

August 20th, 2009

Financial results Q2 2009



A solid Q2 for KLP

- Return Q2:
 - Common portfolio 2.7 per cent book and value adjusted
 - Corporate portfolio 2.2 per cent
- Return first 6 months:
 - Common portfolio 3.0 per cent book and value adjusted
 - Corporate portfolio 2.8 per cent
- Interest rate surplus per 30.06 NOK 2 701 million
- Total profits per 30.06 NOK 3 216 million
 - NOK 2 880 million to customers
 - NOK 336 million to owners
- Solvency strengthened:
 - Buffer capital NOK 11 339 million
 - Total solvency capital NOK 20 928 million
- Acquisition of Kommunekreditt closed on June 24th

Key figures

<i>All figures in per cent</i>	Q2 2009	First half 2009	First half 2008
Return common portfolio			
Return on capital I – book	2.7	3.0	1.8
Return on capital II – value adjusted	2.7	3.0	-2.2
Return on capital III – value adjusted including value adjustments HTM bonds	2.7	3.0	-3.2
Return corporate portfolio	2.1	2.8	1.7
Capital adequacy		12.6	11.8
Core capital adequacy		9.3	8.6
Solvency capital in per cent of insurance liabilities with interest guarantee		11.5	9.8

Presentation of accounts first half 2009

Income statement <i>NOK mill</i>	01.01. – 30.06.08	01.01. – 30.06.09
Pension premiums and incoming transfers	5 602	6 148
Net revenues from investments in Common portfolio	-4 044	5 485
Claims paid and outgoing transfers	-6 133	-5 787
Changes in technical provisions incl. changes in valuation reserves	5 661	-2 591
Allocations to insurance contracts	-727	-2 880
Insurance related operating costs	-281	-298
Other insurance related costs	3	-9
Technical result	81	69
Net revenues from investments in Corporate portfolio	190	349
Other revenues and expenditures	-97	-81
Total result	174	336

Appropriation of results first half 2009

Results <i>NOK mill</i>	To customers	To owners	First half 2009	First half 2008
Interest result	2 701		2 701	513
Risk result	83	-6	77	175
Premium interest rate guarantee		85	85	77
Administration result		85	85	44
Other		267	267	93
Return on Corporate portfolio appropriated to customers	95	-95	0	0
Accumulated results	2 880	336	3 216	901

Appropriation of results Q2 2009

Results <i>NOK mill</i>	To customers	To owners	Total
Interest result	3 575		3 575
Risk result	42	-3	39
Premium interest rate guarantee		38	38
Administration result		62	62
Net income corporate portfolio		228	228
Appropriated to customers	81	-81	-
Accumulated results	3 698	244	3 942

Main figures Balance Sheet

Assets <i>NOK mill</i>	31.12.08	Change	30.06.09
Immaterial assets	220	46	266
Investments in corporate portfolio	13 668	-443	13 225
Other assets	1 914	-947	967
Total assets in corporate portfolio	15 802	-1 344	14 458
Investments in common portfolio	186 094	4 486	190 580
Investments in portfolios with investment choice	-	219	219
Total assets	201 896	3 361	205 257

Main figures Balance Sheet

Capital and liabilities <i>NOK mill</i>	31.12.08	Change	30.06.09
Equity paid-in	4 633	-50	4 583
Equity fund	3 804	8	3 812
Unappropriated earnings to owner		336	336
Interim result – incl profit to customers provisional interim allocation	5 022	-710	4 312
Tier 1 and subordinated capital	177 744	2 515	180 259
Insurance provisions	3 940	-18	3 922
Supplementary reserve	0		0
Valuation reserve		2 880	2 880
Other insurance	2 420	-87	2 333
Other liabilities	4 334	-1 514	2 820
Capital and liabilities	201 896	3 361	205 257

Financial assets in Common portfolio

- market exposure

Assets	Share	Share	Return end
<i>All figures in per cent</i>	31.12.08	30.06.09	Q2 2009
Trading portfolio equities	5.6	6.9	4.3
Trading portfolio bonds	22.3	22.0	5.4
Liquidity/Money-Market	14.0	10.0	2.1
Long term-/Held-to-maturity bonds	35.7	36.4	2.7
Lending	11.4	13.4	2.3
Property	11.0	11.2	0.6
Total	100	100	

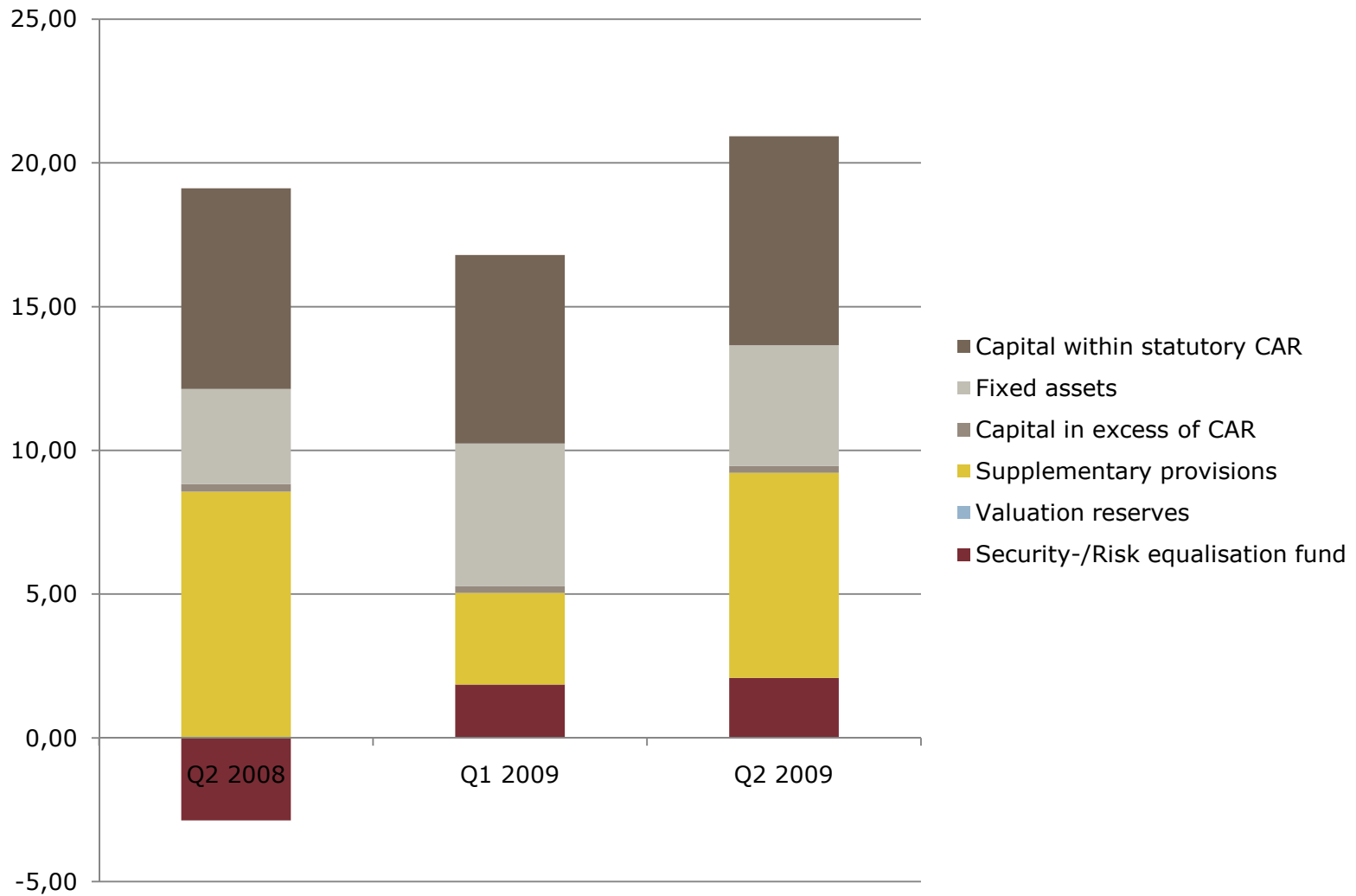
Financial buffer capital/capital adequacy

<i>NOK mill</i>	31.12.2008	30.06.2009
Valuation reserves	0	0
Income to date		3216
Supplementary reserves (up to one year's guaranteed return)	3 940	3 922
Core capital margin	4 740	4 201
Regulatory buffer capital	8 680	11 339
Valuation reserve/deficit HTM	2 056	2 086
Solvency capital	17 882	20 928
Solvency capital in per cent	9.9	11.5
<i>Figures in per cent</i>	31.12.08	30.06.09
Capital adequacy ratio	12.2	12.6
Core-capital adequacy ratio	8.9	9.3

The annual call for equity contribution in the order of NOK 540-560 million (0.3 per cent of premium reserves) will be made in Q3 2009.

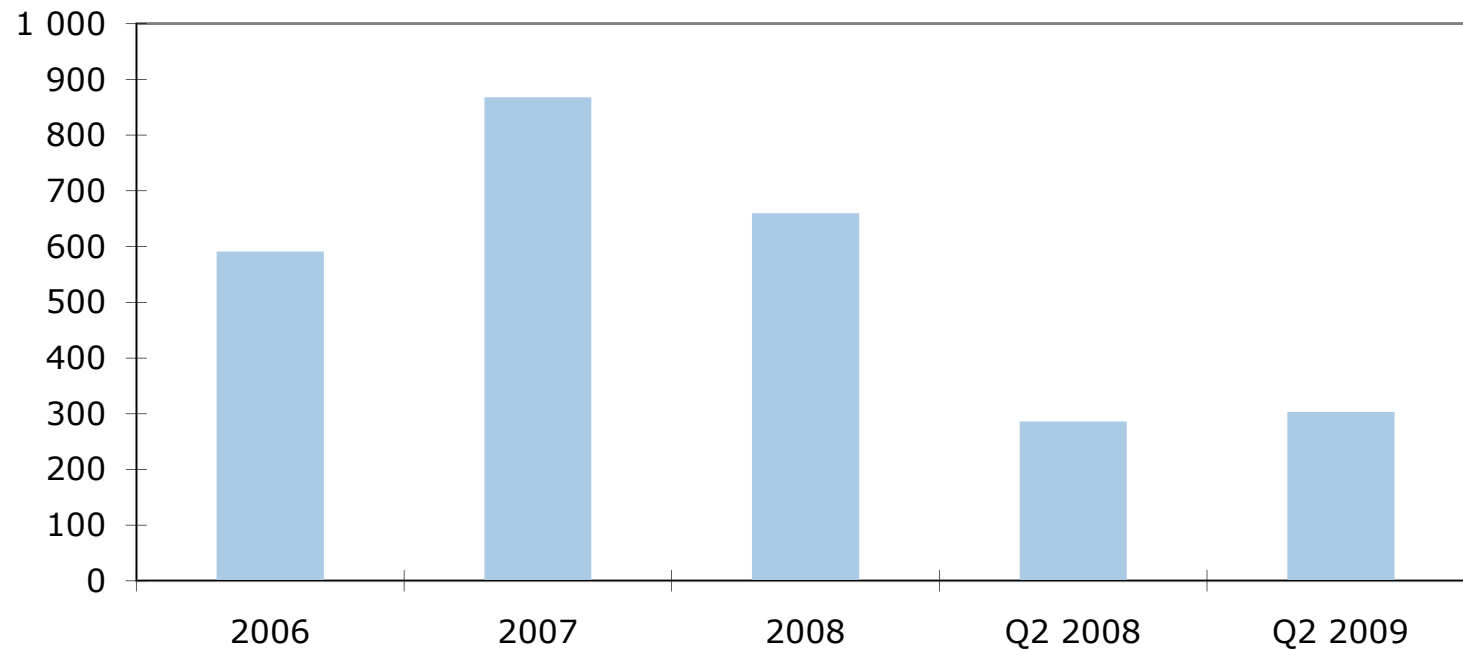


Financial solidity



Operating expenses

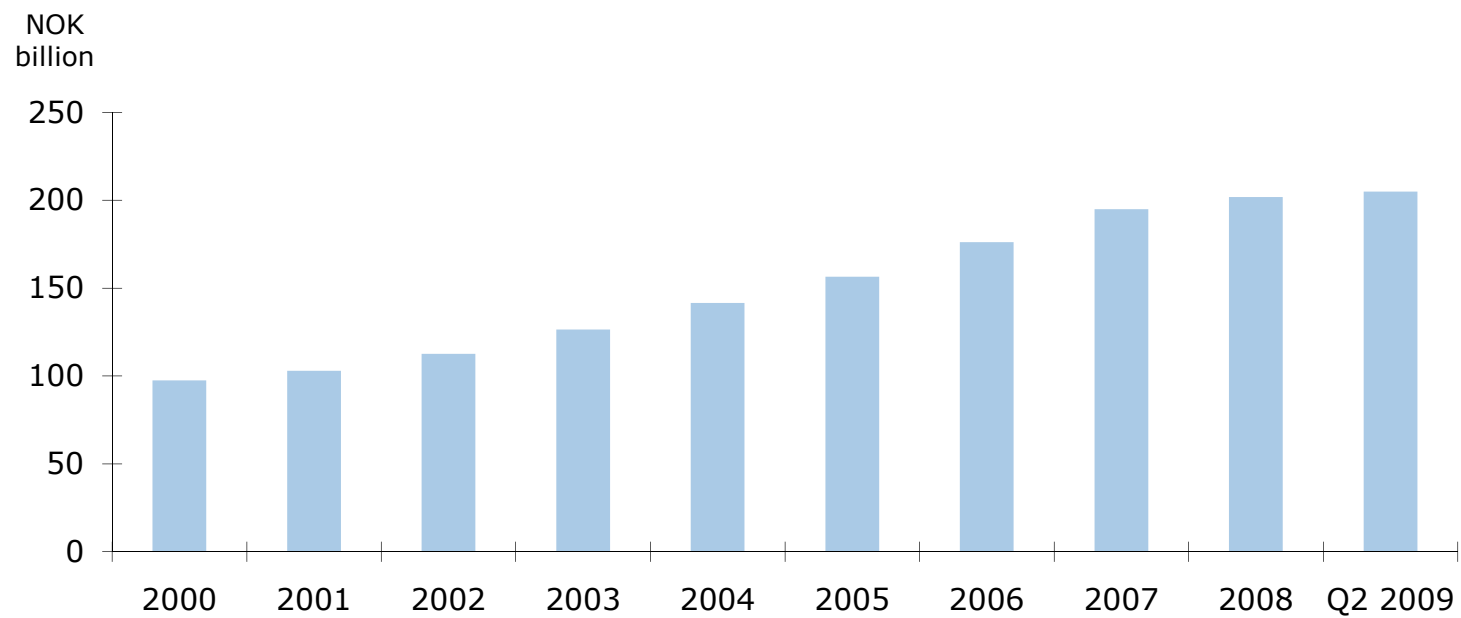
NOK billion



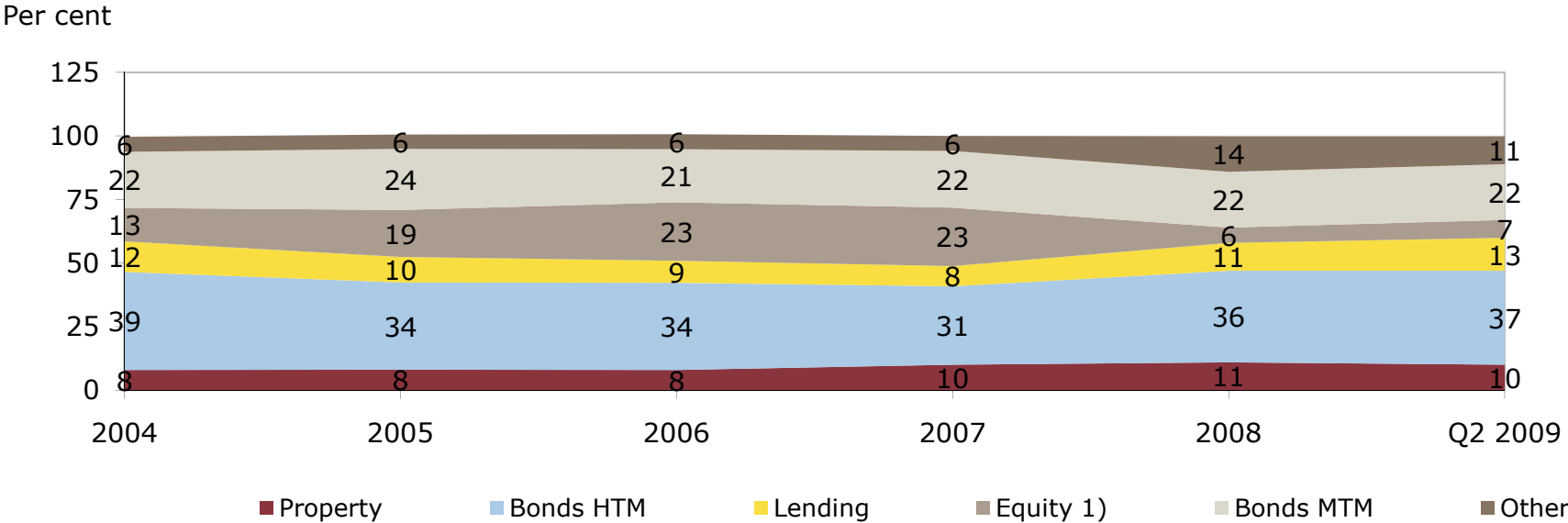
Costs in 2007 excluding NOK 244 million in connection with extraordinary bringing pension corridor to zero.



Total assets



Asset allocation in KLP



1) Book value of equities, may differ from exposure figure.



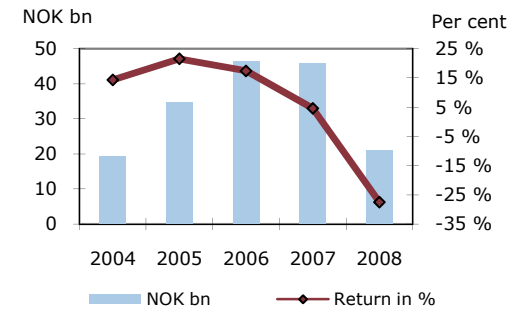
Trading portfolios – equities and bonds

Trading portfolios equities and fixed income*	30.06.09
Value equities (NOK mill)	18 833
Value fixed income (NOK mill)	55 563
Equities incl. derivatives (in per cent of fin. assets)	6.9 %
Reurn equity portfolios	4.31 %
Return trading portfolios fixed income	4.59 %

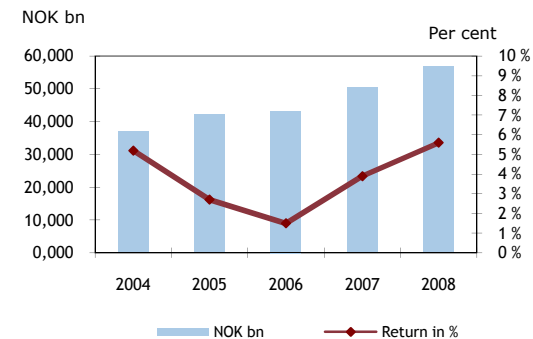
* This table is an overview of financial assets. The statutory reported figures differ due to difference in classification.

Index-tracking portfolios	30.06.09
Share index-tracking equities	76 %
Share index-tracking fixed-income	31 %

Equities - last 5 years



Bonds last 5 years



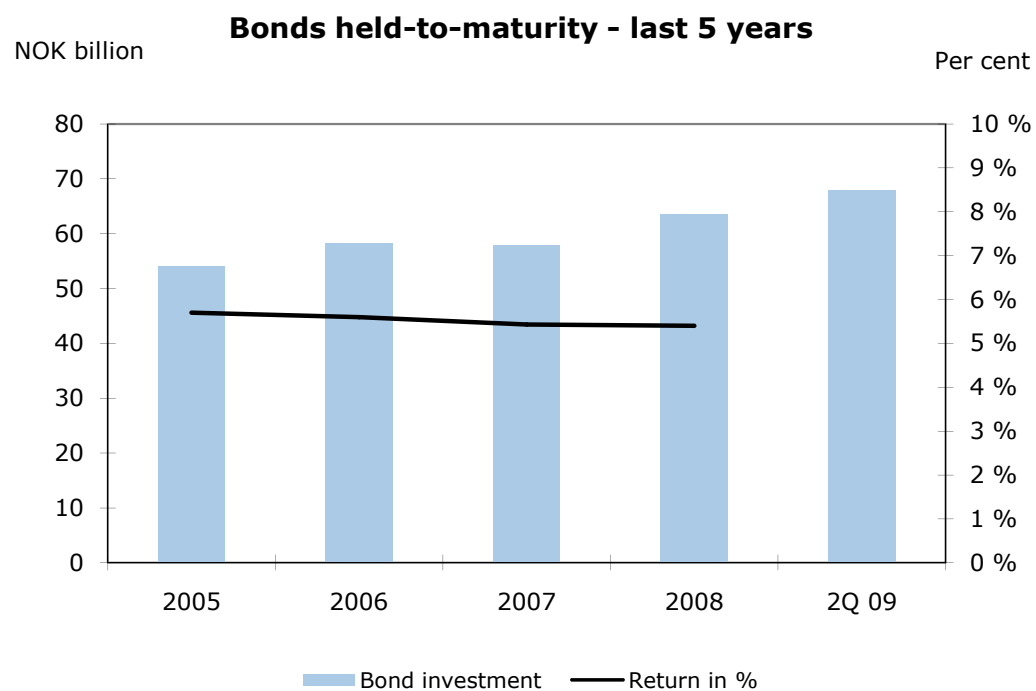
Trading portfolios – geographic split

Trading portfolio equities – Geographic distribution incl. derivatives	30.06.08	31.12.08	30.06.09
Trading portfolio equities total	100 %	100 %	100 %
Norway	14.1	13.2 %	18.7 %
Other Nordic countries	3.8	6.1 %	6.8 %
Other International	81.4	76.6 %	70.7 %
Misc. portfolios	0.7	4.1 %	3.8 %

Trading portfolio fixed-income – Geographic distribution incl. derivatives	30.06.08	31.12.08	30.06.09
Fixed income – total trading portfolios	100 %	100 %	100 %
Norway – money market	18.7	26.8 %	24.1 %
Norway – bonds	16.9	17.9 %	25.2 %
International bonds	62.9	55.3 %	50.7 %
Other portfolios	1.5	0.0 %	0.0 %

Bonds held-to-maturity

	30.06.08	31.12.08	30.06.09
Book value (NOK mill)	57 081	63 599	68 051
Valuation reserves (NOK mill)	-2 695	1 573	1 694
Return year to date (per cent)	2.7	5.4	2.7



Property portfolio

	30.06.08	31.12.08	30.06.09
Book value (value-adjusted NOK mill)	21 759	22 201	23 509
Total space occupied incl. sites (1 000 sq m)	1 328	1 358	1 372
Occupancy rate (per cent)	97.5	94.2	94.3
Average lease duration (year)	6.2	5.8	6.0
Yield year to date (per cent)	-0.8	2.6	1.4

Property ownership by portfolio;

- Common portfolio 91.8 %
- Corporate portfolio 7.5 %
- KLP Skadeforsikring 0.6 %
(Non-life insurance)
- KLP Bedriftspensjon 0.1 %
(Private sector pensions)

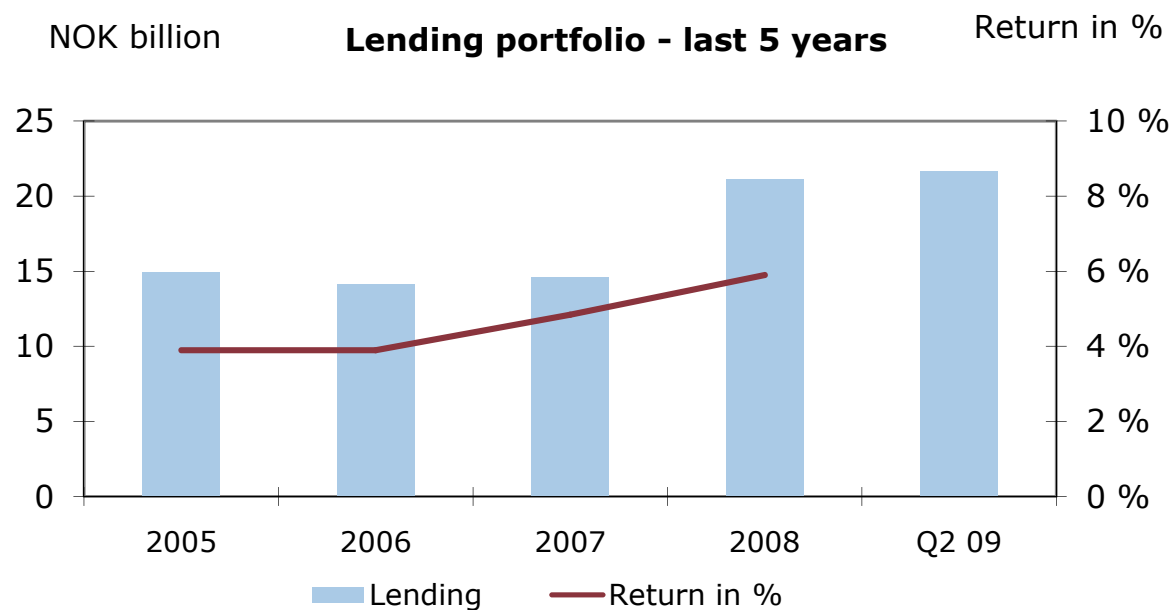
- Geographic split of the portfolio;
75 % Oslo, 8 % Trondheim,
8 % Copenhagen, 3 % Stavanger,
6 % Sweden
- Sector diversification of the portfolio;
58 % office, 17 % hotels,
9 % shopping centres, 4 % real estate,
7 % under construction, 5 % other

Real-estate through Q2

- Further write-down of property assets: in total NOK 167 million through Q2
- NOK 1 493 million invested in property acquisitions through Q2
- Property portfolio Denmark: NOK 1 920 million
- Property portfolio Sweden: NOK 1 291 million
- Total investments in international property funds NOK 654.3 million per 30.06 constituting a very modest part of property investments

Lending portfolio

	30.06.08	31.12.08	30.06.09
Book value (NOK mill)	15 701	21 106	21 877
Of this: fixed rate loans (NOK mill)	5 039	8 404	9 727
Return year to date (in per cent)	2.8	5.9	2.3
Specific and general credit loss provisions (NOK mill)	1.1	1.2	0.6



Kommunekreditt: important events Q2

- Sale of Kommunekreditt Norge AS from Eksportfinans to KLP carried through on June 24th
- Name changed to KLP Kreditt AS and established as a subsidiary of KLP Banken
- KLP's 20 per cent stake in Kommunalbanken sold to the State
- Loans totalling about NOK 11 billion transferred to Eksportfinans as part of the agreement
- Public sector lending in KLP grouped under common branding: KLP Kommunekreditt
- Total lending under KLP Kommunekreditt brand: NOK 51 billion. A market share of approximately 21 per cent

KLP Kreditt AS - results Q2 2009

<i>NOK million</i>	Q2 2008	Q2 2009
Net interest income	90	199
Costs and depreciation	(-20)	(-19)
<u>Realized and unrealized gains/losses</u>	<u>(-32)</u>	<u>(-96)</u>
<u>Net operating revenue before taxes</u>	<u>37</u>	<u>84</u>
Results for the period	27	61

KLP Kreditt AS - Balance Sheet Q2 2009

<i>NOK million</i>	Q2 2008	Q2 2009
Lending and investments	62 106	35 608
Other assets	27	25
Total assets	62 133	35 633
Long term funding	61 217	34 428
Other liabilities	74	324
Equity capital	842	881
Total debt and equity	62 133	35 633

Total loans in KLP Kommunekreditt: NOK 51 billion



KLP Skadeforsikring AS – Q2 2009

- Highly satisfactory results for Q2 2009, operating profit NOK 78.6 million for the quarter and NOK 95.5 million for the first half-year
- 3 three significant fire incidences through the quarter negatively affects the insurance results
- Positive winding-up results for the quarter and the half-year
- Satisfactory financial results through Q2
- High level of sales activity in wholesale-market
- Numerous tenders towards public sector clients
- Net initial sales 80 per cent over per iodized budget
- Significant interest from retail clients
- 620 new individual clients in Q2 representing a premium volume of NOK 5.8 million
- At present about 2 800 individual clients, representing a premium volume of NOK 25 million



KLP Skadeforsikring AS (non-life insurance)

- Improved insurance results gave a combined ratio of 96.5 per cent for the half-year (89.1 per cent)
- Claims percentage all branches 70.1 per cent (69.0 per cent)
- Cost percentage all branches 26.4 per cent (20.1 per cent)
 - Due to low premium volume
 - Cost percentage stemming from ordinary 23.1 per cent
- Return on financial assets 2.7 per cent for Q2 (0.4 per cent) and 3.3 per cent for the half-year 1. (0.2 per cent)
- The security provisions constitute a satisfactory buffer against possible unwinding-losses and unfavourable risk evolution

Profit & Loss, second quarter 2009

Result in NOK '000	Results 01.01.–30.06.08	Results 01.01.- 30.06.09
Premium written f.o.a.	257 143	292 322
Allocated investment income	52 048	28 420
Claims f.o.a.	-177 445	-205 059
Insurance related expenses	-51 659	-77 040
Other insurance related income	3 352	1 042
Changes in security reserves etc.	-11 275	-19 307
Result from technical activities	72 164	20 378
Result from investment activities	8 220	103 524
Allocated investment income	-52 048	-28 420
Result from ordinary operation	28 336	95 482
Estimated tax expense	-7 934	-26 735
Provisions for equity fund	-6 754	-14 474
Result after provisions for equity fund	13 648	68 747

KLP non-life insurance

Key figures, <i>per cent</i>	30.06.08	2008	30.06.09
Claims ratio on own account	69.0 %	70.6 %	70.1 %
Cost ratio on own account	20.1 %	26.7 %	26.4 %
Combined Ratio for own account	89.1 %	97.3 %	96.5 %
Return on capital	0.2 %	0.4 %	3.3 %
Capital adequacy ratio	32.1 %	39.4 %	30.5 %
Revenues, <i>NOK mill</i>	30.06.08	2008	30.06.09
Gross premiums written	494	574	482
Premium income for own account	257	526	292
Claims paid for own account	177	371	205
Insurance related costs for own account	52	144	77
Results	28	35	95
Key figure balance sheet, <i>NOK mill</i>	30.06.08	2008	30.06.09
Financial assets	2 805	2 786	2 971
Total assets	3 101	2 942	3 283
Equity	590	595	664
Provisions in insurance funds for own account	2 354	2 163	2 416

Key points

- Satisfactory solvency entering 2009 gave KLP necessary freedom to position financial assets in a way that yielded good results in Q2
- This resulted in satisfactory interest result and good return to customers
- The good results improve solvency ensuring further risk capacity in financial management
- The acquisition of Kommune-kreditt provide an improved range of products and services to our core customers



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