

Interim report 4 / 2010

Report from the board of directors - Income statement & Balance sheet - Notes



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Interim report fourth quarter 2010

A good year to the benefit of KLP's owners and clients

Key elements:

- value-adjusted return on the Common Portfolio was 2.3 per cent in the fourth quarter, 7.5 per cent for the whole of 2010, the best among the life companies active on the municipal market
- profits for our pension customers of NOK 9.7 billion of which NOK 2.6 billion is retroceded to the Premium Fund, NOK 2.1 billion is allocated to supplementary reserves and NOK 5.1 billion is allocated to the Securities Adjustment Fund
- KLP's solvency and balance sheet structure is well matched to current and future solvency requirements.

KLP - customer-owned company in development

In 2010 KLP had a good returns result and a good profit for the Company, notwithstanding unsettled financial markets through parts of the year. Seen in isolation the fourth quarter produced a very satisfactory profit.

The good results in 2010 allow for substantial returns of profits to our pensions customers, while at the same time the Group's solvency is considerably strengthened.

At the end of 2010 the Group had total assets of NOK 271.7 billion and an operating profit of NOK 10 258 million.

The Group's capital adequacy amounted to 11.5 (12.0) per cent and core capital adequacy was 8.9 (9.2) per cent at the end of the quarter.

Kommunal Landspensjonskasse (KLP)

KLP is a life insurance company with public sector occupational pensions as its main product. The Company is a mutual company in which the public sector occupational pension customers are also owners of the Company. KLP is the parent company in the KLP Group that delivers a wide range of financial products and services aimed at the public sector and public sector employees.

Results after the fourth quarter 2010

Returns

Over the fourth quarter the pension customers' fund has been supplemented by a total of NOK 5.1 billion in returns, of which NOK 3.5 billion represents a surplus in excess of the guaranteed interest rate. The returns taken to book so far this year thus amount to NOK 4.3 billion after allocations to the Securities Adjustment Fund of NOK 5.1 billion. Value-adjusted returns were 2.3 per cent for the quarter, 7.5 per cent for the year. Book returns were 1.2 per cent for the quarter, 5.1 per cent for the year. If added values in long-term bonds and fixed rate lending are included, the value adjusted return was 1.3 per cent for the quarter, 7.4 per cent for the year.

Risk result

There were no unexpected risk matters of significance in the Company's insurance portfolio during the fourth quarter. The risk result in group pensions was NOK 100 million for the quarter, NOK 189 million for the year.

Administration result

The Company's administration result shows a surplus of NOK 3 million in the fourth quarter. For the year the administration result is NOK 82 million. This is NOK 79 million lower than in 2009. The reduction in the administration result was not due to a higher level of costs, but is because KLP reduced its expenses premiums in 2010 to allow the Company's cost effective operation to benefit its pension customers.

Other result elements

Net income from investments in the corporate portfolio was NOK 201 million in the quarter, NOK 712 million for the year.



KLP has dynamic risk management so the interest guarantee premium can be kept at a low level. The income taken to book from the interest guarantee premium was NOK 47 million for the quarter, NOK 184 million for the year.

The total profit for the Company was NOK 160 million for the quarter, NOK 572 million for the year.

Profits NOK million	Customers	The Company	Total
Interest result	4 267	13	4 280
Risik result	189	-29	160
Administration profit/loss		184	184
Interest guarantee premium		82	82
Net income corporate portfolio		517	517
Return on the corporate portfolio credited to customers	195	-195	-
Result 2010	4 651	572	5 222
Result 2009	6 635	738	7 374

Key figures - the common portfolio Per cent	Q4 2010	Q4 2009	Year 2010	Year 2009
Return on capital I	1.2	0.9	5.1	6.4
Return on capital II	2.3	1.8	7.5	7.7
Return on capital III	1.3	1.8	7.4	7.6
Capital adequacy			12.0	11.8
Solvency margin ratio			224	218
Insurance-related operating expenses as a percentage of average customer funds)			0.34	0.34

Financial strength and capital-related matters

At the end of the fourth quarter total assets in KLP were NOK 244.3 (223.9) billion. Total assets in the Group were NOK 271.7 billion (259.0).

KLP capital adequacy at the end of the fourth quarter was 12.0 per cent and core capital adequacy was 9.3 per cent.

The solvency margin ratio continues at a strong level of 224 per cent (222 per cent).

At the end of the quarter KLP had total solvency capital of NOK 32.9 billion, representing 15.7 per cent of the insurance funds with interest guarantees. Solvency capital was increased by NOK 7.6 billion during 2010.

1) Figures in brackets give the corresponding values for Q4 2009

The Company's solvency is assessed as good in relation to the risk profile and the authorities' requirements.

New solvency requirements

New solvency requirements for insurance companies are being introduced from 2013: Solvency II. The new requirements mean the introduction of measurement of companies' total risk exposure (insurance risk, market risk, counter-party risk and operational risk) against the company's total solvency capital. In preparation for the introduction of new solvency requirements, the Financial Supervisory Authority of Norway introduced a new supervisory methodology and new stress tests in 2008 to measure solvency based on Solvency II.

KLP sets great store in a good process leading to the introduction of the new solvency rules. KLP is a company with long experience of risk management and monitoring and over several years the Company has given priority to building up buffer capital. During the fourth quarter KLP carried out a quantitative study (Quantitative Impact Study 5 - QISS) on the impact of the standard method in the new rules on the Company's capital requirement. KLP has participated in several quantitative studies previously. Both these and the Norwegian FSA's stress tests indicate that KLP is well adapted to meeting the capital requirements in Solvency II.

Premium income

The premium income for the quarter was NOK 3,385 million, an increase of NOK 358 million over the fourth quarter 2009. For the whole of 2010 premium income was NOK 20,345 (18,868) million. The premium figures include discrete indexation premium as a result of increased pension obligations in with the annual pay settlement and the new National Insurance basic sum ("G").

Claims

Pensions and other claims paid during the fourth quarter amounted to NOK 2,200 million, NOK 10 080 million for the year.

Management of the common portfolio

The assets in the common portfolio totalled NOK 226 billion and as at 31 December 2010 were invested as shown below:

Assets Per cent	Portion 31.12. 2010	Return as at Q4 2010	Return as at Q4 2009	Portion 31.12. 2009
Shares	18.5	14.5	32.5	12.3
Short-term bonds	22.5	7.3	11.3	21.7
Long-term/HTM bonds	32.9	5.3	5.4	34.6
Lending	13.1	3.6	4.1	13.8
Property	11.3	11.9	2.2	10.9
Other financial assets	1.6	2.8	3.5	6.7



Shares

Total exposure in shares including share derivatives amounted to 18.5 per cent.

Seen in isolation the fourth quarter provided very good equity returns. The fall in value during the second quarter was recouped in the third quarter and the equities portfolio has contributed a very positive return over the year.

Short-term bonds

Short-term bonds and money market instruments amounted to 22.5 per cent of the assets in the common portfolio as at 31 December 2010.

The returns on Norwegian and global government bonds have been good during 2010. Nevertheless increasing interest rates in the last quarter have produced a negative return for the quarter seen in isolation. The same is the case for KLP's portfolio of international corporate bonds which comprises bonds with a rating of BBB or higher.

Bonds held to maturity

Investment in bonds held to maturity amounted to 32.9 per cent of the common portfolio as at 31.12. 2010. Added value not brought to book was NOK 1.4 billion as at 31 December 2010. The portfolio is well diversified and comprises securities issued by institutions of eminent creditworthiness.

Property

Property investments amounted to 11.3 per cent of the common portfolio as at 31 December 2010. KLP carries out a thorough valuation of its property stock each quarter. During 2010 the markets have largely recouped the drop in value over 2008 and 2009. This has produced a write-up of property values in the common portfolio during the fourth quarter 2010 of NOK 297 million (including currency and funds) and in total NOK 1,634 million for the year (including currency and funds). Value-adjusted return in the fourth quarter was 2.4 per cent in the common portfolio and 11.9 per cent for the year (including property funds).

Lending

KLP's lending portfolio was NOK 29.6 billion, an increase of NOK 1.2 billion since the start of the year. The portfolio was divided into NOK 22.0 billion in lending to local authorities and other employers, and NOK 7.5 billion in mortgage-secured housing loans. The lending portfolio is characterised by high quality, with no losses on local government loans and

very modest loss provisions on housing loans. Added value not brought to book was NOK 0.3 billion as at 31 December 2010.

Return on the corporate portfolio

The corporate portfolio covers investment of owners' equity and outstanding Tier 1 and Tier 2 debentures.

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 1.4 per cent during the fourth quarter and 5.2 per cent for the whole of 2010.

Product and market matters

In 2010 KLP achieved an approximate balance in transfers, and thus achieved the best transfer result since the year 2000. Only one of KLP's local government customers went out to tender and that one chose to move. On the other hand 17 enterprises chose to transfer to KLP.

KLP is working with determination to maintain a high level of service and has set ambitious targets for timely accuracy in case processing. More than 99 per cent of cases were dealt with within the service targets KLP has set.

KLP's good customer relations are also confirmed by consistently good scores on customer satisfaction surveys.

The business areas of the subsidiaries

Private occupational pensions

Through KLP Bedriftspensjon AS, KLP offers defined benefit and defined contribution pensions to businesses not covered by a pay agreement on public sector occupational pensions.

KLP Bedriftspensjon has been in operation for three years and is now beginning to see good results from determined customer work. During 2010 the company has had an increase in total assets of NOK 115 million, split between NOK 21 million on defined benefit pensions and NOK 94 million on defined contribution pensions.

KLP Bedriftspensjon achieved a value-adjusted return of 2.6 per cent on the common portfolio during the fourth quarter and 8.3 per cent for the year.



Customers with defined contribution pensions can choose between several standard saving profiles with different risks, defined through varying proportions of the assets invested in equities. The actual defined contribution pension profiles achieved the following returns for 2010:

Profile return	P90	P70	P50	P30
Return 2010	12.10 %	11.15 %	9.87 %	8.50 %
Return 2009	36.80 %	30.70 %	23.70 %	17.70 %

The company's administration result continues to be marked by low volume in relation to the level of investment in systems and other costs. The administration result for the fourth quarter is NOK - 5.4 million and NOK - 23.4 million for the year.

The risk result amounted to NOK 0.2 million during the fourth quarter, NOK 3.6 million for the year.

Non-life insurance

KLP Skadeforsikring AS is a significant provider of non-life insurance to municipalities and county authorities. In addition the company has a growing number of customers within local government enterprises and companies in related sectors. During 2010 KLP Skadeforsikring underwent a certification process in accordance with the ISO 9001 standard and was accredited from the start of the new year.

In the fourth quarter 2010 KLP Skadeforsikring recorded a profit of NOK 18 million, NOK 77.9 million for the year.

The financial return for the period was satisfactory with a total return of 1.9 per cent, 7.2 per cent for the year.

During 2010 the insurance business has been characterised by a greater number of major claims than normal. But a continuing good financial result and release of previous years' contingency reserves contribute to a good result for the year.

The company has maintained a good capital base with solid buffers and, as at 31 December 2010, had capital adequacy of 32 per cent against the authorities' minimum limit of 8 per cent.

KLP Kapitalforvaltning and KLP Fondsforvaltning

KLP Kapitalforvaltning AS and KLP Fondsforvaltning AS comprise the KLP Group's securities and fund management opera-

tion. In total at the end of 2010 NOK 196 billion was under management. The majority of the assets managed are managed on behalf of Kommunal Landspensjonskasse and its subsidiaries in the KLP Group.

Asset under management increased by NOK 20 billion from 2009, of which NOK 2.8 billion is growth in assets managed for external institutional customers who invest in KLP's funds products. The management mandates are won in competition with both Norwegian and foreign management operations. Net new subscription in KLP's securities funds from customers external to the Group and private customers amounted to NOK 1.6 billion in 2010.

KLP Kapitalforvaltning AS achieved profit for the year of NOK 17.8 million and KLP Fondsforvaltning achieved profit for the year of NOK 1.0 million.

KLP Banken

The KLP Banken Group is showing a profit of NOK 26 million for the year, the fourth quarter producing a profit of NOK 34 million. Solvency in the banking group is good with capital adequacy and core capital adequacy of 14.2 per cent against the authorities' requirement of 8.0 per cent.

On behalf of itself and on behalf of KLP, KLP Banken manages a local government loans portfolio of NOK 46.7 billion as well as a total housing mortgage portfolio of NOK 8.8 billion.

KLP Kommunekreditt AS, which is the banking group's special enterprise issuing bonds secured in public sector loans, has issued bonds for NOK 2.8 billion during the fourth quarter.

KLP Banken has received the issuer rating A- from Fitch Ratings, while KLP Kommunekreditt's lending programme has received the best rating AAA from Fitch Ratings and Aaa from Moody's Investor Service.

The good rating achieved enables KLP Kommunekreditt to obtain long-term finance at favourable market terms.

Group activities

Social responsibility

KLP Kapitalforvaltning conducts dialogues with companies and excludes companies departing from our ethical guidelines. In total 59 companies were excluded at the end of 2010. Three



companies were re-included in the portfolios in the course of the year.

Environmental certification of the units within KLP Eiendom was completed during the fourth quarter.

Future prospects

The volatility in the financial markets throughout 2010 underlines the importance of strong solvency and good risk management.

KLP attaches weight to maintaining strong solvency in order to meet market challenges and regulatory changes in the future. It is particularly important to maintain good solvency in order to be able to place funds in assets for which high returns are expected, a factor that is particularly important in a possible scenario in which interest rates remain low during the immediate years.

To be able to offer our customers good solutions is important for KLP. The Company will in future work on strengthening its ability to provide good long-term financing solutions for our municipalities and county authorities. Likewise we intend to improve awareness of the good membership terms and conditions in order thus to secure growth in the personal market.

Efficient operation produces lower costs for customers and owners. In 2011 KLP will strengthen its marketing efforts and further develop internet-based sales channels in order to provide the basis for continued growth.

Large increases are expected in the number of pension claims in the future and this will place increased requirements on improving efficiency and automating case processing. This will be a priority project in KLP's core area in future.

Oslo, 17th February 2011

The Board of Directors of Kommunal Landspensjonskasse

Arne Øren
Chair

Finn Jebsen
Deputy chair

Gunn Marit Helgesen

Ann Inger Døhl

Herlof Nilssen

Jan Helge Gulbrandsen

Siv Holland
Employee representative

Freddy Larsen
Employee representative



Group accounts after the fourth quarter 2010

Notes	Income statement Group NOK million	Q4 2010	Q4 2009	01.01.10 -31.12.10	01.01.09 -31.12.09
	Premium income for own account	3 485	3 062	21 014	19 404
	Current return on financial investments	1 477	2 302	7 629	8 254
	Net gain on financial investments	3 157	1 439	5 920	5 813
5	Net income from investment properties	806	40	2 907	315
	Net profit from investments in associated companies	8	0	8	102
	Other income	57	206	773	760
	Total income	8 989	7 049	38 251	34 649
	Claims for own account	-2 209	-2 040	-10 606	-10 365
	Change in provisions for the non-life business	-18	-24	-26	-51
	Change in technical provisions for the life business	-2 471	-1 430	-15 374	-13 364
	Net costs subordinated loans and perpetual subordinated loans	12	79	-301	579
4	Operating expenses	-320	-288	-1 009	-958
	Other expenses	-191	-183	-678	-679
	Total expenses	-5 196	-3 886	-27 993	-24 838
	Operating result	3 793	3 163	10 258	9 811
	To/from valuation reserves in life insurance	-2 585	-2 387	-5 077	-2 387
	To/from supplementary provisions in life insurance	-2 071	-4 214	-2 071	-4 214
	Assets allocated to life insurance customers	1 019	3 708	-2 586	-2 427
	To/from other reserves	0	-7	0	-7
3	Consolidated group profit before tax	156	263	524	776
	Tax	-21	0	-21	0
	Result	135	263	503	776
	Revaluation own properties	17	-25	43	-32
	Currency effects foreign affiliates	8	-19	26	-5
	Total other comprehensive income	25	-44	69	-37
	Total comprehensive income	160	219	572	738



Group accounts after the fourth quarter 2010

Notes	Balance sheet NOK million	31.12. 2010	31.12. 2009
ASSETS			
	Intangible assets	366	380
	Tangible fixed assets	959	450
	Investments in associated companies	3	3
5	Investment property	26 105	23 089
9	Debt instruments held to maturity	42 291	44 275
9	Debt instruments at fair value in profit/loss account	39 897	34 040
8,9	Lending to municipalities, companies and private individuals	55 982	61 401
8,9	Debt instruments at fair value over P/L	64 305	66 384
8	Equity instruments at fair value over P/L	35 933	24 232
8,9	Financial derivatives	1 386	886
	Other loans and receivables incl. receivables from policyholders	1 460	1 289
9	Assets in life insurance with investment choice	126	17
	Cash and bank deposits	2 924	2 113
	Total assets	271 736	258 559
OWNERS' EQUITY AND LIABILITIES			
	Paid-up equity	5 628	5 107
	Retained earnings	5 186	4 614
	Total equity	10 814	9 721
6	Perpetual subordinated loan	973	806
6	Subordinated loan capital	3 100	3 175
6,8	Debt to credit institutions	13 287	30 241
6	Covered bonds issued	9 250	2 510
6,8	Debt to and deposits from customers	1 026	36
7	Provisions, unit-linked life insurance	227 966	204 858
7	Provisions in life insurance with investment options	126	17
	Provisions for premiums, claims and contingency fund, non life insurance	2 544	2 254
	Pension liabilities	476	514
8	Financial derivatives	520	1 038
	Deferred tax	21	0
	Other current liabilities	1 632	3 389
	Total owners' equity and liabilities	271 736	258 559
OFF BALANCE SHEET ITEMS			
	Contingent liabilities	2 750	2 624



Group accounts after the fourth quarter 2010

Cashflow - Group NOK million	01.01.10 -31.12.10	01.01.10 -30.09.10	01.01.10 -30.06.10	01.01.10 -31.03.10	01.01.09 -31.12.09
Net cashflow from operational activities	17 166	12 663	11 669	1 511	41 350
Net cashflow from investment activities	-10 043	-6 478	-4 231	103	-15 157
Net cashflow from financing activities	-6 310	-6 141	-7 027	-1 121	-25 330
Net changes in cash and bank deposits	812	44	412	492	863
Holdings of cash and bank deposits at start of period	2 113	2 113	2 113	2 113	1 250
Holdings of cash and bank deposits at end of period	2 924	2 157	2 525	2 606	2 113



Group accounts after the fourth quarter 2010

Changes in Owner's equity

2010 NOK million	Paid-up equity	Retained earnings	Total equity
Equity 01.01.2010	5 107	4 614	9 721
Result for the period	0	503	503
Other comprehensive income			
Revaluation of properties for own use	0	43	43
Currency effect foreign affiliates	0	26	26
Total other comprehensive income	0	69	69
Total comprehensive income	0	572	572
Transactions with owners			
Equity paid-in	556	0	556
Equity reimbursed	-35	0	-35
Total transactions with owners	521	0	521
Equity 31.12.2010	5 628	5 186	10 814

2009 NOK million	Paid-up equity	Retained earnings	Total equity
Equity 01.01.2009	4 633	3 796	8 429
Result for the period	0	776	776
Other comprehensive income			
Revaluation of properties for own use	0	-32	-32
Currency effect foreign affiliates	0	-5	-5
Total other comprehensive income	0	-37	-37
Total comprehensive income	0	738	738
Transactions with owners			
Equity paid-in	536	0	536
Equity reimbursed	-62	0	-62
Total transactions with owners	474	0	474
Reclassifications			
Reclassification of funds in non-life insurance	0	86	86
Other reclassifications	0	-6	-6
Total reclassifications	0	80	80
Equity 31.12.2009	5 107	4 614	9 721



Note 1 Accounting principles

The accounts in this interim report show the accounts for Kommunal Landspensjonskasse (KLP) and the Group for the period 01.01.2010 - 31.12.2010. The accounts have not been audited.

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" and follows the same accounting principles as used in the annual account for 2009.

The following norms were amended with effect from 1 January 2010:

- IFRS 3 Business mergers
- IAS 27 Group accounts and fiscal accounts

The changes to these accounting norms have not been relative to the Group's business, nor have they impacted on the financial reporting in 2010.

It is recommended that this interim report be read in conjunction with the annual report for 2009 and the interim report Q1 2010, Q2 2010 and Q3 2010. This may be obtained on application to the Company's registered office, Dronning Eufemias gate 10, Oslo, or at www.klp.no.

Note 2 Key figures - accumulated

NOK million	Q4-10	Q3-10	Q2-10	Q1-10	Q4-09	Q3-09	Q2-09	Q1-09
KLP Konsern								
Profit before tax	524	368	143	102	776	676	412	158
Total assets	271 736	267 318	263 880	258 128	258 559	254 370	243 995	204 146
Owners' equity	10 814	10 632	9 958	9 829	9 721	9 021	8 716	8 485
Capital adequacy	11.5 %	11.6 %	11.6 %	n/a	12.0 %	n/a	11.7 %	n/a
Number of employees in the Group	762	763	755	745	741	720	706	692
Kommunal Landspensjonskasse								
Profit before tax	572	412	258	134	738	523	336	-781
Premium income for own account	20 345	16 960	5 984	2 956	18 868	15 841	6 148	3 074
- of which inflow of premium reserve	54	49	20	17	285	297	262	209
Insurance customers' funds incl. acc. profit	10 082	7 881	5 589	3 415	9 979	7 936	5 787	3 854
- of which funds with guaranteed returns	1 389	1 389	1 387	1 328	2 069	2 069	1 961	1 937
Net investment common portfolio	225 522	214 704	208 638	208 273	204 237	193 820	189 628	183 526
Net investment chose portfolio	274	267	254	248	239	236	219	211
Insurance funds incl. earnings for the year	227 533	222 120	208 740	208 239	204 486	200 277	189 394	184 342
- of which funds with guaranteed interest	207 026	203 870	196 573	194 476	193 641	189 262	182 298	180 093
Tier 1 and Tier 2 capital	13 806	13 201	12 705	12 595	12 606	11 489	11 470	11 526
Risk profit	160	61	45	20	274	112	83	41
Return profits	4 280	3 371	1 360	996	6 126	5 874	2 701	-874
Administration profit	82	79	60	36	161	130	85	23
Solvency capital	32 897	34 583	28 940	29 533	25 329	25 113	20 923	16 797
Solvency margin ratio	224 %	216 %	219 %	220 %	222 %	182 %	188 %	191 %
Capital adequacy	12.0 %	12.3 %	12.2 %	12.7 %	12.6 %	12.3 %	12.6 %	14.1 %
Core capital ratio	9.3 %	9.4 %	9.2 %	9.7 %	9.6 %	9.1 %	9.3 %	10.4 %
Book return on common portfolio	5.1 %	3.9 %	2.2 %	1.2 %	6.4 %	5.5 %	3.0 %	0.3 %
Value-adjusted return on common portfolio	7.5 %	5.1 %	2.1 %	2.2 %	7.7 %	5.8 %	3.0 %	0.3 %
Return on unit-linked portfolio	8.6 %	5.3 %	1.7 %	2.6 %	9.2 %	6.8 %	3.5 %	0.1 %
Return on corporate portfolio	5.2 %	3.8 %	2.4 %	1.1 %	6.7 %	4.3 %	2.8 %	0.6 %



NOK million	Q4-10	Q3-10	Q2-10	Q1-10	Q4-09	Q3-09	Q2-09	Q1-09
KLP Skadeforsikring AS								
Profit before tax	78	60	12	36	217	179	95	17
Gross premium due	631	574	521	362	609	547	482	408
Premium income for own account	539	400	265	131	569	421	292	142
Owners' equity	490	454	424	446	430	493	437	386
Claims ratio	91.5 %	94.2 %	108.0 %	106.9 %	66.5 %	67.7 %	70.1 %	67.2 %
Combined-ratio	121.9 %	123.1 %	134.9 %	134.3 %	95.5 %	95.4 %	96.5 %	97.8 %
Return on assets under management	7.2 %	5.2 %	2.7 %	2.5 %	8.3 %	6.4 %	3.6 %	0.7 %
Capital adequacy	32.0 %	27.1 %	29.8 %	29.9 %	33.6 %	29.1 %	30.5 %	33.0 %
Tier 1 and Tier 2 capital	433	381	387	383	387	341	346	344
Annual premium volume per person	79	51	33	15	39	23	14	6
Annual premium volume employer	552	524	488	347	570	524	468	401
Net new subscriptions (accumulated within the year)	68	51	40	12	52	63	34	22
KLP Bedriftspensjon AS								
Loss before tax	-17.1	-12.1	-7.1	-3.1	-13.5	-5.8	-4.8	-2.6
Premium income for own account	149.5	113.1	93.1	80.1	51.6	41.0	33.5	14.7
- of which premium reserve added	97.7	77.0	73.0	68.0	26.6	23.7	22.7	8.8
Insurance customers' funds including accumulated profit	559.0	512.8	485.6	486.8	389.3	371.2	361.7	338.0
- of which funds with guaranteed returns	396.3	392.1	389.7	380.5	358.6	345.9	345.2	330.7
Investment result	9.9	9.5	2.5	4.7	11.6	7.4	4.8	0.4
Risk result	3.6	3.4	3.2	1.2	1.2	3.8	2.7	1.3
Administration losses	-23.4	-17.5	-11.1	-5.3	-18.3	-11.9	-8.6	-3.9
Tier 1 and Tier 2 capital	46.7	51.5	24.9	29.3	32.5	39.6	40.7	42.8
Solvency capital	89.3	95.7	63.3	72.9	68.1	73.8	69.4	64.7
Capital adequacy	19.6 %	23.1 %	11.9 %	14.2 %	18.9 %	25.1 %	28.5 %	33.1 %
Book capital return on common portfolio	6.0 %	5.1 %	3.1 %	2.0 %	7.1 %	4.7 %	3.2 %	1.0 %
Value-adjusted capital return on common portfolio	8.3 %	5.6 %	2.4 %	2.5 %	8.3 %	5.9 %	3.5 %	1.0 %
Return on defined unit-linked contribution pensions	9.3 %	4.4 %	-2.0 %	2.9 %	23.3 %	17.7 %	8.3 %	-2.1 %
Return on corporate portfolio	5.0 %	4.6 %	2.4 %	1.4 %	8.4 %	7.4 %	4.5 %	1.0 %



NOK million	Q4-10	Q3-10	Q2-10	Q1-10	Q4-09	Q3-09	Q2-09	Q1-09
KLP Banken Group								
Profit/loss before tax	25.5	-8.0	-4.9	-19.8	6.1	4.0	7.1	n/a
Net interest income	28.9	25.6	10.3	5.8	144.4	120.9	72.2	n/a
Other operating income	54.6	35.8	20.7	10.1	17.9	10.2	2.6	n/a
Operating expenses and depreciation	-109.6	-79.8	-53.1	-28.8	-76.6	-36.9	-13.8	n/a
Net realized/unrealized changes in financial instruments to fair value	51.6	10.5	17.2	-7.0	-79.6	-90.2	-53.8	n/a
Contributions	1 025.7	656.2	539.7	359.2	35.6	-	-	n/a
Housing mortgages granted	1 266.6	797.9	345.1	49.1	-	-	-	n/a
Loan(s) with public guarantee(s)	25 062	27 231	27 254	32 424	33 158	34 442	34 337	n/a
Defaulted loans	-	-	-	-	-	-	-	n/a
Borrowing on the issuance of securities	9 245	6 487	3 000	3 000	3 000	-	-	n/a
Other borrowing	16 167	19 782	24 076	29 229	30 241	34 571	34 428	n/a
Total assets	27 880	28 310	29 005	33 968	34 666	36 003	35 946	n/a
Average total assets	31 260	31 488	31 835	34 317	17 334	18 009	17 980	n/a
Owners' equity	1 186	1 187	1 190	1 175	1 195	1 193	1 195	n/a
Net interest rate	0.09 %	0.08 %	0.03 %	0.02 %	0.83 %	0.67 %	0.40 %	n/a
Profit/loss from general operations before tax	0.08 %	-0.03 %	-0.02 %	-0.06 %	0.04 %	0.02 %	0.04 %	n/a
Profit/loss from general operations excl. fair value assessments before tax	-0.08 %	-0.06 %	-0.07 %	-0.04 %	0.49 %	0.52 %	0.34 %	n/a
Return on owners' equity before tax	2.15 %	-0.67 %	-0.41 %	-1.69 %	0.51 %	0.34 %	0.60 %	n/a
Capital adequacy	14.2 %	17.6 %	17.9 %	16.2 %	16.0 %	n/a	n/a	n/a
Number of personal customers	7 965	6 099	4 512	2 767	411	44	-	n/a
Of which members in KLP	4 729	3 728	2 819	1 833	408	44	-	n/a

KLP Kapitalforvaltning and KLP Fondsförvaltning AS

Profit/loss before tax	19.2	7.3	0.3	-12.9	11.5	9.3	-2.0	-2.7
Total assets under management	186 585	182 354	176 410	180 459	174 826	166 187	160 932	157 034
Assets managed for external customers	14 170	12 771	11 969	12 461	11 378	10 777	9 202	7 364

Note 3 Segment information - profit/loss (i.a.w. IFRS) by business area

Time series result - by quarter

NOK million	Q4-10	Q3-10	Q2-10	Q1-10	Q4-09	Q3-09	Q2-09	Q1-09
Total income	11 647	12 807	5 657	8 140	7 049	14 974	8 532	4 094
Total expenses	-11 491	-12 582	-5 615	-8 038	-6 786	-14 873	-8 278	-3 936
Consolidated group profit before tax	156	225	41	102	263	101	254	158
Results by segment								
Life insurance	91	174	36	98	236	6	164	144
Non-life	18	47	-24	36	38	83	79	17
Banking	33	-3	15	-20	-14	2	11	0
Asset management	12	6	14	-13	2	11	0	-2
Other business	1	0	1	0	1	-1	1	-1
Consolidated group profit before tax	156	225	41	102	263	101	254	158



Note 4 Operating expenses

NOK million	01.01.10 -31.12.10	01.01.09 -31.12.09
By class:		
Staff costs	533	536
Depreciation	138	50
Other operating costs	337	372
Total operating expenses	1 009	958

Note 5 Investment property

Profit/loss NOK million	01.01.10 -31.12.10	01.01.09 -31.12.09
Profit/loss property	1 316	800
Value adjustment	1 591	-485
Net income from investment properties	2 907	315

Balance sheet NOK million	31.12.2010	31.12.2009
Value: investment property - opening balance	23 089	20 383
Value adjustment	1 591	-485
Other changes	1 426	3 191
Value: investment property - closing balance	26 105	23 089



Note 6 Financial liabilities

NOK million	Nominal value in NOK	Currency	Interest rate	Due date	Book value 31.12.2010	Book value 31.12.2009
Subordinated loan capital and perpetual subordinated loans						
Perpetual subordinated loans						
Kommunal Landspensjonskasse	2 372	EUR	Fixed	Perpetual	685	2 581
Kommunal Landspensjonskasse	554	JPY	Fixed	Perpetual	2 416	593
Hybrid Tier 1 capital						
Kommunal Landspensjonskasse	984	JPY	Fixed	2034	973	806
Total subordinated loan capital and perpetual subordinated loans	3 910				4 074	3 980
Debt contracted by issuing securities						
Covered bonds ¹						
KLP Kommunekreditt	3 000	NOK	Floating	2011	3 000	2 510
KLP Kommunekreditt	1 500	NOK	Floating	2012	1 500	
KLP Kommunekreditt	1 000	NOK	Floating	2013	1 000	
KLP Kommunekreditt	3 500	NOK	Floating	2015	3 500	
KLP Kommunekreditt	250	NOK	Fixed	2020	250	
Covered bonds	9 250				9 250	2 510
Liabilities to credit institutions						
KLP Kreditt	0	NOK	Floating	2010		17 280
KLP Kreditt	12 882	NOK	Floating	2011	12 961	12 960
Kommunal Landspensjonskasse	330		Floating	2011	330	0
Value adjustment relating to bonds measured at real value					-3	
Total liabilities to credit institutions	13 212				13 287	30 241
Deposits from customers ¹						
Private	905	NOK			905	36
Næring	121	NOK			121	
Total contributions from customers	1 026				1 026	36
Total financial liabilities	27 397				27 637	36 767

¹ Maturity for contributions is not contractual

Note 7 Insurance-related provisions in life

NOK million	31.12. 2010	31.12. 2009
Premium reserve	206 830	191 419
Premium funds, buffer funds and pensioners' surplus funds	953	2 826
Supplementary reserves	10 179	8 163
Securities adjustment fund	7 463	2 387
Other provisions	88	81
Non-allocated profit/loss of insurance contracts in the common portfolio	2 578	0
Insurance-related provisions in life insurance incl. investment options	228 091	204 875

Note 8 Fair value hierarchy

NOK million	31.12.2010	31.12.2009
Assets		
Certificates, bonds, loans and receivables		
Level 1: Value based on prices in an active market	44 177	40 715
Level 2: Value based on observable market data	23 428	55 313
Level 3: Value based on other than observable market data	-	-
Accrued interest	536	548
Total certificates, bonds, loans and receivables	68 140	96 576
Shares and assets		
Level 1: Value based on prices in an active market	32 989	22 244
Level 2: Value based on observable market data	1 355	1 099
Level 3: Value based on other than observable market data	1 589	889
Total shares and assets	35 933	24 232
Derivatives and other financial assets		
Level 1: Value based on prices in an active market	-	-
Level 2: Value based on observable market data	1 386	886
Level 3: Value based on other than observable market data	-	-
Total financial derivatives	1 386	886
Total financial assets valued at fair value	105 459	121 693
Liabilities		
Financial derivatives		
Level 1: Value based on prices in an active market	-	-
Level 2: Value based on observable market data	520	1 038
Level 3: Value based on other than observable market data	-	-
Total financial derivatives	520	1 038
Debt to credit institutions and other debt		
Level 1: Value based on prices in an active market	1 355	-
Level 2: Value based on observable market data	12 958	30 389
Level 3: Value based on other than observable market data	-	-
Total debt to credit institutions and other debt	14 313	30 389
Total financial liabilities at fair value	14 833	31 428



Note 8 Fair value hierarchy (cont'd.)

NOK million	31.12.2010
Changes in Level 3	Bokført verdi
Opening balance 2010	889
Sold	-390
Bought	975
Unrealised change	115
Realised loss/gain	66
Closing balance 2010	1 589

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 at this level obtain fair value from listed prices in an active market (see above) for identical assets or liabilities to which the unit has access at the date of reporting. Examples of instruments at Level I are stock market listed securities.

Level 2: Instruments at this level obtain fair value from observable market data, but where the instrument is not considered to have an active market. This principally includes prices based on identical instruments, but where the instrument does not have a sufficiently high trading frequency, as well as prices based on corresponding assets and price-leading indicators that can be confirmed by market information. Examples of instruments at Level 2 are interest-bearing securities priced on the basis of interest rate paths.

Level 3: Instruments at Level 3 contain no observable market data or where the market is 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.



Note 9 Credit risk

2010	AAA	AA	A	BBB	Unrated/ NIG	Total
Debt instruments at fair value - bonds and other securities with fixed returns						
Financial and credit enterprises	0	3 067	1 556	9	917	5 549
Public guarantee	1 030	0	0	0	50	1 080
Savings bank	0	0	49	0	278	328
Government and government guarantee within OECD	21 420	839	1 587	0	0	23 845
State enterprises and Covered Bonds	3 007	0	0	0	1 466	4 473
Other	0	542	2 984	0	3 491	7 016
Total	25 456	4 447	6 176	9	6 203	42 291
Debt instruments classified as loans and receivables - at amortised cost						
Financial and credit enterprises	510	1 717	2 694	0	1 306	6 228
Public guarantee	1 111	30	0	0	679	1 820
Savings bank	0	0	656	0	788	1 443
Government and government guarantee within OECD	13 924	0	2 045	0	0	15 970
State enterprises and Covered Bonds	4 689	1 118	263	0	1 862	7 931
Other	0	259	2 650	359	3 237	6 505
Total	20 234	3 124	8 308	359	7 872	39 897
Debt instruments at fair value - bonds and certificates						
Financial and credit enterprises	0	2 857	2 751	20	846	6 474
Public guarantee	643	0	0	0	756	1 399
Savings bank	0	0	657	0	6 066	6 722
Government and government guarantee within OECD	7 080	1 554	379	0	0	9 013
State enterprises and Covered Bonds	522	0	0	0	971	1 493
Other	0	0	118	106	2 602	2 826
Total	8 244	4 411	3 905	126	11 242	27 927
Financial derivatives classified as assets						
Denmark	0	0	358	0	0	358
Finland	0	459	0	0	0	459
Norway	0	106	23	0	0	128
Great Britain	0	8	4	0	0	12
Switzerland	0	0	260	0	0	260
Sweden	0	0	68	0	0	68
USA	0	0	101	0	0	101
Total	0	573	813	0	0	1 386



Note 9 Credit risk, cont'd.

2010	AAA	AA	A	BBB	Unrated/ NIG	Total
Debt instruments at fair value - fixed interest fund units						
Public sector, financial and credit enterprises	0	0	0	0	1 053	1 053
Government and government guarantee within OECD	0	0	0	0	106	106
Other	0	0	13 369	0	12 081	25 450
Total	0	0	13 369	0	13 240	26 609
Debt instruments at fair value - loans and receivables						
Denmark	0	0	21	0	0	21
France	0	894	0	0	0	894
Norway	0	573	1 630	0	2 480	4 683
Great Britain	0	2 884	0	0	0	2 884
Sweden	0	82	651	0	0	733
USA	0	105	448	0	0	554
Total	0	4 538	2 751	0	2 460	9 769
Total securities	53 935	17 093	35 322	494	41 036	147 880
NOK million		0 %	20 %	35 %	100 %	Total
Lending local government, enterprises & pers. customers ¹						
Public sector		3	42 881	0	2 922	45 803
Credit institutions		0	0	8 909	71	8 980
Private individuals		0	1 192	0	4	1 196
Total lending		3	44 073	8 909	2 933	55 982



Note 9 Credit risk, cont'd.

2009	AAA	AA	A	BBB	Unrated/ NIG	Total
Debt instruments at fair value - bonds and other securities with fixed returns						
Financial and credit enterprises	510	2 715	1 784	360	565	5 934
Public guarantee	1 030	0	0	0	50	1 080
Savings bank	0	0	48	0	276	324
Government and government guarantee within OECD	21 780	839	1 682	0	0	24 301
State enterprises and Covered Bonds	2 154	0	303	0	1 186	3 643
Other	535	1 466	3 571	0	3 421	8 993
Total	26 009	5 020	7 389	360	5 498	44 275
Debt instruments classified as loans and receivables - at amortised cost						
Financial and credit enterprises	1 026	1 870	2 953	1 345	1 191	8 385
Public guarantee	962	30	0	0	778	1 770
Savings bank	0	0	656	0	417	1 073
Government and government guarantee within OECD	14 301	0	2 045	0	0	16 346
State enterprises and Covered Bonds	539	0	558	0	0	1 097
Other	0	1 424	859	0	2 719	5 002
Total	16 828	3 323	7 071	1 345	5 105	33 673
Debt instruments at fair value - bonds and certificates						
Financial and credit enterprises	0	3 738	2 480	51	1 266	7 535
Public guarantee	224	0	0	0	1 083	1 307
Savings bank	0	0	1 163	0	7 235	8 398
Government and government guarantee within OECD	7 484	1 384	435	0	0	9 303
State enterprises and Covered Bonds	21	0	0	0	865	886
Other	0	0	460	172	2 607	3 239
Total	7 729	5 123	4 537	223	13 055	30 667
Financial derivatives classified as assets						
Denmark	0	0	91	0	0	91
Finland	0	201	0	0	0	201
Norway	0	113	16	0	0	129
Great Britain	0	1	0	0	0	1
Switzerland	0	0	4	0	0	4
Sweden	0	0	108	0	0	108
USA	0	0	351	0	0	351
Total	0	316	570	0	0	886



Note 9 Credit risk, cont'd.

2009	AAA	AA	A	BBB	Unrated/ NIG	Total
Debt instruments at fair value - fixed interest fund units						
Public sector, financial and credit enterprises	261	238	0	0	692	1 192
Government and government guarantee within OECD	0	0	0	0	101	101
Other	0	0	21 165	0	2 624	23 788
Total	261	238	21 165	0	3 417	25 081
Debt instruments at fair value - loans and receivables						
Denmark	0	0	652	0	0	652
France	0	2 052	0	0	0	2 052
Norway	0	50	2 378	0	2 690	5 118
Great Britain	0	50	1 291	0	0	1 341
Sweden	0	16	1 137	0	0	1 153
USA	0	53	495	0	0	548
Total	0	2 221	5 953	0	2 690	10 864
Total securities	50 827	16 241	46 685	1 928	29 764	145 446

NOK million	0 %	20 %	35 %	100 %	Total
Lending local government, enterprises & pers. customers ¹					
Public sector	25	48 302	25	1 681	50 034
Credit institutions	0	2 431	0	0	2 431
Private individuals	0	0	8 692	5	8 697
Total lending	25	50 733	8 717	1 686	61 162

In the classification in this note Standard & Poor's ratings are used exclusively. The KLP Group also relies on ratings from Moody's Investor Services and Fitch Ratings, and the three are considered equal in relation to investments in fixed-income securities. Non-rated/non-investment grade securities relate mainly to a number of Norwegian financial institutions, municipalities/counties and other investments in Norwegian financial papers. KLP applies strong guidelines for investments in fixed-income securities, also applying to investments under this category.

¹ Credit exposure in lending is compiled on the basis of Norwegian capital adequacy calculations. 35 per cent weighting of public sector applies to lending to housing cooperatives. Lending is itemized separately in so far as they are not included in the same rating-categories.



Note 10 Interest rate risk

31.12.2010	Up to	3 mnths	1 yrs	5 yrs	Over	Changes	
NOK million	3 mnths	to 12 mnths	to 5 yrs	to 10 yrs	10 yrs	in cash flow	Total
Assets							
Holdings equity funds ¹	1	0	0	0	0	4	5
Alternative investments	-13	0	0	0	0	5	-8
Financial derivatives classified as assets	-34	6	3	-169	-158	-11	-364
Debt instruments classified as loans and receivables – at amortised cost	0	0	0	0	0	7	7
Bonds and other fixed-return securities	-20	-20	-282	-385	-130	49	-787
Fixed income fund holdings	-1 290	0	0	0	0	5	-1 285
Lending and receivables	-7	-13	0	0	0	54	33
Lending	-20	-13	-53	-3	0	240	151
Call Money	0	0	0	0	0	0	0
Total	-1 384	-40	-332	-557	-289	353	-2 248
Liabilities							
Deposits	0	0	0	0	0	-2	-2
Liabilities created on issue of securities	19	0	0	20	0	-44	-5
Liabilities to financial institutions	21	0	0	0	0	-240	-219
Financial derivatives classified as liabilities	1	8	60	101	0	18	187
Hybrid Tier 1 securities, subordinated loan capital	0	0	0	43	28	0	71
Call Money	0	0	0	0	0	0	0
Total	41	8	60	164	28	-268	32



Note 10 Interest rate risk, cont'd.

31.12.2009	Up to	3 mnths	1 yrs	5 yrs	Over	Changes	
NOK million	3 mnths	to	to 5 yrs	to 10	10 yrs	in cash	Total
		12 mnths		yrs		flow	
Assets ²							
Holdings equity funds ¹	1	0	0	0	0	4	4
Alternative investments	3	0	0	0	0	5	8
Financial derivatives classified as assets	-50	8	-7	-118	-136	1	-302
Debt instruments classified as loans and receivables – at amortised cost	0	0	0	0	0	4	4
Bonds and other fixed-return securities	-24	-19	-338	-344	-102	49	-777
Fixed income fund holdings	-1 151	0	0	0	0	8	-1 143
Lending	-29	-22	-280	-117	0	420	-28
Lending and receivables	-2	-11	0	0	0	50	38
Bonds hedging, perpetual subordinated loan capital	0	0	0	0	0	2	2
Total	-1 253	-44	-625	-578	-238	544	-2 194
Liabilities							
Liabilities created on issue of securities	6	0	0	0	0	-30	-24
Liabilities to financial institutions	23	0	0	0	0	-296	-273
Financial derivatives classified as liabilities	22	-8	15	106	0	-279	-143
Hybrid Tier 1 securities, subordinated loan capital	0	0	0	43	20	0	63
Total	51	-8	15	149	20	-605	-378

The note shows the effect on profits on the change in market interest rate of one per cent, for fair value risk and variable interest rate risk. Fair value risk is calculated on the change in fair value of related instruments if the interest rate had been 1 per cent higher at the end of the period. Variable interest rate risk indicates the change in cash flows if the interest rate had been one per cent higher over the year being reported on. The total of these reflects the total impact on profits that the scenario of one per cent higher interest rate would have had on the Group.

This note cannot be compared directly with notes from previous years since its formulation is different and covers more than previously.

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.

² The KLP lending portfolio is not included in the 2009 figures.



Accounts after the fourth quarter 2010 Kommunal Landspensjonskasse

Notes	Income statement NOK million	Q4 2010	Q4 2009	01.01.10 31.12.10	01.01.09 -31.12.09
	Premium income	3 385	3 027	20 345	18 868
	Income from investments in subsidiaries, associated enterprises and jointly controlled enterprises	652	-85	2 922	373
	Interest income/dividends on financial assets	1 350	2 109	6 994	7 399
	Value changes on investments	2 531	1 587	5 438	4 889
	Gains and losses realised on investments	552	-136	69	1 493
	Net income from investments in the common portfolio	5 085	3 475	15 424	14 155
	Net income from unit-linked portfolio	8	5	21	19
	Other insurance-related income	166	162	650	625
	Claims	-2 200	-2 044	-10 080	-9 979
	Changes in insurance liabilities taken to profit/loss - contractual liabilities	-7 071	-7 999	-22 338	-19 869
	Changes in insurance liabilities taken to profit/loss - investment option portfolio separately	-3	-19	-21	-40
	Funds assigned to insurance contracts - contractual liabilities	1 014	3 711	-2 581	-2 425
3	Insurance-related operating expenses	-216	-178	-714	-633
	Other insurance-related costs	-166	-163	-651	-637
	Technical profit/loss	2	-22	55	84
	Net income from investments in the corporate portfolio	201	294	712	840
	Other income	12	2	17	25
	Administration costs and other costs associated with the corporate portfolio	-56	-59	-212	-210
	Non-technical profit/loss	157	237	517	655
	COMPREHENSIVE INCOME	159	216	572	738



Accounts after the fourth quarter 2010 Kommunal Landspensjonskasse

Notes	Balance NOK million	31.12. 2010	31.12. 2009
ASSETS			
ASSETS IN THE CORPORATE PORTFOLIO			
	Intangible assets	306	303
	Investments	14 787	14 293
	Receivables	756	563
	Other assets	521	532
	Total assets in the corporate portfolio	16 371	15 691
ASSETS IN THE CUSTOMER PORTFOLIOS			
	Investments in the common portfolio		
	Shares and holdings in property subsidiaries	25 122	22 185
	Receivables from and securities issued by subsidiaries, associated enterprises and jointly controlled enterprises	0	52
5	Financial assets valued at amortised cost	103 423	100 171
5	Financial assets valued at fair value	99 092	85 508
	Total assets in the customer portfolios	227 637	207 915
	Assets in the investment option portfolio		
	Shares and holdings in property subsidiaries	33	25
5	Financial assets at amoritsed costs	103	0
5	Financial assets at fair value	139	216
	Total assets in unit-linked portfolio	274	241
	ASSETS	244 282	223 847
OWNERS' EQUITY AND LIABILITIES			
	Owners' equity contributed	5 628	5 107
	Retained earnings	5 107	4 535
	Subordinated loan capital etc.	4 074	3 965
4	Insurance obligations in life insurance - contractual liabilities	227 266	204 246
	Insurance liabilities unit-linked portfolio	267	240
	Provision for liabilities	340	374
	Liabilities	1 544	5 293
	Accrued costs and prepaid income	57	88
	OWNERS' EQUITY AND LIABILITIES	244 282	223 847
	Off-balance sheet items		
	Contingent liabilities	2 750	2 116



Accounts after the fourth quarter 2010 Kommunal Landspensjonskasse

Cash flow analysis NOK million	01.01.10 -31.12.10	01.01.10 -30.09.10	01.01.10 -30.06.10	01.01.10 - 31.03.10	01.01.09 -31.12.09
Net cashflow from operational activities	15 381	5 353	4 327	1 497	15 939
Net cashflow from investment activities	-15 946	-5 986	-4 260	-1 583	-16 272
Net cashflow from financing activities	521	519	-21	-26	537
Net changes in cash and bank deposits	-44	-114	46	-112	203
Holdings of cash and bank deposits at start of period	504	504	504	504	301
Holdings of cash and bank deposits at end of period	460	390	549	392	504

Changes in Owner's equity

2010 NOK million	Paid-up equity	Retained earnings	Total equity
Equity 01.01.2010	5 107	4 535	9 642
Total other comprehensive income	0	572	572
Total income	0	572	572
Transaction with owners			
Equity paid-in	556	0	556
Equity reimbursed	-35	0	-35
Sum transaction with owners	521	0	521
Equity 31.12.2010	5 628	5 107	10 735

2009 NOK million	Paid-up equity	Retained earnings	Total equity
Equity 01.01.2009	4 633	3 804	8 438
Total other comprehensive income	0	738	738
Total income	0	738	738
Transaction with owners			
Equity paid-in	536	0	536
Equity reimbursed	-62	0	-62
Total transaction with owners	474	0	474
Other modifications			
Other modifications	0	-8	-8
Total modifications	0	-8	-8
Equity 31.12.2009	5 107	4 535	9 642



Note 1 Accounting principles

The accounts in this interim report show the accounts for Kommunal Landspensjonskasse (KLP) and the Group for the period 01.01.2010 - 31.12.2010. The accounts have not been audited. The interim accounts do not contain all the information required of full annual accounts.

It is recommended that this interim report be read in conjunction with the annual report for 2009 and the interim report for Q1, Q2 and Q3 2010. This may be obtained on application to the Company's registered office, Dronning Eufemias gate 10, Oslo, or at www.klp.no.

Similarly to the annual accounts 2009, the interim accounts have been submitted in accordance with Regulation 1241 of 16 December 1998: Regulations on annual accounts etc. for insurance companies (the Annual Accounts Regulations).

Note 2 Value-adjustment investment property

The portfolio of investment properties including investment properties owned via subsidiaries has been valued as at 31st December 2010.

NOK million	Q4 2010	Q4 2009	01.01.10 - 31.12.10	01.01.09 - 31.12.09
Value adjustment incl. foreign exchange	290	22	1 634	-518
Foreign exchange effect on hedging	122	101	106	328
Net value adjustment incl. exchange hedging	412	104	1 740	-190

Note 3 Operating expenses

NOK million	Q4 2010	Q4 2009	01.01.10 -31.12.10	01.01.09 - 31.12.09
Staff costs	72	118	344	367
Depreciation	79	10	118	37
Other operating expenses	65	50	252	230
Insurance related expenses	216	178	714	633

Note 4 Insurance-related provisions - obligations under contract

NOK million	31.12. 2010	31.12. 2009
Premium reserve	206 075	190 830
Premium fund(s)	3 512	2 812
Supplementary reserve	10 151	8 142
Securities adjustment fund	7 450	2 383
Other provisions	79	80
Insurance-related provisions - obligations under contract	227 266	204 246



Note 5 Financial assets

NOK million	31.12. 2010	31.12.2009
Financial assets corporate portfolio		
Investments held to maturity	3 238	3 276
Bonds loans and receivables	3 341	2 391
Total financial assets valued at amortised cost	6 579	5 667
Shares and holdings	1 222	1 215
Bonds and other fixed-return securities	2 021	2 182
Lending and receivables	504	642
Financial derivatives	86	351
Other financial assets	0	240
Total financial assets valued at fair value	3 833	4 631
Total financial assets corporate portfolio	10 411	10 298
Financial assets common portfolio		
Investments held to maturity	37 982	39 972
Bonds loans and receivables	35 788	30 587
Lending	29 653	29 611
Total financial assets valued at amortised cost	103 423	100 171
Shares and holdings	34 235	22 532
Bonds and other fixed-return securities	51 456	52 259
Lending and receivables	12 266	10 157
Financial derivatives	1 117	534
Other financial assets	18	26
Total financial assets valued at fair value	99 092	85 508
Total financial assets common portfolio	202 515	185 678
Financial assets investment choice portfolio		
Investments held to maturity	48	0
Bonds loans and receivables	55	0
Total financial assets valued at amortised cost	103	0
Shares and holdings	64	46
Bonds and other fixed-return securities	73	172
Lending and receivables	1	4
Financial derivatives	0	0
Other financial assets	0	-7
Financial assets valued at fair value	139	216
Total financial assets investment choice portfolio	241	216
Total financial assets	213 167	196 192



Note 6 Transactions with related parties

KLP granted KLP Banken a loan of 3,2 NOK billion as at 31.12.2010. The loan was given at market rate (NIBOR + margin) and is due 16.03.2011.





Kommunal Landspensjonskasse

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