

Presentation of Financial Results Q2-2005

12 August 2005

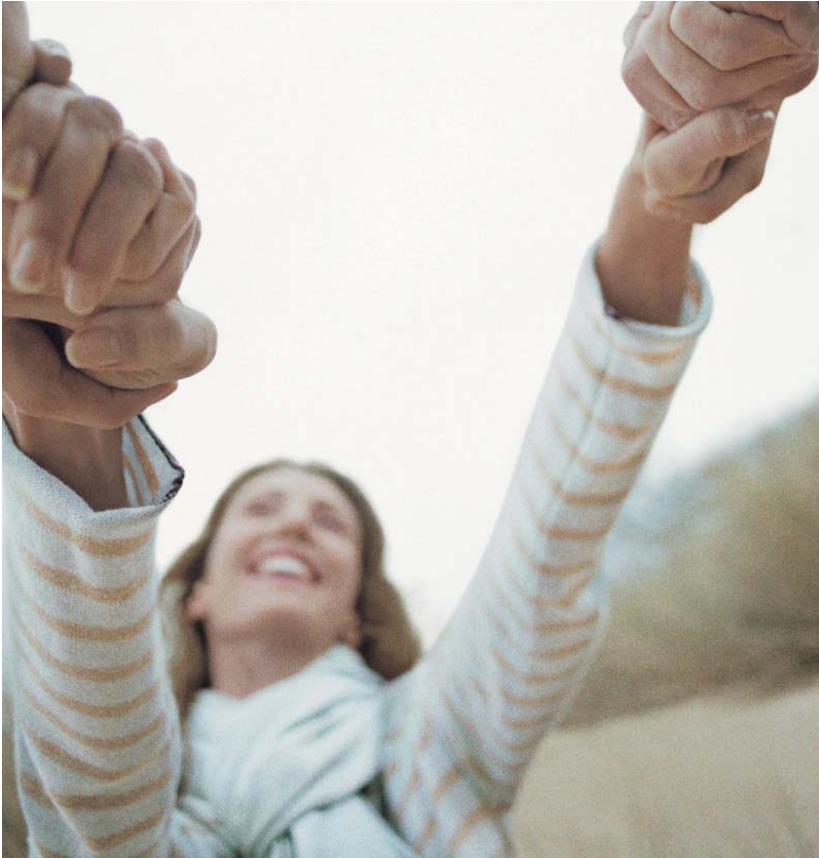
Main features of Q2-2005



- Good profit performance, Value-adjusted results was NOK 1.8 billion (NOK 0.5 bn). Year to date 2.3 billion (1.8 bn)
- Good return year to date - Booked return 2.5 pct and value-adjusted return 3.1 pct
- Premiums attained NOK 4.5 billion (NOK 4.3 bn), net financial income NOK 4.4 billion (NOK 3.9 bn)
- Growth in total assets was 11 pct to NOK 147 billion (NOK 132 bn)
- Further strengthening of total financial solidity, total buffer capital increased by NOK 2.0 billion to NOK 10.9 billion during Q2

Figures in brackets show last year equivalents

Main features in Q2-2005 (cont.)

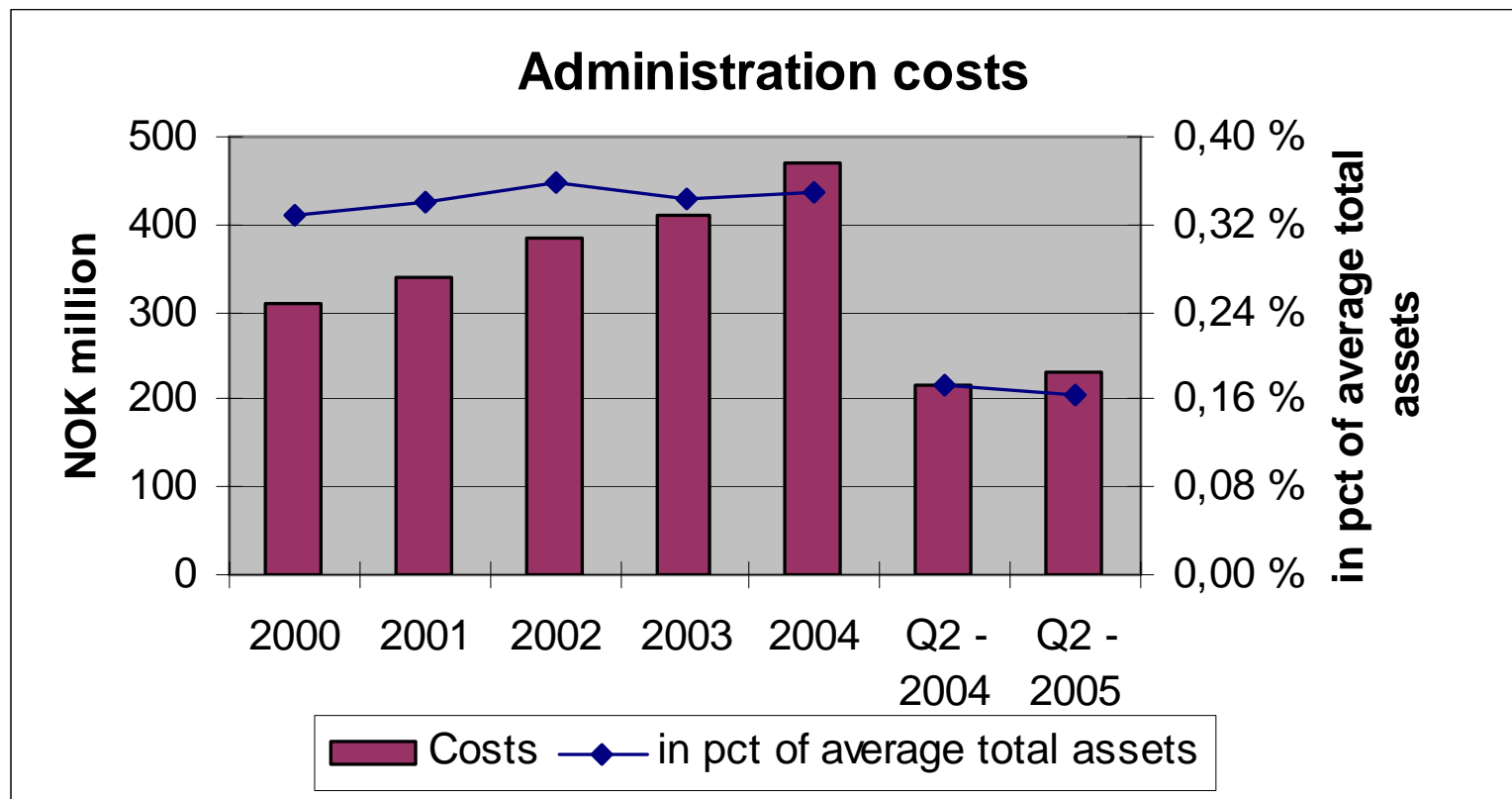


- KLP has solid margins between the company's guaranteed rate and interest rate in the market, and a favourable position to generate profits
- About 35 municipalities consider carefully their relationship with their provider. Twenty of these are with KLP
- Several of KLP's major municipal customers made a decision in June to remain with KLP next year
- The situation for the customers is considered to be good also by the health enterprises and corporations

Key figures - Profit and loss account

Result <i>NOK mill</i>	Period 01.04. - 30.06.2005	Period 01.01. - 30.06.2005	Period 01.01. - 30.06.2004
Premiums	2 236	4 492	4 316
Net transfers	33	-817	-926
Net financial income	2 803	4 392	3 935
Claims	-1 417	-2 803	-2 590
Changes in insurance provisions	-1 786	-2 697	-2 453
<i>Of which : net transfers</i>	<i>-49</i>	<i>801</i>	<i>926</i>
<i>premium reserves</i>	<i>-1 737</i>	<i>-3 498</i>	<i>-3 379</i>
Other	3	10	0
Reinsurance	0	0	-255
Operating costs	-111	-230	-216
Value adjusted result	1 760	2 346	1 811
To security reserve fund	-1 117	-908	-107
Result before allocations	643	1 438	1 704

Administration costs



Key figures - balance sheet

Assets <i>NOK mill</i>	31.12.2004	Change	30.06.2005
Equities ¹	18 036	3 397	21 433
Bonds	23 122	1 912	25 034
Money market instruments	7 298	-864	6 434
Bonds held to maturity	52 766	-1 684	51 082
Mortgages	16 324	-285	16 039
Property	10 951	13	10 964
Other financial assets ²	8 081	4 824	12 905
Other assets ³	4 946	-2 334	2 612
Total assets	141 524	4 979	146 503

1. Overall exposure to the equity market including derivatives was NOK 26.4 billion.

2. Mainly short-term deposits and long-term shares.

3. Incl premium receivables and interest earned.

Key figures - balance sheet

Equity and liabilities <i>NOK mill</i>	31.12.2004	Change	30.06.2005
Equity	4 408	305	4 713
Tier 1 loan capital	675	107	782
Subordinated loan capital	1 385	-33	1 352
Result before allocation		1 438	1 438
Security reserve fund	2 595	908	3 503
Insurance provisions	131 597	2 240	133 837
<i>of which supplementary reserves</i>	<i>4 031</i>	<i>-21</i>	<i>4 010</i>
Other liabilities	864	14	877
Total equity and liabilities	141 524	4 979	146 503

Return on capital

<i>Figures in percent</i>	Period 01.01 - 31.03.2005	Period 01.04 - 30.06.2005	Period 01.01 - 30.06.2005
Return on capital I (booked)	1.3	1.2	2.5
Return on capital II (value adjusted)	1.1	2.0	3.1
Return on capital III (included HTM-reserves)	0.7	3.0	3.7

Financial assets: Allocation and return

Financial assets ¹ Figures in percent	Ratio 31.12.2004	Ratio 30.06.2005	Return as of 30.06.2005
Equities	13.2	14.9	5.9
Bonds	22.3	21.9	2.3
Bonds held to maturity	38.6	35.5	2.8
Mortgages	12.0	11.1	1.9
Property	8.0	7.6	3.6
Other financial assets	5.9	9.0	
Total in percent	100	100	
Overall exposure to the equities market including derivatives	16.2	18.3	6.2

¹ This table is an overview of financial assets. The statutory reported figures differ due to differences in classification.

Valuation reserves, trading portfolios

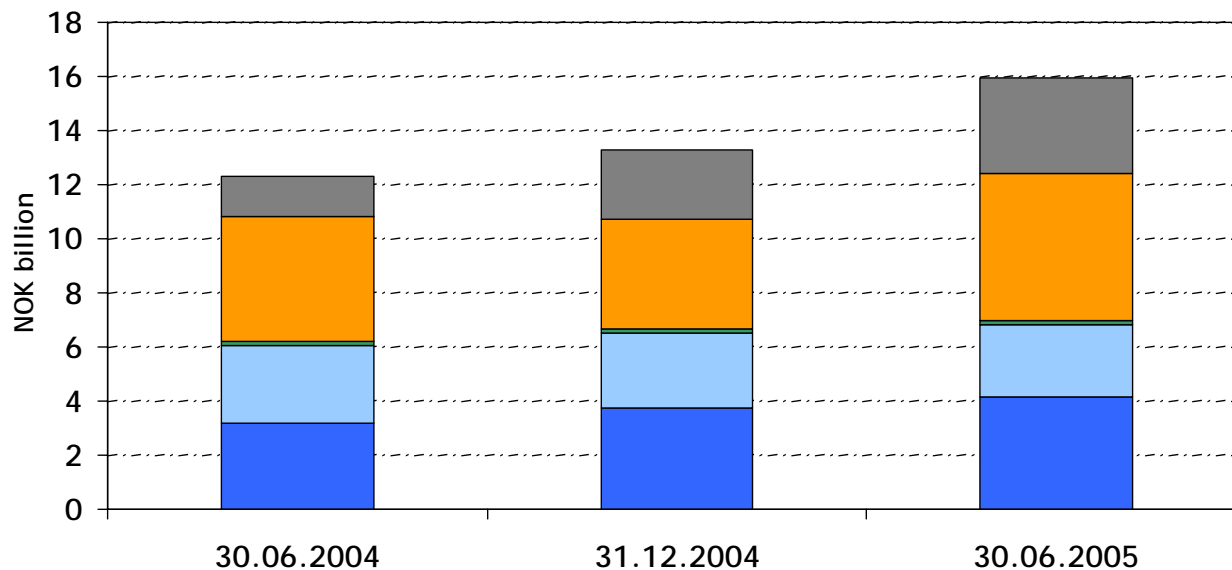
Unrealised valuation reserves <i>NOK mill</i>	31.12.2004	Change	30.06.2005
Bonds	414	324	738
Equities	1 695	848	2 543
Derivatives	468	-279	189
Total unrealised reserves. trading portfolio	2 577	893	3 470
Bonds held to maturity	5 187	943	6 130

Financial buffers

<i>NOK mill</i>	31.12.2004	30.06.2005
Security reserve fund	2 595	3 503
Supplementary reserves and profit before allocation	4 031	5 448
Tier 1 margin	1 752	1 953
Buffer capital according to regulators definition	8 378	10 904
Valuation reserves - Bonds held to maturity	5 187	6 130

<i>Figures in percent</i>	31.12.2004	30.06.2005
Capital adequacy ratio	14.0	13.2
Tier 1 ratio	10.9	10.5

Solidity Buffers



- Security reserve fund
- Supplementary reserves and profit before allocation
- Security fund
- Equity and subordinated loan capital in excess of capital used in the capital adequacy ratio
- Equity and subordinated loan capital used to cover the capital adequacy ratio

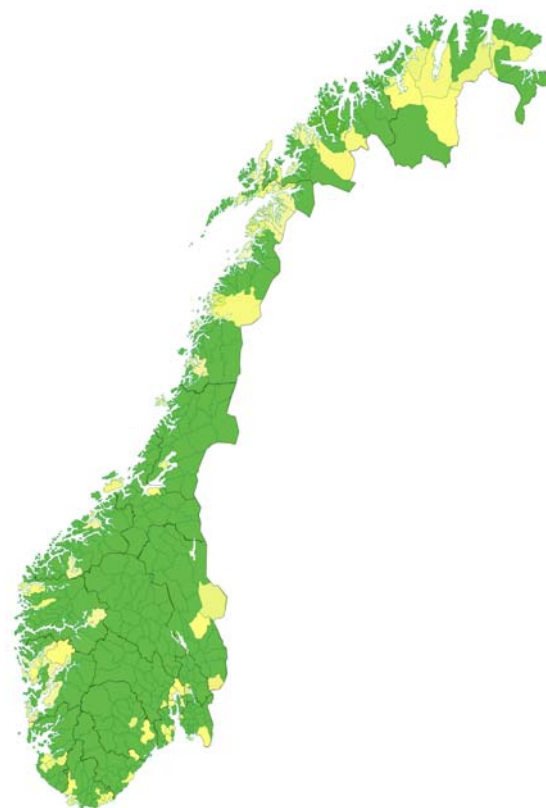
KLP as the market leader based on the Public Pension Sector in Norway

Pension Agreements in KLP:

- 2 500 corporations
- 348 municipalities and county municipalities
- 31 health enterprises

The Pension Schemes comprises:

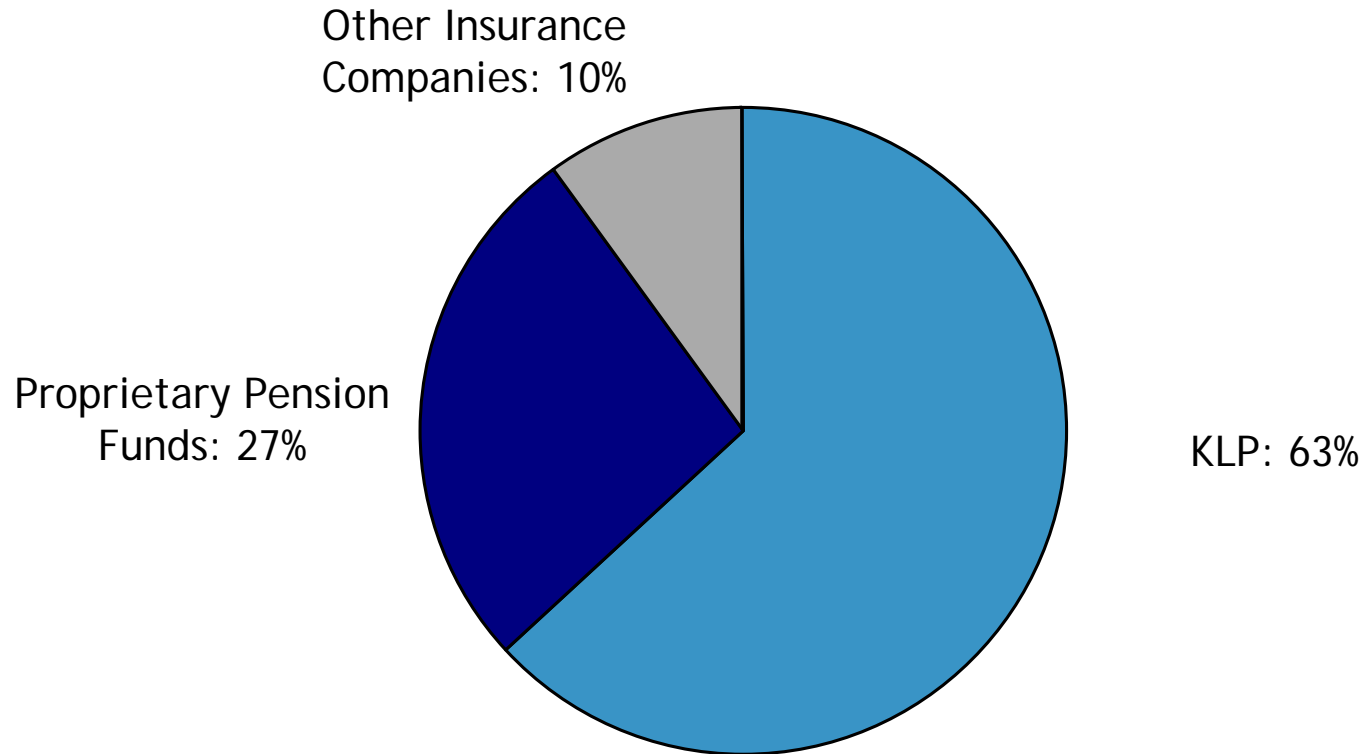
- 289 000 active members
- 130 000 pensioners
- 108 000 paid up policies



Figures per 01.01.2005

For days to come

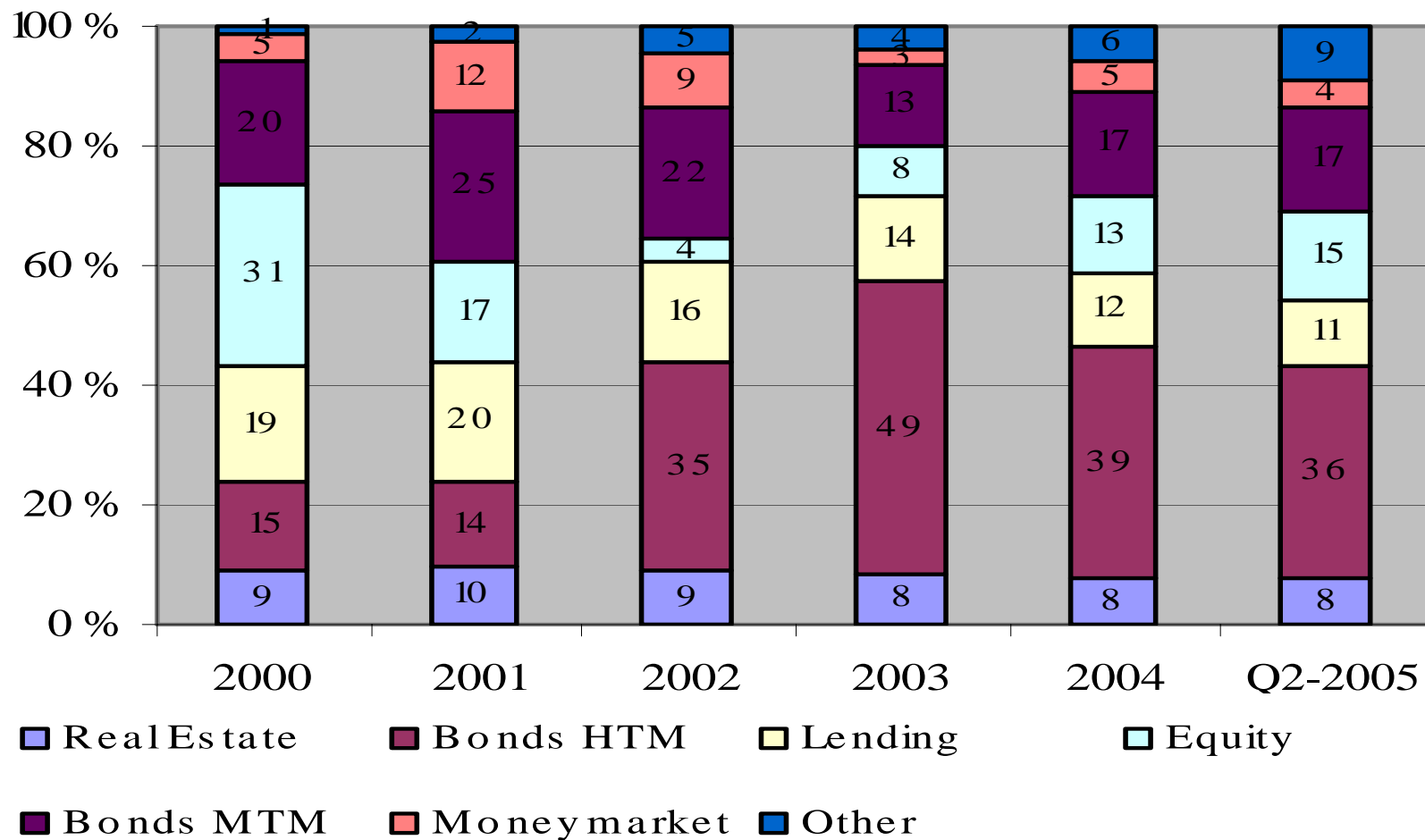
Municipal Pensions Sector By funds



Figures per 01.01.2005

For days to come

Allocation of financial assets ¹



¹ Allocation to equities excluding derivatives.

For days to come

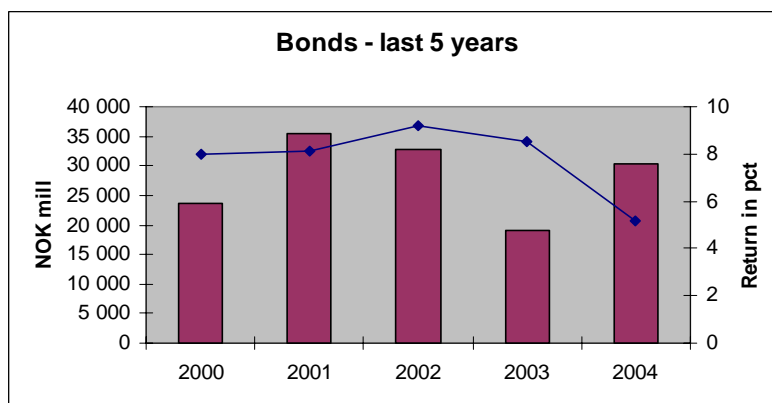
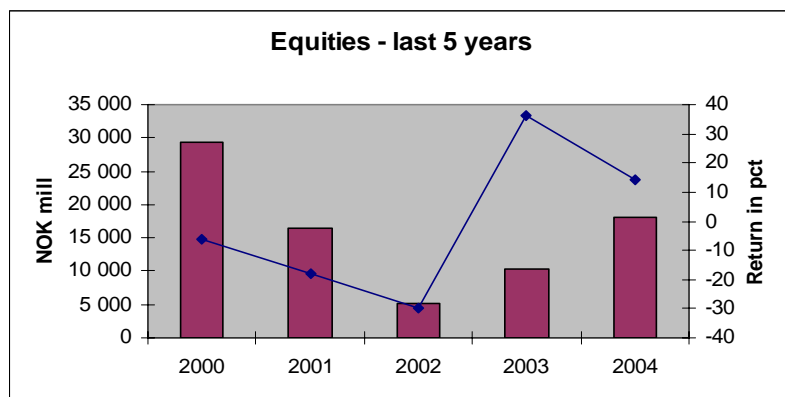
Trading portfolios - equities and bonds

Trading portfolios - equities and bonds (Including derivatives) *)	31.03.2005	30.06.2005
Value Equities (NOK mill)	21 817	26 358
Value Bonds (NOK mill)	40 891	41 409
Equities incl derivatives (in pct of total financial assets)	15.6%	18.3%
Total return, trading portfolio equities year to date	1.6%	6.2%
Total return, trading portfolio bonds year to date	0.5%	2.3%

*) Calculated in accordance with classification in the management of the portfolios .

The statutory reported figures differ due to differences in classification.

Index portfolios	31.03.2005	30.06.2005
Index portfolio (passive mandate) in percent of total equity portfolios	82.6%	84.6%
Index portfolio (passive mandate) in percent of total bond portfolios	15.7%	15.8%



Trading portfolios - geographic diversification

Trading portfolios of equities - geographic diversification Incl derivatives	31.03.2005	30.06.2005
Trading portfolios of equities - Total	100 %	100 %
Norway	10.7%	9.9%
Nordic excl Norway	3.0%	2.7%
Other foreign	86.0%	87.1%
Other portfolios	0.3%	0.3%

Trading portfolios of bonds - geographic diversification Incl derivatives	31.03.2005	30.06.2005
Trading portfolios of bonds - Total	100 %	100 %
Norway - money market instruments	40.6%	40.8%
Norway - bonds	12.5%	13.0%
Foreign - bonds	45.8%	44.9%
Other portfolios	1.1%	1.3%

Bonds held to maturity

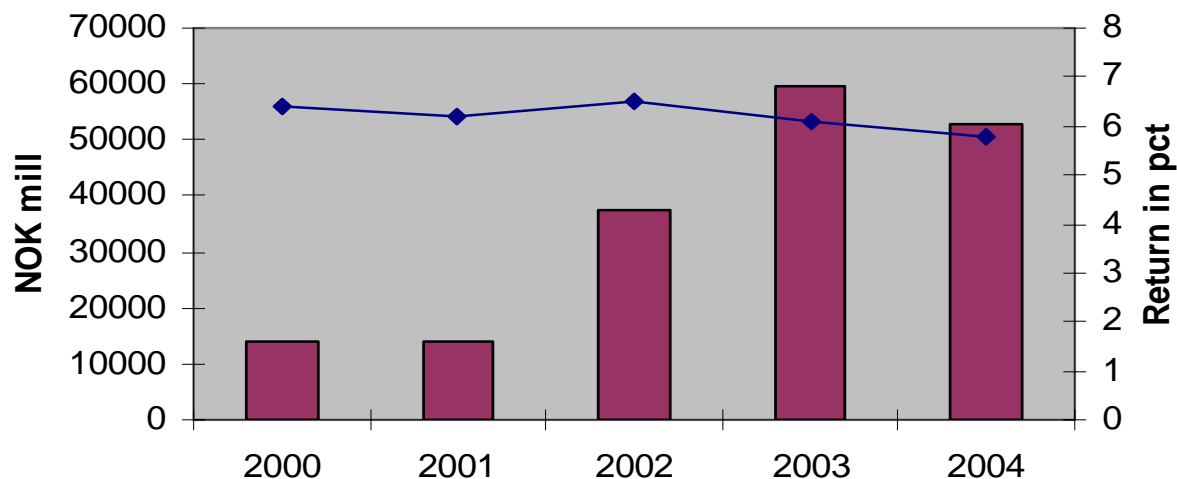
Bonds held-to-maturity portfolio

31.03.2005

30.06.2005

Book value (NOK mill)	51 655	51 082
Yield (percent)	5.5	5.5
Duration (year)	5.7	5.7
Valuation reserves (NOK mill)	4 583	6 130
Return year to date (percent)	1.4	2.8

Bonds held-to-maturity - last 5 years



For days to come

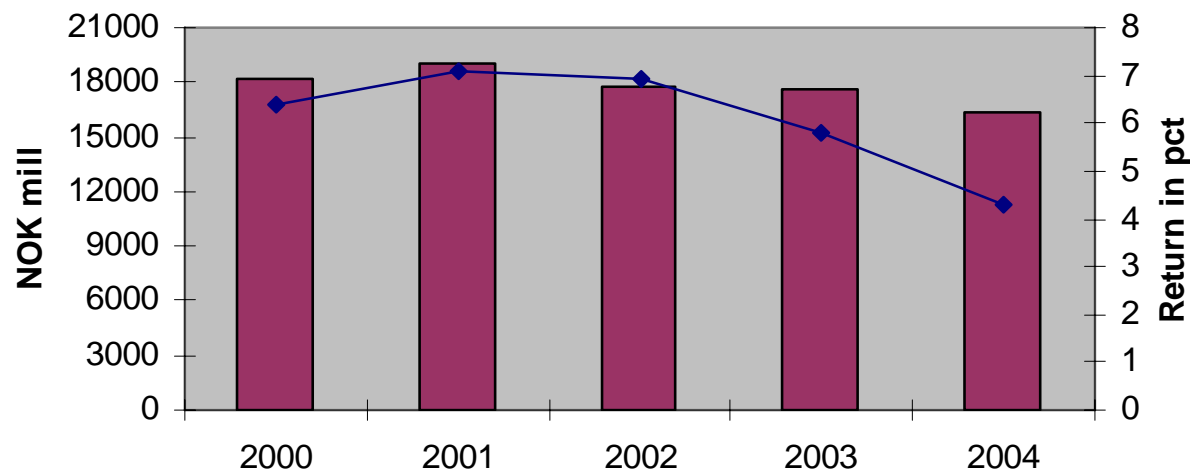
Lending portfolio

Lending portfolio

31.03.2005 30.06.2005

Book value (NOK mill)	16 178	16 039
Of this: Fixed rate loans	8 621	8 310
Return year to date (in percent)	1.0	1.9
Specific and general credit loss provisions (NOK mill)	7	7

Lending portfolio, last 5 years



For days to come

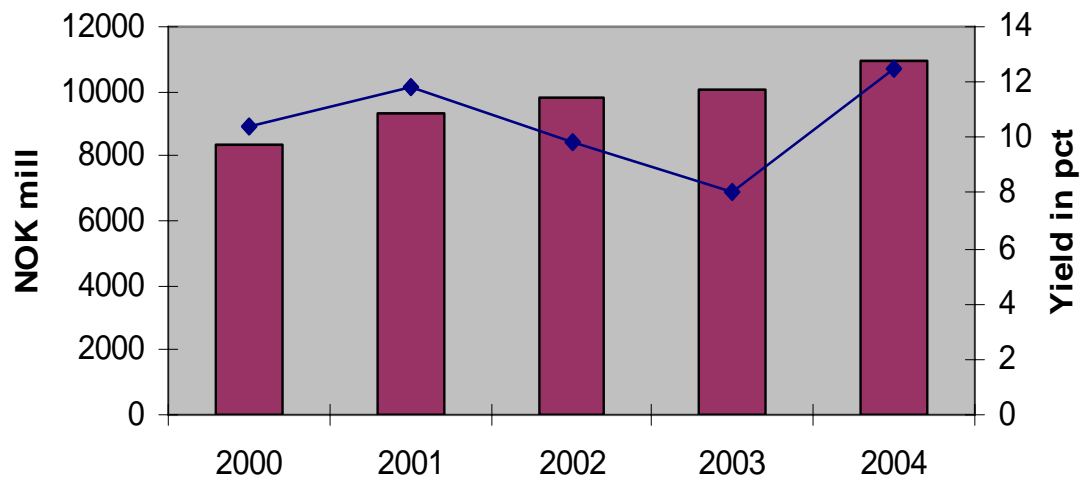
Property portfolio

Property portfolio

31.03.2005 30.06.2005

Book value (value-adjusted, NOK mill)	10 997	10 964
Total space occupied incl sites (square metres)	1 123 149	1 123 149
Occupancy rate (percent)	95.4	96.8
Average duration (years)	7.2	7.0
Yield year to date (percent)	1.8	3.6

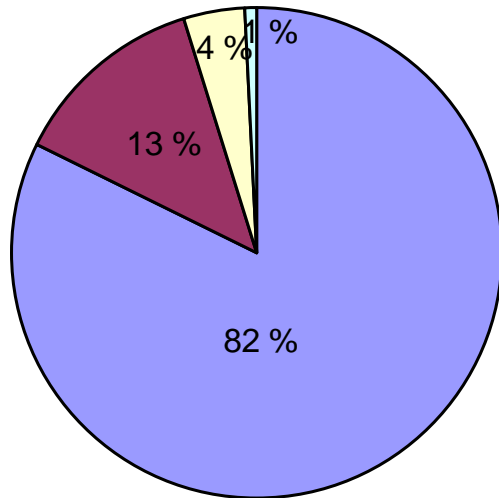
Property portfolio - last 5 years



For days to come

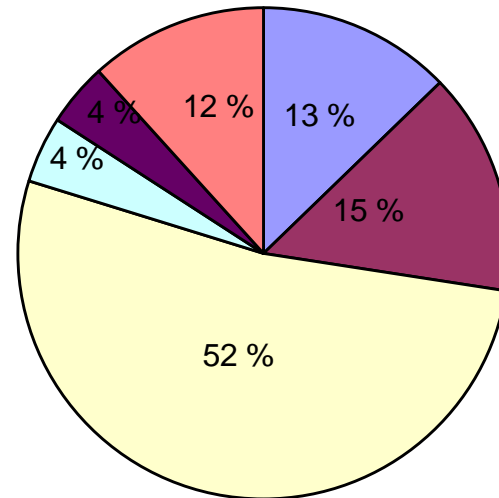
Property portfolio

Geographic diversification



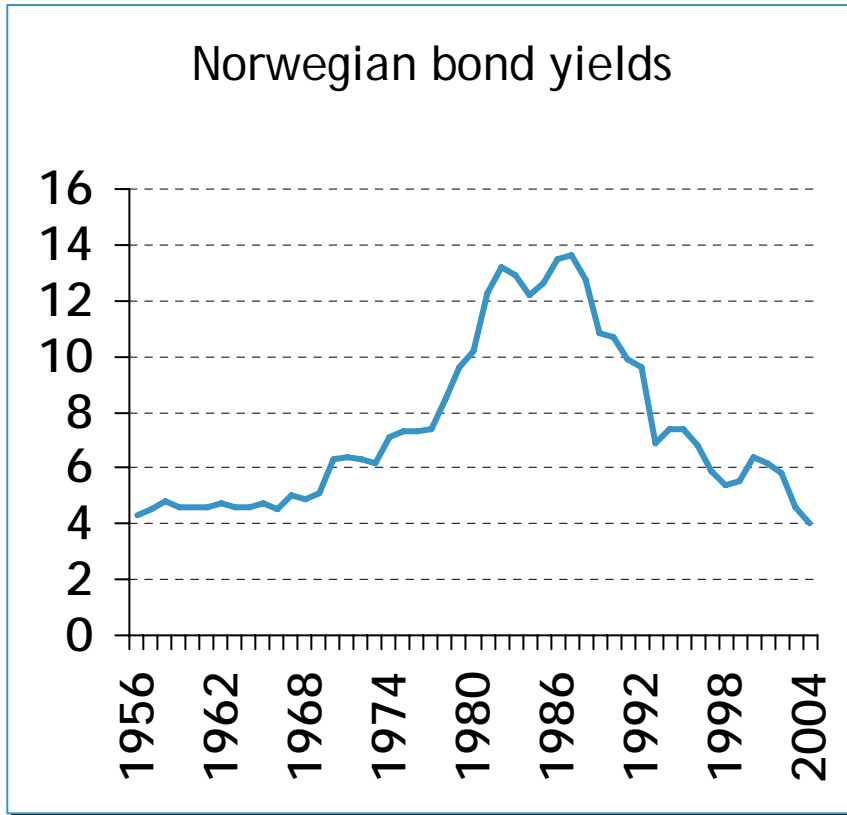
■ Oslo ■ Trondheim ■ København ■ Other Norway

Sector diversification



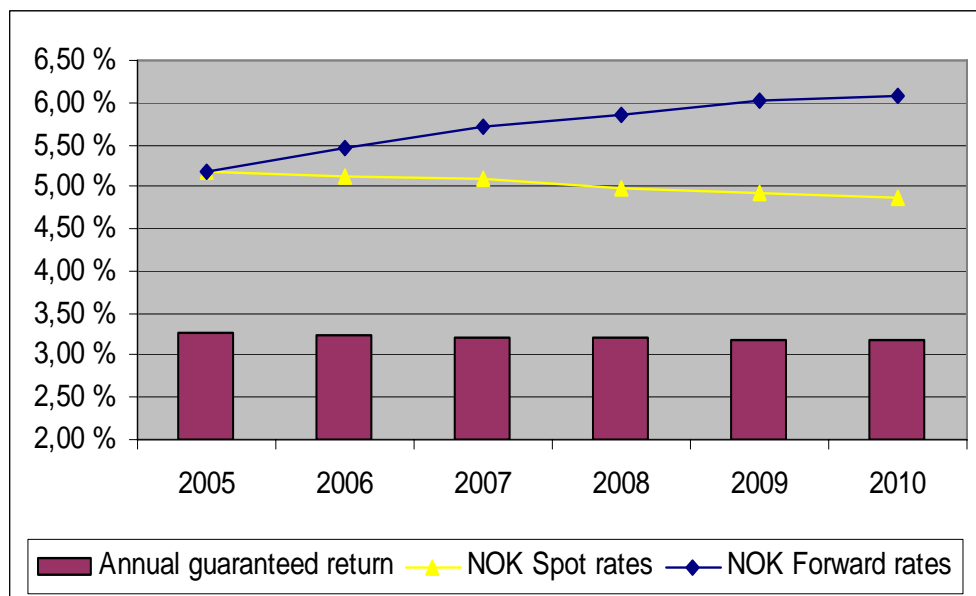
■ Shopping centres ■ Hotels ■ Office
■ Retail ■ Land leases ■ Education

KLP is well positioned for a low interest rate scenario



- Large portfolio of bonds held to maturity. booked at amortised cost. Totals approx NOK 51 bn. Duration 5.7 years
- Average guaranteed interest rate 3.3 pct. well below market yields. Also lower than peers
- Well capitalised and increased risk capacity in investment management
- The equity portfolio has grown in line with increased risk capacity and improves diversification
- New regulatory regime will increase profit potential in low interest rate periods

KLP is well positioned for a low interest rate scenario



- Annual guaranteed return decline by 2 basis points per year over the next 5 years
- Held-to-maturity bonds reduce the effect of low interest rates
- Favourable position to generate profits and comfortable distance between guaranteed return and expected return over the next 5 years

Illustration. Calculations based on forward rates and spot rates per 30 June 2005 and standardised risk premiums.

For days to come

KLP non-life insurance

- Result for Q2 - 2005 NOK 49.4 million (NOK 6.1 million)
- Net premium earned NOK 283.1 million (NOK 285.5 million)
- Combined Ratio 88.8% (94.6%)
- Claims Ratio 75.3% (82.9%)
- Cost Ratio 13.5% (11.6%)
- Return on capital 2.5%
- The companies equalisation reserves is further strengthen through Q2 and make an satisfactory buffer against adverse run off and negative risk development.

Figures in brackets show last year equivalents.

KLP non-life insurance

Keyfigures NOK 1000	Q2-2005	2004	2003
Claims Ratio	75.3%	75.33%	78.5%
Cost Ratio	13.5%	13.2%	18.1%
Combined Ratio	88.8%	88.5%	96.6%
Return on capital	2.5%	4.6%	5.9%
Kredittilsynets capital adequacy	39.5%	59.3%	65.9%
Gross premium written	568 400	615 269	583 685
Equity capital	245 505	196 100	171 530
Balance sheet	2 399 644	1 966 049	1 644 566

Portfolio NOK 1000	Q2-2005	2004	2003
Equity	119 066	73 681	74 195
Bond, included fixed income bond	1 981 220	1 384 030	1 229 809
Certificate	included above	355 887	174 381
Bank deposit	19 597	19 548	11 901
Financial intermediary	125 402	34 637	81 262
	2 245 285	1 867 783	1 571 548

For days to come



KLP Asset Management and KLP Fund Management

- In total, the two companies increased assets under management by NOK 12.3 Bn to NOK 121.4 Bn by the end of second quarter. This equates to a growth of upwards 11 per cent year to date.
- Total excess return from assets under active management year to date was NOK 87.5 mill.
- Total fee income for the year to date was NOK 63 mill.

	Asset under management (NOK Bn)	Return	Index	Excess return
Total Active Management	30.0	4.52 %	4.16 %	0.36 %
Total Index Management	26.1	3.37 %	3.36 %	0.01 %