

Interim report

Q2 2014



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Report first half-year 2014

A half-year marked by many new customers and good financial results

- 42 municipalities and about 50 enterprises with a total of more than 100,000 new members became KLP customers in the course of the first half-year. A further 16 municipalities and about 150 enterprises will also transfer to KLP during the second half-year.
- Value-adjusted return on the public sector occupational pensions common portfolio was 2.2 per cent for the second quarter and 3.6 per cent for the first half-year.
- Book return on the public sector occupational pensions common portfolio was 0.9 per cent for the second quarter and 1.8 per cent for the first half-year.
- The return on the corporate portfolio was 2.7 per cent for the second quarter and 4.0 per cent for the first half-year.

KLP – a customer-owned company in development

The KLP Group is the leading provider of occupational pensions, group life and non-life insurance to the local government sector and healthcare enterprises, the second largest lender in the local government sector and the leading Norwegian provider of index-tracking fund products.

Pension schemes within the public sector are offered and managed by the Group's parent company Kommunal Landspensjonskasse (KLP). Of the Group's total assets of NOK 442 billion, NOK 353 billion represents pension funds belonging to this customer group.

Kommunal Landspensjonskasse gjensidig forsikringsselskap – Result following the second quarter 2014

Returns result

In the first half-year of 2014 KLP achieved a satisfactory returns result (return in excess of base interest rate) of NOK 1.2 billion (2.1¹), of which NOK 0.6 billion was during the second quarter. Financial income from customer assets was NOK 11.8 billion (7.7), of which NOK 7.3 billion was during the second quarter. Value-adjusted return on the common portfolio was 3.6 per cent for the half-year and book return was 1.8 per cent.

Risk result

The risk result was good in the first quarter, but somewhat weaker in the second. Total risk events in the population are within expectations over the first half-year and the result amounts to NOK 77.6 million. This has been provisionally allocated with NOK 37.3 million to customer profit and NOK 40.3 million to corporate income for provision in the risk equalization fund.

Administration result

The Company's administration result shows a surplus of NOK 123 million (81) at the end of the second quarter. This reflects KLP's good control of its costs levels. Insurance-related operating costs represent 0.27 per cent of the premium reserve, somewhat better than the target for 2014.

Combined result

The result for the Company was NOK 482 million for the quarter and NOK 800 million for the first half-year. The result for customers was NOK 810 million for the quarter and NOK 1 513 million for the first half-year.

NOK millions	Customers	Company	Total
Returns result	1 217	3	1 220
Risk result	37	40	78
Interest guarantee premium		279	279
Administration result		123	123
Net income from investments in the corporate portfolio and other income/ costs in the non-technical accounts		653	653
Return from owners' equity contributions attributed to customers	0	0	
Transfer from the Company to customers re-increase in reserves	259	-259	
Result first half year 2014	1 513	800	2 314
Result first half year 2013	2 336	365	2 702

The result allocation is provisional. Transfer of the income element from the Company to the customers is primarily to cover transfer of the remaining part of the Company's share of the increase in longevity reserves. This is to be transferred to the customers starting in 2014, over a period to be decided by the Financial Supervisory Authority of Norway (FSA of N).

KLP will give priority to implementing the directed transfer from the Company to its customers. The amount transferred at the half-year point corresponds to the return achieved on the Company's owners' equity contributed.

¹ Figures in brackets give corresponding value for 2013.

Financial strength and capital-related matters

Total assets amount to NOK 377.7 billion, an increase of NOK 17 billion during the quarter. Insurance liabilities have increased by NOK 15.8 billion. During the first half-year NOK 21.6 billion was received in reserves transferred in, whilst NOK 4.1 billion was transferred out, mainly in connection with transfer of health personnel to the newly established PKH (Pensjonskassen for Helseforetakene i Hovedstadsområdet – the pension fund for Greater Oslo healthcare enterprises).

The KLP capital adequacy ratio at the end of the quarter was 9.6 per cent (10.1) and core capital adequacy was 8.0 per cent (8.2). During June NOK 870 million of ordinary owners' equity contributions was called in, to be paid in during Q3. In addition, customers transferred in will make owners' equity contributions in excess of NOK 600 million. Taking this into account together with the unaudited interim profit of NOK 800 million, as well as the effect of the non-settled items over the end of the half-year, capital adequacy and core capital adequacy would have been 10.8 per cent and 9.2 per cent respectively.

The solvency margin is somewhat reduced to 209 per cent, which continues to demonstrate strong solvency.

In the course of the first half-year the securities adjustment fund was strengthened by NOK 6.2 billion to NOK 16.6 billion. Supplementary reserves total NOK 12.8 billion.

At the end of the second quarter KLP had total solvency capital of NOK 59.5 billion, corresponding to 18.6 per cent of the insurance funds with interest guarantee.

The Board of Directors considers the Company's solvency as satisfactory in relation to the composition of the financial position, prevailing market conditions and the requirements of the authorities.

Key figures:

Per cent	So far, as at Q2		The year
	2014	2013	2013
Capital return I ¹	1,8	2,2	6,4
Capital return II ²	3,6	2,8	6,7
Capital return III ³	4,6	2,5	6,4
<i>The return figures apply to the common portfolio</i>			
Capital adequacy ratio	9,6	10,1	10,3
Solvency margin ratio	209	219	229

¹ Book return

² Value adjusted return

³ Value adjusted return included HTM bonds/bonds booked at amortized costs

Premium income

Premium income excluding premium reserves received on transfer totalled NOK 16.3 billion (14.6) for the half-year.

Claims/benefits

Pensions paid and other claims, excluding premium reserve ceded on transfer, increased by 15.2 per cent and amounted to NOK 6 491 million (5 631) so far this year.

Management of the common portfolio

The assets in the common portfolio totalled NOK 346.5 billion (316.3) and were invested as shown below:

Assets All figures in per cent	Return		Return	
	Proportion 30.06.2014	First half- year 2014	Proportion 30.06.2013	First half- year 2013
Equities	20,8 %	7,3 %	15,2 %	9,8 %
Short-term bonds	20,7 %	4,6 %	21,8 %	-0,8 %
Long-term/HTM bonds	28,1 %	2,3 %	29,5 %	2,4 %
Lending	11,1 %	1,6 %	10,5 %	1,8 %
Property	11,4 %	3,6 %	11,1 %	3,8 %
Other financial assets	8,0 %	1,3 %	11,9 %	1,3 %

Equities

Total exposure in shares including share derivatives and special funds amounted to slightly less than 21 per cent. The equities markets demonstrated strong positive development during the quarter, particularly the Oslo Stock Exchange where the return was 10 per cent. KLP's global index (currency-hedged) rose 4.8 per cent.

Short-term bonds

Short-term bonds amounted to 21 per cent of the assets in the common portfolio. The international credit bond index KLP uses had a currency-hedged return of 2.7 per cent during the second quarter of 2014. The index for international government bonds rose 2.3 per cent, whilst the Norwegian government bond index rose by 2.9 per cent.

Bonds held to maturity

Investments in bonds held to maturity represented over 28 per cent of the common portfolio. Added value not brought to book totalled NOK 8.4 billion. The portfolio is well diversified and comprises securities issued by creditworthy institutions. No write-downs have been carried out as a result of credit losses so far during 2014.

Property

Property investments represented 11.4 per cent of the common portfolio. KLP conducts a thorough valuation of its property holdings each quarter using its own valuation model as well as external valuations. The review carried out during the second quarter 2014 resulted in the property values in the common portfolio being revalued by NOK 230 million. The common portfolio property return for the second quarter was 2.4 per cent.

Lending

Lending in the common portfolio was NOK 37.8 billion. This was divided between NOK 31.6 billion in lending to local authorities and other organisations, and NOK 6.1 billion in housing mortgages. The lending portfolio is characterized by high quality, with no losses on local government loans and very modest loss provision on housing loans. Added value not brought to book in the lending portfolio (fixed interest rate loans) represented NOK 563 million on 30 June 2014.

Return on the corporate portfolio

The corporate portfolio covers investment of owners' equity and subordinated loan capital.

The corporate portfolio is managed with a long-term investment horizon aiming at stable returns and growth in the owners' equity. The investments in the corporate portfolio achieved a return of 4.0 per cent during the half-year, of which 2.7 per cent during the second quarter.

Market development

During the second quarter the remaining contracts were set up for local authorities and enterprises that had decided on transfer with effect from 1 January 2014. In total KLP has received more than 100,000 active members, individuals with deferred entitlements and pensioners in inward transfers so far during the first half-year. Initially there were six local authorities that had decided at the end of last year to transfer to KLP on 1 July. Since Pensjonskontoret additionally allowed transfer at the half-year point, a further 10 authorities decided to transfer their pension schemes to KLP, making a total of 16 local authorities. (Pensjonskontoret - the "pension office" - an organ conducting supervision of the practices of all life companies and pension funds providing public sector occupational pensions within the Norwegian Association of Local and Regional Authorities area in relation to the applicable pension provisions). In addition there will come 150 enterprises. In total this means that KLP is getting 58 new local authorities and about 200 new enterprises in 2014. As usual the annual pension increases were implemented in June with effect from 1 May 2014. The number of pensioners recalculated was 203,225, an increase of 25,012 since the previous recalculation. All the pensions KLP has taken over received their increases from KLP. The work on inward transfers has generally been extensive and requires coordination and effort from many parts of the Company. There have been many positive responses in meetings with our new customers and few reports that pensions have been incorrect or not arrived on time. This confirms that the historically large transfer this spring has worked well. KLP reached a milestone in the number of active members as at 31 May 2014 by exceeding 400,000 active members (401,249). Also in May the monthly pensions disbursement exceeded NOK 1 billion for the first time.

The business areas of the subsidiaries

Private occupational pensions

The Group's private occupational pension effort is through its subsidiary KLP Bedriftspensjon AS.

There is high market activity in KLP Bedriftspensjon and this is providing satisfactory volume growth. The company had NOK 2.1 billion in total assets at the end of the first half-year.

144 new customers signed pension agreements with KLP Bedriftspensjon AS during the first half-year.

KLP Bedriftspensjon AS achieved a book return in the common portfolio of 2.7 per cent and a value-adjusted return of 3.2 per cent during the first half-year. The return on defined contribution pensions was 6.1 per cent for the same period.

The Company's comprehensive income at the end of the second quarter was NOK -9.3 million (-10.4).

Increases in longevity reserves

As a result of the new increased longevity assumptions, at the beginning of the year KLP Bedriftspensjon AS needed to increase its insurance reserves by NOK 54.9 million. The company has applied to the FSA of N to use an incremental plan over seven years to finance the increased reserves.

Returns - customer assets:

Per cent	30.06.2014	30.06.2013	31.12.2013
COMMON PORTFOLIO			
Capital return I	3,2 %	2,6 %	6,2 %
Capital return II	2,7 %	1,8 %	4,0 %
<i>Defined contribution pension with investment option</i>			
Profile KLP90	6,1 %	4,7 %	13,5 %
Profile KLP70	7,8 %	8,7 %	24,8 %
Profile KLP50	7,3 %	6,8 %	19,4 %
Profile KLP30	6,4 %	5,0 %	14,4 %
Profile KLP30	5,5 %	3,0 %	9,3 %
Profile KLPPM	1,2 %	1,2 %	2,3 %

Non-life insurance

Result for the second quarter 2014

The (pre-tax) operating profit for the second quarter was NOK 123.6 million, a historically good result. At the same time last year the profit made up NOK 26.4 million, which was partly due to the Company having had good claims development with low claim settlements over the quarter, particularly in the public sector and corporate market. In the retail market, development was as in the previous quarter. In addition during the quarter the company brought to book a positive adjustment of previous years' reserves. The financial return also developed positively, with a result of NOK 74.2 million against NOK 25.9 million for the same period last year.

Result for the first half-year 2014

The half-year profit was also historically good, with a (pre-tax) profit of NOK 137.2 million, against NOK 78.2 million at the same point in 2013. The good claims development during the second quarter meant that the current insurance year as a whole is as expected. In addition significant gains from previous years' reserves have been recognized. The financial return for the period also produced a better result than expected. The half-year result was thus overall substantially better than expected.

The public sector/corporate market

The tendering activity in the public sector market was extremely high during the period in question and the Company was exposed to competition on several large contracts. This resulted in gross new sales of NOK 21 million.

There was high sales activity in the corporate market, producing net new sales of NOK 5.5 million.

As a result of good sales results during 2013 the overall premiums written in Public Sector/Corporate increased by 6.1 per cent in the course of 2014.

The claims ratio for own account for the year 2014 was 91.4 per cent, an improvement from 108.3 per cent, which was the ratio at the end of the first quarter. So far this year four property claims in excess of NOK 5 million have been notified with a total estimated cost of NOK 61.6 million. Only one of these occurred during the second quarter.

The combined claims ratio for own account for all years viewed together was 68.2 per cent, down from 94.8 per cent as at the first quarter of this year.

The retail market

Sales in the retail market continue to show a slightly weaker development than expected, with gross new sales so far this year of NOK 44.6 million. Total non-renewal was NOK 13.0

million. The proportion of new sales online is increasing and so far this year stands at 22 per cent.

The claims ratio for own account for the year 2014 was 86.3 per cent, which is in line with the result after the first quarter. So far this year one large claim has been notified: a property claim estimated at NOK 6.0 million.

The claims ratio for own account for all years viewed together was 80.9 per cent, a slight improvement compared with the position at the end of the first quarter.

Finance

Net financial income for the first half-year was NOK 123.5 million against NOK 95.7 million at the same time last year. All asset classes produced a uniformly positive contribution.

The Company's financial position

The contingency reserves increased by NOK 5.7 million to NOK 532.7 million during the first half-year. The increase corresponds with the increased requirements for minimum reserves.

The capital adequacy ratio was 37.0 per cent compared to 40.0 per cent at the end of 2013. In relation to the FSA of N's stress test (Solvency II requirements) the company's capital buffers are about double the minimum requirement.

Asset management and fund management

KLP Kapitalforvaltning AS and KLP Fondsforsvaltning AS comprise the KLP Group's securities management operation. In all, NOK 326 billion was under management at the end of the first half of 2014. This is an increase of NOK 56.3 billion over the same date last year. The majority of the assets are managed on behalf of Kommunal Landspensjonskasse and subsidiaries in the KLP Group.

The net new subscriptions in the KLP funds during the first half-year 2014 made up NOK 8.2 billion. Customers external to the Group had net new subscriptions of NOK 170 million.

KLP Kapitalforvaltning AS and KLP Fondsforsvaltning AS achieved a combined pre-tax profit of NOK 11.7 million during the first half of 2014.

During the second quarter the structure of the Norwegian fixed-income funds was adjusted. This also involved name changing and price reduction for these funds.

KLP Banken

KLP Banken operates lending and deposit business in the retail market (RM) and to public sector borrowers and enterprises (PM). Lending is financed for own account from deposits and borrowing in the securities market. In addition the Bank administers loans financed by KLP. During 2014 the Group has established KLP Boligkreditt AS. This housing credit loans company has received necessary licences as an issuer of covered bonds (obligasjoner med fortrinnsrett - OMF). The company is expected to be fully operational in the course of the third quarter 2014.

The lending activity in the PM viewed as a whole had steady growth during the first half-year, whereas the extent of the Bank's own financial position is somewhat reduced. Currently the business generates good margins and this means the banking group's earnings are also positive seen as a whole.

The retail market effort (RM) is oriented towards members being offered specially good terms. The members' share remains stable at about 62 per cent on deposits and 75 per cent on loans. So far during 2014 the number of customers who are members has grown by more than 1 500. The volume of housing mortgage loans on the bank's balance sheet during the same period has increased by NOK 502 million, whereas the growth in deposits was NOK 613 million.

There is relatively little defaulting on housing mortgages. As at 30 June 2013 default in excess of 90 days lies at 0.36 per cent. The number of losses established in the portfolio is very low.

Result

The KLP Banken Group had pre-tax profits of NOK 31 million at the end of the second quarter. Of this, NOK 17 million is the result for the second quarter in isolation. Total net interest income in the bank during the first half year was NOK 61 million. Of this, NOK 29 million accrued during the second quarter.

Corporate social responsibility

Corporate social responsibility is of strategic significance to KLP. This is realized through actions associated with the Group's business. KLP's most important stakeholders are in the public sector, and our vision is to be the best partner for the days to come. That is why KLP's corporate social responsibility strategy is to contribute to a sustainable public sector and to integrate social responsibility into all business processes. Non-financial accounts form a discrete part of the company's report for this quarter.

Regulatory conditions and product matters

Notwithstanding opposition from the majority of those consulted, the FSA of N decided at the end of June to lower the maximum calculation rate (base interest rate) for Norwegian life insurance companies and pension funds from 2.5 per cent to 2.0 per cent with effect from 1 January 2015 for all new pension accumulation for group allocated annuity and pension insurance policies.

KLP joins in the concern Finance Norway is expressing in connection with this additional burden on the premium level in defined-benefits-based pension insurance policies.

A final clarification is still awaited concerning the timeframe for restitution of the Company's contribution to those contracts that have been covered by the longevity reserves increase.

Future prospects

In the course of the first half-year KLP grew by NOK 21.6 billion through inward transfers of reserves for new customers. These customers come in with full reserve reinforcement in line with KLP's established customers, and in the course of the second half-year they will pay in their own owners' equity contribution. The reserves will increase by a further NOK 10.5 billion as a result of inward transfer on 1 July 2014. Thus already in the current year KLP will have received more than half of the estimated NOK 60 billion in premium reserve that is "in the market" as a result of our competitors' decision to opt out of the market for public sector occupational pensions. Some major local authorities have already decided to establish their own pension funds, and others are working on such plans. Based on this it is KLP's assessment that the Company has already received more than two thirds of the expected inward transfers.

This inward transfer has not occurred at the expense of the generally good service level KLP provides day-to-day for its customers.

An extraordinary growth of this magnitude naturally has an effect on the Company's capital situation. The new customers coming in will pay an owners' equity contribution on a par with that which the existing customers have contributed over time. Owners' equity contributed represents about 50 per cent of the Company's owners' equity. This involves an immediate weakening of solvency, which is reflected in the somewhat lower capital adequacy on 30 June but, in time, the inward transfer will help to strengthen KLP's owners' equity build-up within the established model. The Board of Directors is considering measures to

ensure that the Company's capital ratios will remain by a good margin within the long-term objectives for robust capital adequacy and financial clout.

The fact that the extraordinary reinforcement of reserves for longevity was completed by 31 December 2013 and that new customers are being admitted with full reserves means that the Company, with normally good results as 2014 is currently showing, has recaptured its freedom of action to build financial buffers, including through strengthening its supplementary reserves.

The continuing low level of interest rates has a negative impact on saving for future pensions. KLP is increasingly investing in direct loans and other products that have the same credit quality as normal bonds held to maturity, but have liquidity premiums or other supplements for bespoke

drawdown/repayment schedules, or similar so that the level of return is maintained.

The long-term objective is to maintain a level of financial buffers that preserves the power to act financially that has proven a very important element in achieving good returns on customer funds.

KLP is a customer-owned company. Work on continuous development of the Company's products and services for the good of its owners and customers therefore remains crucial.

KLP is, and will remain, a stable provider of public sector occupational pensions, regardless of changes in regulatory frameworks and short-term market changes. Every indication is that our customers and owners should have confidence in our provision of a long-term, stable and good product.

Oslo, 14 August 2014

The Board of Directors of Kommunal Landspensjonskasse gjensidig forsikringsselskap

Liv Kari Eskeland
Chair

Egil Johansen
Deputy Chair

Marit Torgersen

Trond Michael Andersen

Jan Helge Gulbrandsen

Anita Krohn Traaseth

Susanne Torp-Hansen
Elected by and from
among the employees

Freddy Larsen
Elected by and from
among the employees

Income statement

KLP Group

Note	NOK millions	Q2 2014	Q2 2013	01.01.14- 30.06.14	01.01.13- 30.06.13	The year 2013
4	Premium income for own account	11 481	10 274	38 046	20 971	31 883
	Current return on financial assets	3 208	3 175	5 954	5 659	12 278
	Net interest income banking	33	30	64	55	122
	Net value changes on financial instruments	5 283	-1 776	7 620	2 774	9 208
9	Net income from investment properties	891	594	1 387	1 122	2 490
5	Other income	216	166	394	342	696
	The minorities share on financial instruments	-1 337	-188	-1 767	-1 525	-4 596
	Total net income	19 775	12 275	51 699	29 398	52 081
	Claims for own account	-3 502	-3 026	-10 925	-6 117	-12 503
	Change in technical reserves	-9 829	-9 863	-30 716	-19 421	-30 324
6	Net costs subordinated loan and hybrid Tier 1 securities	-195	-157	-225	-261	-390
7	Operating expenses	-286	-269	-641	-576	-1 191
8	Other expenses	-193	-162	-367	-323	-659
	Total expenses	-14 006	-13 476	-42 875	-26 698	-45 068
	Operating profit/loss	5 769	-1 201	8 824	2 700	7 013
	To/from securities adjustment fund – life insurance	-4 398	1 579	-6 164	-1 707	-1 148
	To supplementary reserves – life insurance	0	2	0	2	1
	Assets allocated to insurance customers – life insurance	-824	-325	-1 528	-994	-5 884
	Pre-tax income	548	54	1 133	2	-17
	Cost of taxes	-12	-39	-102	-44	-137
	Income	535	14	1 031	-42	-154
	Actuarial loss on post employment benefit obligations	-38	0	-38	0	-112
	Adjustments of the insurance obligations	0	0	0	0	10
	Items that will not be reclassified to profit or loss	-38	0	-38	0	-102
	Revaluation real property for use in own operation	110	6	142	13	24
	Currency translation foreign subsidiaries	-126	255	-334	547	1 101
	Items that will be reclassified subsequently to profit or loss when specific conditions are met	-16	260	-192	561	1 125
	Total other comprehensive income	-55	260	-231	561	1 023
	Total comprehensive income	480	275	800	519	869
	The minorities share of the cost of tax	-2	-20	-26	-20	-42

Balance sheet

KLP Group

Note	NOK millions	30.06.14	30.06.13	31.12.13
	Intangible assets	398	370	377
	Tangible fixed assets	1 141	1 039	1 040
	Investments in affiliated companies	4	6	4
9,12	Investment property	40 359	33 526	39 744
10,15	Debt instruments held to maturity	28 896	31 435	31 758
10,15	Debt instruments classified as loans and receivables	76 834	62 439	67 272
10,12,15	Lending local government, enterprises & retail customers at fair value through profit/loss	2 136	2 142	2 121
10,15	Lending local government, enterprises and retail customers	57 979	50 602	53 260
10,12,15	Debt instruments at fair value through profit or loss	130 769	120 301	122 398
10,12	Equity capital instruments at fair value through profit or loss	88 508	65 755	73 239
10,12,15	Financial derivatives	832	772	1 661
10	Receivables	11 220	36 456	2 909
10	Assets in defined contribution-based life insurance	735	441	578
	Cash and bank deposits	2 651	2 697	2 896
	TOTAL ASSETS	442 463	407 980	399 257
	Owners' equity contributed	7 623	6 891	7 659
	Retained earnings	8 409	7 258	7 609
	TOTAL OWNERS' EQUITY	16 032	14 150	15 268
10,11	Hybrid Tier 1 securities	1 007	985	919
10,11	Subordinated loan capital	3 126	2 990	3 151
	Pension obligations	661	468	623
16	Technical provisions - life insurance	352 224	299 327	313 227
10,16	Provisions in life insurance with investment option	735	441	578
	Premiums, claims and contingency fund provisions - non-life insurance	2 817	2 811	2 623
10,11	Covered bonds issued	16 236	18 657	17 217
10,11	Debt to credit institutions	3 702	2 918	3 249
10,11	Liabilities to and deposits from customers	5 079	3 957	4 407
10,12	Financial derivatives	3 433	3 914	1 948
	Deferred tax	91	54	98
18	Other current liabilities	6 441	32 458	7 200
	Minority interests classified as liabilities	30 880	24 851	28 750
	TOTAL LIABILITIES	426 431	393 830	383 989
	TOTAL EQUITY AND LIABILITIES	442 463	407 980	399 257
	Contingent liabilities	9 147	5 447	8 539

Changes in Owner's equity

KLP Group

2014 NOK millions	Owners' equity contributed	Retained earnings	Total equity contributed
Owners' equity 1 January 2014	7 659	7 609	15 268
Income	0	1 031	1 031
Items that will not be reclassified to profit or loss	0	0	0
Items that will be reclassified to subsequently to profit or loss when specific conditions are met	0	-231	-231
Total other comprehensive income	0	-231	-231
Total comprehensive income	0	800	800
Owners' equity contribution received	-36	0	-36
Total transactions with the owners	-36	0	-36
Owners' equity 30 June 2014	7 623	8 409	16 032

2013 NOK millions	Owners' equity contributed	Retained earnings	Total equity contributed
Owners' equity 1 January 2013	6 891	6 739	13 630
Income	0	-42	-42
Items that will not be reclassified to profit or loss	0	0	0
Items that will be reclassified to subsequently to profit or loss when specific conditions are met	0	561	561
Total other comprehensive income	0	561	561
Total comprehensive income	0	519	519
Owners' equity 30 June 2013	6 891	7 258	14 150

Statement of cash flows

KLP Group

NOK millions	01.01.2014- 30.06.2014	01.01.2014- 31.03.2014	01.01.2013- 31.12.2013	01.01.2013- 30.09.2013	01.01.2013- 30.06.2013
Net cash flow from operational activities	94	488	2 595	1 880	1 691
Net cash flow from investment activities ¹	-69	-31	-88	-57	-41
Net cash flow from financing activities ²	-270	-235	-2 961	-2 290	-2 303
Net changes in cash and bank deposits	-245	223	-454	-466	-653
Holdings of cash and bank deposits at start of period	2 896	2 896	3 350	3 350	3 350
Holdings of cash and bank deposits at end of period	2 651	3 119	2 896	2 883	2 697

¹ Payments on the purchase of tangible fixed assets.

² Net receipts of owners equity distributions and down payments of debt.

Notes to the accounts

KLP Group

Note 1 ACCOUNTING PRINCIPLES- AND ESTIMATES

The financial statements in this interim report show the Group financial statements for Kommunal Landspensjonskasse (KLP) and subsidiaries for the period 1 January 2014 - 30 June 2014. The auditor has conducted a review of the report.

The Group interim accounts are presented in accordance with internationally EU-approved accounting standards (IAS/IFRS). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim financial statements do not contain all the information required of full annual financial statements and this interim report ought to be read in conjunction with the annual financial statements for 2013. These are available on KLP's website, klp.no

Accounting principles

Standards, changes and interpretations of existing standards that have come into effect for the 2014 reporting year and that have had effect on the interim financial statements presented:

IFRS 10 Consolidated Financial Statements

The standard replaces the definition of when an investor has control resulting in a requirement to consolidate, which was previously defined in IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation - Special Purpose Entities". In this context, IAS 27 has been retitled "Separate Financial Statements" and no longer contains consolidation regulations. Associated with this there are also amendments to IFRS 11 "Jointly Controlled Entities", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures".

The definition of whether there is control, triggering a requirement to consolidate in accordance with IFRS 10, has been somewhat altered. In accordance with IFRS 10 an investor controls an entity in which it has invested when the investor is exposed to or has entitlements to variable returns (including economies of scale and synergies) from its engagement in the investee, and has the ability to affect this return through its power over the investee.

The control model comprises three elements: power, returns and the connection between power and returns.

- Activity: Identify what activities in the entity are considered the "relevant activities", i.e. those that most affect the returns from the entity.
- Power: Clarify who, if anyone, has power, i.e. has existing rights that provide a current entitlement to control the relevant activities
- Returns: Assess whether the investor is exposed to or has rights to variable returns as a result of its involvement with the entity.

There is no change to the manner in which consolidation is conducted.

The change to definition of control in IFRS 10 means that KLP now considers that control is present resulting in a requirement to consolidate a large proportion of KLP's investments in securities funds. These have now been fully consolidated in the financial statements for the first quarter. The comparison figures shown in the income and financial position statements (Q2 2013 and 31 December 2013) have been adjusted correspondingly so that the securities funds in which KLP had control on 1 January 2014 are also consolidated into the comparison figures. Minority interests are classified in the financial statements as liabilities. The financial statement comparison figure items affected are shown below, with the effect:

KLP Group Statement of comprehensive income NOK millions	Adjustment:	
	01.01.13- 30.06.13	The year 2013
Current returns from financial assets	1 226	2 393
Net value changes on financial instruments	327	2 293
Other income	-20	0
Minority share of profit	-1 525	-4 596
Tax	-42	-90
INCOME	-33	0

KLP Group Statement of financial position NOK millions	Adjustment:	
	30.06.2013	31.12.2013
Debt instruments at fair value through profit or loss	10 781	10 182
Debt instruments classified as loans and receivables	-13	0
Equity instruments at fair value through profit or loss	16 577	18 942
Financial derivatives	36	293
Receivables	4 311	82
TOTAL ASSETS	31 691	29 500
Minority interests classified as liabilities	24 850	28 750
Debt to credit institutions	4	1
Financial derivatives	1 826	282
Deferred tax	0	4
Other current liabilities	5 010	463
TOTAL LIABILITIES	31 691	29 500

Note 1 ACCOUNTING PRINCIPLES- AND ESTIMATES (CONT.)

Other

During the second quarter the Group bought back parts of its securities debt in the banking business. Income elements arising on re-acquisition of debt in banking are classified in the financial statements as "Net interest income banking". For more information on this please see Note 11 Borrowing.

Estimates

In the accounting of pension schemes in accordance with IAS 19, a range of actuarial assumptions must be specified. This specification involves significant elements of judgement and practical approaches. Emphasis has been placed on the assumptions being mutually consistent.

The Group uses the interest rate for covered bonds (OMF) as the discount rate. The listings for corporate bonds so far this year show a somewhat lower level than at the end of last year, and as a result of this the discount rate used on 30 June 2014 has been adjusted compared with 31 December 2013. Furthermore the Group has adjusted the salary growth assumptions, the National Insurance basic amount and pension increases, since the annual pay settlement was somewhat lower than anticipated. The table below provides an overview of the assumptions used in calculating pension for own employees as at 30 June 2014 and 31 December 2013 for the Group:

Pension assumptions:	30.06.2014	31.12.2013
Discount rate	3,6 %	4,0 %
Salary growth	3,5 %	3,75 %
The National Insurance basic amount (G)	3,25 %	3,5 %
Pension increases	2,48 %	2,72 %
Employer status	14,2 %	14,2 %

New disability pension rules are being adopted in 2014 and these have now been included in the collective pay agreement. The Group considers these rules to have been adopted and has recognized the accounting effect of the plan change by NOK 29.7 million as at 30 June 2014. This produces a reduction in the pensions liability, since National Insurance will generally cover a major part of the disability pension benefits.

Note 2 KEY FIGURES – ACCUMULATED

NOK millions	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
KLP Group ¹								
Profit before tax	1 133	586	-17	-16	2	-52	997	794
Total assets	442 463	421 491	399 257	375 434	407 980	366 888	331 783	323 634
Owners' equity	16 032	15 645	15 268	15 100	14 150	13 874	13 610	13 167
Capital adequacy	9,2 %	9,8 %	10,0 %	10,0 %	9,7 %	10,2 %	10,3 %	10,4 %
Number of employees in the Group	877	863	856	849	839	825	808	809
Kommunal Landspensjonskasse								
Profit before tax	800	319	950	776	527	263	772	652
Premium income for own account	37 414	26 192	30 860	25 487	20 475	10 428	29 025	22 186
- of which inflow of premium reserve	21 072	21 580	5 932	5 988	5 888	5 925	1 549	1 601
Insurance customers' funds incl. acc. profit	10 597	7 222	11 886	8 860	5 808	2 930	10 822	8 102
- of which funds with guaranteed returns	4 106	4 106	178	178	177	165	148	147
Net investment common portfolio	346 495	336 599	316 194	315 910	316 305	288 541	278 731	259 084
Net investment choice portfolio	1 850	1 809	1 744	1 686	1 635	1 584	1 556	1 499
Insurance funds incl. earnings for the year	349 109	333 339	310 314	302 208	296 686	287 628	275 843	267 187
- of which funds with guaranteed interest	308 557	298 855	278 240	271 477	267 717	257 981	248 608	240 217
Tier 1 and Tier 2 capital	18 115	18 159	18 036	16 953	16 240	16 132	16 087	15 498
Risk profit	78	54	235	147	66	90	258	118
Return profits	1 220	604	9 863	3 468	2 135	899	5 051	2 399
Administration profit	123	36	156	119	81	30	104	62
Solvency capital	59 459	52 469	46 897	50 640	45 492	48 408	44 134	47 579
Solvency margin ratio	209 %	215 %	229 %	224 %	219 %	229 %	233 %	234 %
Capital adequacy	9,60 %	10,1 %	10,3 %	10,4 %	10,1 %	10,6 %	10,6 %	10,8 %
Core capital ratio	8,00 %	8,5 %	8,7 %	8,6 %	8,2 %	8,7 %	8,8 %	8,8 %
Book return on common portfolio	1,8 %	0,9 %	6,4 %	3,4 %	2,2 %	1,1 %	5,0 %	3,2 %
Value-adjusted return on common portfolio	3,6 %	1,4 %	6,7 %	4,5 %	2,8 %	2,2 %	6,7 %	5,3 %
Return on unit-linked portfolio	3,5 %	1,1 %	8,8 %	5,5 %	3,2 %	2,6 %	7,2 %	6,0 %
Return on corporate portfolio	4,0 %	1,2 %	5,7 %	4,3 %	3,0 %	1,0 %	4,5 %	4,0 %
KLP Skadeforsikring AS								
Profit before tax	137,2	13,6	189,9	140,7	78,2	51,8	105,2	98,6
Gross premium due	667,1	490,0	832,2	712,8	610,4	436,2	750,3	667,4
Premium income for own account	410,0	201,9	728,2	535,0	350,3	171,9	658,9	485,9
Owners' equity	873,1	791,5	787,7	712,8	670,8	640,4	595,3	540,1
Claims ratio	71,8 %	91,5 %	77,5 %	76,3 %	79,6 %	84,0 %	81,4 %	82,0 %
Combined-ratio	95,7 %	116,6 %	103,7 %	101,4 %	103,9 %	109,5 %	107,8 %	107,6 %
Return on assets under management	3,5 %	1,4 %	6,5 %	4,6 %	2,9 %	2,1 %	6,5 %	5,1 %
Capital adequacy	37,0 %	37,1 %	40,0 %	31,6 %	32,0 %	30,9 %	34,1 %	27,7 %
Tier 1 and Tier 2 capital	771,5	770,5	614,6	580,7	578,5	577,7	566,6	451,3
Annual premium in force – retail market	259,0	242,7	226,5	204,8	191,7	175,5	161,7	150,8
Annual premium in force – public sector market	649,9	644,7	612,6	594,3	585,5	595,5	584,4	579,5
Net new subscriptions (accumulated within the year)	16,5	20,7	138,9	71,6	43,6	21,0	75,4	43,7

Note 2 KEY FIGURES – ACCUMULATED (CONT.)

NOK millions	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
KLP Bedriftspensjon AS								
Loss before tax	-9,3	-5,6	-22,9	-14,6	-10,4	-6,1	-25,1	-13,5
Premium income for own account	258,2	191,4	385,5	274,3	180,1	115,3	352,3	308,2
- of which premium reserve added	135,1	132,7	197,9	144,6	95,4	75,4	226,1	219,4
Insurance customers' funds including accumulated profit	1 997,1	1 899,5	1 677,8	1 556,6	1 442,3	1 385,4	1 238,2	1 187,1
- of which funds with guaranteed returns	1 137,8	1 133,4	1 017,5	992,4	941,1	928,3	881,0	848,5
Returns profit	12,0	1,8	7,6	6,1	5,9	4,2	15,0	8,1
Risk result	3,2	3,0	2,3	2,2	1,4	1,9	2,6	3,5
Administration losses	-14,5	-7,6	-32,3	-22,0	-15,2	-8,7	-33,2	-22,6
Tier 1 and Tier 2 capital	100,3	79,2	84,8	97,4	97,4	41,7	48,5	49,9
Solvency capital	235,4	197,8	189,8	184,9	183,9	133,3	131,1	132,7
Solvency margin ratio	188 %	161 %	198 %	225 %	250 %	129 %	157 %	164 %
Capital adequacy	15,6 %	12,9 %	14,7 %	16,6 %	17,6 %	7,7 %	9,6 %	9,5 %
Book capital return on common portfolio	2,7 %	1,0 %	4,0 %	3,0 %	1,8 %	1,2 %	5,2 %	3,6 %
Value-adjusted capital return on common portfolio	3,2 %	1,2 %	6,2 %	4,2 %	2,6 %	1,8 %	6,7 %	5,2 %
Return on defined unit-linked contribution pensions	6,1 %	1,7 %	13,5 %	8,4 %	4,7 %	4,6 %	12,0 %	10,1 %
Return on corporate portfolio	1,9 %	0,8 %	3,1 %	2,1 %	1,4 %	1,2 %	6,4 %	5,3 %
KLP Banken Group								
Profit/loss before tax	30,9	13,8	87,0	77,2	68,9	9,3	83,4	85,8
Net interest income	60,8	31,4	122,0	88,0	54,7	24,3	86,3	60,0
Other operating income	33,7	16,7	65,9	47,5	31,7	16,2	83,6	67,8
Operating expenses and depreciation	-69,8	-38,2	-144,7	-104,9	-64,0	-34,7	-137,7	-94,1
Net realized/unrealized changes in financial instruments to fair value	6,3	3,9	43,8	46,6	46,5	3,5	51,1	52,1
Contributions	5 079	4 706	4 407	4 165	3 957	3 459	2 946	2 553
Housing mortgages granted	5 840	4 817	4 484	4 134	3 615	1 883	1 530	1 550
Loan(s) with public guarantee(s)	16 314	16 560	16 833	17 891	18 675	20 174	20 345	21 915
Defaulted loans	8	10	10	12	13	7	7	5,9
Borrowing on the issuance of securities	19 604	19 753	19 982	20 699	21 333	21 718	23 708	24 443
Other borrowing	0	1	1	0	0	0	0	0
Total assets	26 446	26 104	26 010	26 611	26 983	27 019	28 282	28 668
Average total assets	26 228	26 057	27 146	27 447	27 632	27 650	29 993	30 186
Owners' equity	1 290,4	1 278,7	1 290,2	1 285,8	1 280	1 223	1 219	1 221
Net interest rate	0,23 %	0,12 %	0,45 %	0,32 %	0,20 %	0,09 %	0,29 %	0,20 %
Profit/loss from general operations before tax	0,12 %	0,05 %	0,32 %	0,28 %	0,25 %	0,03 %	0,28 %	0,28 %
Profit/loss from general operations excl. fair value assessments before tax	0,09 %	0,04 %	0,16 %	0,11 %	0,08 %	0,02 %	0,11 %	0,11 %
Return on owners' equity before tax	2,42 %	1,07 %	7,15 %	6,35 %	5,66 %	0,76 %	6,84 %	7,03 %
Capital adequacy	20,1 %	20,2 %	19,6 %	18,3 %	18,2 %	20,4 %	19,1 %	18,6 %
Number of private customers	29 670	28 623	27 287	26 215	25 263	27 727	24 744	22 676
Of this members of KLP	19 808	19 145	18 181	17 316	16 261	15 703	14 309	13 000
KLP Kapitalforvaltning AS and KLP Fondsforvaltning AS								
Profit/loss before tax	11,7	-14,0	32,6	22,9	9,3	-0,4	21,4	14,0
Total assets under management	326 200	314 584	287 077	276 349	269 922	267 845	239 478	222 776
Assets managed for external customers	30 151	28 157	28 171	25 813	24 452	23 432	21 153	19 087

¹For the Group, only Q1-13, Q2-13, Q4-13, Q1-14 and Q2-14 are included in consolidated funds.

Note 3 SEGMENT INFORMATION - PROFIT/LOSS (I.A.W. IFRS) BY BUSINESS AREA

Time series result - by quarter NOK millions	Q2 2014	Q2 2013	01.01.14- 30.06.14	01.01.13- 30.06.13	The year 2013
Total income	19 775	12 275	51 699	29 398	52 081
Total expenses	-19 227	-12 221	-50 566	-29 397	-52 098
Consolidated group profit before tax	548	54	1 133	2	-17
RESULTS BY SEGMENT					
Life insurance	388	-44	959	-156	-328
Non-life	124	26	137	78	190
Banking	17	60	31	69	87
Asset management	19	10	5	9	33
Other business	0	2	1	2	1
Consolidated group profit before tax	548	54	1 133	2	-17
Other comprehensive income (life-insurance)	-55	260	-231	561	1 023

Note 4 PREMIUM INCOME FOR OWN ACCOUNT

NOK millions	Q2 2014	Q2 2013	01.01.14- 30.06.14	01.01.13- 30.06.13	The year 2013
Gross premiums due	5 988	10 274	10 855	14 985	26 149
Reinsurance premiums ceded	24	27	10	11	-62
Transfer of premium reserves from others	5 469	-26	27 181	5 974	5 796
Total premium income	11 481	10 274	38 046	20 971	31 883

Note 5 OTHER INCOME

NOK millions	Q2 2014	Q2 2013	01.01.14- 30.06.14	01.01.13- 30.06.13	The year 2013
Supplement contractual early retirement scheme (AFP)	191	161	364	322	651
Other income/expenses	25	6	30	20	45
Total other income	216	166	394	342	696

Note 6 SUBORDINATED LOAN AND PERPETUAL HYBRID TIER 1 SECURITIES

NOK millions	Q2 2014	Q2 2013	01.01.14- 30.06.14	01.01.13- 30.06.13	The year 2013
SUBORDINATED LOAN					
Interest costs ¹	-39	-38	-76	-75	-157
Value changes	-68	-129	-40	-152	-244
Total subordinated loan	-107	-167	-115	-228	-400
PERPETUAL HYBRID TIER 1 SECURITIES					
Interest costs	-11	-12	-22	-22	-45
Value changes	-76	21	-87	-11	55
Total Perpetual hybrid Tier 1 securities	-88	10	-110	-33	10
Net costs subordinated loan and hybrid Tier 1 securities	-195	-157	-225	-261	-390

¹ Besides pure interest costs this includes recognition through profit/loss of a discount on one subordinated loan.

The note provides a specification of the line "Net costs and change in value subordinated loan and perpetual hybrid Tier 1 securities" attributed to interest costs and value change during the stated periods.

The large fluctuations in value change are predominantly due to the loans being denominated in foreign currency. One subordinated loan is issued in euros, whereas the other subordinated loan and the perpetual hybrid Tier 1 securities are issued in Japanese yen. Hedge accounting is used on the hybrid Tier 1 securities. The two subordinated loans have ordinary financial hedging. In practice, the use of hedging involves a minimal total income effect if account is taken of the hedged object and the hedging instrument together. For more information concerning hedging and terms of the subordinated loans and perpetual hybrid Tier 1 securities attention is drawn to the annual report.

Note 7 OPERATING EXPENSES

NOK millions	Q2 2014	Q2 2013	01.01.14- 30.06.14	01.01.13- 30.06.13	The year 2013
Staff costs	129	139	336	334	726
Depreciation	27	26	54	52	103
Other operating expenses	131	104	252	190	362
Total operating expenses	286	269	641	576	1 191

Note 8 OTHER EXPENSES

NOK millions	Q2 2014	Q2 2013	01.01.14- 30.06.14	01.01.13- 30.06.13	The year 2013
Supplement contractual early retirement scheme (AFP)	191	161	364	322	650
Other expenses	2	2	3	2	9
Total other expenses	193	162	367	323	659

Note 9 INVESTMENT PROPERTY

NOK millions	Q2 2014	Q2 2013	01.01.14- 30.06.14	01.01.13- 30.06.13	The year 2013
RESULT: NET INCOME FROM INVESTMENT PROPERTIES					
Net rental income etc.	520	456	1 045	927	1 862
Adjustment of prior years income	0	0	0	0	320
Net value adjustment	239	385	3	730	1 409
Currency transl. foreign subsidiaries (other comprehensive income)	133	- 247	339	- 535	- 1 101
Net income from investment properties	891	594	1 387	1 122	2 490

NOK millions	30.06.14	30.06.13	31.12.13
BALANCE: INVESTMENT PROPERTY			
Investment property 01.01	39 744	32 322	32 322
Value adjustment including currency translation	3	730	1 409
Net additions	610	478	6 003
Other changes	3	- 4	10
Investment property 30.06/31.12	40 359	33 526	39 744

Note 10 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value of investments listed in an active market is based on the current purchase price. A financial instrument is considered to be listed in an active market if the listed price is simply and regularly available from a stock market, dealer, broker, industry grouping, price setting service or regulatory authority, and these prices represent actual and regularly occurring transactions at arm's length. If the market for the security is not active, or the security is not listed on a stock exchange or similar, the Group uses valuation techniques to set fair value. These are based for example on information on recently completed transactions carried out on business terms and conditions, reference to trading in similar instruments and pricing using externally collected interest rate curves and spread curves. As far as possible the estimates are based on externally observable market data and rarely on company-specific information.

The different financial instruments are thus priced in the following way:

a) Shares (listed)

Liquid shares are generally valued on the basis of prices provided by an index provider. At the same time prices are compared between different sources to identify any errors. The following sources are used for shares:

- Oslo Børs (Oslo Stock Exchange)
- Morgan Stanley Capital International (MSCI)
- Reuters

Oslo Børs has first priority, followed by MSCI and finally Reuters.

b) Shares (unlisted)

As far as possible the Group uses the industry recommendations of the Norwegian Mutual Fund Association (NMFA).

Broadly this means the following:

The last traded price has the highest priority. If the last traded price lies outside this in the market, price is adjusted accordingly. I.e. if the last traded price is below the offer price, price is adjusted up to the offer price. If it is above the bid price it is adjusted down to bid. If the price picture is considered outdated, the price is adjusted according to a market index. The Company has selected the Oslo Stock Exchange's Small Cap Index (OSESX) as an approach for unlisted shares.

For shares on which very little information is available, valuations are obtained from brokers to provide a basis for estimating an assumed market price.

c) Foreign fixed income securities

Foreign fixed income securities are generally priced on the basis of prices obtained from an index provider. At the same time prices are compared between several different sources to identify any errors. The following sources are used:

- JP Morgan
- Barclays Capital Indices
- Bloomberg
- Reuters

JP Morgan and Barclays Capital Indices have the first priority (they cover government and corporate bonds respectively). After that Bloomberg is used ahead of Reuters based on Bloomberg's price source, Business Valuator Accredited in Litigation (BVAL). BVAL contains verified prices from Bloomberg. The final priority is Reuters.

d) Norwegian fixed income securities - government

Bloomberg is used as a source for pricing Norwegian government bonds. It is Oslo Børs that provides the price (via Bloomberg). The prices are compared with the prices from Reuters to reveal any errors.

Note 10 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT.)

e) Norwegian fixed income securities - other than government

All Norwegian fixed income securities except government are priced theoretically. A zero coupon curve is used as well as yield curves for the pricing. Reuters is used as the source for the zero coupon curve from 0 to 10 years. From 12 years and over, Bloomberg is used as the source since Reuters does not provide prices over 10 years.

The yield curves are received from the Norwegian Mutual Fund Association (NMFA). These are based on yield curves collected from five different market operators and converted to an average curve.

f) Fixed income securities issued by foreign enterprises, but denominated in NOK

Fair value is calculated in accordance with the same principle as for Norwegian fixed income securities described above. Yield curves provided by SE Banken and Swedbank are converted to an average curve used as the basis for calculation of fair value.

g) Futures/FRA/IRF

All Group futures contracts are traded on stock exchanges. Reuters is used as a price source. Prices are also obtained from another source to check the Reuters prices are correct.

h) Options

Bloomberg is used as the source for pricing stock market traded options.

i) Interest rate swaps

Interest rate swaps are valued on a model taking account of observable market data such as yield curves and relevant credit risk premiums.

j) Loans secured by mortgage

The principles for calculating fair value depend on whether the loans have fixed interest rates or not.

Fair value of fixed interest loans is calculated by discounting contracted cash flows by market interest rates including a relevant risk margin at the end of the reporting period.

Fair value of variable interest rate loans is considered virtually the same as book value since the contract terms and conditions can be continually changed in step with changes in market interest rates.

k) Lending to local authorities and enterprises with local government guarantee

The receivables are valued using a valuation model that uses relevant credit risk premium adjustments obtained from the market. For lending to municipalities, county authorities and local government supported projects, observable interest-rate curves and credit interest differential curves are used in a valuation model that discounts future cash flows. The credit risk premiums used in the model calculations are based on quotations from three different price makers. Assessment is made of the quality of the quotations by comparing them with each other and against previously received observations as well as other market information.

For guaranteed lending, fair value is calculated as a discounted cash flow based on the same interest-rate curves as the direct loans, but the credit margin is initially based on the initial margin. Guarantees are traded bilaterally (OTC) and not through open marketplaces such as for example a stock market and are therefore not priced in the market. Initial margin agreed on the commencement date is the best estimate for market premiums on the same date. Creditworthiness does not change equally for the loan as for the guarantor or the borrower taken individually. The borrower is generally not credit-rated by credit-rating agencies or banks. The guarantor is either a local administration or bank (or both - triple default loan). Statistical analyses indicate that the credit margin on guaranteed loans fluctuates less than on non-guaranteed loans and bonds. Guaranteed loans are therefore not adjusted for credit risk premium before the guarantor has experienced a significant rating change since the initial margin was set. The Group's lending with both local government and bank guarantee is credit premium adjusted in relation to the initial margin only if both the guarantors have had their credit rating significantly changed since the date of payment.

l) Investments with credit institutions

Investments with credit institutions are short-term deposits. Fair value is calculated by discounting contracted cash flows by market interest rates including a relevant risk margin at the end of the reporting period.

m) Fair value of debt to credit institutions

These transactions are valued using a valuation model, including relevant credit spread adjustments obtained from the market.

n) Fair value of receivables from credit institutions, lending to private individuals and customers' deposits

All lending and deposits are without fixed interest rates. Fair value of these is considered virtually the same as book value since the contract terms and conditions are continually changed in step with change in market interest rates.

o) Fair value of subordinated loan capital

For stock market listed loans where there is considered to be an active market the observable price is used as fair value. For other loans that are not part of an active market fair value is set based on an internal valuation model based on observable data.

p) Fair value of hybrid Tier 1 securities issued

Fair value in this category is determined on the basis of internal valuation models based on external observable data.

q) Fair value of covered bonds issued

Fair value in this category is determined on the basis of internal valuation models based on external observable data.

r) Private Equity

The fair value of the funds is to be based on reported market values, according to International Private Equity and Venture Capital Valuation Guidelines (IPEV Guidelines). These guidelines are set by the European Private Equity and Venture Capital Association (EVCA) and based on the principle of approximate market valuation of the companies.

Note 10 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT.)

The tables below give a more detailed specification of the content of the different classes of assets and financial derivatives.

NOK millions	30.06.14		30.06.13		31.12.13	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
DEBT INSTRUMENTS HELD TO MATURITY - AT AMORTIZED COST						
Norwegian hold-to-maturity bonds	11 390	12 467	10 601	11 414	12 359	13 144
Foreign hold-to-maturity bonds	17 506	18 934	20 834	22 055	19 400	20 484
Total debt instruments held to maturity	28 896	31 400	31 435	33 469	31 758	33 628
DEBT INSTRUMENTS CLASSIFIED AS LOANS AND RECEIVABLES - AT AMORTIZED COST						
Norwegian bond loans	27 204	29 844	25 457	26 597	25 007	26 389
Foreign bond loans	49 610	53 579	36 976	38 998	42 237	44 485
Other receivables	20	20	7	7	29	29
Total debt instruments classified as loans and receivables	76 834	83 443	62 439	65 602	67 272	70 903
LENDING LOCAL GOVERNMENT, ENTERPRISES & RETAIL CUSTOMERS AT FAIR VALUE THROUGH PROFIT/LOSS						
Loans to local government sector or enterprises with local government guarantee	2 136	2 136	2 142	2 142	2 121	2 121
Total loans to local government, enterprises & retail customers	2 136	2 136	2 142	2 142	2 121	2 121
LENDING TO LOCAL GOVERNMENT, ENTERPRISES & RETAIL CUSTOMERS - AT AMORTIZED COST						
Loans secured by mortgage	14 021	14 027	10 737	10 744	11 286	11 505
Loans to local government sector or enterprises with local government guarantee	43 958	44 515	39 865	40 443	41 975	42 519
Total lending	57 979	58 542	50 602	51 187	53 260	54 024
DEBT INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Norwegian bonds	47 161	47 161	41 769	41 769	43 752	43 752
Norwegian certificates	9 980	9 980	9 357	9 357	9 617	9 617
Foreign bonds	60 972	60 972	53 308	53 308	53 661	53 661
Investments with credit institutions	12 658	12 658	15 866	15 866	15 368	15 368
Total debt instruments at fair value through profit/loss	130 769	130 769	120 301	120 301	122 398	122 398
EQUITY CAPITAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Shares	82 876	82 876	61 154	61 154	68 269	68 269
Equity funds	4 996	4 996	3 962	3 962	4 308	4 308
Property funds	632	632	636	636	658	658
Alternative investments	4	4	4	4	4	4
Total equity capital instruments at fair value	88 508	88 508	65 755	65 755	73 239	73 239
RECEIVABLES						
Receivables related to direct business	8 463	8 463	8 269	8 269	2 366	2 366
Receivables related to reinsurance agreements	49	49	133	133	100	100
Reinsurance share of unearned gross premium	203	203	10	10	17	17
Reinsurance share of gross claims reserve	32	32	36	36	11	11
Other receivables	2 473	2 473	28 008	28 008	415	415
Total other loans and receivables including receivables from policyholders	11 220	11 220	36 456	36 456	2 909	2 909
Assets in defined contribution-based life insurance	735	735	441	441	578	578

Note 10 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT.)

NOK millions	30.06.14		30.06.13		31.12.13	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
FINANCIAL LIABILITIES - AT AMORTIZED COST						
Hybrid Tier 1 securities	1 007	1 007	985	985	919	919
Subordinated loan capital	3 126	3 236	2 990	3 031	3 151	3 234
Total financial liabilities	4 132	4 242	3 975	4 016	4 070	4 153
FINANCIAL LIABILITIES - AT FAIR VALUE THROUGH PROFIT OR LOSS						
Debt to credit institutions	3 702	3 702	2 918	2 918	3 249	3 249
Covered bond issued	16 236	16 339	18 657	18 733	17 217	17 298
Liabilities to and deposits from customers	5 079	5 079	3 957	3 957	4 407	4 407
Total financial liabilities	25 017	25 017	25 532	25 532	24 873	24 873
Provisions in life insurance with investment option	735	735	441	441	578	578

NOK millions	30.06.14		30.06.13		31.12.13	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
FINANCIAL DERIVATIVES - AT FAIR VALUE THROUGH PROFIT OR LOSS						
Forward exchange contracts	18	2 687	99	3 205	822	1 233
Interest rate swaps	497	746	486	709	667	650
Interest rate and currency swaps	72	0	60	0	52	65
Share options	245	0	127	0	120	0
Total financial derivatives	832	3 433	772	3 914	1 661	1 948

Note 11 BORROWING

NOK millions	Nominal in NOK	Currency	Interest	Due date	Book value 30.06.14	Book value 30.06.13	Book value 31.12.13
PERPETUAL SUBORDINATED LOAN CAPITAL							
Kommunal Landspensjonskasse	2 372	EUR	Fixed ¹	Perpetual	2 546	2 354	2 599
Kommunal Landspensjonskasse	554	JPY	Fixed ²	Perpetual	579	636	552
Total subordinated loan capital	2 926				3 126	2 990	3 151
HYBRID TIER 1 SECURITIES							
Kommunal Landspensjonskasse	984	JPY	Fixed ³	2034	1 007	985	919
Total hybrid Tier 1 securities	984				1 007	985	919
COVERED BONDS							
KLP Kommunekreditt AS	0	NOK	Floating	2013	0	1 054	0
KLP Kommunekreditt AS	0	NOK	Floating	2014	0	1 442	1 001
KLP Kommunekreditt AS	434	SEK	Floating	2015	434	453	474
KLP Kommunekreditt AS	3 800	NOK	Floating	2015	3 804	4 299	4 304
KLP Kommunekreditt AS	1 000	NOK	Fixed	2015	1 064	2 568	2 555
KLP Kommunekreditt AS	3 500	NOK	Floating	2016	3 511	3 008	3 009
KLP Kommunekreditt AS	1 000	NOK	Fixed	2017	1 003	4 001	1 015
KLP Kommunekreditt AS	4 000	NOK	Floating	2017	4 012	0	3 009
KLP Kommunekreditt AS	1 500	NOK	Floating	2018	1 504	1 002	1 003
KLP Kommunekreditt AS	750	NOK	Fixed	2020	769	825	752
Amortization and value adjustments					136	4	95
Total covered bonds	15 984				16 236	18 657	17 217
DEBT TO CREDIT INSTITUTIONS							
KLP Banken AS	0	NOK	Floating	2013	0	271	0
KLP Banken AS	450	NOK	Floating	2014	451	901	1 052
KLP Banken AS	600	NOK	Floating	2015	603	603	609
KLP Banken AS	800	NOK	Floating	2016	803	601	602
KLP Banken AS	300	NOK	Fixed	2017	301	301	301
KLP Banken AS	500	NOK	Floating	2017	501	0	0
KLP Banken AS	200	NOK	Fixed	2018	205	0	202
KLP Banken AS	500	NOK	Floating	2018	503	0	0
Kommunal Landspensjonskasse	0	NOK/EUR/USD	Floating	2013	0	237	0
Kommunal Landspensjonskasse	334	NOK/EUR/USD	Floating	2014	334	0	483
Other	0				0	4	0
Amortization					2	0	0
Total liabilities to credit institutions	3 684				3 702	2 918	3 249

Note 11 BORROWING (CONT.)

NOK millions	Nominal in NOK	Currency	Interest	Due date	Book value 30.06.14	Book value 30.06.13	Book value 31.12.13
LIABILITIES TO AND DEPOSITS FROM CUSTOMERS ⁴							
Retail	4 209	NOK			4 209	3 428	3 700
Business	871	NOK			871	530	707
Liabilities to and deposits from customers	5 079				5 079	3 957	4 407
Total financial liabilities	28 657				29 150	29 507	28 942

NOK millions	ISIN code	Nominal before repurchase	Repurchase	Rate	Purchase amount	Profit/loss	Date
REPURCHASE OF BONDS ISSUED							
KLP Kommunekreditt AS	N00010624778	2 500 000	1 441 000	101,66	1 464 916	-23 916	15.05.14
KLP Kommunekreditt AS	N00010585185	4 300 000	500 000	100,56	502 800	-2 800	25.06.14
Total		6 800 000	1 941 000		1 967 716	-26 716	

The note shows financial liabilities the Group had at the end of the reporting period; where the majority is funding for KLP Bank Group. The companies listed above are the issuers of the financial debt. Deposits belong to KLP Banken AS.

¹ The loan has an interest change date in 2017

² The loan has an interest change date in 2016

³ The loan has an interest change date in 2034

⁴ There is no contractual maturity date on deposits

Note 12 FAIR VALUE HIERARCHY

30.06.14 NOK millions	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Investment property	0	0	40 359	40 359
Land/plots	0	0	872	872
Property subsidiaries	0	0	38 942	38 942
Investment property partnership interests	0	0	546	546
Lending at fair value	0	2 136	0	2 136
Bonds and other fixed-income securities	71 655	46 496	0	118 150
Certificates	5 585	4 363	0	9 948
Bonds	54 132	42 133	0	96 265
Fixed-income funds	11 937	0	0	11 937
Loans and receivables	9 320	3 298	0	12 618
Shares and units	79 031	4 278	5 200	88 508
Shares	78 029	3 641	1 205	82 876
Equity funds	1 002	0	52	1 054
Special funds	0	4	0	4
Private Equity	0	0	3 942	3 942
Financial derivatives	0	832	0	832
Total assets valued at fair value	160 005	57 040	45 558	262 604
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives liabilities	0	3 433	0	3 433
Debt to credit institutions ¹	334	0	0	334
Total financial liabilities at fair value	334	3 433	0	3 768

Note 12 FAIR VALUE HIERARCHY (CONT.)

31.12.13 NOK millions	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Investment property	0	0	39 744	39 744
Land/plots	0	0	932	932
Property subsidiaries	0	0	38 276	38 276
Investment property partnership interests	0	0	537	537
Lending at fair value	0	2 121	0	2 121
Bonds and other fixed-income securities	61 301	45 710	0	107 011
Certificates	3 985	5 600	0	9 585
Bonds	46 009	40 110	0	86 119
Fixed-income funds	11 307	0	0	11 307
Loans and receivables	9 840	5 547	0	15 387
Shares and units	67 605	918	4 717	73 239
Shares	66 683	256	689	67 627
Equity funds	923	0	79	1 001
Property funds	0	658	0	658
Special funds	0	4	0	4
Private Equity	0	0	3 949	3 949
Financial derivatives	0	1 661	0	1 661
Total assets valued at fair value	138 746	55 957	44 460	239 163
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives liabilities	0	1 948	0	1 948
Debt to credit institutions ¹	485	0	0	485
Total financial liabilities at fair value	485	1 948	0	2 433

Note 12 FAIR VALUE HIERARCHY (CONT.)

30.06.13 NOK millions	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Investment property	0	0	33 526	33 526
Land/plots	0	0	931	931
Property subsidiaries	0	0	32 062	32 062
Investment property partnership interests	0	0	533	533
Lending at fair value	0	2 142	0	2 142
Bonds and other fixed-income securities	60 539	43 865	0	104 404
Certificates	3 863	5 438	0	9 301
Bonds	45 695	38 427	0	84 122
Fixed-income funds	10 982	0	0	10 982
Loans and receivables	10 549	5 347	0	15 896
Shares and units	61 460	244	4 050	65 755
Shares	59 988	240	882	61 110
Equity funds	836	0	0	836
Property funds	636	0	0	636
Special funds	0	4	0	4
Private Equity	0	0	3 169	3 169
Financial derivatives	0	772	0	772
Total assets valued at fair value	132 548	52 370	37 577	222 495
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives liabilities	0	3 914	0	3 914
Debt to credit institutions ¹	241	0	0	241
Total financial liabilities at fair value	241	3 914	0	4 156

Note 12 FAIR VALUE HIERARCHY (CONT.)

Changes in Level 3, financial assets	Book value 30.06.14	Book value 31.12.13	Book value 30.06.13
Opening balance 1 January	4 717	3 262	3 262
Sold	-319	-632	0
Bought	805	1 271	312
Unrealised changes	-3	817	476
Closing balance 30 June /31 December	5 200	4 717	4 050
Realised gains/losses	42	30	-3

Changes in Level 3, Private Equity	Book value 30.06.14	Book value 31.12.13	Book value 30.06.13
Opening balance 1 January	39 744	32 322	32 322
Net acquisition cost	372	6 003	478
Unrealised changes	243	1 419	726
Closing balance 30 June /31 December	40 359	39 744	33 526
Realised gains/losses	0	0	0
Closing balance 30 June /31 December	45 558	44 460	37 577

¹ The line Debt to credit institutions includes liabilities measured at fair value and amortized cost. This line is therefore not reconcilable against the financial position statement. The liabilities measured at amortized cost amounted to NOK 2719 million on 31 March 2014.

Unrealised changes and realized gains / losses reflected on the line "Net value changes on financial instruments" in the consolidated income statement. The tables "Changes in level 3" shows changes in level 3 classified instruments in the period indicated.

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for on normal market terms and conditions. Highest quality in regard to fair value is based on listed prices in an active market. A financial instrument is considered as noted in an active market if noted prices are simply and regularly available from a stock market, dealer, broker, industry grouping, price setting service or regulatory authority, and these prices represent actual and regularly occurring transactions at arm's length.

Level 1:

Instruments at this level obtain fair value from listed prices in an active market for identical assets or liabilities that the entity has access to at the reporting date. Examples of instruments at Level 1 are stock market listed securities.

Level 2:

Instruments at this level obtain fair value from observable market data. This includes prices based on identical instruments, but where the instrument does not maintain a high enough trading frequency and is therefore not considered to be traded in an active market, as well as prices based on corresponding assets and price-leading indicators that can be confirmed from market information. Example instruments at Level 2 are fixed income securities priced on the basis of interest rate paths.

Level 3:

Instruments at Level 3 contain no observable market data or are traded in markets considered to be inactive. The price is based generally on discrete calculations where the actual fair value may deviate if the instrument were to be traded. The instruments covered at Level 3 in the Group include unlisted shares and Private Equity.

No sensitivity analysis has been carried out on securities included in Level 3. A change in the variables of the pricing is considered of little significance. On a general basis, a 5 percent change in the pricing would produce a change of NOK 2 278 million as at 30.06.2014, NOK 1 879 million as at 30.06.2013 and NOK 2 223 million as at 31.12.13.

The investment option portfolio is not included in the table. The investment option portfolio has NOK 662 million in financial assets valued at fair value. On 31 March 2014 the NOK 662 million are included with NOK 315 million in shares and units in Level 1 and NOK 347 million in debt instruments at fair value in Level 1.

So far this year NOK 44 million has been moved from level 2 to level 1 and NOK 55 million from level 1 to level 2. These changes are related to equity instruments and are due to changes in liquidity. When moving between levels the value at the period end defines the amount.

As a result of IRS 10 there will be variance between what is reported here and what has been reported previously since this note is based on a fully consolidated financial position statement in accordance with the new regulations on consolidating entities where there is control. The final column illustrates what the Group is bearing in real risk, i.e. assets and liabilities that actually comprise part of the Group's positions.

Note 13 LIQUIDITY RISK

The table below specifies the company's financial obligations ranked by maturity. It shows the liquidity risk based on full consolidation, including the minority's share. The amounts given are non-discounted contractual flows of cash.

30.06.14 NOK millions	Within 1 month	1-12 month	1-5 years	5-10 years	Over 10 years	Total
Subordinated loan	0	167	3 274	0	0	3 441
Perpetual hybrid Tier 1 securities	22	67	179	223	1 326	1 817
Debt to and deposits from customers (without defined maturity)	5 079	0	0	0	0	5 079
Covered bonds issued	0	1 772	14 484	801	0	17 057
Payables to credit institutions	334	761	2 756	0	0	3 851
Financial derivatives	1 433	1 168	767	172	76	3 616
Accounts payable	546	0	0	0	0	546
Contingent liabilities	9 147	0	0	0	0	9 147
Total	16 563	3 935	21 460	1 196	1 402	44 556

If the minority interests are taken out of account, derivatives maturing within one month are reduced with NOK 206 million and derivatives maturing between 1-12 months are reduced by NOK 49 million. Total amount of the financial liabilities for the Group are after these adjustments NOK 44 301 million.

31.12.13 NOK millions	Within 1 month	1-12 month	1-5 years	5-10 years	Over 10 years	Total
Subordinated loan	0	154	3 385	0	0	3 539
Perpetual hybrid Tier 1 securities	0	44	177	221	1 322	1 764
Debt to and deposits from customers (without defined maturity)	4 407	0	0	0	0	4 407
Covered bonds issued	0	1 245	16 092	819	0	18 157
Payables to credit institutions	485	1 061	1 798	0	0	3 344
Financial derivatives	566	401	893	224	128	2 212
Accounts payable	692	0	0	0	0	692
Contingent liabilities	8 539	0	0	0	0	8 539
Total	14 689	2 905	22 346	1 263	1 450	42 654

If the minority interests are taken out of account, derivatives maturing within one month are reduced with NOK 49 million. Total amount of the financial liabilities for the Group are after these adjustments NOK 42 605 million.

30.06.13 NOK millions	Within 1 month	1-12 month	1-5 years	5-10 years	Over 10 years	Total
Subordinated loan	0	160	3 285	0	0	3 445
Perpetual hybrid Tier 1 securities	0	67	178	222	1 382	1 848
Debt to and deposits from customers (without defined maturity)	3 957	0	0	0	0	3 957
Covered bonds issued	0	2 778	16 299	836	0	19 912
Payables to credit institutions	511	610	1 900	0	0	3 021
Financial derivatives	1 992	1 326	621	127	64	4 130
Accounts payable	1 787	0	0	0	0	1 787
Contingent liabilities	5 447	0	0	0	0	5 447
Total	13 695	4 940	22 283	1 186	1 446	43 549

If the minority interests are taken out of account, derivatives maturing within one month are reduced with NOK 369 million and derivatives maturing between 1-12 months are reduced by NOK 99 million. Total amount of the financial liabilities for the Group are after these adjustments NOK 42 846 million.

The risk that the Group would not have adequate liquidity to meet its current liabilities and current operations is very small since a major part of the Group's assets is liquid. The Group has significant funds invested in the money market, bonds and shares that can be sold in the event of a liquidity requirement. The Group's liquidity strategy involves the Group always having adequate liquid assets to meet the Group's liabilities as they fall due without accruing significant costs associated with releasing assets.

Asset composition in the Group's portfolios should be adequately liquid to be able to cover other liquidity needs that may arise. KLP Kapitalforvaltning manages the Group's liquidity. Internal parameters have been established for the size of the liquidity holding. The Group's risk management unit monitors and reports developments in the liquidity holding continuously. The Group Board determines an asset management and liquidity strategy annually. The liquidity strategy includes parameters, responsibilities, risk measurement and an emergency plan for liquidity management.

The table above shows financial liabilities the Group has grouped by interest payments and repayment of principal, based on the date payment is due. Banking contains the largest proportion of the financial liabilities in the Group.

Note 14 INTEREST RATE RISK

30.06.14 NOK millions	Up to 3 months	From 3 mnts. to 12 mnths.	From 1 year to 5 years	From 5 years to 10 years	Over 10 years	Changes in cashflow 01.01.14- 30.06.14	Total	Total ad- justed for minority's share
ASSETS								
Mutual funds shares ¹	0	0	0	0	0	6	6	2
Alternative investments	0	0	0	0	0	0	0	15
Financial derivatives classified as assets	24	3	-94	-116	-126	-42	-352	-387
Debt instruments classified as loans and receivables – at amortised cost	0	0	0	0	0	3	3	3
Bonds and other fixed-return securities	-37	-102	-936	-1 322	-998	117	-3 278	-1 007
Fixed income fund holdings	-727	0	0	0	0	12	-715	-2 614
Special investment fund	-52	61	4	-5	0	2	11	2
Lending and receivables	-2	-8	0	0	0	21	12	12
Lending	0	0	0	0	0	151	151	151
Total assets	-795	-46	-1 026	-1 443	-1 124	270	-4 164	-3 823
LIABILITIES								
Deposit	0	0	0	0	0	-50	-50	-50
Liabilities created on issue of securities	0	10	46	48	0	-157	-52	-52
Financial derivatives classified as liabilities	-14	2	167	117	2	38	311	310
Hybrid capital, subordinated loans	0	0	0	58	25	0	82	82
Call Money	0	0	0	0	0	-3	-3	-3
Total liabilities	-14	12	212	223	26	-171	288	288
Total, before and after tax	-809	-34	-814	-1 220	-1 098	99	-3 876	-3 535

Note 14 INTEREST RATE RISK (CONT.)

31.12.13 NOK millions	Up to 3 months	From 3 mnts. to 12 mnths.	From 1 year to 5 years	From 5 years to 10 years	Over 10 years	Changes in cashflow 01.01.13- 31.12.13	Total	Total ad- justed for minority's share
ASSETS								
Mutual funds shares ¹	0	0	0	0	0	7	7	3
Alternative investments	0	0	0	0	0	0	0	0
Financial derivatives classified as assets	2	11	-158	-130	-122	-42	-439	-447
Debt instruments classified as loans and receivables – at amortised cost	0	0	0	0	0	6	6	6
Bonds and other fixed-return securities	-36	-84	-898	-1 032	-767	205	-2 612	-776
Fixed income fund holdings	-582	0	0	0	0	27	-556	-2 146
Special investment fund	-38	-38	4	-5	0	7	-70	-1
Lending and receivables	-1	-8	-4	0	0	92	79	79
Lending	0	0	0	0	0	147	147	147
Total assets	-656	-119	-1 055	-1 167	-889	449	-3 437	-3 135
LIABILITIES								
Deposit	0	0	0	0	0	-44	-44	-44
Liabilities created on issue of securities	0	0	86	50	0	-154	-19	-19
Financial derivatives classified as liabilities	-16	8	176	86	2	71	326	249
Hybrid capital, subordinated loans	0	0	0	55	16	0	72	72
Call Money	0	0	0	0	0	-6	-6	-6
Total liabilities	-16	8	262	191	18	-134	329	251
Total, before and after tax	-672	-111	-793	-976	-871	315	-3 108	-2 884

Note 14 INTEREST RATE RISK (CONT.)

30.06.13 NOK millions	Up to 3 months	From 3 mnths. to 12 mnths.	From 1 year to 5 years	From 5 years to 10 years	Over 10 years	Changes in cashflow 01.01.13- 30.06.13	Total	Total ad- justed for minority's share
ASSETS								
Mutual funds shares ¹	0	0	0	0	0	3	3	1
Alternative investments	0	0	0	0	0	0	0	0
Financial derivatives classified as assets	-1	11	-110	-121	-136	-39	-397	-413
Debt instruments classified as loans and receivables – at amortised cost	0	0	0	0	0	3	3	2
Bonds and other fixed-return securities	-34	-84	-864	-1 139	-782	99	-2 802	-931
Fixed income fund holdings	-669	0	0	0	0	15	-653	-2 265
Special investment fund	0	-48	30	4	-5	4	-15	-25
Lending and receivables	-2	-10	0	0	0	80	69	58
Lending	0	0	0	0	0	155	155	155
Total assets	-705	-130	-944	-1 256	-922	321	-3 637	-3 419
LIABILITIES								
Deposit	0	0	0	0	0	-39	-39	-39
Liabilities created on issue of securities	0	0	95	53	0	-166	-18	-18
Financial derivatives classified as liabilities	-13	-2	161	121	2	35	304	295
Hybrid capital, subordinated loans	0	0	0	61	18	0	79	79
Call Money	0	0	0	0	0	-4	-4	-4
Total liabilities	-13	-2	256	235	20	-174	323	314
Total, before and after tax	-718	-132	-688	-1 021	-902	147	-3 314	-3 105

¹ Equity fund holdings covers that part of the fund that is not shares, but that comprises assets covered by interest rate risk; surplus liquidity in the form of bank accounts and derivatives used for hedging purposes.

The note shows the effect on profits if market interest rates were to increase by one percent, for fair value risk and variable interest risk.

Change in fair value (fair value risk) is shown in the first five columns and is calculated by the change in fair value of interestbearing instruments if interest rates had been one percent higher at the end of the period. The sixth column shows the change in cash flows if the interest had been one percent higher over the year being reported on. The sum of these results reflects the overall effect that the scenario had given the group during the period being reported on.

The fair value risk applies to fixed interest securities where the market value of the securities is affected by market interest rates. Floating rate risk applies to securities with floating interest rates, where a change in market interest rates affects the cash-flow from the interest bearing securities.

The following securities are included in the note; securities measured at fair value through profit or loss (floating and fixed interest rates), investments held to maturity (only those with floating interest rates) and loans and receivables (only those with floating interest rates). The group has no securities classified as available for sale.

The Groups total interest rate risk is limited as a significant portion of the investments are bonds with fixed interest rates that are classified as held to maturity and loans and receivables, or fixed rate lending, measured at amortized cost. A change in market interest rate does not affect profit or loss for these assets.

Note 15 CREDIT RISK

30.06.14 NOK millions	AAA	AA	A	BBB	NR / NIG	Total	Total ad- justed for minority's share
DEBT INSTRUMENTS HELD TO MATURITY - AT AMORTIZED COST							
Banks	0	526	1 703	0	16	2 245	2 245
Finance- and credit enterprises	0	557	0	0	0	557	557
Public sector guarantee	3 366	0	0	0	82	3 448	3 448
Government and government guarantee within OECD	10 203	222	0	785	0	11 210	11 210
Public sector enterprises and covered bonds	2 244	549	0	0	1 401	4 194	4 194
Other	0	458	3 640	0	3 144	7 242	7 242
Total	15 813	2 312	5 343	785	4 643	28 896	28 896
DEBT INSTRUMENTS CLASSIFIED AS LOANS AND RECEIVABLES - AT AMORTIZED COST							
Banks	0	1 014	8 663	0	514	10 191	10 191
Finance- and credit enterprises	0	1 235	251	0	0	1 485	1 485
Public sector guarantee	507	0	0	0	517	1 024	1 024
Government and government guarantee within OECD	11 105	3 938	3 576	2 002	0	20 621	20 621
Public sector enterprises and covered bonds	6 216	1 572	1 350	0	2 396	11 534	11 534
Other	0	6 191	7 650	830	17 307	31 979	31 979
Total	17 828	13 950	21 490	2 832	20 734	76 834	76 834
DEBT INSTRUMENTS AT FAIR VALUE - BONDS AND OTHER SECURITIES WITH FIXED RETURNS							
Banks	0	45	2 743	65	15 248	18 101	16 977
Finance- and credit enterprises	26	740	743	184	692	2 386	2 234
Public sector guarantee	1 031	56	0	0	2 500	3 587	3 538
Government and government guarantee within OECD	16 278	5 621	0	0	0	21 899	21 869
Public sector enterprises and covered bonds	2 004	777	21	0	9 242	12 044	11 888
Other	1 315	10 067	16 670	8 114	12 214	48 379	42 114
Total	20 654	17 306	20 177	8 363	39 895	106 394	98 620
FINANCIAL DERIVATIVES CLASSIFIED AS ASSETS							
Canada	0	0	0	0	0	0	0
Denmark	0	0	205	0	0	205	205
Finland	0	90	0	0	0	90	90
France	0	0	153	0	0	153	153
Norway	0	0	99	0	0	99	99
UK	0	0	145	0	0	145	145
Sweden	0	0	124	0	0	124	124
USA	0	0	15	0	0	15	15
Total	0	91	742	0	0	832	832

Note 15 CREDIT RISK (CONT.)

30.06.14 NOK millions	AAA	AA	A	BBB	NR / NIG	Total	Total ad- justed for minority's share
DEBT INSTRUMENTS AT FAIR VALUE - FIXED INCOME FUND UNITS							
Other	0	0	0	0	11 937	11 937	11 937
Total	0	0	0	0	11 937	11 937	11 937
DEBT INSTRUMENTS AT FAIR VALUE - LOANS AND RECEIVABLES							
Canada	0	20	0	0	0	20	20
Denmark	0	0	359	0	0	359	359
Finland	0	367	0	0	0	367	367
Norway	0	0	710	0	2 815	3 526	4 217
UK	0	2	2 806	0	0	2 808	2 454
Sweden	0	3 821	824	0	0	4 646	4 365
USA	0	0	711	0	0	711	677
Total	0	4 210	5 412	0	2 815	12 437	12 458
Total securities	54 296	37 868	53 163	11 980	80 025	237 332	229 578
LENDING LOCAL GOVERNMENT, ENTERPRISES & RETAIL CUSTOMERS ¹		0 %	20 %	35 %	100 %	Totalt	
Public sector		0	39 600	0	1 965	41 565	
Enterprises		3 246	1 336	4	1 986	6 572	
Private individuals		0	0	9 583	2 396	11 978	
Total		3 246	40 936	9 587	6 346	60 115	
31.12.13							
NOK millions	AAA	AA	A	BBB	NR / NIG	Total	Total ad- justed for minority's share
DEBT INSTRUMENTS HELD TO MATURITY - AT AMORTIZED COST							
Banks	0	510	1 703	0	50	2 263	2 263
Finance- and credit enterprises	0	542	0	0	0	542	542
Public sector guarantee	3 320	0	0	0	81	3 402	3 402
Government and government guarantee within OECD	12 964	220	0	806	0	13 989	13 989
Public sector enterprises and covered bonds	2 730	535	0	0	1 455	4 719	4 719
Other	0	449	3 106	0	3 289	6 843	6 843
Total	19 014	2 255	4 809	806	4 875	31 758	31 758
DEBT INSTRUMENTS CLASSIFIED AS LOANS AND RECEIVABLES - AT AMORTIZED COST							
Banks	0	1 042	7 238	0	642	8 921	8 921
Finance- and credit enterprises	0	1 243	0	0	260	1 503	1 503
Public sector guarantee	508	0	0	0	219	727	727
Government and government guarantee within OECD	11 029	3 860	1 521	2 045	0	18 455	18 455
Public sector enterprises and covered bonds	6 241	1 609	1 373	0	2 402	11 626	11 626
Other	0	4 196	5 505	1 003	15 336	26 040	26 040
Total	17 779	11 950	15 637	3 048	18 859	67 272	67 272

Note 15 CREDIT RISK (CONT.)

31.12.13 NOK millions	AAA	AA	A	BBB	NR / NIG	Total	Total ad- justed for minority's share
DEBT INSTRUMENTS AT FAIR VALUE - BONDS AND OTHER SECURITIES WITH FIXED RETURNS							
Banks	0	585	2 519	117	14 869	18 090	16 512
Finance- and credit enterprises	27	729	826	180	603	2 365	2 153
Public sector guarantee	1 097	56	0	0	2 035	3 188	3 142
Government and government guarantee within OECD	13 353	4 953	0	0	0	18 306	18 265
Public sector enterprises and covered bonds	2 237	773	20	0	8 243	11 274	11 164
Other	808	8 121	14 123	6 948	12 483	42 483	36 415
Total	17 522	15 216	17 488	7 245	38 233	95 704	87 650
FINANCIAL DERIVATIVES CLASSIFIED AS ASSETS							
Canada	0	40	0	0	0	40	40
Denmark	0	0	505	0	0	505	503
Finland	0	64	0	0	0	64	57
France	0	0	40	0	0	40	40
Norway	0	0	351	0	0	351	317
UK	0	0	134	0	0	134	134
Sweden	0	0	534	0	0	534	494
Germany	0	0	0	0	0	0	0
USA	0	0	-7	0	0	-7	-7
Total	0	104	1 557	0	0	1 661	1 578
DEBT INSTRUMENTS AT FAIR VALUE - FIXED INCOME FUND UNITS							
Other	0	0	0	0	11 307	11 307	11 307
Total	0	0	0	0	11 307	11 307	11 307
DEBT INSTRUMENTS AT FAIR VALUE - LOANS AND RECEIVABLES							
Canada	0	20	0	0	0	20	20
Denmark	0	0	1 552	0	0	1 552	1 552
Finland	0	59	0	0	0	59	59
Norway	0	974	4 287	0	2 972	8 233	8 774
UK	0	0	3 813	0	0	3 813	3 280
Sweden	0	498	455	0	0	953	728
USA	0	0	756	0	0	756	723
Total	0	1 550	10 865	0	2 972	15 386	15 137
Total securities	54 314	31 076	50 356	11 099	76 246	223 090	214 702
LENDING LOCAL GOVERNMENT, ENTERPRISES & RETAIL CUSTOMERS ¹		0 %	20 %	35 %	100 %	Total	
Public sector		0	38 169	0	2 008	40 177	
Enterprises		844	811	4	2 063	3 722	
Private individuals		0	0	9 189	2 294	11 483	
Total		844	38 980	9 193	6 365	55 381	

Note 15 CREDIT RISK (CONT.)

30.06.13 NOK millions	AAA	AA	A	BBB	NR / NIG	Total	Total justert for minoritet- ens andel
DEBT INSTRUMENTS HELD TO MATURITY - AT AMORTIZED COST							
Banks	0	1 056	1 809	0	147	3 011	3 011
Finance- and credit enterprises	0	557	0	0	0	557	557
Public sector guarantee	1 369	0	0	0	82	1 451	1 451
Government and government guarantee within OECD	14 006	0	0	819	0	14 825	14 825
Public sector enterprises and covered bonds	2 742	549	0	0	1 464	4 755	4 755
Other	0	456	3 134	0	3 245	6 836	6 836
Total	18 117	2 618	4 942	819	4 938	31 435	31 435
DEBT INSTRUMENTS CLASSIFIED AS LOANS AND RECEIVABLES - AT AMORTIZED COST							
Banks	0	1 015	5 661	0	638	7 314	7 314
Finance- and credit enterprises	526	1 244	251	0	0	2 021	2 021
Public sector guarantee	1 125	0	0	0	321	1 446	1 446
Government and government guarantee within OECD	11 627	1 800	0	2 002	0	15 429	15 429
Public sector enterprises and covered bonds	6 724	1 572	849	0	2 396	11 541	11 541
Other	0	4 054	5 059	1 040	14 536	24 689	24 689
Total	20 003	9 684	11 820	3 042	17 891	62 439	62 439
DEBT INSTRUMENTS AT FAIR VALUE - BONDS AND OTHER SECURITIES WITH FIXED RETURNS							
Banks	0	740	2 851	248	14 144	17 982	16 537
Finance- and credit enterprises	27	728	907	179	1 028	2 868	2 652
Public sector guarantee	1 088	56	0	0	2 152	3 295	3 225
Government and government guarantee within OECD	13 854	4 222	0	0	0	18 076	18 034
Public sector enterprises and covered bonds	1 907	874	19	0	7 182	9 982	9 873
Other	645	7 440	14 598	7 117	11 686	41 487	35 135
Total	17 521	14 059	18 374	7 544	36 192	93 690	85 456
FINANCIAL DERIVATIVES CLASSIFIED AS ASSETS							
Canada	0	27	0	0	0	27	27
Denmark	0	0	156	0	0	156	156
Finland	0	66	0	0	0	66	66
Norway	0	11	159	0	0	170	170
UK	0	0	127	0	0	127	127
Sweden	0	0	169	0	0	169	169
Germany	0	0	1	0	0	1	1
USA	0	0	55	0	0	55	55
Total	0	104	668	0	0	772	771

Note 15 CREDIT RISK (CONT.)

30.06.13 NOK millions	AAA	AA	A	BBB	NR / NIG	Total	Total ad- justed for minority's share
DEBT INSTRUMENTS AT FAIR VALUE - FIXED INCOME FUND UNITS							
Other	0	0	0	0	10 982	10 982	10 982
Total	0	0	0	0	10 982	10 982	10 982
DEBT INSTRUMENTS AT FAIR VALUE - LOANS AND RECEIVABLES							
Canada	0	17	0	0	0	17	17
Denmark	0	0	2 242	0	0	2 242	2 242
Finland	0	296	0	0	0	296	296
Norway	0	0	3 236	0	3 008	6 244	6 222
UK	0	0	4 535	0	0	4 535	4 213
Sweden	0	613	585	0	0	1 198	1 030
USA	0	0	1 098	0	0	1 098	1 074
Total	0	926	11 695	0	3 008	15 629	15 094
Total securities	55 641	27 391	47 500	11 405	73 011	214 959	206 190
LENDING LOCAL GOVERNMENT, ENTERPRISES & RETAIL CUSTOMERS ¹		0 %	20 %	35 %	100 %	Totalt	
Public sector		0	36 664	0	1 747	38 412	
Enterprises		462	1 154	4	1 401	3 021	
Private individuals		0	0	10 704	608	11 312	
Total		462	37 818	10 708	3 756	52 744	

¹ The credit risk to which lending is exposed is calculated based on the regulations concerning minimum requirements for capital adequacy, and the rules that apply on determining the calculation base. The lending is placed separately since it is not included with the same rating categories. In regard to weighting in the table, 0 % indicates the lowest expected credit risk and 100 % the highest.

Credit risk means the risk of the counterparty not being able to meet its obligations toward the KLP Group. In this table the credit risk is measured through the rating agencies' estimates of how high the creditworthiness of the various issuers of securities is. The exception is loans to customers, where weighting by sector based on the capital adequacy regulations is used.

Emphasis is placed on diversification of credit exposure to avoid concentration of credit risk against individual debtors. To monitor credit risk in lending and investments a special credit committee has been established, meeting regularly. The limits for credit risk against the individual debtor are set by the committee. Changes in debtors' credit assessments are monitored and followed up by KLP Kapitalforvaltning AS.

The Group has good balance between Norwegian bonds and international bonds and has a portfolio of exclusively good credit notes. The Group can be said to have a high concentration of debt instruments directed at the Norwegian public sector, however this does not imply concentration risk in the ordinary meaning since the counterparty risk is minimal. The Notes only show Standard & Poor's ratings. The KLP Group also uses ratings from Moody's Investor Services and Fitch ratings and all three are equal as a basis for investments in fixed-income securities. The table shows exposure towards the rating categories used by S & P where AAA is associated with securities with the highest creditworthiness. Unrated / non investment grade is first of all applies to municipalities/local administrations, state enterprises and investments in Norwegian finance. All in all, Unrated / non investment grade comprises securities of NOK 80 billion as at 30.06.14. "Other" under Unrated / non investment grade comprises mainly securities issued by power companies and other corporate bonds. The remaining amount, which is made up of fixed-income fund units, distributed by country or sector, in the Note is NOK 32.6 billion. This mainly comprises corporate bonds. The KLP Group has strict guidelines for investments in fixed-income securities. This also applies to investments that fall into the unrated / non investment grade category.

The lines in the note coincide with the financial position statement layout. The exceptions are debt instruments at fair value, which are divided into three categories in the note and lending which is shown combined in the note, but is shown in two lines in the financial position statement (fair value and amortized cost).

Note 16 INSURANCE-RELATED PROVISIONS IN LIFE INSURANCE INCLUDING INVESTMENT CHOICE

NOK millions	30.06.14	30.06.13	31.12.13
Premium reserves - ordinary tarif	312 030	264 267	271 771
Premium reserves - longevity reserving	9 085	5 833	9 084
Premium funds, buffer funds and pensioners' surplus funds	199	4 505	3 291
Supplementary reserves	12 798	12 420	12 524
Securities adjustment fund	16 611	11 006	10 447
Other provisions	255	305	222
Profit/loss allocated to insurance contracts	1 248	988	5 887
Insurance-related provisions in life insurance incl. investment options	352 224	299 327	313 227

NOK millions	30.06.14	30.06.13	31.12.13
Premium reserves - ordinary tarif	727	436	571
Deposit funds	7	5	6
Reserving life insurance with investment options	735	441	578

Note 17 PRESENTATION OF ASSETS AND LIABILITIES THAT ARE SUBJECT TO NET SETTLEMENT

30.06.14 NOK millions	Gross financial assets/ liabilities	Gross assets/liabilities presented net	Book value	Related amounts not presented net			Total adjusted for mino- rity's share
				Financial instruments	Security in cash	Net amount	
ASSETS							
Financial derivatives	832	0	832	-462	-300	70	70
Total	832	0	832	-462	-300	70	70
LIABILITIES							
Financial derivatives	3 433	0	3 433	-462	-1 713	1 262	1 007
Total	3 433	0	3 433	-462	-1 713	1 262	1 007

31.12.13 NOK millions	Gross financial assets/ liabilities	Gross assets/liabilities presented net	Book value	Related amounts not presented net			Total adjusted for mino- rity's share
				Financial instruments	Security in cash	Net amount	
ASSETS							
Financial derivatives	1 661	0	1 661	-964	-478	219	224
Total	1 661	0	1 661	-964	-478	219	224
LIABILITIES							
Financial derivatives	1 948	0	1 948	-899	-714	335	312
Total	1 948	0	1 948	-899	-714	335	312

30.06.13 NOK millions	Gross financial assets/ liabilities	Gross assets/liabilities presented net	Book value	Related amounts not presented net			Total adjusted for mino- rity's share
				Financial instruments	Security in cash	Net amount	
ASSETS							
Financial derivatives	772	0	772	-358	-205	216	219
Total	772	0	772	-358	-205	216	219
LIABILITIES							
Financial derivatives	3 914	0	3 914	-358	-1 536	2 069	363
Total	3 914	0	3 914	-358	-1 536	2 069	363

The purpose of the note is to show the potential effect of netting agreements at the KLP Group; what possibilities the KLP Group has to net bilateral agreements against other counterparties should the latter go bankrupt and the remaining amount if all such netting agreements are materialized. The note shows derivative positions in the financial position statement.

Due to the introduction of IFRS 10, the consolidated figures includes all units the KLP Group is considered to have control over. In addition, the outer line shows which de facto net amount remains if all the groups netting agreements are set off; which only includes subsidiaries and units, where the group carries the risk.

Note 18 OTHER CURRENT LIABILITIES

NOK millions	30.06.14	30.06.13	31.12.13
Short-term payables trade in securities	4 579	29 973	3 978
Advance tax-deduction pension scheme	504	431	241
Accounts payable	546	623	692
Pre-called contribution to insurance	113	79	67
Other current liabilities	698	1 352	2 221
Total receivable	6 441	32 458	7 200



To the Board of Directors of Kommunal Landspensjonskasse Gjensidig Forsikringsselskap

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying consolidated condensed balance sheet of Kommunal Landspensjonskasse Gjensidig Forsikringsselskap as of 30 June 2014 and the related consolidated condensed statements of income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting".. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with standards on auditing adopted by Den Norske Revisorforening, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Oslo, 14 August 2014
PricewaterhouseCoopers AS

Magne Sem
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.



Non-financial accounts
KLP Group

Non-financial accounts

KLP Group

Note	Per Q2 2014	Per Q1 2014	2013	2012	2011	2010	
SOCIAL RESPONSIBLE INVESTMENTS							
	Number of exclusions of companies from the investment portfolio (total)	69	69	69	64	64	59
	Number of exclusions of companies from the investment portfolio (accumulated this year)	0	0	9	1	6	3
	Number of companies reinstated in the investment portfolio	0	0	4	1	1	3
1	Number of general meetings in Norwegian companies in which KLP has voted	87 (96%)	6 (86%)	95 (95%)	113 (92%)	130	127
1	Number of general meetings in foreign companies in which KLP has voted	1 673 (87%)	249 (57%)	2 259 (76%)	2 099 (75%)	1662	1 533
2	Number of companies KLP has been in dialogue with	32	8	41	143	96	
EMPLOYEES							
	Number of employees	877	863	856	808	775	762
	Percentage reported sickness absence 12 month rolling	4,77 %	5,41 %	3,87 %	4,20 %	4,60 %	4,39 %
	Percentage reported sickness absence quarter	4,09 %					
ENVIRONMENT							
3	Energy consumption kWh KLP-huset	1 629 596	890 159	3 487 989	3 795 878	3 489 425	5 367 259
3	Energy consumption kWh own offices Trondheim	101 785	61 288	254 063	221 703	165 135	357 159
3	Energy consumption kWh own office Bergen	230 733	151 513	507 026	445 918	460 518	541 337
3	Kilo CO ₂ -equivalent from aircrafts	357 565	193 587	609 203	387 429	333 081	300 370

Note 1 SOCIALLY RESPONSIBLE INVESTMENTS

The indicator shows both percentage and total number of general meetings and actual number.

Note 2 DIALOGUE

Number of companies that KLP has contacted regarding social-, environmental-, and governance challenges related to its operations. This is a form of corporate governance, where KLP engage in a dialogue to determine how the company handle such challenges, communicate our expectations, and encourage improvement.

Note 3 ENERGY CONSUMPTION

1 kwh approximates to NOK 1 and 117 g CO₂ equivalents at "Nordic mix". New and improved details regarding reporting of CO₂ aircraft engine emissions are available. This makes comparisons with previous years inaccurate.



Accounts

Kommunal Landspensjonskasse

Income statement

Kommunal Landspensjonskasse

Note	NOK million	Q2 2014	Q2 2013	01.01.14 - 30.06.14	01.01.13- 30.06.13	01.01.13- 31.12.13
3	Premium income	11 222	10 047	37 414	20 475	30 860
	Income from investments in subsidiaries, associated enterprises and jointly controlled enterprises	694	796	969	1 567	3 395
	Interest income/dividends on financial assets	2 542	1 733	4 481	4 022	9 116
	Value changes on investments	3 643	-784	5 498	1 794	2 187
	Gains and losses realised on investments	397	-130	840	314	4 077
	Net income from investments in the common portfolio	7 276	1 615	11 788	7 698	18 775
	Net income of the investment option portfolio	42	10	62	50	138
	Other insurance-related income	213	163	387	337	682
	Claims	-3 375	-2 879	-10 597	-5 808	-11 886
	Changes in insurance liabilities taken to profit/loss - contractual liabilities	-14 156	-8 177	-36 590	-20 853	-30 848
	Changes in insurance liabilities investment option portfolio	18	-47	-3	-85	-181
	Funds assigned to insurance contracts - contractual liabilities	-810	-325	-1 513	-994	-5 884
4	Insurance-related operating expenses	-182	-188	-395	-389	-807
	Other insurance-related costs	-193	-162	-366	-323	-656
	Technical profit/loss	54	57	185	107	191
	Net income from investments in the corporate portfolio	525	256	761	520	979
	Other income	1	3	6	7	17
	Administration costs and other costs associated with the corporate portfolio	-60	-53	-113	-107	-238
	Non-technical profit/loss	466	205	653	419	759
	Profit/loss pre-tax	520	263	839	526	950
	Tax	0	0	0	0	0
	Profit/loss before other comprehensive income	520	263	839	526	950
	Actuarial profit/loss post employment benefit obligations	-29	0	-29	0	-79
	Items that will not be reclassified to profit or loss	-29	0	-29	0	-79
	Shares of P/L components by use of the equity method	-9	0	-9	0	-33
	Adjustments of the insurance obligations	0	0	0	0	10
	Items that will be reclassified to profit or loss when special conditions are met	-9	0	-9	0	-23
	Other comprehensive income	-38	0	-38	0	-102
	TOTAL COMPREHENSIVE INCOME	482	263	800	526	847

Balance sheet

Kommunal Landspensjonskasse

Note	NOK million	30.06.14	30.06.13	31.12.13
ASSETS				
ASSETS IN THE CORPORATE PORTFOLIO				
	Intangible assets	343	311	321
	Investments	19 980	18 421	19 215
	Receivables	8 370	7 995	1 712
	Other assets	712	576	406
	Total assets in the corporate portfolio	29 407	27 302	21 654
ASSETS IN THE CUSTOMER PORTFOLIOS				
	Shares and holdings in property subsidiaries	38 473	31 528	38 383
5	Financial assets valued at amortised cost	131 847	113 629	121 557
5,6,7	Financial assets valued at fair value	176 176	171 148	156 254
	Total assets in the common portfolios	346 495	316 305	316 194
	Shares and holdings in property subsidiaries	206	193	236
5	Financial assets at amortised costs	604	579	597
5,6,7	Financial assets at fair value	1 041	863	912
	Total assets in investment portfolio	1 850	1 636	1 745
	ASSETS	377 700	345 242	339 592
OWNERS' EQUITY AND LIABILITIES				
	Owners' equity contributed	7 623	6 891	7 659
	Retained earnings	8 230	7 088	7 429
5	Subordinated loan capital etc.	4 132	3 975	4 070
9	Insurance obligations in life insurance - contractual liabilities	349 109	296 687	310 314
9	Insurance liabilities investment option portfolio	1 853	1 638	1 813
	Provision for liabilities	452	323	425
8	Liabilities	6 311	28 597	7 822
	Accrued costs and prepaid income	42	44	59
	OWNERS' EQUITY AND LIABILITIES	377 700	345 242	339 592
	Contingent liabilities	8 397	4 798	8 086

Changes in Owner's equity

Kommunal Landspensjonskasse

2014 NOK million	Paid-up equity	Risk equali- zation fund	Retained earnings	Total equity
Own funds 1 January 2014	7 659	170	7 260	15 089
Unallocated profit		28	734	762
Other comprehensive income		0	38	38
Total comprehensive income		28	772	800
Equity paid-in	-36			-36
Total transactions with owners	-36			-36
Own funds 30 June 2014	7 623	198	8 032	15 854

2013 NOK million	Paid-up equity	Risk equali- zation fund	Retained earnings	Total equity
Own funds 1 January 2013	6 891	490	6 092	13 473
Unallocated profit		17	489	506
Other comprehensive income		0	0	0
Total comprehensive income		17	489	506
Equity paid-in	0			0
Total transactions with owners	0			0
Own funds 30 June 2013	6 891	507	6 581	13 978

Statement of cash flows

Kommunal Landspensjonskasse

NOK million	01.01.2014- 30.06.2014	01.01.2014- 31.03.2014	01.01.2013- 31.12.2013	01.01.2013- 30.09.2013	01.01.2013- 30.06.2013
Net cashflow from operational activities	401	82	-674	-631	217
Net cashflow from investment activities	-59	-30	-85	-56	-41
Net cashflow from financing activities	-33	58	768	709	1
Net changes in cash and bank deposits	308	110	10	23	177
Holdings of cash and bank deposits at start of period	358	358	348	348	348
Holdings of cash and bank deposits at end of period	666	468	358	371	525

Notes to the Accounts

Kommunal Landspensjonskasse

Note 1 ACCOUNTING PRINCIPLES

The financial statements in this interim report show the accounts for Kommunal Landspensjonskasse (KLP) for the period 1 January 2014 - 30 June 2014. The auditor has conducted a review of the report.

The interim financial statements are presented in accordance with Regulation 1241 of 16 December 1998: Regulations on annual accounts etc. for insurance companies (the Annual Accounts Regulations) and IAS 34 Interim reporting as approved by the EU. The interim financial statements have

been prepared in accordance with the same principles as for the annual financial statements for 2013 unless otherwise indicated. There are no changes in the accounting principles for the second quarter of any major significance for the interim accounts (Q2-14) presented.

The interim financial statements do not contain all the information required of full annual financial statements and this interim report ought to be read in conjunction with the annual financial statements for 2013. These may be obtained on application to KLP's head office in Dronning Eufemias gate 10, Oslo, or at www.klp.no

Note 2 VALUE-ADJUSTMENT INVESTMENT PROPERTY

The portfolio of investment properties including investment properties owned via subsidiaries has been valued as at 30 June 2014.

NOK millions	Q2 2014	Q2 2013	01.01.14- 30.06.14	01.01.13- 30.06.13	The year 2013
Value adjustment incl. foreign exchange	344	386	135	734	1 414
Foreign exchange effect on hedging	177	-183	342	-401	-890
Net value adjustment incl. exchange hedging	520	203	477	333	524

Note 3 PREMIUM INCOME

NOK millions	Q2 2014	Q2 2013	01.01.14- 30.06.14	01.01.13- 30.06.13	The year 2013
Gross premiums due	11 731	10 087	16 343	14 589	24 931
- Reinsurance premiums ceded	-2	-1	-2	-1	-3
Transfer of premium reserved from others	-508	-38	21 072	5 887	5 932
Total premium income	11 222	10 047	37 414	20 475	30 860

Note 4 INSURANCE-RELATED OPERATING EXPENSES

NOK millions	Q2 2014	Q2 2013	01.01.14- 30.06.14	01.01.13- 30.06.13	The year 2013
Staff costs	81	90	209	211	484
Depreciation	17	19	37	38	74
Other operating expenses	84	79	149	140	250
Total insurance related expenses	182	188	395	389	807

Note 5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value of investments listed in an active market is based on the current purchase price. A financial instrument is considered to be listed in an active market if the listed price is simply and regularly available from a stock market, dealer, broker, industry grouping, price setting service or regulatory authority, and these prices represent actual and regularly occurring transactions at arm's length. If the market for the security is not active, or the security is not listed on a stock market or similar, the Company uses valuation techniques to set fair value. These are based for example on information on recently completed transactions carried out on business terms and conditions, reference to trading in similar instruments and pricing using externally collected interest rate curves and spread curves. As far as possible the estimates are based on externally observable market data and rarely on company-specific information.

The different financial instruments are thus priced in the following way:

a) Shares (listed)

Liquid shares are generally valued on the basis of prices provided by an index provider. At the same time prices are compared between different sources to identify any errors. The following sources are used for shares:

- Oslo Børs (Oslo Stock Exchange)
- Morgan Stanley Capital International (MSCI)
- Reuters

Oslo Børs has first priority, followed by MSCI and finally Reuters.

b) Shares (unlisted)

As far as possible the Company uses the industry recommendations of the Norwegian Mutual Fund Association (NMFA). Broadly this means the following:

The last traded price has the highest priority. If the last traded price lies outside the offer/bid spread in the market, price is adjusted accordingly. I.e. if the last traded price is below the offer price, price is adjusted up to the offer price. If it is above the bid price it is adjusted down to bid. If the price picture is considered outdated, the price is adjusted according to a market index. The Company has selected the Oslo Børs's Small Cap Index (OSESX) as an approach for unlisted shares.

For shares on which very little information is available, valuations are obtained from brokers to provide a basis for estimating an assumed market price.

c) Foreign fixed interest securities

Foreign fixed interest securities are generally priced on the basis of prices obtained from an index provider. At the same time prices are compared between several different sources to identify any errors. The following sources are used:

- JP Morgan
- Barclays Capital Indices
- Bloomberg
- Reuters

JP Morgan and Barclays Capital Indices have the first priority (they cover government and corporate bonds respectively). After that Bloomberg is used ahead of Reuters based on Bloomberg's price source, Business Valuator Accredited

in Litigation (BVAL). BVAL contains verified prices from Bloomberg. The final priority is Reuters.

d) Norwegian fixed interest securities - government

Bloomberg is used as a source for pricing Norwegian government bonds. It is Oslo Børs that provides the price (via Bloomberg). The prices are compared with the prices from Reuters to reveal any errors.

e) Norwegian fixed interest securities - other than government

All Norwegian fixed interest securities except government are priced theoretically. A zero coupon curve is used as well as yield curves for the pricing. Reuters is used as the source for the zero coupon curve from 0 to 10 years. From 12 years and over, Bloomberg is used as the source since Reuters does not provide prices over 10 years. The yield curves are received from the Norwegian Mutual Fund Association (NMFA). These are based on yield curves collected from five different market operators and converted to an average curve.

Fixed interest securities issued by foreign enterprises, but denominated in NOK

Fair value is calculated in accordance with the same principle as for Norwegian fixed interest securities described above. Yield curves provided by SE Banken and Swedbank are converted to an average curve used as the basis for calculation of fair value.

g) Futures/FRA/IRF

All Company futures contracts are traded on stock exchanges. Reuters is used as a price source. Prices are also obtained from another source to check the Reuters prices are correct.

h) Options

Bloomberg is used as the source for pricing stock market traded options.

i) Interest rate swaps

Interest rate swaps are valued on a model taking account of observable market data such as yield curves and relevant credit risk premiums.

j) Loans secured by mortgage

The principles for calculating fair value depend on whether the loans have fixed interest rates or not.

Fair value of fixed interest loans is calculated by discounting contracted cash flows by market interest rates including a relevant risk margin at the end of the reporting period.

Fair value of variable interest rate loans is considered virtually the same as book value since the contract terms and conditions can be continually changed in step with change in market interest rates.

k) Lending to local authorities and enterprises with local government guarantee

The receivables are valued using a valuation model that uses relevant credit risk premium adjustments obtained from the market. For lending to municipalities, county authorities and local government supported projects, observable

Note 5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT.)

interest-rate curves and credit interest differential curves are used in a valuation model that discounts future cash flows. The credit risk premiums used in the model calculations are based on quotations from three different price makers. Assessment is made of the quality of the quotations by comparing them with each other and against previously received observations as well as other market information.

For guaranteed loans, fair value is calculated as a discounted cash flow based on the same interest-rate curves as the direct loans, but the credit margin is initially based on the initial margin. Guarantees are traded bilaterally and not through open marketplaces such as for example a stock market (OTC) and are therefore not priced in the market. Initial margin agreed on the commencement date is the best estimate for market premiums on the same date. Creditworthiness does not change equally for the loan as for the guarantor or the borrower taken individually. The borrower is generally not credit-rated by credit-rating agencies or banks. The guarantor is either a local administration or bank (or both - triple default loan). Statistical analyses indicate that the credit margin on guaranteed loans fluctuates less than on nonguaranteed loans and bonds. Guaranteed loans are therefore not adjusted for credit risk premium before the guarantor has experienced a significant rating change since the initial margin was set. The Company's lending with both local government and bank guarantee is credit premium adjusted in relation to the initial margin only if both the guarantors have had their credit rating significantly changed since the date of payment.

l) Investments with credit institutions

Investments with credit institutions are short-term deposits. Fair value is calculated by discounting contracted cash flows by market interest rates including a relevant risk margin at the end of the reporting period.

m) Fair value of subordinated loan capital

For stock market listed loans where there is considered to be an active market the observable price is used as fair value. For other loans that are not part of an active market fair value is set based on an internal valuation model based on observable data.

n) Fair value of hybrid Tier 1 securities issued

Fair value in this category is determined on the basis of internal valuation models based on external observable data.

o) Private Equity

The fair (market) value of the funds is to be based on reported market values, according to International Private Equity and Venture Capital Valuation Guidelines (IPEV Guidelines). These guidelines are set by the European Private Equity and Venture Capital Association (EVCA) and based on the principle of approximate market valuation of the companies.

Note 5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT.)

30.06.14 NOK millions	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
ASSETS - AT AMORTIZED COST								
INVESTMENTS HELD TO MATURITY								
Norwegian hold-to-maturity bonds	730	817	9 923	10 880	69	74	10 722	11 771
Accrued not due interest	20	20	283	283	2	2	304	304
Foreign hold-to-maturity bonds	2 978	3 089	13 861	15 154	77	85	16 916	18 328
Accrued not due interest	43	43	361	361	2	2	406	406
Total investments held to maturity	3 771	3 968	24 428	26 678	150	163	28 349	30 809
BONDS								
Norwegian bond loans	1 393	1 520	24 316	26 757	139	154	25 847	28 431
Accrued not due interest	27	27	552	552	4	4	583	583
Foreign bond loans	3 966	4 229	43 780	47 421	305	334	48 052	51 983
Accrued not due interest	60	60	886	886	7	7	953	953
Total bonds classified as loans and receivables	5 446	5 836	69 535	75 616	454	498	75 435	81 951
OTHER LOANS AND RECEIVABLES								
Secured loans	0	0	9 374	9 380	0	0	9 374	9 380
Lending with public sector guarantee	0	0	28 285	28 842	0	0	28 285	28 842
Accrued not due interest	0	0	225	225	0	0	225	225
Total other loans and receivables	0	0	37 885	38 448	0	0	37 885	38 448
Total financial assets at amortized cost	9 217	9 805	131 847	140 741	604	661	141 668	151 207
ASSETS - AT FAIR VALUE THROUGH PROFIT OR LOSS								
EQUITY CAPITAL INSTRUMENTS								
Norwegian shares	330	330	4 624	4 624	0	0	4 954	4 954
Foreign shares	0	0	17 386	17 386	0	0	17 386	17 386
Total shares and units	330	330	22 010	22 010	0	0	22 341	22 341
Property funds	0	0	632	632	0	0	632	632
Norwegian equity funds	0	0	37 923	37 923	363	363	38 286	38 286
Foreign equity funds	0	0	4 649	4 649	0	0	4 649	4 649
Total equity fund units	0	0	43 204	43 204	363	363	43 567	43 567
Norwegian alternative investments	0	0	1 761	1 761	13	13	1 774	1 774
Foreign alternative investments	0	0	4	4	0	0	4	4
Total alternative investments	0	0	1 764	1 764	13	13	1 778	1 778

Note 5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT.)

30.06.14 NOK millions	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
DEBT INSTRUMENTS AT FAIR VALUE								
Norwegian bonds	3 265	3 265	28 600	28 600	0	0	31 865	31 865
Foreign bonds	163	163	13 605	13 605	0	0	13 768	13 768
Accrued not due interest	30	30	372	372	0	0	402	402
Norwegian fixed-income funds	815	815	35 305	35 305	596	596	36 716	36 716
Foreign fixed-income funds	0	0	11 937	11 937	0	0	11 937	11 937
Accrued not due interest	12	12	479	479	7	7	497	497
Norwegian certificates	710	710	7 719	7 719	0	0	8 429	8 429
Accrued not due interest	8	8	27	27	0	0	35	35
Foreign certificates	8	8	27	27	0	0	35	35
Accrued not due interest	0	0	0	0	0	0	0	0
Total bonds and other fixed-income securities	5 003	5 003	98 044	98 044	602	602	103 649	103 649
Norwegian loans and receivables	148	148	6 625	6 625	37	37	6 810	6 810
Foreign loans and receivables	188	188	2 179	2 179	14	14	2 382	2 382
Total loans and receivables	337	337	8 804	8 804	51	51	9 191	9 191
DERIVATIVES								
Interest rate swaps	70	70	321	321	0	0	391	391
Share options	0	0	243	243	2	2	245	245
Forward exchange contracts	0	0	8	8	0	0	8	8
Total financial derivatives classified as assets	70	70	572	572	3	3	644	644
Other financial assets	17	17	1 778	1 778	8	8	1 803	1 803
Total financial assets valued at fair value	5 757	5 757	176 176	176 176	1 041	1 041	182 974	182 973
Total investments	14 974	15 562	308 022	316 917	1 645	1 702	324 642	334 181
LIABILITIES								
DERIVATIVES								
Interest rate swaps	0	0	-329	-329	0	0	-329	-329
Interest futures	0	0	0	0	0	0	0	0
Interest rate- and currency swaps	0	0	0	0	0	0	0	0
Forward exchange contracts	-4	-4	-1 594	-1 594	-6	-6	-1 605	-1 605
Total financial derivatives classified as liabilities	-4	-4	-1 924	-1 924	-6	-6	-1 935	-1 935

Note 5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT.)

30.06.14 NOK millions	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
SUBORDINATED LOAN CAPITAL								
Perpetual subordinated loan capital	-3 126	-3 236	0	0	0	0	-3 126	-3 236
Hybrid Tier 1 securities	-1 007	-1 025	0	0	0	0	-1 007	-1 025
Total subordinated loan capital etc.	-4 132	-4 261	0	0	0	0	-4 132	-4 261
DEBT TO CREDIT INSTITUTIONS								
Norwegian call money	0	0	0	0	0	0	0	0
Foreign call money	-34	-34	-300	-300	-1	-1	-334	-334
Total debt to credit institutions	-34	-34	-300	-300	-1	-1	-334	-334

30.06.13 NOK millions	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
ASSETS - AT AMORTIZED COST								
INVESTMENTS HELD TO MATURITY								
Norwegian hold-to-maturity bonds	727	774	8 933	9 660	57	62	9 716	10 496
Accrued not due interest	21	21	256	256	2	2	278	278
Foreign hold-to-maturity bonds	2 807	2 942	17 228	18 292	84	90	20 118	21 324
Accrued not due interest	40	40	444	444	2	2	487	487
Total investments held to maturity	3 595	3 777	26 860	28 652	145	155	30 600	32 585
BONDS								
Norwegian bond loans	1 273	1 328	22 777	23 822	129	137	24 179	25 287
Accrued not due interest	23	23	550	550	4	4	577	577
Foreign bond loans	3 240	3 395	32 447	34 274	295	311	35 982	37 981
Accrued not due interest	26	26	607	607	7	7	639	639
Total bonds classified as loans and receivables	4 562	4 772	56 381	59 254	434	459	61 378	64 485
OTHER LOANS AND RECEIVABLES								
Secured loan	0	0	8 021	8 034	0	0	8 021	8 034
Lending with public sector guarantee	0	0	22 165	22 488	0	0	22 165	22 488
Accrued not due interest	0	0	201	201	0	0	201	201
Total other loans and receivables	0	0	30 387	30 723	0	0	30 387	30 723
Total financial assets at amortized cost	8 157	8 549	113 629	118 629	579	614	122 364	127 793

Note 5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT.)

30.06.13 NOK millions	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
ASSETS - AT FAIR VALUE THROUGH PROFIT OR LOSS								
EQUITY CAPITAL INSTRUMENTS								
Norwegian shares	219	219	3 432	3 432	0	0	3 651	3 651
Foreign shares	0	0	20 949	20 949	0	0	20 949	20 949
Total shares and units	219	219	24 381	24 381	0	0	24 600	24 600
Property funds	0	0	636	636	0	0	636	636
Norwegian equity funds	0	0	18 693	18 693	344	344	19 038	19 038
Foreign equity funds	0	0	3 548	3 548	0	0	3 548	3 548
Total equity fund units	0	0	22 877	22 877	344	344	23 221	23 221
Norwegian alternative investments	0	0	1 734	1 734	13	13	1 747	1 747
Foreign alternative investments	0	0	4	4	0	0	4	4
Total alternative investments	0	0	1 738	1 738	13	13	1 751	1 751
DEBT INSTRUMENTS								
Norwegian bonds	2 997	2 997	24 275	24 275	0	0	27 271	27 271
Foreign bonds	172	172	12 410	12 410	0	0	12 582	12 582
Accrued not due interest	31	31	389	389	0	0	421	421
Norwegian fixed-income funds	719	719	29 720	29 720	478	478	30 918	30 918
Foreign fixed-income funds	0	0	10 982	10 982	0	0	10 982	10 982
Accrued not due interest	8	8	298	298	6	6	312	312
Norwegian certificates	549	549	7 910	7 910	0	0	8 458	8 458
Accrued not due interest	7	7	47	47	0	0	55	55
Foreign certificates	0	0	0	0	0	0	0	0
Accrued not due interest	0	0	0	0	0	0	0	0
Total bonds and other fixed-income securities	4 483	4 483	86 031	86 031	484	484	90 998	90 998
Norwegian loans and receivables	109	109	8 305	8 305	10	10	8 425	8 425
Foreign loans and receivables	213	213	4 303	4 303	9	9	4 525	4 525
Total loans and receivables	322	322	12 608	12 608	20	20	12 950	12 950
DERIVATIVES								
Interest rate swaps	57	57	354	354	0	0	412	412
Share options	0	0	126	126	1	1	127	127
Forward exchange contracts	0	0	40	40	1	1	41	41
Total financial derivatives classified as assets	57	57	521	521	2	2	580	580
Other financial assets	395	395	22 992	22 992	0	0	23 387	23 387
Total financial assets valued at fair value	5 476	5 476	171 148	171 148	863	863	177 487	177 487

Note 5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT.)

30.06.13 NOK millions	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
LIABILITIES								
DERIVATIVES								
Interest rate swaps	0	0	-346	-346	0	0	-346	-346
Interest rate futures (IRF)	0	0	0	0	0	0	0	0
Interest rate and currency swaps	0	0	-977	-977	-4	-4	-981	-981
Forward exchange contracts	-3	-3	-436	-436	-2	-2	-441	-441
Total financial derivatives classified as liabilities	-3	-3	-1 759	-1 759	-5	-5	-1 768	-1 768
SUBORDINATED LOAN CAPITAL								
Perpetual subordinated loan capital	-2 990	-3 031	0	0	0	0	-2 990	-3 031
Hybrid Tier 1 securities	-985	-985	0	0	0	0	-985	-985
Total subordinated loan capital etc.	-3 975	-4 016	0	0	0	0	-3 975	-4 016
DEBT TO CREDIT INSTITUTIONS								
Norwegian call money	0	0	0	0	0	0	0	0
Foreign call money	-18	-18	-219	-219	0	0	-237	-237
Total debt to credit institutions	-18	-18	-219	-219	0	0	-237	-237
31.12.13								
NOK millions	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
ASSETS - AT AMORTIZED COST								
INVESTMENTS HELD TO MATURITY								
Norwegian hold-to-maturity bonds	731	787	10 822	11 520	69	73	11 622	12 381
Accrued not due interest	23	23	253	253	1	1	277	277
Foreign hold-to-maturity bonds	2 933	3 054	15 828	16 772	84	90	18 845	19 915
Accrued not due interest	51	51	308	308	2	2	360	360
Total investments held to maturity	3 738	3 915	27 212	28 853	156	166	31 105	32 934
BONDS								
Norwegian bond loans	1 323	1 322	22 183	23 826	129	137	23 635	25 284
Accrued not due interest	36	36	602	602	3	3	641	641
Foreign bond loans	3 762	3 904	36 772	37 640	302	318	40 836	41 862
Accrued not due interest	83	83	801	801	7	7	891	891
Total bonds classified as loans and receivables	5 204	5 345	60 358	62 869	441	464	66 002	68 678
OTHER LOANS AND RECEIVABLES								
Secured loan	0	0	7 830	7 838	0	0	7 830	7 838
Lending with public sector guarantee	0	0	25 986	26 285	0	0	25 986	26 285
Accrued not due interest	0	0	172	172	0	0	172	172
Total other loans and receivables	0	0	33 988	34 294	0	0	33 988	34 294
Total financial assets at amortized cost	8 942	9 260	121 557	126 016	597	630	131 095	135 906

Note 5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT.)

31.12.13 NOK millions	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
ASSETS - AT FAIR VALUE THROUGH PROFIT OR LOSS								
EQUITY CAPITAL INSTRUMENTS								
Norwegian shares	262	262	3 814	3 814	0	0	4 076	4 076
Foreign shares	0	0	13 029	13 029	0	0	13 029	13 029
Total shares and units	262	262	16 843	16 843	0	0	17 105	17 105
Property funds	0	0	658	658	0	0	658	658
Norwegian equity funds	0	0	30 756	30 756	444	444	31 200	31 200
Foreign equity funds	0	0	3 932	3 932	0	0	3 932	3 932
Total equity fund units	0	0	35 346	35 346	444	444	35 790	35 790
Norwegian alternative investments	0	0	1 757	1 757	13	13	1 770	1 770
Foreign alternative investments	0	0	4	4	0	0	4	4
Total alternative investments	0	0	1 761	1 761	13	13	1 774	1 774
DEBT INSTRUMENTS AT FAIR VALUE								
Norwegian bonds	3 137	3 137	25 775	25 775	0	0	28 912	28 912
Foreign bonds	163	163	12 616	12 616	0	0	12 779	12 779
Accrued not due interest	33	33	434	434	0	0	467	467
Norwegian fixed-income funds	732	732	30 880	30 880	433	433	32 045	32 045
Foreign fixed-income funds	0	0	11 307	11 307	0	0	11 307	11 307
Accrued not due interest	0	0	0	0	0	0	0	0
Norwegian certificates	650	650	8 031	8 031	0	0	8 681	8 681
Accrued not due interest	6	6	46	46	0	0	51	51
Foreign certificates	0	0	0	0	0	0	0	0
Accrued not due interest	0	0	0	0	0	0	0	0
Total bonds and other fixed-income securities	4 721	4 721	89 088	89 088	433	433	94 242	94 242
Norwegian loans and receivables	247	247	9 344	9 344	11	11	9 602	9 602
Foreign loans and receivables	121	121	2 467	2 467	8	8	2 595	2 595
Total loans and receivables	368	368	11 811	11 811	19	19	12 198	12 198
DERIVATIVES								
Interest rate swaps	49	49	475	475	0	0	524	524
Share options	0	0	119	119	1	1	120	120
Forward exchange contracts	0	0	511	511	2	2	514	514
Total financial derivatives classified as assets	50	50	1 105	1 105	3	3	1 158	1 158
Other financial assets	16	16	301	301	0	0	317	317
Total financial assets valued at fair value	5 416	5 416	156 254	156 254	912	912	162 582	162 582
Total investments	14 357	14 676	277 811	282 271	1 509	1 542	293 678	298 488

Note 5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT.)

31.12.13 NOK millions	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
LIABILITIES								
DERIVATIVES								
Interest rate swaps	0	0	323	323	0	0	323	323
Interest rate futures (IRF)	0	0	0	0	0	0	0	0
Interest rate and currency swaps	65	65	309	309	1	1	375	375
Forward exchange contracts	0	0	697	697	4	4	701	701
Total financial derivatives classified as liabilities	65	65	1 330	1 330	5	5	1 400	1 400
SUBORDINATED LOAN CAPITAL								
Perpetual subordinated loan capital	3 151	3 234	0	0	0	0	3 151	3 234
Hybrid Tier 1 securities	919	919	0	0	0	0	919	919
Total subordinated loan capital etc.	4 070	4 153	0	0	0	0	4 070	4 153
DEBT TO CREDIT INSTITUTIONS								
Norwegian call money	0	0	0	0	0	0	0	0
Foreign call money	6	6	477	477	0	0	482	482
Total debt to credit institutions	6	6	477	477	0	0	482	482

Note 6 FAIR VALUE HIERARCHY

30.06.14 NOK millions	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Bonds and other fixed-income securities	977	4 026	0	5 003
Certificates	49	668	0	717
Bonds	100	3 358	0	3 458
Fixed-income funds	827	0	0	827
Loans and receivables	220	117	0	337
Shares and units	0	323	8	330
Shares	0	323	8	330
Equity funds	0	0	0	0
Property funds	0	0	0	0
Special funds	0	0	0	0
Private Equity	0	0	0	0
Financial derivatives	0	70	0	70
Other financial assets	0	17	0	17
Total corporate portfolio	1 196	4 553	8	5 757
COMMON PORTFOLIO				
Bonds and other fixed-income securities	65 819	32 225	0	98 044
Certificates	4 375	3 371	0	7 746
Bonds	13 723	28 854	0	42 577
Fixed-income funds	47 721		0	47 721
Loans and receivables	5 857	2 947	0	8 804
Shares and units	58 382	3 418	5 178	66 978
Shares	19 805	1 021	1 183	22 010
Equity funds	38 577	0	52	38 629
Property funds	0	632	0	632
Special funds	0	1 764	0	1 764
Private Equity	0	0	3 942	3 942
Financial derivatives	0	572	0	572
Other financial assets	0	1 778	0	1 778
Total common portfolio	130 058	40 940	5 178	176 176

Note 6 FAIR VALUE HIERARCHY (CONT.)

30.06.14 NOK millions	Level 1	Level 2	Level 3	Total
INVESTMENT OPTION PORTFOLIO				
Bonds and other fixed-income securities	602	0	0	602
Certificates	0	0	0	0
Bonds	0	0	0	0
Fixed-income funds	602	0	0	602
Loans and receivables	51	0	0	51
Shares and units	363	13	0	376
Shares	0	0	0	0
Equity funds	363	0	0	363
Property funds	0	0	0	0
Special funds	0	13	0	13
Private Equity	0	0	0	0
Financial derivatives	0	3	0	3
Other financial assets	0	8	0	8
Total investment option portfolio	1 016	24	0	1 041
Total financial assets valued at fair value	132 271	45 517	5 186	182 973
INVESTMENT PROPERTY				
Corporate portfolio	0	0	2 301	2 301
Common portfolio	0	0	38 473	38 473
Investment option portfolio	0	0	206	206
Investment property	0	0	40 980	40 980
FINANCIAL LIABILITIES BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Financial derivatives	0	4	0	4
Debt to credit institutions	34	0	0	34
Total corporate portfolio	34	4	0	38
COMMON PORTFOLIO				
Financial derivatives	0	1 924	0	1 924
Debt to credit institutions	300	0	0	300
Total common portfolio	300	1 924	0	2 224
INVESTMENT OPTION PORTFOLIO				
Financial derivatives	0	6	0	6
Debt to credit institutions	1	0	0	1
Total investment option portfolio	1	6	0	7
Total financial liabilities at fair value	334	1 935	0	2 269

Note 6 FAIR VALUE HIERARCHY (CONT.)

31.12.13 NOK millions	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Bonds and other fixed-income securities	766	3 954	0	4 721
Certificates	0	656	0	656
Bonds	35	3 298	0	3 333
Fixed-income funds	732	0	0	732
Loans and receivables	292	76	0	368
Shares and units	0	254	8	262
Shares	0	254	8	262
Financial derivatives	0	50	0	50
Other financial assets	0	16	0	16
Total corporate portfolio	1 058	4 350	8	5 416
COMMON PORTFOLIO				
Bonds and other fixed-income securities	58 004	31 083	0	89 088
Certificates	3 715	4 361	0	8 076
Bonds	12 102	26 722	0	38 825
Fixed-income funds	42 187	0	0	42 187
Loans and receivables	6 572	5 239	0	11 811
Shares and units	46 493	3 110	4 347	53 950
Shares	15 191	691	681	16 563
Equity funds	31 302	0	0	31 302
Property funds	0	658	0	658
Special funds	0	1 761	0	1 761
Private Equity	0	0	3 666	3 666
Financial derivatives	0	1 105	0	1 105
Other financial assets	0	301	0	301
Total common portfolio	111 070	40 838	4 347	156 254

Note 6 FAIR VALUE HIERARCHY (CONT.)

31.12.13 NOK millions	Level 1	Level 2	Level 3	Total
INVESTMENT OPTION PORTFOLIO				
Bonds and other fixed-income securities	433	0	0	433
Bonds	433	0	0	433
Loans and receivables	19	0	0	19
Shares and units	444	13	0	457
Shares	444	0	0	444
Special funds	0	13	0	13
Financial derivatives	0	3	0	3
Other financial assets	0	0	0	0
Total investment option portfolio	896	16	0	912
Total financial assets valued at fair value	113 024	45 204	4 355	162 582
INVESTMENT PROPERTY				
Corporate portfolio	0	0	2 340	2 340
Common portfolio	0	0	38 383	38 383
Investment option portfolio	0	0	236	236
Investment property	0	0	40 958	40 958
FINANCIAL LIABILITIES BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Financial derivatives	0	65	0	65
Debt to credit institutions	6	0	0	6
Total corporate portfolio	6	65	0	71
COMMON PORTFOLIO				
Financial derivatives	0	1 330	0	1 330
Debt to credit institutions	477	0	0	477
Total common portfolio	477	1 330	0	1 807
INVESTMENT OPTION PORTFOLIO				
Financial derivatives	0	5	0	5
Debt to credit institutions	0	0	0	0
Total investment option portfolio	0	5	0	5
Total financial liabilities at fair value	483	1 400	0	1 883

Note 6 FAIR VALUE HIERARCHY (CONT.)

30.06.13 NOK millions	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Bonds and other fixed-income securities	758	3 725	0	4 483
Certificates	0	556	0	556
Bonds	30	3 169	0	3 200
Fixed-income funds	727	0	0	727
Loans and receivables	295	27	0	322
Shares and units	0	212	6	219
Shares	0	212	6	219
Financial derivatives	0	57	0	57
Other financial assets	0	395	0	395
Total corporate portfolio	1 053	4 417	6	5 476
COMMON PORTFOLIO				
Bonds and other fixed-income securities	56 368	29 663	0	86 031
Certificates	3 694	4 263	0	7 957
Bonds	11 673	25 401	0	37 074
Fixed-income funds	41 000	0	0	41 000
Loans and receivables	7 517	5 091	0	12 608
Shares and units	43 457	1 738	3 800	48 996
Shares	23 719	1	661	24 381
Equity funds	19 103	0	0	19 103
Property funds	636	0	0	636
Special funds	0	1 738	0	1 738
Private equity	0	0	3 139	3 139
Financial derivatives	0	521	0	521
Other financial assets	0	22 992	0	22 992
Total common portfolio	107 343	60 005	3 800	171 148

Note 6 FAIR VALUE HIERARCHY (CONT.)

30.06.13 NOK millions	Level 1	Level 2	Level 3	Total
INVESTMENT OPTION PORTFOLIO				
Bonds and other fixed-income securities	484	0	0	484
Bonds	484	0	0	484
Loans and receivables	20	0	0	20
Shares and units	344	13	0	357
Equity funds	344	0	0	344
Special funds	0	13	0	13
Financial derivatives	0	2	0	2
Other financial assets	0	0	0	0
Total investment option portfolio	849	15	0	863
Total financial assets valued at fair value	109 244	64 437	3 806	177 488
INVESTMENT PROPERTY				
Corporate portfolio	0	0	2 302	2 302
Common portfolio	0	0	31 528	31 528
Investment option portfolio	0	0	193	193
Investment property	0	0	34 023	34 023
FINANCIAL LIABILITIES BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Financial derivatives	0	3	0	3
Debt to credit institutions	18	0	0	18
Total corporate portfolio	18	3	0	21
COMMON PORTFOLIO				
Financial derivatives	0	1 759	0	1 759
Debt to credit institutions	219	0	0	219
Total common portfolio	219	1 759	0	1 978
INVESTMENT OPTION PORTFOLIO				
Financial derivatives	0	5	0	5
Debt to credit institutions	0	0	0	0
Total investment option portfolio	0	5	0	5
Total financial liabilities at fair value	237	1 768	0	2 005

Note 6 FAIR VALUE HIERARCHY (CONT.)

Changes in Level 3 shares, unlisted Corporate portfolio	Book value 30.06.14	Book value 31.12.13	Book value 30.06.13
Opening balance 1 January	8	6	6
Sold	0	0	0
Bought	0	0	0
Unrealised changes	0	2	0
Closing balance 30 June / 31 December	8	8	6
Realised gains/losses	0	0	0

Changes in Level 3 shares, unlisted Common portfolio	Book value 30.06.14	Book value 31.12.13	Book value 30.06.13
Opening balance 1 January	681	353	353
Sold	0	0	0
Bought	504	342	308
Unrealised changes	-1	-13	1
Closing balance 30 June / 31 December	1 183	681	662
Realised gains/losses	0	0	0

Changes in Level 3 shares, Private Equity Common portfolio	Book value 30.06.14	Book value 31.12.13	Book value 30.06.13
Opening balance 1 January	3 666	2 812	2 812
Sold	-317	-598	0
Bought	584	888	39
Unrealised changes	61	563	287
Closing balance 30 June / 31 December	3 994	3 666	3 139
Realised gains/losses	42	13	-4

Note 6 FAIR VALUE HIERARCHY (CONT.)

Changes in Level 3, Investment Property Corporate portfolio	Book value 30.06.14	Book value 31.12.13	Book value 30.06.13
Opening balance 1 January	2 340	2 325	2 325
Sold	-44	-61	-43
Bought	4	7	7
Unrealised changes	2	69	14
Closing balance 30 June / 31 December	2 301	2 340	2 302
Realised gains/losses	0	-18	0

Endringer i nivå 3, Investment Property Common portfolio	Book value 30.06.14	Book value 31.12.13	Book value 30.06.13
Opening balance 1 January	38 383	30 439	30 439
Sold	0	0	0
Bought	0	5 019	0
Other	31	0	
Unrealised changes	60	2 924	1 089
Closing balance 30 June / 31 December	38 473	38 383	31 528
Realised gains/losses	0	0	0

Endringer i nivå 3, Investment Property Investment option portfolio	Book value 30.06.14	Book value 31.12.13	Book value 30.06.13
Opening balance 1 January	236	186	186
Sold	0	0	0
Bought	0	31	0
Other	-31	0	
Unrealised changes	0	19	7
Closing balance 30 June / 31 December	206	236	193
Realised gains/losses	0	0	0

Total Level 3	46 166	45 313	37 829
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Unrealized changes are reflected in the line "Value changes on investments" in the corporate portfolio in the income statement.

The amounts in the level distribution can in turn be found in the financial position statement under various portfolios' allocation of financial instruments at fair value, investment property and shares and units in property subsidiaries (here referred to generically as investment property). Unrealized changes are reflected in the line "Value changes in investments in the common portfolio result".

Note 6 FAIR VALUE HIERARCHY (CONT.)

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for on normal market terms and conditions. Highest quality in regard to fair value is based on listed prices in an active market. A financial instrument is considered to be listed in an active market if the listed price is simply and regularly available from a stock market, dealer, broker, industry grouping, price setting service or regulatory authority, and these prices represent actual and regularly occurring transactions at arm's length.

Level 1:

Instruments in this level obtain fair value from listed prices in an active market for identical assets or liabilities to which the entity has access at the reporting date. Examples of instruments at Level 1 are stock market listed securities.

Level 2:

Instruments at this level are not considered to have an active market. Fair value is obtained from observable market data: this mainly includes prices based on identical instruments, but where the instrument does not have a high enough trading frequency, as well as prices based on corresponding assets and price leading indicators that can be confirmed from market information. Example instruments at Level 2 are fixed interest securities priced on the basis of interest rate paths. For more information concerning pricing of Level 2 instruments see Note 5 for the different classes found in this level.

Level 3:

Instruments at Level 3 contain no observable market data or are traded in markets considered to be inactive. The price is based generally on discrete calculations where the actual fair value may deviate if the instrument were to be traded. The instruments covered by Level 3 in KLP are unlisted shares and private equity investments. For more information concerning pricing of Level 3 instruments see Note 5 for the different classes found in this level.

Valuations related to items in the various levels are described in Note 5. For description of the pricing of investment property please see the annual financial statements.

Note 5 provides information on fair value of assets and liabilities measured at amortized cost. The level-based distribution of these items will be as follows: assets classified as hold to maturity will be included in Level 1, lending, and loans and receivables will be included in Level 2. Liabilities, measured at amortized cost, will be distributed as follows: subordinated loan capital distributed at Levels 1 and Level 2, the hybrid Tier 1 securities will be distributed at Level 2, debt to credit institutions will be distributed at Levels 1. For information concerning pricing of these interest-bearing securities see Note 5.

No sensitivity analysis has been carried out on securities included in Level 3. A change in the variables of the pricing is considered of little significance. On a general basis, a change in the pricing of 5 % produces a change in the value of NOK 2 308 million as at 30 June 2014 for assets in Level 3. Investment property comes under this Note since there are

more extensive requirements for information regarding fair value that now also apply to investment property valued at fair value in KLP. Everything related to investment property is included in Level 3.

With regard to transferring securities between the levels, a limit is set for the number of trading days and the amount of trading for shares by separating Level 1 and Level 2. The general principles related to the distribution between levels basically concern whether the asset or liability is listed or not and whether the listing can be stated to be in an active market. As regards shares, there is a further distinction between trading days and amount of trading which separates out listed securities that do not form part of an active market. The values at the end of the reporting period provide the basis for any movement between the levels.

Note 7 PRESENTATION OF ASSETS AND LIABILITIES THAT ARE SUBJECT TO NET SETTLEMENT

30.06.14 NOK millions	Gross financial assets/ liabilities	Gross assets/liabilities presented net	Book value	Related amounts not presented net		
				Financial instruments	Security in cash	Net amount
ASSETS						
Financial derivatives	644	0	644	-259	-334	71
Total	644	0	644	-259	-334	71
PORTFOLIO ALLOCATION OF ASSETS						
Total assets – common portfolio	572	0	572	-258	-300	15
Total assets – corporate portfolio	70	0	70	0	-34	54
Total assets – investment option portfolio	3	0	3	-1	-1	2
Total	644	0	644	-259	-334	71
LIABILITIES						
Financial derivatives	1 935	0	1 935	-259	-1 700	36
Total	1 935	0	1 935	-259	-1 700	36
PORTFOLIO ALLOCATION OF LIABILITIES						
Total liabilities – common portfolio	1 924	0	1 924	-258	-1 690	34
Total liabilities – corporate portfolio	4	0	4	0	-3	1
Total liabilities – investment option portfolio	6	0	6	-1	-7	1
Total	1 935	0	1 935	-259	-1 700	36
31.12.13						
31.12.13 NOK millions	Gross financial assets/ liabilities	Gross assets/liabilities presented net	Book value	Related amounts not presented net		
				Financial instruments	Security in cash	Net amount
ASSETS						
Financial derivatives	1 158	0	1 158	-460	-475	223
Total	1 158	0	1 158	-460	-475	223
PORTFOLIO ALLOCATION OF ASSETS						
Total assets – common portfolio	1 105	0	1 105	-466	-475	164
Total assets – corporate portfolio	50	0	50	7	0	57
Total assets – investment option portfolio	3	0	3	-1	0	2
Total	1 158	0	1 158	-460	-475	223
LIABILITIES						
Financial derivatives	1 400	0	1 400	-533	-861	7
Total	1 400	0	1 400	-533	-861	7
PORTFOLIO ALLOCATION OF LIABILITIES						
Total liabilities – common portfolio	1 330	0	1 330	-466	-857	7
Total liabilities – corporate portfolio	65	0	65	-65	0	0
Total liabilities – investment option portfolio	5	0	5	-1	-3	0
Total	1 400	0	1 400	-533	-861	7

Note 7 PRESENTATION OF ASSETS AND LIABILITIES THAT ARE SUBJECT TO NET SETTLEMENT (CONT.)

30.06.13 NOK millions	Gross financial assets/ liabilities	Gross assets/liabilities presented net	Book value	Related amounts not presented net		
				Financial instruments	Security in cash	Net amount
ASSETS						
Financial derivatives	580	0	580	-163	-200	216
Total	580	0	580	-163	-200	216
PORTFOLIO ALLOCATION OF ASSETS						
Total assets – common portfolio	521	0	521	-168	-200	152
Total assets – corporate portfolio	57	0	57	6	0	63
Total assets – investment option portfolio	2	0	2	-1	0	1
Total	580	0	580	-163	-200	216
LIABILITIES						
Financial derivatives	1 768	0	1 768	-163	-1 501	104
Total	1 768	0	1 768	-163	-1 501	104
PORTFOLIO ALLOCATION OF LIABILITIES						
Total liabilities – common portfolio	1 759	0	1 759	-168	-1 485	106
Total liabilities – corporate portfolio	3	0	3	6	-12	-3
Total liabilities – investment option portfolio	5	0	5	-1	-4	1
Total	1 768	0	1 768	-163	-1 501	104

The purpose of this note is to show the potential effect of netting agreements at KLP; what possibilities the KLP Group has to net bilateral agreements against other counterparties should the latter go bankrupt and the remaining amount if all such netting agreements are materialized. The note shows derivative positions in the financial position statement, and one additional table with information on the different portfolios in the company.

Note 8 OTHER SHORT TERM LIABILITIES

NOK millions	30.06.14	30.06.13	31.12.13
Short-term liabilities securities	3 307	25 652	3 960
Advance tax-deduction pension scheme	502	430	240
Accounts payable	22	16	10
Derivatives	1 935	1 768	1 400
Debt to credit institutions	334	237	483
Liabilities related to direct insurance	193	481	1 703
Other short-term liabilities	18	14	26
Total other short-term liabilities	6 311	28 597	7 822

Note 9 INSURANCE LIABILITIES

NOK millions	30.06.14	30.06.13	31.12.13
Premium reserve - ordinary tariff	308 557	267 717	278 240
Premium fund, buffer fund and pensioners' surplus fund	9 564	4 436	9 031
Supplementary reserves	12 685	12 310	12 412
Securities adjustment fund	16 569	10 990	10 412
Other provisions	257	241	219
Unallocated result - insurance contracts in the common portfolio	1 477	992	0
Insurance liabilities in life insurance - contractual liabilities	349 109	296 687	310 314
Premium reserve - ordinary tariff	1 601	1 506	1 600
Premium fund, buffer fund and pensioners' surplus fund	132	48	130
Supplementary reserves	83	83	83
Unallocated result - insurance contracts in the unit-linked portfolio	37	1	0
Insurance-related provisions - investment option portfolio	1 853	1 638	1 813



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