

13th November 2008

Financial results third quarter 2008



- KLP maintains solvency in difficult financial markets:
 - Capital adequacy ratio 12.6 per cent
 - Core capital ratio 9.2 per cent
 - Solvency margin ratio 213 per cent
- Presupposing a drawing on supplementary allocations the surplus is NOK 582 million including positive administration- and risk- results
- Book return– 1.3 per cent for the quarter and 0.4 per cent for the year to date
- Value adjusted return -1.3 per cent for the quarter and – 3.2 per cent for the year to date
- Total assets reaching NOK 201.8 billion



Key figures

<i>All figures in per cent</i>	Q3 2008	First half 2008	
Return common portfolio			
Return on capital I – book	-1.5	0.4	
Return on capital II – value adjusted	-1.4	-3.6	
Return on capital III – value adjusted incl value adjumstments HTM bonds	-0.6	-3.8	
Return corporate portfolio	0.3	1.9	
Total return			Ytd 30.09.2007
Return on capital I – book	-1.3	0.4	5.6
Return on capital II – value adjusted	-1.3	-3.2	5.5
Return on capital III – value adjusted incl value adjustments HTM bonds	-0.6	-3.6	4.2
Capital adequacy		12.6	11.8
Core capital adequacy		9.2	8.4

Presentation of accounts third quarter 2008

Income statement <i>NOK mill</i>	Q3 2008	Ytd 30.09.08
Pension premiums and incoming transfers	13 402	19 004
Net revenues from investments in common portfolio	-2 549	-6 591
Other insurance related income	163	430
Claims paid and outgoing transfers	-1 917	-8 050
Changes in technical provisions incl. changes in valuation reserves	-12 457	-6 797
Allocations to insurance contracts	397	-330
Insurance related operating costs	-159	-441
Other insurance related costs	-183	-447
Technical result	-3 303	-3 223
Net revenues from investments in corporate portfolio	28	218
Other revenues and expenditures	-46	-143
Result non-technical accounts	-18	75
Other elements		0
Total result	-3 321	-3 148

Appropriation of results third quarter 2008

Results <i>NOK mill</i>	To customers	To owners	Total
Interest result		-3 400	-3 400
Risk result	302	-8	294
Premium interest rate guarantee		117	117
Administration result		96	96
Net income corporate portfolio		75	75
Appropriated to customers	28	-28	0
Accumulated results	330	-3 148	-2 819

Negative cover of guaranteed interest return is charged to owners' return as supplementary reserves may not be drawn on for interim reporting. However, according to GAAP for year-end closing the total negative cover of guaranteed interest return would be covered through drawing on the supplementary reserves as the shortfall does not exceed the interest rate guarantee. This would have resulted in an allocation from clients' reserves for cover of deficit of NOK 3 400 million.

Notional presentation of results presupposing drawing on supplementary reserves.

330 252 582

Main figures Balance Sheet

Assets <i>NOK mill</i>	01.01.08	Change	30.09.08
Immaterial assets	157	35	192
Investments in corporate portfolio	11 605	783	12 388
Other assets	1 968	9 376	11 344
Total assets in corporate portfolio	13 730	10 194	23 924
Real-estate subsidiaries	17 399	1 118	18 517
Bonds at amortized cost	57 791	3 781	61 572
Lending	15 716	2 366	18 082
Equities	43 858	-16 882	26 975
Bonds	37 068	4 403	41 471
Financial derivatives	890	93	983
Other financial assets	8 464	1 855	10 319
Total investments in common portfolio	181 186	-3 266	177 920
Total assets	194 916	6 928	201 844

Main figures Balance Sheet

Capital and liabilities <i>NOK mill</i>	01.01.08	Change	30.09.08
Equity paid-in	4 220	329	4 549
Equity fund	3 110	-4	3 106
Unallocated result to owners		-3 145	-3 145
Hybrid and subordinated capital	3 514	304	3 818
Technical reserves	163 277	13 798	177 075
Supplementary reserves	7 784	-124	7 661
Valuation reserves	7 132	-7 132	0
Unallocated result to clients		330	330
Other attribution to technical reserves	4 204	-2 333	1 871
Other liabilities	1 675	4 906	6 581
Capital and liabilities	194 916	6 928	201 844

Financial assets in common portfolio

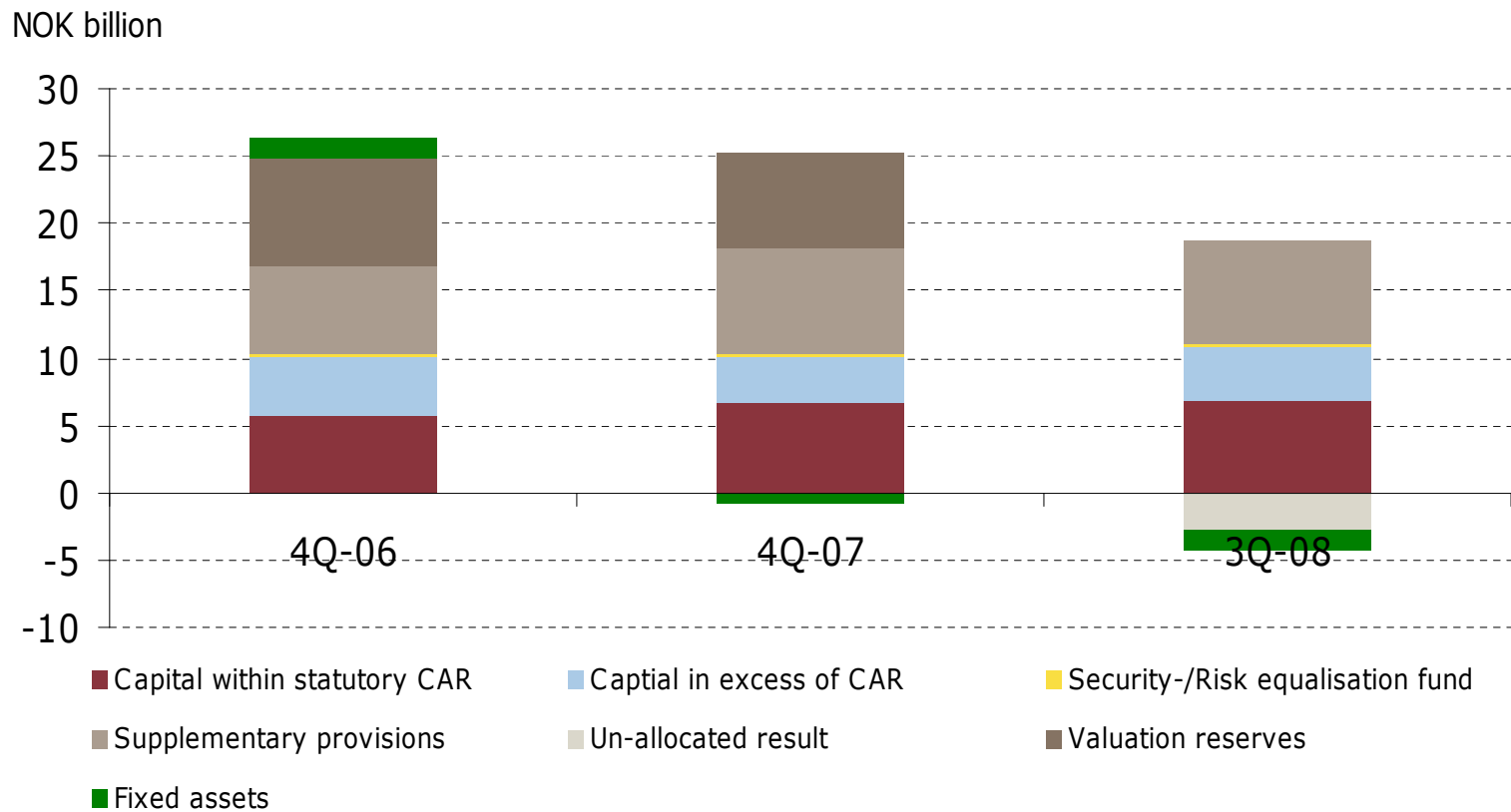
Asset allocation in relation to total investments 30.09.2008 <i>All figures in per cent</i>	Measured by market value	Measured by net market exposure	Return End Q3
Trading portfolio equities *	16.3	7.2	-21.8
Trading portfolio bonds	20.4	20.7	-1.4
Liquidity/Money-market	5.9	14.6	3.5
Long term-/Held-to-maturity bonds	36.0	36.1	4.0
Lending	9.8	9.8	4.4
Property	11.6	11.6	-0.6
Total	100	100	

Financial buffer capital/capital adequacy

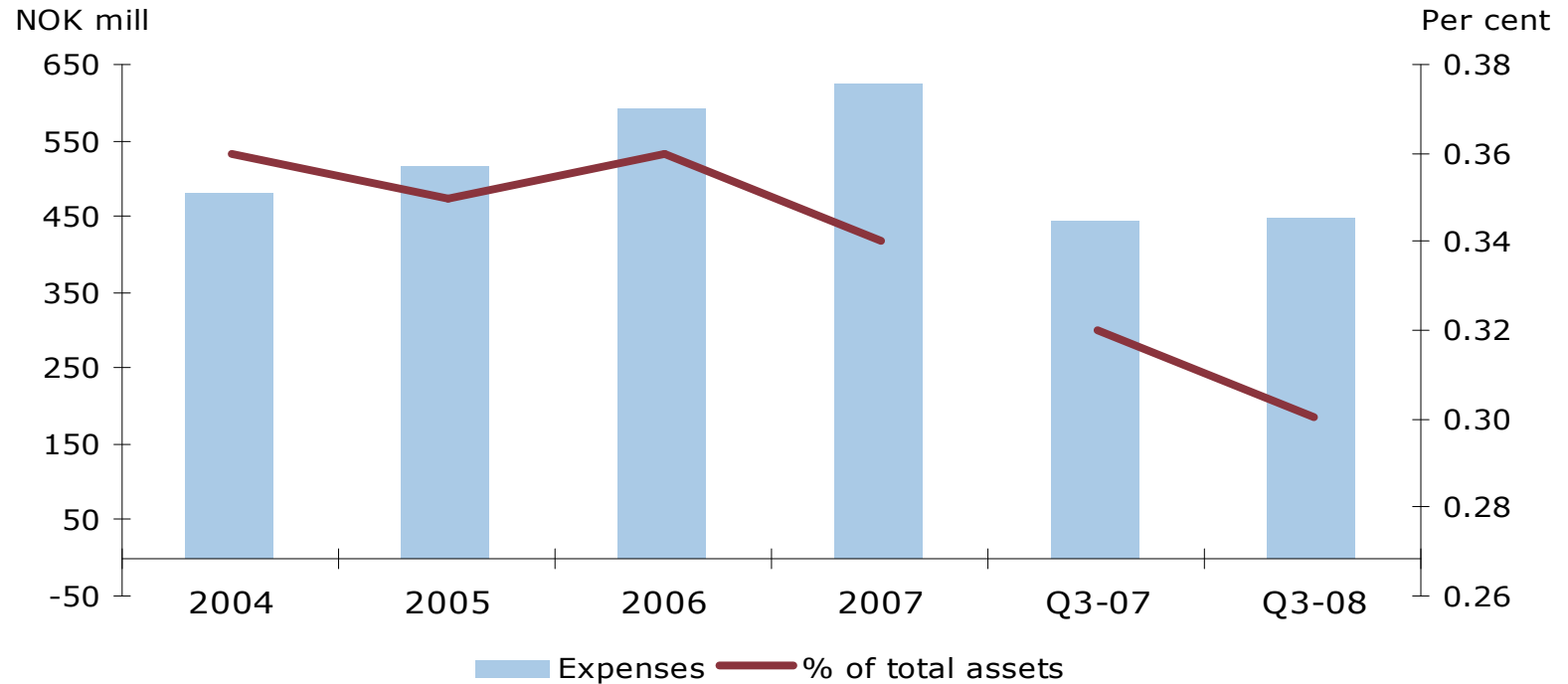
<i>NOK mill</i>	31.12.07	30.09.08
Valuation reserves	7 132	0
Income to date and supplementary reserves (up to one year's guaranteed return)	5 388	2 907
Core capital margin	3 398	3 966
Regulatory buffer capital	15 918	6 874
Supplementary reserves exceeding 1 year's guaranteed interest	2 396	1 934
<i>Figures in per cent</i>	31.12.07	30.09.08
Capital adequacy ratio	12.1	12.6
Core-capital adequacy ratio	8.7	9.2
Solvency capital	218	213
Solvency capital as percentage of technical reserves with interest rate guarantee ¹⁾	14.5	8.1

¹⁾ As defined in FNH statistics

Financial solidity

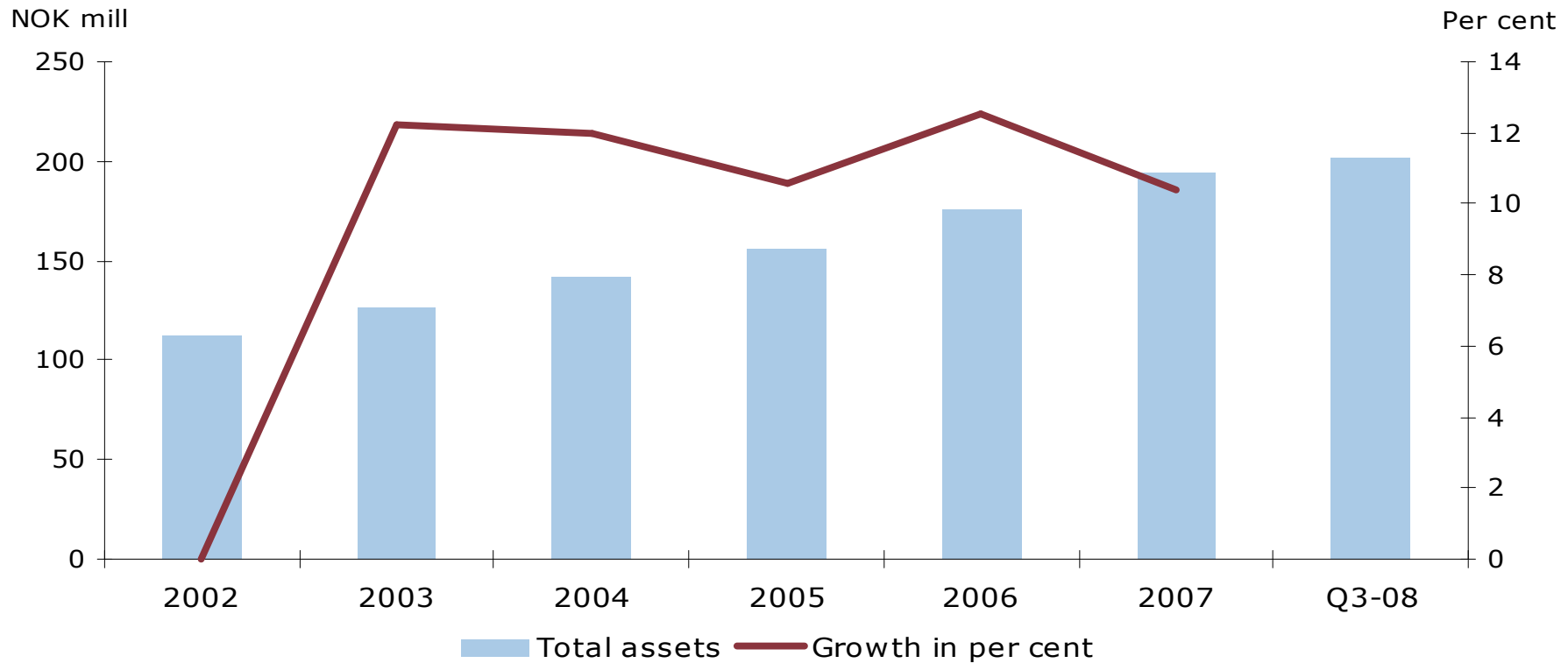


Stable cost ratio

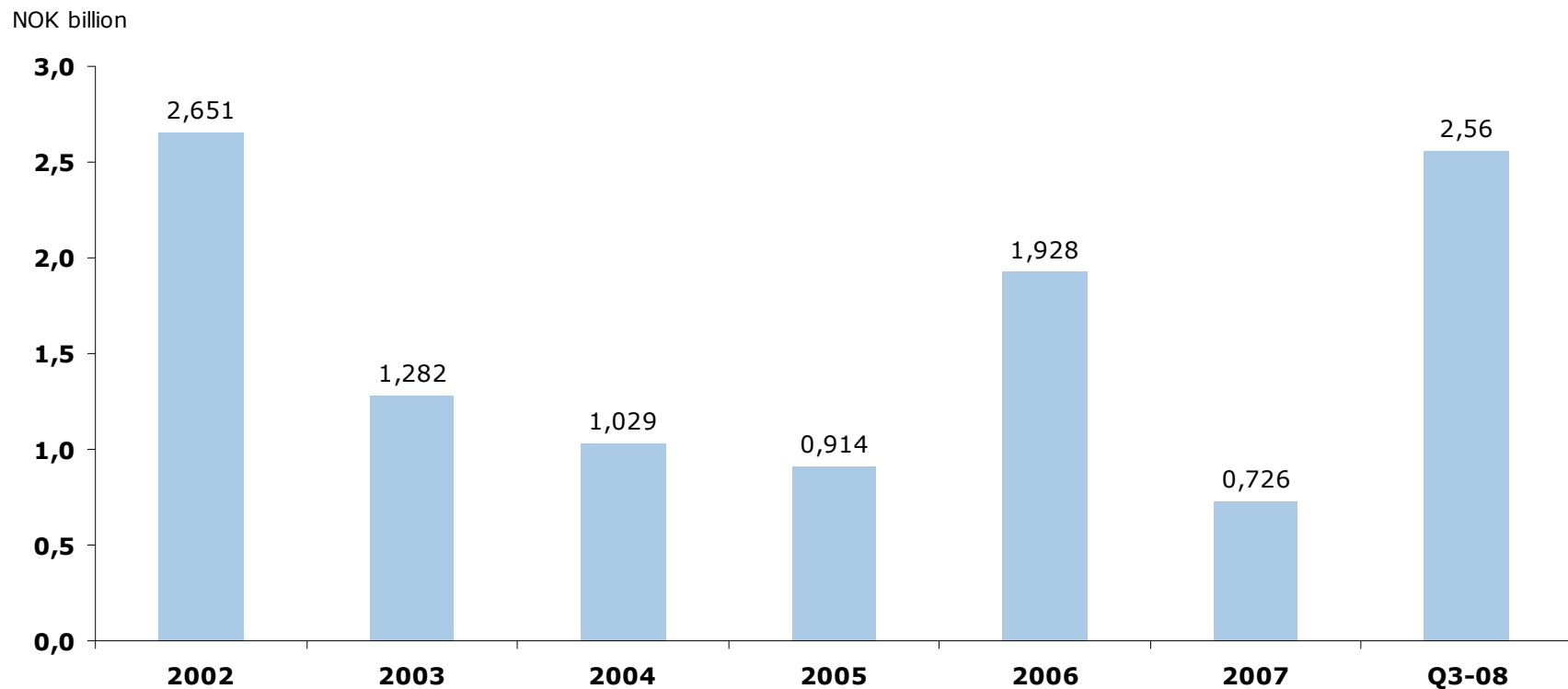


Costs in 2007 excluding NOK 244 million in connection with extraordinary bringing pension corridor to zero.

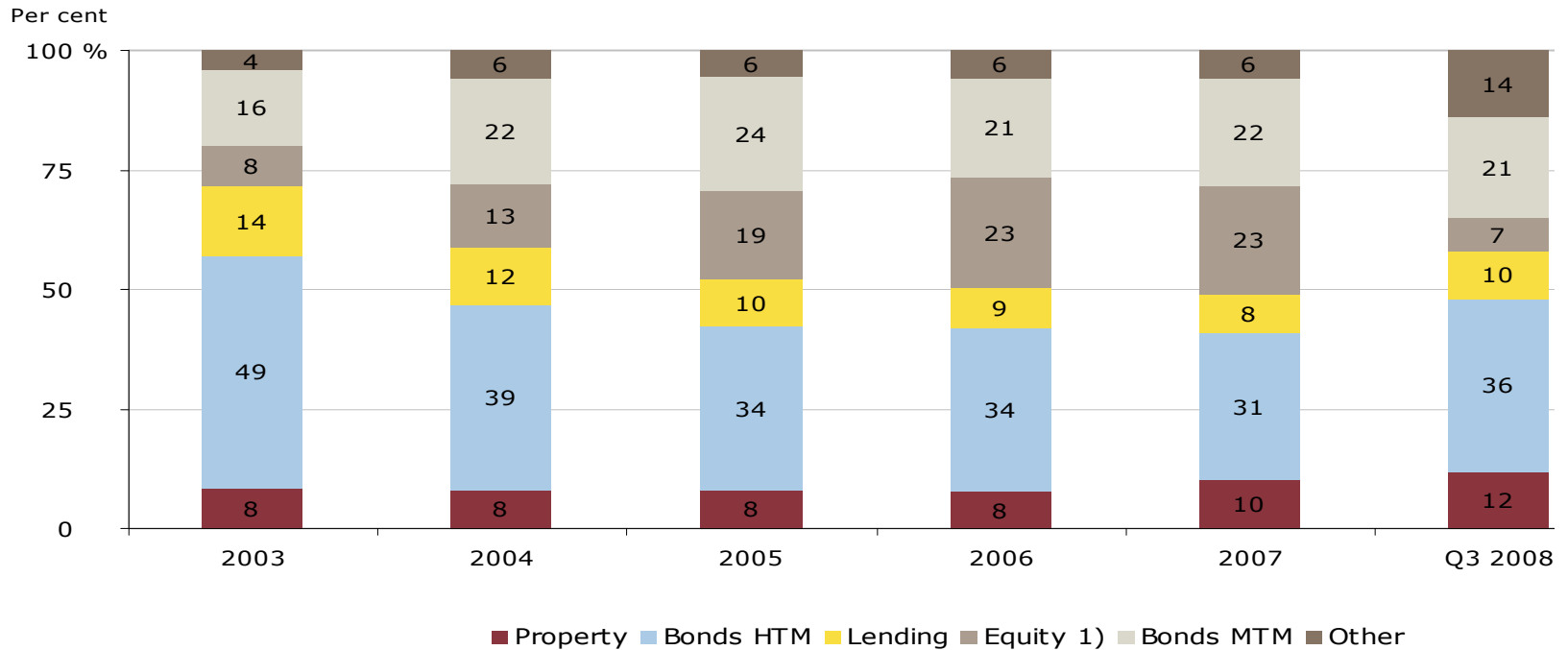
Total assets and growth



Net transfers from KLP



Asset allocation in KLP



1) Exposure figure of equities

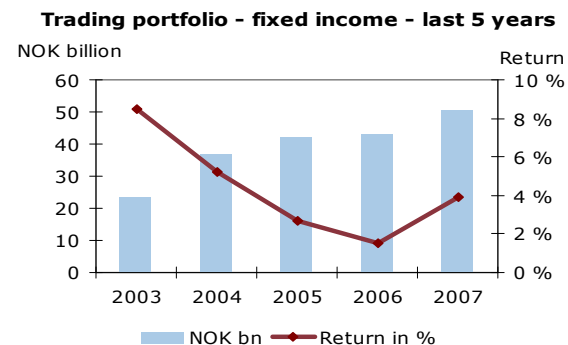
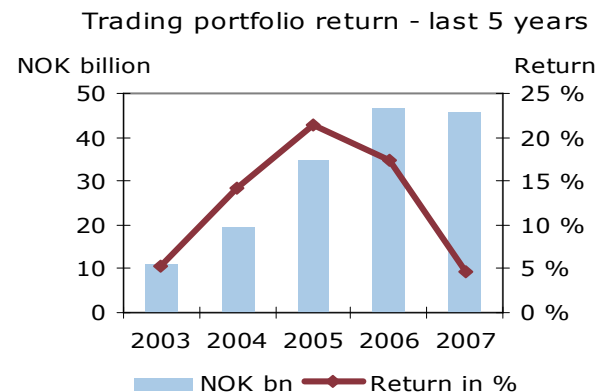


Trading portfolios – equities and bonds

Trading portfolios equities and fixed income*	30.09.08
Value equities (NOK mill)	28 122
Value fixed income (NOK mill)	45 206
Equities incl. derivatives (in per cent of fin. assets)	7.3 %
Return equity portfolios ytd.	-21.8 %
Return trading portfolios fixed income ytd.	-0.3 %

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

Index-tracking portfolios	30.09.08
Share index-tracking equities	83 %
Share index-tracking fixed-income	42 %



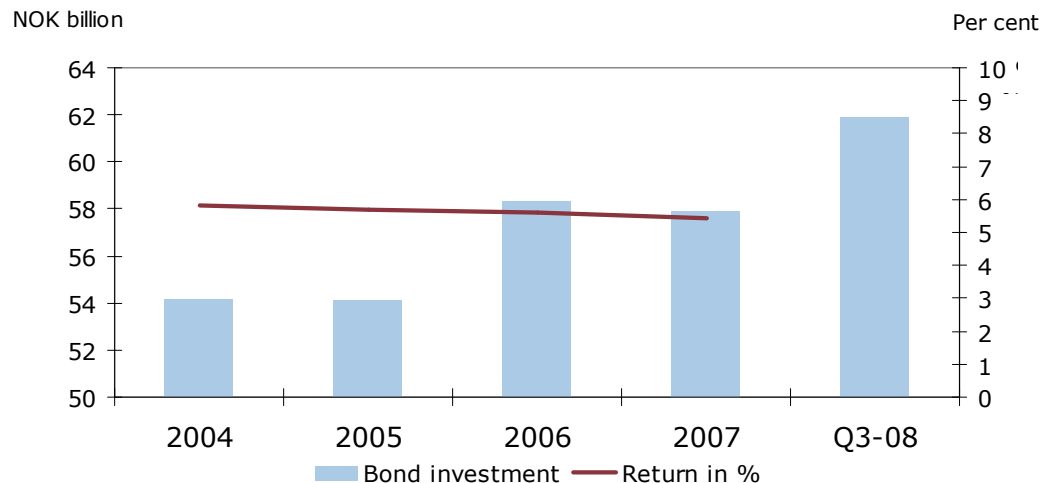
Trading portfolios – geographic split

Trading portfolio equities – Geographic distribution incl. derivatives (<i>per cent</i>)	30.09.07	31.12.07	30.09.08
Trading portfolio equities total	100	100	100
Norway	13.7	15.1	12.8
Other Nordic countries	3.7	3.7	4.6
Other International	81.7	80.1	80.3
Misc. portfolios	0.9	1.1	2.3

Trading portfolio fixed-income – Geographic distribution incl. derivatives	30.09.07	31.12.07	30.09.08
Fixed income – total trading portfolios	100	100	100
Norway – money market	25.4	25.4	22.4
Norway – bonds	16.2	16.8	15.5
International bonds	57.5	57.0	61.5
Other portfolios	0.9	1.0	0.6

Bonds held-to-maturity

<i>Common portfolio</i>	30.09.07	31.12.07	30.09.08
Book value (NOK mill)	55 092	57 898	61 858
Valuation reserves (NOK mill)	-849	-894	-1 218
Return year to date (per cent)	4.1	5.4	4.0



Credit policy

- Hold-To-Maturity Bonds

- International bonds bought to be held to maturity limited to sovereign risk or rated AA- or better ⁽¹⁾, or bonds rated A or better with maturity of less than 10 years.

Bonds downgraded to be reviewed for reclassification

- Global bond portfolios divided into

- International bonds in trading portfolio limited to sovereign risk or rated AA or better
- International Credit Portfolio “investment grade” bonds, limited to 20 per cent of total assets ²⁾

- Norwegian bonds

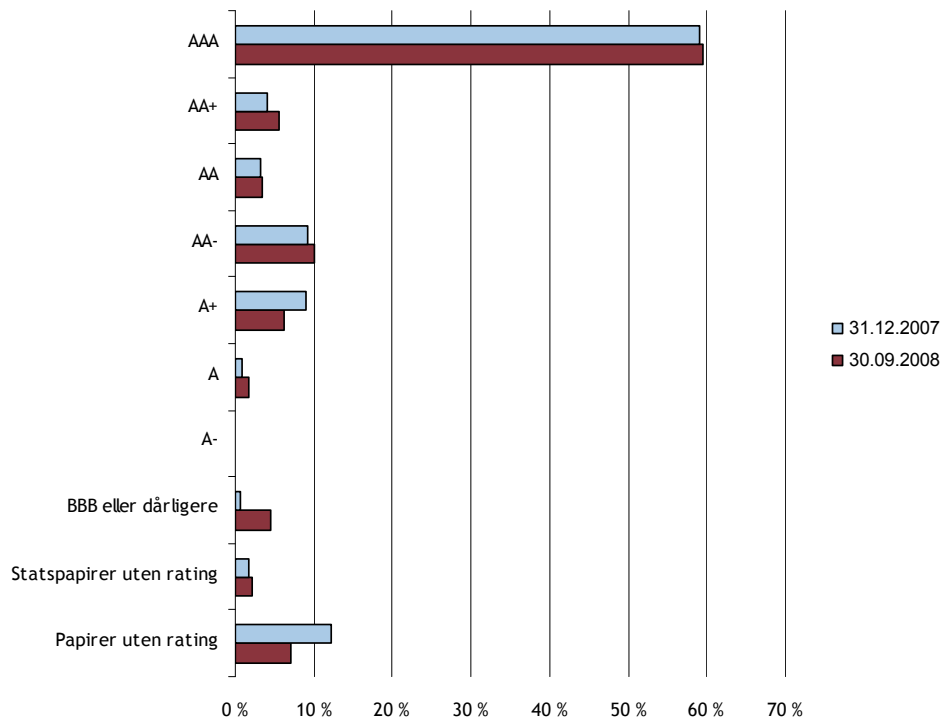
- Within specific credit limits given by Credit committee
- Lines subject to annual renewal and quarterly review.

1) Or equivalent by other leading rating agency

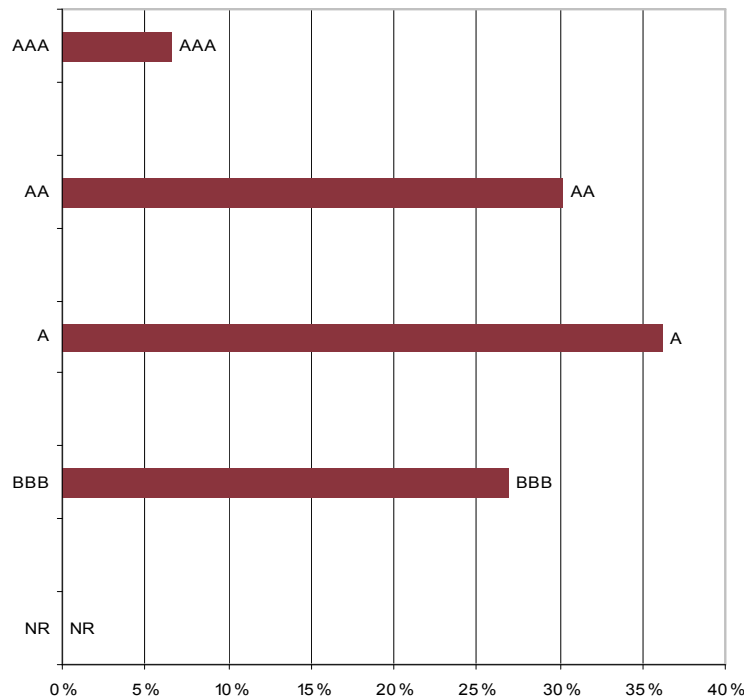
2) Actual utilisation 10.8 per cent per 30.09.2008

Rating overview bond portfolios

Bonds held to maturity by rating



Components in KLP's benchmark for credit portfolios by rating (2)



- 1) Unrated paper consist of Norwegian bonds under credit lines approved by KLP's credit committee.
- 2) The index-tracking bond fund *KLP Obligasjon I* using this benchmark is rated A- J/S 2 by Standard & Poor's.

Property portfolio

	30.09.07	31.12.07	30.09.08
Book value (value-adjusted NOK mill)	17 981	18 723	21 944
Total space occupied incl. sites (1 000 sq m)	1 238	1 230	1 365
Occupancy rate (per cent)	97.6	97.5	96.3
Average lease duration (year)	6.4	6.4	6.3
Yield year to date (per cent)	6.0	6.9	-0.4

Property ownership by portfolio;;

- Common portfolio 90.8 %
- Corporate portfolio 8.4 %
- KLP Skadeforsikring (Non-life insurance) 0.7 %
- KLP Bedriftspensjon (Private sector pensions) 0.1 %

- Geographic split of the portfolio;
 - 83 % Oslo
 - 9 % Trondheim
 - 8 % Copenhagen
- Sector diversification of the portfolio;

60 % office	13 % hotels
10 % shopping centres	4 % real estate
8 % under construction	5 % other

Real estate

- KLP's internal valuation modelling takes into account factors specific to each object as well as changes in general market conditions. To safeguard the quality of the internal valuations a representative pilot portfolio is subject to quarterly external evaluation. Furthermore 10 per cent of the property portfolio is randomly selected for external evaluation every year. This took place in June 2008, however to further safeguard the quality of the internal models, the same objects underwent external evaluation in September.
- The individual assessment of each singular object in KLP's portfolios resulted in both upwards- and downwards re-evaluations.
- Assessment of the objects in KLPs common portfolio resulted in a net write-down of NOK 239.7 million
- Assessment of the objects in KLPs corporate portfolio resulted in a net positive re-valuation of NOK 247.4 million
- Total negative re-valuation of KLP's property portfolio for the year to date amounts to NOK 741.8 million, the equivalent of 3.4 per cent.

Asset management

KLP Kapitalforvaltning & KLP Fondsförvaltning

- Net external subscriptions from institutional investors
 - NOK 1 billion in Q3
 - Year to date NOK 3 billion
 - The market as a whole has net redemptions of NOK 4 billion, indicating that KLP has increased its market share.
- New retail fund launched: KLP AksjeNorge Indeks II
 - Low-cost fund offering good diversification (Oslo Børs General Index)
 - Good demand for the product
- Total return in excess of benchmark indices: NOK 73 million
- No abnormal redemptions as fall-out from the financial crisis recorded.

Non-life insurance:

KLP Skadeforsikring AS – pr Q3 2008

- Net return per 30.09 NOK -13.1 million (NOK 36.9 million)
- Return on financial assets -0.3 per cent for the quarter (2.8 per cent), return for the third quarter -0.4 per cent (0.8 per cent)
- Good technical results, both for this year's business and previous year's gave a total cost percentage of 99.9 per cent for the quarter (115.7 per cent).
- Claims percentage all business 78.6 per cent (93.2 per cent)
- Cost percentage all business 21.3 per cent (22.5 per cent)
- The security provisions constitute a satisfactory buffer against possible unwinding-losses and unfavourable risk evolution

Profit & Loss, third quarter 2008

	Regnskap periode 1.1-30.09.08 2007	Regnskap periode 1.1 - 30.09 2008
<i>Results NOK mill</i>		
Premium written f.o.a.	388.9	400.2
Allocated investment income	74.9	80.9
Claims f.o.a.	-362.5	-314.7
Operating costs	-87.3	-85.2
Insurance related expenses	28.9	3.4
Other insurance related income	-8.9	-5.0
Result from technical activities	34.0	79.7
Result from investment activities	77.8	-12.0
Allocated investment income	-74.9	-80.9
Result from ordinary operation	36.9	-13.1

KLP non-life insurance

Key figures. <i>per cent</i>	30.09.07	31.12.07	30.09.08
Claims ratio on own account	93.2	82.2	78.6
Cost ratio on own account	22.5	23.1	21.3
Combined Ratio for own account	115,7	105.3	99.9
Return on capital	2,8	4.0	-0.3
Capital adequacy ratio	33,0	27.4	29.2
Revenues. <i>NOK mill</i>	30.09.07	31.12.07	30.09.08
Gross premiums written	533	555	541
Premium income for own account	389	521	400
Claims paid for own account	362	428	315
Insurance related costs for own account	87	118	85
Results	37	71	-13
Key figure balance sheet. <i>NOK mill</i>	30.09.07	31.12.07	30.09.08
Financial assets	2 708	2 630	2 870
Total assets	2 843	2 772	3 063
Equity	609	579	634
Provisions in insurance funds for own account	2 158	2 052	2 311

Key points

In financial markets characterized by disquiet and lack of confidence KLP retains

- Solid financial reserves
- Good risk controll
- Strong discipline for reducing risk in difficult markets
- Good resultats from client interaction

Establishing a solid foundation for achieving good returns in 2009 and for maintaining the Group's growth and positive development.



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