

Oslo, 22nd April 2010

Financial results first quarter 2010

KLP Group



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Client-owned KLP provide its clients and their employees with a broad spectre of advantageous financial services

KLP stands out as a financial group able to provide its pension clients as well as their present and former employees with a wide range of financial services:

- **Life- and pension insurance**

Kommunal Landspensjonskasse (KLP) offers public pensions and group life-insurance, while the affiliate KLP Bedriftspensjon offers private sector defined contribution and defined benefit plans

- **Non-life insurance**

KLP Skadeforsikring offers non-life and casualty insurance to the public sector as well as retail products.

- **Asset Management**

KLP Kapitalforvaltning offers premium active and index-tracking products, which in mutual fund format is marketed towards institutional and retail clients through KLP Fondsforvaltning

- **Banking- and financial services**

Advantageous deposit and lending rates for the retail market through KLP Banken.
KLP Kommunekreditt offers competitive financing to Norwegian public sector entities

Main features

KLP – momentum maintained

Solid results for Q1 2010

KLP-group:

- Operating profit NOK 3.1 billion
- Surplus to pension clients NOK 1.1 billion
- Net profit to Group NOK 134 million

Good return for KLP Life and Pension

- Value adjusted return common portfolio public sector pensions 2.2 per cent
- Book return common portfolio public sector pensions 1.2 per cent
- Return corporate portfolio 1.1 per cent

Solvency strengthened

- Buffer capital, old definition, reinforced by NOK 3.1 billion to NOK 18,2 billion
- Total solvency capital reinforced by NOK 4.2 billion to reach 29.5 billion NOK



Q1 2010

- Strong contributors to good return :
 - Strength in the international equity markets
 - Good management of Norwegian bonds and international credit bonds
 - Improving real-estate market lies foundation for upwards revaluation of property portfolio by NOK 446 million
- Good contribution from non-life activities and maintained growth in the retail segment
- KLP Banken well received among targeted clients
- KLP Kommunekreditt finalizing covered bond programme. Provides Norwegian and international investors an opportunity to invest in a liquid bond programme secured by a pool of high quality Norwegian public sector debt. This in turn will provide advantageous financing for KLPs municipal clients



KLP return on investment portfolios

<i>All figures in per cent</i>	Q1 2010	Q1 2009	Year 2009
Common portfolio			
Booked	1.2	0.3	6.4
Value adjusted return	2.2	0.3	7.7
Value adjusted return incl. HTM bonds booked at amortised costs	2.7	0.2	7.6
Investment options portfolio	2.6	0.1	9.2
Corporate portfolio	1.1	0.6	6.7

KLP Group

KLP Group

Result per business line ¹⁾			
<i>NOK million</i>	Q1 2010	Q1 2009	2009
Life insurance ²⁾	131	-779	738
Non-life insurance	36	17	217
Asset management	-13	-2	12
Banking	-20	-	-1
Other	-4	-4	-11
Group result	134	95	738

- 1) The figures should not be added. The added sum will not tally with the group result, since the booked result from the business lines is based on the equity method and therefore is included in the parents result.
- 2) Transfers from supplementary reserves to cover negative quarterly result in life insurance cannot be included in the formal accounting, however it's taken into consideration in the group result. Ref. figures 1. quarter 2009.

KLP Group

Total assets		
<i>NOK billion</i>	Q1 2010	2009
Life insurance	224.7	224.2
Non-life insurance	3.6	3.2
Asset management	0.2	0.2
Banking	34.0	34.7
Group balance	258.1	258.5

Subsidiaries – results

<i>NOK billion</i>	Pre-tax results	
	Q1 2010	Q1 2009
KLP Skadeforsikring	36.1	16.9
KLP Bedriftspensjon	-3.1	-2.6
KLP Forsikringservice	-0.5	-0.8
KLP Kapitalforvaltning	-12.1	-2.4
KLP Fondsforvaltning	-0.5	-0.3
KLP Bank Holding	-19.8	I/A

KLP Group - results

<i>NOK million</i>	Q1 2010	Q1 2009	2009
Pension premiums and incoming transfers	3 369	3 465	19 404
Allocated investment income	4 593	639	15 032
Claims f.o.a.	-3 773	-4 206	-10 365
Insurance provisions	-852	-336	-13 415
Operating cost	-265	-234	-926
Other income and cost	12	9	80
Technical result	3 083	-662	9 810
Changes in valuation reserves	-1 923	0	-2 387
Changes in supplementary reserves	0	874	-4 214
Surplus allocated to pension clients' premium fund	-1 058	-54	-2 427
Changes in other reserves	0	0	-7
Group result pre-tax	102	158	776
Other profit/loss elements	32	-63	-37
Group result pre-tax	134	95	738

KLP Group, main balance sheet figures

<i>NOK million</i>	31.03.2010	31.12.2009	Change
Investment properties	24 188	23 089	1 099
Debt instruments held to maturity	45 052	44 275	777
Debt instruments classified as loans and receivables	34 219	34 040	179
Lending to municipalities, enterprises and individuals	61 761	61 401	360
Debt instruments at fair value over P/L	61 458	66 384	-4 926
Equity instruments at fair value over P/L	25 654	24 232	1 422
Financial derivatives	983	886	97
Share in associated companies	3	3	0
Assets in defined contribution life insurance	88	17	71
Immaterial assets	400	380	20
Other assets	4 323	3 843	480
Total assets	258 128	258 549	-421

KLP Group, main balance sheet figures

<i>NOK million</i>	31.03.2010	31.12.2009	Change
Own funds	9 829	9 721	108
Hybrid capital and subordinated loans	3 962	3 980	-18
Debt to financial institutions	28 469	32 751	-4 282
Debt to and deposits from clients	359	36	323
Insurance reserves	211 336	207 120	4 216
Financial derivatives	1 067	1 038	29
Other liabilities	3 105	3 903	-798
Total own funds and debt	258 128	258 549	-421

Life and pension

Kommunal Landspensjonskasse is the operative unit for the group's core business, supplying public sector occupational pensions and group life-insurance to the municipal and health sectors as well as to enterprises with public sector type pension plans. Kommunal Landspensjonskasse is referred to as KLP in this presentation and tables.

KLP Bedriftspensjon offers defined contribution and private sector type pension plans to clients not obliged to provide public sector pensions for their employees.

KLP – presentation of accounts

<i>NOK million</i>	Q1 2010	Q1 2009	Year 2009
Pension premiums and incoming transfers	2 956	3 074	18 868
Net revenues from investments in Common portfolio	4 398	505	14 174
Claims paid and outgoing transfers	-3 415	-3 854	-9 979
Changes in valuation reserves	-2 696	-317	-19 909
Allocations to insurance contracts	-1 053	-55	-2 425
Insurance related operating costs	-154	-168	-633
Other insurance related costs	0	-6	-12
Technical result	36	-821	84
Net revenues from investments in Corporate portfolio	146	81	840
Other revenues and expenditures	-47	-42	-185
Total result	134	-781	738

KLP - appropriation of results

<i>NOK million</i>	Customers	Company	Q1 2010	Q1 2009 ¹⁾	Year 2009
Interest result	996		996	0	6 126
Risk result	20	-9	11	39	258
Administration result		36	36	23	161
Premium interest rate guarantee		46	46	47	174
Non-technical result		98	98	40	655
Return on paid-in equity to clients	37	-37	0		-
Total	1 053	134	1 188	148	7 374

1) Result pr Q1 2009 was 0 under the assumptions of drawing on supplementary reserves to cover negative result of NOK mill. 874 .

KLP – main balance sheet figures

Assets <i>NOK million</i>	31.03.2010	31.12.2009
Total assets in corporate portfolio	15 257	15 706
Total assets in common portfolio	208 728	207 915
<i>Of which: Real-estate subsidiaries</i>	22 826	22 237
<i>Bonds at amortized cost</i>	71 369	70 559
<i>Lending</i>	29 691	29 611
<i>Equities</i>	23 879	22 532
<i>Bonds</i>	51 033	52 259
<i>Financial derivatives</i>	487	534
<i>Other financial assets</i>	9 443	10 183
Assets in investment choice portfolio	248	241
Total assets	224 234	223 863

KLP – main balance sheet figures

Own funds, provisions and debt <i>NOK million</i>	31.03.2010	31.12.2009
Own funds	9 750	9 642
<i>Of which: Paid in equity</i>	5 081	5 107
<i>Retained earnings</i>	4 669	4 535
Hybrid capital and subordinated debt	3 962	3 980
Contractual insurance liabilities	207 992	204 246
<i>Of which: Premium reservs</i>	191 632	190 830
<i>Supplementary reserves</i>	8 095	8 141
<i>Valuation reserves</i>	4 303	2 383
<i>Other reserves</i>	3 961	2 892
Insurance liabilities - investment options portfolio	248	240
Other liabilities	2 282	5 755
Total: Own funds, provisions and debt	224 234	223 863

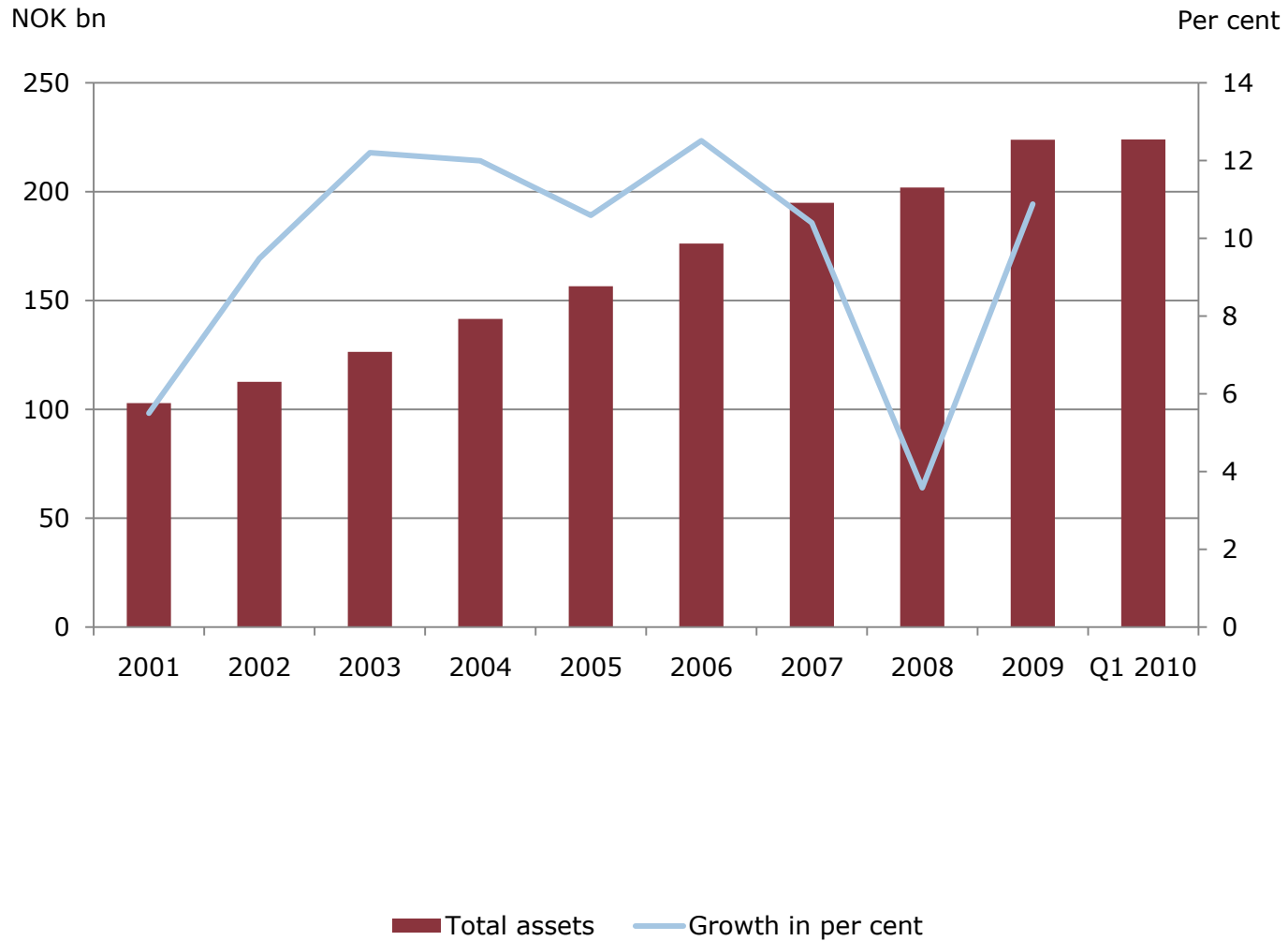
KLP solidity

Buffer capital <i>Million NOK</i>	31.03.2010	31.12.2009
Income to date	1 188	
Valuation reserve	4 303	2 383
Supplementary reserve	8 105	8 152
Core capital margin	4 634	4 572
Regulatory buffer capital	18 230	15 107
Valuation reserve booked at amortised costs	3 108	1 961

Capital adequacy ratio and solvency margin <i>Per cent</i>	31.03.2010	31.12.2009
Capital adequacy ratio	12.7	12.6
Core capital adequacy ratio	9.7	9.6
Solvency margin adequacy	220	222

Solvency capital <i>Million NOK</i>	31.03.2010	31.12.2009
Total solvency capital	29 533	25 329
- in percentage of insurance liabilities with interest guarantee	15.2	13.1

KLP – growth in assets



KLP Bedriftspensjon – main figures

<i>NOK million</i>	Clients	Company	Q1 2010	Q1 2009	Year 2009
Interest result	4.3	0.4	4.7	0.4	10.6
Risk result	0.5	0.7	1.2	1.3	1.2
Administration result		-5.3	-5.3	-3.9	-18.3
Interest rate guarantee and profit element		0.5	0.5	0.3	0.5
Non-technical result		0.6	0.6	0.2	3.2
Total result	4.7	-3.1	1.7	-1.6	-2.8

KLP Bedriftspensjon –returns and solvency

Return <i>Per cent</i>	Q1 2010	Q1 2009	Year 2009
Common portfolio			
Book	2.0	1.0	7.1
Value adjusted	2.5	1.0	8.3
Investment options portfolio	2.9	-2.1	23.3
Corporate portfolio	1.4	1.0	8.4

<i>Per cent</i>	31.03.2010	31.12.2009
Capital coverage	14.2	18.9
Solvency ratio	125.3	135.2

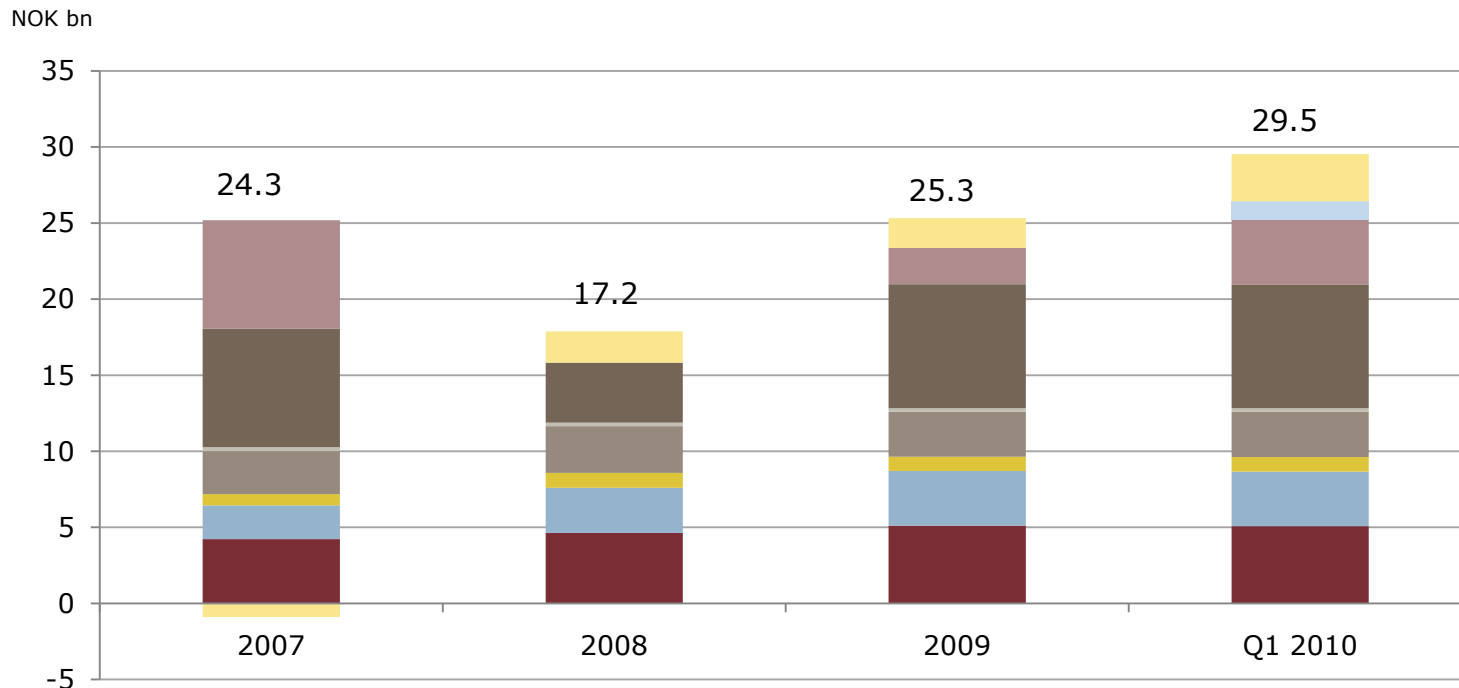
KLP investments and capital issues

KLP - Financial assets in the common portfolio – allocation and return

<i>Per cent</i>	Share 31.03.2010	Return Q1 2010	Share 31.12.2009	Return 2009
Equities ¹⁾	13.1	5.2	12.3	32.5
Bonds	23.4	2.6	21.7	11.3
Bonds held-to-maturity	34.3	1.3	34.6	5.4
Lending	14.1	0.9	13.8	4.1
Property	11.3	3.4	10.9	2.2
Other financial assets	3.7	0.6	6.7	3.5
Total	100		100	

1) Measured by exposure

KLP – financial solidity

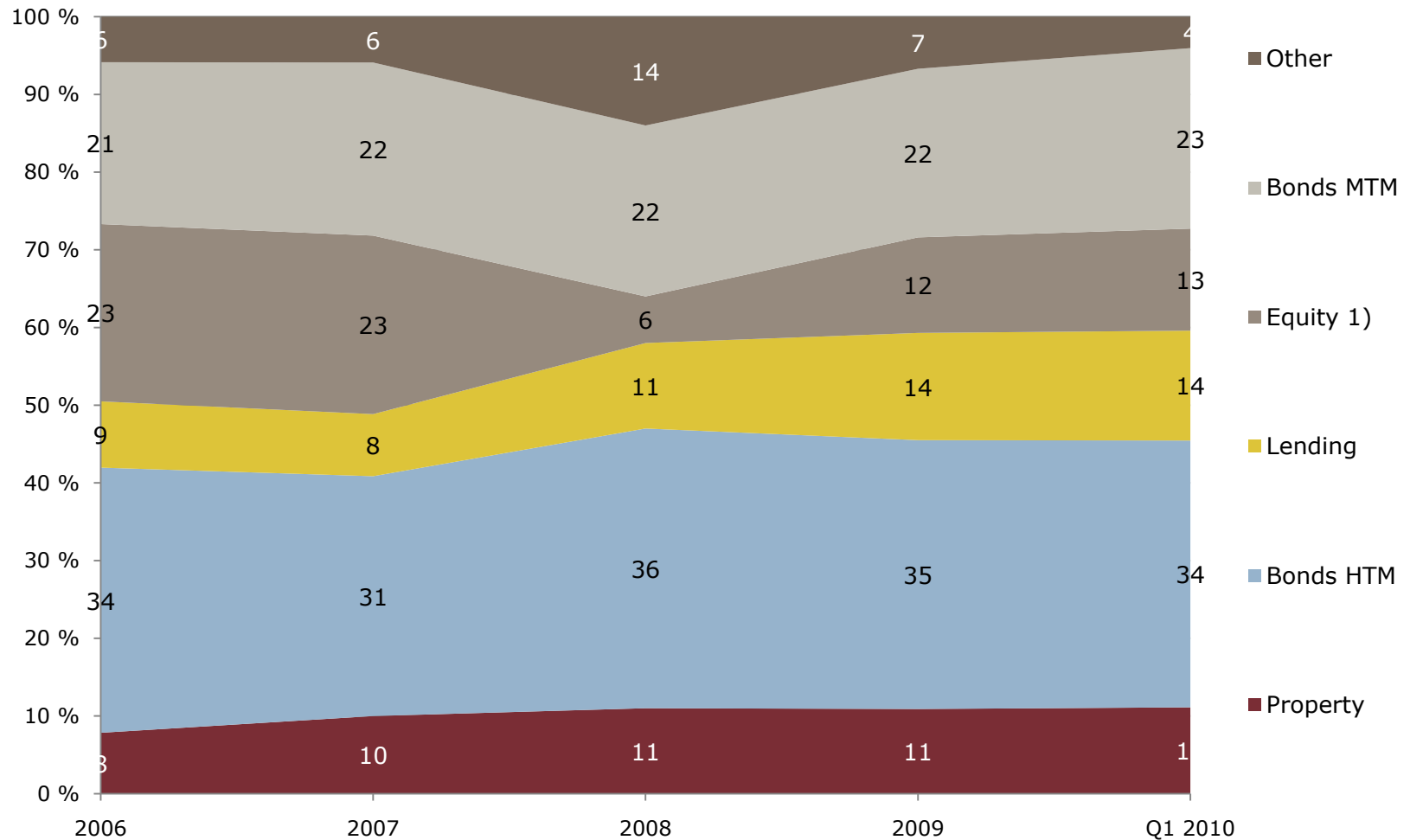


- Equity paid-in
- Retained earnings
- Tier 1 hybrid capital
- Tier 2 subordinated loans
- Security reserves
- Supplementary reserves
- Securities' adjustment funds
- Quarterly result
- Fixed assets



KLP – asset allocation

KLP common portfolio



1) Exposure value equity portfolio, may differ from book value

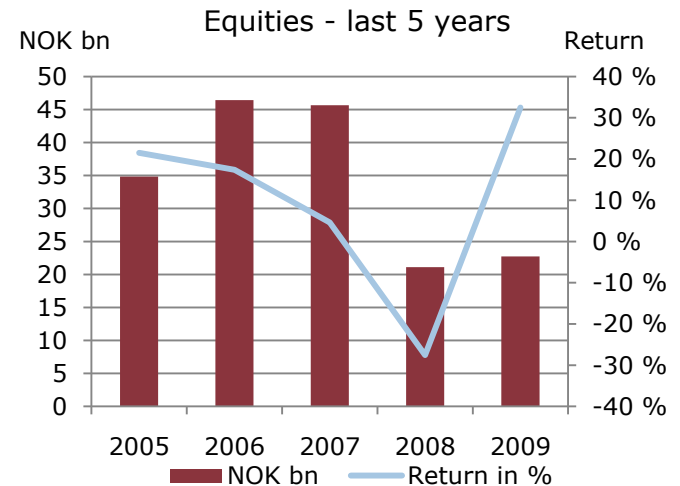
Trading portfolios – equities

KLP common portfolio

Trading portfolio equities – Geographic distribution incl. derivatives	31.03.2010	31.03.2009	31.12.2009
Trading portfolio equities total	100 %	100 %	100 %
Norway	23.2 %	15.2 %	28.3%
Other Nordic countries	6.3 %	6.5 %	5.5%
Other International	66.0 %	74.0 %	62.5%
Mics. portfolios	4.5 %	4.3 %	3.7%

Trading portfolio equities*	31.03.2010
Value equities (NOK mill)	24 034
Return equity portfolio	5.2 %
Share index-tracking equities	75.5%

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



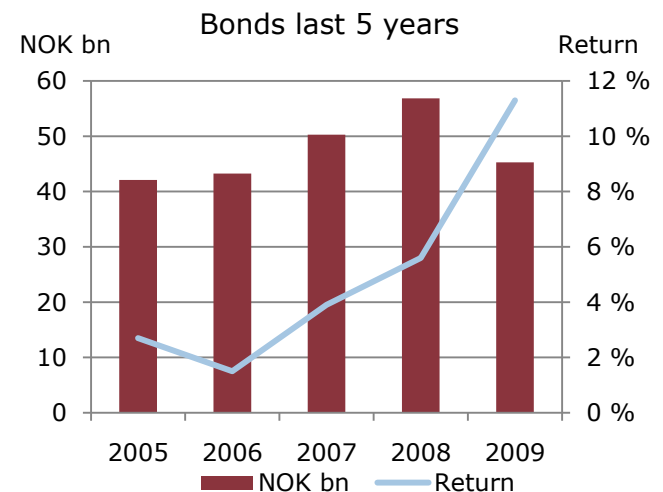
Trading portfolios – bonds

KLP common portfolio

Trading portfolio fixed-income – Geographic distribution incl. derivatives	31.03.2010	31.03.2009	31.12.2009
Fixed income – total trading portfolios	100 %	100 %	100 %
Norway – money market	17.5 %	26.8 %	24.7%
Norway – bonds	27.3 %	24.1 %	24.9%
International bonds	55.2 %	49.1 %	50.5%

Trading portfolio fixed-income *	31.03.2010
Value fixed income (NOK mill)	55 349
Return trading portfolios fixed income	2.3 %
Share index-tracking fixed-income	34.0 %

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

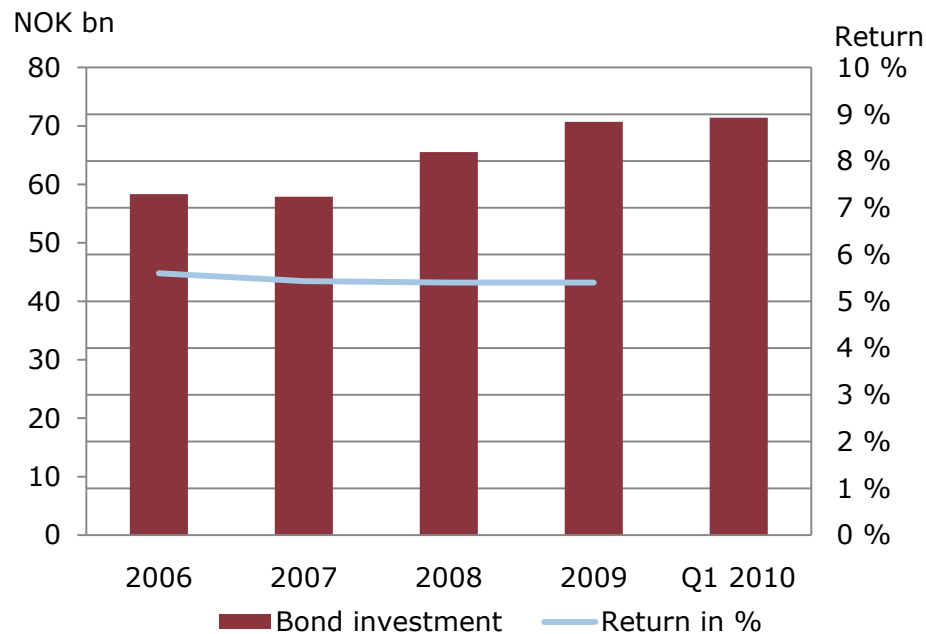


Bonds – booked at amortised costs

KLP common portfolio

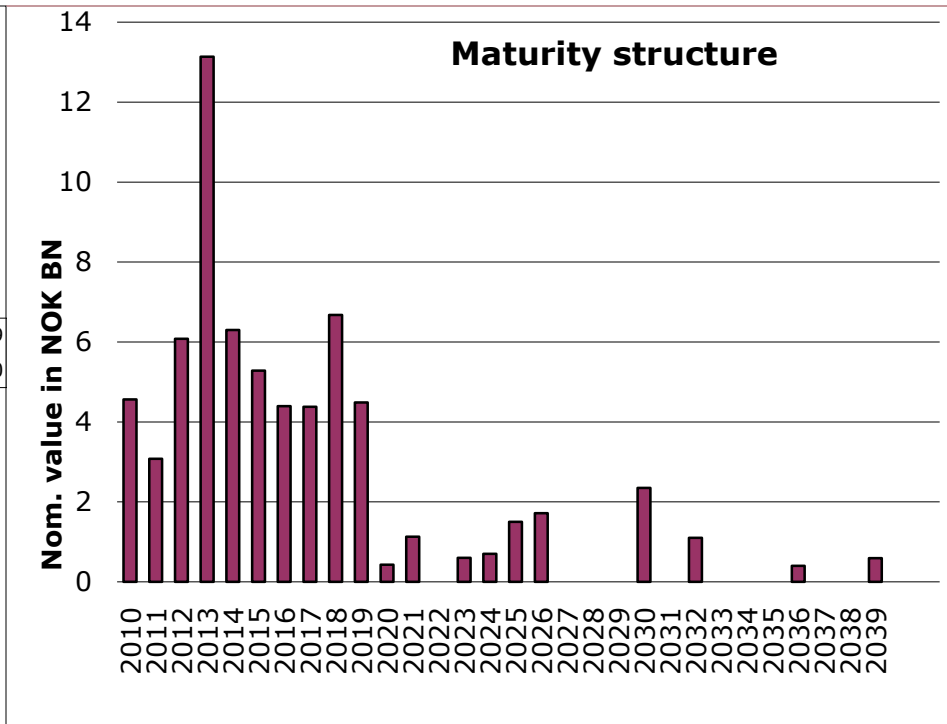
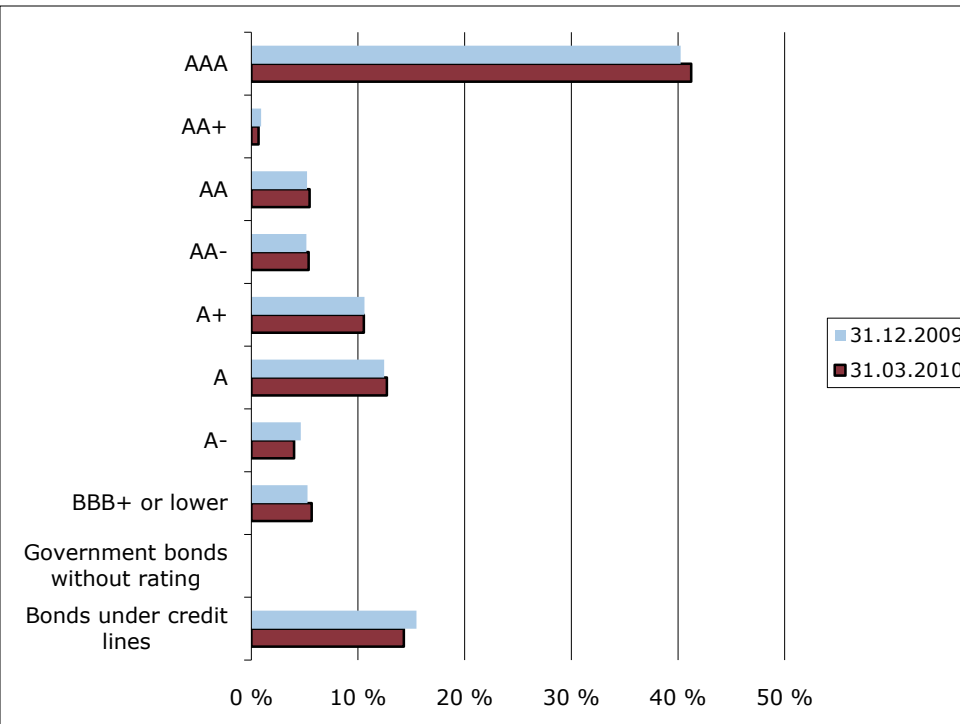
	31.03.2010	31.03.2009	31.12.2009
Book value (NOK mill)	71 368	66 725	67 945
Valuation reserves (NOK mill)	2 585	1 560	1 668
Return year to date (per cent)	1.3	1.3	4.0

Bonds held-to-maturity - last 5 years



Bonds – booked at amortised costs

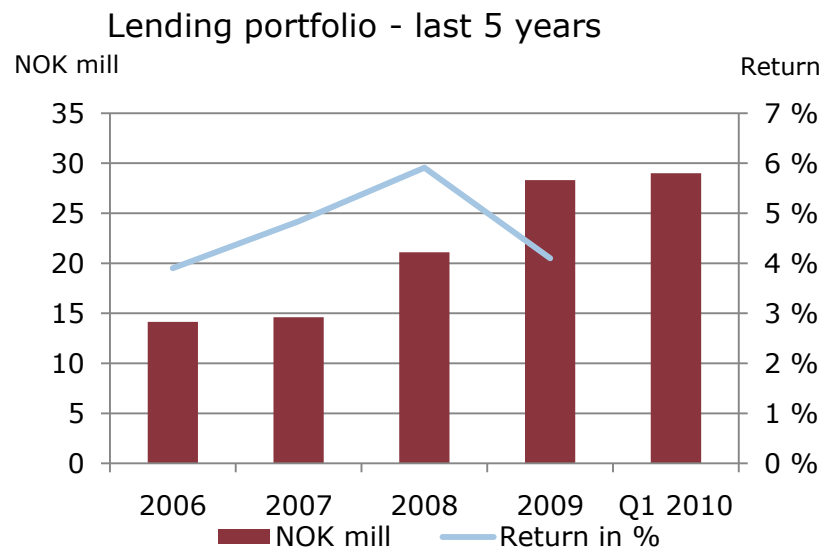
KLP common portfolio



Lending portfolio

common portfolio

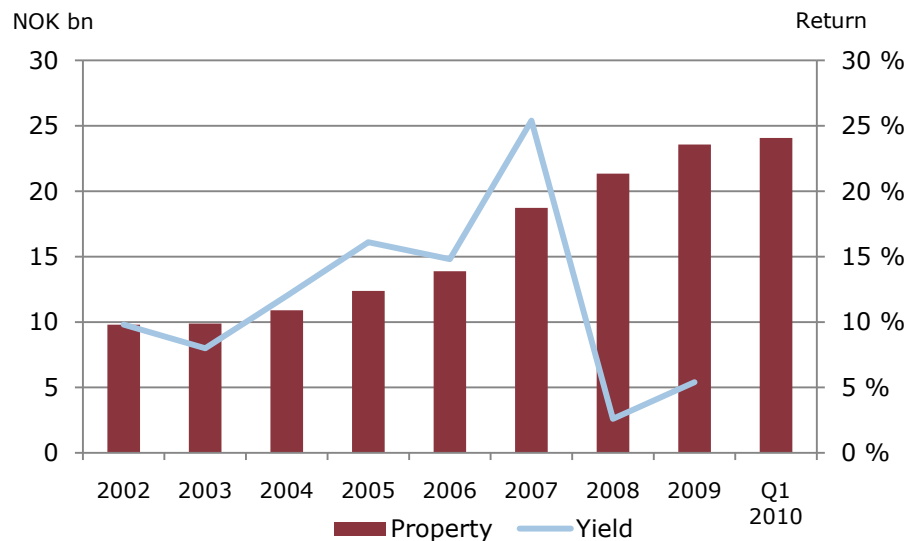
	31.03.2010	31.03.2009	31.12.2009
Book value (NOK mill)	29 342	21 664	28 311
Of this: fixed rate loans (NOK mill)	10 775	8 872	10 417
Return year to date (in per cent)	0.9	1.2	4.1
Specific and general credit loss provisions (NOK mill)	0.6	1.0	0.6



Property investments

Total portfolio

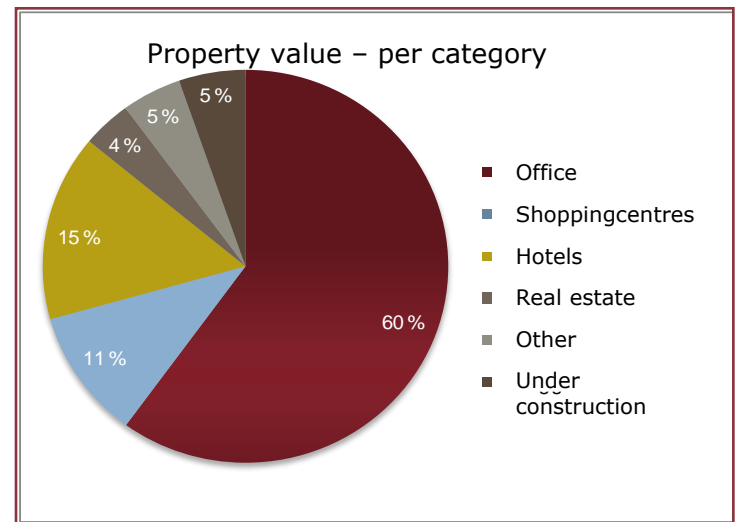
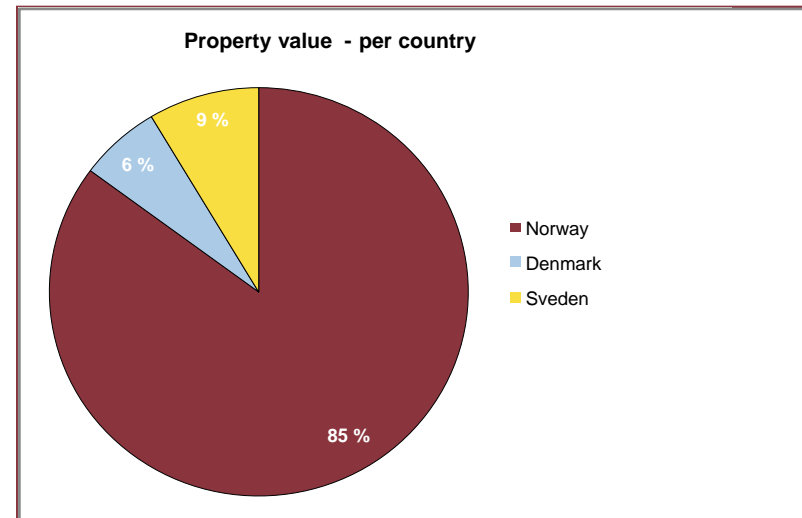
	31.03.2010	31.03.2009	31.12.2009
Book value (value-adjusted NOK mill)	23 558	22 207	23 567
Total space occupied incl. sites (1 000 sq m)	1 460	1 372	1 477
Occupancy rate (per cent)	94.7	94.3	94.9
Average lease duration (year)	6.6	6.0	6.8



- Geographic split of the portfolio;
75 % Oslo, 8 % Trondheim,
6 % Copenhagen, 8 % Sweden,
2 % Fund
- Sector diversification of the portfolio;
60 % office, 15 % hotels,
11 % shopping centres,
4 % real estate
5 % under construction, 5 % other

KLP's real-estate activities

- KLP Eiendom AS is part of the common portfolio, however, they provide management of all real-estate investments in the group
- KLP Eiendom manages a total of approximately 1 100 000 sq.m. of premises and 370 000 sq.m. of leasehold land. In addition comes projects under development
- Real-estate investments represents 10.9 per cent of the financial assets in the common portfolio
- Rental income for the global real-estate activities amounted to NOK 385.3 million



KLP's real-estate investments

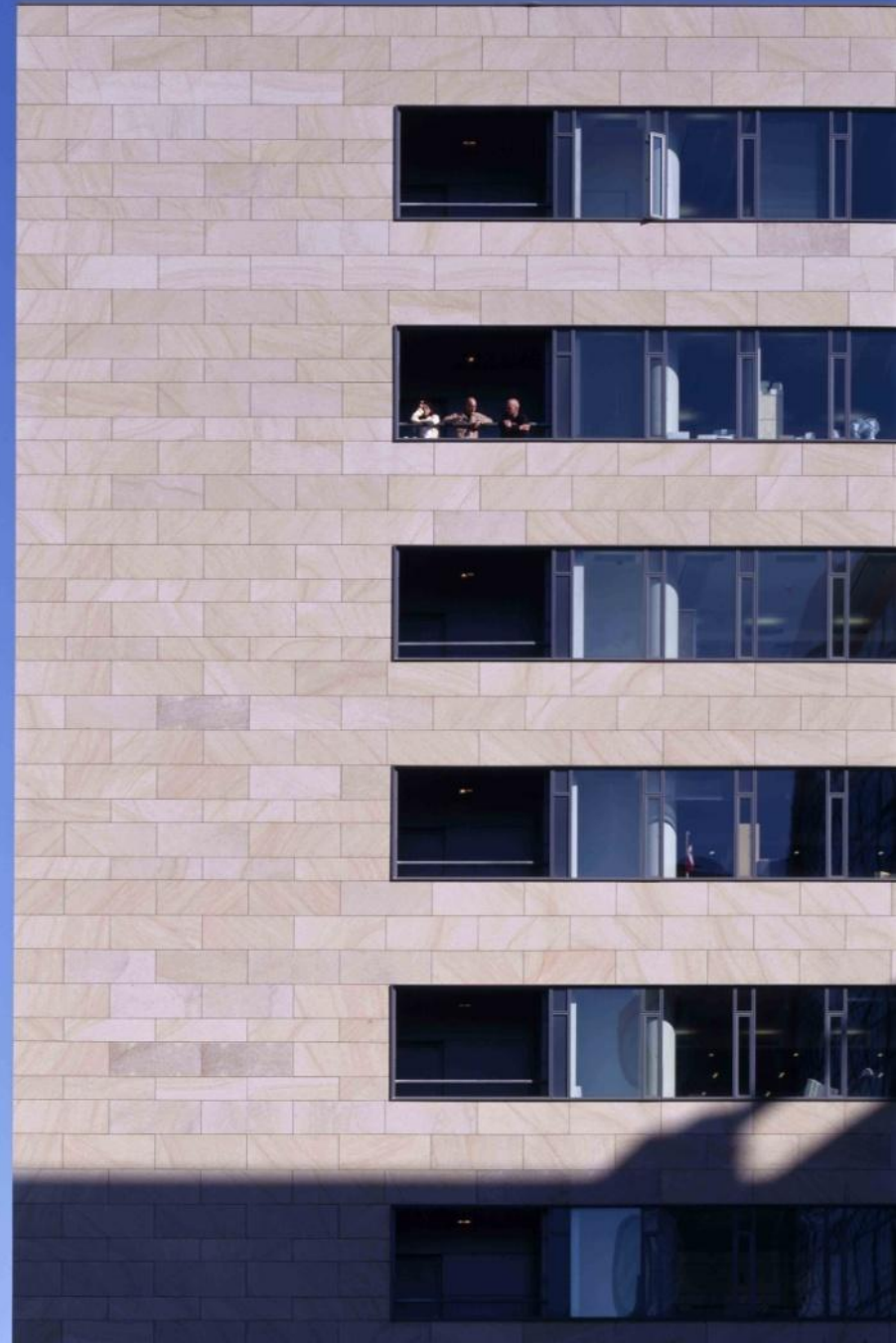
Property value	Q1 2009	31.12. 2009	Q1 2010
Fair value (NOK mill)	21 561	23 660	24 212
Value adjustment in per cent	-0.8 %	-0.8 %	2.1%
Fair value common portfolio (NOK mill)	19 631	21 594	22 949
Value adjustment in per cent common portfolio	-0.9 %	-1.4 %	2.1%

Return	Q1 2009	31.12. 2009	Q2 2010
Total return	0.6 %	4.6 %	3.4 %
Total return common portfolio	0.5 %	3.8 %	3.5 %

*All figures are exchange-rate hedged

Investment in property funds

- KLP's investments in property funds had a book value of NOK 608,4 millions as per 31.03.2010
- Net investments/dividends for the quarter amounted to NOK 14,6 million
- Write-down in Q1 was -1.9 per cent
- Total return for KLPs Eiendom's funds was -1.8 per cent



Skadeforsikring (non-life insurance)

KLP Skadeforsikring – Q1 2010

- Good results also for Q1 2010 with an operating profit of NOK 36.2 million
- Three large property incidents in the period
 - And another fire occurring on April 4th
- Positive run-off results in the quarter
- Good financial result as well for the quarter
 - Real-estate investments revalued by NOK 17 million
- High level of new sales in the employer segment, however, prices under strong pressure
- Net new sales NOK 2 million, below expectations due to loss of clients
- 1 000 new individual clients during Q 1 with a total premium of NOK 10 million
- Continued strong sale through the sales consultants
- At the end of Q1 the company had approx. 5 500 individual clients with a total premium volume of NOK 51 million

KLP Skadeforsikring AS (non-life insurance)

Key figures, <i>per cent</i>	Q1 2010	Q1 2009
Claims ratio on own account	106.9 %	67.2 %
Cost ratio on own account	27.4 %	30.7 %
Combined Ratio for own account	134.3 %	97.9 %
Return on capital	2.5 %	0.7 %
Capital adequacy ratio	29.9 %	33.0 %
Revenues, <i>NOK mill</i>	Q1 2010	Q1 2009
Premium income for own account	131	142
Claims paid for own account	140	96
Insurance related costs for own account	36	43
Results	36	17
Key figure balance sheet, <i>NOK mill</i>	Q1 2010	Q1 2009
Financial assets	3 123	2 857
Total assets	789	703
Equity	2 370	2 358
Provisions in insurance funds for own account	3 620	3 209

Banking and credit

KLP bank-Group

Result <i>NOK million</i>	Q1 2010	Year 2009
KLP Kreditt	-16.0	110.1
KLP Kommunekreditt	0.7	-1.5
KLP Banken	-4.5	-36.0

Total assets <i>NOK million</i>	31.03.2010	31.12.2009
KLP Kreditt	30 012	31 325
KLP Kommunekreditt	3 378	3 076
KLP Banken	4 857	1 250

Volume

Business line	Mortgage	Public loans	Deposits
KLP Banken AS (parent)	0.1 (-)	-	0.4 (-)
KLP Kreditt AS	-	29.2 (29.9)	-
KLP Kommunekreditt AS	-	2.9 (3.0)	-
KLP management agreement	8.7 (8.7)	20.7 (19.6)	-
Total	8.8 (8.7)	52.8 (52.5)	0.4 (-)

Figures per 31.3.2010 (31.12.2009). All figures in NOK billion. Nominal value.

KLP Banken launched

- KLP Banken aimed at individual clients was opened to the public on February 1. The bank's web-pages went on-line and business opened for the public to establish client relationship with loans, deposits cards, transfers etc. with the bank
- During the period from week 6 through week 13 the bank has been marketed through newspapers , magazines, on Television, on the web and by direct mail
- The inflow of customers is in line with the business plan
- Surveys in connection with the campaign indicated that "membership advantage" concept by and large had been established. 75 per cent were of the opinion that the message of KLP opening a bank had been received, and nearly the same number had clearly understood the membership terms for deposits counted from the first NOK
- The launch of KLP Banken rubbed off in a positive way for other parts of the KLP group. The retail non-life insurance in KLP posted a new record for Web-sales during the campaign period

KLP Kommunekreditt

- KLP Kommunekreditt is the common brand-name for KLP Kreditt AS (previously Kommunekreditt Norge AS), KLP Kommunekreditt AS (covered bonds) and lending to the public sector from KLP's common portfolio
- KLP acquired Kommunekreditt Norge AS in 2009
- KLP Kommunekreditt had total lending of NOK 52,8 billion at the end of Q 1 2010
- KLP Kommunekreditt held its annual "Municipal Conference" in Trondheim in March with more than 220 attendees and prominent speakers
- KLP Kommunekreditt has been well received in the market

Assets management and fund management

KLP Kapitalforvaltning & KLP Fondsforvaltning

(Asset management activities)

- KLP Kapitalforvaltning AS and KLP Fondsforvaltning AS constitute the asset management environment of the KLP group. Total assets in the management were NOK 170 billion at the end of Q1 2010. This represents a growth of NOK 18 billion over the last 12 months. The major part of the assets are managed on behalf of KLP and the subsidiaries in the KLP group
- Management on behalf of clients outside the KLP group recorded a continued growth through the quarter. NOK 12 billion are managed on behalf of external investors and individuals at the end of last quarter, corresponding to a growth of 69 per cent over the last 12 months. Net new subscriptions in KLP's securities' fund amounted to NOK 680 million in the first quarter of 2010
- KLP Kapitalforvaltning AS posted a result of – NOK 12 million and KLP Fondsforvaltning posted a result of – NOK 0.5 million

KLP Kapitalforvaltning & KLP Fondsforvaltning

KLP Kapitalforvaltning <i>NOK million</i>	31.03. 2010	31.03. 2009	31.12. 2009
Fee income	40.9	47.5	173.1
Result pre-tax	-12.1	-2.3	10.8

KLP Fondsforvaltning <i>NOK million</i>	31.03. 2010	31.03. 2009	31.12. 2009
Fee income	18.7	12.7	62.7
Result pre-tax	-548	-310	664

KLP Kapitalforvaltning & KLP Fondsforvaltning

Assets management <i>NOK million</i>	31.03.2010
Total	180 735
KLP and subsidiaries	168 272
Other customers	12 462
Index-tracking management	131 657
Active management	49 078
Placements in securities fund	39 304
Discretionary management	141 431

Summary

A good start to 2010

- Strong solvency, further strengthened through the first quarter, enables a good management of the assets of out pension clients
 - A sound equity position invested in highly diversified portfolios of liquid Norwegian and international shares
 - A good risk diversification within trading bonds provides a good running yield and further perspectives for appreciation
 - A significant portion of the assets are invested in bonds held to maturity assuring a high running yield
- The drive towards individual clients within our client sectors support KLP's close relationship with our clients and provides interesting growth prospects
- It is with pride that KLP soon will be in a position to provide Norwegian and international investors with an opportunity to invest in a highly liquid covered bond programme based on a diversified pool of high quality Norwegian public sector borrowing – issued by our affiliate KLP Kommunekreditt. The benefit of this funding will befall our clients

Contacts in KLP

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