

Oslo, 17th February 2012

Financial results fourth quarter 2011

KLP Group



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Main features

A good year for KLP

- Success in the market, out of 8 municipalities and counties out for tender 7 opted for KLP
 - Three municipalities added
 - Net inflow of funds NOK 1,4 billion
- Satisfactory results in the common portfolio in view of the influence of uneasy economic evolution in the world markets
 - Book return 4.5 per cent
 - Value adjusted return 3.2 per cent
 - Corporate portfolio 4.2 per cent
 - NOK 2.1 billion to supplementary reserves and NOK 1.5 billion to the clients' premium fund
- Strong solvency: total solvency capital NOK 36,2 billion, an increase of NOK 2.9 billion in 2011



Strong 4th quarter

- The common portfolio:
 - Book return 0.8 per cent
 - Value adjusted return 2.1 per centThe corporate portfolio gave a return of 0.7 per cent
- Value adjusted result for the quarter NOK 3.6 billion of which NOK 3.1 billion was applied to strengthening the value adjustment fund
- Most of the tenders were decided in the fourth quarter



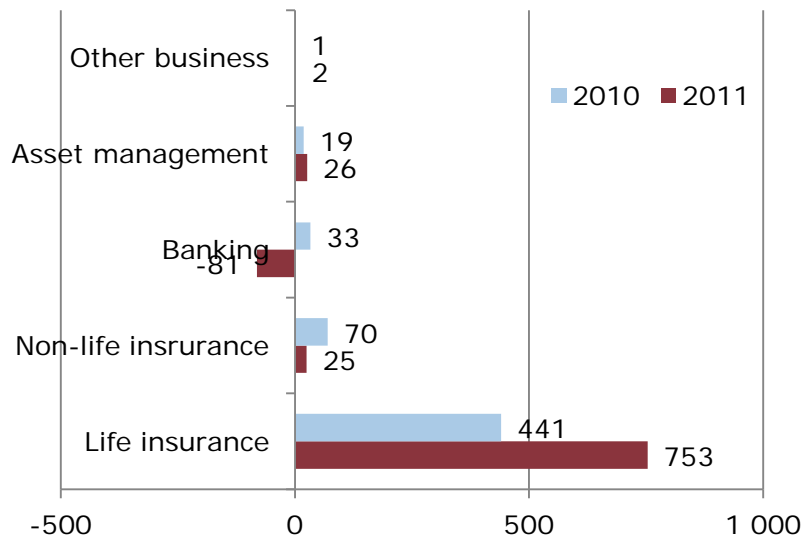
KLP return on investment portfolios

<i>All figures in per cent</i>	Q4		Year	
	2011	2010	2011	2010
Common portfolio				
Booked return	0.8	1.2	4.5	5.1
Value adjusted return	2.1	2.3	3.2	7.5
Value adjusted return incl. HTM bonds/bonds booked at amortised costs	1.9	1.3	3.9	7.4
Investment options portfolio	2.5	3.1	2.2	8.6
Corporate portfolio	0.8	1.4	4.2	5.2

KLP Group

KLP Group – results by segment

<i>NOK million</i>	Q4		Year	
	2011	2010	2011	2010
Life insurance	250	88	753	441
Non-life insurance	-7	10	25	70
Banking	-47	41	-81	33
Asset management	5	12	26	19
Other	2	0	2	1
Group result	203	151	726	563



KLP Group – main figures - results

<i>NOK million</i>	Q4		Year	
	2011	2010	2011	2010
Pension premiums and incoming transfers	4 151	3 430	22 565	20 959
Allocated investment income	5 219	5 312	8 099	16 155
Claims f.o.a.	-2 736	-2 216	-10 615	-10 613
Insurance provisions	-2 778	-2 493	-17 291	-15 402
Operating cost	-355	-268	-1 121	-957
Other income and cost	48	23	113	111
Technical result	3 549	3 788	1 749	10 252
To/from value adjustment fund life insurance	-3 102	-2 585	2 505	-5 077
To/from supplementary reserves life insurance	-2 178	-2 074	-2 147	-2 074
Surplus allocated Life insurance clients	1 908	1 019	-1 453	-2 586
Group result pre-tax	176	147	653	515
Tax	-4	-21	-24	-21
Other profit/loss elements	30	25	97	69
Group result pre-tax	203	151	726	563

KLP Group – assets

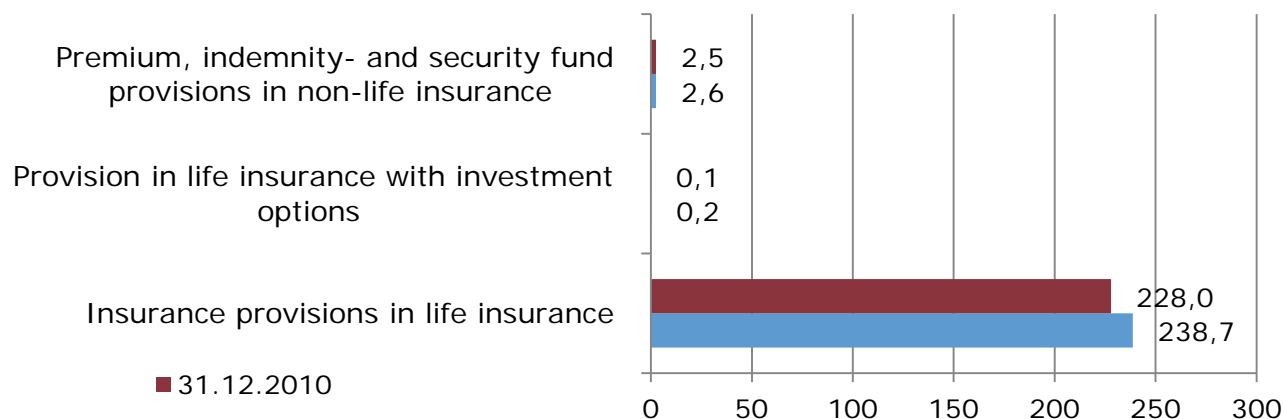
<i>NOK million</i>	31.12.2011	31.12.2010	Change
Investment properties	28 659	26 105	2 554
Debt instruments held to maturity	41 438	42 291	-854
Debt instruments classified as loans and receivables	46 936	39 897	7 039
Lending to municipalities, enterprises and individuals	53 543	56 014	-2 471
Debt instruments at fair value over P/L	77 050	64 305	12 745
Equity instruments at fair value over P/L	36 168	35 933	235
Financial derivatives	982	1 386	-404
Share in associated companies	3	3	0
Assets in defined contribution life insurance	198	126	72
Immaterial assets	344	366	-22
Other assets	6 463	5 343	1 120
Total assets	291 784	271 769	20 015

KLP Group – own funds and liabilities

<i>NOK million</i>	31.12.2011	31.12.2010	Change
Own funds	12 064	10 749	1 316
Hybrid capital and subordinated loans	4 288	4 074	215
Debt to financial institutions	1 398	13 287	-11 889
Covered bonds issued	22 152	9 250	12 902
Debt to and deposits from clients	1 840	1 026	815
Insurance reserves	246 850	230 724	16 126
Other liabilities	3 190	2 659	530
Total own funds and debt	291 784	271 769	20 015

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

- KLP won 7 out of 8 tenders for municipal and county pensions in 2011
 - Of total premium reserves of NOK 3.1 billion out for tender, KLP won 3.0 billion
 - Net inward flow of funds NOK 1.4 billion
 - No municipality left KLPKLP
- KLP Bedriftspensjon signed 274 new contracts through 2011
- Preparing for introduction of new regulations remains a top priority. The proposed modifications to the tax regime not expected to affect KLP in a significant manner



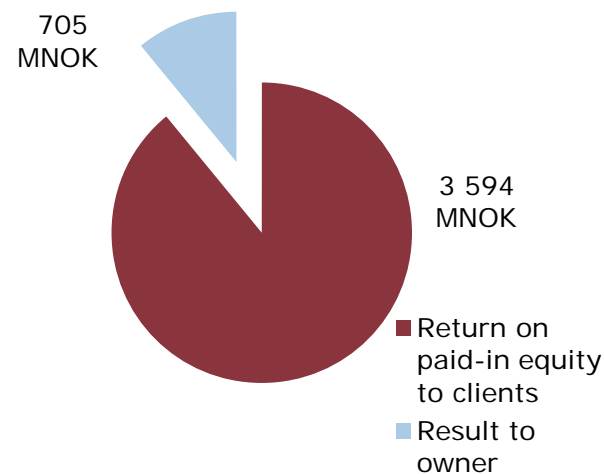
KLP – presentation of accounts

<i>NOK million</i>	Q4		Year	
	2011	2010	2011	2010
Pension premiums and incoming transfers	3 981	3 385	21 752	20 345
Net revenues from investments in Common portfolio	5 034	5 096	7 449	15 449
Claims paid and outgoing transfers	-2 541	-2 200	-10 033	-10 080
Changes in valuation reserves	-7 985	-7 074	-16 663	-22 360
Allocations to insurance contracts	1 873	1 014	-1 451	-2 581
Insurance related operating costs	-238	-216	-788	-714
Other insurance related costs	2	0	4	0
Technical result	125	6	271	59
Net revenues from investments in Corporate portfolio	119	192	639	703
Other revenues and expenditures	-52	-47	-205	-199
Non-technical result	67	146	434	504
Total result	193	151	705	563

KLP – appropriation of results

NOK million	Customers	Company	Year	
			2011	2010
Interest result	3 275	12	3 286	4 284
Risk result	154	151	305	160
Administration result		61	61	82
Premium interest rate guarantee		212	212	184
Non-technical result		434	434	504
Return on paid-in equity to clients	165	-165		
Total	3 594	705	4 299	5 214

- Good return on common portfolio
- Good contribution from corporate portfolio
- NOK 3.6 billion to clients



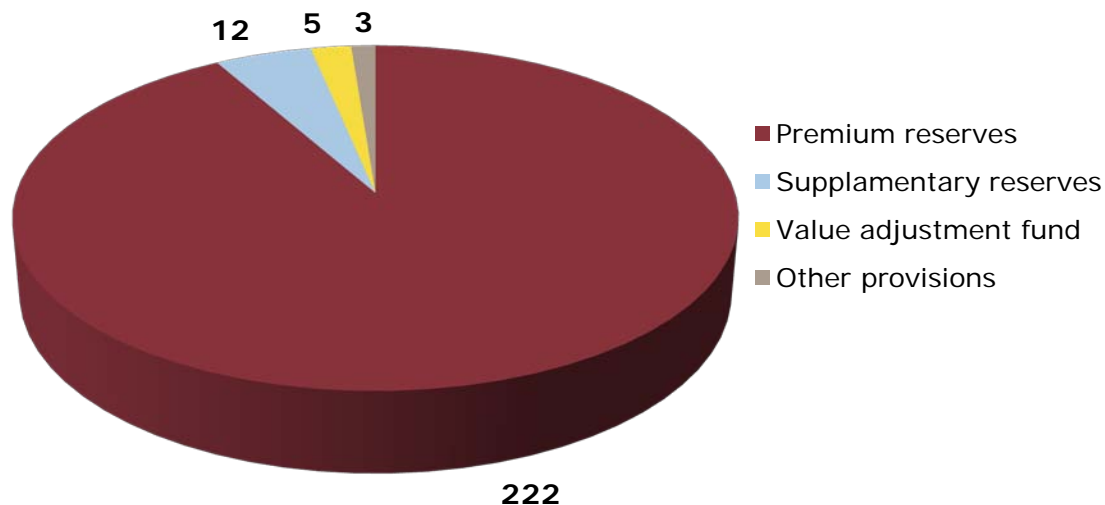
KLP – assets

<i>NOK million</i>	31.12.2011	31.12.2010	Change 2011
Total assets in corporate portfolio	18 075	16 283	1 792
Total assets in common portfolio	242 267	227 637	14 630
Assets in investment options portfolio	1 404	274	1 130
Total assets	261 746	244 194	17 552

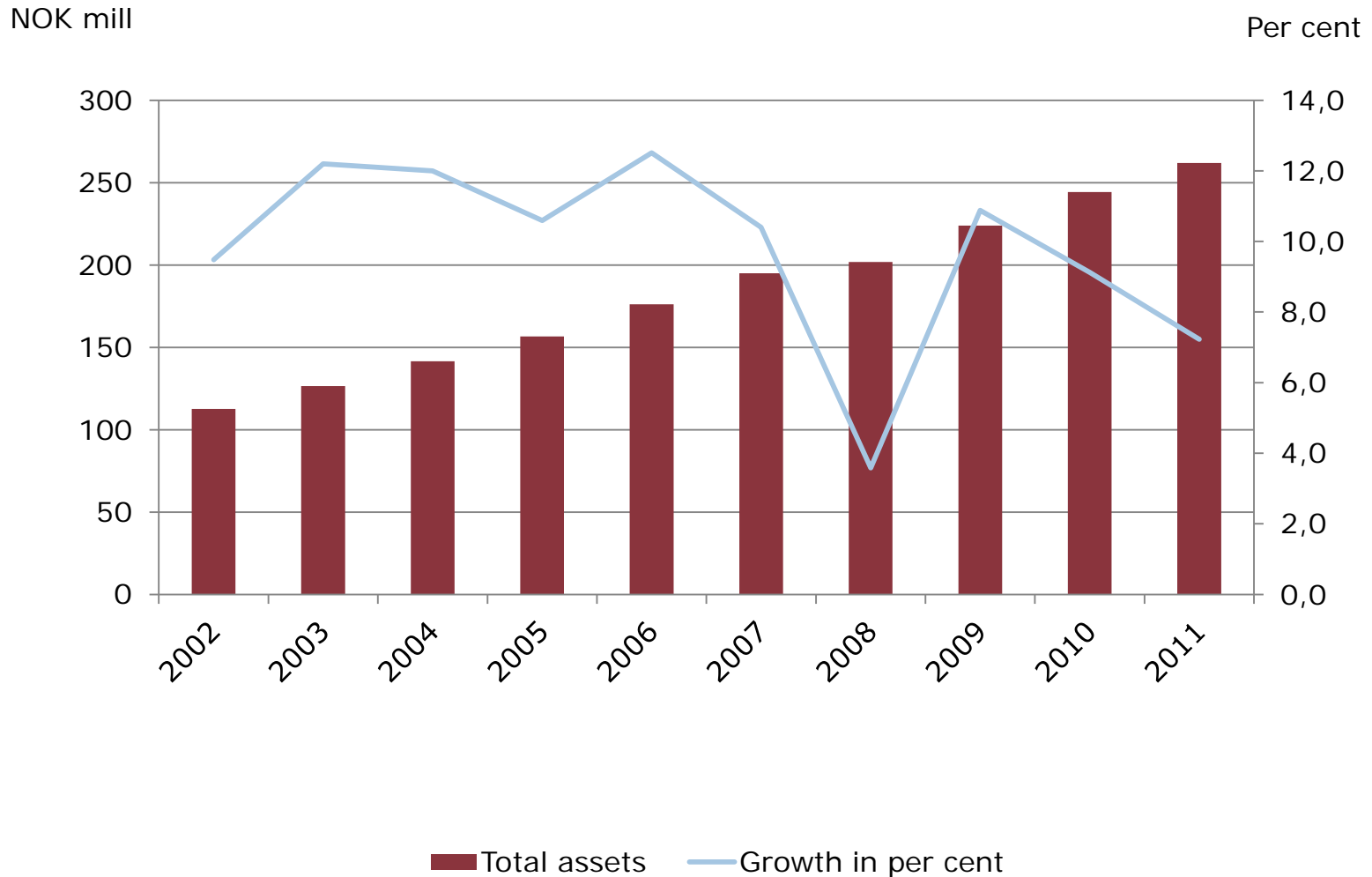
KLP – own funds and liabilities

<i>NOK million</i>	31.12.2011	31.12.2010	Change 2011
Paid-in equity	6 217	5 628	590
Retained earnings	5 723	5 019	705
Hybrid capital and subordinated debt	4 288	4 074	215
Insurance liabilities	243 439	227 533	15 906
Other liabilities	2 078	1 941	137
Total: own funds, provisions and debt	261 746	244 194	17 552

Insurance liability per 31.12.2011 - NOK BN



KLP – growth in assets



KLP Bedriftspensjon – main figures

<i>NOK million</i>	Q4		Year	
	2011	2010	2011	2010
Interest result	7.6	0.4	14.2	9.9
Risk result	-0.6	0.2	2.2	3.6
Administration result	-9.2	-5.9	-28.2	-23.4
Interest rate guarantee and profit element	0.6	0.2	1.9	0.9
Non-technical result	0.6	0.3	1.9	1.7
Total result	-1.0	-4.8	-8.0	-7.3
Of which result to clients	9.0	0.1	15.8	9.7
Result to owner	-10.0	-5.0	-23.8	-17.1

KLP Bedriftspensjon – return and solvency

<i>Per cent</i>	Year	
	2011	2010
Common portfolio		
Book	6.3	6.0
Value adjusted	3.7	8.3
Investment options portfolio	0.2	9.3
Corporate portfolio	4.8	5.0

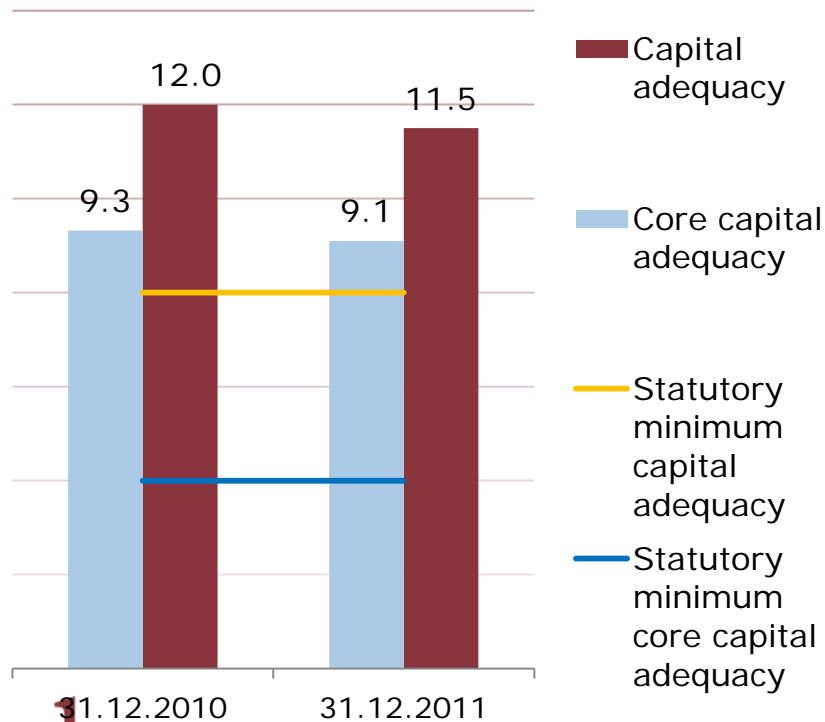
<i>Per cent</i>	31.12.2011	31.12.2010
Capital coverage	13.9	19.6
Solvency ratio	217	198

<i>NOK million</i>	31.12.2011	31.12.2010
Value adjustment fund	-	13.5
Supplementary reserves	24.9	15.9
Solvency capital	90.2	89.3

KLP investments and capital issues

KLP – capital adequacy

<i>Per cent</i>	31.12.2011	31.12.2010
Capital adequacy	11.5	12.0
Core capital adequacy	9.1	9.3
Statutory minimum capital adequacy	8.0	8.0
Statutory minimum core capital adequacy	4.0	4.0

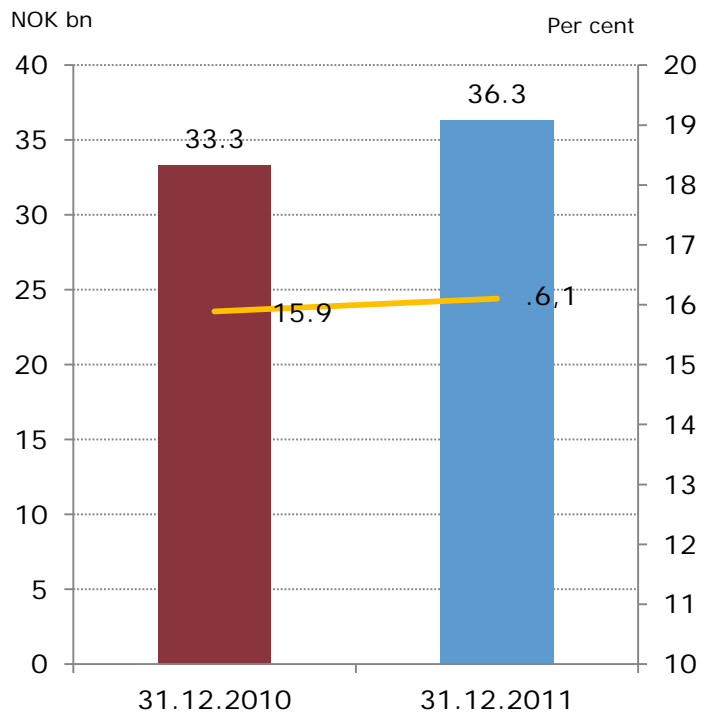


Capital adequacy and core capital ratio well in excess of regulatory requirement

KLP – financial buffers

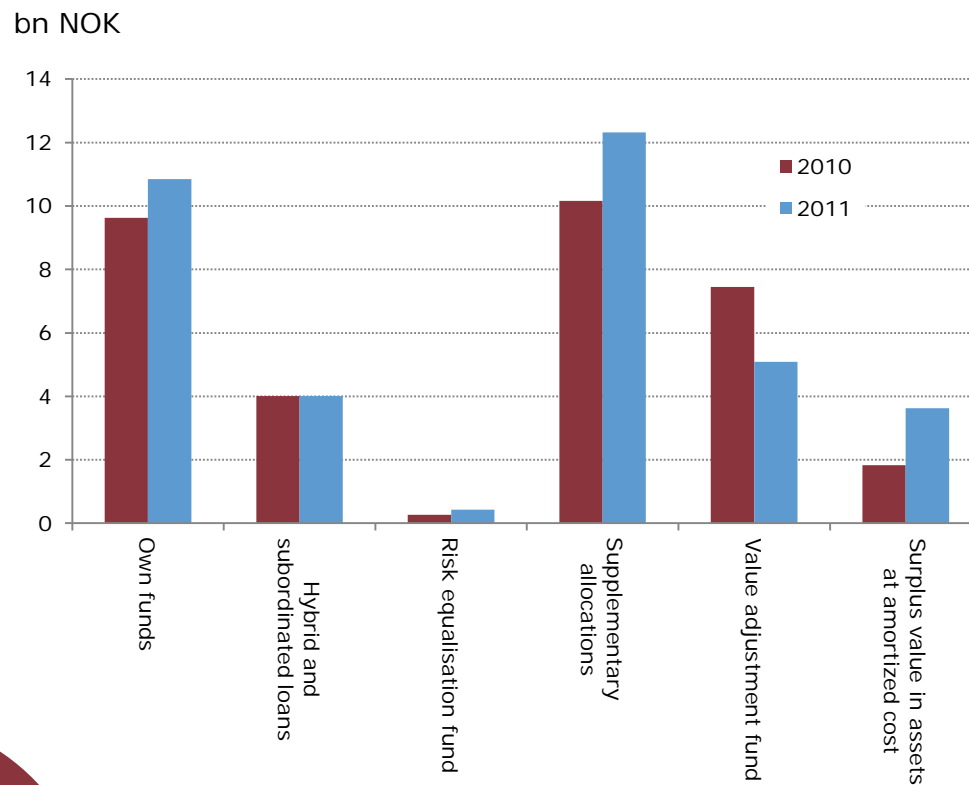
<i>NOK million</i>	31.12.2011	31.12.2010
Valuation reserve	4 958	7 450
Supplementary reserve	12 319	10 165
Core capital margin	4 505	4 521
Regulatory buffer capital	21 782	22 136
Valuation reserve booked at amortised costs	3 626	1 830

KLP – financial solidity



■ Total solvency capital - NOK bn

— As percentage of liabilities with interest rate guarantee



Solvency maintained

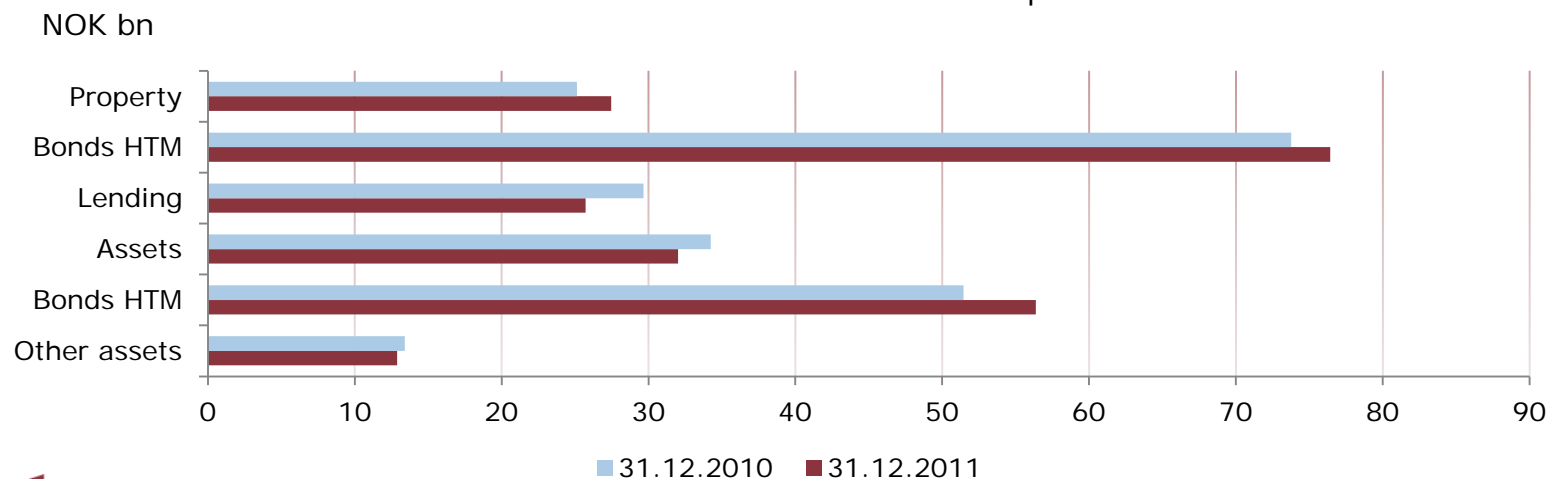


KLP common portfolio – allocation and return

Per cent	Share *	Return	Return
	31.12.2011		2010
Equities ¹⁾	14.3	-7.3	14.5
Bonds	22.0	7.2	7.3
Bonds held-to-maturity	33.1	5.2	5.3
Lending	10.4	3.9	3.6
Property	11.7	7.2	11.9
Other financial assets	8.6	2.9	2.8

* Measured by exposure

Balance 31.12.2011 Assets in the common portfolio

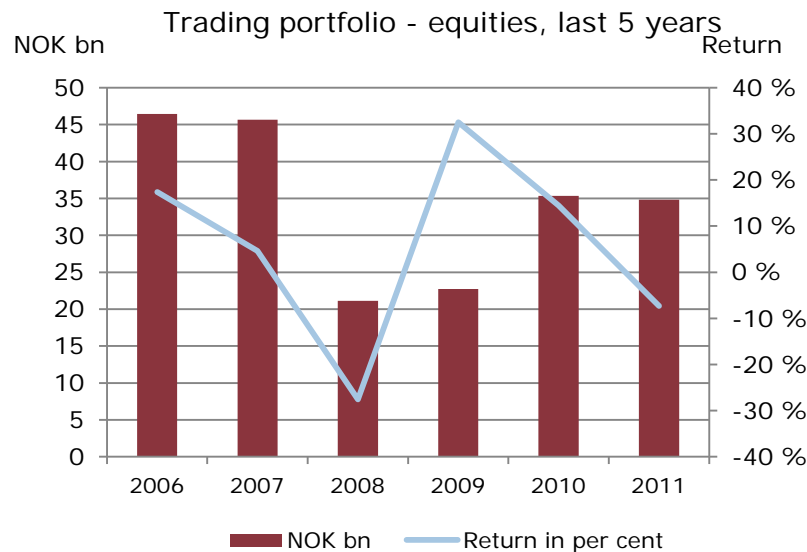


Trading portfolios equities

KLP common portfolio

Trading portfolio equities*	31.12.2011	31.12.2010
Value equities (NOK mill)	33 882	34 906
Return equity portfolio	-7.3 %	14.5 %
Share index-tracking equities	77.7 %	72.9 %

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

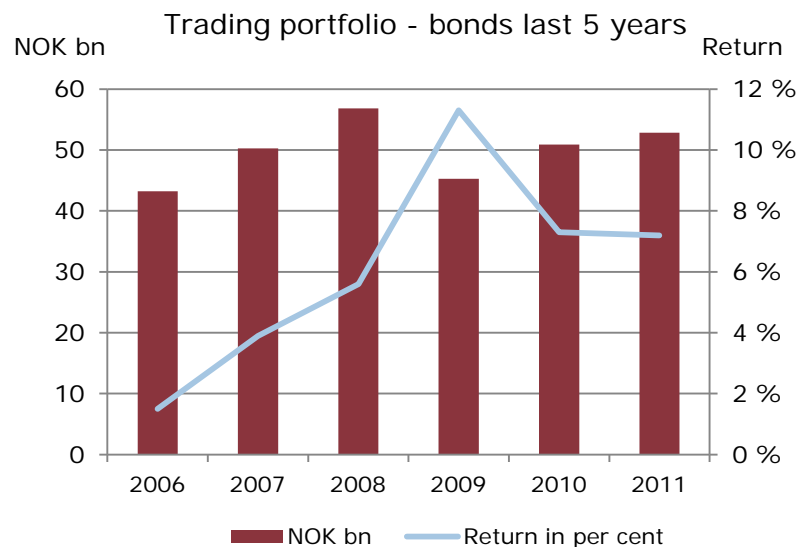


Trading portfolios – bonds

KLP common portfolio

Trading portfolios fixed-income *	31.12.2011	31.12.2010
Value fixed income (NOK mill)	67 011	57 048
Return trading portfolios fixed income	6.3 %	6.6 %
Share index-tracking fixed-income	35.5 %	35.8 %

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

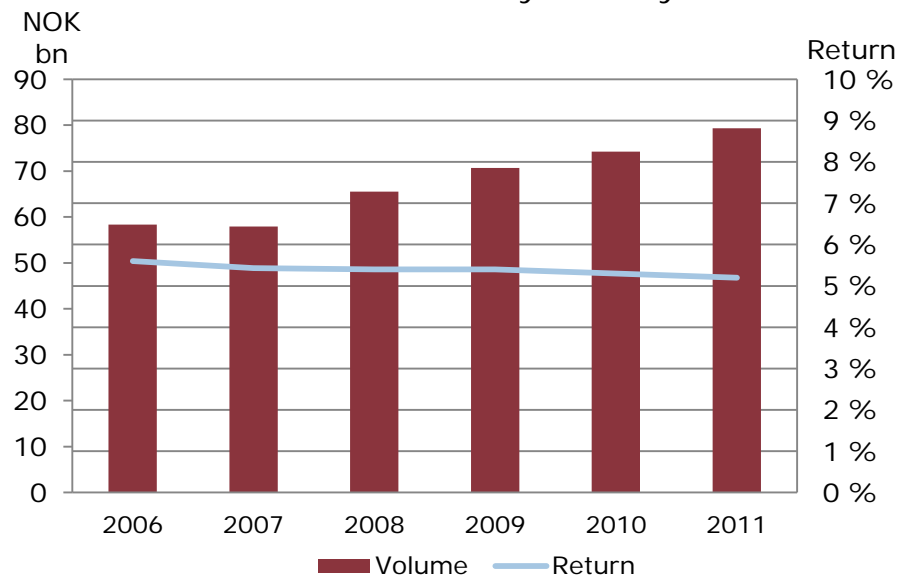


Bonds booked at amortised costs

KLP common portfolio

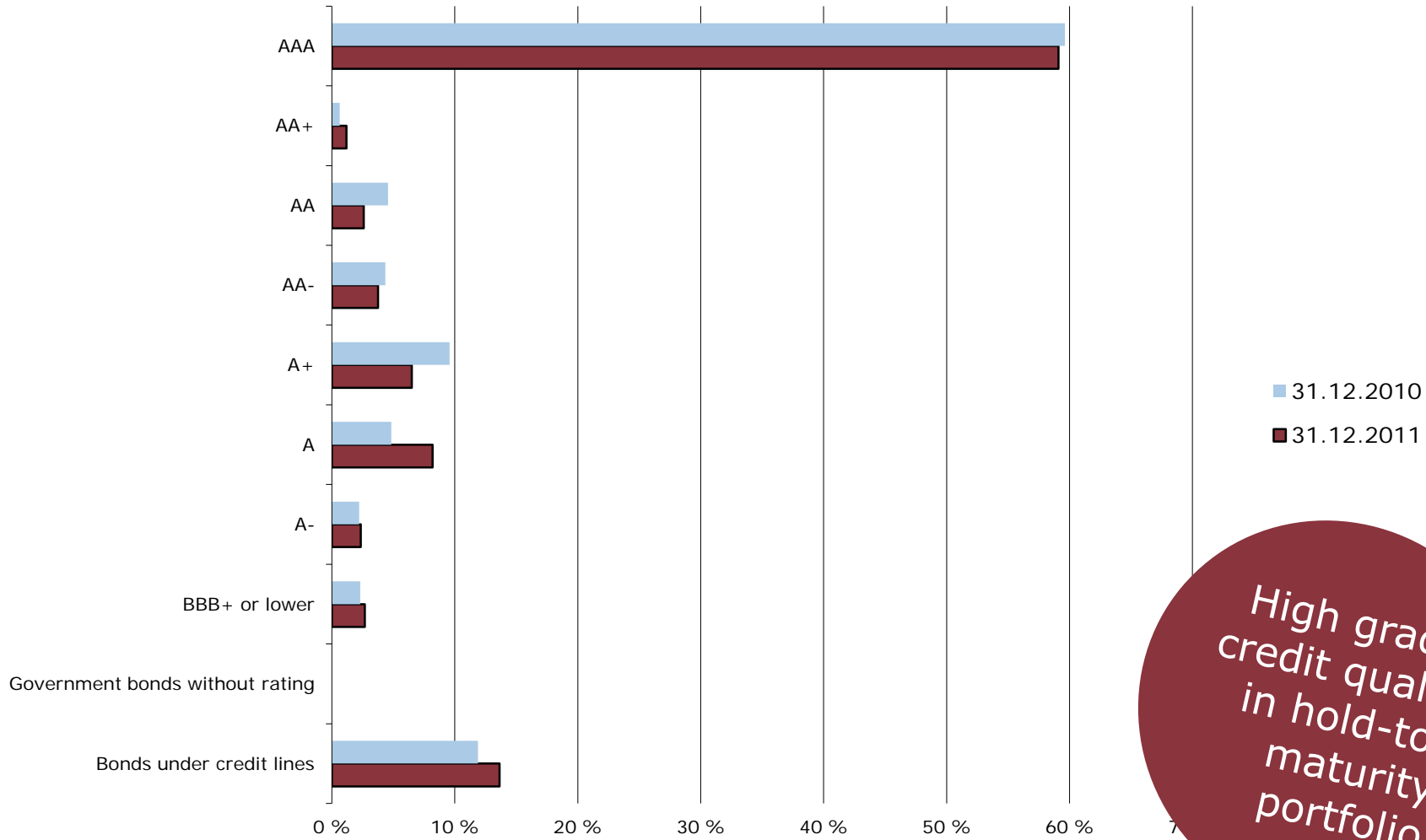
	Year	
	2011	2010
Book value (NOK mill)	79 287	74 227
Valuation reserve (NOK mill)	3 027	1 441
Return (per cent)	5.2	5.3

Bonds held-to maturity, last 5 years



Bonds booked at amortised costs

KLP common portfolio

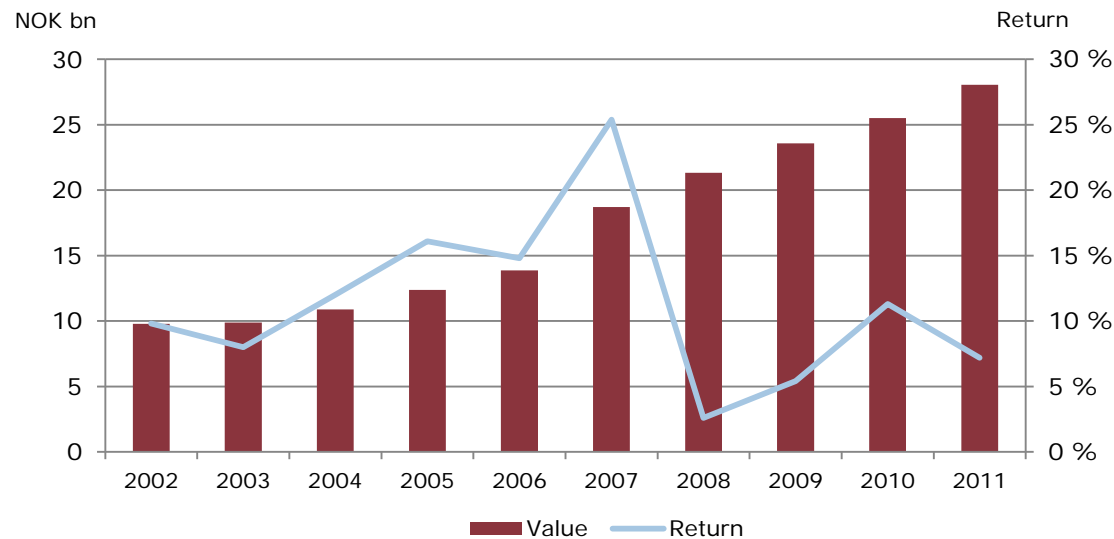


High grade credit quality in hold-to-maturity portfolio

Property investments

Total portfolio

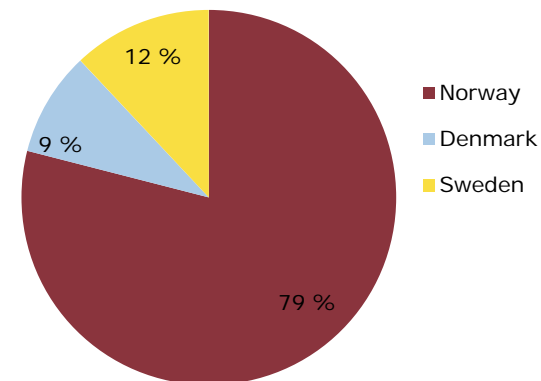
	2011	2010
Book value (value-adjusted NOK mill)	29 821	27 123
Total surface inc. sites (1 000 m ²)	1 618	1 534
Occupancy rate (in %)	95,1	93,6
Average lease duration (year)	7,6	7,4



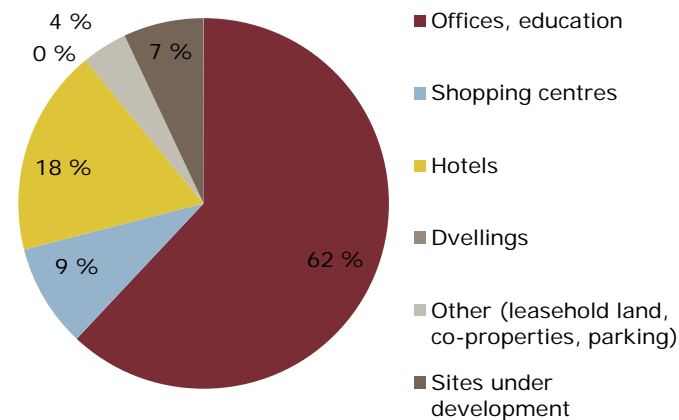
KLP's real estate activities

- Whereas KLP Eiendom AS is held by the common portfolio, it manages all property investments in the Group
- Positive development for centrally located properties through 2011, the property mass was appreciated by NOK 472 million (1.6 per cent) through the year
 - Whereas the development through Q4 eased off (+NOK 6.7 million)
- New investments in 2011:
 - Drammensveien 144 (Hafslund-HQ) in Oslo
 - TDC-HQ in Copenhagen
 - Scandic Grand Central in StockholmSet net acquisitions at NOK 2,2billion
- Real-estate investments constitute 11.6 per cent of the common portfolio.

Property value - by country



Property value - by sector



KLP's real-estate investments

Property value	Year	
	2011	2010
Value adjustment in per cent	29 840	27 305
Fair value common portfolio (NOK mill)	1.4 %	6.8 %
Value adjustment in per cent common portfolio	27 283	24 857
Property value	1.1 %	7.0 %

Return	Ytd 2011
Total return	7.0 %
Total return common portfolio	6.8 %

*All figures are exchange-rate hedged

Skadeforsikring (non-life insurance)

KLP Skadeforsikring

- Weak insurance result gave a total cost-percentage of 118.1 per cent as per 31.12.2011 (123.5)
- Indemnity percentage all branches 91.6 per cent (97.4 per cent)
- Cost percentage all branches 26.5 per cent (26.1 per cent)
 - Due to decrease in premium volume in combination with increased IT related costs
 - Still major start-up costs in connection to retail market entrance
 - Cost percentage related to ordinary business was 22.7 per cent
- Return on financial assets: 1.9 per cent for the quarter (1.9 per cent) and 4.5 per cent for the year (7.1 per cent)
- The company's solvency and capital base meet all regulatory requirements with a solid margin



KLP Skadeforsikring – profit & loss

<i>1 000 NOK</i>	Result 2011	Result 2010
Premium written f.o.a.	598 831	538 529
Allocated investment income	53 947	56 651
Claims f.o.a.	-548 356	-524 445
Insurance related expenses	-158 893	-140 416
Other insurance related income	2 629	2 110
Changes in security reserves etc.	-7 902	-23 548
Result from technical activities	-59 746	-91 118
Result from investment activities	138 877	217 299
Allocated investment income	-53 947	-56 651
Result from ordinary operation	25 185	72 445
Estimated tax expense	-28 848	2 915
Provisions for equity fund	34 403	-21 796
Result after provisions for equity fund	30 740	50 649

KLP Skadeforsikring – main figures

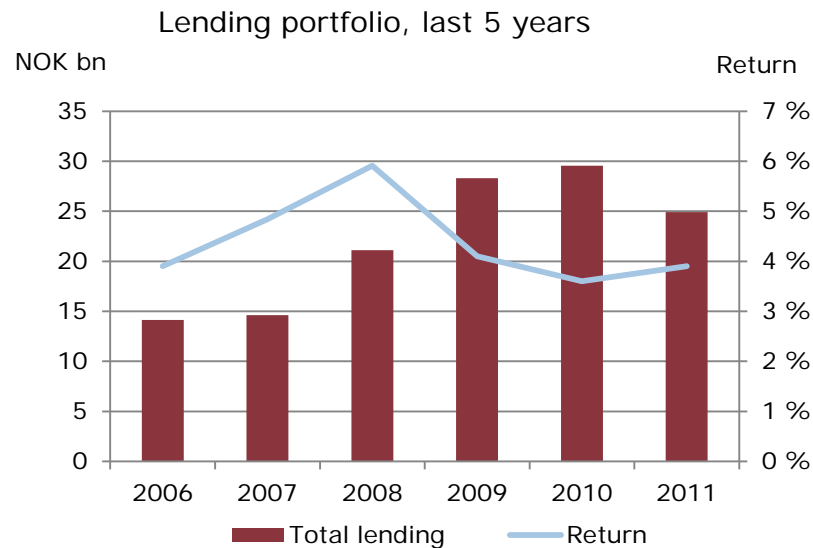
Key figures	2011	2010
Claims ratio on own account	91.6 %	97.4 %
Cost ratio on own account	26.5 %	26.1 %
Combined Ratio for own account	118.1 %	123.5 %
Return on capital	4.5 %	7.3 %
Capital adequacy ratio	31.8 %	32.0 %
<i>Revenues, NOK mill</i>	2011	2010
Gross premium written	650	631
Premium income for own account	599	538
Claims paid for own account	548	524
Insurance related costs for own account	159	140
Results	25	70
<i>Key figure balance sheet. NOK mill</i>	2011	2010
Financial assets	3 091	3 037
Total assets	3 440	3 502
Equity	719	753
Provisions in insurance funds for own account	1 875	1 842

Banking and credit

Lending portfolio

KLP common portfolio

	Year	
	2011	2010
Book value (NOK mill)	24 914	29 550
Of this: fixed rate loans (NOK mill)	10 194	10 776
Return year to date (in per cent)	3.9	3.6
Specific and general credit loss provisions (NOK mill)	0.8	0.7



KLP Bank-group – main figures

<i>NOK million</i>	KLP Kreditt			KLP Kommunekreditt			KLP Banken		
	Q4 2011	YTD 2011	2010	Q4 2011	YTD 2011	2010	Q4 2011	YTD 2011	2010
Net interest revenues	2.4	6.0	22.0	3.6	3.0	4.9	3.0	12.2	2.0
Net fee and commission income	-	-	-	-	-	-	1.2	3.8	2.1
Management fee	-	-	-	-	-	-	16.0	59.6	52.5
Operational costs	-0.4	-7.4	-22.2	-9.9	-41.1	-11.1	-31.8	-91.1	-76.4
Value adjustment financial instruments	-3.0	-1.9	52.1	-10.8	-11.9	-0.2	0	0	-0.3
Result before taxes	-1.0	-3.5	51.9	-17.1	-50.0	-6.4	-11.6	-15.5	-20.0
Total assets	1 513		15 092	26 565		11 176	9 497		5 526

KLP Bank-group – main figures

<i>NOK million</i>	KLP Banken Group		
	Q4 2011	2011	2010
Net interest revenues	10.0	21.1	31.6
Net fee and commission income	1.2	3.8	2.1
Management fee	16.0	59.6	52.5
Operational costs	-42.2	-139.6	-109.6
Value adjustment financial instruments	-13.8	-6.8	59.2
Result before taxes	-28.7	-62.2	35.9
Total assets	31 716		27 865

KLP Bank-group – lending and deposits

<i>NOK billion</i>	Mortgage loans		Public sector loans		Deposits	
	Q4 2011	2010	Q4 2011	2010	Q4 2011	2010
KLP Banken AS (parent)	3.2	1.3	-	-	1.8	0.9
KLP Kreditt AS	-	-	1.4	14.0	-	-
KLP Kommunekreditt AS	-	-	23.5	10.9	-	-
KLP (under management agreement)	6.3	7.5	18.4	21.9	-	-
Total	9.5	8.8	43.4	46.7	1.8	0.9

KLP Banken group

- Public sector lending :
 - Loan volume increased by NOK 0.6 billion to NOK 25.7 billion
- Private market:
 - Deposits of NOK 1 715 million
 - Home mortgage lending NOK 2 47 million
 - NOK 5.4 million in delinquent loans
 - Loss provision private lending: NOK 50 000

Retail: More
than
20 000
depositors

Success in
home
mortgages,
volume
increased
246 per cent
in 2011



Asset management

Pre-tax result
for the year
NOK 26
million

Manages
216 billion, of
which 14
billion for
external clients

Managing
securities
within a broad
range of asset
classes

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 205 billion at year end. The major share represent funds managed for Kommunal Landspensjonskasse and its subsidiaries.
- Total assets under unit-trust management by KLP Fondsforvaltning AS in excess of NOK 50billion.
- Pre-tax result: Nok 18 million



Summary

KLP strengthened into 2012

- KLP successful in the marketplace and marks a historically good transfer result
- KLP delivers good returns in 2011 given financial markets distorted by uncertainties and unrest. This allows both further strengthening of solidity as well as retrocession of surplus to our clients
- KLP records low operating cost due to effective operations and good cost control
- KLP also provides a broad spectrum of financial products and services to its clients and their
- KLP aims to render the clients daily operations simpler and to improve their economy
- Stable returns, a strong company, effective operations and focus on the clients requirements lie the base for future progress



Contacts in KLP

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