Interim report 1/2008

Report from the board of directors - Account & balance - Notes

KLP

for the days to come

Content

Interim report for the **first quarter 2008**

Good results brought to book – without using supplementary reserves

- In a challenging financial market KLP achieved a very satisfactory book profit of NOK 2,012 million in the first quarter. The book return was 1.7 per cent.
- A surplus of NOK 1,798 million is being allocated to customers in the common portfolio (over and above the guaranteed interest)
- Value adjusted return negative, minus 2.0 per cent.
- Two large property purchases carried out
- Management adapted to the industry's new parameters

For KLP the main features of the first quarter of 2008 have been the weak financial market. Solid buffers entering 2008 made a good book return possible without resorting to drawing on supplementary reserves, safeguarding stability and predictability for our customers.

Cost effective operations

KLP delivers positive results in all elements; interest- administration and risk- result. Confirming predictability and cost-control. KLP maintains the lowest cost-base in the business, 0.34 per cent and the lowest premium charged for guaranteed interest, 0.1 per cent.

New parameters

The new Norwegian Insurance Act came into force on 1 January 2008. Amongst other things the new law involves a fundamental revision of the principles for the appropriation of surpluses between insurance customers and the Company's owners. In a mutual insurance company the customers share identity with the owners, so that in effect surplus appropriated to owners in reality benefit the customers.

The new law also involves a clearer division between customers' savings and the insurance company's (i.e. its owners') assets. These are presented in the reports as, respectively, the common portfolio and the corporate portfolio.

For KLP's group schemes the new Norwegian Insurance Act means that the surplus from managing the pension assets must go in its entirety to the customer.

The new Norwegian Insurance Act has the objective of providing greater predictability and better insight into the pricing of insurance products, an initiative welcomed by KLP.

The various parts of the pension provision are priced separately in advance, and this is reflected in the premium calculations. Safety and profit margins can be applied to each element.

Result

Common portfolio

Management of the common portfolio produced interest income of NOK 1,782 million over and above the guaranteed interest for the quarter, which amounted to NOK 1,299 million. Including the other elements of income the interim profit allocated to customers amounted to NOK 1,928 million.

Corporate portfolio

Management of the corporate portfolio gave an interim allocated profit for the owners of NOK 84 million, corresponding to a 1.1 per cent return on the assets in the corporate portfolio.

Premium income amounted to NOK 2,681 million in the first quarter (NOK 2,429 million) The Company had a positive administration result of NOK 19 million and a positive risk result of NOK 88 million.

Operating expenses were NOK 150 million (NOK 156 million), a testimony to the fact that KLP maintains cost efficient operations.

Allocation of profit 1Q NOK million	Customer	Owner	Total
Interest income	1 782	88	1 869
Risk result	88	0	88
Interest guarantee premium		25	25
Administration profit		19	19
Return on corp. portfolio alloc. to customers	48	-48	0
Other	10	0	10
Total profits	**1 928**	**84**	**2 012**

Financial strength and capital

KLP's total assets amounted to NOK 190.7 billion at the end of the quarter (NOK 180.9 billion).

Capital adequacy as at 31.03.2008 was 12.2 per cent, compared with 12.1 per cent at the turn of the year. The authorities' minimum requirement is 8.0 per cent.

The company's buffer capital comprised NOK 10,916 million at the end of the first quarter.

In addition, KLP had supplementary reserves beyond one year's interest requirement, of NOK 2,421 million. Undervalues in the portfolio of long-term bonds amounted to NOK 483 million.

The securities adjustment fund was NOK 60 million positive at the end of the first quarter.

Total solvency capital at the end of the first quarter was NOK 17,786 million.

Amended accounting regulations

The annual accounting regulations were amended with effect as 1 January 2008, as a result of amendments to the Norwegian Insurance Act and adaptation to the EU-approved international accounting principles (IFRS/IAS). The changes are so comprehensive that comparable figures are not required in the year of implementation. For this reasons comparable figures for last year are not shown.

The table below shows changes in the accounting principles having had a positive effect on owners' equity.

NOK million	
Redisposition of contingency fund to risk leveling fund	262
Unrealised financial gains assets corporate capital	379
Reclassified surplus fund group life	86
Total	**727**

In KLP the investment portfolio is divided between the common portfolio and the corporate portfolio with effect from 1 January. The common portfolio is divided again into two sub-portfolios based on the desired investment style – aggressive and balanced.

Asset management

Return on capital All figures in %	Year to date 31.03.08
Common portfolio	
Return on capital I - booked	1.8 %
Return on capital II - value adjusted	-2.3 %
Corporate portfolio	1.1 %
Total capital	
Return on capital I - booked	1.7 %
Return on capital II - value adjusted	-2.0 %
Return on capital III - value adjusted incl. change in HTM bonds	-1.8 %

Investments - common portfolio NOK million	31.03.2008	
Buildings and other real estate	20 598	12 %
Receivables due from & securities issued by subsidiaries, associated and jointly controlled undertakings	58	0 %
Investments held to maturity	29 298	17 %
Lending & and debtors	43 917	25 %
Financial assets measured at fair value	83 603	47 %
Total	**177 474**	**100 %**

The stock markets declined sharply during January and did not recover during the first quarter. The collective benchmark that KLP follows, showed a fall of 12.9 per cent, whilst KLP's share portfolio fell by 12.6 per cent. In the weak returns from the stock-market lies the cause of the negative value adjusted return.

The total proportion of equities in the common portfolio, with share derivatives included, amounted to 16.2 per cent at the end of the quarter. Exposure to the stock markets was reduced in January.

The common portfolio's investments in short term bonds gave a return of 1.1 per cent in the first quarter. KLPs trading portfolio in fixed income contains a substantial element of investment grade credits. Market value of these bonds suffered a particularly from uncertainties in the financial markets through the first quarter. This situation is largely normalised in the second quarter, with a corresponding positive effect on returns from bonds.
Investments in money market instruments returned 1.6 per cent. The portfolio of long-term bonds gave a return of 1.3 per cent.

The return on the lending portfolio was 1.4 per cent for the first quarter, whilst the property portfolio returned 1.3 per cent. KLP has not undertaken any write-ups or write-downs of the property portfolio in the first quarter of 2008.

In the first quarter KLP bought two large office buildings. Altogether, transactions of an order of magnitude of NOK 2.7 billion were involved.

Other financial assets consisted mainly of short-term liquidity related to the management of securities.

Social responsibility

KLP excludes companies that can be associated with breaches of UN norms, and tobacco producers. In addition, the recommendations given by the Ethical Council for the management of the Norwegian Government Pension Fund – Global are followed. At the end of the first quarter, 43 companies in total were excluded from KLP's investment portfolios.

Funds management

In spite of uneasy financial markets, net subscriptions to KLP's mutual funds from external clients reached NOK 1 334 million in the first quarter. External funds managed amount to NOK 6.3 billion, a growth of 70 per cent through the last 12 months.

Non-life insurance

KLP Skadeforsikring AS' result was a deficit of NOK 12.0 million, compared with a surplus of NOK 4.4 million for the same period last year. This reflects positive technical development with a good result both from the year's business and from a positive settlement result combined with negative financial returns.

Gross premiums due were down by 3.6 per cent to NOK 412.9 million compared with the same time last year.

The capital situation is still good with capital adequacy being 24.2 per cent.

Future prospects

In the period following the close of the first quarter's accounts the financial markets have shown a positive tendency and KLP's valuation reserves have strengthened to attain NOK 2.5 billion after the end of the quarter, KLP has increased its exposure to the stock markets to asomewhat.

There are still elements of uncertainty, meaning that we must be prepared for further turbulence. KLP has strong solvency to fall back on in case of such further disturbance, rendering the probability of having to draw on the customer's supplementary reserves unlikely.

Oslo, 14th May 2008
The Board of Directors of Kommunal Landspensjonskasse

Accounts Kommunal Landspensjonskasse after the first quarter 2008

Profit and loss account NOK million	31.03.2008
Premium income	2 681
Net income from investments in the common portfolio	-4 085
Income from investments in subsidiaries, associated and jointly controlled undertakings	-15
Interest and dividends, financial assets	2 048
Net operating income - property	244
Value adjustments on investments	-7 464
Realised gains and losses on investments	1 103
Other insurance related income	145
Claims	-4 429
Adjustments to insurance liabilities, contractual liabilities, brought to income statement	7 905
Assets associated with insurance contracts, contractual liabilities	-1 928
Insurance related operating expenses	-148
Other insurance related expenses	-145
Profit from technical accounts	**-4**
Net income from investments in the corporate portfolio	130
Other income	5
Management expenses and other expenses in connection with the corporate portfolio	-50
Profit from non-technical accounts	**85**
Profit before tax expense	81
Profit before other profit components	**81**
Other profit components	2
TOTAL PROFITS	**84**

Accounts Kommunal Landspensjonskasse after the first quarter 2008

Balance sheet

NOK million	31.12.07
ASSETS	
ASSETS IN THE CORPORATE PORTFOLIO	
Immaterial assets	170
Investments	11 572
Receivables	795
Other assets	614
Prepaid costs and earned, not received income	62
Total assets in the corporate portfolio	**13 214**
ASSETS IN THE CUSTOMER PORTFOLIOS	
Investments in the common portfolio	
Buildings and other real estate	20 598
Subsidiaries, associated and jointly owned undertakings	58
Financial assets measured at amortised cost	73 215
Financial assets measured at fair value	83 603
Total assets in the customer portfolios	**177 474**
TOTAL ASSETS	**190 688**
OWNERS' EQUITY AND LIABILITIES	
Paid up equity	4 222
Retained earnings	3 193
Funds	259
Risk compensation fund	259
Other retained earnings	2 850
Unallocated income	84
Subordinated loan capital etc	3 610
Insurance liabilities life insurance – contractual liabilities	176 048
Provisions for liabilities	353
Liabilities	3 211
Prepaid costs and earned, not received income	50
TOTAL EQUITY AND LIABILITIES	**190 688**

Note 1 Accounting principles

The accounts in this interim report show the accounts for Kommunal Landspensjonskasse (KLP) and the Group for the period 01.01.2008 – 31.03.2008 (1st quarter). The accounts have not been audited. The interim accounts do not contain all the information required in complete annual accounts. These notes have been drawn up for KLP's accounts, whilst the notes for the Group accounts follow further on in the report.

Like the annual accounts for 2007, the interim accounts are reported in accordance with the Regulations of 16 December 1998 no. 1241: Regulations on Annual Accounts etc. for Insurance Companies (the annual accounting regulations). The annual accounting regulations changed with effect from and including 1 January 2008, as a result of changes in the Norwegian Insurance Act and adaptation to the EU-approved international accounting principles (IFRS/IAS).

The presentation has been substantially altered for life insurance and it requires that assets in the customer portfolios and the returns on them be shown separately from the corporate portfolio's assets and yields. The allocation of total assets between customer and company is made in accordance with the Norwegian Insurance Act Section 9-7. This means that insurance obligations at any one time must be fully covered by assets and that allocation of assets must be made with in accordance with good business practice. The changes are so comprehensive that comparative figures are not required in the year of implementation. For this reason comparative figures for last year are not shown, but the opening balance has been re-worked in line with the new presentation plan.

Even though comparative figures for last year are not shown, the relevant valuation rules largely continue to apply. It is recommended, therefore, that this interim report be read in conjunction with the annual accounts for 2007. These can be obtained on request from the Company's head office, Karl Johansgate 41b, Oslo, or on www.klp.no.

The most important changes in the accounting principles in comparison with the previous year are in connection with the following:

Accrued interest

Interest bearing investments are brought to account inclusive of accrued interest not yet due. Formerly such interest was shown on its own line for accrued income.

Short-term financial assets

The holding of current financial assets is voluntarily classified at fair value with value changes carried over to the income statement. This does not lead to any accounting consequences as these current assets were already measured at fair value with value changes carried over to the income statement.

Long-term financial assets

The holdings of long-term shares and long-term derivatives that are not covered by provisions are measured at fair value. Formerly, these were valued at the lower of acquisition cost and presumed fair value. This led to an increased value as at 1 January 2008 of NOK 462.1 million booked directly to owners' equity.

Buildings for own use

Buildings for own use are accounted for using the cost method, with revaluation to fair value. The revaluation is posted to the income statement and transferred to the revaluation fund under owners' equity. Formerly buildings for own use were accounted for at fair value with value changes posted to the income statement.

Securities adjustment fund

The securities adjustment fund is included as part of technical provisions. Formerly it was not defined as part of the main item technical provisions, but was presented on a main item line on its own in the layout plan.

The securities adjustment fund comprises value added to short-term financial assets in the common portfolio. Formerly the securities adjustment fund was calculated on the basis of the total of short-term financial assets since it was not divided between the corporate portfolio and the customer portfolio. The corporate share of unrealised added value on short-term financial assets transferred to the securities adjustment fund comprised – NOK 83.1 million as at 1 January 2008. The amount is posted to owners' equity.

Risk compensation fund

The risk compensation fund is classified as a fund in its own right under owners' equity. Up to half of a positive risk result in life insurance and group life insurance can be transferred to the risk compensation fund, though this is maximised at 150% of the annual risk premium. The fund's yield must be brought in to the common portfolio.

In accordance with the transitional rules in the new insurance regulations there was the opportunity to transfer the assets in the former contingency fund to the risk compensation fund. KLP has transferred the whole contingency fund as at 31 December 2007 to the risk compensation fund as at 1 January 2008. The transfer was made directly in the balance sheet.

The contingency fund for life insurance and group life insurance
The contingency fund for life insurance and group life insurance schemes is not carried forward under the new Norwegian Insurance Act, see also the discussion of the risk compensation fund.

Surplus funds in group life insurance and group debt life insurance
Surplus funds in group life insurance and group debt life insurance are reclassified from liabilities to owners' equity, as these are not regarded as fulfilling the definition of obligations in accordance with the amended annual accounts regulations.

Calculation of results

The calculation of results for the Company and customers is significantly altered in the new insurance legislation.

In the public sector defined benefit pensions branch, that mainly determines the results for KLP, the administration result, any negative risk result and, if applicable, negative interest result must fall to the Company. The premium for the interest rate guarantee and the margin of earnings in the setting of premiums, if applicable, also fall to the Company. Customers are allocated surpluses on the interest result and risk result after any provision made to the risk levelling fund.

The Company is also allocated the yield on the assets in the corporate portfolio.

Formerly the collective result was allocated between customers and the Company so that the customers received a minimum of 65 per cent of a positive result and the Company received a maximum of 35 per cent. Any negative result after possible cover brought in from technical provisions, was covered by the Company.

Note 2 Reorganisation of undertaking

With effect from and including 1 January 2008 the insurance obligations and the attached assets connected with KLP's products in accordance with the law on defined benefit pensions, were transferred from KLP to the subsidiary company KLP Bedriftspensjon AS. This undertaking involved insurance obligations of approx. NOK 270 million at the time of transfer. The transfer of undertaking was posted directly to the balance sheet.

Note 3 Pensions own employees

No new calculation of the pension obligations concerning own employees was carried out as at 31.03.2008.The period's pension costs therefore correspond to the pension premiums paid in during the quarter, NOK 5.9 million.

Note 4 Period-specific matters

Scheme transfers

Transfers of pension schemes from KLP can only take place at the turn of the year. For contracts transferred at the turn of the year the insurance cover runs up to an including 31 December and the transfer out is booked on January the following year. The transfer of assets in connection with the transfer of scheme takes place mainly during the first quarter, so there are only expected to be minor adjustments to the booked scheme transfer in other quarters.

Indexation premiums

The increase in insurance liabilities that arises as a result of annual indexation of the National Insurance basic amount (G) and wage settlements for working members, is financed by a discrete indexation premium. This discrete indexation premium and the increase in insurance liabilities are brought to account at the same time, when the effect is known, normally in the second quarter. No provision has been made for this in the accounts for the first quarter 2008. In 2007 income from indexation premiums of NOK 8,150 million in total was booked.

Note 5 Investment properties

The portfolio of investment properties was re-valued as at 31 March 2008. The valuation did not give rise to any significant alteration in the booked property values compared with 31 December 2007.

Note 6 Segment information

The Company's insurance segments are defined in relation to business areas where risk and return distinguish themselves from one another. The Company operates within the three segments, life insurance, non-life insurance and asset management. Other activities are not specified.

NOK millions	Life-insurance	Non-life-insurance	Asset-management	Other	Eliminated	Total
Income	83.6	-12.0	7.5	-1.7	7.9	85.3

Note 7 Operating expenses

NOK millions	1Q 2008
Staff costs	73
Depreciation	8
Other operating expenses	68
Total operating expenses	**150**

Note 8 Changes in owners' equity KLP

NOK millions	Paid-up equity	Fund for revaluation	Reinsurance provisions	Other equity	Total equity
Equity at 31.12.2006	**3 720**	**0**	**0**	**2 115**	**5 835**
Paid-up equity contributed	521	0	0	0	521
Paid-up equity repaid	-22	0	0	0	-22
Profit/loss for the period	0	0	0	267	267
Equity at end of period 31.12.2007	**4 219**	**0**	**0**	**2 382**	**6 601**
Reclassification from security fund to risk compensation fund	0	0	262	0	262
Value reserve financial assets corporate portfolio	0	0	0	379	379
Reclassified surplus group life	0	0	0	86	86
Paid-in equity	3	0	0	0	3
Reimbursed equity	0	0	0	0	0
Result to date	0	2	-3	85	84
Equity 31.03.2008	**4 222**	**2**	**259**	**2 932**	**7 415**

Group accounts after the first quarter 2008

Profit and loss account NOK millions	Q1 2008	Q1 2007	2007
Premium income for own account	2 836	2 769	19 025
Net income from unit-linked financial assets	2 196	1 451	7 425
Current return on financial investments	-6 504	822	362
Net unrealised gain on financial investments at fair value in profit/loss account	227	244	4 261
Net result on investments in associated companies	7	7	25
Other income	181	223	743
Total income	**-1 056**	**5 516**	**31 840**
Claims for own account	-4 533	-2 538	-8 069
Change in insurance provisions - non-life business	-10	2	-22
Change in insurance provisions - life business	7 873	-2 061	-18 142
Costs subordinated loans	42	-64	18
Operating expenses	-204	-145	-755
Other expenses	-150	-193	-610
Total expenses	**3 018**	**-4 999**	**-27 582**
Operating result	1 962	517	4 259
Apportioned to life insurance customers	-1 928	-449	-3 607
Group pre-tax profits	**34**	**68**	**652**

Group accounts after the first quarter 2008

Balance sheet NOK millions	31.03. 2008	31.03. 2007	31.12. 2007
ASSETS			
Intangible assets	230	140	208
Tangible fixed assets	1 226	492	737
Investments in associated companies	277	235	270
Investment property	21 111	14 426	17 865
Debt instruments held to maturity	32 102	29 901	31 657
Debt instruments at fair value in profit/loss account	42 831	36 520	44 457
Equity capital instruments at fair value in profit/loss account	36 155	42 949	45 537
Financial derivatives	2 610	249	977
Loan and receivables - investment business	55 807	56 388	54 327
Other loans and receivables incl. receivables from policyholders	1 315	2 437	689
Assets in life insurance with investment choice	3	0	2 472
Cash and bank deposits	749	653	1 069
Total assets	**194 418**	**184 388**	**197 795**
OWNERS' EQUITY AND LIABILITIES			
Paid in equity	4 222	3 700	4 220
Equity fund	3 489	2 093	2 946
Total owners' equity	**7 712**	**5 862**	**7 166**
Perpetual subordinated loan	577	626	577
Subordinated loan capital	3 032	3 741	2 937
Technical provisions - life	176 357	166 944	182 577
Provisions in life insurance with investment choice	0	0	2
Premiums, claims and contingency fund provisions - non-life	2 401	2 505	2 329
Pension obligations	463	473	463
Financial derivatives	1 558	604	486
Other current liabilities	2 317	3 633	1 258
Total owners' equity and liabilities	**194 418**	**184 388**	**197 795**
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	2		2

Note 1 Accounting principles

The accounts in this interim report show the group accounts for Kommunal Landspensjonskasse (KLP) and its subsidiaries for the period 01.01.2008 – 31.03.2008 (1st quarter). The accounts have not been audited.

The interim report for the group has been submitted in accordance with international EU-approved accounting principles (IAS/IFRS). The interim report does not contain all information required for a complete annual report, it is therefore recommended that this interim report be studied in conjunction with the annual report for 2007. This may be obtained at KLP's offices on Karl Johans gate 41b or at www.klp.no.

Effective from January 1st 2008, major amendments have made to the Insurance Act. The material changes with particular relevance to the group accounts are commented below:

Apportioning of life insurance assets

Life insurance assets are apportioned between customers and owners, to the effect that assets in customers' portfolios and their return may be computed separately the assets and return of the corporate portfolio. The apportioning of the total assets between customer and corporate is effectuated under observance of § 9-7 of the Insurance Act. That signifies that insurance liabilities shall at all times be fully funded, and that the apportioning of assets be effectuated observing good business practice.

Computation of results

Computation of results apportioned to client and owner respectively has undergone significant modifications under the new Insurance Act.

In Group Defined Benefit pensions, being the mainstay of KLP's revenue generation, administration results, or as the case may be risk results as well as possible negative interest results bear on the owner. Premiums charged for guaranteed interest rate and possible positive margins in the calculation of premiums also fall to the owner. Customers are apportioned any surplus on the interest result or the risk result, subject to possible provision to the risk compensation fund.

The owner also receives the return on investment assets in the corporate portfolio.

Under the former regime total return above guaranteed rate was apportioned between owner and customers in such a manner that the customers would receive at least 65 per cent of a surplus, while the owners share could not exceed 35 per cent. A deficit, after possible drawing on supplementary reserves was covered by the company (owner).

Securities' Valuation Reserve

The valuation reserve constitutes a part of the insurance reserves. Previously this element was not defined as part of the sub-division insurance technical reserves, but presented under a separate heading in the presentation.

The valuation reserve consists of surplus values on financial trading assets in the common portfolio. Under the former regime the valuation reserve was calculated on the total trading portfolio as there was no distinction between the Corporate portfolio and Customer portfolios. The company's share of surplus/deficit values in the trading portfolio was a deficit of NOK 83.1 million on January 1st 2008. The amount is charged against equity.

Risk compensation fund

The risk compensation fund is a new reserve defined in the insurance legislation. The fund is classified under equity.
Up to half positive risk result in life insurance and group life may be apportioned to the risk compensation fund, however limited to 150 per cent of annual risk premium. The return on the reserve is apportioned to the common portfolio.

According to transitory regulations to the new insurance regulations it was opened for transferring reserves from the former security fund to the risk compensation fund. KLP transferred the total security fund at December 31st 2007 to the risk compensation fund on January 1st 2008. The transfer was recorded directly on the balance sheet.

Security funds in life insurance and group life

Security funds in life insurance and group life are not included in the new insurance legislation, please refer to the description of the risk compensation fund.

Reclassification of provisions in non-life and casualty insurance

The insurance legislation's stipulations regarding technical reserves in casualty insurance are not solely tied to current contracts with clients. Three categories of provisions fall outside the scope of IFRS 4 as the do not comply with the definition of liability under IFRS; administrative reserves, allocation to the guarantee arrangement and provisions for natural disasters reserve.

Administration reserves reflects possible expenditures that may occur if a possible future event happen that is not tied to the insurance company's liabilities towards existing (or future) clients. Administration reserves are considered contingent liabilities and consequently has to be classified as equity.

Allocation to the guarantee arrangement is meant to cover possible future expenditures as a consequence of another casualty insurance company's inability to meet its obligations. Allocation to the guarantee arrangement is to be considered a contingent liability and consequently has to be classified as equity.

Provisions for natural disaster reserve is meant to cover possible future expenditures for indemnities connected to future natural disasters. The provision reflects an insurance risk and is tied to the company's own future insurance contracts, but the provision is not extinguished through the termination of the contract. Application of the fund may thus cover future natural disasters not covered through current insurance contracts. Provisions tied to terminated contracts may not be classified as liabilities, and therefore must be classified as equity.

The modifications described above are provided for in the comparative figures.

Note 2 Period-specific matters

Transfer

Transfers of pension schemes from KLP may only occur at the year-end. For contracts transferred at year-end the insurance cover runs up to and including 31 December and outward transfers are brought to account on 1 January in the following year. Transfer of assets in connection with the transfer occurs mainly during the subsequent three months, so only minor adjustments are expected to transfers brought to account in other quarters.

Note 3 Owners' equity reconsiliation

NOK million	Paid-up equity	Other equity	Fund for revaluation	Div. fonds-avset-ninger	Total equity 31.03.08	Total equity 31.12.07
Equity 01.01	4 220	2 857	88	1	7 166	5 939
Net in/outflow of paid-up equity	2	-	-	-	2	499
Revaluation properties for own use	-	-	1	-	1	84
Surplus fund	-	(86)	-	86	-	-
Risk compensation fund	-	-	-	260	260	-
Natural disaster provisions	-	-	-	134	134	-
Administration reserves	-	-	-	49	49	-
Changes provisions of guarantee scheme non-life	-	-	-	17	17	-
Minimum alloation reinsurance non-life	-	-	-	1	1	1
Currency exchange foreign subsidiary	-	44	-	-	44	(11)
Result for the period	-	34	-	-	34	652
Other changes	-	2	-	-	2	0
Equity	**4 222**	**2 851**	**89**	**549**	**7 712**	**7 166**

Note 4 Segmentinformation - profit/loss i.a.w. IFRS by business areas

NOK million	01.01. - 31.03.08	01.01. - 31.03.07	01.01. - 31.12.07
Life (defined benefit pens. & group life) before profit allocation	2 009	517	3 955
Profit to customers (provisional interim allocations)	-1 928	-449	-3 607
Profit to owners (provisional interim allocations)	**81**	**68**	**348**
Non-life insurance	-12	4	52
Asset management	6	12	47
Other business	-2	4	12

Total profit/loss will not agree with the Group result as results from subsidiaries have been brought to book i.a.w. the equity capital method and are therefore consolidated into the parent company's results.

Note 5 Operating expenses

NOK million	01.01 - 31.03.08	01.01. - 31.03.07	01.01. - 31.12.07
By class			
Staff costs	131	84	362
Depreciation	8	8	40
Other operating expenses	65	53	438
Total operating expenses	**204**	**145**	**840**
By function			
Insurance-related administrations costs	148	118	419
Other expenses	56	27	421
Total operating expenses	**204**	**145**	**840**

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