Annual Report 2023

KLP Group, Sustainability Report and KLP

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Record surplus for the pension customers' premium fund

KLP is the pension company for the Norwegian local government and healthcare sector. KLP was founded 75 years ago as a partnership of small municipalities, with the goal of offering employees an occupational pension on equal terms. Today, we are proud to be Norway's largest provider of public-sector occupational pensions, and we look after the pensions of almost one million Norwegians.

We manage pension assets of more than NOK 1,000 billion, and aim to deliver good returns and sustainable development. This is a great responsibility which we take very seriously, for both current and future pensioners. 2023 was a good year in terms of profits, benefitting our customer-owners.

Good returns and solid buffers have allowed KLP to return more than NOK 21 billion to Norwegian local government and healthcare customers this year.

A major reason why we can now deliver this record transfer is that the equity markets did very well last year. Another reason is that we have built up solid buffers in KLP over time, which now allow us to transfer a substantial share directly back to our owners.

Some key figures for 2023

- NOK 21.4 billion transferred to the customers' premium fund.
- Return of 6.4 per cent on pension assets in the common portfolio.
- Total assets in excess of NOK 1,000 billion

Group Chief Execution Officer KLP, Sverre Thornes. Photo: Skjalg Vold.

Money transferred to an owner's premium fund must be used to pay future pension premiums – what the employer is required to set aside for its employees' pensions. These transfers contribute to reduced pension payments for the municipalities, and release funds that would otherwise have gone into pensions to be used for other purposes.

The robust buffer building is part of KLP's long-term investment strategy and is essential for us to be able to withstand the fluctuations in earnings that equity investments entail. However equity investments do generate good profits. Together with higher interest rates and higher returns from property going forward, we expect to be able to pass on greater profits to our customers' premium fund in the future than in the period just past. Now is the time to reap the benefits of a long-term management strategy.

Owners who challenge us

We find that our owners want us to invest at the local and regional level. In 2023, KLP invested more pension money than ever before in Norwegian communities. Among other things, we invested almost NOK 640 million in Norwegian seedcorn companies, which create new jobs and promote new business in municipalities across Norway.

Our owners also face challenges in meeting the need for competent staff, especially in the healthcare sector. We are committed to helping to protect those who are in work and to reducing sick leave, disability and premature retirement. That is why we offer HSE support, and raise awareness of the issues through campaigns and conferences, contributing insights and figures to our owners. This gives a comprehensive picture of disability figures and retirement patterns over time.

In 2023, we also had an exciting collaboration with the Norwegian Association of Local and Regional Authorities (KS), the Nurses' Association and the Norwegian Union of Municipal and General Employees to boost recruitment into the health and care professions through campaigns and participation in educational fairs. We also brought different professional groups to the attention of our customers through our own promotional films. We feel that the response has been very good.

To our owners' employees, we show the value of staying at work. We believe that together we can get more people to choose full-time positions, and stay in work for longer.

New pension rules

There are major changes on the way in the pension rules for employees with public-sector occupational pensions. Especially for those born in 1963 and after. The transition from a final salary scheme to an scheme that takes account of all years of work, neutral and flexible pension withdrawal, and changes in AFP and special age pensions calls for good information. Our task is to guide our members so that they can make good choices about their pension. Through good systems and personal guidance, we want to make useful information about pensions available and understandable, so everyone can see how the new rules will affect them.

A globally engaged owner

At the end of last year, we were managing the impressive sum of NOK 1,017 billion in capital. Our mission extends beyond delivering competitive returns – we are also a driving force for sustainable development. Through our investments, we aim to help the world towards the targets set through the UN Sustainable Development Goals and the Paris Agreement.

We take an active part in the management of the 9,000 and more companies we have invested in. Our voting rights at general meetings enable us to influence the direction taken by these companies. Even more important is our strategic direction: We direct our investments towards renewables. This work is yielding concrete results. In 2023, we carried out a due diligence check on listed companies in the Gulf States. Eleven companies were excluded because of a high risk of human rights violations. The companies had particular issues related to authoritarian regimes that restrict freedom of expression and political rights, including those of critics and human rights activists. The companies excluded operate in the building, construction and property sectors and in telecommunications, where the risk is considered particularly high.

KLP also chose to exclude the oil company Saudi Aramco, because of its close ties with dominant state owners and an active position contrary to KLP's expectations for climate and energy transition plans.

In response to the war in Gaza, we are also carrying out a special due diligence assessment of Israeli companies to pick up any possible involvement in human rights violations.

We will continue to work towards sustainable development for the days ahead.

Sverre Thornes

Group Chief Executive Officer, KLP

This is KLP

KLP was founded 75 years ago as a partnership of small municipalities across the country wanting to offer occupational pensions to their employees. Today, we are Norway's largest provider of public-sector occupational pensions, and KLP provides security in old age for almost one million Norwegians in the local government and healthcare sector.

KLPs core business

KLP's principal product is public-sector occupational pension provision. We aim to provide public-sector enterprises and their employees with secure pension saving that contributes to sustainable development. In addition to our core business, we offer important additional services within banking and insurance. At the turn of the year, KLP had total assets of more than NOK 1,000 billion.

KLP is the pension company for the Norwegian local government and healthcare sector

KLP is owned by municipalities, health enterprises and businesses with public-sector occupational pensions from the company. As our customers are also our owners, the value we generate is returned to the customers as a group. Customers with public-sector occupational pension schemes are guaranteed an annual return from KLP. All of the returns KLP achieves over and above what the owners are guaranteed are profit. The profit is either used to build buffers or returned to the owners. They can use this to pay their pension premiums.

KLP and its subsidiaries

KLP is a mutual insurance company with five wholly-owned subsidiaries organised as limited companies. The subsidiaries contribute to increased growth and profitability by offering good prices for banking, asset management and insurance services to our owners and everyone who has a pension with KLP.

You can read more about KLP's history on our website: https://www.klp.no/om-klp/klps-historie

Organisation and management

The parent company Kommunal Landspensjonskasse gjensidig forsikringsselskap (KLP) and its wholly-owned subsidiaries have a total of around 1,100 employees.

The company's Board of Directors is elected by the corporate assembly, which is made up of delegates from the owners. The public sector employees' organisations are represented in the governing bodies of the company.

Group senior management

KLP's Group management consists of managers from the various parts of the parent company Kommunal Landspensjonskasse. All are experienced leaders with broad experience from the Norwegian business world.

Group Senior Management. From the left: Rune Hørnes, Gro Myking, Jarl Nygaard, Ida Louise Skaurum Mo, Sverre Thornes (CEO), Kirsten Grutle, Hege Hodnesdal, Aage E. Schaanning and Cathrine Hellandsvik. Photo: Nicolas Tourrenc.

Sverre Thornes, CEO

Sverre Thornes has been CEO of KLP since January 2008. Prior to that, he was Executive Vice President responsible for life insurance, and from 2001 to 2006, he headed KLP Kapitalforvaltning. He joined KLP as a fixed income manager in 1995. Thornes has a BA in Business Administration from the American College in Paris.

Kirsten Grutle, Executive Vice President People and Organisation

Kirsten Grutle joined KLP as HR Director on 1 September 2011, coming from the post of HR Director at Accenture Norway. Shae has been part of KLP Group management since 2016. Grutle previously worked at

Telenor and EDB Business Partner, and has extensive experience of HR and management. She has a Bachelor's degree from the University of Bergen.

Cathrine Hellandsvik, Executive Vice President Life and Pension

Cathrine Hellandsvik has headed the Life and Pension division since 2023. She has been Director of the Customer department since 2012. She was previously Director of Business Policy and Analysis at KLP and also has many years of ministry experience. Cathrine Hellandsvik has a degree in Economics from the University of Oslo.

Hege Hodnesdal, Executive Vice President Pension Operations

Hege Hodnesdal joined KLP as Executive Vice President for Pension Operations on 1 August 2023. She came from the position of Director of Non-Life Insurance at Finance Norway, where she has been responsible for the business policy related to non-life insurance for the last six years. Prior to this, she worked in various positions at Storebrand for over 20 years. For a time, she was also managing director of Storebrand Skadeforsikring and part of the group management. Hege Hodnesdal has a degree in Economics from BI Norwegian Business School, specialising in finance.

Rune Hørnes, Executive Vice President Technology

Rune Hørnes joined KLP as Executive Vice President for IT on 1 October 2016. He came from a position as head of IT (CIO) at Storebrand, where he held various positions from 2005 onwards. In the time before Storebrand, Hørnes was senior manager at Accenture, in banking and insurance. He has long and broad experience from working at the intersection of business strategy, IT, organisation and work processes. Hørnes has a degree in Economics from the Norwegian School of Economics in Bergen.

Ida Louise Skaurum Mo, Executive Vice President Corporate Governance

Ida Louise Skaurum Mo was appointed Executive Vice President for Corporate Governance from 1 January 2023. The division includes the Group Legal Affairs, Corporate Social Responsibility, Strategy and Governance, Compliance, Risk Analysis and Control, and Financial Crime departments. Mo comes from the position of General Counsel and Head of the Corporate Governance Section at KLP, and joined KLP as a lawyer in 2006. She previously worked as a legal examiner at the Supreme Court, as a judge and in the Thommessen law firm. Mo has a Master of Law degree from the University of Oslo and a degree in Economics from NHH Norwegian School of Economics.

Gro Myking, Executive Vice President Communication and Markets

Gro Myking joined KLP as Executive Vice President Communication and Markets on 1 February 2016. She was marketing director at Posten Norge AS from 2007-2016. Myking was previously Executive Vice President, Markets, in the Hakon Group/ICA Norge, and ran her own consultancy company. She has Board experience from several major Norwegian companies. Myking has a degree in Economics from the Norwegian School of Economics in Bergen.

Jarl Nygaard, Executive Vice President Business Development

Jarl Nygaard was appointed Executive Vice President Business Development from 1 January 2023. He joined KLP in 2018 as Director of Business Development. Prior to that, he was head of Business Development for the corporate area in Storebrand Livsforsikring where he held various positions from 2005. In the time before Storebrand, Nygaard was a manager at Accenture, in banking and insurance. He has more than 25 years' experience in business development and working at the interface between business and IT, primarily within the pension and insurance field in Norway and the Nordic region. Nygaard has a degree in Economics from the Norwegian School of Economics in Bergen.

Aage E. Schaanning, Chief Finance Officer

Aage Schaanning has been CFO of KLP since 2008. Schaaning headed KLP Kapitalforvaltning from 2006-2008. He previously worked with borrowing, finance management and administration in BNbank and Kredittkassen before joining KLP in 2001 as investment director in KLP Kapitalforvaltning. Schaanning has a MBA from the University of Colorado and is a certified financial analyst.

The Board of Directors of KLP

The Board consists of eight members and two deputies, one of whom is a permanent attendee. Two observers also attend.

The Corporate Assembly elects five Board members, including the chair and deputy chair of the Board. The employee organisation that has the most members with pension rights in KLP elects one Board member with a personal deputy. Two Board members are elected by and from KLP's employees.

The Board of Directors has three sub-committees: The Risk Committee, the Audit Committee and the Remuneration Committee. These prepare matters for discussion and make their recommendations to the Board, but do not make decisions. The composition of the committees is governed in the Financial Institutions Act and Regulations. The Audit Committee covers the whole Group.

The Risk Committee and the Audit Committee consist of the same people, and hold their meetings at the same time, usually a few days before the Board meeting. In 2023, the Risk Committee and the Audit Committee had 10 meetings.

The Remuneration Committee is a committee for the Board of Directors of KLP and for the subsidiaries that have such committees. The Remuneration Committee is a preparatory and advisory working committee for the Board's deliberations on remuneration questions, leadership development at Group management level, and HR strategy for the Group. The Remuneration Committee usually has two meetings a year. In 2023, the Remuneration Committee held one meeting.

The authorities set requirements related to suitability and fitness for directors of an insurance company. These are stated in the company's guidelines for suitability and fitness, where the Board has also included social understanding as a desired skill. Increased attention to sustainability and climate/environmental issues also requires the Board to have expertise in these areas. The Board has overall responsibility for financial and sustainability reporting. The Board evaluates its expertise and its own work each year, including the competence and factual basis behind assessments of the company's sustainability risk. The outcome of the evaluation is shared with KLP's nomination committee, and is important to the committee's efforts to find suitable candidates for the Board.

When they join the Board, new members are offered an introduction to KLP, its products and management, and important regulations and processes in KLP. After its annual self-assessment, the Board identifies two topics that they would like a more detailed introduction to during the year. At least once a year, the Board discusses strategic issues for KLP. The Board also has an annual study trip, where relevant and topical issues are discussed, often with external facilitators.

Må oversettes.... KLPs styre i 2023.Fra venstre: Egil Matsen, Erik Orskaug (UNIO, observatør), Ingunn Trosholmen (gikk ut av KLPs styre i oktober 2023), Rune Simensen (1. vara), Tine Sundtoft (styreleder), Vibeke Heldal, Kjersti Fyllingen, Erling Bendiksen, Terje Rootwelt.
Odd Haldgeir Larsen og Tone Ikdahl (2. vara) var ikke til stede da bildet ble tatt. Foto: Nicolas Tourrenc

Tine Sundtoft, Chair of the Board

Tine Sundtoft has been Chair of the Board of Directors of KLP since 2022. She is also county chef executive in Agder. She was previously Minister of Climate and Environment in the Solberg Government (2013-2015), and before that business policy adviser to the Conservative Party's Storting group (1995-1996), regional director of the Confederation of Norwegian Enterprise (NHO) at Agder (1996-2005) and county councillor in Vest-Agder county municipality (2005-2013). Sundtoft has extensive board experience from Agder Energi, Statens Lånekasse and Norsk Kulturminnefond, among others. She graduated from BI Norwegian Business School.

Sundtoft provides the Board with special expertise in general social understanding as well as important customer and product knowledge. Her previous work as Minister of Climate and Environment also brings valuable expertise on sustainability, climate and environmental issues.

Kjerstin Filling, Board member

Kjerstin Fyllingen joined the Board of KLP in 2023. She is also CEO of Haraldsplass Diakonale Hospital. She is former executive vice president at Tryg Forsikring (2006-2013) and divisional director at Vital Insurance (2002-2006), and held management positions in the DNB group (1986-2000). Fyllingen has extensive Board experience from e.g. Fana Sparebank, Landkreditt insurance, the NSB Group, the Norwegian Financial Services Association and various Board positions in the Tryg Group. She graduated from BI Norwegian Business School and INSEAD.

Fyllingen has extensive experience from previous work in senior management in major finance groups, and brings important expertise to the Board in the areas of finance, pensions and insurance, as well as business understanding, strategy and risk understanding. Fyllingen also brings customer expertise from her current position as CEO of Haraldsplass Diakonale Hospital.

Egil Matsen, Board member

Egil Matsen has been a Board member at KLP since 2022. He was a deputy member from 2020. Matsen is a Professor of Economics at Norwegian University of Science and Technology (NTNU) and a former Deputy Governor of the central bank with special responsibility for the the Government Pension Fund Global (GPFG) and a member of the Executive Board of Norges Bank. He has been CEO of Forte Fondsforvaltning and head of the Department of Economics at NTNU. He chaired the Corona Commission during its work on Report no 2 and was a member of the committee that reviewed the ethical guidelines for the GPFG in 2019-2020. Matsen holds a PhD in Economics from the Norwegian School of Economics.

The experience from Norges Bank and Forte asset management provides Matsen with a unique expertise in financial analysis, understanding of financial markets and the management of KLP's pension capital. This expertise makes Matsen particularly well qualified to chair the Board's audit and risk committee.

Terje Rootwelt, Board member

Terje Rootwelt joined the Board of KLP in 2023. He has been CEO of the regional health trust Helse Sør-Øst since 2021. Rootwelt is a qualified pediatrician, MD and healthcare manager and holds a PhD from the University of Oslo on the resuscitation of newborns. Until 2021, he was the clinic manager for the Children and Youth Clinic at Oslo University Hospital Trust and Professor II of Paediatrics at the University of Oslo. He was also Vice President of Oslo University Hospital Trust (2015-2016). Rootwelt has Board experience from Spekter-Helse and Oslo Science City.

As a senior executive in a corporate group with over 80,000 employees, Rootwelt provides the Board with unique experience of managing large enterprises, which is relevant to large financial groups also. Rootwelt also brings important expertise in ICT strategy and digital understanding, readiness and social understanding.

Odd Haldgeir Larsen, board member

Odd Haldgeir Larsen was elected to the Board of KLP in 2018. He is vice-chair of Fagforbundet (the Norwegian Union of Municipal and General Employees) and represents the employee organisation with the most members in KLP.

From his long career in union work, Larsen provides the Board of KLP with particularly important social insight and understanding of KLP's insurance customers.

Erling Bendiksen, Board member

Erling Bendiksen was elected to the Board of KLP as an employee representative in 2021. He has been employed by KLP since 1981 and works as a Customer and Sales Manager. Bendiksen has many years of experience as an elected representative and is now the Chief Safety Representative at KLP. Erling has an advanced insurance qualification from the Insurance Academy. He completed the study programme on "Rhetoric, Communication and Management" at BI Norwegian Business School.

Bendiksen provides the Board with important insurance and product expertise, as well as insight into the employees' conditions and interests in the KLP group.

Vibeke Heldal, Board member

Vibeke Heldal was elected to the Board of KLP as an employee representative in 2021. She started at KLP in 2003 and works as an IT Business Analyst in the IT contract administration division at the Bergen office, and has since 2016 functioned as prime union representative for the KLP employees in Bergen. Heldal has a varied professional background, and worked in the oil and gas sector from 1989-1999. She holds a BA in Finance and Administration from BI Norwegian Business School.

Heldal brings important and business-specific product and ICT expertise to the Board.

Rune Simensen, 1st deputy member

Rune Simensen is Director of Technology and e-Health at Helse Sør-Øst RHF. He was elected as first deputy member in May 2022 and has been a permanent attendee. Rune Simensen has served as a Board member since another director stepped down in October 2023.

Simensen has extensive experience in the ICT area, in both the private and the public sector, and offers the Board significant expertise in this area.

Tone Ikdahl, 2nd deputy member

Managing Director of Lovisenberg Diakonale Hospital. New deputy Board member from 2023.

Partner to the Norwegian local government and healthcare sector for a sustainable transition

The overall objective of KLP's investment strategy is to contribute to the lowest possible pension costs for our owners through a good return on the pension assets. KLP is invested in over 9,600 companies around the world, in all sectors and in both developed and emerging markets. An important principle behind our investment strategy is to have widely diversified portfolios in order to spread the risk. If the value of the investments is to increase over time, the underlying economic activity must be responsible and sustainable. We are therefore constantly working towards greater accountability in the business world in order to reduce the risk of breaches of international norms and to contribute to effective and well-functioning capital markets.

Sustainable management of pension assets

Investing pension assets is not just about generating returns, it is also about doing so in a sustainable way. At KLP, we have a goal to reach net-zero emissions from the investment portfolio by 2050, and we are working on a full-scale restructuring plan for KLP's investment strategy. To achieve our goals, we are an active investor and owner, and use several tools to push companies towards long-term sustainable development and value creation. Responsibility in our investments and in ownership is rooted in the Group's strategies and policies. These include fundamental expectations in the areas of environment, climate and social factors, and are based on international standards such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the UN Global Compact principles and the UN Sustainable Development Goals.

Key management principles are:

- Long-term investment horizon with stable allocation, to harvest risk premiums in the market
- Large investment universe with good diversification through investments in a wide range of different asset classes, sectors, geographies and companies.
- Large portfolio providing for economies of scale and cost-effective management
- Risk management adapted to the company's long-term risk capacity
- All investments subject to a responsible investment policy

All of KLP's investments are in line with government-established frameworks, and with policies and guidelines set by KLP's Board of Directors. This includes rues for the types of risk that can be taken in fund management and ensures that the investments are in line with the company's goals for corporate social responsibility and sustainability. Diversification of risk across sectors and countries is also important.

KLP takes a strategic approach to managing the pension assets, focusing on cost-effective management, among other things. So the company bases its investments less on a short-term tactical market approach, and more on being able to harvest risk premiums in the market in the long term. This means that KLP's management strategy in the liquid markets is mainly index-tracking.

The risk in fund management is adjusted to minimise the likelihood of the company not satisfying statutory solvency requirements. Care is also taken to maintain risk capacity over time to be able to harvest risk premiums in the various markets. Good financial strength through high buffer capital is key to achieving the company's goal of the lowest possible pension costs over time. This means that the company's solvency is viewed in a longer-term perspective when determining the level of risk in its management of the pension assets. Through the year, risk is managed dynamically through a policy rule for handling large market movements. KLP's management of listed shares is mainly administered by KLP Kapitalforvaltning, a wholly owned subsidiary of KLP.

Public-sector occupational pensions

Public-sector occupational pensions are the pension scheme for public sector workers. The employer pays for most of the occupational pension, while members generally have two per cent deducted from their salary. In the local government and healthcare sector, the occupational pension is a complete package that has been created following negotiations between the parties in the labour market.

What does the scheme consist of?

The public-sector occupational pension package includes retirement pension, contractual pension (AFP), disability pension and survivor's pension. The pension is paid for life.

The retirement pension can be divided into two categories

People born in 1963 or later accrue retirement pension for all years in work, so it pays to work for longer.

Those born in 1962 or earlier can receive 62-66 per cent in total pension from the occupational pension and the National Insurance scheme if they have full accrual from 30 years' full-time employment in the public sector.

There are some separate rules for persons with a special age limit. Those born before 1963 can generally retire with a special retirement pension from KLP a few years earlier than those who do not have a special age limit. With or without a special age limit, there is also an option to retire on AFP, which is an early retirement pension payable from age 62 to 67.

For those born in 1963 or later, AFP is converted into a lifelong pension which can be drawn in combination with work, but no earlier than age 62. The rules are quite similar to those that apply to AFP in the private sector.

In 2023, the government and the parties in the labour market agreed on new pension rules for those with special age limits born in 1963 or later. People with a special age limit will receive a lifetime supplement to provide for a pension at the same level as those with a normal age limit. Some will also be able to retire early on what is called an 'early pension' (special retirement pension). However, anyone taking an early pension cannot draw a lifetime AFP at the same time.

The rules for AFP and pensions for all those with special age limits born in 1963 or later are meant to apply from 2025, but they have not yet been adopted.

There are several changes being made to both public-sector occupational pension and the pension system itself. KLP urges public-sector employees to familiarise themselves with the scheme before they retire. There may be major differences in knowledge and expectations among the employees, and it is useful for the individual to be well informed ahead of retirement.

Find out more in the section on 'News about pensions in 2024'

Use KLP.no. You can find a lot of useful information about public-sector occupational pensions on the KLP website. Anyone who has a pension with KLP can log in to 'My page' and use the pension calculator to see how much they can expect to receive in pension from KLP, National Insurance and other pension schemes.

Pensions 1-2-3

1. **Retirement pension from National Insurance**
   Everyone who lives or works in Norway is entitled to a retirement pension from the National Insurance Fund.

2. **Pension from the employer**
   Salaried workers also accrue retirement pension from their employer. This is called an occupational pension.

   Pension for public-sector workers
   The pension scheme for central and local government employees is called the public-sector occupational pension.

- If you were born in 1962 or before, your pension depends on how long you have worked in the public sector, your job percentage and your salary when you retire.
- If you were born in 1963 or after, you will accrue pension in a pension pot. The longer you work, and the later in life you draw your pension, the larger your pension will be.

Disability pension, AFP (contractual early retirement pension) and survivor's pension are also included in the public-sector occupational pension package.

3. **Personal saving**
   Most of us should save a little for our old age by paying off our debts and building long-term savings in equity funds, for example.

Your pension in brief

Your retirement pension from the public-sector occupational pension scheme gives you lifelong payments, and security for you and your family if you get sick or the worst should happen.

The pension is the income you will be living on in old age. How much you receive in pension depends on your salary, how many years you work, and when you retire. In Norway, everyone has the right to a retirement pension from the National Insurance scheme (NAV), whether they work in the private or the public sector. In addition to your pension from NAV, employers contribute to pensions for their employees. While private-sector pensions vary, all public-sector employees have the same pension scheme.

LIFELONG PENSION
The population is getting older all the time, and we all want a secure old age. The retirement pension from the public-sector occupational pension scheme is paid lifelong.

IF YOU CANNOT WORK
If you become disabled and cannot work as much as before, you can draw a disability pension through the

public-sector scheme. This pension can be paid if you are between 20 and 100 per cent disabled. As a rule, disability pensions can be paid up to age 67 or the age limit for your job if this is lower. When the disability pension ceases, the retirement pension takes over to provide you with an income.

SECURITY FOR THE FAMILY

The public-sector occupational pension also provides security for your loved ones. If you die and leave a spouse and possibly children under 20, they will receive a survivors' pension from KLP. The spouse's pension is paid lifelong.

CHECK YOUR PENSION FIGURES

You're probably wondering how much you will receive in pension. This varies from person to person and depends, among other things, on how long and how much you have worked. To find out more, our members can check their pension by visiting klp.no/sjekkpensjon. As a member, you can also consider whether you want to save more of your own money for your old age.

News about pensions in 2024

The rules for contractual early retirement pensions (AFP) and pensions for those with special age limits born in 1963 or later will be the most important changes within public-sector occupational pensions in 2024. The enrolment limit for nurses will also be removed and the Storting has entered into an agreement for an improved National Insurance scheme.

AFP for those born in 1963 or later and working in the public sector is now a lifetime pension, in line with the model from the private sector. The Government recently put forward some proposed changes. It is expected that the Storting will adopt the rules in 2024 and that they will apply from 2025 when those born in 1963 turn 62.

A key feature of the new scheme is that AFP should be paid out lifelong. Pension entitlements will be accrued by setting aside a percentage of pensionable income, which is mainly salary, which the employee earns from the age 13 to 61. There will also be an option to draw AFP from age 62. This means that AFP can be taken alongside salary or retirement pension without affecting the benefits. However, the yearly pension will be larger if you defer. Note also that AFP cannot be graduated or re-started after it has been stopped. It is also easier to switch between public and private-sector jobs with AFP without losing the right to AFP. Note that AFP will be a lifetime qualification scheme, which means that certain conditions have to be met. Some of these must be met at 62 years of age, while others must be met at the time when AFP is taken.

New pension rules for those with a special age limit

The Government and the parties in the public sector reached an agreement in late summer 2023 which provides a long-term pension solution for those who have special age limits and who were born in 1963 or after. According to the agreement, the retirement age for these will also be gradually increased in line with other age limits in the pension system.

A lifetime supplement will be introduced that will be paid in addition to ordinary pension in order to provide the same level of pension as those who have a normal age limit. The supplement is a percentage calculated from pensionable income.

To receive the full special age supplement, you must have worked in an average full-time position with a special age limit for at least 30 years. If the accrual time or average job percentage is lower, the supplement will be reduced accordingly. It will also be capped if you work after age 65.

The Government will draw up legislative proposals in line with the agreement between the parties and then submit them to the Storting. This could happen during 2024. The new rules are intended to apply from 1 January 2025. KLP cannot calculate the special age supplement until the rules have been finalised.

Which professions should still have a special age limit is a separate decision to be taken later. It is not clear when this work will begin.

Storting to consider the proposals for improved National Insurance

In December, the Government proposed changes to the pension system for those born in 1964 or later. The proposals follow the advice from the Pensions Committee and aim to ensure a more fair pension system. It is proposed that:

- Age limits in the National Insurance scheme should be gradually increased
- Retirement pensions for those in receipt of disability pensions should be improved
- The determination of minimum benefits should be improved

The Storting will adopt a policy position on the proposals in spring 2024. The Ministry may then draft a bill.

The enrolment limit for nurses is changing

The Storting has decided that the lower limit in the Nurses' Pensions Act should be removed, but it is not currently clear when this will take effect. Today, a nurse must work in at least a 20 per cent position to be entitled to membership of the nurses' pension scheme. The 20 per cent enrolment threshold applies until the law has been changed.

For retired nurses, the change in the law means that you can no longer work without affecting your pension payment. You can still work on a pensioner's salary without this having any impact on the pension payment.

The Storting has asked the Government to allow retired nurses to work in smaller positions in the public sector. This proposal is to be discussed with the parties involved, and the Government will reply to the Storting before the amendment enters into force.

You can earn more without AFP being reduced
From i January 2024, you can earn more money alongside AFP (contractual pension) without affecting this pension. The so-called tolerance limit has beens increased from NOK 30,000 to 0.26 G, and is now NOK 30,881. G stands for the basic amount in the National Insurance scheme, which is adjusted with effect from 1 May each year. This tolerance amount applies if you have worked in a municipality or county authority and were born in 1962 or before. For those receiving AFP from the Government Pension Fund, other rules apply.

New rate for pensioner's salary
From 1 January 2024, the rate for pensioner's salary was changed from NOK 233 per hour to NOK 245 per hour.

Supplement to pensioner's salary in case of recruitment problems.

From 1 January 2024, municipalities and county authorities can offer retirement pensioners an addition to their pensioners' salary. This applies to professions where there are recruitment problems, provisionally until 31 December 2025.

The reason is that many municipalities and county authorities are experiencing high demand for labour, where pensioners working on a pensioner's salary can be of use. The ordinary pensioner's salary is not sufficiently attractive for some experienced workers with greater skills. By increasing the rate, it is hoped to make it more attractive for them to continue working.

Increased pensioner's salary for working with refugees from Ukraine will be maintained
Retirees with AFP or a retirement pension from KLP can work with refugees from Ukraine for a special pensioner's salary of NOK 300 per hour without their pension being reduced.

New National Insurance benefits for survivors apply from 2024
The Storting approved new National Insurance benefits for survivors in 2021, which apply from 1 January 2024.

- The survivors' pension from NAV has been converted into a time-limited adjustment allowance The support is provide assistance for self-help in an adjustment period after the death.
- The children's pension has an increased rate and the right is extended from age 18 to age 20.

New pension rules for those with a special age limit

The Government and the parties in the public sector reached an agreement in late summer 2023 which provides a long-term pension solution for those who have special age limits and who were born in 1963 or after. According to the agreement, the retirement age for these will also be gradually increased in line with other age limits in the pension system.

A lifetime supplement will be introduced that will be paid in addition to ordinary pension in order to provide the same level of pension as those who have a normal age limit. The supplement is a percentage calculated from pensionable income.

To receive the full special age supplement, you must have worked in an average full-time position with a special age limit for at least 30 years. If the accrual time or average job percentage is lower, the supplement will be reduced accordingly. It will also be capped if you work after age 65.

The Government will draw up legislative proposals in line with the agreement between the parties and then submit them to the Storting. This could happen during 2024. The new rules are intended to apply from 1 January 2025. KLP cannot calculate the special age supplement until the rules have been finalised.

Which professions should still have a special age limit is a separate decision to be taken later. It is not clear when this work will begin.

Storting to consider the proposals for improved National Insurance

In December, the Government proposed changes to the pension system for those born in 1964 or later. The proposals follow the advice from the Pensions Committee and aim to ensure a more fair pension system. It is proposed that:

- Age limits in the National Insurance scheme should be gradually increased
- Retirement pensions for those in receipt of disability pensions should be improved
- The determination of minimum benefits should be improved

The Storting will adopt a policy position on the proposals in spring 2024. The Ministry may then draft a bill.

The enrolment limit for nurses is changing

The Storting has decided that the lower limit in the Nurses' Pensions Act should be removed, but it is not currently clear when this will take effect. Today, a nurse must work in at least a 20 per cent position to be entitled to membership of the nurses' pension scheme. The 20 per cent enrolment threshold applies until the law has been changed.

For retired nurses, the change in the law means that you can no longer work without affecting your pension payment. You can still work on a pensioner's salary without this having any impact on the pension payment.

The Storting has asked the Government to allow retired nurses to work in smaller positions in the public sector. This proposal is to be discussed with the parties involved, and the Government will reply to the Storting before the amendment enters into force.

You can earn more without AFP being reduced

From i January 2024, you can earn more money alongside AFP (contractual pension) without affecting this pension. The so-called tolerance limit has beens increased from NOK 30,000 to 0.26 G, and is now NOK 30,881. G stands for the basic amount in the National Insurance scheme, which is adjusted with effect from 1 May each year. This tolerance amount applies if you have worked in a municipality or county authority and were born in 1962 or before. For those receiving AFP from the Government Pension Fund, other rules apply.

New rate for pensioner's salary

From 1 January 2024, the rate for pensioner's salary was changed from NOK 233 per hour to NOK 245 per hour.

Supplement to pensioner's salary in case of recruitment problems.

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Highlights of the Year 2023

January

- Together with Norfund, KLP enters into an agreement to invest in power lines in India. The investment will help to ensure that half of the country's energy consumption is renewable by 2030.
- KLP invests in Norwegian start-ups. In total, KLP has signed investment commitments worth NOK 945 million in Norwegian seedcorn funds.
- KLP, the Norwegian Union of Municipal and General Employees, the Norwegian Nurses' Association and the Norwegian Association of Local and Regional Authorities launch a partnership to address the staff shortages in the Norwegian local government and healthcare sector.
- KLP Eiendom enters into leasing agreements with Oslo Met. The agreements run for 10 years with the last expiring in 2043.

February

- Solid buffers and higher interest rates allow a surplus of NOK 3.2 billion to be transferred to customers.
- KLP signs an undertaking to invest EUR 25 million in the property fund Catella Elithis. The fund is KLP's first climate-friendly investment in the property sector.

March

- For the first time, half of KLP's fund customers are women.
- In Apeland's reputation survey, KLP gets a reputation score of 76 out of 100, coming top of all banking and finance companies.

April

- KLP launches a report on the role of the ports in the maritime green transition.

May

- During the high season for companies' general meetings around the world, KLP votes against around 70 boards in climate and nature matters. The pension money sends clear signals to companies that do not have a plan for climate change or management.
- KLP Banken launches Apple Pay.

June

- Five years ago, KLP was the first to offer a Nordic Swan-labeled fund, and it is this fund that has generated the highest returns in the last three years, at over 15 per cent each year.
- Together with Norfund, KLP invests in a 168 MW wind power plant in India.

July

- KLP, Investinor and the forestry industry launch 3K6, a new investment fund that will invest in innovative companies within the Norwegian forestry-related sector.

August

- KLP launches this year's working life report on how we can tackle the staffing crisis in the Norwegian local government and healthcare sector, and what it takes to thrive at work at all stages in life.
- KLP delivers good results for the first half-year, with a total customer result of NOK 21.3 billion.

September

- KLP's AksjeGlobal Indeks fund passes NOK 100 billion, and is Norway's largest equity fund.
- KLP Kapitalforvaltning is the fund company with the highest net subscription figure among Norwegian fund management companies in September

October

- KLP Kapitalforvaltning travels to China to follow up on mining companies that KLP has invested in and address the topic of human rights, climate and nature directly with them.

November

- KLP Skadeforsikring gains dual honours in EPSI's customer survey of the insurance industry, ending up on the podium for both the corporate and retail markets.
- The start-up initiative KLP Trykktanken is held in Mo i Rana. The goal is to provide entrepreneurs with professional help to give momentum and direction to their business ideas.

December

- Launch of the joint venture 'Ung Utopi 2024'.

Risk management and internal control in KLP

To ensure that KLP delivers secure and competitive financial and insurance services to its customers, and to safeguard the interests of the owners and the company's assets and values, a system of risk management and internal control has been established.

The Board of Directors of KLP has adopted a policy for risk management and a policy for operational risk and internal control. At KLP, good risk management and internal control are all about ensuring effective goal attainment. By identifying and analysing relevant risks, the company can take effective measures to manage and control risks that could hinder goal attainment. This is a continuous process, and feeds into all decisions on significant changes in the business.

Risk management also includes sustainability risk. KLP's guiding principle is that the management of sustainability risk should follow the ordinary division of roles and established strategic and risk management processes.

Roles and responsibilities

The Board of Directors bears the overall responsibility for ensuring that KLP has established appropriate and effective processes for risk management and internal control. The Board determines the overall risk appetite and ensures that the management of material risks is appropriately organised. This also means maintaining independent monitoring to ensure that the risks are handled in accordance with the overall risk appetite.

It is the responsibility of the Group CEO to ensure that the Board's policies for management and control are implemented in the business. KLP has a risk management committee which acts as an advisory body to the CEO on all matters relating to risk in KLP itself and in the Group. Among other things, the committee assesses the overall risk appetite and risk exposure broken down across all of the major risk factors in the company's operations, including ownership risk for subsidiaries. The committee also deals with the strategies for the most important risk categories, and the overall risk.

Organisation of the risk management system

The risk management system at KLP is organised on the principle of three lines of defence.

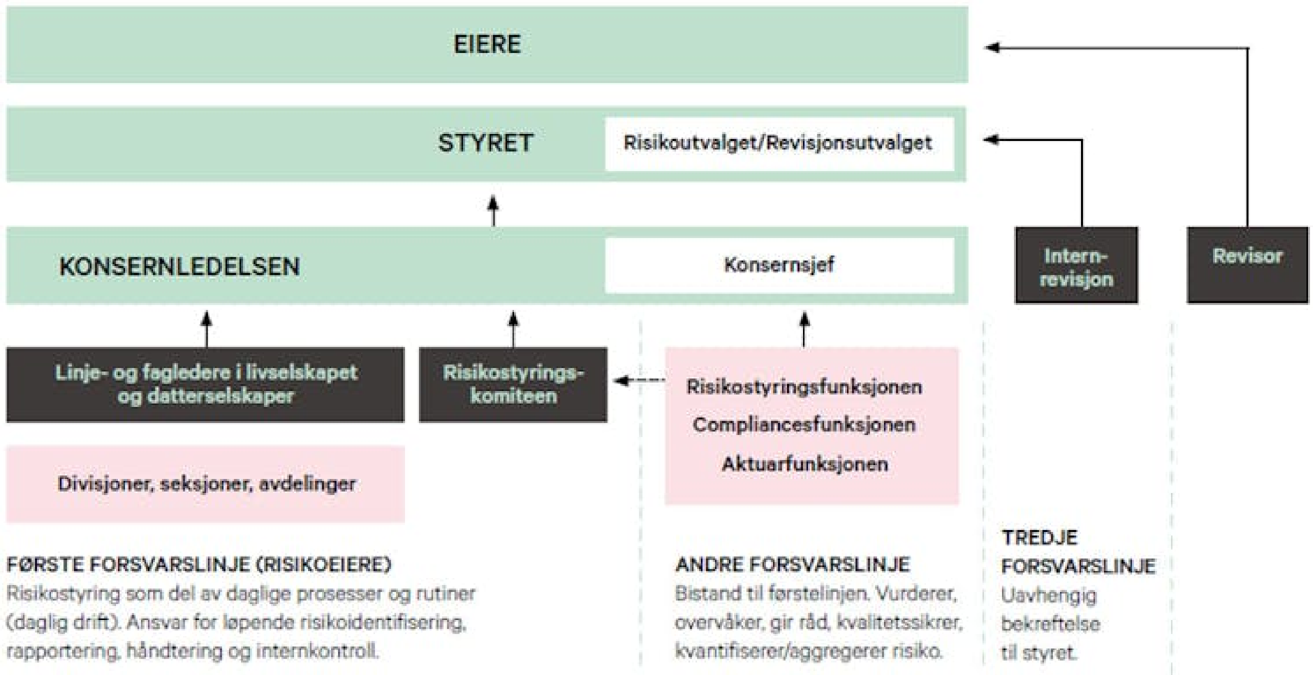
The primary responsibility for risk management lies in the first line, which is made up of managers and staff in the business areas.

The control functions in the second line monitor, assess, advise on, aggregate and report on the risk situation.

The third line of defence provides independent confirmation that the first and second lines of defence are working properly. In addition to the three internal lines of defence, the external auditors provide independent feedback to the company's owners.

Risk monitoring

KLP's managers, at all levels, constantly monitor the risks associated with their target area, provide for the creation and implementation of controls and follow up on any unwanted incidents within their area. The second-line functions monitor, assess, report and make recommendations relating to the risk situation. The second-line functions focus especially on the level of risk for KLP's major risk areas in relation to the Board's risk appetite.



More about the second and third-line control functions

The second-line functions consist of the risk management, compliance and actuarial functions, and the third line consists of Internal Audit. These make independent and impartial assessments of the level of risk within the company and assess whether established risk mitigation measures are adequate, in accordance with established guidelines for each of the functions.

KLP's Risk Management function monitors the company's total risk and risk handling, and ensures that management, the risk management committee and the Board of Directors of KLP are always sufficiently informed of the Group's overall risk profile. The Risk Management function assesses whether the assumptions used in the company's risk calculations are reasonable, and assists the management in refining and implementing an overall framework for KLP's risk management, ensuring that this complies with external and internal requirements.

The Compliance function is an independent control function that identifies, assesses and monitors KLP's key compliance risks, following a risk-based approach. Through reporting, advice and recommendations on rules, the Compliance function assists the management and the Board by ensuring that KLP does not incur any sanctions, financial losses or loss of reputation because of failure to comply with laws, regulations and standards.

The Actuarial function assists the management in ensuring that methods, models and assumptions used in the calculation of technical provisions are appropriate The Actuarial function makes assessments of the data used in the calculations to ensure adequacy and quality. The Actuarial function comments on KLP's reinsurance programme and contributes to the effective implementation of the risk management system.

The company's Internal Audit group carries out independent assessments of actuarial, financial and operational risks. After discussion with the Board of Directors and management, key risk areas are evaluated and tested with a view to satisfactory management and control. The internal auditors' reports and recommendations are presented to, and followed up by, the management and the Board. Internal Audit helps to give the Board and management confidence that the company has appropriate risk management, internal control and corporate governance. The internal auditors submit an overall report to the Board each year on KLP's risk management, internal control and corporate governance.

Organisation and implementation of financial reporting

KLP publishes four quarterly reports in addition to the annual report. KLP's quarterly and annual reports are drawn up by the Group accounts department, which reports to the CFO. The work is divided in such a way that valuations of assets and liabilities are made outside the Group accounts department.

Before each set of accounts is presented, meetings are held between the Group accounts department and central technical functions to identify risk factors, market issues etc. that could have a bearing on the accounts. Reconciliation and control procedures have been established to assure the quality of financial reporting. KLP's business is required by law to be audited, and external auditors carry out an audit of the annual accounts.

The Board of Directors of KLP has appointed its own audit committee to prepare for the Board's discussion of the accounts, with the emphasis on monitoring the financial reporting process and the key principles and valuations underlying the accounts. The company's external auditors take part in the audit committee's discussion of the accounts. The audit committee assesses and monitors the independence of the auditors. In addition to quarterly and annual accounts, monthly operational reports are produced with comparisons against budgets and analyses of developments.

Norwegian Code of Practice for Corporate Governance (NUES)

KLPs articles of association and the applicable legislation provide guidelines for the company's corporate governance, and define a clear division of roles between governing bodies and the managing director. The board of directors carries out an annual review of corporate governance in KLP.

KLP's basic values are described by way of the company's vision of being "the best partner for the days to come" and the core values Open, Clear, Responsible and Committed. These provide shared goals and direction for KLP's progress and strategic priorities. The vision expresses the goals and ambitions of the business. The vision is discussed in more detail in the annual report and on the company's website.

KLP aims to deliver secure and competitive financial and insurance services to the public sector, enterprises associated with the public sector and their employees.

The business idea defines which customers KLP exists to serve, and who its products and services are developed for. KLP aims to maintain a good balance between competitive prices for its customers and a satisfactory return for them as owners. These are qualities which help to ensure that KLP is perceived as the company's vision suggests.

IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

- No deviation from the code of practice

In most areas, KLP follows the Code of Practice for Corporate Governance as described in the principles set out by the Norwegian Corporate Governance board (NUES). Differences from NUES generally arise where individual provisions do not fit KLP's mutual status.

It has also drawn up ethical guidelines which cover things like confidentiality, impartiality and benefits, and a procedure for warning of possible breaches of these. KLP also has guidelines for equality and diversity.

2. Business

- No deviation from the code of practice.

KLP's principal objective is to address the needs of its members within publicsector occupational pensions. The objective is assessed by the board of directors in their annual review of the Group strategy. The market is updated on KLP's goals and strategies through the quarterly results presentations and reports published on the company's web pages. The articles of association can be found in full on the company's web pages.

Corporate responsibility is an important part of KLP's activities and basic values. KLP aims to contribute to a sustainable public sector and to integrate CSR into all of its business processes. One example of this is the way in which KLP integrates CSR into its capital management and strives to be one of the leading players in this area. KLP's work on CSR is based on the Group's affiliation to the UN Global Compact and the UN's Principles for Responsible Investment.

KLP reports every quarter on nonfinancial key indicators under the headings of society, environment, human capital and responsible investments. The board has clear goals, strategies and risk profile for the company, in so doing, the company creates value for its owners in a sustainable way. In this effort, the board considers economic, social and environmental circumstances. The bord of directors evaluates goals, strategies and risk profile at least yearly.

3. Equity and Dividens

- Deviation from the code of practice.

The board of KLP evaluates the company's capital requirements regularly, in the light of the company's objectives, strategy and risk profile. The board adopts an annual appropriation of profits which is designed to ensure that the company has sufficient financial strength. The company is a mutual company and, as such, does not deal in dividends but in appropriation of profits.

KLP's principal objective is to contribute to prudent management of its members' pension resources at the lowest possible cost. Dividend policy is not relevant because the customers own the mutual company. The articles of association state that the members are obliged to pay equity contributions in so far as this is necessary to provide KLP with satisfactory financial strength. KLP's financial strength, capital position and solvency are discussed in more detail in the annual report from the board of directors.

The provision in the Companies Act on mandates to the board of directors is not relevant to KLP. In KLP, it is the board which sets and announces the rates for equity contributions which are "necessary to provide KLP with satisfactory financial strength". For the Nurses' Pension Scheme, it is the board of the pension scheme which decides on the equity contributions and the Ministry of Labour and Social Affairs which approves them.

4. Equal treatment of shareholders

- Deviation from the code of practice.

Individual elements of the Code are not directly transferable to KLP as a mutual company, but we follow the general intent of the Code. The difference is mainly due to the fact that the company has no negotiable equity instruments.

5. Shares and negotiability

- Deviation from the code of practice

This point is not relevant as KLP has no negotiable equity instruments.

6. General meeting

- Deviation from the code of practice

KLP has chosen a solution where the general meeting consists of elected delegates and deputies. The company is divided into constituencies (election districts). The county administration together with the municipalities in that county each make up one constituency, apart from the municipality of Oslo which until 31 December 2023 is part of the Viken constituency. The four regional health enterprises and their subsidiaries each make up a constituency. The other members of the company (corporate members) make up a constituency. The number of delegates elected from the individual constituencies is related to the premium volume paid in from each constituency. The recommendation in the Code to arrange for voting by proxy is therefore irrelevant to KLP.

The notice calling the meeting and the support information on the resolutions to be considered, including the recommendations of the nomination committee, are sent to the elected delegates no later than 14 days before the meeting is to be held. The deadline is longer than the minimum required by the Limited Companies Act, which is one week.

The chair of the board of directors, the group CEO, the chair of the corporate assembly, the nomination committee and the auditors are entitled and required to attend the ordinary general meeting.

KLP's general meeting is opened and chaired by the chair of the corporate assembly.

7. Nomination Committee

- Deviation from the code of practice

The rules for the nomination committee are set out in the company's articles of association. The corporate assembly chooses the members of the nomination committee, including the chair, determines instructions for the nominationn committee, and determines the fees to be paid to the members of the committee. This differs from the Code, which recommends that the general meeting should elect a nomination committee.

The composition of the nomination committee is in line with the Code. All the members are independent of the board of directors and executive personnel. The different groups of owners are represented on the committee. Appointments to all of the company's corporate bodies should be calculated to achieve a reasonable balance between the sexes.

Details of the nomination committee, its composition and tasks are given in the annual report and on the company's website.

The nomination committee proposes candidates for the corporate assembly to be elected by the general meeting, as well as the chair and deputy chair of the corporate assembly. It also proposes the members of the board of directors to be elected by the members of the corporate assembly who are elected by the general meeting, as well as candidates for the nomination committee. The nomination committee is also required to make recommendations on the remuneration of the members of the corporate assembly, the board of directors and the nomination committee. In this process, the nomination committee actively consults with the company's various owner groupings.

The members of the nomination committee are elected for a term of two years. They may be re-elected twice.

The nomination committee provides written justifications for its recommendations The chair of the nomination committee also reports orally on these justifications to the bodies to which elections are being held.

8. Board, composition and independence

- No deviation from the code of practice

The recommendation on broad representation from company members in the corporate assembly is implemented by the statutes. In the statutes, the members of the corporate assembly elected by the general meeting should be reflect the company's interest groups, customer structure and social function.

Five board members and two deputy members are elected by the members of the corporate assembly who have been elected by the general meeting. The composition of the board of directors is such that the board as a whole can address the interests of the members and the company, including the company's need for expertise, capacity and diversity. KLP believes that the articles of association adequately addresses the provisions in the Code on independence of executive personnel, material business contacts and members of the company with equivalent influence to principal shareholders. Please refer to more detailed discussion in section 9 below.

The chair and vice-chair of the board of directors are elected by the corporate assembly.

The members of the board of directors are appointed for two years. There is no provision stating how long a board member may remain in office, but in recent years, the nomination committee has suggested that board members should not normally stay longer than eight years.

The board of directors is considered to be independent in terms of the Code. The external members of the board of directors are independent of executive personnel. No board members have any relationship to members of KLP who represent more than 10 per cent of the votes at the general meeting. All board members are independent of material business contacts.

9. The work of the board of directors

- No deviation from the code of practice.

The board has issued instructions for the board itself and the CEO. Both the Board instruction and the CEO instruction was last revised in December 2023.

The board of directors has three sub-committees: the remuneration committee, the risk committee and the audit committee. Each year, the board appoints at least three members and possibly a deputy to the sub-committees from among the members of the board, and appoints the chairs of the committees.

The board of directors evaluates its own work at least once a year. In this connection, the board is required to evaluate its own work and competence related to the company's risk management and internal control. The results of this evaluation are presented to the nomination committee, which uses them in its work.

Each year, the board is required to evaluate the work of the working committees as part of its self-assessment. The sub-committees also conduct an annual self-assessment.

The board held ten regular board meetings in 2023.

The instruction to the board clarifies how the board and executive personnel shall treat agreements with related parties. If there are material agreements with a related party, the board shall obtain an independent valuation. Agreements with related parties shall, as a starting point, be approved by the board, save for agreements which are concluded in the ordinary course of KLP's business and based on customary commercial terms and corporate principles. The board will present such agreements that are not included in the aforementioned exception in the annual report. The aim is to ensure that the company is aware of potential conflict of interest, and has a thorough treatment of such agreements, to avoid transfer of value from the company to related parties.

10. Risk management and internal control

- No deviation from the code of practice.

KLP has a well-established system of risk management and internal control adapted to the scope and nature of the company's activities. The system for risk management and internal control is described in a separate section of the annual report.

11. Remuneration of the board of directors

- No deviation from the code of practice.

The remuneration of the board of directors reflects the board's responsibility, expertise and time commitment and the complexity of the company's activities.

12. SALARY AND OTHER RENUMERATION FOR EXECUTIVE PERSONNEL

- No deviation from the code of practice.

KLP is not covered by the rules on the remuneration of executive personnel in exchange-listed companies. KLP also does not have exchange-listed equity instruments and does not grant share options or bonuses to its staff. As a finance company, the board of KLP adopts guidelines for the remuneration of all employees in the company, including special rules on salaries payable to executive personnel. The company's guidelines on the remuneration of executive personnel are put to the general meeting.

More information on remuneration of senior executives can be found in the annual report and at klp.no.

13. Information and communication

- No deviation from the code of practice

No deviation from the code of practice.

The board of directors has established guidelines for the company's reporting of financial and other information, and the company's contact with memberowners other than through general meetings.

- All reporting is based on openness and consideration of the requirement for equal treatment of the players in the securities market and the rules on good exchange practice. The published documentation is accessible from the company's web pages.
- KLP has contact with members outside the general meeting, including electoral meetings, owners' meetings, resource group meetings etc.

14. Take-overs

- Deviation from the code of practice

We differ here because this is not relevant to KLP as a mutual company.

15. Auditor

- No deviation from the code of practice

The auditor is elected by the general meeting and conducts financial audits. KLP has appointed PwC as its auditor.

The auditor submits an audit report in connection with the annual accounts. The auditor also gives an independent opinion of non-financial accounts drawn up by KLP and included in KLP's annual report.

The auditor attends meetings of the audit committee, as well as the board meeting at which the annual accounts are discussed. The audit committee assesses the independence of the auditor each year.

The board of directors of KLP has established guidelines for the purchase of additional services etc. from auditors. The guidelines help to ensure that the auditor's independence is safeguarded.

The auditor attends the meeting of the corporate assembly and the general meeting where the annual accounts are discussed, and other meetings where necessary. In 2023, the board of directors had one meeting with the auditor without the administration present. The board's audit committee held three meetings with the auditor without the administration present.

The remuneration of the auditor is determined by the corporate assembly.

STATEMENT
PURSUANT TO SECTION 3-3B, SECOND SENTENCE, OF THE ACCOUNTING ACT

The following is a summary of the matters the companies have to report on in accordance with Section 3-3b, second paragraph, of the Accounting Act. The points follow the numbering in the provision.

1. Principles of corporate governance in KLP have been prepared in line with Norwegian law, and based on the Norwegian Code of Practice for Corporate Governance, published by the Norwegian Corporate Governance Committee (NUES).

2. The recommendation from the Norwegian Corporate Governance Committee is available at www.nues.no.

3. Any deviation from the recommendation is commented on below each point in the notes above.

4. A description of the main elements of KLP's internal control and risk management systems related to the financial reporting process is given in section 10 above.

5. Statutes that relate to provisions of Chapter 5 of the Public Limited Liability Companies Act concerning the general meeting are discussed in section 6 above.

6. The composition of the corporate bodies, and a description of the main elements of current instructions and guidelines, follow in sections 6, 7, 8 and 9 above.

7. Statute provisions governing the appointment and replacement of directors are discussed in section 8 above.

8. Statute provisions and authorisations that empower the board to decide to buy back or issue Treasury shares are discussed in section 3 above.

9. A description of the company's guidelines for equality and diversity with regard to, for example, age, gender and educational and professional background for the composition of the board, management and control bodies and their possible sub-committees. Objectives of the guidelines, how they have been implemented and their impact during the reporting period must be disclosed. If the company does not have such guidelines, this must be justified.

Annual report 2023

KLP achieved solid financial results in a year marked by rising interest rates, good equity markets, decreasing inflation and many disabled people.

- KLP achieved a return of 6.4 per cent on the pension assets.
- NOK 21.4 billion added to the customers' premium fund to finance future premium payments
- Customers' buffer fund increased by NOK 7.6 billion, and provisions in the pension scheme for hospital doctors increased by NOK 2.5 billion.
- Total assets increased to more than NOK 1,000 billion during 2023.

After many years of low interest rates where it has been necessary to build buffers, KLP now has financial strength commensurate with today's interest levels. KLP is therefore transferring a historically large amount from surplus returns in 2023 to the premium fund. Good returns in KLP mean lower payments for pensions and more money for other purposes among our customers. The customers thus benefit directly from the good results in KLP.

KLP has solid financial buffers. The solvency capital ratio stands at 346 per cent, and is an important prerequisite for good management of the pension funds going forward.

The market situation for public-sector occupational pensions was stable. Customers with premium reserves equivalent to NOK 2.1 billion decided to move away from KLP during 2023, with effect from 2024 onwards.

KLP aims to achieve net zero emissions for its investments by 2050, and has developed its own roadmap to track progress and interim targets. Through 2023, KLP designed a new sustainability strategy which states that KLP aims to be a partner to the Norwegian local government and healthcare sector for a sustainable transition.

Kommunal Landspensjonskasse gjensidigsikringsselskap (KLP) is the parent company of the KLP Group. KLP was established by and for the public sector to service this market's need for occupational pension schemes. Its head office is in Oslo.

KLP – a mutually owned group without any regulatory capital and profit equal to zero

The KLP Group submits financial statements in accordance with IFRS® accounting standards. IFRS 17 Insurance Contracts came into effect in 2023. This standard states that insurance companies owned by their customers do not have any equity as all capital is owned by current or future customers. All value creation falls to the customers, and the profit of a mutual insurance company is always zero.

The Group's income statement reflects the fact that, in a mutual insurance company, the added value to customers consists of the return on net assets in the form of investment income. Lower operating costs than expected and reduced uncertainty in estimates of our insurance obligations will also contribute to a positive result from the provision of insurance services. This income is allocated as debt to customers and has to finance changes in the present value of future liabilities under the insurance contracts.

In the balance sheet, debt to insurance customers is presented as *Insurance liabilities with a right to residual value*. This can be split into the present value of the best estimate of future receipts and payments under the insurance contracts, an adjustment for non-financial risk, and other debt to customers in the form of the residual value of the business.

In 2023, the Group achieved a profit/loss from insurance services of NOK -1,925 (485) million. The change is mainly due to an increase in the risk adjustment for non-financial risk to reflect higher estimated insurance obligations.

Net investment income amounted to NOK 47,480 (-6,985) million in 2023. Good growth in the equity market contributed most to the improved performance, but higher interest rates also helped to increase the revenue. However, increased interest rates reduced the value of office and commercial property through 2023.

The Group's best estimate of its insurance obligations increased by NOK 55,516 million in 2023, to NOK 377,742 million. The main reason for the increase was net receipts in 2023 of NOK 29,426 million. Increased obligations financed by adjustment premiums are the main reason for the growth. Transfers to the premium fund contributed a further NOK 22,526 million, while other changes amounted to NOK 3,563 million.

The risk adjustment for non-financial risk increased by NOK 1,764 million to NOK 29,068 million.

The residual value increased by NOK 18,675 million to NOK 355,979 million. Profit/loss from the year's business contributed NOK 37,631 million, while accrued interest and the effect of changing the discount curve reduced the residual value by a total of NOK 24,075 million. Other changes amount to NOK 5,119 million.

The Group's insurance liabilities with a right to residual value consist of the sum of the best estimate of insurance obligations, a risk adjustment for non-financial risk, and the residual value. This gives a total of NOK 762,789 million at 31 December 2023, an increase of NOK 75,955 million. The increase is mainly due to good results in 2023, as well as increased payments to finance this year's pension adjustment.

Although the Group is mutually owned, and its equity and profit are expected to be zero, the income statement shows a total profit/loss for 2023 of NOK 499 (16,621) million. Equity totalled NOK -3,140 (8,396) million at 31 December 2023. This is because net assets in the Group that accrue to customers have to be measured at fair value. However, some assets and debt items are recognised at something other than fair value. A measurement difference then arises which must be reported as accounting equity even though this is not capital in the regulatory sense. Changes in measurement differences constitute total comprehensive income for the period.

The Group's solvency margin has been strengthened from 288 per cent to 314 per cent. This exceeds the internally determined minimum requirement of 150 per cent and is an important prerequisite for good long-term management of the assets.

Kommunal Landspensjonskasse, results and allocations

KLP is a mutual insurance company which offers public-sector occupational pensions. The company manages pension assets and insurance risk related to longevity, death and disability, as well as non-insurable benefits in the form of contractual pension (AFP), early retirement pension and service pension.

KLP manages the pension funds (customer assets) in portfolios separated from the company's other assets. The vast majority of customer assets are managed in the collective portfolio, while some contracts are managed in the investment options portfolio.

KLP guarantees a minimum return on the management of the pension assets. Returns in excess of the return guarantee constitute the investment result. This is referred to in the table below as "Profit to customers". This also shows the risk result that is passed on to customers.

KLP's profits for its members (our owners) are generated from the management of the company's equity, loan capital, margins in the premium element to cover costs, and premiums reflecting the value of the guaranteed return on the pension assets, including a margin.

As a mutual company, it is important for KLP to minimise the owners' pension costs and payments into the pension scheme that KLP manages on their behalf. This is achieved through good management of pension funds and efficient operation of the business.

The profit to insurance customers amounts to NOK 29.8 (-19.3[1]) billion, while the loss to the company is NOK 213 (897) million.

NOK MILLIONS	Profit to customers	Profit to the company	Total
Investment result	29 171	295	29 465
Risk result	648		648
Interest guarantee premium		291	291
Administration result		144	144
Other income from technical accounts		-1 773	-1 773
Net income from investments in the corporate portfolio and other income/expenses in non-technical accounts		1 024	1 024
Tax		-82	-82
Other profit/loss elements		-111	-111
Results for 2023	**29 819**	**-213**	**29 606**
Results for 2022	-19 306	897	-18 409

1 Figures in brackets give values for the corresponding period in 2022.

Investment result

In 2023, KLP achieved an investment result to customers of NOK 29.2 (-20) billion. This represents a return of 6.4 per cent. Actual financial income was NOK 42.7 (-7.6) billion in 2023.

KLP aims to deliver long-term, competitive returns in the customer portfolios, and stable returns in the corporate portfolio. This is achieved by spreading the management across different investment types and geographical areas.

The investments in the common portfolio are distributed between the different categories of financial assets as shown in the table below:

NOK BILLIONS	Allocation 31.12.2023*	Return 2023	Allocation 31.12.2022	Return 2022
Equities and alternative investments	225,6	16,1 %	197,6	-8,0 %
Short-term bonds	84,4	5,8 %	80,0	-9,9 %
Liquidity/money markets	29,6	4,7 %	12,7	1,6 %
Long-term/HTM bonds	207,3	3,2 %	190,0	3,3 %
Lending	82,2	3,9 %	78,5	2,5 %
Property	96,3	-3,2 %	96,2	7,1 %
Total	**725,3**		**655**	

* The figures presented in the table show net exposure, whereas the official figures from the statement of financial position are presented gross. Differences may therefore arise between the figures in this table and the financial statements.

Risk result

The risk result is an expression of how mortality and disability have developed in the insured population in relation to the assumptions used in the annual setting of premiums.

The risk result for 2023 totalled NOK 648 million. Of this, the risk result linked to longevity showed a surplus of NOK 843 million. In 2023, as in 2022, mortality was higher than normal, so the result is better than expected. This must be viewed alongside 2020 and 2021 when mortality was low, probably because of the coronavirus pandemic. The measures to limit infection contributed to lower rates of illness and death, but when society opened up again, mortality also increased.

The risk result for survivors shows a surplus of NOK 85 million, while the result from disability cover showed a deficit of NOK 280 million. The results for disability pensions indicates that the level of disability has been higher in recent years than before the pandemic.

From 31 December 2023, calculation assumptions in the pension scheme for hospital doctors have been increased by NOK 2,528 million. The increase is mainly down to longer life expectancy in this scheme. The overall risk result including this increase is NOK -1,880 million.

Administration result

The costs for the payment of pensions are covered from the administration reserve, while other expenses are covered from separate cost elements in the pension premium. KLP achieved a surplus of NOK 144 (-17) million on the administration result in 2023. Insurance-related operating costs amounted to NOK 1,512 (1,487) million in 2023. KLP's cost growth is lower than wage and price growth would indicate, which reflects active efforts to keep rising costs under control. KLP enjoys economies of scale from its high market share, and can therefore provide good service at competitive prices.

Net income from the corporate portfolio

The corporate portfolio covers assets financed by owners' equity and subordinated loans/hybrid Tier 1 and Tier 2 securities.

The corporate portfolio is managed with a moderate-risk long-term investment horizon, with the objective of stable returns. Investments in the corporate portfolio achieved a return of 3 per cent in 2023. The return is affected by write-downs on property.

Allocation of profit

NOK MILLIONS	Profit to customers	Profit to the company	Total 2023
To the premium fund	20 644		20 644
To the buffer fund	8 416		8 416
To the premium reserve	759		759
From the risk equalisation fund		-969	-969
To owners' equity contributions		428	428
To other retained earnings		329	329
Total allocations 2023	**29 819**	**-213**	**29 606**
Total allocations 2022	**-19 306**	**897**	**-18 409**

This year's allocation shows that customers have been awarded NOK 29.8 billion. Of the customers' investment result, NOK 20 billion has been transferred to the customers' premium fund, NOK 8.4 billion has been allocated to the customers' buffer fund and NOK 759 million has been used to strengthen the premium reserve in the pension scheme for hospital doctors. Of the risk result of NOK 648 million, NOK 594 million has been allocated to the customers' premium fund.

Over and above the year's profits to customers, NOK 0.8 billion has been allocated from the buffer fund to the premium fund.

The year's total comprehensive loss of NOK 231 million is allocated as follows: NOK 428 million go to equity contributions and NOK 329 million to other retained earnings, while the risk equalisation fund will be decreased by NOK 969 million.

The Board of KLP considers that the income statement and the statement of financial position for 2023 with notes, statements of cash flows and of changes in owners' equity, provide good information on the operation through the year and the financial position at the end of the year. The accounts have been drawn up on the assumption of a going concern and the Board confirms that the conditions for this are in place. The Board of Directors considers the risk to the company's business to be reasonable. The company financial statements for KLP are presented in accordance with the Norwegian Annual Accounts Regulation for life insurance companies. The consolidated financial statements have been presented in accordance with IFRS Accounting Standards, as approved for use in the EU/EEA.

The business areas

Public-sector occupational pensions

Public-sector occupational pensions are the Group's core product and are provided by the parent company, KLP. The company has maintained its leading position in this market through 2023. Of the Group's total assets of NOK 1,017 billion, customers' pension savings account for NOK 737 billion.

The competitive situation

Competition in the market for public-sector occupational pensions is stable. Customers can continue with an insured scheme in KLP, choose another provider, or establish their own pension fund. In 2023, customers with premium reserves totalling NOK 2.1 billion chose to move away from KLP and settle their accounts in 2024. Some of these had closed their contracts and established a private-sector occupational pension scheme with another provider. No customers moved to KLP in 2023.

Good financial strength, solid results, low costs over time and high customer satisfaction put KLP in a good position to face competition in the public-sector occupational pensions market going forward.

Operations and management

KLP carried out a reorganisation in 2023. The new organisation has been chosen to underline the great importance of the operations area for the KLP's competitiveness going forward. KLP delivers and will continue to deliver industry-leading services to employers, members and retirees. We are working systematically to deliver high quality legal management of contracts and good communication with employers and other pension providers. It is important to maintain good procedures and correct payment of pensions.

At the end of 2023, there were around 1.6 million people with accrued pension rights in KLP. Every month in 2023, KLP paid out NOK 2 billion in total pensions to over 300,000 people. Substantial growth in the retired population is expected in the coming years. This is partly due to large post-war cohorts and increased longevity, but also to a growth in employment in the public sector.

Since 2019, KLP has been working to put in place a new, updated system platform for pensions processing. In 2023, operations were partly transferred to a new system platform for pensions processing. This change will continue into 2024. This has been resource-intensive, and has led to somewhat longer queues.

However, the focus is on the correct capacity and stable production, and the degree of automation is increasing.

Non-life insurance

The non-life insurance business is divided into the public sector, corporate and retail markets.

On the insurance side, 2023 was marked by ‘extreme weather Hans’, which affected large areas in southern Norway. Continued high inflation affected claims costs in the motor and property sectors. In 2023, the company maintained growth in all segments and has kept its position as market leader in the public sector. The departure rate was generally low in all segments.

Profit before tax was NOK 272.7 (111.5) million in 2023. The insurance result (premiums minus claims paid) for events occurring in 2023 was NOK 350 million, down NOK 92 million on 2022.

Both the property and motor insurance sectors within the retail market produced weak results. Increased material costs resulting from higher inflation have contributed to this trend, but the company is also seeing an increased claims rate in the motor segment. Over time, the company’s premiums will be adjusted upwards to reflect the increased costs. The storms in August also led to higher than normal claims rates in these sectors.

Payments for claims filed earlier decreased by NOK 79 million for all segments combined, corresponding to 3.6 per cent of the provisions at the beginning of 2023. The settlements are largely related to occupational injury products.

In August, parts of southern Norway were hit by heavy rain followed by flooding and water penetration, known as “extreme weather Hans”. The total gross claim amount reported to the Norwegian Natural Perils Pool came to NOK 1.7 billion. Other damage was covered by the individual companies directly. The company’s share of the natural perils is estimated at NOK 114 million. Reinsurance covers NOK 56 million of these costs. In March 2023, there was a major rockslide in Halden and an industrial building was hit. The damage is defined as a natural disaster and the company’s share of this claim is NOK 61 million, of which reinsurance covers NOK 10 million.

The company had 5 individual claims and 3 natural disaster events exceeding NOK 10 million reported in 2023. The total accounting effect for the company from these 8 claims is NOK 270 million.

The number of claims arising from Covid-19 related occupational illness was down from previous years. In 2023, 74 claims were submitted, compared to 279 in 2022 and 352 the year before. The claims are mainly related to long-term effects of the disease. This may result in increased future payments. The company has so far paid a total of NOK 27 million in compensation.

The company’s total claims ratio after reinsurance increased slightly on negative developments in the motor and property sectors, as well as a number of natural perils during the year, reaching 86.3 per cent overall. If we disregard reserve adjustments of claims received before 2023, the claims ratio was 89.7.

The financial result for 2023 was good. The equity markets performed well during the year, and expectations of falling inflation, and hence interest rates, also produced good returns for the company's bond portfolio. The credit margin was also reduced during the year. Net financial income was NOK 313.3 (-97.6) million, representing a return of 5.5 (minus 1.7) per cent. The equity portfolio returned 22.8 (minus 12.6) per cent in 2023. The company's investments in interest-bearing funds had a return of 6.0 (minus 5.7) per cent, while long-term bonds returned 5.2 (3.3) per cent. The return on the property investments was minus 3.0 (plus 5.2) per cent, following a write-down of property values by NOK 56 million this year.

In 2023, the company's cost ratio was 14.0 (13.9) per cent. The ratio has been falling for several years, and now seems to have stabilised at the level of the market in general. The decrease in recent years is mainly due to the growth in insurance income.

The company meets all regulatory requirements by a good margin. The solvency margin was 227 (222) per cent at the end of 2023. The increase is mainly due to the good accounting result. The company has defined a long-term target for its solvency margin of at least 200 percent.

Bank

KLP's banking business is handled by the KLP Banken Group, which comprises KLP Banken AS, KLP Kommunekreditt AS and KLP Boligkreditt AS, with KLP Banken AS as the Group parent. KLP offers home mortgages and other banking services to private individuals, and loans to municipalities, county authorities and enterprises performing public services. 2023 was a very good year for the KLP Banken Group with a profit before tax of NOK 285 million.

The KLP Banken Group offers simple and competitive banking products and services accompanied by good digital solutions to establish and manage them. In this way, the bank aims to reinforce the perception that businesses which have chosen KLP as a pension provider are attractive employers.

KLP Banken's presence in the market for loans to the public sector encourages competition and benefits the target group of municipal and county authorities and enterprises affiliated to the public sector by providing access to favourable long-term financing. The bank provides guidance to customers in financing and municipal funding. The bank also manages lending financed from KLP's common portfolio.

At the end of 2023, the banking group's total lending amounted to NOK 122.4 billion, an increase of NOK 3.4 billion for the year. Of the outstanding loans, NOK 42.7 billion was financed by the banking group and the remainder by KLP. The lending was split between NOK 26.6 billion in mortgages to private individuals and NOK 95.9 billion in loans to public-sector enterprises.

The banking group manages mortgages on its own account in KLP Banken AS and through KLP Boligkreditt AS. It also manages mortgages for KLP. In 2023, the bank paid out NOK 7.7 (8.7) billion in new mortgage loans. In line with the owners' wishes, the company offers particularly favourable terms to young members in the municipalities. The mortgage portfolios taken together had a growth of NOK 0.4 (1.1)) billion in 2023. The reduced growth is mainly due to a sharp fall in overall credit growth in the residential mortgage market.

The KLP Banken Group wants to help customers make sustainable choices. That is why the bank also offers 'green mortgages' to members of KLP who have energy-friendly homes, or who choose to take steps to make their homes more energy-friendly. At the end of 2023, green loans amounted to NOK 1.6 billion, corresponding to 6 per cent of the bank's total retail lending portfolio.

House prices have remained relatively stable in recent years with high inflation felt in people's private finances. However, house prices adjusted for wage growth have fallen. For KLP Banken, there is an increased risk of loss if the value of the property falls below the collateral. At the end of 2023, the mortgage portfolios in the KLP Banken Group had an average loan-to-value ratio (LTV - debt as a percentage of the estimated value of the property) of 57 (54) per cent.

The Bank's total deposits from retail customers increased in 2023 from NOK 12.1 billion to NOK 12.5 billion. Deposit growth is therefore lower than in previous years, which is clearly related to inflation and higher interest rates for most people. However, the number of active deposit customers in the retail market showed strong growth through 2023. In 2023, the target was a growth of 2,500 new active customers, and the result was 3,700. 69 per cent of deposit customers have a public-sector occupational pension with KLP and this level has remained stable for several years.

KLP Banken AS also offers deposit products to municipalities and businesses. At the end of 2023, deposits from these customers came to NOK 1.6 (1.7) billion, which is 11 (12) per cent of total deposits. The bank's total deposits increased from NOK 13.8 billion to NOK 14.1 billion in 2023.

The KLP Group's lending to the public sector is managed by KLP Banken AS. On the banking group's own account, loans to public borrowers are registered in the subsidiary KLP Kommunekreditt AS. KLP Banken AS also enters into loan agreements for the public sector on behalf of KLP. Total loans to public-sector borrowers and enterprises stood at NOK 90.3 (87.1) billion at the end of 2023, an annual growth of NOK 3.1 (3.0) billion. Of this, lending for own account amounted to NOK 18.9 (19.1) billion. New loans amounting to NOK 7.1 (8.6) billion were paid out to the public sector in 2023 by companies within the KLP Group.

The KLP Banken Group aims to be a driver and sparring partner in the transition to a more sustainable society, and to help municipalities to make sustainable choices in public administration. The bank offers green loans to municipalities, county authorities and enterprises associated with local government for projects that have a clear positive environmental and climate impact. For green loans to the public sector, there was a net increase of just under NOK 1 billion in 2023. The interest in green loans in the public sector is clearly increasing.

Individual losses and loan loss provisions are all associated with investments in the retail market. The public-sector market did not incur any individual loan losses in 2023 either. Losses recognised through profit/loss and loan loss provisions amounted to NOK 0.9 (0.3) million in the financial year. The rise in interest rates has so far not resulted in a significant increase in mortgage losses compared to the previous year, but persistent high inflation and interest rates could lead to a reduction in borrowers' ability to repay their loans in the longer term .

The KLP Banken Group result before tax and other comprehensive income was NOK 285.4 (180.5) million. Of this, NOK 199.4 (107.7) million came from the retail market and NOK 86.0 (72.8) million from the public sector. The return on the bank's equity was 9.6 (7.2) per cent before tax and 8.7 (6.7) per cent after tax.

The rise in profits is primarily related to increasing interest rates and slightly higher lending margins in the retail market. Money market rates also rose in 2023 and the KLP Banken Group has increased its lending rates in line with market developments to compensate for rising borrowing costs. On average, the bank increased its lending rates less than Norges Bank's key rate in 2023.

The banking group's current capital requirements including capital buffers are 19.0 per cent capital adequacy. The requirement includes a Pillar 2 supplement of 1.5 per cent. We also maintain a buffer of at least 0.5 per cent over the actual capital requirement for Pillar 1 and Pillar 2 risks, so the bank's capital target is 19.5 per cent. At the end of 2023, capital adequacy was 22.0 (20.7) per cent.

Asset management

KLP Kapitalforvaltning AS is the Group's asset management arm within securities and fund management. It had a total of NOK 761 billion under management at the end of 2023. The majority of the assets are managed on behalf of KLP and the subsidiaries in the KLP Group. KLP Kapitalforvaltning AS also offers fund products to members and other external investors.

Assets under management increased by NOK 120 billion in 2023 because of the positive trend in market values. Net new subscriptions to KLP's securities funds from investors external to the Group and retail customers amounted to NOK 17 billion. KLP Kapitalforvaltning AS manages a total of NOK 179 billion for customers outside KLP.

During 2023, the fund structure was extended to include several new share classes, increasing the number from 127 to 222. The introduction of new share classes leaves the company better placed to compete for big deposits in the fund market.

Of all Norwegian fund managers, KLP funds had the second highest net new subscriptions in the retail market for funds in 2023. KLP is very pleased with the amount of new business and the growing numbers of people finding KLP's management services attractive.

KLP Kapitalforvaltning AS made a profit before tax of NOK 55 (5) million in 2023.

Property

KLP Eiendom AS acquires, develops and manages KLP's property investments. The company is one of Scandinavia's largest property managers, and has operations in Norway, Sweden, Denmark, Luxembourg and the United Kingdom. The KLP Group's properties have good locations, a high standard of building, and efficient space utilisation. The property company prizes sustainability, and is environmentally certified in accordance with ISO 14001 in Norway, Sweden and Denmark.

The property portfolio (properties owned directly and others owned by external property funds) has grown considerably in recent years, accounting for 13.3 per cent of KLP.s common portfolio. Investments in property have contributed good returns over time. However, impairments of property values resulted in a negative overall return on the property portfolio in 2023.

During the coronavirus pandemic, the values of hotels and shopping malls were written down because of the great uncertainty that arose with regard to immediate challenges and long-term developments. Since the pandemic, the property years of 2022 and especially 2023 have been good for hotels and also for retail. This has slowed the rate of impairments in the portfolio resulting from increased return requirements. Large rent adjustments related to high consumer price movements have also had a dampening effect for the same reason. Some development gains have also mitigated the fall in value. The office rental market, in all regions where the company has investments, showed satisfactory growth through the year. Return requirements for property generally increased throughout 2023.

Property management is undertaken only on behalf of the companies within the Group, so it has mainly contributed to returns on invested capital for the life insurance customers. Operating profit from property, including shares in external real estate funds, for the common portfolio of public-sector occupational pensions was minus 3.2 per cent.

Much of 2023 was marked by high energy prices and uncertainty in the energy markets. In response to this, the property company has implemented a number of energy-saving measures in the property portfolio to reduce tenants' energy costs and environmental impact. The property portfolio was enlarged with the purchase of a property in Oslo with energy class A and BREEAM NOR certification, while a new building is under construction in Trondheim which will be the first in the property portfolio to be certified according to the health and environmental standard Well.

Consultancy and services

KLP Forsikringsservice provides insurance-related services to municipal and county authority pension funds, including actuarial services. These services are based on the expertise and systems developed for KLP's pension business. In 2023, KLP Forsikringsservice entered into agreements with pension funds that only buy actuarial services, and these agreements will expire in mid-2024. The company will be considering a greater presence in this market.

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Solvency, risk and organisation

Financial strength and capital-related matters

Under the Norwegian Financial Institutions Act, KLP is subject to the Solvency II regulations. The rules specify a solvency capital requirement to be calculated from the total risk exposure the company has within insurance risk, market risk, operational risk, etc. All of the solvency capital requirement must be covered by regulatory capital. The buffer fund, which comprises previously earned investment results, will reduce the solvency capital requirement from market risk.

Solvency II divides the regulatory capital into three tiers according to loss-absorbing capacity. Regulatory capital in tier 1 is not subject to any restrictions when it comes to covering any losses in the business. The difference between the fair value of the company's assets and liabilities is classified as regulatory capital in tier 1. For assets that are recognised at a different value in the accounts, the value is adjusted to represent fair value in the Solvency II balance sheet. For KLP's insurance obligations, there are no observable market values. These are calculated using a best estimate based on actuarial assumptions. There is also a risk margin to reflect the capital costs that would be incurred by a third party in assuming the obligations.

Over the year, the buffer fund increased from NOK 102.2 billion to NOK 109.5 billion.

The solvency capital was increased by NOK 1.2 billion with the payment of the planned and advertised annual owners' equity contributions. Of the loss for the year to the company of NOK 231 million, NOK 428 million goes to owners' equity contributions and NOK 329 million to other retained earnings. The risk equalisation fund decreased by the return on the fund of NOK 969 million, to NOK 3,7 billion.

KLP's mutual status and creditworthy owners provide assurance that the company can meet its future obligations. The Financial Supervisory Authority of Norway has agreed that KLP's recall rights established in its Articles of Association can be classified as supplementary capital in an amount equal to 2.5 per cent of the company's premium reserve. The current approval was renewed for four new years in 2023, and now runs to 31 December 2027. Because the capital is not paid-up, it ranks as tier 2 or supplementary capital. As KLP's premium reserve grew throughout the year, the supplementary capital increased by NOK 1.3 billion to NOK 14.5 billion. However, eligible capital in capital group 2 will be limited to a maximum of 50 per cent of the capital requirement, equivalent to NOK 7.2 billion at the end of 2023.

The solvency capital requirement for KLP amounted to NOK 14.3 (14.5) billion at 31 December 2023. The eligible solvency capital increased by NOK 3.0 billion to NOK 49.3 billion. Without applying transitional rules, the company's capital adequacy is 346 (318) per cent. Taking account of the transitional arrangement for technical provisions, capital adequacy is 346 (318) per cent. Capital adequacy is thus well above the internal target of at least 150 per cent and the regulatory requirement of 100 per cent. The solvency margin for the Group is 314 (288) per cent, which allows KLP to plan its asset management around a long-term horizon.

KLP's financial strength is rated at A2 by Moody's Investor Service, with supplementary information on expected stable ratings.

Risk

Monitoring and management of risk is a prerequisite for good wealth creation and security for pension assets. Identification, assessment and management of the risk factors, both to insurance and financial management and to the general operational management of the company, are therefore key aspects of KLP's business. The risk profile is monitored within the individual operational entities and is assessed both by company and combined at Group level.

KLP carries out an annual 'Own Risk and Solvency Assessment' (ORSA). The self-assessment carried out in 2023 concluded that the capitalisation and risk management in the company and the group are appropriate to the company's business.

Underwriting risk

KLP's principal activity is public-sector occupational pension provision. This industry is characterised by predictability and, to a limited degree, by individual events that may affect results significantly. Developments in the incidence of disability and life expectancy affect the risk profile.

KLP uses the K2013 mortality assumptions (tariffs). These were in line with observed mortality rates in the insured population up to and including 2009, as well as the expected future increase in longevity based on Statistics Norway's projections. In recent years, Statistics Norway has updated its expectations for life expectancy. From 2021, KLP has strengthened its assumptions about longevity for men.

KLP uses even stronger assumptions on longevity in the pension scheme for nurses and the pension scheme for hospital doctors because the people insured in these schemes have greater observed longevity than other groups. Longevity assumptions in the pension scheme for hospital doctors were further strengthened from 31 December 2023. The margins in the longevity assumptions are considered to be satisfactory.

New disability tariffs were introduced from 1 January 2021, in line with updated risk history. In recent years, we have observed high levels of disability, which we take to be a consequence of the pandemic, among other things. We are constantly monitoring this to assess whether there is a need to raise the disability tariff.

In the field of non-life insurance, the pricing of insurance risks is based on historical claims information, the risk of major claims and reinsurance costs. The company has a large proportion of long-tail business, a factor which, together with a large proportion of business exposed to large claims, contributes to a higher insurance risk than the market generally. This is reflected in a high solvency capital requirement. In order to mitigate this risk, further growth is sought within the retail market and the small-and medium-sized business market. Over time, this will have a stabilising effect on risk and results.

The reinsurance programme limits the company's own expense per claim event.

Financial market risk

KLP invests its pension assets in the securities market and other financial assets in order to obtain returns that can help finance the pension obligations. KLP has issued a guarantee on the minimum return on the pension assets that must be delivered each year. KLP is therefore exposed to financial market risk.

To cover the annual return guarantee, KLP collects an interest guarantee premium. The interest guarantee premium is priced on the basis of KLP's solvency, the market risk that KLP assumes, and the general trend in interest rates. The interest guarantee premium is priced anew each year, which helps to limit the risk associated with the return guarantee.

Each year KLP works out a strategy for how the pension assets are to be invested. The investment strategy emphasises exploitation of the company's risk-bearing ability within a framework that dictates stability and the long-term view in asset management. Limits are defined for market risk, credit risk, counterparty exposure, foreign exchange risk, use of derivatives and liquidity risk. A credit policy is also laid down for the Group, and credit limits for total exposure to individual counterparties are set by the Group's Credit Committee. As KLP has guaranteed an annual minimum return, fixed-income investments make up a large part of the asset allocation. These investments are acquired with a view to maintaining a predictable cash flow in the form of interest and repayments in order to meet the return guarantee. These investments are measured at amortised cost so any changes in interest rates do not affect the accounting value. Pension assets are also placed in the equity and property markets to increase the expected returns, and in a portfolio that reflects ongoing returns from the fixed income market.

The market risk is continuously monitored to ensure the risk is matched to the risk capability within the limits set in the investment strategy. A major goal and priority in the management of the fund is to maintain the company's capacity to take financial risks over time.

The responsibility for risk management and asset allocation rests with two different operating units (1st line functions). One unit draws up the strategy and bears the overall responsibility for administration and risk management. The unit also directs KLP's management strategy through mandates and ensures that asset management stays within limits set by the Board of Directors. The other unit implements the strategy and bears the operational responsibility, including liquidity management and allocations within specified limits. An independent control unit (2nd line function) headed by the CRO (Chief Risk Officer) is responsible for monitoring and reporting whether the management of the assets is being conducted within the limits, applicable mandates and guidelines provided by the Board.

Liquidity risk

All of the companies in the KLP Group draw up an annual liquidity strategy in line with the applicable regulations for each entity. The strategy is prepared and followed up by the senior management of the individual company and adopted by their board of directors.

KLP has good liquidity, with substantial holdings of liquid securities that can be realised at short notice. There are also high net cash flows into the company in the form of quarterly payments from customers. These payments are intended to cover commitments that only fall due several years into the future. The true liquidity position thus amounts to more than the balance on the current account, which is the definition of cash and cash equivalents in the cash flow statement. In situations with extraordinary liquidity needs, stress tests have been carried out that show that large divestments can be made while maintaining a competitive allocation.

Operational risk

KLP's operational risk is associated with adverse events resulting from failures in internal working processes, employee error, dishonest acts and criminality or external events. All processes throughout the value chain are exposed to various types of operational risk. KLP has developed procedures for identifying, monitoring and taking the necessary measures to reduce the risk of undesirable events. It is a general management responsibility at all levels to identify and follow up those deviations that occur.

Group management conducts a quarterly review of significant operational risks to the business. The Board of Directors conducts an annual review of the risk assessments and documentation on management and control measures established together with a total risk overview. Procedures have been established for independent controls and reporting at various levels. Tasks and functions are distributed so that conflicts of interest are avoided and responsibilities made clear.

Internal Audit

Internal Audit makes an independent assessment of governance, risk management and internal control. Following consultation with the Board and Group senior management, assessments and testing are conducted in areas that are material and exposed to risk, in the interests of satisfactory management and control. The result, with any recommendations on necessary measures to be taken, is presented to Group senior management and the Board and is followed up.

Compliance with laws and regulations

The Compliance function in KLP assists Group senior management, the Board and the company's employees in ensuring compliance with regulations and ethical standards. The head of the Compliance function reports to the CEO and its reports are discussed by the Board. The function takes a preventive approach through advice, implementation and culture-building, and carries out control activities to maintain a good compliance culture. A more detailed description of the company's adherence to good corporate governance is given in the annual report, in the section on NUES and in the description of risk management and internal control in KLP.

Compliance culture

KLP's work on compliance with laws and regulations is closely linked to its work on ethics and corporate social responsibility. The principles of behaviour in KLP's ethical guidelines are rooted in KLP's values and support a culture of compliance characterised by accountability, openness, clarity and engagement.

Adjustments related to new and changed regulations

The EU has passed several laws on sustainability, and two Regulations have been implemented in Norwegian law through the "Act on Sustainability in Finance", which entered into force on 1 January 2023. The Act implements the EU's Taxonomy Regulation and Disclosure Regulation. The Act lays down requirements for eligible companies on comprehensive reporting in the area of sustainability.

The Group has implemented IFRS 17 Insurance Contracts from the 2023 financial statements onwards. Comparative figures from 2022 have been reworked. This affects how the insurance contracts are measured and presented in the financial statements. The standard entered into force from 1 January 2023, and will be implemented in KLP's consolidated accounts and in the company accounts for KLP Skadeforsikring. The new rules have a big impact on the presentation of the consolidated financial statements, reflecting the fact that, as a mutual enterprise, KLP does not have any equity or profits because the insurance customers are entitled to the net assets in the Group.

The KLP Group implemented IFRS 9 Financial Instruments in its banking operations in 2018. In the insurance business and the consolidated financial statements, KLP decided to postpone the implementation of this standard pending the entry into force of IFRS 17. This is because the measurement of insurance liabilities will have an impact on the way in which financial instruments are managed in the insurance business. As IFRS 17 entered into force from 1 January 2023, IFRS 9 will also have to be fully implemented in the Group. The purpose of IFRS 9 Financial Instruments is to allow these to be classified in line with the characteristics of the cash flows from the various instruments and the way in which they are managed. A forward-looking model for provisions for expected losses is also being introduced. The standard also contains an improved model which brings the financial statements more into line with the risk management.

KLP submits company accounts in accordance with the Norwegian 'Annual accounts regulations for life insurance undertakings'. The regulations have been amended as IFRS 9 can no longer be deferred.

Comparative figures from 2022 have not been reworked to reflect the changes brought in by IFRS 9 as there is no need for this.

Market activities

KLP achieved a solid tenth place in Apeland's annual reputation survey of Norwegian companies, and came top out of all banks and financial service companies. KLP's annual customer satisfaction rating among its customers is consistently high – especially for customers with public-sector occupational pensions. Quality of contact and personal treatment are the two areas where KLP scores best in all business areas. Klp.no saw a 13 per cent growth in visitor numbers compared to the previous year. The pension calculator is one of the most used services, with almost 400,000 visits in 2023. KLP is constantly developing the range of courses and seminars on pensions and working life for different groups of members and for employers. We are in contact with many of our members and owners – whether electronically, in physical meetings across the country, or through our advice and guidance centre in Bergen. We provide information and assistance to make it easier for individuals to make good choices. We also released KLP's Working Life Report 2023, which highlighted major issues in the workplace and in retirement patterns.

The 22nd Local Government Conference was held in March 2023 in Trondheim, and was attended by over 200 council leaders. The theme was democracy and dialogue. The conference received a very good reception - 91% of delegates gave it the top score in the evaluation. During the year, KLP also ran four other live-streamed local government conferences, which highlighted several of the major challenges facing the municipalities where KLP can assist.

For many years, part of KLP's communication strategy has been to publicise the kinds of jobs that exist in the local government and healthcare sector. In 2023, KLP initiated a joint campaign with the Norwegian Association of Local and Regional Authorities (KS), the Norwegian Union of Municipal and General Employees (Fagforbundet) and the Centre for Senior Policy (NSF), with the aim of boosting recruitment to these professions. The campaign included wide exposure on TV and radio and in cinemas, and a separate stand for Norwegian local government and healthcare at the four largest educational fairs in the country.

Focus on technology and digitalisation

KLP's strategic goal of being the best for public-sector occupational pensions calls for aggressive commercial and technological development. KLP is using new and existing technology to streamline the business and to provide market-leading digital services for employers and members.

All in all, KLP is now implementing one of the largest digitalisation upgrades in our industry. The biggest initiatives relate to the creation of a new and forward-looking digital pension concept, the renewal of platforms for data and information, and the introduction of new tools and infrastructure based on cloud technology.

KLP's digital pension concept is the most important single initiative in realising the Group's strategic ambitions. It is about automating and streamlining pensions administration so customers and pensioners get a prompt reply to their pension application and KLP's operations become more efficient. In 2023, the project provided a number of new and improved services that benefit employees with pension rights in KLP, and also their employers.

In early 2023, the project successfully converted around 150,000 old-age pensioners from the old to the new Pensions system. This means that all old-age pensioners now have their pensions handled in the new solution, which was a major milestone in the work of modernising the accounting procedures in KLP.

The new self-service functions for old-age pensioners, with fully automated case-handling for around 70 per cent of all new applications, have helped to make new retirees more satisfied with the service from KLP.

During the summer, a contractual early retirement pension (AFP) was also introduced into the Pensions system. This means that all new recipients of AFP are now being handled with new technology.

Large parts of 2023 were also spend in preparing to transfer disability and survivors' pensions to the new solution. This development work laid the foundations for new cases around these two benefits to be processed from the winter of 2024.

In 2023, work also started on a completely new refund solution, together with the parties to the Transfer Agreement (OFA). Preparations also started to address the extensive changes to be made to old-age pensions for members born after 1963 with effect from 1 January 2025. Here, KLP aims to keep its place as the market leader in the simulation of public-sector occupational pensions, and is building a completely new solution on a new technological platform.

The threats that we face are changing all the time, and information security is an increasingly challenging area to deal with. Systematic efforts are therefore being made to raise security levels in solutions and infrastructure. There is a big emphasis on organisations' awareness of external and internal threats, while processes are also being strengthened. KLP has a strong internal security environment and collaborates with leading centres of expertise in the area. We also share the skills we build up with our owners.

Sustainability

KLP is constantly working to integrate sustainability into the whole business, not only as a pension manager, but also as a buyer, employer and company. Sustainability is integrated into corporate governance at KLP, and is a key part of the Group strategy. All business areas have a responsibility to implement the strategy and develop measures and goals for sustainability in their own operations.

A new sustainability strategy was drawn up in 2023, which states that KLP aims to be a partner to the Norwegian local government and healthcare sector for a sustainable transition. The strategy work was based on the elements of the new EU Corporate Sustainability Reporting Directive (CSRD). Among other things, we carried out a double-materiality analysis to identify the sustainability issues that KLP could have a significant influence over and which could constitute a significant financial risk. In particular, the new strategy highlights the topics of *Promoting a sustainable working life in the Norwegian local government and healthcare sector* and the *Green transition* as strategic priority areas for the sustainability work.

Sustainable working life

In 2023, KLP joined with the Norwegian Climate Foundation to produce the report "Enough people?". This emphasises that a manpower and skills shortage could hinder Norway's green transition. There will be a great need for manpower to meet the climate targets, even with moderate growth estimates in key industries. Together with the need for more workers in healthcare and other sectors, this means that Norway needs to prioritise resources carefully and ensure that enough people are trained in the necessary skills.

Adequate and appropriate staffing is a challenge for KLP's owners, and will become increasingly urgent towards 2040, in both the local government and the healthcare sectors.

Driving a green transition

For the world to reach the 1.5-degree target, global emissions must be reduced quickly to reach net zero by 2050. The Board of KLP has therefore set a goal to align our investments with this target. KLP has prepared a separate roadmap describing how we plan to work towards and measure our contribution to the goals in the Paris Agreement. KLP continuously assesses measures to help tackle the climate challenge while also reducing our customer-owners' pension costs. KLP is now working on updating its short-term objectives on the way to a net zero investment portfolio in 2050, as well as assessing which further adjustments will be most effective towards 2030.

The Paris alignment percentage and net zero path

KLP's overall goal is for investments to be 100 per cent Paris-aligned (Paris alignment percentage) over time, and for investments to reach net zero emissions by 2050. More short-term goals are to increase the share of companies with science-based climate targets and reduce financed emissions.

KLP has developed an indicator for the Paris alignment percentage which expresses how far away each individual investment is from a emissions path consistent with 1.5 degrees of warming. In 2023, the Paris alignment of KLP's investments stood at 55 per cent, 9 percentage points higher than the first measurement in 2020, and one percentage point higher than the measurement in 2022. Part of the increase comes from more companies reducing their emissions in line with the 1.5-degree target and the fact that KLP has increased its investments in renewable energy and other zero-emission investments. Large parts of the change are also due to increased data coverage.

Influence in a sustainable direction

KLP has been working for many years to persuade companies we invest in to develop in a sustainable direction. In 2023, a risk assessment was carried out relating to the risk of human rights violations in companies in the Gulf States. This risk assessment led to the exclusion of 11 companies because of high risk, especially in building and construction, property and telecommunications.

At the end of 2023, green loans amounted to NOK 1.6 billion. KLP has provided loans for many projects throughout the year, which cover different needs for the municipalities. Among other things, KLP gave green loans for the construction of a velodrome in one municipality, green loans for a new nursing home in another, and loans for the construction of housing for people with disabilities in a third.

In non-life insurance, KLP has been concerned to be there for the municipalities when a changing climate brings dramatic events and large claims. There were several examples of such events in 2023. 'Extreme weather Hans' and the subsequent heavy rainfall in eastern Norway are among the most expensive events ever for the Norwegian insurance industry, and also placed great demands on the affected municipalities. In 2023, KLP entered into a collaboration with the Norwegian Municipal Technical Association (NKF) to develop a tool to provide municipalities with an overview of the state of their own building stock, including their climate risk.

In response to this, the property company has implemented a number of energy-saving measures in its portfolio to reduce tenants' energy costs and environmental impact. The property portfolio was enlarged with the purchase of a property in Oslo with energy class A and BREEAM NOR certification, while a new building is under construction in Trondheim which will be the first in the property portfolio to be certified according to the health and environmental standard Well.

Sustainability reporting

KLP has been reporting on sustainability for many years. The introduction of the CSRD places stricter demands on the quality and control of the reported figures, and also widens the scope significantly. This year's sustainability report is a test report according to the CSRD and the associated requirements in the European Standards for Sustainability Reporting (ESRSs) before they enter into force for the 2024 financial year.

For detailed reporting on KLP's sustainability work, please refer to KLP's sustainability accounts, and the section on Responsible investments.

Due diligence assessments under the Transparency Act

KLP fulfils its responsibility to promote fundamental human rights and labour rights as a responsible investor and in its work on sustainable procurement. The Board confirms that due diligence assessments have been carried out in accordance with the Transparency Act. A more detailed account of KLP's due diligence work can be found in the company's report in accordance with the Transparency Act in the section on "Human and labour rights" in the sustainability accounts in the Annual Report.

Zero tolerance for financial crime

It is in the interests of both KLP and society that a prudent and appropriate approach should be adopted to prevent, detect and handle financial crime. Fighting financial crime is one of the goals in KLP's sustainability strategy. At KLP, efforts to combat financial crime are prioritised through a zero tolerance policy and appropriate action. These issues are also addressed in KLP's work under the Transparency Act.

KLP's measures against financial crime are closely monitored and will be included in half-yearly (or ad hoc) reporting to Group management and Board of Directors in 2024. KLP has established an internal and external whistleblowing channel that can be used to report financial crime.

Through industry partnerships, we play an active role on committees within Finance Norway with the aim of strengthening efforts to combat financial crime.

Internal and external fraud

In 2023, KLP's systematic countermeasures prevented any financial losses and were followed up with reports to the police. No reports of financial crime were received or processed over the year.

Anti-corruption

In 2023, systematic and comprehensive efforts were made to develop measures to be included in KLP's anti-corruption programme. These set the minimum standards expected of employees, suppliers and business associates. The programme focuses on anti-corruption through culture, predictability and transparency. In 2024, the programme will be completed and integrated into established business processes, along with other aspects of financial crime. These will also state that the functions responsible for preventive and detective measures against corruption should not be involved in handling any allegations of corruption.

No significant risks of corruption associated with the business were identified in 2023. Sensitive roles and functions within procurement and allocation are given specific anti-corruption training. In 2023, no cases of corruption related to KLP's employees or business were uncovered.

Corruption and other types of financial crime are important issues that we follow up on with companies as a responsible investor and purchaser. No cases of corruption related to our suppliers or business relationships were found in 2023.

KLP has chosen a transparent approach to lobbying to avoid getting into unwanted situations. This means, for example, that KLP does not make financial contributions to political parties or politicians. We are also open about our input to public consultations and publish our responses on klp.no.

Funds that KLP has invested in have been informed that ownership details will be made available and may be shared with anyone who might be interested. KLP believes this is an important contribution to pushing industry practice towards greater transparency about ownership in funds.

Anti-money laundering

In 2023, priority was given to the development of the anti-money laundering solution, actions to address the issue, and a training programme. KLP's companies reported 72 suspicious matters to the National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim) in 2023 and suspended transactions related to tax evasion, racketeering, fraud and misappropriation of funds.

Sanctions evasion

In recent times, a complex global situation has increased the risk of actors wishing to evade sanctions imposed by the UN and the EU which Norway has endorsed, along with sanctions imposed by countries outside the EU.

The applicable sanctions rules place an obligation on KLP to ensure compliance with the prohibition against making money and assets directly or indirectly available to listed persons or companies.

KLP has taken appropriate and reasonable measures to halt, avert or limit the risk of breaches of the sanctions rules.

Employees and health, safety and the environment (HSE)

Employees

KLP aims to be an attractive and flexible employer which provides good development opportunities in an inclusive working environment KLP therefore strives to provide a good physical and psychosocial working environment which promotes job satisfaction, with flexible working arrangements wherever possible and effective involvement of the health and safety function and the employee representatives in the development work. These are important prerequisites for good quality work, better results for the business, greater competitiveness, customer confidence and individual motivation.

KLP maintains a fully compliant working environment through systematic HSE work, with good processes and appropriate measures. There are regular risk assessments of various areas to prevent injuries, health problems or illness, and to ensure that we comply with laws and regulations related to health and safety.

KLP has a target of less than 4 per cent sickness absence. In 2023, the total sickness absence was 4.5 per cent, which is a little higher than we hoped, but still lower than in 2022. The results show a slight fall in short-term absence and a slight increase in long-term absence. Absence due to illness typically increases through the autumn and winter seasons and follows the general trends both in society and in the industry.

No serious injuries to staff or other major incidents were reported in the company in 2023.

Work is being done to develop the appropriate skills and attitudes in the HSE area. In 2023, AKAN courses were conducted for managers, elected representatives, the safety officers and HR. The topic was how to recognise the signs of substance abuse and how to approach a conversation where there is a concern. There is also a strong focus on mental health, and KLP marked World Mental Health Day with talks and webinars. A safety inspection has been carried out for all employees, to look into the physical conditions in the workplace and follow up accordingly.

The psychosocial working environment is monitored through employee surveys. In 2023, one large and two shorter surveys were conducted. The results show high job satisfaction and loyalty in the organisation. For younger employees, we are seeing improved job satisfaction after targeted measures were taken. The survey results are followed up by management, and presented and discussed with the employee representatives and safety officers, who also have the opportunity to propose measures. Overall, this provides good insight and is an important process for continuous development of a good working environment.

7 per cent of the workforce left the company in 2023, an increase of 0.3 percentage points from 2022 and 1.1 percentage points above the average for the last five years.

Equality and diversity

KLP has been working on gender equality and diversity for many years, to strengthen value creation, increase employee satisfaction and help make KLP an attractive employer. KLP aims to achieve a gender and pay balance in executive positions and higher paid roles, to increase efforts for employees with disabilities, to be an inclusive workplace where all employees feel respected for who they are, and to provide good follow-up and training for older workers.

In 2023, women's earnings averaged 85 per cent of men's across the whole of KLP. This is an increase of two percentage points from last year. The main reason for the difference is that KLP has a preponderance of men in the highest paid positions, and higher salary levels in general in the professions where this is most apparent.

There are 40 per cent women and 60 per cent men on average across all management levels. In higher-paid positions there are now 30 per cent women, which is an increase of two percentage points from 2022. KLP has launched a number of measures to increase the proportion of women in the highest paid positions. These relate to things like recruitment processes, branding and leadership development. KLP is also a sponsor of the "Women in Finance" charter, in support of efforts to increase the proportion of women in executive positions in the finance industry.

Through the year, there were several activities designed to ensure that employees feel respected for who they are, and the employee survey has returned high scores in this area. KLP works with FRI (the National Association for Lesbians, Gays, Bisexuals and Transgender People), and we run the course on "Pink Competence" each year. The aim is to give staff and managers good advice and ideas on how to talk confidently about sexual orientation and gender expression in the workplace. KLP is also a member of the network for "LGBT in the workplace", which consists of employers working together for an inclusive work environment.

Seniors should have the same development opportunities as all other employees and we strive to ensure that employees stay in work for as long as possible. The average retirement age for old-age pensioners and recipients of AFP has remained stable in recent years, with an increase in 2023 from 64.8 years to 65 years.

KLP has apprenticeships and internships related to the IA (inclusive working life) agreement and arrangements are made for employees where necessary. KLP works with an agency which helps people with disabilities to enter the labour market, and KLP will be looking for ideas and partners to take this work forward.

More detailed information on Gender Equality and Diversity can be found in KLP's Sustainability Report for 2023, in the section on "Our own workforce". Policies for gender equality and diversity are reflected in KLP's Articles of Association, internal guidelines and instructions to the Nomination Committee in accordance with legal requirements, including the composition of the Board, management and control bodies, and their sub-committees. These set out goals for gender equality and diversity, and describe how measures have been implemented and what effect they have had during the period.

Remuneration policies

KLP has general guidelines for salary and other benefits. A fixed base salary is the main element of the total remuneration, which also includes insurance and pension schemes and benefits in kind. The Group's securities management environment competes for manpower in markets where it is usual for parts of the remuneration to be based on results achieved. The Group therefore offers salaries that are partly performance-based to employees in securities management with direct responsibility for results. In line with the rules, this pay is spread over several years. There is no performance-based pay in other parts of the Group or in Group management.

External environment

KLP's impact on the external environment and climate comes directly from its own activities, indirectly through partners and suppliers, and through investments in companies and property.

In 2023, KLP worked to halve emissions by 2030 compared to 2010, set procurement targets, worked to reduce flights by 45 per cent compared to 2019, and worked to set targets for waste and increase sorting at source to 60 per cent in KLP's offices.

The results show a 3 per cent reduction in emissions from 2022 to 2023, and a 6 per cent reduction from 2010. The reason why there has not been a bigger decrease from 2010 is that the basis for calculation has changed in that time. For comparison, the reduction would be 49 per cent according to the original calculations. As a percentage, the biggest contribution to the decrease from 2010 comes from the KLP Eiendom vehicle fleet. In tonnes, the biggest reduction relates to electricity and district heating/cooling. There is also a significant contribution from fewer flights. The results for air travel showed a 34 per cent reduction at the end of 2023 compared to 2019.

Flights are the activity with the greatest emissions, so we are working to reduce our footprint in this area. The environmental targets adopted for operations in 2024 are to extend the life of IT equipment, reduce emissions from air travel by 25 per cent, increase the waste sorting rate to 65 per cent in all office locations, and reduce emissions from paper consumption by 10 per cent compared to 2023.

Regulatory framework

Changes in the pension market – public-sector occupational pensions

The public-sector pension schemes are anchored partly in law and partly in collective agreements between the employer and employee organisations. Extensive changes were made to public-sector occupational pensions from 1 January 2020. The objective of the changes was to align public-sector occupational pensions with the pension reform by giving better support during working life and providing for greater mobility between the public and private sectors.

In 2023, the parties agreed on the pension solution for public-sector employees who have a special age limit and were born in 1963 or later. However, the rules have still to be finalised. The Ministry is working to a timetable whereby the new rules will enter into force from 2026 onwards, but with effect from 1 January 2025. Any pensions paid under the new rules to people who retire in 2025 will then be back-dated. However, transitional rules will apply so the existing regulations will be used for most people.

The AFP (contractual pension) system is also about to go onto the statute book, changing in 2025 from an early retirement scheme to a lifetime benefit, following the pattern from the private sector. There is an ongoing legislative process with a view to adoption before the summer of 2024. The new AFP will be a significant element of public-sector occupational pensions going forward, and has limited pre-funding. This will mean a significant increase in premiums from 2025. However, the increase in payments is temporary and must be seen in conjunction with monies freed up by the changes in 2020. Over time, approximately the same premium levels may be expected as before the 2010 changes.

Through to the summer of 2024, the Storting is also debating the White Paper which came out of the Pension Committee's investigation from 2022. The report proposes several changes to the pension system that will have implications for public-sector occupational pensions too. Among other things, a gradual shift in age limits over time is proposed, starting with the cohort born in 1964 (which will turn 62 and be able to draw a retirement pension from 2026).

This White Paper, the new AFP and the solution for special age limits are all imminent. There are a number of issues arising from changes coming shortly before (and sometimes after) they enter into force. This creates challenges for system changes and communication both to members and to employer-customers.

In February 2022, the Norwegian Competition Authority made an unannounced visit to investigate whether KLP might have breached Section 11 of the Competition Act on improper exploitation of a dominant position. Since the visit, KLP has cooperated with the Competition Authority in its investigations, and has given answers to ongoing information requests. KLP is cooperating with the Competition Authority in its further handling of the case.

Storebrand has filed a complaint against Norway with the ESA, alleging that KLP is receiving unlawful state aid, and that Norwegian municipalities and health trusts have breached the rules on public procurement. The government has dismissed both complaints. KLP has provided relevant information to illuminate the complaint cases when this has been requested. The complaints are still being processed by the ESA, which will assess whether there is any basis for bringing proceedings.

Other matters

Changes in the Board of Directors of KLP

In October, the Deputy Chair of the Board, Ingunn Trosholmen, was appointed State Secretary in the Prime Minister's office. She took office on 16 October, and stepped down from the Board of KLP at the same time.

Owner relations

KLP sets great store by good and close dialogue with its customer-owners. This provides important input on strategic questions and useful feedback on day-to-day operations. Owner meetings were held at the county level in 2023 too, and KLP also attended executive meetings in the health trusts. Six-monthly resource group meetings were also held for local authority chief executives and municipal directors, as well as resource group meetings for politicians. KLP also had occasion to provide a status report from the company for several municipal councils and executive committees.

Corporate governance

KLP's articles of association and applicable legislation lay down guidelines for corporate governance, and call for a clear division of roles between governing bodies and executive management. The Board of Directors of KLP carries out an annual review of corporate governance (NUES). As KLP has not issued any equity instruments and so is not exchange-traded, there will be some differences from the Norwegian Code of Practice for Corporate Governance (NUES) as set out in a separate section of the annual report.

Election procedures for the corporate assembly are tailored to the mutual form of ownership with important stakeholder groups having assured representation on the corporate assembly, in accordance with the company's Articles of Association.

The Board of Directors has established an Audit Committee, a Remuneration Committee and a Risk Committee. The Board undertakes an annual assessment of its own business and competence. Directors' liability insurance has also been taken out for Board members and the general manager of KLP. The insurance covers the insured's liability for loss of assets from claims made against them during the cover period as a result of an act or omission on the part of the insured in their capacity as general manager or board member. The insurance is taken out by an external company.

The way forward

KLP achieved good results in 2023 and this is expected to continue in 2024. The company's vision is for KLP to be the best partner for the days to come. KLP takes a long-term view in order to create value for our customers. We set out to provide public-sector enterprises and their employees with secure pension saving that contributes to sustainable development. Everything the company does within the Group is intended to help ensure that it pays to have your pension scheme with KLP. KLP also offers important and necessary additional services to our customers and members, such as banking, fund management and insurance. Subsidiaries strengthen the competitiveness of the core business by contributing to good asset management and providing satisfactory returns.

KLP's main goal is to be the best provider of public-sector occupational pensions. KLP's most important task is therefore to provide pensions with a competitive rate of return over time, the lowest costs and a high level of service. KLP is the pension company for the Norwegian local government and healthcare sector – a profitable community.

KLP aims to be a pension company that stands out from other providers. KLP's mutual status provides the best basis for ensuring that any value added will benefit our customers and owners. When the company runs at a profit, this is used to lower premiums or boost financial strength, or passed on to customers in the form of lower costs. The result is reduced payments to KLP. This leaves more money for schools and hospitals, or other priority tasks that our customers are responsible for.

Managing large assets on behalf of the community carries an obligation. KLP's management of savings is very important to the company's customers and owners, but also indirectly to many more people in Norway and abroad. By making capital available, KLP enables companies to grow and create new products and jobs. With this comes increased social responsibility. KLP has committed owners who provide clear direction for how KLP should use the capital responsibly in its investments. Corporate social responsibility is on the agenda for the company every day and in every part of the business.

With good financial strength, profitability and low costs, KLP is well positioned to further develop the business to create good long-term value for customers, owners and their employees.

Oslo, 20. March 2024

The Board of Directors of Kommunal Landspensjonskasse gjensidig forsikringsselskap

TINE SUNDTOFT
Chair of the Board

KJERSTIN FYLLINGEN

EGIL MATSEN

TERJE ROOTWELT
Deputy Chair of the Board

ODD HALDGEIR LARSEN

RUNE SIMENSEN

VIBEKE HELDAL

Elected by and from among the employees

ERLING BENDIKSEN

Elected by and from among the employees

SVERRE THORNES

CEO

Signed digital

KLP Group

Income statement

KLP Group

NOTE	NOK MILLIONS	2023	2022
11	Insurance income	1 780	3 743
12	Insurance service charges	- 3 635	- 3 677
13	Income and costs from reinsurance	- 71	418
	Insurance service result	**- 1 925**	**485**
14,18	Net income from investments measured at fair value with changes in P/L	76 263	-38 936
15,18	Net income from investments not measured at fair value with changes in P/L	78	8 748
16,18	Fair value adjustment investment properties and rental income	-2 547	6 558
17,18	Net income from associated companies and joint ventures	504	310
	Net interest income banking	468	371
	Unit holder's value change in consolidated securites funds	-27 286	15 966
	Total net income	**47 480**	**-6 985**
18	Policyholder's share of changes in fair value of underlying items	-44 179	24 823
18	Other insurance related financial cost	-42	49
	Net insurance related financial cost	**-44 221**	**24 872**
	Net insurance services and financial result	**1 334**	**18 372**
	Net costs subordinated loan and hybrid Tier 1 securities	-463	-169
	Operating expenses	-1 124	-968
	Other income	77	57
	Other expenses	-77	-77
	Pre-tax income	**-253**	**17 216**
21	Cost of taxes [1]	-1 031	-826
	Income	**-1 284**	**16 389**
30	Actuarial loss and profit on post employment benefit obligations	-146	132
21	Tax on items that will not be reclassified to profit or loss	22	-17
	Items that will not be reclassified to profit or loss	***-125***	***115***
18	Revaluation real property for use in own operation	-308	-43
16,18	Currency translation foreign properites	2 139	148
21	Tax on items that will be reclassified to profit or loss	77	11
	Items that will be reclassified to income particular specific conditions are met	**1 908**	**116**
	Total other comprehensive income	**1 784**	**231**
	Total comprehensive income [2]	**499**	**16 621**
	[1] Unit holders share of taxes in consolidated security funds	-375	-359

[2] From and including 2023, the KLP group will submit accounts according to the new accounting standard IFRS 17 Insurance contracts. The new standard takes into account the fact that KLP is mutually owned, and the policyholders on public occupational pensions are entitled to all value creation in the group. This means that according to IFRS 17 the group has no equity and that the result will be zero. However, the group has reported an equity as of 31.12.2023 of minus NOK 3,140 million. This equity arises as a result of the fact that the policyholders are entitled to the fair value of all assets and liabilities in the business, but certain asset and liability items are not accounted for at fair value. This creates a valuation difference that constitutes equity in a mutual insurance company. The period's change in valuation difference NOK 499 million, will thus appear as a result.

Financial position statement

KLP Group

NOTE	NOK MILLIONS	31.12.2023	31.12.2022	01.01.2022
21	Deferred tax assets	48	48	52
22	Other intangible assets	1 379	1 049	797
23	Tangible fixed assets	2 277	2 633	2 714
17	Investments in associated companies and joint venture	6 620	5 456	4 934
16,26	Investment property	92 322	93 992	89 535
24	Reinsurance contract assets	728	736	340
9,25	Fixed income securitites and other debt instruments at fair value	410 569	181 802	188 172
9,25	Fixed income securitites and other debt instruments at amortized costs	2 254	198 752	190 469
9,25,26,28	Lending local government, enterprises & retail customers at fair value through profit / loss	81 136	0	79
9,25,26	Lending local government, enterprises & retail customers at amortized costs	42 860	121 360	118 024
25,26	Equity capital instruments at fair value through profit/loss	354 757	282 399	294 476
9,25,26,27	Financial derivatives	15 587	6 820	3 253
25	Receivables	2 674	1 700	4 756
9	Cash and bank deposits	3 509	3 321	3 388
	TOTAL ASSETS	**1 016 721**	**900 068**	**900 990**
25,29,32,33,36	Hybrid Tier 1 securities	1 434	1 428	1 604
25,29,33,36	Subordinated loan capital	3 327	3 147	3 000
30	Pension obligations	913	815	870
31	Insurance obligations with the right to residual value	762 789	686 834	697 685
31	Other insurance liabilities	3 392	3 181	2 586
25,33,36	Covered bonds issued	30 504	32 430	31 015
25,33,36	Debt to credit institutions	13 041	6 683	4 199
26,33	Liabilities to and deposits from customers	14 060	13 779	12 901
25,26,27	Financial derivatives	3 249	3 158	4 740
21	Deferred tax	1 187	1 138	1 397
37	Other current liabilities	6 036	4 248	11 739
38	Equity	-3 140	8 396	-8 186
	Unit holders`s interest in consolidated securites funds	179 929	134 831	137 440
	TOTAL EQUITY AND LIABILITIES	**1 016 721**	**900 068**	**900 990**
41	Contingent liabilities	31 409	31 567	28 754

Oslo, 20. March 2024

The Board of Directors of Kommunal Landspensjonskasse gjensidig forsikringsselskap

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Changes in owner's equity

KLP Group

2023 NOK MILLIONS	Equity
Owners' equity 31 December 2022	**8 396**
Change of principle 01.01.2023, IFRS 9 [1]	- 12 035
Owners' equity 1 January 2023	**- 3 639**
Income	**- 1 284**
Items that will not be reclassified to income	- 125
Items that will be reclassified to income later when particular conditions are met	1 908
Total other comprehensive income	**1 784**
Total comprehensive income	**499**
Owners' equity 31 December 2023	**- 3 140**

2022 NOK MILLIONS	Equity
Owners' equity 31 December 2021	**40 732**
Change of principle 01.01.2022, IFRS 17 [1]	- 48 918
Owners' equity 1 January 2022	**- 8 186**
Income	**16 389**
Items that will not be reclassified to income	115
Items that will be reclassified to income later when particular conditions are met	116
Total other comprehensive income	**231**
Total comprehensive income	**16 621**
Other changes	**- 39**
Owners' equity 31 December 2022	**8 396**

[1] For more information see the annual report 2022, note 37, points 37.1.11 and 37.2.5 Transitional effects.

Statement of cash flow

KLP Group

NOK MILLIONS	2023	2022
CASH FLOW FROM OPERATING ACTIVITES		
Direct insurance premiums received	60 044	40 882
Reinsurance premiums paid	-164	-97
Direct insurance claims and benefits paid	-27 441	-24 765
Reinsurance settlement received for claims and insurance benefits	116	120
Payments received on transfer	92	0
Payments made on transfer	-2 122	-4 628
Payments to other suppliers for products and services	-1 121	-2 250
Payments to staff, pension schemes, employer's social security contribution etc.	-1 417	-1 236
Interest paid	-2 825	-1 270
Interest received	16 553	10 398
Dividend received	2 168	1 278
Tax and public charges paid	-1 266	-956
Payments from property operations	4 582	4 107
Net receipts/payments of loans to customers etc.	-1 027	-1 828
Net receipts on customer deposits banking	282	878
Receipts on the sale of shares	117 785	151 621
Payments on the purchase of shares	-127 596	-106 361
Receipts on the sale of bonds and certificates	73 509	88 854
Payments on the purchase of bonds and certificates	-120 826	-134 272
Receipts on the sale of property	4	148
Payments on the purchase of property	-2 559	-1 104
Net cash flow from purchase/sale of other short-term securities	2 555	-4 958
Net cash flows from operating activities	**-10 675**	**14 562**
CASH FLOW FROM INVESTMENT ACTIVITIES		
Payments on the purchase of tangible fixed assets etc.	-476	-349
Net cash flows from investment activities	**-476**	**-349**
CASH FLOW FROM FINANCING ACTIVITIES		
The minority's share of operational activities	12 247	-16 738
Receipts on loans from credit institutions	7 200	7 150
Disbursements on loans from credit institutions	-9 306	-5 690
Receipts of owners' equity contributions	1 230	1 120
Payments on repayment of owners' equity contributions	-69	-138
Net cash flows from financing activities	**11 304**	**-14 296**
Net changes in cash and bank deposits	**152**	**-83**
Effect of exchange rate changes on cash and cash equivalents	36	17
Holdings of cash and bank deposits at start of period	3 321	3 388
Holdings of cash and bank deposits at end of period	**3 509**	**3 321**

Notes to the accounts

KLP Group

Note 1 **General information**

Kommunal Landspensjonskasse gjensidig forsikringsselskap (the company) and its subsidiaries (together *the group*) provide pension, financial, banking and insurance services to private individuals, municipalities and county administrations, health enterprises and to enterprises both in the public and private sectors.

The largest product area is group pensions insurance. Within pension insurance the group offers local government occupational pensions, defined benefit pensions and defined contribution pensions. In addition the group offers group life and non-life insurance, banking services, fund and asset management.

Kommunal Landspensjonskasse (KLP) is a mutual insurance company registered and domiciled in Norway. The company has its head office in Dronning Eufemias gate 10, Oslo.

The Group's annual financial statements, approved by the board on 20 March 2024, may be accessed at www.klp.no.

The group has subordinated loans listed on the London Stock Exchange and part of the groups' issued covered bonds are listed on Oslo Stock Exchange.

Note 2 **Material accounting policy information**

This note describes the most important accounting principles used in the consolidated financial statements. These principles have been used consistently for all periods presented unless indicated otherwise.

2.1 FUNDAMENTAL PRINCIPLES

The consolidated financial statements for KLP have been prepared in accordance with IFRS® accounting standards, as approved by the EU, with additions set out in the Norwegian Regulations on annual accounts for insurance companies.

To prepare the financial statements in accordance with IFRS accounting standards, management has to make accounting estimates and discretionary valuations. This affects the value of the Group’s assets and liabilities, income and expenses recognised in the financial statements. Actual figures may differ from estimates used. Areas in which discretionary valuations and estimates have been used that are of material significance for the Group are described in *Note 3 Important accounting estimates and valuations.*

All amounts are presented in NOK millions without decimals unless indicated otherwise.

The financial statements have been prepared in accordance with the going concern assumption.

2.1.1 Changes in accounting principles and disclosures

a) New and amended standards and interpretations which came into effect in 2023

There is one new international accounting standard which came into effect for the financial year starting 1 January 2023 and have been adopted by the Group. This is IFRS 17 Insurance Contracts. The Group has also adopted IFRS 9 Financial Instruments.

- IFRS 17 Insurance Contracts
  The new standard for insurance contracts was adopted by the Group from 1 January 2023, and comparative figures for 2022 have also been restated. The definition of what constitutes an insurance contract has not changed, but there have been some clarifications that define what is a qualifying contract to be handled according to IFRS 17. The standard also includes rules on how insurance contracts should be valued and presented. New and extended note requirements have also come in with the introduction of the standard.

For insurance contracts, the principles in the standard require the use of discretion and a number of other interpretations, including the definition of who is the policyholder, and whether issued insurance contracts contain investment components.

The effect of the transition on 1 January 2023 was shown with preliminary figures in Note 37 to the annual accounts for 2022. No significant changes in the opening balance have emerged since that time.

- IFRS 9 Financial Instruments
  This standard was adopted by the Group from 1 January 2023. The standard covers the recognition, classification, measurement and derecognition of financial assets and liabilities, and introduces new rules for hedge accounting and a new impairment model for financial assets. IFRS 9 has been implemented prospectively, i.e. comparative figures for previous periods have not been restated. The effect of the transition on 1 January 2023 was shown with preliminary figures in Note 37 to the annual accounts for 2022. No significant changes in transition effects have been found since then
- IAS 12 has been amended to make it clear that the global minimum tax (top-up tax, Pillar Two tax) is covered by the accounting standard. However, the effect of this tax on deferred tax does not yet have to be recognised or disclosed. Although this is a mandatory exception, it must be stated that the exception has been applied. Tax payable has to be accrued in the same way as other tax payable and the amount disclosed separately. In the period from the time the tax is adopted until it is actually imposed, there are separate disclosure requirements.

Top-up tax has been introduced in Norway from the fiscal year 2024. The regulations are complex, and it is unclear whether KLP is covered by the rules. Work is in hand to clarify this. It is therefore impossible to give an estimate of the effects the top–up tax will have on the financial statements.

There are no other new or amended IFRS standards or IFRIC interpretations that have come into effect for the 2023 financial year which materially affect the Group's financial statements

b) Standards, changes and interpretations of existing standards that have not yet entered into force and where the Group has not opted for early application:

There are certain changes in standards and interpretations which take effect for annual accounts beginning on 1 January 2024 or later and which have not been adopted in these accounts. These are not expected to have a significant impact on the accounts.

2.2 INSURANCE CONTRACTS

2.2.1 Main types of issued insurance contracts and purchased reinsurance contracts.

The Group issues the following contracts that are accounted for in line with IFRS 17 Insurance Contracts:

- Life insurance – direct-participation contracts where the policyholder is entitled to net assets.
    - These are contracts that include life insurance cover and an investment component. Policyholders are entitled to net assets in the business.
    - The Group accounts for these contracts in line with the variable fee method with the adjustments resulting from KLP's status as a mutual insurance company.
- Issued contracts in the non-life insurance area:
    - These contracts include comprehensive and liability cover within personal injury and material damage insurance with a coverage period of up to one year.
    - The Group accounts for these contracts in line with the premium allocation method.
- Purchased reinsurance contracts:
    - The Group has purchased reinsurance contracts to reduce its risk exposure within non-life insurance.
    - The Group accounts for these contracts in line with the premium allocation method.

2.2.2 Definitions and classification

Products sold by the Group are classified as insurance contracts when the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. This assessment is made at the contract level on the contract issue date. In this assessment, the Group considers all of its material rights and obligations, whether they are contractual, legal or regulatory.

The Group determines whether a contract contains significant insurance risk by assessing whether:

- an insured event could mean significant additional amounts would be payable in any scenario that has commercial substance, even if the insured event is extremely unlikely, or
- the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

2.2.2.1 Products

The Group offers life and non-life insurance products.

The Group's life insurance contracts consist of public-sector occupational pensions. These contracts entitle policyholders (current and future) to net assets of the business. There is also risk sharing between contracts. The business is mutually owned and IFRS 17 states that the policyholders' share of net assets must be measured at fair value and form part of the insurance obligation.

As the residual value of the business is allocated to current or future policyholders, there is no equity in mutual undertakings under IFRS 17, with the exception of measurement differences. Measurement differences arise because policyholders' share of net assets is measured at market value, while some assets and liabilities cannot be measured at fair value, or another permitted measurement principle has been chosen. The profit/loss to the Group thus consists entirely of the change in measurement differences in the period.

Mutual entities do not have a contractual service margin (CSM), as there is no service margin or profit to the enterprise. Instead of equity and CSM, the Group shows a residual value on the balance sheet which represents the policyholder's capital in excess of the best estimate of the liabilities including risk adjustment (adjustment for non-financial risk). Changes in residual value represent the profit to policyholders in excess of the expected allocation to the premium fund.

In a mutual entity where the policyholder receives and is unconditionally liable for all residual value in the enterprise, all cash flows for performance of the insurance contract are unconditional probability-weighted expectations. KLP has the right to collect payments from policyholders with residual value in the business if needed. This is a contingent cash flow, and the effect of this right is included in the probability weighting of the cash flows for performance of the insurance contract related to ordinary capital contributions.

The Group has also issued ordinary insurance contracts, i.e. contracts that do not entitle the policyholder to the residual value of the business. These are contracts in the non-life insurance area. These contracts form part of the residual value owned by the policyholders with public-sector occupational pensions. The products offered are in the areas of occupational injury, security and accident, combined fire and burglary, motor vehicle, liability, travel, child cover, group life and individual personal insurance. This part of the business is partially covered through the purchase of reinsurance contracts that cover claims costs above a given amount.

2.2.3 Separation of components from insurance and reinsurance contracts

An insurance contract may contain components such as derivatives or deposits/investments, and obligations to provide goods and non-insurance services. If such components are distinct from the insurance components in the contract, the standard requires the different components in the contract to be separated from the insurance contract itself, for measurement and recognition under other accounting standards than IFRS 17, generally IFRS 9 (Financial Instruments) or IFRS 15 (Revenue from Contracts with Customers).

If the cash flow and the risks associated with the components are mutually dependent on the cash flow and risk in the insurance contract, and cannot be measured separately, the components are not separated from the insurance contracts.

The insurance contracts issued by the Group do not contain any additional components to be separated from the contracts and measured separately.

2.2.3.1 Combination of insurance contracts

An insurance contract with a party may contain several types of cover with different levels of underwriting risk. Where several types of cover are gathered into one contract for practical reasons, and the total price for the contract equals the sum of the prices of the different types sold individually, these will be treated separately in terms of recognition, measurement and presentation.

In cases where multiple contracts have been concluded with the same policyholder at the same time, and where the individual contracts have not been priced independently, the contracts are assessed together for accounting purposes. This applies, for example, to public-sector occupational pensions, which constitute a product package comprising retirement pension, disability pension, spouse's pension, children's pension and early retirement pension (AFP). This product package conforms to laws and tariffs, and the policyholder has to purchase the whole package together. Individual types of cover are not available in the market, nor can they be moved. There is therefore no requirement to separate the different types of cover, and they are considered as a whole.

A contract with multiple types of cover, where the policyholder does not benefit from each separately (e.g. because the different insurances cease at the same time or one ceases if another is terminated), is treated as one contract for accounting purposes. This will be the case, for example, where a policyholder purchases comprehensive/partial damage cover together with liability insurance for motor vehicle and natural perils cover when buying fire insurance.

2.2.4 Aggregation Level

Under IFRS 17, the insurance contracts have to be measured at an aggregated level, and divided into portfolios. A portfolio consists of a set of contracts subject to the same type of insurance risk and managed together.

This means that a product may be split into multiple portfolios based on an assessment of the risk profile of the insured population and how the business is monitored. However, the Group has split the portfolios in such a way that a portfolio cannot contain elements from two different industries. However, one and the same portfolio may contain two or more homogenous risk groups, provided that they belong to the same industry. Insurance contracts issued from different entities in the Group are considered to be managed at the issuing entity level. This is because solvency capital management, which supports the issuance of these contracts, is bounded by these entities.

Each portfolio is divided into groups of insurance contracts which are recognised and measured according to the requirements in IFRS 17. On initial recognition, the Group groups contracts according to when they were issued. A group will contain all contracts issued within a 12-month period. Within the EU/EEA, an exception has been introduced to the rule that insurance contracts issued more than 12 months apart cannot be included in the same group. This exception is subject to certain conditions, and it can only be applied to issued insurance contracts with direct-participation characteristics, and the contracts must be equalised over time. The Group has determined that issued insurance contracts for public-sector occupational pensions meet these requirements, and has therefore made use of the exception. These contracts are therefore grouped into the same portfolio even if they have been issued more than 12 months apart.

In accordance with the standard, the Group divides the portfolios into three groups:

• a group of contracts that are onerous (loss-making) on initial recognition, if any such exist;

• a group of contracts that have no significant possibility on initial recognition of becoming onerous subsequently, if any such exist; and

• a group of the remaining contracts in the portfolio, if any such exist

A contract is considered to be onerous if the sum of the present values of the cash flows, including risk adjustment, associated with the contract is a net cash outflow from the enterprise. The determination of whether a contract or a group of contracts is onerous is based on expectations at the date of initial recognition. If, during the coverage period, a group of contracts is judged to be onerous, the negative difference between unearned premium income and expected claims costs is recognised in the income statement and added to the liability for remaining coverage.

The composition of groups established at initial recognition is not subsequently reassessed.

For non-life insurance contracts that are reported by the premium allocation method, the Group determines that these contracts are not onerous on initial recognition, unless there are facts and circumstances that indicate otherwise.

Where insurance contracts within a portfolio only fall into different groups because of specific restrictions imposed by law or regulation on the Group's practical ability to set a different price or level of benefits for male and female policyholders, the Group still includes those contracts in the same group.

The Group has not identified any issued insurance contracts that are onerous on recognition, and has no groups with onerous contracts.

2.2.5 Recognition

The Group recognises its groups of insurance contracts from the earliest of the following dates:

• The start of the coverage period for the group of contracts

• The date on which the first payment from a Group policyholder is due (in the absence of a contractual due date, this is taken to be when the first payment is received)

• The date when a group of contracts becomes onerous

2.2.6 Contract boundaries

The measurement of a group of insurance contracts includes all future cash flows expected to arise under each contract in the Group.

In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the Contract, and from applicable laws, regulations and customary business practice. The Group determines that cash flows are within the scope of a contract if they arise from substantive rights and obligations existing during the reporting period in which the Group can compel the policyholder to pay the premiums or in which the Group has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when the has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks. If the boundary assessment is carried out at portfolio level rather than individual contract level, the Group must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders. The Group's pricing does not consider any risks beyond the next reassessment date.

In determining whether all risks have been reflected either in the premium or in the level of benefits, the Group considers all the risks that policyholders would have transferred if the Group had issued the contracts (or the portfolio of contracts) on the renewal date. Similarly, the Group determines its practical ability to set a price that fully reflects the risks in the contract or portfolio on a renewal date by assessing all of the risks it would consider when underwriting equivalent contracts on the renewal date for the remaining service. The assessment of the Group's practical ability to reprice existing contracts takes account of all contractual, legal and regulatory restrictions. In doing so, the Group disregards restrictions that have no commercial substance. The Group also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and reprice existing contracts. The Group exercises discretion to determine whether such commercial considerations are relevant to deciding whether it has the practical ability at the reporting date.

By estimating expected future cash flows for a group of contracts, the Group applies discretion to assessing future policyholders' behaviour in exercising the options available to them, e.g. relating to a policyholder's right to move its insurance contract for public-sector occupational pensions

The Group assesses the contract boundary on initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations.

The insurance contracts for public-sector occupational pensions entitle the policyholder to renew the contract each year. The Insurer cannot terminate the contract. When the contract is renewed, the insurer can freely determine the premium for new accruals and regulation of new and previous earnings, but the company cannot reprice previous accruals. So the life insurance business cannot reprice all risk, and the contracts are considered to have (infinitely) long contract boundaries.

With a few exceptions, the Group's contracts within non-life insurance have a contractual term of 12 months with the option to extend. The Group has no obligation to renew the contracts, and may reprice all risk if they are renewed.

2.2.7 Measurement of insurance contracts

2.2.7.1 Measurement on initial recognition for contracts other than those using the premium allocation method

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual share of net assets in the Group.

2.2.7.1.1 Cash flows within the contract boundary

These cash flows are objective and probability-weighted estimates of the present value of future cash flows, including an adjustment for non-financial risk. To arrive at a probability-weighted mean, the Group considers several scenarios to establish a range of possible outcomes, to include all reasonable and supportable information available to it without undue cost or effort, concerning the amount, timing and uncertainty of anticipated future cash flows. The estimates of future cash flows reflect conditions that exist at the time of measurement, including assumptions about the future at this date. The Group estimates expected future cash flows for a group of contracts at the portfolio level and allocates them to the groups in that portfolio in a systematic and rational way.

When estimating future cash flows, the Group includes all cash flows within the contract boundary, including:

• Premiums and any additional cash flows resulting from these premiums

• Claims submitted but not yet paid, damages incurred but not yet reported, future claims expected to arise from the policy and potential cash flows from enforcement of future claims covered by existing insurance contracts

• Payments that vary according to the return on net assets

• Claims processing costs

• Policy management and maintenance costs

• Transaction based fees

• An allocation of fixed and variable costs that can be directly attributed to the fulfilment of insurance contracts, including fixed costs such as accounting, human resources, information technology and support, building depreciation, rent and maintenance and tools

• Costs incurred for the provision of investment-related and investment return services to policyholders

• Other costs specifically charged to the policyholder under the terms of the contract.

The Group's issued public-sector occupational pension contracts are entitled to the fair value of the Group's net assets and liabilities, and policyholders in different groups share the return on the same pool of underlying items. The Group determines each group's share of the returns from the underlying items by first determining the total return at a higher level of aggregation than the groups, and then making an allocation to each group on a systematic and rational basis.

Cash flow estimates include both market variables, which are consistent with observable market prices, and non-market variables, which are not contrary to market information and are based on internal and externally derived data.

The Group updates its estimates at the end of each reporting period using all newly available information, as well as historical evidence and information on trends. The Group sets its current expectations for the probabilities of future events occurring at the end of the reporting period. When developing new estimates, the Group takes account of the latest and previous experience, as well as other information.

2.2.7.1.2 Discount rates

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risk recognised at the end of each reporting period.

The Group measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows in terms of timing and currency, based as far as possible on observable current market prices. Factors that could affect the discount rates but do not affect the cash flows for the contract are not taken into account.

To determine discount rates for the contract cash flows, the Group uses the bottom-up approach. This is based on swap rates for sufficiently liquid points on the swap curve. The last liquid point is the 10-year interest rate. The source is the same as EIOPA uses to calculate the Solvency II curve. An estimated illiquidity premium is added to reflect the degree of liquidity in the insurance contracts. The illiquidity premium is estimated from a benchmark portfolio of Norwegian government and credit bonds as a residual after estimating the credit premium. These liquid interest points are interpolated and extrapolated against an estimate of long-term interest rates to form a full interest rate curve. The long-term level is derived from historical data for real interest rates, long-term economic growth and Norges Bank's inflation target.

There is estimate uncertainty in the assessment of illiquidity in insurance products, illiquidity and credit premiums in the benchmark portfolio, the estimates of long-term interest rates and the rate of convergence with the long-term level.

2.2.7.1.3 Risk adjustment for non-financial risk

The Group measures the compensation (reservation price) it will require to bear any non-financial uncertainty about the amount and timing of cash flows arising from insurance contracts. This must be made explicit as an adjustment for non-financial risk in the expected, best estimates for cash flows. The reservation price reflects the subjective attitude to such risk; it is differentiated by time horizon, and makes the business indifferent to taking such risk in the balance sheet. The residual value should be confidence-equivalent to the non-financial risk after the risk adjustment.

Non-financial risk is insurance risk, cost risk, business risk (particularly in the part of the contract for which premiums have not yet been agreed), and estimate risk. The estimate risk is especially high for the part of the contract associated with new accruals far into the future. The risk adjustment is calculated for each expected cash flow and aggregated into a present value. For cash flows related to the marginal effect of new entitlements many decades into the future, the risk adjustment is so large that the amount does not affect the current residual value.

A mutual enterprise does not make a profit and does not enter into contracts with a view to earning risk-adjusted revenues; its purpose is to deliver consistently low pension costs for policyholders. The total risk adjustment for the insurance contracts where policyholders are entitled to net assets is a percentage of the liabilities and corresponds to a confidence level. As a mutual enterprise does not take any profit margins for bearing non-financial risk, the confidence level is expected to represent a residual value that is confidence-equivalent and reflects the fact that insurance risk is covered by the collective at cost. This pulls the confidence level up compared to non-mutual enterprises. Estimate risk associated with long contract boundaries for public-sector occupational pension contracts pulls the confidence level up further.

For issued insurance contracts without the right to net assets, the Group entity issuing these contracts has developed a method for calculating the risk adjustment based on a statistical model of insurance risk. The entity has chosen to use the confidence level method, and the statistical model provides a distribution/outcome space for the non-life insurance results.

2.2.7.1.4 Cash flows from acquiring insurance contracts

The Group includes cash flows from insurance acquisitions in the measurement of a group of insurance contracts if they are directly attributable either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Group estimates, at the portfolio level, cash flows from insurance services that are not directly attributable to the group, but are directly attributable to the portfolio. The Group then assigns them to the group of new and renewed contracts on a systematic and rational basis.

According to IFRS 17, acquisition costs incurred for a portfolio or group of contracts are recognised as an asset when they are incurred, prior to recognition of the group of insurance contracts to which these costs are linked. For contracts with a contract boundary of less than one year, there is an option to charge the costs to profit/loss when they arise. The Group does not have any acquisition costs that form the basis for recognising assets.

2.2.7.1.5 Subsequent measurement

In estimating the total future cash flows for the fulfilment of contractual rights and obligations, the Group distinguishes between those related to claims already incurred and those relating to future service.

At the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the liability for remaining coverage (LRC) at that date and a current estimate of the liability for incurred claims (LIC).

LRC represents the Group's obligation to assess and pay valid claims under existing contracts for insured events that have not yet occurred, amounts related to other insurance contract services that have not yet been provided (i.e. provision of investment returns and investment-related services) and investment components and other amounts not linked to insurance contract services that have not yet been transferred to LIC. The LRC is made up of (a) the fulfilment cash flows related to future service, and (b) any outstanding premiums for insurance contract services already provided.

The LIC includes the Group's liability to pay valid claims for insured events that have already occurred, other accrued insurance expenses arising from previous cover, and liability for damages that have occurred but have not yet been reported. It also includes the Group's obligation to pay amounts that it is obliged to pay to the policyholder under the contract. This includes repayment of investment components when a contract is derecognised. The current estimate of the LIC includes the fulfilment cash flows related to current and past accruals allocated to the Group at the reporting date. The Group's issued insurance contracts for public-sector occupational pensions do not have an LIC because the payments are always made as they fall due.

2.2.7.1.6 Changes in fulfilment cash flows

At the end of each reporting period, the Group updates the fulfilment cash flows for both the LIC (for issued non-life insurance contracts under the premium allocation method) and the LRC to reflect current estimates of amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variables.

The Group has a choice of accounting policies that calculate changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Group first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculates changes to these cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

• The expected cash flow estimate at the beginning of the period and the actual cash flows for premiums received during the period and any related cash flows paid

• The expected cash flow estimate at the beginning of the period and the actual amounts incurred related to insurance service expenses during the period (excluding insurance acquisition costs)

Experience adjustments related to current or previous accruals are taken to profit/loss. For claims incurred (including those not yet reported) and other expenses incurred for insurance services, experience adjustments are always related to current or past services. They are included in the income statement as part of insurance costs.

Experience adjustments related to future service are included in the LRC by adjusting the residual value.

2.2.7.2 Insurance contracts measured by the premium allocation method

The Group uses the premium allocation method to measure non-life insurance contracts with a coverage period for each contract in the group of one year or less.

On initial recognition, the Group measures LRC as the amount of the premiums received in cash. As all issued insurance contracts to which the premium allocation method is applied have a coverage period of one year or less, the Group exercises the option to expense all cash flows from acquiring insurance contracts as and when they accrue.

Premiums paid to the Group for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the LRC. The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received during the period and the amount recognised as insurance income for contractual insurance services provided during that period.

The Group has determined that there is no significant financing component in the issued non-life insurance contracts with a coverage period of one year or less. The Group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

The Group also applies the premium allocation method to all reinsurance contracts. The coverage period for such reinsurance contracts is up to 12 months.

Using the premium allocation method, the insurance income is measured as the amount allocated from the expected premium income excluding investment components. The allocation is based on the passage of time, except for issued insurance contracts where the claims are seasonal, where it is based on the expected incidence of claims. The Group uses discretion in determining the basis for allocation.

2.2.7.3 Subsequent measurement for direct-participation contracts entitled to net assets in the Group

The Group issues insurance contracts with significant investment-related services, where the policyholders are entitled to net assets of the Group. The Group's liability to the policyholders consists of the obligation to pay to the policyholders (current or future) the fair value of net assets, in addition to future insurance services provided under the policy. The fair value of net assets is determined using discretion where there are no observable prices in an active market.

The contracts do not have a contractual service margin (CSM - i.e. revenue) as the policyholders are entitled to net assets. Net assets that accrue to the insurance contracts over and above discounted and risk-adjusted fulfilment cash flows on the contract are referred to as residual value and fall to policyholders. Other net assets consist solely of the difference between the fair value of net assets allocated to the policyholders and the accounting value of net assets. This measurement difference is defined as equity, and the change in measurement difference constitutes comprehensive income for the Group in the period. This is not profit-seeking equity in the financial sense, and the profit to policyholders is not included in the comprehensive income for the Group.

2.2.8 Reinsurance contracts held

2.2.8.1 Recognition

The Group uses reinsurance to reduce some of the risk exposures in the field of non-life insurance. Reinsurance contracts held are accounted for under IFRS 17 when they conform to the definition of an insurance contract. This includes the condition that the contract should transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer essentially all insurance risk associated with the reinsured parts of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (the reinsurer) to the possibility of a significant loss.

Reinsurance contracts held are accounted for separately from underlying issued insurance contracts and assessed on an individual contract basis. In aggregating reinsurance contracts, the Group establishes portfolios in the same way as for portfolios of underlying issued insurance contracts. The Group splits a portfolio of its reinsurance contracts into three groups of contracts:

- Contracts that, on initial recognition, have a net gain

- Contracts that, on initial recognition, have no significant possibility of resulting in a net gain later

- Any remaining reinsurance contracts in the portfolio

The reinsurance accounts are accounted for by the premium allocation method. The Group assumes that all reinsurance contracts held in the different portfolios will not result in a net gain on initial recognition, unless facts and circumstances indicate otherwise.

In determining the date of initial recognition of a reinsurance contract that is held, the Group considers whether the terms of the reinsurance contract provide protection against loss on a proportionate basis. The Group recognises a group of reinsurance contracts held that provide proportionate coverage:

• At the start of the coverage period for this group of reinsurance contracts

• On initial recognition of all underlying insurance contracts

The Group recognises a group of non-proportionate reinsurance contracts no earlier than the start of the coverage period for the group or the date on which an underlying loss-making group of contracts is recognised.

The boundary of a held reinsurance contract includes cash flows resulting from the underlying contracts covered by the reinsurance contract. This includes cash flows from insurance contracts expected to be issued by the Group in the future if these contracts are expected to be issued within the scope of the reinsurance contract.

Cash flows are within the boundary of a reinsurance contract held if they arise from the substantive rights and obligations of the insurer existing during the reporting period in which the Group is obliged to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

2.2.8.2 Reinsurance contracts held measured by the premium allocation method

The Group measures reinsurance contracts by the premium allocation method. According to the premium allocation method, the first measurement of the asset for the remaining cover equals the re-insurance premium paid.

The Group measures the amount related to the remaining service by distributing the premium paid over the coverage period. For all reinsurance contracts held, the allocation is based on the passage of time except for reinsurance contracts where claims are seasonal, where it is based on the expected incidence of claims.

2.2.9 Modification and derecognition

The Group derecognises the original insurance contract and recognises the amended contract as a new contract if the terms of the insurance contracts have been modified and the following conditions have been met:

• If the modified terms had been included at contract inception, the Group would have determined that the modified contract:

– was outside the scope of IFRS 17;

– resulted in a different insurance contract because components were separated from the host contract;

– resulted in a significantly different contract boundary;

– would be included in a different group of contracts;

• If the original contact met the definition of an insurance contract with direct participation features, but the modified contract no longer meets this definition

• The Group applied the premium allocation approach to the original contract, but the modifications mean that the contract no longer meets the eligibility criteria for that approach.

If the contract modification meets any of these conditions, the Group performs all assessments that apply at initial recognition, derecognises the original contract and recognises the new modified contract as if it has been entered into for the first time.

If the contract modification meets none of these conditions, the Group treats the effect of the change as changes in estimates of fulfilment cash flows.

For insurance contracts that are recognised with a right to a share in net assets, a change in the estimates of fulfilment cash flows will result in a revised residual value.

For insurance contracts that are accounted for by the premium distribution period, the Group adjusts insurance income forward from the date of the contract amendment.

The Group derecognises an insurance contract when, and only when, the contract is:

• Extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled)

• Modified so that the derecognition criteria are met

When the Group derecognises an insurance contract from within a group of contracts, it will:

• Adjust the fulfilment cash flows allocated to the group to eliminate the present value of future cash flows and risk adjustment for non-financial risk related to the rights and obligations that have been derecognised from the group.

When the Group transfers an insurance contract to a third party and this results in derecognition, the Group adjusts the residual value of the group from which the contract has been derecognised for the difference between the change in the carrying amount to the Group caused by the derecognised fulfilment cash flows and the premium charged by the third party for the transfer.

When the Group derecognises an insurance contract due to modification, it derecognises the original insurance contract and recognises a new one.

2.2.10 Presentation

The Group has presented the carrying amount of portfolios of insurance contracts as liabilities. Reinsurance contracts are presented as assets.

The Group disaggregates the amounts included in the consolidated income statement and other comprehensive income into a subtotal for the insurance service result comprising insurance revenue and insurance service expenses and a separate subtotal for net insurance finance income or expenses. The Group has voluntarily included net insurance finance income or expenses in another subtotal: net insurance and investment result, which also includes income from all assets used to cover the Group's insurance obligations. Risk adjustment for non-financial risk is part of the profit/loss from insurance services.

2.2.10.1 Insurance income

As the Group provides insurance services from a group of issued insurance contracts, the LRC decreases and insurance income is recognised, measured as the amount the Group expects to be entitled to in exchange for these services.

For groups of insurance contracts with direct-participation features, measured by the variable fee approach (VFA), the insurance income consists of the sum of the changes in LRC due to:

• Expenses for insurance services incurred during the period measured at the amounts expected at the beginning of the period, except for:

– Repayment of investment components

– Amount related to transaction-based taxes collected on behalf of third parties

– Expenses for acquiring insurance contracts

– Amounts relating to risk adjustment for non-financial risk

• The change in the risk adjustment for non-financial risk, except for:

– Changes related to future service which adjust the residual value

• Other amounts, such as experience adjustments for premium income related to current or past service, where some insurance income also includes the portion of the premiums related to recovering cash flows associated with insurance acquisition costs included in the insurance service expenses during each period. Both amounts are measured in a systematic way based on the passage of time.

Using the premium allocation method, the Group calculates insurance income for the period on a linear basis over time, by allocating expected premium income including adjustments to actual premiums for each service period. However, when the expected pattern of release from risk during the coverage period deviates significantly from the passage of time, typically as a result of seasonal variation, the premium income is distributed according to the expected pattern of insurance services provided.

The assessment of whether there is seasonal variation is based on an analysis of historical claims rates. The assessment is carried out at portfolio level, and a confidence interval has been specified to assess whether the portfolio has significant seasonal variation. If the claims rate for a portfolio falls outside the confidence interval, this is a strong indication that the portfolio has seasonal variation and a settlement pattern is calculated for use in applying premiums to profit/loss.

At the end of each reporting period, the Group considers whether there has been a change in facts and circumstances indicating a need to change, on a prospective basis, the distribution of premium income due to changes in the expected settlement pattern.

2.2.10.2 Insurance service expenses

Expenses for insurance services arising from a group of issued insurance contracts include:

- Changes in LIC related to claims and expenses incurred during the period excluding repayment of investment components

- Changes in LIC related to claims and expenses incurred during previous periods (related to previous service)

- Other directly attributable insurance costs incurred during the period

- Amortisation of cash flows from insurance acquisitions, which are recognised in the same amount in insurance service expenses and income from insurance contracts

2.2.10.3 Income or expenses from held reinsurance contracts

The Group presents separate income or expenses from a group of reinsurance contracts held and reinsurance finance income or costs in the profit/loss for the period.

Income or expenses from reinsurance contracts are divided into the following two amounts:

- Amounts collected from reinsurers

- A distribution of premiums paid

The Group presents cash flows that are conditional on payments as part of the amount collected from reinsurers. Reinsurance provisions that are not conditional on claims in the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which are then recognised in profit/loss.

2.2.10.4 Insurance finance income and expenses

Insurance financing income or expenses present the effect of the time value of money and the change in the time value of money, along with the effect of financial risk and changes in financial risk for a group of insurance contracts and a group of reinsurance contracts.

2.2.10.4.1 Use of OCI presentation for insurance finance income and expenses

The Group has an accounting policy option to present all of the insurance finance income or expense for the period in profit/loss from ordinary operations to the extent that this accords with the respective IFRS standard.

2.2.10.4.2 For direct-participation contracts where the policyholder is entitled to net assets

For direct-participation contracts where the policyholder is entitled to the fair value of net assets in the Group, the change in net assets measured at market value in insurance finance income or expenses is presented in the income statement.

2.2.11 Contracts that existed at the transition date

2.2.11.1 Contracts measured using the fair value approach

The Group has concluded that reasonable and supportable information for applying the retrospective or modified retrospective approach was not available for all insurance contracts issued prior to the transition date. The Group has therefore used the fair value approach for these contracts.

The Group has used reasonable and supportable information available on the transition date to:

- Identify groups of insurance contracts

- Determine whether an insurance contract meets the definition of an insurance contract with direct participation features

2.2.11.1.1 Aggregation Level

The Group included contracts in groups of contracts issued more than one year apart as there was no reasonable and supportable information available to split them up.

2.2.11.1.2 Measurement at the transition date

Using the fair value approach on the transition date, the residual value of the LRC was estimated as the difference between the fair value of net assets and the fulfilment cash flows for the group of contracts at that date. In determining fair value, the Group followed the requirements in IFRS 13 Fair Value Measurement.

2.2.11.1.3 Discount rates

The Group used discount rates on the transition date instead of discount rates on the start-date for recognition.

2.2.11.1.4 Cash flows related to the acquisition of insurance contracts

The Group estimated any asset for cash flows related to the acquisition of insurance contracts that existed on the transition date at an amount equal to the amount the Group would have incurred on the transition date to obtain rights to:

- Recover cash flows from insurance acquisitions from premiums on insurance contracts collected before the transition date, but not yet recognised at the transition date

- Enter into future insurance contracts after the transition date without having to repay the costs already paid

- Achieve future renewals of insurance contracts recognised on transition date

The estimate resulted in an insignificant amount, and the Group has not included an asset for insurance acquisition cash flows in the measurement of the groups of insurance contracts recognised at the transition date.

2.3 FINANCIAL INSTRUMENTS

The Group has used IFRS 9 and IFRS 7R, which apply for the first time to years beginning 1 January 2023 and after.

As permitted in the transitional provisions in IFRS 9, the company has chosen not to restate comparative figures. Comparative figures for 2022 have therefore been reported according to IAS 39 (as it was before IFRS 9), and are not comparable with the information presented for 2023. Differences arising from the transition to IFRS 9 have been charged directly to equity as of 1 January 2023. For more information on this, see Changes in owner’s equity.

2.3.1 Recognition of financial instruments under IFRS 9

The most important accounting policies relating to financial instruments and used from 1 January 2023 (IFRS 9) are described below.

2.3.1.1 Recognition and derecognition

Financial instruments are recognised in the balance sheet from the date when the Group becomes a party to the contractual terms for the instrument. Financial assets are removed from the balance sheet when the rights to receive cash flows from the investment expire or when these rights have been transferred and the Group has transferred most of the risk and all of the potential gain from ownership. Financial liabilities are derecognised when the contractual liabilities have been discharged or cancelled or have expired. Recognition and derecognition of financial instruments are therefore independent of the agreed settlement date.

Financial instruments are measured at fair value on initial recognition. Attributable transaction costs are included in fair value for financial instruments that are not recognised at fair value through profit/loss. Accounts receivable that do not have a significant financing element are valued at the transaction price.

2.3.1.2 Classification and subsequent measurement

2.3.1.2.1 Financial assets

Under IFRS 9, financial assets are classified into the following categories:

- Amortised cost
- Fair value with changes in value through profit or loss
- Fair value with changes in value through other comprehensive income

The measurement category is determined at the time of initial recognition.

Financial assets	Measurement method IAS 39	Measurement method IFRS 9	Reason for reclassification
Debt instruments helt to maturity[1]	Amortised cost	Fair value through profit/loss	Fair value option
Debt instruments classified as loans and receivables[2]	Amortised cost	Fair value through profit/loss	Fair value option
Debt instruments helt to maturity[1]	Amortised cost	Amortised cost	Business model
Debt instruments classified as loans and receivables[2]	Amortised cost	Amortised cost	Business model
Loans to local government, enterprises & retail customers	Amortised cost	Fair value through profit/loss	Fair value option
Loans to local government, enterprises & retail customers	Amortised cost	Amortised cost	Business model
Debt instruments at fair value through profit or loss	Fair value through profit/loss	Fair value through profit/loss	Business model
Equity capital instruments	Fair value through profit/loss	Fair value through profit/loss	Business model
Receivables	Fair value through profit/loss	Fair value through profit/loss	Business model
Financial derivatives	Fair value through profit/loss	Fair value through profit/loss	Business model

Financial liabilities	Measurement method IAS 39	Measurement method IFRS 9	Reason for reclassification
Hybrid tier 1 securities loan	Amortised cost	Fair value through profit/loss	Fair value option
Subordinated loan capital	Amortised cost	Fair value through profit/loss	Fair value option
Debt to credit institutions (amortised cost)	Amortised cost	Amortised cost	Business model
Covered bond issued	Amortised cost	Amortised cost	Business model
Liabilities and deposits from customers	Amortised cost	Amortised cost	Business model
Debt to credit institutions (fair value)	Fair value through profit/loss	Fair value through profit/loss	Business model
Financial derivatives	Fair value through profit/loss	Fair value through profit/loss	Business model

[1] related to life insurance business

[2] related to non-life insurance business

Derivatives and equity instruments

Under IFRS 9, derivatives have to be recognised at fair value with changes in value through profit/loss. However, derivatives classified as hedging instruments must comply with the hedge accounting rules referred to in section 2.3.1.3.

As a general rule, equity instruments should be measured at fair value with changes in value through profit/loss, unless they are not held for trading purposes and are specifically recognised at fair value with changes in value through other comprehensive income. In the Group, all equity instruments are measured at fair value with changes in value through profit/loss.

Debt instruments

The classification and measurement of debt instruments under IFRS 9, apart from equity instruments and derivatives, are based on a combination of the business model for managing the assets and the contractual cash flow characteristics.

A debt instrument is measured at amortised cost if both of the following criteria are met and the financial asset has not been reported at fair value through profit/loss (the "fair value option"):

- The financial asset is held in a business model whose purpose is to keep financial assets in order to receive the contractual cash flows (the "business model criterion"), and
- The contractual terms for the financial asset lead at certain times to cash flows that only include repayments and interest on the principal amount outstanding (the "cash flow criterion").

Choice of measurement method

Each portfolio is analysed based on the business model used, the types of cash flow that exist and the purpose of the investments.

If a financial instrument is included in a portfolio managed within a business model whose purpose is to receive contractual cash flows consisting only of interest and principal, the financial asset is measured at amortised cost.

If a portfolio of financial instruments is included in a business model whose purpose is to hold the financial assets in order to recover contractual cash flows and to sell, the asset is measured at fair value with changes in value through other comprehensive income. Interest income, currency translation effects and any write-downs are presented under profit/loss from ordinary activities. Changes in value recognised through other comprehensive income have to be reclassified as profit/loss when the assets are sold or otherwise disposed of.

Financial assets included in other types of business model are measured at fair value through profit/loss from ordinary activities.

Fair value option

The Group may designate a debt instrument that meets the criteria to be measured at amortised cost for recognition at fair value through profit/loss if this eliminates or significantly reduces inconsistencies in measurement. This means that, on initial recognition, financial assets and liabilities can be designated at fair value with changes in value through profit/loss even if they are included in a business model that provides for a different measurement method. This earmarking is irrevocable after initial recognition.

The Group has chosen to use the fair value option on a portfolio of debt instruments associated with the life insurance business even if they are included in a business model that provides for measurement at amortised cost with changes in value through other comprehensive income. The rationale for this is that the implementation of IFRS 17 entails recognising insurance liabilities at fair value. Use of the fair value option will then avoid an accounting mismatch.

Impairment model

The implementation of IFRS 9 brings in a new impairment model for financial assets measured at amortised cost. Under the new standard, loss provisions have to be recognised according to the expected credit loss (ECL). The measurement of provisions for expected losses depends on whether the credit risk has increased substantially since initial recognition. The estimated losses are calculated based on a 12-month and a lifetime probability of default (PD), loss given default (LGD) and exposure at default (EAD). The loan loss provisions are presented in three stages:

Stage 1: Expected loss over the next 12 months for all assets not transferred to Stage 2 or 3.

Stage 2: Expected losses over the whole lifetime of assets that have had a significant increase in credit risk since initial recognition, but no objective impairment.

Stage 3: Expected loss for the remaining lifetime of assets that have objective evidence of impairment. In the event of default, we will depart from automatic calculation of expected credit losses and instead make an individual assessment of the expected credit loss.

Below is a description of how loss calculations have been made for the different financial instruments.

Impairment model for interest-bearing securities at amortised cost

This category of securities includes bonds and certificates.

Stage 1: A financial instrument that is not credit-impaired at the time of initial recognition is classified in Stage 1. In Stage 1, the expected credit loss is calculated over the next 12 months, or to maturity if it is within a year.

Stage 2: In the event of a significant increase in credit risk since the date of acquisition, the instrument is moved to Stage 2. The expected credit loss is then calculated for the remaining lifetime of the instrument. A significant increase in credit risk is defined as a fall of at least 3 risk classes (e.g. AAA (1) to A- (4)). Risk classes are divided as shown in the table below.

Rating	Risk class	Rating	Risk class	Rating	Risk class
AAA	1	BBB+	5	B+	11
AA+	1	BBB	6	B	12
AA	2	NR	6	B-	13
AA-	2	BBB-	7	CCC+/-	14
A+	3	BB+	8	D	15
A	3	BB	9		
A-	4	BB-	10		

Stage 3: Expected loss for the remaining lifetime of assets that have objective evidence of impairment. In the event of default, we will depart from automatic calculation of expected credit losses in the portfolio system and instead make an individual assessment of the expected credit loss.

For Stages 1 and 2, the following model is used for calculating ECL:

Expected credit loss = exposure at default (EAD) x probability of default (PD) x loss given default (LGD).

Exposure at default (EAD): EAD is an estimate of the total loss incurred in the event of a possible default.

For Stages 1 and 2, it is based on the gross carrying amount, while for Stage 3, amortised cost is used. This is shown in the table below.

Stage	Credit risk	ECL calculation	Effective interest
Stage 1	Immaterial increase	12 months	Gross book value
Stage 2	Material increase	Remaning lifetime	Gross book value
Stage 3	Defaults	Remaning lifetime	Amortised cost

Probability of default (PD): PD is calculated based on annual, historically observed default rates for each individual rating (S&P). This is based on 25 years of rolling data. PD is updated annually, or when significant changes are observed.

Loss given default (LGD): LGD is based on historically observed repayment rates on loans in default for defined sectors. These are published in annual reports issued by Global Credit Data. The figures are updated annually, and in the event of significant changes.

The table below shows the loss provisions as of 1 January 2023, broken down into the different stages.

NOK THOUSANDS	Held to maturity	Lending and receivables
Step 1	1	260
Step 2	-	42
Step 3	-	-

Impairment model for residential mortgage loans

Loss calculations for residential mortgages are administered by the Group's banking business, which has developed PD and LGD models for the mortgage portfolio. One PD model has been developed for new mortgage customers and another for existing mortgage customers. The first model uses data that is available at the time of application and is valid for 3 months after the mortgage is granted. The second model begins after 3 months, and also uses data that depends on the customer's behaviour profile. Explanatory variables in the base data are age, income, number of reminders sent in the last 12 months, number of overdrawn days in the last 12 months, loan-to-value ratio, co-borrower, default in the last 12 months and product type. The PD model is based on logistic regression, and the factors are reviewed annually and updated as needed. The method gives results that can easily be interpreted and analysed, as well as great explanatory value provided that certain conditions are met. The PD model also makes it possible to combine pure quantitative analyses with expert assessments. A rolling five-year window is used, so the emphasis is on more recent and relevant observations.

Exposure at default (EAD) is calculated as a function of the probability of the contract not being repaid by the specified date. An important part of the loss estimation is to look at the proportion of customers in default whose accounts recover. Loss given default (LGD) depends on several factors. The recovery rate is a significant element in the calculation, i.e. the proportion of customers in default who recover. The observed recovery rate has to be calculated and revalidated each year.

As well as calculating ECL, a probability weighting is applied to various defined scenarios whereby ECL is assessed against optimistic, expected and pessimistic developments. The sum of the weighted scenarios constitutes the expected credit loss. KLP Banken's risk forum assesses these different scenarios and their weighting on a quarterly basis, based on changes in macro or other factors that may affect the write-downs.

The most important driver for a significant change in credit risk for home mortgage loans is a change in the probability of default (PD) from initial recognition up to the reporting date. A relative change in PD of more than 2.5 over 12 months is considered to be a significant change in credit risk. The change in PD must also be at least 0.6 percentage points over 12 months for the change to be considered significant. Commitments that have been in default for more than 30 days will automatically be placed in Stage 2, and commitments in default for more than 90 days will be placed in Stage 3. The loans go back to Stage 2 and Stage 1 when the criteria for significant change in credit risk and default are no longer fulfilled. A loan in Stage 3 will stay in quarantine for three months before it can be moved back to Stage 2 or 1.

The table below shows how the loss provisions for mortgages measured at amortised cost are divided between the different stages as of 1 January 2023.

NOK THOUSANDS	Step 1	Step 2	Step 3
Mortgages	144	207	422

Impairment model for other types of lending

A simplified loss ratio method is used for some types of lending where no separate PD and LGD models have been developed. In the consolidated accounts, this applies to senior loans and credit cards in the retail market, and to public-sector lending.

Senior loans: Senior loans are loans that in practice cannot be defaulted. The risk is only related to a big drop in house prices, and the situation where the outstanding amount on the customer's death or move into a nursing home exceeds the value of the home at the date of sale. Based on the very low probability of losses on these loans, a simplified loss ratio has been chosen whereby 0.001% of the balance on senior loans is set aside for expected losses. No senior loans will end up in Stage 2 or 3.

Credit cards: For credit cards, the Group has calculated a loss ratio based on the average estimated PD for the credit card portfolio obtained from the external credit rating agency and the average LGD for credit cards for the period 2006-2018 calculated by the debt collection agency and updated in 2021.

Public lending: For public lending, the probability of a loss on these loans is considered to be low. It has therefore been decided to use a simplified loss ratio, with the exception for low credit risk, whereby 0.001% of the balance on public loans has been set aside for expected losses.

The table below shows the loss provisions as of 1 January 2023 for loans using a simplified loss ratio method.

NOK THOUSANDS	Step 1	Step 2	Step 3
Senior loans	21	-	-
Public lending	184	-	-
Credit card	2 040	1 883	516
Total	2 245	1 883	516

2.3.1.2.2 Financial liabilities

Accounting of financial liabilities under IFRS 9 is largely unchanged from the earlier IAS 39. One exception is that, for liabilities specifically recognised at fair value, changes in fair value due to own credit risk are recognised through other income and expenses without reclassification. This applies unless applying the changes in the credit risk on the liability would cause or worsen the accounting mismatch in the result.

The company makes use of the fair value option for hybrid Tier 1 perpetual capital and subordinated loans. Earmarking these loans at fair value through profit/loss will avoid an accounting discrepancy as matching assets are measured at fair value through profit/loss. Changes in credit risk associated with these liabilities will also be measured at fair value through profit/loss, as a mismatch could otherwise occur. Issued covered bonds and other debt instruments that finance lending in the Group's banking business will continue to be measured at amortised cost in the consolidated financial statements.

2.3.1.3 Hedge accounting

Hedge accounting is an accounting method that allows companies to align their accounting for financial instruments and hedging activities more closely with the underlying transactions.

As of 1 January 2023, the Group has three cases of hedge accounting. One relates to hedging of a fund bond (the hedged item) using a combined interest rate and currency swap (the hedging instrument), while the other two relate to hedging of borrowing and lending with associated interest rate swaps. The practical effect of the transition to IFRS 9 will be minimal and we expect to retain the earlier practice for this hedging relationship. Refer also to Note 32 for more information on hedging relationships in the group.

2.3.1.4 Netting

Financial assets and liabilities are presented net in the statement of financial position when there is an unconditional offsetting entitlement that can be legally enforced and the intention is to settle net, or realise the asset and liability simultaneously.

2.3.1.5 Modification

When the contractual cash flows from a financial instrument are renegotiated or otherwise changed, and the renegotiation or change does not result in derecognition of the financial asset, the gross carrying amount of the financial instrument is recalculated and any gain or loss from the change is taken to profit/loss. The gross carrying amount of the financial instrument is recalculated as the present value of the renegotiated or changed contractual cash flows, discounted by the original effective interest rate of the financial instrument. Any accrued costs or fees adjust the carrying amount of the changed financial instrument and are written down over the changed remaining lifetime.

2.3.2 Accounting for financial instruments used in the period before 1 January 2023

The most important accounting policies relating to financial instruments and used from 1 January 2023 are described below.

2.3.2.1 Classification

Financial instruments are classified on first recognition in one of the following categories:

Financial assets

a. Financial assets recognised at fair value through profit or loss

b. Loans and receivables recognised at amortised cost

c. Hold-to-maturity investments recognised at amortised cost

Financial liabilities

a. Financial liabilities recognised at fair value through profit/loss:

b. Other financial liabilities recognised at amortised cost:

Financial assets and liabilities for fair value through profit/loss

Within this category it may be mandatory or optional to recognise items at fair value with changes in value through profit or loss.

- Financial assets held for sale are assets acquired primarily with a view to providing a profit from short-term price fluctuations. The Group's derivatives are included in this category unless they are included as an element of an accounting hedge in accordance with the rules on hedge accounting.
- Financial instruments and liabilities designated for recognition at fair value with changes in value through profit or loss are classified in this category if the financial instruments are managed as a group, where their earnings are assessed and reported to management on the basis of fair value, or if the classification eliminates or reduces accounting inconsistencies in measurement

The financial assets include shares and units/holdings, bonds, certificates and loans, while the financial liabilities cover debt to credit institutions and derivatives.

Loans and receivables recognised at amortised cost

Loans and receivables are financial assets that are not derivatives, have fixed or determinable payments and are not traded on an active market, except for.

- Those which the Group intends to sell in the short term or has earmarked at fair value through profit/loss.
- Those which the Group has earmarked as available for sale
- Those on which the holder will not be able to recover the whole of their initial investment, except for impaired creditworthiness, and which are to be classified as available for sale

Loans and receivables at amortised cost comprise:

- Loans and receivables linked to the investment business;
- Other loans and receivables including receivables from policyholders

Loans and receivables in the investment business include debt instruments classified as loans and receivables i.e. bonds that are not priced in an active market as well as lending to local authorities, enterprises and retail customers.

Hold-to-maturity investments recognised at amortised cost

Hold-to-maturity investments comprise investments that are not derivatives and that have set or determinable payments and a defined date of maturity, which that the Group has the intention and the ability to hold to maturity, with the exception of:

- Those which the company earmarks on initial recognition at fair value through profit or loss;
- Those which the Group has earmarked as available for sale
- Those that meet the definition of loans and receivables.

The category includes bonds recognised at amortised cost.

Other financial liabilities recognised at amortised cost:

The category includes subordinated loans, fund bond loans and issued covered bond loans, as well as liabilities to and deposits from customers.

2.3.2.2 Recognition and measurement

Purchases and sales of financial instruments are recognised at fair value on the trading date, i.e. when the Group has committed itself to buy or sell that financial instrument. Direct costs of purchase are included in acquisition cost except for purchase costs associated with financial instruments at fair value through profit or loss. For these instruments purchase costs are taken to expenses directly. Recognition of financial assets ceases when the Group is no longer entitled to receive the cash flow from the asset or the Group has transferred all risk and entitlements associated with its ownership. Recognition of financial liabilities ceases when the underlying obligation in the contract has been met, been cancelled or expired.

a. **Measurement at fair value**

The principles for calculating fair value related to the various instruments are shown in Note 25.

b. **Measurement at amortised cost**

Financial instruments not measured at fair value are measured at amortised cost using the effective interest rate method. The internal rate of return is set through discounting contractual cash flows over the expected duration. The cash flows include setting-up charges and direct transaction costs as well as any residual value at the end of the expected duration. Amortised cost is the present value of these cash flows discounted by the internal rate of return.

c. **Write-down of financial assets measured at amortised cost**

In assessing whether there is impairment of a financial asset, weight is attached to whether the issuer/debtor has significant financial difficulties and whether there is any breach of contract, including default. An assessment is made as to whether the debtor is likely to go bankrupt, whether there is no longer an active market for the asset because of financial difficulties, or whether a measurable reduction in the expected cash flow from a group of financial assets is observed. The assessment is based exclusively on historical data: future events are not considered, regardless of the degree of probability.

If there is objective evidence of impairment, a write-down is carried out. The write-down is calculated by comparing the new, anticipated cash flows with the original cash flows discounted by the original effective interest rate (assets with fixed interest) or by the effective interest rate at the time of measurement (assets with variable interest). The write-down reduces the carrying amount of the asset and is included in the income statement under "Net return from financial assets".

Loss assessment and loss write-down is carried out quarterly on individual loans. Loans with unpaid repayments older than 90 days or credits with overdrafts older than 90 days are examined at the end of the reporting period. In addition continuous assessment is carried out of other lending engagements where there is objective proof of impairment.

Lending is also assessed by group. If there is objective proof of impairment in a group of loans, a write-down is carried out.

2.3.3 Presentation, classification and measurement

a. **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are recognised in the balance sheet either as "Lending to local government, enterprises and retail customers at fair value through profit/ loss", "Debt instruments at fair value through profit or loss" or "Equity instruments at fair value through profit or loss". Interest income and dividends are included in "Net return from investments measured at fair value with changes in value through profit/loss".

b. **Financial assets at amortised cost**

Financial assets measured at amortised cost are presented in the balance sheet either as "Interest-bearing securities and other debt instruments at amortised cost", "Lending to local government, enterprises and retail customers at amortised cost", "Receivables" or "Cash and bank deposits". Interest income and write-downs are included in "Net return on investments not measured at fair value with changes in value through profit/loss". For the banking business, interest income is included in the line "Net interest income banking". Changes in value that can be linked to objective indications of impairment as well as foreign exchange changes are included in the line "Net return on financial assets".

c. **Financial liabilities measured at amortised cost Debt to and deposits from customers**

Issued financial liabilities measured at amortised cost are presented in the balance sheet under the following items:

Hybrid Tier 1 perpetual capital
Subordinated loans
Covered bonds issued
Liabilities to credit institutions
Liabilities to and deposits from customers

Liabilities to and deposits from customers are recognised at fair value in the financial position statement when the deposit is recorded as transferred to the customer's account. In subsequent periods, liabilities to and deposits from customers are recognised at amortised cost in accordance with the effective interest rate method. The interest costs are included in the line "Net interest income banking".

Subordinated loans issued are recognised at fair value when they are taken out, adjusted for purchase costs. On subsequent measurement, subordinated loans are recognised at amortised cost using the effective interest rate method. The method is used to allocate the interest costs over a relevant period and is recognised through profit/loss under "Net costs subordinated loans and hybrid Tier 1 securities". Subordinated loans in foreign currency are translated to NOK on the balance sheet date. Changes in value from changing exchange rates are is recognised through profit/loss under "Net costs subordinated loans and hybrid Tier 1 securities".

Hybrid Tier 1 securities are recognised at their nominal value on the date of issue and valued subsequently at amortised cost. For hybrid Tier 1 securities hedged against exchange and interest rate changes (fair value hedging), the carrying amount is adjusted by the change in value of the hedged risk. The change in value is recognised through profit/loss under "Net costs subordinated loans and hybrid Tier 1 securities".

Covered bond loans are initially recognised at fair value adjusted for purchase costs, i.e. nominal value adjusted for any premium/discount on issue. On subsequent measurement the bond loans are valued at amortised cost by the effective interest method. The costs of interest are included in the line "Net interest income banking" in the income statement. Bond loans issued with fixed interest are recognised in accordance with the rules on fair value hedging inasmuch as they are hedged against change in interest rate level.

d. **Financial liabilities measured at fair value with changes in value through profit/loss**

Financial liabilities measured at fair value with changes in value through profit/loss are presented in the balance sheet under the following items:

Liabilities to credit institutions
Financial derivatives

Liabilities to credit institutions are capitalised at market value on take -up. On subsequent measurement fair value is used when this eliminates or reduces accounting inconsistency. The interest costs are included in the line "Net interest income banking".

Financial derivatives are recognised at fair value at the time they are contracted. On subsequent measurement the derivatives are recognised at fair value and presented as an asset under "Financial derivatives" if the value is positive and as a liability under "Financial derivatives" if the value is negative. For derivatives that are not part of any hedging relationship, any gains and losses are recognised as they arise under "Net income from investments measured at fair value through profit or loss".

e. **Hedge accounting**

The Group has used hedge accounting in three cases. In one case, hedge accounting is used to hedge hybrid Tier 1 securities issued (the hedged object) against value changes resulting from changes in interest and exchange rates (fair value hedging). The hedging instrument is a combined interest rate and currency swap. The hedging relationship is documented and the effectiveness of the hedge is measured continuously. The other two cases relate to fair value hedging of fixed-rate lending and borrowing hedged with interest rate swaps. The hedging relationship is documented and its effectiveness is measured on a regular basis.

Changes in the fair value of the hedging instrument are included in the income statement under "Net income from investments measured at fair value with changes in value through profit/loss". Value changes in the hedging object that can be attributed to the hedge risk are booked as a correction to the carrying amount of the hedged object and included in the income statement at the line for "Net costs subordinated loan and hybrid Tier 1 securities" and "Net interest income banking". In those instances in which a security has inbuilt derivatives that are not separated out, the value of the derivative will be included in the security's value as a whole.

2.4 INVESTMENT PROPERTY

Property not used by the Group is classified as investment property. If a property is partially used by the Group and partially leased to external tenants, the part that is leased to external tenants is classified as investment property if it can be subdivided. The Group provides some additional services to tenants of the properties. If these services are considered essential to the management of the property, the property is classified as property for own use and not as investment property.

2.4.1 Recognition and derecognition

Investment property is recognised in the balance sheet when it is likely that future economic benefits arising from the property will accrue to the Group, and when the cost of the investment property can be reliably measured. Investment property is recognised at cost including transaction costs. Costs of an investment property under construction are measured at cost until it is completed.

An investment property is derecognised upon disposal, or when it is taken out of use with final effect and the Group does not expect any further financial gain from disposing of the property. The date of disposal of an investment property that is sold is the date when the recipient gains control over the investment property in accordance with the provisions on fulfilment of an obligation in *IFRS 15 Revenue from Contracts with Customers.*

2.4.2 Subsequent measurement

Investment property must be measured either at cost or at fair value with changes in value through profit/loss. The Group has chosen to use fair value with changes in value through profit/loss. Fair value is measured in accordance with *IFRS 13 Fair Value Measurement*..

The Group uses a valuation model to estimate market value. The valuation method is based on discounting the expected net cash flow from the property by the market's return requirements.

In the first instance, the market rent on currently applicable terms is used in calculating net cash flow, whereas for periods after the expiry of contracts an estimated market rent is used. An income deduction is also taken into account for expected vacancy, expected maintenance/improvement costs and normal operating costs.

The expected cash flow is discounted by a return requirement determined on the basis of the risk-free interest rate (10-year Norwegian Government Bond interest rate) adjusted by a supplement for estimate on a 20-year risk-free interest rate. The estimate for the 20-year interest rate corresponds to the slope of the swap curve between 10 and 20 years. The risk-free rate then has a general property risk applied to find the return requirement for prime properties. Finally a risk premium is added which is determined from the willingness of the investors in the property market to accept risk taking account of matters specific to the property such as geography, property type, contracts, tenants and technical state of the property.

A selection from the Group's property stock is valued quarterly by external, independent and qualified valuers. In the event of significant deviation from our own assessment of fair value, the differences are analysed and the valuation model's parameters are adjusted if this proves necessary.

Changes in fair value are recognised in the period during which the gain or loss occurs.

2.4.3 Presentation

Investment property is presented on a separate line in the balance sheet.

Changes in fair value and net rental income are presented in the income statement under "Fair value adjustment of investment properties and rental income". Any change in the fair value of properties due to exchange rate changes is shown in other comprehensive income under "Currency translation foreign properties".

Note 3 **Important accounting estimates and valuations**

3.1 Critical judgements in applying the group's accounting policies

The following are the critical judgements, apart from those involving estimations (addressed separately below), that the directors have made in the process of applying the Group's accounting policies and that will have the most significant effect on the amounts recognized in financial statements:

3.1.1 Insurance contracts issued and reinsurance contracts held:

- *Assessment of significance of insurance risk:* The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario.
- *Contracts issued that provide policyholders with a residual interest in the business:* KLP is mutually owned, where the customers on public occupational pensions are also owners of the business. IFRS 17 has defined criteria for what is considered mutual insurance business, where the policyholder is entitled to the net assets of the business. Determining whether an insurance contract provides the policyholder with a residual interest in the mutual entity, requires consideration of all substantive rights and obligations, whether they arise from a contract, law or regulation. A mutual entity accepts risks from each policyholder and pools that risk. The policyholders with a residual interest in the mutual entity bear the pooled risk collectively in their capacity as owners. The insurance contracts affect or are affected by the cash flows to policyholders of other contracts by requiring the policyholder to share with policyholders of other contracts the returns on the same specified pool of underlying items. This would be either:
    - If the policyholder bear a reduction in their share of the returns on the underlying items because of payments to policyholders of other contracts that share in that pool, including payments arising from under guarantees made to policyholders of those other contracts, or
    - If the policyholders of other contracts bears a reduction in their share of returns on the underlying items because of payments to the policyholder, including payments arising from guarantees made to the policyholder.

The Group consider that the insurance contracts issued on public occupational pension provide the policyholders with a residual interest in the Group.

Definition of policyholder: The policyholder is the part of det insurance contract entitled to compensation when an insured event occurs. Some of the insurance contracts issued by the Group, have three related parties, where typically the employer insures its employees. The employer pays the premium, but the employee receives the compensation if an insurance event occurs. The Group has used its judgement to assess who is the policyholder.

- *Combination of insurance contracts:* Determining whether it is necessary to treat a set or series of insurance contracts as a single contract involves significant judgement and careful consideration. In assessing whether a set or series of insurance contracts achieve, or are designed to achieve, an overall commercial effect, the Group determines whether the rights and obligations are different when looked at together compared to when looked at individually and whether the Group is unable to measure one contract without considering the other.
- *Consideration whether there are investment components:* The Group considers all terms of contracts it issues to determine whether there are amounts payable to the policyholder inn all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of an insured event. Some amounts, once paid by the policyholder, are repayable to the policyholder in all circumstances. The Group considers such payments to meet the definition of an investment component, irrespective of

whether the amount repayable varies over the term of the contract as the amount is repayable only after it has first been paid by the policyholder.

- *Separation of insurance components of an insurance contract:* The Group issues some insurance contracts that combine protection for the policyholder against different types of insurance risks in a single contract. IFRS 17 does not require or permit separating insurance components of an insurance contract unless the legal form of a single contract does not reflect the substance of its contractual rights and obligations. In such cases, separate insurance elements must be recognised. Overriding the 'single contract' unit of account presumption involves judgement and is not an accounting policy choice. When determining whether a legal contract reflects its substance or not, the Group considers the interdependency between different risks covered, the ability of all components to lapse independently, and the ability to price and sell the components separately.
- *Determination of the contract boundary:* The measurement of a group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising form the terms of the contract, from applicable law, regulation and customary business practices. Cash flows are considered to be outside of the contract boundary if the Group has the practical ability to reprice existing contracts to reflect their reassessed risks, and if the contract's pricing for coverage up to the date of reassessment only considers the risks until the next reassessment date. The Group applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all the risks in the contract or portfolio. The Group considers contractual, legal and regulatory restrictions when making its assessment and applies judgement to decide whether these restrictions have commercial substance.
- *Identification of portfolios:* The Group defines a portfolio as insurance contracts subject to similar risks and managed together. Contracts within the same product and industry line are expected to be in the same portfolio as they are similar risks and are managed together. This assessment of which risks are similar and how contracts are manged requires the exercise of judgement.
- *Level of aggregation:* The Group applies judgement when distinguishing between contracts that have no significant possibility of becoming onerous and other profitable contracts
- *Assessment of directly attributable cash flows:* The Group uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. When estimating fulfilment cash flows, the Group allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts.
- *Level of aggregation for determining the risk adjustment for non-financial risk:* IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The level of aggregation for determining the risk adjustment for non-financial risk is not an accounting policy choice and requires judgement. The Group considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts for which it has been considered in aggregate. The Group considers that the risk adjustment for non-financial risk allocated to any individual group, as the cost of uncertainty, cannot be negative. Accordingly, when determining the allocation, correlations of non-financial risk between groups are ignored. This is because they have already been considered as part of the diversification benefits in determining the overall entity-level risk adjustment. The Group allocates the

total entity-level risk adjustment to groups bases on the percentage of the group's expected fulfilment cash flows to the total expected fulfilment cash flows.

3.1.2 Financial instruments

- *Determination of when there is a significant increase in credit risk on financial instruments valued at amortised cost:* The Group has defined trigger points for what is defined as a significant change in credit risk reflecting a change in the calculation of expected credit losses. Loss given default and probability of default are calculated using considerable judgement based on internal and external observable market data.
- *Determination of what constitutes an active market for financial instruments:* The Group has established requirements for daily turnover as a criterion for whether a market is considered active. The determination is based on discretion.

3.2 Key sources of estimation uncertainty

The following are key estimations that the directors have used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

3.2.1 Insurance contract assets and liabilities and reinsurance contract assets and liabilities

By applying IFRS 17 to measurement of insurance contracts issued and reinsurance contracts held, the Group has made estimations in the following key areas:

- Future cash flows
- Discount rates
- Risk adjustments for non-financial risk

Every area, including the Group's estimation methods and assumptions used and other sources of estimation uncertainty are discussed below.

A sensitivity analysis of exposure to insurance risk and its impact on residual value is included in Note 4.

3.2.1.1 Technique for estimation of future cash flows

In estimating fulfilment cash flows included in the contract boundary, the Group uses all the reasonable and supportable information available without undue cost and effort, which includes information about past events, current conditions and future forecasts.

Cash flow estimates include both market variables directly observed in the market or derived directly from markets and non-market variables such as mortality rates, disability rates, accident rates, average claim costs and probabilities of severe claims The Group maximizes the use of observable inputs for market variables and utilizes internally generated group-specific data. For life insurance contracts, the Group uses national statistical data for estimating the mortality rates as the national statistical data is more current than internal mortality statistics.

3.2.1.2 Method of estimating discount rates

In determining discount rates for different products, the Group uses the bottom-up approach. This method excludes the effects of risks present in the assets, but not in the insurance cash flows. Applying this approach, the Group estimates the yield curve from sufficiently liquid swap-rates, a long term ultimate forward rate and assumptions on convergence. A premium reflecting the degree of illiquidity in the insurance contracts is added. This illiquidity premium is based on a reference portfolio of bonds.. One of the key sources of estimation uncertainty is connected to isolating the illiquidity component in observable yield spreads in this reference portfolio. Another key source of estimation uncertainty is determining discount rates beyond the last liquid and observable point of the swap-curve.

To derive the yield curve from the reference portfolio of items, the Group uses observable market inputs such as market prices in an active market. The Group exercises judgement to assess whether swap-rates and an illiquidity premium inferred from traded bonds represents the characteristics of the insurance contracts being measured, with respect to timing, amount and risk.

The Group used the following yield curves to discount cash flows.

Year	31.12.2023	31.12.2022
1	4,842 %	4,226 %
2	4,530 %	4,040 %
3	3,978 %	3,891 %
4	3,606 %	3,843 %
5	3,522 %	3,901 %
10	4,004 %	4,260 %
15	3,853 %	4,012 %
25	3,665 %	3,722 %
50	3,524 %	3,526 %
75	3,503 %	3,503 %
100	*3,500 %*	*3,500 %*

3.2.1.3 Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks such as lapse risk, expense risk and business- and estimation uncertainty. , The uncertainty increases the further in time you go, and especially for periods where parts of the risk under the contract can be repriced and where the premiums have not yet been determined. The risk adjustment measures the degree of variability of expected future cash flows and applies a Group-specific price for bearing that risk, such that the Group is indifferent to bearing that risk or not. The Group determines the risk adjustment for non-financial risk at the entity level and then allocates it to all the groups of insurance contracts. In estimating the risk adjustment, the Group estimates the risks in fulfilment cash flows allocated to non-financial risk and this implies the additional amount of capital required to make the residual value a certainty equivalent value with respect to non-financial risk. That amount is translated to a percentage applied to fulfilment cash flows. The percentage was set for the life and non-life contracts at 8,7 percent and 4,3 per cent respectively in 2023 (2022: 9,5 percent and 4,1 per cent). This amount corresponds to a confidence level of 95 percent (2022: 95 percent) on the life contracts, 75 percent (2022: 75 percent) on then non-life contracts.

Non-financial risk factors, also referred to as underwriting variables, are the key sources of estimation uncertainty, as they impact estimates of future cash flows and their associated probabilities and affect the amount of projected capital required at the determined confidence level, which in turn impacts the overall amount of risk adjustment for non-financial risk. See Note 4 for further details on the underwriting variables.

3.2.2 Investment property

By applying IFRS 13 Fair Value Measurement on investment properties, the Group has made estimations in following areas:

- Future cash flows
- Discount rates

3.2.2.1 Future cash flows

The main components of future cash flows consisting of:

- Currently applicable terms and conditions, contracts expiry and assumed market rent
- Vacant areas with assumed market rent
- Parking income, parking area and number of places
- Estimated annual inflation
- Annuel rent adjustment as a percentage of inflation
- General vacancy
- Normal annual operating costs
- Normal annual communal costs per square metre
- Upgrading costs per square metre on new lease
- Any further upgrading costs (year and amount)
- Number of months vacancy on each contract expiry
- Assumed final value Year 20
- Nominal return on requirement

Cash flow estimates include both market variables directly observed in the market or derived directly from markets and non-market variables.

3.2.2.2 Discount rate

The discount rate used corresponds to the normal market's return requirement for similar properties, and is calculated using the top-down method based on the yield from the latest known transactions in similar and relevant properties or other estimates. The discount rate is decomposed where different elements regarding the market yield estimation for different type of property, geographic conditions, contract risk, building risk, and general market yield regarding investment properties. The different risks are calculated on single property level and assessed in relation to each other.

The Group' s used the following discount rate in different countries as per 31st December:

Country	2023	2022
Norway	6,55 % - 9,60 %	5,55 % - 8,95 %
Sweden	6,10 % - 7,50 %	5,50 % - 7,35 %
Denmark	6,15 % - 8,00 %	5,80 % - 8,15 %

3.2.2.3 Sensitivity analyses

At 31 December 2023 the Group's total carrying amount of Investment Property was 92 322 NOK million (93 992 NOK million as at 31 December 2022).

The sensitivity analysis below shows how the value of one of the Group's centrally located office properties in Oslo Changes with certain changes in key parameters in the Group's valuation model. The analysis shows change in value (given as percentage change) for a given change in a parameter on the assumption that all other parameters stay unchanged. In reality there are interdependencies between several variables, so that at change in one parameter will be accompanied by change in one or more other parameters. The sensitivity figures given do not capture such relationships with other variables and are shown only for illustrative purposes. The effect of changes in parameters will vary somewhat from property to property.

Parameter	Change	Change in value 31.12.2023	Change in value 31.12.2022
Return requirement	+ 100 bps	-11 %	-12 %
	-100 bps	13 %	15 %
Market rent	10 %	8 %	8 %
	-10 %	-8 %	-8 %
Exit yield	+100 bps	-8 %	-11 %
	-100 bps	12 %	19 %
Inflation	+50 bps	6 %	7 %
	-50 bps	-6 %	-6 %

In the analyses above the return requirement means the interest rate used in discounting future cash flows in the model. Market rent is understood as expected rent in the event of renegotiation of existing contracts or on change of tenant. Exit Yield means the yield that is used to calculate the final value in the valuation model's final analysis period (Year 20).

Note 4 **Insurance risk**

Insurance risk is the risk that the timing and/or amount of the payment for an insured event may differ from what was expected. The insurance risk is measured and managed at the entity level.

4.1. Insurance risk related to contracts for public-sector occupational pensions

Insurance risk related to insurance contracts issued for public-sector occupational represents the risk that disability and mortality in KLP's membership will develop in a different way from the assumptions used in the calculations. The insured's age and gender may affect that individual's risk. The insurance risk is therefore priced individually, but the price is equalised at the risk community level. The composition and size of the portfolio will therefore affect the insurance risk. The insurance contracts run until the policyholder chooses to move the contract or it expires. The insurance risk is repriced each year for new accruals under the contract. Historically accrued rights cannot be repriced.

4.1.1. Longevity risk

The insurance risk for longevity is the risk of the insured living longer than expected (retirement pensions). Life expectancy has steadily increased over the last decade. Major factors behind this have been developments in medical science, and changes in diet and lifestyle.

The Group uses analyses of its own insurance data and analyses from Statistics Norway (SSB) of population data to look at changes in life expectancy and annual variations in it. In particular, expected future improvements in mortality (increasing life expectancy) are based on estimates from Statistics Norway. The analyses are used to determine the best estimate for future mortality used to calculate expected future cash flows. Data for recent years may be affected by Covid, so it is not clear that insights from recent history can be used to predict the normal situation going forward.

As the retirement pension is lifelong, increased life expectancy will entail payment over a longer period. Public-sector occupational pensions have a built-in longevity adjustment which reduces this effect by reducing the annual benefit as life expectancy increases and vice versa. The longevity adjustment to pensions is calculated by Statistics Norway based on the improvement in life expectancy across the Norwegian population (regardless of gender) and may be different from the improvement in life expectancy in KLP's membership.

4.1.2 Mortality risk (survivors' pensions)

Insurance risk relating to mortality is a risk associated with survivors' pensions, where the assumptions used differ from our actual experience. This risk is correlated with longevity risk, but has far less impact on KLP's overall finances.

4.1.3 Disability risk (disability pensions)

For disability pensions, the insurance risk is related to whether the trend in disability differs from the assumptions used. Social factors such as business restructuring, changes in the physical and psychological work environment, changes in official regulations and technological development can affect disability. Recent historical data for disability is also affected by the pandemic. So, here again, it is unclear whether this data can be used to predict the normal situation going forward.

In calculating expected future cash flows in the consolidated accounts, the assumptions on disability risk are based on experience from KLP's insured population.

4.1.4 Management of insurance risk related to insurance contracts for public-sector occupational pensions

The Board has established a framework for insurance risk and guidelines for follow-up.

The Director of the Actuarial and Product department bears the operational responsibility for managing, measuring and monitoring insurance risk on public-sector occupational pensions. The department analyses the trend in risk on an ongoing basis and prepares regular reports and analyses. The department determines the expected cash flows on the insurance contracts partly on the basis of these analyses.

If the analyses show changes in mortality or disability over time in one or more portfolios of contracts, Actuarial and Product draws up proposals for a new calculation base which is then reviewed by the Group entity's risk management committee chaired by the managing director. The managing director bears the overall responsibility for managing and pricing insurance risk and decides on changes in the basis for calculation. The changes are taken into account in determining future cash flows related to the insurance contracts. The Board is kept informed of the changes.

The Group has an independent actuarial function which checks that the Group’s insurance risk is measured and handled in a satisfactory manner.

4.1.5 Sensitivity

The table below shows the effect on the Group’s residual value from changes in the default assumptions used in the best estimates at 31.12.2023 and 31.12.2022. Sensitivity related to costs and transfers out is also included in the overview. The residual value is the part of the insurance obligation that is not included in the best estimate or the risk adjustment. This amount represents a liability of NOK 355 979 million at 31 December 2023, (NOK 337 305 million at 31 December 2022).

NOK millions	Change	31.12.2023	31.12.2022
Reduced mortality	-5 %	-4 519	-5 077
Increased mortality	5 %	4 329	4 853
Increased disability	5 %	-401	-424
Reduced disability	-5 %	404	427
Increased costs	5 %	-1 303	-1 329
Reduced costs	-5 %	1 303	1 329
Increased relocation from KLP	5 %	6 146	-8 117
Reduced relocation from KLP	-5 %	-9 612	5 229
Increased yield curve	*)	33 594	29 141
Reduced yield curve	**)	-42 074	-33 014

All changes to assumptions are in % change of the standard assumption applied as of 31/12/2023.

*) Increased interest rate curve by 50 basis points for the liquid part of the discount rate curve, 1:10 years. Then extrapolated to an estimate for long-term interest based on the sum of long-term real GDP growth and Norges Bank's inflation target.

**) Reduced by 50 basis points for the liquid part of the discount rate curve, 1:10 years. Then extrapolated to an estimate for long-term interest based on the sum of long-term real GDP growth and Norges Bank's inflation target.

4.2 Insurance risk related to non-life insurance contracts

Insurance risk for the individual insurance contract comprises the probability of an insured event occurring and the uncertainty as to the amount of the claim payment. The uncertainty at the portfolio level is also affected by factors such as changes in legislation and judicial rulings. The larger the portfolio, the smaller the relative insurance risk. The total insurance risk will also be less where the portfolio is geographically diversified and is spread over different insurance products.

The provisions for claims received, including claims processing costs, are set in line with expectations with a risk adjustment added, so the provision is sufficient with 75% probability. The 75% confidence level is set by the company's Board of Directors and reflects the entity's risk appetite.

The provisions are discounted using a yield curve such that future financial income from monies set aside is deducted from the provision. If future financial returns deviate from the yield curve used, this will result in a settlement difference for previous claims years' provisions.

The provisions have expected future inflation for the next few years baked in. If inflation differs from expectations, this will result in a settlement difference for previous years' provisions and a profit/loss difference on the next year's underwriting result.

Interest rates and inflation are mutually dependent, so these two risks cancel each other out. Increased inflation which causes a settlement loss will result in higher interest rates, which will in turn produce a settlement gain. Reduced inflation which causes a settlement gain will result in lower interest rates, which will in turn produce a settlement loss.

Premium levels for the company's insurance contracts are determined for 12 months, in line with the agreed coverage period. Any changes in inflation and interest rates will therefore be taken into account in setting premiums in the course of a year. As non-life insurance has a relatively short settlement period and the contracts are of no more than one year's duration, inflation and exchange rate risk are limited.

4.2.1 Limitation of insurance risk

Guidelines have been prepared for the types of risks the entity accepts in its portfolio. Risks are generally accepted from customers from within the entity's primary target groups, provided that the scope of the cover falls within the standard products that the entity offers. Premiums are differentiated on the basis of the individual customer's risk. In borderline cases, special decision-making procedures are followed before the risk can be taken on. Where there are special risks, limitations in the conditions and scope of coverage will be considered.

The entity reduces its insurance risk, including concentration risk, with reinsurance cover that limits the company's retention per claim.

4.2.2 Management of insurance risk

The entity's Board of Directors has established a framework for insurance risk and drawn up guidelines for managing this risk. Risk management is handled on a daily basis by the entity's Finance department. The entity has also established a separate risk management committee comprising the senior management group and three other key employees as permanent participants. The Group has established an independent actuarial function which takes the role of an impartial risk management unit.

4.2.3 Claims estimates for non-life insurance

NOK millions YEAR	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
- at the end off the year	780	835	912	1 050	1 073	1 334	1 314	1 413	1 617	1 810
- one year after	793	848	908	1 034	1 042	1 349	1 309	1 423	1 623	
- two years after	778	854	927	1 023	1 023	1 340	1 333	1 423		
- threee years after	766	853	923	1 008	1 029	1 326	1 339			
- four years after	751	843	913	982	1 017	1 314				
- five years after	726	829	908	975	1 011					
- six year after	722	825	900	966						
- seven years after	724	818	893							
- eight years after	711	795								
- nine years after	706									
Current estimate	706	795	893	966	1 011	1 314	1 339	1 423	1 623	1 810
Paid claims	689	778	871	931	931	1 200	1 148	1 140	1 164	877
Remaining provisions for claims	16	17	22	35	80	114	191	283	459	933

NOK millions	As of 31.12.2023
Claims provisions excluding pool arrangements and indirect claims handling costs:	2 221
Claims provisions for pool arrangements:	136
Provision for indirect claims handling costs:	200
Risk adjustments	89
Receivables, regress, etc. booked as claims provisions	-52
Discounting effect	-260
Total booked after reinsurance (LIC)	**2 334**
Reinsurance share LIC	0
Gross LIC	**2 334**
Premium provisions gross (LRC)	354
Receivables regress booked as premium provision (LRC)	-35
Gross LRC	**320**
Reinsurance share LRC	-10
Premium provisions after reinsurance LRC	**330**
Technical insurance provisions gross (LRC+LIC)	**2 654**
Reinasrurance share of technical insurance provisions (LRC+LIC)	728
Technical insurance provisions after reinsurance (LRC+LIC)	**2 664**

NOK millions YEAR	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
- at the end off the year	538	780	835	912	1 050	1 073	1 334	1 314	1 413	1 617
- one year after	517	793	848	908	1 034	1 042	1 349	1 309	1 423	
- two years after	499	778	854	927	1 023	1 023	1 340	1 333		
- threee years after	476	766	853	923	1 008	1 029	1 326			
- four years after	467	751	843	913	982	1 017				
- five years after	455	726	829	908	975					
- six year after	442	722	825	900						
- seven years after	436	724	818							
- eight years after	432	711								
- nine years after	426									
Current estimate	426	711	818	900	975	1 017	1 326	1 333	1 423	1 617
Paid claims	407	688	774	863	919	898	1 169	1 065	991	736
Remaining provisions for claims	19	23	44	37	56	120	157	268	432	881
NOK millions										**As of 31.12.2022**
Claims provisions excluding pool arrangements and indirect claims handling costs:										2 138
Claims provisions for pool arrangements:										39
Provision for indirect claims handling costs:										192
Risk adjustments										84
Receivables, regress, etc. booked as claims provisions										-51
Discounting effect										-234
Total booked after reinsurance (LIC)										**2 169**
Reinsurance share LIC										736
Gross LIC										**2 904**
Premium provisions gross (LRC)										309
Receivables regress booked as premium provision (LRC)										-33
Gross LRC										**276**
Reinsurance share LRC										0
Premium provisions after reinsurance LRC										**276**
Technical insurance provisions gross (LRC+LIC)										**3 181**
Reinasrurance share of technical insurance provisions (LRC+LIC)										736
Technical insurance provisions after reinsurance (LRC+LIC)										**2 445**

4.2.4 Sensitivity

The table shows the change in the profit/loss to the entity and the Group's residual value in the event of changes in key assumptions and parameters used to calculate best estimates.

NOK millions	Change	31.12.2023	31.12.2022
Cost	1 %	5	4
Premium level	1 %	24	22
Claims payment	1 %	17	13
Claims provision	1 %	17	20
Inflation	1 %	55	52
Interest rate increase*	1 %	71	81
Interest rate reduction*	-1 %	-76	-97

All changes to assumptions are in % change of the standard assumption applied as of 31 December 2023.

*) Changed the interest rate level by +/- 100 basis points throughout the entire yield curve.

Note 5 **Financial Market Risk**

Market risk

Market risk is the risk of loss resulting from changes in market prices. The market risk depends both on the size of the exposure and on the volatility of market prices. Of the risks on the asset side, share exposure is the biggest financial risk factor, but also market risk linked to fixed-income investments and investment property has a significant potential for loss.

5.1 Management of market risk

The board sets annual limits for market risk through the capital management strategy. This contains limits for market risk in management adapted to risk-bearing capacity. This is followed daily by the administration so that the asset allocation is adapted on an ongoing basis in line with the strategy for the desired utilization of the risk capacity. This reduces the risk of negative results from market risk and provides a return profile that satisfies the requirement for solvency capital coverage as well as preserving enough risk capacity to maintain a stable portfolio risk over time.

All equity and interest rate exposures are included in a risk measurement system that enables the simulation and monitoring of equity and interest rate risk across portfolios. Active risk is managed through fixed limits in relation to the portfolio's benchmark index. Derivatives can be used in the management of market risk for cost- and time-efficient implementation of risk change.

As the insurance liabilities are discounted using a market-based interest rate curve, the Group has chosen to use the fair value option for the accounting of interest-bearing securities linked to the placement of the insurance capital. This means that the interest-bearing investments are entered at market value in the balance sheet, with the change in value above profit and loss account. This will therefore reduce the effect changes in market interest have on the insurance liabilities. However, the effect of interest rate changes on the asset side will not match the interest rate changes on the insurance liabilities because the insurance liabilities on public service pensions have a longer term than it is possible to invest in the Norwegian interest rate market.

5.2 Sensitivity

The effect of changes linked to parameters that have an impact on property values, including changes in market interest rates, is shown in Note 3.

The effect of interest rate changes on insurance liabilities is shown in Note 4.

The effect of interest rate changes on financial instruments is shown in Note 7.

The effect of a 10 per cent drop in the equity markets will have a negative effect on the residual value of NOK 20,821 million.

Note 6 **Liquidity risk**

Liquidity risk is the risk that the group does not have sufficient liquidity to cover short-term debt, unanticipated residual liabilities that may come due, and ongoing operations without incurring significant additional costs in the form of asset price declines that need to be realized.

The table below specifies the company's financial obligations ranked by maturity. The amounts given are non-discounted contractual flows of cash.

31.12.2023 NOK MILLIONS	Within 1 month	1-12 months	1-5 years	5-10 years	Over 10 years	Total
Subordinated loan [1]	0	140	656	736	4 991	6 523
Perpetual hybrid Tier 1 securities [1]	0	74	296	370	1 105	1 845
Debt to and deposits from customers (without defined maturity)	14 060	0	0	0	0	14 060
Covered bonds issued	0	4 477	28 741	904	0	34 123
Payables to credit institutions	1 212	483	475	0	0	2 170
Financial derivatives	5 539	5 865	903	779	958	14 044
Accounts payable	-1	0	0	0	0	-1
Contingent liabilities (without defined maturity)	31 409	0	0	0	0	31 409
Total	**52 219**	**11 039**	**31 072**	**2 789**	**7 055**	**104 173**

If the minority interests are taken out of account, derivatives maturing within one month are reduced with NOK 65 million and derivatives maturing between 1 to 12 months are reduced with NOK 4 million. In addition, payables to credit institutions maturing within one month are reduced with NOK 11 million. Total amount of the financial liabilities for the Group are after these adjustments NOK 103 619 million.

31.12.2022 NOK MILLIONS	Within 1 month	1-12 months	1-5 years	5-10 years	Over 10 years	Total
Subordinated loan [1]	0	131	608	690	4 815	6 245
Perpetual hybrid Tier 1 securities [1]	0	72	287	359	1 215	1 933
Debt to and deposits from customers (without defined maturity)	13 779	0	0	0	0	13 779
Covered bonds issued	0	5 542	28 862	940	0	35 343
Payables to credit institutions	1 499	339	778	0	0	2 616
Financial derivatives	3 370	2 085	670	751	612	7 488
Accounts payable	36	0	0	0	0	36
Contingent liabilities (without defined maturity)	31 567	0	0	0	0	31 567
Total	**50 250**	**8 170**	**31 204**	**2 740**	**6 642**	**99 007**

1 Some of the hybrid capital are perpetual. Estimated cash flows are based on expected maturity at the interest adjustment date.

If the minority interests are taken out of account, derivatives maturing within one month are reduced with NOK 72 million and derivatives maturing between 1 to 12 months are reduced with NOK 140 million. In addition, payables to credit institutions maturing within one month are reduced with NOK 23 million. Derivatives maturing within between 1 to 5 years increase by NOK 12 million. Total amount of the financial liabilities for the Group are after these adjustments NOK 98 299 million.

The table above shows financial liabilities the Group has, grouped by interest payments and repayment of principal, based on the date payment falls due. The banking business contains the largest proportion of the financial liabilities in the Group.

The risk that the Group would not have adequate liquidity to meet its current liabilities and current operations is very small since a major part of the Group's assets is liquid. The Group has significant funds invested in the money market, bonds and shares that can be sold in the event of a liquidity requirement. The Group's liquidity strategy involves the Group always having adequate liquid assets to meet the Group's liabilities as they fall due without accruing significant costs associated with releasing assets.

Asset composition in the Group's portfolios should be adequately liquid to be able to cover other liquidity needs that may arise. KLP Kapitalforvaltning has the day-to-day responsibility and reports on the Group's liquidity. Internal parameters have been established for the size of the liquidity holding. The Group's risk management unit monitors and reports developments in the liquidity holding continuously. The Group Board determines an asset management and liquidity strategy for the Group annually. The liquidity strategy includes parameters, responsibilities, risk measurement and an emergency plan for liquidity management.

The biggest obligations in the Group are those related to insurance, essentially applying to pension obligations. These obligations are fully founded and the liquidity management is handled in the same way as other obligations.

The table below shows the expected payment profile based on the assumptions for the period.

EXPECTED PAYMENT PROFILE PENSION OBLIGATIONS

2023
NOK MILLIONS

Year	1 year	2-5 years	6-10 years	11-20 years	21-30 years	31-40 years	41-50 years	51-80 years	Total
Amount	**26 494**	**107 713**	**165 049**	**366 591**	**356 092**	**285 992**	**183 593**	**138 772**	**1 630 296**

2022
NOK MILLIONS

Year	1 year	2-5 years	6-10 years	11-20 years	21-30 years	31-40 years	41-50 years	51-80 years	Total
Amount	**24 163**	**100 033**	**164 857**	**360 841**	**328 584**	**241 348**	**144 095**	**112 100**	**1 476 021**

The payment profile for insurance liabilities is based on non-discounted values and applies to life insurance and non-life insurance. Insurance liabilities related to the life insurance businesses are discounted in the financial statements and show the present value at the end of the reporting period. The claims reserves are not discounted in the non-life insurance financial statements.

Note 7 **Interest rate risk**

31.12.2023 NOK MILLIONS	Up to 3 months	From 3 months to 12 months	From 1 year to 5 years	From 5 years to 10 years	Over 10 years	Changes in cash flow 01.01.2023 -31.12.2023	Total	Adjusted for the unit holders' interests in consolidated securities funds
ASSETS								
Financial derivatives classified as assets	2	-3	-54	41	-195	-9	-217	-129
Debt instruments classified as loans and receivables – at amortised cost	0	0	0	0	0	0	0	0
Bonds and other fixed-return securities	-58	-155	-4 282	-7 680	-2 501	219	-14 456	-13 262
Fixed income fund holdings	0	0	0	0	0	75	75	0
Lending and receivables	0	0	0	0	0	123	123	123
Lending	0	26	611	331	-5	947	1 911	1 911
Cash and bank deposits	0	0	0	0	0	0	0	0
Contingent liabilities [1]	0	0	0	0	0	40	40	40
Total assets	**-55**	**-131**	**-3 725**	**-7 308**	**-2 701**	**1 396**	**-12 524**	**-11 317**
LIABILITIES								
Deposit	0	0	0	0	0	-145	-145	-145
Liabilities created on issue of securities	0	0	0	0	0	-314	-314	-314
Financial derivatives classified as liabilities	2	-1	-12	4	0	-7	-14	-15
Hybrid capital, subordinated loans	0	0	45	30	58	0	133	133
Debt to credit institutions	0	0	0	0	0	-57	-57	-57
Total liabilities	**2**	**-1**	**32**	**35**	**58**	**-524**	**-397**	**-399**
Total before tax	**-53**	**-132**	**-3 692**	**-7 273**	**-2 643**	**872**	**-12 921**	**-11 716**
Total after tax	**-40**	**-99**	**-2 769**	**-5 455**	**-1 982**	**654**	**-9 691**	**-8 787**

31.12.2022 NOK MILLIONS	Up to 3 months	From 3 months to 12 months	From 1 year to 5 years	From 5 years to 10 years	Over 10 years	Changes in cash flow 01.01.2022 -31.12.2022	Total	Adjusted for the unit holders' interests in consolidated securities funds
ASSETS								
Financial derivatives classified as assets	29	-1	8	63	-153	5	-48	-32
Debt instruments classified as loans and receivables – at amortised cost	0	0	0	0	0	13	13	13
Bonds and other fixed-return securities	-44	-76	-1 223	-1 578	-1 339	282	-3 979	-3 101
Fixed income fund holdings	0	0	0	0	0	0	0	0
Lending and receivables	0	0	0	0	0	197	197	178
Lending	0	0	0	0	0	884	884	884
Cash and bank deposits	0	0	0	0	0	0	0	0
Contingent liabilities [1]	0	0	0	0	0	37	37	37
Total assets	**-15**	**-77**	**-1 215**	**-1 516**	**-1 492**	**1 418**	**-2 897**	**-2 022**
LIABILITIES								
Deposit	0	0	0	0	0	-142	-142	-142
Liabilities created on issue of securities	0	0	0	0	0	-335	-335	-335
Financial derivatives classified as liabilities	-3	0	-15	1	0	-8	-25	-24
Hybrid capital, subordinated loans	0	0	0	34	57	0	91	91
Debt to credit institutions	0	0	0	0	0	-52	-52	-52
Total liabilities	**-3**	**0**	**-15**	**35**	**57**	**-536**	**-463**	**-462**
Total before tax	**-18**	**-77**	**-1 230**	**-1 481**	**-1 435**	**882**	**-3 359**	**-2 484**
Total after tax	**-14**	**-58**	**-922**	**-1 111**	**-1 076**	**661**	**-2 520**	**-1 863**

[1] Contingent liabilities are lending agreements that are not yet materialized.

The note shows the effect on profits if market interest rates were to increase by one percent, for fair value risk and variable interest risk.

Change in fair value (fair value risk) is shown in the first five columns and is calculated by the change in fair value of interest bearing instruments if interest rates had been one percent higher at the end of the period. The column change in cash flow shows the change in cash flows if the interest had been one percent higher over the year being reported on. The sum of these results reflects the overall effect that the scenario had given the group during the period being reported on.

The fair value risk applies to fixed interest securities were the market value of the securities is affected by market interest rates. Floating rate risk applies to securities with floating interest rates, where a change in market interest rates affects the cash-flow from the interest bearing securities.

The following securities are included in the note; securities measured at fair value through profit or loss (floating and fixed interest rates), investments held to maturity (only those with floating interest rates) and loans and receivables (only those with floating interest rates). The group has no securities classified as available for sale.

The Groups total interest rate risk is limited as a significant portion of the investments are bonds with fixed interest rates that are classified as held to maturity and loans and receivables, or fixed rate lending, measured at amortized cost. A change in market interest rate does not affect profit or loss for these assets.

Insurance contracts with guaranteed return does not change the accounting value even if interest rates change. Changes in interest rates also has no impact on the guaranteed return, but will have an impact on the achieved return to cover the guaranteed return. This is because the insurance funds are partly invested in debt instruments whose cash flows should help to meet the guaranteed return. Refer to note 4 for the impact on the residual value resulting from changes in the discount rate curve of the obligations.

Note 8 **Currency risk**

31.12.2023	Fin.l pos. statement items excl. currency derivatives		Currency derivatives		Total		Translation rate	Net position	Net position in NOK adjusted for the minorities share
NOK MILLION/ FOREIGN CURRENCY [1]	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Currency/NOK**	**NOK**	
US dollar	22 210	-1 245	9 777	-21 449	31 988	-22 694	10,16	94 380	49 347
Euro	6 358	-412	4 899	-9 282	11 256	-9 694	11,22	17 528	9 931
Japanese yen	247 457	-343	91 197	-220 150	338 654	-220 494	0,07	8 512	3 802
British Pound	1 788	0	1 188	-2 452	2 977	-2 452	12,95	6 793	3 708
Swedish krone	27 593	-21	27 282	-49 933	54 875	-49 954	1,01	4 959	1 031
Danish kroner	12 534	-59	9 780	-19 688	22 314	-19 746	1,50	3 864	534
Canadian dollar	1 114	0	442	-1 082	1 556	-1 082	7,70	3 647	1 625
Swiss franc	556	0	176	-446	732	-446	12,07	3 453	1 508
Indian rupi	26 468	0	0	0	26 468	0	0,12	3 230	1 770
Hong Kong dollar	3 900	0	1 543	-3 087	5 443	-3 087	1,30	3 064	946
Australian dollar	875	0	405	-912	1 280	-912	6,93	2 555	1 127
Taiwan new dollar	9 924	0	0	-3 127	9 924	-3 127	0,33	2 249	776
Korean won	321 474	0	0	-94 300	321 474	-94 300	0,01	1 791	642
Chinese Yuan	756	0	0	0	756	0	1,43	1 083	669
Brazilian real	511	0	0	0	511	0	2,09	1 069	577
Singapore dollar	155	0	49	-119	203	-119	7,70	648	334
South African rand	1 133	0	0	0	1 133	0	0,56	629	337
Mexican peso	911	0	0	0	911	0	0,60	546	294
Other currencies								2 948	1 737
Total short-term foreign currency positions								**162 949**	**80 695**
Euro	2 511	-301	120	-1 483	2 631	-1 784	11,22	9 500	9 500
US dollar	3 268	-62	508	-3 451	3 776	-3 513	10,16	2 675	2 675
Danish kroner	460	0	0	0	460	0	1,50	692	692
Japanese yen	14 869	-11 201	0	0	14 869	-11 201	0,07	264	264
Australian dollar	0	0	0	0	0	0	6,93	0	0
Canadian dollar	0	0	0	0	0	0	7,70	0	0
Swiss franc	0	0	0	0	0	0	12,07	0	0
Korean won	2 771	0	0	-2 777	2 771	-2 777	0,01	0	0
Swedish krone	3 279	0	0	-3 288	3 279	-3 288	1,01	-9	-9
British Pound	144	0	1	-156	145	-156	12,95	-147	-147
Total long-term foreign currency positions								**12 975**	**12 975**
Total net currency positions								**175 925**	**93 671**

31.12.2022	Fin.l pos. statement items excl. currency derivatives		Currency derivatives		Total		Translation rate	Net position	Net position in NOK adjusted for the minorities share
NOK MILLION/ FOREIGN CURRENCY [1]	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Currency/NOK**	**NOK**	
US dollar	18 248	-934	9 053	-20 606	27 300	-21 540	9,85	56 750	25 962
Euro	5 749	-270	4 233	-8 368	9 982	-8 638	10,51	14 130	7 934
Japanske yen	183 000	-314	73 152	-173 888	256 152	-174 202	0,07	6 118	2 706
Swedish krone	28 109	0	27 506	-50 802	55 615	-50 802	0,95	4 550	851
British Pound	1 758	-37	1 096	-2 441	2 854	-2 478	11,85	4 462	2 231
Danske kroner	4 507	0	1 737	-3 355	6 245	-3 355	1,26	3 647	1 395
Canadian dollar	1 073	0	406	-1 053	1 479	-1 053	7,27	3 093	1 624
Swiss franc	564	0	196	-488	761	-488	10,65	2 904	1 214
Indian rupi	20 825	0	0	0	20 825	0	0,12	2 480	1 408
Danish kroner	12 187	-32	10 302	-20 804	22 489	-20 836	1,41	2 337	-545
Australian dollar	668	0	263	-639	930	-639	6,68	1 944	837
Taiwan new dollar	7 947	0	0	-2 923	7 947	-2 923	0,32	1 610	572
Korean won	255 170	0	4 000	-102 755	259 170	-102 755	0,01	1 219	367
Chinese Yuan	705	0	0	0	705	0	1,42	999	630
Brazilian real	480	0	0	0	480	0	1,87	896	504
South African rand	1 092	0	0	0	1 092	0	0,58	632	352
Emirati dirham	193	0	0	0	193	0	2,68	517	295
Other currencies								3 692	2 211
Total short-term foreign currency positions								**111 982**	**50 548**
Euro	2 136	-301	48	-1 220	2 183	-1 521	10,51	6 959	6 959
US dollar	3 309	-66	22	-3 127	3 331	-3 193	9,85	1 353	1 353
Danish kroner	418	0	0	0	418	0	1,41	592	592
Japanese yen	14 580	-10 408	0	0	14 580	-10 408	0,07	312	312
Swedish krone	3 306	0	0	-3 267	3 306	-3 267	0,95	37	37
Australian dollar	0	0	0	0	0	0	6,68	0	0
Canadian dollar	0	0	0	0	0	0	7,27	0	0
Swiss franc	0	0	0	0	0	0	10,65	0	0
Korean won	0	0	0	0	0	0	0,01	0	0
British Pound	154	0	0	-169	154	-169	11,85	-186	-186
Total long-term foreign currency positions								**9 067**	**9 067**
Total net currency positions								**121 049**	**59 615**

[1] The table shows total financial position statement items for each individual currency, divided between short and long-term positions. The net position shows the actual currency risk the KLP Group had at the end of the period in NOK. The net position exclued the minority share shows the real currency risk the Group has at the end of the period, because the column is directly related to actual ownership and risk in the Group. Other sums are in local currency. The table shows a hedging ratio for foreign currency at 75 and 81 percent for 2023 and 2022 respectively.

The Group currency-hedges the majority of investments made in foreign currency. Financial hedging of currency exposure is done through derivatives. In principle all of the Group's fixed-income investments and property investments in foreign currency are hedged back to NOK with the objective of 100 per cent hedging. As of 31 December 2023, the hedging ratio for equities in developed markets and the most liquid currencies in emerging markets was 60 percent with possible fluctuations between 50-70 percent. Other currencies, i.e., less liquid currencies in developed markets and currencies in emerging markets with the exception of the most liquid currencies, are not currency hedged. The reason for this is that these currencies do not have a large enough market and / or liquidity that it is appropriate to hedge currency. This reduction in the hedging of shares, as well as unsecured foreign equity funds, increases the net positions in foreign currencies.

If all currency positions were to change by 1 percent at the same time and in the same direction this would affect the pre-tax result by NOK 1 759 million. For 2022 the effect on the pre-tax result of a 1 percent change in the foreign exchange rates would have been NOK 1 210 million.

Note 9 **Credit risk**

31.12.2023 NOK MILLIONS	Investment grade AAA to BBB	Lower rating	Public sector guarantee	Bank and finance	Mortgage < 80% ¹	Mortgage > 80% ¹	Other	Total	Adjusted for the unit holders' interest in consolidated securites funds
Fixed-income securities measured at amortised cost	2 157	0	18	0	0	0	79	2 254	2 254
Debt instruments at fair value - fixed-return securities	312 649	4 979	9 807	7 491	0	0	26 601	361 527	328 030
Fixed-income funds	0	0	0	0	0	0	16 041	16 041	16 041
Loans and receivables	32 679	0	0	322	0	0	0	33 001	19 445
Financial derivatives classified as assets	15 587	0	0	0	0	0	0	15 587	12 123
Cash and bank deposits	3 434	0	0	75	0	0	0	3 509	3 509
Lending	0	0	94 659	0	23 971	3 112	2 254	123 996	123 996
Total	**366 505**	**4 979**	**104 485**	**7 888**	**23 971**	**3 112**	**44 975**	**555 915**	**505 398**

SPECIFICATION OF INVESTMENT GRADE NOK MILLIONS	AAA	AA	A	BBB	Total Investment grade
Fixed-income securities measured at amortised cost	541	221	1 011	384	2 157
Debt instruments at fair value - fixed-return securities	91 209	40 285	104 855	76 300	312 649
Fixed-income funds	0	0	0	0	0
Loans and receivables	0	13 912	18 636	131	32 679
Financial derivatives classified as assets	0	5 904	9 683	0	15 587
Cash and bank deposits	0	2 788	646	0	3 434
Lending	0	0	0	0	0
Total	**91 750**	**63 110**	**134 830**	**76 815**	**366 505**

31.12.2022 NOK MILLIONS	Investment grade AAA to BBB	Lower rating	Public sector guarantee	Bank and finance	Mortgage < 80% ¹	Mortgage > 80% ¹	Other	Total	Adjusted for the unit holders' interest in consolidated securites funds
Fixed-income securities measured at amortised cost	182 263	0	551	2 784	0	0	13 157	198 755	198 755
Debt instruments at fair value - fixed-return securities	124 085	2 688	6 755	4 813	0	0	9 346	147 686	122 448
Fixed-income funds	0	0	0	0	0	0	9 835	9 835	9 835
Loans and receivables	22 971	0	0	1 323	0	0	0	24 294	20 582
Financial derivatives classified as assets	6 820	0	0	0	0	0	0	6 820	5 501
Cash and bank deposits	3 248	0	0	73	0	0	0	3 321	3 321
Lending	-	0	92 617	0	25 055	1 623	2 066	121 360	121 360
Total	**339 388**	**2 688**	**99 923**	**8 992**	**25 055**	**1 623**	**34 403**	**512 071**	**481 801**

¹ These two columns provide information on the proportion of loans with mortgage security within 80% of base value and loans that exceed 80% mortgage of base value.

SPECIFICATION OF INVESTMENT GRADE NOK MILLIONS	AAA	AA	A	BBB	Total Investment grade
Fixed-income securities measured at amortised cost	40 494	25 004	69 104	47 661	182 263
Debt instruments at fair value - fixed-return securities	31 336	13 962	38 088	40 699	124 085
Fixed-income funds	0	0	0	0	0
Loans and receivables	0	13 269	8 216	1 486	22 971
Financial derivatives classified as assets	0	3 541	3 266	13	6 820
Cash and bank deposits	0	2 802	446	0	3 248
Lending	0	0	0	0	0
Total	**71 830**	**58 577**	**119 121**	**89 860**	**339 388**

Credit risk is the risk of financial loss due to the Group's counterparties not being able to meet their obligations. The table above displays the credit risk based on rating agencies estimates of the creditworthiness of the various counterparties. Non-rated assets are placed in the category that best reflects the credit risk based on sector, guarantees etc.

MANAGEMENT OF CREDIT AND CONCENTRATION RISK

The Group has established a credit committee that determines limits for credit risk exposure to individual debtors. Emphasis has been placed on ensuring that credit exposure is diversified to avoid concentration of credit risk towards individual debtors. The credit committee meets regularly to monitor and respond to changes in credit risk.

The Group maintains a well-balanced portfolio between Norwegian and international bond issuers, holding a portfolio consisting exclusively of high-quality credits. Of the group's total credit exposure noted in the table, holding an investment grade, 42 percent is allocated to issuers with a rating of AA- or better. The group has a dedicated international government bond portfolio, and government bonds also constitute a significant portion of the Norwegian bond portfolio.

The Group possesses a high-quality lending portfolio with limited credit risk and historically very low losses. The majority of the Group's loans are mortgage loans with a loan-to-value ratio of up to 80 percent, loans to municipalities, and loans with municipal guarantees. Mortgage loans with collateral amount to 27.1 billion kroner. The value of the collateral exceeds the loans since a substantial portion of the collateral was established in the past, and there has been a significant increase in property prices in recent years.

The Group has limited concentration risk. As no exposures exceed the threshold values defined in the Solvency II regulations, the Group does not incur any capital requirement for concentration risk under the standard method. The management of interest and equity portfolios is designed to inherently limit concentration risk through extensive use of index management. The Group establishes explicit limits for lending, restricting concentration on individual names and groups. Sector concentration is monitored through monthly and quarterly reporting.

Although the Group's investments are well-diversified, there is a clear overweight of the allocation in Norway. This is a conscious and natural consequence of the business, primarily focused on public-sector occupational pensions.

The rating above are gathered from Standard & Poor's, Moody's, Fitch, Scope Ratings and Nordic Credit Rating. The rating is converted to S&P's rating table, where AAA is linked to securities with the highest creditworthiness. The lowest rating of the five is used and all five rating agencies are equal as the basis for investments in fixed income securities. "Other" is mainly securities issued by power companies and other corporate bonds; this amounted to NOK 45 billion per 31.12.2023. KLP Group has strict guidelines for investments in fixed-income securities, which also apply to investments falling into the "Other" category.

The lines in the note coincide with the financial position statement layout. The exceptions are debt instruments at fair value, which are divided into three categories in the note and lending which is shown combined in the note, but is shown in two lines in the financial position statement (fair value and amortized cost).

The consolidated accounts includes all the units that KLP Group is considered to have control over. This gives an impression of a higher risk than the actual one, since the risk that the Group does not actually carry appears in the accounts. The outer column includes actual ownership and credit risk of the Group companies and investment funds held by KLP Group at the end of the period.

NOK MILLIONS	31.12.2023		31.12.2022	
	Consolidated	Adjusted for the unit holders' in consolidated securites funds	Consolidated	Adjusted for the unit holders' in consolidated securites funds
10 LARGEST COUNTERPARTIES				
Counterparty 1	16 855	12 854	15 032	11 995
Counterparty 2	15 212	12 035	14 514	11 891
Counterparty 3	11 971	10 421	10 578	7 482
Counterparty 4	11 015	9 635	8 586	6 660
Counterparty 5	10 581	8 534	7 828	6 377
Counterparty 6	10 209	6 888	7 706	5 830
Counterparty 7	9 802	6 026	6 377	5 548
Counterparty 8	8 864	5 607	5 878	4 928
Counterparty 9	7 479	5 548	5 548	4 698
Counterparty 10	6 026	5 279	4 698	4 506
Total	**108 014**	**82 826**	**86 745**	**69 916**

The table above shows the 10 largest counterparties to which the KLP Group has exposure. The amounts stated are book value. "Adjusted for the minority holding" includes only that which is in the Group’s ownership and where the Group retains actual credit risk. The majority of the 10 largest counterparties are either finance institutions or counterparties covered by a public sector guarantee (central or local government guarantee).

PREMIUM RECEIVABLES AND RECEIVABLES IN CONNECTION WITH REINSURANCE

NOK MILLIONS	2023	2022
Premium receivables	1 408	2 196
Write-downs of premium receivables	0	0
Total	**1 408**	**2 197**

KLP's premium receivables are primarily in regard to the public sector and the credit risk is considered low. In addition the main group pension/public sector industry is linked to the "Transfer agreement for the public sector". This transfer agreement has a security scheme intended to help to secure pension rights accrued with employers who cease to exist or do not pay premiums when due in accordance with detailed rules. The Group may thus apply for cover for unpaid demands in this industry from the security arrangement if the demand falls within the security arrangement's regulations.

CHANGE IN FAIR VALUE AS A RESULT OF CHANGE IN CREDIT RISK

NOK MILLIONS	100% ownership in funds	Adjusted to real ownership in funds
Change in fair value as a result of change in credit risk	1 891	1 510

Actual change in fair value depends on both changes in risk-free interest rates and credit spreads. This estimate is an attempt to isolate the change in fair value due to the fact that the credit spread on the bonds has changed during the year. The estimate is calculated by looking at the change in credit spread for each individual bond throughout the year and the bond's cash flow weights remaining maturity (duration) for the bond at the time of reporting. There are many reasons why the credit spread changes, like for example that the credit spread becomes lower when the bond matures, that an issuer is considered more or less risky or that the market demands a higher or lower risk premium for credit bonds in general. If the change in fair value is positive (negative), it indicates that the duration- and value-weighted credit spread has decreased (increased).

The calculation is based on owned assets per 31.12.23, and is made for bonds that are valued at fair value. Government funds and government portfolios have been removed from the calculation basis.

MAXIMUM CREDIT RISK EXPOSURE ON FINANCIAL ASSETS AFFECTED BY THE FAIR VALUE OPTION

NOK MILLIONS	31.12.2023	31.12.2022
Debt instruments at fair value - fixed-return securities	204 221	0
Loans and receivables	81 136	0
Total	**285 357**	**0**

CHANGE IN FAIR VALUE DUE TO CHANGE IN CREDIT RISK - FINANCIAL ASSETS AFFECTED BY THE FAIR VALUE OPTION

NOK MILLIONS	This period (01.01.2023 - 31.12.23)	Accumulated
Debt instruments at fair value - fixed-return securities	626	626

The calculation is based on owned assets per 31.12.23, and includes bonds that are affected by the fair value option.

Note 10 **Segment information**

NOK MILLIONS	Group pensions pub. sect. & group life		Non-life insurance		Banking		Asset management		Other		Eliminations		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Result from insurance services	0	0	342	457	0	0	0	0	0	0	-2 268	28	-1 925	485
Premium income for own account	70 326	50 523	0	0	0	0	0	0	0	0	-70 326	-50 523	0	0
Net financial income from investments	42 712	-7 628	319	-91	468	345	23	0	0	0	31 245	-15 576	74 766	-22 950
Claims for own account	-28 261	-28 517	0	0	0	0	0	0	0	0	28 261	28 517	0	0
Insurance provisions for own account	-84 315	-12 773	0	0	0	0	0	0	0	0	84 315	12 773	0	0
Policyholder's share of changes in fair value of underlying items	0	0	0	0	0	0	0	0	0	0	-44 179	24 823	-44 179	24 823
Other insurance related financial cost	0	0	29	49	0	0	0	0	0	0	-70	0	-42	49
Unit holder's value change in consolidated security funds	0	0	0	0	0	0	0	0	0	0	-27 286	15 966	-27 286	15 966
Total income	**462**	**1 605**	**690**	**414**	**468**	**345**	**23**	**0**	**0**	**0**	**-308**	**16 008**	**1 334**	**18 372**
Net financial income from investments in companys portefolio	1 282	1 066	0	0	0	0	0	0	0	0	-1 282	-1 066	0	0
Net costs subordinated loan and hybrid Tier 1 securities	-443	-169	0	0	0	0	0	0	0	0	-20	0	-463	-169
Operating expenses	-1 512	-1 487	-356	-310	-268	-245	-528	-602	-12	-11	1 553	1 687	-1 124	-968
Other income	1 463	1 373	10	7	92	84	560	607	13	12	-2 062	-2 027	77	57
Other expenses	-1 271	-1 470	0	0	-7	-4	0	0	0	0	1 201	1 398	-77	-77
Pre-tax income	**-20**	**918**	**343**	**111**	**285**	**180**	**55**	**6**	**1**	**2**	**-917**	**15 999**	**-253**	**17 216**
Cost of taxes	-82	-115	-37	-53	-19	-17	-12	-2	0	0	-881	-639	-1 031	-826
Income	**-101**	**803**	**306**	**59**	**267**	**163**	**42**	**3**	**1**	**1**	**-1 799**	**15 360**	**-1 284**	**16 389**
Total other comprehensive income	-111	94	-10	19	-10	11	-14	11	0	0	1 930	97	1 784	231
Total comprehensive income	**-213**	**897**	**295**	**77**	**257**	**174**	**29**	**14**	**0**	**2**	**131**	**15 456**	**499**	**16 621**
Lending	22 026	17 795	0	0	44 434	43 696	0	0	0	0	57 536	59 869	123 996	121 360
Other assets	765 141	692 472	6 559	6 109	4 494	6 815	682	635	11	11	115 837	72 667	892 725	778 709
Total assets	**787 167**	**710 268**	**6 559**	**6 109**	**48 928**	**50 511**	**682**	**635**	**11**	**11**	**173 373**	**132 535**	**1 016 721**	**900 068**
Insurance liabilites	725 781	654 324	3 392	3 181	0	0	0	0	0	0	37 009	32 510	766 181	690 015
Other liabilities	17 541	13 144	573	559	45 754	47 544	260	241	4	3	189 547	140 166	253 680	201 658
Total liabilities	**743 322**	**667 468**	**3 965**	**3 739**	**45 754**	**47 544**	**260**	**241**	**4**	**3**	**226 556**	**172 677**	**1 019 861**	**891 673**

The KLP Group's business is divided into the five areas: Group pensions public sector & group life, non-life insurance, banking, asset management and other. All business is directed towards customers in Norway.

PUBLIC SECTOR OCCUPATIONAL PENSION AND GROUP LIFE

Kommunal Landspensjonskasse offers group public sector occupational pensions. This segment is followed up according to NGAAP, which deviates from the IFRS Accounting Standards used in the group. Adjustments have therefore been entered in the elimination column to make the total reconcileable to the consolidated accounts.

NON-LIFE INSURANCE

KLP Skadeforsikring AS offers property and personal injury products to employers within the public and private sectors. In addition a broad specter of standard insurance products is offered to the the retail market.

BANKING

KLP's banking business embraces the companies KLP Banken AS and its wholly-owned subsidiaries: KLP Kommunekreditt AS and KLP Boligkreditt AS. The banking business covers services such as deposits and lending to the retail market, credit cards, as well as lending with public sector guarantee.

ASSET MANAGEMENT

Asset management is offered from the company KLP Kapitalforvaltning AS. The company offer a broad selection of securities mutual funds both to retail customers and to institutional customers. The securities management has a socially responsible profile.

OTHER

Other segments comprises KLP Forsikringsservice AS which offers a broad specter of services to local authority pension funds.

Note 11 **Insurance income**

2023	Directly participating contracts Group pensions pub.sects. & group life	Non-participating contracts Non-life insurance	Total
Contracts measured under the VFA			
Amount realted to change in liabilities for reamining coverage			
Expected incurred damages and other insurance service costs	1 596	0	1 596
Change in risk assessment for non-financial risk for expired risk in the period	-2 321	0	-2 321
Contracts measured under the PAA	**0**	**2 505**	2 505
Total insurance income	**-725**	**2 505**	**1 780**

2022	Directly participating contracts Group pensions pub.sects. & group life	Non-participating contracts Non-life insurance	Total
Contracts measured under the VFA			
Amount realted to change in liabilities for reamining coverage			
Expected incurred damages and other insurance service costs	1 710	0	1 710
Change in risk assessment for non-financial risk for expired risk in the period	-167	0	-167
Contracts measured under the PAA	**0**	**2 200**	2 200
Total insurance income	**1 543**	**2 200**	**3 743**

Note 12 **Insurance service charges**

2023	Directly participating contracts Group pensions pub.sects. & group life	Non-participating contracts Non-life insurance	Total
Incurred damages and other incurred service costs	-1 543	-2 092	-3 635
Total insurance service charges	**-1 543**	**-2 092**	**-3 635**

2022	Directly participating contracts Group pensions pub.sects. & group life	Non-participating contracts Non-life insurance	Total
Incurred damages and other incurred service costs	-1 515	-2 162	-3 677
Total insurance service charges	**-1 515**	**-2 162**	**-3 677**

Note 13 **Income and costs from reinsurance**

The group's reinsurance contracts are exclusively linked to non-participating contracts measured under PAA.

2023	Non-participating contracts
Amount related to change for remaining coverage	-52
Reinsurance premium paid	-164
Amounts received from the reinsurers	145
Net costs from reinsurance contracts	**-71**

2022	Non-participating contracts
Amount related to change for remaining coverage	19
Reinsurance premium paid	-97
Amounts received from the reinsurers	497
Net income from reinsurance contracts	**418**

Note 14 **Net income from investments measured at fair value with changes in P/L**

NOK MILLIONS	2023	2022
Interest income bank deposits	684	228
Interest income derivatives	21	108
Interest income debt instruments	11 562	2 787
Interest income lending	3 142	1 866
Total interest income financial assets at fair value	**15 408**	**4 989**
Value change lending	202	206
Value change shares and units	36 603	-34 180
Value change derivatives	10 080	1 616
Value change debt instruments	8 251	-6 878
Total value change financial instruments at fair value	**55 136**	**-39 236**
Realised shares and units	14 987	13 224
Realised derivatives	-22 106	-21 012
Realised debt instruments	947	-5 858
Realised lending	0	1
Total realised financial instruments at fair value	**-6 171**	**-13 646**
Dividend/interest shares and holdings/units	8 219	6 493
Other income and expenses	3 671	2 463
Net return on financial assets	**11 889**	**8 957**
Total net income from investments measured at fair value with changes in profit and loss	**76 263**	**-38 936**

Note 15 **Net income from investments not measured at fair value with changes in P/L**

NOK MILLIONS	2023	2022
Interest income fixed-income securities at amortised cost	73	6 686
Total interest income fixed-income securities at amortied cost	**73**	**6 686**
Value change fixed-income securities at amortised cost	5	0
Value change loans at amortised cost	0	0
Total value change financial assets at amortised cost	**5**	**0**
Realized fixed-income securitites at amortised cost	0	2 062
Total realized fixed-income securities at amortised cost	**0**	**2 062**
Net income from investments not measured at fair value with changes in profit and loss	**78**	**8 748**

Note 16 **Investment property**

NOK MILLIONS	2023	2022
Net rental income	3 835	3 213
Net finance income	34	6
Net value adjustment	- 6 420	3 338
Realised gains	4	0
Net income from investment properties	**-2 547**	**6 558**
Currency translate foreign properties (taken to other comprehensive income)	2 139	148
Net income from investment properties included currency translate	**- 407**	**6 706**

NOK MILLIONS	2023	2022
Investment property 01.01.	93 992	89 535
Addition through purchase	1 387	0
Addition through activation	1 224	1 118
Reductions through sale	0	- 148
Net write-up/down resulting from change in fair value including currency translation	- 4 280	3 486
Investment property 31.12.	**92 322**	**93 992**

Note 17 **Investments in associated companies and joint ventures**

NOK MILLIONS	Office and business address	Organization number	Holding %	Owners equity on first aquisition	Aquisition cost	Book value 31.12.2022	Additions/ disposals	Value adjustment	Profit / loss share	Equity transactions	Dividend	Book value 31.12.2023
Norfinance AS	Fridtjof Nansens plass 4 0160 Oslo	912764729	46.5%	92	463	744	4	0	2	0	-31	719
Norsk Pensjon AS	Hansteens gate 2 0253 Oslo	890050212	25.0%	5	2	2	0	0	0	0	0	2
Fylkeshuset AS	Fylkeshuset, 6404 Molde	930591114	48.0%	0	0	0	0	0	0	0	0	0
KLP Norfund Investments IS	Fridtjof Nansens plass 4 0160 Oslo	999548636	49.0%	0	1 140	918	441	0	84	0	0	1 442
KLP Norfund Investments India AS	Fridtjof Nansens plass 4 0160 Oslo	926888455	49,0 %	0	413	207	206	0	-6	0	0	407
Tensio AS	Kjøpmannsgata 7A 7500 Stjørdal	922828172	20.0%	1 653	1 303	1 099	0	0	44	0	-50	1 093
Odal Vind AS	Pausvegen 6 1927 Rånåsfoss	924824905	41.5%	330	383	504	0	0	37	0	-73	468
Runde Holdco AS	Vestre Strømkaien 7 5008 Bergen	923101284	20.6%	400	184	270	0	0	448	0	0	719
Neas AS	Industriveien 1 6517 Kristiansund N	960684737	33.3%	357	343	341	0	0	11	0	-5	347
SR Energy AB	Rosenlundsg.3 Box 7123 402 33 Göteborg		30.0%	600	1 269	1 319	10	0	86	0	-36	1 379
Skaftåsen Bidco AB	BOX 16285 103 25 Stockholm		23.2%	86	86	51	0	0	-8	0	0	43
Total in associated companies and joint ventures					**5 585**	**5 456**	**660**	**0**	**700**	**0**	**-195**	**6 620**

All shares have equal voting proportions.

KLP Norfund Investment IS is a joint venture, while the remaining companies are associated companies.

Note 18 **Net insurance finance income and expenses**

	Direct participating contracts	Non-participating contracts		
2023	**Public pension scheeme [1]**	**Skadeforsikring**	**Eliminering**	**Total**
Investment income/expences on underlying assets				
Interes revenue from financial instruments not measrued at FVTPL	78	78	-78	**78**
Net incom from financial instruments mesasured at FVTPL	90 254	240	-240	**90 254**
Net gain/loss from foreign exchange	-15 566	0	0	**-15 566**
Unit holder's value change in consolidated securites funds	-27 286	0	0	**-27 286**
Total investment income/expenses on underlying assets recognised in P&L	**47 480**	**319**	**-319**	**47 480**
Total investment income/expenses on underlying assets recognised in OCI	1 831	0	0	**1 831**
Total net investment income/expenses	**49 312**	**319**	**-319**	**49 312**
Insurance finance income/expenses from insurance contracts issued				
Interest accreted	13 643	0		**13 643**
Effect of changes in interest rates and other financial assumptions	-11 416	-42	42	**-11 416**
Changes in fulfilment cashflows of contracts measured applyihng VFA due to changes in fair value of underlying items	-46 447			**-46 447**
Insurance finance income/expenses from insurance contracts issued	**-44 221**	**-42**	**42**	**-44 221**
Total insurance financeincome/expenes from insurance contracts issued recognised in OCI	1 831	0	0	**1 831**
Net insurance finance income or expenses	**5 091**	**277**	**-277**	**5 091**

	Direct participating contracts	Non-participating contracts		
2022	**Public pension scheeme [1]**	**Skadeforsikring**	**Elimineringer**	**Total**
Investment income/expences on underlying assets				
Interes revenue from financial instruments not measrued at FVTPL	8 748	73	-73	**8 748**
Net incom from financial instruments mesasured at FVTPL	-31 667	-164	164	**-31 667**
Net gain/loss from foreign exchange	-32	0	0	**-32**
Unit holder's value change in consolidated securites funds	15 966	0	0	**15 966**
Total investment income/expenses on underlying assets recognised in P&L	**-6 985**	**-91**	**91**	**-6 985**
Total investment income/expenses on underlying assets recognised in OCI	106	0	0	**106**
Total net investment income/expenses	**-6 879**	**-91**	**91**	**-6 879**
Insurance finance income/expenses from insurance contracts issued				
Interest accreted	7 653	0	0	**7 653**
Effect of changes in interest rates and other financial assumptions	-7 665	49	-49	**-7 665**
Changes in fulfilment cashflows of contracts measured applyihng VFA due to changes in fair value of underlying items	24 884	0	0	**24 884**
Insurance finance income/expenses from insurance contracts issued	**24 872**	**49**	**-49**	**24 872**
Total insurance financeincome/expenes from insurance contracts issued recognised in OCI	106	0	0	**106**
Net insurance finance income or expenses	**17 992**	**-42**	**42**	**17 992**

[1] The insurance customers on a public service pension are entitled to all returns from net assets, thus the return from non-life contracts is included in the public service pension. In addition to the fact that they are shown separately in the column for Non-life insurance.

Note 19 **Auditor`s fee**

NOK MILLIONS	2023	2022
Ordinary audit	12,5	10,1
Certification services	1,0	0,8
Tax advisory services	0,0	0,1
Non-audit services	0,2	0,6
Total auditor's fee	**13,7**	**11,7**

The sums above include VAT.

Note 20 **Salary and obligations towards senior management etc.**

The KLP Board of Directors has laid down principles and guidelines for remuneration that apply for the entire Group and set up a remuneration committee as a subcommittee of the Board. The committee reports on and carries out checks that the remuneration schemes in the Group are in line with the Board's principles and guidelines.

Senior employees are defined as the senior management team of the Kommunal Landspensjonskasse Group. This comprises the Group Chief Executive Officer, the KLP Group executive vice presidents and managing directors of certain subsidiaries.

Senior employees who were members of the Group senior management before 1 May 2013, are pensionable at the age of 65, but may choose to canage this to aged 70. None of those senior management have chosen to avail themselves of the opportunity to change the retirement age as of 31.12.2023. Persons who were appointed to Group senior management as of 1 May 2013, are pensionable at the age of 70.

All employees of the KLP Group in Norway are registered in KLP's pension scheme for municipalities and companies. The employees earn pension rights in this scheme for salaries up to 12G.

Employees in the KLP Group with salaries above 12 G and for employees with lower retirement age than 67 years, also earn pension benefits for salaries above 12G if they were employed before 2 May 2013 and had a salary above 12G at that time. Full retirement pension in this additional cover amounts to 66% of salary above 12G, and is achieved after at least 30 years of earnings in the scheme. Employees with a special agreement for a lower pension age than 67 years are ensured an old-age pension corresponding to 66% of all pensionable salary up to 67 years. This add-on was closed May 2, 2013 and does not apply to employees who started after that date. Nor does the scheme apply to employees who were employed at this time in KLP, but who only receive salary above 12G after this date.

The Group CEO has severance pay corresponding to one year's salary including supplementary benefits in the event of termination of employment. There are no obligations to provide the Chairman of the Board special consideration or other benefits on termination or change of the appointment. KLP pays directors' liability insurance for members of its Board of Directors.

No member of senior management has performance pay (bonus).

The KLP Group offers loans for various purposes. There are seperate loan terms for employees, and no senior executeves have terms that deviate from this. Loans to external members of the Board of Directors and external members of the Corporate Assembly are only granted under ordinary loan terms.

Fees to Board members are determined by the Corporate Assembly. Fees to deputies and observers are not stated. The Board’s substitutes and observers, and any benefits and loans to them, are not listed in this note unless they were elected as ordinary Board members during the year. A total of NOK 237.000 was paid to observers and substitutes in 2023. This covers four people.

All benefits are shown without the addition of social security contributions and capital activity tax. For Board members elected by and among the employees stated that only about compensation and loans that can be linked to their directorship.

Attention is drawn otherwise to the description of the main principles on determination of remuneration in the KLP Group that may be found at klp.no.

2023 NOK THOUSANDS	Salary, fees etc.	Other benefits	Annual pension accumulation	Loan	Interest rate as at 31.12.2023	Paymentsplan[1]
SENIOR EMPLOYEES						
Sverre Thornes, *Group CEO*	5 137	189	1 628	14 516	4,25/4,70	A25/HC
Cathrine Hellandsvik	2 323	150	579	6 720	4,70/5,50	A50
Aage E. Schaanning	4 099	152	1 281	6 182	4,70	HC
Gro Myking	3 056	154	335	6 658	4,70	A53
Rune Hørnes	3 068	154	300			
Kirsten Grutle	2 100	150	523	481	4,70	HC
Jarl Nygaard	1 915	154	308	578	4,70	HC
Ida Louise Skaurum Mo	2 599	154	843			
Hege Hodnesdal, as of 1 August	1 004	64	235	15 940	5,50	A53
Tore Tenold	3 455	154	1 222	4 243	4,60	HC
Håvard Gulbrandsen	3 739	167	1 058	1 374	4,70	HC
Gunnar Gjørtz	3 685	153	1 219	0	4,70	HC
Marianne Sevaldsen	3 185	151	1 313	3 738	4,70	A43
Erik Falk	1 922	19	452	1 363	4,70	A37
Christopher Andrew Nicolson Steen	1 556	58	313	1 512	4,70	A30/A29
Carl Steinar Lous	1 547	24	309	3 244	4,70	A39/A27
THE BOARD OF DIRECTORS [2)]						
Tine Sundtoft, *Chair* (10 of 10)	423					
Egil Matsen (10 av 10)	340					
Terje Rootwelt (5 av 5)	160					
Kjersti Fyllingen (4 av 5)	124					
Odd Haldgeir Larsen (8 av 10)	252			1 824	5,50	A36
Øyvind Brevik (4 av 5)	153					
Ingunn Trosholmen, until October (7 av 8)	302			3 737	5,40	A49
Vibeke Heldal, *elected by and from the employees* (10 of 10)	313			1 566	4,70	A30
Erlig Bendiksen, *elected by and from the employees* (10 of 10)	252					
CORPORATE ASSEMBLY						
Total Corporate Assembly, including employee representatives	747			28 871		
EMPLOYEES						
Loan to employees in the Group at subsidiezed interest rate				2 312 238		
Loan to employees in the Group at ordinary terms and conditions				118 001		

1) A=Annuity loand, last peyment, HC = Housing Credit

2) The numbers in brackets represents the number of meetings attended by the total number of meetings held during the period in which the person has been on the board.

2022 NOK THOUSANDS	Salary, fees etc.	Other benefits	Annual pension accumulation	Loan	Interest rate as at 31.12.2022	Paymentsplan[1]
SENIOR EMPLOYEES						
Sverre Thornes, *Group CEO*	4 733	220	1 556	20 000	3,50	HC
Cathrine Hellandsvik, as of 1 August	647	112	207	6 873	3,50	A50
Aage E. Schaanning	3 912	144	1 377	9 600	3,50	HC
Gro Myking	2 869	169	362	7 710	3,50	A41
Rune Hørnes	2 923	156	317			
Kirsten Grutle	1 794	146	246			
Tore Tenold	3 297	153	1 244	6 400	3,40	HC
Håvard Gulbrandsen	3 566	179	1 163	7 500	3,50	HC
Gunnar Gjørtz	3 514	170	1 222	6 000	3,50	HC
Marianne Sevaldsen	3 042	172	1 289	3 864	3,50	A43
Leif Magne Andersen, until 1 August	1 474	99	474	4 820	3,30	A51
THE BOARD OF DIRECTORS [2)]						
Egil Johansen, *Chair until May* (5 of 5)	200					
Tine Sundtoft, *Chair as of June* (5 of 5)	207					
Jenny Følling (5 of 5)	178					
Odd Haldgeir Larsen (10 of 10)	268			1 874	4,15	A35
Øyvind Brevik (10 of 10)	301					
Cecilie Dae (7 of 10)	233					
Egil Matsen (10 of 10)	327					
Ingunn Trosholmen (5 of 5)	148					
Vibeke Heldal, *elected by and from the employees* (10 of 10)	301					
Erlig Bendiksen, *elected by and from the employees* (10 of 10)	233					
CORPORATE ASSEMBLY						
Total Corporate Assembly, including employee representatives	804			40 208		
EMPLOYEES						
Loan to employees in the Group at subsidiezed interest rate				2 102 732		
Loan to employees in the Group at ordinary terms and conditions				92 141		

1) A=Annuity loand, last pyement, HC = Housing Credit

2) The numbers in brackets represents the number of meetings attended by the total number of meetings held during the period in which the person has been on the board.

NOK THOUSANDS	2023	2022
The period costs related to lending terms and conditions for employees.	17 057	15 041

Note 21 **Tax**

NOK MILLIONS	2023	2022
Pre-tax income	**-253**	**17 216**
Other comprehensive income pre-tax	**1 685**	**237**
Comprehensive income pre-tax	**1 432**	**17 453**
DIFFERENCES BETWEEN ACCOUNTING AND TAX INCOME		
Adjustment of premium	0	3
Tax effects consolidated securities funds	1 637	1 005
Reversal of value reduction, financial assets	633	388
Reversal of value increase financial assets	-1 337	-617
Book gain on realization of shares and other securities	79	21

NOK MILLIONS	2023	2022
Tax gain on realization of shares and other securities	40	1
Share of taxable income in partnerships	31	29
Other permanent differences	-85	218
Meaurement difference IFRS 17	-1 585	-16 425
Change in differences affecting relationship between book and taxable income	614	329
Taxable income	**1 458**	**2 405**
Taxable income, bacic for payable tax	**1 458**	**2 405**
Deficit carryforward allowable from previous years	-13 782	-6 308
Change for the year in carryforward deficit	-3 939	-7 474
Total carryforward deficit and allowance 31.12.	**-17 721**	**-13 782**
RECONCILIACTION OF BASIS OF DEFERRED TAX		
TAX-INCREASING TEMPORARY DIFFERENCES:		
Gains and losses account	879	1 098
Buildings and other real estate	9 612	10 960
Risk equilization fund	4 154	4 154
Natural disaster fund	164	164
Guarantee scheme	49	49
Reinsurance	2	2
Compensation provisjon	30	0
Security reserve	216	270
Implementation effect IFRS 17	138	138
Securities	1 794	1 130
Securing loans	94	17
Shares in partnerships	268	320
Lending to customers and credit enterprises	5	0
Claims provisions	0	37
Other differences	17	10
Total tax-increasing temporary differences	**17 422**	**18 350**
TAX-REDUCING TEMPORARY DIFFERENCES:		
Fixed assets	0	1
Long-term receivables	-1 162	-948
Financial instruments	-25	-39
Lending to customers and credit enterprises	-76	-86
Pension obligation	-250	-210
Other liabilities	-81	-70
Adjusted for 20% of transition regulation 01.01.2018	-14	-18
Hedging	0	-9
Total tax-reducing temporary differences	**-1 607**	**-1 380**
Net temporary differences	**15 814**	**16 970**
Difference not included in the basis for deferred taxes [1]	-4 369	-4 369
Other differences that are not included in the calculation of deferred tax	-6 779	-7 902
Carryforward deficit	-17 721	-13 782
Basis for deferred tax and tax assets	**-13 054**	**-9 084**
25% deferred tax assets	-3 264	-2 271
Write-down of deferred tax assets	4 403	3 403
Net deferred tax and tax assets	**1 139**	**1 132**
BOOK DEFERRED TAX/ -TAX ASSETS		
- Of which deferred capitalized tax assets	48	48
- Of which capitalized referred tax assets extempt from equalisation	1 187	1 138

NOK MILLIONS	2023	2022
Change in deferred tax assets taken to profit/loss	0	-4
Change in deferred tax taken to profit/loss	-49	249
Wealth tax	-13	-6
Tax payable taken to profit/loss	-364	-601
Residual tax	4	-27
Withholding tax taken to profit/loss	-510	-443
Cost of taxes	**-932**	**-832**
Taxes taken to equity	**1**	**-82**
THE TAX COST IS ENTERED AGAINST THE FOLOOWING ITEMS		
Cost of taxes	-1 031	-826
Tax on items that will not be reclassified against the comprehensive income statement	22	-17
Tax on items that will be reclassified to income later	77	11
Equity	1	-82
Total tax taken to profit/loss	**-932**	**-914**

1Accordning to the new rules deductions will no longer be made for provisions for risk equilization fund, natural disaster fund and guarantee scheme. These funds are subject to transitional rules, so that the total provisions for these funds at the end of the 2017 income year can be deposited in a separate account, where the account is first taxed on the liquidation of the non-life insurance business. The group presents the accounts during continued operations, and assumes that the present value of the liability will be 0.

Note 22 **Intangible assets**

NOK millions	IT-systems	Other	2023	IT-systems	Other	2022
Book value 01.01.	1 039	10	1 049	785	12	797
Acquisition cost 01.01.	2 631	22	2 653	2 293	22	2 315
Total additions	456	0	456	339	0	339
of which internally developed	*0*	*0*	*0*	*0*	*0*	*0*
of which bought	*456*	*0*	*456*	*339*	*0*	*339*
Disposals	0	0	0	0	0	0
Acquisition cost 31.12.	3 088	22	3 109	2 631	22	2 653
Accumulated depreciation and write-dows prev.years	-1 593	-12	-1 604	-1 508	-10	-1 517
Ordinary depreciation for the year	-118	-2	-120	-85	-2	-87
Impairment	-6	0	-6	0	0	0
Accumulated depreciation and write-downs 31.12.	-1 717	-14	-1 730	-1 593	-12	-1 604
Book value 31.12.	**1 371**	**8**	**1 379**	**1 039**	**10**	**1 049**
Depreciation period			1 to 20 years			

[1)] Intangible assets contains IT-systems 1 to 20 years

[2)] At the end of 2023 there were identified several IT-systems where the book value exceeded the estimated recoverable amount. Estimated recoverable amount is calculated by estimating future earnings with book value. Essentially, some of the investments have no longer value. There are several reasons for this. Among other things, linking it to the outdated functionality due to rule changes and/or technological developments. This resulted in the following assessment:

NOK MILLIONS	2023	2022
Book value before impairment	6	0
Recoverable amount	0	0
Impairment	**6**	**0**

The impairment is included in "Operating costs" in the financial statement.

Note 23 **Tangible fixed assets**

NOK MILLIONS	2023 Property for own use	2023 Vehicles	2023 Machines/ inventory	2023	2022 Property for own use	2022 Vehicles	2022 Machines/ inventory	2022
Book value 01.01.	2 532	1	99	2 633	2 623	2	89	2 714
Acquisition cost 01.01.	1 438	16	397	1 850	1 432	16	368	1 816
Accum. depreciation prev. years	-417	-14	-298	-729	-363	-13	-280	-657
Accum. value adjustm. prev. years	1 511	0	-1	1 510	1 554	0	0	1 553
	0	0	0	0	0	0	0	0
Acquisition	0	0	30	30	6	0	37	42
Assets held for disposal	0	0	0	0	0	0	0	-8
Value adjustements	-308	0	0	-308	-43	0	0	-43
Depreciation	-48	-1	-30	-79	-54	-1	-26	-72
Currency impact	0	0	1	1	0	0	0	0
	0	0	0	0	0	0	0	0
Acquisition cost 31.12.	1 438	16	427	1 881	1 438	16	397	1 850
Accumulated depriciation 31.12.	-465	-15	-328	-808	-417	-14	-298	-729
Accumulated value adjustment 31.12.	1 203	0	0	1 203	1 511	0	-1	1 510
Book value 31.12.	**2 177**	**1**	**100**	**2 277**	**2 532**	**1**	**99**	**2 633**
Economic life	50 years	5 years	3 - 5 years					
Depreciation method	Straight-line	Balance/ Straight-line	Balance/ Straight-line					

Note 24 **Reinsurance contracts assets**

The table below shows the reconciliation of the incoming and outgoing balance relating to assets for remaining coverage and assets for incurred claims that we have to our credit from reinsurance. The coverage period for reinsurance contracts has a coverage period of one year, and PAA is used in the accounting measurement.

2023 NOK MILLIONS	Remaining coverage component Without loss recovery component	Accrued claims Estimate of the present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening balance reinsurance assets	0	705	30	736
Opening balance reinsurance liabilites	0	0	0	0
Opening balance reinsurance	**0**	**705**	**30**	**736**
Reinsurance premium	-164	0	0	-164
Reinsurance share of insurance costs	0	93	0	93
Of this year's damages	0	137	8	145
Including liquidations of deviations of previous years	0	-44	-8	-52
Financial result from reinsurance	0	16	9	25
Change in comprehensive income	**-164**	**109**	**9**	**-46**
Reinsurance premium paid	154	0	0	154
Claims received from reinsurance	0	-115	0	-115
Total cashflows	**154**	**-115**	**0**	**38**
Closing balance reinsurance	**-10**	**699**	**39**	**728**
Closing balance reinsurance assets	-8	699	39	730
Closing balance reinsurance liabilites	-2	0	0	-2
Closing balance reinsurance	**-10**	**699**	**39**	**728**

2022 NOK MILLIONS	Gjenværende dekningskomponent Uten tapsgjenopprettings-komponent	Påløpte krav Estimat på nåverdien av fremtidige kontantstrømmer	Risikojustering for ikke finansiell risiko	Total
Opening balance reinsurance assets	0	328	13	341
Opening balance reinsurance liabilites	-1	0	0	-1
Opening balance reinsurance	**-1**	**328**	**13**	**340**
Reinsurance premium	-97	0	0	-97
Reinsurance share of insurance costs	0	498	17	341
Of this year's damages	0	475	21	497
Including liquidations of deviations of previous years	0	23	-4	19
Financial result from reinsurance	0	0	0	0
Change in comprehensive income	**-97**	**498**	**17**	**419**
Reinsurance premium paid	98	0	0	98
Claims received from reinsurance	0	-121	0	-121
Total cashflows	**98**	**-121**	**0**	**-23**
Closing balance reinsurance	**0**	**705**	**30**	**736**
Utgående balanse gjenforsikring	0	705	30	736
Closing balance reinsurance assets	0	0	0	0
Closing balance reinsurance liabilites	**0**	**705**	**30**	**736**

Note 25 **Fair value of financial assets and liabilities**

Fair value is to be a representative price based on what the equivalent asset or liabilites would be sold for under normal market terms and conditions. A financial instrument is considered as being listed in an active market if listed prices are easily and regularly accessible from a stock exchange, dealer, broker, commercial group, pricing service or regulatory authority, and such prices represent actual transactions that occur regularly at arm's length. If the market for the security is not active, or the security is not listed on a stock exchange or similar, the Group uses valuation techniques to determine fair value. These are based on information on transactions recently carried out on business conditions, reference to the purchase and sale of similar instruments and pricing by means of externally obtained interest-rate curves and interest-rate differential curves. Estimates are based to the greatest possible extent on external observable market data, and to a small degree on company-specific information.

In the case of this note, there are three different categories of financial instruments: balance sheet classification, accounts classification, and type of instrument. It is for this last category that information is provided about how fair value is derived.

FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

This category includes:

- Fixed-income securities and other debt instruments measured at amortised cost

- Lending to local government, enterprises & retail customers measured at amortised cost

- Liabilites to and deposits from customers

- Other debt issued (liabilities)

Financial instruments not measured at fair value are measured at amortised cost by using the effective interest rate method. The internal rate of exchange is determined by discounting contractual cash flows over their expected term. The cash flows include arrangement/up-front fees and direct transaction costs as well as any residual value on the expiry of the expected term. Amortised cost is the present value of these cash flows discounted by the internal rate of interest. This note contains information about the fair value of the financial instruments that are measured at amortised cost.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

This category includes:

- Equity instruments

- Fixed-income securities and other debt instruments measured at fair value

- Lending local government, enterprises & retail customers at fair value through profit/loss

- Derivatives (assets and liabilites)

- Debt to credit institutions (liabilites)

- Subordinated loan capital (liabilities)

Below is a list of which types of financial instrument come under the various accounts categories, and how fair value is calculated.

FIXED-INCOME SECURITIES AND OTHER DEBT INSTRUMENTS MEASURED AT FAIR VALUE

a) Foreign fixed-income securities

Foreign fixed-income securities are generally priced based on prices obtained from an index provider. At the same time, prices are compared between several different sources to spot any errors.

The following sources are used:

- Barclays Capital Indices
- Bloomberg

Barclays Capital Indices have first priority (they cover foreign government and foreign credit respecitvely). Then comes Bloomberg based on Bloomberg's pricing service Business Valuator Accredited in Litigation (BVAL). BVAL has verified prices from Bloomberg.

b) Norwegian fixed-income securities – government

Nordic Bond Pricing is used as the primary source for pricing Norwegian Government Bonds.

c) Norwegian fixed-income securities – other than government ones

Norwegian fixed-income securities (denominated in NOK) are generally priced based on rates from Nordic Bond Pricing. Securities not covered by Nordic Bond Pricing are priced theoretically. The theoretical price should be based on the discounted value of the security's future cash flow. Discounting is done using a swap curve adjusted for credit spread and liquidity spread. The credit spread should, as much as possible, be based on a comparable bond from the same issuer. The liquidity spread is determined subjectively.

d) Fixed-income securities issued by foreign enterprises but denominated in NOK

Fair value is calculated on the same general principles as those applying for Norwegian fixed-income securities described above.

e) Receivables on credit institutions

The fair value of these is considered as being approximately the same as the book value since the terms and conditions of the contract are continually revised in accordance with changes in the market rates.

f) Loans to municipalities and enterprises with municipal guarantee

Receivables are valued by means of a valuation model using relevant credit premium adjustments obtained in the market. For guaranteed loans fair value is calculated as discounted cash flow based on the same interest-rate curves as direct loans, but the credit margin is adjusted to market values for the appropriate combination of guarantee category and type of guarantee. The guarantor is either a state, municipality or a bank

g) Loans secured by mortgage

The principles for calculating fair value are subject to the loans having fixed-interest rates or not. Fair value of fixed-rate loans is calculated by discounting contractual cash flows by the market rate including a relevant risk margin on the reporting date. The fair value of loans with no fixed rate is approximately equal to book value since the terms and conditions of the contract are continually revised in accordance with changes in the market rates.

- EQUITY INSTRUMENTS

h) Shares (listed)

Liquid shares are generally valued on the basis of prices from an index provider. At the same time, prices are compared between different sources in order to spot any errors.

The following sources are used for Norwegian shares:

Oslo Børs/Oslo Stock Exchange (primary source)
Morgan Stanley Capital International (MSCI)
Bloomberg

The following sources are used for foreign shares:

Morgan Stanley Capital International (MSCI) (primary source)
Bloomberg

i) Shares (unlisted)

As far as possible, The Group uses the Norwegian Mutual Funds Association's industry recommendations. This basically means the following:

The last price traded has key priority. If the last price traded is outside of the bid/offer price in the market, the price is adjusted accordingly. This means that if the last price traded is below the offer price, the price is adjusted upward to the offer price. If it is above the bid price, it is adjusted downward to the bid price.

In cases where there is very little information about the shares, a discretionary assessment is carried out, such as a fundamental analysis of the company, or a broker assessment.

j) Private Equity

Most of the investment in Private Equity goes through funds. The funds' fair value is to be based on reported market values that follow from the International Private Equity and Venture Capital Valuation Guidelines ('IPEV Guidelines). These guidelines are established by the European Venture Capital Association (EVCA) and are based on the principle of approximate market assessment of the companies. Fair value is calculated on the basis of the funds' reported market value adjusted for payments in and out during the period between the fund's last reported market value and the period being reported on for the Group. Direct investments in Private Equity are treated in the same way as with current stocks, but valuation can be daily, quarterly or yearly. In cases where it's possible to obtain information on what co-investments are priced within the funds, it will be considered in the valuation process. Other direct investments are valued based on either cost prices, reported market values from companies or available trading prices.

DERIVATIVES

k) Futures/FRA/IRF

All futures contracts for KLP are traded on the stock exchange. Bloomberg is used as a prices source. Prices are also obtained from another source in order to check that Bloombergs' prices are correct. Reuters acts as a secondary source.

l) Options

Bloomberg is used as a source for pricing options traded on the stockmarket. Reuters is a secondary source.

m) Interest-rate swaps

Interest-rate swaps are valued in a model that takes observable market data such as interest-rate curves and relevant credit premiums into account .

n) FX-swaps

FX-swaps with a one-year maturity or less are priced on curves that are built up from FX swap-points obtained from Reuters. The market is not considered particularly liquid for FX-swaps with a maturity of more than one year and basis-adjusted swap curves are used for pricing purposes.

- DEBT TO CREDIT INSTITUTIONS

o) Placements with credit institutions and deposits

Placements with credit institutions are made as short-term deposits. Fair value is calculated by discounting contractual cash flows by market rate including a relevant risk margin on the reporting date. Deposits are prices on swap curves.

SUBORDINATED LOAN CAPITAL, OTHER DEBT ISSUED, AND DEPOSITS FROM CUSTOMERS

p) Fair value of subordinated loans

The observable price is used as the fair value of loans listed on an active stock exchange. In the case of other loans that are not part of an active market the fair value is based on an internal valuation model based on observable data.

q) Fair value of subordinated bond/perpetual bond issued

Fair value in this category is determined on the basis of internal valuation models based on external observable data.

r) Covered bonds issued

Fair value in this category is determined on the basis of internal valuation models based on observable data.

s) Deposits from customers

All deposits are without fixed-rate interest. The fair value of these is considered as approximately equal to book value since the contractual terms are continually revised in accordance with the market rate.

The table below provide a closer specification of the content within the various classes of assets and liabilities.

NOK MILLIONS	31.12.2023		31.12.2022	
	Book value	Fair value	Book value	Fair value
FIXED-INCOME SECURITIES AND OTHER DEBT INSTRUMENTS AT AMORTIZED COST				
Norwegian bonds	1 017	935	65 861	62 754
Foreign bonds	1 237	1 108	132 892	125 280
Fixed-income securities and other debt instruments at amortized cost	**2 254**	**2 043**	**198 752**	**188 034**
LENDING LOCAL GOVERNMENT, ENTERPRISES & RETAIL CUSTOMERS AT FAIR VALUE THROUGH PROFIT/LOSS				
Loans secured by mortgage	2 564	2 564	0	0
Loans to local government sector or enterprises with local government guarantee	71 056	71 056	0	0
Loans abroad secured by mortage and local government guarantee	5 245	5 245	0	0
Other lending	2 271	2 271	0	0
Total loans to local government, enterprises & retail customers	**81 136**	**81 136**	**0**	**0**
lending to local government, enterprises & retail customers – at amortized cost				
LENDING TO LOCAL GOVERNMENT, ENTERPRISES & RETAIL CUSTOMERS – AT AMORTIZED COST				
Loans to and receivables from customers	42 339	42 332	26 107	26 008
Loans to and receivables from central banks	75	75	0	0
Loans to local government sector or enterprises with local government guarantee	0	0	89 743	88 342
Loans abroad secured by mortage and local government guarantee	0	0	5 352	5 352
Loans to and receivables from credit institutions	446	446	0	0
Other lending	0	0	158	158
Total loans to local government, enterprises & retail customers	**42 860**	**42 854**	**121 360**	**119 860**
DEBT INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Norwegian bonds	133 716	133 716	58 922	58 922
Norwegian certificates	8 189	8 189	7 648	7 648
Foreign bonds	209 125	209 125	72 565	72 565
Foreign certificates	898	898	420	420
Investments with credit institutions	58 641	58 641	42 246	42 246
Total debt instruments	**410 569**	**410 569**	**181 802**	**181 802**
EQUITY CAPITAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Shares	302 882	302 882	238 730	238 730
Equity funds	44 885	44 885	37 155	37 155
Property funds	6 990	6 990	6 514	6 514
Total equity capital instruments	**354 757**	**354 757**	**282 399**	**282 399**
RECEIVABLES				
Receivables related to direct business	750	750	379	379
Receivables related to securites	1 309	1 309	912	912
Prepaid rent related to real estate activites	148	148	0	0
Other receivables	466	466	408	408
Total other loans and receivables including receivables from policyholders	**2 674**	**2 674**	**1 700**	**1 700**
FINANCIAL LIABILITIES - AT AMORTIZED COST				
Debt to credit institutions	905	905	1 055	1 055
Covered bonds issued	30 504	30 526	32 430	32 402
Liabilities and deposits from customers	14 060	14 060	13 779	13 779
Hybrid Tier 1 securities	0	0	1 428	1 428
Subordinated loan capital	0	0	3 147	3 093
Total financial liabilities	**45 469**	**45 492**	**51 839**	**51 757**
FINANCIAL LIABILITIES - AT FAIR VALUE THROUGH PROFIT OR LOSS				
Debt to credit institutions	12 137	12 137	5 628	5 628
Hybrid Tier 1 securities	1 434	1 434	0	0
Subordinated loan capital	3 327	3 327	0	0
Total financial liabilities	**16 897**	**16 897**	**5 628**	**5 628**

NOK MILLIONS	31.12.2023		31.12.2022	
	Assets	Liabilities	Assets	Liabilities
FINANCIAL DERIVATIVES - AT FAIR VALUE THROUGH PROFIT OR LOSS				
Forward exchange contracts	13 525	1 152	5 024	1 570
Interest rate swaps	1 383	2 096	1 077	194
Interest rate and currency swaps	679	0	583	1 393
Share option	0	0	135	0
Total financial derivatives	**15 587**	**3 249**	**6 820**	**3 158**

Note 26 **Fair value hierarchy**

31.12.2023 NOK MILLIONS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Land/plots	0	0	1 283	1 283
Buildings	0	0	91 040	91 040
Investment property	**0**	**0**	**92 322**	**92 322**
Lending at fair value	**0**	**81 136**	**0**	**81 136**
Certificates	1 578	7 508	0	9 086
Bonds	27 564	315 287	0	342 850
Fixed-income funds	0	9 591	16 041	25 632
Bonds and other fixed-income securities	**29 142**	**332 386**	**16 041**	**377 569**
Loans and receivables	**32 349**	**651**	**0**	**33 000**
Shares	293 389	5 996	3 497	302 882
Equity funds	2 378		37	2 415
Property funds	0	1 980	5 010	6 990
Special funds	0	0	0	0
Private Equity	0	0	42 470	42 470
Shares and units	**295 767**	**7 976**	**51 014**	**354 757**
Financial derivatives	**0**	**15 587**	**0**	**15 587**
Total assets at fair value	**357 258**	**437 735**	**159 377**	**954 370**
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives	0	3 249	0	3 249
Debt to credit institutions [1]	11 026	1 111	0	12 137
Subordinated loan capital	0	3 327	0	3 327
Hybrid Tier 1 securities	0	1 434	0	1 434
Total financial liabilities at fair value	**11 026**	**9 120**	**0**	**20 146**

[1] The line «Debt to credit institutions» includes liabilities measured at fair value and amortized cost. This line is therefore not reconcilable against the Balance sheet. The liabilities measured at amortized cost amounted to NOK 905 million per 31.12.2023.

31.12.2022 NOK MILLIONS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Land/plots	0	0	1 377	1 377
Buildings	0	0	92 615	92 615
Investment property	**0**	**0**	**93 992**	**93 992**
Lending at fair value	**0**		**0**	
Certificates	2 254	5 815	0	8 069
Bonds	21 099	110 390	0	131 489
Fixed-income funds	0	8 129	9 835	17 964
Bonds and other fixed-income securities	**23 353**	**124 333**	**9 835**	**157 521**
Loans and receivables	**23 447**	**835**	**0**	**24 281**
Shares	229 463	5 131	3 378	237 972
Equity funds	2 067	0	60	2 127
Property funds	0	2 165	4 349	6 514
Special funds	0	0	0	0
Private Equity	0	0	35 785	35 785
Shares and units	**231 530**	**7 297**	**43 572**	**282 399**
Financial derivatives	**0**	**6 820**	**0**	**6 820**
Total assets at fair value	**278 330**	**139 285**	**147 399**	**565 014**
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives	0	3 158	0	3 158
Debt to credit institutions [1]	4 326	1 302	0	5 628
Subordinated loan capital	0	3 147	0	3 147
Hybrid Tier 1 securities	0	1 428	0	1 428
Total financial liabilities at fair value	**4 326**	**9 035**	**0**	**13 361**

Changes in Level 3, Investment Property	Book value 31.12.2023	Book value 31.12.2022
Opening balance 1 January	93 992	89 535
Sold	0	-148
Bought	2 610	1 139
Unrealised changes	-4 280	3 486
Other changes	0	-20
Closing balance 31.12.	**92 322**	**93 992**
Realised gains/losses	4	0

Changes in Level 3, Financial Assets	Book value 31.12.2023	Book value 31.12.2022
Opening balance 1 January	53 407	40 122
Sold	-4 923	-5 749
Bought	15 430	14 524
Unrealised changes	3 141	4 510
Closing balance 31.12.	**67 055**	**53 407**
Realised gains/losses	1 863	2 322
Closing balance 31.12.	**159 377**	**147 399**

Unrealised changes and realized gains / losses are reflected on the line "Net value changes on financial instruments" in the consolidated income statement.

The tables "Changes in level 3" shows changes in level 3 classified instruments in the period indicated.

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for on normal market terms and conditions. Highest quality in regard to fair value is based on listed prices in an active market. A financial instrument is considered as noted in an active market if noted prices are simply and regularly available from a stock market, dealer, broker, industry grouping, price setting service or regulatory authority, and these prices represent actual and regularly occurring transactions at arm's length.

Level 1:
Instruments at this level obtain fair value from listed prices in an active market for identical assets or liabilities that the entity has access to at the reporting date. Examples of instruments at Level 1 are stock market listed securities.

Level 2:
Instruments at this level obtain fair value from observable market data. This includes prices based on identical instruments, but where the instrument does not maintain a high enough trading frequency and is corresponding therefore not considered to be traded in an active market, as well as prices based on assets and price-leading indicators that can be confirmed from market information. Example instruments at Level 2 are fixed income securities priced on the basis of yields curves.

Level 3:

Instruments at Level 3 contain no observable market data or are traded in markets considered to be inactive. The price is based generally on discrete calculations where the actual fair value may deviate if the instrument were to be traded. The instruments covered at Level 3 in the Group include unlisted shares and Private Equity.

The general principles related to the distribution between levels basically concern whether the asset or liability is listed or not and whether the listing can be stated to be in an active market. As regards shares, there is a further distinction between trading days and amount of trading which separates out listed securities that do not form part of an active market. The values at the end of the reporting period provide the basis for any movement between the levels. Valuations related to items in the various levels are described in note 25, except valuation on investment property which can be found in note 3.

No sensitivity analysis has been carried out on securities included in Level 3. A sensitivity analysis for investment property can be found in note 3. A change in the variables of the pricing is considered of little significance. On a general basis, a 5 percent change in the pricing would produce a change of NOK 7 969 million as of 31.12.2023 on the assets included in level 3.

There are limits set on the number of trading days and trading volume of stocks to distinguish between Level 1 and Level 2. The general principles surrounding level categorization primarily revolve around whether the asset or liability is listed and whether the listing can be considered in an active market. When transferring between levels, the value at the end of the period is used as a starting point.

During the period from 01.01.2023 to 31.12.2023, a net movement of NOK 973 millions in stocks moved from Level 1 to Level 2, NOK 17 millions moved from Level 1 to Level 3, NOK 1 118 million moved from level 2 to level 1 and NOK 1 million moved from level 2 to level 3. This is due to changes in liquidity, based on the guidelines above. Additionally, NOK 135 million in bonds moved from level 2 to level 1.

Note 27 **Presentation of assets and liabilities that are subject to net settlement**

31.12.2023 NOK MILLIONS				Related amounts not presented net				
	Gross financial assets/ liabilities	Gross assets/ liabilities presented net	Book value	Financial instruments	Security in cash	Security in securities	Net amount	Adjusted for the unit holders' interest in consolidated securities funds
ASSETS								
Financial derivatives	15 587	0	15 587	-1 376	-10 882	-7 399	214	209
Repos	6 172	0	6 172	-1 113	0	0	5 058	5 058
Total	**21 759**	**0**	**21 759**	**-2 489**	**-10 882**	**-7 399**	**5 272**	**5 267**
LIABILITIES								
Financial derivatives	3 249	0	3 249	-1 376	-25	-6	1 866	1 885
Repos	1 111	0	1 111	0	0	0	1 111	0
Total	**4 360**	**0**	**4 360**	**-1 376**	**-25**	**-6**	**2 977**	**1 885**

31.12.2022 NOK MILLIONS				Related amounts not presented net				
	Gross financial assets/ liabilities	Gross assets/ liabilities presented net	Book value	Financial instruments	Security in cash	Security in securities	Net amount	Adjusted for the unit holders' interest in consolidated securities funds
ASSETS								
Financial derivatives	6 820	0	6 820	-1 861	-3 879	-1 796	470	437
Repos	0	0	0	0	0	0	0	0
Total	**6 820**	**0**	**6 820**	**-1 861**	**-3 879**	**-1 796**	**470**	**437**
LIABILITIES								
Financial derivatives	3 158	0	3 158	-1 861	-63	-235	1 256	1 256
Repos	1 304	0	1 304	0	0	0	1 304	1 304
Total	**4 462**	**0**	**4 462**	**-1 861**	**-63**	**-235**	**2 560**	**2 560**

The purpose of the note is to show the potential effect of netting agreements at the KLP Group; what possibilities the KLP Group has to net bilateral agreements against other counterparties should the latter go bankrupt and the remaining amount if all such netting agreements are materialized. The note shows derivative positions and repo agreements in the financial position statement. Repos are a part of the line "Debt to credit institutions" in the balance sheet. The consolidated figures include all entities the KLP Group is considered to have control over. In addition, the outer line shows which de facto net amount remains if all the Groups netting agreements are set off; which only includes subsidiaries and entities, where the Group carries the risk.

Note 28 **Mortgage loans and other lending**

The Group has a lending portfolio of high quality, with limited credit risk and historically very low losses. In the main the Group provides loans secured on housing with a loan-to-value ratio of less than 80 per cent, loans to local authorities and loans with government (central/local) guarantees. Lending secured through mortgages on housing amounts to about NOK 26.6 billion. The sector diversification of Group lending is very small, since a very high proportion of the loans are provided for the public sector. However the concentration risk this suggests can hardly be perceived as a real risk since the loans are covered by government (central/local) guarantee, representing an extremely low counterparty risk.

NOK MILLIONS	Local government administration	State and local authority owned enterprises [1]	Private organizations and enterprises	Employees, pensioners and similar	Total 31.12.2023	Total 31.12.2022
Agder	5 418	271	2	862	6 554	5 807
Innlandet	9 240	121	242	1 638	11 240	10 618
Møre og Romsdal	5 178	340	102	797	6 417	6 814
Nordland	7 388	674	48	1 131	9 242	8 877
Oslo	445	0	1 486	2 799	4 731	4 631
Rogaland	3 679	159	190	1 941	5 969	5 913
Svalbard	326	0	0	0	326	80
Troms og Finnmark	6 161	1 277	408	1 311	9 158	8 970
Trøndelag	9 971	323	551	1 490	12 335	12 537
Vestfold og Telemark	4 984	334	62	2 495	7 876	7 869
Vestland	7 393	1 492	134	2 516	11 535	12 324
Viken	21 952	723	1 419	9 566	33 660	31 015
Foreign	0	0	5 245	11	5 256	5 363
Not allocated	0	0	0	44	44	42
Accrued interests	641	38	21	49	748	501
Value adjustment	-1 025			-70	-1 095	0
Total	**81 752**	**5 752**	**9 911**	**26 581**	**123 996**	**121 360**

[1] This category covers local authority business operations, as well as enterprises owned by central and local government

Note 29 **Subordinated loan capital and hybrid Tier 1 securities**

2023 NOK MILLIONS			Loan amount currency [2]	Loan amount NOK	Book value 31.12.2023	Due date
BORROWINGS [1]						
June 2015			EUR 294	2 530	3 361	2045
Total subordinated loan capital				**2 530**	**3 361**	
April 2004			JPY 15 000	984	1 434	Perpetual
Total hybrid tier 1 securites				**984**	**1 434**	
Total subordinated loan capital and hybrid Tier 1 securities				**3 513**	**4 795**	

2022 NOK MILLIONS			Loan amount currency [2]	Loan amount NOK	Book value 31.12.2022	Due date
BORROWINGS [1]						
June 2015			EUR 294	2 530	3 147	2045
Total subordinated loan capital				**2 530**	**3 147**	
April 2004			JPY 15 000	984	1 428	Perpetual
Total hybrid tier 1 securites				**984**	**1 428**	
Total subordinated loan capital and hybrid Tier 1 securities				**3 513**	**4 575**	

2023 NOK MILLIONS	Nominal currency [2]	Acquisition cost NOK	Accrued interest	Unrealized currency	Book value 31.12.2023	Due date
Bonds	EUR 292	2 524	18	747	3 289	2025
Total hedging transactions		**2 524**	**18**	**747**	**3 289**	

2022 NOK MILLIONS	Nominal currency [2]	Acquisition cost NOK	Accrued interest	Unrealized currency	Book value 31.12.2022	Due date
Bonds	EUR 292	2 524	16	540	3 081	2025
Total hedging transactions		**2 524**	**16**	**540**	**3 081**	

[1] Interest costs on the two subordinated loans were NOK 155 million (NOK 131 million) and NOK 75 million (NOK 72 million) for the hybrid tier 1 securities in 2023. Figures in brackets are 2022 figures.

[2] Amount in local currency (millions)

EUR 294:

The interest on the loan is fixed at 4.25 per cent p.a. The loans was issued the 10th of June 2015 and is due in 2045. The loan can be redeemed by KLP after 10 years, and at every interest payment date that follows. The loan is currency hedged with EUR denominated bonds as shown in the table above. This arrangement is not subject to hedge accounting.

JPY 15 000:

The interest on the loan is fixed USD interest of 5.07 per cent p.a. The loan is perpetual but the Group has the right to redeem the loan on 28 April 2034. If KLP does not exercise its redemption right in 2034, the loan will switch to variable interest. The credit margin then increases by 1 percentage point to 6-month JPY LIBOR-interest + a margin of 3.30 per cent p.a. To hedge the interest and exchange risk associated with the loan a combined interest rate and currency swap has been agreed in which KLP pays 3-month NIBOR-interest + a margin of 2.65 per cent p.a. and receives USD-interest of 5.07 per cent p.a. This hedging arrangement is shown in Note 27.

Note 30 **Pensions obligations, own employees**

The majority of the pension obligation is covered through KLP's joint pension scheme for local authorities and enterprises ("Fellesordningen").

The Group also offers a pension scheme in addition to "Fellesordningen". This obligation is covered through operation. "Fellesordningen" is a defined-benefits-based pension scheme that satisfies the requirements for mandatory occupational pensions (obligatorisk tjenestepensjon or OTP). The Group has a contractual early retirement (AFP) scheme.

The accounting treatment of pension obligations is described in more detail in note 2.

NOK MILLIONS	Joint scheme	Via operation	2023	Joint scheme	Via operation	2022
PENSION COST						
Present value of accumulation for the year	161	10	171	167	11	179
Administration cost	3	0	3	3	0	3
Planchanges	0	0	0	3	0	3
Social security contributions - Pension costs	23	1	24	22	2	23
Corporate activity tax - Pension costs	10	0	11	7	0	8
Pension costs incl. social security, corporate activity tax and administration cost taken to income	**198**	**12**	**210**	**202**	**13**	**215**
NET FINANCIAL COSTS						
Interest cost	82	9	90	53	6	59
Interest income	-70	0	-70	-43	0	-43
Management costs	3	0	3	2	0	2
Net interest cost	16	9	25	12	6	18
Social security contributions - net interest cost	2	1	3	2	1	3
Corporate activity tax - net interest cost	1	0	1	1	0	1
Net interest cost including social security contributions and corporate activity tax	**19**	**10**	**29**	**15**	**7**	**21**
ESTIMATE DEVIATIONS PENSIONS						
Actuarial gains (losses)	105	18	123	-99	-12	-111
Social security contributions	15	3	17	-14	-2	-16
Corporate activity tax	5	1	6	-4	0	-5
Actuarial gains (losses) including social security contributions and corporate activity tax	**125**	**21**	**147**	**-117**	**-14**	**-132**
Total pension costs including interest costs and estimate deviation	**342**	**44**	**386**	**99**	**6**	**105**

NOK MILLIONS	Joint scheme	Via operation	2023	Joint scheme	Via operation	2022
PENSION OBLIGASTIONS						
Gross accrued pension obligations	3 008	312	3 320	2 683	281	2 964
Pension assets	2 550	0	2 550	2 276	0	2 276
Net liability before social security costs	458	312	770	406	281	687
Social security contributions	60	40	100	53	36	89
Corporate activity tax	25	18	43	22	16	38
Gross accrued obligations incl. social security costs and corporate activity tax	3 093	369	3 463	2 758	333	3 091
Net liability incl. social security costs and corporate activity tax	**543**	**369**	**913**	**482**	**333**	**815**

NOK MILLIONS	Joint scheme	Via operation	2023	Joint scheme	Via operation	2022
RECONCILIATION PENSION OBLIGASTIONS						
Capitalized net liability/(assets) 01.01.	482	333	815	535	335	870
Pension costs taken to profit/loss	198	12	210	202	13	215
Financial costs taken to profit/loss	19	10	29	15	7	21
Actuarial gains and losses included social security contributions and corporate activity tax	125	21	147	-117	-14	-132
Social security contributions paid in premiums/supplement	-44	-2	-46	-24	-2	-25
Capital activity tax contribution paid in premiums/supplement	-10	0	-11	-6	0	-6
Premium/supplement paid-in including admin	-227	-6	-233	-123	-5	-128
Capitalized net liability/(assets) 31.12. this year	**543**	**369**	**912**	**482**	**333**	**815**

NOK MILLIONS	Joint scheme	Via operation	2023	Joint scheme	Via operation	2022
CHANGE IN PENSION OBLIGASTIONS						
Gross pension assets 01.01. after planchanges	2 758	333	3 091	2 747	335	3 082
Present value of accumulation for the year	161	10	171	167	11	179
Interest cost	85	9	93	53	6	59
Actuarial losses (gains) gross pension obligation	140	21	161	-183	-14	-198
Social security contributions - pension costs	23	1	25	24	2	26
Social security contributions - net interest cost	2	1	3	2	1	3
Social security contributions paid in premiums/supplement	-33	-1	-34	-18	-1	-19
Corporate activity tax - pension costs	7	0	8	7	0	8
Corporate activity tax - net interest cost	1	0	1	1	0	1
Corporate activity tax paid in premiums/supplement	-10	0	-11	-6	0	-6
Payments	-40	-7	-47	-37	-6	-43
Gross pension obligation 31.12.	**3 093**	**369**	**3 463**	**2 758**	**333**	**3 091**

NOK MILLIONS	Joint scheme	Via operation	2023	Joint scheme	Via operation	2022
CHANGE IN PENSIONS ASSETS						
Pension assets 01.01	2 276	0	2 276	2 212	0	2 212
Interest income	71	0	71	43	0	43
Actuarial (loss) gain on pension assets	15	0	15	-66	0	-66
Administration cost	-3	0	-3	-3	0	-3
Financing cost	-2	0	-2	-2	0	-2
Premium/supplement paid-in including admin	234	7	241	129	6	135
Payments	-40	-7	-47	-37	-6	-43
Pension assets 31.12	**2 550**	**0**	**2 550**	**2 276**	**0**	**2 276**

NOK MILLIONS	Joint scheme	Via operation	2023	Joint scheme	Via operation	2022
PENSION SCHEME'S OVER-/UNDER-FINANCING						
Present value of the defined benefits pension obligation	3 093	369	3 463	2 758	333	3 091
Fair value of the pension assets	2 550	0	2 550	2 276	0	2 276
Net pensions liability	**543**	**369**	**912**	**482**	**333**	**815**

	31.12.2023	31.12.2022
FINANCIAL ASSUMPTIONS (COMMON TO ALL PENSION SCHEMES)		
Discount rate	3.10%	3.00%
Salary growth	3.50%	3.50%
The National Insurance basic amount (G)	3.25%	3.25%
Pension increases	2.80%	2.60%
Social security contribution	14.10 %	14.10 %
Corporate activity tax	5.00 %	5.00 %

The assumptions as at 31 December 2022 have been applied to measurement of the cost of pension for 2023, whilst for calculation of the pension obligation on 31 December 2023, the assumptions and membership numbers as at 31 December 2023 have been applied. The assumptions are based on the market situation as at 31 December 2023 and are in accordance with the recommendations of the Norwegian Accounting Standards Board (NASB).

ACTUARIAL ASSUMPTIONS

KLP's JOINT PENSION SCHEME FOR LOCAL AUTHORITIES AND ENTERPRISES ("FELLESORDNINGEN):

An important part of the basis of pension costs and pension obligations is how mortality and disability develop amongst the members of the pension scheme.

KLP uses best estimate based on mortality and disability figures in KLPs customer base

Withdrawal of contractual early retirement (AFP) (per cent in relation to remaining employees):

The costs of AFP depend on how many in each year-group take AFP. On reaching 62 years there are 42.5 per cent who retire with an AFP pension. It is only those who are employed and working right up to retirement who are entitled to AFP. This is taken into account in the calculation of the AFP obligation.

Voluntary termination for "Fellesordning" (in %)						
Age (in years)	<24	24-29	30-39	40-49	50-55	>55
Turnover	25%	15%	7.5%	5%	3%	0 %

PENSIONS VIA OPERATIONS

AFP/early retirement is not relevant to this scheme. In regard to mortality the same estimates have been used as for "Fellesordningen".

Number	Joint scheme	Via operation	2023	Joint scheme	Via operation	2022
MEMBERSHIP STATUS						
Number active	1 081	43	1 124	900	44	944
Number deferred (previous employees with deferred entitlements)	975	32	1 007	747	29	776
Number of pensioners	333	55	388	277	56	333

	2023	2022
Composition of the pension assets:		
Property	13.3%	14.7%
Lending	11.3%	12.0%
Shares	31.6%	30.2%
Long-term/HTM bonds	28.6%	29.0%
Short-term bonds	11.5%	12.2%
Liquidity/money market	3.6%	1.9%
Total	100.0 %	100.0 %

The pension funds are based on KLP's financial funds in the common portfolio. The table shows percentage placing of the pension funds administered by KLP at the end of the year. Value-adjusted return on the assets was 6.39 percent in 2023 and -1.14 percent in 2022.

Expected payment into benefits plans after cessation of employment for the period 1 January 2024 – 31 December 2024 is NOK 243 million.

Sensitivity analysis as at 31 December 2023	
The discount rate is reduced by 0.5 %	**Increase**
Gross pension obligation	10.3%
Accumulation for the year	13.6%
Salary growth increases by 0.25%	**Increase**
Gross pension obligation	0.5%
Accumulation for the year	1.4%
Mortality is strengthened by 10 %	**Increase**
Gross pension obligation	2.8%
Accumulation for the year	2.0%

The sensitivity analysis above is based on all other assumptions being unchanged. In practice that is an unlikely scenario and changes in some assumptions are correlated. The calculation of gross pension obligation and accumulation for the year in the sensitivity analysis has been done using the same method as in calculating gross pension obligation in the financial position statement.

The duration in the Joint scheme is estimated at 19.9 years.

Note 31 **Insurance liabilities**

A. Directly participating contracts

	Liability for remaining coverage 2023	2022
Opening balance	**686 834**	**697 685**
Canges in the statement of profit or loss and OCI		
Insurance revenue		
Contracts under the fair value approach	725	-1 543
Insurance service charges		
Incurred claims and other insurance service expenses	1 543	1 515
Insurance service result	**2 268**	**-28**
Result addes to policyholders' residual value	44 179	-24 823
Total changes in the statement of profit or loss and OCI	**46 447**	**-24 851**
Cash flows		
Premiums received (including investment components)	57 921	41 389
Claims and other insurance service expenses paid (including invetsment components)	-28 494	-27 426
Total cash flows	**29 426**	**13 963**
Other changes	81	39
Closing balance insurance obligations with the right to residual value	**762 789**	**686 834**

2023	Estimates of present value of furture cash flows	Risk adjustment for non-financial risk	Residual value under fair value approach	Total
Opening balance	**322 226**	**27 304**	**337 305**	**686 834**
Changes in the statement of profit or loss and OCI				
Change in risk adjustment for non-financial risk for risk expired		2 321		**2 321**
Experience adjustments	-53			**-53**
Insurance finance income or expenses from insurance contracts recognised in OCI	3 616	-557	-19 038	**-15 978**
Result added to policyholders' residual value	22 526		37 631	**60 158**
Total changes in the statement of profit or loss and OCI	**26 089**	**1 764**	**18 594**	**46 447**
Cash flows				
Premiums received (including investment components)	57 921			**57 921**
Claims and other insurance servce expenses paid (including investment components)	-28 494			**-28 494**
Total cash flowx	**29 426**	**0**	**0**	**29 426**
Other changes			81	**81**
Closing balance 31.12.2023 insurance obligations with the right to residual value	**377 742**	**29 068**	**355 979**	**762 789**

2022	Estimates of present value of furture cash flows	Risk adjustment for non-financial risk	Residual value under fair value approach	Total
Opening balance	**414 317**	**35 107**	**248 260**	**697 685**
Changes in the statement of profit or loss and OCI				
Change in risk adjustment for non-financial risk for risk expired		167		**167**
Experience adjustments	-195			**-195**
Insurance finance income or expenses from insurance contracts recognised in OCI	-105 859	-7 970	102 027	**-11 802**
Result added to policyholders' residual value			-13 021	**-13 021**
Total changes in the statement of profit or loss and OCI	**-106 054**	**-7 803**	**89 006**	**-24 851**
Cash flows				
Premiums received (including investment components)	41 389			**41 389**
Claims and other insurance servce expenses paid (including investment components)	-27 426			**-27 426**
Total cash flowx	**13 963**	**0**	**0**	**13 963**
Other changes			39	**39**
Closing balance 31.12.2022 insurance obligations with the right to residual value	**322 226**	**27 304**	**337 305**	**686 834**

B. Other insurance liabilities

2023	Liability for remaining coverage	Liability for incurred claims		Total
	Excluding loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Opening balance	**276**	**2 790**	**115**	**3 181**
Insurance revenue	**-2 505**	**0**	**0**	**-2 505**
Insurance service expenses	**0**	**2 084**	**9**	**2 092**
Of this year's damages	0	2 201	49	**2 250**
Including liquidation defiations for previous years	0	-118	-41	**-158**
Insuranceresult before reinsurance	**0**	**2 084**	**9**	**2 092**
Insurance finance income or expenses from insurance contracts	0	62	5	**66**
Total changes in comprehensive income	**-2 505**	**2 146**	**13**	**-347**
Premiums received	2 549	0	0	**2 549**
Clamis	0	-1 991	0	**-1 991**
Total cash flows	**2 549**	**-1 991**	**0**	**558**
Net closing balance	**320**	**2 944**	**128**	**3 392**

2022	Liability for remaining coverage	Liability for incurred claims		Total
	Excluding loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Opening balance	**225**	**2 266**	**95**	**2 586**
Insurance revenue	**-2 200**	**0**	**0**	**-2 200**
Insurance service expenses	**0**	**2 138**	**25**	**2 162**
Of this year's damages	0	2 221	54	**2 276**
Including liquidation defiations for previous years	0	-84	-30	**-113**
Insuranceresult before reinsurance	**-2 200**	**2 138**	**25**	**-38**
Insurance finance income or expenses from insurance contracts	0	-44	-5	**-48**
Total changes in comprehensive income	**-2 200**	**2 094**	**20**	**-87**
Premiums received	2 252	0	0	**2 252**
Clamis	0	-1 571	0	**-1 571**
Total cash flows	**2 252**	**-1 571**	**0**	**681**
Net closing balance	**276**	**2 790**	**115**	**3 181**

Note 32 **Hedge accounting**

31.12.2023 NOK MILLIONS	Nominal value	Changed value in hedged risk	Book value 31.12.2023
KOMMUNAL LANDSPENSJONSKASSE			
HEDGED OBJECT			
Hybrid tier 1 securities	-984	-450	-1 434
HEDGING INSTRUMENT			
Combined interest rate and currency swap (CIRCUS)	984	449	449
Hedge effectiveness as at 31.12.2023		**100 %**	
Hedge effectiveness through the year		**100 %**	
KLP BANKEN GROUP			
HEDGED OBJECT			
Loan	1 662	-87	1 669
Debt	1 700	7	1 700
HEDGING INSTRUMENT			
Interest rate swap loan	1 662	-8	89
Interest rate swap debt	1 700	87	-4
Hedge effectiveness as at 31.12.2023		**99 %**	
Hedge effectiveness through the year		**99 %**	

31.12.2022 NOK MILLIONS	Nominal value	Changed value in hedged risk	Book value 31.12.2022
KOMMUNAL LANDSPENSJONSKASSE			
HEDGED OBJECT			
Hybrid tier 1 securities	-984	-445	-1 428
HEDGING INSTRUMENT			
Combined interest rate and currency swap (CIRCUS)	984	465	465
Hedge effectiveness as at 31.12.2022		**102 %**	
Hedge effectiveness through the year		**102 %**	
KLP BANKHOLDING GROUP			
HEDGED OBJECT			
Loan	1 789	-98	1 702
Debt	1 700	19	1 700
HEDGING INSTRUMENT			
Interest rate swap loan	1 789	72	97
Interest rate swap debt	1 700	9	16
Hedge effectiveness as at 31.12.2022		**101 %**	
Hedge effectiveness through the year		**101 %**	

The note shows the financial instruments in the Group subject to hedge accounting, with associated hedging instruments. The hedge effectiveness stands at approx. 100 per cent on the hedge relationships as at 31 December 2023, which means relatively small effects on everything subject to hedge accounting in the Group.

Hybrid Tier 1 securities in foreign currency with fixed interest

The hybrid Tier 1 securities loan is hedged against changes in interest rates and exchange rates through purchase of a combined interest rate and currency swap (CIRCUS). The hedging is brought to account in accordance with the rules on fair value hedging. In practice the hedging involves a swap of currency terms (JPY 15 billion against NOK 0.984 billion) and interest terms (fixed interest at 5.07 per cent against NIBOR +2.6475 per cent) on the borrowing and the combined interest and currency swap respectively. The hedge effectiveness is measured by looking at the change in fair value of the hedged object and the hedging instrument.

The hedge effectiveness is valued retrospectively each month and is then considered effective if the change in fair value between hedged object and hedging instrument lies within the bracket 80 per cent to 125 per cent.

Other hedging relationships

There are two hedging relationship in KLP Kommunekreditt AS. The hedged objects are fixed rate loans and debt, which are hedged with the use of interest rate swaps. For more details - see KLP Kommunekreditt AS' annual report for 2023.

General

Fair value hedging means that the hedged value development of the hedged object is recognized through profit or loss. Correspondingly the value change on the hedging instrument is recognized in profit/loss. See also Note 2.3.1.3 for a detailed description of the hedge accounting in the accounts.

Note 33 **Borrowing**

NOK MILLIONS	Nominal in NOK	Currency	Interest	Due date	Book value 31.12.2023	Book value 31.12.2022
FIXED - TERM SUBORDINATED LOAN						
Kommunal Landspensjonskasse	2 530	EUR	Fixed [1]	2045	3 327	3 147
Total subordinated loan capital	**2 530**	**-**	**-**	**-**	**3 327**	**3 147**
HYBRID TIER 1 SECURITIES						
Kommunal Landspensjonskasse	984	JPY	Fixed [2]	2034	1 434	1 428
Total hybrid Tier 1 securities	**984**	**-**	**-**	**-**	**1 434**	**1 428**
COVERED BONDS						
KLP Kommunekreditt AS	0	NOK	Floating	2023	0	2 985
KLP Kommunekreditt AS	1 553	NOK	Floating	2024	1 562	5 021
KLP Kommunekreditt AS	5 000	NOK	Floating	2025	5 015	5 010
KLP Kommunekreditt AS	5 000	NOK	Floating	2026	5 053	5 036
KLP Kommunekreditt AS	1 000	NOK	Fixed	2027	1 012	1 012
KLP Kommunekreditt AS	6 000	NOK	Floating	2027	6 052	0
KLP Kommunekreditt AS	700	NOK	Fixed	2029	706	706
KLP Boligkreditt AS	0	NOK	Floating	2023	0	1 603
KLP Boligkreditt AS	1 554	NOK	Floating	2024	1 555	2 501
KLP Boligkreditt AS	2 500	NOK	Floating	2025	2 501	2 501
KLP Boligkreditt AS	4 500	NOK	Floating	2026	4 536	3 521
KLP Boligkreditt AS	2 500	NOK	Floating	2027	2 516	2 512
Other					-4	22
Total covered bonds	**30 307**	**-**	**-**	**-**	**30 504**	**32 430**
DEBT TO CREDIT INSTITUTIONS						
KLP Banken AS	0	NOK	Floating	2023	0	300
KLP Banken AS	450	NOK	Floating	2024	453	450
KLP Banken AS	300	NOK	Floating	2025	301	303
KLP Banken AS	150	NOK	Floating	2026	151	0
KLP Fond	4 218	NOK	Floating	2023	4 218	1 302
KLP Fond	1 111	NOK	Fixed	2023	1 111	1 540
Kommunal Landspensjonskasse	6 727	NOK	Floating	2023	6 727	2 678
Kommunal Landspensjonskasse	0	NOK	Fixed	2023	0	0
Other					80	110
Total liabilities to credit institutions	**12 957**	**-**	**-**	**-**	**13 041**	**6 683**
LIABILITIES AND DEPOSITS FROM CUSTOMERS [3]						
Retail	12 087	NOK			12 087	11 722
Business	1 924	NOK			1 924	2 021
Foreign	50	NOK			50	37
Liabilities to and deposits from customers	**14 060**	**-**			**14 060**	**13 779**
Total financial liabilities	**60 837**				**62 366**	**57 467**

1 The loan has an interest change date in 2025.

2 The loan has an interest change date in 2034.

3 There is no contractual maturity date on deposits.

This note shows the financial liabilities that the Group had at the end of the reporting period; where the majority is funding for KLP Bank Group.

The companies listed above are the issuers of the financial debt. Deposits belongs to KLP Banken AS.

Note 34 **Transferred assets with restrictions**

Transferred assets that are still capitalised

All assets transferred are recognised in the financial position statement if the Group is still exposed to changes in the fair value of the asset. This applies to repurchase agreements and agreements concerning securities lending. Repurchase agreements are a form of borrowing with collateral, whereby the Group sells securities with an agreement to repurchase those securities at a predetermined price. Cash received is recognised as a deposit (debt). Securities transferred in connection with the repurchase agreement are not deducted in the financial position statement. Agreements regarding securities lending are transactions whereby the group lends securities to a counterparty and receives a commission for it. Since both repurchase agreements and securties lending result in the securities being returned to the Group, the risk of value changes rests with the Group. However, the securities are not available to the Group while being transferred. The securities still reported in the financial position statement, and related debt, are assessed at fair value.

NOK MILLIONS	31.12.2023	31.12.2022
REPURCHASE AGREEMENTS		
Certificates and bonds	1 140	1 304
Paid in by credit institutions	6 172	0
SECURITIES LENDING		
Shares	12 222	8 399
Total assets transferred that are still capitalised	**19 534**	**9 702**

LIABILITIES RELATED TO THE ASSETS

NOK MILLIONS	31.12.2023	31.12.2022
REPURCHASE AGREEMENTS		
Certificates and bonds	6 170	0
Paid in by credit institutions	1 113	1 304
SECURITIES LENDING		
Paid in by credit institutions	0	289
Certificates and bonds	4 366	4 263
Shares	9 469	4 302
Total liabilities	**21 118**	**10 159**

All the assets in the table above are subject to resale or collateral with the counterparty.

ASSETS TRANSFERRED THAT ARE NOT DEDUCTED, AND RELATED LIABILITIES

The Group receives collateral under reverse repurchase agreements and agreements related to securities borrowing, which it is permitted to sell or pledge under the agreement.

Transactions are carried out in accordance with standard agreements employed by the parties in the financial market. The agreements normally require additional collateral if the values fall below a predetermined level.

According the agreements, the recipient of the collateral has the unlimited right to sell or pledge the collateral in return for providing corresponding collateral on the date of settlement.

SECURITIES RECEIVED THAT ARE PERMITTED TO BE SOLD OR PLEDGED

NOK MILLIONS	31.12.2023	31.12.2022
SECURITIES BORROWING		
Shares	835	511
Of which sold or pledged	835	511
Total assets transferred and still capitalised	**835**	**511**

Adjusted for the unit holders' interests in consolidated securities funds, meaning that only the KLP Group de facto ownership and risks are taken into account; assets are reduced by NOK 5 463 million and liabilities associated to the assets are reduced by NOK 6 436 million as of 31.12.2023.

Note 35 **Return on capital for life insurance segment**

PERCENT	2023	2022	2021	2020	2019
TOTAL OF COMMON PORTOFOLIO					
Return on capital [1]	6.4	-1.1	8.4	4.2	8.5
SUB-PORTOFOLIOS OF THE INVESTMENT OPTION PORTOFOLIO					
Balanced portfolio 1					
Return on capital [1]	6.4	-1.1	8.4	4.2	8.6
Balanced portfolio 2					
Return on capital [1]	N/A	N/A	8.3	4.2	8.5
Moderate portfolio					
Return on capital [1]	N/A	N/A	N/A	N/A	N/A
INVESTMENT OPTION PORTOFOLIO					
Return on capital [1]	8.3	-2.5	8.9	4.2	9.9
CORPORATE PORTOFOLIO					
Return on capital [1]	3.0	2.8	3.4	3.1	4.3

[1] Return on capital, formerly known as value-adjusted return, includes all realized and unrealized income from investments in accordance with the current account principles KLP is following.

The Moderate portfolio was closed at the end of june 2019 and was included in the Balanced portfolio 1 from July 2019 and onwards. Balanced portfolio 2 was closed at the end of 2021, and was included in the Balanced portfolio 1 from the beginning of 2022.

Note 36 **Change in liabilities from financing activities**

NOK MILLIONS	31.12.2022	Cash flow from financing activities	Cash flow from operating activities	Non-cash changes [1]	31.12.2023
Subordinated loan capital	3 147	2	0	178	3 327
Hybrid Tier 1 securities	1 428	0	0	6	1 434
Debt to credit institutions	6 683	0	6 358	0	13 041
Covered bonds issued	32 430	-2 106	0	179	30 504
	43 689	**-2 104**	**6 358**	**363**	**48 306**

[1] Non-cash flow changes are mainly unrealized currency.

NOK MILLIONS	31.12.2021	Cash flow from financing activities	Cash flow from operating activities	Non-cash changes [1]	31.12.2022
Subordinated loan capital	3 000	1	0	146	3 147
Hybrid Tier 1 securities	1 604	0	0	-176	1 428
Debt to credit institutions	4 199	0	2 485	0	6 683
Covered bonds issued	31 015	1 460	0	-45	32 430
	39 818	**1 461**	**2 485**	**-75**	**43 689**

Note 37 **Other current liabilities**

NOK MILLIONS	31.12.2023	31.12.2022
Short-term payables trade in securities	3 357	1 699
Incurred not assessed taxes	888	671
Accounts payable	301	256
Public fees	691	629
Other current liabilities	1 114	994
Total other current liabilities	**6 352**	**4 248**

Note 38 **Equity**

From and including 2023, the KLP group will submit accounts according to the new accounting standard IFRS 17 Insurance contracts. The new standard takes into account the fact that KLP is mutually owned, and the policyholders on public occupational pensions are entitled to all value creation in the group. This means that according to IFRS 17 the group has no equity and that the result will be zero.

However, the group has reported an equity as of 31.12.2023 of minus NOK 3,140 million. This equity arises as a result of the fact that the policyholders are entitled to the fair value of all assets and liabilities in the business, but certain asset and liability items are not accounted for at fair value. This creates a valuation difference that constitutes equity in a mutual insurance company.The period's change in valuation difference NOK 499 million, will thus appear as a result.

The statement in this note should be seen in connection with the equity statement.

NOK MILLIONS	31.12.2023 Book value	Fair value	Difference
Bonds	2 254	2 159	95
Lending and FV-hedging	44 509	44 503	6
Investment in associated companies (equity method)	5 178	7 981	- 2 803
Deferred tax assets (nominal, usable value)	48	48	0
Goodwill	0	470	- 470
Other intangible assets (LVP)	1 379	1 379	0
Asset valued at fair value	963 353	963 353	0
Total assets	**1 016 721**	**1 019 893**	**- 3 172**
Hybrid Tier 1 securities/Subordinated loan capital	4 761	4 761	0
Other borrowings and bank deposits	45 469	45 501	- 33
Pension obligations	913	913	0
Deferred tax (nominal value)	1 055	1 055	0
Commitments valued at fair value	967 664	967 664	0
Total debt	**1 019 861**	**1 019 893**	**- 33**
Group equity	**- 3 140**	**0**	**- 3 140**

NOK MILLIONS	31.12.2022 Book value	Fair value	Difference
Bonds	68 282	68 373	- 91
Lending and FV-hedging	209 543	197 290	12 253
Investment in associated companies (equity method)	4 538	8 204	- 3 666
Deferred tax assets (nominal, usable value)	48	48	0
Goodwill	0	72	- 72
Other intangible assets (LVP)	1 049	1 049	0
Asset valued at fair value	616 609	616 609	0
Total assets	**900 068**	**891 645**	**8 424**
Hybrid Tier 1 securities/Subordinated loan capital	4 575	4 575	0
Other borrowings and bank deposits	47 264	47 236	28
Pension obligations	3 181	3 181	0
Deferred tax (nominal value)	1 153	1 153	0
Commitments valued at fair value	835 500	835 500	0
Total debt	**891 673**	**891 645**	**28**
Group equity	**8 396**	**0**	**8 396**

Note 39 **SCR ratio**

The Solvency II balance sheet includes assets and liabilities at fair value. For assets that have a different value in the accounts change in balance value are added. There are no observable market values for KLP's insurance liabilities, which are thus calculated by way of a best estimate based on actuarial assumptions. In addition there is a risk margin that is to reflect a third party's capital costs by taking over these liabilities.

Tier 1 own funds appears from the Solvency II balance sheet and Hybrid Tier 1 securities. Tier 2 own funds consist of subordinated loans, the risk equalization fund, the natural perils fund and ancillary own funds. The Financial Supervisory Authority of Norway has accepted that KLP's right to call in further member contribution if necessary, which is laid down in the Company's articles of association, can be counted as ancillary own funds, the amount corresponding to 2.5 per cent of the Company's premium reserve. Own funds that may be included in Tier 2 own funds is limited upwards to 50 per cent of SCR.

Without the use of the transitional measure on technical provisions the Company's SCR ratio is 314 per cent, which is well over the Company's target of at least 150 per cent. With the transitional measure on technical provisions the SCR ratio is 314 per cent.

	31.12.2023	31.12.2022
Solvency II - SCR ratio	314 %	288 %

NOK BILLIONS	31.12.2023	31.12.2022
Simplified Solvency II Financial Position Statement		
Assets, book value	790	713
Added values - hold-to-maturity portfolio/loans and receivables	-9	-13
Added values - other lending	-1	-2
Other added/lesser values	0	0
Deferred tax asset	0	0
Total assets - solvency II	**779**	**699**

NOK BILLIONS	31.12.2023	31.12.2022
Simplified Solvency II Financial Position Statement		
Best estimate	706	632
Risk margin	11	12
Hybrid Tier 1 securities/Subordinated loan capital	5	5
Other liabilities	13	9
Deferred tax liabilities	0	0
Total liabilities - solvency II	**735**	**657**
Excess of assets over liabilities	44	42
- Deferred tax asset	0	0
- Risk equalization fund and natural perils fund	-4	-5
+ Hybrid Tier 1 securities	1	1
Tier 1 basic own funds	**42**	**38**
Total eligible tier 1 own funds	**42**	**38**
Subordinated loans	3	3
Risk equalization fund and natural perils fund	4	5
Tier 2 basic own funds	**7**	**8**
Ancillary own funds	14	13
Tier 2 ancillary own funds	**14**	**13**
Deduction for max. eligible tier 2 own funds	-14	-14
Total eligible tier 2 own funds	**7**	**7**
Deferred tax asset	0	0
Total eligible tier 3 own funds	**0**	**0**
Eligible own funds to meet the solvency capital requirement	**49**	**46**
Market risk	141	109
Counterparty risk	4	3
Life risk	113	95
Non-life risk	1	1
Health risk	0	0
Diversification	-56	-46
Operational risk	3	3
Loss absorbing capacity of technical provisions	-190	-149
Loss absorbing capacity deferred tax	-2	-2
Capital requirement for other financial sectors	1	1
Solvency capital requirement (SCR)	**16**	**16**
Minimum consolidated group solvency capital requirement	**5**	**5**
Eligible own funds to meet the minimum consolidated group SCR	**39**	**36**
Solvency II- SCR ratio	**314 %**	**288 %**

Note 40 **Number of employees**

	2023	2022
Number of permanent employees 31.12.	1 133	1 093
Number of temporary employees 31.12.	30	52
Total number of employees 31.12.	**1 163**	**1 145**
Number of full time equivalents permanent employees 31.12.	1080	1 041
Number of full time equivalents temporary employees 31.12.	12	20
Total number of full time equivalents 31.12.	**1 092**	**1 061**

Note 41 **Contingent liabilities**

NOK MILLIONS	31.12.2023	31.12.2022
KLP guarantee liability	2	2
Committed, not subscribed investment in private equity and property funds	27 349	27 889
Approved, not paid out KLP Group loan pledge	4 058	3 676
Total contingent liabilities	**31 409**	**31 567**

KLP's sustainability accounts 2023

About KLP's sustainability accounts

KLP aims to be a partner to the Norwegian local government and healthcare sector for a sustainable transition. We aim to deliver secure pension savings and value-added services while helping to achieve the ambition of the Paris Agreement and the UN's Sustainable Development Goals. We aim to be among the leaders in sustainability in our industry. Sustainability embraces both social responsibility and sustainability.

In the sustainability accounts, we explain how KLP approaches sustainability, which topics we have focused on in the past year, what goals we have related to sustainability, and what results we have achieved. Our sustainability reporting rests on KLP's core values: Open, Clear, Responsible and Committed. This means that we are as open and transparent as possible, because we think this makes our endeavours more influential and effective.

The new EU Sustainability Reporting Directive (CSRD) will bring about major changes in sustainability reporting. Although KLP has been reporting on sustainability for many years, the Directive will place more stringent demands on the quality and control of the figures we report and significantly increase the scope of what we report on. It is expected that Norway will follow the EU's timeline for the implementation of CSRD, which means that the regulations will come into force for the reporting year 2024. The KLP group is part of the first group of reporting companies and we will then have to report for the first time in 2025, for 2024. This year's reporting is a "test report" based on the requirements of CSRD and the European standards for sustainability reporting (ESRS), where we have tried to answer as many of the requirements as possible. We have not been able to answer all the requirements, but the process has given us a good overview of missing data and processes, and areas where we lack guidelines, objectives or measures. This will give us a good starting point to work on implementing the CSRD in 2024 and will deliver value and benefit from the reporting and the work involved.

KLP is publishing a consolidated report for the KLP Group for the financial year 2023, as we have done in past years. The sustainability accounts cover the following KLP subsidiaries: KLP Banken, KLP Eiendom, KLP Kapitalforvaltning and KLP Skadeforsikring. The accounts cover the most significant upstream and downstream value chains for the KLP Group, particularly our customers and suppliers, and our own operations and investments. The Corporate Responsibility department has the overall responsibility for compiling the sustainability accounts, but cooperates closely with the Finance Department on data collection and quality control. Large parts of the KLP Group also have ownership of different types of data and input and quality-assure the data itself in accordance with relevant procedures. In 2024, we will continue to work on embedding this reporting in the various areas of the business and put in place more structured procedures for internal control and documentation.

The reporting complies with the relevant provisions in Sections 3-3a, b and c of the Norwegian Accounting Act, the Act on Disclosure of Sustainability Information in the Financial Sector, the Act on Equality and the Prohibition of Discrimination and the Act on Working Environment, Working Hours and Job Protection, Chapter. 13. The principles of equality and diversity referred to in Section 3-3b of the Accounting Act are reflected in KLP's Articles of Association, internal guidelines and instructions to the Nomination Committee. The sustainability report is part of the KLP Group's annual report and is dealt with by the Board together with the annual report. The tables are validated by our external auditor PwC. You can read the independent report from the auditor here.

KLP is covered by the Transparency Act. In the past, we have written a group-wide report, but in 2024 we will prepare a report for each company that is covered. These will be published on klp.no by 30 June.

In preparing our sustainability accounts, we aim to use actual reported data wherever possible. At the same time, we want as comprehensive sustainability accounts as possible, so where KLP lacks data, we may use estimates. In these cases, we follow established frameworks and methods and best practice, and are transparent about the method used and the degree of uncertainty. This is described in the notes on the relevant indicators.

The pilot reporting to meet the upcoming requirements in the CSRD has resulted in some changes to the layout and structure of the sustainability accounts. For new indicators that have been added, we have calculated historical indicators where possible. Where the methodology for calculating indicators has changed, we have updated historical figures according to the new method. This applies mainly to the calculation of financed emissions, which are described in more detail in the notes.

KLP hopes that the introduction of the CSRD will lead to new best practice for sustainability reporting for the financial sector. For now, we are following recommendations from the Taskforce for Climate-Related Financial Disclosures (TCFD) and reporting in line with the Global Reporting Initiative (GRI). Our GRI Index can be found at klp.no.

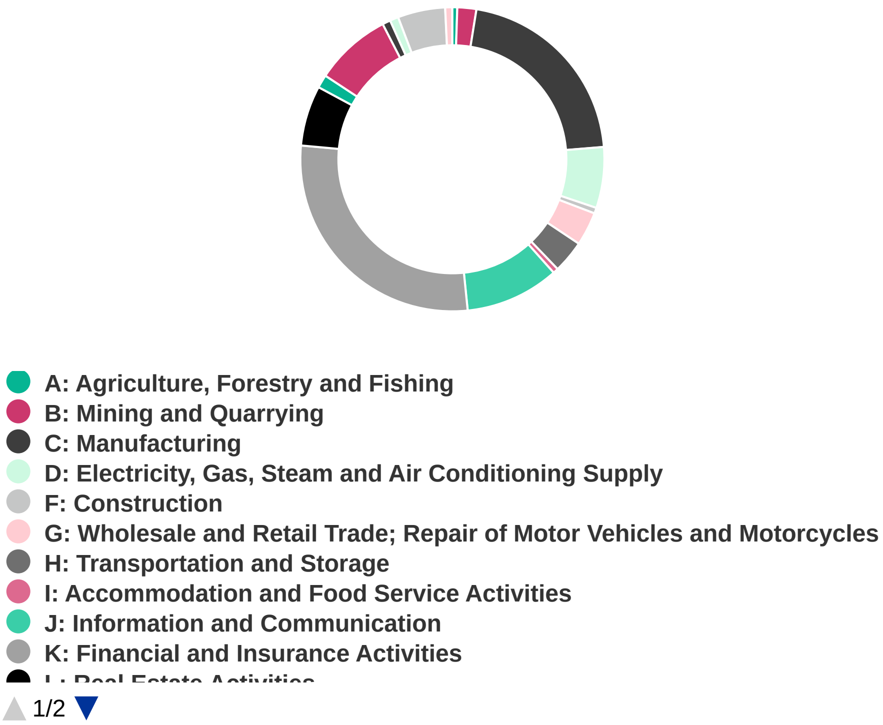
KLP in brief

KLP is the pension company for the Norwegian local government and healthcare sector. We aim to deliver secure pension savings and value-added services while helping to achieve the ambition of the Paris Agreement and the UN's Sustainable Development Goals. In the section on Responsibility in investments, you can read more about how we work as a responsible investor, and you can read more about KLP and public-sector occupational pensions earlier in the annual report. Here you will also find more information about our Board of Directors and management.

In addition to the parent company KLP, the KLP Group consists of several subsidiaries in the banking, non-life insurance, asset management and property sectors. For more information about the subsidiaries, please visit klp.no.

In the KLP group there are 1,133 employees, split between the headquarters in Oslo and offices in Bergen, Trondheim, Copenhagen and Stockholm. Here you will find a detailed overview of the employees of the various companies.

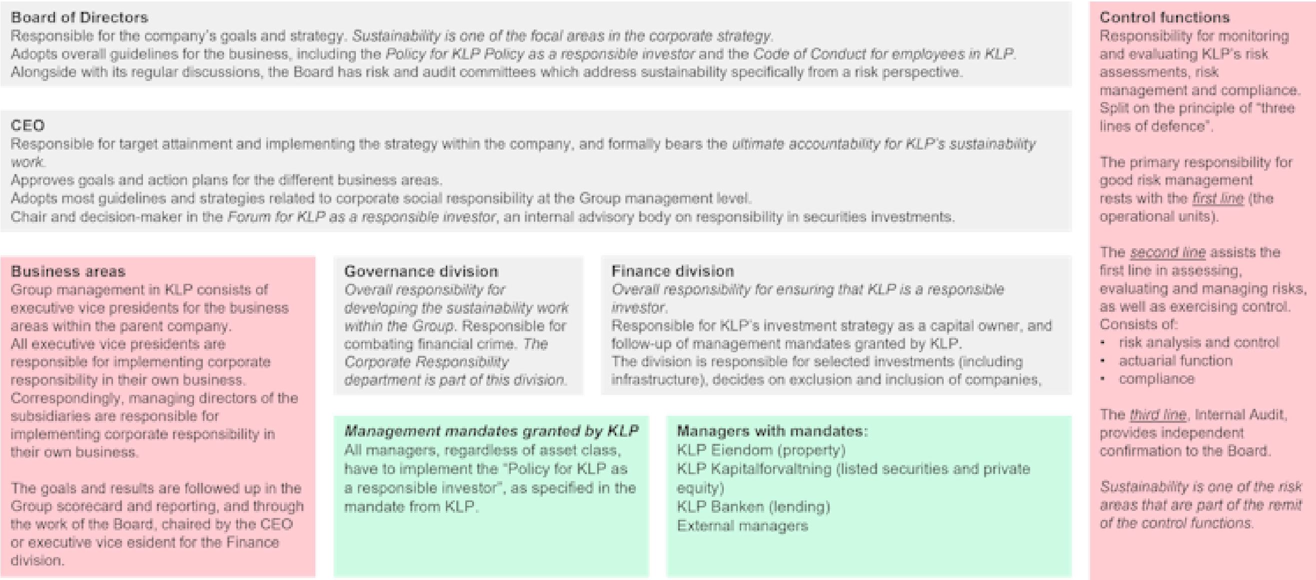
We manage our owners' pension capital and guarantee them a minimum return on their pension assets. We have a large investment universe with good diversification through investments in a wide range of different asset classes, sectors, geographies and companies. For more information about the results for 2023 and investments in different asset classes, see the Annual Report . The figure below shows how KLP's securities investments are distributed across different industries, but you can also read more about our investment strategy here.



Sustainability is integrated into our corporate governance

KLP is constantly working to integrate sustainability into the whole business, not only as a pension manager, but also as a buyer, employer and company. Sustainability is integrated into corporate governance at KLP, and is a key part of the group strategy. All business areas and subsidiaries have a responsibility to implement the strategy and develop measures and goals for sustainability in their own activities.

The figure below describes how governance and control for sustainability is set up in KLP. The figure below shows how governance and control for sustainability is set up in KLP. The section for social responsibility has overall responsibility for the work with sustainability across the group and is located in the Business Management division.



KLP's guiding principle is that sustainability and sustainability risk should follow the ordinary division of roles and established strategy and risk management processes. According to KLP's Risk management policy, all significant risk factors have to be considered and documented. KLP should set high ambitions for environmental, social and governance issues, and focus on these risk factors. KLP has a moderate risk appetite for sustainability risk, while recognising that a well-diversified investment universe carries some sustainability risk, cf. Policy for investment risk. You can read more about KLP's risk management and internal control here.

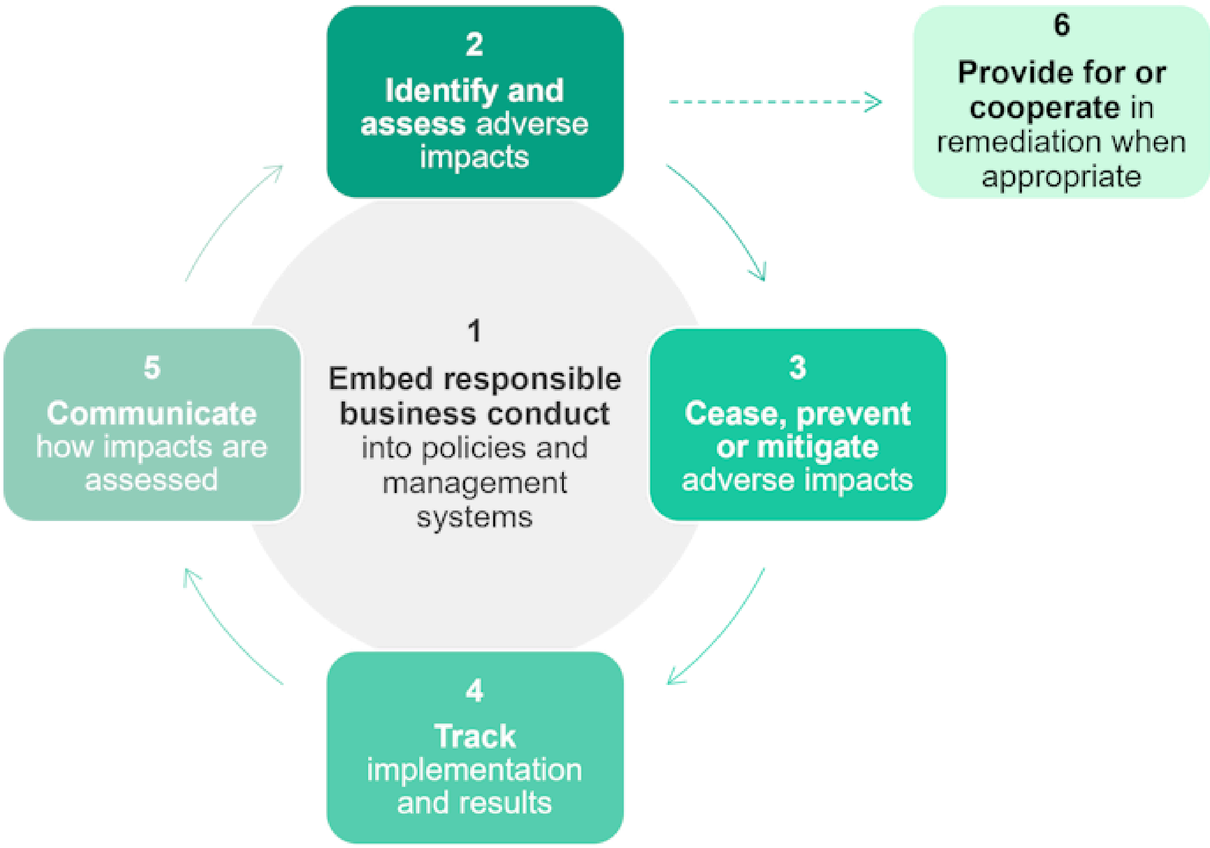
The Board deals with strategic issues and questions through the year, in order to determine KLP's overall objectives and plans going forward. Alongside the overall Group strategy, the Board adopts other Group-wide strategies, including the strategies for investment management and sustainability. Both of these highlight sustainability and sustainability risk, including climate risk. Since 2021, climate risk and sustainability risk have been explicitly included in relevant policies adopted by the Board to make it clear that these types of risk should be prioritised and specify the responsibility for this. Climate and nature risk are also included in the Board's deliberations on other risks. Climate risk is on the FSA's agenda in their supervision of the finance industry, and for the fifth year in a row, climate risk was included in KLP's ORSA report to the FSA in 2023, in which we describe our approach to climate risk. The analysis results and suggested actions engage the organisation right up to Board level. The Board is continouslyinvolved in KLP's analysis and training efforts relating to climate risk, and in the company's plans for dealing with sustainability risk in the coming years.

Group management is responsible for implementing the strategies that are adopted and for managing sustainability risk. Every year, Group management assesses how the company should implement the strategy set out by the Board of Directors. This is made concrete through balanced goal management.

Both the Board and Group management continuously have issues related to a wide range of sustainability topicson the agenda. Matters raised may be for information, for discussion or to pick up suggestions for changes and possibly for decision. In 2023, for example, the Board discussed and adopted a new sustainability strategy which will be followed up and implemented by Group management. The account of the due diligence assessments related to the requirements in the Transparency Act is also presented to the Board and senior management each year.

Due diligence assessments

KLP is covered by the Transparency Act and is therefore required to carry out due diligence checks on human and labour rights. We follow the steps in the OECD Due Diligence Guidance for Responsible Business Conduct as described in the wheel below. Through the due diligence assessments, we aim to map risk so we can manage the risks that exist and seek to avoid any negative impact on society, people and the environment. Our report in accordance with the Transparency Act will be published on klp.no by 30 June 2024, but this work is also discussed in various parts of the annual report. Here you can read about how we address human rights and due diligence checks in investments, for employees and as a buyer.



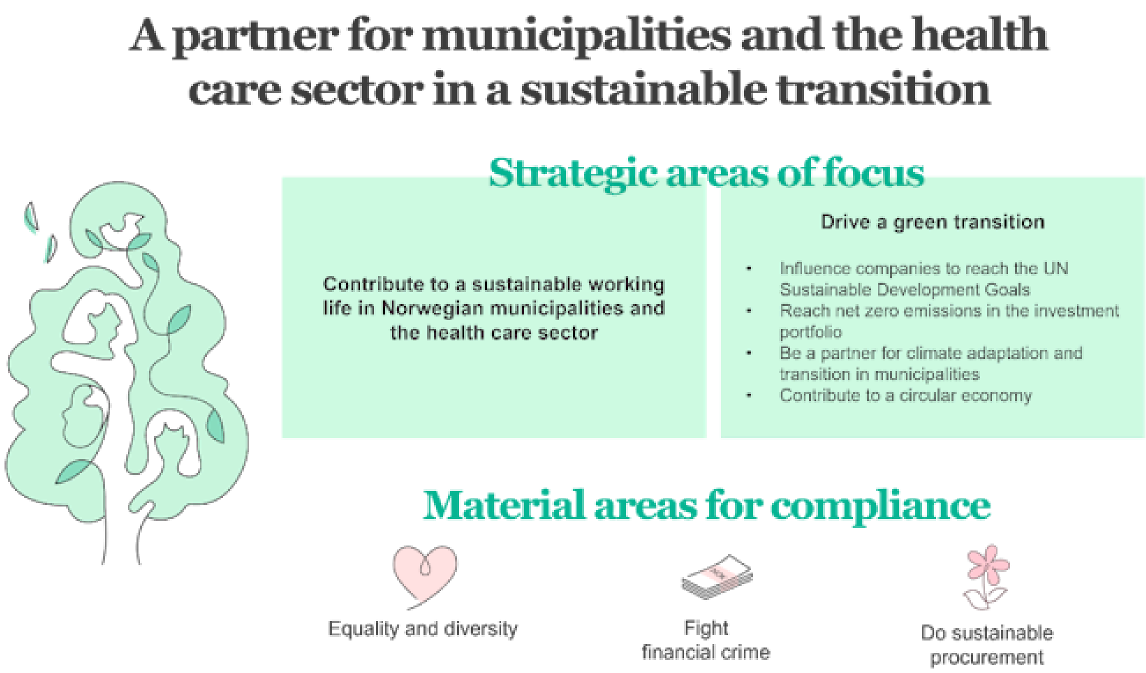
Sustainability in KLP's strategy

In 2023, we designed a new sustainability strategy which states that KLP aims to be a partner to the Norwegian local government and healthcare sector for a sustainable transition. We based our strategy work and process around the elements in the CSRD, including a double-materiality analysis based on CSRD to identify the sustainability issues that KLP has or could have a significant impact on and which constitute or could pose a significant financial risk or opportunity. The materiality analysis and sustainability strategy is owned by senior management and the Board and was integrated into the Group strategy at the beginning of 2024.

In order to use the results from the materiality analysis as a basis for the sustainability strategy, we chose to divide the significant sustainability themes into two categories: strategic focus areas with particular relevance for KLP and/or our customer owners, where we have the opportunity to take a clear position and differentiate ourselves, and areas that are essential for compliance, where continuous work will be required to meet legal requirements, best practice and internal and external expectations. The new strategy highlights two themes as strategic focus areas for KLP's sustainability work:

- **Promoting a sustainable working environment in the Norwegian local government and healthcare sector.** Having sufficient staff with the right skills is often a major challenge for our owners, and the situation will become even tighter towards 2040 – both in the municipalities and in the healthcare sector. The pension system has been changed to encourage more people in the public-sector occupational pension scheme to go on working from 2025 onwards, and informed choices by individuals will be crucial. This will benefit our customers and owners.
- **Driving a green transition** . This is particularly important in terms of achieving the 1.5 degree goal, but also in the work related to nature and biodiversity. Here we are working on a comprehensive transition plan for KLP to achieve the goal of net zero emissions from the investment portfolio. This work involves establishing goals, milestones, plans and measures for how we can achieve the long-term goal of net zero 2050.

The sustainability strategy is summarized in the below figure.



For each sustainability theme that was assessed as significant for KLP in the materiality analysis, a vision has been formulated which describes why this is an important topic for KLP, the desired future state, our ambitions in the one and three-year term, the measures we intend to implement, and KPIs to assess progress. The vision statements are meant to set out what we want to achieve and how, and also serve as an action plan for the coming year. They will allow us to track progress towards defined targets and milestones. This concrete vision is crucial for the organisation to move in the same direction and focus on the most important objectives. Each vision has a designated owner, who may be an executive vice president, managing director or other manager, to be responsible for content and follow-up. You can read more about our work on the different visions here:

Vision	Sections within KLP's sustainability accounts
Promote a sustainable working environment in the Norwegian local government and healthcare sector.	Sustainable working life
Influence companies to achieve the UN Sustainable Development Goals	Responsibility in investments
Reach net zero in the investment portfolio	KLP's climate change adaptation plan
Partner to the municipalities' climate change adaptation and transition planning (to be worked on in 2024)	-
Push for a circular economy in non-life insurance	Circular economy in non-life insurance
Push for a circular economy in property	Circular economy in property
Equality and diversity in our own organisation	Equality and diversity
Fight financial crime	Zero tolerance for financial crime
Make sustainable purchases	Workers in the value chain

Stakeholder dialogue

Our owners and customers in the Norwegian local government and healthcare sector are our most important stakeholders. Their values and priorities therefore govern KLP's priorities. We are regularly in contact with the administration, mayors and other local politicians, the municipal councils and managers of the health trusts to get input to our work and priorities. In particular, our owners help to set the direction for KLP through their representation in all governing bodies. KLP has several examples of how our stakeholders' views influence our strategy and operations. Among other things, we have chosen to exclude tobacco and coal from our investment universe based on input from our owners.

Other key stakeholder groups for KLP are our own employees and corporate management. Stakeholder dialogue is an important way for us to hear what those affected by our work are concerned with, which in turn shows us what to prioritise and focus on. This overview summarises the main channels KLP uses to communicate with our stakeholders and how frequently we do this.

When we carried out ted a double materiality analysis in 2023, we took input from our most important stakeholders. We received feedback through various channels on the sustainability topics our stakeholders believe KLP has or could have a big impact on, and issues that could pose a financial risk or opportunity to KLP. The table below summarises which stakeholder groups we were in dialogue with and what they think is most important for KLP. In order for the materiality analysis to be in accordance with the CSRD, in 2024 we will make an assessment of whether input from several stakeholder groups should be included.

KLP's main stakeholders	Type of input	Summary of what the stakeholder group thinks is most significant
Customers and owners		
	Stakeholder analysis conducted in spring 2021 The Board's strategy meeting Resource group meetings Owner meetings	Our owners expect KLP to deliver secure and competitive pension savings, and that work has a bearing on sustainability KLP can play a major role in contributing to a sustainable working life and being a partner in the transition the municipalities are going through, a lot of it related to climate
Management of KLP		
	Strategy process with other Group management matters Interviews with MDs of subsidiaries	Should help with the challenges our owners face
Government bodies and politicians		
	Desktop analysis of e.g. NOUs (official Norwegian reports), parliamentary announcements and other relevant documents related to sustainability	Expectations that the finance industry should play a key role in the green transition in Norwegian society and business New legal requirements on sustainability Increased focus from the Financial Supervisory Authority on companies' assessment of climate and nature risk
NGOs		
	Ongoing dialogue	Expect transparency and actions with a real effect
Employees of KLP		
	Questionnaire Interviews with key persons on sustainability Workshop with all sustainability teams in the Group Earlier internal analyses and due diligence assessments	Employees specifically highlight working conditions, pension guidance, corporate governance, purchasing, financial crime and privacy issues Key persons also raise issues around climate, nature, procurement and tax

Double materiality analysis for the KLP Group

In 2023, we conducted a double materiality analysis for KLP ased on the elements of CSRD. We have started from this as a process with six parts:

1. Map stakeholders and determine sustainability teams that will be included in the analysis
2. Identify KLP's actual and potential, positive or negative impacts
3. Assess the significance of the impacts
4. Identify KLP's dependencies, risks and opportunities
5. Assess the materiality of dependencies, risks and opportunities
6. Prioritize essential sustainability teams and link to the relevant ESRSs

We have been through the various parts of the process, but some more systematically and in detail than others. In 2024, we will work on further developing the analysis so that it is in accordance with the requirements of the CSRD.

The analysis was based on the sustainability topics in the ESRSs, supplemented with topics that KLP considers important and significant: working life in the Norwegian local government and healthcare sector (including pension guidance), responsibility in investments, and tax practice.

The table below provides a summary of the sustainability topics judged to be significant for different parts of the KLP Group and the KLP Group as a whole.

Sustainability topic	Group	KLP	Investments		KLP Banken	KLP Skadeforsikring
			Securities	Real estate		
Mandatory topics						
Governance	Mandatory for all companies to report on regardless of materiality assessment					
Climate change, environment and nature						
Climate change	● ▲		● ▲	● ▲	● ▲	● ▲
Nature and biodiversity	● ▲		● ▲			
Circular economy	●			● ▲		● ▲
Pollution			▲			
Oceans and marine resources						
Climate adaptation				● ▲		● ▲
Water			▲		●	
Social aspects						
Worker's conditions	● ▲	● ▲	▲	● ▲	● ▲	● ▲
Equality and diversity	●	●		●	●	●
Responsible procurement	● ▲	● ▲		● ▲	● ▲	● ▲
Working life in municipalities and health care sector	●	●				●
Data protection	● ▲	● ▲	▲	● ▲	● ▲	● ▲
Local communities				● ▲	●	
Social inclusion					●	
Governance aspects						
Responsibility in investments	● ▲	● ▲			● ▲	● ▲
Financial crime	● ▲	● ▲	▲	● ▲	● ▲	● ▲
Business conduct						
Political influence		▲				
Tax practice	● ▲	● ▲	▲	● ▲		

● KLP has or can have positive or negative impact on the topic
▲ The topic constitutes or could constitute a financial risk or opportunity for KLP

Impact has been assessed on the scale small-medium-large, and financial risk is based on probability and impact on the scale small-medium-large-critical, in line with KLP's risk matrix used in the work on risk management and internal control. In line with the CSRD, all areas where either the impact or the risk are considered to be high are seen as material concerns.

As a group, KLP has various different activities and value chains. This year we have focused on procurement and suppliers in the upstream value chain, while on the downstream side we have focused on the investment portfolio, customers and to some extent owners. The assessments of which topics are important in different parts of the value chain for the different companies are summarised in the table below. One of the points we will continue to work on in 2024 is to clarify and systematically define the value chain for the KLP Group and look more deeply into the value chain for the subsidiaries.

	Upstream	The Company	Downstream
Life company	**Suppliers:**	**Operations:**	**Customers and owners**
	• Responsible procurement • Data protection	• Employees' working conditions • Equality and diversity • Responsibility in investments • Tax practice	• Working life • Data protection • Financial crime • Political impact
KLP Banken	**Suppliers:**	**Operations:**	**Customers:**
	• Climate change • Responsible procurement	• Employees' working conditions • Equality and diversity • Responsibility in investments	• Data protection • Communities • Social inclusion • Financial crime
KLP Eiendom	**Suppliers:**	**Operations:**	**Tenants/society**
	• Climate change • Circular economy • Climate change adaptation • Responsible procurement • Financial crime	• Employees' working conditions • Equality and diversity • Tax practice	• Circular economy • Climate change adaptation • Communities • Financial crime
KLP Skade	**Suppliers:**	**Operations:**	**Customers:**
	• Climate change • Circular economy • Climate change adaptation • Responsible procurement • Data protection • Financial crime	• Employees' working conditions • Equality and diversity • Responsibility in investments	• Climate change • Circular economy • Climate change adaptation • Working life • Data protection • Financial crime • Securities investments (see below for which topics are significant)
Securities (KLP and KLP KF)			**Securities investments:**
			• Climate change • Nature and biodiversity • Pollution • Water • Employees' working conditions • Data protection • Financial crime • Tax practice

In our initial analysis of the investment portfolio, we have taken a sector-based approach. Owing to limited access to relevant data, the analysis in this area is limited to impact, and not risk. The exception is climate and nature, where we have done our own analyses and know that the risk is significant. The analysis is based on MSCI's ESG rating which assesses 33 different sustainability topics which largely coincide with the topics in the ESRS standards. Each topic is weighted differently for different sectors based on their exposure to this type of impact or risk and taking account of the amount of KLP's exposure. The weights for each sector are then added together to indicate the sustainability risk in KLP's portfolio. In addition to this survey, we also look at other internal risk assessments and analyses, as well as interviews with relevant people in KLP.

This is the first time a double-materiality analysis has been done for KLP. This is an ongoing exercise that we are constantly working to improve. One of the points we will be working on is to further develop the method of assessing financial materiality for sustainability risk in the investment portfolio. In 2024, we will also work on defining key sustainability thresholds and adjusting the risk matrix to sustainability topics, as well as further developing the methodology for consolidating materiality up to the Group level. In 2024, in order to gain a better foundation for this, we will conduct separate double-materiality analyses for the different subsidiaries. We will also work in a more structured way to assess materiality out to multiple time horizons. In all, these measures and method improvements could make it easier to focus and prioritise the most significant issues for KLP. Over time, changes in the topics seen as material may also be expected as KLP and society move forward.

The table below shows the structure of the rest of KLP's sustainability accounts and the reporting standards we have chosen to follow based on the materiality analysis. We also report in accordance with the Taxonomy Regulation and the Sustainable Finance Disclosure Regulation (SFDR).

ESRS standard or other regulation	Sections within KLP's sustainability accounts
Delegated Act 32 () 2014 EU Taxonomy	The taxonomy
E1 Climate change	Climate change
E4 Biodiversity	Biodiversity and nature
E5 Circular economy	Circular economy
S1 Own workforce	KLP's employees
S2 Workers in the value chain	Sustainable procurement
G1 Business conduct	Business practice
Entity-specific topics	Sustainable working life
	Responsibility in investments
Delegated Regulation 14 (23) SFDR	Attachment II: PAI reporting for the KLP Group

Climate, nature and environment

Climate change and loss of nature and biodiversity are among the greatest challenges facing the world. KLP supports the goals of the Paris Agreement and the Nature Agreement and aims to help the world to achieve these global goals. As a company, KLP has a responsibility to minimise its impact on the climate, environment and nature – directly through its own activities, and indirectly through our customers, partners, suppliers and investments.

These challenges, and the way the world responds to them, could also affect KLP's ability to generate a good return on the pension money that we manage. That is why we work systematically on sustainability risk in order to analyse, manage and report this as a financial risk.

The EU taxonomy

Through the taxonomy, the EU has defined how specific activities should be carried out in order to be considered sustainable. The taxonomy can thus be used to classify how sustainable a company or investment portfolio is. Key concepts associated with the EU taxonomy are "eligibility", i.e. whether an activity is covered by the taxonomy in that there are criteria for how it should be carried out in order to be sustainable, and "alignment", i.e. whether the activity is compatible with the requirements in the taxonomy for an activity to be considered sustainable.

KLP is constantly working to integrate sustainability into business processes and product development. To ensure that what we develop and do is sustainable, the taxonomy is a natural starting point for future business development. This is also an important topic in our dialogue with suppliers and customers, to make them see the value of sustainable products and solutions. We also work with external managers and companies we have invested in to induce them to move their activities in a more sustainable direction, and report on how "taxonomy-aligned" they are.

In the KLP Group, company is KLP that is formally covered by the reporting requirements in the taxonomy. In order to provide an accurate picture of how sustainable the activities of the KLP Group are and to conform to best practice in the market, we have also worked out taxonomy fractions for the subsidiaries. These are then aggregated to arrive at taxonomy fractions for the KLP Group. The taxonomy fractions tell us how much of the companies' revenues or investments are compatible (aligned) with the taxonomy, which are covered by, but not aligned with, the taxonomy and which are not covered (ineligible). This should be viewed in relation to activities which are relevant to the taxonomy, and are therefore included in the denominator in the fractions.

In this section, we present the taxonomy fractions in charts, while the required taxonomy templates can be found in the appendix. For all of the templates, we have looked at the Ministry of Finance's unofficial Norwegian translations.

KLP Kapitalforvaltning

For KLP Kapitalforvaltning, we report the share of the capital under management that is "taxonomy-eligible" and "taxonomy-aligned". This is described in Article 3 and Annex III to the supplementary provisions to the Taxonomy Regulation on reporting requirements for asset managers.

Definition of the denominator

To calculate the denominator in the taxonomy fraction for KLP Kapitalforvaltning, we have used the company's total capital under management. This means that the denominator includes all investments managed on behalf of KLP, all external client assets and investments in the KLP funds, and investments that appear on the company's own balance sheet. In line with Article 7 of the supplementary provisions to the Taxonomy Regulation, we have excluded all exposures to governments and central banks from the denominator, while derivatives, cash and other financial instruments are included in the denominator of both fractions, but excluded from the numerator.

Identification of investments that are taxonomy-eligible

To assess which companies in the investment portfolio are taxonomy-eligible, we rely on data from MSCI and Nordic Trustee. The bulk of the data comes from MSCI, which has good coverage for listed companies, while we use data from Nordic Trustee for Nordic bond issuers.

According to the Regulation, the assessment and reporting of the taxonomy-eligibility and alignment of an investment should be based on data from companies subject to the EU Accounting Directive (Directive (EU) 2013/34), Articles 19a and 29a. Companies subject to the Accounting Directive make up a limited part of KLP's portfolio and there is still only a small proportion of reporting companies for which data is available. This gives limited coverage for taxonomy data. To increase data coverage, KLP uses estimates prepared from MSCI to say whether a company has activities that are subject to the taxonomy criteria or not. To prepare the estimates, MSCI assesses whether and, if so, how much of a company's revenue comes from activities that are taxonomy-eligible.

The proportion of the capital under management that is eligible is calculated by weighting each company with its share of the portfolio multiplied by the share of that company's earnings that is eligible.

Assessment of investments that are taxonomy-aligned

The assessment of the share of securities investments that are taxonomy-aligned is also based on data from MSCI and Nordic Trustee. For the "alignment fraction", we rely only on reported data and do not use estimates. Where it is available, we collect data on the company's earnings ("turnover") and investment expenditure ("CapEx") that are taxonomy-aligned.

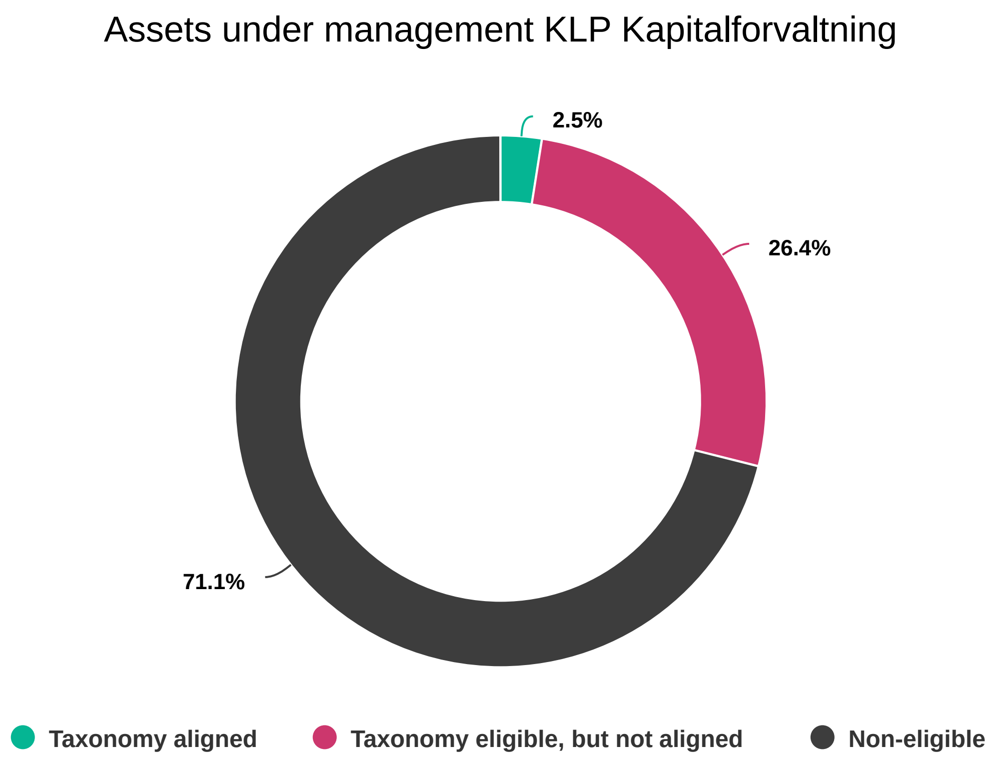
The proportion of the capital under management that is taxonomy-aligned is calculated by weighting each company with its share of the portfolio multiplied by the share of that company's earnings that is covered. In order to report in line with the detailed templates from the Annex, we also calculate the total market value that is consistent based on the company's investment expenditure ("CapEx").

To classify companies according to the categories in the template in Annex VI, we have made the following assumptions:

- Financial and non-financial companies: Classification based on sector codes such as GICS, NACE or other sector codes
- Companies in the EU and outside the EU: The classification is based on where the company is registered for tax purposes
- Companies subject to the Accounting Directive (Directive (EU) 2013/34), Articles 19a and 29a: The classification is based on data from MSCI or on our own assessment of earnings data from the companies. In our own assessment, we assume that companies with earnings over EUR 40 million are subject to the Accounting Directive (Directive (EU) 2013/34), Articles 19a and 29a. All of the companies are exchange-listed and will be public-interest entities, but we have not checked whether they have over 500 employees. This will lead to over-reporting of companies that are subject to the Accounting Directive and are taxonomy-eligible. As some companies are not actually subject to the Accounting Directive, we lack data for them, so they will contribute zero values to the numerator in the alignment fraction. We are working with our data providers to improve data coverage on this point.

Green investment ratio

To calculate KLP Kapitalforvaltning's green fraction, the 'green investment ratio' or GIR, we divide the sum of the market value that is taxonomy-aligned, based on earnings, by the denominator (the sum of the capital under management excluding exposure to governments and central banks). Similarly, the proportion of investments that are taxonomy-eligible is calculated by dividing the sum of the market value that is eligible by the denominator.



The detailed table for management capital from Annex IV in supplementary provisions to the taxonomy regulation can be found in Annexes I-i to the sustainability accounts.

KLP Banken

For KLP Banken, we report the share of the assets that are covered by and aligned with the criteria in the taxonomy. This is described in Article 4 and Annex V to the supplementary provisions to the Taxonomy Regulation on reporting requirements for credit institutions.

Definition of the denominator

To calculate the denominator in the fraction for the KLP Banken Group, we have taken the sum of the assets in the balance sheet. KLP Banken's assets consist mainly of loans to municipalities and mortgages to private individuals, plus investments in securities.

In line with Article 7 to the supplementary provisions to the Taxonomy Regulation, we have excluded all exposures to governments and central banks from the denominator and the numerator, while derivatives, cash and other financial instruments are included in the denominator but excluded from the numerator. All exposure to municipalities, both through lending and securities, is also included in the denominator.

Green loans to municipalities

Identification of assets that are taxonomy-eligible

Municipalities are not subject to the NFRD reporting rules, and so are not generally covered by the taxonomy. However, the taxonomy provides that lending for specific purposes may be taxonomy-eligible. We therefore assume that green loans as a product for municipalities may be taxonomy-eligible, and include these loans in the denominator.

KLP's green loans to municipalities are divided into several categories: climate-friendly new construction, refurbishment of buildings, transport, water and drainage, climate change adaptation, waste disposal, climate-friendly artificial grass and other investments. For each category, different purposes are defined for which the municipality can apply for loans. To calculate which green loans are taxonomy-eligible, we have assessed whether the purpose in the different loan categories that KLP offers is covered by criteria in the taxonomy or not. We have concluded that the following purposes are taxonomy-eligible:

Category	Purpose of green loans	Criteria in the Taxonomy
Climate-friendly new builds		
	Energy-efficient new builds	7.1 Construction of new buildings (EO1)
	New builds in climate-friendly materials	5.1 Construction of new buildings and major renovations of buildings (EO4)
Refurbishment of buildings		
	Individual energy-efficiency measures	7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (EO1)
	Estimated energy consumption reduced by at least 30% compared to current needs	7.2 Renovation of existing buildings (EO1)
	Use of climate-friendly materials such as solid wood, low-carbon concrete or recycled materials.	5.1 Construction of new buildings and major renovations of buildings (EO4)
Transport		
	Heavy vehicles	6.3 Urban, suburban and road passenger transport (EO1)
	Shipping	6.11 Sea and coastal passenger water

		transport (EO1)
	EV charging stations	6.15 Infrastructure enabling low-carbon road transport (EO1)
	Shore power, charging points and port infrastructure	6.16 Infrastructure enabling low-carbon water transport (EO1)
Water and drainage		
	Separation of waste water and surface water	10.1 Urban wastewater treatment (EO3)
	Heat recovery	4.25 Production of heat/cool using waste heat (EO1)
	Increase energy efficiency by at least 20 per cent	5.2 Renewal of water collection, treatment and supply systems (EO1)
	Modify the facility to meet a climate change adaptation need	5.2 Renewal of water collection, treatment and supply systems (EO1)
Waste disposal		
	Reduce the volume of waste	2.11 Preparation for re-use of end-of-life products and product components (EO4)
	Measures to increase the degree of sorting	11.1 Collection and transport of non-hazardous and hazardous waste as a means for material recovery (EO4)
	Establishment of new facilities	11.7 Sorting and material recovery of non-hazardous waste (EO4)

Assessment of assets that are taxonomy-aligned

In 2023, we made an assessment of our criteria for green loans to the local government sector against the criteria in the Taxonomy Regulation. In this round, we have only considered loans for new construction and renovation of buildings, as these two purposes account for the majority of green loans, and there is sufficient data for this category.

The assessment of whether the loans meet the criteria for "substantial contribution alignment" with the environmental goal has been made at the product level. This means that we have assessed whether the specific criteria KLP uses to grant a green loan meet the criteria in the taxonomy. We have also assessed whether the loans meet the criteria for "do no significant harm" by analysing physical climate risk related to green loans given for new construction and refurbishment of buildings. The analysis shows that almost everyone is exposed to one or more forms of physical climate risk. In total, none of the loans can be said with any certainty to meet both requirements, and we therefore consider that none of the loans are taxonomy-aligned. In 2024, we will work on improving data quality so that we can assess green loans to municipalities against the taxonomy with greater certainty.

Mortgages

Identification of assets that are taxonomy-eligible

Although private individuals are not subject to reporting requirements under the NFRD, residential mortgages are considered to be taxonomy-eligible. We therefore assume that all of KLP's mortgages are taxonomy-eligible.

Assessment of assets that are taxonomy-aligned

We have also assessed whether the mortgages meet the technical criteria for significant contribution to the environmental targets. We assume that homes in energy bands A and B will be within the top 15 per cent of the most energy-efficient homes nationally (for buildings constructed before 31 December 2020). This is in line with a mapping carried out by the Norwegian Water Resources and Energy Directorate (NVE) of the building stock against the criteria in the EU taxonomy. The survey shows that small houses and apartments in energy bands A and B are within the identified threshold values to place them within the top 15 per cent of buildings. These loans are considered to be aligned with the technical criteria in the taxonomy. We have included homes with actual and estimated energy ratings in our assessment.

According to the taxonomy, banks have to check that loans to private customers do not seriously affect the environmental target related to climate change adaptation. This means that a climate risk assessment has to be carried out in line with the requirements in Annex A to the Taxonomy Regulation. To do this, we have collected data on the risk of flooding, sea level rise and landslides in the mortgage portfolio from Eiendomsverdi. For homes exposed to physical climate risk, a fall in the house price has been factored in see how the loan-to-value ratio for these loans is affected. The various price drop scenarios apply the LTV ratio at current price levels, and at 10 per cent, 20 per cent and 30 per cent down. This is done to reveal how the climate risk-prone homes that we finance will cope with a fall in price. In total, 19 per cent of the mortgage portfolio is more or less exposed to the physical climate risks we have assessed (also including due diligence areas). The analysis also shows that climate-risk-prone homes that suffer a fall in house prices get a higher LTV (lending secured against the home as a percentage of a prudent valuation). This can impair the bank's collateral, which increases the bank's risk of a loss if a customer defaults on their mortgage.

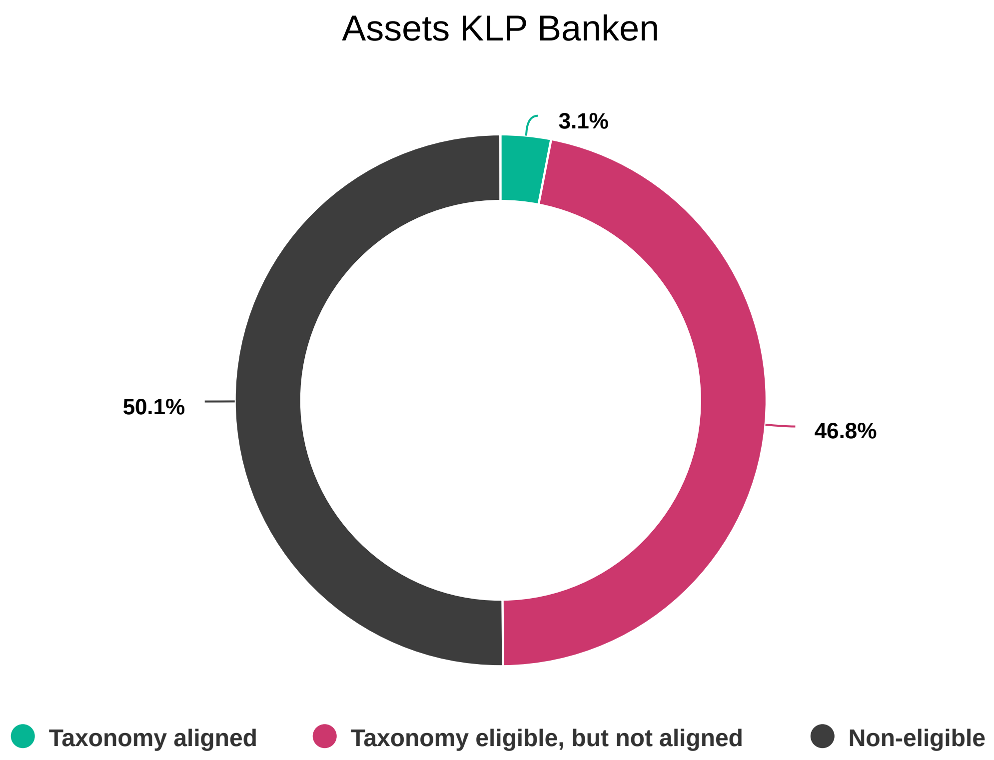
We have conducted a climate risk assessment of all mortgages, so all mortgages in energy bands A and B are considered to be taxonomy-aligned and are included in the numerator in the green fraction. We expect there to be more guidance on how to carry out assessments of non-material damage for private customers in banking going forward, and will adapt our methodology in the coming years.

Securities

The assessment of the share of securities investments that are taxonomy-eligible and taxonomy-aligned has been made by KLP Kapitalforvaltning on behalf of KLP Banken. The method for assessing the securities investments is the same as for KLP Kapitalforvaltning as described earlier in this section .

Green Asset Ratio

The green fraction for the bank, the 'green asset ratio' or GAR, is intended to show how much of the institution's assets finance and invested in taxonomy-aligned economic activities as a share of the total assets covered. To calculate the GAR, we divide the sum of assets that are taxonomy-aligned by the denominator (the sum of assets excluding exposure to governments and central banks).



The detailed tables from Annex VI in supplementary provisions to the taxonomy regulation can be found in Annexes I-ii to the sustainability report. The figures in the figure above can be found in table 0 Summary of KPIs and 3 GAR – CPI for holdings based on investment expenditure.

KLP Skadeforsikring

For KLP Skadeforsikring, we report the share of insurance income and investments that are covered by and aligned with the criteria in the taxonomy. This is described in Article 6 and Annex IX to the supplementary provisions to the Taxonomy Regulation on reporting requirements for insurance and reinsurance.

Insurance income

Definition of denominator

The denominator in the fraction for KLP Skadeforsikring is insurance income from non-life insurance activities. That is the total insurance income minus insurance income from life insurance.

Identification of activities that are taxonomy-eligible

The criteria for non-life insurance specified in the Taxonomy Regulation, Article 10(1) and (2), list which categories of insurance may be taxonomy-eligible. For KLP Skadeforsikring, this applies to all of the insurance categories we offer apart from general liability insurance. The types of insurance covered include property insurance (fire/combined), motor insurance, travel insurance and occupational injury insurance.

To be taxonomy-eligible, the insurance product must also include coverage for at least one climate-related risk such as floods or avalanches. Our assessment is that all of the insurance products that we offer within these categories provide cover for at least one climate-related risk and are therefore taxonomy-eligible.

Assessment of activities that are taxonomy-aligned

For an insurance product to count as taxonomy-aligned, a number of criteria must be met. Briefly, the criteria are about arranging the non-life insurance activity to enhance society's ability to adapt to climate change. This is to be done through forward-looking risk assessments, pricing that provide incentives for risk reduction, and data sharing with the authorities in the interests of claims prevention. Provision of relevant coverage against climate-related damage and being able to provide effective assistance when the damage first occurs are also included in the criteria.

Our assessment is that we meet several of these criteria for a significant number of the insurance products that are taxonomy-eligible. Among other things, we have a comprehensive programme for claims prevention, aimed particularly at customers in the public sector and the corporate market. We offer insurance cover for most nature and climate-related damage our customers might experience today, and we are constantly reviewing the need for new or extended cover. We place great emphasis on providing good and effective assistance to our customers when they suffer damage, which is confirmed in the good results we have in satisfaction surveys after claims settlement processes. We share claims data from natural and water-related claims with municipalities and other relevant authorities in collaboration with Finance Norway, so those responsible for regulation, climate change adaptation and enhancement of public infrastructure can use the claims history in their decision-making processes.

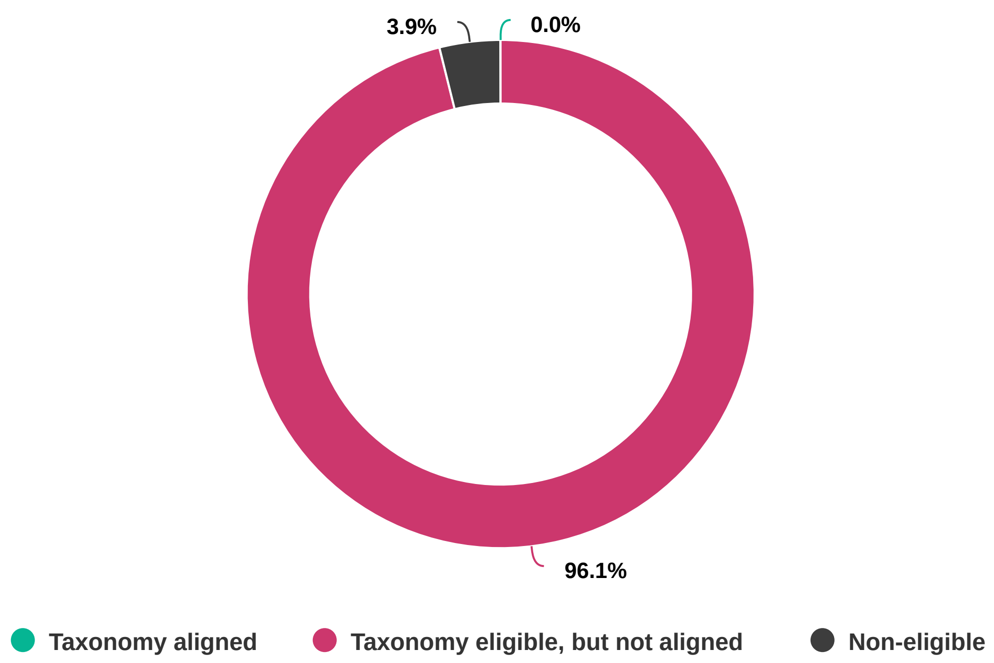
We have started work on modelling climate-related risk for property insurance products and are looking at how the identified climate-related risk can be included in the tariffs for these products. This is being done as part of a more extensive product development programme which will do more to incorporate climate risk and sustainability into key insurance products. We plan to price the first property insurance products with taxonomy-based tariffs in the course of 2024.

So at the time of reporting, we consider that none of our insurance products meet all of the technical criteria for non-life insurance in the EU taxonomy. The proportion of insurance income from insurance products that count as taxonomy-aligned is therefore set at 0 for 2023.

Sustainable activities

To calculate the proportion of sustainable activities, we divide the sum of premium income that is taxonomy-aligned by the denominator (sum of insurance income excluding income from life insurance).

Insurance revenue KLP Skadeforskring



The detailed table for insurance income from Annex X in supplementary provisions to the taxonomy regulation can be found in Annexes I-iii to the sustainability accounts.

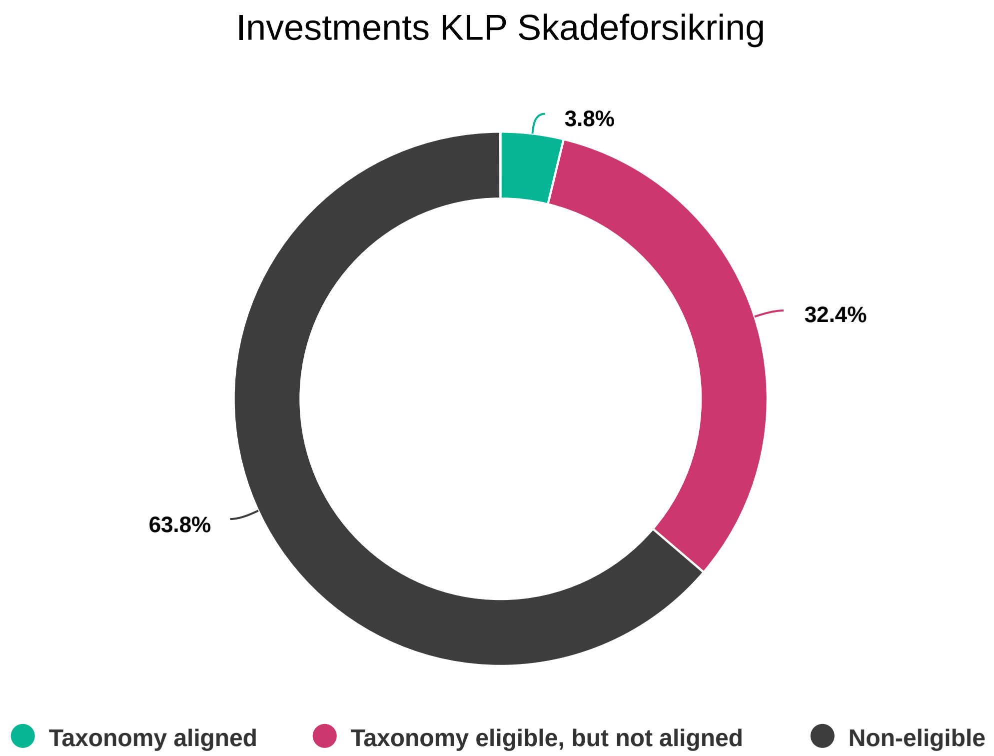
Investments

For KLP Skadeforsikring, we also report the share of investments that are covered by and aligned with the criteria in the taxonomy. This is described in Article 6 and Annex IX to the supplementary provisions to the Taxonomy Regulation on reporting requirements for insurance and reinsurance.

The method for assessing the securities investments is the same as for KLP Kapitalforvaltning as described earlier in this section . The assessment is based only on the non-life company's own investments.

The method for assessing property investments is the same as for KLP Eiendom described later in this section. In the assessment, the non-life company's ownership interests have been taken into account.

To calculate green investments (GIR), we divide the sum of the market value that is taxonomy-aligned, based on earnings, by the denominator (sum of the capital under management excluding exposure to governments and central banks). Similarly, the proportion of investments that are taxonomy-eligible is calculated by dividing the sum of the market value that is eligible by the denominator.



The detailed table for investments from Annex X in supplementary provisions to the taxonomy regulation can be found in Annexes I-iii to the sustainability account.

KLP Eiendom

KLP Eiendom is a non-financial company engaged in the purchase, sale, ownership and management of property. This is an activity that can contribute to the environmental goal of limiting climate change and is therefore taxonomy-eligible. For KLP Eiendom, we report the share of income, capital expenses and operating expenses that are covered by and aligned with the criteria in the taxonomy. This is described in Article 2 of the Taxonomy Regulation on reporting requirements for non-financial companies, and Annex I.

The reporting covers the whole property portfolio, regardless of ownership (corporate capital, KLP Skadeforsikring, collective capital), but does not include property funds managed by KLP Kapitalforvaltning.

Within the category "Construction and real estate activities", there are several activities relevant to KLP Eiendom's business. The most important are:

- Acquisition and ownership of buildings
- Construction of new buildings
- Renovation of existing buildings
- Installation, maintenance and repair of renewable energy technologies
- Installation, maintenance and repair of energy efficiency equipment

In practice, the vast majority of the activities of KLP Eiendom will be taxonomy-eligible.

Operating income (turnover)

Identification of activities that are taxonomy-eligible

We have assumed that only rental income is taxonomy-eligible, and not other operating income. This means that 99 per cent of earnings are taxonomy-eligible.

Assessment of activities that are taxonomy-aligned

The activity "Acquisition and ownership of buildings" may be sustainable where it contributes significantly to the environmental targets "Limitation of climate change" and "Adaptation to climate change". This year, we have only looked at whether the criteria for limiting climate change are met by assessing the primary energy needs or energy ratings of the buildings.

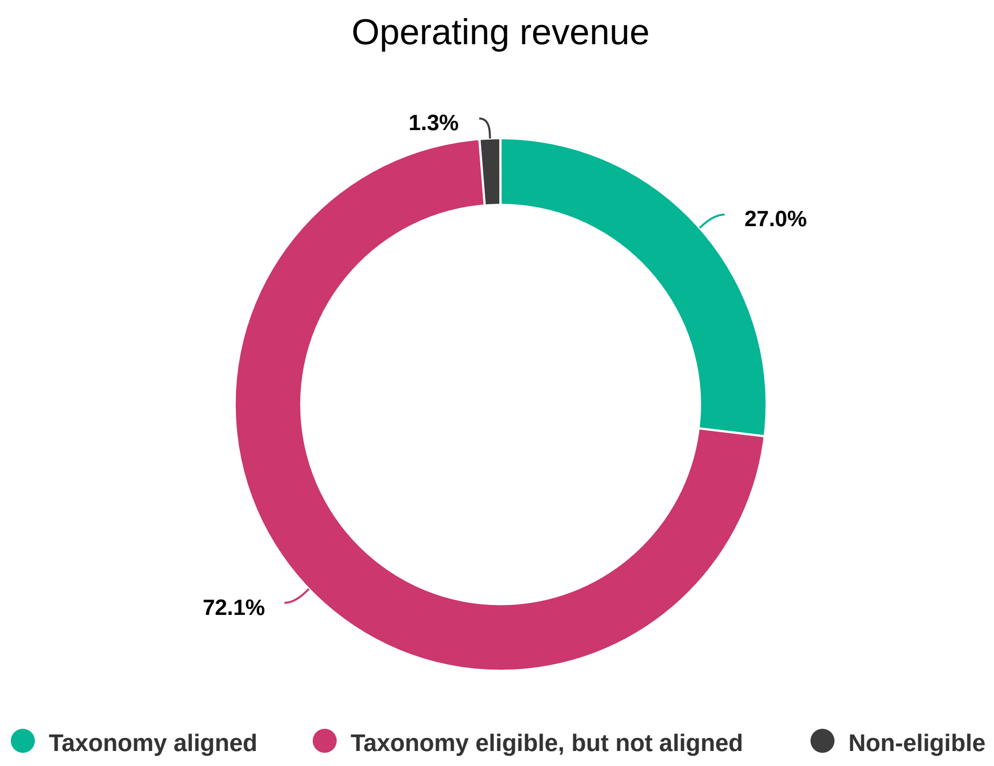
Buildings constructed before 31.12.2020 can meet the criterion if they are in energy class A or are among the top 15 per cent of all buildings within the same nation or region. In our reporting for the 2022 financial year, it was not yet clear which threshold values would apply to place us among the top 15 per cent nationally. For Norway and Denmark, it was then decided to define buildings with energy ratings A and B as conforming to the taxonomy for the reporting year 2022 until a national definition is in place. In September 2023, the NVE produced a note to the Ministry of Petroleum and Energy in which threshold values for the top 15 and 30 per cent were calculated on the basis of data from the energy rating system. For the reporting this year, we use these threshold values for energy consumption per square metre to assess whether Norwegian buildings meet the criteria for significant contribution to the environmental target. The Swedish property industry in Sweden, through the interest group "Fastighetsägarna", has developed its own thresholds which have been used in the assessments for the Swedish properties. In Denmark, the equivalent "Rådet for Bæredyktig Byggeri" has prepared guides for assessing taxonomy activities which are used for reporting on the Danish properties.

We have also assessed whether the buildings meet the criteria for "do no significant harm" (DNSH) and "minimum social safeguards" (MSS). To assess DNSH, we have conducted a climate risk assessment in line with the requirements in Annex A. The assessments are based mainly on information obtained over time from the operating organisation on incidents and claims related to natural damage. We also carry out a portfolio assessment based on mapping tools and models that could indicate future risks related to climate change. For some properties, there are detailed climate risk assessments from external experts and/or documentation produced in the sale process.

To document fulfilment of minimum social safeguards, we have assessed our procedures for business conduct and supplier follow-up. KLP Eiendom has a management system that is certified according to ISO 9001 Quality Management and ISO 14001 Environmental Management for all regions. In implementing the Transparency Act, our procedures were reviewed, and we consider that they meet the requirements set out under "minimum social safeguards" (MSS).

All buildings that KLP owns, but does not operate itself, are considered to be "taxonomy-unaligned" because we cannot guarantee that they meet the requirements of DNSH and MSS. This applies primarily to hotels. By entering into dialogue with tenants, it may also be possible to document compliance with these criteria for properties where we do not have our own operations.

The taxonomy fraction is calculated by dividing the rental income from buildings that are taxonomy-aligned by the total rental income.



The detailed table for rental income from Annex IV in supplementary provisions to the taxonomy regulation can be found in Annexes I-iv to the sustainability account.

Investment expenses (CapEx)

In the denominator for the 'investment expenses' fraction, facilities under construction are included in the balance.

The most relevant activities for KLP Eiendom related to investment expenses are 7.1 Construction of new buildings and 7.2 Renovation of existing buildings. As of now, there are no investment expenses shown to be associated with taxonomy-aligned financial activities, so we believe that none of our ongoing projects can meet the taxonomy criteria.

The detailed table for investment expenditure from Annex IV in supplementary provisions to the taxonomy regulation can be found in Annexes I-iv to the sustainability account.

Operating costs (OpEx)

The denominator in the fraction for operating costs includes direct, non-capitalised costs related to building renovation, maintenance and repairs as well as all other direct expenses related to ongoing maintenance of property, plant and equipment carried out by the company or by a third party. The extract from the accounts includes the account type "maintenance costs".

For example, current taxonomy-aligned economic activities relevant to KLP Eiendom could include CCM "7.3 Installation and operation of energy efficiency equipment" and "7.5 Installation and operation of instruments for measuring the energy performance of buildings". For 2023, it is not possible in the company's accounts to separate the share of operating expenses related to activities that might meet the environmental criteria. It is also unclear how the component requirements for energy-efficient equipment should be interpreted, as these refer to the 2010 Building Energy Directive which has not been introduced in Norway. As these activities cover a small portion of the items that make up the company's operating expenses, it is expected that the proportion that might represent taxonomy-aligned economic activities would be small compared to the total operating expenses. In the reporting for 2023, a numerator is therefore set to 0.

The detailed table for operating costs from Annex IV in supplementary provisions to the taxonomy regulation can be found in Annexes I-iv to the sustainability account.

KLP

KLP is required to report the share of investments that are covered by and aligned with the criteria in the taxonomy. This is described in Article 6 and Annex IX to the supplementary provisions to the Taxonomy Regulation on reporting requirements for insurance and reinsurance.

Definition of the denominator

To calculate the denominator in the fraction for KLP, we have used KLP's balance sheet. In line with Article 7, we have excluded all exposures to governments and central banks from the denominator. All exposure to municipalities, both through loans and securities, is included in the denominator. Derivatives, cash and other financial instruments are included in the denominator, but have zero value in the numerator.

Identification and assessment of investments that are taxonomy-eligible and taxonomy-aligned

To calculate the numerator in the fraction, we have looked at the different parts of the balance sheet and assessed whether the investments are in line with the criteria. The balance sheet for the life company consists mainly of property investments, lending, securities investments, ownership interests in the subsidiaries and associates and joint ventures.

Property investments

For investment property, we have used the fraction from KLP Eiendom's assessment of rental income from the buildings (see method description earlier in the section). As all of the buildings are on KLP's balance sheet, we have derived the value of eligible and aligned property investments by the life company by multiplying the fractions by the balance sheet value of property investments.

Lending

The assessment of lending follows the same method as described for KLP Banken above. Only the loans on KLP's balance sheet are included in the assessment. These are both residential mortgages and green loans to municipalities and county authorities Their contribution to the numerator, the value of loans that are taxonomy-eligible and taxonomy-aligned, is calculated by multiplying the fractions by the balance-sheet value of the loans.

Securities investments

The assessment of securities investments managed by KLP Kapitalforvaltning follows the same method as described above. Only the securities investments that are on KLP's balance sheet are included in the assessment. Their contribution to the numerator, the value of securities investments that are taxonomy-eligible and taxonomy-aligned, is calculated by multiplying the fractions by the balance-sheet value of securities investments.

Investments managed by KLP are assessed individually. These investments consist largely of unlisted equity and debt funds, and there is limited data coverage and granularity (breakdown) for these investments. For example, some of the funds report the proportion of infrastructure projects that are taxonomy-aligned, while others report the share of earnings. Based on available data, we have calculated the value to be included in the numerator for KLP by multiplying the reported fraction from the fund by the market value of KLP's investment.

Subsidiaries

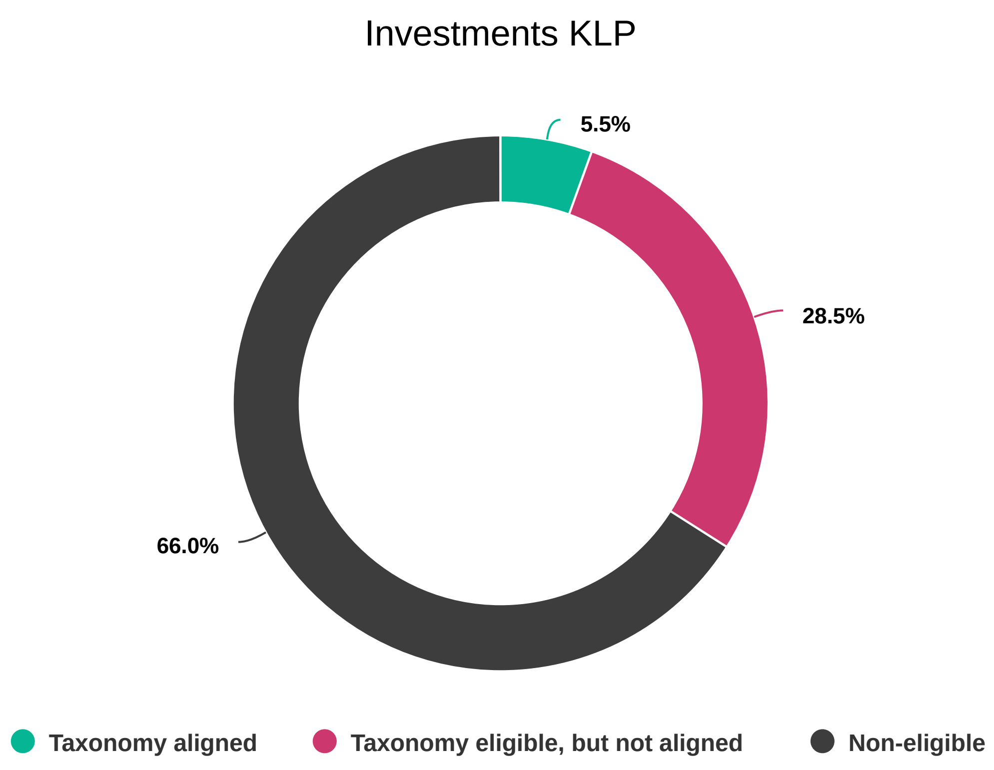
To calculate the value from ownership in the subsidiaries to be included in the numerator for KLP, we have used the subsidiaries' own fractions and multiplied them by the balance-sheet value of the subsidiaries. For KLP Banken, we have used the banking group's GAR (green fraction). For KLP Skadeforsikring, we have used its fraction for insurance income, as this gives a best picture of the company's business. For KLP Kapitalforvaltning, we have used its fraction, which only includes capital under management on the company's own balance sheet and excludes KLP's assets and external funds.

Associates and joint ventures

KLP's associates and joint ventures are mainly related to Norwegian power companies and infrastructure investments. For these investments, we have mainly used reported data from the companies on their own earnings. Where the companies report the share of earnings that is taxonomy-eligible or taxonomy-aligned, we use these figures directly. Where the company or fund has not reported the share that is eligible, but we know that the fund is a pure renewable fund, we have assumed that the fund is 100 per cent taxonomy-eligible. If we do not have data on the proportion that is taxonomy-aligned, we have not made any assumptions or estimated the proportion, and these investments have zero value in the numerator in the fraction. We have assessed the total exposure KLP has to the company, i.e. the sum of shares and bonds. To find KLP's taxonomy fraction, we have multiplied the company's taxonomy fraction by the total market value of KLP's investments.

Green investment ratio

To find the numerator in the green fraction (GIR) for KLP, we add up the balance-sheet values that are taxonomy-aligned. We calculate the GIR by dividing the numerator by the denominator (KLP's balance sheet excluding exposure to governments and central banks). Similarly, the proportion that is taxonomy-eligible is calculated by dividing the sum of the balance-sheet value that is eligible by the denominator.



The detailed table from Annex VI in supplementary provisions to the taxonomy regulation can be found in Annexes I-v to the sustainability report.

KLP Group

For the KLP Group, we report the share of the Group's total investments that are covered by and aligned with the criteria in the taxonomy. This is described in Article 6 and Annex IX to the supplementary provisions to the Taxonomy Regulation on reporting requirements for insurance and reinsurance.

Definition of the denominator

To calculate the denominator in the fraction for the group, we have used the consolidated balance sheet. In line with Article 7, we have excluded all exposures to governments and central banks from the denominator. All exposure to municipalities, both through loans and securities, is included in the denominator. Derivatives, cash and other financial instruments are included in the denominator, but have zero value in the numerator.

Identification and assessment of investments that are taxonomy-eligible and taxonomy-aligned

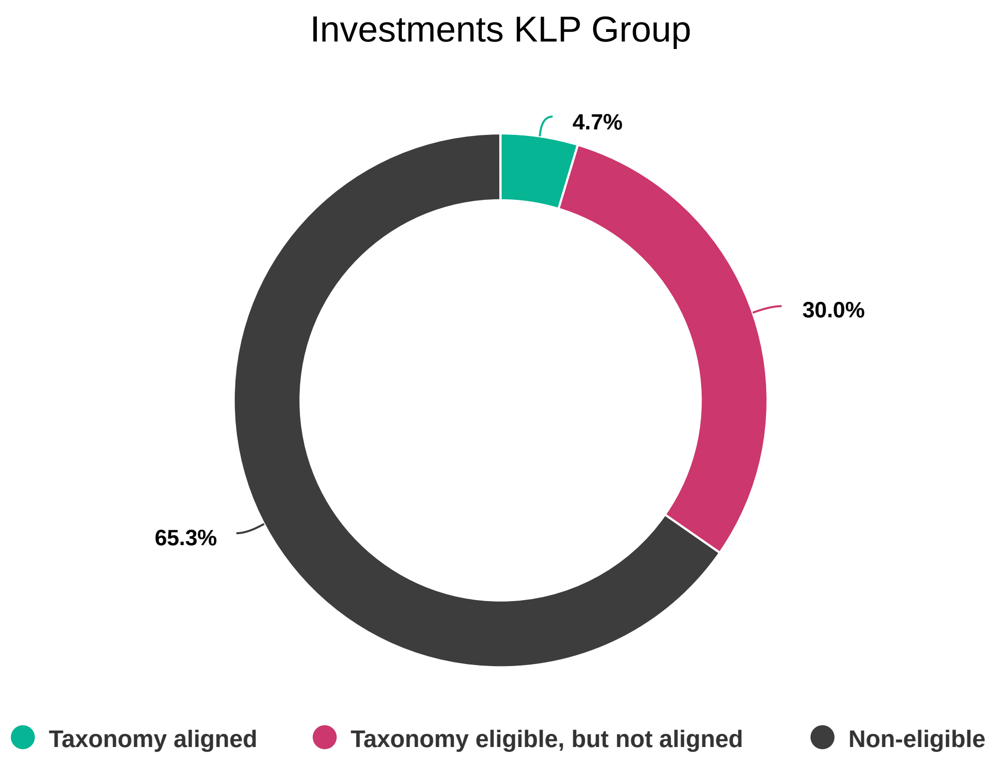
To calculate the numerator in the fraction, we have looked at the different parts of the consolidated balance sheet and assessed whether the investments are in line with the criteria. s the consolidated balance sheet encompasses the assets of the parent company and the subsidiaries, we have used the following fractions to calculate the numerator for the Group:

- The total property investments that KLP Eiendom manages
- All mortgages and green loans to municipalities from the KLP Banken Group
- Total assets for KLP Kapitalforvaltning

From KLP Skadeforsikring, we use the securities investments that are consolidated into the KLP Group, and these are included in KLP Kapitalforvaltning's total capital under management.

Green investment ratio

To calculate the KLP Group's green fraction (GIR), we divide the sum of the balance sheet values that are taxonomy-aligned by the denominator (the group's balance sheet excluding exposure to governments and central banks). Similarly, the proportion that is taxonomy-eligible is calculated by dividing the sum of the balance-sheet value that is eligible by the denominator.



The detailed table from Annex IV in supplementary provisions to the taxonomy regulation, as well as the mandatory template for exposure to gas and nuclear power, can be found in Annexes I-vi to the sustainability report.

Climate change

KLP's climate change adaptation plan

For the world to reach the 1.5-degree target, global emissions must be reduced quickly to reach net zero by 2050. The Board of KLP has therefore set a goal to align our investments with this target and reach net zero in our portfolio also. We have prepared a separate roadmap describing how we plan to work towards and measure our contribution to the goals in the Paris Agreement. Key indicators to measure our progress in the transition are included in the management score cards for corporate governance. You can read more about KLP's climate goals here.

The global economy as a whole has to be decarbonised if we are to achieve the ambitions of the Paris Agreement. The climate target therefore does not alter the fundamental principle behind the asset management strategy of a well-diversified portfolio. KLP's roadmap therefore applies to all sectors. KLP's roadmap thus assumes that efforts to reduce emissions in high-emission sectors are comparable with its investments in green companies, provided that they are in line with the Paris Agreement.

In the context of a global transition, all actors are small with limited individual influence. In the absence of adequate global regulation of greenhouse gas emissions, KLP's view is that everyone needs to contribute to the transition by taking what action they can. By leveraging both supply and demand, financing and regulation, we can open up new areas for action that other players can exploit. By taking constant small and rapid steps in the right direction, we can accelerate the pace of change within realistic limits. Through its adaptation plan, KLP will actively contribute to the global transition. Our own adjustments will happen gradually and build on market changes that are also driven by other players' change strategies, while reducing our own transition risk.

KLP long since decided not to invest in companies with income from coal (since 2014) and oil sands (since 2018). This alone helps to reduce our transition risk associated with financing locked-in greenhouse gas emissions and the risk of ending up with "stranded assets". However, KLP is invested in the oil and gas sector, which faces many of the same challenges. In order to reduce the risk of "stranded assets", we make it clear in our discussions with the oil and gas companies that we believe they should not open any new oil and gas fields that will also require new infrastructure and remain in operation for a long time

Implementing KLP's adaptation plan for the investment portfolio is an ongoing effort. KLP continuously assesses what measures we can take to help tackle the climate challenge while also reducing our customer-owners' pension costs. KLP is now working on updating its short-term objectives, as well as assessing which further adjustments will be most effective towards 2030, on the way to a net zero investment portfolio in 2050.

The green transformation of the world economy is under way, but it is going too slowly. This also applies to the restructuring of KLP's investment portfolio. On the positive side, the level of investment in clean energy and technology (solar, wind, electric cars) has increased by 40 per cent in the 2020s (IEA, 2023). Here, KLP is also making a contribution with its mandate on climate-friendly investments. The structural changes in the energy sector are now happening fast enough for the IEA to expect us to reach the global peak in demand for oil and gas by 2030. At the same time, the IEA points out that current climate policy is for activity in the oil and gas industry to level off rather than decreasing. Our analysis shows that KLP's oil and gas portfolio has a Paris alignment score of 81 per cent (see more detailed description of method here). According to our measurement method, this means that the oil and gas companies in KLP's portfolio have plans for greater oil and gas production in the five-year term than the IEA says is consistent with the Paris Agreement ambition for net-zero emissions in 2050.

KLP has significant operating costs dedicated to the restructuring work. The restructuring work is integrated into our business in a way that makes all employees part of the effort. A total of 13 employees across the Group have further development and strategic follow-up of the sustainability work included in their job description. We have no internal carbon price.

Climate change poses a financial risk

KLP is invested in a broadly diversified portfolio with a global reach, and has both short-term and long-term commitments to its customers. Our diversified global reach and long-term commitments mean that we will be affected by climate risk not only in Norway but also in other countries.

KLP's analyses based on the portfolio at the beginning of 2023 show that the long-term climate risk in the portfolio is significant. In a high global warming (HW) scenario, KLP's portfolio is worth significantly less in 40 years' time compared to a scenario where temperature change is limited to 1.5°C. This means that customers' pension costs will be higher in a situation where global warming is greater. The inference is that the world's capital markets will be worth less, with lower economic output due to higher temperatures, more extreme weather and social instability resulting from demanding working and living conditions in exposed places. The postponement of necessary measures to move us towards net zero emissions will also create a need for sudden retrenchment in climate policy, which will have negative effects on financial markets both directly, in the form of reduced earnings in companies with high-emission value chains, and also indirectly through contagion in the market.

A simplified calculation of the impact of these scenarios on KLP's capital adequacy has been carried out for the short term (5 years ahead). In the short term, the biggest climate risk for KLP's portfolio is transition risk associated with sudden, sharp retrenchement in climate policy. In the "Net-zero financial crisis" (NZFC) scenario, where climate policy is tightened up both hard and without warning, we get a situation similar to the fall in value we experienced in spring 2020 at the start of the Covid-19 pandemic. Thanks to its good financial strength, KLP will be able to absorb the loss in such a transition risk scenario. In this scenario, an event of this kind is imagined to have occurred at the time when the countries' report to the UN on the status of other climate targets in 2025, where it is clear that the transition is happening too slowly, resulting in increased pricing and regulation of greenhouse gas emissions.

In the longer term, the transition risk for KLP's portfolio is judged to be small. This follows from the fact that there will be both winners and losers in the market when climate policy gets tighter. In the net zero scenarios, renewable and low-carbon electricity generation has very positive market prospects in both the short and long term, while the oil and gas sector and fossil power plants stand out in terms of high downside risk as tighter climate policies are adopted. The model indicates that in KLP's broadly diversified portfolio, the long-term net impact related to transition risk is close to zero.

Climate risk in KLP's portfolio varies significantly between asset classes. Climate risk is clearly greatest in the equity portfolio, but more moderate in the fixed income portfolio. KLP will examine this risk closely going forward, including whether there are measures that could reduce the transition risk associated with high-emission sectors. KLP has a high degree of flexibility in terms of adapting the portfolio to these risk factors if this is expected to help reduce our customers' pension costs.

Method of assessing climate risk

Climate risk was a key area in the 2023 ORSA process in KLP. The main focus of this year's analysis was on how climate risk could affect the value of the investment portfolio, i.e. the asset side of the balance sheet. Climate risk, and our handling of it, may also have an impact on the development of our pension obligations and our customer base (the liability side), and is assessed qualitatively.

To quantify the climate risk associated with KLP's portfolio, we have applied the ClimateMAPS climate risk model developed by Ortec Finance in collaboration with Cambridge Econometrics. The model is rooted in empirical relationships and results from the research literature. The choice of climate risk model was made after demo testing and evaluation of different providers.

ClimateMAPS is designed to capture both physical climate risk and transition risk in financial markets. Physical climate risk is the direct impact of climate change on the value of investments related to both chronic events (average temperatures) and changes in the likelihood of acute events (extreme weather). Transition risk is linked to changing macro conditions for the economy in the transition to a low-emission society, including tighter policies, regulations, reputation and market conditions.

The macroeconomic model E3ME, developed by Cambridge Econometrics, is used to estimate the economic shock associated with transition risk. E3ME models the relationship between value chains in the economy, energy systems and the environment. The model is based on statistical relationships without any added assumptions about rational actors and general equilibrium in the economy. This allows E3ME to capture realistic real economic effects of policy changes in the short and medium term related to e.g. bottlenecks in the economy, involuntary unemployment and the spread of innovative technologies.

The impact of chronic physical climate risk on the economy is estimated in ClimateMAPS based on research articles Burke and Tanutama (2019) and Nelson et al. (2014). These articles are used to model the relationship between higher temperatures, GDP and inflation. The economic consequences of increased acute physical climate risk are estimated with the ClimatePredict model. ClimatePredict estimates the relationship between the increased frequency of various forms of extreme weather and national GDP growth.

The economic shocks associated with climate change, in the form of changes in GDP and inflation at the national level and value creation at the sector level, form the basis for estimating effects on financial markets. This is done via Ortec Finance's stochastic modelling of the financial markets. For example, the modelling takes account of the fact that the correlation in the market between different assets typically increases in times of crisis (short term) and that the outcomes in the market do not show a normal distribution but have skewed and fat tails.

An important part of KLP's asset management strategy is that the allocation should reflect the long-term nature of the pension obligations. In the analysis, we have therefore looked at the development of KLP's investment portfolio in the short (1-5 years), medium (6-15 years) and long term (up to 40 years ahead). The analysis is based on four different climate scenarios developed by Ortec Finance:

1. The *Net-zero* (NZ) scenario is characterised by moderate transition risk and relatively low physical risk. NZ is a physical climate scenario where we avoid exceeding 1.5°C of warming by 2100 with 50 per cent probability. The scenario also shows a socially sustainable development with extensive fulfilment of the UN Sustainable Development Goals, including moderate economic growth across countries, rapid technological progress and measures for social inclusion and redistribution in connection with the transition. The scenario includes the introduction of global carbon pricing for the vast majority of sectors, like the EU quota system.
2. The *Net-zero financial crisis* (NZFC) scenario is similar to the NZ scenario, but with greater transition risk. The key difference between the two scenarios is that in NZFC, climate policy is suddenly tightened towards 2025 with a subsequent decline in emissions, but also a crisis in financial markets related to massive repricing and contagion effects.
3. The *Limited action* (LA) scenario is characterised by high physical climate risk and some transition risk. The scenario is based on an expected temperature rise of 2.8°C by 2100 and assumes moderate economic

growth, continuation of current societal trends and limited measures to address climate change. Countries make some, but more limited, attempts to achieve climate targets compared to net zero scenarios. The countries that have carbon pricing today will continue to do so, but no new scheme will be implemented. LA is the scenario that comes closest to the expected climate change if the current policy level remains unchanged (The Climate Action Tracker, 2022).

4. The *High warming* (HW) scenario is characterised by very high physical climate risk and no transition risk. HW produces an expected temperature rise of 4.2°C warming by 2100 and is characterised by economic inequality, failing cooperation and limited measures to reduce emissions. Compared to LA, HW is characterised by increased social inequalities and lack of cooperation across countries and regions.

The scenarios from Ortec are based on physical and socio-economic scenarios in the 5th and 6th synthesis reports from the UN Intergovernmental Panel on Climate Change (IPCC). The scenarios are not the same as those developed by the central banks' and supervisory authorities' Network for Greening the Financial System (NFGS), although the basic idea is similar.

The climate risk model provides results at the sectoral and regional level broken down by asset class. The results provide a basis for identifying which sectors within particular asset classes are most exposed to both transitional and physical climate risk. They also show which sectors have great opportunities.

There are also parts of KLP's climate risk that are not covered by modelling. Firstly, the model only covers the asset side of KLP's balance sheet. Secondly, it does not cover transitional risk factors related to reputation and the risk of litigation. These are climate risk factors that KLP also needs to assess in the future:

- *Pension obligations* We would also expect climate risk to have an impact on pension obligations through changes in inflation and interest rates, and potentially through demographic changes also.
- *Reputational risk:* Financing activities that have a negative impact on climate carries reputational risk. The consequences of a negative reputation can be poorer competitiveness and loss of customers.
- *Risk of litigation:* There is an increasing trend for the courts to be involved in climate change, including actions to claim compensation for climate change. Climate-related actions can have direct financial implications for KLP, as well as reputational damage from any involvement in litigation.
- *Company-level climate risk:* The climate risk model we have used takes a top-down approach to modelling climate risk, with estimates at the sectoral and regional levels. This means that the model does not capture estimated differences in climate risk between companies within the same sector. These may be risks related to technological differences, exposure to physical climate risk, or risks associated with behaviour, including the risk of being sued or reputational damage in general.

Policies and governing documents on climate

KLP's greatest impact on climate, nature and the environment comes through our investments. The Guidelines for KLP as a responsible investor describe how KLP takes climate and nature into account in all our investments and how we follow up on the companies. Our strategies and policies are based on international norms and conventions intended to promote human rights and decent working conditions, reduce damage to the climate and the environment and contribute to sustainable development. We have committed to this through the UN Global Compact initiative and the Principles for Responsible Investment (PRI).

We have drawn up a separate expectation document on climate and nature setting out our expectations of the companies we invest in. By screening companies against our guidelines and following up through dialogue, we reduce the risk of having a negative impact on the climate and the environment. Our climate and nature-related expectations are based on the global goals adopted under the United Nations Framework Convention on Climate Change (UNFCCC) and the United Nations Convention on Biological Diversity (CBD), and are inspired by the ambitions behind the UN Sustainable Development Goals.

KLP also has its own guidelines for voting related to climate and nature. A significant part of KLP's voting is conducted by ISS, based on ISS's International Socially Responsible Investing (SRI) proxy voting guidelines. KLP's guidelines also specify criteria for when KLP will vote against the board of companies in cases of impact on climate and nature. Key initiatives we align ourselves with are Climate Action 100+ and Forest 500.

In drawing up the guidelines, we considered a broad group of stakeholders, including employees in the companies and their value chains, communities in areas with relevant activities and broad societal groups affected by changes in climate and nature.

KLP has targeted communication and direct dialogue on our expectations of companies that KLP is invested in. The guidelines are available on KLP's website.

KLP's work on safeguarding the climate and environment in procurement is based on our *Principles for socially responsible supplier behaviour.* The principles describe how we define sustainability in a broad sense, what requirements and expectations we place on suppliers, and how we expect suppliers to cooperate in following up on these. The principles are published on klp.no and communicated to all major suppliers, and also incorporated into major contracts. The principles are included as a contractual obligation in all major purchasing agreements.

Instruments and measures taken

KLP's main ways of restructuring the investment portfolio are to:

- Increase climate-friendly investments by at least NOK 6 billion each year
- Influence companies to set climate targets and cut emissions, and contribute to more transparency about companies' own climate outcomes
- Take action on high-emission sectors and companies that are not following the emissions path to reach the 1.5 degree target
- Push for a faster transition towards a low-emission society by influencing markets and policies

These instruments do not have a fixed end-date, but are integrated into the ongoing work. The decision to place at least NOK 6 billion in climate-friendly investments each year has been in effect since 2018.

KLP influences companies through bilateral dialogue, voting at general meetings and clear communication of our expectations for the company's climate and environmental work. At general meetings in 2023, KLP voted against the boards of 67 companies for climate and nature-related reasons, and rejected five proposals for climate plans as inadequate. In order to further incentivise restructuring in these companies and to reduce KLP's transition risk, we will also prioritise financing of companies that set science-based transition plans in the future. For the same reason, we will also consider risk-based divestment from individual companies within high-emission sectors that do not have specific restructuring plans for their business and are not working on any.

A key element of the work to influence markets and policy in 2023 was KLP's participation in the expert group set by the Science-Based Targets initiative (SBTi) to develop a net-zero target standard for financial service companies. KLP has also participated in an expert group producing guidance on transition plans for sustainable Norwegian businesses. This work is expected to be completed in early 2024. We have also provided input to consultations on licensing processes for the development of offshore wind in Norway, tax on ground rent for onshore wind, extraction of minerals on the seabed, and the need for active ownership from the Government Pension Fund Global to contribute to the transition. The report "Enough people?", produced by KLP together with the Norwegian Climate Foundation, focused on the shortage of staff to implement the green transition. Through its green shipping programme, KLP has been involved in developing a framework for transitional financing of ports, and in producing a note focusing on how institutional capital can be effectively released to finance green maritime infrastructure in Norway.

The whole of KLP's climate change adaptation plan contributes to reducing global greenhouse gas emissions, and so also helps to reduce physical climate risk in the form of global warming. However, this risk factor depends on the rest of society also changing. As things stand, most specific assessments of physical climate risk in connection with investments are made in the property portfolio where Going forward, however, it may also become more relevant to make adjustments to other parts of the portfolio to address the risk of physical climate change.

Targets related to climate

Climate targets and results for KLP's investment portfolio

In KLP's roadmap towards net zero emissions for the investment portfolio, we have developed the *Paris alignment percentage.* The Paris alignment percentage (PAP) is a weighted average of how far away each individual investment is from a emissions path consistent with 1.5 degrees of warming. The PAP is a KLP-specific indicator, but the methodology is based on established standards and best practice and has been developed in consultation with leading NGOs in the area of climate and environment.

We want the PAP to tell us something about the ability and willingness to realign the business in line with the ambitions in the Paris Agreement. If KLP's portfolio has net zero emissions in 2050, this will give us a PAP of 100 per cent. In order for the portfolio to be in line with the 1.5-degree target on the way to net zero by 2050, emissions from the portfolio must be reduced by 7 per cent a year from 2020 until 2030. For high-emission sectors, we use sector-specific science-based emission paths that companies should be following, as per the global net zero scenario from the International Energy Agency. Both net zero and emissions cuts in line with the pathways must be achieved if the portfolio is to be managed in line with global warming limited to 1.5 degrees.

KLP's overall goals for the investment portfolio (scope 3, category 15) adopted by the Board are:

1. KLP's investments should be 100 per cent Paris-aligned over time, and
2. KLP's investments should reach net zero emissions by 2050

KLP has also set more short-term targets to ensure that we achieve the long-term goals. In KLP's vision of reaching net zero for the investment portfolio, we have defined these targets:

- Increase the Paris alignment percentage to 60 per cent in the 1-year term (2024), and to 72 per cent in the 3-year term (2026). If we succeed in this, we will have over-fulfilled the objective that was set in the roadmap for 50 per cent Paris alignment in 2025.
- Work to increase the share of the portfolio with science-based climate targets by 5 per cent in the one-year term and 15 per cent in the three-year term
- Reduce financed emissions by 20 per cent over three years.

These targets are consistent with the SBTi's standard for short-term climate targets for financial institutions.

Paris alignment percentage for the portfolio

In 2023, the Paris alignment percentage (PAP) of KLP's investments was 55 percent, 9 percentage points higher than since the first measurement in 2020, and one percentage point higher than the measurement in 2022. The maintenance of a PAP of over 50 percent means that there were also large emission cuts in the portfolio in 2023, but the cuts are not sufficient for the portfolio as a whole to be in line with a one and a half degree trajectory. The moderate change from last year partly results from several companies reducing their emissions in line with the 1.5 degree target and that KLP has increased investments in renewable energy and other zero-emission investments, but the increase mainly comes from increased data coverage, and that this year are fewer companies where we lack data to calculate the par adjustment percentage. In 2023, we have had an individual review of the largest companies for which we lacked data from our data supplier and obtained figures from the annual reports of the relevant companies where this has been possible. This means that we can calculate parity adjustment for several companies, which has resulted in a higher parity adjustment percentage. Improved access to data will continue to be a priority area for KLP going forward.

	2023		2022		2021		2020	
	Paris alignment percentage	Share of portfolio	Paris alignment percentage	Share of portfolio	Paris alignment percentage	Share of portfolio	Paris alignment percentage	Share of portfolio
Zero-emission investments	**100%**	**7%**	**100%**	**6%**	**100%**	**6%**	**100%**	**5%**
Securities	100%	6%	100%	6%				
Lending	100%	1%	100%	1%				
High-emission sectors	**96%**	**19%**	**99%**	**19%**	**45%**	**18%**	**37%**	**21%**
Securities	80%	4%	91%	3%				
Property	100%	15%	100%	17%				
Remaining investments	**50%**	**61%**	**49%**	**59%**	**53%**	**53%**	**66%**	**55%**
With sector affiliation	53%	32%	54%	31%				
No sector affiliation	38%	9%	27%	9%				
Financial sector	50%	20%	49%	18%				
No data	**0%**	**13%**	**0%**	**15%**	**0%**	**23%**	**0%**	**19%**
Paris alignment percentage for the whole portfolio	**55%**	**100%**	**54%**	**100%**	**42%**	**100%**	**46%**	**100%**

Method and explanations

To calculate the Paris alignment percentage, we divide the investments into four categories: zero-emission investments, high-emission sectors, remaining investments, and investments without data. For each category, specific methods are used to assess their contribution to achieving KLP's climate targets. The Paris alignment percentage is then derived as a weighted average by comparing emissions to established reference pathways consistent with 1.5 degrees of global warming, or by using alternative methods where no reference pathways exist.

Zero-emission investments are investments in companies and projects that have zero or near-zero emissions. The PAP for all these investments is 100 per cent.

High-emission sectors are investments in sectors that are deemed to be high-emission areas and where there are science-based reference pathways that can be used to link emissions from a company to the global emission pathway. KLP uses reference pathways from PACTA (the *Paris Agreement Capital Transition Assessment*) and CRREM (the *Carbon Risk Real Estate Monitor*). The sectors included as of today are cement, steel, oil and gas, electricity generation, aircraft manufacturing, vehicle manufacturing and real property. Coal is not included as KLP has divested from coal companies. KLP assesses each company's emission intensity or production mix in relation to the requirements in the reference pathway, and then calculates a weighted average PAP for the sector.

In 2022 we also changed the method used to assess the property portfolio to an assessment of the property portfolio as a whole. This means that buildings with energy consumption lower than the requirement in the reference pathway can compensate for buildings with higher energy consumption. This is in line with the way we calculate for other sectors.

Other investments are investments where there are no recognised reference pathways. Where no reference pathways are available, KLP uses changes in carbon intensity and temperature scores. For each company, KLP assesses whether it meets the requirements for a change in carbon intensity and/or temperature score, and then calculates a weighted average PAP for the sector. For the banking sector, we estimate emissions based on an average of emissions in the portfolio, on the assumption that financial companies with broadly diversified portfolios are exposed to the entire economy and represent an average.

Investments without data are investments where KLP does not have the necessary climate data to calculate a PAP. In these cases, the PAP is assumed to be 0 per cent.

For a more detailed description of the method of calculating the Paris alignment percentage, see "The road to Paris – KLP's roadmap to net zero emissions".

For KLP, the most important thing is to assess how the PAP develops over time, and ensure that the trend is moving in the right direction. There is a delay in the figures due to delays in reporting of climate data from companies to data providers. This means that the PAP reported by KLP as of 31.12.2023 has been calculated from its own financial data as at 31.12.2023 and climate data as at 31.12.2022. The climate target focuses on companies developing in the right way over time, and since this delay is consistent, the figures will show a correct trend.

Transition of high-emission sectors

If the world is to reach the 1.5-degree target, it is particularly important for high-emission sectors to embark on the necessary transition. Even though the high-emission sectors have a high Paris alignment score (96 per cent) at present, the science-based reference pathways show that these sectors will have to undergo major restructuring in the years ahead to stay in line with the Paris Agreement. This involves both reducing emissions and developing and implementing ambitious climate change adaptation plans. Whether the companies have set a science-based climate target is an indicator of their willingness and ability to adapt in line with the Paris Agreement.

By the end of 2023, 37 per cent of the companies in the portfolio, weighted by total financed emissions, had set themselves science-based transition targets. Correspondingly, the proportion of companies with science-based climate targets in the high-emissions sectors was 16 per cent. There has been a strong increase in the proportion of companies in the portfolio that have set themselves science-based climate targets in the past year. At the same time, the proportion is still too low in relation to KLP's long-term climate objectives for the investment portfolio.

KLP exercises active ownership to reduce the climate risk, among other things, by expressing the expectation that all companies in high-emission sectors set clear targets for restructuring going forward. We have also set ourselves a target that the proportion of the portfolio with science-based climate targets should increase by five percentage points in the year ahead. At the same time, it is important to be aware that the reporting of science-based climate targets approved by SBTi is only one indicator of willingness to change, and will understate the level of ambition with regard to change in the portfolio. If we include all companies that have set themselves science-based targets, without necessarily having approval from SBTi, this covers 66 per cent of KLP's financed emissions.

	2023		2022	
	Paris alignment percentage	Share of high-emission sectors excluding property	Paris alignment percentage	Share of high-emission sectors excluding property
Airline	94%	2%	99%	2%
Car manufacturing	81%	22%	72%	11%
Cement	83%	2%	86%	2%
Electricity production	76%	20%	92%	20%
Oil and gas	81%	48%	93%	62%
Steel	100%	5%	100%	3%

	2023		2022	
	High-emission sectors excluding property	Total investments	High-emission sectors excluding property	Total investments
Number of companies with science-based climate targets	246	4,031	49	1,224
Share of companies	21%	27%	6%	9%
Share of invested amount	16%	37%	5%	17%

Method and explanations

To calculate the number of companies with climate targets, we use data from the Carbon Disclosure Project (CDP) and the data provider MSCI. CDP is a voluntary self-assessment for companies, where one of the questions is whether the company has a science-based climate target. We link this with data from MSCI to ensure the best possible data coverage.

The number of companies with climate targets includes only companies that have a climate target approved by the Science Based Targets initiative (SBTi). This represents a change from last year, when we also included companies that were in the process of getting their climate targets approved by SBTi or had undertaken to seek such approval. Figures for 2023 are therefore not comparable with previous years. This is both because figures from MSCI for 2022 are not available and that we have changed the weighing from share of investments to share of fianced emissions. If we include companies that have set science-based targets, along with companies that have committed to net-zero emissions by 2050 without approval from SBTi, this will cover 66 per cent of our financed emissions.

By the end of 2023, 32 per cent of companies in the portfolio, weighted by total financed emissions, had set themselves science-based restructuring targets. The equivalent proportion of companies with science-based climate targets in the high-emission sectors was 16 per cent. The proportions that have set science-based restructuring goals are relatively low, and we use different forms of active ownership to influence companies in high-emission sectors to set clear targets for restructuring going forward.

Climate-friendly investments

There is a need for huge investments if the world is to achieve the climate targets in the Paris Agreement and manage the transition to a low-emission society. An important part of KLP's climate goals is to increase our climate-friendly investments. Climate-friendly investments are investments that contribute directly to emission reductions or otherwise contribute to the green transition in Norway and around the world. For climate-friendly investments, we distinguish between two different categories:

- Zero-emission investments – These are investments with zero or near-zero emissions from operations, and include renewable energy, sustainable forests and zero-emission transport. These are the same zero-emission investments that are 100 per cent Paris-aligned in KLP's climate goals.
- Transitional investments – These are investments that contribute to a reduction in emissions and the development of new technologies, or help sectors that would find it hard to reach zero emissions to reduce their emissions and become more sustainable. This is achieved through green loans and bonds, green buildings, and infrastructure.

In 2023, KLP placed almost NOK 7.6 billion in climate-friendly investments in Norway and around the world. The total market value of climate-friendly investments has increased to over NOK 91 billion and accounts for more than 11.6 per cent of KLP's investments. KLP's zero-emission investments make up 5.6 per cent of the portfolio, and are dominated by investments in renewable energy. Some of the new investments in 2023 were in the NextPower V fund and two funds managed by Copenhagen Infrastructure Partners, all of which are investing in renewable energy projects; a new collaboration with Norfund to fund power lines in India through the climate investment fund; and the property fund Catella Elitis Energy, which focuses on reducing energy consumption and greenhouse gas emissions from the properties in the portfolio.
Responsibility in investments

NOK MILLIONS	**In 2023**	**In 2022**	**In 2021**	**At 31.12.2023**	**At 31.12.2022**	**At 31.12.2021**	**At 31.12.2020**
	Net new investments			**Market value**			
Zero-emission investments	**1,823**	**5,063**	**1,484**	**44,174**	**37,579**	**31,680**	**30,704**
Renewable energy	1,736	5,049	943	41,594	35,498	29,800	30,704
As a share of KLP's investments				*5.3%*	*5.0%*	*4.2%*	*4.7%*
of which: renewable energy in Norway	-2,332	828	-80	22,458	21,449	20,051	23,074
of which: renewable energy abroad	3,522	3,970	894	16,789	12,515	8,581	6,698
of which: renewable energy in developing countries	547	251	129	2,348	1,534	1,168	932
Sustainable forests	87	14	541	2,580	2,081	1,880	new
Transitional financing	**5,753**	**4,482**	**11,094**	**46,932**	**40,340**	**34,050**	**28,274**
Green buildings in the property portfolio	0	0	5,414	25,420	26,941	24,805	20,065
As a share of the portfolio's market value				*28.0%*	*27.9%*	*27.1%*	*24.0%*
As a share of the portfolio in square metres				*26.4%*	*26.2%*	*27.1%*	*25.4%*
Green buildings via mutual funds and bonds	2,485	new	new	2,502	new	new	new
Green loans	984	212	488	3,737	2,753	2,541	2,087
Green bonds	1,261	3,992	4,290	12,121	9,095	5,813	1,881
Infrastructure	1,023	278	902	3,152	1,551	891	4,241
Total climate-friendly investments	**7,576**	**9,545**	**12,578**	**91,106**	**77,919**	**63,850**	**58,978**
As a share of KLP's investments				*11.6%*	*11.0%*	*9.1%*	*9.1%*
Fossil energy				15,020	15,843	12,441	7,818
As a share of KLP's investments				*1.9%*	*2.2%*	*1.8%*	*1.2%*

Method and explanations

The market value of the investments in NOK millions is reported. New investments are net new investments through the year. The proportion represents the investments as a percentage of KLP's common portfolio.

In 2023, we updated the definition of green buildings in line with the taxonomy, as described below. We have also removed loans for zero-emission ferries from the table as these were repaid in 2022. This means that the historical figures for net new investments and market value differ from what has been reported previously.

Renewable energy in Norway covers equity and bond investments in Norwegian electricity generation companies and grid operators. The power companies are broken down into hydro-electric, wind and biofuel-based producers. The figures also include loans to companies and projects in Norway within the power sector.

Renewable energy outside Norway covers investments in renewable energy projects. This includes bothinvestments in equity and project financing. The investments are made either through external fund managers specialising in energy or through other partners. The figures also include companies that derive more than 95 per cent of their revenue from the production of renewable energy.

Renewable energy in developing countries covers investments in new renewable energy projects. The investments are made partly as direct investments in cooperation with Norfund, and partly as fund investments through Climate Fund Managers.

Sustainable forests are investments in funds that invest in FSC-certified forests in Sweden, Finland and the Baltic states.

Green buildings are defined as buildings that are aligned with the criteria in the taxonomy, which you can read more about here. The market value of green buildings in KLP's property portfolio and the total number of square metres are reported. The definition was changed for the reporting in 2023, in line with new interpretation of the Taxonomy Regulation. The historical figures have been updated according to the new definition.

Green loans are loans to municipalities, county authorities and entities with a public-sector affiliation. The loan must have a clearly positive environmental and climate effect and satisfy specific criteria according to the type of project. The criteria are based on the Green Bond Principles, the Climate Bond Initiative Taxonomy and the Nordic Public Sector Issuers Position Paper on Green Bonds Impact Reporting. The criteria are revised as and when required.

Green bonds are bonds classified as green and having external third-party verification. This does not include bonds already included in KLP's investments in renewable energy in Norway, as above.

Infrastructure includes investments in funds for sustainable infrastructure in Europe.

Fossil energy represents KLP's investments in companies classified as oil and gas companies, including exploration, production and refining. Transport and oil industry service companies are not included.

Climate goals for KLP Banken

In 2023, KLP Banken adopted a target for its mortgage portfolio to reduce emission intensity by at least 33 per cent by 2030, compared to 2020. This corresponds to a linear projection towards a target of net zero emissions in 2050. The matter was dealt with by the Board.

Emissions from the mortgage portfolio - KLP Banken group	2023
Emissions from the mortgage portfolio (tonnes of CO_2e)	8,388
Coverage ratio	89%
Data quality score	3
Emission intensity (kg CO_2e/m^2)	9

As of today, we do not have a method for mapping financed emissions for loans to the local government sector, and it is challenging to set climate targets for this portfolio. In 2024, we will work on mapping financed emissions.

Climate targets for KLP Eiendom

In the sustainability strategy developed in 2023, KLP Eiendom set a Board-approved goal of reducing greenhouse gas emissions from operations by 10 per cent in 2025, 35 per cent in 2030 and 60 per cent in 2035, compared to 2022. The targets are based on developments in country-specific reference pathways from Carbon Risk Real Estate Monitor (CRREM) in line with the 1.5 degree target. KLP Eiendom's emissions level is currently below the pathway, so we have set the targets on the assumption that we stay below the pathway in the future.

For greenhouse gas emissions from materials in new construction and refurbishment (development projects), no target has been set for reducing absolute emissions, as the scope of projects varies greatly from year to year. There are currently no recognised international reference pathways for material emissions from new construction and refurbishment, but it is expected that this may be available during 2024. For development projects, KLP Eiendom has set an ambitious target of a 50 per cent reduction in material emissions compared to the current market standard. This is in line with the Futurebuilt methodology. For smaller projects such as tenant alterations, a target 50 per cent reduction in material emissions by 2030 has been set, compared to the 2020 level. It will be appropriate to update climate targets for development projects when suitable recognised frameworks are available.

Climate targets and results for KLP's operations

For KLP's own operations, we have an overall goal of halving emissions by 2030 compared with 2010. This goal applies to scope 1 and 2, as well as scope 3 categories 1 to 14. This objective is supported by other environmental targets related to KLP's operations, which will be revised for 2024:

- Sustainable Procurement initiative
- Reduce the number of flights by 45 per cent compared to 2019
- Reduce waste and increase the sorting at source to 60 per cent in KLP offices

We have also adopted sustainability targets for procurement at Group level which give buyers a mandate and duty to prioritise sustainability in the purchasing process. Our targets for sustainable procurement are:

- Assess sustainability in all procurement processes

- Give priority to products and suppliers that are environmentally certified over other suppliers
- Prioritise suppliers who report on significant greenhouse gas emissions in a climate account and can point to their own emission reduction targets in line with the 1.5-degree target in the Paris Agreement
- Work in line with the requirements for sustainability in public procurement and use guidance and recommendations for public procurement in our work.
- Make specific emissions calculations for our largest purchases and estimate emissions for all purchases together, based on analyses of invoice data.
- Use the insights gained to calculate the sustainability footprint, including greenhouse gas emissions, and apply this in budgeting and purchasing decisions
- Continuously measure the sustainability footprint of our purchases and use the insights to continuously reduce our sustainability footprint and risk from procurement

KLP is determined to reduce unnecessary flights, but we still see a significant increase in the number of flights compared to last year. Compared to 2019, however, the number of flights has decreased by 34 per cent, somewhat below the target. This may indicate that we have reached a new normal level for post-pandemic travel, and that we are taking fewer long-haul flights than before. Air travel is one of the biggest emissions sources from KLP's operations, so from 2024 we aim to reduce emissions from flying rather than the number of flights.

	2023	2022	2021	2020	2019
Number of flights (total / per FTE)	4272 / 4,0	3,505 / 3.4	864 / 0.9	1,302 / 1.3	6,483 / 6.6
Number of environmentally certified suppliers	138	138	62	26	new
Share of environmentally certified suppliers	46%	50%	57%	32%	new
Share of revenue from environmentally certified suppliers	81%	78%	84%	61%	new

Method and explanations

Number of flights is based on figures from our travel agency, and the number of individual legs is reported. A leg means a single flight, and a round-trip journey may consist of several legs.

Figures for environmentally certified suppliers show the share of purchases from large Norwegian suppliers to KLP that are Eco-Lighthouse certified or certified according to ISO 14001 or other relevant standards. Some suppliers are certified under multiple schemes but, if so, they are included only once in the figures. Large suppliers are defined as suppliers where KLP's purchases amount to NOK 1 million or more during the financial year.

Information about suppliers' certification is obtained from the Eco-Lighthouse scheme, KLP's own follow-up directly with the supplier or from information that the supplier has published on its website.

The reporting covers third-party suppliers who provide goods or services directly to KLP's business, and our largest contract partners for settlements. Suppliers from our own Group and foreign suppliers are not included.

Energy mix

Energy consumption is a significant source of emissions for KLP's operations and property portfolio, and reduced energy consumption and the transition to more renewable energy are important measures for reducing emissions. The table below shows a selection of energy indicators related to the property portfolio which are new to this year's sustainability accounts.

	2023	2022	2021	2020	2019
ENERGY CONSUMPTION IN MWH					
Total energy consumption from own operations	**4,240**	**3,862**	**4,183**	**3,809**	**4,539**
In KLP's own offices (KWh/m2)	134	125	137	94	113
Total energy consumption from the property portfolio	**167,600**	**153,455**	**159,370**	**156,540**	**172,224**
In KLP's property portfolio (KWh/m2)	141	143	150	153	175
From renewable sources	154,922	new	new	new	new
Proportion from renewable sources	92%	new	new	new	new
Total energy consumption from fossil sources	6,529	new	new	new	new
Proportion of total energy consumption from fossil sources	4%	new	new	new	new
Total energy consumption from nuclear power	3,118	new	new	new	new
Proportion of total energy consumption from nuclear power	2%	new	new	new	new
FUEL CONSUMPTION IN MWH					
From renewable sources	4	new	new	new	new
From coal and coal products	0	new	new	new	new
From crude oil and petroleum products	0	new	new	new	new
From natural gas	0.3	new	new	new	new
From other fossil sources	0	new	new	new	new
CONSUMPTION OF ELECTRICITY, HEAT, STEAM AND COOLING IN MWH					
From renewable sources	154,918	new	new	new	new
From fossil sources	6,525	new	new	new	new
ENERGY PRODUCTION IN MWH					
Total in KLP's property portfolio	1,177	1,048	652	619	403
Consumption of self-generated renewable energy (which is not fuel)	1,177	1,048	652	619	403
Non-renewable energy production	0	0	0	0	0
WATER CONSUMPTION					
In KLP's own office premises (millions of litres)	14	18	new	new	new
In KLP's property portfolio (millions of litres)	365	389	299	258	new

Method and explanations

Energy consumption is the 12-month average climate-adjusted specific energy use for KLP-operated buildings. "KLP-operated buildings" are the properties which KLP owns, operates and maintains, where KLP is able to implement environmental measures and measure their effects. These are buildings in Oslo, Trondheim, Copenhagen, and Stockholm. All of these buildings have energy monitoring systems in which energy and water consumption is recorded and monitored. In most of the buildings, tenants' energy consumption is also included, so we have an overview of the total energy consumption for the buildings. Reported energy consumption is climate-adjusted in order to compare developments over time regardless of annual temperature variations.

Own office premises include KLP's office premises in Oslo, Bergen, Trondheim, Stockholm and Copenhagen. In 2020 and 2019, only KLP's offices in Norway were included, so the figures are not directly comparable.

For 2023, the methodology for total energy use in KLP's property portfolio has changed slightly. Previously, an estimated share of energy use was included for properties that did not have complete energy consumption figures. To improve traceability in reporting, this share of energy use has been taken out for all years back to 2020, so the historical figures for energy consumption have been updated. The historical figures therefore differ from the figures that were reported previously.

The breakdown between different energy sources is based on information on the energy balance relating to electricity and district heating from the NVE and others, and from similar players in Sweden and Denmark. So we have not been able to calculate historical figures.

There may be various reasons why it is sometimes impossible to obtain correct figures, such as faults in meters or figures reported late by our sub-contractors. This is taken into account in that the reports only include KLP-operated buildings which have comparable operating conditions going back 12 months from the reporting date. However, this means that the buildings KLP reports on vary slightly from year to year, but we believe that this will still pick up the correct trends in the company's property portfolio.

Renewable energy production in KLP's property portfolio is kWh of renewable energy produced locally from solar energy at KLP's properties. The production of heating and cooling from heat pumps is not included.

In 2022, we reported water consumption from KLP's offices in m3, while in 2023 we report in millions of litres. The figure from 2022 has been converted into millions of litres and differs from what was reported last year.

KLP's climate accounts

KLP strives to reduce emissions related to our whole business, which is why we seek to have climate accounts that are as complete as possible and cover all of our significant emissions. KLP has prepared climate accounts related to operations since 2009 and has constantly expanded them to include more sources of emissions. To highlight the differences between the sources of KLP's emissions, we first show an overall climate account with a focus on operational emissions, before going into more detail in KLP's financed emissions.

Overall climate accounts for the Group

For operation-related emissions, we include direct emissions (scope 1), indirect emissions from energy consumption (scope 2) and other indirect emissions from waste, flights and parts of purchases (scope 3). From 2022 to 2023, there has been a 3 per cent reduction in operational emissions, driven mainly by a reduction in emissions from purchased IT goods and services and scope 1 emissions. However, emissions from air travel and canteen operations have increased significantly. One of the reasons may be that we are back to normal activity levels after several pandemic-affected years. Compared to 2010, the reduction is only 6 per cent, but this is because we included emissions from purchases in 2022. If we keep the yardstick constant, the reduction is 49 per cent compared to 2010.

IT systems and information services make up KLP's largest purchasing category. In 2023, we started work on expanding the basis for calculating greenhouse gas emissions to apply to all purchasing categories. We have continued our environmental work in claims settlements and are stipulating a larger proportion of used parts for cars more than 5 years old. For providers of rental cars (courtesy cars), we require the percentage that are electric to match the percentage of electric cars in the total insured by KLP.

TONNES CO2e	Change in 2023	2023	2022	2021	2020	2019
SCOPE 1 EMISSIONS						
Total scope 1 emissions	**-36%**	**1.4**	**2.2**	**1.4**	**1.6**	**4.9**
SCOPE 2 EMISSIONS						
Total location-based emissions	**9%**	**85**	**78**	**95**	**81**	**99**
Total market-based emissions	**24%**	**851**	**688**	**606**	**459**	**431**
SCOPE 3 EMISSIONS						
1 Purchased goods and services	-27%	682	932	0	0	0
- of which: canteen operation	99%	58	29	0	0	0
- of which: sourcing of IT equipment and services	-31%	624	903	0	0	0
2 Capital goods						
3 Fuel and energy-related activities		50.9	21	0	0	0
4 Upstream transport and distribution						
5 Waste from operations	7%	15	14	7	23	27
6 Business travel	37%	645	471	94	174	858
7 Commuting						
8 Upstream leased assets						
9 Processing of sold products						
11 Use of products sold						
12 End-of-life products sold						
13 Downstream leased assets						
14 Franchise						
15 Investments	-10%	26,622,054	29,685,275	25,672,703	27,908,183	31,196,844
Total scope 1 emissions		**26,623,447**	**29,686,713**	**25,672,804**	**27,908,380**	**31,197,729**
Total greenhouse gas emissions (location-based)		**26,623,534**	**29,686,793**	**25,672,901**	**27,908,463**	**31,197,833**
Total greenhouse gas emissions (market-based)		**26,624,300**	**29,687,403**	**25,673,412**	**27,908,841**	**31,198,164**
Total operational emissions (location-based)	-3%	1,479	1,518	197	280	989

Method and explanations

Greenhouse gas emissions from KLP's own operations are compiled by an external consultant. The emissions are converted into tonnes of CO2 equivalents in line with the standard from the Greenhouse Gas Protocol Initiative. Greenhouse gas emissions include emissions from the use of diesel vehicles (scope 1), energy consumption (scope 2), and flights, business travel by car, waste from KLP's own office premises, food served in the canteen in KLP-Huset, and purchases of IT goods and services (scope 3).

Emissions from electricity consumption (included in scope 2 emissions) in the table are calculated using the location-based Nordic mix emission factor, which is a weighted average of electricity production in the power grid in Norway, Denmark, Sweden and Finland.

In calculating greenhouse gas emissions from air travel, we differentiate between short, medium and long-haul, and by cabin class, and there is an RF factor included in the calculation.

Emissions from fuel and energy-related activities are linked to "Well-to-Tank" (WTT). WTT describes emissions from fuel supplies, from production at the energy source to delivery of the fuel. These are emissions related to the upstream transport and distribution of scope 1 and 2. This is the second year WTT emissions have been included in the climate accounts.

Emissions from the purchase of IT goods and services are not complete, but cover parts of this purchasing area. The emissions are calculated internally by KLP based on the numbers of individual products held by KLP and information on lifecycle emissions for products obtained from our suppliers.

Emissions from the canteen are related to hot meals served in the canteen in KLP-Huset. Currently, this is the only canteen where we have data. The emissions are calculated by KLP's canteen provider using tools from Klimato. They have different emission factors for different foods based, among other things, on the country of production and the shipping method, and allow us to calculate emissions per dish. To arrive at the total emissions, this is multiplied by the number of each dish sold.

Financed emissions

For KLP, it is the investment portfolio that constitutes the largest source of emissions. This means that this is where we can make the biggest difference in reducing global emissions. At the same time, our financed emissions say something about exposure to transition risks linked to higher carbon pricing.

Financed emissions have varied somewhat over time, but the trend in recent years shows a clear reduction. Scope 1 and 2 have been reduced by an average of 6.4 per cent a year since 2019, while Scope 1-3 have been reduced by an average of 4.2 per cent per year. Financed emissions have fallen somewhat since 2022, and if we focus on the change over the last year, it is a small number of large individual companies within high-emission sectors that are responsible for the large absolute reduction in emissions from 2022 to 2023.

TONNES CO2e	2023	2022	2021	2020	2019
PROPERTY INVESTMENTS					
Scope 1	1	3	1	1	71
Scope 2 (location-based)	4,105	3,927	4,499	6,965	8,024
Scope 2 (market-based)	36,821	31,277	27,748	35,404	31,127
Scope 3	3,333	2,049	842	901	1,308
Total emissions (location-based)	**7,439**	**5,979**	**5,343**	**7,866**	**9,402**
kg CO2e per square metre	3.7	6.0	5.0	8.0	new
Total emissions (market-based)	**40,155**	**33,329**	**28,591**	**36,306**	**32,505**
SECURITIES INVESTMENTS					
Scope 1	2,310,521	2,675,489	2,590,131	2,711,906	3,122,603
Scope 2	635,595	962,235	651,004	670,340	716,467
Scope 3	23,251,370	25,635,354	21,974,243	23,910,593	27,348,372
Total emissions	**26,197,486**	**29,273,078**	**25,215,378**	**27,292,839**	**31,187,442**
GOVERNMENT BONDS					
Scope 1 (including LULUCF)	265,245	238,951	271,165	367,166	new
Scope 1 (excluding LULUCF)	329,550	342,960	380,595	497,784	new
Scope 2	7,129	6,231	6,597	11,262	new
Scope 3	135,190	153,103	166,303	220,496	new
Total emissions (excl. LULUCF)	**407,564**	**398,285**	**444,065**	**598,924**	**new**
Total emissions (excl. LULUCF)	**471,869**	**502,294**	**553,494**	**729,542**	**new**
MORTGAGES					
Scope 2 (total lending portfolio)	**9,464**	**7,933**	**7,918**	**8,554**	**new**
Total financed emissions (location-based and excl. LULUCF)	**26,622,054**	**29,685,275**	**25,672,703**	**27,908,183**	**31,196,844**
Total financed emissions (location-based and excl. LULUCF)	**26,686,359**	**29,789,284**	**25,782,133**	**28,038,801**	**31,196,844**

Method and explanations

Greenhouse gas emissions from KLP's property portfolio are derived by extracting energy and waste data for KLP-operated buildings from KLP Eiendom's environmental monitoring system, and do not currently include scope 3 emissions. The emissions are converted into tonnes of CO2 equivalents in line with the standard from the Greenhouse Gas Protocol Initiative. To convert into greenhouse gas emissions, there is a need for updated conversion factors which can be difficult to obtain, and an external consultant is therefore used. Greenhouse gas emissions include energy consumption and waste. Greenhouse gas emissions from KLP's property portfolio are included in scope 3 within KLP's overall greenhouse gas emissions.

In order to reduce emissions and counter climate change, it is essential to put good reporting in place. In 2022, KLP joined the Partnership for Carbon Accounting Financials (PCAF), which aims to increase transparency and provide for consistent measurement of financed emissions across the whole of the financial sector. Among other things, the PCAF has drawn up recommendations for how financial companies should report financed emissions. In line with these recommendations, KLP has been working to increase the share of the portfolio where financed emissions are reported. To do this, KLP uses its own estimates for emissions from companies where we do not have the necessary data to calculate financed emissions. We also include financed emissions via government bonds and residential mortgage lending to private individuals. To be transparent about the proportion estimated, KLP has calculated the degree of coverage for the various indicators. This includes the share of publicly traded stocks, government and corporate bonds, and the mortgage portfolio, which reports actual emissions figures.

Greenhouse gas emissions from securities investments are calculated by obtaining data on emissions, revenue and enterprise value from MSCI and Stamdata. These indicators are calculated in line with the recommendations from the PCAF and Finance Norway's guide to calculating financed emissions. For investments where there is no available data, emissions are estimated from the average emissions per krone in income from companies within the same sector in relevant indices. This estimation process takes a hierarchical approach, starting by looking at the most specific index level, which may be the national level (e.g., Norway), then gradually expanding the search to the regional, continental, and ultimately global level, if there are fewer than five companies within the specified sector. This hierarchical principle ensures that the emissions estimates are based on the most relevant and comparable data. It is worth noting that the estimation method has been updated since the previous report. To ensure consistency with the historical greenhouse gas figures for securities investments, these figures have been updated to reflect the new approach.

It is worth noting that the estimation method has been updated since the last annual report. This has led to an increase in financed emissions, particularly scope 3 emissions. The historical figures have also been updated to ensure consistency in the time series and comparability over time.

Emissions from securities investments and government bonds are rounded to the nearest thousand tonnes.

Greenhouse gas emissions from mortgages

The KLP Banken Group has set itself a target to bring emissions from lending (residential mortgages) down to net zero by 2050, and has worked in 2023 on setting more short-term targets and improving the calculation of financed emissions. This work is based on Finance Norway's guide to calculating financed emissions as well as the recommendations from the PCAF. Here we report on energy consumption in the homes we have financed.

The calculation of financed emissions depends on the type of data we have on the financed objects:

- For objects where we know the actual or estimated energy rating, we use this to estimate the expected energy use.
- For those objects where we lack data on energy rating and floor space, we look at the year of construction. For objects built after 2010, we assume that they conform to regulation TEK-10 and have a C rating. If it was built after 2017, we assume that the building conforms to TEK-17 and has a B rating. We have good data on energy ratings for homes built after 2010, so there are relatively few homes where we make these assumptions based on the year of construction.
- For those objects where we do not have an energy rating but use floor area, we use estimates from the PCAF for homes in Sweden. KLP does not finance homes in Sweden, but as we have our own estimates for homes in Norway and we assume that energy consumption in Swedish housing is roughly the same as in Norway, we use these estimates to estimate energy consumption.

In calculating financed greenhouse gas emissions, we have chosen to use a location-based method for electricity. As recommended in the guide to calculating financed emissions, the NVE's climate declaration for physically supplied electricity is used.

The emissions from the home are broken down according to the bank's exposure to the home and

the value of the home. In the past, we have used the latest available market value, but for the calculation in 2023 we have used the original value when the loan was taken out. In the case of refinancing, the current price is taken into account. Using the original value rather than market value, our financed emissions increased significantly in 2023.

Reported emissions for mortgages have been adjusted for the years 2021 and 2022. The reason for this is an aggregation error in previously reported figures, as well as a changed methodology. For the years 2021, 2022 and 2023, we have based the calculations on Finance Norway's guide to calculating greenhouse gas emissions.

Data coverage and quality

	2023		2022		2021		2020	
	Coverage ratio	Data quality	Coverage ratio	Data quality	Coverage ratio	Data quality	Coverage ratio	Data quality
Securities investments								
Scope 1	67%	2.98	74%	2.2	74%	2.2	70%	2.3
Scope 2	67%	2.98	74%	2.2	74%	2.2	70%	2.3
Scope 3	50%	3,11	73%	2.5	73%	2.6	70%	2.6
Government bonds	**100%**	**1.0**	**99%**	**1.0**	**100%**	**1.0**	**100%**	**1.0**
Mortgages	**89%**	**3.0**	**94%**	**3.5**	**95%**	**3.5**	**98%**	**3.6**

Coverage and data quality scores for the various indicators of financed emissions are shown in the table below in line with the methodology from PCAF. The score tells us something about the quality of the numbers behind the calculations. The best score is 1, and is given in cases where the company itself has reported all the necessary data. Cases where the company's emissions are estimated by the data provider get a score of 4, and cases where we ourselves estimate emissions based on other companies in the sector get a score of 5. The different quality scores are weighted together for the different emission groups based on their value in the portfolio.

Data coverage and quality for the securities investments shows a positive development compared to the previous report. For 2023, the figures have been calculated with new data from MSCI, where the evaluation of the reporting quality for each company has been carried out with greater accuracy. This data is only available for 2023, so the historical data quality scores are no longer directly comparable. We have therefore attempted to re-estimate the historical values based on MSCI's new evaluation method, which is in line with the PCAF standard. These are reported in the table above. It is important to point out that the adjusted historical figures carry a certain amount of uncertainty, but are estimated to allow comparison over time.

For government bonds, we have full coverage, as well as the best data quality in line with the PCAF, as issuing countries report verified greenhouse gas emissions to the UNFCCC.

A data quality score for mortgages has also been calculated. These are given a quality score of 3 in cases where emissions are estimated from the type of home and the energy rating, and 5 where we use data from the PCAF database for Swedish homes.

Some of the loans and associated collateral items have low data quality or lack information. It is not currently possible to make any calculations. For the report as at 31.12.2023, emissions have been calculated for 91 per cent of the mortgage portfolio. The low data quality score for floor area at 31.12.2023 may also be related to new rules for measuring usable area. The bank will follow up on this in the future and work to improve data quality.

As of today, we do not have sufficient data to map financed emissions for loans to the local government sector. One reason for this is that we have limited access to investment-specific information, and that the municipalities only report emissions related to investments to a small extent today. In 2023, we worked with several other players on a pre-project to look at how to map financed emissions for the local government sector. This work will continue into 2024.

Emission intensity of the investments

In line with the TCFD's recommendations, we measure the annual emissions and carbon intensity of our investments in listed shares and corporate bonds.

The difference between "weighted average carbon intensity" and "carbon intensity" is that the former weights the carbon intensity according to KLP's financial exposure to the company (invested amount), while "carbon intensity" only looks at the average carbon intensity for the entire portfolio. The weighted average carbon intensity has fallen by over 7 per cent on average per year since 2019. The reason for this is similar to the change in financed emissions. The portfolio's emission intensity says something about exposure to transition risk linked to higher carbon pricing. KLP's exposure to carbon-intensive companies is moderate, and KLP's defined high-emission sectors (excluding property) make up only 3.7 per cent of KLP's portfolio.

	2023	2022	2021	2020	2019
Scope 1 and 2					
Weighted average carbon intensity	93	120	133	147	161
Carbon intensity	124				
Carbon footprint	44	60	44	56	67
Greenhouse gas emissions (tonnes CO2e)	2,946,116	3,637,724	3,241,135	3,382,246	3,839,070
Scope 1, 2 and 3					
Weighted average carbon intensity	928	1,801	1,386	1,008	1252
Carbon intensity	960				
Carbon footprint	394	483	346	451	544
Greenhouse gas emissions (tonnes CO2e)	26,197,486	29,273,078	25,215,378	27,292,839	31,187,442

Method and explanations

Weighted average carbon intensity shows the exposure of the investments to carbon-intensive companies. The indicator is expressed in tonnes of CO2 equivalents per million dollars the company takes in revenue, weighted for that company's share in the portfolio. Greenhouse gas emissions are those that KLP owns. This means that KLP-owned emissions are allocated from the company's total emissions based on KLP's ownership interest in the company and its enterprise value. The portfolio's total investments in the company are divided by the company's total value (value of shares and debt) to derive the ownership interest.

Carbon intensity shows the carbon efficiency of the investments. The indicator is calculated as tonnes of owned CO2 equivalents per million dollars the company takes in revenue, i.e. the quantity of emissions owned by the portfolio in relation to revenues owned by the portfolio. Unlike weighted average carbon intensity, carbon intensity is not weighted for KLP's financial exposure. The portfolio's total investments in the company are divided by the company's total value (value of shares and debt) to derive the ownership interest.

Carbon footprint shows the quantity of emissions owned relative to the size of the portfolio, i.e. how large a carbon footprint the portfolio has, taking account of its size. The indicator is calculated as tonnes of owned CO2 equivalents divided by the market value of the portfolio. The portfolio's total investments in the company are divided by the company's total value (value of shares and debt) to derive the ownership interest.

Reporting on greenhouse gas emissions and intensity are some of the PAIs (Principal Adverse Impact Indicators)

which was introduced via the Disclosure Ordinance. See the appendix for an overview of the remaining mandatory indicators for KLP's portfolio.

Emissions from securities investments and government bonds are rounded to the nearest thousand tonnes.

Expansion of renewable energy

For several years, KLP has purchased climate credits from various projects to compensate for the emissions related directly to our operations. We do not count these credits in our climate accounts, but see them as a contribution to climate change adaptation. In the long run, in order to reach net zero emissions, KLP must find ways to offset our residual emissions, but we must be in a position to reduce emissions as far as possible before there is a real problem. You can read more about this at klp.no.

KLP also focuses on its contribution to renewable energy. The construction of additional renewable energy capacity, particularly in developing countries, is crucial if we are to ensure that the energy system of tomorrow is sustainable. Increased access to clean energy has a number of beneficial effects on social development and growth and is one of the keys to succeeding in achieving sustainable development in developing countries.

At the end of 2023, KLP had contributed funding to the construction of 95 new renewable energy projects worldwide. Together, these projects have added over 12 gigawatts of renewable capacity to the market.

	2023	2022	2021	2020
Number of completed renewable energy projects	95	58	41	25
Number of completed renewable energy projects in developing countries	20	17	new	new
New renewable energy capacity brought to the market (MW)	12,379	6,393	5,082	3,604
Number of inhabitants whose electricity needs are covered by the new capacity	-	10,299,174	9,181,885	7,571,445
CO2 emissions avoided as a result of the new capacity (tonnes)	-	3,965,325	4,829,122	3,467,678

Method and explanations

The number of projects is cumulative across all years and not just new projects for the year, and it also includes projects that KLP has withdrawn from and projects that were completed earlier but were not included in KLP's reporting. This includes direct investment in projects and companies, and fund investments and loans for projects, but not projects where KLP has contributed to refinancing. KLP's ownership interest has not been taken into account.

In previous years, we have reported greenhouse gas emissions that the projects have helped to avoid, and how many inhabitants can have their electricity needs met from the projects. We are now working on updating the method for calculating these indicators and will wait to report these until the method is in place so that we can have a higher degree of certainty around the numbers.

Biodiversity and nature

Transition to a nature-positive economy

The world is facing a serious nature crisis caused by overconsumption of natural resources. To put an end to this crisis, a transition to a nature-positive economy is needed. This means reducing our negative impact on nature, but also helping to strengthen and rebuild ecosystems.

Loss of nature and biodiversity pose a financial risk to companies that have a direct or indirect impact or dependence on nature and various ecosystem services. The Nature Agreement is an important measure to reduce physical nature risk in the long term, and KLP supports this agreement. However, the agreement could increase transition risk in the short term, as countries take measures to arrest and reverse adverse effects on nature and biodiversity.

KLP's impact and dependence on nature is greatest through our investment portfolio, which is where we have our greatest exposure to nature risk. With a broad portfolio of investments in all sectors of the economy, and across the world, KLP is indirectly exposed to most forms of nature risk. To the extent that the loss of nature and biodiversity has an effect on the global economy or companies in the portfolio, it will also affect KLP. At the same time, the strategy of a broadly diversified portfolio helps to contain our exposure to the nature risks associated with individual countries, sectors, geographies or companies.

For KLP, it is important to understand both physical nature risk and transition risk, and the dynamics between them, for our investment portfolio. However, as a broadly diversified investor, it is particularly important to understand nature risk from a systemic perspective, i.e. the risk of multiple ecosystems collapsing at the same time, contagion effects in the economy, and the financial risk this poses at the portfolio level.

Guidelines for nature

The Guidelines for KLP as a responsible investor describe how KLP takes climate and nature into account in all our investments and how we follow up on the companies. Our strategies and policies are based around global climate and nature goals negotiated under the UN Climate Convention and the Convention on

Biological Diversity. We have committed to these through the UN Global Compact initiative and the Principles for Responsible Investment (PRI).

We have drawn up a separate expectation document on climate and nature setting out our expectations of the companies we invest in. We have also sent letters to companies in the forestry management and wood processing industry with a clearer expectation that they should play their part in achieving the goals in the Nature Agreement. By screening companies against our guidelines and following up through dialogue, we reduce the risk of having a negative impact on the climate and the environment. Our climate and nature-related expectations are based on the global goals adopted under the United Nations Framework Convention on Climate Change (UNFCCC) and the United Nations Convention on Biological Diversity (CBD), and are inspired by the ambitions behind the UN Sustainable Development Goals.

KLP also has its own guidelines for voting related to climate and nature. A significant part of KLP's voting is conducted by ISS, based on ISS's International Socially Responsible Investing (SRI) proxy voting guidelines. KLP's guidelines also specify criteria for when KLP will vote against the board of companies in cases of impact on climate and nature. Key initiatives we align ourselves with are Climate Action 100+ and Forest 500.

KLP's policy document setting out our expectations of how companies should work to avoid adverse effects on biodiversity covers climate change, land use in particularly vulnerable areas, freshwater contamination, the spread of alien species and pollution. In the policy, KLP also has explicit expectations for selected high-risk sectors, including the oil and gas industry, mining, agriculture and forestry, and aquaculture. In our voting, we have also focused especially on companies with a high risk (which they are failing to address) of contributing to tropical deforestation either directly or through their supply chains, as well as companies with a high risk of contributing to greenhouse gas emissions and damage to nature through cattle production.

It is hard to directly trace KLP's policy on handling nature and biodiversity directly through to material changes in the portfolio companies. KLP's role in this area is as part of a broad team of investors and other stakeholders who use their influence to encourage these companies to work on changing their practice in a sustainable direction and reducing their negative impact. All in all, such a change will help to reduce physical nature risk and to reduce the transition risk in KLP's portfolio.

KLP has specific expectations that aquaculture companies should ensure traceability of their products to avoid unreported and unregulated fishing which overtaxes fish stocks and the use of fish feed that contributes to deforestation. KLP's expectations also emphasise that no oil and gas or minerals should be extracted in vulnerable biological areas.

KLP expects companies to act responsibly with respect to their social obligations. As a minimum, we require companies and project developers to follow the International Declaration of Human Rights, the UN Convention on the Rights of the Child and the ILO's Core Conventions. It should be a key priority for businesses to protect vulnerable individuals and groups affected by and/or associated with their operations, and to prevent all forms of discrimination. In particular, the rights of indigenous peoples are often a concern in the context of area-intensive economic activity.

Measures and activities in 2023

KLP is still in a learning phase as regards our impact on nature and biodiversity, and the risks associated with this. KLP's main actions are as follows:

- Clear communication of our expectations for sustainable management by our portfolio companies, public authorities and and other stakeholders
- Further development of the method for assessing and measuring nature risk for KLP's investment portfolio
- Management and reporting of nature risk in line with Taskforce on Nature-related Financial Disclosures (TNFD) recommendations

All of these measures are ongoing, without a specific end date. KLP has identified the following five particularly high-risk sectors in our portfolio that we judge to have the greatest negative impact on nature and biodiversity: forestry and paper production, oil and gas, agriculture, fishing and aquaculture, and mining and metals. We place great emphasis on these in our communication and follow-up of our expectations. The goal is for portfolio companies to increase their awareness and competence around nature risk, to enable them to assess and manage the risk in a good way. In 2023, for example, KLP took the initiative to communicate concrete investor expectations on measures towards sustainable management of Nordic boreal forests to companies in our portfolio that either directly engage in forestry themselves, or process the wood products. In general meetings, KLP has also voted against the boards of 67 companies for climate and nature-related reasons.

KLP worked in 2023 to identify and develop relevant methods for measuring companies' impact and dependence on nature, and the indicators KLP should report on to provide a good picture of our impact on nature. This is an effort we will continue to develop in the coming years. As part of this, KLP will be taking part in pilot testing of the TNFD framework in 2024. In the future, KLP will continue to integrate the work on climate and nature to ensure that it is a unified process, and not a set of parallel processes. As with climate change, KLP envisages structuring the analyses around scenarios that stress-test financial consequences for the portfolio from different aspects of nature risk. The TNFD has produced a guide on what such a scenario analysis should include for nature risk (TNFD, 2023). However, there is currently no industry standard for natural scenarios. The Network for Greening the Financial System (NGFS), an international network of financial regulators and central banks, has produced standard climate scenarios for the finance industry and is now working on developing guidelines for nature (NGFS, 2023).

KLP has also provided input to consultation procedures related to licensing processes that have an impact on nature and biodiversity. In its response to consultation on licensing processes for the expansion of offshore wind in Norway, KLP focused on the importance of mapping the impact on the natural environment, including bird and marine life, stressing that such nature concerns should be properly taken into account in the tendering process ahead of the auctions. In our input on the consequences of mining on the seabed, KLP stated that the precautionary principle dictates that we should hold back on any commercially oriented surveys and mining on the seabed until we have a better knowledge base. In 2023, KLP also provided a response to consultation to the Norwegian Nature Risk Commission. In our response, we referred to KLP's work on analysis and management of nature risk, the kind of data we need, including dilemmas in balancing the need for more renewable energy against concerns for nature, and the importance of robust licensing processes in these situations.

KLP had operating costs equal to about two FTEs related to impact and analysis work on nature and biodiversity in 2023, and expects to see similar resource use for 2024.

Goals and indicators

KLP does not have any quantitative targets for our work on nature and biodiversity. However, KLP's goal is for the portfolio companies we are invested in to move in a sustainable direction with regard to key nature risk parameters, in line with the ambitions in the Nature Agreement.

One of the challenges with nature risk, compared to climate risk, is the lack of a single unit of measure, as nature risk is even more complex and is measured in many different ways. The most relevant source of nature risk varies between sectors and regions. It is therefore natural that the first objective as we move forward should be for all companies to start assessing and including nature risk in their operations.

KLP has identified five sectors with particularly high nature risk in our portfolio. For these sectors, we monitor three indicators reported via the Carbon Disclosure Project (CDP) which provide information on whether and how portfolio companies are working on their impact on biodiversity:

- **Commitment:** Has the company made a public commitment and/or supported any biodiversity initiatives?
- **Value chain:** Does the company assess the impact on biodiversity through its own value chain?
- **Action:** Has the company taken measures during the reporting period to meet its biodiversity commitments?

There is great variation between the five sectors in terms of the focus on the impact on biodiversity in the companies and their value chains. Fishing and aquaculture stand out as the high-risk sector with the greatest focus on biodiversity. Five out of six portfolio companies within fishing and aquaculture report via CDP, and all of them have given public commitments and/or highlighted initiatives related to biodiversity. Moreover, half of the companies have assessed the impact on biodiversity through their value chains (for example, via fish feed), while four out of six companies have taken concrete actions to meet their targets related to the impact on biodiversity. In forestry and paper, more than half of KLP's portfolio companies have also reported via CDP. Almost all of those that report in the forestry and paper industries have a public policy on biodiversity that they are actively working on.

In the agriculture, mining and oil and gas sectors, there is a smaller proportion of companies reporting via CDP. Only about a quarter of the companies we know about have a public commitment to biodiversity and are taking steps to fulfil it. So far, we have carried out two surveys for 2022 and 2023 respectively. Although the level in these sectors is low, we see a positive trend in terms of companies that have set targets and are working to achieve them. On the other hand, we see that in fisheries and aquaculture and in agriculture there were fewer companies taking active measures in 2023 than in 2022.

	2023					2022			
	Number of companies	**Have committed to or signed up to initiatives**	**Assess impact through their value chain**	**Have activities close to sensitive areas**	**Have taken steps to meet commitments**	**Number of companies**	**Have committed to or signed up to initiatives**	**Assess impact through their value chain**	**Have taken steps to meet commitments**
Fishing	6	83%	50%	33%	67%	6	83%	67%	67%
Agriculture	18	39%	28%	11%	28%	21	14%	10%	14%
Mining	251	32%	24%	19%	34%	260	24%	10%	27%
Forestry and paper industry	32	56%	56%	28%	50%	34	50%	41%	50%
Oil and gas	243	27%	22%	16%	23%	239	23%	13%	25%
Total risk sectors	**550**	**32%**	**25%**	**18%**	**31 %**	**560**	**26%**	**15%**	**28%**

In 2024, KLP will consider introducing concrete quantitative targets related to nature and biodiversity. The climate and natural crisis is closely integrated, and KLP will therefore continue to work on including nature in our transition plan for the investment portfolio.

Method and explanations

The nature risk indicators are based on data from the Carbon Disclosure Project (CDP). More specifically, we collect response data to questions C.15.2-C1, C.15.3-C1 and C.15.5-C1 to assess whether companies have made a public commitment, assess their impact through their value chain or have taken action, respectively. We identify companies that have responded to CDP's survey and link this response data to the companies in our portfolio using ISIN codes. Based on the information the companies have provided, the nature risk indicators for each sector are then calculated. The percentage shares in the table are based on the number of companies in each sector, not the proportion of the amount invested.

Nature risk

KLP currently has no basis for estimating quantitative impacts related to nature risk for the investment portfolio. For KLP's overall portfolio of equity and fixed income securities, 40 per cent of the financial exposure is in sectors with at least one indicator with a "very high" negative impact on nature, while 6 per cent is in sectors with "very high" dependence on nature.

The nature risk models are at an early stage of development, and currently give us no precise understanding of nature risk. Here KLP's goal is to contribute to development work for the industry, which will also help to build up our own expertise.

To contribute to the work of developing the recommendations from the Taskforce on Nature-related Financial Disclosures (TNFD) for reporting on nature risk, KLP participated in a pilot study in 2023 in which a third party conducted an analysis of nature risk in KLP's exchange-listed investment portfolio. The TNFD analysis consisted of three steps and the overall conclusion was that the impact on nature in KLP's equity portfolio is more significant than the dependence on nature, and that KLP's portfolio is more exposed to transition risk than physical nature risk. In the first step, the sectors in the portfolio that are most exposed to nature risk were identified; step 2 involved a case-based value chain analysis of the nature risk associated with KLP's exposure to the food industry; and in step 3, an attempt was made to quantify the financial nature risk for the same sector based on scenario analyses.

Following the TNFD pilot, KLP conducted a simplified nature risk analysis in-house. The analysis was carried out in two steps. (1) Identify sectors in KLP's portfolio with a high nature risk, and (2) further analysis of sectors with particularly high nature risk. The purpose of the analysis was to identify high-risk sectors in KLP's portfolio, their supply chains and relevant indicators for KLP to follow up and report on.

Sectors with high nature risk were identified using the WWF's "biodiversity risk filter" (BRF). The BRF is based on 25 different sectors, and within each we assessed 24 different indicators of nature risk.

Based on an assessment of direct impact and dependence on nature, combined with KLP's financial exposure to the sector, KLP identified five sectors in the portfolio as particularly significant: forestry and paper production, oil and gas, agriculture, fishing and aquaculture and mining. For each of the five selected sectors, we carried out a closer analysis of the companies in the portfolio to gain greater insight into the individual sector, and to enable companies to follow up on their efforts to reduce nature risk over time. Our direct financial exposure to the five selected sectors is limited to less than five per cent of the equity and fixed income portfolio.

The preliminary analyses we have conducted indicate that the impact on nature in KLP's portfolio is more significant than its dependence on nature. The analysis is not comprehensive, but it is consistent with KLP's view that the focus should now be on reducing the negative impact on nature.

Resource use and circular economy

In the KLP Group's double materiality analysis, the circular economy was identified as a strategic focus area that KLP, through KLP Skadeforsikring and KLP Eiendom, both affects and is affected by. In the analysis, both opportunities and risks related to the circular economy were discussed for KLP's work on non-life insurance and its property operations.

Circular economy in non-life insurance

The topic of resource use and circular economy is relevant to KLP Skadeforsikring's claims settlement process In 2023, the company paid out on property claims for just under NOK 1,300 million, of which NOK 760 million was within construction and property and NOK 510 million went to vehicle damage. The company paid claims for smaller amounts within other insurance products, such as travel insurance. We do not have any material accounts that show the material consumption or the degree of circularity in these claims settlements for 2023. We are working to establish a data set for such calculations for use in internal management and target-setting, and in reporting.

Guidelines and governing documents

The vision for KLP Skadeforsikring to be a "driver for a circular economy" states that the non-life company should work systematically on re-use, repair and other measures to reduce the resource usage from claims settlements, and that the effect of the measures should be assessed and documented through greenhouse gas accounts. This requires us to work holistically on circular solutions, from product development and the wording of terms and conditions to our procurement strategy and specific agreements with suppliers and partners. We are working on a long-term procurement strategy for 2024-2027 in which circularity is a stated objective to be followed up with annual measures. The vision is backed by specific indicators that will be used to follow up on progress in processes/activities and in results. Overall progress towards the vision will be included as an indicator in the company's score card for 2024. The objectives and indicators supporting the vision will be regularly followed up in the management team, which will also keep the Board informed.

Measures and instruments

Buildings insurance

KLP Skadeforsikring has always been concerned to preserve any residual assets from damage sites, e.g. by refurbishing and reusing building elements such as cast foundations, buried infrastructure or steel and concrete elements in the building itself. In 2024, we are working on an account of the material and greenhouse gas impact from the claims cases. Such an account will also reveal the gains made from preserving residual assets and from other forms of re-use.

Remedial works after a major claim, such as a fire, accounts for the bulk of the resource consumption from our claims settlements, but we have also implemented a number of measures to reduce the environmental impact from remediation of frequent damage. By encouraging our partners to repair things like parquet floors and worktops instead of replacing them in the event of damage, we can significantly reduce resource consumption in the claims settlement process. We also help to increase the demand for, and development of, expertise in repairs. We request data from the partners that can be used to calculate circularity and greenhouse gas emissions from the claims cases, and have contributed to a working group under the auspices of Finans Norge Forsikringsdrift to prepare a common set of reporting indicators for the demolition industry.

In relevant supplier agreements within real estate, we include an undertaking to seek circular forms of remediation. In the report template used by the company's appraisers, a point has been added where the appraiser must explain whether and how repair solutions have been considered.

In 2023, we entered into an agreement with the Church City Mission on appraisal and repair of bicycles. This contributes to reduced resource consumption and also provides work for people who have ended up outside the established labour market for whatever reason.

KLP Skadeforsikring is in the process of reviewing product terms and conditions for its property insurance to ensure that they give us the right to repair damaged building elements and assets instead of replacing them with new ones. From 1 January 2024, the terms and conditions for our contents insurance stipulate that damaged assets must be presented to us so the company can judge whether they can be repaired, dried or otherwise re-used. At the beginning of 2024, we are entering into an agreement on repairs to consumer electronics with a third party.

Car insurance and other products in the Motor segment

Within motor insurance, we are working to repair rather than replace components, to use used parts where possible, and to offer the customer an electric car as a courtesy car while their own vehicle is being repaired. Access to used automotive parts that can be used in repairs is a continuing challenge, but the proportion of repairs where used parts are used is on the rise (up from 3.4 to 3.8 per cent of all repairs from 2022 to 2023). The proportion of repairs in glass damage cases also increased from 2022 to 2023 (from 43 to 45 per cent with the two main suppliers). KLP Skadeforsikring can point to higher proportion of windscreen repairs than other insurance companies, according to Belron Solutions.

Opportunities and risks associated with the circular economy

The switch to a more circular business model presents significant opportunities for KLP Skadeforsikring.

Being among the first to move away from non-circular claims settlement processes allows us to establish good routines and cooperation agreements for circular settlements by trial and error, ahead of tighter regulation in the field. As described in the section on risks related to the circular economy, we think it likely that the rules on the use of virgin raw materials will be tightened up at some point, within buildings and property for example.

We already have several ongoing initiatives to reduce resource use in the claims settlements. We believe that the greatest potential for reducing new resource use lies in preserving what we call residual assets in property claims cases, i.e. building elements that can be reused. In many cases, there are also financial savings in using residual assets in the restoring damaged buildings. However, the financial savings are more variable, as there are often some costs associated with refurbishing the building elements and ensuring sufficient quality for re-use.

The transition to circular settlement processes and a more sustainable approach to the business generally is seen as an opportunity to strengthen the reputation of KLP Skadeforsikring among customers, suppliers, potential employees and other stakeholders.

On the other hand, KLP Skadeforsikring is exposed to various types of risk associated with a circular economy. Risks related to the circular economy are not seen as material risks to the company and so are not addressed in the company's Own Risk and Solvency Assessment (ORSA).

We believe that there is regulatory risk in future regulatory instruments that will impose a higher degree of circularity. This applies in particular to the construction industry, but also in other relevant fields, such as in the automotive/workshop industry. This could include higher taxes on, or reduced access to, virgin raw materials. Another form of regulation we expect to see is likely is tighter regulatory requirements for public procurement to consider climate and environmental issues in general and circular solutions in particular. This could affect KLP Skadeforsikring in that claims settlements within our property and in some cases motor vehicle insurance policies for the public sector are subject to the procurement regulations. Stricter requirements for the repair and reuse of materials and components in buildings or cars could also make claims settlements more expensive than they are today, and/or require types of expertise that the company and its suppliers do not have today.

Currently, however, the applicable legislation is seen as more of a hindrance than a help towards more circular claims settlement. Building regulation TEK-17 provides little scope for re-use of building elements and imposes considerable additional work and extra costs on the client in the form of inspections and requests for exemptions. Such time-consuming additional processes are demanding to implement in a claim settlement where the policyholder is suddenly left without an important building, whether it be a school building or a home.

In the short term, we think it most likely that risk related to the circular economy will take the form of reputational risk, where we risk losing the respect of some customer groups if we fail to deliver more circular settlement solutions in line with our customers' expectations and with the market in general.

As of today, KLP Skadeforsikringalso believes that there is also a reputational risk associated with being *too* circular. There has long been a culture of insurance companies replacing damaged assets with new ones. Repairing a damaged asset may take longer than replacing it, while also missing out on the benefit of replacing something old with something new. It is therefore reputationally difficult to go much further than customer expectations and other insurance companies' practice in this area. We are working to adjust our customers' expectations through changes to the insurance terms and conditions that make it clear that repair and reuse should be prioritised in remediation works where appropriate. In the coming year, we will also place more emphasis on quantifying and communicating to the customer the environmental benefits of repair and reuse versus replacement in claims settlements.

Circular economy in property

A circular economy is about highlighting reuse, repair, improvement and recycling of materials.

There is great potential for more circular thinking in the construction sector. This is about reducing the life cycle cost from cradle to grave, and the building's rebirth. To achieve this, we need to build new and effective value chains for reuse and recycling. This requires greater expertise, along with changes in regulatory requirements and culture.

KLP Eiendom is organised as an industrial property company, and handles most activities in the development, management and operation of property with its own employees. This leaves us well placed to work in an integrated way on sustainability and circular economy in all relevant processes.

Guidelines towards a circular economy

The most significant issues concerning resource use and circularity in KLP Eiendom are related to material consumption and a circular economy, greenhouse gas emissions in the supply chain and generated waste. These are captured in the two vision statements prepared for KLP Eiendom in light of KLP's new sustainability strategy.

They deal with circularity in new builds and tenant alterations and set out an ambition to reduce greenhouse gas emissions from the construction projects. An important measure is the choice of materials, and we have therefore developed a material document that ensures that the materials used meet requirements for greenhouse gas emissions, circularity and the absence of pollutants. KLP Eiendom has its own sustainability strategy, where circular economy and resource use are an important topic. KLP Eiendom also has its own environmental management system which is certified according to ISO 14001.

Measures and instruments

Reduce greenhouse gas emissions and increase circularity in tenant alterations

Our tenants increasingly want detailed information about their climate footprint, and for many actors, the leasing agreement will be one of the biggest contributors to the company's environmental impact. KLP Eiendom carries out some 40 different tenant alterations each year, at an annual cost of around NOK 250 million. We see great potential to reduce the amount of resource use and greenhouse gas emissions associated with tenant alterations. We have therefore set ourselves a goal to reduce the climate impact of this work by 50 per cent by 2030.

The following measures will be key to achieving this goal:

- Develop a "material document" for office management, based on experience from the first year of operation.
    - The material document will make it easier for our tenants to choose sustainable alternatives within different material groups that are essential to furnishing office premises. The document

contains documented effective solutions that address relevant environmental indicators which are important both for the environment and for the indoor climate in our premises. Examples of our environmental indicators are the share of reused raw materials in the product, and whether the product is suitable for re-use.

- Establish a climate calculator for tenant alterations, to calculate the real climate impact and to show the tenant the effect of re-use and conscious choice of materials.
- Set sustainability competence and performance requirements for partners such as contractors, suppliers, etc.
- Competence building on environment and sustainability for the Management/Leasing department. Establish a competence plan and provide training.
- Establish collaboration agreements and test projects with operators who conduct re-use inspections and handle the purchase and sale of re-used building products.

Reduce greenhouse gas emissions and increase circularity in development projects (new build and refurbishment)

A number of pilot projects in recent years have shown that it is possible to halve greenhouse gas emissions from the industry without great additional costs. We make the biggest cuts to emissions by erecting fewer new buildings and looking after those we have; we need to think long-term, build flexibly, and focus on maintenance to prolong service life. In projects we will:

- Always consider refurbishment if possible. Make climate savings visible.
- Carry out re-use analyses and assess the possibility of re-use, either with materials from our own building stock or from external sources.
- The projects will be designed for long life and future re-use, and we will document these assessments
- Simple re-use analyses will be produced for tenant projects over 2,000 m2.
- We will try to resell larger materials/components (e.g. façade panels or ventilation systems) that are still usable on re-use platforms such as Loopfront or Rebuild.

Reduce greenhouse gas emissions and increase circularity in property management

The environmental impact from operating our properties will be greatly affected by the tenant's behaviour, such as alterations and adaptations in the buildings themselves, and waste generation from business operations and canteens. By making environmental data available and through good dialogue and guidance, we will be able to reduce the environmental impact in cooperation with the tenant.

In order to manage the properties in a good way, we aim to use suppliers who can show that they take responsibility for climate, environment, social conditions and corporate governance in their own business and in their supply chain. In this way, KLP Eiendom can make use of our influence in using the climate footprint of materials as a criterion for procurement. In practical terms, we will do this by:

- Introducing green leasing agreements with our tenants to promote greener behaviour

and increased collaboration.

- Having at least 5 waste fractions readily available from workplaces and other locations in our buildings, in the premises we rent out
- Setting requirements for sorting waste from our premises (at least 65 per cent)
- Introducing a specific amount of unsorted waste (kg/m2) as a target parameter in operations, and provide a basis for building-specific measures.
- Giving priority to suppliers that are environmentally certified over other suppliers For larger agreements (framework contracts), this is already a criterion today. Making environmental certification information available in internal purchasing systems.
- Calculating the climate footprint for material use in larger purchases

Waste and use of resources in operations

KLP will seek to make our consumption and our services more resource-efficient and circular to support a circular economy. We will operate according to the waste pyramid and process most of the waste high up in the pyramid. Another important way to contribute to a more circular economy is through increased knowledge of claims prevention among our owners, which will reduce the need for repair and reconstruction.

	2023	2022	2021	2020
Quantity of waste in KLP's own offices (tonnes/tonnes per FTE)	73 / 0.07	76 / 0.07	58 / 0.06	101 / 0.10
Degree of sorting at source in KLP's own offices	65%	67%	81%	56%
Quantity of waste in KLP's property portfolio (tonnes)	5,067	5,045	3,967	4,296
Degree of sorting at source in KLP's property portfolio	60%	59%	62%	62%
Courses on claims prevention	66	97	63	12
Participants in the course on claims prevention	641	954	360	820

Method and explanation

Volume of waste from KLP's own offices includes Oslo, Bergen and Trondheim. For offices in Oslo, only paper waste and residual waste are weighed and recorded per user, while the other waste fractions are estimated based on an area key. In 2022, it was found that, for some properties where KLP shares waste rooms with other companies, no area key was used for the breakdown of waste. This has been corrected in the reporting for 2022, and an updated area key has been entered.

Waste volume in KLP's property portfolio covers buildings that KLP manages itself but does not include all the buildings in its property portfolio. As the waste is not weighed on collection in all buildings, e.g., in Stockholm, it is not possible to obtain waste data for all buildings. In 2023, the figure includes waste from 52 buildings, compared with 50 buildings in 2022.

Rate of sorting at source shows the percentage of waste that is sorted. More of the materials from sorted waste can be recycled, so they have less negative environmental impact than waste that is not sorted and is either disposed of in landfills or incinerated for energy recovery.

Damage-prevention activities are those where KLP Skadeforsikring provides training in fire safety and fire prevention. Previously, a large number of participants from a variety of different municipalities attended the same course. However, based on experience gained during the pandemic, these courses have become smaller, with fewer participants all from the same municipality. Many courses have been held in a meeting format. The courses are a collaboration with the Norwegian Association of Fire Officers.

Social matters

Own workforce

Strategy

The Group strategy provides important guidelines for development areas where customer expectations, technological opportunities, efficiency requirements and the need for up-to-date expertise are increasing and changing much faster than before. This increases the need for adaptability across the organisation.

In the Group strategy, there is a particular focus on committed employees. This focal area looks at the most important development work for us to focus on as employees in KLP in order to move in the direction set by the strategy. The Group strategy also has other priority areas where targeted measures will contribute to target attainment.

HR has overall responsibility for HR policy within KLP and provides a number of services to the business areas to support their work.

Human resources are the most valuable asset the KLP Group has. If we are to be an attractive employer and attract the best candidates, we must work to develop employees and managers, and have employees learn from each other and take responsibility for their own development in line with the Group's business goals and ambitions. This work is built around KLP's core values; Open, Clear, Responsible and Committed, and the management model with associated principles for good leadership.

As an employer, KLP has a strong focus on being a responsible employer and safeguarding fundamental human rights, health, privacy, the environment and safety for our employees. All of our employees are covered by collective agreements that ensure decent pay and working conditions. The HR department plays an important role in developing and supporting the execution of key strategic processes to attract and retain employees and provide for effective development throughout the employment relationship. The Board, Group management, managers and employees are important stakeholder groups in the work on the strategy.

Good IT tools are essential for gaining insight and providing valuable knowledge to support better decisions. Nevertheless, most of the work is still done within the organisation, so it is important to emphasise that, in order to succeed with the strategy, managers must take responsibility for implementation and execution in their own unit, with effective involvement of employees, elected representatives and the health and safety officers. HR must ensure that it takes the initiative, sets direction, provides the necessary support and advice and shares the responsibility for the success of the measures together with the business areas. Individual employees must also take responsibility for their own development. Good collaboration across the board is crucial.

KLP conducts regular risk assessments of various areas within the working environment to prevent injuries, health problems or illness, and to ensure that we comply with laws and regulations related to health and safety. We use the risk assessment method specified by the Norwegian Labour Inspection Authority and in some cases by consultants from our occupational health service to ensure that we cover all factors that could lead to poorer health among our employees.

In 2023, we conducted a risk assessment of the whole HSE area, covering topics such as sick leave due to the greater risk of infection in the winter season, increased risk of mental health problems, facilitation, overtime, indoor climate, stress from the introduction of new technology, musculoskeletal problems due to increased working from home, knowledge-sharing, conflicts and substance abuse. An action plan has been produced with appropriate measures. Many measures related to these risk factors have already been initiated and some areas are being monitored on an ongoing basis.

Employees in KLP Eiendom who deal with the operation of our buildings have more risk factors related to their working environment than the office employees. Every two years, a risk assessment is therefore carried out for this area which deals with factors specific to their work. The aim is to capture risk factors related to work performance, equipment, chemicals, etc. and ensure that we have procedures and measures to keep risk to a minimum. Health checks are therefore carried out for this employee group every two years. The last time we carried out the risk assessment, there were some additional training requirements related to new equipment. An action plan was created with measures that were later followed up by the management for operations in KLP Eiendom in Oslo and Trondheim.

In 2023, we did more work to ensure compliance with the requirements in the Equality and Discrimination Act on the employer's duty to actively promote gender equality and prevent discrimination. A risk assessment was carried out to investigate grounds for discrimination or other obstacles to equality in collaboration with the employee representatives in the Equality and Diversity Committee. The results show that there was no significant risk of discrimination in 2023. The main challenge is that changes in the pay and gender balance in higher-paid and management positions are happening too slowly. This is an area we are working on and emphasising through our actions.

Guidelines, rules and procedures

We safeguard our employees' fundamental human rights in a satisfactory working environment with decent working conditions. KLP safeguards these important values and rights by entering into collective agreements with employee representatives, and through company guidelines and rules. The company's guidelines are made available to employees in our management system, and employees keep up to date and refresh their knowledge through module-based e-learning.

We respect fundamental human and labour rights throughout its operations and in all its activities. This is laid down in overarching guidelines and principles which apply to the whole Group. The most important are the Code of Conduct and the Equality and Diversity Policy. Through established processes and systematic risk assessments, measurements and controls, we ensure that this is properly followed up. We consider the risk of human and labour rights abuses in the organisation to be low,

KLP is a member of Finance Norway, an employer and business organisation for the finance industry, and is a national association within the Confederation of Norwegian Enterprise (NHO). We are a party to their basic agreement and general agreement with the Finansforbundet trade union. We also have a separate corporate agreement which applies to all employees in the Company and wholly owned subsidiaries, except for senior management and managers who report to them, and temporary staff on short-term assignments.

The company is covered by the Transparency Act. The purpose of the Act is to promote companies' respect for fundamental human rights and decent working conditions, and secure public access to information about how enterprises handle adverse impacts.

Equality and diversity

We believe in a workplace with a wide range of people contributing to innovation, growth and value creation. All of our employees are given equal opportunities, regardless of age, sex, disability, political convictions, religion, beliefs, sexual orientation, gender identity, gender expression and ethnic background. We contribute to gender equality and diversity in the workplace and in society by focusing on UN Sustainable Development Goals 5 and 8: Gender equality and decent work and economic growth. We support all of the UN Sustainable Development Goals and have also identified specific goals that reflect engagement, and these are integrated into our strategy and action plans.

We have clear guidelines, specific goals and measures for the Group, which are systematically and actively addressed throughout the year. We conduct analyses, due diligence and risk assessments and develop an action plan and follow up on actions to ensure that we contribute to an equal and diverse working environment.

Health and safety and environment (HSE)

We provide for a satisfactory working environment through systematic HSE work, with processes that ensure that we work in an appropriate manner and have the resources we need to maintain a good working environment and prevent health problems among our employees. Among other things, we have good written procedures for following up on employees on sick leave, and we have created our own e-learning courses for managers and employees on processes and rules concerning sick leave. Our HSE goals, and target attainment and improvement measures, are discussed with the health and safety officers and employee representatives and presented to the Working Environment Committee. The Working Environment Act and the Internal Control Regulations are among the most important acts and regulations that provide the framework for the HSE work. KLP's Personnel Handbook and HSE Handbook are intended to provide information on HSE activities and processes that are important for managers and employees.

Salary and benefits

KLP has overarching guidelines for salary and other benefits. The Code aims to reward behaviour and promote a culture that ensures long-term and sustainable value creation and reflects the company's attitude to wages and other remuneration to employees. To ensure that the guidelines are complied with, the way the compensation scheme is practised is subject to annual internal controls, pursuant to Section 15-2(4) of the Financial Institutions Regulations. Internal Audit presents the results of this internal control process to KLP's remuneration committee once a year. The companies in the KLP Group are bound by the agreements between Finance Norway and Finansforbundet. Employees' commitment, expertise and results should influence their salary reviews.

A fixed base salary is the main element of the total remuneration, which also includes insurance and pension schemes and benefits in kind. The Group's asset management environment competes for labor in markets where it is commen that parts of the salary is based on achieved results. The Group therefore offers salaries that are partly performance-based for employees within asset management who have direct responsibility for results. In accordance with the regulations, payment of this remuneration is spread over several years and is partly linked to the growth in value in selected securities funds. Performance-related pay has not been introduced elsewhere in the Group or in Group management.

Employee involvement

At KLP, we have a corporate agreement negotiated with the company's elected representatives, which covers administrative provisions, working hours and cooperation within the company.

The management has a good relationship with the employees' representatives through the working environment committee and the works council. The priority areas for the working environment committee in 2023 included sick leave, overtime, the employee survey, gender equality and diversity, and the change programme implemented within our pension environment. We regularly arrange joint sessions where elected representatives and the safety offers meet with management to support cooperation and discuss relevant issues. The meetings focus on topical issues at work to build a shared competence platform. Skills development is also done through other forums including the conflict resolution group where the elected representatives meet with HR.

We have an equal opportunity and diversity committee comprising both management and employee representatives. The committee has quarterly meetings and works to draw up overall targets and produce action plans with relevant measures.

All new employees in the company complete modular e-learning courses that deal with company policies, values and ethical guidelines. The induction programme for new employees takes them through KLP's Equality and Diversity Policy.

Working environment committees within the company are divided into a central working environment committee (AMU) which covers the whole company and local committees in each of the subsidiaries. The central AMU deals with matters relating to the company as a whole. The senior employee representative and the chief safety officer attend together with the CEO, senior managers, the occupational health service and HR. The local AMUs address more local matters, and the managing director of the relevant subsidiary will attend together with HR and local staff representatives and safety officers. There are also quarterly cooperation meetings with management and elected representatives as well as the chief safety officer. Regular cooperation meetings are also held between management, elected representatives and the safety officers in the units that deal with pensions and business development and in the technology unit.

The AKAN committee is a bilateral sub-committee to the AMU. The committee is responsible for information and opinion-forming work, planning, organising and carrying out drug-prevention work in KLP, and reporting to the central AMU on the committee's activities and on dependency problems among the employees.

Every year, KLP conducts an internal survey among managers on matters relating to HSE. This survey is one of the activities that actively help our organisation to work systematically in the HSE area. Aspects covered in the survey include the monitoring and support of employees on sick leave, overtime rules, involuntary part-time working, follow-up on the employee survey, special initiatives, reporting matters of concern and non-conformances, and preventing substance abuse. The results of the survey are included in the company's system audit, together with the HSE goals approved by the working environment committee. The results are also followed up by the HR section. This helps to provide for a decent working environment and to reduce and prevent risk factors.

In the wage settlement, management and the elected representatives come together to discuss the previous wage settlement at the local level. The parties exchange information and discuss matters that are specifically raised.

All new hires that normally fall within the wage settlement are discussed in the employment committee. This is a bilateral committee with two representatives from management and two from the staff.

Handling of adverse effects and whistleblowing

Part of the systematic HSE work is the prevention of work injuries and damage to health and following up on incidents. Employees can report non-conformances on the Guidance page on the intranet. Non-conformances can also be reported to the immediate manager, or to HR. This is necessary if KLP is to have an active and living HSE system which helps prevent unwanted incidents. Incidents and non-conformances that are registered have to be investigated, and if necessary, measures implemented to prevent any recurrence.

We have well established written procedures for dealing with complaints, harassment and other unacceptable conduct. We have a conflict resolution policy that provides managers and employees with guidance on the types of behaviour and situations that should not arise at work and how to report unhealthy psychosocial working conditions.

Separate rules for whistleblowing in KLP have been drawn up in consultation with the employee representatives, approved by the Group board of directors and those of its subsidiaries, and made available to employees on the company's intranet. The regulations describe how employees should go about reporting their concerns, and the employer's case handling process covering the receipt, processing and follow-up of notifications. The rules encourage employees to report matters of concern in the workplace. The rules emphasise that reprisals are not allowed, so whistleblowers can feel safe and protected.

The organisation has several whistleblowing channels employees can use to raise their concerns, both internally and externally. The whistleblower is quickly informed that the notification has been received and how the process will be taken forward. The notification should be investigated as soon as possible. An independent whistleblowing channel has been created in which an external service provider processes the notification in the first instance. The whistleblowing channel is available to all employees - permanent, temporary and consultants. The whistleblowing channel is confidential and set up for anonymous reporting. KLP has established a whistleblowing ombudsman, and a whistleblowing council which includes the chief health and safety officer. The whistleblowing council and the whistleblowing ombud work closely together with the elected representatives. This helps to ensure that employees' views are listened to in whistleblowing cases.

Actions

HSE

We have clear and predictable procedures for monitoring and making arrangements for employees on sick leave. Both employees and managers have access to the procedures on the intranet. We offer counselling with a psychologist at low cost and with short waiting times for employees who need it. Employees with high-risk working conditions are offered health checks every two years. The health checks were last carried out in 2022 and will be repeated in 2024. Pregnant employees are given the necessary facilities to keep on working throughout their pregnancy, with support from a midwife and the occupational health service. We provide flexibility in your working life. In 2023 we introduced a scheme whereby employees can enter into an agreement to work from home up to two days a week if this is compatible with their duties.

KLP has also implemented a number of measures to provide for a good physical and psychosocial working environment, including adapting workplaces where necessary, along with various competence enhancement activities for managers and employees. KLP runs various professional and social events for all employees, including events for organisational development, a Christmas lunch, Christmas feast, decorating the Christmas tree, and events for the pensioners' association. KLP has an active company sports club which aims to promote sports, health and cooperation. It organises trips, activities, team sports and courses and runs a fitness centre which offers group sessions. Other welfare services include a photography club and an art club.

There is generally not much overtime in KLP, though the situation varies across the different business areas. There was an increase in overtime use from 2022 to 2023, and we have seen periods with extra work related to the development of a new pension system. The use of overtime is closely monitored by both management and HR. The working environment committee receives quarterly reports showing the total amount of overtime in KLP. We have good routines for following up overtime in collaboration with the employee representatives. Individual agreements are entered into between employees, managers and employee representatives in periods when there is a need for employees to work rather more than normal.

In 2023, we ran AKAN courses for managers, elected representatives and the safety officers, as well as HR, to teach people to recognise signs of substance abuse and how to conduct a conversation where there is a concern. We also focused on mental health on World Mental Health Day by hosting a lecture and webinar with psychologist Christine Lien on the subject of back pain. We have also carried out a safety inspection consisting of a questionnaire sent out to all employees with questions about physical conditions in the workplace. The results were reviewed afterwards and follow-up measures were initiated where needed.

Gender equality and diversity

An important means of improving the gender balance is the development of managers and high-fliers in our leadership development programme. It is important to build the right skills within the organisation to provide candidates for new roles. We are drawing up good development plans in staff appraisals to build up employees' expertise and experience, and to secure enough female candidates who may be suitable for higher-paid or management positions in the future.

The proportion of men in the highest paid positions has been higher for many years and they represent professions that are the highest paid. In some areas, it is particularly challenging to recruit women because there are far fewer women than men among the candidates. This is especially true in KLP Kapitalforvaltning, Economics and Finance and Technology. We have spent more time and tried different approaches to get more women to apply and come for interview.

We conduct wage negotiations with a particular focus on equal pay. We prepare analyses and have conversations with managers to ensure that there are no unjustified pay differences. Women's share of men's pay is affected by the gender distribution in the higher paid positions. Activities to improve the gender balance will therefore help support the progress towards equal pay.

In 2023, we implemented several measures related to the different target areas within gender equality and diversity. We have worked on improving our recruitment processes to provide for inclusion including a better gender balance in the interview process and candidate follow-up. We have continued our sponsorship work with Women in Finance, a partnership we have had since 2021. Here, the aim is to increase the proportion of women in executive positions and specialist functions in the finance industry in Norway.

In 2023, we had internships that helped to raise awareness of diversity among our own employees. We also have apprenticeships in construction and office roles, with a good gender balance among the apprentices themselves.

Work on increasing support for employees with disabilities continued in 2023 in collaboration with a recruitment agency, focusing on helping people with disabilities to enter the labour market. This is an area we will continue to work on in the future.

In 2023, we also ran the "Pink competence" course in collaboration with the Norwegian Organisation for Sexual and Gender Diversity (FRI). The aim is to give staff and managers good advice and ideas on how to talk confidently about sexual orientation and gender expression in the workplace. In the employee survey, we measure whether employees feel respected for who they are, and we get consistently high scores. While the results are good, we know there are unconscious biases both in workplaces and in society, so it is important to continue this work. We participate in "LGBT in the workplace", a network that we helped establish in 2017. Here we share knowledge and experience in work and actions taken.

KLP's retirees represent a valuable source of labour and expertise for the company. KLP aims to have a senior policy that motivates employees to stay in work for the benefit of KLP, society and not least the individual employee. We have various schemes that help seniors who can and want to stay in work for a long time. We have our own resources and training events for seniors to provide for continuous development throughout their employment. We arrange pension courses for employees which aim to foster security, dialogue and reflection on work and retirement for every individual, so the employees know about the pension scheme and can make good choices.

We mark selected days to highlight inclusion and provide support. Among the occasions that we celebrate are Women's Day, World Mental Health Day, Pride in Oslo, Bergen and Trondheim, and the Sami National Day.

Recruitment and employer branding

KLP strives to provide an active internal labour market, where employees have the opportunity to develop and find new career paths within the organisation. Through 2023, we had many employees who moved into new positions where they are building careers in-house. We have taken measures taken to publicise vacant positions with tips and advice on the interview process, and articles on the intranet on various positions and the working environment in the company have produced good results.

We receive many applications for vacant positions in KLP, but it has been challenging to attract enough qualified external applicants in certain areas, particularly women. In order to attract more qualified applicants, we have participated in various training fairs, run promotions in a wide range of channels, and adapted the language and message in our ads. In 2023, we ran an internship programme in Technology and KLP Kapitalforvaltning, which gives us access to well-qualified students and is also a good tool to get women interested in KLP and the financial services industry. We also find that this programme helps us to reach out to younger workers, and it is important for us to be able to showcase our exciting projects and our social mission to be an attractive employer for students and young employees.

Competence development

KLP engages in strategic competence management by identifying needs, planning, performing, and evaluating competence initiatives intended to ensure that the company, the individual manager and employee have the competence needed to attain defined goals.

We facilitate a number of internal and external competence-enhancing measures. KLP has developed its own management development programme in collaboration with an external provider. This has received good feedback. We also offer several topical and strategic leadership development activities. Staff appraisals are an important forum in which to discuss past performance and focal areas for the year ahead and to give and receive mutual feedback. These meetings are a good management and leadership tool. In

2024, we will finish implementing a new HR system with a development and learning module, which will provide new tools for measurement, insight, learning and follow-up.

Employees who wish to pursue further studies linked to their individual development plan can receive financial support for further training and education. To reinforce the message on lifelong learning and ensure that seniors have the same development opportunities as everyone else in the Group, funds have been earmarked for the provision of educational support for seniors.

Working environment

In 2023, one large and two shorter employee surveys were conducted to measure job satisfaction and loyalty. The results show that we have high job satisfaction and loyalty in KLP. Employees up to age 30 show in the survey that there is increasing job satisfaction after targeted measures such as the establishment of networks, social events and professional development. Managers present their unit's results to the employees, and measures are developed jointly. Sending out a quarterly survey has made it easier to monitor developments and adjust improvement measures along the way. Units with lower scores are followed up specially. The survey results are presented and discussed with the employee representatives and health and safety officers, who also have the opportunity to propose measures. Overall, this provides a good insight and is an important process for continuous development of a good working environment.

KLP wants employees of all ages and we work actively to attract and to retain younger employees who are developing and enjoy a good working environment. We have implemented several measures in these areas, and for 2024 this target group will be included in the main objectives.

Objectives related to KLP employees

KLP has several clear goals and sub-goals that are followed up with different measures throughout the year. We aim to:

- Be an attractive and flexible employer who provides good development opportunities in an inclusive working environment
- Work actively to prevent sickness absence and aim to keep the absence rate below 4 per cent on average each year
- Have a gender balance in executive positions and on the boards of directors
    - Have a minimum of 40 per cent of each gender in executive positions at all management levels and in all boards of directors in KLP
    - Increase the proportion of women at all levels of management where there are imbalances
- Have a gender balance in higher-paid positions
    - Have a minimum of 40 per cent of each gender in higher-paid positions
    - Increase the proportion of women in higher-paid positions
- Work systematically to achieve a fair pay balance*

- Increase women's share of men's pay

*Women's share of men's pay is affected by the gender distribution in the higher paid positions (goals 1 and 2)

- Provide more facilities for workers with disabilities
  - Increase recruitment of employees with disabilities
  - Provide adapted workstations
  - Provide an accessible workplace for our employees
- Ensure that all employees feel respected for who they are
  - Maintain high scores for employees in the employee survey related to gender, ethnicity, religion, beliefs, disability, sexual orientation, gender identity, gender expression, age, and other significant aspects of an individual
- Provide good follow-up and training for seniors
  - Raise the average retirement age
  - Publicise resources and training events for seniors
  - Provide professional development plans for seniors

Indicators and results

KLP's employees

	2023	2022	2021	2020
Employees in KLP	1,133	1,093	1,048	1,018
Gender distribution among employees (women/men)	48 / 52%	48 / 52%	47 / 53%	47 / 53%
Number of part-time employees in KLP	48	57	50	56
Gender distribution, part-time employees (women/men)	75 / 25%	new	new	new
Proportion of female employees working part-time	7%	9.5%	7.3%	9.4%
Proportion of male employees working part-time	2%	2.4%	2.5%	1.9%
Total temporary employees	15	22	34	34
Gender distribution, temporary employees (women/men)	53 / 47%	50 / 50%	53 / 47%	new
Turnover, number	78	78	new	new
Turnover, per cent	7.0%	7.3%	6.4%	3.1%
New hires	113	new	new	new
Gender distribution, new hires (women/men)	46 / 54%	new	new	new
Total number of consultants	438	490	new	new

Method and explanations

All the figures reported relate to the KLP Group's permanent workforce in Norway, Sweden, and Denmark, unless otherwise specified. Figures relating to pay and absence do not include Sweden and Denmark.

Number of employees refers to permanent employees in the KLP Group in Norway, Sweden and Denmark, and includes employees on leave of absence and those working part-time.

Part-time employees are permanent employees who work less than 100 per cent. Percentage of part-time employees shows the percentage of the total number of permanently employed women and men working part-time on a voluntary basis.

No employees at KLP work part time against their will, and all staff are employed in full-time positions. Part-time working occurs only when the employee wishes it in connection, for example, with parental leave, education or other personal circumstances which cause them to prefer a reduced workload for a period. In 2023, 4.24 per cent of permanent employees worked part-time; this is a decrease from last year, and lower than previous years. 7 per cent of women and 2 per cent of men worked part-time in 2023. This is a decrease among both men and women.

Temporary employees are employees on a temporary contracts who are paid by KLP.

Turnover is the number of permanent employees who have left the KLP Group in relation to the average number of employees over the year. People who have changed jobs within the KLP Group are not included.

7 per cent of the workforce left the company in 2023, an increase of 0.3 percentage points from 2022 and 1.1 percentage points above the average for the last five years.

Number of external consultants refers to external consultants hired for construction contracts and consultants hired from production companies at the end of the year.

The use of external consultants has been mainly linked to two construction contracts, along with smaller agreements particularly in the IT area. We have used temporary hires from staffing agencies as temporary cover for employees who are on leave or off sick throughout KLP. We have also hired individual consultants from production companies. From April, the rules on hiring employees from staffing agencies under the Working Environment Act were tightened. As a result, we have been actively working on compliance with the new rules. KLP therefore no longer hires people from staffing agencies for assignments of a temporary nature.

Collective bargaining

The employee is covered by central pay negotiations through the corporate agreement that forms part of the contract structure in the financial services industry and has to be viewed in conjunction with the basic agreement and general agreement entered between Finance Norway/NHO and Finansforbundet.

Equality and diversity

KLP participates in the SHE Index survey which measures and compares the gender balance in 85 Norwegian companies. In 2023, KLP scored 91 points, 9 points up on the previous year. This puts us in 11th place in the rankings, based on results in 2022.

We have a good gender balance among all employees and managers, and a positive trend in the top two levels of management. We have a worsening gender balance at management level 3. In higher-paid positions, we have a slight improvement in the gender balance, but we find that the change is very slow.

	2023	2022	2021	2020
Number of employees at senior management level	9	10	10	10
Proportion of employees at senior management level	0.8%	0.9%	1.0%	1.0%
Gender distribution on the Board (women/men)	43 / 57%	50 / 50%	43 / 57%	50 / 50%
Gender balance in Group management (women/men)	56 / 44%	40 / 60%	30 / 70%	30 / 70%
Gender distribution at management level 1 (women/men)	46 / 54%	40 / 60%	30 / 70%	30 / 70%
Gender distribution at management level 2 (women/men)	43 / 57%	39 / 61%	38 / 62%	39 / 61%
Gender distribution at management level 3 (women/men)	35 / 65%	41 / 59%	42 / 58%	45 / 55%
Gender distribution, total for all management levels (women/men)	40 / 60%	40 / 60%	38 / 62%	40 / 60%
Gender distribution in higher-paid positions (women/men)	30 / 70%	28 / 72%	27 / 73%	28 / 72%
Age distribution among employees (number below 30 / 30-50 / over 50)	85 / 591 / 457	82 / 585 / 425	78 / 570 / 399	60 / 593 / 372
Age distribution among employees (proportion below 30 / 30-50 / over 50)	8 / 52 / 40%	7 / 51 / 42%	7 / 55 / 38%	4 / 53 / 43%
Average retirement age, occupational and old-age pensions (years)	65.0	64.8	64.6	64.6

Method and explanation

KLP defines managers at three different levels. *Management Level 1* covers Group Management, including the CEO and the managing directors of the subsidiaries. *Management level 2* covers the managers who report directly to an executive vice president (member of Group management). *Management level 3* are the managers who report to level 2 managers.

Higher-paid positions are non-executive positions with an annual salary of more than NOK 1 million.

Other employees are permanent employees salaried in accordance with a standard pay scale, who are not in management or other higher-paid positions with an annual salary of more than NOK 1 million.

Gender distribution at different management levels, in higher-paid positions and among all employees is based on permanent employees. The gender balance for higher-paid positions is calculated as the proportion of women and the proportion of men who are not managers and have an annual salary above NOK 1 million out of the total number of employees. The figure reported shows the gender balance at the end of the year, and not through the year.

Age distribution among employees is based on permanent employees.

Average retirement age is calculated as the average retirement age with AFP and retirement pension for permanent employees. In 2023, we saw an increase in average retirement age from 64.8 to 65 years.

Salary conditions and equal pay

With regard to the salary balance, which measures women's share of men's pay, we have seen a positive overall development in KLP as a whole and among other employees, employees in higher-paid positions and at the top management level. However, we have a decline at management levels two and three.

	2023	2022	2021	2020
Total salary paid to employees (NOK thousands)	1,082,893	964,856	892,004	852,297
Average salary, women (NOK thousands)	830	781	755	726
Average salary, men (NOK thousands)	981	938	903	868
Women's earnings relative to men's (all employees at KLP)	85%	83%	84%	84%
Women's earnings relative to men's at management level 1	74%	64%	76%	77%
Women's earnings relative to men's at management level 2	84%	88%	87%	86%
Women's earnings relative to men's at management level 3	89%	93%	92%	91%
Women's earnings relative to men's, higher-paid positions	95%	93%	93%	95%
Women's earnings relative to men's, other employees	96%	94%	96%	95%
CEO's salary relative to median salary in the Group	6.6	6.5	6.2	6.0
Gender distribution, parental leave taken (women/men)	75 / 25%	74 / 26%	75 / 25%	65 / 35%

Total salary paid to employees means total salary recognised in expenses, minus fees to third parties. Benefits in kind are not included. Salary information relates only to permanent employees in Norway. Employees in Sweden and Denmark are not included.

Average salary by gender is calculated on contractual salary for a 100 per cent position, and is not adjusted for the percentage of part-time working.

Women's earnings relative to men's is based on the contractually determined salary for a 100 per cent position, not adjusted for the percentage of part-time working. It is calculated in the same way as the average salary per gender.

CEO's salary relative to median salary in the Group. The CEO's salary is a contractual fixed salary, not including benefits in kind. The median salary is defined as the median salary for permanent employees of the Group in Norway, and includes management level 1.

Gender distribution, parental leave taken is based on the total amount of parental leave taken by permanent employees, broken down by gender.

Competence development

In 2024, we will finish implementing a new HR system with a development and learning module, which will provide new tools for measurement, insight, learning and follow-up.

Health and safety and environment (HSE)

Employees are covered by social security schemes offered by KLP or from the public sector, which insure employees against loss of income due to illness, unemployment, disability, parental leave and retirement.

In 2023, the total sickness absence was 4.48 per cent, which is slightly higher than in 2022. The results for 2023 show a slight fall in short-term absence and a slight increase in long-term absence. Absence due to illness typically increases through the autumn and winter seasons and follows the general trends both in society and in the industry.

No serious injuries to staff or other major incidents were reported in the company in 2023. There have been no work-related fatalities.

	2023	2022	2021	2020
Total sickness absence	4.5%	4.5%	3.3%	3.2%
Short-term sickness absence	1.8%	2.0%	1.1%	0.9%
Long-term sickness absence	2.7%	2.5%	2.2%	2.3%
Gender distribution, sickness absence (women/men)	62 / 38%	5.7 / 3.5%	4.3 / 2.5%	4.2 / 2.4%
Number of personal injuries	3	0	1	0
Number of work-related accidents to employees	0	new	new	new
Number of cases of work-related illness for employees	0	new	new	new
Gender distribution, absence for sick children (women/men)	51 / 49%	52 / 48%	49 / 51%	47 / 53%

Method and explanations

Sickness absence is self-reported and doctor-certified absence due to illness for permanent employees. Short-term absence due to illness is defined as 1-16 days, and long-term absence is 17 days or more.

Gender distribution, sickness absence is based the total sickness absence among permanent employees.

Personal injuries are self-reported injuries to employees and claims for actual and possible occupational injuries to KLP's non-life insurance company. This does not included injuries suffered during employees' leisure time.

We cannot publish figures related to disability because of the GDPR and the Norwegian data protection rules.

Gender distribution, absence for sick children is based on "sick child" leave days taken by permanent employees, broken down by gender.

Discrimination, harassment and complaints

There were three whistleblowing cases reported in 2023, which were handled in accordance with KLP's notification procedures. All cases have been concluded and closed. No cases of discrimination, complaints or violations of social or human rights were recorded in the workforce.

	2023	2022
Number of cases of discrimination	0	new

Workers in the value chain

Risk-based approach

The work of safeguarding employee rights in procurement follows a risk-based approach. We prioritise our efforts according to the likelihood and impact of any breach of our principles for socially responsible supplier behaviour. The risk assessment is based on known risk areas, and recommendations from

Norwegian authorities and relevant networks for sustainable procurement in which KLP participates. This assessment is made for individual purchases, strategically within purchasing categories, and in following up directly on suppliers. The purchasing process is shown in the figure below.

KLP assesses the risk of violations of human and labour rights based on what we buy, who we buy from, where what we buy is produced and where it is supplied to. The basis for the risk assessment is the supplier's industry and the purchase's product category. We build on our own assessments of industry and product risks, as well as the list of known risk areas, which the public sector publishes on anskaffelser.no.

The risk assessment is supplemented by specific information for the individual supplier on relevant indicators of seriousness and maturity. For example, whether the supplier is subject to the Transparency Act, whether the supplier has an anonymous whistleblowing channel or whether the supplier requires compliance with labour rights in its supply chain.

	2023		2022	
	Number of suppliers	**Total turnover in NOK millions**	**Number of suppliers**	**Total turnover in NOK millions**
Major suppliers	138	1,410	121	1,343
Suppliers included in the Norwegian Agency for Public and Financial Management (DFØ) high-risk list	23	177	19	238
Suppliers classified as low risk	69	998	75	853
Suppliers classified as medium risk	50	328	34	444
Contractors under surveillance/for observation (classified as high risk)	19	83	12	46

Risk assessment of suppliers

When establishing new suppliers in the value chain, KLP's principles for socially responsible supplier behaviour are promoted as qualification requirements in procurement or contractual terms in the agreement with the supplier.

We include requirements for fundamental labour rights in all significant procurement contracts and require the supplier to provide the necessary information to carry out a risk assessment of the supplier and the purchase.

We have mapped relevant matters with key existing suppliers through questionnaires, and are doing so on an ongoing basis with new ones. The suppliers are followed up based on their responses and an overall risk assessment. This includes mapping and following up on sustainability issues with relevant sub-contractors.

The content of the survey was revised during the year to create an improved questionnaire which automatically links the reply to the supplier follow-up system.

In 2023, the work has not revealed any risk areas calling for stakeholder dialogue with employee groups. Our most pressing risk related to employee rights is connected to local service provision in Norway, where the providers' activities are regulated by the Norwegian authorities. In 2023, out of deliveries with known general risk, we followed up on established suppliers covered by general collective agreements, and checked employment conditions and wage levels in discussions with suppliers and by way of spot-checks.

Goals

We aim for all purchases to be based on a risk assessment, where the supplier's industry, product category, country of manufacture, and the financial scale of the purchase are factors that determine what should be considered and, where applicable, what measures must be taken. We follow developments in the sustainability work in public procurement and apply the same risk factors, and any recommended measures and assessments, as long as these fit our business and the scale of the purchase.

Sustainable working life

Sustainable working life is essential for KLP's owners to discharge their social mission. Staffing is a big challenge for our owners and the situation will get even tighter towards 2040. The challenge is related to KLP's core product and our role as a pension provider, e.g. through developments in the number of persons with disabilities and the individual's ability to make informed pension choices.

KLP is now working on a more detailed mapping of our opportunities to promote a sustainable working life based on our role as a pension provider. Based on this work, we will prioritise areas, propose instruments and set concrete goals for our commitment to a sustainable working life. Examples of areas we will explore in the future are:

- How we communicate
- How we influence regulatory developments
- Enhancing skills and knowledge-sharing on working life together with and between our owners

We will continue much of the work we have started on working life and look at new partnerships and projects that can contribute to health-promoting jobs with KLP's owners.

KLP aims to be the pension expert that takes the best care of its customers. This requires us to help boost knowledge about pensions, so our customers and members can make informed choices for the days ahead. One way we will do this is by providing good advice to individuals and employers, and disseminating information about pensions in the media.

Managing risk, threats and opportunities

KLP aims to develop products and services linked to our core business which respond to some of the sustainability challenges our customers and owners face, and thereby benefit society as a whole.

We are already seeing a record shortage of skilled and qualified workers throughout Norway. It is important for employees in the municipalities and healthcare sectors to have the desire, capacity and energy to remain in the workforce for as many years as possible while they are of working age. To do so, they must thrive in their jobs and in their lives outside work. Through KLP's working environment network, numerous municipalities and healthcare entities have developed good initiatives for a health-promoting working environment and a lower rate of sickness absence.

Goals

KLP aims to support projects by our owners on health-promoting workplaces. KLP also runs courses, webinars and information days on various working life topics. Examples of this are how to work systematically on the working environment, prevention of violence and threats in the workplace, emotional work, and psychological security in the workplace. In 2023, we ran 11 lunchtime webinars, which are open to all KLP customers and members. The aim is to share experience and knowledge from working life projects and research in an effective way. There were also 12 physical information days. On the information days, we gather together elected representatives, safety offers and managers in municipalities and health trusts to discuss the physical and psychosocial working environment. The aim is to build regional networks, to meet once or twice a year. We have already established three networks. Information meetings in the working environment network, and courses at selected customers are also included. Read more about courses and projects at www.klp.no/hms.

	2023	2022	2021	2020
Ongoing projects on health-promoting work with customers	43	42	41	37
Courses on health-promoting workplaces	36	139	94	93
Number of personal consultations on pensions	4,887	7,269	6,588	6,195
Participants in the 'Good to know' course on pensions	1,723	837	1,263	800
Media stories about pensions with spokespersons from KLP	86	77	36	57

Projects on health-promoting workplaces are part of KLP's working environment network, where municipalities, county authorities and health enterprises can apply for specific projects related to the working environment/health and safety. The projects run for two years and become part of the network, where they receive professional and financial support and can share experience with other projects. In 2023, we collaborated on 43 projects. The number of ongoing projects through the relevant year is reported, not just projects that are ongoing as at 31.12.2023.

Personal consultations on pensions cover guidance that KLP has given our customers' employers and employees on a variety of pensions-related matters. The consultations are held both physically and electronically. In 2023, 4,887 personal consultations were held on pensions, a slight fall from the previous year. The consultations were held both electronically and physically.

The *"Good to know" course* on pensions is a course KLP runs on our customers' premises. KLP runs these courses every other year, with a "refresher course" in between. The topics covered by the course are employees' pension rights, reporting to KLP, training in KLP's online solutions, and the future of public-sector occupational pensions. The courses are an important part of efforts to increase KLP customers' knowledge of pensions. The reported figure is the number of people logged in while the course is running, unlike previous years where we reported the number enrolled. Similarly, the actual number of participants may differ from this figure because the courses have been run electronically and it is hard to determine whether several people have taken part together.

Business practice

Zero tolerance for financial crime

Financial crime is a serious problem in society which tends to undermine confidence in the financial system and affects financial stability. KLP therefore has zero tolerance for financial crime. We have implemented policy documents to ensure proper and appropriate management of the operational risk posed by financial crime in our operations; among the most important are the Guidelines for measures against money laundering and terrorist financing, the Code of Conduct, the Guidelines for KLP as a responsible investor, the Strategy for sustainability and the Guidelines for action against economic crime.

The governing documents set out the principles, procedures and standards we use to integrate measures to combat financial crime, including measures against corruption, money laundering and terrorist financing, into our business strategies, day-to-day operations and relationships with our stakeholders. The governing documents have been communicated and made available to all employees. As part of the continuing improvement and development of our efforts in this area, we work systematically and holistically with risk assessments and risk-reducing measures, including an appropriate anticorruption programme.

KLP has established a secure whistleblowing channel, both internally for all employees and externally for our customers and business associates. An independent whistleblowing council has been established to handle incoming notifications. KLP has established a contingency plan, and will establish an independent committee in 2024, to deal with incidents related to corruption and bribery. The outcome of any incident management process is included in our annual data collection and risk assessment.

KLP has not identified any significant risks of corruption or bribery in its own business. However, we believe that most exposure to corruption and bribery may be related to our investments in unlisted companies and major purchases. Functions dealing with investments and major purchases receive bespoke anti-corruption and bribery training. Corruption and other types of financial crime are important issues that we follow up on with companies as a responsible investor and purchaser. Background checks, inspections and dialogue are tools that reduce the risk of breaching our principle of zero tolerance. No cases of corruption and bribery related to our business relationships were found in 2023.

We have produced tailored e-learning modules on anti-corruption and measures to counter money laundering and terrorist financing, which are compulsory for all employees. Completion of the compulsory training is systematically monitored. The relevant governing documents, as well as differentiated training in these and in the area of financial crime, strengthen the awareness and competence of our employees around this issue. This helps to ensure that our staff are well equipped to handle issues related to financial crime in their everyday work. In 2023, no cases of corruption or bribery related to KLP's employees were uncovered.

KLP's companies reported 72 suspicious matters to the National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim) in 2023 and suspended transactions related to tax evasion, racketeering, fraud and misappropriation of funds. In 2024, we are working on implementing a new anti-money laundering solution in KLP's operations. Attempted fraud against KLP and our customers is a constant threat, but our systematic countermeasures have prevented losses and been followed up with a report to the police.

Through industry partnerships, we play and active role on committees within Finance Norway with the aim of strengthening efforts to prevent and detect financial crime. We provide financial support to the financial crime prevention organisation Norsk Økrimforening (NØF), which aims to combat economic crime, with a particular focus on cooperation between members and interdisciplinary skills development. As part of our contribution to society, KLP is also part of an international project to train members of the police, the judiciary and investigative journalists in Romania and Moldova.

KLP has chosen a transparent approach to lobbying to avoid getting into unwanted situations. This means, for example, that KLP does not make financial contributions to political parties or politicians. We are also open about our input to public consultations and publish our responses on klp.no.

All funds KLP has invested in have received letters asking for details of our ownership to be made available and be shared with anyone who might be interested. We believe this is an important contribution to pushing industry practice towards greater transparency about ownership in funds, which is important in the fight against financial crime.

Transparency about investments

As municipal and health Norway's pension company, KLP is open about how we invest the pension money we manage. KLP is invested in over 9,600 companies around the world, spread over various sectors and regions, and in government bonds issued by various countries. We invest most directly and without the use of external managers, but we also use external managers.

Transparency and openness around ownership and placements is an important measure to uncover financial crime, and therefore KLP is open about our investments. We have also sent letters to the external managers we use stating that they have the explicit right to tell all interested parties that KLP is an investor in their funds. We hope that more investors will do the same.

You can read more about KLP's various investments here:

- KLP's investments in shares and mutual funds, divided between Norway and abroad and sectors
- KLP's investments in shares and bonds, broken down by sector and region
- KLP's investments in government bonds, broken down by country
- KLP's external managers

Sustainable tax practice

KLP takes a responsible approach to tax in its operations. We support international efforts to promote an open and efficient tax system, while also managing tax effectively to deliver a secure and competitive return on the pension assets that we manage. KLP monitors conditions that may affect responsible tax practices in our business.

Taxes are an important means of financing the welfare state. Tax is also a way for businesses to contribute to the public infrastructure that companies make use of. Tax evasion, tax avoidance, capital flight and other unethical tax practices lead to a loss of assets that should have benefited society, and contribute to major social and economic losses to the community, as well as a lack of trust. These can also constitute a financial risk. The basic idea behind international efforts to counter this is that taxes should be paid where value creation takes place.

KLP has developed a set of principles that express what we define as responsible tax practice and what we are working to achieve. You can find the principles here (Norwegian only).

Investors can play an important role in contributing to more responsible tax practice in the economy. KLP assists in this by actively communicating on responsible tax practice.

A responsible business is open about its tax practices. That is why KLP reports on tax in the countries where we operate on a country-by-country basis.

NOK MILLIONS	2023	2022	2021	2020
Norway				
Number of employees	1 099	1 066	1 022	997
New investments in property	1 635	784	- 24	2 406
Income	47 480	31 682	125 577	75 625
Profit before tax	- 253	1 652	1 027	1 657
Actual income tax payable for the financial year	25	314	1 106	0
Sweden	0	0	0	0
Number of employees	12	7	9	11
New investments in property	129	228	2 746	78
Income	653	510	339	404
Profit before tax	-1 140	1 921	1 008	38
Actual income tax payable for the financial year	4	- 2	24	30
Denmark	0	0	0	0
Number of employees	22	20	17	13
New investments in property	129	120	1 287	682
Income	604	484	458	442
Profit before tax	-636	- 646	762	245
Actual income tax payable for the financial year	36	18	27	31
Rest of Europe	0	0	0	0
Number of employees	0	0	0	0
New investments in property	24	8	13	0
Income	114	34	43	36
Profit before tax	166	- 53	80	- 451
Actual income tax payable for the financial year	1	1	0	0

Method and explanations

KLP reports tax and income broken down across the countries where KLP has operations over which it exercises control. This means that tax and income from investments in foreign securities are reported as Norwegian in the country breakdown, unless KLP has a controlling influence over the investment such that there is a group relationship. The amount includes KLP's withholding tax on fund investments. In practice, KLP's activities abroad are investments in property.

Number of employees is the number of permanent employees in the country concerned, including employees who are on leave of absence and who work part-time.

New investments in real property are net new investments for the year, not the total balance.

Revenues are the total net revenues for the year, as shown in the income statement.

Profit/loss before tax is the profit/loss before tax, as shown in the income statement.

Actual income tax payable for the financial year. Tax here means income (corporation) tax. Indirect taxes and other levies are not included in the reported figures.

Responsible business operations

Data protection

Information on members, customers and employees is a major asset to the KLP Group companies. It is therefore essential for companies to protect this personal data and process it in line with the guidelines laid down in the data protection provisions. The importance of this in maintaining the trust of our customers and members in KLP as a responsible company is reflected in governing documents and policies.

The KLP Group has expended a lot of resources in developing good procedures, processes and technical solutions to ensure compliance with the data protection rules. However, this is not a "one-off job" that can be tackled on a project basis. It requires regular evaluations and improvements.

KLP is constantly evolving, adopting new tools and digitising, and so the way we process personal data is also changing. Knowledge-sharing and regular updates in the organisation are essential, and this means building a culture of including privacy checks in all development and decision-making processes. We have therefore prepared new e-learning courses to ensure that employees and managers have a basic knowledge of KLP's obligations and an overview of the rights that the regulations give to our customers and members.

Updating our knowledge is also necessary to ensure that employees are aware of their responsibility for security, such as reducing the risk of being a victim of phishing attacks. Here, the annual Security Week, aimed at all employees and encompassing a number of events addressing different topics within security and privacy, is an important measure. In 2023, two of the events included talks by the Norwegian Data Protection Authority. We also mark International Privacy Day in January.

Transparency and readily available information on the way in which KLP processes personal data concerning its members, customers, etc. is important in building trust and fulfilling the duty of disclosure in the data protection regulations. We are therefore committed to ensuring that the data protection statement on klp.no is up-to-date and accurate.

To ensure that we act on and learn from any breaches in a positive way, we record them in a separate system. We have a low threshold for reporting deviations to the Norwegian Data Protection Authority. We also make regular assessments of compliance and how we handle the risk of breach of the data protection rules, just as we do for other rules that KLP is obliged to follow.

Ensuring compliance with the data protection regulations is an ongoing tasks that will continue into the future. We will keep the privacy of our customers and members on the company's agenda in 2024, and strive to safeguard their rights to the best of our ability.

Notifications and customer complaints

KLP aims to operate in a responsible manner to ensure that our customers receive the pensions and services they are entitled to. It is important to us for our owners and their employees to be satisfied, which is why we are open about receiving complaints.

	2023	2022	2021	2020
Fees, sanctions and fines from authorities for non-compliance with laws and regulations	0	0	0	0
Number of notifications received	3	2	0	0
Complaints about pension cases received via KLP's contact points	1,159	1,082	991	1,018
Cases dealt with by the National Insurance Court (number/number where the complaint was upheld)	34 / 2	29 / 1	37 / 3	45 / 0
Complaints about banking, non-life insurance and funds received via KLP's contact points (number/number where the complaint was upheld)	152 / 33	155 / 30	155 / 55	187 / 35
Cases processed by the Financial Complaints Board (number/number where the complaint was upheld)	98 / 12	85 / 9	94 / 16	36 / 6

Method and explanations

Fees, sanctions and fines from authorities

This indicator shows the amount paid in fees, sanctions and fines from authorities for non-compliance with laws and regulations. This includes fees from the Financial Supervisory Authority of Norway, the Norwegian Data Protection Authority, the Labour Inspection Authority and the Norwegian Competition Authority, fines from prosecuting authorities and fines imposed by the courts. In 2023, KLP did not incur any such fees, sanctions or fines.

Notifications received

KLP has an external whistleblowing channel where both employees and third parties can report matters of concern while remaining anonymous. Employees can also report their concerns via other internal channels. The reported figure is the number of actual notification cases received via all channels. There were three whistleblowing cases reported in 2023, which were handled in accordance with KLP's notification procedures. All cases have been concluded and closed.

In the past, we reported the number of employee notifications and the number of notifications received via the external notification channel separately. To ensure transparency and prevent a notification from being reported twice, we now report these together. The number of notifications received in 2022 has therefore been updated and does not match what was reported in 2022.

Complaints via KLP contact points

Most complaints to KLP come via our own contact points, such as the contact form on klp.no, e-mail, phone-calls and conversations with customer service staff in the different parts of the business. The number of complaints reported is the number reported to the Financial Supervisory Authority of Norway and considered to be genuine complaints.

For KLP Skadeforsikring, KLP Banken and KLP Kapitalforvaltning we also report the number of complaints where customers have had all or part of their complaint upheld after KLP reconsidered the matter.

For KLP Skadeforsikring, 123 complaints were received, and we upheld the customer's claim in 9 of them, and partly in 3 more. The majority of complaints arise out of disagreement over curtailment/rejection (106). KLP Kapitalforvaltning received 17 customer complaints, and we upheld the customer's claim in 10 of them. 12 of the complaints relate to general customer service. Of these, most complaints are concerned with buying and selling and moving mutual funds.

The number of pensions-related complaints includes both complaints to KLP and appeals to the National Insurance Court. If a customer disagrees with the outcome of a complaints case, they can appeal. This appeal is processed and adjudicated by a legal affairs department. One complaints case may therefore be registered twice if it has been appealed. Because of limitations in the system, it has not been possible to obtain figures on how many pension-created complaints from customers are upheld.

Cases before the Financial Services Complaints Board

If one of our customers has submitted a complaint to KLP and is not satisfied with the response or the follow-up, the complaint can be referred to the Norwegian Financial Services Complaints Board. The indicator shows the number of cases dealt with by the Financial Services Complaints Board in the year and the number of cases where the customer received full or partial satisfaction where KLP Banken, KLP Kapitalforvaltning or KLP Skadeforsikring were the counterparty.

Cases heard by the National Insurance Court

The indicator shows the number of cases dealt with in the National Insurance Court in 2023 and the number of cases where the customer received full or partial satisfaction. The processing time in the National Insurance Court is 8 to 10 months, so the figure includes cases that were submitted to the Court in 2022 and 2023.

Relationships with suppliers

KLP works to safeguard competitiveness and the interests of smaller contractors in procurement. Our standard contracts contain 30-day payment terms. The default payment setting for creditors in payment systems is 30 days from the invoice date. In the case of small suppliers, typically sole traders or small start-ups, where payment terms of one month may be disproportionately burdensome, we may consider shorter payment periods to benefit the supplier.

In 2023, we included animal welfare requirements in revised principles for socially responsible supplier behaviour. These will come into effect in the first quarter of 2024.

Responsibility in investments

KLP aims to be a responsible investor and owner. This is laid down in KLP's corporate strategy and sustainability strategy, as well as its asset management strategy and associated investment principles. It is also rooted in key policy documents such as the Guidelines for KLP as a responsible investor, KLP's expectations as an investor, and the Voting guidelines for KLP and the KLP funds. The aim is to deliver a competitive return over time, while KLP meets its obligations under the UN Global Compact and the Principles for Responsible Investment (PRI), and contributes to sustainable development in line with the UN's Sustainable Development Goals. These include promoting human rights and decent working conditions, reducing damage to the climate and the environment and contributing to sustainable development.

As a responsible investor, we mainly use the following tools in our work:

- We include sustainability factors in investment analyses and decision-making processes
- We work to influence companies, industries and markets to create sustainable value through active ownership. We do this, among other things, through dialogue with directors and management, supporting and voting for shareholder proposals at general meetings, participating in and influencing corporate bodies, contributing to the development of industry and market standards, and cooperating with other investors.
- We exclude companies that violate our criteria and do not display any ability or willingness to change.

Taken together, these measures provide plenty of scope for action in efforts to halt, prevent and mitigate negative consequences or limit significant risk. In the Annual report on responsible investment (Norwegian only), you can read more about how KLP has worked as a responsible investor with listed companies we have invested in.

By monitoring our investments, we map and assess the risk of breaches of KLP's guidelines. This is a major task as we have a diversified portfolio with investments in a large number of companies in many countries and sectors. The risk assessments are carried out in accordance with our guidelines and exclusion criteria and based on information from a wide range of sources, including service providers, public authorities, the media, discussions with companies, and company reports. Nevertheless, there is a risk that KLP could contribute to violations of fundamental rights through its investments. In cases where we detect a risk of breaching KLP's guidelines and fundamental rights, we consider how we can minimise or remove the risk through various measures.

The basic idea is that KLP, which has an investment strategy based on a diversified investment portfolio which reflects the global economy, should not operate by selecting only the best. Through our work on responsibility and sustainability, we aim to help raise the level of responsibility in the business sector and so reduce the risk of breaches and contribute to effective and efficient capital markets.

KLP is invested in around 9,600 companies around the world, and invests in all sectors in both developed and emerging markets. This affects the methods we use to exercise responsible ownership. The ownership strategy we choose for each company depends on a number of factors, primarily the size of the ownership interest and the company, its geographical location and sector affiliation, the risk of norm violations and the subject of the discussions. The combination of these factors determines how much influence we have as a shareholder, and hence the methods we use.

KLP has set exclusion criteria for companies we do not want to invest in. The investment universe is screened against these criteria in order to identify companies that violate them. We regularly engage in dialogue with companies on various challenges and monitor events and issues. If KLP discovers that any of the companies are committing serious and/or systematic breaches of our criteria, and the company does not display the ability or willingness to change to sustainable practices, we exclude them. This helps to reduce the risk.

Due diligence related to human rights

KLP as an investor is particularly exposed to risks of actual and potential negative impact on fundamental human rights and decent working conditions through companies that we invest in. Investors are not held liable for breaches that portfolio companies commit, but they do have a responsibility to carry out a due diligence check in the investment process – and use the tools at their disposal to effect a change.

KLP carries out due diligence assessments and monitors our investments based on our internal guidelines for social conditions.Our guidelines on social matters are based on international standards such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the UN Global Compact principles and the UN Sustainable Development Goals. This is laid down in the overarching guidelines applicable to the business, including the Guidelines for KLP as a responsible investor and KLP's expectations as an investor. Risks related to human and labour rights are also discussed in several internal governing documents, including the asset management strategy and the ownership strategy.

Our work on due diligence is complemented by our reporting in accordance with the Disclosure Regulation for the principal adverse impact (PAI) indicators which can be seen here. As part of our work on due diligence, KLP focuses on the following PAI indicators on social matters:

- Non-compliance with UN Global Compact principles and OECD Guidelines for Multinational Companies
- Lack of processes and mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Companies
- Unadjusted pay gap between women and men Gender balance on the Board

- Exposure to controversial weapons (per cent)
- Operations and suppliers carrying a significant risk of cases of forced labour or other involuntary work

KLP may receive communications from stakeholders about specific companies and problem areas. These often contain fresh information or perspectives and may then affect our active ownership too. Stakeholders can also report matters of concern through the whistleblowing channels and complaint mechanisms that are established in the companies KLP is invested in. Complaints about fund and investment services are reported directly to KLP, and customers who are not satisfied with the outcome of the complaints procedure have the right to appeal to the Financial Services Complaints Board.

Actions and activities in 2023

KLP is in dialogue with companies on a wide range of sustainability topics. Priority topics have included our strategy for climate and nature, handling of nature risk, good corporate governance, gender equality and diversity, composition of the Board of Directors, responsible mining, management of Nordic/boreal forests, responsible tax practice, the right to form and join a trade union, responsible scrapping of ships, and human rights in war and conflict situations. General meetings are also an important arena for influencing companies. Through 2023, KLP followed up on several companies on various topics and voted at general meetings:

- In 2023, KLP published a new expectation document that clarifies its expectations as to how companies should manage climate and nature risk and has initiated more than 20 company dialogues on the subject with both Norwegian and foreign companies. KLP regards climate change and nature loss both a direct financial risk and an indirect systemic risk for our global society. The aim is to minimise KLP's exposure to nature and climate risk, and to ensure that our financial goals are achieved in a way that supports social and economic development within the capacity of the planet. We encourage companies to actively seek opportunities in the green transition.
- KLP introduced stricter voting guidelines in 2023 and voted against board resolutions in 68 companies (including WH Group Ltd, Kraft Heinz Co and Caterpillar) that contribute the largest emissions without having a credible restructuring plan, and are at high risk of contributing to tropical deforestation and/or greenhouse gas emissions and damage to nature from beef production, but lack basic procedures for risk management.
- During the year, KLP has had several discussions with Amazon, Meta Platforms, Exxon Mobil, Chevron and ConocoPhillips about improving tax policy. KLP has also put forward shareholder proposals for better tax reporting for the last three oil and gas companies, as well as supporting shareholder proposals related to this topic in other companies. Chevron and ExxonMobil received 14 per cent of the votes, and ConocoPhillips 17 per cent. We are pleased with the results given that this is the first time we have advanced this proposal. The figures show that a number of investors are keen to contribute to improvements in this area.
- In advance of the Norwegian general meeting season, KLP sent a note to over 40 Norwegian companies about KLP's expectations and areas for development related to documentation for the meeting, and

almost 50 per cent of the companies have improved their general meeting documentation and aligned themselves with our expectations.

- In 2023, KLP worked to establish direct dialogue with Chinese mining companies and attended a mineral conference in Chengdu (the International Forum on Sustainable Mineral Supply Chains). The aim was to follow up on mining companies that KLP has invested in and address the topic of human rights, climate and nature directly with them. In addition to meetings with several of the largest players in its field, representatives from the company participated in an advisory committee to provide input to the conference and the agenda, and gave a talk on KLP's expectations on human rights followed by a panel discussion.
- KLP sent a letter in collaboration with Storebrand to Nordic companies (including Svenska Cellulosa AB, Huhtamaki Oyj and Norske Skog ASA) that are involved in logging or use of raw materials from Nordic forests in their value chains. The letter clarifies our expectations that companies directly involved in forestry and those using raw materials from forestry in downstream supply chains should operate responsibly and in particular avoid wood from old growth and clear-felling in the remaining natural forests.
- KLP has followed up on Amazon and Tesla, and has sent letters through an investor association to both management and the Board concerning workers' rights and the right to unionise. We have also supported all shareholder proposals related to the topic and followed up with the companies after the general meetings to understand what measures they plan to take to improve the current situation.
- Due diligence assessments of publicly traded companies in the Gulf States (Saudi Arabia, Qatar, the United Arab Emirates and Kuwait) were finalised and published, and 11 companies were excluded because of a high risk of human rights violations. The companies excluded belong to the building, construction and property sector and telecommunications. KLP also excluded one company because of close ties with dominant state owners and an active position contrary to KLP's expectations for climate and energy transition plans.

Active ownership

Goals

- KLP's overall investments should be consistent with the fundamental principles for KLP as the responsible investor and owner
- Through dialogue with companies' boards of directors and management, KLP should seek to influence companies towards long-term and sustainable development and value creation. KLP aims to follow up 240 companies on an annual basis
- KLP should actively exercise its voting rights both in Norway and abroad. KLP aims to vote at 95 per cent of the general meetings.
- KLP should contribute to the development of industry and market standards and cooperate with other investors and stakeholders

By the end of the year, KLP had conducted 243 unique company dialogues on topics related to sustainability. This includes both direct discussions between KLP and the companies, and cases where KLP has been in dialogue with companies through investor associations.

KLP voted at 99 of the general meetings of foreign and Norwegian companies, and achieved its target for the year. For Norwegian companies, there are still some cases where the companies are late in providing documentation for the general meeting, which means that KLP is unable to register its votes in time. In these cases, KLP has met with the company afterwards to explain our expectations in relation to the conduct of general meetings.

At the end of 2023, KLP had excluded 799 companies because of breaches of our guidelines for responsible investment. During the year, 51 new companies were excluded. The bulk of these, 67 per cent, are due to violations of KLP's product criteria: coal, gambling, pornography, alcohol, weapons and oil sands. The remaining 33 per cent are due to violations of human rights, environmental standards and rights in war and conflict situations.

	2023	2022	2021	2020
Unique company dialogues KLP has held specifically on ESG topics	**243**	**259**	**294**	**362**
General meetings of Norwegian companies at which KLP has voted (number/percentage)	132 (99.2%)	115 (95%)	98 (85%)	112 (97%)
General meetings of foreign companies at which KLP has voted (number/percentage)	8,472 (99.6%)	8,787 (99%)	8,779 (98%)	8,052 (96%)
General meeting resolutions where KLP has voted against management's recommendations	21%	20%	15%	16%
Companies excluded from the investments	**799**	**758**	**657**	**560**
Companies re-included in the investments	9	55	9	4
Share of companies excluded from the MSCI World index	6.0%	6.8%	6.3%	6.3%
Share of companies excluded from the Bloomberg Barclays Global Corporates index	9.0%	9.2%	9.6%	9.4%

Method and explanations

Number of unique company dialogues refers to discussions KLP has had with companies during the year on ESG-related matters, either directly or led by KLP as part of various investor associations. KLP may engage in several dialogues with a company on a variety of topics during the year. KLP's follow-up varies in scope, subject-matter and time frame. This is a way of exercising ownership in which KLP engages in a dialogue with companies to clarify how they handle sustainability issues and to communicate KLP's expectations as an investor and owner.

General meetings. KLP uses services from ISS to vote at general meetings of companies in which we invest. At general meetings of Norwegian companies (domiciled or listed in Norway), KLP votes manually through ISS. At general meetings of non-Norwegian companies, KLP votes by proxy through ISS.

Number of exclusions refers to the total number of companies KLP had excluded from investments at the end of the year because of breaches of the exclusion criteria in the Guidelines for KLP as a responsible investor.

Percentage excluded from the index shows the percentage of the reference index that KLP does not invest in because of exclusions, measured by the companies' market value.

Number of companies re-included refers to companies where the exclusion has been lifted during the year. KLP re-included a total of 9 companies in 2023 because they are no longer in breach of our product criteria, particularly related to coal and gambling, as well as oil sands and weapons.

Loans and other investments

While the pension capital is invested to generate good returns, it is also a driver for innovation and social development. KLP has several portfolios that are systematically helping to make a difference in the transition to a sustainable society and building the society of the future.

We contribute to social development by granting loans to Norwegian municipalities, county authorities and entities owned by municipalities. This enables our owners to perform the tasks they have been given and helps to maintain and develop Norway. KLP's lending activities are directed primarily at Norwegian municipalities and county authorities, as well as other public-sector entities. The loans are used for purposes that support local social development and welfare. For many years, we have contributed to the sustainable development of society through the provision of loans to fund projects all over Norway.

Since 2019, KLP has offered green loans in the local government market. The projects to be financed must have a clearly positive impact on the environment and climate and loans may be granted, for example, to investments in the fields of construction, transport, water and sewage services, and waste management. KLP is an advisor to customers on which projects can be financed with green loans and how this can be most easily done.

For private customers, we provide funding for energy-saving measures through green home loans. KLP also provides loans with a social profile that contribute to inclusion, health and education.

In 2023, KLP's net lending increased by NOK 3.14 billion. For green loans to the public sector, there was a net increase of just under NOK 1 million in 2023. As of 31.12.2023, 8.1% of municipalities in Norway had green loans from KLP. KLP has provided loans for many different projects throughout the year, which cover different needs for the municipalities. Among other things, we have given loans for the construction of a velodrome in Asker municipality, green loans for a new nursing home in Ringsaker, and loans for the construction of housing for people with disabilities in Råde.

KLP wants to ensure that good ideas can be pursued locally and create jobs in Norway. By investing in innovation, KLP will contribute to local value creation and the green transition in Norway. We have established a separate portfolio where we invest in seedcorn funds. Most of these are linked to Norwegian research institutions. KLP also helps to finance ideas in the so-called pre-seedcorn phase, where it is often even more difficult to obtain funding.

Underdeveloped financial institutions and lack of access to financial services such as savings, loans and insurance for the population are hindering efforts to reduce poverty in developing countries. Around 1.7 billion people worldwide still have no access to these basic financial services. Through its investments in finance in developing countries, KLP aims to contribute to economic growth and better living conditions.

NOK MILLIONS	2023	2022	2021	2020
LENDING TO MUNICIPALITIES AND COUNTY AUTHORITIES				
For roads and transport	9,718	9,067	9,700	8,887
For publicly owned real property	4,782	4,407	4,129	4,862
To the public sector and enterprises	72,756	69,619	66,470	64,581
For water, drainage and waste disposal	2,915	3,934	3,717	3,112
Total lending to municipalities and county authorities	**90,170**	**87,027**	**84,016**	**81,442**
Of which: green loans	**3,737**	**2,753**	**2,541**	**2,087**
GREEN MORTGAGES	**1,610**	**1,355**	**1,133**	**903**
OTHER INVESTMENTS				
Seedcorn investments in Norway	575	492	310	125
Banking and finance in developing countries	921	1,000	886	665
Borrowers in developing countries through Abler Nordic (number in millions)	6.8	9.4	9.1	9.8

Method and explanations

Lending for roads and transport includes loans for road and infrastructure projects and the procurement of vehicles.

Lending for publicly owned real property includes loans for school buildings, town halls and other municipally owned buildings.

Lending to the public sector and associated enterprises covers the funding of various types of investments in municipalities, country authorities and entities owned by municipalities, such as preschool nurseries, care homes for the elderly or schools.

Lending for water, drainage as waste disposal covers loans to various projects relating to the water supply, sewage and waste management.

Green mortgages are offered to members of KLP who have energy-friendly homes, or who choose to take steps to make their homes more energy-friendly. To qualify for a green mortgage, with better interest rates on the loan, one of these two criteria must be satisfied: i) the home must have an energy rating of A or B; or ii) the customer must have received an Enova grant for upgrading or for energy consulting on the home in the last two years.

Seedcorn investments are investments in seedcorn funds linked to research institutions in Norway. The market value of investments made is reported. KLP had investments in 15 different seedcorn funds at the end of 2023.

Investments in banking and finance in developing countries are KLP's investments in Abler Nordic and NorFinance. NorFinance is an investment company that KLP owns together with Norfund, among others. The investments are made as part of KLP's development investment portfolio, which is one of the instruments in the Guidelines for KLP as a responsible investor. The aim is to achieve both financial returns and benefits to society.

Borrowers in developing countries through Abler Nordic are active borrowers through the microfinance institutions that Abler Nordic has invested in. The number represents microfinance institutions as a whole;

Abler Nordics' stake in any given microfinance institution is not taken into account. Of the 6.7 million borrowers, 93 per cent are women, and 70 per cent of borrowers live in rural areas.

To the Board of Directors in Kommunal Landspensjonskasse gjensidig forsikringsselskap

Independent Statement on the sustainability accounts

We have undertaken a limited assurance engagement in respect of Kommunal Landspensjonskasse gjensidig forsikringsselskap's sustainability accounts (the Subject Matter) for the period 1 January 2023 - 31 December 2023.

Our assignment includes attestation of sustainability indicators (sustainability accounts) that KLP measures and follows up. The indicators are presented in tables available and included in KLP's annual report for 2023, more specifically in KLP's sustainability accounts 2023 in the section "The EU taxonomy", including the appendix on detailed reporting according to the EU taxonomy (Attachment I) and in the sections "Climate-friendly investments", "Energy mix", "KLP's climate accounts", "Biodiversity and nature", "Resource use and circular economy", "Social matters", "Business practice" and in the appendix on reporting on PAI indicators for the KLP Group (Attachment II).

The applicable criteria against which the indicators of the taxonomy are measured are the Taxonomy Regulation, applied as described in the section "Taxonomy". KLP has defined the other indicators and explained how they are measured in the sections mentioned above (criteria). We have examined the basis for the indicators and examined whether they have been calculated, estimated and reported in accordance with the applicable criteria.

Management's Responsibility

Management is responsible for the preparation of the Subject Matter Information in accordance with the applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements,* and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express a conclusion on the Subject Matter Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 revised – «Assurance Engagements other than Audits or Reviews of Historical Financial Information», issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement in accordance with ISAE 3000 involves assessing the suitability in the circumstances of management's use of the Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and, among others, included an assessment of the suitability of the criteria used, as well as an assessment of the presentation of sustainability reporting. Our controls also included meetings with key employees in the key areas, including asset management, property management, banking, HR, compliance and corporate social responsibility, to understand internal control and procedures related to reporting sustainability indicators; collection and review of relevant information supporting the presentation of sustainability indicators; and collection and review of relevant information supporting the presentation of sustainability indicators based on an assessment of the risk of errors in the compilation of the indicators.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Criteria.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability indicators for the period 1 January 2023 - 31 December 2023 is not calculated, estimated and reported, in all material respects, in accordance with the applicable Criteria.

Oslo, 20 March 2024
PricewaterhouseCoopers AS

Stig Lund
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only

Revised attachments

Attachment I: Taxonomy tables

KLP Kapitalforvaltning

For KLP Kapitalforvaltning, we report in accordance with the template in Annex IV to the supplementary provisions to the Taxonomy Regulation. We have looked at the unofficial Norwegian translations of the templates from the Ministry of Finance.

Template for asset under management

	Proportion in per cent		Verdi i millioner kroner
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in		**The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:**	
Turnover-based	2,5 %	Turnover-based	18 790
Capital expenditues-based	2,9 %	Capital expenditues-based	21 549
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.	94,3 %	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	752 907
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI.	2,9 %	The value in monetary amounts of derivatives.	21 544
The proportion of **exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:	8,8 %	For non-financial undertakings:	66 164
For financial undertakings:	2,8 %	For financial undertakings:	21 309
The proportion of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:	28,3 %	For non-financial undertakings:	212 975
For financial undertakings:	12,5 %	For financial undertakings:	93 809
The proportion of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:	22,0 %	For non-financial undertakings:	165 876
For financial undertakings:	13,5 %	For financial undertakings:	101 835
The proportion of **exposures to other counterparties** over total assets covered by the KPI:	9,2 %	Value of **exposures to other counterparties:**	69 396
The value of all the investments that are funding**economic activities that are not Taxonomy-eligible** relative to the value of total assets covered by the KPI:	71,1 %	Value of all the investments that are funding **economic activities that are not Taxonomy-eligible:**	535 116
The value of all the investments that are funding Taxonomy-eligible economic activities, **but not Taxonomy-aligned** relative to the value of total assets covered by the KPI:	26,4 %	Value of all the investments that are funding Taxonomy-eligible economic activities, **but not Taxonomy-aligned:**	199 001
Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**:	
For non-financial undertakings:		*For non-financial undertakings:*	
Turnover-based	2,4 %	Turnover-based	18 438
Capital expenditues-based	2,8 %	Capital expenditues-based	21 190
For financial undertakings:		*For financial undertakings:*	
Turnover-based	0,0 %	Turnover-based	249
Capital expenditues-based	0,0 %	Capital expenditues-based	157
The proportion of Taxonomy-aligned exposures to other counterparties in over total assets covered by the KPI:		Value of Taxonomy-aligned **exposures to other counterparties** over total assets covered by the KPI:	
Turnover-based	0,0 %	Turnover-based	103
Capital expenditues-based	0,0 %	Capital expenditues-based	202

Breakdown of the numerator of the KPI per environmental objective				
Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:				
1) Climate change mitigation	Turnover	1,0 %	Transitional activities	0,1 %
			Enabling activities	0,4 %
	CapEx	1,7 %	Transitional activities	0,2 %
			Enabling activities	0,8 %
2) Climate change adaptation	Turnover	0,0 %	Transitional activities	0,0 %
			Enabling activities	0,0 %
	CapEx	0,0 %	Transitional activities	0,0 %
			Enabling activities	0,0 %
3) The sustainable use and protection of water and marine	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		
4) The transition to a circular economy	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		
5) Pollution prevention and control	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		
6) The protection and restoration of biodiversity and ecosystems	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		

KLP Banken

For KLP Banken, we report in accordance with the templates in Annex VI to the supplementary provisions to the Taxonomy Regulation. We have looked at the unofficial Norwegian translations of the templates from the Ministry of Finance.

Overview of templates

0. Summary of KPIs

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***
Main KPI	**Green asset ratio (GAR) stock**	**1 466 686**	**3,1 %**	**3,1 %**	**98,2 %**
		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)
Additional KPIs	*GAR (flow)*	359 853	0,7 %	0,7 %	0,7 %
	*Trading book**	I/A			
	Financial guarantees	I/A			
	Assets under management	I/A			
	*Fees and commissions income***	I/A			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

**Fees and commissions income from services other than lending and AuM

Instutitons shall dislcose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

*** % of assets covered by the KPI over banks´ total assets

****based on the Turnover KPI of the counterparty

1. Assets for the calculation of GAR

1. Assets for the calculation of GAR

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		2023																2022															
	Million NOK	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling
1	**GAR - Covered assets in both numerator and denominator**																																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																																
3	**Financial corporations**																																
4	**Credit institutions**																																
5	Loans and advances	1 577 691	0	0																													
6	Debt securities, including UoP	3 254 397	94 114										94 114																				
7	Equity instruments																																
8	**Other financial corporations**																																
9	of which investment firms																																
10	Loans and advances																																
11	Debt securities, including UoP																																
12	Equity instruments																																
13	**of which management companies**																																
14	Loans and advances																																
15	Debt securities, including UoP																																
16	Equity instruments																																
17	**of which insurance undertakings**																																
18	Loans and advances																																
19	Debt securities, including UoP																																
20	Equity instruments																																
21	**Non-financial corporations**																																
22	NFCs subject to NFRD disclosure obligations																																
23	Loans and advances																																
24	Debt securities, including UoP																																
25	Equity instruments																																
26	**Households**																																
27	of which loans collateralised by residential immovable property	23 855 047	23 855 047	1 466 686	1 466 686	1 466 686							23 855 047	1 466 686	1 466 686	1 466 686																	
28	of which building renovation loans																																
29	of which motor vehicle loans																																
30	**Local governments financing**																																
31	Collateral obtained by taking possession: residential and commercial immovable properties																																
32	Other local government financing	19 197 665																															
33	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**																																
34	**Non-financial corporations**																																
35	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																																
36	Loans and advances																																
37	of which loans collateralised by commercial immovable property																																
38	of which building renovation loans																																
39	Debt securities																																
40	Equity instruments																																
41	Non-EU country counterparties not subject to NFRD disclosure obligations																																
42	Loans and advances																																
43	Debt securities																																
44	Equity instruments	1 897																															
45	**Derivatives**	108 370																															
46	**On demand interbank loans**																																
47	**Cash and cash-related assets**																																
48	**Other assets (e.g. Goodwill, commodities etc.)**	32 095																															
49	**Total GAR assets**	48 027 162	23 949 161	1 466 686	1 466 686	1 466 686							23 949 161	1 466 686	1 466 686	1 466 686				-													
50	**Other assets not covered for GAR calculation**																																
51	Sovereigns	336 849																															
52	Central banks exposure	564 095																															
53	Trading book																																
54	**Total assets**	48 928 106																															
	Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations																																
55	Financial guarantees																																
56	Assets under management																																
57	Of which debt securities																																
58	Of which equity instruments																																

2. AR sector information

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
	Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)						TOTAL (CCM + CCA)				
BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)	Non-Financial corporates (Subject to NFRD)			SMEs and other NFC not subject to NFRD			Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	SMEs and other NFC not subject to NFRD			Non-Financial corporates (Subject to NFRD)			SMEs and other NFC not subject to NFRD	
	Gross carrying amount			Gross carrying amount			Gross carrying amount			Gross carrying amount			Gross carrying amount			Gross carrying amount	
	Million NOK	Of which environmentally sustainable (CCM)		Million NOK	Of which environmentally sustainable (CCM)		Million NOK	Of which environmentally sustainable (CCA)		Million NOK	Of which environmentally sustainable (CCA)		Million NOK	Of which environmentally sustainable (CCM + CCA)		Million NOK	Of which environmentally sustainable (CCM + CCA)
1																	
2																	
3																	
4																	

3. GAR KPI stock based on capex

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		2023															
% (compared to total covered assets in the denominator)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which special-ised lending	Of which transi-tional	Of which enabling			Of which special-ised lending	Of which transi-tional	Of which enabling			Of which special-ised lending	Of which transi-tional	Of which enabling	
1	**GAR - Covered assets in both numerator and denominator**																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																
3	**Financial corporations**																
4	Credit institutions																
5	Loans and advances	3,3 %										3,3 %					
6	Debt securities, including UoP	6,8 %										6,8 %					
7	Equity instruments																
8	Other financial corporations																
9	of which investment firms																
10	Loans and advances																
11	Debt securities, including UoP																
12	Equity instruments																
13	of which management companies																
14	Loans and advances																
15	Debt securities, including UoP																
16	Equity instruments																
17	of which insurance undertakings																
18	Loans and advances																
19	Debt securities, including UoP																
20	Equity instruments																
21	**Non-financial corporations**																
22	NFCs subject to NFRD disclosure obligations																
23	Loans and advances																
24	Debt securities, including UoP																
25	Equity instruments																
26	**Households**																
27	of which loans collateralised by residential immovable property	49,7 %	3,1 %	3,1 %	3,1 %							49,7 %	3,1 %	3,1 %	3,1 %		
28	of which building renovation loans																
29	of which motor vehicle loans																
30	**Local governments financing**																
31	Collateral obtained by taking possession: residential and commercial immovable properties																
32	Other local government financing																
49	**Total GAR assets**	**49,9 %**	**3,1 %**	**3,1 %**	**3,1 %**												

		q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		2022															
% (compared to total covered assets in the denominator)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which special-ised lending	Of which transi-tional	Of which enabling			Of which special-ised lending	Of which transi-tional	Of which enabling			Of which special-ised lending	Of which transi-tional	Of which enabling	
1	**GAR - Covered assets in both numerator and denominator**																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																
3	**Financial corporations**																
4	Credit institutions																
5	Loans and advances																
6	Debt securities, including UoP																
7	Equity instruments																
8	Other financial corporations																
9	of which investment firms																
10	Loans and advances																
11	Debt securities, including UoP																
12	Equity instruments																
13	of which management companies																
14	Loans and advances																
15	Debt securities, including UoP																
16	Equity instruments																
17	of which insurance undertakings																
18	Loans and advances																
19	Debt securities, including UoP																
20	Equity instruments																
21	**Non-financial corporations**																
22	NFCs subject to NFRD disclosure obligations																
23	Loans and advances																
24	Debt securities, including UoP																
25	Equity instruments																
26	**Households**																
27	of which loans collateralised by residential immovable property																
28	of which building renovation loans																
29	of which motor vehicle loans																
30	**Local governments financing**																
31	Collateral obtained by taking possession: residential and commercial immovable properties																
32	Other local government financing																
49	**Total GAR assets**																

3. GAR KPI stock based on turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		2023																2022															
% (compared to total covered assets in the denominator)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)						Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1	GAR - Covered assets in both numerator and denominator																																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																																
3	**Financial corporations**																																
4	Credit institutions																																
5	Loans and advances	3,3 %										3,3 %																					
6	Debt securities, including UoP	6,8 %										6,8 %																					
7	Equity instruments																																
8	Other financial corporations																																
9	of which investment firms																																
10	Loans and advances																																
11	Debt securities, including UoP																																
12	Equity instruments																																
13	of which management companies																																
14	Loans and advances																																
15	Debt securities, including UoP																																
16	Equity instruments																																
17	of which insurance undertakings																																
18	Loans and advances																																
19	Debt securities, including UoP																																
20	Equity instruments																																
21	**Non-financial corporations**																																
22	NFCs subject to NFRD disclosure obligations																																
23	Loans and advances																																
24	Debt securities, including UoP																																
25	Equity instruments																																
26	**Households**																																
27	of which loans collateralised by residential immovable property	49,7 %	3,1 %	3,1 %	3,1 %							49,7 %	3,1 %	3,1 %	3,1 %																		
28	of which building renovation loans																																
29	of which motor vehicle loans																																
30	Local governments financing																																
31	Collateral obtained by taking possession: residential and commercial immovable properties																																
32	Other local government financing																																
49	**Total GAR assets**	49,9 %	3,1 %	3,1 %	3,1 %																												

4. GAR KPI flow based on capex

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		2023															
% (compared to total covered assets in the denominator)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1	GAR - Covered assets in both numerator and denominator																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																
3	**Financial corporations**																
4	*Credit institutions*																
5	Loans and advances																
6	Debt securities, including UoP																
7	Equity instruments																
8	*Other financial corporations*																
9	of which investment firms																
10	Loans and advances																
11	Debt securities, including UoP																
12	Equity instruments																
13	*of which management companies*																
14	Loans and advances																
15	Debt securities, including UoP																
16	Equity instruments																
17	*of which insurance undertakings*																
18	Loans and advances																
19	Debt securities, including UoP																
20	Equity instruments																
21	**Non-financial corporations**																
22	NFCs subject to NFRD disclosure obligations																
23	Loans and advances																
24	Debt securities, including UoP																
25	Equity instruments																
26	**Households**																
27	of which loans collateralised by residential immovable property	12,2 %	0,7 %	0,7 %	0,7 %							12,2 %	0,7 %	0,7 %	0,7 %		
28	of which building renovation loans																
29	of which motor vehicle loans																
30	**Local governments financing**																
31	Collateral obtained by taking possession: residential and commercial immovable properties																
32	Other local government financing																
49	**Total GAR assets**	12,2 %	0,7 %	0,7 %	0,7 %							12,2 %	0,7 %	0,7 %	0,7 %		

4. GAR KPI flow based on turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		2023															
% (compared to total covered assets in the denominator)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1	GAR - Covered assets in both numerator and denominator																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																
3	**Financial corporations**																
4	*Credit institutions*																
5	Loans and advances																
6	Debt securities, including UoP																
7	Equity instruments																
8	*Other financial corporations*																
9	of which investment firms																
10	Loans and advances																
11	Debt securities, including UoP																
12	Equity instruments																
13	*of which management companies*																
14	Loans and advances																
15	Debt securities, including UoP																
16	Equity instruments																
17	*of which insurance undertakings*																
18	Loans and advances																
19	Debt securities, including UoP																
20	Equity instruments																
21	**Non-financial corporations**																
22	NFCs subject to NFRD disclosure obligations																
23	Loans and advances																
24	Debt securities, including UoP																
25	Equity instruments																
26	**Households**																
27	of which loans collateralised by residential immovable property	12,2 %	0,7 %	0,7 %	0,7 %							12,2 %	0,7 %	0,7 %	0,7 %		
28	of which building renovation loans																
29	of which motor vehicle loans																
30	**Local governments financing**																
31	Collateral obtained by taking possession: residential and commercial immovable properties																
32	Other local government financing																
49	**Total GAR assets**	12,2 %	0,7 %	0,7 %	0,7 %							12,2 %	0,7 %	0,7 %	0,7 %		

5. KPI off-balance she exposures based on capex

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		2023														
% (compared to total eligible off-balance sheet assets)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which special-ised lending	Of which transi-tional	Of which enabling			Of which special-ised lending	Of which transi-tional	Of which enabling			Of which special-ised lending	Of which transi-tional	Of which enabling
1	Financial guarantees (FinGuar KPI)															
2	Assets under management (AuM KPI)															

5. KPI off-balance shee exposures based on turnover

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		2023														
% (i forhold til samlede eiendeler utenfor balansen som omfattes av taksonomien)		Begrensning av klimaendringer					Tilpasning til klimaendringer					SUM (begrensning + tilpasning)				
		Andel av samlede dekkede eiendeler som finansierer taksonomirelevante sektorer (som er omfattet av taksonomien)					Andel av samlede dekkede eiendeler som finansier-er taksonomirelevante sektorer (som er omfattet av taksonomien)					Andel av samlede dekkede eiendeler som finansier-er taksonomirelevante sektorer (som er omfattet av taksonomien)				
			Andel av samlede dekkede eiendeler som finansierer taksonomirelevante sektorer (taksonomiforenlige)					Andel av samlede dekkede eiendeler som finansierer taksonomirelevante sektorer (taksonomiforenlige)					Andel av samlede dekkede eiendeler som finansierer taksonomirelevante sektorer (taksonomiforenlige)			
				Hvorav lån for spesielle formål	Hvorav omstill-ing	Hvorav mulig-gjørende			Hvorav lån for spesielle formål	Hvorav omstill-ing	Hvorav mulig-gjørende			Hvorav lån for spesielle formål	Hvorav omstill-ing	Hvorav mulig-gjørende
1	Finansielle garantier (KPI for FinGuar)															
2	Eiendeler under forvaltning (KPI for AuM)															

KLP Skadeforsikring

For KLP Skadeforsikring, we report in accordance with the templates in Annex X to the supplementary provisions to the Taxonomy Regulation. We have looked at the unofficial Norwegian translations of the templates from the Ministry of Finance.

Template for insurance revenues

	Substantial contribution to climate change adaptation			Do No Significant Harm (DNSH)					
ECONOMIC ACTIVITY (1)	Absolute premiums, 2023 (2)	Proportion of premiums, 2023 (3)	Proportion of premiums, 2022 (4)	Climate change mitigation (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	Minimum safeguards (10)
A.1 Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	0	0	0	Y	Y	Y	Y	Y	Y
A.1.1 Of which reinsured	0	0	0	Y	Y	Y	Y	Y	Y
A.1.2 Of which stemming from reinsurance activity	0	0	0	Y	Y	Y	Y	Y	Y
A.1.2.1 Of which reinsured (retrocession)	0	0	0	Y	Y	Y	Y	Y	Y
A.2 Non-life insurance and reinsurance underwriting that are Taxonomy-eligible, but not Taxonomy-aligned (not included in A1.1)	2 088	96,1 %	96,0 %						
Sum A (A.1 + A.2)	2 088	96,1 %	96,0 %						
B. Non-life insurance and reinsurance underwriting that are not Taxonomy-eligible	84	3,9 %	4,0 %						
Sum (A.1 + A.2 + B)	2 172	100,0 %	100,0 %						

Template for investments

Proportion in per cent		Value in million NOK	
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		**The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:**	
Turnover-based	3,8 %	Turnover-based	216
Capital expenditues-based	3,9 %	Capital expenditues-based	225
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.	98,8 %	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	5 693
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI.	1,3 %	The value in monetary amounts of derivatives.	77
The proportion of **exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:	22,9 %	For non-financial undertakings:	1 306
For financial undertakings:	2,0 %	For financial undertakings:	116
The proportion of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:	14,7 %	For non-financial undertakings:	839
For financial undertakings:	13,2 %	For financial undertakings:	752
The proportion of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:	26,2 %	For non-financial undertakings:	1 494
For financial undertakings:	17,3 %	For financial undertakings:	985
The proportion of **exposures to other counterparties** over total assets covered by the KPI:	2,2 %	Value of **exposures to other counterparties:**	125
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts**where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	100,0 %	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts**where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	5 693
The value of all the investments that are funding**economic activities that are not Taxonomy-eligible** relative to the value of total assets covered by the KPI:	63,8 %	Value of all the investments that are funding**economic activities that are not Taxonomy-eligible:**	3 630
The value of all the investments that are funding Taxonomy-eligible economic activities, **but not Taxonomy-aligned** relative to the value of total assets covered by the KPI:	32,4 %	Value of all the investments that are funding Taxonomy-eligible economic activities, **but not Taxonomy-aligned:**	1 847
Andre tilleggsopplysninger: spesifikasjon av telleren i KPI-en			
The proportion of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**:	
For non-financial undertakings:		*For non-financial undertakings:*	
Turnover-based	3,8 %	Turnover-based	216
Capital expenditues-based	3,9 %	Capital expenditues-based	224
For financial undertakings:		*For financial undertakings:*	
Turnover-based	0,0 %	Turnover-based	1
Capital expenditues-based	0,0 %	Capital expenditues-based	1
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned:	
Turnover-based	3,8 %	Turnover-based	216
Capital expenditues-based	3,9 %	Capital expenditues-based	225
The proportion of Taxonomy-aligned **exposures to other counterparties** in over total assets covered by the KPI:		Value of Taxonomy-aligned **exposures to other counterparties** over total assets covered by the KPI:	
Turnover-based	0,0 %	Turnover-based	0
Capital expenditues-based	0,0 %	Capital expenditues-based	0

Breakdown of the numerator of the KPI per environmental objective				
Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:				
1) Climate change mitigation	Turnover	0,8 %	Transitional activities	0,2 %
			Enabling activities	0,2 %
	CapEx	1,1 %	Transitional activities	0,2 %
			Enabling activities	0,4 %
2) Climate change adaptation	Turnover	0,0 %	Transitional activities	0,0 %
			Enabling activities	0,0 %
	CapEx	0,0 %	Transitional activities	0,0 %
			Enabling activities	0,0 %
3) The sustainable use and protection of water and marine	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		
4) The transition to a circular economy	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		
5) Pollution prevention and control	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		
6) The protection and restoration of biodiversity and ecosystems	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		

KLP Eiendom

For KLP Eiendom, we report in accordance with the templates in Annex VI to the supplementary provisions to the Taxonomy Regulation. We have looked at the unofficial Norwegian translations of the templates from the Ministry of Finance.

Template for revenues

Economic activity (1)	Code (2)	Absolute turnover in mill. NOK (3)	Proportion of turnover 2023, (4)	Substantial contribution criteria: Climate cha	Water and resources (7)	Circular econo		Biodiversity and ecosystems (10)		Do No Significant Harm criteria (DNSH): Climate change	Climate cha	Water and resources (13)	Circular econ		Biodiversity and ecosystems (16)	Minstegarantier	Taxonomy-aligned or Taxonomy-eligible proportion of turnover, 2022 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	1 190	26,7 %	100,0 %	0,0 %	N/A	N/A	N/A	N/A	N/A	J	N/A	N/A	N/A	N/A	J	35,0 %		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1 190	27,0 %	100,0 %	0,0 %	N/A	N/A	N/A	N/A	N/A	J	N/A	N/A	N/A	N/A	J	35,0 %		
Of which enabling																			
Of which transitional																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	CCM 7.7	3 216	72,1 %	EL	N/EL	N/A	N/A	N/A	N/A								63,0 %		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		3 216	72,1 %	EL	N/EL	N/A	N/A	N/A	N/A								63,0 %		
Turnover from activities that are Taxonomy-eligible (A.1 + A.2)		4 406	98,7 %	100,0 %	0,0 %	N/A	N/A	N/A	N/A								98,0 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		57	1,3 %																
Sum (A + B)		4 463	100,0 %																

Template for capital expenditures

Economic activity (1)	Code (2)	Absolute capex in mill. NOK (3)	Proportion of capex 2023, (4)	Substantial contribution criteria	Climate chanege adaptati				Biodiversity and	Do No Significant Harm criteria (DNSH): Climate		Water and m	Circula		Biodiversity and	Minstegarantier	Taxonomy-aligned or Taxonomy-eligible proportion of capex, 2022 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	0	0,0 %	100,0 %	0,0 %	N/A	N/A	N/A	N/A	N/A	J	N/A	N/A	N/A	N/A	J	0,0 %		
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0,0 %	100,0 %	0,0 %	N/A	N/A	N/A	N/A	N/A	J	N/A	N/A	N/A	N/A	J	0,0 %		
Of which enabling																			
Of which transitional																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	CCM 7.7	0	0,0 %	EL	N/EL	N/A	N/A	N/A	N/A								0,0 %		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		0	0,0 %	EL	N/EL	N/A	N/A	N/A	N/A								0,0 %		
Capex from activities that are Taxonomy-eligible (A.1 + A.2)		0	0,0 %	100,0 %	0,0 %	N/A	N/A	N/A	N/A								0,0 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities (B)		1 875	100,0 %																
Sum (A + B)		1 875	100,0 %																

Template for operating expenditures

Economic activity (1)	Code (2)	Absolute opex in mill. NOK (3)	Proportion of opex 2023, (4)	Substantial contribution criteria: Clim	Climate chanege adaptati				Biodiversity and	Do No Significant Harm criteria (DNSH): Climate		Water and m	Circula		Biodiversity and	Minstegarantier	Taxonomy-aligned or Taxonomy-eligible proportion of opex, 2022 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	0	0,0 %	100,0 %	0,0 %	N/A	N/A	N/A	N/A	N/A	J	N/A	N/A	N/A	N/A	J	0,0 %		
Ppex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0,0 %	100,0 %	0,0 %	N/A	N/A	N/A	N/A	N/A	J	N/A	N/A	N/A	N/A	J	0,0 %		
Of which enabling																			
Of which transitional																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	CCM 7.7	0	0,0 %	EL	N/EL	N/A	N/A	N/A	N/A								0,0 %		
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		0	0,0 %	EL	N/EL	N/A	N/A	N/A	N/A								0,0 %		
Opex from activities that are Taxonomy-eligible (A.1 + A.2)		0	0,0 %	100,0 %	0,0 %	N/A	N/A	N/A	N/A								0,0 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy-non-eligible activities (B)		228	100,0 %																
Sum (A + B)		228	100,0 %																

KLP

For KLP (the life company), we report according to the second template in Annex X to the supplementary provisions to the Taxonomy Regulation. We have looked at the unofficial Norwegian translations of the templates from the Ministry of Finance.

Template for investments

	Proportion in per cent		Value in million NOK
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		**The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:**	
Turnover-based	5,5 %	Turnover-based	41 198
Capital expenditues-based	2,4 %	Capital expenditues-based	18 010
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.	94,5 %	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	744 089
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI.	2,1 %	The value in monetary amounts of derivatives.	15 884
The proportion of **exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:	31,4 %	For non-financial undertakings:	233 404
For financial undertakings:	2,5 %	For financial undertakings:	18 812
The proportion of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:	16,8 %	For non-financial undertakings:	125 310
For financial undertakings:	9,8 %	For financial undertakings:	72 661
The proportion of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:	17,1 %	For non-financial undertakings:	127 560
For financial undertakings:	11,9 %	For financial undertakings:	88 914
The proportion of **exposures to other counterparties** over total assets covered by the KPI:	8,3 %	Value of **exposures to other counterparties:**	61 545
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	100,0 %	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	744 089
The value of all the investments that are funding **economic activities that are not Taxonomy-eligible** relative to the value of total assets covered by the KPI:	66,0 %	Value of all the investments that are funding **economic activities that are not Taxonomy-eligible:**	491 046
The value of all the investments that are funding Taxonomy-eligible economic activities, **but not Taxonomy-aligned** relative to the value of total assets covered by the KPI:	28,5 %	Value of all the investments that are funding Taxonomy-eligible economic activities, **but not Taxonomy-aligned:**	211 845
Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**:	
For non-financial undertakings:		*For non-financial undertakings:*	
Turnover-based	2,2 %	Turnover-based	16 017
Capital expenditues-based	2,4 %	Capital expenditues-based	17 763
For financial undertakings:		*For financial undertakings:*	
Turnover-based	0,0 %	Turnover-based	274
Capital expenditues-based	0,0 %	Capital expenditues-based	60
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned:	
Turnover-based	2,2 %	Turnover-based	16 278
Capital expenditues-based	2,4 %	Capital expenditues-based	18 010
The proportion of Taxonomy-aligned **exposures to other counterparties** in over total assets covered by the KPI:		Value of Taxonomy-aligned **exposures to other counterparties** over total assets covered by the KPI:	
Turnover-based	0,0 %	Turnover-based	95
Capital expenditues-based	0,0 %	Capital expenditues-based	187

Breakdown of the numerator of the KPI per environmental objective				
Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:				
1) Climate change mitigation	Turnover	0,8 %	Transitional activities	0,1 %
			Enabling activities	0,2 %
	CapEx	1,3 %	Transitional activities	0,1 %
			Enabling activities	0,6 %
2) Climate change adaptation	Turnover	0,0 %	Transitional activities	0,0 %
			Enabling activities	0,0 %
	CapEx	0,0 %	Transitional activities	0,0 %
			Enabling activities	0,0 %
3) The sustainable use and protection of water and marine	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		
4) The transition to a circular economy	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		
5) Pollution prevention and control	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		
6) The protection and restoration of biodiversity and ecosystems	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		

KLP Group

For the KLP Group, we report in accordance with the second template in Annex X to the supplementary provisions to the Taxonomy Regulation. We have looked at the unofficial Norwegian translations of the templates from the Ministry of Finance. We also use the mandatory template for exposure to gas and nuclear power in Annex XII and Annex III to the supplementary provisions to the Taxonomy Regulation.

Template for investments

	Proportion in per cent		Value in million NOK
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		**The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:**	
Turnover-based	4,7 %	Turnover-based	45 803
Capital expenditues-based	2,2 %	Capital expenditues-based	21 549
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.	96,4 %	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	979 933
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI.	2,2 %	The value in monetary amounts of derivatives.	21 544
The proportion of **exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:	29,9 %	For non-financial undertakings:	293 190
For financial undertakings:	2,2 %	For financial undertakings:	21 309
The proportion of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:	21,7 %	For non-financial undertakings:	212 975
For financial undertakings:	9,6 %	For financial undertakings:	93 809
The proportion of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:	16,9 %	For non-financial undertakings:	165 876
For financial undertakings:	10,4 %	For financial undertakings:	101 835
The proportion of **exposures to other counterparties** over total assets covered by the KPI:	7,1 %	Value of **exposures to other counterparties:**	69 396
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts**where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	100,0 %	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts**where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	979 933
The value of all the investments that are funding**economic activities that are not Taxonomy-eligible** relative to the value of total assets covered by the KPI:	65,3 %	Value of all the investments that are funding**economic activities that are not Taxonomy-eligible:**	640 176
The value of all the investments that are funding Taxonomy-eligible economic activities, **but not Taxonomy-aligned** relative to the value of total assets covered by the KPI:	30,0 %	Value of all the investments that are funding Taxonomy-eligible economic activities, **but not Taxonomy-aligned:**	293 955
Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**:	
For non-financial undertakings:		*For non-financial undertakings:*	
Turnover-based	1,9 %	Turnover-based	18 438
Capital expenditues-based	2,2 %	Capital expenditues-based	21 190
For financial undertakings:		*For financial undertakings:*	
Turnover-based	0,0 %	Turnover-based	249
Capital expenditues-based	0,0 %	Capital expenditues-based	157
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts **where the investment risk is borne by the policy holders**, that are directed at funding, or are associated with, Taxonomy-aligned:	
Turnover-based	1,9 %	Turnover-based	18 790
Capital expenditues-based	2,2 %	Capital expenditues-based	21 549
The proportion of Taxonomy-aligned **exposures to other counterparties** in over total assets covered by the KPI:		Value of Taxonomy-aligned **exposures to other counterparties** over total assets covered by the KPI:	
Turnover-based	0,0 %	Turnover-based	103
Capital expenditues-based	0,0 %	Capital expenditues-based	202
Breakdown of the numerator of the KPI per environmental objective			
Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:			

1) Climate change mitigation	Turnover	0,8 %	Transitional activities	0,1 %
			Enabling activities	0,3 %
	CapEx	1,3 %	Transitional activities	0,1 %
			Enabling activities	0,6 %
2) Climate change adaptation	Turnover	0,0 %	Transitional activities	0,0 %
			Enabling activities	0,0 %
	CapEx	0,0 %	Transitional activities	0,0 %
			Enabling activities	0,0 %
3) The sustainable use and protection of water and marine	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		
4) The transition to a circular economy	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		
5) Pollution prevention and control	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		
6) The protection and restoration of biodiversity and ecosystems	Turnover	0,0 %	Enabling activities	0,0 %
	CapEx	0,0 %		

Templates for exposure to gas and nuclear power

Through its investments in securities, the KLP Group has exposure to gas and nuclear power, and therefore has to report according to Tables 1 to 5 in Annex XII. We use data sets from our data provider MSCI, but no companies have reported according to the tables for gas and nuclear power as yet. We therefore have no data coverage for these points today, but expect this to improve over time as companies start reporting according to the tables.

Template 1 Nuclear and fossil gas related activities

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilitiesthat produce electricity using fossil gaseous fuels.	Yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 Taxonomy-aligned economic activities (denominator)

	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %	0	0 %	0	0 %
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %	0	0 %	0	0 %
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %	0	0 %	0	0 %
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %	0	0 %	0	0 %
5.	Amount and proportion of taxonomy-aligned economic activity EN 3 EN referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %	0	0 %	0	0 %
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %	0	0 %	0	0 %
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**0**	**0 %**	**0**	**0 %**	**0**	**0 %**
8.	**Total applicable KPI**	**0**	**0 %**	**0**	**0 %**	**0**	**0 %**

Template 3 Taxonomy-aligned economic activities (numerator)

	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0 %	0	0 %	0	0 %
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 EN 4 EN of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0 %	0	0 %	0	0 %
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0 %	0	0 %	0	0 %
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0 %	0	0 %	0	0 %
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0 %	0	0 %	0	0 %
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0 %	0	0 %	0	0 %
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**0**	**0 %**	**0**	**0 %**	**0**	**0 %**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**0**	**0 %**	**0**	**0 %**	**0**	**0 %**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %	0	0 %	0	0 %
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %	0	0 %	0	0 %
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %	0	0 %	0	0 %
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %	0	0 %	0	0 %
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %	0	0 %	0	0 %
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated EN 6 EN Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %	0	0 %	0	0 %
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**0**	**0 %**	**0**	**0 %**	**0**	**0 %**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**0**	**0 %**	**0**	**0 %**	**0**	**0 %**

Template 5 Taxonomy non-eligible economic activities

	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of EN 7 EN the applicable KPI	0	0 %
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0 %
7.	**Amount and proportion of other taxonomy-noneligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**0**	**0 %**
8.	**Total amount and proportion of taxonomy-noneligible economic activities in the denominator of the applicable KPI**	**0**	**0 %**

Attachment II: PAI reporting for the KLP Group

Under the Disclosure Regulation (SFDR), financial institutions have to report on their principal adverse impact (PAI) indicators. In the KLP group, only KLP Kapitalforvaltning is covered by the Regulation, but we have chosen to report the PAI indicators for KLP on a voluntary basis. The calculations are done for KLP's total capital under management minus investments in government bonds and property. Due to a lack of data coverage, the calculations are mainly based on equities and bonds. We use data from MSCI and Nordic Trustee for the calculations. The formulae for calculating the PAI indicators are taken from the Annex to the SFDR. The method of calculating greenhouse gas emissions, carbon intensity and carbon footprint are the same as for KLP's financed emissions. You can read more about how KLP deals with sustainability risk in its investments in KLP Kapitalforvaltning's PAI report from 2023, which was prepared for their management.

	2023		2022	
Indicator	**Coverage ratio**	**Performance**	**Coverage ratio**	**Performance**
Greenhouse gas emissions Scope 1 (tonnes CO2e)	100 %	2 311 000	0 %	0 %
Greenhouse gas emissions Scope 2 (tonnes CO2e)	100 %	636 000	0 %	0 %
Greenhouse gas emissions Scope 3 (tonnes CO2e)	100 %	23 251 000	0 %	0 %
Greenhouse gas emissions Scope 123 (tonnes CO2e)	100 %	26 198 000	0 %	0 %
Carbon footprint Scope 123 (tonnes CO2e per MEUR invested)	100 %	39400 %	0 %	0 %
Carbon intensity Scope 123 (tonnes CO2e per MEUR revenue in companies)	100 %	101200 %	0 %	0 %
Exposure to companies with operations in the fossil fuel sector	100 %	10,5 %	62 %	11,5 %
Proportion of non-renewable consumption and production of energy	100 %	68 %	49 %	74 %
Energy consumption intensity per sector with high climate impact (GWh per MEUR revenue in companies invested in)	0 %	0 %	0 %	0 %
Agriculture, forestry and fishing	100 %	0,1	75 %	0,6
Mining and quarrying	100 %	2,1	72 %	1,5
Industry	100 %	2,2	88 %	1,1
Electricity, gas, steam and hot water supplies	100 %	2,4	83 %	1,7
Water supplies, sewage and waste disposal	100 %	0,5	84 %	1,1
Construction	100 %	0,2	57 %	0,6
Wholesale and retail trade, repair of motor vehicles	100 %	1,8	75 %	1,5
Transportation and storage	100 %	17,6	72 %	1,2
Sale and operation of property	100 %	1,0	59 %	0,4
Proportion of investments in companies with a negative impact on **sensitive areas for biodiversity**	100 %	1,9 %	65 %	1,3 %
Emissions to water (tonnes per MEUR invested)	100 %	10 %	2 %	9,9
Hazardous and radioactive waste (tonnes per MEUR invested)	100 %	2050 %	2 %	3,5
Non-compliance with UN Global Compact principles and OECD Guidelines for Multinational Companies	100 %	0,3 %	66 %	0,4 %
Lack of processes and mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Companies	100 %	0,2 %	64 %	0,3 %
Unadjusted pay gap between genders (ratio)	100 %	14,6 %	19 %	14,2 %
Gender balance at Board level (ratio)	100 %	52 %	64 %	52 %
Exposure to controversial weapons	100 %	0 %	65 %	0 %

Attachment III: Reporting on gender equality and diversity for the subsidiaries of KLP

KLP Kapitalforvaltning

Key figures on employees in KLP Kapitalforvaltning

	2023	2022	2021
Employees / FTEs in KLP Kapitalforvaltning	77	73 / 72,9	70
Part-time employees in KLP Kapitalforvaltning	1,3 %	1,4 %	0,0 %
Temporary employees	0	0	0
Gender distribution, temporary employees (women/men)	-	-	-
Turnover among employees (number / share)	3 / 4,0 %	8 / 11,2%	8,7 %
Total pay to employees (NOK thousands)	131 138	122 255	N/A
Average salary for women (NOK thousands)	1 100	1 051	996
Average salary for men (NOK thousands)	1 885	1 702	1616
Average salary for women in positions without performance-based pay (NOK thousands)	1 025	new	new
Average salary for men in positions without performance-based pay (NOK thousands)	1 278	new	new
Age distribution among employees (share below 30 / 30-50 / over 50)	8 / 52 / 40 %	5 / 58 / 37 %	6 / 58 / 36 %

Key figures on gender equality and diversity for KLP Kapitalforvaltning

	2023	2022	2021
Gender distribution among employees (women/men)	38 / 62 %	34 / 66 %	31 / 69 %
Gender distribution at management level 1 (women/men)	N/A	N/A	N/A
Gender distribution at management levels 2 and 3 (women/men)	36 / 64 %	36 / 64 %	36 / 64 %
Gender distribution, total for all management levels (women/men)	33 / 67 %	33 / 67 %	33 / 67 %
Gender distribution in higher-paid roles	N/A	N/A	N/A
Gender distribution on the Board (women/men)	40/ 60 %	50 / 50 %	50 / 50 %
Women's earnings relative to men's, incl. performance-based pay (total for KLP Kapitalforvaltning)	58 %	62 %	62 %
Women's earnings relative to men's, in positions without performance-based pay (total for KLP Kapitalforvaltning)	80 %	ny	ny
Women's earnings relative to men's at management level 1	N/A	N/A	N/A
Women's income relative to men's at management levels 2 and 3	N/A	N/A	N/A
Women's earnings relative to men's, higher-paid roles	N/A	N/A	N/A
Women's earnings relative to men's, other employees	91 %	90 %	96 %
Gender distribution, absence for sick children (women/men)	37 / 63 %	55 / 45 %	56 / 44 %
Gender distribution, parental leave taken (women/men)	60 / 40 %	54 / 46 %	85 / 15 %
Share of female employees working part-time	3 %	4 %	0 %
Share of male employees working part-time	0 %	0 %	0 %
Average retirement age, contractual and old-age pensions (years)	N/A	N/A	N/A

Key figures HSE, KLP Kapitalforvaltning

	2023	2022	2021
Short-term sickness absence	0,8 %	1,0 %	0,5 %
Long-term sickness absence	1,5 %	0,2 %	0,3 %
Total sickness absence	2,3 %	1,3 %	0,7 %
Gender distribution, sickness absence (women/men)	4,7 / 0,9 %	2,2 / 0,8 %	0,7 / 0,7 %
Number of personal injuries	0	0	0

KLP Banken

Key figures on employees in KLP Banken

	2023	2022	2021
Employees of KLP Banken	73	75	77
Part-time employees of KLP Banken	4,1 %	9,3 %	6,5 %
Temporary employees	3	4	6
Gender distribution, temporary employees (women/men)	67 / 33%	100 / 0 %	50 / 50 %
Turnover among employees	11 / 14,9 %	15,9 %	4,1 %
Total pay to employees (NOK thousands)	69 645	N/A	N/A
Average salary, women (NOK thousands)	837	764	682
Average salary, men (NOK thousands)	877	828	830
Age distribution among employees (share below 30 / 30-50 / over 50)	19 / 47 / 34 %	15 / 44 / 41 %	18 / 42 / 40 %

Key figures on gender equality and diversity for KLP Banken

	2023	2022	2021
Gender distribution among employees (women/men)	55 / 45 %	56 / 44 %	52 / 48 %
Gender distribution at management level 1 (women/men)	100 / 0 %	N/A	N/A
Gender distribution at management level 2 (women/men)	57 / 43 %	50 / 50 %	50 / 50 %
Gender distribution at management level 3 (women/men)	50 / 50 %	50 / 50 %	50 / 50 %
Gender distribution, total for all management levels (women/men)	58 / 42 %	54 / 46 %	46 / 54 %
Gender distribution in higher-paid roles	27 / 73 %	20 / 80 %	17 / 83 %
Gender distribution on the Board (women/men)	50 / 50 %	43 / 57 %	43 / 57 %
Women's income relative to men's (all employees at KLP Banken)	95 %	92 %	82 %
Women's earnings relative to men's at management level 1	N/A	N/A	N/A
Women's earnings relative to men's at management level 2	90 %	88 %	87 %
Women's earnings relative to men's at management level 3	109 %	99 %	99 %
Women's earnings relative to men's, higher-paid roles	99 %	103 %	104 %
Women's earnings relative to men's, other employees	95 %	90 %	93 %
Gender distribution, absence for sick children (women/men)	67 / 33 %	65 / 35 %	63 / 37 %
Gender distribution, parental leave taken (women/men)	63 / 37 %	78 / 22 %	100 / 0 %
Share of female employees working part-time	5 %	12 %	3 %
Share of male employees working part-time	3 %	6 %	3 %
Average retirement age, contractual and old-age pensions (years)	65,01	N/A	N/A

Key figures for HSE, KLP Banken

	2023	2022	2021
Employees of KLP Banken	73	75	77
Part-time employees of KLP Banken	4,1 %	9,3 %	6,5 %
Temporary employees	3	4	6
Gender distribution, temporary employees (women/men)	67 / 33%	100 / 0 %	50 / 50 %
Turnover among employees	11 / 14,9 %	15,9 %	4,1 %
Total pay to employees (NOK thousands)	69 645	N/A	N/A
Average salary, women (NOK thousands)	837	764	682
Average salary, men (NOK thousands)	877	828	830
Age distribution among employees (share below 30 / 30-50 / over 50)	19 / 47 / 34 %	15 / 44 / 41 %	18 / 42 / 40 %

KLP Skadeforsikring

Key figures on employees in KLP Skadeforsikring

	2023	2022	2021
Employees of KLP Skadeforsikring	159	151	147
Part-time employees of KLP Skadeforsikring	5,0 %	5,3 %	6,8 %
Temporary employees	1	1	4
Gender distribution, temporary employees (women/men)	100 / 0 %	100 / 0 %	75 / 25 %
Turnover among employees	4 / 3,2 %	8 / 5,5 %	15,6 %
Total pay to employees (NOK thousands)	144 597	N/A	N/A
Average salary, women (NOK thousands)	764	714	679
Average salary, men (NOK thousands)	940	889	858
Age distribution among employees (share below 30 / 30-50 / over 50)	4 / 56 / 40 %	5 / 41 / 54	5 / 58 / 37 %

Key figures on gender equality and diversity for KLP Skadeforsikring

	2023	2022	2021
Gender distribution among employees (women/men)	52 / 48 %	52 / 48 %	51 / 49 %
Gender distribution at management level 1 (women/men)	0 / 100 %	N/A	N/A
Gender distribution at management level 2 (women/men)	20 / 80 %	20 / 80 %	20 / 80 %
Gender distribution at management level 3 (women/men)	43 / 57 %	46 / 54 %	43 / 57 %
Gender distribution, total for all management levels (women/men)	35 / 65 %	37 / 63 %	35 / 65 %
Gender distribution in higher-paid roles	31 / 69 %	25 / 75 %	25 / 75 %
Gender distribution on the Board (women/men)	50 / 50 %	57 / 43 %	57 / 43 %
Women's earnings relative to men's (all employees at KLP Skadeforsikring)	81 %	80 %	79 %
Women's earnings relative to men's at management level 1	N/A	N/A	N/A
Women's earnings relative to men's at management level 2	89 %	95 %	95 %
Women's earnings relative to men's at management level 3	84 %	91 %	92 %
Women's earnings relative to men's, higher-paid roles	108 %	94 %	94 %
Women's earnings relative to men's, other employees	93 %	94 %	90 %
Gender distribution, absence for sick children (women/men)	48 / 52 %	40 / 60 %	19 / 81 %
Gender distribution, parental leave taken (women/men)	79 / 21 %	57 / 43 %	76 / 24 %
Share of female employees working part-time	9 %	9 %	12 %
Share of male employees working part-time	1 %	1 %	1 %
Average retirement age, contractual and old-age pensions (years)	65,0	N/A	N/A

Key figures for HSE, KLP Skadeforsikring

	2023	2022	2021
Short-term sickness absence	1,9 %	2,2 %	1,6 %
Long-term sickness absence	2,6 %	3,3 %	3,2 %
Total sickness absence	4,5 %	5,5 %	4,8 %
Gender distribution, sickness absence (women/men)	5,9 / 3,0 %	6,3 % / 4,6 %	7,1 / 2,6 %
Number of personal injuries	0	0	0

KLP Eiendom

Key figures on employees in KLP Eiendom

	2023	2022	2021
Employees/FTEs in KLP Eiendom	178	166 / 164	164
Part-time employees of KLP Eiendom	2,2 %	3,6 %	1,8 %
Temporary employees	3	2	2
Gender distribution, temporary employees (women/men)	0 / 100 %	0 / 100 %	50 / 50 %
Turnover among employees (number / share)	9 / 5,2 %	14 / 8,5 %	7,5 %
Total pay to employees (NOK thousands)	125 355	116 216	N/A
Average salary, women (NOK thousands)	825	759	745
Average salary, men (NOK thousands)	898	847	814
Age distribution among employees (share below 30 / 30-50 / over 50)	8 / 46 / 46 %	5 / 51 / 44 %	3 / 52 / 45 %

Key figures on gender equality and diversity in KLP Eiendom

	2023	2022	2021
Gender distribution among employees (women/men)	35 / 65 %	34 / 66 %	31 / 69 %
Gender distribution at management level 1 (women/men)	0 / 100 %	N/A	N/A
Gender distribution at management level 2 (women/men)	44 / 56 %	33 / 67 %	33 / 67 %
Gender distribution at management level 3 (women/men)	21 / 79 %	25 / 75 %	10 / 90 %
Gender distribution, total for all management levels (women/men)	23 / 77 %	22 / 78 %	18 / 82 %
Gender distribution in higher-paid roles	17 / 83 %	17 / 83 %	17 / 83 %
Gender distribution on the Board (women/men)	33 / 67 %	33 / 67 %	33 / 67 %
Women's income relative to men's (all employees at KLP Eiendom)	92 %	90 %	91 %
Women's earnings relative to men's at management level 1	N/A	N/A	N/A
Women's earnings relative to men's at management level 2	99 %	94 %	91 %
Women's earnings relative to men's at management level 3	82 %	82 %	79 %
Women's earnings relative to men's, higher-paid roles	98 %	108 %	106 %
Women's earnings relative to men's, other employees	113 %	105 %	107 %
Gender distribution, absence for sick children (women/men)	45 / 55 %	50 / 50 %	39 / 61 %
Gender distribution, parental leave taken (women/men)	92 / 8 %	78 / 22 %	77 / 23 %
Share of female employees working part-time	2 %	4 %	2 %
Share of male employees working part-time	3 %	4 %	2 %
Average retirement age, contractual and old-age pensions (years)	65	N/A	N/A

Key figures HSE, KLP Eiendom

	2023	2022	2021
Short-term sickness absence	1 %	1,6 %	1,1 %
Long-term sickness absence	5 %	3,0 %	1,5 %
Total sickness absence	6 %	4,6 %	2,6 %
Gender distribution, sickness absence (women/men)	6,2 / 6,3 %	5,3 / 4,2 %	2,1 / 2,9 %
Number of personal injuries	200 %	0 %	100 %

Kommunal Landspensjonskasse gjensidig forsikringsselskap

Annual Report 2023

Income statement

Kommunal Landspensjonskasse gjensidig forsikringsselskap

NOTES	NOK MILLIONS	2023	2022
	TECHNICAL RESULT		
	Premiums due, gross	70 234	50 137
	Transfer of premium reserve and pension capital etc. from other insurance companies/pension funds	92	386
9	**Total premium income for own account**	**70 326**	**50 523**
	Income from investments in subsidiaries, associated enterprises and jointly controlled entities	241	6 441
	Interest income and dividends etc on financial assets	14 507	10 824
	Value changes on investments	32 140	-27 220
	Gains and losses realized on investments	-4 388	2 385
11	**Total net income from investments in the common portfolio**	**42 500**	**-7 570**
	Income from investments in subsidiaries, associated enterprises and jointly controlled entities	-1	25
	Interest income and dividends etc on financial assets	39	34
	Value changes on investments	172	-106
	Gains and losses realized on investments	3	-12
11	**Total net income from investments in the investment option portfolio**	**212**	**-58**
13	**Other insurance-related income**	**1 415**	**1 358**
	Claims paid, gross	-26 122	-23 858
	Transfer of premiuim reserve, pension capital etc. and buffer fund to other insurance companies /pension funds	-2 139	-4 659
9	**Total claims**	**-28 261**	**-28 517**
	Change in premium reserve etc., gross	-54 870	-31 751
	Changes in buffer fund	-7 949	23 279
	Changes in premium funds, defined contribution funds, and pension regulation funds etc.	-550	-3 304
	Transfer of buffer fund from other insurance companies/pension funds	0	45
9	**Total changes in insurance liabilities taken to profit/loss - contractual liabilities**	**-63 368**	**-11 731**
	Changes in pension capital etc.	-173	-455
	Changes in premium funds, defined contribution funds and pension regulation funds etc.	-6	-15
	Change in other provisions	-136	124
	Transfer of buffer fund from other insurance companies/pension funds	0	-45
9	**Total changes in insurance liabilities taken to profit/loss – individual investment option portfolio**	**-315**	**-392**
	Surplus on returns result	-20 039	0
	Risk result assigned to insurance contracts	-594	-651
9	**Total funds assigned to insurance contracts - contractual liabilities**	**-20 632**	**-651**
	Administration costs	-231	-224
14	Sales costs	-160	-158
	Insurance-related administration costs (incl. commission for reinsurance received)	-1 122	-1 105
	Total insurance-related operating expenses	**-1 512**	**-1 487**
13	**Other insurance-related costs**	**-1 408**	**-1 368**
9	**Technical result**	**-1 043**	**107**

NOTES	NOK MILLIONS	2023	2022
	NON-TECHNICAL RESULT		
	Income from investments in subsidiaries, associated enterprises and jointly controlled entities	226	199
	Interest income and dividends etc. on financial assets	940	707
18	Net operating income from property	-47	435
	Value changes on investments	508	-541
	Gains and losses realized on investments	-345	267
11	**Total net income from investments in the corporate portfolio**	**1 282**	**1 066**
	Other income	**48**	**16**
	Administration costs	-15	-15
	Other expenses	-292	-257
	Total administration costs and other costs associated with the corporate portfolio	**-306**	**-271**
	Non-technical profit/loss	**1 024**	**811**
	Income before tax	**-20**	**918**
19	Tax	-82	-115
	Income before other income and expenses	**-101**	**803**
15	Actuarial gains and losses on defined benefits pension schemes	-88	66
	Proportion of other comprehensive income on application of the equity method	-59	66
	Adjustment of the insurance liabilities	13	-21
19	Tax on other income and expenses that will not be reclassified to profit and loss	22	-17
	Total other income and expenses that will not be reclassified to profit and loss	**-111**	**94**
	TOTAL COMPREHENSIVE INCOME	**-213**	**897**
	ALLOCATIONS AND TRANSFERS		
	Transferred to owners´ equity contribution	-428	-576
	Transferred to/from the risk equalization fund	969	142
	Transferred to other retained earnings	-329	-464
	Total allocations and transfers	**213**	**-897**

Financial position statement

Kommunal Landspensjonskasse gjensidig forsikringsselskap

NOTES	NOK MILLIONS	31.12.2023	31.12.2022
	ASSETS IN THE CORPORATE PORTFOLIO		
20	**Other intangible assets**	**1 326**	**978**
	INVESTMENTS IN THE CORPORATE PORTFOLIO		
18	Investment properties	1 283	1 371
	Owner-occupied property	18	22
21	**Buildings and other real estate**	**1 301**	**1 392**
22	Shares and holdings in property subsidiaries	3 068	3 483
22	Shares and holdings in other subsidiaries, associated enterprises and jointly controlled entities	6 200	5 641
22	**Total subsidiaries, associated enterprises and jointly controlled entities**	**9 269**	**9 124**
8,23	Fixed income securities	21 256	20 132
8,23	**Total financial assets valued at amortized cost**	**21 256**	**20 132**
21,23,24	Shares and units	4	6
8,21,23	Fixed income securities	11 760	10 926
8,21,23	Loans and receivables	1 135	1 108
8,21,23	Financial derivatives	527	455
21,23	Other financial assets	1	0
21,23	**Total financial assets valued at fair value**	**13 426**	**12 496**
	Total investments in the corporate portfolio	**45 252**	**43 144**
	Receivables related to direct business	1 150	1 040
25	Intra-Group receivables	194	167
	Other receivables	139	143
	Total receivables	**1 483**	**1 350**
	Plant and equipment	41	38
8	Bank deposits	1 141	918
26	Right-of-use assets	756	865
	Total other assets	**1 938**	**1 821**
	Total assets in the corporate portfolio	**49 999**	**47 292**
	ASSETS IN THE CUSTOMER PORTFOLIOS		
	INVESTMENTS IN THE COMMON PORTFOLIO		
22	Shares and holdings in property subsidiaries	73 742	74 979
22	Shares and holdings in other subsidiaries, associated enterprises and jointly controlled entities	6 662	5 495
	Receivables on and securities issued by subsidiaries, associated enterprises and jointly controlled entities	11 137	11 858
	Total subsidiaries, associated enterprises and jointly controlled entities	**91 540**	**92 332**
8,23	Fixed income securities	206 120	188 468
8,23	Loans and receivables	81 966	78 982
8,23	**Total financial assets valued at amortized cost**	**288 086**	**267 451**
21,23,24	Shares and units	219 067	180 344
8,21,23	Fixed income securities	104 252	98 992
8,21,23	Loans and receivables	20 788	16 590
8,21,23	Financial derivatives	9 814	4 164
21,23	Other financial assets	790	493
21,23	**Total financial assets valued at fair value**	**354 711**	**300 584**
	Total investments in the common portfolio	**734 337**	**660 366**
	INVESTMENTS IN THE INVESTMENT OPTION PORTFOLIO		
22	Shares and holdings in property subsidiaries	296	301
	Receivables on and securities issued by subsidiaries, associated enterprises and jointly controlled entities	58	61
	Total subsidiaries, associated enterprises and jointly controlled entities	**354**	**361**
8,23	Fixed income securities	989	943

NOTES	NOK MILLIONS	31.12.2023	31.12.2022
8,23	**Total financial assets valued at amortized cost**	**989**	**943**
21,23,24	Shares and units	1 104	922
8,21,23	Fixed income securities	257	273
8,21,23	Loans and receivables	102	98
8,21,23	Financial derivatives	24	9
21,23	Other financial assets	0	4
21,23	**Total financial assets valued at fair value**	**1 488**	**1 305**
	Total investments in the investment option portfolio	**2 830**	**2 609**
	Totalt assets in the customer portfolios	**737 168**	**662 976**
	TOTALT ASSETS	**787 167**	**710 268**

NOTES	NOK MILLIONS	31.12.2023	31.12.2022
	OWNERS' EQUITY AND LIABILITIES		
	Other owners' equity contributed	22 978	21 388
	Total owners' equity contributed	**22 978**	**21 388**
	Risk equalization fund	3 674	4 643
	Other retained earnings	17 193	16 768
	Total retained earnings	**20 866**	**21 411**
29,30	Other subordinated loan capital	3 361	3 147
29,30,31	Hybrid Tier 1 securities	1 434	1 428
23,29,30	**Total subordinated loan capital etc.**	**4 795**	**4 575**
	Premium reserve etc.	571 399	516 525
	Buffer fund	109 281	102 162
	Premium funds, defined contribution funds, pension regulation funds etc.	42 251	33 024
9	**Total insurance liabilities - contractual liabilities**	**722 931**	**651 711**
	Pension capital etc.	2 173	2 005
	Buffer fund	185	61
	Premium funds, defined contribution funds, pension regulation funds etc.	491	547
9	**Total insurance liabilities - special investment portfolio**	**2 850**	**2 613**
15	Pension obligations etc.	572	524
19	Current tax liabilities	107	467
19	Deferred tax liabilities	503	316
	Total provision for liabilities	**1 182**	**1 307**
	Liabilities related to direct insurance	1 279	492
21,23	Liabilities to credit institutions	6 727	2 678
21,23,32	Financial derivatives	1 139	1 387
26	Lease liabilities	822	920
33	Other liabilities	1 364	1 428
	Total liabilities	**11 330**	**6 905**
	Other accrued costs and pre-paid income	234	357
	Total accrued costs and pre-paid income	**234**	**357**
	TOTAL EQUITY AND LIABILITIES	**787 167**	**710 268**
	OFF-BALANCE-SHEET ITEMS		
34	Contingent liabilities	28 895	29 251

Oslo, 20. March 2024

The Board of Directors of Kommunal Landspensjonskasse gjensidig forsikringsselskap

TINE SUNDTOFT
Chair of the Board

KJERSTIN FYLLINGEN

EGIL MATSEN

TERJE ROOTWELT
Deputy Chair of the Board

ODD HALDGEIR LARSEN

RUNE SIMENSEN

VIBEKE HELDAL
Elected by and from among the employees

ERLING BENDIKSEN
Elected by and from among the employees

SVERRE THORNES
CEO

Signed digital

Changes in owner's equity

Kommunal Landspensjonskasse gjensidig forsikringsselskap

2023 NOK MILLIONS	Owners' equity contributed	Retained earnings		Total owners' equity
		Risk equalization fund	Other retained earnings	
Own funds 31 December 2022	**21 388**	**4 643**	**16 768**	**42 799**
Change recognized directly in equity [1]			96	96
Own funds 1 January 2023	**21 388**	**4 643**	**16 864**	**42 896**
Income before other income and expenses	428	-969	440	-101
Actuarial gains and losses on defined benefits pension schemes			-88	-88
Proportion of other comprehensive income on application of the equity method			-59	-59
Adjustment of the insurance liabilities			13	13
Tax on other income and expenses that will not be reclassified to profit or loss			22	22
Total other income and expenses that will not be reclassified to profit or loss			**-111**	**-111**
Total comprehensive income	**428**	**-969**	**329**	**-213**
Owners equity contribution recieved	1 162			1 162
Total transactions with owners	**1 162**			**1 162**
Own funds 31 December 2023	**22 978**	**3 674**	**17 193**	**43 845**

[1] Implementation effects due to changes in IFRS Accounting Standards

2022 NOK MILLIONS	Owners' equity contributed	Retained earnings		Total owners' equity
		Risk equalization fund	Other retained earnings	
Own funds 31 December 2021	**19 831**	**4 370**	**16 476**	**40 678**
Change recognized directly in equity [1]		415	-172	243
Own funds 1 January 2022	**19 831**	**4 786**	**16 304**	**40 921**
Income before other income and expenses	576	-142	369	803
Actuarial gains and losses on defined benefits pension schemes			66	66
Proportion of other comprehensive income on application of the equity method			66	66
Adjustment of the insurance liabilities			-21	-21
Tax on other income and expenses that will not be reclassified to profit or loss			-17	-17
Total other income and expenses that will not be reclassified to profit or loss			**94**	**94**
Total comprehensive income	**576**	**-142**	**464**	**897**
Owners equity contribution recieved	982			982
Total transactions with owners	**982**			**982**
Own funds 31 December 2022	**21 388**	**4 643**	**16 768**	**42 799**

[1] See note 2.1.1 c) in the financial statement 2022 for information

Statement of cash flow

Kommunal Landspensjonskasse gjensidig forsikringsselskap

NOK MILLIONS	2023	2022
CASH FLOWS FROM OPERATIONAL ACTIVITIES		
Direct insurance premiums received	57 326	37 924
Direct insurance claims and benefits paid	-25 502	-23 338
Payments received on transfer	92	0
Payments made on transfer	-2 122	-4 628
Payments to other suppliers for products and services	-714	-632
Payments to staff, pension schemes, employer's social security contribution etc.	-839	-736
Interest paid	-1 002	-500
Interest received	14 816	9 395
Dividend and group contribution received	3 623	2 861
Tax and public charges paid	-413	-304
Receipts to the property business	48	40
Net receipts/payments of loans to customers etc.	-666	585
Receipts on the sale of shares	42 366	43 256
Payments on the purchase of shares	-53 723	-41 712
Net cash flow from receivables on subsidiaries	750	750
Receipts on the sale of bonds and certificates	81 657	90 866
Payments on the purchase of bonds and certificates	-118 584	-109 248
Net cash flow from purchase/sale of other short-term securities	2 546	-4 951
Net cash flows from operating activities	**-341**	**-374**
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Payments on the purchase of tangible fixed assets etc.	-468	-329
Net cash flows from investment activities	**-468**	**-329**
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of owners' equity contributions	1 230	1 120
Payments on repayment of owners' equity contributions	-69	-138
Payments lease liabilities	-130	-116
Net cash flows from financing activities	**1 032**	**866**
Net changes in cash and bank deposits	**223**	**163**
Holdings of cash and bank deposits at start of period	918	755
Holdings of cash and bank deposits at end of period	**1 141**	**918**

Notes to the accounts

Kommunal Landspensjonskasse gjensidig forsikringsselskap

Note 1 **General information**

Kommunal Landspensjonskasse gjensidige forsikringsselskap (the Company) provides pension and insurance services to municipalities and county administrations, health enterprises in the public sector. The largest product area is group pensions insurance. Within pension insurance, the company offers a public occupational pensions.

Kommunal Landspensjonskasse (KLP) is a mutual insurance company registered and domiciled in Norway. The Company has its head office in Dronning Eufemiasgate 10, Oslo.

The Company has subordinated loans listed on the London Stock Exchange. The annual report for Kommunal Landspensjonskasse gjensidig forsikringsselskap is available at klp.no. The Company's annual report for 2023 were adopted by the Companys' Board of Directors on the 20th of March 2024.

Note 2 **Material accounting policy information**

This note describes the most important accounting principles used by the Company in preparing its financial statements. These principles have been used consistently for all periods presented unless indicated otherwise.

2.1 FUNDAMENTAL PRINCIPLES

The financial statements are presented in accordance with Norwegian Regulation no 1824 of 18 December 2015: * Regulations relating to the annual accounts of insurance companies (the Annual Accounts Regulation). This means that the Company's financial statements have been prepared in accordance with IFRS® accounting standards, as approved by the EU, with the additions and simplifications set out in the Norwegian Annual Accounts Regulation.

To prepare the financial statements in accordance with IFRS accounting standards, management must make accounting estimates and discretionary valuations. This affects the value of the Company's assets and liabilities, income and expenses recognised in the financial statements. Actual figures may differ from estimates used. Areas in which discretionary valuations and estimates have been used that are of material significance for the Company are described in Note 3, Important accounting estimates and valuations.

All amounts are presented in NOK millions without decimals unless indicated otherwise.

The financial statements have been prepared on the assumption of a going concern.

2.1.1 Changes in accounting principles and disclosures

New and amended standards and interpretations which came into effect in 2023

IFRS 17 Insurance Contracts entered into force for the fiscal year that started on 1 January 2023. However, this standard is not allowed to be applied to the company accounts, so it is not used in these financial statements. IFRS 4, which the Company has used until now, has been withdrawn and the company applies the rules in the Annual Accounting Regulations to account for insurance contracts. This has not led to any change in accounting practice.

The Company has started using *IFRS 9 Financial Instruments* in 2023.

- IFRS 9 Financial Instruments

IFRS 9 Financial Instruments was adopted by the Company from 1 January 2023. The standard covers the recognition, classification, measurement and derecognition of financial assets and liabilities. The standard also introduces new rules for hedge accounting and a new impairment model for financial assets. IFRS 9 has been implemented prospectively, i.e. comparative figures for previous periods have not been reworked. No significant changes in transitional effects have been found since then.

- IAS 12 has been amended to make it clear that global minimum tax (top-up tax, Pillar Two tax) is covered by the accounting standard. However, the effect of this tax on deferred tax does not yet have to be recognised or disclosed. Although this is a mandatory exception, it must be stated that it has been applied. Tax payable must be accrued in the same way as other tax payable and the amount disclosed separately. In the period from the time the tax is adopted until it is actually imposed, there are separate disclosure requirements.

Top-up tax has been introduced in Norway from the fiscal year 2024. The regulations are complex, and it is unclear whether KLP is covered by the rules. Work is in hand to clarify this. It is therefore impossible to give an estimate of the effects the top–up tax will have on the accounts.

2.2 INSURANCE CONTRACTS

The Company offers only one insurance product. This is a collective pension product, the public-sector occupational pension, which includes retirement pension, survivors' pension, disability pension and premium relief while unfit for work.

The benefits of the scheme are determined in accordance with current public-sector occupational pension rules, which include coordination with National Insurance benefits for the retirement pension to ensure a defined gross pension level.

The indexation of current pensions and accrued pension entitlements is financed entirely by a special indexation premium. Some public-sector peculiarities are not pre-funded and are financed through one-off premiums at start-up and possibly through subsequent changes to the pension (guaranteed gross amount).

The premium reserve in the pension schemes is set as a net one-off premium for the accrued retirement, disability and survivors' pensions. An administrative reserve has also been set aside based on the Company's actual costs for the payment of pensions. The premium reserve also includes allocations to insured events that have occurred but are not yet settled, including a qualifying-period provision for disability risk.

2.2.1 Separation of components from the insurance contract

The insurance contracts for public-sector occupational pensions contain derivatives in the form of a guaranteed return and investment components to be repaid to policyholders. These components must not be separated but have to be measured together with the insurance contract.

2.2.2 Combination of insurance contracts

The insurance contracts for public-sector occupational pensions contain several types of cover with different levels of underwriting risk:

- Retirement pension
- Survivors' pension
- Disability pension

These types of cover are contracted with the same policyholder, at the same time, and are only offered together as a package. There are no requirements for separation of the different types, and they are treated as a single insurance contract.

2.2.3 Recognition

The insurance contracts are recognised at the time the coverage period starts.

2.2.4 Measurement

The Annual Accounts Regulation for Life Insurance Companies stipulates that the capital behind an insurance contract must be recognised as an insurance liability. The insurance capital for KLP's insurance product, public-sector occupational pensions, consists of the premium reserve, buffer fund, premium fund and buffer provision for pension schemes with a multi-year guaranteed return. The insurance liabilities must be measured in accordance with the Norwegian Insurance Companies Act and associated regulations.

The insurance contracts are renewed each year unless the customer chooses to move the pension scheme. KLP may re-price risks associated with future periods each year. The insurance contract is valued on the basis of rights accrued on the balance sheet date.

2.2.4.1 Premium reserve

The premium reserve represents the actuarial cash value of pension entitlements accrued on the balance sheet date. It consists of expected future payments discounted by the calculation rate used to determine historical premium payments.

Expected future payments depend on life expectancy and expected disability rates. Life expectancy is set equal to the minimum requirement given in the K2013 mortality tariff as determined by the Financial Supervisory Authority of Norway. In some parts of the population, KLP has observed greater longevity than the minimum K2013 tariff and has therefore strengthened the provisions beyond the minimum tariff in these parts of the insured population.

With regard to disability pension, KLP applies experience gained from its own population.

The calculation rate used to discount the expected payments represents the part of the pension entitlement that must be covered from the returns. The calculation rate was set at 2.0 for new entitlements in 2023, while the average calculation rate (total guaranteed return) was 2.3 per cent in 2023.

The premium reserve also includes an administration reserve in accordance with the Company's calculation base, and provisions for insured events that have occurred but are not yet settled, including a qualifying-period provision for disability risks. The administration reserve is intended to cover future costs related to the payment of pensions and is financed by a separate element within the pension premium.

Sums released from the premium reserve, e.g. after pay-outs, are deducted.

2.2.4.2 Buffer fund

The buffer fund consists of surplus returns from the insurance contracts that have not been transferred to the premium fund. The buffer fund can be used to cover any shortfall in returns from the insurance contracts or transferred to the premium fund.

2.2.4.3 Premium fund

The premium fund contains prepaid premiums and any surplus from the investment and risk results that have not been allocated to the buffer fund or the risk equalisation fund. The premium fund can also receive sums from the buffer fund. The premium fund can be used to cover future premiums.

2.2.5 Derecognition

The insurance contract is derecognised when the coverage period ends, either because the contract is moved away or because it expires.

2.2.6 Presentation

Premium income is presented on a separate line in the income statement. Sums received in connection with the transfer of new customers are also presented as part of premium income.

Pension payments are presented as compensation payments in the income statement. Sums transferred when customers move away are presented as part of the compensation payments.

Changes in the premium reserve are reported through profit/loss and are included in the balance sheet as "Premium reserve etc.." under "Total liabilities – contractual obligations".

Changes in the buffer fund are reported through profit/loss under "Changes in buffer fund", and in the balance sheet as "Buffer fund" under "Total liabilities – contractual obligations".

Changes in the premium fund are shown on a separate line in the income statement and are presented in the balance sheet as "Premium fund" under "Total liabilities – contractual obligations".

2.3 FINANCIAL INSTRUMENTS

KLP has applied IFRS 9 and IFRS 7R, which apply for the first time to years beginning 1 January 2023 and after.

As permitted in the transitional provisions in IFRS 9, the Company has chosen not to restate comparative figures. Comparative figures for 2022 have therefore been reported according to IAS 39 (as it was before IFRS 9) and are not comparable with the information presented for 2023. Differences arising from the transition to IFRS 9 were posted directly to equity and customer liabilities as of 1 January 2023. For more information on this, see Section 2.3.1.5.

2.3.1 Recognition of financial instruments under IFRS 9

The most important accounting policies relating to financial instruments and used from 1 January 2023 (IFRS 9) are described below.

2.3.1.1 Recognition and derecognition

Financial instruments are recognised from the date when the Company becomes a party to the contractual terms for the instrument. Financial assets are removed from the balance sheet when the rights to receive cash flows from the investment expire or when these rights have been transferred and the Company has transferred most of the risk and all of the potential gain from ownership. Financial liabilities are derecognised when the contractual liabilities have been fulfilled or cancelled or have expired. Recognition and derecognition of financial instruments is therefore independent of the agreed settlement date.

Financial instruments are measured at fair value on initial recognition. Attributable transaction costs are included in fair value for financial instruments that are not recognised at fair value through profit/loss. Accounts receivable that do not have a significant financing element are valued at the transaction price.

2.3.1.2 Classification and subsequent measurement

2.3.1.2.1 Financial assets

Under IFRS 9, financial assets are classified into the following categories:

- Amortised cost
- Fair value with changes in value through profit/loss
- Fair value with changes in value through other comprehensive income

The measurement category is determined at the time of initial recognition.

Derivatives and equity instruments

Under IFRS 9, derivatives must be recognised at fair value with changes in value through profit/loss. However, derivatives classified as hedging instruments must comply with the hedge accounting rules.

As a general rule, equity instruments should be measured at fair value with changes in value through profit/loss, unless they are not held for trading purposes and are specifically recognised at fair value with changes in value through other comprehensive income. In the financial statements, all equity instruments are measured at fair value with changes in value through profit/loss.

Debt instruments

The classification and measurement of debt instruments under IFRS 9 are based on a combination of the business model for managing the assets and the contractual cash flow characteristics.

A debt instrument is measured at amortised cost if both of the following criteria are met, and the financial asset has not been reported at fair value through profit/loss (the “fair value option”):

- The financial asset is held in a business model whose purpose is to hold financial assets in order to receive the contractual cash flows (the “business model criterion”), and
- The contractual terms of the financial asset lead at certain times to cash flows that only include repayments and interest on the outstanding principal amount (the “cash flow criterion”).

Choice of measurement method

Each portfolio is analysed based on the business model used, the types of cash flow that exist and the purpose of the investments.

If a financial instrument is included in a portfolio managed within a business model whose purpose is to receive contractual cash flows consisting only of interest and principal, the financial asset is measured at amortised cost. KLP's lending portfolio is part of such a business model.

If a portfolio of financial instruments is included in a business model whose purpose is to hold the financial assets in order to recover contractual cash flows and to sell, the asset is measured at fair value with changes in value through other comprehensive income. Interest income, currency translation effects and any write-downs are presented under profit/loss from ordinary activities. Changes in value recognised through other comprehensive income must be reclassified as profit/loss from the sale or disposal of the assets. However, the Annual Accounts Regulation allows amortised cost to be used as an alternative to fair value with changes in value through other comprehensive income. KLP holds securities that fall into this category. KLP measures these instruments at amortised cost in line with the option provided for in the Annual Accounts Regulation.

Financial assets included in other types of business model are measured at fair value through profit/loss from ordinary activities.

Impairment model

The implementation of IFRS 9 brings in a new impairment model for financial assets measured at amortised cost. Under the new standard, loss provisions must be recognised according to the expected credit loss (ECL). The measurement of provisions for expected losses depends on whether the credit risk has increased substantially since initial recognition. The estimated losses are calculated based on a 12-month and a lifetime probability of default (PD), loss given default (LGD) and exposure at default (EAD). The loan loss provisions are presented in three stages:

Stage 1: Expected loss over the next 12 months for all assets not transferred to Stage 2 or 3.

Stage 2: Expected loss over the whole lifetime for assets that have had a significant increase in credit risk since initial recognition, but no objective impairment.

Stage 3: Expected loss for the remaining lifetime of assets that have objective evidence of impairment. In the event of default, we will depart from automatic calculation of expected credit losses and instead make an individual assessment of the expected credit loss.

Below is a description of how loss calculations have been made for the different financial instruments.

Impairment model for interest-bearing securities at amortised cost

This category of securities includes bonds and certificates.

Stage 1: A financial instrument that is not credit-impaired at the time of initial recognition is classified in Stage 1. In Stage 1, the expected credit loss is calculated over the next 12 months, or to maturity if this is within one year.

Stage 2: In the event of a significant increase in credit risk since the date of acquisition, the instrument is moved to Stage 2. The expected credit loss is then calculated for the remaining lifetime of the instrument. A significant increase in credit risk is defined as a fall of at least 3 risk classes (e.g. AAA (1) to A- (4)). Risk classes are divided as shown in the table below.

Rating	Risk class	Rating	Risk class	Rating	Risk class
AAA	1	BBB+	5	B+	11
AA+	1	BBB	6	B	12
AA	2	NR	6	B-	13
AA-	2	BBB-	7	CCC+/-	14
A+	3	BB+	8	D	15
A	3	BB	9		
A-	4	BB-	10		

Stage 3: Expected loss for the remaining lifetime of assets that have objective evidence of impairment. In the event of default, we will depart from automatic calculation of expected credit losses in the portfolio system and instead make an individual assessment of the expected credit loss.

For Stages 1 and 2, the following model is used for calculating ECL:

Expected credit loss = exposure at default (EAD) x probability of default (PD) x loss given default (LGD).

Exposure at default (EAD): EAD is an estimate of the total loss incurred in the event of a possible default.

For Stages 1 and 2, it is based on the gross carrying value, while for Stage 3, amortised cost is used. This is shown in the table below.

Stage	Credit risk	ECL calculation	Effective interest
Stage 1	Immaterial increase	12 months	Gross book value
Stage 2	Material increase	Remaning lifetime	Gross book value
Stage 3	Defaults	Remaning lifetime	Amortised cost

Probability of default (PD): PD is calculated based on annual, historically observed default rates for each individual rating (S&P). This is based on 25 years of rolling data. PD is updated annually, or when significant changes are observed.

Loss given default (LGD): LGD is based on historically observed repayment rates on loans in default for defined sectors. These are published in annual reports issued by Global Credit Data. The figures are updated annually, and in the event of significant changes.

Impairment model for residential mortgage loans

Loss calculations for residential mortgages are administered by KLP's banking business, which has developed PD and LGD models for the mortgage portfolio. One PD model has been developed for new mortgage customers and another for existing mortgage customers. The first model uses data that is available at the time of application and is valid for 3 months after the mortgage is granted. The second model begins after 3 months, and also uses data that depends on the customer's behaviour profile. Explanatory variables in the base data are age, income, number of reminders sent in the last 12 months, number of overdrawn days in the last 12 months, loan-to-value ratio, co-borrower, default in the last 12 months and product type. The PD model is based on logistical regression, and the factors are reviewed annually and updated as needed. The method gives results that can be easily interpreted and analysed and has great explanatory value provided that certain conditions are met. The PD model also makes it possible to combine pure quantitative analyses with expert assessments. A rolling five-year window is used, so the emphasis is on more recent and relevant observations.

Exposure at default (EAD) is calculated as a function of the probability of the contract not being repaid by the specified date. An important part of the loss estimation is to look at the proportion of customers in default whose accounts recover. Loss given default (LGD) depends on several factors. The recovery rate is a significant element in the calculation, i.e. the proportion of customers in default who recover. The observed recovery rate must be calculated and revalidated each year.

As well as calculating ECL, a probability weighting is applied to various defined scenarios whereby ECL is assessed against optimistic, expected and pessimistic developments. The sum of the weighted scenarios constitutes the expected credit loss. KLP Banken's risk forum assesses these different scenarios and their weighting on a quarterly basis, based on changes in macro or other factors that may affect the write-downs.

The most important driver for a significant change in credit risk for home mortgage loans is a change in the probability of default (PD) from initial recognition up to the reporting date. A relative change in PD of more than 2.5 over 12 months is considered to be a significant change in credit risk. The change in PD must also be at least 0.6 percentage points over 12 months for the change to be considered significant. Commitments that have been in default for more than 30 days will automatically be placed in Stage 2, and commitments in default for more than 90 days will be placed in Stage 3. The loans go back to Stage 2 and Stage 1 when the criteria for significant change in credit risk and default are no longer fulfilled. A loan in Stage 3 will stay in quarantine for three months before it can be moved back to Stage 2 or 1.

Impairment model for other types of lending

A simplified loss ratio method is used for some types of lending where no separate PD and LGD models have been developed.

Public lending: For public lending, the probability of a loss on these loans is considered to be low. It has therefore been decided to use a simplified loss ratio, with the exception for low credit risk, whereby 0.001% of the balance on public loans has been set aside for expected losses.

Business loans/foreign currency loans: These loans carry a higher risk than public lending. For the loans in this category that are measured at amortised cost, a simplified loss model has been chosen, but here each loan gets its own PD and LGD. The method is the same as for public lending.

2.3.1.2.2 Financial liabilities

Accounting of financial liabilities under IFRS 9 is largely unchanged from the earlier IAS 39. One exception is that, for liabilities specifically recognised at fair value, changes in fair value due to own credit risk are recognised through other income and expenses without reclassification. This applies unless applying the changes in the credit risk on the liability would cause or worsen the accounting discrepancies in the income statement.

The Company's hybrid Tier 1 perpetual capital and subordinated loans are recognized at amortized cost.

2.3.1.3 Netting

Financial assets and liabilities are presented net in the balance sheet when there is an unconditional offsetting right that can be legally enforced and the intention is to settle net, or realise the asset and liability simultaneously.

2.3.1.4 Modification

When the contractual cash flows from a financial instrument are renegotiated or otherwise changed, and the renegotiation or change does not result in derecognition of the financial asset, the gross carrying value of the financial instrument is recalculated and any resulting gain or loss is taken to profit/loss. The gross carrying value of the financial instrument is recalculated as the present value of the renegotiated or changed contractual cash flows, discounted by the original effective interest rate of the financial instrument. Any accrued costs or fees adjust the carrying value of the changed financial instrument and are written down over the changed remaining lifetime.

2.3.1.5 Transitional effects

The transitional effects at 1 January 2023 are mainly related to the implementation of a new loss model for financial assets must be at amortised cost. The effect on the corporate portfolio after tax is posted directly to equity.

NOK MILLIONS	The corporate portfolio		The customer portfolio		The Investment option portfolio		Total		Implementation effect
Financial assets	IAS 39	IFRS 9	IAS 39	IFRS 9	IAS 39	IFRS 9	IAS 39	IFRS 9	
Bonds classified as loans and receivables	13 102	13 100	171 339	171 310	902	902	185 343	185 312	-31
Investments held to maturity	7 030	7 030	17 129	17 127	41	41	24 200	24 197	-3
Shares and units	6	6	180 344	180 344	922	922	181 272	181 272	-
Financial derivatives classified as assets	455	455	4 164	4 164	9	9	4 628	4 628	-
Interest-bearing securities	10 926	10 926	98 992	98 992	273	273	110 191	110 191	-
Other loans and receivables (amortized cost)	-	-	78 982	78 575	-	-	78 982	78 575	-407
Other loans and receivables (fair value)	1 101	1 101	16 590	17 015	98	98	17 789	18 214	425
Other financial assets	-	-	493	493	4	4	497	497	-
Total	**32 620**	**32 618**	**568 033**	**568 020**	**2 249**	**2 249**	**602 902**	**602 886**	**-16**
Tax effect		**1**							**1**

NOK MILLIONS	The corporate portfolio		The customer portfolio		The Investment option portfolio		Total		Implementation effect
Financial liabilities	IAS 39	IFRS 9	IAS 39	IFRS 9	IAS 39	IFRS 9	IAS 39	IFRS 9	
Subordinated loan capital (liabilities)	4 575	4 575	-	-	-	-	4 575	4 575	-
Debt to credit institutions (liabilities)	512	512	2 130	2 130	36	36	2 678	2 678	-
Financial derivatives classified as liabilities	60	60	1 321	1 321	6	6	1 387	1 387	-
Total	**5 147**	**5 147**	**3 451**	**3 451**	**42**	**42**	**8 640**	**8 640**	**-**
Total implementation effect IFRS 9									**-15**
Here off recognised against the insurance liabilities									-13
Total effect posted against equity from IFRS 9									**-2**
Effect of principle changes in subsidiaries recognised according to the equity method (IFRS 9 and IFRS 17)									98
Total effect recognised directly against equity									**96**

2.3.2 Accounting for financial instruments used in the period before 1 January 2023

The most important accounting policies relating to financial instruments used up to 31 December 2022 are described below.

2.3.2.1 Classification

Financial instruments are classified on initial recognition into one of the following categories:

Financial assets

a. Financial assets recognised at fair value through profit/loss

b. Lending and receivables recognised at amortised cost

c. Investments held to maturity recognised at amortised cost

Financial liabilities

a. Financial liabilities recognised at fair value through profit/loss:

b. Other financial liabilities recognised at amortised cost:

Financial assets and liabilities for fair value through profit/loss

Within this category it may be mandatory or optional to recognise items at fair value with changes in value through profit or loss.

- Financial assets held for sale are assets acquired primarily with a view to providing a profit from short-term price fluctuations. The Company's derivatives fall into this category unless they are included as an element of an accounting hedge in accordance with the rules on hedge accounting.

- Financial assets and liabilities designated for recognition at fair value with changes in value through profit or loss are classified in this category if the financial instruments are either managed as a group, where their earnings are assessed and reported to management on the basis of fair value, or if the classification eliminates or reduces accounting inconsistencies in measurement.

The financial assets include shares and units/holdings, bonds, certificates and loans, while the financial liabilities cover debt to credit institutions and derivatives.

Lending and receivables recognised at amortised cost

Loans and receivables are financial assets that are not derivatives and have fixed or determinable payments and are not traded on an active market, except for:

- Those which the Company intends to sell in the short term or has earmarked at fair value through profit/ loss.
- Those which the Company has earmarked as available for sale.
- Those on which the holder will not be able to recover the whole of their initial investment, except for impaired creditworthiness, and which are to be classified as available for sale.

Loans and receivables at amortised cost comprise:

- Loans and receivables linked to the investment business
- Loans and receivables including receivables from policyholders

Loans and receivables in the investment business include debt instruments classified as loans and receivables i.e. bonds that are not priced in an active market and lending to local authorities, enterprises, and retail customers.

Hold-to-maturity investments recognised at amortised cost

Financial assets held to maturity comprise financial assets that are not derivatives and that have fixed or determinable payments and a defined date of maturity and which the Company has the intention and the ability to hold to maturity with the exception of:

- Those which the Company earmarks on initial recognition at fair value through profit or loss
- Those which the Company has earmarked as available for sale
- Those which conform to the definition of loans and receivables

The category includes bonds recognised at amortised cost.

Other financial liabilities recognised at amortised cost

The category includes subordinated loans and hybrid Tier 1 perpetual capital.

2.3.2.2 Recognition and measurement

Purchases and sales of financial instruments are recognised at fair value on the trading date, i.e. when the Company has committed to buy or sell that financial instrument. Direct costs of purchase are included in acquisition cost except for purchase costs associated with financial instruments at fair value through profit or loss. For these instruments the purchase costs are taken to expenses directly. Financial assets are derecognised when the Company is no longer entitled to receive the cash flow from the asset or the Company has transferred all risk and rights associated with ownership. Financial liabilities are derecognised when the underlying obligation in the contract has been or cancelled or has expired.

Write-down of financial assets measured at amortised cost

In assessing whether there is impairment of a financial asset, weight is attached to whether the issuer/debtor is in significant financial difficulties and whether there is any breach of contract, including default. An assessment is made as to whether the debtor is likely to go bankrupt, whether there is no longer an active market for the asset because of financial difficulties, or whether a measurable decrease in expected cash flows from a group of financial assets can be observed. The assessment is based exclusively on historical data: future events are not considered, regardless of the degree of probability.

If there is objective proof of impairment, a write-down is made. The write-down is calculated by comparing the new, anticipated cash flows with the original cash flows discounted by the original effective interest rate (assets with fixed interest) or by the effective interest rate at the time of measurement (assets with variable interest). The write-down reduces the carrying value of the asset and is included in the income statement under "Net return from financial assets".

Loss assessments and write-downs are carried out quarterly on individual loans. Loans with outstanding repayments older than 90 days or credits with overdrafts older than 90 days are examined on the balance sheet date. There is also regular assessment of other lending engagements where there is objective evidence of impairment.

Lending is also assessed by group. If there is objective proof of impairment in a group of loans, a write-down is carried out.

2.3.3 Presentation, classification and measurement

a. **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are recognised in the balance sheet either as "Loans and receivables", "Interest-bearing securities", "Financial derivatives" or "Equity instruments". Interest income and dividends are included in the line "Interest income and dividends etc on financial assets".

b. **Financial assets at amortised cost**

Financial assets measured at amortised cost are presented in the balance sheet either as “Interest-bearing securities” or “Loans and receivables”. Interest income and write-downs are included in the line “Interest income and dividends etc on financial assets”.

c. **Financial liabilities measured at amortised cost**

Issued financial liabilities measured at amortised cost are presented in the balance sheet under the following items:

Hybrid Tier 1 perpetual capital

Subordinated loans

Subordinated loans are recognised at fair value when they are taken out, adjusted for purchase costs. On subsequent measurement, subordinated loans are recognised at amortised cost. The method is used to allocate the interest costs over a relevant period and the value is shown in the income statement under “Other expenses”. Subordinated loans in foreign currency are translated to NOK on the balance sheet date. Changes in value from changing exchange rates are shown in the income statement under “Other expenses”.

Hybrid Tier 1 securities are recognised at their nominal value on the date of issue and valued subsequently at amortised cost. For hybrid Tier 1 securities hedged against exchange and interest rate changes (fair value hedging), the book value is adjusted by the change in value of the hedged risk. The change in value is recognised through profit/loss under “Other expenses”.

d. **Financial liabilities measured at fair value with changes in value through profit/loss**

Financial liabilities measured at fair value with changes in value through profit/loss are presented in the balance sheet under the following items:

Financial derivatives

Financial derivatives are recognised at fair value on the date when the contract is entered into. On subsequent measurement the derivatives are recognised at fair value and presented as an asset under “Financial derivatives” if the value is positive and as a liability under “Financial derivatives” if the value is negative. For derivatives that are not part of any hedging transaction, any gains and losses are recognised as they arise under “Value changes on investments” or “Gains and losses realized on investments”.

2.4 INVESTMENT PROPERTY

Any property not used by the Company is classified as investment property. If a property is partially used by the Company and partially leased to external tenants, the part that is leased to external tenants is classified as investment property if it can be subdivided. The Company provides some additional services to tenants of the properties. If these services are considered essential to the management of the property, the property is classified as property for own use and not investment property.

2.4.1 Recognition and derecognition

Investment property is recognised in the balance sheet when it is likely that future economic benefits arising from the property will accrue to the Company, and when the cost of the investment property can be reliably measured. Investment property is recognised at cost including transaction costs. Costs of an investment property under construction are measured at cost until it is completed.

An investment property is derecognised upon disposal or when it is taken out of use with final effect and the Company does not expect any further financial gain from disposing of the property. The date of disposal of an investment property that is sold is the date when the recipient gains control over the investment property in accordance with the provisions on fulfilment of an obligation in *IFRS 15 Revenue from Contracts with Customers.*

2.4.2 Subsequent measurement

Investment property must be measured either at cost or at fair value with changes in value through profit/loss. The Company has chosen to use fair value with changes in value through profit/loss. Fair value is measured in accordance with *IFRS 13 Fair Value Measurement*.

The Group uses a valuation model to estimate market value. The valuation method is based on discounting the expected net cash flow from the property by the market's return requirements.

In the first instance, the market rent on currently applicable terms is used in calculating net cash flow, whereas for periods after the expiry of contracts an estimated market rent is used. An income deduction is also taken into account for expected vacancy, expected maintenance/improvement costs and normal operating costs.

The expected cash flow is discounted by a return requirement determined on the basis of the risk-free interest rate (10-year Norwegian Government Bond rate) with a adjustment for an estimated 20-year risk-free interest rate. The estimate for the 20-year interest rate corresponds to the slope of the swap curve between 10 and 20 years. The risk-free interest is then accorded a general property risk to find the return requirement for prime properties. Finally a risk premium is added which is determined on the basis of the willingness of the investors in the property market to accept risk, taking account of matters specific to the property such as geography, property type, contracts, tenants and technical state of the property.

A selection from the Company's property stock is valued quarterly by external, independent and qualified valuers. In the event of significant deviation from our own assessment of fair value, the differences are analysed and the valuation model's parameters are adjusted if this proves necessary.

Changes in fair value are recognised in the period in which the gain or loss occurs.

2.4.3 Transfers

If an investment property is occupied by the Company, it is reclassified as a tangible fixed asset. Fair value on the date of reclassification provides the cost price for the reclassified property.

If a property that the Company has used is leased externally, it is reclassified as investment property. Any difference between book value and fair value on the date of reclassification is taken to owners' equity as a revaluation.

2.4.4 Presentation

Investment property is presented on a separate line in the balance sheet.

Changes in fair value and net rental income are presented in the income statement under "Value changes on investments".

2.5 Shares in subsidiaries

Shares in subsidiaries are initially recognised at acquisition cost. They are subsequently measured by the equity method, where the profit share is converted to KLP's accounting principles.

Subsidiaries consisting of investment properties are split off and presented as a separate line in the balance sheet as "Shares and holdings in property subsidies". The profit share taken from these subsidiaries is based on the change in fair value of the investment properties included in their balance sheet. The principles used to value the underlying properties are in line with the valuation principles described in section 2.4.

The subsidiary KLP Skadeforsikring uses IFRS 17 for measurement of insurance contracts from the financial year 2023 onwards. The Annual Accounts Regulation provides that the profit share from KLP Skadeforsikring does not need to be reworked even though KLP does not use IFRS 17.

Note 3 **Important accounting estimates and valuations**

3.1 Critical assessments using the Company's accounting principles

This section describes some of the most important valuations, apart from those involving estimates (dealt with separately below), that management has made in the process of applying the Company's accounting principles and which will have the most significant effect on the amounts recognised in the financial statements.

3.1.1 Financial Instruments

- *Determination of when there is a significant increase in credit risk on financial instruments measured at amortised cost:* KLP has defined trigger points for what is defined as a significant change in credit risk which reflect a change in the calculation of expected credit losses. Loss given default and probability of default are determined by applying substantial discretion based on internal and external observable market data.
- *Determination of what is an active market:* KLP has established requirements for daily turnover as a criterion for whether a market is considered to be active. The determination is based on discretion.

3.2 Main sources of estimation uncertainty

The following are important estimates that management has used in the process of applying the Company's accounting principles and which have the most significant effect on the amounts recognised in the accounts:

3.2.1 Insurance liabilities

The insurance liabilities are based on expected future cash flows resulting from the contract.

The cash flow estimates related to disability risk are based on experience within KLP from its own population.

For the other risk elements, including longevity risk, the assumptions from the K2013 calculation base are used with the contingency margins set by the Financial Supervisory Authority of Norway. For men, KLP uses its own life expectancy assumptions, which assume a greater life expectancy improvement than K2013. The same goes for hospital doctors.

The disability and mortality rates are checked against the tariff each year in order to quickly capture any changes in the risk situation.

For a sensitivity analysis for insurance contracts, please refer to Note 4 and section 4.1.5.

3.2.2 Investment property

In applying IFRS 13 Fair Value Measurement to investment properties, the Company has made estimates in the following areas:

- Future cash flows
- Discount rates

3.2.2.1 Future cash flows

The main components of future cash flows are:

- Currently applicable terms and conditions, contract expiry and assumed market rent
- Vacant areas with assumed market rent
- Parking income, parking area and number of places
- Estimated annual inflation
- Annual rent adjustment as a percentage of inflation
- General vacancy
- Normal annual operating costs
- Normal annual shared costs per square metre
- Upgrading costs per square metre on new lease
- Any further upgrade costs (year and amount)
- Number of months vacancy on each contract expiry
- Assumed final value Year 20
- Nominal return requirement

Cash flow estimates include market variables directly observed in the market or derived directly from the market, and non-market variables.

3.2.2.2 Discount rates

The discount rate used corresponds to the normal market return requirements for similar properties and is calculated by the top-down method based on the return from the last known transactions in similar and relevant properties, or other estimates. The discount rate is decomposed into different elements relating to the market return estimate for different types of property, geography, contract risk, construction risk and general market return for investment properties. The different risks are calculated at a single property level and assessed in relation to each other.

The Company used the following discount rates in different countries as of 31 December:

Country	2023	2022
Norway	6,55 % - 9,60 %	5,55 % - 8,95 %
Sweden	6,10 % - 7,50 %	5,50 % - 7,35 %
Denmark	6,15 % - 8,00 %	5,80 % - 8,15 %

3.2.2.3 Sensitivity analysis

As of 31 December 2023, the total carrying value of the Company's investment property, including investment property owned via subsidiaries, was NOK 78,388 million (NOK 80,133 million as of 31 December 2022).

The sensitivity analysis below shows how the value of one of the Company's centrally located office properties in Oslo changes with certain changes in key parameters in the Company's valuation model. The analysis shows the change in value (given as percentage change) for a given change in a parameter on the assumption that all other parameters stay unchanged. In reality there are interdependencies between several variables, so a change in one parameter will be accompanied by a change in one or more other parameters. The sensitivity figures given do not capture such relationships with other variables and are shown for illustrative purposes only. The effects of changes in parameters will vary somewhat from property to property.

Parameter	Change	Change in value 31.12.2023	Change in value 31.12.2022
Return requirement	+ 100 bps	-11 %	-12 %
	-100 bps	13 %	15 %
Market rent	10 %	8 %	8 %
	-10 %	-8 %	-8 %
Exit yield	+100 bps	-8 %	-11 %
	-100 bps	12 %	19 %
Inflation	+50 bps	6 %	7 %
	-50 bps	-6 %	-6 %

In the analysis above, the return requirement means the interest rate used to discount future cash flows in the model. Market rent is understood to mean the expected rent in the event of renegotiation of existing contracts or on a change of tenant. Exit yield means the yield that is used to calculate the final value in the valuation model's final analysis period (Year 20).

Note 4 **Risk management**

Through its activity, KLP is exposed to both insurance risk and financial risk. For the Company overall risk management aims to handle financial risk in such a way that the Company can always meet the liabilities the insurance contracts place on the business. The Board of Directors sets the overarching risk strategies that are put into practice at the senior management level.

Risk strategy is implemented and monitored by the line organization, with periodic reporting. Any breaches in risk lines and limits are reported as they occur, with a description of measures taken to regularize the situation. Entities outside the line organization monitor that the risk-taking is carried out within the authorizations the line has.

4.1 INSURANCE RISK

Insurance risk is the risk that disability and mortality in KLP's membership may differ from what was expected. The insurance risk is measured and managed at the entity level.

The Company's insurance business is in the group pension sector. The insurance risk mainly relates to longevity, death and disability.

The insured's age and gender may affect that individual’s risk. The insurance risk is therefore priced individually, but the price is equalised at the risk community level. The composition and size of the portfolio will therefore affect the insurance risk.

The insurance risk is repriced each year for new accruals under the contract. Historically accrued rights cannot be repriced.

4.1.1 Longevity risk

The insurance risk for longevity is the risk of the insured living longer than expected (retirement pensions). Life expectancy has steadily increased over the last decade. Major factors behind this have been developments in medical science, and changes in diet and lifestyle.

KLP uses analyses of its own insurance data and analyses from Statistics Norway (SSB) of population data to look at changes in life expectancy and annual variations in it. Expected future improvements in mortality (increasing life expectancy) are based on estimates from Statistics Norway. The analyses are used to determine the best estimate for future mortality used to calculate expected future cash flows. Data for recent years may be affected by Covid, so it is not clear that insights from recent history can be used to predict the normal situation going forward.

As the retirement pension is lifelong, increased life expectancy will entail payment over a longer period. Public-sector occupational pensions have a built-in longevity adjustment which reduces this effect by reducing the annual benefit as life expectancy increases and vice versa. The longevity adjustment to pensions is calculated by Statistics Norway based on the improvement in life expectancy across the Norwegian population (regardless of gender) and may be different from the improvement in life expectancy in KLP’s membership.

4.1.2 Mortality risk (survivors’ pensions)

Insurance risk relating to mortality is a risk associated with survivors’ pensions, where the assumptions used differ from our actual experience. This risk is correlated with longevity risk but has far less impact on KLP’s overall finances.

4.1.3 Disability risk (disability pensions)

For disability pensions, the insurance risk is related to whether the trend in disability differs from the assumptions used. Social factors such as business restructuring, changes in the physical and psychological work environment, changes in official regulations and technological development can affect disability. Recent historical data for disability is affected by the Covid. So, here again, it is unclear whether this data can be used to predict the normal situation going forward.

In calculating expected future cash flows in the consolidated accounts, the assumptions on disability risk are based on experience from KLP's insured population.

4.1.4 Management of insurance risk

The Board has established a framework for insurance risk and guidelines for follow-up.

The Director of the Actuarial and Product department bears the operational responsibility for managing, measuring and monitoring insurance risk on public-sector occupational pensions. The department analyses the trend in risk on an ongoing basis and prepares regular reports and analyses. The department determines the expected cash flows on the insurance contracts partly based on these analyses.

If the analyses show changes in mortality or disability over time in one or more portfolios of contracts, Actuarial and Product draws up proposals for a new calculation base which is then reviewed by the Company's risk management committee chaired by the managing director. The managing director bears the overall responsibility for managing and pricing insurance risk and decides on changes in the basis for calculation. The changes are considered in determining future cash flows related to the insurance contracts. The Board is kept informed of the changes.

The Group has an independent actuarial function which checks that the Group's insurance risk is measured and handled in a satisfactory manner.

4.1.5 Sensitivity

The table below shows the consequence of an immediate change in the incidence of disability and mortality.

31.12.2023 NOK MILLIONS	Change	Risk result	Premium reserve
Death	-10 %	-423	13 130
Disablity	20 %	-465	681

31.12.2022 NOK MILLIONS	Change	Risk result	Premium reserve
Death	-10 %	-328	11 519
Disability	20 %	-443	770

4.2 FINANCIAL RISK

Public service pension is a defined benefit scheme funded through premium payments and returns on the paid premiums until the obligations fall due for payment. Annually, the premium is determined based on the expected return on the assets. This expected return constitutes a return guarantee to the customer, which must be fulfilled annually. KLP incurs financial risk, primarily through the management of pension funds.

KLP’s financial goal is to achieve a competitive and stable return on pension assets while ensuring the company’s solvency meets external and internal requirements. KLP follows a long-term investment strategy, adjusting risk-taking according to the company’s risk-bearing capacity. The management approach is cost-effective, long-term, and broadly diversified.

The return guarantee is pre-priced annually, thereby mitigating the consequences for the company if the actual return on pension assets falls below the guaranteed return. Pricing occurs at the contract level, considering each contract’s buffer fund.

The buffer fund consists of previously allocated excess returns to the contract and can be used to cover any shortfall in annual returns. The level of the agreement’s buffer fund, along with the interest rate guarantee premium, forms the basis for the market risk KLP assumes in managing pension funds.

KLP's financial risk comprises liquidity risk, market risk and credit risk.

4.2.1 Liquidity risk

Liquidity risk is the risk that the Company does not have adequate liquidity to cover short-term debt/residual liabilities not called in and current operations without substantial extra costs arising in the form of price falls on assets that must be realized. The liquidity strategy contains various requirements and limits in order to comply with the desired liquidity risk profile. In addition, division of responsibilities and contingency planning are covered. The liquidity strategy is operated at the senior management level and the liquidity is managed internally in accordance with mandates.

The need for liquidity in KLP is first and foremost associated with payments to pensioners and meeting current operating costs. Liquidity is also required for providing security in connection with currency and derivative trades. The KLP liquidity need is primarily satisfied by contractual receipts from customers. At all times the Company has a liquidity holding sufficient to meet current costs, including pension payments. In the event of liquidity needs beyond the current liquidity holdings, liquidity can normally be released through the sale of liquid financial assets.

KLP's aims to have liquidity buffers corresponding to 3 months' expected liquidity needs.

Refer to Note 5 Liquidity risk for further information on liquidity risk.

4.2.2 Market risk

Market risk is the risk of losses as a result of changes in market prices of various assets such as shares, bonds, property and other securities. The market risk depends on how large an exposure there is to the various assets and on the volatility in the market prices. Developments in the Norwegian and international securities markets generally have major significance for KLP's results.

Risk of a fall in the value of various assets is the biggest financial risk in the short term. Of the risk in regard to assets, equity exposure is the largest financial risk factor, but also the market risk associated with interest, credit (spread) and property has a significant loss potential.

At the end of 2023, 31.6 per cent of KLP's customer portfolios were placed in equities (measured by exposure) and 13.2 per cent were placed in property. Other funds were placed in the interest rate market where the main weight is measured at amortized cost, the remainder at fair value with change in value through profit/loss.

KLP exchange-rate hedges most of the international exposure. Financial hedging of currency exposure is done through derivatives. In principle all of KLP's fixed-income investments and property investments in foreign currency are hedged back to NOK. For equity investments in foreign currency the hedge ratio in 2023 has been between 50-70 per cent. For more information about currency risk please refer to Note 7.

All equity and interest rate exposures are included in a risk measurement system that enables simulation and monitoring of equity and interest rate risk across the portfolios. Active risk is managed through defined benchmarks relative to the index for each portfolio.

To reduce the risk of negative outcomes from market risk, KLP uses operational guidelines in client portfolios for daily management of market risk. This strategy helps to ensure that the risk is adjusted to the Company's risk capacity. The guidelines provide a return profile that aligns the overall target to have a satisfactory solvency margin and preserve the risk capacity over time. In addition, KLP has a high proportion of long-term bonds and fixed-interest lending that contributes to stability in returns.

Derivatives are principally used for risk reduction for cost and time-effective implementation of changes in risk and for currency hedging.

4.2.2.1 Sensitivity

The main purpose of the European prudential framework for insurance companies, Solvency II, is to protect and safeguard the interests of insurance customers. The framework set requirements for the capital needed for a given risk exposure. In addition to insurance risk, relocation risk and operational risk, market risk is an important factor in the calculation.

Details of KLP’s solvency capital requirement, regulatory capital and solvency capital coverage are provided in Note 36.

Several sensitivity analyses relating to solvency capital coverage have been carried out. It is estimated that the solvency capital coverage will increase by 2 percentage points if interest rates rise by 50 basis points and fall by 2 percentage points if the rates fall by 50 basis points. A 25 per cent fall in the equity market reduces solvency capital coverage by slightly less than 4 percentage points. Here, the effect on solvency capital coverage is limited by the size of the buffer fund.

Reference is made to Note 6 Interest rate risk for information on the effect of interest rate changes on the accounts.

4.2.3 Credit- and concentration risk

Emphasis is placed on diversification of credit exposure to avoid concentration of credit risk against individual debtors. To monitor credit risk in lending and investments a special credit committee has been established, meeting regularly. The limits for credit risk against the individual debtor are set by the committee. Changes in debtors' credit assessments are monitored and followed up.

KLP has good balance between Norwegian bonds and international bonds and has a portfolio of exclusively good credit notes. Of the total credit exposure, 46 per cent is rated AA- or higher.

KLP has a lending portfolio of high quality, with limited credit risk and historically very low losses. In the main KLP provides loans secured on housing with a mortgage level of less than 80 per cent, loans to local authorities and loans with local authority guarantees. Lending secured through mortgages on housing amounts to about NOK 3.0 billion. The value of the mortgages represents a greater value than the lending since a large part of the mortgages were established earlier in time and the price rise in housing in recent years has been substantial.

KLP has limited concentration risk. Because no exposures exceed the threshold values defined in the Solvency II regulations, KLP has no capital requirements for concentration risk under the standard method. The way in which the fixed interest and equity portfolios are managed will generally help to limit concentration risk through extensive use of index management. KLP sets explicit limits for lending which restrict concentration on specific individuals and groups. Sector concentration is monitored via monthly and quarterly reporting.

Although the KLP's investments are well diversified, there is a clear preponderance of investments in Norway. This is a deliberate and a natural consequence of dealing mainly with public-sector occupational pensions.

Refer to Note 8 Credit risk for further information.

Note 5 **Liquidity risk**

The table below specifies the Company's financial liabilities classified according to maturity structure. The amounts in the table are non-discounted contractual cash flows.

2023 NOK MILLIONS	Within 1 month	1-12 months	1-5 years	5-10 years	Over 10 years	Total
Subordinated loans	0	140	656	736	4 991	6 523
Hybrid tier 1 securities [1]	0	74	296	370	1 105	1 845
Accounts payable	13	0	0	0	0	13
Liabilities to credit institutions	13	0	0	0	0	13
Contingent liabilities	28 895	0	0	0	0	28 895
Total	**28 921**	**214**	**952**	**1 106**	**6 096**	**37 289**
FINANCIAL DERIVATIVES						
Financial derivatives gross settlement						
Inflows	0	0	0	0	0	0
Outflows	0	0	0	0	0	0
Financial derivatives net settlement	5 472	5 869	930	844	958	14 072
Total financial derivatives	**5 472**	**5 869**	**930**	**844**	**958**	**14 072**
Total	**34 393**	**6 083**	**1 881**	**1 949**	**7 055**	**51 361**

[1] In regards to the loans that are perpetual, estimated cash streams are up to expected maturity at the interest adjustment date.

2022 NOK MILLIONS	Within 1 month	1-12 months	1-5 years	5-10 years	Over 10 years	Total
Subordinated loans	0	131	608	690	4 815	6 245
Hybrid tier 1 securities [1]	0	72	287	359	1 215	1 933
Accounts payable	18	0	0	0	0	18
Liabilities to credit institutions	64	0	0	0	0	64
Contingent liabilities	29 251	0	0	0	0	29 251
Total	**29 333**	**203**	**895**	**1 049**	**6 031**	**37 510**
FINANCIAL DERIVATIVES						
Financial derivatives gross settlement						
Inflows	0	0	0	0	0	0
Outflows	0	0	0	0	0	0
Financial derivatives net settlement	3 271	1 891	713	750	611	7 236
Total financial derivatives	**3 271**	**1 891**	**713**	**750**	**611**	**7 236**
Total	**32 603**	**2 094**	**1 608**	**1 799**	**6 642**	**44 746**

The table above shows financial liabilities KLP has grouped by interest payments and repayment of principal, based on the date payment is due.

The risk that KLP would not have adequate liquidity to cover current liabilities and current operations is very small since a major part of the Company's assets is liquid. KLP has significant funds invested in the money market, bonds and shares that can be sold in the event of a liquidity requirement. KLP's liquidity strategy involves the Company always having adequate liquid assets to meet KLP's liabilities as they fall due without accruing significant costs associated with releasing assets.

Asset composition in KLP's portfolios should be adequately liquid to be able to cover other liquidity needs that may arise. KLP Kapitalforvaltning has the routine responsibility to report on the Company's liquidity. Internal parameters have been established for the size of the liquidity holding. KLP's risk management unit monitors and reports developments in the liquidity holding continuously. The Board determines an asset management and liquidity strategy for KLP annually. The liquidity strategy includes parameters, responsibilities, risk measurement and an emergency plan for liquidity management.

Expected payment profile pension obligations

2023 NOK MILLIONS									
Year	1 year	2-5 years	6-10 years	11-20 years	21-30 years	31-40 years	41-50 years	51-80 years	Total
Amount	**25 683**	**106 810**	**164 803**	**366 472**	**356 071**	**285 992**	**183 593**	**138 772**	**1 628 196**

2022 NOK MILLIONS									
Year	1 year	2-5 years	6-10 years	11-20 years	21-30 years	31-40 years	41-50 years	51-80 years	Total
Amount	**23 418**	**99 179**	**164 600**	**360 736**	**328 568**	**241 348**	**144 095**	**112 100**	**1 474 044**

The payment profile shows anticipated payment dates for KLP's future pension obligations and is based on non-discounted values. The insurance liabilities in the accounts are discounted and show the present value at the end of the reporting period.

Note 6 **Interest rate risk**

2023 NOK MILLIONS	Up to 3 months	3 months to 12 months	1 year to 5 years	5 years to 10 years	Over 10 years	Change in cash flows	Total
ASSETS							
Equity fund units [1]	0	0	0	0	0	9	8
Alternative investments	-6	0	0	0	0	34	28
Financial derivatives classified as assets	-1	-2	9	-39	-115	-10	-157
Debt instruments classified as loans and receivables – at amortized cost	0	0	0	0	0	0	0
Bonds and other fixed-income securities	-31	-29	-508	-826	-501	135	-1 760
Fixed-income fund units	-1 271	0	0	0	0	17	-1 253
Loans and receivables	0	0	0	0	0	130	130
Cash and deposit	0	0	0	0	0	9	9
Lending	0	0	0	0	0	538	538
Contingent liabilities [2]	0	0	0	0	0	15	15
Total assets	**-1 308**	**-32**	**-499**	**-864**	**-616**	**875**	**-2 444**
LIABILITIES							
Financial derivatives classified as liabilities	1	-1	0	1	0	-3	-1
Hybrid Tier 1 securities, subordinated loans	0	0	0	0	0	0	0
Liabilities to credit institutions	0	0	0	0	0	-40	-40
Total liabilities	**1**	**-1**	**0**	**1**	**0**	**-43**	**-41**
Total before taxes	**-1 307**	**-32**	**-499**	**-863**	**-616**	**832**	**-2 485**
Total after taxes	**-981**	**-24**	**-374**	**-647**	**-462**	**624**	**-1 864**

[1] Equity fund units covers that part of the fund that is not shares, but that comprises assets covered by interest rate risk: surplus liquidity in the form of bank accounts and derivatives used for hedging purposes.

[2] Contingent liabilities in this context are accepted, not paid out lending.

2022 NOK MILLIONS	Up to 3 months	3 months to 12 months	1 year to 5 years	5 years to 10 years	Over 10 years	Change in cash flows	Total
ASSETS							
Equity fund units [1]	0	0	0	0	0	9	9
Alternative investments	0	0	0	0	0	15	15
Financial derivatives classified as assets	28	0	13	-36	-119	-6	-119
Debt instruments classified as loans and receivables – at amortized cost	0	0	0	0	0	13	13
Bonds and other fixed-income securities	-23	-42	-661	-736	-608	172	-1 897
Fixed-income fund units	-1 120	0	0	0	0	21	-1 099
Loans and receivables	0	0	0	0	0	138	138
Cash and deposit	0	0	0	0	0	16	16
Lending	0	0	0	0	0	480	480
Contingent liabilities [2]	0	0	0	0	0	14	14
Total assets	**-1 116**	**-42**	**-647**	**-771**	**-727**	**871**	**-2 432**
LIABILITIES							
Financial derivatives classified as liabilities	-4	0	0	0	0	-7	-10
Hybrid Tier 1 securities, subordinated loans	0	0	0	34	57	0	91
Liabilities to credit institutions	0	0	0	0	0	-41	-41
Total liabilities	**-4**	**0**	**0**	**34**	**57**	**-47**	**40**
Total before taxes	**-1 120**	**-42**	**-647**	**-738**	**-670**	**824**	**-2 392**
Total after taxes	**-840**	**-31**	**-485**	**-553**	**-502**	**618**	**-1 794**

[1] Equity fund units covers that part of the fund that is not shares, but that comprises assets covered by interest rate risk: surplus liquidity in the form of bank accounts and derivatives used for hedging purposes.

[2] Contingent liabilities in this context are accepted, not paid out lending.

The note shows the effect on income of an increase in market interest rate of 1 per cent, for fair value risk and variable interest rate risk.

Change in fair value (fair value risk) is shown in the five first columns and is calculated on the change in fair value of interest-bearing instruments if the interest rate had been 1 per cent higher at the end of the period. The column «Change in cash flows» (variable interest rate risk) shows the change in cash flows had the interest rate been 1 per cent higher throughout the year being reported on. The total of these reflects the total impact on profits that the scenario of one per cent higher interest rate would have had on the Company during the period being reported on.

Fair value risk applies to fixed interest rate securities where the market value of the security fluctuates conversely to the market interest rate. Variable interest rate risk applies to securities at variable interest rates, where the market value remains stable, but where change in the market interest rate is reflected in changed current incomes.

The following fixed-income securities are covered by this Note; securities at fair value through profit or loss (variable and fixed interest rate terms), investments held to maturity (only those with variable interest rate terms) and loans and receivables (only those with variable interest rate terms). The Company has no fixed-income securities classified as available for sale. Fixed rate assets, recognized at amortized cost, do not cause any effects in the income statement when the market rate changes. The same goes for issued debt with a fixed rate, measured at amortized cost.

Insurance contracts with a guaranteed return does not change the accounting value when interest rates change. Changes in interest rate has no impact on the guaranteed return, but will have an impact on the achieved returns to cover the return guarantee. This is because insurance funds partly invests in debt instruments whose cash flows contribute to cover the customers return guarantee.

Note 7 **Currency risk**

31.12.2023	Fin.l pos. statement items excl. currency derivatives		Currency derivatives		Total		Translation rate	Net position
NOK MILLION/ FOREIGN CURRENCY [1]	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Currency/NOK**	**NOK**
US dollar	13 109	-684	9 701	-17 259	22 810	-17 943	10,16	49 425
Euro	4 832	-302	4 891	-8 535	9 723	-8 837	11,22	9 941
Japanese yen	143 597	-325	89 892	-180 297	233 489	-180 622	0,07	3 808
British Pound	1 351	0	1 186	-2 251	2 537	-2 251	12,95	3 713
Indian rupi	14 499	0	0	0	14 499	0	0,12	1 770
Canadian dollar	617	0	439	-844	1 056	-844	7,70	1 628
Swiss franc	288	0	176	-339	464	-339	12,07	1 510
Australian dollar	534	0	402	-773	936	-773	6,93	1 130
Swedish krone	23 308	-20	27 255	-49 519	50 563	-49 539	1,01	1 032
Hong Kong dollar	2 108	0	1 526	-2 906	3 634	-2 906	1,30	946
Taiwan new dollar	5 472	0	0	-3 127	5 472	-3 127	0,33	776
Chinese Yuan	467	0	0	0	467	0	1,43	669
Korean won	175 752	0	0	-94 300	175 752	-94 300	0,01	642
Brazilian real	276	0	0	0	276	0	2,09	577
Danish kroner	10 053	-55	9 767	-19 409	19 819	-19 465	1,50	534
Other currencies								2 716
Total short-term foreign currency positions								**80 818**
Euro	2 511	-301	120	-1 483	2 631	-1 784	11,22	9 500
US dollar	3 268	-62	508	-3 451	3 776	-3 513	10,16	2 675
Danish kroner	460	0	0	0	460	0	1,50	692
Japanese yen	14 869	-11 201	0	0	14 869	-11 201	0,07	264
Australian dollar	0	0	0	0	0	0	6,93	0
Canadian dollar	0	0	0	0	0	0	7,70	0
Swiss franc	0	0	0	0	0	0	12,07	0
Korean won	2 771	0	0	-2 777	2 771	-2 777	0,01	0
Swedish krone	3 279	0	0	-3 288	3 279	-3 288	1,01	-9
British Pound	144	0	1	-156	145	-156	12,95	-147
Total long-term foreign currency positions								**12 975**
Total net currency positions								**93 793**

[1] The table shows total financial position statement items for each individual currency, divided between short and long-term positions. The net position shows the currency risk in NOK at the end of the period while other figures are shown in their local currency. The hedge efficiency of currency is 84 per cent and 88 per cent for 2023 and 2022. "Other currencies" include short-term net positions of less than NOK 500 million.

31.12.2022	Fin.l pos. statement items excl. currency derivatives		Currency derivatives		Total		Translation rate	Net position
NOK MILLION/ FOREIGN CURRENCY [1]	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Currency/NOK**	**NOK**
US dollar	11 596	-530	8 948	-17 375	20 544	-17 905	9,85	25 999
Euro	4 464	-211	4 209	-7 706	8 673	-7 917	10,51	7 940
Japanese yen	109 707	-297	71 647	-144 785	181 354	-145 083	0,07	2 708
British Pound	1 393	-37	1 089	-2 256	2 482	-2 294	11,85	2 234
Canadian dollar	679	0	396	-852	1 075	-852	7,27	1 622
Indian rupi	11 827	0	0	0	11 827	0	0,12	1 408
Hong Kong dollar	2 528	0	1 734	-3 157	4 262	-3 157	1,26	1 396
Swiss franc	298	0	186	-370	484	-370	10,65	1 215
Swedish krone	23 798	0	27 486	-50 383	51 284	-50 383	0,95	851
Australian dollar	393	0	259	-527	652	-527	6,68	838
Chinese Yuan	445	0	0	0	445	0	1,42	630
Taiwan new dollar	4 709	0	0	-2 923	4 709	-2 923	0,32	572
Brazilian real	270	0	0	0	270	0	1,87	504
Other currencies								2 681
Total short-term foreign currency positions								**50 598**
Euro	2 136	-301	48	-1 220	2 183	-1 521	10,51	6 959
US dollar	3 309	-66	22	-3 127	3 331	-3 193	9,85	1 353
Danish kroner	418	0	0	0	418	0	1,41	592
Japanese yen	14 580	-10 408	0	0	14 580	-10 408	0,07	312
Swedish krone	3 306	0	0	-3 267	3 306	-3 267	0,95	37
Australian dollar	0	0	0	0	0	0	6,68	0
Canadian dollar	0	0	0	0	0	0	7,27	0
Swiss franc	0	0	0	0	0	0	10,65	0
Korean won	0	0	0	0	0	0	0,01	0
British Pound	154	0	0	-169	154	-169	11,85	-186
Total long-term foreign currency positions								**9 067**
Total net currency positions								**59 665**

[1] The table shows total financial position statement items for each individual currency, divided between short and long-term positions. The net position shows the currency risk in NOK at the end of the period while other figures are shown in their local currency. The hedge efficiency of currency is 84 percent and 88 percent for 2023 and 2022. "Other currencies" include short-term net positions of less than NOK 500 million.

KLP currency-hedges the majority of investments made in foreign currency. Financial hedging of currency exposure is done through derivatives. In principle all of the KLP's fixed-income investments and property investments in foreign currency are hedged back to NOK with the objective of 100 percent hedging. At 31 December 2023, the hedging ratio for equities in developed markets and the most liquid currencies in emerging markets was 60 percent with possible fluctuations between 50-70 percent. Other currencies, ie, less liquid currencies in developed markets and currencies in emerging markets with the exception of the most liquid currencies, are not currency hedged. The reason for this is that these currencies do not have a large enough market and / or liquidity that it is appropriate to hedge currency. This reduction in the hedging of shares, as well as unsecured foreign equity funds, increases the net positions in foreign currencies.

If all currency positions change by 1 per cent at the same time and in the same direction this would affect the pre-tax result by NOK 938 million. For 2022 the corresponding effect on income was NOK 597 million.

Note 8 **Credit risk**

31.12.2023 NOK MILLIONS	Investment grade AAA to BBB	Lower rating	Public sector guarantee	Banking and finance	Mortgage[1] < 80%	Mortgage[1] > 80%	Other	Total
Fixed-income securities at amortised cost	207 844	955	1 015	2 783	0	0	15 768	228 365
Debt instruments at fair value - fixed-return securities	50 807	3 613	3 055	2 718	0	0	620	60 813
Fixed-income funds short-term	0	0	1 874	0	0	0	53 581	55 456
Loans and receivables	21 831	0	0	194	0	0	0	22 026
Financial derivatives classified as assets	10 365	0	0	0	0	0	0	10 365
Cash and deposits	1 141	0	0	0	0	0	0	1 141
Lending	0	0	76 618	0	3 223	86	2 039	81 966
Total	**291 989**	**4 568**	**82 562**	**5 696**	**3 223**	**86**	**72 007**	**460 132**

[1] These two columns provide information on the proportion of mortgage loans with mortgage security within 80 % of base value and mortgage loans that exceed 80 % mortgage of base value.

SPECIFICATION OF INVESTMENT GRADE	AAA	AA	A	BBB	Total Investment grade
Fixed-income securities at amortised cost	59 942	28 234	70 682	48 986	207 844
Debt instruments at fair value - fixed-return securities	18 322	10 026	13 865	8 595	50 807
Fixed-income funds short-term	0	0	0	0	0
Loans and receivables	0	10 234	11 533	64	21 831
Financial derivatives classified as assets	0	3 524	6 841	0	10 365
Cash and deposits	0	1 141	0	0	1 141
Lending	0	0	0	0	0
Total	**78 263**	**53 160**	**102 920**	**57 646**	**291 989**

31.12.2022 NOK MILLIONS	Investment grade AAA to BBB	Lower rating	Public sector guarantee	Banking and finance	Mortgage[1] < 80%	Mortgage[1] > 80%	Other	Total
Fixed-income securities at amortised cost	193 091	106	541	2 784	0	0	13 021	209 543
Debt instruments at fair value - fixed-return securities	59 225	2 318	2 335	2 513	0	0	1 099	67 490
Fixed-income funds short-term	0	0	1 835	0	0	0	40 867	42 702
Loans and receivables	17 603	0	0	186	0	0	6	17 795
Financial derivatives classified as assets	4 628	0	0	0	0	0	0	4 628
Cash and deposits	918	0	0	0	0	0	0	918
Lending	0	0	73 954	0	2 848	91	2 089	78 982
Total	**275 465**	**2 424**	**78 665**	**5 483**	**2 848**	**91**	**57 083**	**422 058**

SPECIFICATION OF INVESTMENT GRADE	AAA	AA	A	BBB	Total Investment grade
Fixed-income securities at amortised cost	40 653	25 571	75 040	51 828	193 091
Debt instruments at fair value - fixed-return securities	17 028	10 442	14 134	17 621	59 225
Fixed-income funds short-term	0	0	0	0	0
Loans and receivables	0	11 673	4 498	1 432	17 603
Financial derivatives classified as assets	0	2 502	2 126	0	4 628
Cash and deposits	0	918	0	0	918
Lending	0	0	0	0	0
Total	**57 681**	**51 107**	**95 797**	**70 880**	**275 465**

Credit risk means the risk that a counterparty may not be able to meet its obligations to KLP. In this table the credit risk is measured using rating agencies' estimates of the level of credit worthiness of the various issuers of fixed-income securities. Assets that are not rated are placed in other categories that describe credit risk, for example sector and guarantees.

Emphasis is placed on diversification of credit exposure to avoid concentration of credit risk against individual debtors. To monitor credit risk in lending and investments a special credit committee has been established, meeting regularly. The limits for credit risk against the individual debtor are set by the committee. Changes in debtors' credit assessments are monitored and followed up by KLP Kapitalforvaltning AS.

KLP has good balance between Norwegian bonds and international bonds and has a portfolio of exclusively good credit notes. KLP has a high concentration of debt instruments directed at the Norwegian public sector.

Only ratings from Standard and Poor's have been used in the note grouping. KLP also uses ratings from Moody's Investor Services, Fitch Ratings, Scope Rating and Nordic Credit Rating and all five are considered equal as a basis for investments in fixed-income securities. The table shows exposure against the rating categories that S&P uses, where AAA is linked to securities with the highest creditworthiness. That which is classified as "Other" is mainly securities issued by power companies and other corporate bonds: this amounted to NOK 72 billion on 31 December 2023. KLP has strict guidelines for investments in fixed-income securities, which also apply to investments falling into the «Other» category.

The lines in the note coincide with the financial position statement layout. The exceptions are debt instruments at fair value, which are divided into three categories in the Note, and lending, which is shown combined in the Note, but is shown in two lines in the financial position statement (fair value and amortized cost).

NOK MILLIONS	31.12.2023	31.12.2022
TEN LARGEST COUNTERPARTIES		
Counterparty 1	10 292	9 776
Counterparty 2	8 910	8 601
Counterparty 3	8 430	7 120
Counterparty 4	8 144	7 096
Counterparty 5	7 963	6 061
Counterparty 6	7 641	5 549
Counterparty 7	6 026	5 512
Counterparty 8	5 584	4 698
Counterparty 9	5 550	4 443
Counterparty 10	5 224	4 320
Total	**73 764**	**63 177**

The table above shows the ten largest counterparties to which KLP has exposure. The amounts stated are book value. The majority of the ten largest counterparties are either finance institutions or counterparties covered by a public sector guarantee (central or local government guarantee).

NOK MILLIONS	31.12.2023	31.12.2022
Premium receivables	1 150	1 040
Write-downs of premium receivables	0	0
Total	**1 151**	**1 040**

KLP's premium receivables are primarily in regard to the public sector and the credit risk is considered low. In addition the main group pension/public sector industry is linked to the "Transfer agreement for the public sector". This transfer agreement has a security scheme intended to help to secure pension rights accrued with employers who cease to exist or do not pay premiums when due in accorance with detailed rules. The Company may thus apply for cover for unpaid demands in this industry from the security arrangement if the demand falls within the security arrangement' s regulations.

NOK MILLIONS	31.12.2023	31.12.2022
Change in fair value as a result of change in credit risk	158	-642

Actual change in fair value depends on both changes in risk-free interest rates and credit spreads. This estimate is an attempt to isolate the change in fair value due to the fact that the credit spread on the bonds has changed during the year. The estimate is calculated by looking at the change in credit spread for each individual bond throughout the year and the bond's cash flow weights remaining maturity (duration) for the bond at the time of reporting. There are many reasons why the credit spread changes,like for example that the credit spread becomes lower when the bond matures, that an issuer is considered more or less risky or that the market demands a higher or lower risk premium for credit bonds in general. If the change in fair value is positive (negative), it indicates that the duration- and value-weighted credit spread has decreased (increased).

The calculation is based on owned assets per. 31.12.23, and is made for bonds and index bonds that are valued at fair value. Government funds and government portfolios have been removed from the calculation basis and fund units are not decomposed.

Note 9 **Life insurance income statement**

Insurance liabilities distributed by main sectors

NOK MILLIONS	Group pension insurance for municipalities, including institutions with similar pension plans	31.12.2023	31.12.2022	Change 2023	Change 2022
Premium reserve	573 573	573 573	518 530	55 043	32 253
Buffer fund	109 466	109 466	102 224	7 242	102 224
Supplementary reserves	0	0	0	0	-48 812
Securities adjustment fund	0	0	0	0	-77 397
Premium fund	42 742	42 742	33 570	9 171	-7 698
Total insurance liabilities	**725 781**	**725 781**	**654 324**	**71 456**	**570**

Insurance liabilities per subsegment of group pension insurance for municipalities, including institutions with similar pension plans

NOK MILLIONS	Occupational pension schemes without investment options	Occupational pensions schemes with investment options	31.12.2023	31.12.2022	Change 2023	Change 2022
Premium reserve	571 399	2 173	573 573	518 530	55 043	32 253
Buffer fund	109 281	185	109 466	102 224	7 242	102 224
Supplementary reserves	0	0	0	0	0	-48 812
Securities adjustment fund	0	0	0	0	0	-77 397
Premium fund	42 251	491	42 742	33 570	9 171	-7 698
Total insurance liabilities	**722 931**	**2 850**	**725 781**	**654 324**	**71 456**	**570**

Changes to insurance liabilities during the period in question for coverage of the undertaking's liabilities under contracts with contractual obligations

NOK MILLIONS	Premium reserve	Supplementary reserves	Premium fund	Total 2023	Total 2022
Insurance liabilities 01.01	516 525	102 162	33 024	651 711	651 520
Net reserves taken to profit/loss	54 870	7 949	550	63 368	11 776
Surplus on returns result	0	0	20 020	20 020	0
Risk result assigned to insurance contracts	0	0	592	592	648
Release of premium reserves related to new public pension	0	0	0	0	0
Total changes taken to profit/loss	**54 870**	**7 949**	**21 162**	**83 980**	**12 424**
Transfers between funds/allocated to premium payment	5	-830	-11 858	-12 684	-11 790
Receipts/payments on transfer	0	0	-64	-64	-414
Total changes not taken to profit/loss	**5**	**-830**	**-11 935**	**-12 761**	**-12 234**
Total changes in insurance liabilities	54 874	7 118	9 227	71 220	190
Insurance liabilities 31.12	**571 399**	**109 281**	**42 251**	**722 931**	**651 711**

Changes to insurance liabilities during the period in question for coverage of the undertaking's liabilities related to the value of a particular portfolio of investment options

NOK MILLIONS	Premium reserve	Supplementary reserves	Premium fund	Total 2023	Total 2022
Insurance liabilities 01.01	2 005	61	547	2 613	2 234
Net reserves taken to profit/loss	173	124	6	303	346
Surplus on returns result	0		30	30	0
Risk result assigned to insurance contracts	0	0	2	2	3
Other assignment of surplus	0	0	0	0	0
Total changes taken to profit/loss	**173**	**124**	**38**	**335**	**349**
Transfers between funds/allocated to premium payment	-4	0	-94	-99	0
Receipts/payments on transfer	0	0		0	30
Total changes not taken to profit/loss	**-4**	**0**	**-94**	**-99**	**30**
Total changes in insurance liabilities	169	124	-56	237	379
Insurance liabilities 31.12	**2 173**	**185**	**491**	**2 850**	**2 613**

Technical accounts by main sectors

NOK MILLIONS	Group pension insurance for municipalities, including institutions with similar pension plans	
	2023	2022
Premium income	70 326	50 523
Net income common portfolio	42 500	-7 570
Net income investment option portfolio	212	-58
Other insurance-related income	1 415	1 358
Life insurance claims	-28 261	-28 517
Change insurance liabilities - contractual	-63 368	-11 731
Change insurance liabilities - investment option	-315	-392
Funds assigned to insurance contracts	-20 632	-651
Insurance-related operating expenses	-1 512	-1 487
Other insurance-related costs	-1 408	-1 368
Technical result	**-1 043**	**107**

Technical accounts by sub-sectors
Subsegments of group pension insurance for municipalities, including institutions with similar pension plans

NOK MILLIONS	Occupational pension schemes without investment options		Occupational pension schemes with investment options		Total	
	2023	2022	2023	2022	2023	2022
Premium income	70 085	49 974	241	548	70 326	50 523
Net income common portfolio	42 500	-7 570	0	0	42 500	-7 570
Net income investment option portfolio	0	0	212	-58	212	-58
Other insurance-related income	1 412	1 354	3	3	1 415	1 358
Life insurance claims	-28 148	-28 410	-113	-106	-28 261	-28 517
Change insurance liabilities - contractual	-63 368	-11 731	0	0	-63 368	-11 731
Change insurance liabilities - investment option	0	0	-315	-392	-315	-392
Funds assigned to insurance contracts	-20 612	-648	-20	-3	-20 632	-651
Insurance-related operating expenses	-1 507	-1 482	-5	-5	-1 512	-1 487
Other insurance-related costs	-1 405	-1 365	-3	-3	-1 408	-1 368
Technical result	**-1 043**	**122**	**0**	**-15**	**-1 043**	**107**

Result analysis by main sectors

NOK MILLIONS	Group pension insurance for municipalities, including institutions with similar pension plans	
	2023	2022
Returns result after supplementary provisions	29 463	-20 099
Risk result	648	558
Administration result	144	-17
Consideration for interest guarantee	291	266
Total result elements before allocation to customers	**30 545**	**-19 291**
Returns result allocated to buffer fund	-8 416	19 956
Returns result and risk result alloc. to premium fund etc.	-20 644	-558
Rebooking from equity and Risk equalization fund	-1 770	0
Return to premium reserve	-758	0
Technical result	**-1 043**	**107**

Result analysis by sub-sectors
Subsegments of group pension insurance for municipalities, including institutions with similar pension plans

NOK MILLIONS	Occupational pension schemes without investment options		Occupational pension schemes with investment options		Total	
	2023	2022	2023	2022	2023	2022
Returns result after supplementary provisions	29 308	-19 969	154	-130	29 463	-20 099
Risk result	646	555	2	3	648	558
Administration result	143	-17	0	0	144	-17
Consideration for interest guarantee	290	265	1	1	291	266
Total result elements before allocation to customers	**30 388**	**-19 165**	**157**	**-126**	**30 545**	**-19 291**
Returns result allocated to buffer fund	-8 292	19 843	-124	114	-8 416	19 956
Returns result and risk result alloc. to premium fund etc.	-20 611	-555	-33	-3	-20 644	-558
Rebooking from equity and Risk equalization fund	-1 770	0	0	0	-1 770	0
Return to premium reserve	-758	0	0	0	-758	0
Technical result	**-1 043**	**122**	**0**	**-15**	**-1 043**	**107**

Claims by main sectors

NOK MILLIONS	Group pension insurance for municipalities, including institutions with similar pension plans	
	2023	2022
Claims paid in accordance with insurance agreements	-26 122	-23 858
Total	**-26 122**	**-23 858**

Transfer and new subscription

Transfer by main sectors

NOK MILLIONS	Group pension insurance for municipalities, including institutions with similar pension plans	
	2023	2022
FUNDS TRANSFERRED IN		
Premium reserve	92	386
Funds received taken through profit or loss	**92**	**386**
Premium fund	1	0
Buffer fund	5	0
Total funds received	**98**	**386**
Number of contracts	2	1
FUNDS TRANSFERRED OUT		
Premium reserve	1 796	3 805
Buffer fund	344	854
Funds paid out taken through profit or loss	**2 139**	**4 659**
Premium fund	65	445
Total funds paid out	**2 205**	**5 103**
Number of contracts	29	29

New subscription by main sectors

NOK MILLIONS	Group pension insurance for municipalities, including institutions with similar pension plans	
	2023	2022
New subscription	34	6
Number of contracts	60	35

Note 10 **Return on capital**

PER CENT	2023	2022	2021	2020	2019
CUSTOMER PORTFOLIOS					
TOTAL OF COMMON PORTFOLIO					
Return I	NA	NA	5,0	4,8	4,5
Return II	6,4	-1,1	8,4	4,2	8,5
Return III	6,8	-3,9	6,7	5,5	8,8
TOTAL - INVESTMENT OPTION PORTFOLIO	**8,3**	**-2,5**	**8,9**	**4,2**	**9,9**

Return I = Book return (not in use as of 01.01.2022)

Return II = Value-adjusted return

Value-adjusted return is the all capital return from investments that are reflected in the income statement under KLPs current accounting principles.

Return III = Value-adjusted returns including value changes on assets are recognized at amortized cost

These value changes are not included in the accounting income for the year

PER CENT	2023		2022		2021		2020		2019	
	Return I	Return II	Return I	Return II	Return I	Return II	Return I	Return II	Return I	Return II
THE COMMON PORTFOLIO'S SUB-PORTFOLIOS HAVE HAD THE FOLLOWING RETURNS:										
Balanced portfolio 1	NA	6,4	NA	-1,1	5,1	8,4	4,9	4,2	4,5	8,6
Balanced portfolio 2	NA	NA	NA	NA	4,7	8,3	4,7	4,2	4,4	8,5
Moderate portfolio[1]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

[1] Moderate portfolio was discontinued 30.06.2019 and was incorporated in Balanced portfolio 1 from 01.07.2019. Balanced portfolio 2 was discontinued 31.12.21 and was incorporated in Balanced portfolio 1 as of 01.01.22.

PER CENT	2023	2022	2021	2020	2019
CORPORATE PORTFOLIO					
Return on financial investments in the corporate portfolio	3,0	2,8	3,4	3,1	4,3

For the corporate portfolio there is no difference in return I and II since no special provisions are made for any unrealized added value.

Note 11 **Net income from financial instruments**

2023 NOK MILLIONS	Corporate portfolio	Common portfolio	Investment option portfolio	Total
Write-up/-down shares and units	-405	-3 147	-13	-3 565
Profit/loss subsidiaries	630	2 973	12	3 616
Profit/loss associated enterprises and jointly controlled entities	0	416	0	416
Total income from investments in subsidiaries, associated enterprises and joint ventures	**226**	**241**	**-1**	**466**
Interest banking	44	415	4	462
Interest financial derivatives	9	710	0	719
Interest bonds and other fixed-income securities	386	2 128	4	2 518
Total interest income financial instruments at fair value	**439**	**3 252**	**7**	**3 699**
Interest bonds amortized cost	511	14	0	525
Interest lending	0	10 068	32	10 100
Total interest income financial instruments at amortized cost	**511**	**10 082**	**32**	**10 625**
Dividend/interest shares and units	0	1 995	0	1 995
Other income and expenses	-11	-823	0	-834
Total net interest income and dividend etc. on financial assets	**940**	**14 507**	**39**	**15 485**
Value adjustment property	-88	0	0	-88
Rental income property	42	0	0	42
Total net income from investment property	**-47**	**0**	**0**	**-47**
Value changes shares and units	108	25 556	158	25 822
Value change bonds and other fixed-income securities	71	1 588	0	1 659
Value change financial derivatives	133	6 681	13	6 827
Value change loans and receivables	-11	81	0	70
Total value change financial instruments at fair value	**301**	**33 906**	**171**	**34 378**
Value change bonds	420	-1 864	1	-1 444
Value change lending	0	97	0	97
Total value change financial instruments at amortized cost	**420**	**-1 767**	**1**	**-1 346**
Value change on subordinated loans and hybrid funds	-213	0	0	-213
Total value changes on investments	**508**	**32 140**	**172**	**32 819**
Realized shares and units	0	8 054	57	8 111
Realized bonds and other fixed-income securities	-7	3 463	-7	3 449
Realized financial derivatives	-335	-15 577	-55	-15 966
Realized loans and receivables	-3	-350	7	-345
Total realized financial instruments at fair value	**-345**	**-4 409**	**3**	**-4 751**
Realized bonds at amortized cost [1]	0	0	0	0
Realized loans at amortized cost	0	0	0	0
Total realized financial instruments at amortized cost	**0**	**0**	**0**	**0**
Other financial costs and income	0	21	0	21
Total realized gains and losses on investments	**-345**	**-4 388**	**3**	**-4 730**
Total net income from investments	**1 282**	**42 500**	**212**	**43 994**

[1] Realized values on bonds at amortized cost come from realized added/reduced values on foreign exchange.

2022 NOK MILLIONS	Corporate portfolio	Common portfolio	Investment option portfolio	Total
Write-up/-down shares and units	-40	3 308	13	3 282
Profit/loss subsidiaries	238	2 799	12	3 049
Profit/loss associated enterprises and jointly controlled entities	1	333	0	334
Total income from investments in subsidiaries, associated enterprises and joint ventures	**199**	**6 441**	**25**	**6 665**
Interest banking	14	150	1	164
Interest financial derivatives	28	381	0	409
Interest bonds and other fixed-income securities	194	1 332	2	1 529
Total interest income financial instruments at fair value	**236**	**1 863**	**3**	**2 102**
Interest bonds amortized cost	473	6 097	30	6 599
Interest lending	0	1 876	0	1 876
Total interest income financial instruments at amortized cost	**473**	**7 972**	**30**	**8 475**
Dividend/interest shares and units	0	1 322	0	1 322
Other income and expenses	-1	-333	1	-334
Total net interest income and dividend etc. on financial assets	**707**	**10 824**	**34**	**11 565**
Value adjustment property	394	0	0	394
Rental income property	41	0	0	41
Total net income from investment property	**435**	**0**	**0**	**435**
Value changes shares and units	-253	-24 624	-100	-24 977
Value change bonds and other fixed-income securities	-69	-2 425	0	-2 494
Value change financial derivatives	-246	-450	-5	-702
Value change loans and receivables	-7	12	0	5
Total value change financial instruments at fair value	**-574**	**-27 488**	**-106**	**-28 168**
Value change lending	0	267	0	267
Total value change financial instruments at amortized cost	**0**	**267**	**0**	**267**
Value change on subordinated loans and hybrid funds	34	0	0	34
Total value changes on investments	**-541**	**-27 220**	**-106**	**-27 867**
Realized shares and units	0	8 651	25	8 676
Realized bonds and other fixed-income securities	-22	3 630	-2	3 607
Realized financial derivatives	-6	-11 757	-40	-11 803
Realized loans and receivables	5	58	6	69
Total realized financial instruments at fair value	**-23**	**583**	**-11**	**549**
Realized bonds at amortized cost [1]	290	1 786	0	2 076
Realized loans at amortized cost	0	0	0	0
Total realized financial instruments at amortized cost	**290**	**1 786**	**0**	**2 076**
Other financial costs and income	0	16	0	16
Total realized gains and losses on investments	**267**	**2 385**	**-12**	**2 640**
Total net income from investments	**1 066**	**-7 570**	**-58**	**-6 562**

[1] Realized values on bonds at amortized cost come from realized added/reduced values on foreign exchange.

Note 12 **Loss provisions on fixed-income securities and loans measured at amortised cost**

The note shows provisions for losses on fixed-income securities measured at amortised cost as well as loans and receivables measured at amortised cost. No changes have been made to the models used to calculate the expected loss in 2023. From 01.01.2023 to 31.12.2023, the total net loss provisions has increased by NOK 179 million.

Expected credit loss (ECL) fixed-income securities measured at amortised cost

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance ECL 01.01.2023	29 793	4 039	0	33 832
Transfer to stage 1	0	0	0	0
Transfer to stage 2	-1 198	1 198	0	0
Transfer to stage 3	0	0	0	0
Net changes	-2 841	-962	0	-3 803
New losses	4 497	0	0	4 497
Write-offs	-5 777	-1 011	0	-6 788
Closing balance ECL 31.12.2023	**24 474**	**3 264**	**0**	**27 738**
Changes (01.01.2023 - 31.12.2023)	-5 320	-775	0	-6 094

Expected credit loss (ECL) loans and receivables - all segments

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance ECL 01.01.2023	5 187	4	97	5 289
Transfer to stage 1	2	-2	0	0
Transfer to stage 2	-449	449	0	0
Transfer to stage 3	-1 000	0	1 000	0
Net changes	14	9 558	174 731	184 303
New losses	653	0	0	653
Write-offs	-82	0	-97	-180
Closing balance ECL 31.12.2023	**4 325**	**10 009**	**175 732**	**190 065**
Changes (01.01.2023 - 31.12.2023)	-862	10 004	175 634	184 776

Expected credit loss (ECL) loans and receivables - business loans

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance ECL 01.01.2023	4 388	0	0	4 388
Transfer to stage 1	0	0	0	0
Transfer to stage 2	-449	449	0	0
Transfer to stage 3	-1 000	0	1 000	0
Net changes	0	9 552	174 345	183 897
New losses	548	0	0	548
Write-offs	-1	0	0	-1
Closing balance ECL 31.12.2023	**3 486**	**10 001**	**175 345**	**188 832**
Changes (01.01.2023 - 31.12.2023)	-902	10 001	175 345	184 444

Expected credit loss (ECL) loans and receivables - mortgage loans

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance ECL 01.01.2023	6	4	97	108
Transfer to stage 1	2	-2	0	0
Transfer to stage 2	0	0	0	0
Transfer to stage 3	0	0	0	0
Net changes	-4	5	386	387
New losses	3	0	0	3
Write-offs	0	0	-97	-97
Closing balance ECL 31.12.2023	**7**	**8**	**386**	**401**
Changes (01.01.2023 - 31.12.2023)	1	3	289	293

Expected credit loss (ECL) loans and receivables - public sector

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance ECL 01.01.2023	792	0	0	792
Transfer to stage 1	0	0	0	0
Transfer to stage 2	0	0	0	0
Transfer to stage 3	0	0	0	0
Net changes	-87	0	0	-87
New losses	102	0	0	102
Write-offs	0	0	0	0
Closing balance ECL 31.12.2023	**808**	**0**	**0**	**808**
Changes (01.01.2023 - 31.12.2023)	15	0	0	15

Expected credit loss (ECL) loans and receivables - public–private partnership

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance ECL 01.01.2023	0	0	0	0
Transfer to stage 1	0	0	0	0
Transfer to stage 2	0	0	0	0
Transfer to stage 3	0	0	0	0
Net changes	24	0	0	24
New losses	0	0	0	0
Write-offs	0	0	0	0
Change in risk model	0	0	0	0
Closing balance ECL 31.12.2023	**24**	**0**	**0**	**24**
Changes (01.01.2023 - 31.12.2023)	24	0	0	24

Expected credit loss (ECL) loans and receivables - senior loans

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance ECL 01.01.2023	0	0	0	0
Transfer to stage 1	0	0	0	0
Transfer to stage 2	0	0	0	0
Transfer to stage 3	0	0	0	0
Net changes	0	0	0	0
New losses	0	0	0	0
Write-offs	0	0	0	0
Closing balance ECL 31.12.2023	**0**	**0**	**0**	**0**
Changes (01.01.2023 - 31.12.2023)	0	0	0	0

Expected credit loss (ECL) - segments excluded from the balance sheet

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance ECL 01.01.2023	0	0	0	0
Transfer to stage 1	0	0	0	0
Transfer to stage 2	0	0	0	0
Transfer to stage 3	0	0	0	0
Net changes	81	0	0	82
New losses	0	0	0	0
Write-offs	-81	0	0	-82
Closing balance ECL 31.12.2023	**0**	**0**	**0**	**0**
Changes (01.01.2023 - 31.12.2023)	0	0	0	0

Book value fixed-income securities measured at amortised cost

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance 01.01.2023	209 031 243	6 710 228	0	215 741 470
Transfer to stage 1	0	0	0	0
Transfer to stage 2	-2 222 156	2 222 156	0	0
Transfer to stage 3	-1 458 606	0	1 458 606	0
Net changes	11 660 176	-1 025 224	0	10 634 952
New fixed-income securities	16 777 244	0	0	16 777 244
Write-offs	-13 606 094	-1 155 263	0	-14 761 356
Fixed-income securities 31.12.2023	**220 181 807**	**6 751 897**	**1 458 606**	**228 392 310**

Book value loans and receivables - all segments

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance 01.01.2023	78 170 859	79 420	3 352	78 253 630
Transfer to stage 1	48 750	-48 750	0	0
Transfer to stage 2	-436 636	436 636	0	0
Transfer to stage 3	-618 526	0	618 526	0
Net changes	-2 297 832	3 585	960	-2 293 287
New loans	12 130 879	2 645	0	12 133 524
Write-offs	-6 021 749	-6 707	-245	-6 028 701
Loans 31.12.2023	**80 975 746**	**466 828**	**622 592**	**82 065 166**

Book value loans and receivables - business loans

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance 01.01.2023	4 786 896	0	0	4 786 896
Transfer to stage 1	0	0	0	0
Transfer to stage 2	-381 042	381 042	0	0
Transfer to stage 3	-618 526	0	618 526	0
Net changes	-453 703	11 467	923	-441 313
New loans	874 342	0	0	874 342
Write-offs	-14 154	0	0	-14 154
Loans 31.12.2023	**4 193 813**	**392 509**	**619 449**	**5 205 771**

Book value loans and receivables - mortgage loans

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance 01.01.2023	2 841 572	79 420	3 352	2 924 344
Transfer to stage 1	48 750	-48 750	0	0
Transfer to stage 2	-55 593	55 593	0	0
Transfer to stage 3	0	0	0	0
Net changes	-446 345	-14 589	37	-460 897
New loans	306 061	2 645	0	308 706
Write-offs	0	0	-245	-245
Loans 31.12.2023	**2 694 446**	**74 318**	**3 143**	**2 771 907**

Book value loans and receivables - public loans

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance 01.01.2023	70 527 993	0	0	70 527 993
Transfer to stage 1	0	0	0	0
Transfer to stage 2	0	0	0	0
Transfer to stage 3	0	0	0	0
Net changes	-7 406 088	0	0	-7 406 088
New loans	10 853 709	0	0	10 853 709
Write-offs	0	0	0	0
Loans 31.12.2023	**73 975 614**	**0**	**0**	**73 975 614**

Book value loans and receivables - public-private partnership loans

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance 01.01.2023	0	0	0	0
Transfer to stage 1	0	0	0	0
Transfer to stage 2	0	0	0	0
Transfer to stage 3	0	0	0	0
Net changes	0	0	0	0
New loans	96 767	0	0	96 767
Write-offs	0	0	0	0
Loans 31.12.2023	**96 767**	**0**	**0**	**96 767**

Book value loans and receivables - senior loans

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance 01.01.2023	14 397	0	0	14 397
Transfer to stage 1	0	0	0	0
Transfer to stage 2	0	0	0	0
Transfer to stage 3	0	0	0	0
Net changes	710	0	0	710
New loans	0	0	0	0
Write-offs	0	0	0	0
Loans 31.12.2023	**15 107**	**0**	**0**	**15 107**

Book value loans and receivables - segments excluded from the balance sheet

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
	stage 1	stage 2	stage 3	Total stage 1-3
Opening balance 01.01.2023	0	0	0	0
Transfer to stage 1	0	0	0	0
Transfer to stage 2	0	0	0	0
Transfer to stage 3	0	0	0	0
Net changes	6 007 595	6 707	0	6 014 302
New loans	0	0	0	0
Write-offs	-6 007 595	-6 707	0	-6 014 302
Loans 31.12.2023	**0**	**0**	**0**	**0**

For more information about the expected credit loss model, see note 2.

Note 13 **Other insurance-related income and costs**

NOK MILLIONS	2023	2022
OTHER INSURANCE-RELATED INCOME		
Contribution service pension/contractual early retirement (AFP)	1 405	1 355
Miscellaneous interest income	10	3
Total other insurance-related income	**1 415**	**1 358**
OTHER INSURANCE-RELATED COSTS		
Payments service pension/contractual early retirement (AFP)	1 405	1 355
Other interest costs	2	13
Total other insurance-related costs	**1 408**	**1 368**

Note 14 **Sales costs**

NOK MILLIONS	2023	2022
Personnel costs	90	91
Commission	0	0
Other costs	70	67
Total sales costs	**160**	**158**

Note 15 **Pensions obligations, own employees**

The majority of the pension obligation is covered through KLP's joint pension scheme for local authorities and enterprises ("Fellesordningen"). The Company also offers a pension scheme in addition to Fellesordningen. This obligation is covered through operation. Fellesordningen is a defined-benefits-based pension scheme that satisfies the requirements for mandatory occupational pensions ("obligatorisk tjenestepensjon", or OTP).

The Company has a contractual early retirement (AFP) scheme. The accounting treatment of pension obligations is described in more detail in Note 2.

NOK MILLIONS	Joint scheme	Via operation	2023	Joint scheme	Via operation	2022
PENSION COSTS						
Present value of accumulation for the year	94	5	99	97	6	102
Administration cost	2	0	2	2	0	2
Planchanges	0	0	0	0	0	0
Social security contributions - pension costs	14	1	14	14	1	15
Capital activity tax - pension tax	5	0	5	5	0	5
Pension costs taken to profit/loss incl. social security, capital activity tax and admin.	**114**	**6**	**120**	**117**	**7**	**124**
NET FINANCIAL COSTS						
Interest cost	53	5	58	34	3	37
Interest income	-44	0	-44	-27	0	-27
Management costs	2	0	2	1	0	1
Net interest cost	10	5	16	8	3	11
Social security contributions - net interest cost	1	1	2	1	0	2
Capital activity tax - net interest cost	1	0	1	0	0	1
Net interest cost including social security contributions and capital activity tax	**12**	**6**	**19**	**9**	**4**	**13**
ESTIMATE DIVIATION PENSIONS						
Actuarial gains (losses)	61	13	74	-49	-6	-56
Social security contributions	9	2	10	-7	-1	-8
Capital activity tax	3	1	4	-2	0	-3
Actuarial gains (losses) including social security contributions and capital activity tax	**73**	**15**	**88**	**-59**	**-7**	**-66**
Total pension costs including interest costs and estimate deviation	**200**	**27**	**226**	**68**	**3**	**71**

NOK MILLIONS	Joint scheme	Via operation	2023	Joint scheme	Via operation	2022
PENSION OBLIGATIONS						
Gross accrued pension obligations	1 878	190	2 068	1 691	172	1 863
Pension assets	1 588	0	1 588	1 423	0	1 423
Net liability before social security costs and capital activity tax	290	190	480	268	172	440
Social security contributions	41	27	68	38	24	62
Capital activity tax	15	9	24	13	9	22
Gross accrued obligations incl. social security costs and capital activity tax	1 934	226	2 159	1 742	205	1 947
Net liability incl. social security costs and capital activity tax	**346**	**226**	**572**	**319**	**205**	**524**

NOK MILLIONS	Joint scheme	Via operation	2023	Joint scheme	Via operation	2022
RECONCILIATION PENSION OBLIGATIONS						
Capitalized net liability/(assets) 01.01.	319	205	524	346	207	553
Pension costs taken to profit/loss	114	6	120	117	7	124
Financial costs taken to profit/loss	12	6	19	9	4	13
Actuarial gains and losses included social security contributions and capital activity tax	73	15	88	-59	-7	-66
Social security contributions paid in premiums/supplement	-20	-1	-21	-11	-1	-12
Capital activity tax paid in premiums/supplement	-7	0	-8	-4	0	-4
Premium/supplement paid-in including admin	-145	-5	-150	-80	-5	-84
Capitalized net liability/(assets) 31.12. this year	**346**	**226**	**572**	**319**	**205**	**524**

NOK MILLIONS	Joint scheme	Via operation	2023	Joint scheme	Via operation	2022
CHANGE IN PENSION OBLIGATIONS						
Gross pension assets 01.01.	1 742	205	1 947	1 745	207	1 952
Present value of accumulation for the year	94	5	99	97	6	102
Interest cost	53	5	58	34	3	37
Actuarial losses (gains) gross pension obligation	81	15	96	-110	-7	-117
Social security contributions - pension costs	14	1	14	14	1	15
Social security contributions - net interest cost	1	1	2	1	0	2
Social security contributions paid in premiums/supplement	-20	-1	-21	-11	-1	-12
Capital activity tax - pension costs	5	0	5	5	0	5
Capital activity tax - net interest cost	1	0	1	0	0	1
Capital activity tax paid in premiums/supplement	-7	0	-8	-4	0	-4
Payments	-29	-5	-34	-28	-5	-33
Gross pension obligation 31.12.	**1 934**	**226**	**2 159**	**1 742**	**205**	**1 947**

NOK MILLIONS	Joint scheme	Via operation	2023	Joint scheme	Via operation	2022
CHANGE IN PENSION ASSETS						
Pension assets 01.01	1 423	0	1 423	1 398	0	1 398
Interest income	44	0	44	27	0	27
Actuarial (loss) gain on pension assets	8	0	8	-51	0	-51
Administration cost	-2	0	-2	-2	0	-2
Financing cost	-2	0	-2	-1	0	-1
Premium/supplement paid-in including admin	145	5	150	80	5	84
Payments	-29	-5	-34	-28	-5	-33
Pension assets 31.12	**1 588**	**0**	**1 588**	**1 423**	**0**	**1 423**

NOK MILLIONS	Joint scheme	Via operation	2023	Joint scheme	Via operation	2022
PENSIONS SCHEME'S OVER-/UNDER-FINANCING						
Present value of the defined benefits pension obligation	1 934	226	2 159	1 742	205	1 947
Fair value of the pension assets	1 588	0	1 588	1 423	0	1 423
Net pensions liability	**346**	**226**	**572**	**319**	**205**	**524**

PERCENT	31.12.2023	31.12.2022
FINANCIAL ASSUMPTIONS (COMMON TO ALL PENSION SCHEMES)		
Discount rate	3.10%	3.00%
Salary growth	3.50%	3.50%
The National Insurance basic amount (G)	3.25%	3.25%
Pension increases	2.80%	2.60%
Social security contribution	14.10%	14.10%
Capital activity tax	5.00%	5.00%

The assumptions per 31.12.2022 have been applied to measurement of the cost of pension for 2023, whilst the calculation of the pension obligation per 31.12.2023 is based on assumptions and membership data per 31.12.2023.

The assumptions are based on the market situation per 31.12.2023 and are in accordance with the recommendations of the Norwegian Accounting Standards Board (NASB).

ACTURIAL ASSUMPTIONS

KLP's JOINT PENSION SCHEME FOR LOCAL AUTHORITIES AND ENTERPRISES ("FELLESORDNINGEN):

An important part of the basis of pension costs and pension obligations is how mortality and disability develop amongst the members of the pension scheme.

KLP uses best estimate based on mortality and disability figures in KLPs customer base.

Withdrawal of contractual early retirement (AFP) (per cent in relation to remaining employees):

The costs of AFP depend on how many in each year-group take AFP. On reaching 62 years there are 42.5 percent who retire with an AFP pension.

It is only those who are employed and working right up to retirement who are entitled to AFP. This is taken into account in the calculation of the AFP obligation.

VOLUNTARY TERMINTASION FOR "FELLESORDNINGEN" (IN%)						
Age (in years)	<24	24-29	30-39	40-49	50-55	>55
Turnover	25 %	15 %	7,5 %	5 %	3 %	0

PENSIONS VIA OPERATIONS

AFP/early retirement is not relevant to this scheme. In regard to mortality the same estimates have been used as for “Fellesordningen".

NUMBER	Joint scheme	Via operation	2023	Joint scheme	Via operation	2022
MEMBERSHIP STATUS						
Number active	649	20	669	639	19	658
Number deferred (previous employees with deferred entitlements)	533	12	545	498	12	510
Number of pensioners	249	46	295	233	46	279

PER CENT	2023	2022
COMPOSITION OF THE PENSION ASSETS:		
Property	13.3%	14.7%
Lending	11.3%	12.0%
Shares	31.6%	30.2%
Long-term/HTM bonds	28.6%	29.0%
Short-term bonds	11.5%	12.2%
Liquidity/money market	3.6%	1.9%
Total	100.0 %	100.0 %

The pension funds are based on KLP’s financial funds in the common portfolio. The table shows percentage placing of the pension funds administered by KLP at the end of the year. Value-adjusted return on the assets was 6,39 percent in 2023 and -1,14 percent in 2022.

Expected payment into benefits plans after cessation of employment for the period 1 January – 31 December 2023 is NOK 147 million.

SENSITIVITY ANALYSIS AS AT 31 DECEMBER 2023	
The discount rate is reduced by 0.5 %	Increase
Gross pension obligation	10.3%
Accumulation for the year	13.6%
Salary growth increases by 0.25%	Increase
Gross pension obligation	0.5%
Accumulation for the year	1.4%
Mortality is strengthened by 10 %	Increase
Gross pension obligation	2.8%
Accumulation for the year	2.0%

The sensitivity analysis above is based on all other assumptions being unchanged. In practice that is an unlikely scenario and changes in some assumptions are correlated. The calculation of gross pension obligation and accumulation for the year in the sensitivity analysis has been done using the same method as in calculating gross pension obligation in the financial position statement.

The duration in the Joint scheme is estimated at 19.9 years.

Note 16 **Salary and obligations towards senior management etc.**

The KLP Board of Directors has laid down principles and guidelines for remuneration that apply for the entire Group and set up a remuneration committee as a subcommittee of the Board. The committee reports on and carries out checks that the remuneration schemes in the Group are in line with the Board's principles and guidelines.

Senior employees are defined as the senior management team of the Kommunal Landspensjonskasse Group. This comprises the Group Chief Executive Officer, the KLP Group executive vice presidents and managing directors of certain subsidiaries.

Senior employees who were members of the Group senior management before 1 May 2013, are pensionable at the age of 65, but may choose to canage this to aged 70. None of those senior management have chosen to avail themselves of the opportunity to change the retirement age as of 31.12.2023. Persons who were appointed to Group senior management as of 1 May 2013, are pensionable at the age of 70.

All employees of the KLP Group in Norway are registered in KLP's pension scheme for municipalities and companies. The employees earn pension rights in this scheme for salaries up to 12G.

Employees in the KLP Group with salaries above 12 G and for employees with lower retirement age than 67 years, also earn pension benefits for salaries above 12G if they were employed before 2 May 2013 and had a salary above 12G at that time. Full retirement pension in this additional cover amounts to 66% of salary above 12G, and is achieved after at least 30 years of earnings in the scheme. Employees with a special agreement for a lower pension age than 67 years are ensured an old-age pension corresponding to 66% of all pensionable salary up to 67 years. This add-on was closed May 2, 2013 and does not apply to employees who started after that date. Nor does the scheme apply to employees who were employed at this time in KLP, but who only receive salary above 12G after this date.

The Group CEO has severance pay corresponding to one year's salary including supplementary benefits in the event of termination of employment. There are no obligations to provide the Chairman of the Board special consideration or other benefits on termination or change of the appointment. KLP pays directors' liability insurance for members of its Board of Directors.

No member of senior management has performance pay (bonus).

The KLP Group offers loans for various purposes. There are seperate loan terms for employees, and no senior executeves have terms that deviate from this. Loans to external members of the Board of Directors and external members of the Corporate Assembly are only granted under ordinary loan terms. Fees to Board members are determined by the Corporate Assembly. Fees to deputies and observers are not stated. The Board's substitutes and observers, and any benefits and loans to them, are not listed in this note unless they were elected as ordinary Board members during the year. A total of NOK 237.000 was paid to observers and substitutes in 2023. This covers four people.

All benefits are shown without the addition of social security contributions and capital activity tax. For Board members elected by and among the employees stated that only about compensation and loans that can be linked to their directorship.

Attention is drawn otherwise to the description of the main principles on determination of remuneration in the KLP Group that may be found at klp.no.

2023 NOK THOUSANDS	Paid from the Company						Paid from another comany in the same group					
	Salary, fees etc.	Other benefits	Annual pension accumulation	Loan	Interest rate as at 31.12.2023	Payment plan [1]	Salary, fees etc.	Other benefits	Annual pension accumulation	Loan	Interest rate as at 31.12.2023	Payment plan [1]
Senior Employees												
Sverre Thornes, *Group CEO*	5 137	189	1 628	10 000	4,25	A25	-	-	-	4 516	4,70	HC
Cathrine Hellandsvik	2 323	150	579	-	-	-	-	-	-	6 720	4,70/5,50	A50
Aage E. Schaanning	4 099	152	1 281	-	-	-	-	-	-	6 182	4,70	HC
Gro Myking	3 056	154	335	-	-	-	-	-	-	6 658	4,70	A53
Rune Hørnes	3 068	154	300	-	-	-	-	-	-	-	-	-
Kirsten Grutle	2 100	150	523	-	-	-	-	-	-	481	4,70	HC
Jarl Nygaard	1 915	154	308	-	-	-	-	-	-	578	4,70	HC
Ida Louise Skaurum Mo	2 599	154	843	-	-	-	-	-	-	-	-	-
Hege Hodnesdal, as of 1 August	1 004	64	235	-	-	-	-	-	-	15 940	5,50	A53
The Board of Directors[2)]												
Tine Sundtoft, *Chair* (10 of 10)	423	-	-	-	-	-	-	-	-	-	-	-
Egil Matsen (10 of 10)	340	-	-	-	-	-	-	-	-	-	-	-
Terje Rootwelt (5 of 5)	160	-	-	-	-	-	-	-	-	-	-	-
Kjersti Fyllingen (4 of 5)	124	-	-	-	-	-	-	-	-	-	-	-
Odd Haldgeir Larsen (8 of 10)	252	-	-	-	-	-	-	-	-	1 824	5,50	A36
Øyvind Brevik (4 of 5)	153	-	-	-	-	-	-	-	-	-	-	-
Ingunn Trosholmen, until October (7 of 8)	302	-	-	-	-	-	-	-	-	3 737	5,40	A49
Vibeke Heldal, elected by and from the employees (10 of 10)	313	-	-	-	-	-	-	-	-	1 566	4,70	A30
Erling Bendiksen, elected by and from the employees (10 of 10)	252	-	-	-	-	-	-	-	-			
CORPORATE ASSEMBLY												
Total Corporate Assembly, including employee representatives	747	-	-	1 028	-	-	-	-	-	27 843	-	-
EMPLOYEES												
Loan to employees in the Group at subsidiezed interest rate	-	-	-	86 190	-	-	-	-	-	2 226 048	-	-
Loan to employees in the Group at ordinary terms and conditions	-	-	-	4 368	-	-	-	-	-	113 633	-	-

[1] A=Annuity loand, last peyment, HC = Housing Credit

[2] The numbers in brackets represents the number of meetings attended by the total number of meetings held during the period in which the person has been on the board.

2022 NOK THOUSANDS	Paid from the Company						Paid from another comany in the same group					
	Salary, fees etc.	Other benefits	Annual pension accumulation	Loan	Interest rate as at 31.12.2022	Payment plan [1]	Salary, fees etc.	Other benefits	Annual pension accumulation	Loan	Interest rate as at2	Payment plan [1]
SENIOR EMPLOYEES												
Sverre Thornes, Group CEO	4 733	220	1 556	-	-	-	-	-	-	20 000	3,50	Fleksilån
Marianne Sevaldsen until 1 August	1 767	107	722	-	-	-	-	-	-	3 864	3,50	A43
Cathrine Hellandsvik as of 1 August	647	112	207	-	-	-	-	-	-	6 873	3,50	A50
Aage E. Schaanning	3 912	144	1 377	-	-	-	-	-	-	9 600	3,50	Fleksilån
Rune Hørnes	2 923	156	317	-	-	-	-	-	-	-	-	-
Gro Myking	2 869	169	362	-	-	-	-	-	-	7 710	3,50	A41
Kirsten Grutle	1 794	146	246	-	-	-	-	-	-	-	-	-
THE BOARD OF DIRECTORS [2]												
Egil Johansen, Chair until May (5 of 5)	200	-	-	-	-	-	-	-	-	-	-	-
Tine Sundtoft, Chair as of June (5 av 5)	207	-	-	-	-	-	-	-	-	-	-	-
Jenny Følling (5 of 5)	178	-	-	-	-	-	-	-	-	-	-	-
Odd Haldgeir Larsen (10 of 10)	268	-	-	-	-	-	-	-	-	1 874	4,15	A35
Øyvind Brevik (10 of 10)	301	-	-	-	-	-	-	-	-	-	-	-
Cecilie Dae (7 of 10)	233	-	-	-	-	-	-	-	-	-	-	-
Egil Matsen (10 of 10)	327	-	-	-	-	-	-	-	-	-	-	-
Ingunn Trosholmen (5 of 5)	148	-	-	-	-	-	-	-	-	-	-	-
Vibeke Heldal, elected by and from the employees (10 of 10)	301	-	-	-	-	-	-	-	-	-	-	-
Erling Bendiksen, elected by and from the employees (10 of 10)	233	-	-	-	-	-	-	-	-	-	-	-
CORPORATE ASSEMBLY												
Total CorporateAssembly, including employee representatives	804	-	-	1 110	-	-	-	-	-	39 098	-	-
EMPLOYEES												
Loans to employees of KLP to subsidized interest rate	-	-	-	49 151	-	-	-	-	-	1 244 428	-	-
Loans to employees of KLP to ordinary terms and conditions	-	-	-	1 805	-	-	-	-	-	61 283	-	-

[1] A=Annuity loand, last peyment, HC = Housing Credit

[2] The numbers in brackets represents the number of meetings attended by the total number of meetings held during the period in which the person has been on the board.

NOK THOUSANDS	2023	2022
The period costs related to lending terms and conditions for employees.	11 952	9 278

Note 17 **Auditor's fee**

NOK MILLIONS	2023	2022
Ordinary audit	3.4	3.9
Certification services	0.4	0.2
Tax advisory services	0.0	0.0
Non-audit services	0.0	0.0
Total auditor's fee	**3.8**	**4.1**

The audit fee is expensed according to received invoice. The amounts above include VAT.

Note 18 **Investment properties**

NOK MILLIONS	2023	2022
Rental income	44	42
Operating expenses	-3	-2
Value adjustment	-88	394
Net financial income	0	0
Net income from investment properties	**-47**	**435**

NOK MILLIONS	2023	2022
Book value 01.01	1 371	977
Value adjustment	-88	394
Book value 31.12	**1 283**	**1 371**

Note 19 **Tax**

NOK MILLIONS	2023	2022
Accounting income before tax	-20	918
Items of other comprehensive income before tax	-133	111
DIFFERENCES BETWEEN ACCOUNTING AND TAX INCOME		
Reversal of value reduction, financial assets	470	609
Reversal of value increase, financial assets	-1 389	-974
Book gain on realization of shares and other securities	0	0
Tax gain on realization of shares and other securities	0	0
Other permanent differences	2	0
Change in differences affecting relationship between book and taxable income	521	241
Taxable income	**-549**	**904**
Group contribution received with tax effect	648	616
Surplus/deficit for the year is transferred to carryforward deficit	**98**	**1 520**
RECONCILIATION OF BASIS FOR DEFERRED TAX		

NOK MILLIONS	2023	2022
TAX-INCREASING TEMPORARY DIFFERENCES		
Gains and losses account	879	1 098
Risk equilization fund	4 154	4 154
Financial instruments	1 853	1 114
Property	442	0
Total tax-increasing temporary differences	**7 328**	**6 367**
Difference not included in the basis for deferred taxes	-4 154	-4 154
Total tax-increasing temporary differences	**3 174**	**2 212**
TAX-REDUCING TEMPORARY DIFFERENCES		
Long-term liabilities	-1 162	-948
Total tax-reducing temporary differences	**-1 162**	**-948**
Net temporary differences	2 012	1 264
Basis for deferred tax assets	**2 012**	**1 264**
25% deferred tax assets	503	316
Deferred tax in the balance sheet	-503	-316
Capitalized liability for tax settlement	-107	-467
Tax on group contributions directly charged to the balance sheet	-162	-154
Change in deffered tax taken to profit/loss	-187	128
SUMMARY OF TAX EXPENCE FOR THE YEAR		
Change in deferred tax taken to profit/loss	-187	128
Tax payable of wealth	-13	-6
Tax payable taken to profit/loss	137	-226
Residual tax/Corrected errors in previous years	4	-27
Total tax taken to profit/loss	**-60**	**-131**
Tax taken to equity	**1**	**-81**
Total tax	**-59**	**-212**
THE TAX COST IS ENTERED AGAINST THE FOLOOWING ITEMS		
Tax	-82	-115
Tax on other comprehensive income	22	-17
Equity	1	-81
Total tax	**-59**	**-212**
RECONCILIATION OF COST OF TAXES AGAINST ORDINARY PROFIT BEFORE TAX		
Accounting income before tax	-153	1 028
Expected tax in accordance with nominal rate (25 %)	38	-257
Tax effect of:		
Permanent differences	45	159
Residual tax/Corrected errors in previous years	4	-27
Change from previous year	-133	0
Wealth tax	-13	-6
Total tax taken to profit/loss	**-60**	**-131**
Effective tax rate	-39 %	13 %
WEALTH TAX		
Taxable value assets	670 137	668 994
Taxable value liabilites	-664 757	-666 457
Net wealth	**5 380**	**2 537**
Base amount wealth tax	5 380	2 537
Wealth tax (0,25%)	**13**	**6**

Note 20 **Intangible assets**

NOK MILLIONS	2023	2022
Book value 01.01.	978	727
Acquisition cost 01.01.	2 348	2 025
Total additions	455	324
of which internally developed	*0*	*0*
of which bought	*455*	*324*
Disposals	0	0
Acquisition cost 31.12. [1]	2 803	2 348
Accumulated depreciation and write-dows prev.years	-1 371	-1 298
Ordinary depreciation for the year	-107	-73
Accumulated depreciation and write-dows 31.12.	-1 478	-1 371
Book value 31.12.	**1 326**	**978**
Depreciation period	1 to 20 years	1 to 20 years

[1] Intangible assets contains IT-systems

Note 21 **Fair value hierarchy**

31.12.2023 NOK MILLIONS	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Certificates	0	440	0	440
Bonds	0	7 975	0	7 975
Fixed-income funds	3 344	0	0	3 344
Fixed-income securities	**3 344**	**8 416**	**0**	**11 760**
Loans and receivables	**916**	**219**	**0**	**1 135**
Shares	0	0	4	4
Shares and units	**0**	**0**	**4**	**4**
Financial derivatives	**0**	**527**	**0**	**527**
Other financial assets	**0**	**1**	**0**	**1**
Total corporate portfolio	**4 261**	**9 162**	**4**	**13 426**
COMMON PORTFOLIO				
Certificates	1 578	1 618	0	3 196
Bonds	20 668	28 533	0	49 202
Fixed-income funds	24 743	11 070	16 041	51 854
Fixed-income securities	**46 989**	**41 221**	**16 041**	**104 252**
Loans and receivables	**19 960**	**829**	**0**	**20 788**
Shares	68 712	2 134	3 403	74 248
Equity funds	89 660	0	37	89 696
Property funds	0	1 980	8 176	10 156
Special funds	0	2 497	0	2 497
Private Equity	0	0	42 470	42 470
Shares and units	**158 371**	**6 611**	**54 085**	**219 067**
Financial derivatives	**0**	**9 814**	**0**	**9 814**
Other financial assets	**0**	**790**	**0**	**790**
Total common portfolio	**225 320**	**59 265**	**70 126**	**354 711**
INVESTMENT OPTION PORTFOLIO				
Fixed-income funds	249	9	0	257
Fixed-income securities	**249**	**9**	**0**	**257**
Loans and receivables	**102**	**0**	**0**	**102**
Equity funds	1 048	0	0	1 048
Property funds	0	0	43	43

31.12.2023 NOK MILLIONS	Level 1	Level 2	Level 3	Total
Special funds	0	14	0	14
Shares and units	**1 048**	**14**	**43**	**1 104**
Financial derivatives	**0**	**24**	**0**	**24**
Other financial assets	**0**	**0**	**0**	**0**
Total investment option portfolio	**1 398**	**47**	**43**	**1 488**
Total financial assets valued at fair value	**230 979**	**68 473**	**70 173**	**369 625**
CORPORATE PORTFOLIO				
Buildings and other real estate	0	0	1 301	1 301
Total buildings and other real estate	**0**	**0**	**1 301**	**1 301**
FINANCIAL LIABILITIES BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Financial derivatives	0	0	0	0
Debt to credit institutions	578	0	0	578
Total corporate portfolio	**578**	**0**	**0**	**578**
COMMON PORTFOLIO				
Financial derivatives	0	1 137	0	1 137
Debt to credit institutions	6 126	0	0	6 126
Total common portfolio	**6 126**	**1 137**	**0**	**7 263**
INVESTMENT OPTION PORTFOLIO				
Financial derivatives	0	1	0	1
Debt to credit institutions	23	0	0	23
Total investment option portfolio	**23**	**1**	**0**	**25**
Total financial liabilities at fair value	**6 727**	**1 139**	**0**	**7 866**

31.12.2022 NOK MILLIONS	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Certificates	0	318	0	318
Bonds	47	7 367	0	7 414
Fixed-income funds	3 194	0	0	3 194
Fixed-income securities	**3 241**	**7 685**	**0**	**10 926**
Loans and receivables	**619**	**489**	**0**	**1 108**
Shares	0	0	6	6
Shares and units	**0**	**0**	**6**	**6**
Financial derivatives	**0**	**455**	**0**	**455**
Other financial assets	**0**	**0**	**0**	**0**
Total corporate portfolio	**3 860**	**8 630**	**6**	**12 496**
COMMON PORTFOLIO				
Certificates	1 853	1 079	0	2 931
Bonds	18 254	38 572	0	56 826
Fixed-income funds	19 831	9 569	9 835	39 234
Fixed-income securities	**39 938**	**49 219**	**9 835**	**98 992**
Loans and receivables	**16 397**	**193**	**0**	**16 590**
Shares	47 713	1 609	3 262	52 584
Equity funds	80 476	0	60	80 536
Property funds	0	2 165	7 083	9 248
Special funds	0	2 191	0	2 191
Private Equity	0	0	35 785	35 785
Shares and units	**128 189**	**5 966**	**46 189**	**180 344**
Financial derivatives	**0**	**4 164**	**0**	**4 164**
Other financial assets	**0**	**493**	**0**	**493**
Total common portfolio	**184 523**	**60 036**	**56 024**	**300 584**

31.12.2022 NOK MILLIONS	Level 1	Level 2	Level 3	Total
INVESTMENT OPTION PORTFOLIO				
Fixed-income funds	265	8	0	273
Fixed-income securities	**265**	**8**	**0**	**273**
Loans and receivables	**98**	**0**	**0**	**98**
Equity funds	862	0	0	862
Property funds	0	0	47	47
Special funds	0	12	0	12
Shares and units	**862**	**12**	**47**	**922**
Financial derivatives	**0**	**9**	**0**	**9**
Other financial assets	**0**	**4**	**0**	**4**
Total investment option portfolio	**1 225**	**34**	**47**	**1 305**
Total financial assets valued at fair value	**189 608**	**68 699**	**56 078**	**314 385**
CORPORATE PORTFOLIO				
Buildings and other real estate	0	0	1 392	1 392
Total buildings and other real estate	**0**	**0**	**1 392**	**1 392**
FINANCIAL LIABILITIES BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Financial derivatives	0	60	0	60
Debt to credit institutions	512	0	0	512
Total corporate portfolio	**512**	**60**	**0**	**572**
COMMON PORTFOLIO				
Financial derivatives	0	1 321	0	1 321
Debt to credit institutions	2 130	0	0	2 130
Total common portfolio	**2 130**	**1 321**	**0**	**3 452**
INVESTMENT OPTION PORTFOLIO				
Financial derivatives	0	6	0	6
Debt to credit institutions	36	0	0	36
Total investment option portfolio	**36**	**6**	**0**	**42**
Total financial liabilities at fair value	**2 678**	**1 387**	**0**	**4 066**

Changes in Level 3 shares, unlisted CORPORATE PORTFOLIO	Book value 31.12.2023	Book value 31.12.2022
Opening balance 01.01.	6	8
Sold	0	0
Bought	0	0
Unrealised changes	-2	-2
Closing balance 31.12.	**4**	**6**
Realised gains/losses	0	0

Changes in Level 3 shares, unlisted COMMON PORTFOLIO	Book value 31.12.2023	Book value 31.12.2022
Opening balance 01.01.	3 262	2 721
Sold	-43	-53
Bought	84	432
Unrealised changes	100	162
Closing balance 31.12.	**3 403**	**3 262**
Realised gains/losses	-27	-6

Changes in Level 3 equity funds, unlisted COMMON PORTFOLIO	Book value 31.12.2023	Book value 31.12.2022
Opening balance 01.01.	60	50
Sold	0	0
Bought	0	0
Unrealised changes	-23	9
Closing balance 31.12.	**37**	**60**
Realised gains/losses	0	0

Changes in Level 3, private equity and property funds COMMON PORTFOLIO	Book value 31.12.2023	Book value 31.12.2022
Opening balance 01.01.	52 703	40 127
Sold	-4 798	-5 753
Bought	15 886	14 036
Unrealised changes	2 895	4 292
Closing balance 31.12.	**66 687**	**52 703**
Realised gains/losses	1 844	2 313

Changes in Level 3, property funds INVESTMENT OPTION PORTFOLIO	Book value 31.12.2023	Book value 31.12.2022
Opening balance 01.01.	48	0
Sold	-2	-2
Bought	0	50
Unrealised changes	-3	-1
Closing balance 31.12.	**43**	**48**
Realised gains/losses	0	0

Changes in Level 3, buildings and other real estate	Book value 31.12.2023	Book value 31.12.2022
Opening balance 01.01.	1 392	1 004
Sold	-3	0
Bought	0	0
Unrealised changes	-50	428
Other	-39	-40
Closing balance 31.12.	**1 301**	**1 392**
Realised gains/losses	0	0
Total level 3	**71 474**	**57 470**

Unrealised changes are reflected in the line «Value changes on investments» in the different portfolios in the income statement.

The amounts in the level distribution can in turn be found in the financial position statement under various portfolios' allocation of financial instruments at fair value and investment property.

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for on normal market terms and conditions. Highest quality in regard to fair value is based on listed prices in an active market. A financial instrument is considered as noted in an active market if noted prices are easily and regularly available from a stock market, dealer, broker, industry grouping, price setting service or regulatory authority, and these prices represent actual and regularly occurring transactions at arm's length.

LEVEL 1: Instruments at this level obtain fair value from listed prices in an active market for identical assets or liabilities that the entity has access to at the reporting date. Examples of instruments at Level 1 are stock market listed securities.

LEVEL 2: Instruments at this level obtain fair value from observable market data. This includes prices based on identical instruments, but where the instrument does not maintain a high enough trading frequency and is therefore not considered to be traded in an active market, as well as prices based on corresponding assets and price-leading indicators that can be confirmed from market information. Example instruments at Level 2 are fixed income securities priced on the basis of interest rate paths.

LEVEL 3: Instruments at Level 3 contain no observable market data or are traded in markets considered to be inactive. The price is based generally on discrete calculations where the actual fair value may deviate if the instrument were to be traded. The instruments covered at Level 3 in the company include unlisted shares and Private Equity.

Valuations related to items in the various levels are described in note 25 for the Group. For description of the pricing of investment property, we refer to note 3 for the Group.

The fair value of assets and liabilities measured at amortized cost are stated in note 23. Level based classification of these items will be as follows; assets classified as held to maturity are included in level 1, lending and loans and receivables are included in level 2. Liabilities, measured at amortized cost, will be categorized as follows: subordinated loans are included in both level 1 and 2, hybrid tier 1 securities are included in level 2 and debt to credit institutions are included in level 1. Information regarding pricing of these interest bearing instruments are available in note 25 for the Group.

No sensitivity analysis has been carried out on securities included in Level 3. A change in the variables of the pricing is considered of little significance on the securities. A sensitivity analysis for investment property is available in the annual report. On a general basis, a 5 percent change in the pricing would produce a change of NOK 3 574 million as of 31.12.2023 on the assets in level 3.

With regard to transferring securities between the levels, a limit is set for the number of trading days and the amount of trading for shares by separating Level 1 and Level 2. The general principles related to the distribution between levels basically concern whether the asset or liability is listed or not and whether the listing can be stated to be in an active market. For shares there is a further distinction between trading days and amount of trading which separates out listed securities that do not form part of an active market. The values at the end of the reporting period provide the basis for any movement between the levels.

During the year of 2023, NOK 157 million moved from Level 1 to Level 2 and NOK 171 million moved from level 2 to level 1. The amounts are related to equity instruments and the movements are due to change in liquidity. There were no other movements between the different levels in KLP.

Note 22 **Shares and holdings in subsidiaries, associated enterprises and jointly controlled entities**

NOK MILLIONS	Organisation number	Holding %	OE on first acquisition	Acquisition cost	Book value 31.12.22	Additions/ disposals	Value adjustment	Profit/ loss share	Equity transaction[1]	Dividend	Book value 31.12.23
SHARES IN THE CORPORATE PORTFOLIO PROPERTY SUBSIDIARIES											
KLP Huset AS Dronning Eufemiasgate 10 0191 Oslo	889828382	100,0 %	0	0	2 540	0	-315	83	-92	0	2 216
KLP Zander Kaaes gt. 7 AS Abels gate 9 7030 Trondheim	999659527	100,0 %	0	790	943	0	-90	40	-41	0	852
Total shares and units in property subsidiaries in the corporate portfolio			**0**	**790**	**3 483**	**0**	**-405**	**124**	**-133**	**0**	**3 068**
SHARES IN THE CORPORATE PORTFOLIO SUBSIDIARIES (EXCL. PROPERTY)											
KLP Skadeforsikring AS Dronning Eufemiasgate 10 0191 Oslo	970896856	100,0 %	59	79	2 269	0	0	235	90	0	2 594
KLP Kapitalforvaltning AS Dronning Eufemiasgate 10 0191 Oslo	968437666	100,0 %	7	14	393	0	0	42	-14	0	422
KLP Forsikringsservice AS Dronning Eufemiasgate 10 0191 Oslo	967696676	100,0 %	0	0	8	0	0	1	0	0	8
KLP Bankholding AS Dronning Eufemiasgate 10 0191 Oslo	993749532	100,0 %	15	15	2 969	0	0	257	-52	0	3 174
Total shares and units in subsidiaries (excl. property) in the corporate portfolio			**80**	**108**	**5 639**	**0**	**0**	**535**	**24**	**0**	**6 198**
ASSOCIATED ENTERPRISES IN THE CORPORATE PORTFOLIO											
Norsk Pensjon AS Hansteens gate 2 0253 Oslo	890050212	25,0 %	5	2	2	0	0	0	0	0	2
Fylkeshuset AS Fylkeshuset 6404 Molde	930591114	48,0 %	0	0	0	0	0	0	0	0	0
Total shares and units in associated enterprises in the corporate portfolio			**5**	**3**	**3**	**0**	**0**	**0**	**0**	**0**	**3**

NOK MILLIONS	Organisation number	Holding %	OE on first acquisition	Acquisition cost	Book value 31.12.22	Additions/ disposals	Value adjustment	Profit/ loss share	Equity transaction¹	Dividend	Book value 31.12.23
Total shares and units in other subsidiaries, associated enterprises and jointly controlled entities in the corporate portfolio			**85**	**110**	**5 641**	**0**	**0**	**535**	**24**	**0**	**6 200**
Total subsidiaries, associated enterprises and jointly controlled entities			**85**	**901**	**9 124**	**0**	**-405**	**659**	**-109**	**0**	**9 269**
PROPERTY SUBSIDIARIES											
SHARES IN THE COMMON AND INVESTMENT OPTION PORTFOLIOS											
KLP Eiendom AS Dronning Eufemiasgate 10 0191 Oslo	988394750	100,0 %	0	0	75 280	0	-3 768	2 988	-463	0	74 037
Total shares and units in property subsidiaries in the common and investment option portfolios			**0**	**0**	**75 280**	**0**	**-3 768**	**2 988**	**-463**	**0**	**74 037**
SUBSIDIARIES IN THE COMMOM PORTFOLIO											
Copenhagen Infrastructure Partners III GP APS Nørregade 21 1165 København K. Denmark		100,0 %	0	13	15	1	0	0	0	0	16
Copenhagen Infrastructure Partners II GP APS Nørregade 21 1165 København K. Denmark		100,0 %	9	16	8	0	0	-1	0	0	6
Copenhagen Infrastructure Partners IV GP Nørregade 21 1165 København K. Denmark		100,0 %	0	7	20	6	0	-3	0	0	22
Total shares and units in subsidiaries in the commom portfolio			**9**	**36**	**42**	**7**	**0**	**-5**	**0**	**0**	**44**
JOINTLY CONTROLLED ENTITIES IN THE COMMON PORTFOLIO											
KLP Norfund Investments IS Fridtjof Nansens plass 4 0160 OSLO	999548636	49,0 %	0	1 140	918	441	0	84	0	0	1 442
Total shares and units in jointly controlled entities in the common portfolio			**0**	**1 140**	**918**	**441**	**0**	**84**	**0**	**0**	**1 442**
ASSOCIATED ENTERPRISES IN THE COMMON PORTFOLIO											
Norfinance AS Fridtjof Nansens plass 4 0160 OSLO	912764729	46,5 %	92	463	744	4	0	2	0	-31	719
Tensio AS Kjøpmannsgata 7A 7500 STJØRDAL	922828172	20,0 %	1 653	1 303	1 099	0	0	44	0	-50	1 093

NOK MILLIONS	Organisation number	Holding %	OE on first acquisition	Acquisition cost	Book value 31.12.22	Additions/ disposals	Value adjustment	Profit/ loss share	Equity transaction[1]	Dividend	Book value 31.12.23
NEAS AS Industriveien 1 6517 Kristiansund N	960684737	33,3 %	357	343	341	0	0	11	0	-5	347
Runde Holdco AS Vestre Strømkaien 7 5008 Bergen	923101284	20,6 %	400	184	270	0	0	448	0	0	719
Odal Vind AS Pausvegen 6 1927 Rånåsfoss	924824905	33,2 %	330	383	504	0	0	37	0	-73	468
KLP Norfund Investments India AS Fridtjof Nansens plass 4 0160 Oslo	926888455	49,0 %	0	413	207	206	0	-6	0	0	407
SR Energy AB Rosenlundsg.3 Box 7123 402 33 Göteborg Sweden		30,0 %	600	1 269	1 319	10	0	86	0	-36	1 379
Skaftåsen Bidco AB BOX 16285 103 25 Stockholm Sweden		23,2 %	86	86	51	0	0	-8	0	0	43
Total shares and units in associated enterprises in the common portfolio			**3 517**	**4 442**	**4 535**	**219**	**0**	**616**	**0**	**-195**	**5 175**
Total shares and units in other subsidiaries, associated enterprises and jointly controlled entities in the common portfolio			**3 526**	**5 618**	**5 495**	**667**	**0**	**695**	**0**	**-195**	**6 662**

[1] The column equity transaction include group contribution

All shares and other holdings have equal voting proportions.

Note 23 **Fair value of financial assets and liabilities**

For information regarding pricing of financial assets and liabilities see note 25 Fair value of financial assets and liabilities in the consolidated financial statement.

31.12.2023 NOK MILLIONS	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
ASSETS – AT AMORTIZED COST								
FIXED-INCOME SECURITIES								
Norwegian bonds	5 720	5 469	65 501	63 444	333	317	71 554	69 231
Accrued not due interest	89	89	874	874	4	4	967	967
Foreign bonds	15 288	14 671	137 631	131 700	641	609	153 560	146 980
Accrued not due interest	158	158	2 114	2 114	11	11	2 283	2 283
Total fixed-income securities	**21 256**	**20 388**	**206 120**	**198 132**	**989**	**941**	**228 365**	**219 461**
OTHER LOANS AND RECEIVABLES								
Secured loans	0	0	2 782	2 689	0	0	2 782	2 689
Lending with public sector guarantee	0	0	73 602	72 237	0	0	73 602	72 237
Loans abroad secured by mortgage and local government guarantee	0	0	4 991	5 040	0	0	4 991	5 040
Accrued not due interest	0	0	591	591	0	0	591	591
Total other loans and receivables	**0**	**0**	**81 966**	**80 556**	**0**	**0**	**81 966**	**80 556**
Total financial assets at amortized cost	**21 256**	**20 388**	**288 086**	**278 688**	**989**	**941**	**310 331**	**300 017**
ASSETS – AT FAIR VALUE								
EQUITY CAPITAL INSTRUMENTS								
Norwegian shares	4	4	12 271	12 271	0	0	12 275	12 275
Foreign shares	0	0	61 977	61 977	0	0	61 977	61 977
Total shares	**4**	**4**	**74 248**	**74 248**	**0**	**0**	**74 252**	**74 252**
Property funds	0	0	10 156	10 156	43	43	10 198	10 198
Norwegian equity funds	0	0	89 369	89 369	1 048	1 048	90 417	90 417
Foreign equity funds	0	0	42 797	42 797	0	0	42 797	42 797
Total equity fund units	**0**	**0**	**142 322**	**142 322**	**1 090**	**1 090**	**143 412**	**143 412**
Norwegian alternative investments	0	0	2 497	2 497	14	14	2 511	2 511
Foreign alternative investments	0	0	0	0	0	0	0	0
Total alternative investments	**0**	**0**	**2 497**	**2 497**	**14**	**14**	**2 511**	**2 511**
Total shares and units	**4**	**4**	**219 067**	**219 067**	**1 104**	**1 104**	**220 175**	**220 175**
DEBT INSTRUMENTS AT FAIR VALUE								
Norwegian bonds	7 064	7 064	29 484	29 484	0	0	36 548	36 548
Foreign bonds	846	846	19 205	19 205	0	0	20 052	20 052
Accrued not due interest	65	65	512	512	0	0	577	577
Norwegian fixed-income funds	3 344	3 344	26 222	26 222	257	257	29 824	29 824
Foreign fixed-income funds	0	0	25 632	25 632	0	0	25 632	25 632
Accrued not due interest	0	0	0	0	0	0	0	0
Norwegian certificates	435	435	2 272	2 272	0	0	2 707	2 707
Foreign certificates	0	0	898	898	0	0	898	898
Accrued not due interest	5	5	26	26	0	0	31	31
Fixed income securities	**11 760**	**11 760**	**104 252**	**104 252**	**257**	**257**	**116 269**	**116 269**
Norwegian loans and receivables	417	417	14 977	14 977	25	25	15 420	15 420
Foreign loans and receivables	718	718	5 811	5 811	77	77	6 606	6 606
Total loans and receivables	**1 135**	**1 135**	**20 788**	**20 788**	**102**	**102**	**22 026**	**22 026**

31.12.2023 NOK MILLIONS	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
DERIVATIVES								
Interest rate swaps	437	437	963	963	0	0	1 400	1 400
Share options	0	0	0	0	0	0	0	0
Forward exchange contracts	89	89	8 851	8 851	24	24	8 964	8 964
Total financial derivatives classified as assets	**527**	**527**	**9 814**	**9 814**	**24**	**24**	**10 365**	**10 365**
OTHER FINANCIAL ASSETS								
Other financial assets	**1**	**1**	**790**	**790**	**0**	**0**	**791**	**791**
Total financial assets valued at fair value	**13 426**	**13 426**	**354 711**	**354 711**	**1 488**	**1 488**	**369 625**	**369 625**
LIABILITIES								
DERIVATIVES								
Interest rate swaps	0	0	57	57	0	0	57	57
Forward exchange contracts	0	0	1 081	1 081	1	1	1 082	1 082
Total financial derivatives classified as liabilities	**0**	**0**	**1 137**	**1 137**	**1**	**1**	**1 139**	**1 139**
SUBORDINATED LOAN CAPITAL								
Subordinated loan capital	3 361	3 327	0	0	0	0	3 361	3 327
Hybrid Tier 1 securities	1 434	1 434	0	0	0	0	1 434	1 434
Total subordinated loan capital etc.	**4 795**	**4 761**	**0**	**0**	**0**	**0**	**4 795**	**4 761**
LIABILITIES TO CREDIT INSTITUTIONS								
Repos	0	0	0	0	0	0	0	0
Norwegian call money [1]	0	0	1 277	1 277	0	0	1 277	1 277
Foreign call money [1]	578	578	4 849	4 849	23	23	5 450	5 450
Total liabilities to credit institutions	**578**	**578**	**6 126**	**6 126**	**23**	**23**	**6 727**	**6 727**

[1] Call money is collateral for paid/received margin related to derivatives.

31.12.2022 NOK MILLION	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
ASSETS – AT AMORTIZED COST								
INVESTMENTS HELD TO MATURITY								
Norwegian hold-to-maturity bonds	494	500	2 559	2 573	2	2	3 055	3 075
Accrued not due interest	19	19	95	95	0	0	114	114
Foreign hold-to-maturity bonds	6 479	6 133	14 273	13 949	38	39	20 790	20 121
Accrued not due interest	39	39	202	202	1	1	241	241
Total investments held to maturity	**7 030**	**6 691**	**17 129**	**16 820**	**41**	**41**	**24 200**	**23 552**
BONDS CLASSIFIED AS LOANS AND RECEIVABLES								
Norwegian bonds	5 138	4 836	55 584	52 806	302	283	61 024	57 925
Accrued not due interest	70	70	769	769	4	4	844	844
Foreign bonds	7 789	7 303	113 271	105 231	586	545	121 645	113 079
Accrued not due interest	105	105	1 716	1 716	9	9	1 830	1 830
Total bonds classified as loans and receivables	**13 102**	**12 314**	**171 339**	**160 522**	**902**	**842**	**185 343**	**173 678**
Total fixed-income securities	**20 132**	**19 005**	**188 468**	**177 342**	**943**	**883**	**209 543**	**197 230**

31.12.2022 NOK MILLION	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	**Fair value**	**Book value**	**Fair value**	**Book value**	**Fair value**	**Book value**	**Fair value**
OTHER LOANS AND RECEIVABLES								
Secured loans	0	0	2 935	2 836	0	0	2 935	2 836
Lending with public sector guarantee	0	0	70 213	68 807	0	0	70 213	68 807
Loans abroad secured by mortgage and local government guarantee	0	0	5 332	5 332	0	0	5 332	5 332
Other loans	0	0	115	115	0	0	115	115
Accrued not due interest	0	0	389	389	0	0	389	389
Total other loans and receivables	**0**	**0**	**78 982**	**77 478**	**0**	**0**	**78 982**	**77 478**
Total financial assets at amortized cost	**20 132**	**19 005**	**267 451**	**254 820**	**943**	**883**	**288 525**	**274 708**
ASSETS – AT FAIR VALUE								
EQUITY CAPITAL INSTRUMENTS								
Norwegian shares	6	6	10 961	10 961	0	0	10 968	10 968
Foreign shares	0	0	41 622	41 622	0	0	41 622	41 622
Total shares	**6**	**6**	**52 584**	**52 584**	**0**	**0**	**52 590**	**52 590**
Property funds	0	0	9 248	9 248	47	47	9 296	9 296
Norwegian equity funds	0	0	80 234	80 234	862	862	81 096	81 096
Foreign equity funds	0	0	36 087	36 087	0	0	36 087	36 087
Total equity fund units	**0**	**0**	**125 570**	**125 570**	**909**	**909**	**126 479**	**126 479**
Norwegian alternative investments	0	0	2 191	2 191	12	12	2 203	2 203
Foreign alternative investments	0	0	0	0	0	0	0	0
Total alternative investments	**0**	**0**	**2 191**	**2 191**	**12**	**12**	**2 203**	**2 203**
Total shares and units	**6**	**6**	**180 344**	**180 344**	**922**	**922**	**181 272**	**181 272**
DEBT INSTRUMENTS AT FAIR VALUE								
Norwegian bonds	7 144	7 144	27 753	27 753	0	0	34 898	34 898
Foreign bonds	223	223	28 552	28 552	0	0	28 775	28 775
Accrued not due interest	47	47	520	520	0	0	568	568
Norwegian fixed-income funds	3 194	3 194	21 271	21 271	273	273	24 738	24 738
Foreign fixed-income funds	0	0	17 964	17 964	0	0	17 964	17 964
Accrued not due interest	0	0	0	0	0	0	0	0
Norwegian certificates	315	315	2 499	2 499	0	0	2 814	2 814
Foreign certificates	0	0	420	420	0	0	420	420
Accrued not due interest	4	4	12	12	0	0	15	15
Fixed income securities	**10 926**	**10 926**	**98 992**	**98 992**	**273**	**273**	**110 191**	**110 191**
Norwegian loans and receivables	637	637	10 531	10 531	32	32	11 200	11 200
Foreign loans and receivables	471	471	6 059	6 059	66	66	6 596	6 596
Total loans and receivables	**1 108**	**1 108**	**16 590**	**16 590**	**98**	**98**	**17 795**	**17 795**
DERIVATIVES								
Interest rate swaps	455	455	657	657	0	0	1 113	1 113
Share options	0	0	135	135	0	0	135	135
Forward exchange contracts	0	0	3 372	3 372	9	9	3 381	3 381
Total financial derivatives classified as assets	**455**	**455**	**4 164**	**4 164**	**9**	**9**	**4 628**	**4 628**
OTHER FINANCIAL ASSETS								
Other financial assets	**0**	**0**	**493**	**493**	**4**	**4**	**498**	**498**
Total financial assets valued at fair value	**12 496**	**12 496**	**300 584**	**300 584**	**1 305**	**1 305**	**314 385**	**314 385**
LIABILITIES								
DERIVATIVES								
Interest rate swaps	0	0	118	118	0	0	118	118
Forward exchange contracts	60	60	1 203	1 203	6	6	1 269	1 269
Total financial derivatives classified as liabilities	**60**	**60**	**1 321**	**1 321**	**6**	**6**	**1 387**	**1 387**

31.12.2022 NOK MILLION	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
SUBORDINATED LOAN CAPITAL								
Subordinated loan capital	3 147	3 093	0	0	0	0	3 147	3 093
Hybrid Tier 1 securities	1 428	1 428	0	0	0	0	1 428	1 428
Total subordinated loan capital etc.	**4 575**	**4 521**	**0**	**0**	**0**	**0**	**4 575**	**4 521**
LIABILITIES TO CREDIT INSTITUTIONS								
Norwegian call money [1]	0	0	636	636	3	3	639	639
Foreign call money [1]	512	512	1 494	1 494	33	33	2 039	2 039
Total liabilities to credit institutions	**512**	**512**	**2 130**	**2 130**	**36**	**36**	**2 678**	**2 678**

[1] Call money is collateral for paid/received margin related to derivatives.

Note 24 **Shares and equity fund units**

Norwegian shares and equity fund units are disclosed with business registered number.

Market value is stated in millions of kroner. This means that if the market value is lower than NOK 0.5 million, this is reported as 0.

NOK MILLIONS	Organisation number	Volume	Market value
NORWAY			
SKOGINVEST AS		3 825 000	38
NMI GP IV AS		1 331 815	15
NORDIC CREDIT RATING AS	911721287	29 970	4
TOPCO AS (OSLOFJORD VARME)	920349455	180	563
TRONDERENERGI VEKST HOLDING AS	980417824	195 951	402
ZILIFT AS	995873818	1 477 164	0
ZILIFT AS A	995873818	941 951	0
ZILIFT AS B	995873818	324 551	0
ZILIFT AS C	995873818	609 627	0
ZILIFT AS D	995873818	773 697	0
ZILIFT AS E	995873818	1 060 260	0
ZILIFT AS F	995873818	882 671	0
TOTAL, UNSPECIFIED			**1 023**
ADEVINTA ASA	921796226	1 404 849	158
SCHIBSTED ASA-B SHS	933739384	386 814	106
SCHIBSTED	933739384	290 543	85
TELENOR	982463718	2 602 304	303
TOTAL, COMMUNICATION SERVICES			**653**
EUROPRIS ASA	997639588	663 434	51
KID ASA	988384135	137 275	16
KONGSBERG AUTOMOTIVE ASA	942593821	2 815 111	6
TOTAL, CONSUMER DISCRETIONARY			**73**
LEROY SEAFOOD GROUP ASA	975350940	1 065 261	44
MARINE HARVEST	964118191	1 797 178	327
ORKLA	910747711	3 095 538	243
SALMAR ASA	960514718	294 297	167
TOTAL, CONSUMER STAPLES			**782**
AKER BP ASA	989795848	1 298 660	384
AKER SOLUTIONS HOLDING ASA	913748174	1 075 567	45
DNO ASA	921526121	3 292 952	33
EQUINOR ASA	923609016	4 344 176	1 399

NOK MILLIONS	Organisation number	Volume	Market value
PETROLEUM GEO-SERVICES		7 666 646	66
TGS NOPEC GEOPHYSICAL CO ASA	997274334	235 127	31
VAR ENERGI ASA	919 160 675	1 487 882	48
TOTAL, ENERGY			**2 006**
AASEN SPAREBANK	937903502	56 846	8
ABG SUNDAL COLLIER HOLDING ASA		1 680 126	11
AURSKOG SPAREBANK	937885644	99 446	22
B2 HOLDING ASA	992249986	763 738	6
DNB BANK ASA	984851006	3 785 172	815
GJENSIDIGE FORSIKRING ASA	995568217	807 164	150
GRONG SPAREBANK	937903146	92 057	14
HOLAND OG SETSKOG SPAREBANK	937885822	26 014	3
JAREN SPAREBANK	937895976	108 974	29
MELHUS SPAREBANK	937901291	64 814	10
NIDAROS SPAREBANK	937902719	19 575	2
NORDIC MICROFINANCE INITIATIVE	917763399	6 124 367	14
NORWEGIAN MICROFINANCE INITIATIVE	917763399	8 118 127	9
ROMERIKE SPAREBANK	937885911	103 475	12
ROMSDAL SPAREBANK	937900775	52 800	6
ROMSDAL SPAREBANK-RTS	937900775	22 123	0
SANDNES SPAREBANK	915691161	304 311	28
SKUE SPAREBANK	837889812	91 996	21
SOGN SPAREBANK	837897912	8 679	1
SPAREBANK 1 HELGELAND	937904029	356 528	46
SPAREBANK 1 NORDMOERE	937899408	143 158	18
SPAREBANK 1 NORD-NORGE	952706365	2 772 422	286
SPAREBANK 1 OESTLANDET	920426530	1 342 273	178
SPAREBANK 1 OSTFOLD AKERSHUS	837884942	180 205	58
SPAREBANK 1 RINGERIKE HADELA	937889275	234 424	71
SPAREBANK 1 SMN	937901003	4 222 118	597
SPAREBANK 1 SOROST-NORGE	944521836	1 608 606	103
SPAREBANK 1 SR BANK ASA	937895321	711 340	92
SPAREBANK 68 GRADER NORD	937905378	55 816	9
SPAREBANKEN MORE-CAP CERT	937899319	1 548 104	130
SPAREBANKEN OST	937888937	641 465	32
SPAREBANKEN SOR	937894538	669 013	96
SPAREBANKEN VEST	832554332	2 764 185	302
STOREBRAND ASA	916300484	1 849 607	166
SUNNDAL SPAREBANK	937899963	54 286	6
TOTENS SPAREBANK	937887787	218 949	45
TYSNES SPAREBANK	937897375	48 100	6
TOTAL, FINANCIAL			**3 405**
BIOTEC PHARMACON		200 694	8
NYKODE THERAPEUTICS ASA		704 470	15
PHOTOCURE		90 946	6
REDCORD AS		7 100	0
ULTIMOVACS ASA		82 003	10
TOTAL, HEALTHCARE			**40**
AF GRUPPEN ASA		213 972	27
AKER ASA-A SHARES	886581432	88 593	59
AKER CARBON CAPTURE ASA		1 320 492	18
AKER HORIZONS ASA	925978558	953 229	4
BONHEUR ASA	830357432	84 498	20
HEXAGON COMPOSITES ASA	938992185	520 725	15
HEXAGON PURUS ASA	919317558	604 904	7
HOEGH AUTOLINERS ASA		303 202	28
KONGSBERG GRUPPEN ASA	943753709	371 105	173

NOK MILLIONS	Organisation number	Volume	Market value
MPC CONTAINER SHIPS AS		1 498 547	20
NEL ASA		6 640 837	46
NORWEGIAN AIR SHUTTLE AS	965920358	3 056 405	33
TOMRA SYSTEMS ASA		882 214	109
VEIDEKKE ASA	917103801	375 365	38
WALLENIUS WILHELMSEN LOGISTI	995216604	420 290	37
TOTAL, INDUSTRY			**633**
HIDDN SOLUTIONS ASA		220	0
ATEA ASA		312 583	40
BOUVET ASA		350 575	21
CRAYON GROUP HOLDING AS	997602234	301 942	25
KITRON ASA		748 215	25
NORDIC SEMICONDUCTOR ASA	966011726	689 398	87
RENEWABLE ENERGY CORP	977258561	1 086 353	15
TOTAL, IT			**214**
BORREGAARD ASA	998753562	377 473	65
ELKEM ASA	911382008	1 143 339	24
NORSK HYDRO ASA	914778271	5 679 851	388
YARA INTERNATIONAL	986228608	671 456	243
TOTAL, RAW MATERIALS			**719**
ENTRA ASA	999296432	180 920	21
TOTAL, PROPERTY			**21**
CLOUDBERRY CLEAN ENERGY ASA		752 523	9
ELMEA AS		10 290	181
FJORDKRAFT HOLDING ASA		431 646	13
ISTAD AS		13 000	133
RINGERIKS-KRAFT AS	976957628	150	238
SCATEC SOLAR ASA	990918546	473 581	39
TRONDERENERGI AS	980417824	1 652 744	1 186
TUSSA KRAFT AS		454	623
TOTAL, UTILITIES			**2 420**
TOTAL NORWAY			**11 988**
FOREIGN			
ALPHABET INC-CL A		601 200	853
ALPHABET INC-CL C		531 280	760
AT&T		709 211	121
LIBERTY MEDIA CORP-BRAVES C		417	0
AUTO TRADER GROUP PLC		98 243	9
BCE INC		8 280	3
BOLLORE		57 936	4
BT GROUP		820 121	13
CAPCOM CO LTD		21 600	7
CELLNEX TELECOM SAU		61 522	25
CHARTER COMMUNICATIONS INC-A		10 012	40
COMCAST CORP A (NEW)		418 416	186
CYBERAGENT INC		30 000	2
DENTSU		18 100	5
DEUTSCHE TELEKOM		322 385	78
ELECTRONIC ARTS		28 160	39
ELISA OYJ		14 986	7
EMBRACER GROUP AB		35 786	1
FOX CORP- CLASS B - W/I		42 900	12
HAKUHODO DY HOLDINGS		13 200	1
HKT TRUST AND HKT LTD		537 880	7
INFORMA PLC		367 445	37
INFRASTRUTTURE WIRELESS ITAL		16 896	2

NOK MILLIONS	Organisation number	Volume	Market value
INTERPUBLIC GROUP OF COS		44 500	15
KDDI		150 400	48
KOEI TECMO HOLDINGS CO LTD		11 400	1
KPN (KON.)		406 124	14
LIBERTY BROADBAND-C		12 500	10
LIVE NATION ENTERTAINMENT IN		18 700	18
YAHOO JAPAN CORP		221 800	8
MATCH GROUP INC		25 781	10
FACEBOOK INC-A		224 350	806
NETFLIX INC		44 296	219
NEWS CORP - CLASS A		53 145	13
NEXON CO LTD		34 900	6
NINTENDO CO		103 300	55
NTT CORP		3 188 600	39
OMNICOM GROUP		19 316	17
FRANCE TELECOM		166 582	19
CBS CORP B		44 233	7
PINTEREST INC- CLASS A		79 300	30
PUBLICIS GROUPE		26 129	25
QUEBECOR INC -CL B		13 100	3
REA GROUP LTD		3 640	4
ROBLOX CORP -CLASS A		36 700	17
ROGERS COMMUNICATIONS B		33 078	16
ROKU INC		14 600	14
SCOUT24 AG		6 304	5
SEA LTD-ADR		31 700	13
SEEK LTD		23 372	4
SINGAPORE TELECOM		764 380	14
SIRIUS XM RADIO INC		95 000	5
SNAP INC - A		134 300	23
SOFTBANK CORP		295 500	37
SOFTBANK CORP		121 300	55
TELECOM CORP NEW ZEALAND		292 695	10
SQUARE ENIX HOLDINGS CO LTD		6 500	2
SWISSCOM		2 974	18
TAKE-TWO INTERACTIVE SOFTWRE		17 400	28
TELE2 B		58 368	5
TELECOM ITALIA ORD		824 953	3
TELEFONICA DEUTSCHLAND HOLDI		37 149	1
TELEFONICA		480 036	19
TELIASONERA		221 882	6
TELSTRA GROUP LTD		518 988	14
TELUS CORP		40 148	7
T-MOBILE US INC		53 854	88
TOHO CO		8 100	3
TRADE DESK INC/THE -CLASS A		46 800	34
UNIVERSAL MUSIC GROUP NV		93 375	27
VERIZON COMMUNICATIONS		417 698	160
VIVENDI		55 407	6
VODAFONE GROUP		4 545 470	40
DISNEY (WALT)		181 754	167
WARNER BROS DISCOVERY INC		238 550	28
WPP PLC		84 744	8
ZOOMINFO TECHNOLOGIES INC		20 500	4
TOTAL, COMMUNICATION SERVICES			**4 490**
ACCOR		18 630	7
ADIDAS		16 113	33

NOK MILLIONS	Organisation number	Volume	Market value
ADVANCE AUTO PARTS		6 300	4
AIRBNB INC-CLASS A		41 100	57
AISIN SEIKI CO		12 600	4
AMADEUS IT HOLDING SA-A SHS		91 061	66
AMAZON.COM		938 880	1 449
DELPHI AUTOMOTIVE PLC		28 109	26
ARAMARK		20 000	6
AUTOZONE		1 955	51
DUFRY AG-REG		25 272	10
NAMCO BANDAI HOLDINGS		57 000	12
BARRATT DEVELOPMENTS		84 588	6
LIMITED BRANDS		23 500	10
BMW STAMM		29 499	33
BMW VORZUG		5 429	5
BERKELEY GROUP HOLDINGS		9 875	6
BEST BUY CO		17 284	14
PRICELINE.COM		3 911	141
BORGWARNER INC		24 600	9
BRIDGESTONE CORP		64 600	27
BRP INC/CA- SUB VOTING		5 100	4
BURBERRY GROUP		120 066	22
BURLINGTON STORES INC		5 700	11
CANADIAN TIRE CORP A		14 500	16
CARMAX		12 900	10
CARNIVAL CORP		106 003	20
CARNIVAL PLC-ADR		139 600	24
CHEWY INC - CLASS A		4 300	1
CHIPOTLE MEXICAN GRILL INC		2 800	65
RICHEMONT (FIN) UNIT A		72 159	101
COMPASS GROUP		295 903	82
CONTINENTAL		11 437	10
DARDEN RESTAURANTS		13 000	22
DECKERS OUTDOOR CORP		3 200	22
DELIVERY HERO AG		20 747	6
DENSO CORP		178 400	27
DICK'S SPORTING GOODS INC		4 900	7
D'IETEREN SA/NV		2 776	6
DOLLARAMA INC		25 500	19
DOMINO'S PIZZA INC		5 870	25
DOORDASH INC - A		23 700	24
D.R. HORTON		28 600	44
DR ING HC F PORSCHE AG		12 708	11
EBAY		49 874	22
ETSY INC		10 600	9
EXPEDIA		12 450	19
FAST RETAILING CO		19 700	50
FERRARI NV		12 538	43
FORD MOTOR CO		390 808	48
GARMIN		18 100	24
GENERAL MOTORS CO		138 689	51
GENUINE PARTS CO		15 375	22
GILDAN ACTIVEWEAR		15 100	5
HASBRO		15 900	8
HENNES & MAURITZ B		77 877	14
HERMES INTERNATIONAL		4 350	94
HILTON WORLDWIDE HOLDINGS IN		27 633	51
HOME DEPOT		100 728	354

NOK MILLIONS	Organisation number	Volume	Market value
HONDA MOTOR CO		518 100	55
HYATT HOTELS CORP - CL A		4 900	6
IDP EDUCATION LTD		66 440	9
IIDA GROUP HOLDINGS CO LTD		10 500	2
INDITEX		104 310	46
INTERCONTINENTAL HOTELS		37 478	34
ISUZU MOTORS		71 200	9
JD SPORTS FASHION PLC		331 445	7
TAKEAWAY.COM NV		19 726	3
PPR		11 004	49
KINGFISHER		228 258	7
KOITO MFG		13 600	2
LEAR CORP		4 200	6
LENNAR CORP-A		26 900	41
LKQ CORP		31 400	15
LOWE'S COS		59 299	134
LUCID GROUP INC		78 800	3
LULULEMON ATHLETICA INC		11 900	62
MAGNA INTERNATIONAL A		30 388	18
MARRIOTT INT'L A		27 110	62
MAZDA MOTOR CORP		49 700	5
MCDONALD'S CORP		73 849	222
MCDONALD'S HOLDINGS CO JAPAN		4 500	2
MERCADOLIBRE INC		4 500	72
DAIMLERCHRYSLER		81 018	57
MICHELIN		64 139	23
MOHAWK INDUSTRIES		4 000	4
MONCLER SPA		32 370	20
NEXT		11 933	13
NIKE B		125 272	138
NISSAN MOTOR CO		207 300	8
NITORI CO		10 900	15
NVR INC		360	26
OPEN HOUSE CO LTD		5 200	2
O'REILLY AUTOMOTIVE INC		6 306	61
ORIENTAL LAND CO		108 500	41
DON QUIJOTE CO LTD		64 400	16
PANASONIC CORP		224 900	23
PANDORA A/S		11 276	16
PEARSON		108 385	14
PERSIMMON PLC		43 525	8
POOL CORP		3 600	15
PORSCHE AUTOMOBIL HOLDING SE		21 138	11
PROSUS NV		158 023	48
PULTE GROUP INC		24 466	26
PUMA		10 019	6
RAKUTEN		144 000	6
RENAULT		24 145	10
RESTAURANT BRANDS INTERN		30 948	25
RIVIAN AUTOMOTIVE INC-A		56 200	13
ROSS STORES		35 027	49
ROYAL CARIBBEAN CRUISES		23 908	31
SEB SA		3 657	5
SEKISUI CHEMICAL CO		29 700	4
SEKISUI HOUSE		56 700	13
SHARP CORP		23 300	2
SHIMANO		9 500	15

NOK MILLIONS	Organisation number	Volume	Market value
SODEXHO ALLIANCE		10 330	12
SONY CORP		125 400	121
STARBUCKS CORP		115 801	113
FIAT CHRYSLER AUTOMOBILES NV		307 617	73
FUJI HEAVY INDUSTRIES		59 000	11
SUMITOMO ELECTRIC IND		102 600	13
SUZUKI MOTOR CORP		47 500	21
SWATCH GROUP INH		10	0
SWATCH GROUP NAM		23 781	13
TAYLOR WIMPEY		398 748	8
TESLA MOTORS INC		289 600	731
TJX COS		117 122	112
TOYOTA MOTOR CORP		1 142 255	213
TRACTOR SUPPLY COMPANY		10 700	23
UDEMY INC		327	0
ULTA BEAUTY INC		4 800	24
USS CO		15 900	3
VAIL RESORTS INC		3 800	8
VALEO SA		26 041	4
VF CORP		28 100	5
VOLKSWAGEN STAMM		4 211	6
VOLKSWAGEN VORZUG		32 216	40
VOLVO CAR AB-B		56 197	2
WESFARMERS		107 060	42
WHIRLPOOL CORP		4 240	5
WHITBREAD		30 242	14
YAMAHA CORP		14 800	3
YAMAHA MOTOR CO		143 100	13
YUM BRANDS		28 882	38
ZALANDO SE		21 158	5
START TODAY CO LTD		15 400	4
TOTAL, CONSUMER DISCRETIONARY			**6 680**
AEON CO		57 100	13
AJINOMOTO CO		48 000	19
ALBERTSONS COS INC - CLASS A		25 200	6
ALIMENTATION COUCHE-TARD INC		93 134	56
ARCHER-DANIELS-MIDLAND		94 221	69
ASSOCIATED BRITISH FOODS		57 930	18
BAKKAFROST P/F		200 034	106
BARRY CALLEBAUT AG-REG		317	5
BEIERSDORF		13 756	21
BUNGE GLOBAL SA		15 000	15
CAMPBELL SOUP CO (US)		21 548	9
CARREFOUR		73 155	14
LINDT & SPRUENGLI PART		89	11
LINDT AND SPRUENGLI NAMEN		9	11
CHURCH & DWIGHT CO INC		22 700	22
CLOROX CO		12 318	18
COCA-COLA CO		498 166	298
COCA-COLA EUROPEAN PARTNERS		51 800	35
COCA-COLA HBC AG-CDI		24 723	7
COLES GROUP LTD		146 196	16
COLGATE-PALMOLIVE		90 359	73
CONAGRA FOODS INC		49 939	15
COSTCO WHOLESALE CORP		44 906	301
DANONE		89 629	59
DARLING INGREDIENTS INC		12 300	6

NOK MILLIONS	Organisation number	Volume	Market value
DOLLAR GENERAL CORP		22 462	31
DOLLAR TREE INC		23 451	34
EMPIRE CO LTD 'A'		12 900	3
ENDEAVOUR GROUP LTD/AUSTRALI		164 082	6
ESSITY AKTIEBOLAG-B		51 909	13
ESTEE LAUDER COS A		26 328	39
GENERAL MILLS		136 330	90
HALEON PLC		562 679	23
HELLOFRESH SE		15 354	2
HENKEL AG & CO KGAA		13 625	10
HENKEL AG & CO KGAA		26 657	22
HERSHEY CO (THE)		41 700	79
HORMEL FOODS CORP		32 200	11
JDE PEET'S NV		7 375	2
JERONIMO MARTINS SGPS		19 302	5
J.M.SMUCKER		11 900	15
KAO CORP		67 800	28
KELLOGG CO		26 900	15
KENVUE INC		180 000	39
KERRY GROUP A		13 345	12
KESKO B		33 355	7
DR PEPPER SNAPPLE GROUP-W/I		117 000	40
KIKKOMAN CORP		17 200	11
KIMBERLY-CLARK CORP		38 423	47
KOBAYASHI PHARMACEUTICAL CO		3 600	2
KOBE BUSSAN CO LTD		16 600	5
AHOLD (KON.)		95 378	28
KOSE CORP		7 000	5
KRAFT HEINZ CO/THE		83 896	32
KROGER CO		68 976	32
LAMB WESTON HOLDINGS INC		35 300	39
LOBLAW COMPANIES LTD		18 937	19
LOREAL		32 123	162
MATSUMOTOKIYOSHI HOLDINGS CO		27 000	5
MCCORMICK & CO NV		23 742	16
MEIJI HOLDINGS CO LTD		27 600	7
METRO A		24 707	13
KRAFT FOODS A		155 549	114
MONSTER BEVERAGE CORP		89 174	52
NESTLE		290 194	341
NISSHIN SEIFUN GROUP		20 105	3
NISSIN FOODS HOLDINGS CO LTD		17 700	6
OCADO GROUP PLC		51 964	5
PEPSICO		156 841	271
PROCTER & GAMBLE CO		272 835	406
RECKITT BENCKISER GROUP PLC		71 234	50
SAINSBURY (J)		174 012	7
SAPUTO		20 511	4
SEVEN AND I HOLDINGS CO		80 840	33
SHISEIDO CO		56 600	17
SUNTORY BEVERAGE & FOOD LTD		17 200	6
SYSCO CORP		128 667	96
TARGET CORP		45 811	66
TESCO		1 087 402	41
TYSON FOODS A		87 300	48
UNI-CHARM CORP		36 100	13
UNILEVER PLC		307 786	151

NOK MILLIONS	Organisation number	Volume	Market value
WALGREEN CO		90 432	24
WAL-MART STORES INC		153 800	246
WELCIA HOLDINGS CO LTD		14 400	3
WESTON (GEORGE)		6 299	8
WH GROUP LTD		2 521 283	16
WILMAR INTERNATIONAL		160 600	4
WOOLWORTHS LTD		166 245	43
YAKULT HONSHA CO		30 200	7
TOTAL, CONSUMER STAPLES			**4 254**
CALTEX AUSTRALIA		56 734	14
APA CORP		70 600	26
ARC RESOURCES LTD		181 200	27
BAKER HUGHES A GE CO		122 781	43
BORR DRILLING LTD		764 553	58
BP		1 801 205	109
BW LPG LTD		305 951	46
CAMECO CORP		47 500	21
CHENIERE ENERGY INC		26 700	46
CHESAPEAKE ENERGY CORP		14 800	12
CHEVRON CORP		217 400	329
CONOCOPHILLIPS		139 189	164
CABOT OIL & GAS CORP		67 800	18
DEVON ENERGY CORP		61 800	28
DIAMONDBACK ENERGY INC		17 800	28
JX HOLDINGS INC		384 855	16
ENI		253 069	43
EOG RESOURCES		58 500	72
EQT CORPORATION		37 300	15
EXXON MOBIL CORP		449 663	457
FLEX LNG LTD		74 036	22
FRONTLINE LTD		383 526	78
GALP ENERGIA SGPS SA-B SHRS		162 387	24
HAFNIA LTD		1 006 899	71
HALLIBURTON CO		108 100	40
HESS		33 400	49
HOLLY CORP		21 000	12
INDEPENDENT TANKERS CORP LTD		1 539 877	0
INPEX CORPORATION		102 100	14
KEYERA CORP		21 022	5
KINDER MORGAN INC		240 641	43
MARATHON OIL CORP		72 700	18
NESTE OIL		49 953	18
OCCIDENTAL PETROLEUM		77 184	47
OMV AG		10 350	5
ONEOK INC		67 800	48
OVINTIV INC		36 200	16
PARKLAND FUEL CORP		12 794	4
PEMBINA PIPELINE CORP		121 909	43
PIONEER NATURAL RES.		23 400	53
REPSOL YPF		230 612	35
SANTOS		361 099	19
SCHLUMBERGER		168 646	89
SHELL PLC		818 628	273
SUBSEA 7 SA		906 811	134
TARGA RESOURCES CORP		25 200	22
TRANSCANADA CORP		104 213	41
TENARIS SA		34 366	6

NOK MILLIONS	Organisation number	Volume	Market value
TEXAS PACIFIC LAND CORP		700	11
TOTAL		247 522	171
TOURMALINE OIL CORP		36 500	17
VALERO ENERGY CORP		48 035	63
WILLIAMS COS		138 143	49
WOODSIDE PETROLEUM		184 618	40
TOTAL, ENERGY			**3 151**
3I GROUP PLC		105 779	33
ABN AMRO GROUP NV-CVA		30 056	5
STANDARD LIFE		132 111	3
ADMIRAL GROUP PLC		29 354	10
ADYEN NV		2 234	29
AEGON		163 868	10
AFLAC		60 144	50
AGEAS		14 188	6
AIA GROUP LTD		1 158 260	103
AIB GROUP PLC		371 363	16
ALLIANZ		40 116	109
ALLSTATE CORP		28 109	40
ALLY FINANCIAL INC		29 600	10
AMERICAN EXPRESS		62 874	120
AMERICAN FINANCIAL GROUP INC		8 400	10
AMERICAN INT'L GROUP		68 747	47
AMERIPRISE FINANCIAL		9 970	38
AMUNDI SA		6 394	4
ANNALY CAPITAL MANAGEMENT IN		43 325	9
ANZ BANKING GROUP		298 732	54
AON PLC-CLASS A		20 373	60
APOLLO GLOBAL MANAGEMENT INC		38 104	36
ARCH CAPITAL GROUP		35 000	26
ARES MANAGEMENT CORP - A		18 900	23
ARTHUR J GALLAGHER & CO		21 500	49
ASSICURAZIONI GENERALI		114 956	25
ASSURANT		4 400	8
ASX		17 223	8
AVIVA		253 289	14
AXA SA		186 757	62
BALOISE-HOLDING AG		6 498	10
BANCO BILBAO VIZCAYA ARGENTA		619 677	57
BANCO ESPIRITO SANTO		190 970	0
BSCH BCO SANTANDER CENTR		1 697 972	72
BANK OF AMERICA CORP		716 110	245
BANK OF IRELAND GROUP PLC		115 339	11
BANK MONTREAL		70 623	71
BANK NEW YORK MELLON		79 981	42
BANK NOVA SCOTIA		126 613	63
BANQUE CANTONALE VAUDOIS-REG		4 684	6
BARCLAYS		1 709 439	34
BERKSHIRE HATHAWAY B		132 251	479
BLACKROCK INC		14 908	123
BLACKSTONE INC		70 300	93
SQUARE INC - A		53 800	42
BNP PARIBAS		104 850	74
BOC HONG KONG HOLDINGS		375 700	10
BROOKFIELD ASSET MGMT-A		29 785	12
BROOKFIELD ASSET MAN A		143 243	59
BROWN & BROWN INC		21 100	15

NOK MILLIONS	Organisation number	Volume	Market value
CAIXABANK		429 045	18
CANADIAN IMPERIAL BANK		95 632	47
CAPITAL ONE FINANCIAL		40 188	54
CARLYLE GROUP INC/THE		16 900	7
CBOE HOLDINGS INC		10 000	18
CHIBA BANK		45 000	3
ACE		41 216	95
CINCINNATI FINL CORP		18 300	19
CITIGROUP		193 626	101
CITIZENS FINANCIAL GROUP		45 400	15
CHICAGO MERCANTILE EXCH		35 820	77
COINBASE GLOBAL INC -CLASS A		18 300	32
COMMERZBANK		87 323	11
COMMONWEALTH BANK		167 939	130
BANK YOKOHAMA		74 000	3
CREDIT AGRICOLE		102 843	15
DAI-ICHI LIFE INSURANCE		94 300	20
DAIWA SECURITIES GROUP		109 000	7
DANSKE BANK		77 238	21
DBS GROUP HOLDINGS		180 120	46
DEUTSCHE BANK NAMEN		218 864	30
DEUTSCHE BOERSE AG		20 460	43
DISCOVER FINANCIAL SERVICES		24 844	28
EDENRED		74 475	45
EQT AB		24 993	7
AXA EQUITABLE HOLDINGS INC		37 100	13
ERIE INDEMNITY COMPANY-CL A		1 900	6
ERSTE GROUP BANK AG		42 054	17
EURAZEO		2 723	2
EURONEXT NV		9 686	9
EVEREST RE GROUP		3 800	14
EXOR NV		12 969	13
FACTSET RESEARCH SYSTEMS INC		4 400	21
FAIRFAX FINANCIAL HLDGS		2 332	22
FIDELITY NAT'L FINANCIAL		32 500	17
FIDELITY NAT'L INFO SVCS		61 881	38
FIFTH THIRD BANCORP		61 705	22
FINECOBANK SPA		63 171	10
FIRST CITIZENS BCSHS -CL A		1 000	14
FIRST HORIZON NATIONAL CORP		77 200	11
FIRST REPUBLIC BANK/CA		14 000	0
FISERV		61 977	84
FLEETCOR TECHNOLOGIES INC		6 120	18
FRANKLIN RESOURCES		38 304	12
FUTU HOLDINGS LTD-ADR		14 400	8
GLOBAL PAYMENTS INC		28 046	36
TORCHMARK CORP		10 000	12
GMO PAYMENT GATEWAY INC		3 000	2
GOLDMAN SACHS GROUP		33 174	130
GREAT WEST LIFECO		38 148	13
GROUPE BRUXELLES LAMBERT		13 141	10
HANG SENG BANK		70 800	8
HANNOVER RUECKVERSICH.		6 062	15
HARGREAVES LANSDOWN PLC		20 856	2
HARTFORD FINANCIAL SVCS		43 111	35
HELVETIA HOLDING AG-REG		3 740	5
HONG KONG EXCH.&CLEARING		119 781	42

NOK MILLIONS	Organisation number	Volume	Market value
HSBC HOLDINGS (GB)		1 987 198	163
HUNTINGTON BANCSHARES INC		126 700	16
IA FINANCIAL CORP INC		8 879	6
IGM FINANCIAL		7 300	2
INDUSTRIVARDEN A		10 762	4
INDUSTRIVARDEN C		10 187	3
ING GROEP		360 017	55
INSURANCE AUSTRALIA GRP.		310 123	12
INTACT FINANCIAL CORP		19 300	30
INTERCONTINENTAL		55 695	73
INTESA SANPAOLO ORD		1 618 289	48
INVESCO LTD		28 858	5
INVESTOR AB SER. A		48 681	11
INVESTOR B		161 689	38
JACK HENRY & ASSOCIATES INC		7 300	12
JAPAN EXCHANGE GROUP INC		45 700	10
JAPAN POST BANK CO LTD		143 400	15
JAPAN POST HOLDINGS CO LTD		275 100	25
JAPAN POST INSURANCE CO LTD		19 000	3
JPMORGAN CHASE & CO		295 315	510
JULIUS BAER GROUP LTD		18 674	11
KBC GROUPE		27 047	18
KEYCORP		83 000	12
KINNEVIK AB - B		15 697	2
KKR & CO INC -A		62 200	52
LEGAL & GENERAL GROUP		509 551	17
LLOYDS BANKING GROUP PLC		6 382 315	39
LOEWS CORP		16 900	12
LONDON STOCK EXCHANGE		45 364	54
LPL FINANCIAL HOLDINGS INC		9 000	21
LUNDBERGFORETAGEN AB, L E SER. B		7 970	4
M & T BANK CORP		15 116	21
M&G PLC		189 065	5
MACQUARIE BANK		38 597	49
MANULIFE FINANCIAL CORP		194 310	44
MARKEL CORP		1 200	17
MARKETAXESS HOLDINGS INC		3 000	9
MARSH AND MCLENNAN COS		49 254	95
MASTERCARD A		84 707	367
MEDIBANK PRIVATE LTD		176 403	4
MEDIOBANCA		40 060	5
METLIFE		66 298	45
MITSUBISHI UFJ LEASE FIN		78 300	5
MITSUBISHI UFJ FIN GRP		1 135 798	99
MIZUHO FINANCIAL GROUP		239 941	42
MOODYS CORP		16 376	65
MORGAN STANLEY		124 787	118
MS&AD INSURANCE GROUP HOLDINGS		38 920	16
MSCI INC		8 000	46
MUENCHENER RUECKVERSICH.		14 293	60
NASDAQ OMX GROUP/THE		39 200	23
NATIONAL AUSTRALIA BANK		312 187	66
NATIONAL BANK OF CANADA		31 692	25
ROYAL BANK OF SCOTLAND		636 342	18
NEXI SPA		42 859	4
NN GROUP NV		29 012	12
NOMURA HOLDINGS		317 800	15

NOK MILLIONS	Organisation number	Volume	Market value
NORDEA BANK ABP		301 311	38
NORTHERN TRUST CORP		24 050	21
ONEX CORPORATION		5 400	4
ORIX CORP		108 000	21
OCBC BANK		347 766	35
PARTNERS GROUP HOLDING AG		2 416	35
PAYPAL HOLDINGS INC		106 120	66
PHOENIX GROUP HOLDINGS PLC		86 575	6
PNC FINL SERVICES GROUP		39 728	62
POSTE ITALIANE SPA		30 561	4
POWER CORP OF CANADA		64 883	19
PRINCIPAL FINANCIAL GRP		27 600	22
PROGRESSIVE CORP		58 252	94
PRUDENTIAL FINANCIAL		39 302	41
PRUDENTIAL		283 393	33
QBE INSURANCE GROUP		390 952	40
RAYMOND JAMES FINANCIAL INC		22 560	26
REGIONS FINANCIAL (NEW)		90 941	18
RESONA HOLDINGS		197 742	10
ROYAL BANK OF CANADA		137 819	142
S&P GLOBAL INC		32 621	146
SAMPO OYJ-A SHS		50 972	23
SBI HOLDINGS		39 270	9
SCHRODERS		53 664	3
SCHWAB (CHARLES) CORP		149 468	104
SEI INVESTMENTS COMPANY		9 500	6
SHIZUOKA FINANCIAL GROUP INC		34 000	3
SIGNATURE BANK		4 400	0
SINGAPORE EXCHANGE		128 600	10
SKAND.ENSKILDA BANKEN A		186 509	26
SOCIETE GENERALE		83 104	22
SOFINA		1 044	3
NKSJ HOLDINGS INC		31 800	16
ST JAMES'S PLACE PLC		37 154	3
STANDARD CHARTERED		249 464	22
STATE STREET CORP		36 943	29
SUMITOMO MITSUI FINL GRP		129 871	64
SUMITOMO MITSUI TRUST HOLDINGS		55 752	11
SUN LIFE FINANCIAL		55 162	29
SUNCORP GROUP LTD		159 524	15
SVB FINANCIAL GROUP		5 500	0
SVENSKA HANDELSBANKEN-A SHS		170 643	19
SWEDBANK		89 231	18
SWISS LIFE HOLDING		3 520	25
SWISS RE LTD		30 362	35
SYNCHRONY FINANCIAL		46 210	18
PRICE (T. ROWE) GROUP		23 323	26
T&D HOLDINGS		38 100	6
TALANX AG		8 489	6
TMX GROUP LTD		42 500	10
TOAST INC-CLASS A		23 900	4
TOKIO MARINE HOLDINGS INC		188 437	48
TORONTO-DOMINION BANK		181 144	119
TRADEWEB MARKETS INC-CLASS A		9 200	8
TRAVELERS COS		24 110	47
BB&T CORP		132 102	50
TRYG A/S		33 548	7

NOK MILLIONS	Organisation number	Volume	Market value
UBS NAMEN		327 142	103
UNICREDIT SPA		158 961	44
UNITED OVERSEAS BANK		127 623	28
US BANCORP		152 332	67
VISA INC-CLASS A SHARES		161 590	427
WEBSTER FINANCIAL CORP		15 700	8
WELLS FARGO & CO		371 062	185
WENDEL		2 001	2
WESTPAC BANKING		349 031	55
WILLIS GROUP HOLDINGS PLC		11 468	28
WISE PLC - A		69 302	8
WORLDLINE SA		19 833	3
BERKLEY (W.R.) CORP		19 775	14
ZURICH FINL SERVICES		14 966	79
TOTAL, FINANCIAL			**9 425**
ABBOTT LABORATORIES		172 900	193
ABBVIE INC		179 336	282
AGILENT TECHNOLOGIES		29 921	42
ALCON INC		50 700	40
ALIGN TECHNOLOGY INC		7 800	22
ALNYLAM PHARMACEUTICALS INC		13 200	26
AMGEN		53 123	155
AMPLIFON SPA		7 430	3
ARGENX SE		6 144	24
ASAHI INTECC CO LTD		16 200	3
ASTELLAS PHARMA		202 620	25
ASTRAZENECA		154 157	212
AVANTOR INC		80 300	19
BACHEM HOLDING AG-REG B		2 130	2
BAXTER INTERNATIONAL		54 717	21
BAYER		97 717	37
BECTON DICKINSON		28 281	70
BIOGEN IDEC		15 494	41
BIOMARIN PHARMACEUTICAL INC		17 200	17
BIOMERIEUX		4 652	5
BIO-RAD LABORATORIES-A		3 000	10
BIO-TECHNE CORP		14 400	11
BOSTON SCIENTIFIC CORP		142 927	84
BRISTOL-MYERS SQUIBB CO		209 178	109
CARDINAL HEALTH		27 133	28
CARL ZEISS MEDITEC AG - BR		2 900	3
CATALENT INC		15 400	7
AMERISOURCEBERGEN		17 184	36
CENTENE CORP		55 920	42
CHARLES RIVER LABS INTL		6 200	15
CHUGAI PHARMACEUTICAL CO		73 700	28
COCHLEAR		8 262	17
COLOPLAST B		14 943	17
COOPER COS INC/THE		4 900	19
CSL LIMITED		47 979	95
CVS/CAREMARK		127 277	102
DAIICHI SANKYO CO		184 025	51
DANAHER CORP		71 123	167
DAVITA		6 200	7
WILLIAM DEMANT HOLDING		8 840	4
DENTSPLY SIRONA INC		20 300	7
DEXCOM INC		38 600	49

NOK MILLIONS	Organisation number	Volume	Market value
DIASORIN SPA		1 527	2
EBOS GROUP LTD		15 783	4
EDWARDS LIFESCIENCES CORP		60 300	47
EISAI CO		24 000	12
ANTHEM INC		23 596	113
LILLY (ELI) AND CO		81 323	481
ESSILOR INTERNATIONAL		28 942	59
EUROFINS SCIENTIFIC		11 287	7
EXACT SCIENCES CORP		19 400	15
FISHER & PAYKEL HEALTHCARE C		81 360	12
FRESENIUS MED. CARE ST		17 536	7
FRESENIUS SE & CO KGAA		38 765	12
GE HEALTHCARE TECHNOLOGY		42 609	33
GENMAB		7 032	23
GETINGE AB-B SHS		19 507	4
GILEAD SCIENCES		124 250	102
GRIFOLS SA		36 167	6
GLAXOSMITHKLINE		407 306	76
HCA HOLDINGS INC		21 100	58
HENRY SCHEIN INC		10 000	8
HIKMA PHARMACEUTICALS PLC		8 869	2
HOLOGIC INC		22 300	16
HOYA CORP		35 700	45
HUMANA		12 500	58
IDEXX LABORATORIES INC		8 500	48
ILLUMINA INC		14 500	21
INCYTE CORP		17 800	11
INSULET CORP		7 900	17
INTUITIVE SURGICAL		34 800	119
IPSEN		2 500	3
QUINTILES TRANSNATIONAL HOLD		19 032	45
JAZZ PHARMACEUTICALS PLC		5 900	7
JOHNSON & JOHNSON		242 748	386
PHILIPS ELECTRS (KON.)		80 671	19
KYOWA HAKKO KIRIN CO LTD		20 400	3
LABORATORY CORP OF AMER		7 700	18
LONZA GROUP		7 522	32
M3 INC		58 200	10
MASIMO CORP		10 500	12
MCKESSON CORP		13 582	64
MEDTRONIC		132 304	111
MERCK AND CO		258 090	286
MERCK KGAA STAMM		14 182	23
METTLER-TOLEDO INTERNATIONAL		2 453	30
MODERNA INC		34 800	35
MOLINA HEALTHCARE INC		5 400	20
NEUROCRINE BIOSCIENCES INC		12 000	16
NIPPON SHINYAKU CO LTD		3 700	1
NMC HEALTH PLC		7 700	0
NOVARTIS		209 954	215
NOVO NORDISK A/S-B		328 366	344
NOVOCURE LTD		66 100	10
OLYMPUS CORP		117 900	17
ONO PHARMACEUTICAL CO		36 300	7
ORION-YHTYMAE B		7 047	3
OTSUKA HOLDINGS CO LTD		48 900	19
PFIZER		561 405	164

NOK MILLIONS	Organisation number	Volume	Market value
QIAGEN N.V.		28 910	13
QUEST DIAGNOSTICS		13 248	19
RAMSAY HEALTH CARE LTD		14 326	5
RECORDATI SPA		10 198	6
REGENERON PHARMACEUTICALS		10 717	96
REPLIGEN CORP		5 000	9
RESMED INC		15 000	26
PERKINELMER INC		10 900	12
ROCHE HOLDING INHABER		2 456	8
ROCHE HOLDING GENUSS		71 996	212
ROYALTY PHARMA PLC- CL A		45 300	13
SANDOZ GROUP AG		40 775	13
SANOFI		112 869	114
SARTORIUS AG-VORZUG		2 600	10
SARTORIUS STEDIM BIOTECH		2 370	6
SHIONOGI & CO		22 400	11
SIEMENS HEALTHINEERS AG		32 311	19
SMITH & NEPHEW		83 337	12
SONIC HEALTHCARE		34 028	8
SONOVA HOLDING		4 535	15
STERIS PLC		10 300	23
STRAUMANN HOLDING		12 186	20
STRYKER CORP		33 899	103
SWEDISH ORPHAN BIOVITRUM AB		22 091	6
SYSMEX CORP		18 700	11
TAKEDA PHARMACEUTICAL		157 484	46
TELEFLEX INC		4 400	11
TERUMO CORP		76 600	25
TEVA PHARMACEUTICAL-SP ADR		108 964	12
CIGNA CORP		44 308	135
THERMO FISHER SCIENTIFIC		39 550	213
UCB (GROUPE)		11 336	10
UNITED THERAPEUTICS CORP		6 000	13
UNITEDHEALTH GROUP		93 893	502
UNIVERSAL HEALTH SERVICES-B		5 783	9
VEEVA SYSTEMS INC-CLASS A		15 600	31
VERTEX PHARMACEUTICALS		25 572	106
VIATRIS INC		107 477	12
WATERS CORP		6 953	23
WEST PHARMACEUTICAL SERVICES		6 900	25
ZIMMER HOLDINGS		23 059	28
ZOETIS INC		45 978	92
TOTAL, HEALTHCARE			**7 547**
3M CO		81 153	90
ABB LTD		156 340	70
ACS ACTIV. CONST. Y SVCS		28 255	13
ADECCO		12 121	6
ADP		10 532	14
AECOM		21 700	20
AENA SA		7 617	14
AERCAP HOLDINGS NV		60 500	46
ASAHI GLASS CO		17 360	7
AIR CANADA		43 800	6
ALFA LAVAL		33 259	13
ALLEGION PLC		11 800	15
AMETEK INC		22 950	38
ALL NIPPON AIRWAYS CO		43 900	10

NOK MILLIONS	Organisation number	Volume	Market value
AP MOLLER MAERSK A		307	6
AP MOLLER MAERSK B		484	9
ASHTEAD GROUP PLC		43 353	31
ASSA ABLOY AB-B		112 592	33
ATLAS COPCO A		267 169	47
ATLAS COPCO AB-B SHS		146 310	22
AUCKLAND INT'L AIRPORT		108 800	6
QR NATIONAL LTD		635 606	17
AUTOMATIC DATA PROCESS		41 434	98
AUTOSTORE HOLDINGS LTD		4 086 885	82
AXON ENTERPRISE INC		9 100	24
BAYCURRENT CONSULTING INC		10 900	4
BEIJER REF AB		50 060	7
BOOZ ALLEN HAMILTON HOLDINGS		39 500	51
BOUYGUES ORD		27 808	11
BRAMBLES		384 438	36
BRENNTAG AG		13 293	12
BROADRIDGE FINANCIAL SOLUTIO		12 700	27
BUILDERS FIRSTSOURCE INC		12 200	21
BUNZL		37 187	15
BUREAU VERITAS SA		33 512	9
CH ROBINSON WORLDWIDE		10 800	9
CADELER A/S		222 895	10
CADELER A/S-ADR		51 902	10
CAE		62 724	14
CANADIAN NAT'L RAILWAY		56 616	72
CP RAILWAY		106 300	86
CARLISLE COS INC		6 800	22
CARRIER GLOBAL CORP		83 074	48
CATERPILLAR		66 728	200
CENTRAL JAPAN RAILWAY CO		156 500	40
CERIDIAN HCM HOLDING INC		12 900	9
CINTAS CORP		11 297	69
CK HUTCHISON HOLDINGS LTD		342 417	19
CLARIVATE PLC		44 500	4
CNH INDUSTRIAL NV		90 117	11
SAINT-GOBAIN		50 933	38
COMPUTERSHARE		142 257	24
COPART INC		95 000	47
CSX CORP		204 878	72
CUMMINS		14 600	36
DAI NIPPON PRINTING CO		18 500	6
DAIFUKU CO LTD		28 200	6
DAIKIN INDUSTRIES		26 200	43
DAIMLER TRUCK HOLDING AG		59 978	23
DCC PLC		8 721	7
DEERE & CO		36 434	148
DELTA AIR LINES		45 370	19
LUFTHANSA		88 880	8
DEUTSCHE POST		100 424	51
DOVER CORP		19 577	31
DSV DE SAMMENSLUT VOGN		17 778	32
EAST JAPAN RAILWAY CO		29 902	17
EATON CORP		39 616	97
EIFFAGE		13 077	14
ELEMENT FINANCIAL CORP		30 900	5
EMERSON ELECTRIC CO		86 839	86

NOK MILLIONS	Organisation number	Volume	Market value
EPIROC AB-A		67 452	14
EPIROC AB-B		33 875	6
EQUIFAX		13 200	33
EXPEDITORS INTL WASH.		16 000	21
EXPERIAN PLC		95 886	40
FANUC CORP		121 700	36
FASTENAL CO		69 900	46
FEDEX CORP		24 583	63
FERGUSON PLC		20 801	41
FERROVIAL SA		58 133	22
FORTIVE CORP		46 098	34
FORTUNE BRANDS HOME & SECURI		14 400	11
FUJI ELECTRIC CO LTD		18 200	8
GEA GROUP		16 457	7
GEBERIT		3 463	23
GENERAC HOLDINGS INC		7 700	10
GENERAL ELECTRIC CO		160 428	208
GROUPE EUROTUNNEL SA - REGR		113 450	21
GFL ENVIRONMENTAL INC-SUB VT		20 400	7
GOLDEN OCEAN GROUP LTD		316 897	31
GRAB HOLDINGS LTD - CL A		233 400	8
GRACO INC		19 500	17
HANKYU HANSHIN HLDG		25 100	8
HIKARI TSUSHIN INC		7 000	12
HITACHI CONSTR. MACHINE.		9 200	2
HITACHI		115 000	84
HOSHIZAKI ELECTRIC CO LTD		10 200	4
ARCONIC INC		116 750	64
HUBBELL INC		4 900	16
HUNT (J.B.) TRANSPORT		7 000	14
HUSQVARNA B		33 815	3
IDEX CORP		6 600	15
ILLINOIS TOOL WORKS		30 550	81
IMCD GROUP NV		7 136	13
INDUTRADE AB		20 581	5
GARDNER DENVER HOLDINGS INC		42 568	33
INTERTEK GROUP		13 171	7
INVESTMENT AB LATOUR-B SHS		11 251	3
ITOCHU CORP		140 400	58
JAPAN AIRLINES CO LTD		57 600	12
JOHNSON CONTROLS INTERNATION		74 015	43
KAJIMA CORP		105 000	18
KAWASAKI KISEN KAISHA		16 900	7
KEIO CORP		6 600	2
KEISEI ELECTRIC RAILWAY		40 100	19
KEPPEL CORP LTD		170 960	9
KINGSPAN GROUP PLC		13 013	11
KINTETSU CORP		61 990	20
KNIGHT-SWIFT TRANSPORTATION		13 300	8
KNORR-BREMSE AG		6 238	4
KOMATSU		101 300	27
KONE B		38 746	20
KUBOTA CORP		95 700	15
KUEHNE & NAGEL INT'L		5 164	18
KURITA WATER INDUSTRIES		10 100	4
LEGRAND		29 022	31
LENNOX INTERNATIONAL INC		5 000	23

NOK MILLIONS	Organisation number	Volume	Market value
LIFCO AB-B SHS		33 075	8
JS GROUP CORP		21 100	3
MAKITA CORP		20 700	6
MARUBENI CORP		189 500	30
MASCO CORP		27 001	18
OUTOTEC OYJ		82 474	8
MINEBEA CO		29 600	6
MISUMI GROUP INC		25 600	4
MITSUBISHI ELECTRIC CORP		209 900	30
MITSUBISHI HEAVY IND		98 409	58
MITSUI OSK LINES		35 100	11
MONOTARO CO LTD		20 800	2
MTR CORP		169 547	7
MTU AERO ENGINES AG		16 510	36
NGK INSULATORS		21 000	3
NIBE INDUSTRIER AB-B SHS		129 476	9
NIDEC CORP		38 800	16
NIPPON EXPRESS HOLDINGS INC		5 200	3
NIPPON YUSEN K.K		133 600	42
NORDSON CORP		4 300	12
NORFOLK SOUTHERN CORP		22 946	55
OBAYASHI CORP		94 500	8
ODAKYU ELECTRIC RAILWAY		20 900	3
OLD DOMINION FREIGHT LINE		10 000	41
OTIS WORLDWIDE CORP		61 137	56
OWENS CORNING		11 000	17
PACCAR		76 579	76
PARKER HANNIFIN CORP		12 889	60
PAYCHEX		33 157	40
PAYCOM SOFTWARE INC		5 700	12
PAYLOCITY HOLDING CORP		4 100	7
PENTAIR		13 233	10
PERSOL HOLDINGS CO LTD		185 000	3
PRYSMIAN SPA		28 426	13
QANTAS AIRWAYS LTD		211 019	8
QUANTA SERVICES INC		21 200	46
RANDSTAD HOLDING		8 782	6
RATIONAL AG		326	3
RITCHIE BROS. AUCTIONEER		16 900	11
RECRUIT HOLDINGS CO LTD		143 400	61
REECE LTD		22 186	3
REED ELSEVIER (GB)		246 581	99
RENTOKIL INITIAL PLC		231 670	13
REPUBLIC SERVICES		24 795	42
RHEINMETALL AG		13 041	42
ROBERT HALF INT'L		11 100	10
ROCKWELL AUTOMATION		12 100	38
ROCKWOOL INTL A/S-B SHS		1 000	3
ROLLINS INC		34 900	15
SAAB AB-B		21 631	13
SANDVIK		114 630	25
SCHINDLER NAMEN		8 328	20
SCHNEIDER ELECTRIC		53 964	110
SEMBCORP MARINE		5 816 077	5
SECOM CO		18 700	14
SECURITAS B		36 700	4
SENSATA TECHNOLOGIES HOLDING		17 600	7

NOK MILLIONS	Organisation number	Volume	Market value
SG HOLDINGS CO LTD		24 700	4
SGS		13 125	11
SHIMIZU CORP		207 600	14
SIEMENS		75 594	144
SIEMENS ENERGY AG		58 052	8
SINGAPORE AIRLINES		427 900	22
SINGAPORE TECH ENGR.		200 900	6
SITC INTERNATIONAL HOLDINGS		119 000	2
SKANSKA B		30 101	6
SKF B		31 433	6
SMC CORP		6 000	33
SMITH (A.O.) CORP		14 500	12
SMITHS GROUP		104 649	24
SNAP-ON INC		7 500	22
SOUTHWEST AIRLINES CO		12 100	4
SPIRAX-SARCO ENGINEERING PLC		6 549	9
SS&C TECHNOLOGIES HOLDINGS		22 700	14
STANLEY BLACK & DECKER INC		12 854	13
STOLT-NIELSEN LTD		93 015	29
SUMITOMO CORP		131 500	29
TAISEI CORP		44 500	15
TECHTRONIC INDUSTRIES CO		118 000	14
TELEPERFORMANCE		5 151	8
TFI INTERNATIONAL INC		7 700	11
THOMSON REUTERS CORP		17 718	26
TOBU RAILWAY CO		12 800	3
TOKYU CORP		36 600	5
TOPPAN PRINTING CO		87 450	25
TORO CO		17 400	17
TOROMONT INDUSTRIES LTD		12 200	11
TOTO		10 800	3
TOYOTA INDUSTRIES CORP		21 600	18
TOYOTA TSUSHO		29 300	17
INGERSOLL-RAND PLC		23 849	59
TRANSDIGM GROUP INC		12 100	124
TRANSUNION		17 600	12
TRANSURBAN GROUP		331 581	31
UBER TECHNOLOGIES INC		184 500	115
AMERCO		900	1
U-HAUL HOLDING CO-NON VOTING		8 100	6
UNION PACIFIC CORP		60 655	151
UNITED PARCEL SERVICE B		72 436	116
UNITED RENTALS INC		6 600	38
VAT GROUP AG		2 888	15
VERALTO CORP		23 707	20
VERISK ANALYTICS INC-CLASS A		16 600	40
VESTAS WIND SYSTEMS		135 667	44
VINCI		65 169	83
VOLVO A		15 492	4
VOLVO B		156 729	41
WABTEC CORP		25 214	32
WARTSILA B		50 555	7
WASTE CONNECTIONS INC		28 300	43
WASTE MANAGEMENT		44 058	80
WATSCO INC		3 100	13
WEST JAPAN RAILWAY CO		47 400	20
WOLTERS KLUWER		27 573	40

NOK MILLIONS	Organisation number	Volume	Market value
WSP GLOBAL INC		19 734	28
GRAINGER (WW)		6 800	57
XINYI GLASS HOLDINGS LTD		447 062	5
XYLEM INC		36 110	42
YAMATO HOLDINGS CO		23 200	4
YASKAWA ELECTRIC CORP		22 200	9
TOTAL, INDUSTRY			**6 959**
ACCENTURE PLC		62 829	224
ADOBE SYSTEMS		45 591	276
ADVANCED MICRO DEVICES		164 798	247
ADVANTEST CORP		74 000	25
AKAMAI TECHNOLOGIES		15 200	18
AMPHENOL CORP		60 344	61
ANALOG DEVICES		50 340	102
ANSYS INC		8 800	32
APPLE		1 581 112	3 091
APPLIED MATERIALS		84 040	138
ARISTA NETWORKS INC		25 900	62
ARROW ELECTRONICS		5 900	7
ASM INTERNATIONAL NV		4 490	24
ASML HLDG		40 899	313
ASPEN TECHNOLOGY INC		5 800	13
ATLASSIAN CORP-CL A		14 800	36
AUTODESK		22 000	54
AZBIL CORP		6 500	2
BECHTLE AG		8 775	4
BENTLEY SYSTEMS INC-CLASS B		19 600	10
BILL HOLDINGS INC		8 500	7
BROADCOM LTD		44 951	510
BROTHER INDUSTRIES		17 800	3
CADENCE DESIGN SYS INC		27 200	75
CANON INC		107 950	28
CAP GEMINI SA		16 402	35
CDW CORP/DE		14 500	33
CGI GROUP A		23 300	25
CHECK POINT SOFTWARE TECH		24 000	37
CISCO SYSTEMS		410 211	210
CLOUDFLARE INC - CLASS A		29 800	25
COGNEX CORP		12 000	5
COGNIZANT TECH SOLUTIONS		52 854	41
CONSTELLATION SOFTWARE INC		2 000	50
CONSTELLATION SOFTWARE INC Warrant		2 000	0
CORNING		83 148	26
CROWDSTRIKE HOLDINGS INC - A		22 600	59
CYBERARK SOFTWARE LTD/ISRAEL		5 800	13
DASSAULT SYSTEMES		67 895	34
DATADOG INC - CLASS A		24 800	31
DELL TECHNOLOGIES INC-CL V		23 000	18
DESCARTES SYSTEMS GRP/THE		6 400	5
DISCO CORP		10 600	27
DOCUSIGN INC		15 600	9
DROPBOX INC-CLASS A		22 900	7
DYNATRACE INC		24 500	14
ENPHASE ENERGY INC		15 000	20
ENTEGRIS INC		15 300	19
EPAM SYSTEMS INC		6 900	21
ERICSSON (LM) B		343 663	22

NOK MILLIONS	Organisation number	Volume	Market value
F5 NETWORKS		7 000	13
FAIR ISAAC CORP		2 500	30
FIRST SOLAR INC		10 700	19
FORTINET INC		66 300	39
FUJI FILM HOLDINGS CO		40 000	24
FUJITSU		16 720	26
GARTNER INC		8 500	39
SYMANTEC CORP		52 900	12
GODADDY INC - CLASS A		16 600	18
HALMA PLC		41 161	12
HAMAMATSU PHOTONICS KK		10 600	4
HEWLETT PACKARD ENTERPRIS		117 565	20
HEXAGON AB SER. B		239 848	29
HIROSE ELECTRIC CO		1 984	2
HP INC		92 965	28
HUBSPOT INC		4 800	28
IBIDEN CO		10 500	6
INFINEON TECHNOLOGIES		129 893	55
INTEL CORP		428 155	218
INTL BUSINESS MACHINES CORP		90 236	150
INTUIT		27 918	177
JUNIPER NETWORKS		39 700	12
KEYENCE CORP		19 400	87
KEYSIGHT TECHNOLOGIES IN		18 300	30
KLA TENCOR CORP		13 800	81
KYOCERA CORP		148 800	22
LAM RESEARCH CORP		13 450	107
LASERTEC CORP		9 000	24
LATTICE SEMICONDUCTOR CORP		12 000	8
LOGITECH NAMEN		13 895	13
MARVELL TECHNOLOGY GROUP		85 200	52
MICROCHIP TECHNOLOGY		54 800	50
MICRON TECHNOLOGY		108 900	94
MICROSOFT CORP		713 619	2 724
MONDAY.COM LTD		3 300	6
MONGODB INC		7 600	32
MONOLITHIC POWER SYSTEMS INC		4 800	31
MURATA MANUFACTURING CO		184 500	40
NEC CORP		23 740	14
NEMETSCHEK SE		3 775	3
NETWORK APPLIANCE		19 639	18
NICE SYSTEMS LTD		5 223	11
NOKIA CORP		488 373	17
NOMURA RESEARCH INST		43 921	13
NTT DATA CORP		58 700	8
NVIDIA		250 236	1 258
NXP SEMICONDUCTORS NV		26 712	62
OBIC CO		8 600	15
OKTA INC		31 500	29
OMRON CORP		16 700	8
ON SEMICONDUCTOR CORP		45 400	39
OPEN TEXT CORP		25 000	11
ORACLE CORP		166 198	178
ORACLE CORP JAPAN		2 300	2
OTSUKA CORP		7 800	3
PALANTIR TECHNOLOGIES INC-A		186 200	32
PALO ALTO NETWORKS INC		30 200	90

NOK MILLIONS	Organisation number	Volume	Market value
PTC INC		13 400	24
QORVO INC		9 600	11
QUALCOMM		110 900	163
NEC ELECTRONICS CORP		135 800	25
RICOH CO		44 900	4
ROHM CO		26 800	5
ROPER INDUSTRIES		10 600	59
SAGE GROUP (THE)		124 072	19
SALESFORCE.COM		99 515	266
SAP STAMM		103 864	163
SCSK CORP		10 800	2
SEAGATE TECHNOLOGY HOLDINGS		22 419	19
SEIKO EPSON CORPORATION		18 100	3
SERVICENOW INC		20 246	145
SHIMADZU CORP		29 100	8
SHOPIFY INC - CLASS A		119 100	94
SKYWORKS SOLUTIONS INC		17 128	20
SNOWFLAKE INC-CLASS A		28 500	58
SOLAREDGE TECHNOLOGIES INC		4 700	4
SPLUNK INC		18 200	28
STMICROELECTRONICS NV		73 764	37
SUMCO		22 000	3
SYNOPSYS		15 100	79
TDK CORP		37 800	18
TE CONNECTIVITY LTD		31 450	45
TELEDYNE TECHNOLOGIES INC		5 800	26
TEMENOS GROUP AG-REG		4 500	4
TERADYNE INC		13 200	15
TEXAS INSTRUMENTS		90 205	156
TIS INC		26 300	6
TOKYO ELECTRON		47 200	86
TOWER SEMICONDUCTOR LTD		10 668	3
TREND MICRO		13 600	7
TRIMBLE NAVIGATION LTD		30 100	16
TWILIO INC - A		13 600	10
TYLER TECHNOLOGIES INC		4 100	17
UIPATH INC - CLASS A		36 200	9
UNITY SOFTWARE INC		29 000	12
VENTURE CORP LTD		20 300	2
VERISIGN		9 100	19
WESTERN DIGITAL		36 794	20
WISETECH GLOBAL LTD		18 800	10
WIX.COM LTD		3 900	5
CREE INC		10 200	5
WORKDAY INC-CLASS A		20 289	57
XERO LTD		13 135	10
YOKOGAWA ELECTRIC CORP		14 000	3
ZEBRA TECHNOLOGIES CORP-CL A		4 300	12
ZOOM VIDEO COMMUNICATIONS-A		28 300	21
ZSCALER INC		10 500	24
TOTAL, IT			**14 181**
AGNICO-EAGLE MINES		72 174	40
AIR LIQUIDE		52 080	103
AIR PRODUCTS & CHEMICALS		22 100	61
AKZO NOBEL		16 688	14
ALBEMARLE CORP		12 000	18
ALCOA CORP		28 000	10

NOK MILLIONS	Organisation number	Volume	Market value
AMCOR PLC		125 100	12
ANGLO AMERICAN (GB)		193 582	49
ANTOFAGASTA		49 836	11
ARCELOR-MITTAL A		49 531	14
ARKEMA		4 616	5
ASAHI KASEI CORP		118 500	9
AVERY DENNISON CORP		9 611	20
BALL CORP		35 990	21
BASF		89 920	49
BHP BILLITON LTD		522 189	182
BLUESCOPE STEEL		38 799	6
BOLIDEN		33 028	10
CCL INDUSTRIES INC - CL B		12 100	6
CELANESE CORP		10 200	16
CF INDUSTRIES HOLDINGS INC		28 600	23
CHRISTIAN HANSEN HOLDING A/S		9 089	8
CLARIANT AG-REG		16 212	2
CLIFFS NATURAL RESOURCES INC		65 700	14
CORTEVA INC		74 753	36
COVESTRO AG		15 192	9
CRH PLC		78 573	55
CRODA INTERNATIONAL PLC		11 374	7
CROWN HOLDINGS INC		10 200	10
DOW INC		73 153	41
DSM-FIRMENICH AG		19 742	20
DOWDUPONT INC		48 653	38
EASTMAN CHEMICAL CO		12 300	11
ECOLAB		25 523	51
EMS-CHEMIE HOLDING AG-REG		698	6
ENDEAVOUR MINING PLC		27 235	6
EVONIK INDUSTRIES AG		14 811	3
FIRST QUANTUM MINERALS		94 278	8
FMC CORP		9 770	6
FORTESCUE METALS GROUP		179 447	36
FRANCO-NEVADA CORP		28 906	33
GIVAUDAN		997	42
HOLCIM		56 487	45
HOLMEN B		9 349	4
ISRAEL CHEMICALS LTD		40 032	2
INDEPENDENCE GROUP NL		97 787	6
INT'L PAPER CO		27 553	10
INT'L FLAVORS FRAGRANCES		22 122	18
IVANHOE MINES LTD-CL A		158 300	16
JAMES HARDIE INDUSTRIES SE		37 389	14
JFE HOLDINGS		45 100	7
JOHNSON MATTHEY		17 996	4
JSR CORP		13 600	4
KINROSS GOLD CORP		153 600	9
LINDE PLC		48 791	203
LUNDIN MINING CORP		115 800	10
LYONDELLBASELL INDU-CL A		26 532	26
MARTIN MARIETTA MATRLS		5 700	29
MINERAL RESOURCES LTD		14 294	7
MITSUBISHI CHEMICAL HLDG		121 550	8
MITSUI CHEMICALS		19 120	6
MONDI PLC		52 373	10
MOSAIC CO (THE)		28 800	10

NOK MILLIONS	Organisation number	Volume	Market value
NEWMONT MINING HLDG		170 443	72
NIPPON PAINT CO LTD		131 970	11
TAIYO NIPPON SANSO CORP		13 000	4
NIPPON STEEL CORP		92 172	21
NISSAN CHEMICAL IND		11 600	5
NITTO DENKO CORP		16 200	12
NORTHERN STAR RESOURCES LTD		105 322	10
NOVOZYMES B		25 818	14
NUCOR CORP		25 064	44
NUTRIEN LTD		48 700	28
OCI NV		26 001	8
OJI PAPER CO		61 300	2
ORICA		27 493	3
PACKAGING CORP OF AMERICA		10 800	18
PAN AMERICAN SILVER CORP		51 800	9
PILBARA MINERALS LTD		266 486	7
PPG INDUSTRIES		24 552	37
RELIANCE STEEL & ALUMINUM		5 900	17
RIO TINTO LTD		1 743	2
RIO TINTO PLC		220 567	167
RPM INTERNATIONAL INC		14 500	16
SEALED AIR CORP		12 100	4
SHERWIN-WILLIAMS CO		24 400	77
SHIN-ETSU CHEMICAL CO		181 200	77
SIG GROUP AG		41 106	10
SIKA INHABER		15 081	50
SMURFIT KAPPA GROUP PLC		26 401	11
SOUTH32 LTD		469 086	11
STEEL DYNAMICS INC		13 700	16
STORA ENSO R		47 320	7
SUMITOMO CHEMICAL CO		96 600	2
SUMITOMO METAL MINING CO		20 450	6
SVENSKA CELLULOSA AB SCA-B		68 979	10
SYENSQO SA		6 758	7
SYMRISE AG		12 123	14
TORAY INDUSTRIES		107 000	6
TOSOH CORP		20 000	3
UMICORE		16 837	5
UPM-KYMMENE		46 159	18
VOESTALPINE		7 772	2
VULCAN MATERIALS CO		14 285	33
WACKER CHEMIE AG		1 872	2
WEST FRASER TIMBER CO LTD		18 500	16
WESTLAKE CHEMICAL CORP		4 200	6
WESTROCK CO		19 144	8
SILVER WHEATON CORP		68 745	35
TOTAL, RAW MATERIALS			**2 513**
ALEXANDRIA REAL ESTATE EQUIT		17 850	23
AMERICAN HOMES 4 RENT- A		39 200	14
AMERICAN TOWER CORP A		46 308	102
AVALONBAY COMMUNITIES		15 235	29
AZRIELI GROUP		2 982	2
BOSTON PROPERTIES		14 483	10
BRITISH LAND CO		68 884	4
CAMDEN PROPERTY TRUST		8 700	9
CAN APARTMENT PROP REAL ESTA		10 859	4
ASCENDAS REAL ESTATE INV		481 842	11

NOK MILLIONS	Organisation number	Volume	Market value
ASCOTT RESIDENCE TRUST		18 546	0
CAPITAMALL TRUST		536 068	8
CAPITALAND INVESTMENT LTD/SI		325 300	8
CBRE GROUP INC		29 400	28
CITY DEVELOPMENTS		23 700	1
CHEUNG KONG PROPERTY HOLDING		183 417	9
COSTAR GROUP INC		48 200	43
FONCIERE DES REGIONS		6 752	4
CROWN CASTLE INT'L CORP		43 613	51
DAITO TRUST CONSTRUCTION		4 800	6
DAIWA HOUSE IND CO		52 300	16
DAIWA HOUSE RESIDENTIAL INV		211	4
DEXUS/AU		109 610	6
DIGITAL REALTY TRUST INC		30 500	42
EQUINIX INC		9 252	76
EQUITY LIFESTYLE PROPERTIES		16 900	12
EQUITY RESIDENTIAL		39 201	24
ESR GROUP LTD		235 800	3
ESSEX PROPERTY TRUST INC		6 100	15
EXTRA SPACE STORAGE INC		23 200	38
FASTIGHETS AB BALDER-B SHRS		70 734	5
FIRSTSERVICE CORP		4 300	7
GECINA		3 382	4
GLP J-REIT		237	2
GOODMAN GROUP		186 949	33
GPT GROUP		212 960	7
HANG LUNG PROPERTIES		140 500	2
HEALTHCARE TRUST OF AME-CL A		31 670	6
HEALTH CARE PPTY INVEST		66 900	13
HENDERSON LAND DEV.		109 700	3
HONGKONG LAND HOLDINGS LTD		85 800	3
HOST HOTELS AND RESORTS		67 596	13
SHOEI CO LTD/CHIYODA-KU		72 200	8
INVITATION HOMES INC		59 200	20
IRON MOUNTAIN		28 308	20
JAPAN RETAIL FUND INVT		459	3
JAPAN REAL ESTATE INV		192	8
KENEDIX OFFICE INVESTMENT CO		576	7
KEPPEL REIT		34 192	0
KIMCO REALTY CORP		190 300	41
KLEPIERRE		39 167	11
LAND SECURITIES GROUP		106 145	10
LEG IMMOBILIEN AG		4 608	4
LEND LEASE GROUP		36 373	2
LINK REIT		244 363	14
MAPLETREE LOGISTICS TRUST		193 898	3
MAPLETREE COMMERCIAL TRUST		188 400	2
MID-AMERICA APARTMENT COMM		13 000	18
MIRVAC GROUP		296 314	4
MITSUBISHI ESTATE CO		112 879	16
MITSUI FUDOSAN CO		103 400	26
NET LEASE OFFICE PROPERTY		1 400	0
NEW WORLD DEVELOPMENT		209 741	3
NIPPON BUILDING FUND		110	5
NIPPON PROLOGIS REIT INC		227	4
NOMURA REAL ESTATE HLD		6 700	2
NOMURA REAL ESTATE MASTER FU		320	4

NOK MILLIONS	Organisation number	Volume	Market value
PROLOGIS INC		91 883	124
PUBLIC STORAGE		16 000	50
REALTY INCOME CORP		67 508	39
REGENCY CENTERS CORP		13 700	9
RIOCAN REIT		8 396	1
SAGAX AB-B		9 802	3
SBA COMMUNICATIONS CORP-CL A		12 154	31
WESTFIELD RETAIL TRUST		567 679	12
SEGRO		105 182	12
SIMON PROPERTY GROUP		37 396	54
SINO LAND		255 936	3
STOCKLAND		165 127	5
SUMITOMO REALTY & DEV CO		33 100	10
SUN COMMUNITIES INC		12 400	17
SUN HUNG KAI PROPERTIES		130 664	14
SWIRE PACIFIC A		40 600	3
SWIRE PROPERTIES LTD		87 200	2
SWISS PRIME SITE-REG		10 731	12
UDR INC		39 400	15
UNIBAIL GROUP STAPLED		8 018	6
UNITED OVERSEAS LAND		34 787	2
VENTAS		37 911	19
CENTRO RETAIL AUSTRALIA		444 759	6
DEUTSCHE ANNINGTON IMMOBILIE		67 940	22
WAREHOUSES DE PAUW SCA		12 789	4
WELLTOWER INC		55 515	51
WEYERHAEUSER CO		75 564	27
WHARF REAL ESTATE INVESTMENT		229 000	8
WP CAREY INC		21 000	14
ZILLOW GROUP INC - C		14 300	8
TOTAL, PROPERTY			**1 519**
ACCIONA		4 426	7
ALGONQUIN POWER & UTILITIES		177 391	11
ALTAGAS LTD		81 257	17
AMERICAN WATER WORKS CO INC		32 800	44
APA GROUP		137 071	8
ATMOS ENERGY CORP		43 100	51
BROOKFIELD RENEWABLE COR-A		16 800	5
CANADIAN UTILITIES A		52 817	13
CENTRICA PLC		604 480	11
CONSOLIDATED EDISON		100 710	93
CONSTELLATION ENERGY		34 121	41
CORP ACCIONA ENERGIAS RENOVA		11 457	4
E. ON		379 829	52
EDISON INTERNATIONAL		51 989	38
EDP RENOVAVEIS SA		25 993	5
ELIA SYSTEM OPERATOR SA/NV		5 680	7
ENAGAS		42 568	7
ENDESA SA		44 805	9
ENEL		1 382 560	104
GDF SUEZ		232 881	42
AQUA AMERICA INC		65 200	25
NORTHEAST UTILITIES		59 222	37
EXELON CORP		167 963	61
FORTUM OYJ		63 184	9
HONGKONG CHINA GAS		1 303 956	10
HYDRO ONE LTD		63 500	19

NOK MILLIONS	Organisation number	Volume	Market value
IBERDROLA		1 051 182	140
MERCURY NZ LTD		115 115	5
MERIDIAN ENER-PARTLY PAID SH		271 932	9
NATIONAL GRID		622 036	85
GAS NATURAL SDG		17 170	5
NEXTERA ENERGY INC		217 900	134
NORTHLAND POWER INC		75 983	14
DONG ENERGY A/S		16 109	9
OSAKA GAS CO		78 900	17
PG&E CORP		504 700	92
PUBLIC SV ENTERPRISE CO		84 815	53
RED ELECTRICA CORPORACION SA		54 363	9
SEMPRA ENERGY		142 216	108
SEVERN TRENT		25 263	8
SNAM SPA		316 444	17
SSE PLC		100 989	24
TERNA		266 939	23
TOKYO GAS CO		33 520	8
UGI CORP		71 900	18
UNITED UTILITIES GROUP PLC		68 686	9
VEOLIA ENVIRONNEMENT		65 063	21
VERBUND OESTERR ELEK A		6 347	6
TOTAL, UTILITIES			**1 545**
TOTAL FOREIGN			**62 264**
TOTAL SHARES			**74 252**

NOK MILLIONS	Organisation number	Volume	Market value
TOTAL PROPERTY			1 540
TOTAL ENERGY			5 157
TOTAL FINANCIAL			12 830
TOTAL CONSUMER DISCRETIONARY			6 753
TOTAL UTILITIES			3 965
TOTAL HEALTHCARE			7 587
TOTAL INDUSTRY			7 592
TOTAL IT			14 395
TOTAL CONSUMER STAPLES			5 035
TOTAL RAY MATERIALS			3 232
TOTAL TELECOM			5 142
TOTAL UNSPECIFIED			1 023
TOTAL SHARES			**74 252**
EQUITY FUNDS			
CBRE PAN-EUROPEAN CORE FUND (PEC)		67 994 887	989
KLP AKSJE FREMVOKSENDE MARKEDER MER SAMFSANSV TA		499 639	474
KLP AKSJEASIA INDEKS TA	990122571	951 994	943
KLP AKSJEASIA INDEKS VALUTASIKRET TA	990140847	183 994	202
KLP AKSJEEUROPA INDEKS TA	990122555	2 234 867	2 234
KLP AKSJEFREMVOKSENDE MARKEDER FLERFAKTOR S	920672159	1 730 976	2 037
KLP AKSJEFREMVOKSENDE MARKEDER INDEKS S-1000	996715426	8 565 175	8 419
KLP AKSJEGLOBAL FLERFAKTOR S	912651037	14 108 808	16 939
KLP AKSJEGLOBAL INDEKS S-3000	987570113	16 590 407	17 116
KLP AKSJEGLOBAL MER SAMFUNNSANSVAR TA	920672183	966 047	1 005
KLP AKSJEGLOBAL MER SAMFUNNSANSVAR VALUTASIKRET S	923251626	18 442	21
KLP AKSJEGLOBAL SMALL CAP FLERFAKTOR S	920672094	1 557 665	1 882
KLP AKSJEGLOBAL SMALL CAP INDEKS TA	919174501	11 163 926	11 541
KLP AKSJENORDEN INDEKS TA	980854043	276 053	292

NOK MILLIONS	Organisation number	Volume	Market value
KLP AKSJENORDEN MER SAMFUNNSANSVAR TA	923251642	798 784	813
KLP AKSJENORGE AKTIV S	880854062	6 995 032	7 637
KLP AKSJENORGE INDEKS S-3000	988425958	7 666 609	8 335
KLP AKSJEUSA INDEKS S-USD	986332650	96 059	5 304
KLP AKSJEUSA INDEKS TA	917232164	2 767 953	2 894
KLP AKSJEVERDEN INDEKS TA	996716716	12 643	13
KLP FRAMTID MER SAMFUNNSANSVAR S	925057436	38 794	45
KLP LANG HORISONT MER SAMFUNNSANSVAR S	925057517	163 005	183
LASALLE ENCORE PLUS		115 236 821	991
NMI FRONTIER FUND KS		8 975 000	15
NMI GLOBAL FUND KS		3 853 750	21
SSGA EMERGING MARKETS SRI ENHANCED EQUITY FUND		16 955 530	2 378
TOTAL EQUITY FUNDS			**92 724**
PRIVATE EQUITY AND REAL ESTATE FUNDS			
ABINGWORTH BIOVENTURES V			2
ABRIS CEE MID-MARKET FUND III L.P.			477
ACCEL GROWTH FUND VI			104
ACCEL INDIA VII			13
Accel Leaders III			253
ACCEL LEADERS IV			61
ACCEL LONDON VII			19
ACCEL US EARLY XVI			0
ACCEL US XV			23
ADELIS EQUITY III			45
ADVENT GLOBAL TECHNOLOGY I			284
ADVENT GLOBAL TECHNOLOGY II			140
AKKR BUYOUT VII			0
ALLIANCE VENTURE DELTA			11
ALLIANCE VENTURE DELTA SIDE CAR			50
ALTOR FUND IV			58
ALTOR FUND V (NO.2) AB			211
ASTORG MIDCAP I			82
ASTORG V			4
ASTORG VI			243
ASTORG VII			245
AUCTUS IV			153
AVEDON CAPITAL IV			152
AXA RESIDENTIAL EUROPE			1 123
BATTERY XIV			35
CAPMAN BUYOUT VIII			0
CATELLA ELITHIS ENERGY POSITIVE FUND			102
CATELLA EUR RESIDENTIAL FUND III SCS SICAV-SIF			979
CHEQUERS CAPITAL XVII			89
CIO CONSTRUCTION EQUITY FUND(CLIMATE INVESTOR)			485
CONSILIUM PRIVATE EQUITY FUND III			214
CONTANGO VENTURES II			4
COÖPERATIEF CONSTR EQ F. U.A.(Climate investor 2)			18
Coöperatieve H2 Equity Partners Fund V U.A.			208
CREANDUM SELECT FUND I			163
CREANDUM SELECT II			52
CREANDUM SPV TR			56
CREANDUM V			282
CREANDUM VI			70
DEUTSCHE PRIVATE EQUITY IV			323
ECE PROGRESSIVE INCOME GROWTH FUND (EPIG)			779
EGERIA PRIVATE EQUITY FUND IV			60

NOK MILLIONS	Organisation number	Volume	Market value
EGERIA PRIVATE EQUITY FUND V SCSP			249
ENDLESS FUND IV A LP			59
ENERGY VENTURES III LP			9
ENERGY VENTURES IV LP			76
FORBION CAPITAL FUND I CO-INVESTMENT FUND I			0
FORBION CAPITAL FUND I CO-INVESTMENT FUND II			0
FORBION CAPITAL FUND II			1
FORBION CAPITAL FUND II CO-INVEST I C.V.			0
FORBION CAPITAL FUND III			251
FORBION CAPITAL FUND IV			94
FORBION CAPITAL FUND V			40
FOUNDERS FUND - STRIPE			51
FOUNDERS FUND GROWTH II			52
FOUNDERS FUND VIII			2
FRANCE SPECIAL SITUATIONS FUND II			320
FSN CAPITAL IV			14
GENSTAR CAPITAL PARTNERS IX			398
GENSTAR CAPITAL PARTNERS X			408
GENSTAR CAPITAL PARTNERS XI			2
GERMAN EQUITY PARTNERS IV			33
HADEAN CAPITAL I			35
HERKULES PRIVATE EQUITY III			0
HG GENESIS X			33
HG MERCURY IV			0
HG SATURN III			64
HgCapital Genesis IX			223
HGCAPITAL MERCURY			0
HGCAPITAL MERCURY III			51
HGCAPITAL SATURN II			329
HGCAPITAL 6			4
HITECVISION ASSET SOLUTIONS			123
HITECVISION IV LP			17
HITECVISION SPRINGPOINT			146
HITECVISION V LP			21
HITECVISION VI LP			449
HITECVISION VII LP			427
H2 VI			30
IDEKAPITAL 2 AS			58
INDEX VENTURE VII ENTREPRENEUR			2
INDEX VENTURES GROWTH II			156
INDEX VENTURES GROWTH III			458
INDEX VENTURES GROWTH IV			764
INDEX VENTURES GROWTH V			350
INDEX VENTURES GROWTH VI			137
INDEX VENTURES IX			363
INDEX VENTURES ORIGIN I			52
INDEX VENTURES ORIGIN II			8
INDEX VENTURES VI			602
INDEX VENTURES VII			440
INDEX VENTURES VIII			533
INDEX VENTURES X			332
INDEX VENTURES XI			78
INNKAP 4 PARTNERS L.P.			9
INSIGHT PARTNERS XI			430
INSIGHT PARTNERS XII			209
INSIGHT PARTNERS XIII			0
KLEINER PERKINS SELECT II			94

NOK MILLIONS	Organisation number	Volume	Market value
KLEINER PERKINS XX			43
LITORINA FUND V			200
LIVINGBRIDGE ENTERPRISE 2 LP			42
LIVINGBRIDGE ENTERPRISE 3 LP			207
LIVINGBRIDGE VII (Parallel)			312
LIVINGBRIDGE 6 LP			412
MB EQUITY FUND V			191
MEDICXI GROWTH I LP			69
MEDICXI III			96
M&G EUROPEAN PROPERTY FUND SICAV-FIS			986
MIURA FUND III			533
MOMENTUM II AS			25
MONTEFIORE CO-INVESTMENT V			232
MONTEFIORE INVESTMENT V			267
NAUTA TECH INVEST 2			0
NAUTA TECH INVEST 3			5
NAZCA CAPITAL III			7
NORSELAB I			50
NORTHZONE CONVICTION I			313
NORTHZONE IX			177
NORTHZONE V			0
NORTHZONE VI			2
NORTHZONE VII			55
NORTHZONE VIII			534
NORTHZONE X			9
NORVESTOR V			2
NORVESTOR VI			41
NORVESTOR VII			108
NORWEGIAN MICROFINANCE INITIATIVE FUND III KS			57
NORWEGIAN MICROFINANCE INITIATIVE FUND IV KS			85
PARAGON FUND II			117
Pareto Eiendomsfellesskap II IS			2 438
PARETO EIENDOMSFELLESSKAP PEF I IS			696
PARETO EIENDOMSFELLESSKAP II AS			25
PARETO EIENDOMSFELLESSKAP II IS			42
PARETO EIENDOMSFELLESSKAP I AS			7
PARTNERS GROUP SECONDARY 2008			14
PERUSA PARTNERS FUND 2			23
PLATINUM EQUITY SMALL CAP FUND			64
PLATINUM FUND V			682
PLATINUM VI			127
PRIVEQ INVESTMENT FUND IV			0
PRIVEQ INVESTMENTS V			73
PROA CAPITAL IBERIAN FUND II			182
PROA CAPITAL IBERIAN FUND III			296
PROLOGIS EUROPEAN LOGISTIC FUNDS			1 041
PROVENTURE SEED III			35
QUADRIGA CAPITAL PRIVATE EQUITY FUND IV			46
Saga IV EUR-B KS			15
Saga V EUR-B KS			10
Saga V New EUR-B KS			25
SARSIA SEED FOND II AS			55
SARSIA SEED III			5
SCALE LEAP CAPITAL			7
SINTEF IV B			13
SINTEF VENTURE V			48
SINTEF VI			5

NOK MILLIONS	Organisation number	Volume	Market value
SK CAPITAL CATALYST II			19
SK CAPITAL VI			163
SK CATALYST I			100
SKAGERAK MATURO V			21
SNO FUND II			34
SNO TRUE NORTH			83
SOFINNOVA CAPITAL VII			50
SOFINNOVA CAPITAL VIII			130
SONDO FUND I			13
SPECIAL SITUATIONS VENTURE PARTNERS III			6
SUMMA EQUITY III			48
SUMMA EQUITY FUND II			157
SVB Capital Partners IV			259
SVB CAPITAL PARTNERS VI			14
SVB SIF IX			148
SVB SIF VIII			218
SVB SIF XI			42
SVB Sprout Endurance Partner			358
SVB SPROUT ENDURANCE PARTNERS II			7
SVB Strategic Investor Fund X			202
Synova Capital Fund IV LP			250
SYNOVA V			17
TDR CAPITAL III B			450
TENZING BELAY I			53
TENZING PRIVATE EQUITY FUND I LP			250
Tenzing Private Equity Fund II			341
TENZING PRIVATE EQUITY FUND III			0
THOMABRAVO DISCOVERY III			172
THOMABRAVO DISCOVERY IV			88
THOMABRAVO EXPLORE II			0
THOMABRAVO GROWTH I			86
THOMABRAVO XIII			433
THOMABRAVO XIV			487
THOMABRAVO XV			279
TRITON FUND III			14
VENDIS CAPITAL III			282
VEP SPECIAL SITUATIONS FUND 2			16
VEP SPECIAL SITUATIONS FUND 3			207
VERDANE CAPITAL VI KS			5
WATERLAND IX			0
WATERLAND PRIVATE EQUITY FUND VII			629
WATERLAND PRIVATE EQUITY FUND VIII			553
WYNNCHURCH CAPITAL PARTNERS V			260
XENON Private Equity VI			56
21 INVEST FRANCE			30
TOTAL PRIVATE EQUITY AND REAL ESTATE FUNDS			**34 936**
ALTERNATIVE INVESTMENTS IN SHARES			
SPESIALFONDET KLP ALFA GLOBAL ENERGI S			2 511
TOTAL ALTERNATIVE INVESTMENTS IN SHARES			**2 511**
INFRASTRUCTURE FUNDS			
CIP ATKL BRASILIANA K/		1 173 373	31
CIP IV US AIV NON-QFPF K/S		72 901 352	325
COPENHAGEN INFRASTR. PARTNERS III AIV NON-QFPF K/S		821 250 537	456
COPENHAGEN INFRASTRUCTURE II US AIV NON-QFPF K/S		331 802 972	289
COPENHAGEN INFRASTRUCTURE NEW MARKETS FUND I K/S		98 826 627	281
COPENHAGEN INFRASTRUCTURE PARTNERS II K/S (non-US)		1 157 752 526	668

NOK MILLIONS	Organisation number	Volume	Market value
COPENHAGEN INFRASTRUCTURE V FEEDER SCA SICAV-RAIF		150 000 000	0
COPENHAGEN INFRASTUCTURE PARTNERS III A K/S		391 504 147	670
COPENHAGEN INFRASTUCTURE PARTNERS III K/S		1 261 980 805	368
COPENHAGEN INFRASTUCTURE PARTNERS IV K/S		72 901 352	457
HITECVISION NEF		50 000 000	437
HV STORM CO-INVEST		25 000 000	304
INFRASTRUCTURE ALLIANCE EUROPE 1 SCSP		180 584 897	2 309
INFRASTRUCTURE ALLIANCE EUROPE 2 SCSP		225 000 000	2 620
NEXTPOWER III LP		100 000 000	1 037
NEXTPOWER V		61 842 919	284
PARETO SOLAR FUND		200 000 000	7
QUINBROOK INFRASTRCT 3-NET ZERO POWER FUND LP SCSP		200 000 000	965
QUINBROOK NZPF CO-INVEST		225 000 000	999
SILVESTICA GREEN FOREST AB		150 000 000	2 237
SILVESTICA GREEN FOREST II		27 500 000	342
WIND FUND I AS		160 000 000	666
TOTAL INFRASTRUCTURE FUNDS			**15 752**
TOTAL INVESTMENTS			**220 175**

SHARES AND UNITS DISTRIBUTION BY PORTFOLIO	Common portfolio	Investment option portfolio	Corporate portfolio	Total
SHARES	70 923	0	0	70 923
LONG TERM SHARES	3 325	0	4	3 329
EQUITY FUND UNITS	91 634	1 090	0	92 724
PRIVATE EQUITY AND REAL ESTATE FUNDS	34 936	0	0	34 936
ALTERNATIVE INVESTMENTS	2 497	14	0	2 511
INFRASTRUCTURE FUNDS	15 752	0	0	15 752
TOTAL	**219 067**	**1 104**	**4**	**220 175**

PERCENTAGE UNITS STOCK MARKET LISTED	
SHARES NORWAY	72.1%
SHARES FOREIGN	100.0%
EQUITY FUND UNITS	0.0 %
ALTERNATIVE INVESTMENTS	0.0 %

Note 25 **Transactions with related parties**

All transactions with related parties are carried out on market terms and conditions. The exception is administrative services used across the Group. Costs for administrative services are allocated at actual cost in accordance with actual usage. All related parties are 100 percent owned subsidiaries.

NOK MILLIONS	2023	2022
INCOME STATEMENT ITEMS		
Purchase of asset management services from KLP Kapitalforvaltning AS	-115	-122
Purchase of asset management services from KLP Banken AS	-61	-58
Lease of office premises from KLP Huset AS	33	30
Sale of pension insurance/group life to subsidiaries	386	105
Net repayment administrative services	420	363
Total	**663**	**318**

NOK MILLIONS	31.12.2023	31.12.2022
BALANCE SHEET ITEMS [1]		
Net outstanding accounts to:		
KLP Skadeforsikring AS	83	93
KLP Forsikringsservice AS	1	1
KLP Kapitalforvaltning AS	37	25
KLP Eiendom AS	16	15
KLP Bank konsern	57	34
Total intercompany	**194**	**167**
KLP Huset AS, classified in the accounts as "Shares and holdings in property subsidiaries" (corporate portfolio)	149	159
KLP Eiendom AS, classified in the accounts as "Shares and holdings in property subsidiaries" (common portfolio)	11 243	8 553
KLP Eiendom AS, classified in the accounts as "Shares and holdings in property subsidiaries" (investment option portfolio)	50	39
Total intercompany receivables	**11 637**	**8 919**

[1] Net internal outstanding accounts include Group contribution items at the various companies.

Note 26 **Leases**

NOK MILLIONS	31.12.2023	31.12.2022
RIGHT-OF-USE ASSETS	**PROPERTY**	
Opening balance 01.01.	865	973
Depreciation	-108	-108
Deduction	-2	0
Closing balance 31.12.	**756**	**865**

NOK MILLIONS	31.12.2023	31.12.2022
LEASE LIABILITIES	**PROPERTY**	
Opening balance 01.01.	920	1 012
Repayments	-96	-92
Deduction	-2	0
Closing balance 31.12.	**822**	**920**

NOK MILLIONS	2023	2022
	PROPERTY	
Interest expense lease liabilities	21	24
Interest expense lease liabilities	**21**	**24**

Note 27 **Mortage loans and other lending**

NOK MILLIONS	Local government administration	State and local authority owned enterprises [1]	Employees, pensioners and similar	Private organizations and enterprises	Total 31.12.2023	Total 31.12.2022
Agder	4 656	264	2	95	5 017	4 224
Innlandet	7 447	78	196	149	7 870	7 102
Møre og Romsdal	4 432	240	88	118	4 878	5 119
Nordland	4 721	249	48	109	5 127	5 062
Oslo	445	0	1 486	243	2 175	2 155
Rogaland	2 650	141	185	236	3 212	3 155
Svalbard	207	0	0	0	207	72
Troms og Finnmark	4 960	876	349	172	6 358	6 071
Trøndelag	7 890	236	293	152	8 570	8 792
Vestfold og Telemark	3 230	246	62	247	3 786	3 876
Vestland	6 089	1 436	134	305	7 964	8 670
Viken	18 183	626	1 351	954	21 114	18 960
Foreign	0	0	5 059	0	5 059	5 352
Not allocated	120	0	0	0	120	18
Accrued interest	457	30	18	5	510	356
Total	**65 487**	**4 421**	**9 273**	**2 785**	**81 966**	**78 982**

[1] This category covers local authority business operations, as well as enterprises owned by central and local government

KLP has a lending portfolio of high-quality, with limited credit risk and historically very low losses. In the main KLP provides loans secured on housing with a loan-to-value ratio less than 80 percent, loans to local authorities and loans with government (central/local) guarantees. Lending secured through mortgages on housing amounts to NOK 3 billion. The sector diversification of KLP lending is very small, since a very high proportion of the loans are to the public sector. The concentration risk this suggests is however hardly realistic since the loans are covered by public sector guarantee, which involves an extremely low counterparty risk. In addition, KLP have a NOK 11 billion intra-group loan that is included in "Receivables on and securities issued by subsidiaries, associated enterprises and jointly controlled entities".

Note 28 **Transferred assets with restrictions**

TRANSFERRED ASSETS THAT ARE NOT DEDUCTED, AND RELATED LIABILITIES

All assets transferred are recognised in the financial position statement if KLP is still exposed to changes in the fair value of the assets.This applies to repurchase agreements and agreements concerning securities lending. Repurchase agreements are a form of borrowing with collateral whereby KLP sells securities with an agreement to repurchase those securities at a predetermined price. Cash received is recognised as a deposit (debt). Securities transferred in connection with repurchase agreements are not deducted in the financial position statement.

Agreements concerning securities lending are transactions whereby KLP lends securities to a counterparty and receives a commision for it. Since both repurchase agreements and securities lending result in the securities being returned to KLP, the risk of value changes rests with KLP. However, the securities are not available to KLP while being transferred. The securities still reported in the financial position statement, and related debt, are assessed at fair value.

ASSETS TRANSFERRED THAT ARE STILL CAPITALISED

NOK MILLIONS	31.12.2023	31.12.2022
REPURCHASE AGREEMENTS		
Certificates and bonds	0	0
Paid-in by credit institutions	6 172	0
SECURITIES LENDING		
Shares	2 421	1 958
Total assets transferred that are still capitalised	**8 593**	**1 958**

LIABILITIES RELATED TO THE ASSETS

NOK MILLIONS	31.12.2023	31.12.2022
REPURCHASE AGREEMENTS		
Certificates and bonds	6 170	0
Paid-in by credit institutions	0	0
SECURITIES LENDING		
Paid-in by credit institutions	0	0
Certificates and bonds	2 003	1 490
Shares	551	582
Total liabilities	**8 724**	**2 072**

All the assets in the table above are subject to resale or collateral with the counterparty. All the assets in the table above are subject to resale or collateral with the counterparty.

ASSETS TRANSFERRED THAT ARE NOT DEDUCTED, AND RELATED LIABILITIES

KLP receives collateral under reverse repurchase agreements and agreements concerning securities borrowing, which it is permitted to sell or pledge under the agreements. The transactions are carried out in accordance with standard agreements employed by the parties in the financial market.

In general, the agreements require additional security to be put up if the value of the securities fall below a predetermined level. According to the agreements, the recipient of the collateral has the unlimited right to sell or pledge the collateral in return for providing corresponding collateral on the date of settlement.

SECURITIES RECEIVED THAT ARE PERMITTED TO BE SOLD OR PLEDGED

NOK MILLIONS	31.12.2023	31.12.2022
REVERSE REPURCHASE AGREEMENTS		
Certificates and bonds	0	0
Of which sold or pledged	0	0
SECURITIES BORROWING		
Shares	0	0
Of which sold or pledged	0	0
Total assets transferred and still capitalised	**0**	**0**

Note 29 Subordinated loan capital and hybrid Tier 1 secureties

2023 NOK MILLIONS	Loan amount currency [2]	Loan amount NOK	Book value 31.12.2023	Due date
BORROWINGS [1]				
June 2015	EUR 294	2 530	3 361	2045
Total subordinated loan capital		**2 530**	**3 361**	
April 2004	JPY 15 000	984	1 434	Perpetual
Total hybrid tier 1 securites		**984**	**1 434**	
Total subordinated loan capital and hybrid Tier 1 securities		**3 513**	**4 795**	

2022 NOK MILLIONS	Loan amount currency [2]	Loan amount NOK	Book value 31.12.2022	Due date
BORROWINGS [1]				
June 2015	EUR 294	2 530	3 147	2045
Total subordinated loan capital		**2 530**	**3 147**	
April 2004	JPY 15 000	984	1 428	Perpetual
Total hybrid tier 1 securites		**984**	**1 428**	
Total subordinated loan capital and hybrid Tier 1 securities		**3 513**	**4 575**	

[1] Interest costs on the two subordinated loans were NOK 155 million (NOK 131 million) and NOK 75 million (NOK 72 million) for the hybrid tier 1 securities in 2023. Figures in brackets are 2022 figures.

[2] Amount in local currency (millions)

EUR 294

The interest on the loan is fixed at 4.25 per cent p.a. The loans was issued the 10th of June 2015 and is due in 2045. The loan can be redeemed by KLP after 10 years, and at every interest payment date that follows. The loan is currency hedged with EUR denominated bonds as shown in the table below. This arrangement is not subject to hedge accounting.

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JPY 15 000

The interest on the loan is fixed USD interest of 5.07 per cent p.a. The loan is perpetual but the Group has the right to redeem the loan on 28 April 2034. If KLP does not exercise its redemption right in 2034, the loan will switch to variable interest. The credit margin then increases by 1 percentage point to 6-month JPY LIBOR- interest + a margin of 3.30 per cent p.a. To hedge the interest and exchange risk associated with the loan a combined interest rate and currency swap has been agreed in which KLP pays 3-month NIBOR-interest + a margin of 2.65 per cent p.a. and receives USD-interest of 5.07 per cent p.a. This hedging arrangement is shown in Note 31.

2023 NOK MILLIONS	Nominal currency [2]	Acquisition cost NOK	Accrued interest	Unrealized currency	Book value 31.12.2023	Due date
Bonds	EUR 292	2 524	18	747	3 289	2025
Total hedging transactions		**2 524**	**18**	**747**	**3 289**	

2022 NOK MILLIONS	Nominal currency ²	Acquisition cost NOK	Accrued interest	Unrealized currency	Book value 31.12.2022	Due date
Bonds	EUR 292	2 524	16	540	3 081	2025
Total hedging transactions		**2 524**	**16**	**540**	**3 081**	

² Amount in local currency (millions)

Note 30 **Change in liabilities from financing activities**

NOK MILLIONS	31.12.2022	Cash flow from financing activities	Non-cash changes ¹	31.12.2023
Other subordinated loan capital	3 147	2	212	3 361
Hybrid Tier 1 securities	1 428	0	6	1 434
Total liabilities from financing activities	**4 575**	**2**	**218**	**4 795**

¹ Non-cash flow changes are mainly unrealized currency.

NOK MILLIONS	31.12.2021	Cash flow from financing activities	Non-cash changes ¹	31.12.2022
Other subordinated loan capital	3 000	1	146	3 147
Hybrid Tier 1 securities	1 604	0	-176	1 428
Total liabilities from financing activities	**4 604**	**1**	**-30**	**4 575**

¹ Non-cash flow changes are mainly unrealized currency.

Note 31 **Hedge accounting**

31.12.2023 NOK MILLIONS	Nominal value	Changed value in hedged risk	Book value
HEDGED OBJECT			
Hybrid tier 1 securities	-984	-450	-1 434
HEDGING INSTRUMENT			
Combined interest rate and currency swap (CIRCUS)	984	449	449
Hedge effectiveness as at 31.12.2023		100 %	
Hedge effectiveness thorugh the year		100 %	

31.12.2022 NOK MILLIONS	Nominal value	Changed value in hedged risk	Book value
HEDGED OBJECT			
Hybrid tier 1 securities	-984	-445	-1 428
HEDGING INSTRUMENT			
Combined interest rate and currency swap (CIRCUS)	984	465	465
Hedge effectiveness as at 31.12.2022		102 %	
Hedge effectiveness thorugh the year		102 %	

The hybrid Tier 1 securities loan is hedged against changes in interest rates and exchange rates through purchase of a combined interest rate and currency swap (CIRCUS). The hedging is recognized in accordance with the rules on fair value hedging. This means that the hedging is carried out by an external party, that a formal earmarking and documentation of the hedge relationship is entered into, as well is that it is expected to be very effective and that this is continuously reviewed, as well as that the recognition decided is carried out as described below. In practice the hedging involves a swap of currency terms (JPY 15 billion JPY against NOK 0.984 billion) and interest terms (fixed interest at 5.07 per cent against NIBOR +2.65 per cent) on the borrowing and the combined interest and currency swap respectively. The hedge effectiveness is measured by looking at the change in fair value of the hedged object and the hedging instrument.

The main purpose of this hedging arrangement is to minimize currency- and interest rate risk on the payments related to the hedged object. The hybrid Tier 1 security (hedged object) is issued in Japanese Yen with fixed interest rate terms. KLP is exposed to changes (volatility) in the Japanese currency against the Norwegian currency, as well as changes in the fixed interest rate compared to the floating interest rate.

If the Japanese Yen (JPY) exchange rate increases compared to the Norwegian Krone (NOK), it becomes more expensive for KLP to make payments on the principal/interest of hybrid Tier 1 security without any hedging agreement. The hedging instrument (CIRCUS) involves KLP swapping currency terms (from JPY to NOK), thereby reducing currency risk/volatility. The same applies to interest rates, where KLP has committed to paying a fixed interest rate on the loan. To avoid that the gap between the fixed interest rates and floating interest rates becomes too large, the interest rate swap component of the hedging instrument ensures that KLP pays a floating interest rate to receive a fixed interest rate equivalent to the payment obligation.

Fair value hedging means that the hedged value development of the hedged object is recognized through profit or loss. Correspondingly the value change on the hedging instrument is recognized through profit or loss. The aim of the hedging arrangement above is to hedge the hedged object with a hedging instrument in which the hedging instrument's terms give negative correlation in relation to the hedged object: this significantly reduces or eliminates the effect on income. If the hedging ratio is 100 per cent the net effect on income of the hedged object and the hedging instrument will be 0.

KLP uses hedging widely but the majority of instances are ordinary financial hedging. The above item is the only one in which hedge accounting is used. The aim of financial hedging is the same, i.e. to reduce or eliminate the effect on income the hedged part of the hedge relationship represents.

Refer to note 2 for the Group for a more detailed description of the hedge accounting in the accounts.

Note 32 Presentation of assets and liabilities that are subject to net settlement

31.12.2023 NOK MILLIONS					Related amounts not presented net		
	Gross financial assets/ liabilities	Gross assets/ liabilities presented net	Book value	Financial instruments	Security in cash	Security in securities	Net amount
ASSETS							
Financial derivates	10 365	0	10 365	-1 077	-6 716	-2 755	149
Total	**10 365**	**0**	**10 365**	**-1 077**	**-6 716**	**-2 755**	**149**
PORTFOLIO ALLOCATION OF ASSETS							
Total assets – common portfolio	9 814	0	9 814	-1 076	-6 114	-2 755	100
Total assets – corporate portfolio	527	0	527	0	-578	0	32
Total assets – investment option portfolio	24	0	24	-1	-23	0	17
Total	**10 365**	**0**	**10 365**	**-1 077**	**-6 716**	**-2 755**	**149**
LIABILITIES							
Financial derivates	1 139	0	1 139	-1 077	-62	-5	0
Total	**1 139**	**0**	**1 139**	**-1 077**	**-62**	**-5**	**0**
PORTFOLIO ALLOCATION OF LIABILITIES							
Total liabilities – common portfolio	1 137	0	1 137	-1 076	-62	-5	0
Total liabilities – corporate portfolio	0	0	0	0	0	0	0
Total liabilities – investment option portfolio	1	0	1	-1	0	0	0
Total	**1 139**	**0**	**1 139**	**-1 077**	**-62**	**-5**	**0**

31.12.2022 NOK MILLIONS					Related amounts not presented net		
	Gross financial assets/ liabilities	Gross assets/ liabilities presented net	Book value	Financial instruments	Security in cash	Security in securities	Net amount
ASSETS							
Financial derivates	4 628	0	4 628	-1 228	-2 667	-667	366
Total	**4 628**	**0**	**4 628**	**-1 228**	**-2 667**	**-667**	**366**
PORTFOLIO ALLOCATION OF ASSETS							
Total assets – common portfolio	4 164	0	4 164	-1 225	-2 124	-667	360
Total assets – corporate portfolio	455	0	455	0	-512	0	0
Total assets – investment option portfolio	9	0	9	-2	-31	0	6
Total	**4 628**	**0**	**4 628**	**-1 228**	**-2 667**	**-667**	**366**
LIABILITIES							
Financial derivates	1 387	0	1 387	-1 228	-88	-211	64
Total	**1 387**	**0**	**1 387**	**-1 228**	**-88**	**-211**	**64**
PORTFOLIO ALLOCATION OF LIABILITIES							
Total liabilities – common portfolio	1 321	0	1 321	-1 225	-42	-211	0
Total liabilities – corporate portfolio	60	0	60	0	-25	0	60
Total liabilities – investment option portfolio	6	0	6	-2	-21	0	3
Total	**1 387**	**0**	**1 387**	**-1 228**	**-88**	**-211**	**64**

The purpose of this note is to show the potential effect of netting agreements at KLP; what possibilities KLP has to net bilateral agreements against other counterparties should the latter go bankrupt and the remaining amount if all such netting agreements are materialized. The note shows derivative positions in the financial position statement, and one additional table with information on the different portfolios in the company.

Note 33 **Other liabilities**

NOK MILLIONS	31.12.2023	31.12.2022
Accounts payable	23	18
VAT and tax deductions due	610	553
Other payable	2	5
Non-settled securities trade	729	852
Total other liabilities	**1 364**	**1 428**

Note 34 **Contigent liabilities**

NOK MILLIONS	31.12.2023	31.12.2022
Guarantee liability	2	2
Committed, not subscribed investment in private equity and property funds	27 349	27 889
Approved, not paid out KLP loan pledge	1 543	1 360
Total contingent liabilities	**28 895**	**29 251**

Note 35 **Number of employees**

	2023	2022
Number of permanent employees 31.12.	644	626
Number of temporary employees 31.12.	18	37
Total number of employees 31.12.	**662**	**663**
Number of full time equivalents permanent employees	632	610
Number of full time equivalents temporary employees	5	14
Total number of full time equivalents	**637**	**624**

Note 36 **SCR ratio**

The Solvency II balance sheet includes assets and liabilities at fair value. For assets that have a different value in the accounts change in balance value are added. There are no observable market values for KLP's insurance liabilities, which are thus calculated by way of a best estimate based on actuarial assumptions. In addition there is a risk margin that is to reflect a third party's capital costs by taking over these liabilities.

Tier 1 own funds appears from the Solvency II balance sheet and Hybrid Tier 1 securities. Tier 2 own funds consist of subordinated loans, the risk equalization fund and ancillary own funds. The Financial Supervisory Authority of Norway has accepted that KLP's right to call in further member contribution if necessary, which is laid down in the Company's articles of association, can be counted as ancillary own funds, the amount corresponding to 2.5 per cent of the Company's premium reserve. Capital that may be included in Tier 2 own funds is limited upwards to 50 per cent of SCR.

Without the use of the transitional measure on technical provisions the Company's SCR ratio is 346 per cent, which is well over the Company's target of at least 150 per cent. With the transitional measure on technical provisions the SCR ratio is 346 per cent.

	31.12.2023	31.12.2022
SOLVENCY II-SCR RATIO	**346 %**	**318 %**

NOK BILLIONS	31.12.2023	31.12.2022
SIMPLIFIED SOLVENCY II FINANCIAL POSITION STATEMENT		
Assets, book value	786	709
Added values - hold-to-maturity portfolio/loans and receivables	-9	-12
Added values - other lending	-1	-2
Other added/lesser values	0	0
Deferred tax asset	0	0
Total assets - solvency II	**776**	**695**

NOK BILLIONS	31.12.2023	31.12.2022
SIMPLIFIED SOLVENCY II FINANCIAL POSITION STATEMENT		
Best estimate	702	629
Risk margin	11	12
Hybrid Tier 1 securities/Subordinated loan capital	5	5
Other liabilities	12	8
Deferred tax liabilities	0	0
Total liabilities - solvency II	**731**	**653**
Excess of assets over liabilities	45	42
- Deferred tax asset	0	0
- Risk equalization fund	-4	-5
+ Hybrid Tier 1 securities	1	1
Tier 1 basic own funds	**42**	**39**
Total eligible tier 1 own funds	**42**	**39**
Subordinated loans	3	3
Risk equalization fund	4	5
Tier 2 basic own funds	**7**	**8**
Ancillary own funds	14	13
Tier 2 ancillary own funds	**14**	**13**
Deduction for max. eligible tier 2 own funds	-14	-13
Total eligible tier 2 own funds	**7**	**7**
Deferred tax asset	0	0
Total eligible tier 3 own funds	**0**	**0**
Eligible own funds to meet the solvency capital requirement	**50**	**46**
Market risk	142	110
Counterparty risk	3	3
Life risk	113	95
Diversification	-55	-44
Operational risk	3	3
Loss absorbing capacity of technical provisions	-191	-149
Loss absorbing capacity deferred tax	-1	-2
Solvency capital requirement (SCR)	**14**	**15**
Absolute floor of the MCR	0	0
Linear minimum capital requirement (MCR_linear)	4	5
Minimum	4	4
Maximum	6	7
Minimum capital requirement (MCR)	**4**	**5**
Eligible own funds to meet the minimum capital requirement	**43**	**40**
Solvency II -SCR ratio	**346 %**	**318 %**

To the General Meeting of Kommunal Landspensjonskasse gjensidig forsikringsselskap

Independent Auditor's Report

Opinion

We have audited the financial statements of Kommunal Landspensjonskasse gjensidig forsikringsselskap, which comprise:

- the financial statements of the parent company Kommunal Landspensjonskasse gjensidig forsikringsselskap (the Company), which comprise the financial position statement as at 31 December 2023, the income statement, changes in owner's equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Kommunal Landspensjonskasse gjensidig forsikringsselskap and its subsidiaries (the Group), which comprise the financial position statement as at 31 December 2023, the income statement, changes in owner's equity and statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 18 years from the election by the general meeting of the shareholders in 2006 for the accounting year 2006.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The business has essentially been unchanged compared to last year. With the exception of the introduction of IFRS 17, there have been no regulatory changes, transactions or events of significant importance for the 2023 annual accounts that have derived new focus areas.

Key Audit Matters	How our audit addressed the Key Audit Matter
Implementation of IFRS 17 (group) Implementation of "IFRS 17 Insurance contracts" represents a significant change in accounting practice. The standard introduces new models for measurement, presentation, and notes to the financial statements. We focused on the implementation of IFRS 17 due to the complexity and significant judgment involved in the use of the standard, and the significant impact the standard has on the Group's financial statements and processes. For a more detailed description of the effects and management's assessments when implementing IFRS 17, we refer to note 2.1.1, 2.2, 3.1.1, 3.2 and 4 to the consolidated financial statements.	We carried out, among others, the following audit procedures: • Gained an understanding of the company's process for the implementation of IFRS 17, including relevant changes in the company's systems. • Reviewed and assessed management's application of new accounting principles, assumptions and methods, including management's judgmental assessments. • Assessed and tested the design and effectiveness of the controls implemented by management in connection with the recognition and subsequent measurement of insurance contracts according to IFRS 17. Our testing included controls related to, among others, data collection, calculations and application of assumptions and methods. Where relevant, we used our own experts. Our audit procedures did not reveal significant deviations. We assessed and found that the note information on the implementation effect of IFRS 17 was fair.
Insurance provisions in life insurance IFRS 17 (Group) We focused on the valuation of the insurance liabilities because these are significant estimates in the financial statements. The estimates involve complex judgments of several factors to estimate future cash flows. Minor adjustments to the assumptions can have a significant impact on the size of the estimates. The calculation of the insurance liabilities depends to a large extent on accurate data quality in the insurance system and the application of assumptions that are in line with the accounting rules in IFRS 17. See note 4 to the consolidated accounts where the management gives a more detailed description of	In our audit, we assessed and tested the design and effectiveness of established controls that ensure good data quality when calculating the best estimate of insurance liabilities, and established controls for quality assurance of applied assumptions. We found that we could rely on these controls in our audit. Furthermore, we investigated whether the management had established controls that ensured complete and accurate stock data, including controls for data collection, data processing and interfaces to the upstream systems. We assessed and challenged management's use of assumptions and methods, including management's judgements. The assessments included assessments of the discount rate and cash flows. By involving our own actuaries, we

the insurance provisions, assumptions, and estimation uncertainty.

have, on a sample basis, performed our own calculations of selected parts of the provisions.

We assessed and found that the information in the notes about the insurance provisions was fair.

Valuation of investment property (Group)

The Group has investment property which mainly consists of office, hotel, and commercial property. We focused on the valuation of investment property because this represents an estimate, and because investment property represents a substantial part of the Group's balance sheet.

Valuation of investment properties at fair value is performed using the Group's internal valuation model where estimated future cash flows are discounted to present value. The valuation model involves the use of management's judgment when determining, among other things, expected future cash flows and discount rate. Management considers reasonableness of their own estimates by obtaining valuations from external valuers for a sample of properties.

For a more detailed description of investment property, the method used and the assumptions underlying the valuation, see notes 2.4 and 3.2,2 to the consolidated financial statements.

In our audit, we assessed and tested the design and effectiveness of established controls for quality assurance of used assumptions and calculation methods, including the company's internal valuation of investment property. We found that routines had been established which ensured that these elements were regularly checked against both external valuations and market data. The controls we chose to build on worked effectively.

We obtained, read, and understood the internal valuation model. We concluded that the model contains the elements required by the accounting regulations and is therefore appropriate for use in determining the fair value of the Group's investment property. We rechecked and found that the model made mathematically correct calculations.

In our assessment of the valuations, we challenged the assumptions used for expected future cash flows and return requirements by comparing them against information from relevant internal and external sources for a selection of properties. We found that the assumptions agreed well with information from relevant sources.

We compared the internal value determinations against the external valuers' estimates of values for selected properties. We challenged management on significant deviations and obtained explanations for deviations. We considered the explanations to be reasonable. We also assessed the valuers' qualifications, competence, and objectivity.

We assessed and found that the note information on investment property was fair.

Valuation of financial assets at fair value

We focused on this area both because financial assets at fair value represents a substantial part of the assets in the balance sheet and because the market value in certain instances will have to be estimated using valuation models that involves judgment.

The majority of the financial assets measured at fair value through profit or loss is traded in an

In our audit, we considered the design and tested the effectiveness of established controls over the valuation of financial assets at fair value. Particularly we focused on those controls that ensured complete and accurate use of market prices and other observable master data and return on investment controls. The controls that we elected to base our audit on worked effectively.

active market or is derived from observable market information. Routines and processes that ensures an accurate basis for the valuation is important for these assets. For financial assets that are measured based on models and on certain assumptions that are not directly observable, we focused on both the models and the assumptions underlying the valuation.

See note 25 to the consolidated financial statements for a description of the valuation of financial assets measured at fair value over profit or loss.

For financial assets that are measured using models and assumptions that are not directly observable, we assessed the valuation principles, models and assumptions that were used. We found that the models and assumptions were reasonable and used consistently.

For a selection of investments, we also tested whether the fair value was consistent with external sources. Where relevant, we evaluated the reliability of the sources used. Our tests did not reveal significant deviations.

We assessed and found that the note information on the Group's valuation principles and fair value determination was fair.

Technical provisions in life insurance in accordance with Regulations on annual accounts for life insurance companies (parent entity)

We focused on the valuation of insurance provisions because it represents a significant estimate in the financial statements requiring complex assessments of future events.

There is an inherent risk related to whether the provisions are sufficient to cover the future obligation to the policyholders.

The calculation of the technical provisions will largely depend on good data quality in the insurance system and the use of assumptions that are in line with the accounting rules in regulations on annual accounts for life insurance and relevant industry standards.

See also notes 2.2, 4.1 and 9 to the parent entity financial statements for a more detailed description of the calculation of technical provisions.

In our audit, we assessed the design tested the effectiveness of established controls that ensure good data quality that forms the basis for the calculation of technical provisions within life insurance. We assessed whether the management had established effective controls that ensured complete and accurate policy data, including controls around data acquisition, data processing and sub-ledger interfaces.

We assessed the design and tested effectiveness of established internal controls for quality assurance of assumptions and calculation methods applied. We concluded that we could rely on these controls as part of our audit.

We assessed and challenged the management's use of key assumptions that formed the basis for the estimate of the technical provisions. We used our own actuaries in parts of this work.

We assessed and found that the information in the notes about the technical provisions was fair.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Oslo, 20 March 2024
PricewaterhouseCoopers AS

Stig Lund
State Authorised Public Accountant
Note: This translation from Norwegian has been prepared for information purposes only.

The Corporate Assembly's statement

Contact information

information

KLP

Kommunal Landspensjonskasse gjensidig forsikringsselskap

Pb. 400 Sentrum, 0103 Oslo

Org. nr.: 938 708 606

Visitors adress

Dronning Eufemias gate 10, Oslo

klp.no

Tlf: 55 54 85 00

klp.no/kontakt