Presentation of
Financial Results Q4-2006

5 March 2007

(Preliminary and unaudited annual accounts 2006)

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Results 2006

- Value adjusted results, NOK 7.1 bn (7.1 bn)
- Booked results NOK 5.1 bn (3.7 bn)
- Value adjusted return 7.6 per cent
- Booked return 6.6 per cent
- Net financial revenue for the year NOK11.7 bn (11.2 bn)
- Total assets NOK 176.2 bn, growth rate 12.5 per cent
- Operating expenses 0.36 per cent of average total assets

Figures in brackets= preceding year

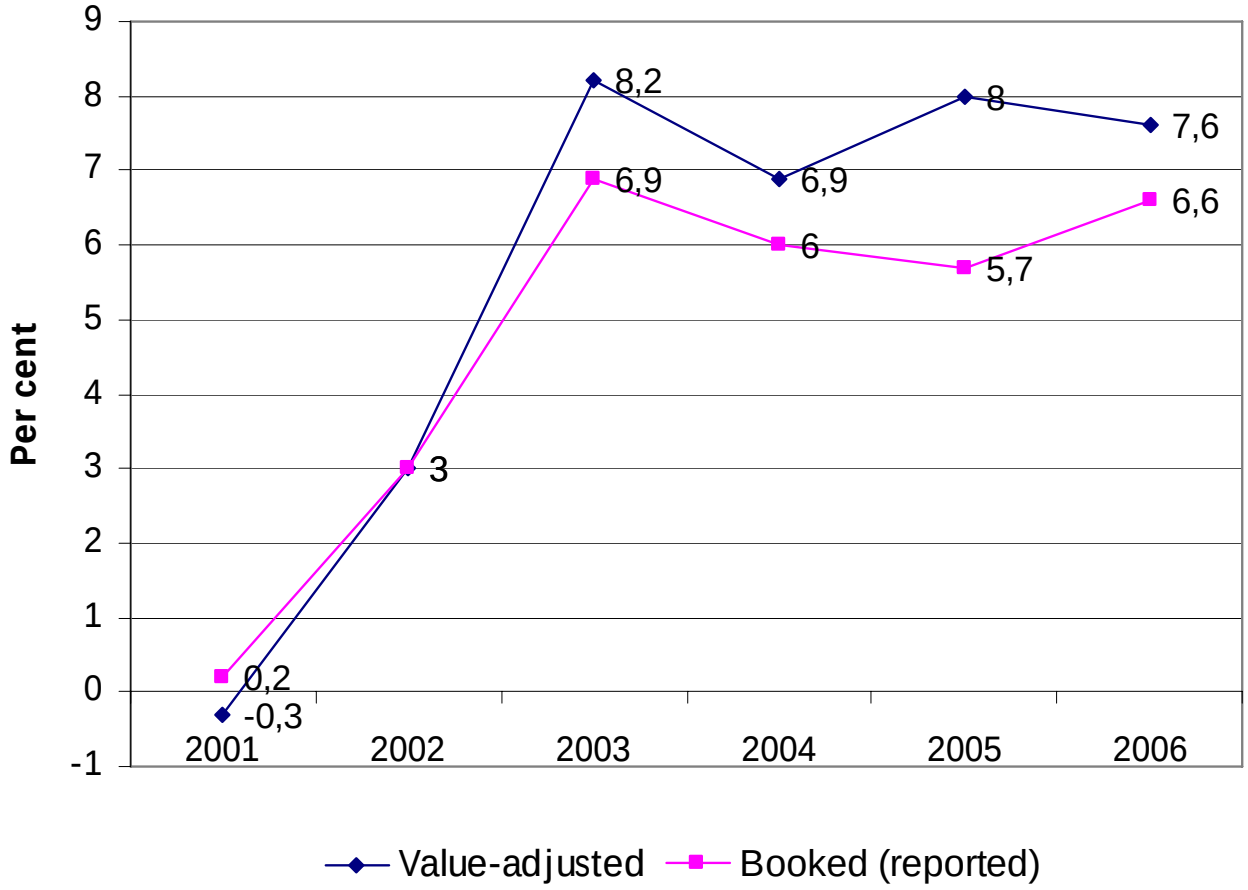
Main features of Q4-2006

- Value adjusted results NOK 3.7 bn (2.6 bn) or 3.2 per cent
- Booked results NOK 2.7 bn (1.5 bn), or 2.6 per cent
- Net financial income of NOK 5.0 bn (3.7 bn)
- Total assets NOK 176.2 bn, a growth of 6.3 per cent forth quarter

Profit performance 2006

Profit *mill NOK*	Q1	Q2	Q3	Q4	Acc. 2006
Ordinary premiums	2 198	2 215	2 573	2 344	9 330
Index premiums				5 964	5 964
Net transfers	-1 645	3	-273	-12	-1 928
Net financial income	3 226	-467	3 954	4 954	11 676
Claims	-1 449	-1 506	-1 551	-1 549	-6 056
Changes in insurance provisions	-68	-1 681	-1 775	-7 806	-11 329
Of which: net transfers	*1 645*	*3*	*213*	*12*	*1 868*
premium reserves	*-1 713*	*-1 684*	*-1 988*	*-7 817*	*-13 197*
Other	0	-1	0	-1	-2
Operating expenses	-134	-140	-129	-179	-591
Value adjusted result	2 127	-1 577	2 799	3 716	7 064
To(-)/from(+) security reserve fund	-1 044	1 181	-1 837	-978	-1 977
Profits before allocations	1 084	304	962	2 738	5 086

Booked (reported) and value-adjusted return



KLP INSURANCE

Return on capital 2006

Figures in percent	Q1	Q2	Q3	Q4	2006
Booked (reported)	1.5	0.9	1.5	2.7	**6.6**
Value-adjusted	2.1	-0.3	2.6	3.2	**7.6**
Value-adjusted incl. held to maturity bonds	1.4	-1.2	3.0	2.0	**5.2**

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Key figures – Profit and loss account

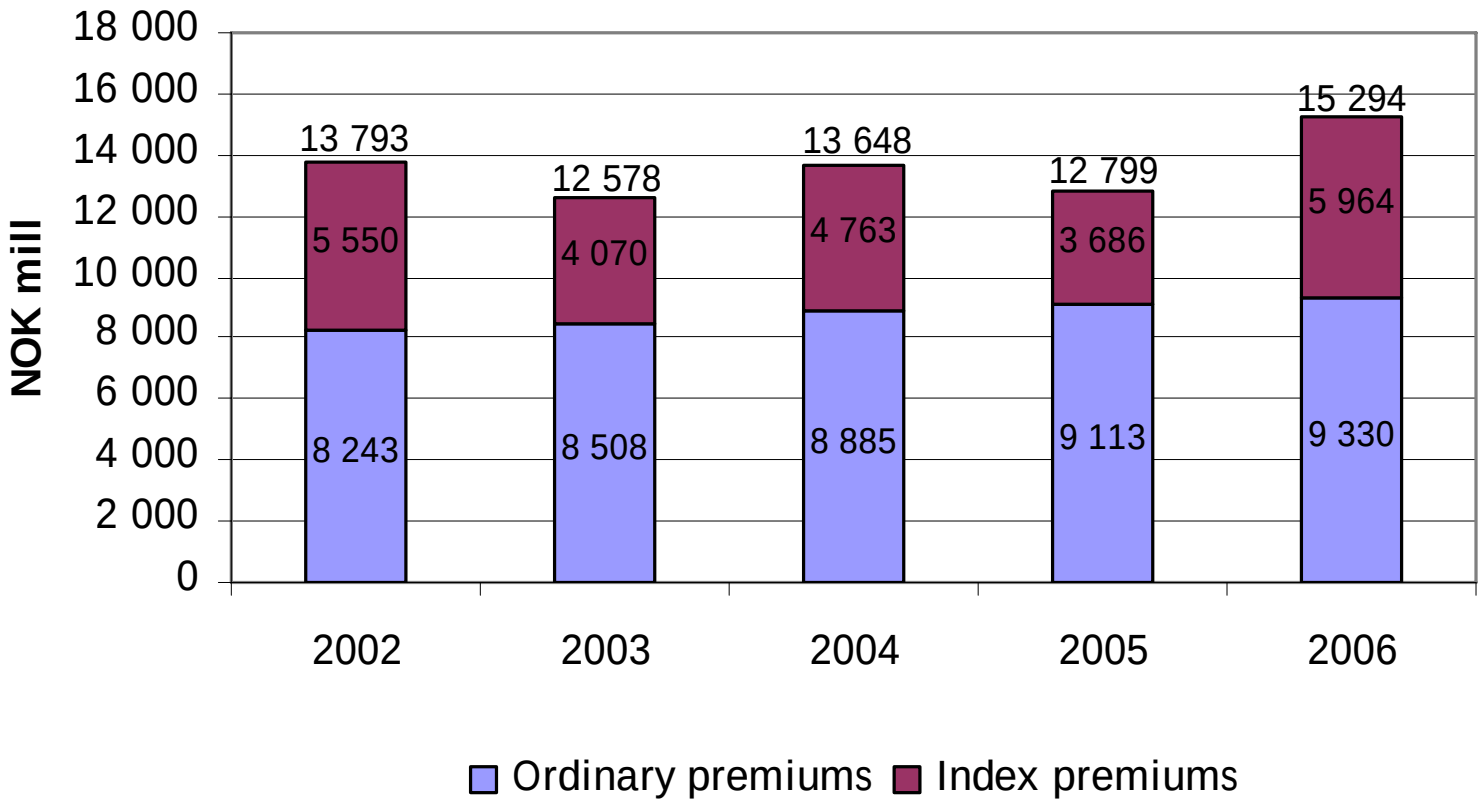
Result NOK million	4. Quarter 2006	4. Quarter 2005	Year 2006	Year 2005
Premium income	8 308	2 383	15 294	12 800
Net transfers	-12	35	-1 928	-914
Net financial income	4 954	3 655	11 676	11 243
Claims	-1 549	-1 569	-6 056	-5 866
Changes in insurance provisions	-7 806	- 1 769	-11 329	-9 673
Of which:net transfers	*12*	*- 35*	*1 868*	*898*
premium reserves	*-7 817*	*- 1734*	*-13 197*	*-10 571*
Other insurance related revenues and costs	-1	- 14	-2	-4
Reinsurance	0	0		-1
Operating costs	-179	- 153		-498
Tax expences				-1
Value adjusted result	3 716	2 568	7 064	7 086
To(-)/from(+) securities reserve fund	-978	- 1 077	-1 977	-3 361
Result before allocation	2 738	1 491	5 086	3 725

Allocations/distribution of profits

NOK mill	2003	2004	2005	2006
Results before allocations	2 396	3 183	3 726	5 086
To (+)/ from (-) supplementary reserves	1 750	1 121	1 278	1 349
Transfer to premium fund	469	1 919	2 310	3 568
Transfer to equity fund	177	143	137	169

Allocation of surplus for 2006 is provisional. The board assumes that approximately NOK 580 mill of the allocation to the premium fund will be called as equity contribution in 2007.

Premiums last 5 years



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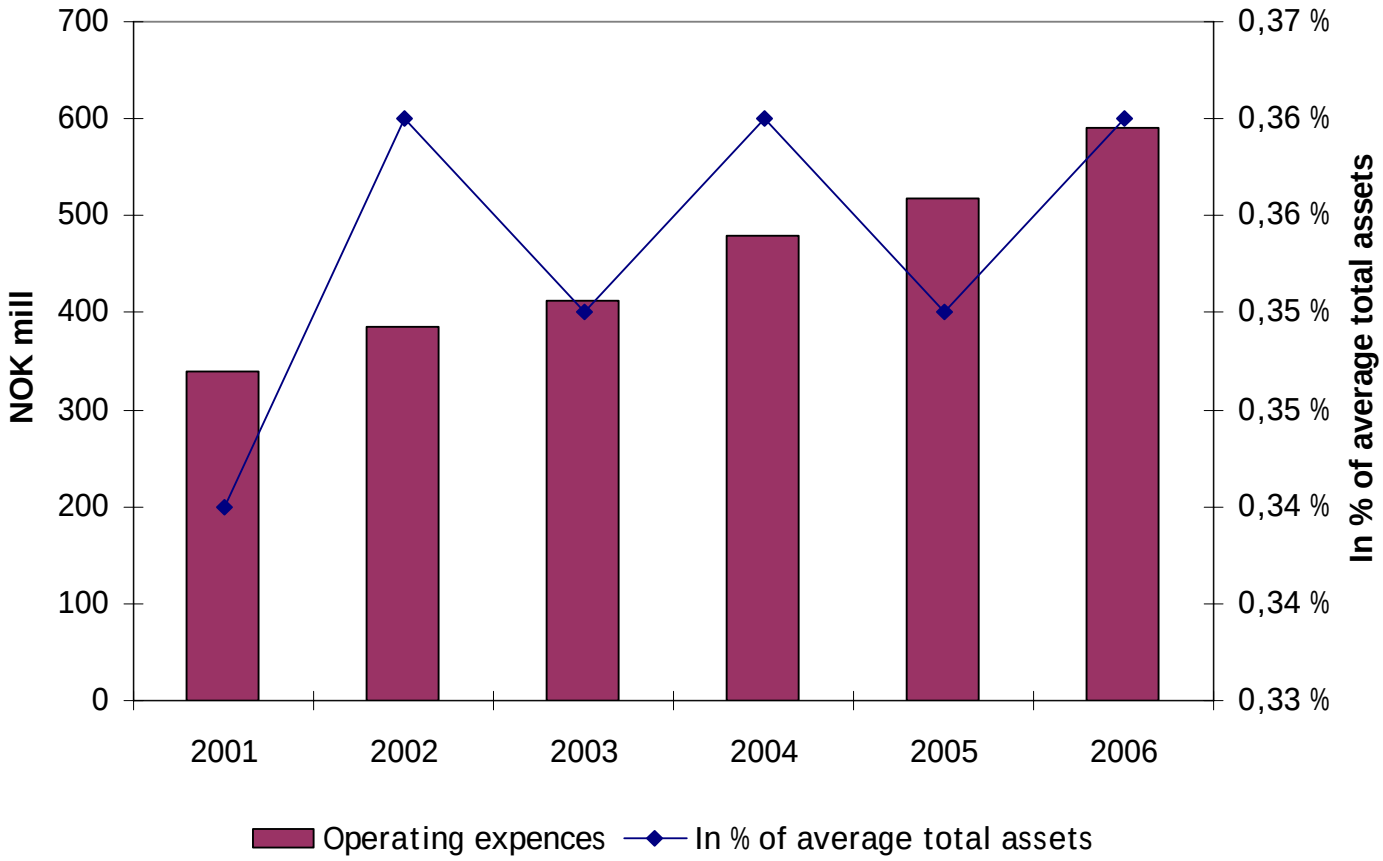
Operating expenses



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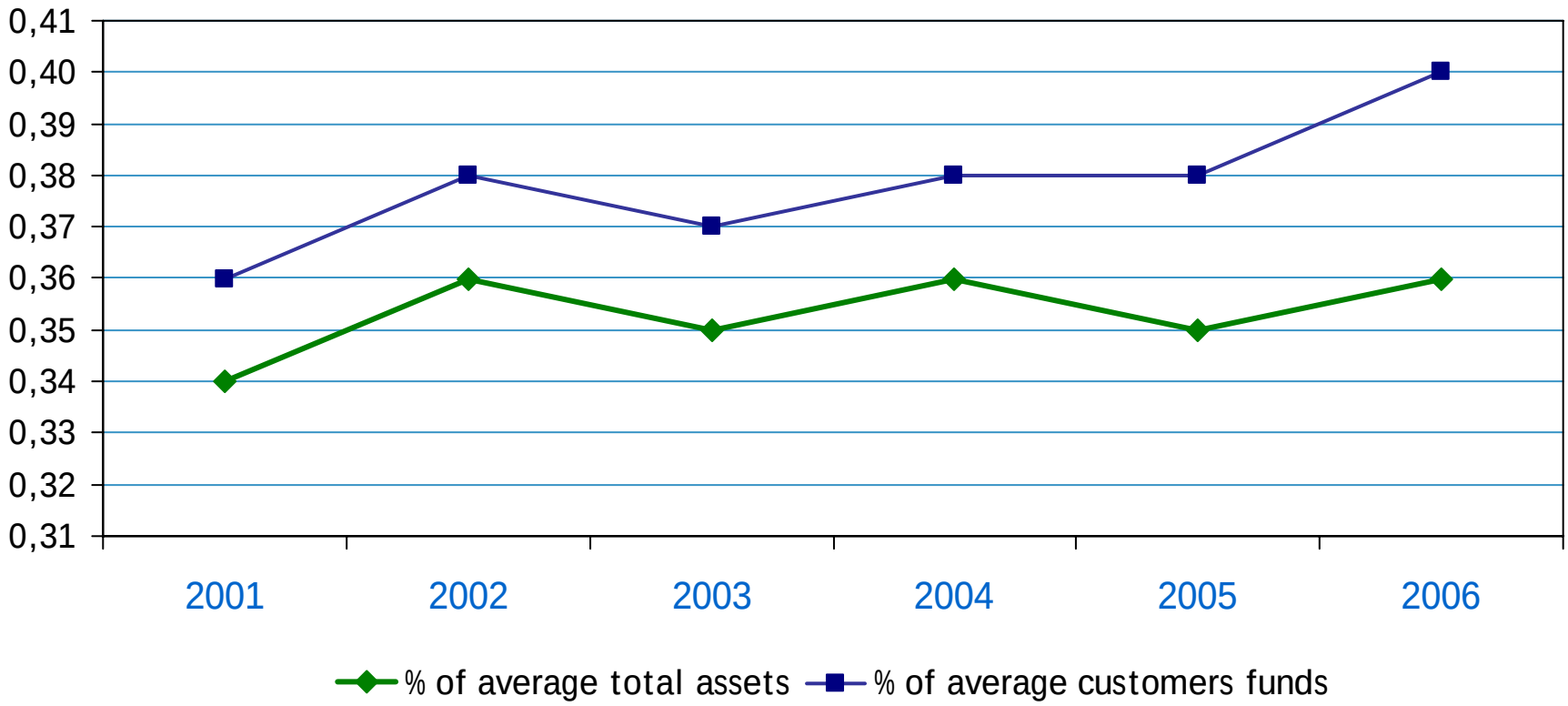
Operating expenses development
in per cent of assets



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Key figures – balance sheet

Assets *NOK mill*	31.12.03	31.12.04	31.12.05	31.12.06
Equities	10 281	18 036	28 643	39 682
Bonds	16 124	23 122	28 696	34 196
Money market instruments	3 035	7 298	7 234	1 877
Bonds held to maturity	59 524	52 766	52 767	59 346
Lending	17 594	16 324	15 331	14 677
Property	10 021	10 951	12 478	13 738
Other financial assets [1]	4 899	8 081	8 648	8 850
Other assets [2]	4 929	4 894	2 773	3 795
Total assets	126 408	141 472	156 571	176 160

1 Mainly short-term deposits

2 Incl. Premium receivables, interest earned, not due and reinsurance receivables (2003)

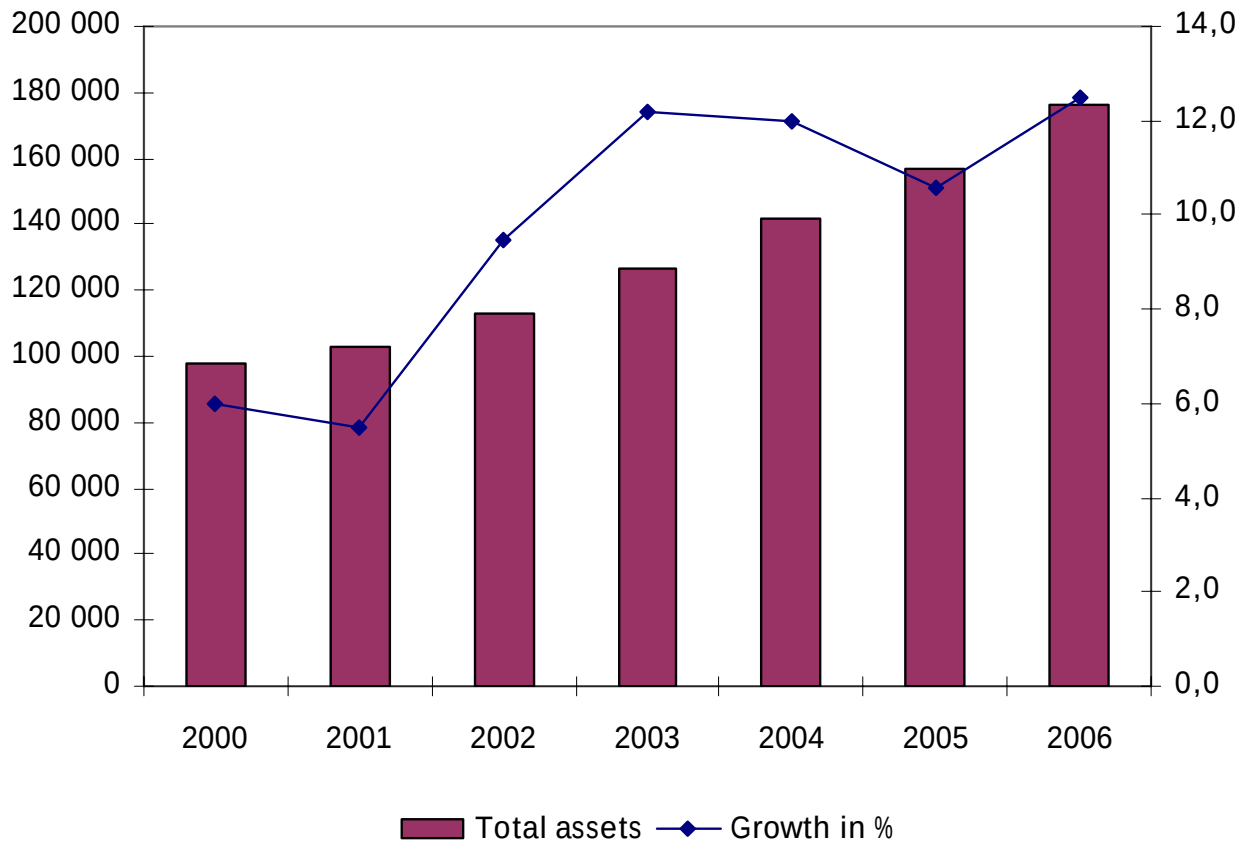
Key figures – balance sheet

Equity and liabilities NOK *mill*	31.12.03	31.12.04	31.12.05	31.12.06
Equity	3 868	4 408	5 094	5 836
Tier 1 capital	0	675	744	641
Subordinated loan capital	2 352	1 385	1 344	3 780
Securities adjustment fund	1 384	2 595	5 757	7 934
Insurance provisions	118 047	131 597	142 593	156 582
Of which: supplementary reserves	*2 924*	*4 031*	*5 288*	*6 572*
Other liabilities [1]	757	812	839	1 387
Total equity and liabilities	126 408	141 472	156 571	176 160

1 Composed of securities transactions in settlement, accruals, deferred costs, advance tax and pension obligations

Total assets and growth in per cent

Mill NOK



Financial assets – allocation and return

in percent	Ratio 31.12.03	Ratio 31.12.04	Ratio 31.12.05	Ratio 31.12.06	Return 2006
Equities *	8.5	13.2	18.6	23.0	17.1
Bonds	15.8	22.3	23.4	20.9	1.5
Bonds held to maturity	49.0	38.6	34.3	34.4	5.6
Lending	14.5	12.0	10.0	8.5	3.9
Property	8.2	8.0	8.1	8.0	14.8
Other financial assets	4.0	5.9	5.6	5.1	
Sum	*100*	*100*	*100*	*100*	
** Overall exposure to the equity market incl derivates*	*10.5*	*16.2*	*22.6*	*27.2*	

This table is an overview of financial assets. The statutory reported figures differ due to difference in classification

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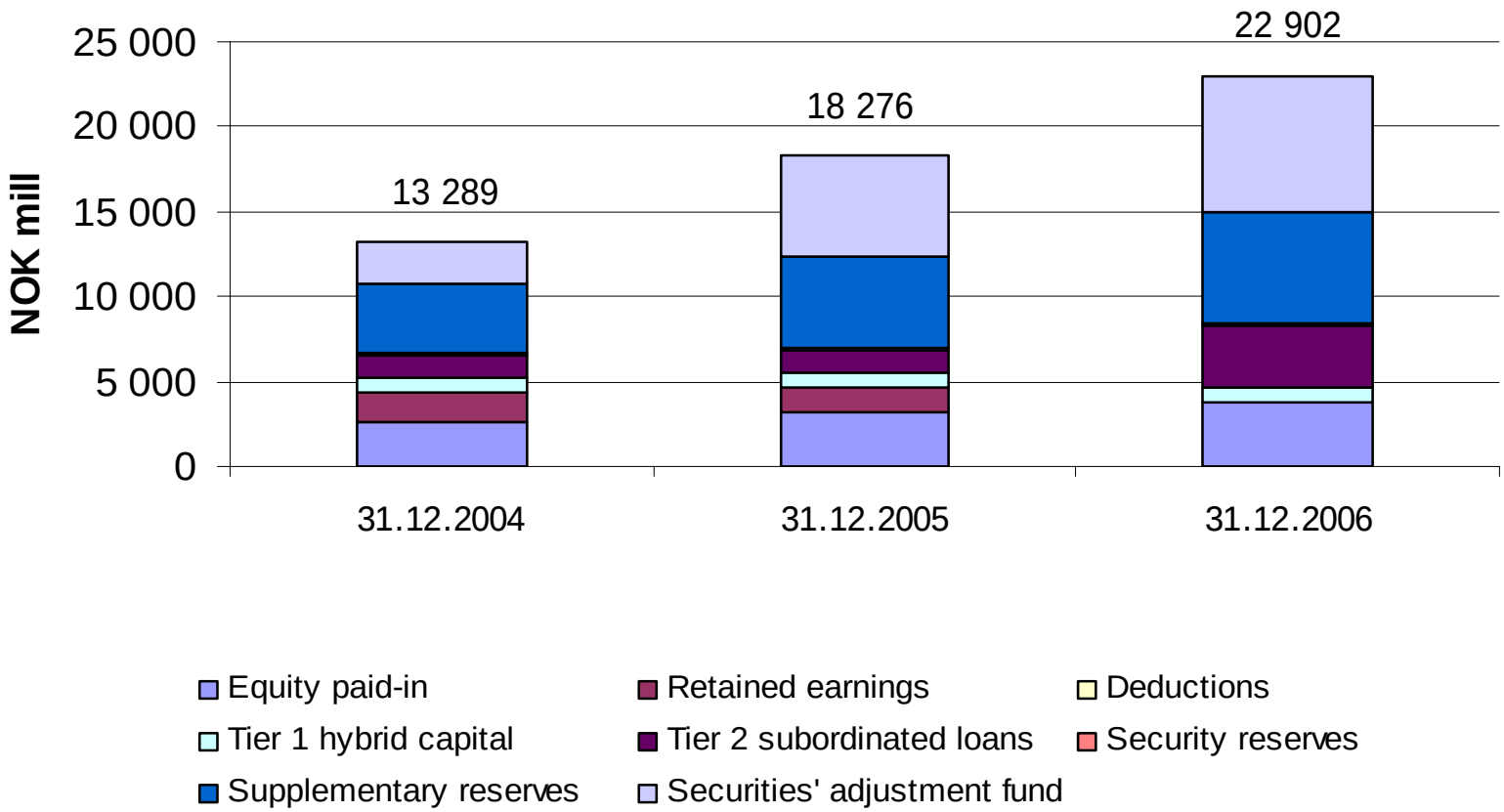
Financial solidity



KLP INSURANCE

Financial buffer capital

NOK million	31.12.05	31.12.06
Securities adjustment fund	5 957	7 934
Other buffer capital		
Supplementary reserves up to 1 year's guaranteed return and core capital margin	6 180	8 089
Regulatory Buffer Capital	12 137	16 023
Supplementary reserves in excess of 1 year's guarenteed return.	851	1 763
Valuation reserves bonds held to maturity	4 904	1 460

Per cent	31.12.05	31.12.06
Capital Adequacy Ratio	12.1	14.1
Solvency Margin	180.8	220.4

Valuation reserves, trading portfolios

Unrealised valuation reserves *NOK mill*	31.12.03	31.12.04	31.12.05	31.12.06
Bonds	338	414	340	31
Equities	610	1 695	5 312	7 805
Derivatives	424	468	265	61
Total unrealised valuation reserves	1 372	2 577	5 918	7 897
Bonds held to maturity	3 881	5 187	4 904	1 460

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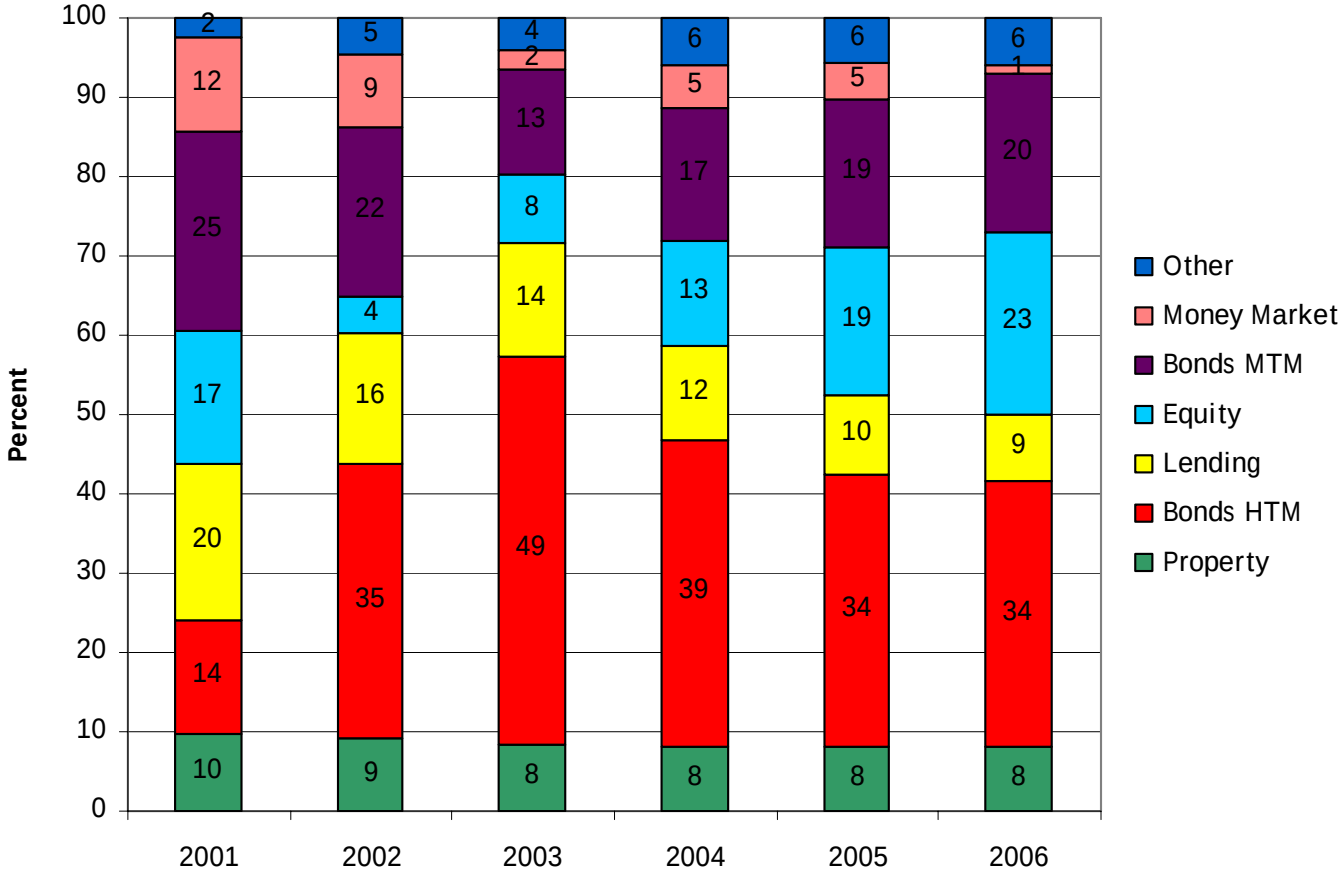
Allocation of financial assets
(in per cent of financial assets)



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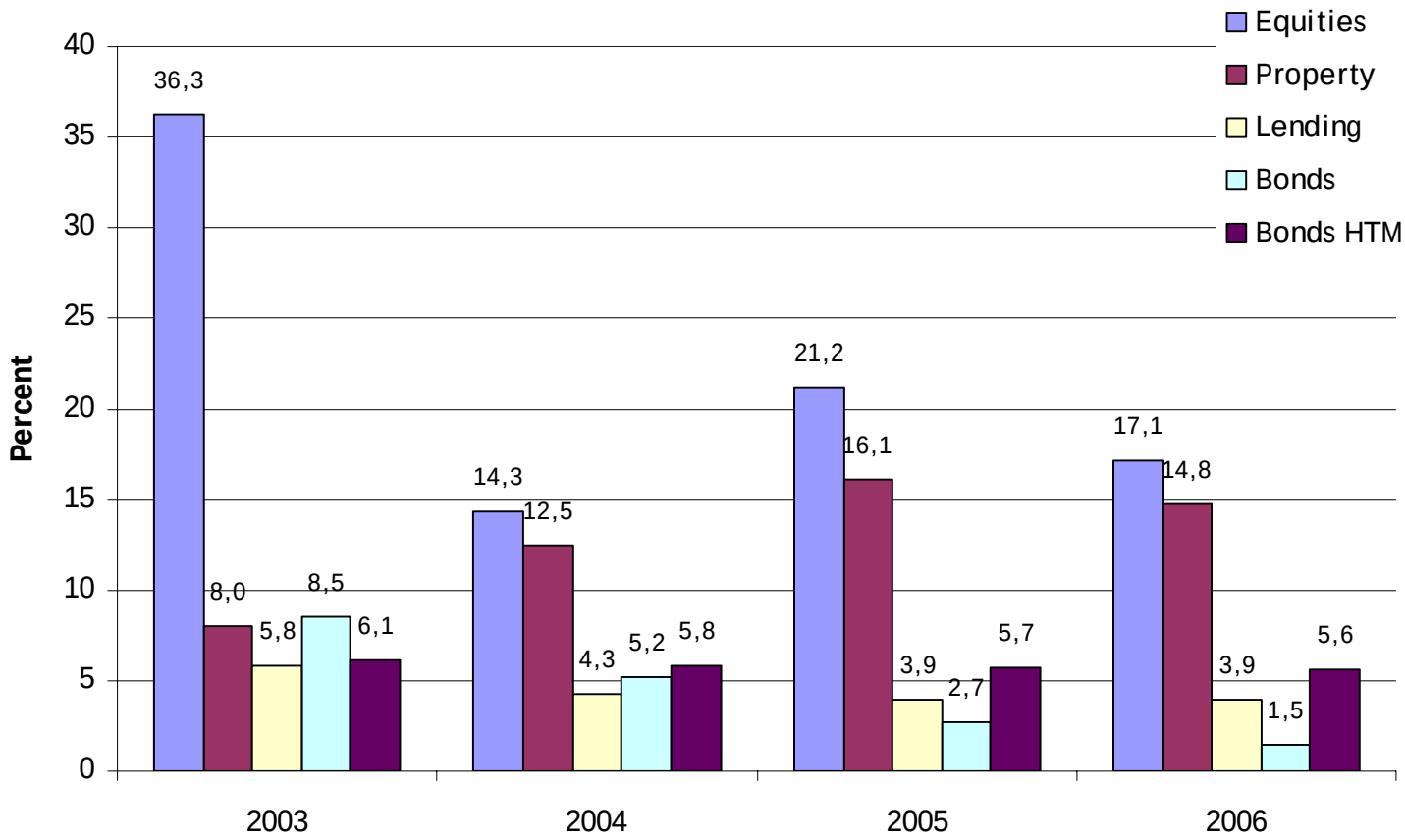
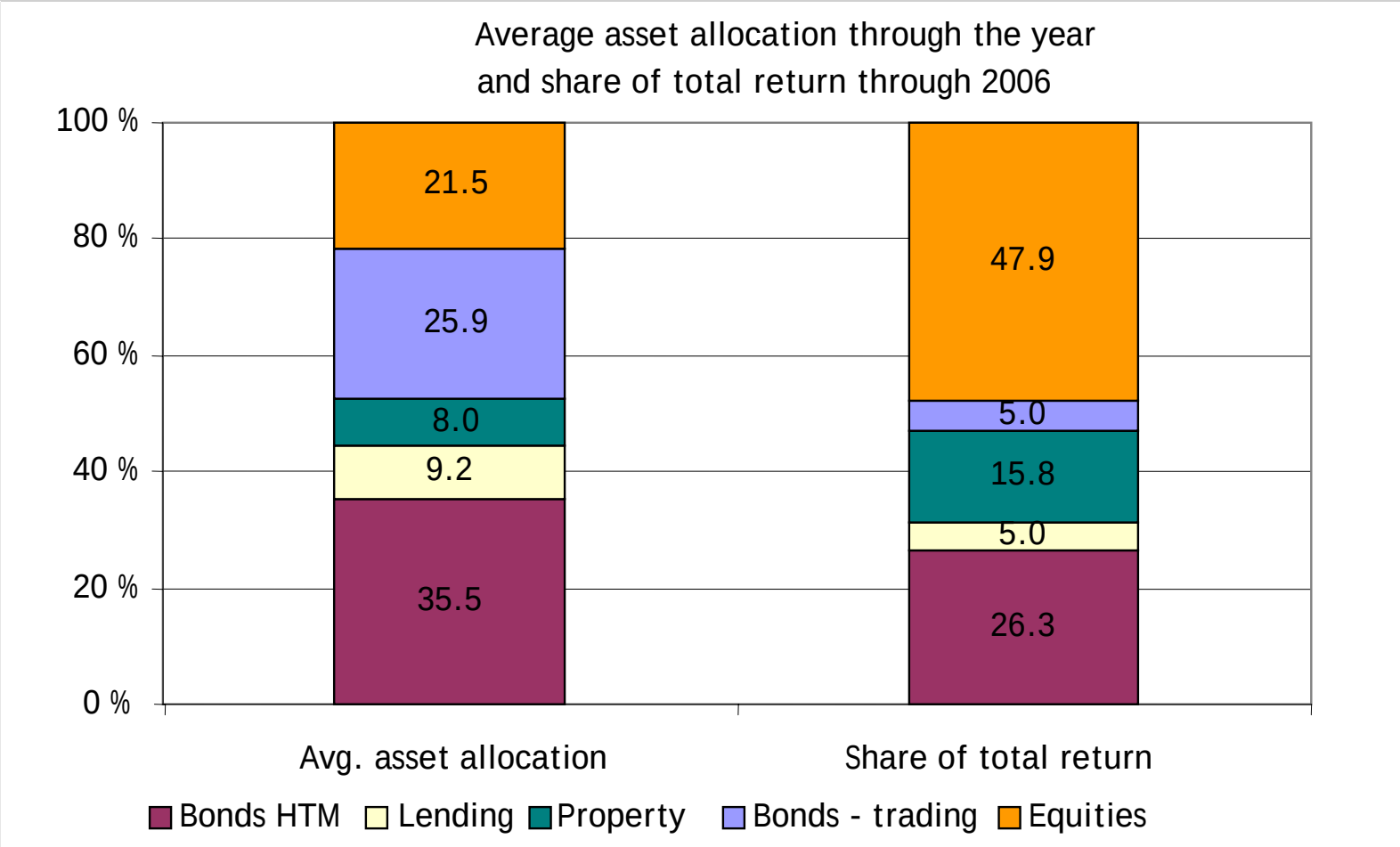
Return per class of assets



Asset classes and their contribution to total return
(Value adjusted)

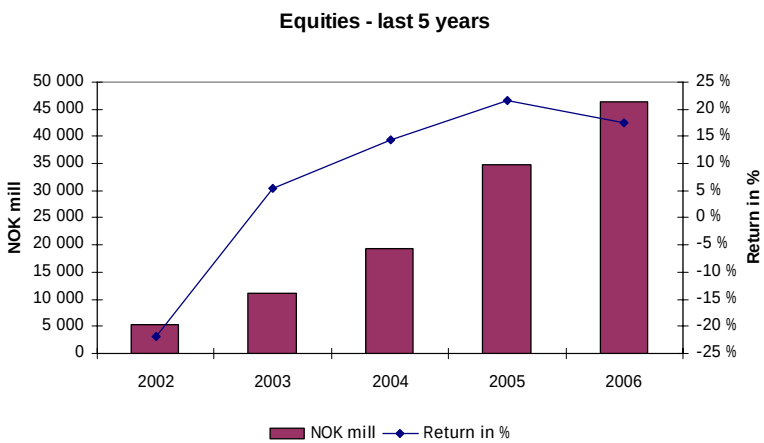


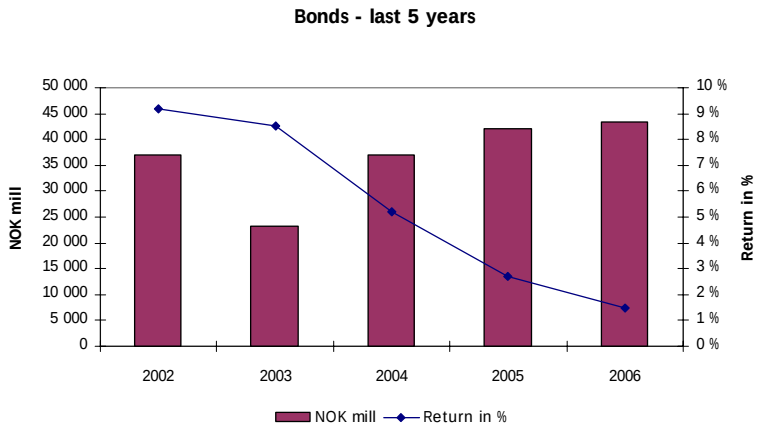
Trading portfolios – equities and bonds

Trading portfolios equities and ficed income *)	Q 1	Q 2	Q3	Q4
Value equities (NOK million)	38 225	36 978	38 805	46 432
Value fixed income (NOK million)	41 985	41 718	41 958	43 251
Equities incl. derivatives (in % of fin. assets)	24.4%	23.5%	24.4%	27.2%
Return equity portfolios	7.8%	3.0%	8.0%	17.4%
Return trading portfolios fixed income	-0.7%	-1.0%	1.4%	1.5%

whivh may differ slightly form statutary reporting

Index-tracking portfolios	Q 1	Q 2	Q3	Q4
Share index-tracking equities	84.2%	85.1%	85.7%	82.7%
share index-tracking fixed-income	21.9%	34.4%	34.7%	34.6%





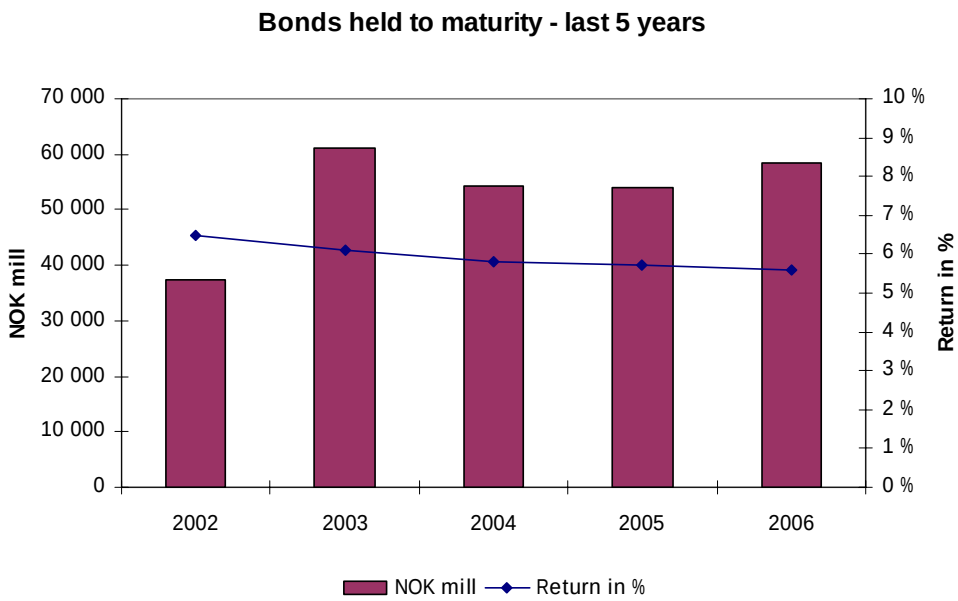
Trading portfolios – geographic diversification

Trading portfolio equities– Geographic distribution Incl. derivatives	Q 1	Q 2	Q 3	Q 4
Trading portfolio equities Total	100 %	100 %	100 %	100 %
-Norway	11.0 %	10.9 %	10.2 %	13.0 %
-Other Nordic countries	2.6 %	2.5 %	2.5 %	3.5 %
-Other International	86.1 %	86.1 %	86.7 %	82.9 %
Miscl. portfolios	0.4 %	0.5 %	0.6 %	0.6 %

Trading portfolio fixed-income – Geographic distribution Incl. derivatives	Q 1	Q 2	Q 3	Q4
Fixed income – total trading portfolios	100 %	100 %	100 %	100 %
-Norway – money market	29.8 %	15.9 %	13.7 %	13.6 %
-Norway – bonds	15.7 %	15.2 %	15.4 %	16.5 %
-International - bonds	52.9 %	67.3 %	69.3 %	68.4 %
Other portfolios	1.6 %	1.6 %	1.6 %	1.5 %

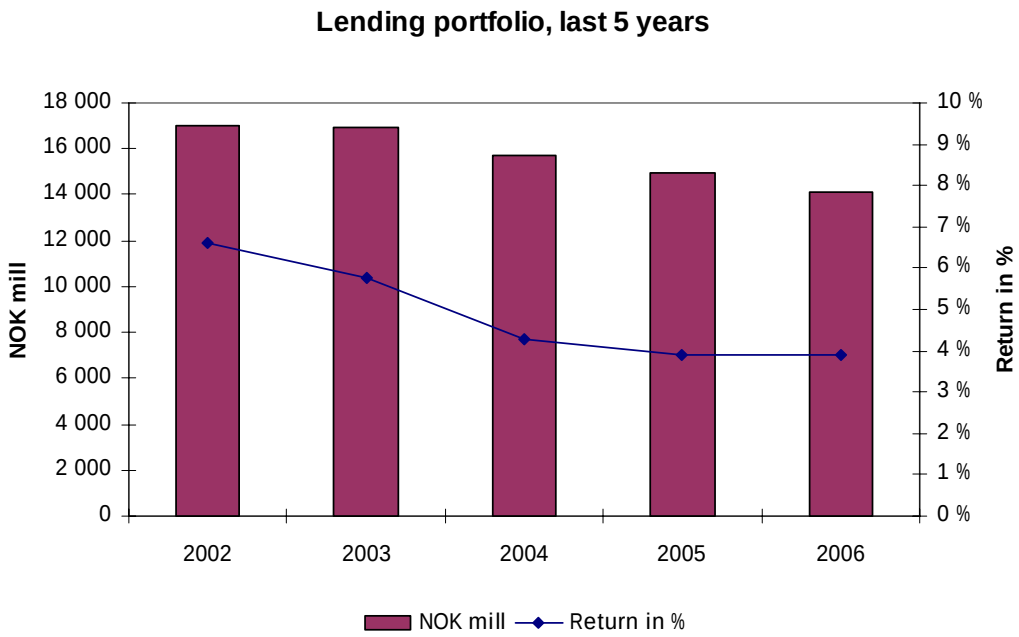
Bonds held to maturity 2006

	Q1	Q2	Q3	Q4
Book value (NOK mill)	52 727	59 445	59 108	58 330
Yield (per cent)	5.4	5.2	5.2	5.2
Duration (year)	5.8	6.1	6.2	5.9
Valuation reserves (NOK mill)	3 926	2 419	3 256	1 460
Return year to date (per cent)	1.4	2.8	4.2	5.6



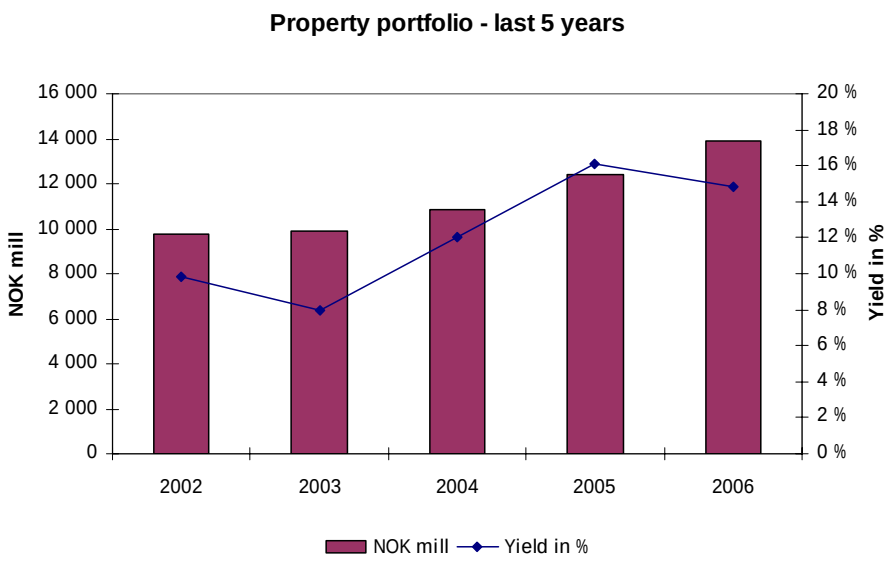
Lending portfolio 2006

	Q1	Q2	Q3	Q4
Book value (NOK mill)	14 746	15 233	14 972	14 146
Of this: fixed rate loans (NOK mill)	7 546	7 204	6 926	6 644
Return year to date (in per cent)	0.7	1.9	2.8	3.9
Specific and general credit loss provisions (NOK mill)	2	2	2	1



Property portfolio

	31.03.06	30.06.06	30.09.06	31.12.06
Book value (value-adjusted, NOK mill)	10 876	12 444	12 726	13 879
Total space occupied incl sites (square metres)	1 123 149	1 144 425	1 156 721	1 156 131
Occupancy rate (percent)	96,0	95,8	96,0	97,8
Average duration (years)	7.6	6.9	6.6	6.3
Yield year to date (percent)	5.6	3.5	7.1	14.8



Geographic diversification of the portfolio;

- 76 % Oslo, Norway
- 11 % Trondheim, Norway
- 4 % Stavanger, Norway
- 7 % Copenhagen, Denmark

Sector diversification of the portfolio;

54 % office, 13 % hotels,
12 % shopping centres, 9 % education
and 8 % other

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KLP Asset Management and KLP Fund Management

- Assets under management have increased by NOK 15 bn through the year. A growth rate of 10 per cent in 2006
- A majority of the active portfolios outperformed their benchmarks
- Index-tracking portfolios performed to their specifications
- External assets under management passed NOK 3 bn
- Established as attractive supplier to DC-providers
- Total fees income at NOK 140 bn
- Took on management of KLP's lending portfolio of NOK 14.7 bn

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KLP non-life insurance

- Results for Q4 NOK 16 mill (11 mill) and NOK 62 mill for the year (70 mill)[1]
- Favourable casualty record gives satisfactory Combined Ratio of 96.4 per cent for the year (86.2 per cent)
- Claims ratio: 76.1 per cent (70.7 per cent)
- Cost ratio: 20.3 per cent (15,5 per cent)
- Return on investments 3.9 per cent for the year (4.6 per cent)
- The equalisation reserve constitutes a satisfactory buffer against adverse run-off and negative risk development.

1 Figures in brackets = preceding year.

KLP non-life insurance

Claims ratio for own account	13,2 %	15,5 %	20,30 %
Combined Ratio for own account	88,5 %	86,2 %	96,40 %
Return on investments	4,6 %	4,6 %	3,90 %
Capital Adequacy ratio	59,3 %	55,5 %	52,90 %

Key figures P&L NOK Million	2004	2005	2006
Gross premiums written	615	621	583
Premium income for own account	560	551	537
Claims paid for own account	422	389	409
Insurance related costs for own account	75	90	109
result	25	70	62

Key figures Balance sheet NOK Million	2004	2005	2006
Financial Assets	1 848	2 179	2409
Total Assets	1 966	2 314	2538
Equity	196	266	293
Provisions in insurance funds for own account	1 711	1 984	

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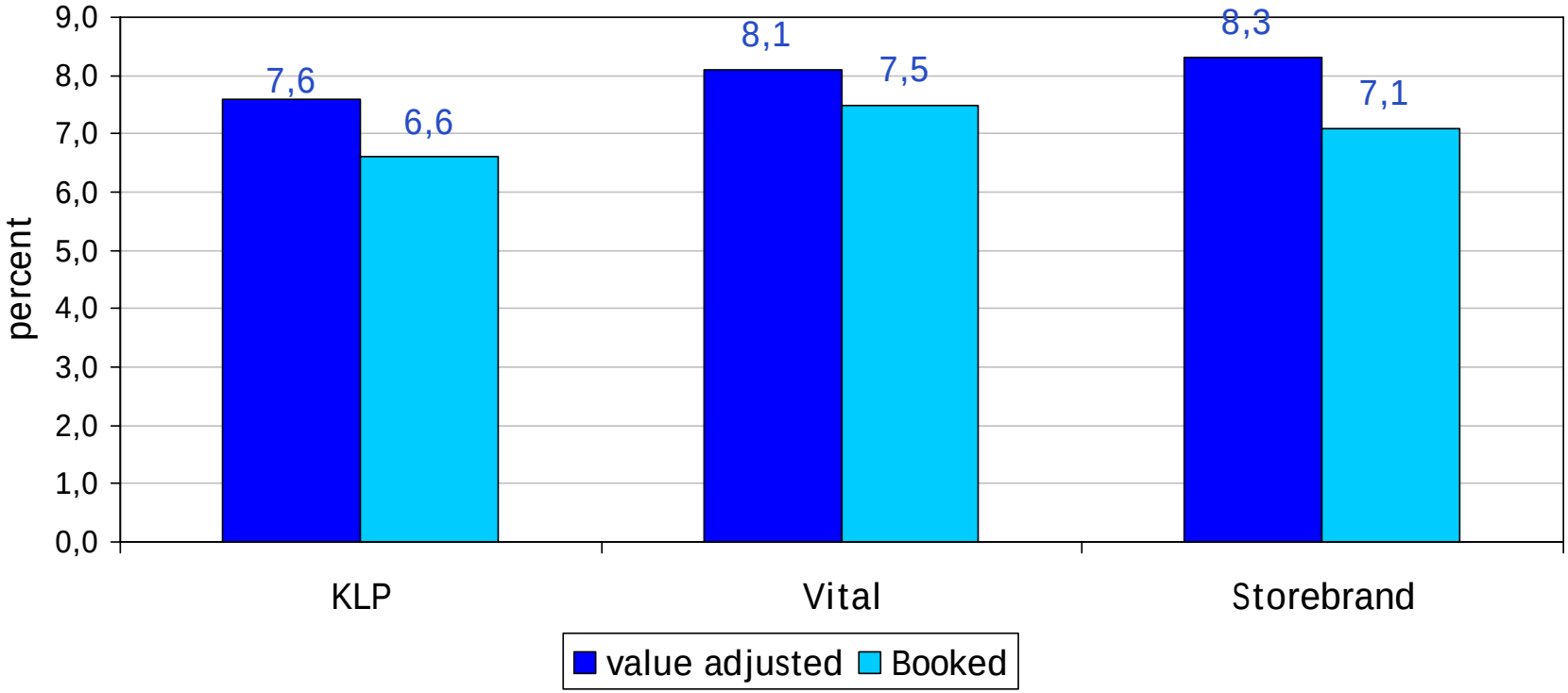
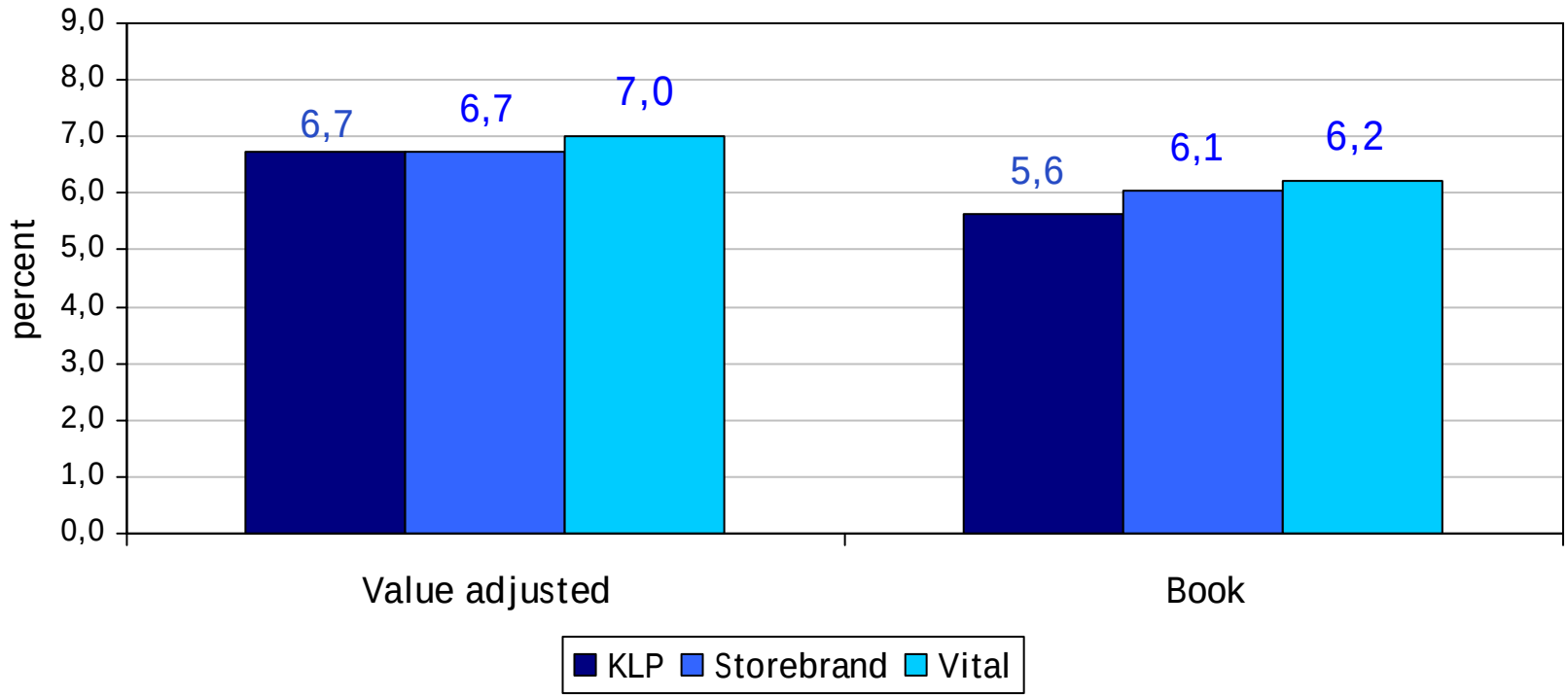
Return 2006 – comparison with Peers



Return –5 year average
KLP versus peer-group



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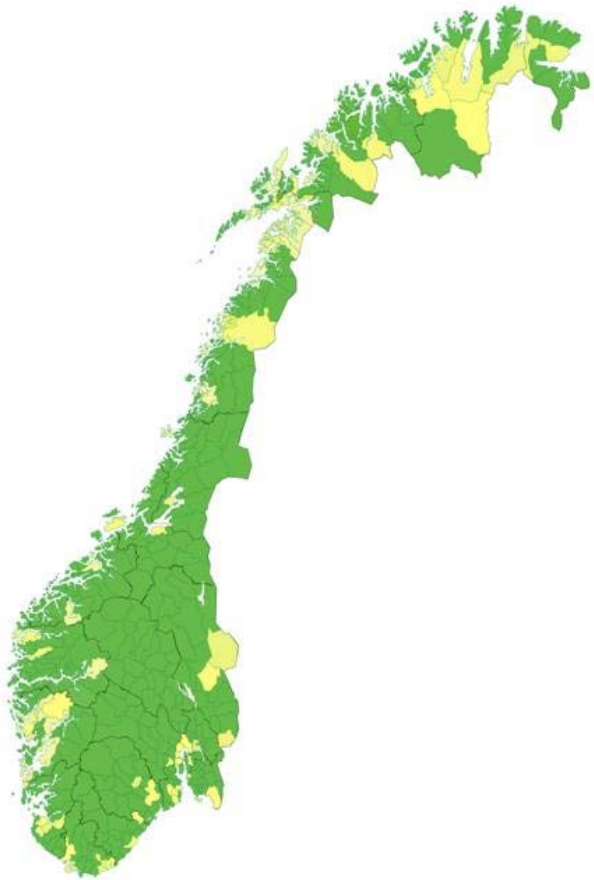
KLP as the market leader based on the Public Pension Sector in Norway

Pension Agreements in KLP:

- 2 300 corporations
- 337 municipalities and county municipalitie
- 31 health enterprises

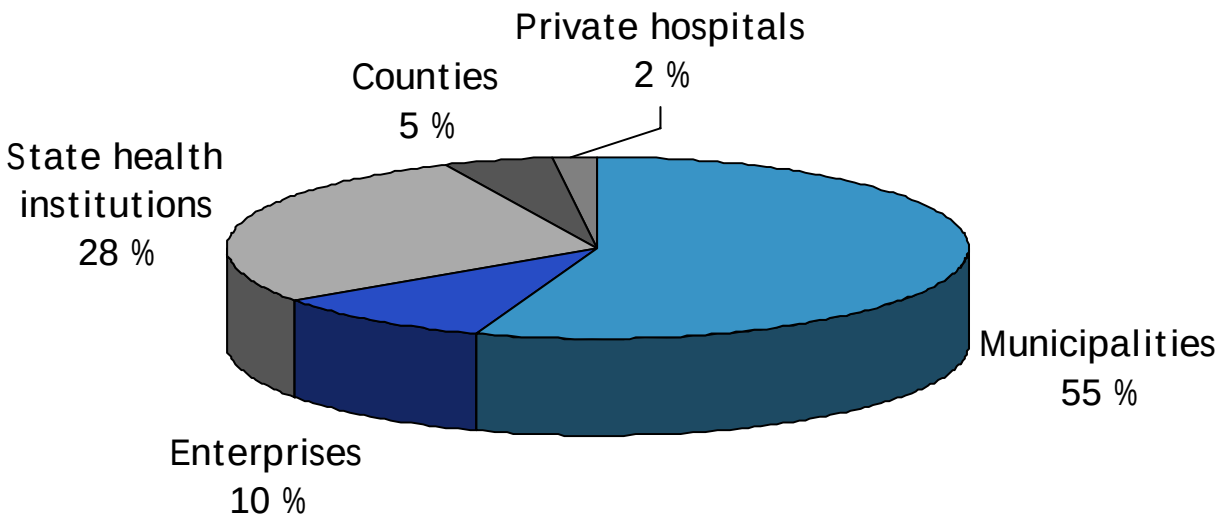
The Pension Schemes comprises:

- 291 000 active members
- 140 000 pensioners
- 112 000 paid up policies



KLP's Client Base 2006

-distribution of active members according to sector



KLP had 291 022 active members as of 31.12.2006

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2006 Summary

- Highly satisfactory results
- Strong increase in transfer of surplus to clients
- Continuing to adapt investments in tune with solidity
- KLPs clients reap the benefit of:
  - -highest return of surplus to clients
  - -most conservative and stable investment returns
  - -strongest balance sheet
- Best performance in the marketplace for the last 10 years
- KLP increasing its product spectre through the establishment of KLP Pensjonforsikring AS – specialized in defined contribution products and private sector pensions