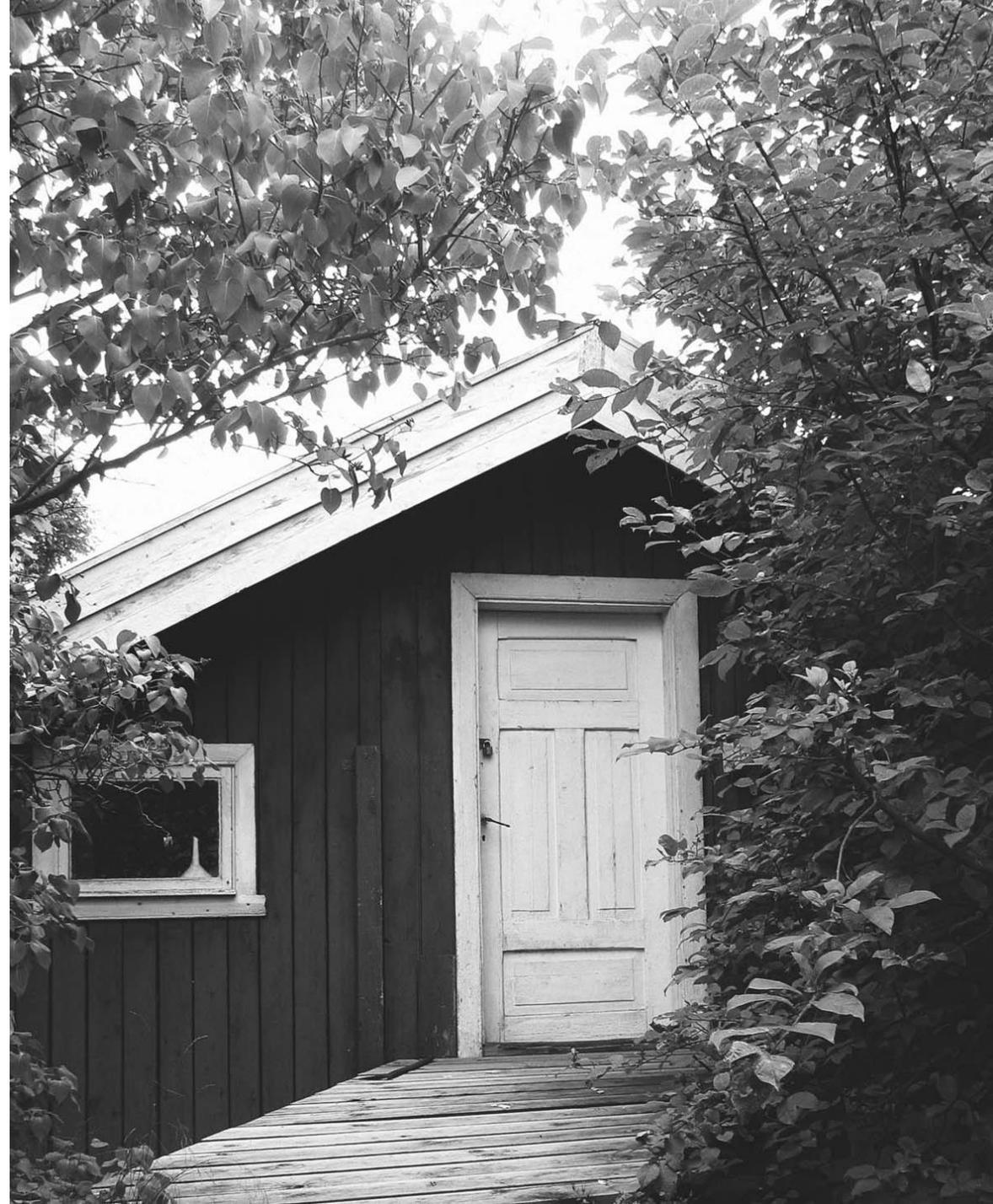
of total loan balance



■ Members ■ Non-members

Geographical distribution

COUNTY	NOK	SHARE
Viken	3 776 411 611	36,9 %
Oslo	988 507 459	9,7 %
Vestfold og Telemark	978 748 337	9,6 %
Vestland	936 461 612	9,1 %
Rogaland	680 581 264	6,6 %
Innlandet	659 462 577	6,4 %
Trøndelag	624 797 672	6,1 %
Troms og Finnmark	593 451 767	5,8 %
Nordland	371 875 404	3,6 %
Møre og Romsdal	356 427 718	3,5 %
Agder	268 514 711	2,6 %
Total loan balance	10 235 240 133	100,0 %



Loan-to-value

Unindexed LTV distribution

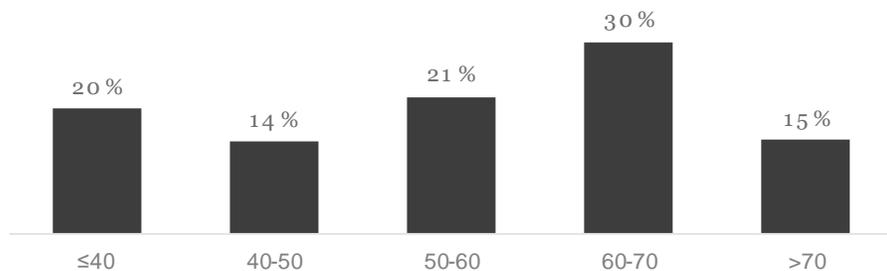
LTV INTERVAL	NOK	SHARE
≤40	2 003 420 657	20 %
40-50	1 474 545 820	14 %
50-60	2 195 522 238	21 %
60-70	3 066 420 617	30 %
>70	1 495 330 801	15 %
Total loan balance	10 235 240 133	100 %

Indexed LTV distribution

LTV INTERVAL	NOK	SHARE
≤40	2 454 368 633	24 %
40-50	1 566 831 061	15 %
50-60	2 296 045 331	22 %
60-70	2 640 155 306	26 %
>70	1 277 839 802	12 %
Total loan balance	10 235 240 133	100 %

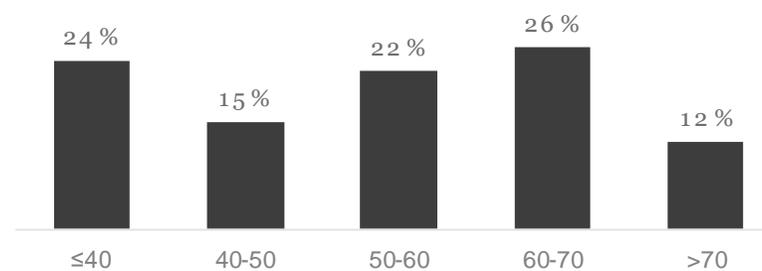
LTV-distribution

Unindexed, % of total



LTV-distribution

Indexed, % of total



Seasoning

Remaining terms

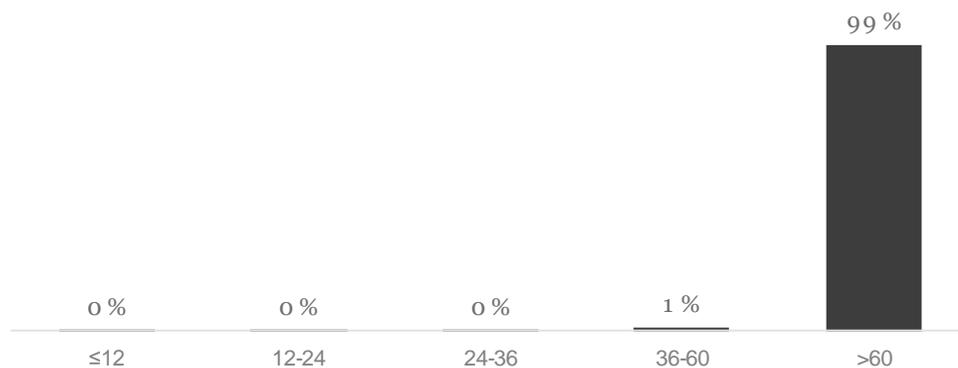
MONTHS	NOK	SHARE
≤12	3 731 813	0 %
12-24	12 040 946	0 %
24-36	26 153 152	0 %
36-60	102 472 828	1 %
>60	10 090 841 393	99 %
Total loan balance	10 235 240 133	100 %

Seasoning

MONTHS	NOK	SHARE
≤12	2 219 485 020	22 %
12-24	1 900 532 228	19 %
24-36	1 754 684 103	17 %
36-60	1 912 328 078	19 %
>60	2 448 210 704	24 %
Total loan balance	10 235 240 133	100 %

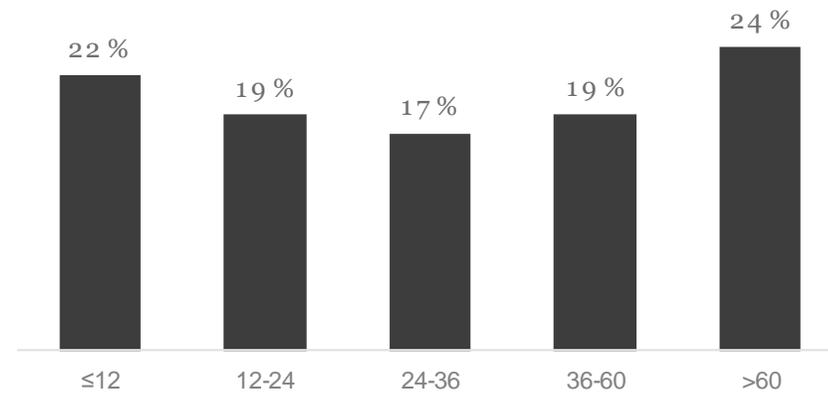
Remaining terms

Months, % of total



Seasoning

Months, % of total



Interest and repayment

Interest rate structure

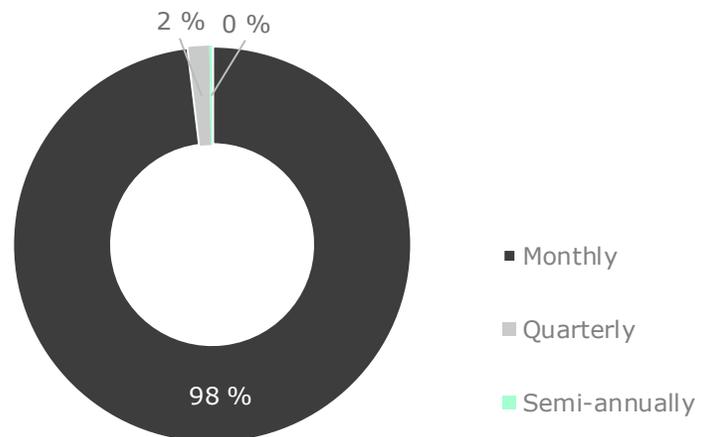
FREQUENCY	NOK	SHARE
Monthly	10 040 281 915	98 %
Quarterly	172 720 489	2 %
Semi-annually	22 237 728	0 %
Total loan balance	10 235 240 133	100 %

Repayment structure

TYPE	NOK	SHARE
Annuity	10 038 844 370	98 %
Constant amortisation	196 395 763	2 %
Total loan balance	10 235 240 133	100 %

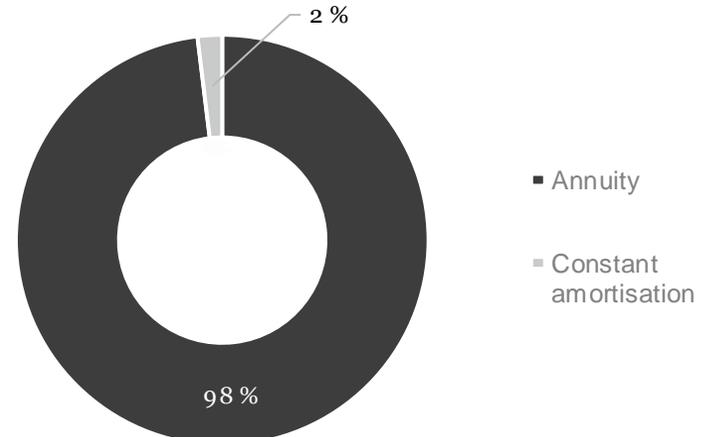
Interest payment frequency

% of total loan balance



Payment profile

% of total loan balance



Delinquencies

	LOAN BALANCE	AMOUNT IN ARREARS	LOAN BALANCE IN % OF COVER POOL LOANS
7< >30 days	36 996 106	79 137	0,4 %
30< >90 days	-	-	0,0 %
>90 days	-	-	0,0 %
Total	36 996 106	79 137	0,4 %

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Overview

Key data

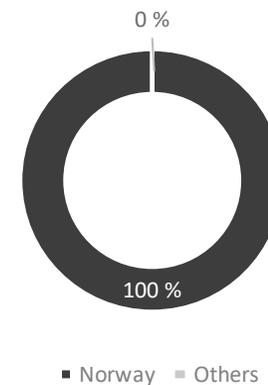
NOK MILLIONS	30.06.2020
Total nominal loan balance	17 188 242 607
Bank deposits	278 531 545
AAA-rated bonds	3 007 600 000
Total cover pool	20 474 374 152
Covered bonds issued	19 425 000 000
Over-collateralisation	5,4 %
No. of loans	704
Average loan size	24 415 117
WA life (years)	11,6
WA Remaining terms (months)	255
Largest debtor/guarantor (in % of pool)	3,6 %

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.

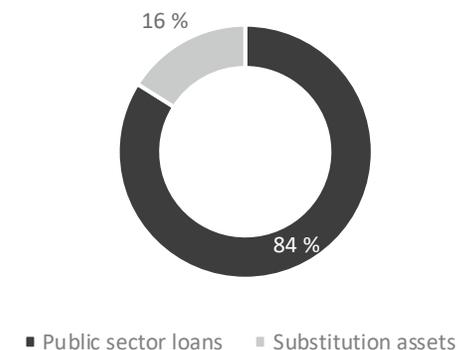
Geographic loan distribution

Nominal loan balance



Cover pool composition

Nominal amounts



Geographical distribution

COUNTY	NOK	SHARE
Viken	2 904 100 041	16,9 %
Trøndelag	2 348 122 825	13,7 %
Nordland	2 240 098 358	13,0 %
Vestland	2 030 672 524	11,8 %
Innlandet	1 847 972 869	10,8 %
Vestfold og Telemark	1 603 400 551	9,3 %
Troms og Finnmark	1 432 820 592	8,3 %
Rogaland	1 238 091 627	7,2 %
Møre og Romsdal	833 285 423	4,8 %
Agder	687 712 417	4,0 %
Svalbard	21 965 380	0,1 %
Oslo	-	0,0 %
Total loan balance	17 188 242 607	100 %



Debtor and collateral concentration

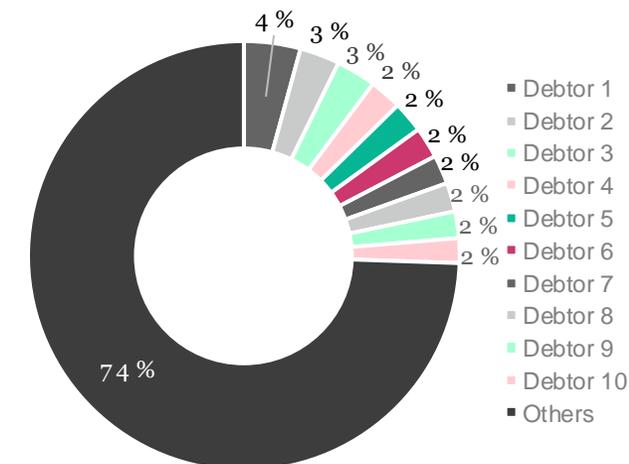
TOP 10 LARGEST DEBTORS	NOK
Debtor 1	727 781 380
Debtor 2	514 811 098
Debtor 3	512 452 889
Debtor 4	416 500 000
Debtor 5	403 843 730
Debtor 6	402 048 450
Debtor 7	374 402 421
Debtor 8	373 169 340
Debtor 9	344 872 966
Debtor 10	319 299 040
Top 10 total loan balance	4 389 181 314

Largest 10 in percent of total loan balance 25,5 %

COLLATERAL TYPE	NOK
Direct claim against municipality	14 975 133 384
Loan with guarantee of municipality	1 333 868 758
Loan with guarantee of region/federal state	466 331 628
Direct claim against region/federal state	376 315 251
Others	36 593 586
Total loan balance	17 188 242 607

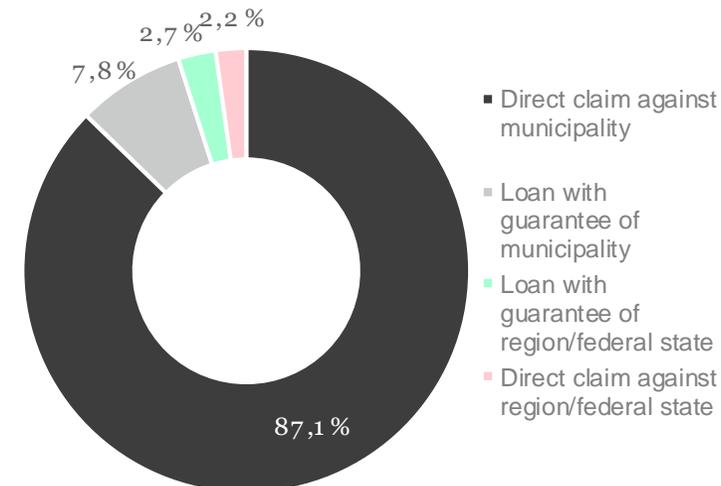
Debtor concentration

% of total loan balance



Collateral concentration

% of total loan balance



Interest and repayment structure

Repayment structure

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
Constant Amortization	14 798 065 210	86 %	649
Annuity	42 883 960	0 %	2
Partial Bullet	495 412 318	3 %	13
Bullet	1 851 881 119	11 %	40
Total	17 188 242 607	100 %	704

Loan size

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
< 10 mill.	1 263 508 786	7 %	347
> 10 mill. - < 25 mill.	2 892 619 438	17 %	174
> 25 mill. - < 100 mill.	8 984 201 540	52 %	166
> 100 mill. - < 250 mill.	2 094 189 741	12 %	11
< 250 mill.	1 953 723 102	11 %	6
Total	17 188 242 607	100 %	704

Rate reset period

NOK	LOAN BALANCE	SHARE	ACC %
< 1 month	11 123 401 161	65 %	65 %
> 1 month - < 3 month	2 253 898 087	13 %	78 %
> 3 month - < 1 yr	875 492 848	5 %	83 %
> 1 yr - < 2 yr	1 287 093 946	7 %	90 %
> 2 yr - < 5 yr	637 440 193	4 %	94 %
> 5 yr	1 010 916 372	6 %	100 %
Total	17 188 242 607	100 %	

Interest rate type

NOK	LOAN BALANCE	SHARE	NO. OF LOANS
Variable	13 633 372 745	79 %	614
Fixed	3 554 869 862	21 %	90
Total	17 188 242 607	100 %	704

Delinquencies

	LOAN BALANCE	AMOUNT IN ARREARS	LOAN BALANCE IN % OF COVER POOL LOANS
0< >30 days	109 152 756	3 505 999	0,6 %
30< >90 days	-	-	0,0 %
>90 days	-	-	0,0 %
Total	109 152 756	3 505 999	0,6 %

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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