

Oslo, 9th May 2011

Financial results first quarter 2012

KLP Group



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Main features

KLP in 2012: Good return and strengthened reserves

- The common portfolio of the Life company yielded :
 - A book return of 1.2 per cent
 - A value adjusted return of 2.7 per cent

The corporate portfolio gave a return of 1.4 per cent

- Group operating result in Q1 NOK 5.3 billion total result to customers in excess of NOK billion
- Total assets of the Group NOK 315 billion
- Total solvency capital NOK 41.3 billion – 17.9 per cent of insurance funds with guaranteed interest



KLP return on investment portfolios

<i>All figures in per cent</i>	Q1 2012	Q1 2011	Year 2011
Common portfolio			
Booked return	1.2	1.6	4.5
Value adjusted return	2.7	1.2	3.3
Value adjusted return incl. HTM bonds/bonds booked at amortised costs	2.7	0.6	4.0
Investment options portfolio	3.4	1.1	2.2
Corporate portfolio	1.4	1.7	4.2

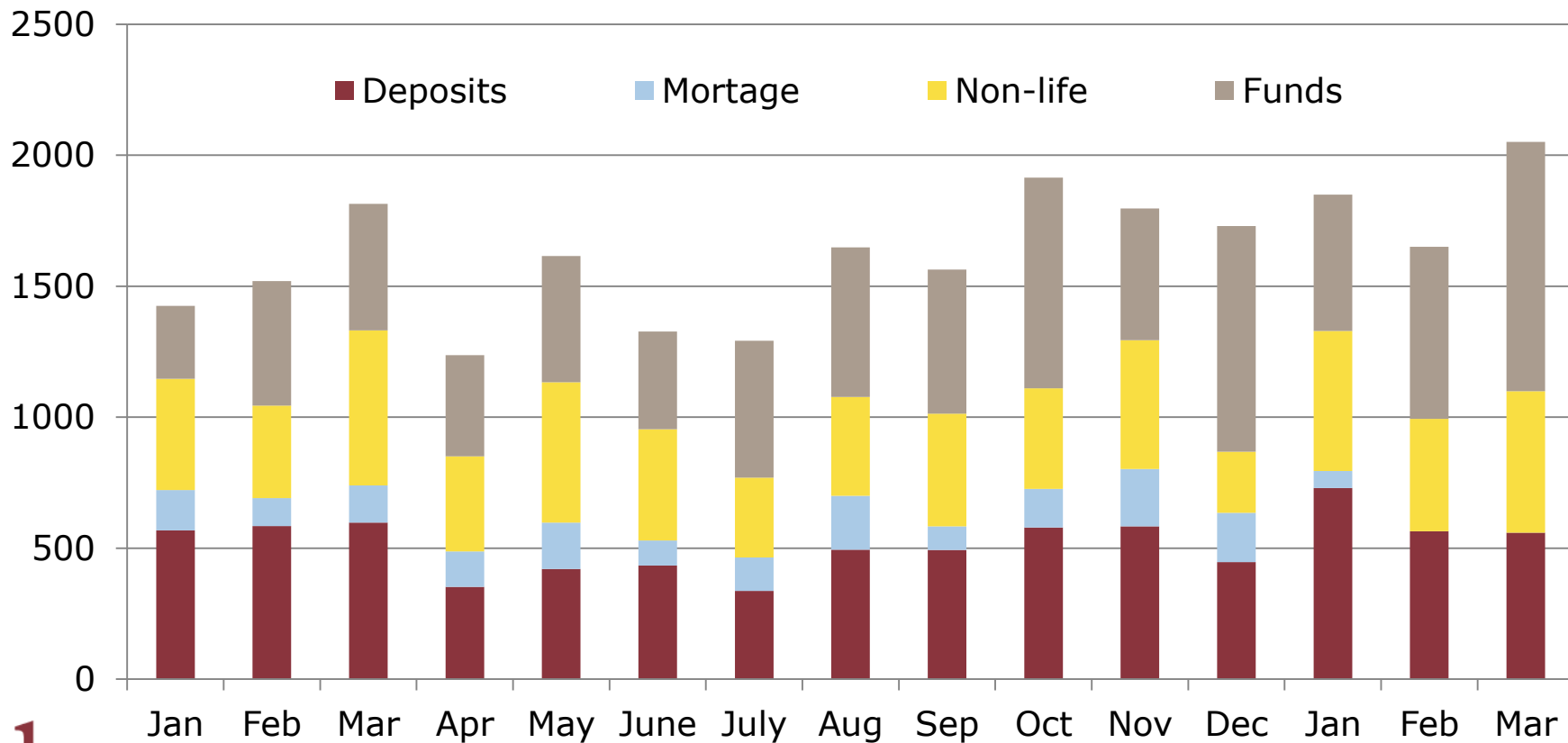
Status for the retail initiative

- Growth in line with plans
- In total 45 681 retail clients ; (April 2012)
- 24 149 in the Bank (incl life)
- 12 405 Non-life
- 9 127 Mutual funds (direct clients)

Members

- 70 % in Bank
- 60 % in Non-Life
- 10 % in Mutual funds

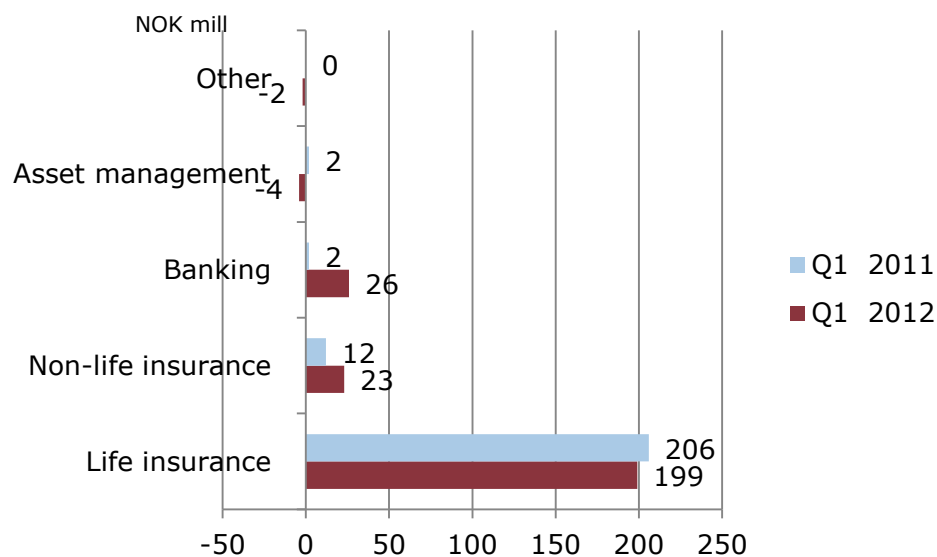
New clients



KLP Group

KLP Group – results by segment

NOK million	Q1		Year 2011
	2012	2011	
Life insurance	199	206	753
Non-life insurance	23	12	25
Banking	26	2	-81
Asset management	-4	2	26
Other	-2	0	2
Group result	242	222	726



KLP Group – main figures - results

<i>NOK million</i>	Q1		Year
	2012	2011	2011
Pension premiums and incoming transfers	6 370	3 488	22 574
Allocated investment income	6 944	3 015	8 117
Claims f.o.a.	-2 960	-2 774	-10 615
Insurance provisions	-4 810	-2 040	-17 291
Operating cost	-294	-257	-1 115
Other income and cost	31	14	89
Technical result	5 281	1 446	1 757
To/from value adjustment fund life insurance	-3 623	757	2 505
To/from supplementary reserves life insurance	0	0	-2 156
Surplus allocated Life insurance clients	-1 305	-2 025	-1 453
Group result pre-tax	353	178	653
Tax	-4	-20	-24
Other profit/loss elements	-107	64	97
Group result pre-tax	242	222	726

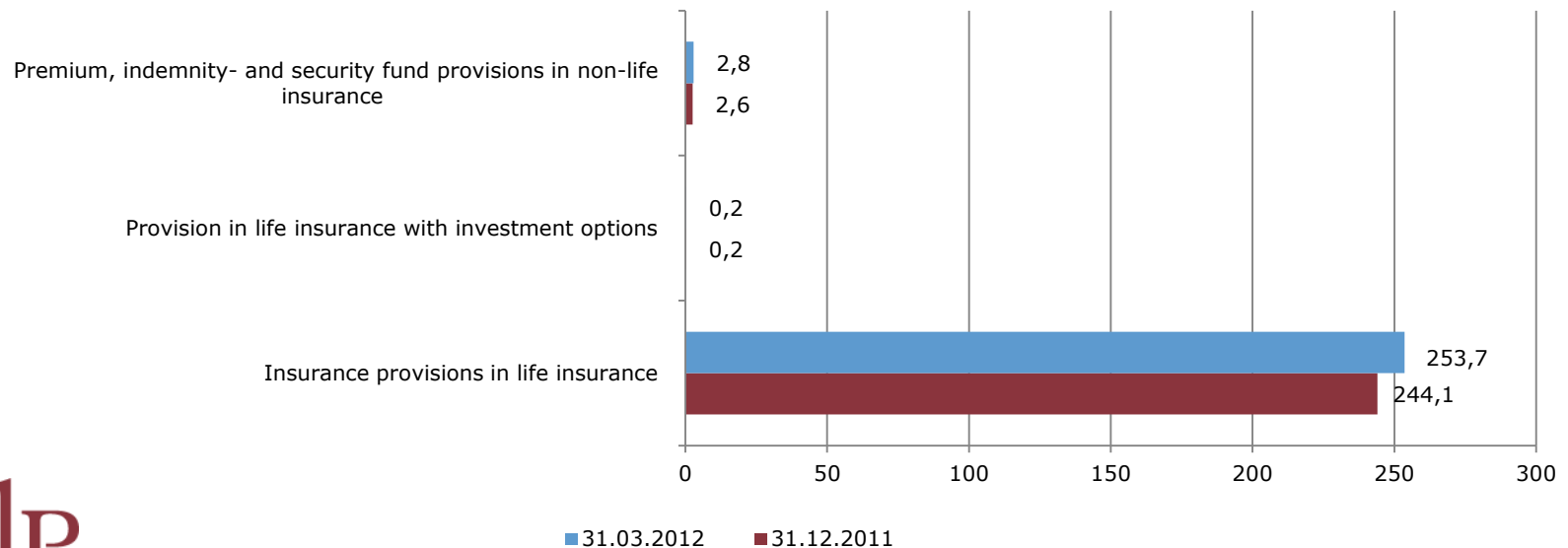
KLP Group – assets

<i>NOK million</i>	31.03.2012	31.12.2011	Change
Investment properties	29 955	28 726	1 228
Debt instruments held to maturity	41 018	41 438	-420
Debt instruments classified as loans and receivables	49 155	46 936	2 219
Lending to municipalities, enterprises and individuals	53 754	53 543	211
Debt instruments at fair value over P/L	82 422	77 050	5 372
Equity instruments at fair value over P/L	40 032	36 168	3 865
Financial derivatives	1 245	915	330
Share in associated companies	3	3	0
Assets in defined contribution life insurance	229	198	32
Immaterial assets	343	344	0
Other assets	16 901	6 463	10 438
Total assets	315 057	291 784	23 273

KLP Group – own funds and liabilities

NOK million	31.03.2012	31.12.2011	Change
Own funds	12 304	12 064	239
Hybrid capital and subordinated loans	4 043	4 288	-245
Debt to financial institutions	3 512	1 398	2 114
Covered bonds issued	21 947	22 152	-205
Debt to and deposits from clients	2 115	1 840	275
Insurance reserves	256 715	246 850	9 865
Other liabilities	14 420	3 190	11 230
Total own funds and debt	315 057	291 784	23 273

Insurance provisions KLP Group
- NOK billion



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.

Life division

- Expecting some increase in tenders, but still a relatively modest number
- High market activity in KLP Bedriftsspensjon gives good volume growth and capture of new clients
- Focus on improving internal processes and the highest level in client servicing
- Adaption to future framework a strong priority



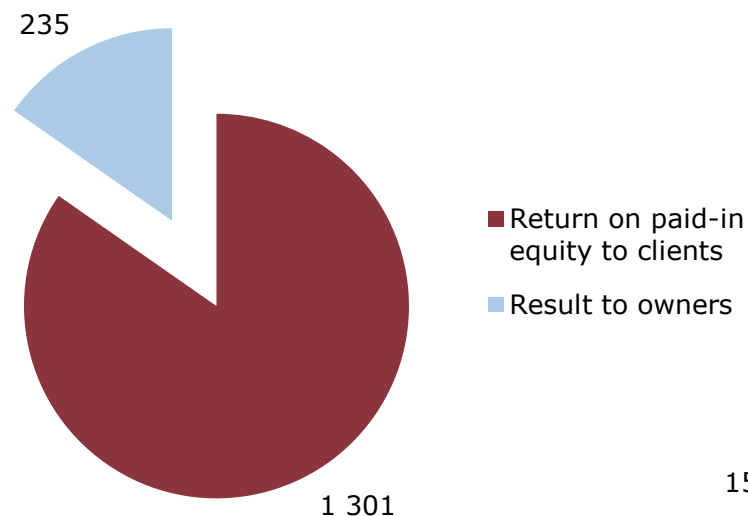
KLP – presentation of accounts

NOK million	Q1		Year 2011
	2012	2011	
Pension premiums and incoming transfers	6 158	3 315	21 752
Net revenues from investments in Common portfolio	6 534	2 786	7 449
Claims paid and outgoing transfers	-2 783	-2 633	-10 033
Changes in valuation reserves	-8 351	-1 251	-16 663
Allocations to insurance contracts	-1 301	-2 017	-1 451
Insurance related operating costs	-210	-171	-788
Other insurance related costs	0	1	4
Technical result	47	29	271
Net revenues from investments in Corporate portfolio	235	242	639
Other revenues and expenditures	-47	-49	-205
Non-technical result	188	193	434
Total result	235	222	705

KLP – appropriation of results

Nok million	Customers	Company	Q1		Year 2011
			2012	2011	
Interest result	1 197	5	1 202	1 915	4 280
Risk result	33	31	64	53	160
Administration result		8	8	30	82
Premium interest rate guarantee		73	73	50	184
Non-technical result		188	188	193	517
Return on paid-in equity to clients	71	-71	-		-
Total	1 301	235	1 536	2 239	5 222

- Good return on common portfolio
- Good contribution from corporate portfolio
- Stipulated return of more than NOK 1.3 billion to clients



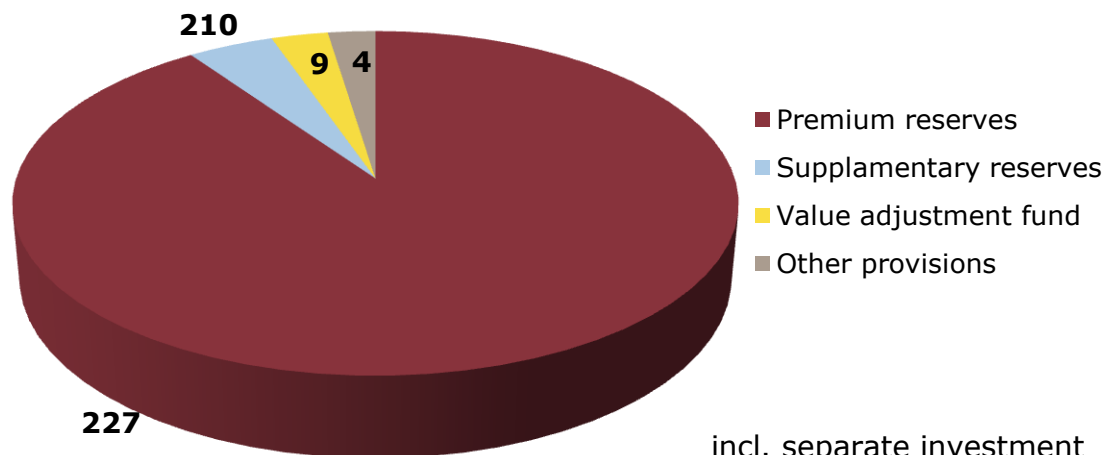
KLP – assets

<i>NOK million</i>	31.03.2012	31.12.2011	Change Q1 2012
Total assets in corporate portfolio	19 034	18 075	959
Total assets in common portfolio	262 615	242 267	20 348
Assets in investment options portfolio	1 447	1 404	43
Total assets	283 096	261 746	21 350

KLP – own funds and liabilities

<i>NOK million</i>	31.03.2012	31.12.2011	Change Q1 2012
Paid-in equity	6 215	6 217	-3
Retained earnings	5 959	5 723	235
Hybrid capital and subordinated debt	4 043	4 288	-245
Insurance liabilities	252 943	243 439	9 503
Other liabilities	13 937	2 078	11 859
Total: own funds, provisions and debt	283 096	261 746	21 350

Insurance liability per 31.03.2011 – NOK bn



KLP – growth in assets

NOK mill

Per cent



KLP Bedriftspensjon – main figures

NOK million	Q1		Year
	2012	2011	2011
Interest result	5.4	8.1	14.2
Risk result	0.3	1.2	2.2
Administration result	-7.4	-4.9	-28.2
Interest rate guarantee and profit element	0.3	0.7	1.9
Non-technical result	0.9	0.3	1.9
Total result	0.4	5.3	-8.0
Of which result to clients	4.7	7.6	15.8
Result to owner	-5.1	-2.4	-23.8

KLP Bedriftspensjon – return and solvency

<i>Per cent</i>	Q1		Year 2011
	2012	2011	
Common portfolio			
Book	1.6	2.6	6.3
Value adjusted	2.3	1.5	3.7
Investment options portfolio	6.1	1.5	0.2
Corporate portfolio	1.9	0.6	4.8

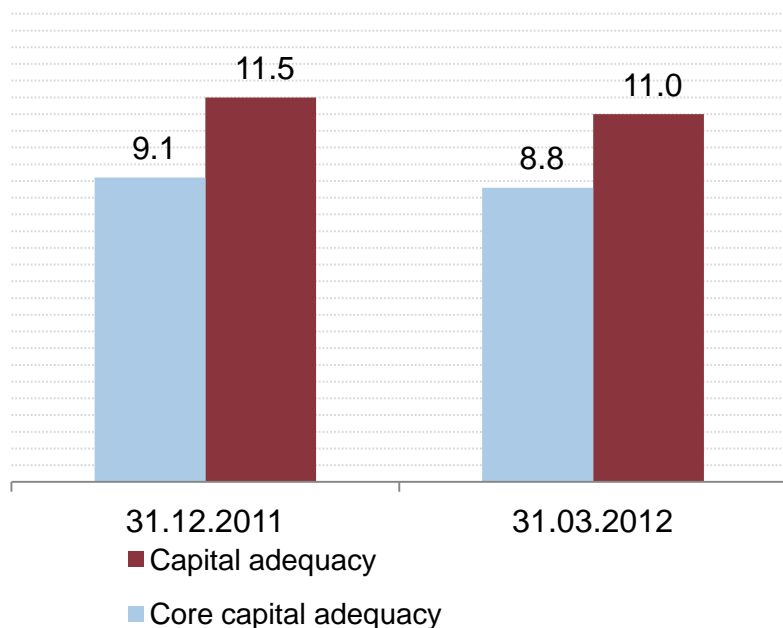
<i>Per cent</i>	31.03.2012	31.12.2011
Capital coverage	11.2	13.9
Solvency ratio	182	217
Buffer capital employment	91	82

<i>NOK million</i>	31.03.2012	31.12.2011
Value adjustment fund	4.9	-
Supplementary reserves	25.4	24.9
Solvency capital	94.8	90.2

KLP investments and capital issues

KLP – capital adequacy

<i>Per cent</i>	31.03.2011	31.12.2010
Capital adequacy	11.0	11.5
Core capital adequacy	8.8	9.1
Statutory minimum capital adequacy	8.0	8.0
Statutory minimum core capital adequacy	4.0	4.0

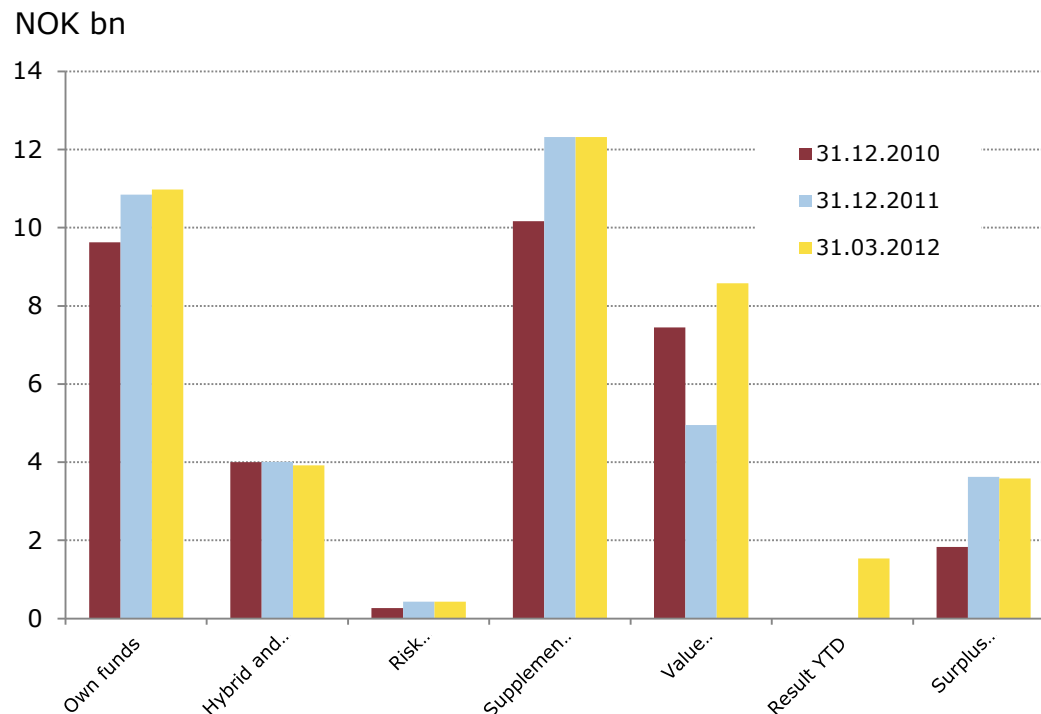
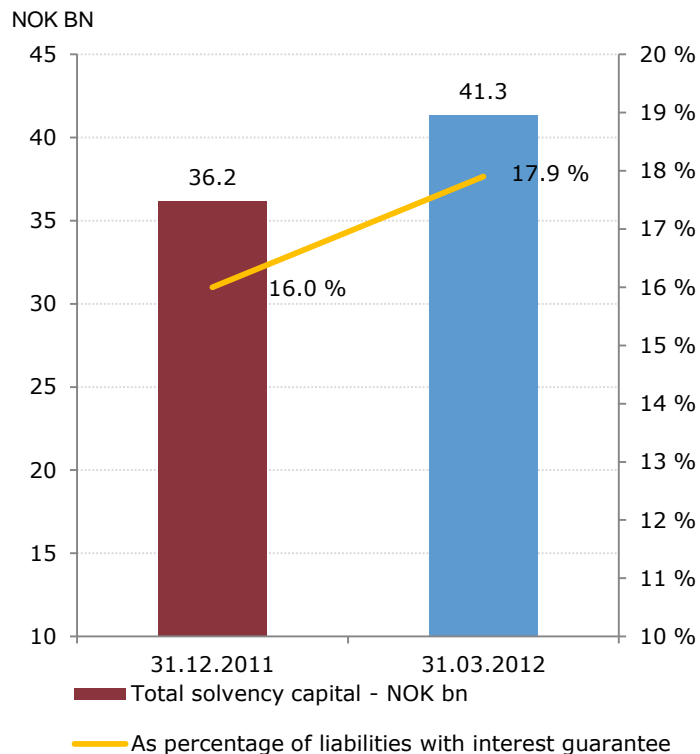


Capital adequacy and core capital ratio well in excess of regulatory requirement

KLP – buffer capital

<i>NOK million</i>	31.03.2012	31.12.2011
Valuation reserve	8 575	4 958
Supplementary reserve	12 319	12 319
Core capital margin	4 091	4 505
Income to date	1 536	
Regulatory buffer capital	26 521	21 782
Valuation reserve booked at amortised costs	3 626	3 584

KLP – financial solidity

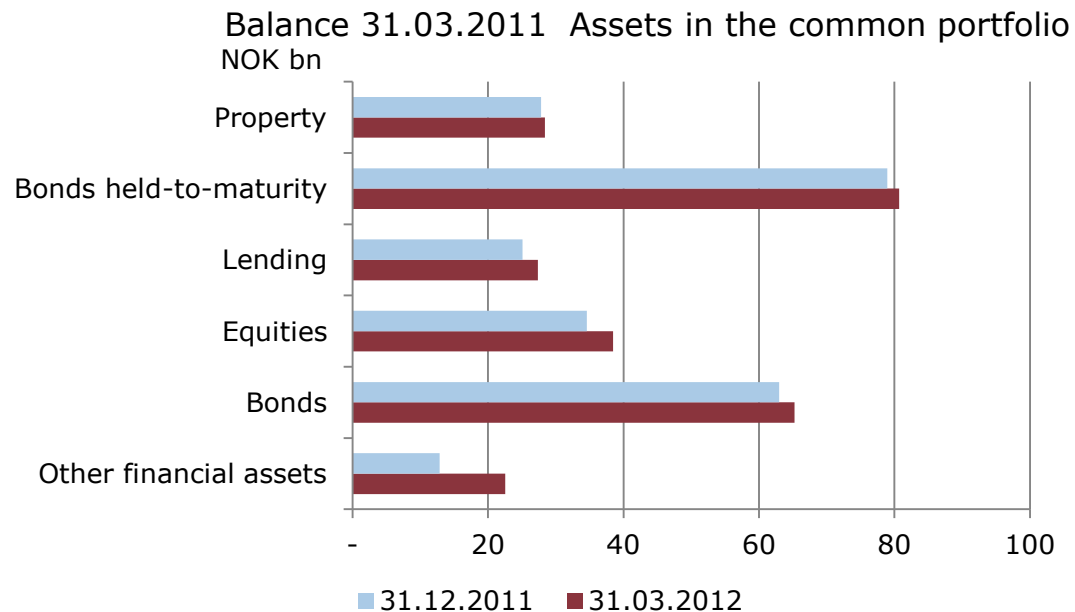


Strengthened
solvency first
quarter

KLP common portfolio – allocation and return

	Share 1)	Return	Return
<i>Per cent</i>	31.03.2012	Q1 2012	2011
Equities ¹	17.5	10.1	-7.3
Bonds	21.6	1.9	7.2
Bonds held-to-maturity	32.4	1.3	5.2
Lending	10.9	1.0	3.9
Property	11.8	1.9	7.2
Other financial assets	5.8	1.0	2.9

¹⁾ Measured by exposure

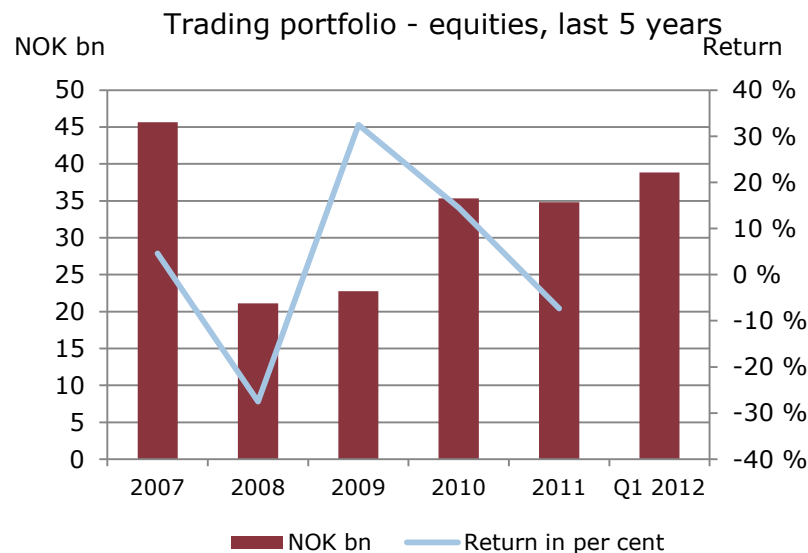


Trading portfolios equities

KLP common portfolio

Trading portfolio equities*	31.03.2012	31.03.2011	31.12.2011
Value equities (NOK mill)	37 462	35 353	33 882
Return equity portfolio	10.1 %	2.5 %	-7.3 %
Share index-tracking equities	77.2 %	73.5 %	77.7 %

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

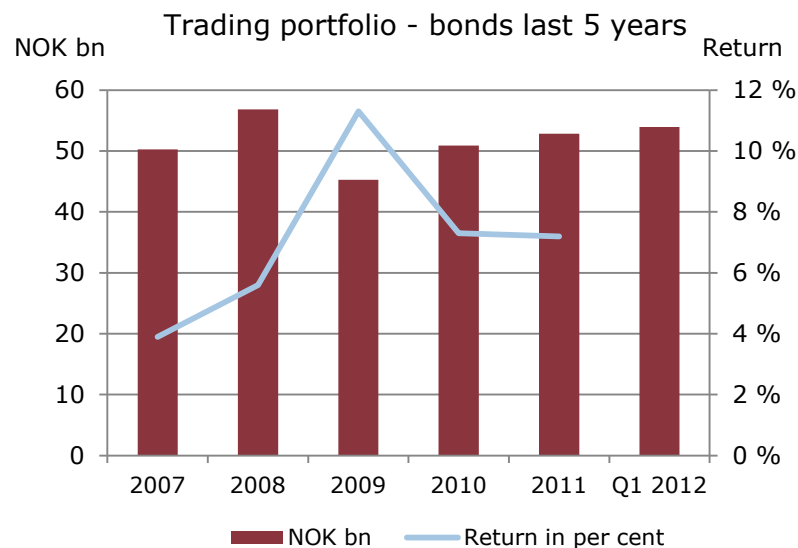


Trading portfolios – bonds

KLP common portfolio

Trading portfolios fixed-income *	31.03.2012	31.03.2011	31.12.2011
Value fixed income (NOK mill)	70 394	57 049	67 011
Return trading portfolios fixed income	1.7 %	0.4 %	6.3 %
Share index-tracking fixed-income	35.1 %	35.8 %	35.5 %

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

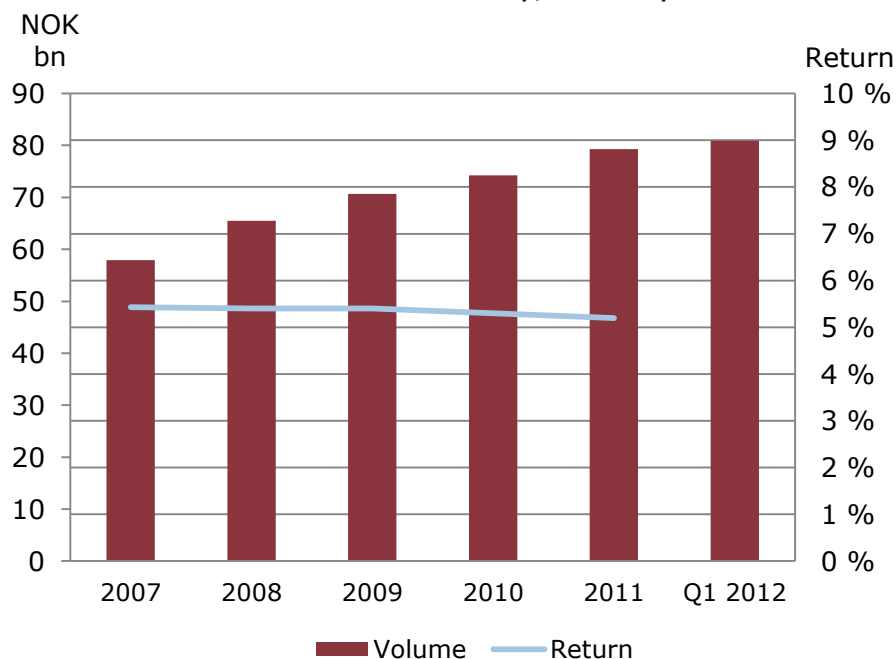


Bonds booked at amortised costs

KLP common portfolio

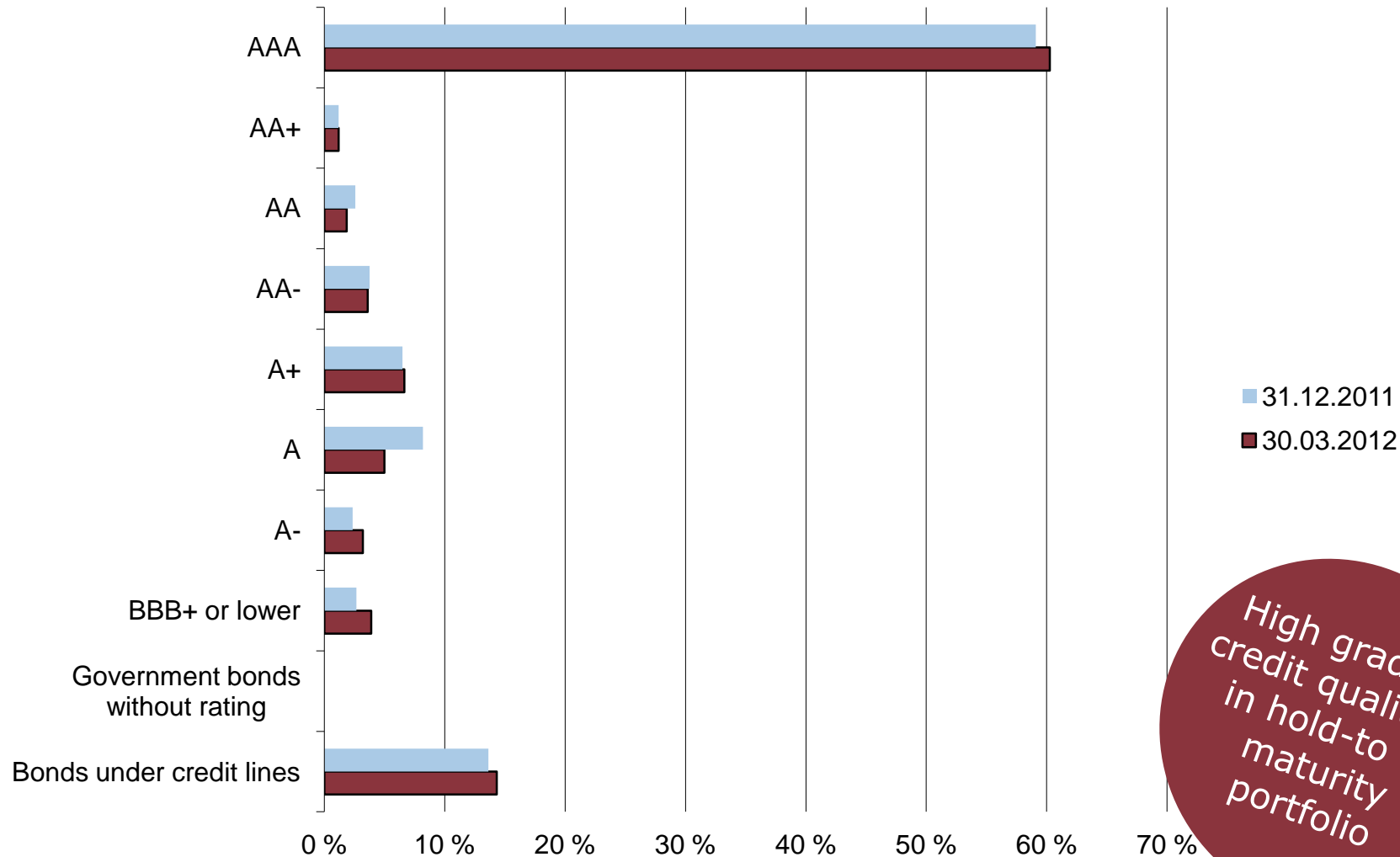
	Q1		Year 2011
	2012	2011	
Book value (NOK mill)	80 913	74 227	79 287
Valuation reserve (NOK mill)	3 043	163	3 027
Return (per cent)	1.3	1.3	5.2

Bonds held-to maturity, last 5 years



Bonds booked at amortised costs

KLP common portfolio

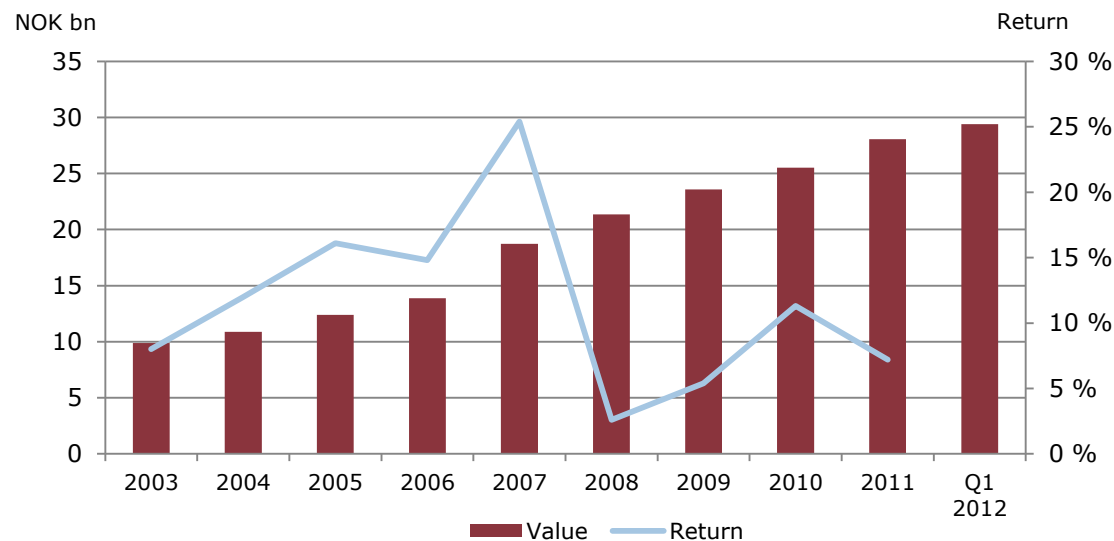


High grade
credit quality
in hold-to
maturity
portfolio

Property investments

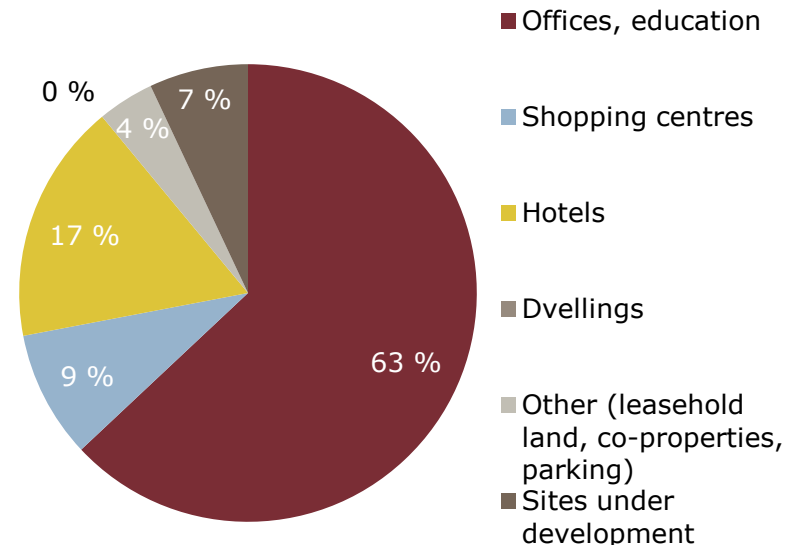
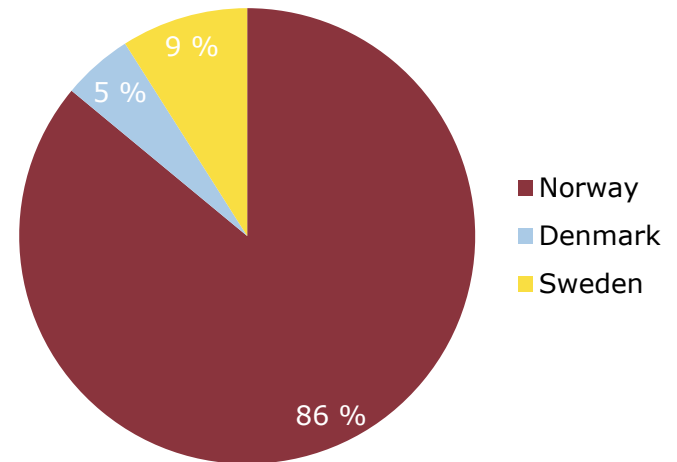
Total portfolio

	Q1 2012	2011	Year 2011
Book value (value-adjusted NOK mill)	31 063	27 633	29 821
Occupancy rate (per cent)	95.7 %	92.9 %	95.1 %
Average lease duration (year)	7.5	7.5	7.6



KLP's real-estate activities

- KLP Eiendom AS is part of the common portfolio, however, the company also manages the real-estate portfolios of other group companies.
- The positive development for centrally located properties maintained, the property portfolio appreciated by NOK 217 million (0.7 per cent) in Q1 2012
- New acquisitions so far in 2012 :
 - Ibsen-quarter in Oslo (acquired) and Fondbygget in Oslo (ceded) in a property SWAP with Norwegian Property
 - Akersgata 64-68 in Oslo
- Real-estate investments constitute 11.8 per cent of the financial assets of the common portfolio



KLP's real-estate investments

Property value	Q1 2012	2011	Year 2011
Value adjustment in per cent	31 275	27 787	29 840
Fair value common portfolio (NOK mill)	0.7%	0.5%	1.4%
Value adjustment in per cent common portfolio	28 710	25 295	27 283
Property value	0.7%	0.3%	1.1%

Return	Q1 2012	2011	Year 2011
Total return	2.0%	1.8%	7.0%
Total return common portfolio	2.0%	1.6%	6.8%

*All figures are exchange-rate hedged

Skadeforsikring (non-life insurance)

Uneven results in Non-life



Individual
Auto-
insurance
better than
expected

A
number
of water related
incidents as well as
some primary and
secondary residence
fires in the Winter
2012

No school-fires
so far in 2012,
largest single
incident NOK
21 million

KLP Skadeforsikring

Q1 2012

- Ordinary result NOK 23.2 million
- Sales activity in retail market remains good
- Premium in force increased by 16 per cent from Q1 2011
- Good financial return in particular on equity investments
- Insurance results slightly below budget:
 - Increased frequency of incidents in some business areas
 - Slight decrease in winter related incidents



Market development

- Strong position in public sector and corporate markets maintained
 - 290 municipalities and counties
 - 2 600 corporate clients
 - Elevated tender activities
- Good sales in retail market
 - 13 500 customers
 - NOK 136 million premium volume
 - Renewal rate above market levels



KLP Skadeforsikring – profit & loss Q1 2011

<i>1 000 NOK</i>	Result Q1 2012	Result Q1 2011	Result 2011
Premium written f.o.a.	161 429	141 001	598 831
Allocated investment income	9 171	16 378	53 947
Claims f.o.a.	-166 123	-138 925	-548 356
Insurance related expenses	-43 995	-34 363	-158 893
Other insurance related income	1 215	970	2 629
Changes in security reserves etc.	-5 849	4 613	-7 902
Result from technical activities	-44 153	-10 325	-59 746
Result from investment activities	76 523	39 681	138 877
Allocated investment income	-9 171	16 378	-53 947
Result from ordinary operation	23 199	12 979	25 185
Estimated tax expense	-12 146	-3 085	-28 848
Provisions for equity fund	20 181	-1 961	-34 403
Result after provisions for equity fund	31 233	7 932	30 740

KLP Skadeforsikring – main figures

Key figures, per cent	Q1 2012	Q1 2011
Claims ratio on own account	102.9 %	91.6 %
Cost ratio on own account	27.3 %	26.5 %
Combined Ratio for own account	130.2 %	118.1 %
Return on capital	2.4 %	1.3 %
Capital adequacy ratio	29.8 %	31.5 %
Revenues, NOK mill	Q1 2012	Q1 2011
Gross premium written	427	365
Premium income for own account	161	141
Claims paid for own account	-166	-140
Insurance related costs for own account	-44	-34
Results	23	13
Key figure balance sheet. NOK mill	Q1 2012	Q1 2011
Financial assets	3 321	3 208
Total assets	3 711	3 654
Equity	730	765
Provisions in insurance funds for own account	2 619	2 519

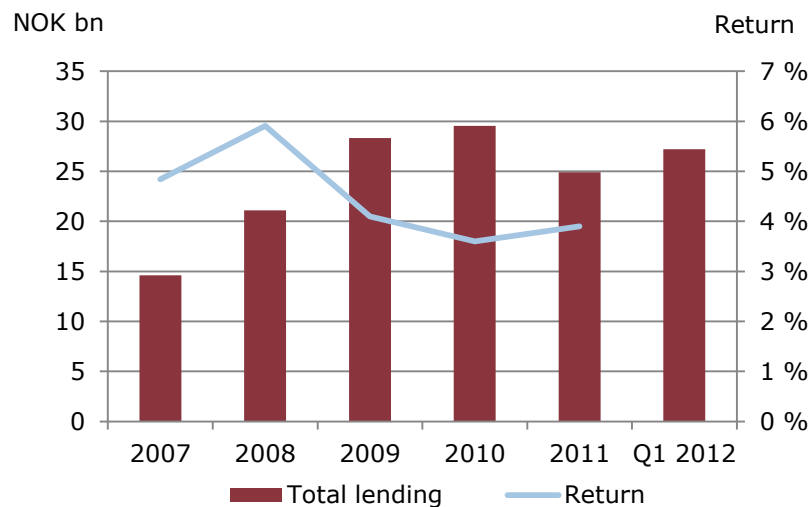
Banking and credit

Lending portfolio

KLP common portfolio

	Q1		Year
	2012	2011	2011
Book value (NOK mill)	27 195	29 388	24 914
Of this: fixed rate loans (NOK mill)	10 371	11 209	10 193
Return year to date (in per cent)	1.0	0.9	3.9
Specific and general credit loss provisions (NOK mill)	0.8	0.7	0.8

Lending portfolio, last 5 years



KLP Bank-group – main figures

NOK million	KLP Kreditt		KLP Kommunekreditt		KLP Banken	
	Q1 2012	2011	Q1 2012	2011	Q1 2012	2011
Net interest revenues	1.7	6.0	7.1	3.0	4.1	12.2
Net fee and commission income	-	0.0	-	-0.0	1.2	3.8
Management fee	-	0.0	-	-	28.3	59.6
Operational costs	0.7	-7.3	7.7	-41.1	25.0	-91.2
Value adjustment financial instruments	0.2	-2.1	17.0	-11.9	0.4	0.0
Result before taxes	1.1	-3.5	16.3	-50.0	9.0	15.6
Total assets	1 515	1 513	26 415	26 550	7 787	9 459

KLP Bank-group – main figures

NOK million	KLP Banken Group	
	Q1 2012	2011
Net interest revenues	12.8	21.1
Net fee and commission income	1.2	3.8
Management fee	28.3	59.6
Operational costs	-33.4	-139.9
Value adjustment financial instruments	17.5	-6.8
Result before taxes	26.4	-62.2
Total assets	29 936	31 715

KLP Bank-group – lending and deposits

<i>NOK billion</i>	Mortgage loans		Public sector loans		Deposits	
	Q1 2012	2011	Q1 2012	2011	Q1 2012	2011
KLP Banken AS (parent)	1.6	3.2	-	-	2.1	1.8
KLP Kreditt AS	-	-	1.4	1.4	-	-
KLP Kommunekreditt AS	-	-	23.1	23.5	-	-
KLP (under management agreement)	8.4	6.3	18.7	18.4	-	-
Total	10.0	9.5	43.2	43.4	2.1	1.8

KLP Banken Q1

- Firm and steady growth in home mortgages
- Ongoing initiative to improve client support and technical
- Corporate deposits included in the product range
- Credit cards will be offered in 2012
- The Bank has started issuing "bank-id" an electronic client identification and security measure.

Retail:
More than
20 000
clients



Resultater Q1 banking sub-group

Operating results:

- Banking sub-group pre-tax operating result NOK 26.4 million
- Positive development in operations
- Unrealised losses previously brought to book in KLP Kommunekreditt reversed

Balance sheet:

- Growth in retail lending, total outstanding NOK 436 million
- Home mortgages totalling NOK 1.6 billion sold to KLP
- Deposits passed NOK 2 billion in March
- New public sector loans NOK 770 million

Asset management

Net new
subscriptions
from external
clients NOK
1.6 billion
in Q1.

Managing NOK
16 billion for
external clients

Active
management
produced NOK
358 million in
excess return

KLP Kapitalforvaltning & KLP Fondsforvaltning

- KLP Kapitalforvaltning AS and KLP Fondsforvaltning AS constitute the securities management activities within the KLP Group. Assets under management totals NOK 221 billion at year end. The major share represent funds managed for Kommunal Landspensjonskasse and its subsidiaries
- NOK 16 billion managed on behalf of external investors and retail clients
- There are about 16 000 holders of KLP funds
- KLP Pensjon II awarded a Morningstar Award



Summary

2012 - a solid start for the year

- Group total assets passed NOK 300 billion
- Strong equity markets contributed to good return for the quarter
- Maintained reinforcing of buffers enable value creation and stable future return for the customers
- Dedicated marketing initiative towards the Public Sector and Retail Market client groups give positive results



Contacts in KLP

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