

Presentation of Financial Results Q3-2005

3 November 2005

For days to come



Main features of Q3-2005



- Good profit performance, Value-adjusted results was NOK 2.2 billion (NOK 0.2 bn). Year to date 4.5 billion (2.0 bn)
- Good return year to date - Booked return 3.9 pct and value-adjusted return 5.4 pct
- Premiums attained NOK 10.4 billion (NOK 11.0 bn). The decrease explained by lower regulation premiums
- Net financial income NOK 7.6 billion (NOK 5.4 bn)
- Growth in total assets was about 11 pct to NOK 153 billion (NOK 138 bn)

Figures in brackets show last year equivalents

Main features in Q3-2005 (cont.)

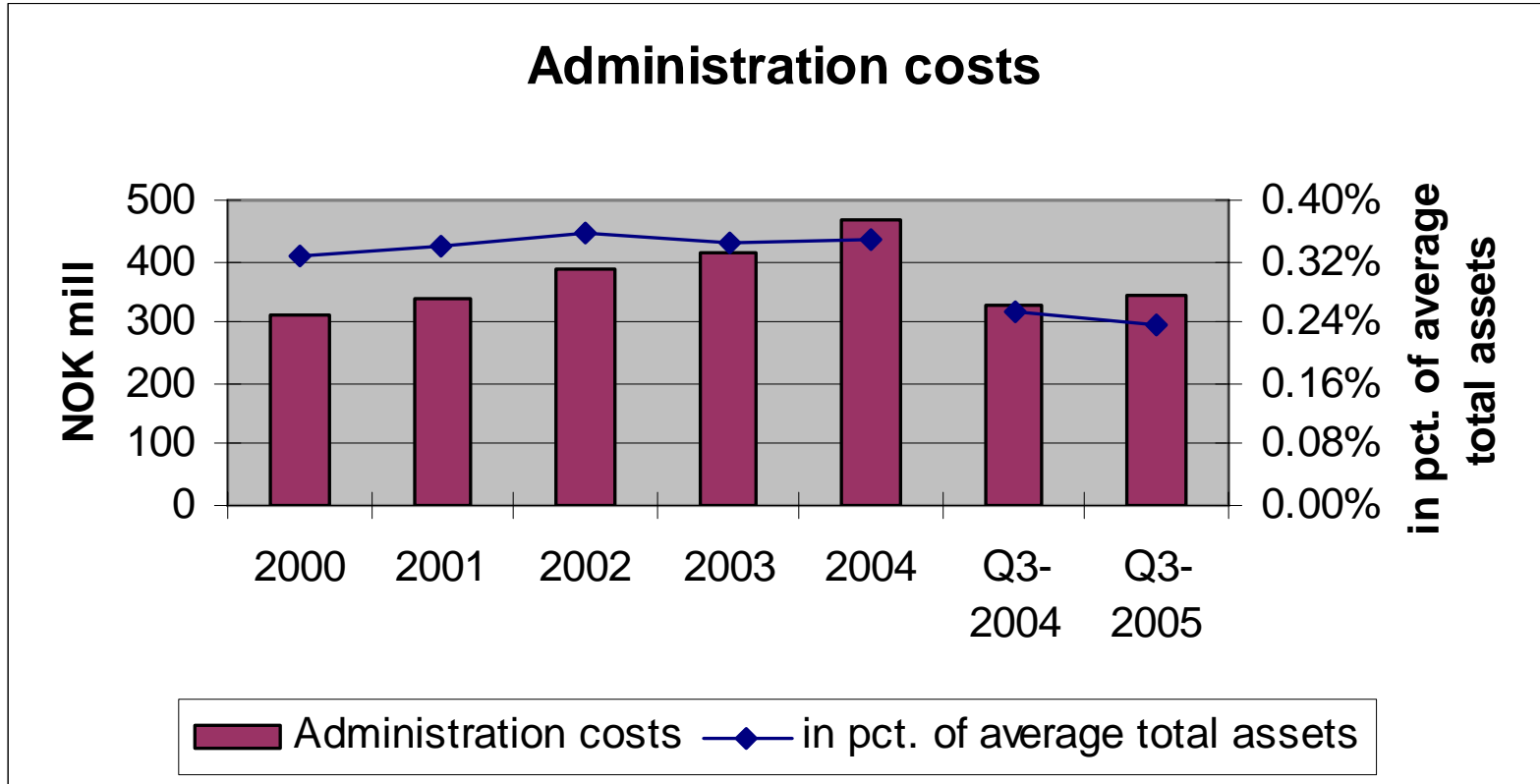


- Further strengthening of total financial solidity, buffer capital increased by NOK 2.2 billion to NOK 13.1 billion during Q3
- KLP has solid margins between the company's guaranteed rate and interest rate in the market, and a favourable position to generate profits
- 27 municipalities consider carefully their relationship with their provider, 22 of these are KLP customers
- 14 of KLP's other municipal customers have already considered their customer relationship, and decided to continue as customers of KLP

Key figures - Profit and loss account

Result <i>NOK mill</i>	Period 01/07/ - 30/09/2005	Period 01/01/ - 30/09/2005	Period 01/01/ - 30/09/2004
Premiums	5,924	10,416	10,976
Net transfers	-132	-949	-1,019
Net financial income	3,197	7,588	5,356
Claims	-1,493	-4,296	-3,923
Changes in insurance provisions	-5,207	-7,904	-8,557
<i>Of which : net transfers</i>	<i>132</i>	<i>933</i>	<i>1,010</i>
<i> premium reserves</i>	<i>-5,339</i>	<i>-8,837</i>	<i>-9,567</i>
Other	0	10	0
Reinsurance	-1	-1	-456
Operating expenses	-114	-345	-328
Tax expense	-1	-1	0
Value adjusted result	2,173	4,518	2,049
To security reserve fund	-1,376	-2,284	14
Result before allocations	796	2,235	2,062

Administration costs



Key figures - balance sheet

Assets <i>NOK mill</i>	31/12/2004	Change	30/09/2005
Equities ¹	18,036	7,138	25,174
Bonds	23,122	5,695	28,817
Money market instruments	7,298	51	7,349
Bonds held to maturity	52,766	-1,625	51,141
Mortgages	16,324	-661	15,663
Property	10,951	62	11,013
Other financial assets ²	8,081	-123	7,958
Other assets ³	4,946	885	5,831
Total assets	141,524	11,422	152,946

1. Overall exposure to the equity market including derivatives was NOK 30.9 billion at 30.09.2005.
2. Mainly short-term deposits and long-term shares.
3. Included premium receivables and interest earned.

Key figures - balance sheet

Equity and liabilities <i>NOK mill</i>	31/12/2004	Change	30/09/2005
Equity	4,408	537	4,945
Tier 1 loan capital	675	40	715
Subordinated loan capital	1,385	-52	1,333
Result before allocation		2,235	2,235
Security reserve fund	2,595	2,284	4,879
Insurance provisions	131,597	6,099	137,696
<i>of which supplementary reserves</i>	<i>4,031</i>	<i>-21</i>	<i>4,010</i>
Other liabilities	864	279	1,143
Total equity and liabilities	141,524	11,422	152,946

Return on capital

<i>Figures in percent</i>	Period 01/01 - 31/03/2005	Period 01/04 - 30/06/2005	Period 01/07 - 30/09/2005	Period 01/01 - 30/09/2005
Return on capital I (booked)	1.3	1.2	1.4	3.9
Return on capital II (value adjusted)	1.1	2.0	2.3	5.4
Return on capital III (included HTM-reserves)	0.7	3.0	1.8	5.5

Financial assets: Allocation and return

Financial assets ¹ Figures in percent	Ratio 31/12/2004	Ratio 30/09/2005	Return ytd 30/09/2005
Equities	13.2	17.1	15.8
Bonds	22.3	24.6	2.4
Bonds held to maturity	38.6	34.8	4.3
Mortgages	12.0	10.6	2.9
Property	8.0	7.5	5.6
Other financial assets	5.9	5.4	
Total in percent	100	100	
Overall exposure to the equities market including derivatives	16.2	21.0	15.8

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

Valuation reserves, trading portfolios

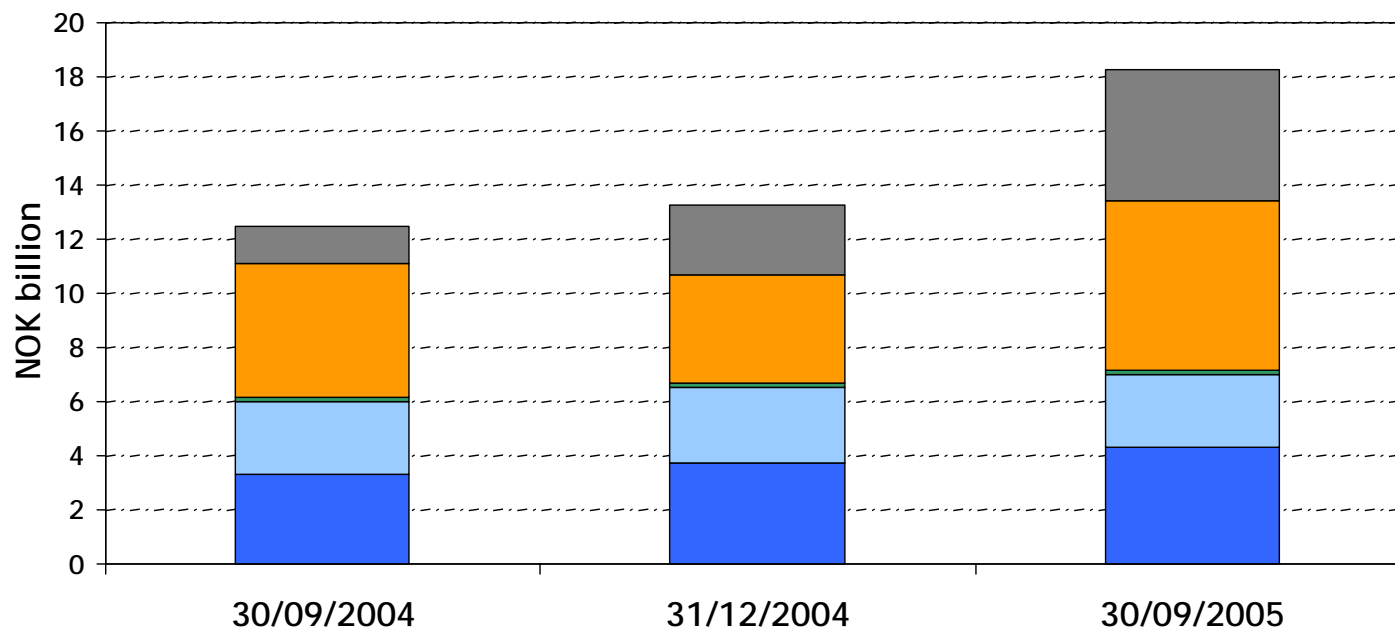
Unrealised valuation reserves <i>NOK mill</i>	31/12/2004	Change	30/09/2005
Bonds	414	1	415
Equities	1,695	2,495	4,190
Derivatives	468	-233	235
Total unrealised reserves trading portfolio	2,577	2,263	4,840
Bonds held to maturity	5,187	377	5,564

Financial buffers

<i>NOK mill</i>	31/12/2004	30/09/2005
Security reserve fund	2,595	4,879
Supplementary reserves and profit before allocation	4,031	6,244
Tier 1 margin	1,752	2,007
Buffer capital according to regulators definition	8,378	13,130
Valuation reserves - Bonds held to maturity	5,187	5,564

<i>Figures in percent</i>	31.12.2004	30.09.2005
Capital adequacy ratio	14.0	12.9
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

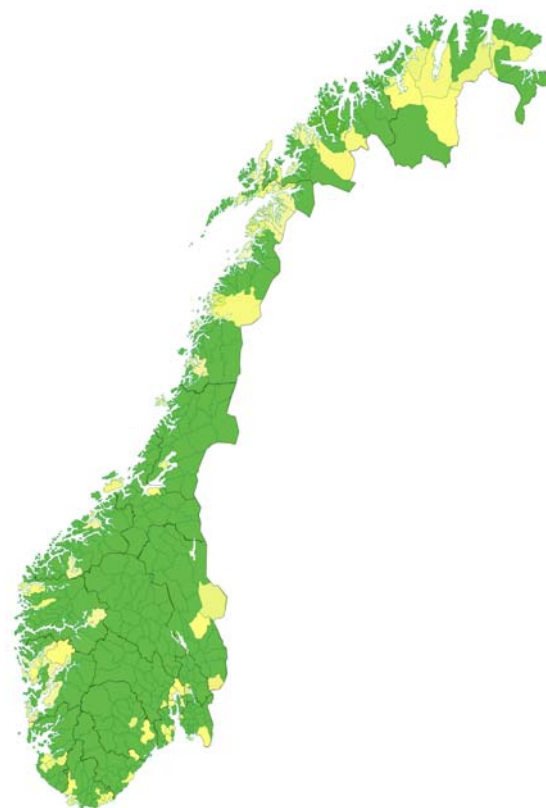
KLP as the market leader based on the Public Pension Sector in Norway

Pension Agreements in KLP:

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

The Pension Schemes comprises:

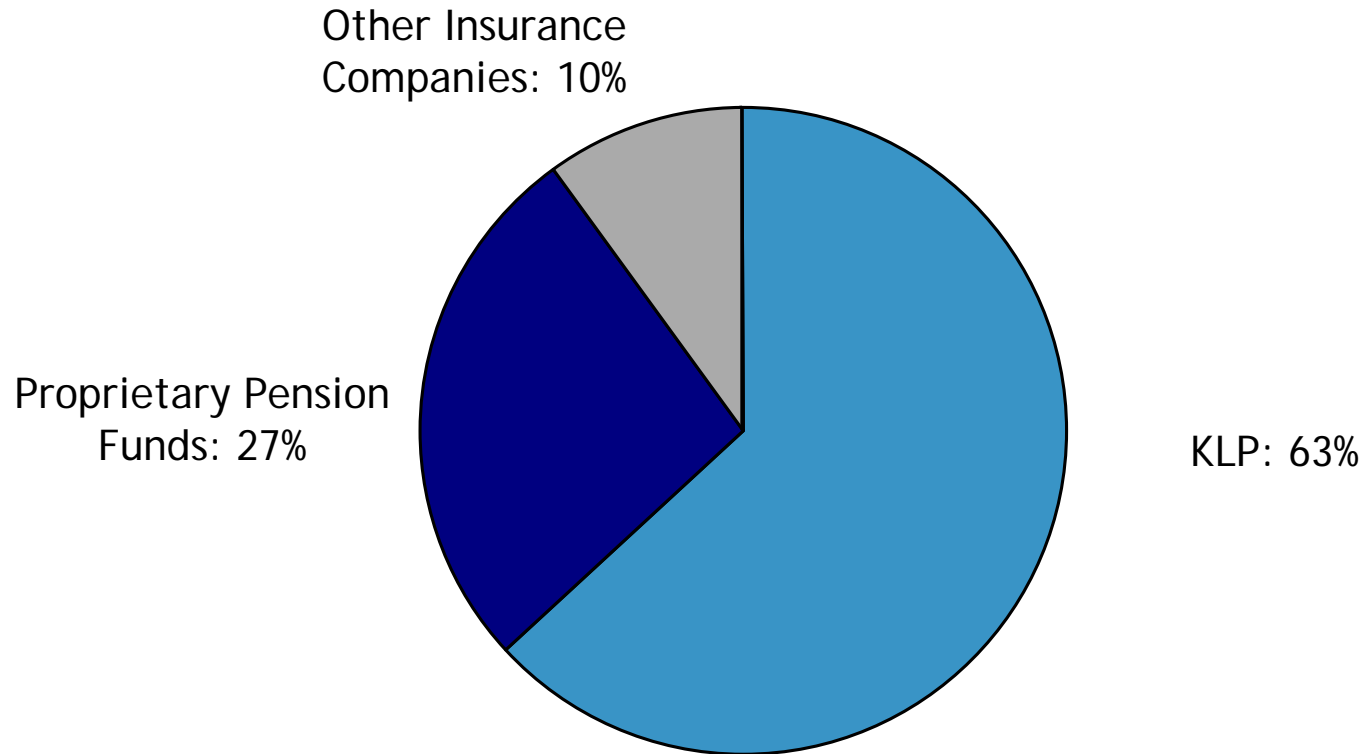
- 289 000 active members
- 130 000 pensioners
- 108 000 paid up policies



Figures per 01.01.2005

For days to come

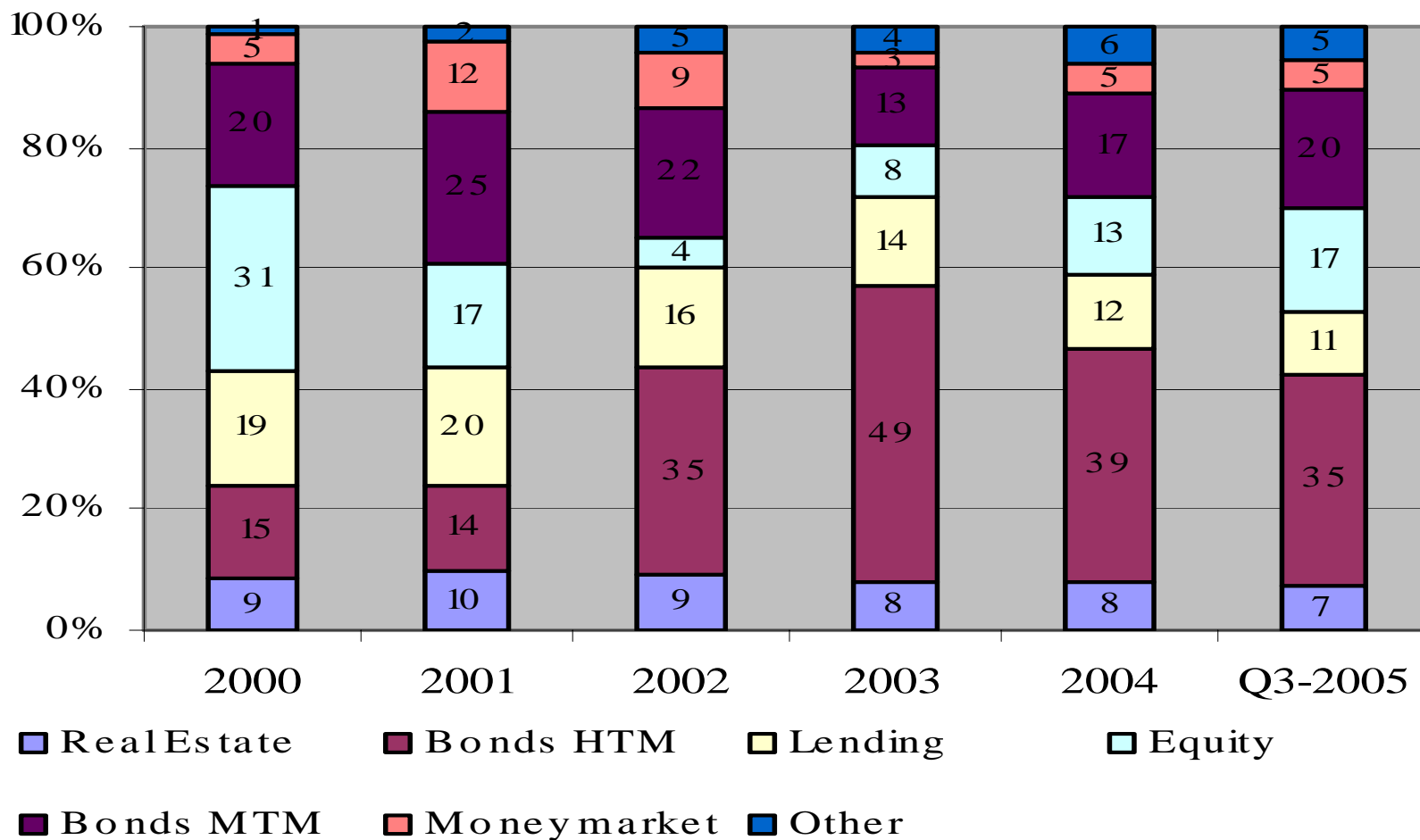
Municipal Pensions Sector By funds



Figures per 01.01.2005

For days to come

Allocation of financial assets ¹



¹ Allocation to equities excluding derivatives.

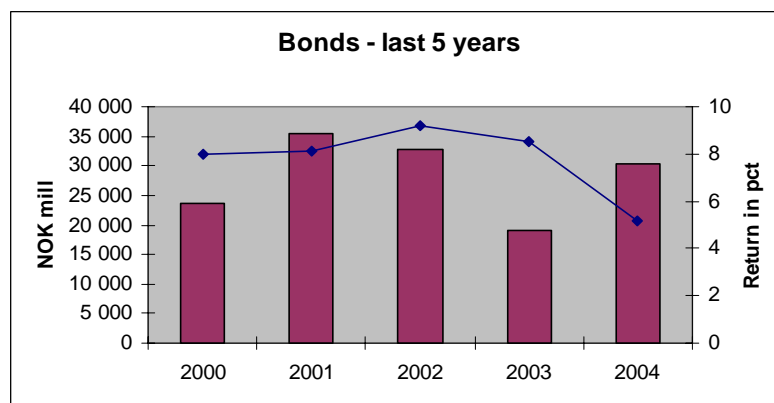
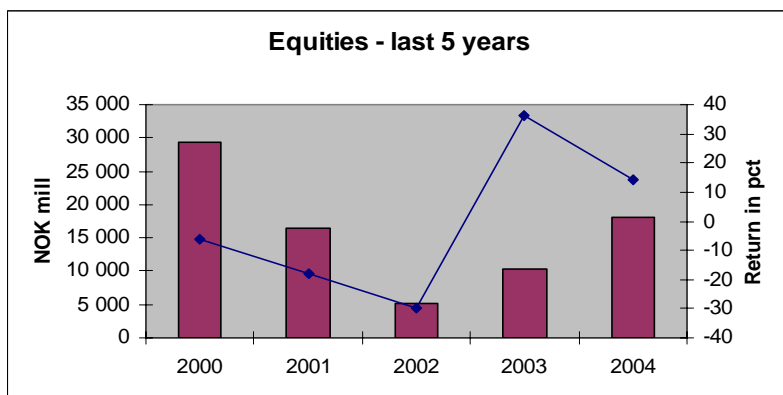
Trading portfolios - equities and bonds

Trading portfolios - equities and bonds (Including derivatives) *)	31/03/2005	30/06/2005	30/09/2005
Value Equities (NOK mill)	21,817	26,358	30,884
Value Bonds (NOK mill)	40,891	41,409	41,487
Equities incl derivatives (in pct of total financial assets)	15.6 %	18.3 %	21.0 %
Total return, trading portfolio equities year to date	1.6 %	6.2 %	15.8 %
Total return, trading portfolio bonds year to date	0.5 %	2.3 %	2.4 %

*) 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	30/09/2005
Index portfolio (passive mandate) in percent of total equity portfolios	82.6 %	84.6 %	84.8 %
Index portfolio (passive mandate) in percent of total bond portfolios	15.7 %	15.8 %	20.9 %



Trading portfolios - geographic diversification

Trading portfolios of equities - geographic diversification Incl derivatives	31/03/2005	30/06/2005	30/09/2005
Trading portfolios of equities - Total	100 %	100 %	100 %
Norway	10.7 %	9.9 %	9.8 %
Nordic excl Norway	3.0 %	2.7 %	2.5 %
Other foreign	86.0 %	87.1 %	87.5 %
Other portfolios	0.3 %	0.3 %	0.2 %

Trading portfolios of bonds - geographic diversification Incl derivatives	31/03/2005	30/06/2005	30/09/2005
Trading portfolios of bonds - Total	100 %	100 %	100 %
Norway - money market instruments	40.6 %	40.8 %	29.1 %
Norway - bonds	12.5 %	13.0 %	14.8 %
Foreign - bonds	45.8 %	44.9 %	54.8 %
Other portfolios	1.1 %	1.3 %	1.3 %

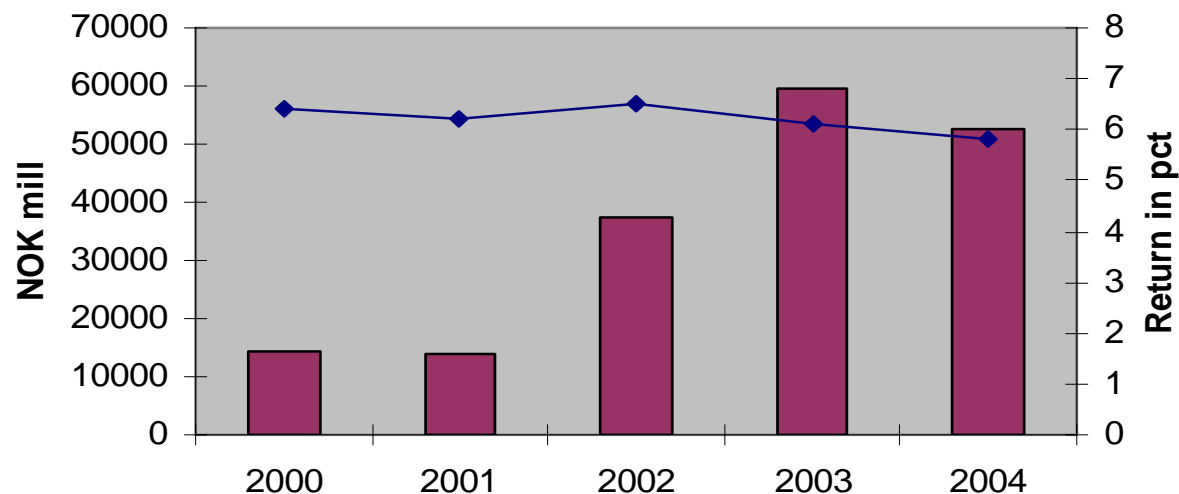
Bonds held to maturity

Bonds held-to-maturity portfolio

31/03/2005 30/06/2005 30/09/2005

Book value (NOK mill)	51,655	51,082	51,141
Yield (percent)	5.5	5.5	5.5
Duration (year)	5.7	5.7	5.8
Valuation reserves (NOK mill)	4,583	6,130	5,564
Return year to date (percent)	1.4	2.8	4.3

Bonds held-to-maturity - last 5 years



For days to come

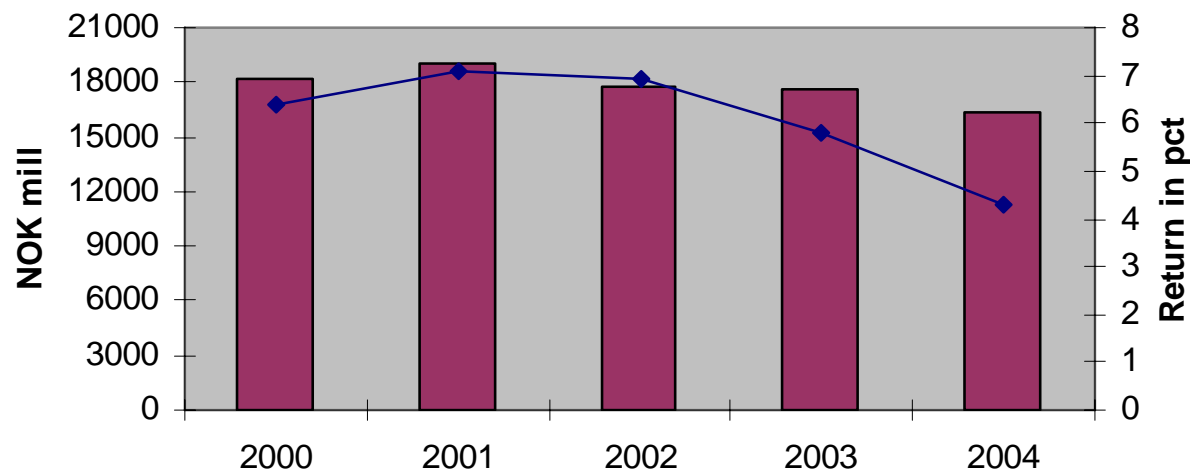
Lending portfolio

Lending portfolio

31/03/2005 30/06/2005 30/09/2005

Book value (NOK mill)	16,178	16,039	15,663
Of this: Fixed rate loans	8,621	8,310	7,969
Return year to date (in percent)	1.0	1.9	2.9
Specific and general credit loss provisions (NOK mill)	7	7	2

Lending portfolio, last 5 years



For days to come

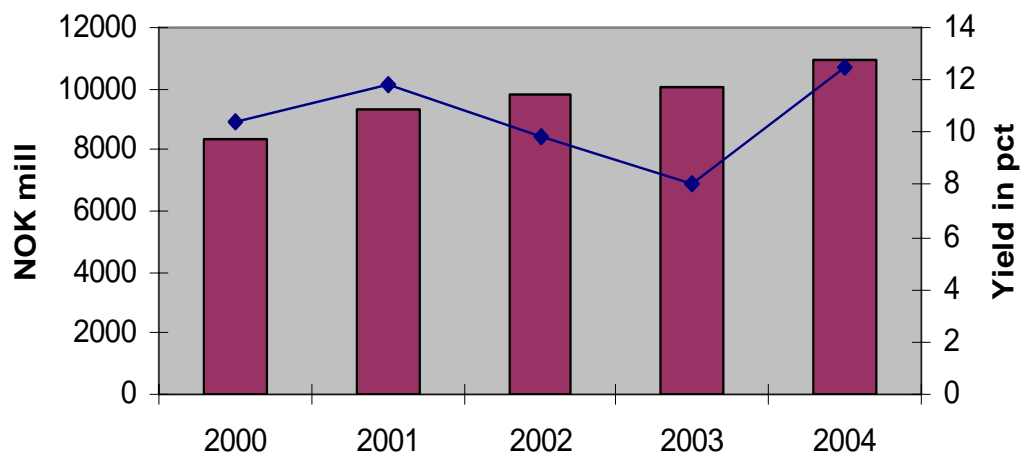
Property portfolio

Property portfolio

31/03/2005 30/06/2005 30/09/2005

Book value (value-adjusted, NOK mill)	10,997	10,964	11,013
Total space occupied incl sites (square metres)	1123,149	1123,149	1123,149
Occupancy rate (percent)	95.4	96.8	96.0
Average duration (years)	7.2	7.0	7.6
Yield year to date (percent)	1.8	3.6	5.6

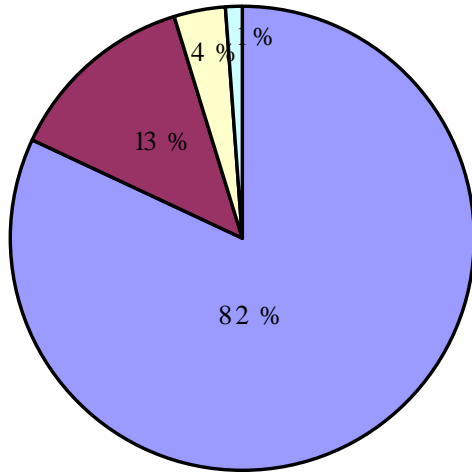
Property portfolio - last 5 years



For days to come

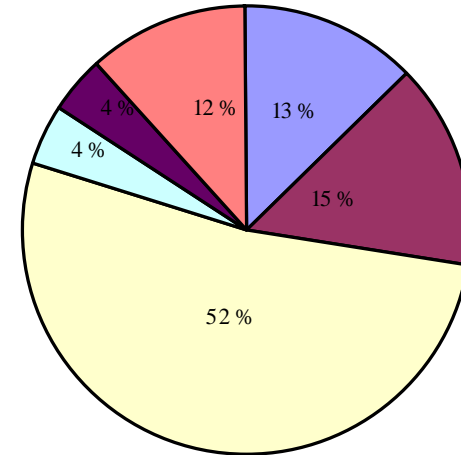
Property portfolio

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

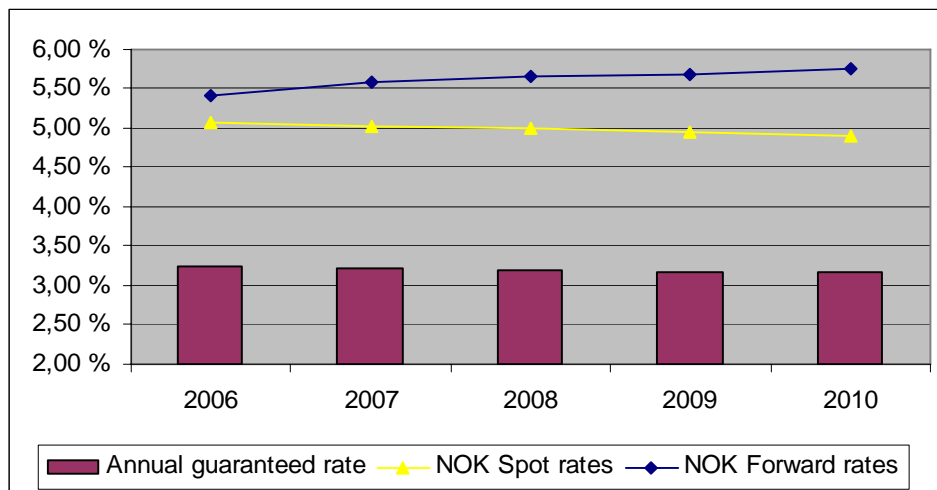


Illustration. Calculations based on forward rates and spot rates per 30 September 2005 and standardised risk premiums.

- 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 to average guaranteed return at about 3.3 pct. This guaranteed rate is well below peers
- Well capitalised and increased risk capacity in investment management
- The equity portfolio has grown in line with increased risk capacity and improves diversification

KLP non-life insurance

- Result for Q3 - 2005 NOK 59 million (NOK 21 million)
- Favorable development in casualties and low cost gave a very satisfactory Combined Ratio at 90,3 pst at the end of third quarter (88,2 pst)
- Claims Ratio 76.7% (75.9%)
- Cost Ratio 13.6% (12.3%)
- Return on capital 3.6% ytd (3.3%)
- Equalisation reserves make an satisfactory buffer against adverse run off and negative risk development

Figures in brackets show last year equivalents

KLP non-life insurance

Key ratios in %	30/09/2005	30/09/2004	2004
Claims ratio on own account	76.7 %	75.9 %	75.3 %
Cost ratio on own account	13.6 %	12.3 %	13.2 %
Combined ratio on own account	90.3 %	88.2 %	88.5 %
Return on capital	3.6 %	3.3 %	4.6 %
Capital adequacy ratio	38.7 %	55.4 %	59.3 %

Key figures Profit and loss account, NOK mill	30/09/2005	30/09/2004	2004
Gross premium written	600	611	615
Premium income on own account	423	428	560
Claims cost on own account	324	325	422
Insurance-related operating expenses on own account	58	53	75
Result	59	21	25

Key figures balance sheet, NOK mill	31/12/2004	Change	30/09/2005
Financial assets	1,848	357	2,205
Total assets	1,966	402	2,368
Equity	196	59	255
Provisions in insurance fund on own account	1,711	340	2,051

KLP Asset Management and KLP Fund Management

- In total, the two companies increased assets under management by NOK 16.3 Bn to NOK 125.4 Bn by the end of second quarter. This equates to a growth of about 15 per cent year to date.
- Total excess return from assets under active management year to date was NOK 94.9 mill.
- Total fee income for the year to date was NOK 101 mill.

	NOK Bn	Return	Index	Excess return
Total Active Management	30.6	7.35 %	6.95 %	0,41 %
- equities	4.1	39.06 %	35.51%	3.55 %
- bonds	26.5	2.50 %	2.58 %	-0.07 %
Total Index Management	31.5	8.50 %	8.53 %	-0.03 %