



Interim report

Q2 2021 – KLP AND KLP GROUP

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KLP Group

Q2 2021

Report for the second quarter of 2021

Strong customer result in the second quarter and for the first half of 2021

- The value-adjusted return was 2.9 per cent in the second quarter and 4.4 per cent after the first half of 2021, while the book return was 1.1 per cent in the quarter and 2.6 per cent after the first half.
- The results for the first half of the year are characterised by a solid contribution from the company's equity investments.
- Good profit contribution from the subsidiaries.

KLP – a customer-owned group

The KLP Group is made up of the following companies: Kommunal Landspensjonskasse (KLP) and its subsidiaries KLP Banken, KLP Skadeforsikring, KLP Kapitalforvaltning, KLP Forsikringservice and KLP Eiendom.

At the end of the second quarter of 2021, the Group had total assets of NOK 870.5 billion, an increase of NOK 57 billion in the quarter.

The Group's total comprehensive income was NOK 994 (113)¹ million after the second quarter.

Kommunal Landspensjonskasse

Pension schemes within the public sector are offered and administered by the Group's parent company, Kommunal Landspensjonskasse. Out of KLP's total assets of NOK 692.9 billion, NOK 633.6 billion is linked to insurance obligations within public-sector occupational pensions.

Results for the second quarter of 2021

Returns result

KLP achieved an investment result – the return in excess of that guaranteed by the company to its customers – totalling NOK 7.2 (3.4) billion during the first half of the year. The value-adjusted return on the common portfolio was 2.9 per cent in the second quarter and 4.4 per cent for the year to date, while the book return was 1.1 per cent in the second quarter and 2.6 per cent in the year to date.

1. Figures in brackets give values for the corresponding period in 2020.

Risk result

The risk events in the stock are within expectations throughout the year and will vary from quarter to quarter. Net income was NOK 102 million in the second quarter and NOK 293 million for the year to date.

Administration result

The Company's administration result shows a surplus of NOK 61 (64) million so far this year, of which NOK 20 million fell in the second quarter. Insurance-related operating costs came to NOK 625 (601) million so far this year.

Total profit/loss

Total profit/loss to the Company stands at NOK 984 (112) million for the year to date. The customer result is NOK 7.2 (3.5) billion so far this year.

NOK millions	Customers	Company	Total
Returns result	7 094	138	7 232
Risk result	147	147	293
Interest guarantee premium		124	124
Administration result		61	61
Other income from technical accounts		6	6
Net income from investments in the corporate portfolio and other income/expenses in non-technical accounts		488	488
Tax		-115	-115
Other profit/loss elements		135	135
Profit after Q2 2021	7 240	984	8 224
Profit after Q2 2020	3 458	112	3 571

Financial strength and capital-related matters

KLP's total assets increased by NOK 42.2 billion in the second quarter and amount to NOK 692.9 billion. The premium reserve increased by NOK 25.0 billion to NOK 477.7 billion in the same period.

The securities adjustment fund increased by NOK 11.1 billion in the quarter, to NOK 67.7 billion after the second quarter.

Without applying transitional rules, the Company's solvency capital requirement (SCR) is 282 per cent. Taking account of the transitional arrangement for technical provisions, capital adequacy was 332 per cent. KLP's target is capital adequacy of at least 150 per cent without applying transitional rules. Capital adequacy is well over this target and reflects the Company's good financial strength.

Key figures

Per cent	At 30.06.2021	At 30.06.2020
Book return	2,6	1,9
Value-adjusted return	4,4	-0,5
Value-adjusted incl. added value in hold-to-maturity bonds and lending	3,7	1
<i>The returns figures apply to the common portfolio</i>		
Capital adequacy, Solvency II	282	252
Capital adequacy, Solvency II, with transitional measures	332	333

Premium income

Premium income excluding premium reserves received on transfers in amounts to NOK 33.6 (14.3) billion at the end of the second quarter.

Claims/benefits

Pensions paid and other claims, excluding ceded premium reserves, amounted to NOK 10.8 (10.2) billion for the year to date.

Management of the common portfolio

The assets in the common portfolio totalled NOK 626.3 (574.9) billion and were invested as shown below:

Assets	At 30.06.2021		At 30.06.2020	
All figures in per cent	Proportion	Return	Proportion	Return
Equities	28,1 %	12,8 %	21,4 %	-7,0 %
Short-term bonds	16,5 %	-1,0 %	16,5 %	4,0 %
Long-term/HTM bonds	28,3 %	1,8 %	30,6 %	1,8 %
Lending	12,3 %	0,8 %	14,2 %	1,1 %
Property	13,3 %	4,2 %	13,0 %	1,5 %
Other financial assets	2,4 %	0,5 %	4,3 %	0,9 %

Equities

Total exposure in shares and alternative investments, including equity derivatives, was 28.1 per cent at the end of the second quarter. The total return on shares and alternative investments was 5.8 per cent in the quarter. The return on KLP's global equities was 6.8 per cent, while KLP's Norwegian equity portfolio returned 5.6 per cent in the quarter.

Short-term bonds and the money market

Short-term bonds accounted for 16.5 per cent and money-market instruments 2.4 per cent of the assets in the common portfolio at the end of the second quarter. Both Norwegian and US interest rates fell during the quarter, while European rates were more or less unchanged. KLP's global government bond index achieved a currency-hedged return of 0.5 per cent in the quarter, while the return on the Norwegian government bond index was 0.4 per cent. Global credit margins were approximately 9 basis points lower at 30 June compared to the previous quarter. The quarterly return for KLP's global credit bond index was 2.5 per cent. In total, short-term bonds achieved returns of 1.5 per cent in the second quarter. The money market return was 0.2 per cent for the quarter.

Long-term bonds

Investment in long-term bonds and bonds held to maturity made up 28.3 per cent of the common portfolio at 30.06. Unrecognised added values in the common portfolio amounted to NOK 10.3 billion at 30.06. The portfolio is well diversified and consists of securities issued by creditworthy borrowers. The return measured at amortised cost in the second quarter was 0.9 per cent.

Property

Property investments, including Norwegian and international real estate funds, made up 13.3 per cent of the common portfolio. Property values in the common portfolio were adjusted upwards by NOK 1.9 billion in the quarter. Property investments in the common portfolio achieved a return of 4.2 per cent in the first half-year.

Lending

Lending in the common portfolio totals NOK 75.8 billion. This is split between NOK 63.3 billion in loans to the public sector, NOK 2.2 billion in loans with government guarantees and NOK 3.1 billion in secured mortgage loans, with the remaining NOK 7.2 billion used for other purposes. The lending portfolio is of high quality, with no losses on municipal loans and very modest provisions for losses on mortgage loans. Unrecognised added values in the lending portfolio (fixed-interest loans) totalled NOK 777 million at 30.06.2021. Returns were 0.8 per cent so far this year.

Returns on the corporate portfolio

The corporate portfolio covers the placement of owners' equity and subordinated loans/hybrid Tier 1 and Tier 2 securities.

The corporate portfolio is managed with a moderate-risk long-term investment horizon, with the object of stable returns. Investments in the corporate portfolio achieved a return of 1.7 per cent in the year to date.

Other matters

Since 13 March 2020, employees of KLP and its subsidiaries have been working partly from home. Operationally, this has worked well and no particular issues affecting normal operations have been reported.

It is too early to say how Covid-19 and the pandemic situation will affect the drawing of disability pensions in KLP's membership base over time. Historical figures up to 2019 indicate that we have margins built into the calculation basis for disability. Because of the uncertainty surrounding disability going forward, most of these margins will be retained until further notice.

Business areas of the subsidiaries

Non-life insurance

The first half of 2021 produced a pre-tax operating profit of NOK 225.9 (18.2) million. After a good first quarter, net income improved further and the result for the second quarter was NOK 154.3 (144.3) million. The change is mainly due to an improved insurance result and a satisfactory financial return throughout the period. Operating expenses were lower than expected and the Company has continued to reverse previous years' reserves.

Premium volume stood at NOK 1,957 million at the end of the second quarter, an increase of NOK 155 million from the position at 31.12.2020. Although the general premium level is still rising, the company sees a need for further increases in some areas. Premiums due have increased by 12.7 per cent, or NOK 161 million, compared with the same time in 2020. Growth is high both in the public-sector and corporate markets and in the retail market.

The insurance result was NOK 289 (190) million. One major claim was reported during the second quarter. NOK 140 million has been set aside for this so far, with NOK 98 million covered by reinsurance. Reversal of previous years' claims is still positive, and this year NOK 78 million has so far been taken to income, equivalent to 3.5 per cent of the reserves at the beginning of the year.

Key figures for the Company

	At 30.06 2021	At 30.06 2020	Whole of 2020
Claims ratio	74,5	83,3	83,1
Cost ratio	15,8	18,6	17,6
Total cost ratio	90,3	101,9	100,7

In this year's survey by the Norwegian Insurance Brokers' Association, KLP Skadeforsikring's web portal was judged to do the best job of addressing customers' needs. Customer satisfaction surveys collected by KLP in the second quarter also show high and improved satisfaction in all customer segments.

Net financial income in the first half-year was NOK 128.7 (31.9) million, representing a return of 2.6 (0.8) per cent. Returns for the second quarter in isolation were NOK 99.2 (136.1) million, or 1.9 (3.0) per cent. So far this year, the equity portfolio has returned 13.8 percent. As of the first half-year, the Company's investments in interest-bearing funds had a return of -0.1 per cent, while fixed income bonds returned 1.6 per cent in the period. The return on real estate investments was 3.9 per cent, after a write-up of NOK 12 million. The second quarter in isolation saw a return of 7.3 per cent on equities, 1.1 per cent on interest-bearing investments, and a 0.9 per cent on long-term bonds.

The Company's financial position is good with a solvency capital requirement (SCR) of 252 per cent at the end of the second quarter of 2021, compared to 237 per cent at the end of 2020 and 238 per cent after the first quarter of 2021.

Asset and fund management

KLP Kapitalforvaltning provides securities management in the KLP Group. It had a total of NOK 628 billion under management at the end of the first half-year, of which NOK 121 billion came from external customers. The majority of the assets are managed on behalf of KLP and its subsidiaries.

Net new subscriptions to the KLP funds were NOK 12.6 billion in the first half. Of this, external customers had net new subscriptions of NOK 6.6 billion.

The Company achieved a result before tax of NOK 24.6 million in the first half-year.

Bank

The KLP Banken Group finances mortgages and other credit to individual customers (retail market) as well as loans to municipalities, county municipalities and companies that provide public services (public-sector market). The lending business is financed by way of deposits from private customers and companies, loans from the securities market and owners' equity. The Bank also manages lending financed through pension assets held by KLP.

As of 30 June 2021, the KLP Banken Group had loans to customers totalling NOK 38.2 (37.5) billion. The split between the retail market and the public sector was NOK 21.4 (20.1) billion and 16.8 (17.4) billion respectively.

KLP Banken manages NOK 3.1 (3.3) billion in mortgage loans and NOK 72.4 (76.8) billion in loans to public-sector borrowers and other businesses.

So far in 2021, the retail market in KLP Banken has seen weaker growth in mortgages than last year, increasing by NOK 0.7 (1.7) billion. Total new payments are at the same level as last year, so redemptions have increased. The Bank's mortgage products are aimed at the target group of members of the KLP pension schemes.

Lending volume to the public-sector market on KLP Banken's balance sheet fell in the first half by NOK 0.9 (0.7) billion. Loans to public-sector borrowers managed on behalf of KLP increased by NOK 1.1 (0.7) billion in the same period. Managed loans to foreign debtors in other currencies decreased by NOK 2.5 billion so far this year to NOK 7.4 billion.

The Bank's lending margins were relatively stable through the first half despite low interest rates and increasing competition in both lending areas. The Bank's operating income, in the form of net interest income, was NOK 152.8 (136.0) million at the end of the first half-year.

KLP Banken's liquidity is invested in other banks and in interest-bearing securities. The portfolio of interest-bearing securities amounts to NOK 5.1 (4.4) billion.

The Bank's net gain/loss on financial instruments mainly includes the effects of changes in the value of its securities holdings and loan buybacks. In all, financial instruments produced total expenses of NOK -18.6 (-16.1) million in the first half.

In 2020, KLP Banken AS used an extended right to take out F-loans with Norges Bank. The scheme will be discontinued in 2021. Outstanding F-loans at the end of the second quarter were reduced to NOK 0.7 billion. The borrowing is secured by deposits of securities for a corresponding amount.

The KLP Banken Group's external financing consists mainly of deposits and bonds. Deposit growth in the first half-year was NOK 0.9 (0.5) billion. On the reporting date, deposits from individuals and companies amounted to NOK 12.6 (12.2) billion and debt from securities issues came to NOK 29.2 (26.0) billion. The securities debt is mainly covered bonds issued by KLP Kommunekreditt AS and KLP Boligkreditt AS.

For the first half of the year, losses and loss provisions in the retail market amounted to NOK -1.2 (-2.9) million. This is mainly a loss on credit cards. The pandemic has so far resulted in lower loan losses than feared. In the credit card business, outstanding volume has also declined. Nor have we experienced any losses related to public-sector lending in 2021.

The KLP Banken Group had a pre-tax operating profit of NOK 54.3 (39.8) million at the end of the second quarter. Broken down by area, profits were NOK 46.3 (30.0) million in the retail market and NOK 8.0 (9.8) million in the public-sector market.

Corporate social responsibility

KLP aims to contribute to the best possible development of local communities and the future of Norwegian business. As part of this effort, the accelerator concept "KLP Trykktanken – Marine raw material in Tromsø" was launched in April. The seafood industry is growing, and it is also providing larger volumes of raw material residues from the industry, which can be turned into medicines, dietary supplements, cosmetics or animal feed, for example. The aim of KLP Trykktanken (the "KLP Pressure Tank") is to find and further develop northern Norwegian business opportunities within marine raw materials, and to accelerate and direct business ideas from entrepreneurs, industry and research and development in the region.

KLP has entered into two new investment partnerships. One is to invest NOK 2 billion in Macquarie funds to significantly increase our investments in green infrastructure, in the form of long-term debt. KLP has teamed up with Macquarie Asset Management to create a platform for investments in green infrastructure. The result is an investment strategy tailored to our green requirements.

KLP has also joined another investment partnership, Infrastructure Alliance Europe, which includes AP4 (the Fourth Swedish National Pension Fund), to invest in low-risk infrastructure in Europe. This is part of achieving the goal of investing in long-term infrastructure with a strong sustainability profile.

KLP Skadeforsikring has been working on a pre-project to map and arrive at a structured approach to climate risk and how it will affect the insurance business going forward. The pre-project also addresses issues related to how the company should respond to new requirements that are in the pipeline, what position KLP Skadeforsikring should take vis-à-vis the

municipalities, as well as clarifying how this work should be organised in the future. The pre-project has been ongoing since May, and the results will be presented to the board of the non-life company in early September.

The first two out of a total of eight municipal conference broadcasts this year have gone out. The subject of the first was “What kind of regional policy should we have in Norway? Managed decline or development? Should we accept that some areas will be depopulated, or is Covid-19 a turning point which will enable a satisfying life and career in the country?”. Professor Victor Norman and Senterpari leader Trygve slagsvold Vedum participated in the debate.

The subject of broadcast number two was “Can local authorities take care of our natural assets?” including the difficult choices the municipalities face. Should they take care of their natural assets, when the choice is between more jobs, increased tourism or essential infrastructure on the one hand, and nature on the other? Espen Barth Eide (Ap) was among the guests on this broadcast.

Future prospects and events after the end of the quarter

As more and more people are vaccinated, society is moving towards a gradual opening-up after a long period marked by strict infection control measures in connection with Covid-19. Although things are starting to return to normal, working from home will also be part of KLP’s operations going forward. The company is aware of how this may effect the working environment in KLP.

The global economy is also affected by the pandemic and is expected to produce good growth as more and more people are vaccinated. The financial markets have largely priced this into their expectations, so they could quickly react negatively to bad news related to the pandemic. KLP has high a high level of preparedness and good financial strength to enable it to handle such fluctuations.

Oslo, 23. August 2021

The Board of Directors of Kommunal Landspensjonskasse gjensidig forsikringsselskap

Egil Johansen
Chair

Jenny Følling
Deputy Chair

Egil Matsen

Karianne Melleby

Odd Haldgeir Larsen

Øivind Brevik

Vibeke Heldal
Elected by and from
among the employees

Erling Bendiksen
Elected by and from
among the employees

Income statement

KLP Group

NOTE	NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
3	Premium income for own account	27 051	8 187	34 520	18 483	39 049
	Current return on financial assets	3 957	3 893	7 586	7 999	14 793
	Net interest income banking	77	61	153	137	318
	Net value changes on financial instruments	17 985	25 914	27 602	-14 836	15 331
8	Net income from investment properties	2 667	175	3 503	903	5 080
4	Other income	360	210	763	664	1 136
	Total net income	52 098	38 440	74 127	13 350	75 707
	Claims for own account	-5 677	-6 706	-19 754	-18 575	-29 780
	Change in technical provisions	-24 962	-5 353	-20 226	-5 252	-19 000
5	Net costs subordinated loan and hybrid Tier 1 securities	-113	920	117	-742	-478
6	Operating expenses	-552	-526	-1 064	-1 039	-1 971
	Sale of business	0	-152	0	-152	-183
7	Other expenses	-325	-321	-628	-621	-1 258
	Unit holder's value change in consolidated securites funds	-7 193	-9 809	-11 320	2 187	-11 074
	Total expenses	-38 823	-21 946	-52 876	-24 194	-63 744
	Operating profit/loss	13 274	16 494	21 251	-10 844	11 963
	To/from securities adjustment fund – life insurance	-11 194	-12 215	-12 401	12 355	245
	To supplementary reserves – life insurance	611	490	611	490	-7 749
	Assets allocated to insurance customers - life insurance	-2 059	-4 207	-8 136	-1 287	-2 803
	Pre-tax income	632	562	1 325	713	1 657
	Cost of taxes ¹	-254	-228	-500	-401	-860
	Income	378	334	825	312	797

NOTE	NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
19	Actuarial loss and profit on post employment benefit obligations	0	-57	185	-404	-88
	Adjustments of the insurance obligations	0	44	-21	44	12
	Tax on items that will not be reclassified to profit or loss	0	-23	-30	64	19
	Items that will not be reclassified to profit or loss	0	-35	135	-296	-57
	Revaluation real property for use in own operation	21	112	47	129	392
8	Currency translation foreign subsidiaries	587	-795	-689	2 236	1 778
	Adjustments of the insurance obligations	-587	795	689	-2 236	-1 778
	Tax on items that will be reclassified to profit or loss	-5	-28	-12	-32	-98
	Items that will be reclassified to income particular specific conditions are met	15	84	35	97	294
	Total other comprehensive income	15	49	170	-199	238
	Total comprehensive income	394	383	994	113	1 034
	¹ Unit holders share of taxes in consolidated securities fund	-95	-57	-149	-133	-255

Financial position statement

KLP Group

NOTE	NOK MILLIONS	30.06.2021	30.06.2020	31.12.2020
	Deferred tax assets	45	66	61
	Other intangible assets	781	576	684
	Tangible fixed assets	2 595	2 177	2 557
	Investments in associated companies and joint venture	4 933	4 245	4 240
8,11	Investment property	83 969	77 392	81 485
9,14	Debt instruments held to maturity	27 862	31 299	28 986
9,14	Debt instruments classified as loans and receivables	156 974	155 714	154 180
9,11,14	Lending local government, enterprises & retail customers at fair value through profit / loss	515	677	589
9,14	Lending local government, enterprises and retail customers	114 360	117 845	115 071
9,11,14	Debt instruments at fair value through profit or loss	185 353	180 365	193 814
9,11	Equity capital instruments at fair value through profit/loss	255 593	182 223	204 982
9,11,14	Financial derivatives	1 390	7 186	11 561
9	Receivables	32 557	17 405	6 179
9	Assets in defined contribution-based life insurance	0	5 168	0
14	Cash and bank deposits	3 622	3 261	2 772
	TOTAL ASSETS	870 548	785 598	807 161
	Owners' equity contributed	17 937	16 333	18 194
	Retained earnings	22 217	20 912	21 222
	TOTAL OWNERS' EQUITY	40 154	37 245	39 416
9,10	Hybrid Tier 1 securities	1 635	2 020	1 764
9,10	Subordinated loan capital	2 989	3 174	3 135
19	Pension obligations	794	1 226	934
15	Technical provisions - life insurance	633 773	564 010	595 068
9,15	Provisions in life insurance with investment option	0	5 168	0
	Premiums, claims and contingency fund provisions - non-life insurance	3 371	3 009	2 729
9,10	Covered bonds issued	28 315	25 020	24 997
9,10	Debt to credit institutions	5 427	12 192	14 216
9,10	Liabilities to and deposits from customers	12 643	12 245	11 781
9,11	Financial derivatives	5 412	2 315	789
	Deferred tax	1 612	1 374	1 425
16	Other current liabilities	12 495	22 692	6 859
	Unit holders`s interest in consolidated securites funds	121 931	93 910	104 050
	TOTAL LIABILITIES	830 394	748 354	767 745
	TOTAL EQUITY AND LIABILITIES	870 548	785 598	807 161
	Contingent liabilities	28 984	27 500	27 659

Changes in Owners' equity

KLP Group

2021 NOK MILLIONS	Owners' equity contributed	Retained earnings	Total equity contributed
Owners' equity 1 January 2021	18 194	21 222	39 416
Income		825	825
Items that will not be reclassified to income		135	135
Items that will be reclassified to income later when particular conditions are met		35	35
Total other comprehensive income		170	170
Total comprehensive income		994	994
Owners' equity contribution received (net)	- 257		- 257
Total transactions with the owners	- 257		- 257
Owners' equity 30 June 2021	17 937	22 217	40 154

2020 NOK MILLIONS	Owners' equity contributed	Retained earnings	Total equity contributed
Owners' equity 1 January 2020	16 540	20 799	37 339
Income		312	312
Items that will not be reclassified to income		- 296	- 296
Items that will be reclassified to income later when particular conditions are met		97	97
Total other comprehensive income		- 199	- 199
Total comprehensive income		113	113
Owners' equity contribution received (net)	- 207		- 207
Total transactions with the owners	- 207		- 207
Owners' equity 30 June 2020	16 333	20 912	37 245

2020 NOK MILLIONS	Owners' equity contributed	Retained earnings	Total equity contributed
Owners' equity 1 January 2020	16 540	20 799	37 339
Income	611	186	797
Items that will not be reclassified to income	-	- 57	- 57
Items that will be reclassified to income later when particular conditions are met	-	294	294
Total other comprehensive income	-	238	238
Total comprehensive income	611	423	1 034
Owners' equity contribution received (net)	1 043	-	1 043
Total transactions with the owners	1 043		1 043
Owners' equity 31 December 2020	18 194	21 222	39 416

Statement of cash flows

KLP Group

NOK MILLIONS	01.01.2021 -30.06.2021	01.01.2021 -31.03.2021	01.01.2020 -31.12.2020	01.01.2020 -30.09.2020	01.01.2020 -30.06.2020
Net cash flow from operational activities	-21 644	-13 315	13 405	2 399	8 608
Net cash flow from investment activities ¹	-146	-69	-331	-231	-157
Net cash flow from financing activities ²	22 640	15 833	-13 495	-2 658	-8 384
Net changes in cash and bank deposits	850	2 449	-422	-490	67
Holdings of cash and bank deposits at start of period	2 772	2 772	3 194	3 194	3 194
Holdings of cash and bank deposits at end of period	3 622	5 221	2 772	2 703	3 261

¹ Payments on the purchase of tangible fixed assets.

² Net receipts of owners' equity contribution, rising of new loans and repayment of debt. And also payments from unit holders in consolidated securities funds.

Notes to the financial statement

Note 1 Accounting principles –and estimates

ACCOUNTING PRINCIPLES

The financial statements in this interim report show the Kommunal Landspensjonskasse (KLP) group financial statements and parent company financial statements for the period 1 January 2021 – 30 June 2021. The accounts have not been audited.

That part of the interim report that relates to the Group financial statements has been prepared in accordance with IAS 34 Interim financial Reporting.

The same accounting principles and calculation methods have been used in the interim financial statements as in the last annual financial statements, unless stated otherwise.

The interim financial statements do not contain all the information required of complete financial statements, and this interim financial report should be read in the context of the annual financial statements for 2020. The annual financial statements are available at KLP's website klp.no.

Sums released following longevity adjustments

In a letter dated 22 December 2020, the life insurance business applied for approval from the Financial Supervisory Authority of Norway (FSA) to use sums released as a result of longevity adjustments (changes in ratios and divisors) to strengthen the premium reserve. The sums released totalled NOK 2.9 billion and were redistributed as of 31 December 2020.

In its reply dated 30 June 2021, FSA states that the option of strengthening the premium reserve with sums released as a result of longevity adjustments will not apply. It is not clear from FSA's reply how the sums released should be allocated. In its reply, FSA also states that a fresh application from the life insurance business to finance a strengthening of the premium reserve is required, and that this funding will be conditional on the life insurance business contributing equity.

Based on the reply from FSA, the life insurance business will reassess the allocation of the sums released as a result of longevity adjustments, and reconsider how to strengthen the premium reserve and how to finance this.

ACCOUNTING ESTIMATES

In preparing the interim financial statements, management has exercised discretion and used estimates and assumptions that affect the accounting figures. Actual figures may deviate from estimates used.

Note 2 Segment information

PUBLIC SECTOR OCCUPATIONAL PENSION AND GROUP LIFE

Kommunal Landspensjonskasse offers group public sector occupational pensions.

ENTERPRISE (DEFINED BENEFIT) AND DEFINED CONTRIBUTION PENSION

KLP Bedriftspensjon AS offers products to enterprises within both the public and private sectors. The business was sold in 2020.

NON-LIFE INSURANCE

KLP Skadeforsikring AS offers property and personal injury products to employers within the public and private sectors. In addition a broad specter of standard insurance products is offered to the the retail market.

BANKING

KLP's banking business embraces the companies KLP Banken AS and its wholly-owned subsidiaries: KLP Kommunekreditt AS and KLP Boligkreditt AS. The banking business covers services such as deposits and lending to the retail market, credit cards, as well as lending with public sector guarantee.

ASSET MANAGEMENT

Asset management is offered from the company KLP Kapitalforvaltning AS. The company offer a broad selection of securities mutual funds both to retail customers and to institutional customers. The securities management has a socially responsible profile.

OTHER

Other segments comprises KLP Forsikringservice AS which offers a broad specter of services to local authority pension funds.

NOK MILLIONS	Group pensions pub. sect. & group life			Group pensions private			Non-life insurance			Banking		
	01.01.2021	01.01.2020	01.01.2020	01.01.2021	01.01.2020	01.01.2020	01.01.2021	01.01.2020	01.01.2020	01.01.2021	01.01.2020	01.01.2020
	-30.06.2021	-30.06.2020	-31.12.2020	-30.06.2021	-30.06.2020	-31.12.2020	-30.06.2021	-30.06.2020	-31.12.2020	-30.06.2021	-30.06.2020	-31.12.2020
Premium income for own account from external customers ¹	33 634	17 124	37 102	sold	571	313	904	805	1 658	0	0	0
Net financial income from investments	26 397	-1 941	25 351	sold	-160	-604	128	31	229	135	124	304
Other income	993	706	1 429	sold	4	2	1	1	2	38	39	77
Total income	61 024	15 889	63 881	-	414	-288	1 032	837	1 889	173	163	381
Claims for own account	-19 100	-17 809	-28 360	sold	-94	-45	-654	-672	-1 375	0	0	0
Insurance provisions for own account	-20 222	-4 944	-19 329	sold	-310	331	-4	2	-2	0	0	0
Costs borrowing	117	-742	-478	sold	0	0	0	0	0	0	0	0
Operating costs excluding depreciation	-554	-530	-1 030	sold	-36	-19	-145	-146	-287	-114	-119	-233
Depreciation	-45	-36	-74	sold	-1	0	-3	-3	-5	-3	-2	-4
Sale of business	0	0	0	sold	-152	0	0	0	0	0	0	0
Other expenses	-695	-664	-1 377	sold	-9	0	0	0	0	-2	-4	-7
Return to financial instruments attributable to minority interests												
Total expenses	-40 498	-24 724	-50 649	-	-603	267	-806	-818	-1 668	-119	-125	-244
Operating profit/loss	20 526	-8 835	13 233	-	-188	-22	226	18	220	54	38	137
Funds credited to insurance customers ²	-19 561	9 509	-11 944	sold	3	8	0	0	0	0	0	0
Pre-tax income	965	675	1 289	-	-185	-14	226	18	220	54	38	137
Cost of taxes	-115	-115	-204	sold	0	0	-61	-5	-40	12	18	-3
Income	849	559	1 085	-	-185	-14	165	14	180	66	57	133
Change in other comprehensive income	135	-295	-63	sold	-5	-4	19	-30	-10	8	-12	-4
Total comprehensive income	984	264	1 021	-	-190	-18	184	-17	170	74	45	130
Assets	692 854	627 258	652 277	sold	7 562	sold	6 067	5 338	5 270	45 216	43 855	42 694
Liabilities	652 745	590 035	612 894	sold	7 161	sold	3 773	3 414	3 160	42 742	41 512	40 267

NOK MILLIONS	Asset management			Other			Eliminations			Total		
	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
Premium income for own account from external customers ¹	0	0	0	0	0	0	-17	-16	-24	34 520	18 483	39 049
Net financial income from investments	3	6	6	0	0	0	12 182	-3 858	10 236	38 844	-5 797	35 522
Other income	299	267	547	6	6	12	-574	-357	-932	763	664	1 136
Total income	302	272	554	6	6	12	11 590	-4 231	9 280	74 127	13 350	75 707
Claims for own account	0	0	0	0	0	0	0	0	0	-19 754	-18 575	-29 780
Insurance provisions for own account	0	0	0	0	0	0	0	0	0	-20 226	-5 252	-19 000
Costs borrowing	0	0	0	0	0	0	0	0	0	117	-742	-478
Operating costs excluding depreciation	-274	-271	-517	-5	-7	-12	81	114	216	-1 012	-995	-1 881
Depreciation	-3	-3	-6	0	0	0	0	0	0	-53	-45	-90
Sale of business	0	0	0	0	0	0	0	0	-183	0	-152	-183
Other expenses	0	0	0	0	0	0	69	56	125	-628	-621	-1 258
Return to financial instruments attributable to minority interests							-11 320	2 187	-11 074	-11 320	2 187	-11 074
Total expenses	-277	-274	-523	-5	-7	-12	-11 171	2 357	-10 916	-52 876	-24 194	-63 744

NOK MILLIONS	Asset management			Other			Eliminations			Total		
	01.01.2021	01.01.2020	01.01.2020	01.01.2021	01.01.2020	01.01.2020	01.01.2021	01.01.2020	01.01.2020	01.01.2021	01.01.2020	01.01.2020
	-30.06.2021	-30.06.2020	-31.12.2020	-30.06.2021	-30.06.2020	-31.12.2020	-30.06.2021	-30.06.2020	-31.12.2020	-30.06.2021	-30.06.2020	-31.12.2020
Operating profit/loss	25	-2	31	1	-1	0	419	-1 874	-1 636	21 251	-10 844	11 963
Funds credited to insurance customers ²	0	0	0	0	0	0	-365	2 045	1 630	-19 926	11 558	-10 306
Pre-tax income	25	-2	31	1	-1	0	54	171	-6	1 325	713	1 656
Cost of taxes	-11	-6	-5	0	0	0	-324	-294	-608	-500	-401	-860
Income	14	-8	26	1	-1	0	-270	-123	-614	825	312	796
Change in other comprehensive income	19	-2	-9	0	-1	0	-11	147	328	170	-199	238
Total comprehensive income	33	-9	16	1	-1	0	-281	23	-286	994	113	1 034
Assets	598	540	583	8	7	7	125 805	101 038	106 330	870 548	785 598	807 161
Liabilities	231	253	248	3	4	3	130 900	105 974	111 173	830 394	748 354	767 745

¹ Premium income covers premiums earned for own account including savings premium and transferred premium reserves from other companies.

² Funds transferred to the insurance customers include transfers to the premium fund, provisions to the securities adjustment fund, provisions to supplementary reserves and other provisions of surplus funds to the insurance customers.

The KLP Group's business is divided into the six areas: public sector occupational pension/group life, enterprise (defined benefit) and defined contribution pension, non-life insurance, banking, asset management and other. All business is directed towards customers in Norway.

Note 3 Premium income for own account

NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
Contribution service pension	27 069	7 766	34 557	15 443	36 270
Reinsurance premiums ceded	-18	-18	-37	-36	-71
Transfer of premium reserves from others	0	439	0	3 075	2 850
Total premium income	27 051	8 187	34 520	18 483	39 049

Note 4 Other income

NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
Supplement contractual early retirement scheme (ERS)	308	286	607	580	1 189
Other income ¹	53	-76	156	84	-52
Total other income	360	210	763	664	1 136

¹ Other income includes investment from associated and joint ventures companies, so the results can be both negative and positive.

Note 5 Subordinated loans and perpetual hybrid tier 1 securities

NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
SUBORDINATED LOANS					
Interest costs ¹	-34	-386	-61	-488	-555
Value changes	-51	1 058	80	63	169
Net costs subordinated loans	-84	672	19	-425	-386
PERPETUAL HYBRID TIER 1 SECURITIES					
Interest costs	-16	-15	-31	-35	-67
Value changes	-14	263	129	-282	-25
Net costs perpetual hybrid tier 1 securities	-29	248	98	-316	-92
Net costs subordinated loan and hybrid Tier 1 securities	-113	920	117	-742	-478

¹ Besides pure interest costs, this includes recognition through profit/loss of a discount on one subordinated loan.

This note gives a specification of the line "Net costs subordinated loan and hybrid Tier 1 securities" in the income statement.

The fluctuations in value change are predominantly due to the loans being denominated in foreign currency. The subordinated loan is issued in euros and the perpetual hybrid Tier 1 security are issued in Japanese yen.

Note 6 Operating expenses

NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
Personnel costs	316	283	631	603	1 131
Depreciation and writedowns	39	32	77	65	132
Other operating expenses	197	211	356	372	708
Total operating expenses	552	526	1 064	1 039	1 971

Note 7 Other expenses

NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
Supplement contractual early retirement scheme (ERS)	308	286	607	580	1 189
Other expenses	18	35	21	41	70
Total other expenses	325	321	628	621	1 258

Note 8 Investment property

NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
Net rental income	755	712	1 511	1 395	2 893
Net value adjustment	1 912	-536	1 992	-492	2 177
Realised gains	0	0	0	0	9
Net income from investment properties	2 667	175	3 503	903	5 080
Currency translate foreign subsidiaries (taken to other comprehensive income)	587	-795	-689	2 236	1 778
Net income from investment properties included currency translate	3 254	- 619	2 814	3 139	6 858

NOK MILLIONS	30.06.2021	30.06.2020	31.12.2020
Investment property 01.01.	81 485	74 545	74 545
Value adjustment, including currency translation	1 303	1 744	3 956
Net additions	1 198	1 085	3 083
Reclassified property for own use	0	0	- 102
Other changes	- 17	17	2
Investment property 30.06/31.12	83 969	77 392	81 485

Note 9 Fair value of financial assets and liabilities

Fair value is to be a representative price based on what the equivalent asset or liabilities would be sold for under normal market terms and conditions. A financial instrument is considered as being listed in an active market if listed prices are easily and regularly accessible from a stock exchange, dealer, broker, commercial group, pricing service or regulatory authority, and such

prices represent actual transactions that occur regularly at arm's length. If the market for the security is not active, or the security is not listed on a stock exchange or similar, the Group uses valuation techniques to determine fair value. These are based on information on transactions recently carried out on business conditions, reference to the purchase and sale of similar instruments and pricing by means of externally obtained interest-rate curves and interest-rate differential curves. Estimates are based to the greatest possible extent on external observable market data, and to a small degree on company-specific information.

In the case of this note, there are three different categories of financial instruments: balance sheet classification, accounts classification, and type of instrument. It is for this last category that information is provided about how fair value is derived.

FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

This category includes:

- Investments held to maturity
- Bonds classified as loans and receivables
- Other loans and receivables
- Subordinated loan capital (liabilities)
- Other debt issued (liabilities)

Financial instruments not measured at fair value are measured at amortised cost by using the effective interest rate method. The internal rate of exchange is determined by discounting contractual cash flows over their expected term. The cash flows include arrangement/up-front fees and direct transaction costs as well as any residual value on the expiry of the expected term. Amortised cost is the present value of these cash flows discounted by the internal rate of interest. This note contains information about the fair value of the financial instruments that are measured at amortised cost.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

This category includes:

- Equity instruments
- Debt instruments at fair value
- Derivatives (assets and liabilities)
- Debt to credit institutions (liabilities)

Below is a list of which types of financial instrument come under the various accounts categories, and how fair value is calculated.

- INVESTMENTS HELD TO MATURITY
- BONDS CLASSIFIED AS LOANS AND RECEIVABLES
- DEBT INSTRUMENTS MEASURED AT FAIR VALUE

a) Foreign fixed-income securities

Foreign fixed-income securities are generally priced based on prices obtained from an index provider. At the same time, prices are compared between several different sources to spot any errors.

The following sources are used:

- Barclays Capital Indices
- Bloomberg

Barclays Capital Indices have first priority (they cover foreign government and foreign credit respectively). Then comes Bloomberg based on Bloomberg's pricing service Business Valuator Accredited in Litigation (BVAL). BVAL has verified prices from Bloomberg.

b) Norwegian fixed-income securities – government

Bloomberg is used as the source for pricing Norwegian Government Bonds. It is Oslo Børs, the Oslo Stock Exchange, that provides the price (via Bloomberg). Prices are compared with prices from Reuters in order to uncover any errors.

c) Norwegian fixed-income securities – other than government ones

Norwegian fixed-income securities except government are mainly priced directly on prices from Nordic Bond Pricing. Securities that are not covered by Nordic Bond Pricing are priced theoretically. The theoretical price is based on the assumed present value on the sale of the position. A zero-coupon curve is used for discounting. The zero-coupon curve is adjusted upwards by means of a credit spread, which is to take account of the risk the bond entails. The credit spread is calculated on the basis of a spread curve taking account of the duration of the bond. Nordic Bond Pricing is the main source of spread curves. They provide company-specific curves and curves for Norwegian savings banks, municipalities and energy. Savings banks have various spread curves based on total assets. For companies where Nordic Bond Pricing do not deliver spread curves, the Group use spread curves from three Norwegian banks. When spread curves are available from more than one of these banks, an equal-weighted average is used. If a bond lacks an appropriate spread curve, spread from a comparable bond from the same issuer is used.

d) Fixed-income securities issued by foreign enterprises but denominated in NOK

Fair value is calculated on the same general principles as those applying for Norwegian fixed-income securities described above.

e) Receivables on credit institutions

The fair value of these is considered as being approximately the same as the book value since the terms and conditions of the contract are continually revised in accordance with changes in the market rates.

f) Loans to municipalities and enterprises with municipal guarantee

Receivables are valued by means of a valuation model using relevant credit premium adjustments obtained in the market. For guaranteed loans fair value is calculated as discounted cash flow based on the same interest-rate curves as direct loans, but the credit margin is adjusted to market values for the appropriate combination of guarantee category and type of guarantee. The guarantor is either a state, municipality or a bank.

g) Loans secured by mortgage

The principles for calculating fair value are subject to the loans having fixed-interest rates or not. Fair value of fixed-rate loans is calculated by discounting contractual cash flows by the market rate including a relevant risk margin on the reporting date. The fair value of loans with no fixed rate is approximately equal to book value since the terms and conditions of the contract are continually revised in accordance with changes in the market rates

- EQUITY INSTRUMENTS

h) Shares (listed)

Liquid shares are generally valued on the basis of prices from an index provider. At the same time, prices are compared between different sources in order to spot any errors.

The following sources are used for Norwegian shares:

- Oslo Børs/Oslo Stock Exchange (primary source)
- Morgan Stanley Capital International (MSCI)
- Bloomberg

The following sources are used for foreign shares:

- Morgan Stanley Capital International (MSCI) (primary source)
- Bloomberg

i) Shares (unlisted)

As far as possible, The Group uses the Norwegian Mutual Funds Association's industry recommendations. This basically means the following:

The last price traded has key priority. If the last price traded is outside of the bid/offer price in the market, the price is adjusted accordingly. This means that if the last price traded is below the offer price, the price is adjusted upward to the offer price. If it is above the bid price, it is adjusted downward to the bid price.

In cases where there is very little information about the shares, a discretionary assessment is carried out, such as a fundamental analysis of the company, or a broker assessment.

j) Private Equity

Most of the investment in Private Equity goes through funds. The funds' fair value is to be based on reported market values that follow from the International Private Equity and Venture Capital Valuation Guidelines ('IPEV Guidelines'). These guidelines are established by the European Venture Capital Association (EVCA) and are based on the principle of approximate market assessment of the companies. Fair value is calculated on the basis of the funds' reported market value adjusted for payments in and out during the period between the fund's last reported market value and the period being reported on for the Group. Direct investments in Private Equity are treated in the same way as with current stocks, but valuation can be daily, quarterly or yearly. In cases where it's possible to obtain information on what co-investments are priced within the funds, it will be considered in the valuation process. Other direct investments are valued based on either cost prices, reported market values from companies or available trading prices.

DERIVATIVES

k) Futures/FRA/IRF

All futures contracts for KLP are traded on the stock exchange. Bloomberg is used as a prices source. Prices are also obtained from another source in order to check that Bloombergs' prices are correct. Reuters acts as a secondary source.

l) Options

Bloomberg is used as a source for pricing options traded on the stockmarket. Reuters is a secondary source.

m) Interest-rate swaps

Interest-rate swaps are valued in a model that takes observable market data such as interest-rate curves and relevant credit premiums into account .

n) FX-swaps

FX-swaps with a one-year maturity or less are priced on curves that are built up from FX swap-points obtained from Reuters. The market is not considered particularly liquid for FX-swaps with a maturity of more than one year and basis-adjusted swap curves are used for pricing purposes.

- DEBT TO CREDIT INSTITUTIONS

o) Placements with credit institutions and deposits

Placements with credit institutions are made as short-term deposits. Fair value is calculated by discounting contractual cash flows by market rate including a relevant risk margin on the reporting date. Deposits are priced on swap curves.

SUBORDINATED LOAN CAPITAL, OTHER DEBT ISSUED, AND DEPOSITS FROM CUSTOMERS

p) Fair value of subordinated loans

The observable price is used as the fair value of loans listed on an active stock exchange. In the case of other loans that are not part of an active market the fair value is based on an internal valuation model based on observable data.

q) Fair value of subordinated bond/perpetual bond issued

Fair value in this category is determined on the basis of internal valuation models based on external observable data.

r) Covered bonds issued

Fair value in this category is determined on the basis of internal valuation models based on observable data.

s) Deposits from customers

All deposits are without fixed-rate interest. The fair value of these is considered as approximately equal to book value since the contractual terms are continually revised in accordance with the market rate.

The tables below give a more detailed specification of the content of the different classes of assets and financial liabilities.

NOK MILLIONS	30.06.2021		30.06.2020		31.12.2020	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
DEBT INSTRUMENTS HELD TO MATURITY - AT AMORTIZED COST						
Norwegian hold-to-maturity bonds	5 122	5 655	5 221	6 229	5 130	5 786
Foreign hold-to-maturity bonds	22 740	24 556	26 078	28 577	23 856	26 163
Total debt instruments held to maturity	27 862	30 211	31 299	34 806	28 986	31 950
DEBT INSTRUMENTS CLASSIFIED AS LOANS AND RECEIVABLES- AT AMORTIZED COST						
Norwegian bonds	53 321	54 405	48 868	52 731	51 396	54 735
Foreign bonds	103 609	111 340	106 805	116 205	102 738	111 115
Other receivables	44	44	41	41	47	47
Total debt instruments classified as loans and receivables	156 975	165 790	155 713	168 977	154 180	165 897
LENDING LOCAL GOVERNMENT, ENTERPRISES & RETAIL CUSTOMERS AT FAIR VALUE THROUGH PROFIT/LOSS						
Loans to local government sector or enterprises with local government guarantee	515	515	677	677	589	589
Total loans to local government, enterprises & retail customers	515	515	677	677	589	589
LENDING TO LOCAL GOVERNMENT, ENTERPRISES & RETAIL CUSTOMERS - AT AMORTIZED COST						
Loans secured by mortgage	24 503	24 524	23 402	23 467	23 763	23 816
Loans to local government sector or enterprises with local government guarantee	81 514	82 337	79 384	81 103	81 335	82 668
Loans abroad secured by mortgage and local government guarantee	8 298	8 298	15 003	15 020	9 923	9 923
Loans creditcard	45	45	55	55	50	50
Total loans to local government, enterprises & retail customers	114 360	115 204	117 845	119 645	115 071	116 458

NOK MILLIONS	30.06.2021		30.06.2020		31.12.2020	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
DEBT INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Norwegian bonds	50 856	50 856	56 008	56 008	51 841	51 841
Norwegian certificates	7 586	7 586	6 125	6 125	6 094	6 094
Foreign bonds	91 843	91 843	95 967	95 967	92 025	92 025
Foreign certificates	550	550	50	50	549	549
Investments with credit institutions	34 518	34 518	22 216	22 216	43 305	43 305
Total debt instruments	185 353	185 353	180 365	180 365	193 814	193 814
EQUITY CAPITAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Shares	230 370	230 370	162 653	162 653	185 112	185 112
Equity funds	23 115	23 115	16 648	16 648	18 488	18 488
Property funds	2 108	2 108	15	15	1 382	1 382
Alternative investments	0	0	2 907	2 907	0	0
Total equity capital instruments	255 593	255 593	182 223	182 223	204 982	204 982
RECEIVABLES						
Receivables related to direct business	22 068	22 068	1 730	1 730	1 433	1 433
Receivables related to reinsurance agreements	286	286	143	143	176	176
Reinsurance share of gross claims reserve	37	37	52	52	0	0
Receivables related to securites	9 472	9 472	14 804	14 804	3 111	3 111
Prepaid rent related to real estate activites	305	305	212	212	212	212
Other receivables	388	388	481	481	1 246	1 246
Total other loans and receivables including receivables from policyholders	32 557	32 557	17 423	17 423	6 179	6 179

NOK MILLIONS	30.06.2021		30.06.2020		31.12.2020	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
FINANCIAL LIABILITIES - AT AMORTIZED COST						
Hybrid Tier 1 securities	1 635	1 585	2 020	1 767	1 764	1 592
Subordinated loan capital	2 989	3 351	3 174	3 545	3 135	3 561
Debt to credit institutions	1 582	1 582	3 975	3 975	3 304	3 304
Covered bonds issued	28 315	28 454	25 020	25 062	24 997	25 105
Liabilities and deposits from customers	12 643	12 643	12 245	12 245	11 781	11 781
Total financial liabilities	47 162	47 616	46 434	46 594	44 980	45 342
FINANCIAL LIABILITIES - AT FAIR VALUE THROUGH PROFIT OR LOSS						
Debt to credit institutions	3 845	3 845	8 217	8 217	10 913	10 913
Total financial liabilities	3 845	3 845	8 217	8 217	10 913	10 913
Assets in life insurance with investment option	0	0	5 168	5 168	0	0
Provisions in life insurance with investment option	0	0	5 168	5 168	0	0

NOK MILLIONS	30.06.2021		30.06.2020		31.12.2020	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
FINANCIAL DERIVATIVES - AT FAIR VALUE THROUGH PROFIT OR LOSS						
Forward exchange contracts	97	4 387	4 940	1 417	9 140	384
Interest rate swaps	114	1 024	1 163	897	1 144	405
Interest rate and currency swaps	956	0	1 083	0	1 058	0
Share option	223	1	0	0	219	0
Total financial derivatives	1 390	5 412	7 186	2 315	11 561	789

Note 10 **Borrowing**

NOK MILLIONS	Nominal in NOK	Currency	Interest	Due date	Book value 30.06.2021	Book value 30.06.2020	Book value 31.12.2020
FIXED - TERM SUBORDINATED LOAN							
Kommunal Landspensjonskasse	2 530	EUR	Fixed ¹	2045	2 989	3 174	3 135
Total subordinated loan capital	2 530	-	-	-	2 989	3 174	3 135
HYBRID TIER 1 SECURITIES							
Kommunal Landspensjonskasse	984	JPY	Fixed ²	2034	1 635	2 020	1 764
Total hybrid Tier 1 securities	984	-	-	-	1 635	2 020	1 764
COVERED BONDS							
KLP Kommunekreditt AS	0	NOK	Fixed	2020	0	697	0
KLP Kommunekreditt AS	0	NOK	Floating	2021	0	1 148	260
KLP Kommunekreditt AS	486	NOK	Fixed	2021	492	607	8
KLP Kommunekreditt AS	2 013	NOK	Floating	2022	2 011	5 003	5 004
KLP Kommunekreditt AS	5 000	NOK	Floating	2023	5 005	5 006	5 006
KLP Kommunekreditt AS	5 000	NOK	Floating	2024	5 003	1 908	2 502
KLP Kommunekreditt AS	4 000	NOK	Floating	2025	4 001	450	2 053
KLP Kommunekreditt AS	500	NOK	Fixed	2027	502	502	508
KLP Boligkreditt AS	0	NOK	Floating	2020	0	301	0
KLP Boligkreditt AS	302	NOK	Floating	2021	302	2 021	585
KLP Boligkreditt AS	1 904	NOK	Floating	2022	1 903	2 300	2 500
KLP Boligkreditt AS	2 500	NOK	Floating	2023	2 501	2 501	2 501
KLP Boligkreditt AS	2 500	NOK	Floating	2024	2 500	2 500	2 500
KLP Boligkreditt AS	2 500	NOK	Floating	2025	2 500	0	1 497
KLP Boligkreditt AS	1 500	NOK	Floating	2026	1 500	0	0
Other		-	-	-	94	75	73
Total covered bonds	28 205	-	-	-	28 315	25 020	24 997

NOK MILLIONS	Nominal in NOK	Currency	Interest	Due date	Book value 30.06.2021	Book value 30.06.2020	Book value 31.12.2020
DEBT TO CREDIT INSTITUTIONS							
KLP Banken AS	0	NOK	Floating	2020	0	1 791	0
KLP Banken AS	0	NOK	Fixed	2020	0	81	0
KLP Banken AS	878	NOK	Floating	2021	880	1 501	2 704
KLP Banken AS	300	NOK	Floating	2022	300	300	300
KLP Banken AS	100	NOK	Floating	2023	100	0	0
KLP Banken AS	300	NOK	Floating	2024	300	300	300
KLP Fond	0	NOK/EUR/USD	Floating	2020	0	1 136	0
KLP Fond	0	NOK/EUR/USD	Fixed	2020	0	1 003	0
KLP Fond	171	NOK/EUR/USD	Floating	2021	171	0	4 140
KLP Fond	1 967	NOK/EUR/USD	Fixed	2021	1 967	0	914
Kommunal Landspensjonskasse	0	NOK/EUR/USD	Floating	2020	0	4 865	0
Kommunal Landspensjonskasse	0	NOK/EUR/USD	Fixed	2020	0	1 213	0
Kommunal Landspensjonskasse	1 692	NOK/EUR/USD	Floating	2021	1 692	0	5 859
Other		-	-	-	16	2	-1
Total liabilities to credit institutions	5 409	-	-	-	5 427	12 192	14 216
LIABILITIES AND DEPOSITS FROM CUSTOMERS ³							
Retail	11 102	NOK	-	-	11 102	10 614	10 311
Business	1 509	NOK	-	-	1 509	1 604	1 441
Foreign	32	NOK	-	-	32	27	30
Liabilities to and deposits from customers	12 643	-	-	-	12 643	12 245	11 781
Total financial liabilities	49 769	-	-	-	51 007	54 650	55 893

¹ The loan has an interest change date in 2025.

² The loan has an interest change date in 2034.

³ There is no contractual maturity date on deposits.

The note shows financial liabilities the Group had at the end of the reporting period; where the majority is funding for KLP Bank Group.

The companies above are the issuers of the financial debt. Deposits belongs to KLP Banken AS.

Note 11 Fair value hierarchy

30.06.2021 NOK MILLIONS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
<i>Land/plots</i>	0	0	980	980
<i>Real estate fund</i>	0	0	3 320	3 320
<i>Buildings</i>	0	0	79 669	79 669
Investment property	0	0	83 969	83 969
Lending at fair value	0	515	0	515
<i>Certificates</i>	5 591	2 545	0	8 136
<i>Bonds</i>	22 519	103 068	0	125 586
<i>Fixed-income funds</i>	17 150	7 210	5 637	29 997
Bonds and other fixed-income securities	45 260	112 823	5 637	163 719
Loans and receivables	20 273	1 360	0	21 633
<i>Shares</i>	223 007	4 613	2 751	230 370
<i>Equity funds</i>	2 483	0	49	2 532
<i>Property funds</i>	0	1 117	990	2 108
<i>Special funds</i>	0	0	0	0
<i>Private Equity</i>	0	0	20 582	20 582
Shares and units	225 490	5 731	24 372	255 593
Financial derivatives	0	1 390	0	1 390
Total assets at fair value	291 023	121 819	113 977	526 820
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives	0	5 412	0	5 412
Debt to credit institutions ¹	1 967	1 877	0	3 845
Total financial liabilities at fair value	1 967	7 289	0	9 256

¹ The line «Debt to credit institutions» includes liabilities measured at fair value and amortized cost. This line is therefore not reconcilable against the Balance sheet. The liabilities measured at amortized cost amounted to NOK 1 604 million per 30.06.2021.

30.06.2020 NOK MILLIONS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
<i>Land/plots</i>	0	0	949	949
<i>Real estate fund</i>	0	0	3 189	3 189
<i>Buildings</i>	0	0	73 253	73 253
Investment property	0	0	77 392	77 392
Lending at fair value	0	677	0	677
<i>Certificates</i>	3 108	3 067	0	6 175
<i>Bonds</i>	24 985	110 437	0	135 422
<i>Fixed-income funds</i>	16 637	0	0	16 637
Bonds and other fixed-income securities	44 731	113 504	0	158 235
Loans and receivables	20 363	1 768	0	22 130
<i>Shares</i>	158 494	1 837	2 322	162 653
<i>Equity funds</i>	2 054	0	60	2 114
<i>Property funds</i>	0	15	0	15
<i>Special funds</i>	0	2	2 905	2 907
<i>Private Equity</i>	0	0	14 534	14 534
Shares and units	160 548	1 854	19 820	182 223
Financial derivatives	0	7 186	0	7 186
Total assets at fair value	225 642	124 988	97 212	447 842
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives	0	2 315	0	2 315
Debt to credit institutions ¹	6 001	2 215	0	8 217
Total financial liabilities at fair value	6 001	4 530	0	10 532

31.12.2020 NOK MILLIONS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
<i>Land/plots</i>	0	0	996	996
<i>Real estate fund</i>	0	0	3 354	3 354
<i>Buildings</i>	0	0	77 136	77 136
Investment property	0	0	81 485	81 485
Lending at fair value	0	589		589
<i>Certificates</i>	1 058	5 585	0	6 643
<i>Bonds</i>	16 125	110 382	0	126 506
<i>Fixed-income funds</i>	17 437	7 141	4 250	28 828
Bonds and other fixed-income securities	34 621	123 108	4 250	161 978
Loans and receivables	31 106	730	0	31 836
<i>Shares</i>	179 469	2 939	2 704	185 112
<i>Equity funds</i>	2 245	0	55	2 300
<i>Property funds</i>	0	1 157	224	1 382
<i>Special funds</i>	0		0	
<i>Private Equity</i>	0	0	16 188	16 188
Shares and units	181 714	4 097	19 171	204 982
Financial derivatives	0	11 561	0	11 561
Sum eiendeler regnskapsført til virkelig verdi	247 440	140 085	104 905	492 431
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives	0	789	0	789
Debt to credit institutions ¹	9 999	914	0	10 913
Total financial liabilities at fair value	9 999	1 702	0	11 701

Changes in Level 3, Investment Property	Book value 30.06.2021	Book value 30.06.2020	Book value 31.12.2020
Opening balance 1 January	81 485	74 545	74 545
Sold	0	0	-83
Bought	1 198	1 085	3 166
Unrealised changes	1 303	1 744	3 956
Other changes	-17	17	-99
Closing balance 30.06./31.12.	83 969	77 392	81 485
Realised gains/losses	0	0	0

Changes in Level 3, Financial Assets	Book value 30.06.2021	Book value 30.06.2020	Book value 31.12.2020
Opening balance 1 January	23 420	14 660	14 660
Sold	-1 746	-578	-1 765
Bought	5 036	3 010	8 828
Unrealised changes	3 299	724	1 697
Closing balance 30.06./31.12.	30 009	19 820	23 420
Realised gains/losses	870	269	644
Closing balance 30.06./31.12.	113 977	97 212	104 905

Unrealised changes and realized gains / losses are reflected on the line "Net value changes on financial instruments" in the consolidated income statement.

The tables "Changes in level 3" shows changes in level 3 classified instruments in the period indicated.

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 as noted in an active market if noted prices are 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 for identical assets or liabilities that the entity has access to at the reporting date. Examples of instruments at Level 1 are stock market listed securities.

Level 2:

Instruments at this level obtain fair value from observable market data. This includes prices based on identical instruments, but where the instrument does not maintain a high enough trading frequency and is corresponding therefore not considered to be traded in an active market, as well as prices based on assets and price-leading indicators that can be confirmed from market information. Example instruments at Level 2 are fixed income securities priced on the basis of interest rate paths.

Level 3:

Instruments at Level 3 contain no observable market data or are traded in markets 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. The instruments covered at Level 3 in the Group include unlisted shares and Private Equity.

Valuations related to items in the various levels are described in Note 9. For description of the pricing of investment property, please see the annual financial statements.

No sensitivity analysis has been carried out on securities included in Level 3. A sensitivity analysis for investment property is available in the annual report. A change in the variables of the pricing is considered of little significance. On a general basis, a 5 percent change in the pricing would produce a change of NOK 5 699 million as of 30.06.2021.

With regard to transferring securities between the levels, a limit is set for the number of trading days and the amount of trading for shares by separating Level 1 and Level 2. The general principles related to the distribution between levels basically concern whether the asset or liability is listed or not and whether the listing can be stated to be in an active market. As regards shares, there is a further distinction between trading days and amount of trading which separates out listed securities that do not form part of an active market. The values at the end of the reporting period provide the basis for any movement between the levels.

In this quarter, NOK 421 million in stocks moved from Level 1 to Level 2, NOK 6 million moved from Level 1 to Level 3 and NOK 350 million moved from level 2 to level 1. This is due to changes in liquidity. In addition, NOK 550 million in fixed-income securities moved from level 2 to level 1.

Note 12 Liquidity risk

The table below specify the group´s financial obligations ranked by maturity. The amounts given are non-discounted contractual flows of cash.

30.06.2021 NOK MILLIONS	Within 1 month	1-12 months	1-5 years	5-10 years	Over 10 years	Total
Subordinated loan ¹	0	128	583	670	4 808	6 189
Perpetual hybrid Tier 1 securities ¹	0	94	251	313	1 309	1 967
Debt to and deposits from customers (without defined maturity)	12 643	0	0	0	0	12 643
Covered bonds issued	0	3 482	21 924	2 059	0	27 465
Payables to credit institutions	2 804	735	707	0	0	4 246
Financial derivatives	1 615	5 642	-12	60	-102	7 203
Accounts payable	0	0	0	0	0	0
Contingent liabilities (without defined maturity)	28 984	0	0	0	0	28 984
Total	46 045	10 080	23 453	3 102	6 015	88 696

If the minority interests are taken out of account, derivatives maturing within one month are reduced with NOK 97 million, payables to credit institutions maturing within one month are reduced with NOK 740 million and derivatives maturing between 1 to 12 months are reduced with NOK 1 016 million. Total amount of the financial liabilities for the Group are after these adjustments NOK 86 844 million.

30.06.2020 NOK MILLIONS	Within 1 month	1-12 months	1-5 years	5-10 years	Over 10 years	Total
Subordinated loan ¹	0	135	3 727	0	0	3 862
Perpetual hybrid Tier 1 securities ¹	0	105	281	351	1 575	2 313
Debt to and deposits from customers (without defined maturity)	12 245	0	0	0	0	12 245
Covered bonds issued	0	2 164	21 253	1 128	0	24 545
Payables to credit institutions	1 395	3 181	812	0	0	5 388
Financial derivatives	3 694	3 264	62	14	-276	6 759
Accounts payable	66	0	0	0	0	66
Contingent liabilities (without defined maturity)	27 500	0	0	0	0	27 500
Total	44 900	8 849	26 136	1 493	1 300	82 678

If the minority interests are taken out of account, derivatives maturing within one month are reduced with NOK 65 million, payables to credit institutions maturing within one month are reduced with NOK 241 million and derivatives maturing between 1 to 12 months are reduced with NOK 457 million. Total amount of the financial liabilities for the Group are after these adjustments NOK 81 914 million.

31.12.2020 NOK MILLIONS	Within 1 month	1-12 months	1-5 years	5-10 years	Over 10 years	Total
Subordinated loan ¹	0	131	592	687	5 073	6 484
Perpetual hybrid Tier 1 securities ¹	0	62	249	312	1 452	2 075
Debt to and deposits from customers (without defined maturity)	11 781	0	0	0	0	11 781
Covered bonds issued	18	1 423	26 618	587	0	28 646
Payables to credit institutions	1 351	2 410	610	0	0	4 370
Financial derivatives	2 396	2 381	116	-266	-294	4 333
Accounts payable	123	0	0	0	0	123
Contingent liabilities (without defined maturity)	27 659	0	0	0	0	27 659
Total	43 328	6 407	28 186	1 320	6 231	85 472

¹ Some of the hybrid capital are perpetual. Estimated cash flows are based on expected maturity at the interest adjustment date.

If the minority interests are taken out of account, derivatives maturing within one month are reduced with NOK 29 million, payables to credit institutions maturing within one month are reduced with NOK 140 million, derivatives maturing between 1 to 12 months are reduced with NOK 1 million. Derivatives maturing between 1 to 5 years and 5 to 10 years, increased by NOK 2 million in both periods. Total amount of the financial liabilities for the Group are after these adjustments NOK 85 306 million.

The table above shows financial liabilities the Group has grouped by interest payments and repayment of principal, based on the date payment is due. Banking contains the largest proportion of the financial liabilities in the Group.

Liquidity risk is the risk that the Group will not be able to meet the financial obligations that it has. The risk that the Group would not have adequate liquidity to meet its current liabilities and current operations is very small since a major part of the Group's assets is liquid. The Group has significant funds invested in the money market, bonds and shares that can be sold in the event of a liquidity requirement. The Group's liquidity strategy involves the Group always having adequate liquid assets to meet the Group's liabilities as they fall due without accruing significant costs associated with releasing assets.

Asset composition in the Group's portfolios should be adequately liquid to be able to cover other liquidity needs that may arise. KLP Kapitalforvaltning manages the Group's liquidity. Internal parameters have been established for the size of the liquidity holding. The Group's risk management unit monitors and reports developments in the liquidity holding continuously. The Group Board determines an asset management and liquidity strategy annually. The liquidity strategy includes parameters, responsibilities, risk measurement and an emergency plan for liquidity management.

The major liabilities in the Group are insurance related and are mostly linked to pension obligations. These liabilities are fully funded and liquidity management are handled in the same manner as other liabilities.

Note 13 Interest rate risk

30.06.2021 NOK MILLIONS									
	Up to 3 months	From 3 months to 12 months	From 1 year to 5 years	From 5 years to 10 years	Over 10 years	Changes in cash flow 01.01.2021 -30.06.2021	Total	Adjusted for the unit holders' interests in consolidated securities funds	
ASSETS									
Financial derivatives classified as assets	21	-2	21	40	-156	3	-72	-72	
Debt instruments classified as loans and receivables – at amortised cost	0	0	0	0	0	10	10	10	
Bonds and other fixed-return securities	-47	-44	-1 176	-1 792	-2 242	145	-5 155	-5 148	
Fixed income fund holdings	-1 262	0	0	0	0	0	-1 262	-1 262	
Lending and receivables	0	-1	0	0	0	119	118	118	
Lending	0	0	0	0	0	397	397	397	
Cash and bank deposits	0	0	0	0	0	0	0	0	
Contingent liabilities ¹	0	0	0	0	0	25	25	25	
Total assets	-1 288	-46	-1 154	-1 752	-2 397	699	-5 940	-5 933	
LIABILITIES									
Deposit	0	0	0	0	0	-64	-64	-64	
Liabilities created on issue of securities	0	0	0	0	0	-150	-150	-150	
Financial derivatives classified as liabilities	17	7	33	34	0	8	100	100	
Hybrid capital, subordinated loans	0	0	0	46	80	0	126	126	
Debt to credit institutions	0	0	0	0	0	-35	-35	-35	
Total liabilities	17	7	33	80	80	-241	-23	-23	
Total before tax	-1 272	-39	-1 121	-1 672	-2 317	458	-5 963	-5 956	
Total after tax	-954	-29	-841	-1 254	-1 738	344	-4 472	-4 467	

30.06.2020 NOK MILLIONS									
	Up to 3 months	From 3 months to 12 months	From 1 year to 5 years	From 5 years to 10 years	Over 10 years	Changes in cash flow 01.01.2020 -30.06.2020	Total	Adjusted for the unit holders' interests in consolidated securities funds	
ASSETS									
Financial derivatives classified as assets	6	-1	-62	-86	-277	-11	-431	-406	
Debt instruments classified as loans and receivables – at amortised cost	0	0	0	0	0	2	2	0	
Bonds and other fixed-return securities	-52	-49	-1 236	-2 038	-2 508	159	-5 725	-4 806	
Fixed income fund holdings	-1103	0	0	0	0	0	-1 103	-1 103	
Lending and receivables	0	-1	0	0	0	138	137	106	
Lending	0	0	0	0	0	402	402	402	
Cash and bank deposits	0	0	0	0	0	16	16	16	
Contingent liabilities ¹	0	0	0	0	0	42	42	42	
Total assets	-1 149	-51	-1 298	-2 124	-2 785	749	-6 659	-5 747	
LIABILITIES									
Deposit	0	0	0	0	0	-61	-61	-61	
Liabilities created on issue of securities	0	0	0	0	0	-148	-148	-148	
Financial derivatives classified as liabilities	-5	2	78	99	0	8	182	182	
Hybrid capital, subordinated loans	0	0	0	63	109	0	172	172	
Debt to credit institutions	0	0	0	0	0	-33	-33	-33	
Total liabilities	-5	2	78	162	109	-234	112	112	
Total before tax	-1 155	-49	-1 220	-1 962	-2 676	515	-6 546	-5 636	
Total after tax	-866	-37	-915	-1 471	-2 007	386	-4 910	-4 227	

31.12.2020 NOK MILLIONS									
	Up to 3 months	From 3 months to 12 months	From 1 year to 5 years	From 5 years to 10 years	Over 10 years	Changes in cash flow 01.01.2020 -31.12.2020	Total	Adjusted for the unit holders' interests in consolidated securities funds	
ASSETS									
Financial derivatives classified as assets	12	-4	-86	-59	-245	-22	-405	-353	
Debt instruments classified as loans and receivables – at amortised cost	0	0	0	0	0	6	6	0	
Bonds and other fixed-return securities	-44	-48	-1 153	-1 914	-2 460	320	-5 299	-4 336	
Fixed income fund holdings	-1 329	0	0	0	0	0	-1 329	-1 329	
Lending and receivables	0	-1	0	0	0	273	272	218	
Lending	0	0	0	0	0	797	797	797	
Cash and bank deposits	0	0	0	0	0	28	28	28	
Contingent liabilities ¹	0	0	0	0	0	52	52	52	
Total assets	-1 362	-53	-1 239	-1 974	-2 705	1 453	-5 879	-4 925	
LIABILITIES									
Deposit	0	0	0	0	0	-120	-120	-120	
Liabilities created on issue of securities	0	0	0	0	0	-288	-288	-288	
Financial derivatives classified as liabilities	6	11	84	53	0	18	171	167	
Hybrid capital, subordinated loans	0	0	0	51	93	0	143	143	
Debt to credit institutions	0	0	0	0	0	-72	-72	-72	
Total liabilities	6	11	84	103	93	-461	-165	-169	
Total before tax	-1 356	-42	-1 155	-1 870	-2 612	992	-6 043	-5 094	
Total after tax	-1 017	-32	-866	-1 403	-1 959	744	-4 533	-3 820	

¹ Contingent liabilities are lending agreements that are not yet materialized.

The note shows the effect on profits if market interest rates were to increase by one percent, for fair value risk and variable interest risk.

Change in fair value (fair value risk) is shown in the first five columns and is calculated by the change in fair value of interest bearing instruments if interest rates had been one percent higher at the end of the period. The column change in cash flow shows the change in cash flows if the interest had been one percent higher over the year being reported on. The sum of these results reflects the overall effect that the scenario had given the group during the period being reported on.

The fair value risk applies to fixed interest securities where the market value of the securities is affected by market interest rates. Floating rate risk applies to securities with floating interest rates, where a change in market interest rates affects the cash-flow from the interest bearing securities.

The following securities are included in the note; securities measured at fair value through profit or loss (floating and fixed interest rates), investments held to maturity (only those with floating interest rates) and loans and receivables (only those with floating interest rates). The group has no securities classified as available for sale.

The Groups total interest rate risk is limited as a significant portion of the investments are bonds with fixed interest rates that are classified as held to maturity and loans and receivables, or fixed rate lending, measured at amortized cost. A change in market interest rate does not affect profit or loss for these assets.

Insurance contracts with guaranteed return does not change the accounting value even if interest rates change. Changes in interest rates also has no impact on the guaranteed return , but will have an impact on the achieved return to cover the guaranteed return . This is because that insurance funds partly invested in debt instruments whose cash flows should help to meet the guaranteed return.

Note 14 Credit risk

30.06.2021 NOK MILLIONS									
	Investment grade AAA to BBB	Lower rating	Public sector guarantee	Bank and finance	Mortgage < 80% ¹	Mortgage > 80% ¹	Other	Total	Adjusted for the unit holders' interest in consolidated securites funds
Debt instruments held to maturity at amortized cost	26 461	43	0	0	0	0	1 357	27 862	27 862
Debt instruments classified as loans and receivables at amortized cost	135 796	0	372	0	0	0	20 806	156 974	156 974
Debt instruments at fair value - fixed-return securities	116 168	1 623	4 368	4 280	0	0	14 492	140 933	120 747
Fixed-income funds	0	0	0	0	0	0	22 786	22 786	22 786
Loans and receivables	20 439	0	0	1 195	0	0	0	21 634	17 455
Financial derivatives classified as assets	1 390	0	0	0	0	0	0	1 390	1 379
Cash and bank deposits	3 553	0	0	69	0	0	0	3 622	3 622
Lending	0	0	86 969	0	22 134	2 692	3 080	114 875	114 875
Total	303 808	1 667	91 709	5 545	22 134	2 692	62 523	490 077	465 702

SPECIFICATION OF INVESTMENT GRADE NOK MILLIONS	AAA	AA	A	BBB	Total Investment grade
Debt instruments held to maturity at amortized cost	12 789	2 770	7 092	3 811	26 461
Debt instruments classified as loans and receivables at amortized cost	19 168	21 795	57 543	37 290	135 796
Debt instruments at fair value - fixed-return securities	29 462	14 340	32 412	39 954	116 168
Fixed-income funds	0	0	0	0	0
Loans and receivables	0	8 136	11 652	652	20 439
Financial derivatives classified as assets	0	121	1 230	39	1 390
Cash and bank deposits	0	2 461	1 091	0	3 553
Lending	0	0	0	0	0
Total	61 419	49 622	111 021	81 745	303 808

¹ These two columns provide information on the proportion of loans with mortgage security within 80% of base value and loans that exceed 80% mortgage of base value.

30.06.2020
NOK MILLIONS

	Investment grade AAA to BBB	Lower rating	Public sector guarantee	Bank and finance	Mortgage < 80% ¹	Mortgage > 80% ¹	Other	Total	Adjusted for the unit holders' interest in consolidated securites funds
Debt instruments held to maturity at amortized cost	29 852	59	30	0	0	0	1 358	31 299	31 299
Debt instruments classified as loans and receivables at amortized cost	136 095	0	964	20	0	0	18 635	155 714	155 714
Debt instruments at fair value - fixed-return securities ²	116 034	1 180	5 195	10 500	0	0	8 689	141 597	124 334
Fixed-income funds	0	0	0	0	0	0	18 043	18 043	16 637
Loans and receivables	21 832	0	0	298	0	0	0	22 130	17 701
Financial derivatives classified as assets	7 186	0	0	0	0	0	0	7 186	6 731
Cash and bank deposits	3 192	0	0	69	0	0	0	3 261	3 261
Lending	0	0	81 913	0	20 686	3 119	12 803	118 522	118 522
Sum	314 191	1 239	88 102	10 887	20 686	3 119	59 527	497 752	474 199

SPECIFICATION OF INVESTMENT GRADE NOK MILLIONS	AAA	AA	A	BBB	Total Investment grade
Debt instruments held to maturity at amortized cost	12 839	4 245	9 948	2 820	29 852
Debt instruments classified as loans and receivables at amortized cost	24 415	20 226	56 914	34 540	136 095
Debt instruments at fair value - fixed-return securities	34 739	12 326	33 201	35 768	116 034
Fixed-income funds	0	0	0	0	0
Loans and receivables	0	9 354	12 323	155	21 832
Financial derivatives classified as assets	0	2 784	4 402	0	7 186
Cash and bank deposits	0	2 995	197	0	3 192
Lending	0	0	0	0	0
Total	71 993	51 931	116 984	73 283	314 191

¹ These two columns provide information on the proportion of loans with mortgage security within 80% of base value and loans that exceed 80% mortgage of base value.

² In the column "other", we have included an additional investment that is exposed to credit risk but is not reconcilable against the line "Debt instruments at fair value through profit or loss" in the balance sheet. The value of the investment was NOK 1 406 million per 30.06.2020.

31.12.2020
NOK MILLIONS

	Investment grade AAA to BBB	Lower rating	Public sector guarantee	Bank and finance	Mortgage < 80% ¹	Mortgage > 80% ¹	Other	Total	Adjusted for the unit holders' interest in consolidated securites funds
Debt instruments held to maturity at amortized cost	27 554	35	0	0	0	0	1 397	28 986	28 986
Debt instruments classified as loans and receivables at amortized cost	130 769	0	377	0	0	0	23 034	154 180	154 180
Debt instruments at fair value - fixed-return securities	109 855	1 690	4 208	8 592	0	0	12 745	137 089	117 540
Fixed-income funds	0	0	0	0	0	0	24 889	24 889	24 889
Loans and receivables	31 536	0	0	300	0	0	0	31 836	25 170
Financial derivatives classified as assets	11 561	0	0	0	0	0	0	11 561	9 108
Cash and bank deposits	2 703	0	0	69	0	0	0	2 772	2 772
Lending	-	0	88 746	0	21 108	2 972	2 834	115 660	115 660
Total	313 979	1 725	93 331	8 960	21 108	2 972	64 899	506 973	478 305

SPECIFICATION OF INVESTMENT GRADE NOK MILLIONS	AAA	AA	A	BBB	Total Investment grade
Debt instruments held to maturity at amortized cost	12 029	4 063	9 063	2 400	27 554
Debt instruments classified as loans and receivables at amortized cost	22 528	19 734	59 503	29 004	130 769
Debt instruments at fair value - fixed-return securities	31 049	8 886	36 354	33 566	109 855
Fixed-income funds	0	0	0	0	0
Loans and receivables	0	22 806	7 628	1 102	31 536
Financial derivatives classified as assets	0	3 838	7 692	31	11 561
Cash and bank deposits	0	2 002	701	0	2 703
Lending	0	0	0	0	0
Total	65 606	61 328	120 942	66 103	313 979

¹ These two columns provide information on the proportion of loans with mortgage security within 80% of base value and loans that exceed 80% mortgage of base value.

Credit risk means the risk of the counterparty not being able to meet its own obligations toward the KLP Group. In this table the credit risk is measured through the rating agencies' estimates of how high the creditworthiness of the various issuers of securities is. Not rated assets that are placed in other categories that describe the credit risk, such as sector and guarantees.

Emphasis is placed on diversification of credit exposure to avoid concentration of credit risk against individual debtors. To monitor credit risk in lending and investments a special credit committee has been established, meeting regularly. The limits for credit risk against the individual debtor are set by the committee. Changes in debtors' credit assessments are monitored and followed up by KLP Kapitalforvaltning AS.

The Group has good balance between Norwegian bonds and international bonds and has a portfolio of exclusively good credit notes.

The Group can be said to have a high concentration of debt instruments directed at the Norwegian public sector, however this does not imply concentration risk in the ordinary meaning since the counterparty risk is considered to be minimal.

The rating above are gathered from Standard & Poor's, Moody's, Fitch, Scope Ratings and Nordic Credit Rating. The rating is converted to S & P 's rating table , where AAA is linked to securities with the highest creditworthiness . The lowest rating of the five is used and all five rating agencies are equal as the basis for investments in fixed income securities. «Other» is mainly securities issued by power companies and other corporate bonds. KLP Group has strict guidelines for investments in fixed-income securities, which also apply to investments falling into the «Other» category.

The lines in the note coincide with the financial position statement layout. The exceptions are debt instruments at fair value, which are divided into three categories in the note and lending which is shown combined in the note, but is shown in two lines in the financial position statement (fair value and amortized cost).

The consolidated accounts includes all the units that KLP Group is considered to have control over. This gives an impression of a higher risk than the actual one, since the risk that the Group does not actually carry appears in the accounts. The outer column includes actual ownership and credit risk of the Group companies and investment funds held by KLP Group at the end of the period.

NOK MILLIONS	30.06.2021		30.06.2020		31.12.2020	
	Consolidated	Adjusted for the unit holders' in consolidated securites funds	Consolidated	Adjusted for the unit holders' in consolidated securites funds	Consolidated	Adjusted for the unit holders' in consolidated securites funds
10 LARGEST COUNTERPARTIES						
Counterparty 1	12 829	11 278	12 235	11 587	15 388	14 159
Counterparty 2	9 865	8 253	10 973	10 272	13 120	9 013
Counterparty 3	9 391	7 203	10 758	9 808	12 585	8 160
Counterparty 4	7 419	6 990	9 808	7 548	8 744	8 034
Counterparty 5	5 700	5 700	7 146	7 029	7 409	7 208
Counterparty 6	4 885	4 703	6 895	6 773	6 155	5 622
Counterparty 7	4 703	4 689	5 451	5 387	5 857	5 604
Counterparty 8	4 652	4 614	4 703	4 703	5 622	4 710
Counterparty 9	4 463	4 447	4 297	4 189	4 768	4 698
Counterparty 10	4 240	4 118	3 836	3 537	4 747	3 915
Total	68 147	61 994	76 103	70 832	84 395	71 123

The table above shows the 10 largest counterparties to which the KLP Group has exposure. The amounts stated are book value. «Adjusted for the minority holding» includes only that which is in the Group's ownership and where the Group retains actual credit risk. The majority of the 10 largest counterparties are either finance institutions or counterparties covered by a public sector guarantee (central or local government guarantee).

Note 15 **Technical provisions in life insurance**

NOK MILLIONS	30.06.2021	30.06.2020	31.12.2020
Premium reserves - ordinary tariff	477 976	468 030	457 514
Premium funds, buffer funds and pensioners' surplus funds	38 091	13 128	38 588
Supplementary reserves	42 842	35 947	43 460
Securities adjustment fund	67 903	43 369	55 487
Other provisions	0	77	18
Profit/loss allocated to insurance contracts	6 960	3 458	0
Technical provisions in life insurance	633 773	564 010	595 068

NOK MILLIONS	30.06.2021	30.06.2020	31.12.2020
Premium reserves	0	5 152	0
Deposit funds	0	16	0
Provisions in life insurance with investment options	0	5 168	0

Note 16 **Other current liabilities**

NOK MILLIONS	30.06.2021	30.06.2020	31.12.2020
Short-term payables trade in securities	10 066	18 469	3 029
Incurred not assessed taxes	474	1 232	1 489
Advance tax-deduction pension scheme	760	708	447
Accounts payable	305	198	270
Pre-called contribution to insurance	107	1 023	576
Other current liabilities	782	1 062	1 049
Total other current liabilities	12 495	22 692	6 859

Note 17 **SCR ratio**

The Solvency II balance sheet includes assets and liabilities at fair value. For assets that have a different value in the accounts change in balance value are added. There are no observable market values for KLP Group's insurance liabilities, which are thus calculated by way of a best estimate based on actuarial assumptions. In addition there is a risk margin that is to reflect a third party's capital costs by taking over these liabilities.

Tier 1 capital appears from the Solvency II balance sheet and Hybrid Tier 1 securities. Tier 2 capital consist of subordinated loans and ancillary own funds. The Financial Supervisory Authority of Norway has accepted that KLP's right to call in further member contribution if necessary, which is laid down in the Company's articles of association, can be counted as ancillary own funds, the amount corresponding to 2.5 per cent of the KLP Group's premium reserve. Capital that may be included in Tier 2 capital is limited upwards to 50 per cent of SCR.

Without the use of the transitional measure on technical provisions the Company's SCR ratio is 257 per cent, which is well over the Company's target of at least 150 per cent. With the transitional measure on technical provisions the SCR ratio is 303 per cent.

	30.06.2021	30.06.2020	31.12.2020
Solvency II - SCR ratio	257 %	230 %	261 %
Solvency II - SCR ratio	257 %	230 %	261 %

NOK BILLIONS	30.06.2021	30.06.2020	31.12.2020
Simplified Solvency II Financial Position Statement			
Assets, book value	696	637	655
Added values - hold-to-maturity portfolio/loans and receivables	11	17	15
Added values - other lending	1	2	1
Other added/lesser values	0	0	0
Deferred tax asset	0	0	0
Total assets - solvency II	708	656	671

NOK BILLIONS	30.06.2021	30.06.2020	31.12.2020
Simplified Solvency II Financial Position Statement			
Best estimate	634	573	598
Risk margin	14	17	14
Hybrid Tier 1 securities/Subordinated loan capital	5	5	5
Other liabilities ¹	20	28	18
Deferred tax liabilities	1	1	1
Total liabilities - solvency II	673	625	637
Excess of assets over liabilities	34	31	34
- Deferred tax asset	0	0	0
+ Hybrid Tier 1 securities	2	2	2
Tier 1 basic own funds	35	32	35
Total eligible tier 1 own funds	35	32	35
Subordinated loans	3	3	4
Tier 2 basic own funds	3	3	4
Ancillary own funds	12	12	11
Tier 2 ancillary own funds	12	12	11
Deduction for max. eligible tier 2 own funds	-7	-7	-7
Total eligible tier 2 own funds	8	8	8
Deferred tax asset	0	0	0
Total eligible tier 3 own funds	0	0	0
Solvency II total eligible own funds	43	41	43
Solvency capital requirement (SCR)	17	18	16
Solvency II- SCR ratio	257 %	230 %	261 %

¹ Financial calculation of Solvency II-SCR ratio as of 31.12.2020 gives a Solvency II-SCR ratio of 261 %. This is a reduction of 3% compared to previously reported.

Note 18 Presentation of assets and liabilities that are subject to settlement

30.06.2021 NOK MILLIONS				Related amounts not presented net				
	Gross financial assets/liabilities	Gross assets/liabilities presented net	Book value	Financial instruments	Security in cash	Security in securities	Net amount	Adjusted for the unit holders' interest in consolidated securities funds
ASSETS								
Financial derivatives	1 390	0	1 390	-608	-900	-435	73	73
Repos	0	0	0	0	0	0	0	0
Total	1 390	0	1 390	-608	-900	-435	73	73
LIABILITIES								
Financial derivatives	5 412	0	5 412	-608	-835	-3 360	656	540
Repos	1 968	0	1 968	0	0	0	1 968	1 968
Total	7 379	0	7 379	-608	-835	-3 360	2 623	2 508

30.06.2020 NOK MILLIONS				Related amounts not presented net				
	Gross financial assets/ liabilities	Gross assets/ liabilities presented net	Book value	Financial instruments	Security in cash	Security in securities	Net amount	Adjusted for the unit holders' interest in consolidated securities funds
ASSETS								
Financial derivatives	7 186	0	7 186	-1 806	-5 332	-168	69	278
Repos	0	0	0	0	0	0	0	0
Total	7 186	0	7 186	-1 806	-5 332	-168	69	278
LIABILITIES								
Financial derivatives	2 315	0	2 315	-1 806	-356	-10	504	504
Repos	2 216	0	2 216	0	0	0	2 216	2 216
Total	4 530	0	4 530	-1 806	-356	-10	2 720	2 720

31.12.2020 NOK MILLIONS				Related amounts not presented net				
	Gross financial assets/liabilities	Gross assets/liabilities presented net	Book value	Financial instruments	Security in cash	Security in securities	Net amount	Adjusted for the unit holders' interest in consolidated securities funds
ASSETS								
Financial derivatives	11 561	0	11 561	-771	-9 516	0	1 570	1 276
Repos	1 759	0	1 759	-914	0	0	845	845
Total	13 320	0	13 320	-1 685	-9 516	0	2 415	2 121
LIABILITIES								
Financial derivatives	789	0	789	-771	-72	0	18	18
Repos	914	0	914	0	0	0	914	0
Total	1 702	0	1 702	-771	-72	0	932	18

The purpose of the note is to show the potential effect of netting agreements at the KLP Group; what possibilities the KLP Group has to net bilateral agreements against other counterparties should the latter go bankrupt and the remaining amount if all such netting agreements are materialized.

The note shows derivative positions and repo agreements in the financial position statement. Repos are a part of the line "Debt to credit institutions" in the balance sheet.

The consolidated figures includes all units the KLP Group is considered to have control over. In addition, the outer line shows which de facto net amount remains if all the groups netting agreements are set off; which only includes subsidiaries and units, where the group carries the risk.

Note 19 Pension obligations

NOK MILLIONS	30.06.2021	30.06.2020	31.12.2020
Capitalized net liability 01.01.	934	790	790
Capitalized pension costs	98	81	164
Capitalized financial costs	10	11	23
Actuarial gains and losses	-185	404	88
Premiums / contributions received	-64	-61	-120
Business sold in 2020	0	0	-11
Capitalized net liability 30.06./31.12.	794	1 226	934

Assumptions	30.06.2021	30.06.2020	31.12.2020
Discount rate	2,00 %	1,50 %	1,70 %
Salary growth	2,25 %	2,25 %	2,25 %
The National Insurance basic amount (G)	2,00 %	2,00 %	2,00 %
Pension increases	1,24 %	1,24 %	1,24 %
Social security contribution rate	14,10 %	14,10 %	14,10 %
Capital activity tax	5,00 %	5,00 %	5,00 %

The effect of changes in pension assumptions reduces the pension liability for employees with NOK 185 million as of 30.06.2021. The change is recognized in other comprehensive income in the income statement.

Key figures – Accumulated

NOK MILLIONS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
KLP GROUP								
Profit before tax	1 325	693	1 657	1 682	713	151	3 193	2 518
Total assets	870 548	813 514	807 161	789 981	785 598	764 904	3 194	744 567
Owners' equity	40 154	39 742	39 416	39 243	37 245	36 836	37 339	36 781
Solvency SCR ratio	257 %	258 %	261 %	244 %	230 %	214 %	253 %	248 %
Number of employees in the Group	1 017	1 021	1 018	1 016	1 010	1 008	1 007	1 001
KOMMUNAL LANDSPENSJONSKASSE								
Profit before tax	965	566	1 289	1 303	523	31	2 637	2 149
Premium income for own account	33 634	7 041	37 102	29 081	17 124	9 589	40 234	32 157
- of which inflow of premium reserve	0	0	2 850	2 846	2 865	2 503	11	0
Insurance customers' funds incl. acc. profit	19 100	13 754	28 360	23 013	17 809	11 478	20 157	15 077
- of which funds with guaranteed returns	8 346	8 419	7 656	7 667	7 655	6 377	292	288
Net investment common portfolio	626 280	603 076	604 782	582 108	574 890	570 649	574 953	551 696
Net investment choice portfolio	2 215	2 081	2 044	2 012	1 966	2 082	2 662	2 592
Insurance funds incl. earnings for the year	633 579	595 680	594 718	575 915	633 579	542 408	566 230	554 350
- of which funds with guaranteed interest	515 787	490 936	496 121	485 605	515 787	474 366	482 260	466 523
Solvency capital requirement (SCR)	43 473	41 580	42 742	42 507	41 148	38 960	40 530	38 238
Solvency SCR ratio	282 %	287 %	282 %	264 %	252 %	234 %	278 %	274 %
Riskprofit	293	191	-398	706	300	200	1 031	940
Return profits	7 232	4 688	12 350	6 831	3 417	-149	10 624	4 720
Administration profit	61	41	171	187	64	39	186	192

NOK MILLIONS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Solvency capital	174 816	160 647	172 863	141 563	143 139	123 211	150 617	139 677
Book return on common portfolio	2,6 %	1,4 %	4,8 %	3,2 %	1,9 %	0,6 %	4,5 %	2,7 %
Value-adjusted return on common portfolio	4,4 %	1,5 %	4,2 %	1,4 %	-0,5 %	-3,7 %	8,5 %	6,6 %
Return on unit-linked portfolio	5,0 %	1,9 %	4,2 %	0,4 %	-1,8 %	-5,7 %	9,9 %	7,4 %
Return on corporate portfolio	1,7 %	0,8 %	3,1 %	1,3 %	0,4 %	-0,1 %	4,3 %	3,4 %
KLP SKADEFORSIKRING AS								
Profit before tax	225,9	71,6	220,0	97,2	18,2	-126,1	165,6	140,5
Gross premium due	940,6	460,1	1 728,4	1 280,4	840,4	415,4	1 529,8	1 131,1
Premium income for own account	903,6	441,7	1 657,6	1 227,8	804,6	397,9	1 475,7	1 090,9
Owners' equity	2 294,4	2 178,7	2 110,9	1 990,7	1 924,0	1 819,9	1 940,5	1 875,9
Claims ratio	74,5 %	72,8 %	83,1 %	83,1 %	83,3 %	86,8 %	90,5 %	90,8 %
Combined-ratio	90,3 %	89,2 %	100,7 %	100,7 %	101,9 %	105,7 %	109,0 %	108,6 %
Return on assets under management	2,6 %	0,6 %	5,0 %	2,3 %	0,8 %	-2,3 %	6,7 %	5,3 %
Solvency capital requirement (SCR)	2 267	2 193	2 132	2 006	1 934	1 815	1 958	1 882
Solvency SCR ratio	252 %	238 %	239 %	246 %	234 %	213 %	240 %	246 %
Annual premium in force – retail market	828,9	806,8	786,0	759,8	734,6	709,3	683,9	651,1
Annual premium in force – public sector market	1 128,0	1 080,4	1 016,4	1 009,9	999,7	987,5	925,1	910,6
Net new subscriptions (accumulated within the year)	65,0	17,0	87,6	74,8	51,5	24,8	145,3	93,4
KLP BEDRIFTSPENSJON AS¹								
Profit before tax	sold	sold	sold	sold	sold	-13,7	-12,6	-8,6
Premium income for own account	sold	sold	sold	sold	sold	313,5	1134,8	869,8
- of which premium reserve added	sold	sold	sold	sold	sold	133,2	495,7	394,6
Insurance customers' funds including accumulated profit	sold	sold	sold	sold	sold	6 342	6 649	6 264
- of which funds with guaranteed returns	sold	sold	sold	sold	sold	1 595	1 538	1 550
Returns profit	sold	sold	sold	sold	sold	2,1	13,4	8,4
Risk result	sold	sold	sold	sold	sold	6,3	7,66	0,8

NOK MILLIONS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Administration losses	sold	sold	sold	sold	sold	-9,6	-38,1	-26,8
Solvency capital requirement (SCR)	sold	sold	sold	sold	sold	171	323	202
Solvency SCR ratio	sold	sold	sold	sold	sold	81 %	204 %	123 %
Solvency capital	sold	sold	sold	sold	sold	758,2	763,9	692,5
Book capital return on common portfolio	sold	sold	sold	sold	sold	0,8 %	3,4 %	2,4 %
Value-adjusted capital return on common portfolio	sold	sold	sold	sold	sold	0,2 %	4,1 %	2,9 %
Return on defined unit-linked contribution pensions	sold	sold	sold	sold	sold	-11,9 %	16,8 %	12,6 %
Return on corporate portfolio	sold	sold	sold	sold	sold	0,1 %	3,0 %	2,5 %
KLP BANKEN GROUP								
Profit/loss before tax	54,3	48,6	136,8	101,7	39,8	21,6	102,3	77,3
Net interest income	152,8	75,7	317,3	229,3	136,0	75,7	292,9	209,4
Other operating income	38,6	19,0	77,7	58,6	39,0	19,4	78,1	58,4
Operating expenses and depreciation	-118,6	-60,6	-232,1	-164,5	-119,1	-60,7	-238,5	-167,8
Net realized/unrealized changes in financial instruments to fair value	-18,6	14,5	-26,1	-21,7	-16,1	-19,4	-30,2	-22,7
Contributions	12 643	12 103	11 781	11 993	12 245	12 034	11 487	11 649
Housing mortgages granted	21 409	20 894	20 570	20 610	20 121	19 143	18 387	17 746
Loan(s) with public guarantee(s)	16 752	16 734	17 654	16 933	17 357	16 823	16 547	16 524
Defaulted loans	34	57	54	48	77	97	86	69
Borrowing on the issuance of securities	29 195	27 147	25 800	26 203	25 993	25 899	25 822	25 528
Total assets	45 216	43 200	42 688	43 438	43 855	42 002	39 699	39 611
Average total assets	43 952	42 944	41 188	41 568	41 777	40 850	38 394	38 350
Owners' equity	2 474	2 470	2 427	2 389	2 343	2 322	2 221	2 195
Net interest rate	0,35 %	0,18 %	0,80 %	0,57 %	0,33 %	0,19 %	0,76 %	0,55 %

NOK MILLIONS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Profit/loss from general operations before tax	0,12 %	0,11 %	0,33 %	0,24 %	0,10 %	0,04 %	0,27 %	0,20 %
Return on owners' equity before tax	4,47 %	8,02 %	6,16 %	6,11 %	3,59 %	2,69 %	4,78 %	4,82 %
Capital adequacy	18,4 %	19,3 %	19,5 %	18,7 %	18,4 %	18,8 %	19,1 %	19,0 %
Number of private customers	46 872	46 116	45 406	44 842	44 213	43 712	42 785	69 147
Of this members of KLP	31 664	32 183	32 048	31 869	32 533	32 135	31 361	49 814
KLP KAPITALFORVALTNING AS								
Profit/loss before tax	24,6	20,7	30,9	25,6	-1,9	-0,3	44,3	45,2
Total assets under management	627 599	602 400	596 254	579 129	563 238	524 877	563 567	544 395
Assets managed for external customers	121 308	111 821	103 378	100 106	87 968	74 598	83 405	77 736

¹ The business has been sold with accounting effect per. 01.04.2020.

KLP Sustainability Accounts

Q2 2021

Integrating corporate responsibility into all our operations

STRATEGIC GOAL

EMPLOYEE STATISTICS

KLP's employees are a key resource, and KLP wants to be an organization with committed employees who are able to utilize their own expertise and technological opportunities. It is important that our employees have a good working environment, and KLP is constantly striving to reduce employees' sickness absence.

UN SUSTAINABLE DEVELOPMENT GOALS

The indicators show how KLP supports several of the UN Sustainable Development Goals:

- Goal 3, *Good health and well-being*.
- Goal 8, *Decent work and economic growth*, and especially target 8.8; Protect labour rights and promote safe and secure working environments for all workers.

TARGET

KLP's target is to keep sickness absence below 4 per cent.

Results in the 2nd quarter

In the second quarter the total sickness absence was 3.2 per cent. This is within the target of below 4 per cent and lower than the sickness absence the previous year. As in 2020 it is natural to assume that the ongoing pandemic has affected this. A focus on hand hygiene and infection prevention and strict infection control measures have helped reduce the incidence of other illnesses such as colds and the flu. Increased flexibility when working from home may also have helped reduce short-term absence.

	30.06.2021	30.06.2020	30.06.2019	UN Sustainable Development Goals
Employees of KLP	1 022	1 010	998	n/a
Total sickness absence	3,2 %	3,7 %	3,1 %	3.

DEFINITION

The number of employees refers to permanent employees in Norway, Sweden and Denmark, and includes employees on leave of absence and employees working part-time.

Sickness absence is self-certified and doctor-certified sickness absence. Short-term sickness absence is defined as 1-3 days; long-term absence is 4 days or more.

CLIMATE AND ENVIRONMENT

KLP is working to reduce the environmental impact of its own operations and supports the goal of limiting global warming to 1.5 degree. KLP aims to align its own business and investments with the goals in the Paris Agreement.

UN SUSTAINABLE DEVELOPMENT GOALS

The indicators show how KLP supports several of the UN Sustainable Development Goals:

- Goal 9, *Industry, innovation and infrastructure*, and especially target 9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and environmentally sound technologies.
- Target 11.6: By 2030, reduce the adverse environmental impact of cities, paying special attention to air quality and waste management.
- Goal 13: *Climate action*

TARGET

- Halve greenhouse gas emissions from our own operations by 2030, based on emissions in 2010.
- Reduce energy consumption in the property portfolio to 180 kWh per square metre.

Results in the 2nd quarter

Following the national lockdown in March, KLP introduced a home office scheme for all employees and tight restrictions on business travel. Due to ongoing infection control measures, KLP has continued with these measures. This has resulted in a drastic decrease in the number of flights and activity level in KLP's own office premises.

The infection control measures during the pandemic have also affected the activity in KLP's property portfolio, which, among other things, has resulted in reduced energy consumption.

	30.06.2021	30.06.2020	30.06.2019	UN Sustainable Development Goals
Number of flights	71	1 519	3 506	12.13.
Greenhouse gas emissions from flights (tonnes CO2e)	4	182	410	12.13.
Energy consumption in KLP's own offices (kWh per m2)	75	75	138	9. 13.
Energy consumption in KLP's property portfolio (kWh per m2)	142	175	196	9.

DEFINITION

Flights and emissions

The number of flights is based on figures from our travel agency, and it is the number of individual stretches that is reported. A stretch means a single flight, and a round-trip journey may consist of several stretches.

Greenhouse gas emissions from flights is also based on numbers from our travel agency. They use the method and emission factors from ICAO (International Civil Aviation Organization).

Energy consumption in KLP's own offices

Energy consumption is a major source of KLP's greenhouse gas emissions. The energy consumption in KLP's own office premises is not temperature-adjusted but shows actual usage. 'Own office premises' are the offices where the KLP Group's employees work.

KLP changed to a new energy and environment monitoring system for all properties in our portfolio in the first quarter. It has taken time to implement the system and since data is still lacking for some properties, it has not been possible to export data from all offices. We therefore report the numbers from the second quarter of 2020.

Energy consumption in KLP's property portfolio

The reported figures are the 12-month average climate-adjusted specific energy use for KLP-operated buildings.

'KLP-operated buildings' are the properties which KLP owns, operates and maintains, where KLP is able to implement environmental measures and measure their effects. These are buildings in Oslo, Trondheim, Copenhagen and Stockholm. All of these buildings have energy monitoring systems in which energy and water consumption is recorded and monitored. In the vast majority of buildings, the tenants' energy consumption is also included, so we have an overview of total energy consumption for the buildings.

Energy consumption in kWh per m² per year for KLP-operated buildings has been temperature-adjusted in order to measure the effect of the energy-saving measures.

KLP changed to a new energy and environment monitoring system for all properties in our portfolio in the first quarter. It has taken time to implement the system and data is still lacking for some properties. Therefore the total area is not included in the reporting for the second quarter. The number is not directly comparable to historic numbers, and the share of properties with data is expected to increase in the next quarter.

The company has a large portfolio of buildings, which also changes over time. The individual buildings can also change their consumption patterns over shorter or longer periods, e.g. in connection with changes of tenant.

There may be various reasons why it is sometimes impossible to obtain correct figures, such as faults in meters or figures reported late by our sub-contractors. Hence, the reporting will only include KLP-operated buildings where operating conditions are consistent going back 12 months from the reporting date. In effect, the buildings included in the reporting might vary slightly from year to year. Nevertheless, we believe this will reflect the correct trends in the company's property portfolio.

Increasing investments that promote sustainable development and support our financial goals

STRATEGIC GOAL

INCREASE CLIMATE-FRIENDLY INVESTMENTS

KLP's investments promote many different aspects of sustainable development, but given KLP's focus on climate change, we are particularly committed to climate-friendly investments. KLP wants to steer its capital in a climate-friendly direction by setting specific targets for selected investments.

UN SUSTAINABLE DEVELOPMENT GOALS

The indicators show how KLP supports several of the UN Sustainable Development Goals:

- Goal 7, *Affordable and clean energy*, including target 7.1: By 2030, ensure universal access to reliable and modern energy services; target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix; and target 7.a: By 2030, enhance international cooperation to facilitate access to clean energy research and technology.
- Goal 9, *Industry, innovation and infrastructure*, especially target 9.a: Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support; and 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies.
- Target 15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.
- Target 17.3: Mobilize additional financial resources for developing countries from multiple sources.

TARGET

Increase KLP's climate-friendly investments by NOK 6 billion per year.

Results in the 2nd quarter

In the second quarter, KLP invested around NOK 4 billion in climate friendly investments. One of the investments was in a platform for investments in green infrastructure. During the first half of the year, these investments have increased by a total of NOK 4.6 billion.

MILLION NOK	Change 2nd quarter		30.06.2021	30.06.2020	30.06.2019	UN Sustainable Development Goals
	2021	2020				
Renewable energy in Norway	2 002	1 003	24 248	23 038	21 760	7.
Renewable energy internationally	900	369	6 438	5 121	2 038	7.
Renewable energy in developing countries	15	53	1 053	868	547	7. 9. 17.
Buildings with environmental qualities in the property portfolio	544	621	13 768	15 324	11 980	9.
Green bonds	1 568	244	3 935	1 661	914	n/a
Other climate-friendly investments	72	1 343	6 284	1 758	140	7. 9. 15. 17.
Total	5 101	3 633	55 725	47 770	37 379	7. 9. 15. 17
As a share of KLP's total investments	0 %	1 %	8 %	8 %	6 %	n/a
Renewable energy (market value)	2 890	1 350	33 664	31 598	26 856	7.
Renewable energy (as a share of KLP's total investments)	0 %	0 %	5 %	5 %	5 %	7.
Fossil energy (market value)	806	6	9 360	8 059	10 812	n/a
Fossil energy (as a share of KLP's total investments)	0 %	0 %	1 %	1 %	2 %	n/a
Buildings with environmental qualities in the property portfolio (market value)	544	621	13 768	15 324	11 908	9.
Buildings with environmental qualities in the property portfolio (as a share of the portfolio)	0 %	2 %	17 %	21 %	18 %	n/a

DEFINITION

It is the market value of investments, and the change in market value, in million NOK that is reported.

Renewable energy in Norway

Renewable energy in Norway means equity and bond investments in Norwegian energy generation and distribution companies. The energy companies are classified as electricity producers from hydro-electric or wind power or bio-fuels. The figure also includes lending to companies and projects in Norway in the power sector, which was not included before. The figure is therefore not directly comparable to previous years.

Renewable energy internationally

Renewable energy internationally covers investments in renewable energy projects. These are both equity investments and project financing. The investments are made either through external fund managers specialising in energy or through other partners.

Renewable energy in developing countries

Renewable energy in developing countries covers investments in new renewable energy projects. The investments are made partly as direct investments in cooperation with Norfund, and partly as fund investments through the fund manager Climate Investor One. The investments are part of KLP's portfolio of development investments, which is one of the measures in the *Guidelines for KLP as a responsible investor*. The aim is to achieve both financial returns and benefits to society. The investments are based on commercial risk and return assessments, but also emphasise the effect on social and environmental parameters.

Buildings with environmental qualities

It is the market value of buildings with environmental qualities in KLP's property portfolio that is reported. Buildings with environmental qualities are defined as buildings with energy class A or B. This is following the proposed classification criteria in the EU taxonomy. In the past, the definition also included buildings that are BREEAM certified with a minimum rating of very good, that produce their own energy through solar panels, or that have won a Norwegian property prize where environment is an important measurement parameter. The updated definition is therefore stricter and includes fewer buildings. The figures from previous years have not been updated to conform to the new definition, so the figures are not directly comparable.

Green bonds

The market value includes bonds that are classified as green and not already included in KLP's investments in renewable energy in Norway as described above.

Other climate-friendly investments

Climate-friendly investments that do not fall into one of the main categories above are placed here. This includes loans for electric ferries and investments in a fund that invests in FSC-certified forest properties. The figures also include publicly traded energy companies outside Norway which generate electricity mainly from renewable sources, and green loans to municipalities, county councils and enterprises with a municipal affiliation. The loan must have a clear positive environmental and climate effect and satisfy certain criteria, and the project must relate to water, sewerage and waste disposal, transport or new construction and refurbishment of buildings. Green loans and international energy companies have not been included in the category "Other climate-friendly investments" in previous years, so the figure is not directly comparable to historical figures.

Share of KLP's total investments

The share represents the investment as a percentage of KLP's total investments.

Investments in publicly traded companies that KLP invests in through our index-tracking or global bond portfolios are excluded from this definition of climate-friendly investments, with the exception of green bonds and a few international energy companies.

Fossil energy

The figure is the market value of KLP's investments in companies classified as oil and gas companies, including exploration, production and refineries. Transport and oil industry service companies are not included.

FINANCE IN DEVELOPING COUNTRIES

Underdeveloped financial institutions and lack of access to financial services such as savings, loans and insurance for the population are hindering efforts to reduce poverty in developing countries. Through our investments in finance in developing countries, KLP aims to contribute to economic growth and better living conditions.

UN SUSTAINABLE DEVELOPMENT GOALS

The indicators show how KLP supports several of the UN Sustainable Development Goals:

- Target 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, appropriate technology and financial services, including microfinance.
- Target 5.a: Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources.

- Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services; and target 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
- Target 9.3: Increase access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit.
- Target 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.
- Target 17.3: Mobilize additional financial resources for developing countries from multiple sources.

TARGET

Increase this type of investment and thus contribute to economic growth and better living conditions in developing countries.

Results in the 2nd quarter

KLPs investments in finance in developing countries increased by NOK 49 million in the second quarter. These investments were not completed this quarter, but due to a lag in reporting they are included this quarter.

MILLION NOK	Change 2nd quarter		30.06.2021	30.06.2020	30.06.2019	UN Sustainable Development Goals
	2021	2020				
Banking and finance in developing countries	49	-103	708	736	608	1. 5. 8. 9. 11. 17

DEFINITION

Investments in banking and finance in developing countries are KLP's investments in the Norwegian Microfinance Initiative (NMI) and NorFinance. NorFinance is an investment company that KLP owns together with Norfund, among others. The investments are made as part of KLP's development investment portfolio, which is one of the instruments in the *Guidelines for KLP as a responsible investor*. The aim is to achieve both financial returns and benefits to society.

SEED INVESTMENTS

KLP wants to ensure that good ideas can be pursued locally and create jobs in Norway. By investing in innovation, KLP aims to contribute to local wealth creation and the green transformation in Norway.

UN SUSTAINABLE DEVELOPMENT GOALS

The indicators support e.g. UN Sustainability Goal 8, *Decent work and economic growth*, particularly target 8.3: Support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

TARGET

Increase this type of investment and thus contribute to innovation.

Results in the 2nd quarter

KLP invested in two new seed funds in the second quarter and increased seed investments by NOK 56 million.

MILLION NOK	Change 2nd quarter		30.06.2021	30.06.2020	30.06.2019	UN Sustainable Development Goals
	2021	2020				
Seed investments in Norway	56	3	207	10	4	8.

DEFINITION

It is the market value of investments made that is reported. In 2018, KLP established a portfolio of investments in seed investment funds related to research environments in Norway. At the end of 2020, KLP had invested in 10 different funds.

Engaging companies and industries for a more sustainable operation

STRATEGIC GOAL

ENGAGED AND RESPONSIBLE OWNER

KLP is an engaged and responsible owner which seeks to influence individual companies, industries and markets.

UN SUSTAINABLE DEVELOPMENT GOALS

As a responsible investor and owner, KLP has discussions with companies on many topics related to the UN Sustainable Development Goals. KLP's exclusion criteria are also consistent with the SDGs. The indicators show how KLP supports several of the SDGs:

- Target 3.a: Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries.
- Goal 5, *Gender equality*
- Goal 7, *Affordable and clean energy*
- Target 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour.
- Target 12.6: Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle.
- Goal 14, *Life below water*
- Goal 15, *Life on land*
- Target 16.2: End abuse, exploitation, trafficking and all forms of violence against and torture of children; target 16.4: By 2030, significantly reduce illicit financial and arms flows; and target 16.5: Substantially reduce corruption and bribery in all their forms.

TARGET

- KLP aims to vote at 95 per cent of general meetings both in Norway and abroad.
- KLP aims to follow up 40 companies in the first quarter, and 240 companies during the year.

Results in the 2nd quarter

KLP voted at 99 per cent of the general meetings of foreign companies, and thus achieved the target. For Norwegian companies, KLP voted at 87 per cent of the general meetings. In some instances, the general meetings are registered too late in the voting system for KLP to vote. This may partly explain the decline.

In 2020, KLP changed service provider to one that does not offer dialogue as a service. Follow-up of companies is therefore only through direct dialogue between KLP and the company. KLP had direct dialogue with 61 companies in the second quarter. By the end of the quarter a total of 108 companies have been followed up on topics related to ESG, such as labor rights, environmental damage and sustainable aquaculture.

	30.06.2021	30.06.2020	30.06.2019	UN Sustainable Development Goals
Companies excluded from investments	599	543	346	All SDGs
General meetings of Norwegian companies at which KLP has voted (number / percentage)	57 (87 %)	79 (99 %)	80 (98 %)	n/a
General meetings of foreign companies at which KLP has voted (number / percentage)	5 521 (99 %)	4 989 (96 %)	5 885 (97 %)	n/a
Unique companies KLP has had direct dialogue with on ESG topics	108	198	58	All SDGs

DEFINITION

Excluded companies

The number of exclusions refers to the total number of companies KLP had excluded from investments because of breaches of the *Guidelines for KLP as a responsible investor* at the end of the year.

General meetings

KLP uses services from ISS to vote at general meetings of companies in which we have investments. At general meetings of Norwegian companies (domiciled or listed in Norway), KLP votes manually through ISS. At general meetings of foreign companies, KLP uses proxy voting through ISS.

Dialogue with companies

The number of unique companies KLP has engaged with refers to companies that KLP has been in direct dialogue with during the year on social, environmental or governance issues. KLP may have several dialogues with a company during the year related to various topics. KLP's follow-up

varies in scope, subject-matter and time frame. This is a way of exercising ownership in which KLP engages in a dialogue with companies to clarify how they handle corporate social responsibility issues and to communicate KLP's expectations as an investor and owner.

Developing products and services that contribute to positive development in society

STRATEGIC GOAL

LENDING BUSINESS

KLP's lending business is largely aimed at Norwegian municipalities, county councils and enterprises with a municipal affiliation. The loans are used for purposes that help to reduce national greenhouse gas emissions, and benefit society as a whole.

UN SUSTAINABLE DEVELOPMENT GOALS

The indicators support UN Sustainable Development Goal 9, *Industry, innovation and infrastructure*, and in particular target 9.1; Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure.

TARGET

Increase lending for this purpose.

Results in the 2nd quarter

Loans to municipalities and county councils were reduced by net NOK 35.6 billion in the second quarter. KLP gave NOK 114 million in new green loans to municipalities.

MILLION NOK	Change 2nd quarter		30.06.2021	30.06.2020	30.06.2019	UN Sustainable Development Goals
	2021	2020				
Loans for roads and transport	-38	-7 578	2 526	1 745	8 744	9.
Loans for public property	25	366	3 985	5 377	4 730	9.
Loans to public sector and businesses	-189	12 414	71 514	69 477	53 612	9.
Lending to water, sewage and waste disposal	197	-1	3 605	2 857	2 049	9.
Of which are green loans	93	-	2 121	-	-	9.

DEFINITION

Loans for public property are loans for e.g. school buildings, town halls and other municipal buildings. Lending to the public sector and businesses covers the financing of various types of investment by municipalities and county councils, such as kindergartens, nursing homes, schools etc.

Green loans can be given to municipalities, county councils and enterprises with a municipal affiliation. The loan must have a clearly positive environmental and climate effect and satisfy different criteria according to the type of project. The criteria are based on the Green Bond Principles, the Climate Bond Initiative Taxonomy and the Nordic Public Sector Issuers Position Paper on Green Bonds Impact Reporting. The criteria are regularly revised as needed.

Kommunal Landspensjonskasse

Q2 2021

Income statement

Kommunal Landspensjonskasse

NOTE	NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
3	Premium income	26 593	7 535	33 634	17 124	37 102
	Income from investments in subsidiaries, associated enterprises and jointly controlled entities	3 171	-839	2 821	3 030	6 009
	Interest income and dividends etc. on financial assets	3 139	2 487	7 566	5 169	11 224
	Value changes on investments	6 921	26 080	5 435	-10 879	1 240
	Gains and losses realized on investments	4 135	-9 180	10 437	22	5 698
	Net income from investments in the common portfolio	17 366	18 547	26 259	-2 658	24 170
	Net income from investments in the investment option portfolio	64	86	102	-44	74
	Other insurance-related income	308	287	614	582	1 192
4	Claims	-5 346	-6 332	-19 100	-17 809	-28 360
	Changes in insurance liabilities taken to profit/loss - contractual liabilities	-35 596	-15 766	-32 492	7 455	-27 649
	Changes in insurance liabilities taken to profit/loss - individual investment option portfolio	-74	99	-72	613	487
	Funds assigned to insurance contracts - contractual liabilities	0	0	0	0	-4 111
	Unallocated profit to insurance contracts	-2 532	-3 403	-7 220	-3 503	0
5	Insurance-related operating expenses	-326	-308	-625	-601	-1 172
	Other insurance-related costs	-325	-297	-625	-593	-1 206
	Technical profit/loss	133	449	477	566	526

NOTE	NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
	Change in value assets held for sale	0	-152	0	-152	0
	Net income from investments in the corporate portfolio	348	610	620	653	1 457
	Other income	0	0	9	4	18
13	Administration costs and other costs associated with the corporate portfolio	-81	-415	-141	-549	-712
	Non-technical profit/loss	266	43	488	-43	762
	Profit/loss pre-tax	399	492	965	523	1 289
	Tax	-10	-106	-115	-115	-204
	Income before other income and expenses	389	386	849	408	1 085
12	Actuarial gains and losses on defined benefits pension schemes	0	-35	118	-258	-49
	Proportion of other comprehensive income on application of the equity method	0	-21	66	-146	-39
	Adjustment of the insurance liabilities	0	44	-21	44	12
	Tax on other income and expenses that will not be reclassified to profit or loss	0	9	-30	64	12
	Total other income and expenses that will not be reclassified to profit or loss	0	-3	135	-295	-63
	TOTAL COMPREHENSIVE INCOME	389	383	984	112	1 021

Statement of financial position

Kommunal Landspensjonskasse

NOTE	NOK MILLIONS	30.06.2021	30.06.2020	31.12.2020
ASSETS				
ASSETS IN THE CORPORATE PORTFOLIO				
	Intangible assets	710	480	602
7	Investment properties	1 002	971	1 017
	Shares and holdings in property subsidiaries	3 371	3 134	3 380
	Shares and holdings in other subsidiaries, associated enterprises and jointly controlled entities	5 201	4 590	4 910
	Shares in subsidiaries held for sale	0	401	0
6	Financial assets valued at amortized cost	19 107	19 098	19 012
6,7	Financial assets valued at fair value	11 514	19 528	12 816
	Receivables	21 401	1 129	1 922
11	Right-of-use assets	1 027	154	1 081
	Other assets	1 026	917	710
Total assets in the corporate portfolio		64 359	50 401	45 450
ASSETS IN THE CUSTOMER PORTFOLIOS				
	Shares and holdings in property subsidiaries	64 664	56 895	61 742
	Shares and holdings in other subsidiaries, associated enterprises and jointly controlled entities	4 955	4 268	4 254
	Receivables on and securities issued by subsidiaries, associated enterprises and jointly controlled entities	12 887	13 643	13 263
6	Financial assets valued at amortized cost	250 342	252 980	248 813
6,7	Financial assets valued at fair value	293 432	247 105	276 710
Total investment in the common portfolio		626 280	574 890	604 782
	Shares and holdings in property subsidiaries	235	205	223
	Receivables on and securities issued by subsidiaries, associated enterprises and jointly controlled entities	66	69	66
6	Financial assets at amortized costs	743	715	720
6,7	Financial assets at fair value	1 171	977	1 034
Total investments in the investment option portfolio		2 215	1 966	2 044
Total assets in the customer portfolios		628 495	576 857	606 826
TOTAL ASSETS		692 854	627 258	652 277

NOTE	NOK MILLIONS	30.06.2021	30.06.2020	31.12.2020
OWNERS' EQUITY AND LIABILITIES				
	Owners' equity contributed	17 937	16 333	18 194
	Retained earnings	22 172	20 890	21 188
	Total owners' equity	40 109	37 223	39 382
6	Subordinated loan capital etc.	4 623	5 194	4 898
14	Premium reserve etc.	476 152	464 904	456 055
	Supplementary reserves	42 715	35 727	43 325
	Securities adjustment fund	67 709	43 110	55 137
	Premium funds, defined contribution funds, pension regulation funds etc.	37 610	12 795	38 124
	Unallocated profit to customers	7 160	3 525	0
	Total insurance liabilities - contractual liabilities	631 346	560 061	592 642
14	Pension capital etc.	1 545	1 446	1 478
	Supplementary reserves	127	111	135
	Premium funds, defined contribution funds, pension regulation funds etc.	481	443	464
	Unallocated profit to customers	80	-66	0
	Total insurance liabilities - special investment portfolio	2 233	1 933	2 077
12	Pension obligations	505	787	594
	Current tax liabilities	207	941	1 155
	Deferred tax liabilities	794	594	614
11	Lease liabilities	1 056	160	1 099
9	Liabilities	11 870	20 239	9 506
	Accrued costs and prepaid income	112	127	309
	TOTAL OWNERS' EQUITY AND LIABILITIES	692 854	627 258	652 277
OFF-BALANCE SHEET ITEMS				
	Contingent liabilities	26 263	25 560	26 011

Changes in Owners' equity

Kommunal Landspensjonskasse

2021 NOK MILLIONS	Owners' equity contributed	Retained earnings		Total owners' equity
		Risk equalization fund	Other retained earnings	
Own funds 1 January 2021	18 194	5 404	15 784	39 382
Income before other income and expenses		285	564	849
Actuarial gains and losses on defined benefits pension schemes			118	118
Proportion of other comprehensive income on application of the equity method			66	66
Adjustment of the insurance liabilities			-21	-21
Tax on other income and expenses that will not be reclassified to profit or loss			-30	-30
Total other income and expenses that will not be reclassified to profit or loss			135	135
Total comprehensive income (unallocated)		285	699	984
Owners equity contribution received ¹	-257			-257
Total transactions with owners	-257			-257
Own funds 30 June 2021	17 937	5 689	16 483	40 109

¹ During the second quarter, NOK 1 053 million of ordinary equity capital contributions were called in to be paid in during the third quarter.

2020 NOK MILLIONS	Owners' equity contributed	Retained earnings		Total owners' equity
		Risk equalization fund	Other retained earnings	
Own funds 1 January 2020	16 540	5 540	15 238	37 318
Income before other income and expenses		258	150	408
Actuarial gains and losses on defined benefits pension schemes			-258	-258
Proportion of other comprehensive income on application of the equity method			-146	-146
Adjustment of the insurance liabilities			44	44
Tax on other income and expenses that will not be reclassified to profit or loss			64	64
Total other income and expenses that will not be reclassified to profit or loss			-295	-295
Total comprehensive income (unallocated)		258	-145	112
Owners equity contribution received ²	-207			-207
Total transactions with owners	-207			-207
Own funds 30 June 2020	16 333	5 797	15 093	37 223

² During the second quarter, NOK 1 232 million of ordinary equity capital contributions were called in to be paid in during the third quarter.

2020 NOK MILLIONS	Owners' equity contributed	Retained earnings		Total owners' equity
		Risk equalization fund	Other retained earnings	
Own funds 1 January 2020	16 540	5 540	15 238	37 318
Income before other income and expenses	611	-136	609	1 085
Actuarial gains and losses on defined benefits pension schemes			-49	-49
Proportion of other comprehensive income on application of the equity method			-39	-39
Adjustment of the insurance liabilities			12	12
Tax on other income and expenses that will not be reclassified to profit or loss			12	12
Total other income and expenses that will not be reclassified to profit or loss			-63	-63
Total comprehensive income	611	-136	546	1 021
Owners equity contribution received	1 043			1 043
Total transactions with owners	1 043			1 043
Own funds 31 December 2020	18 194	5 404	15 784	39 382

Statement of cash flows

Kommunal Landspensjonskasse

NOK MILLIONS	01.01.2021	01.01.2021	01.01.2020	01.01.2020	01.01.2020
	-30.06.2021	-31.03.2021	-31.12.2020	-30.09.2020	-30.06.2020
Net cashflow from operational activities	778	271	2 885	3 159	394
Net cashflow from investment activities ¹	-142	-69	-324	-227	-153
Net cashflow from financing activities ²	-312	-302	-2 802	-2 827	-261
Net changes in cash and bank deposits	323	-100	-241	105	-21
Holdings of cash and bank deposits at start of period	659	659	900	900	900
Holdings of cash and bank deposits at end of period	983	560	659	1 005	879

¹ Payments on the purchase of tangible fixed assets.

² Net receipts of owners' equity contribution, rising of new loans and repayment of debt.

Notes to the financial statement

Kommunal Landspensjonskasse

Note 1 Accounting principles- and estimates

ACCOUNTING PRINCIPLES

The financial statements in this interim report are the financial statements for Kommunal Landspensjonskasse (KLP) for the period 1 January – 30 June 2021. The accounts have not been audited.

The interim financial statements are presented in accordance with Regulations no. 1824 of 18 December 2015: The Regulations governing the annual financial statements for life insurance companies (the Financial Reporting Regulations) and IAS 34 Interim Financial Reporting. The interim financial statements have been prepared in accordance with the same principles as the annual financial statements for 2020, unless stated otherwise.

The interim financial statements do not contain all the information required of complete annual financial statements, and the interim financial statement should be read in the context of the annual financial statements for 2020, which may be obtained from KLP's head office at Dronning Eufemias gate 10, or at klp.no

Sums released following longevity adjustments

In a letter dated 22 December 2020, KLP applied for approval from the Financial Supervisory Authority of Norway (FSA) to use sums released as a result of longevity adjustments (changes in ratios and divisors) to strengthen the premium reserve. The sums released totalled NOK 2.9 billion and were redistributed as of 31 December 2020.

In its reply dated 30 June 2021, FSA states that the option of strengthening the premium reserve with sums released as a result of longevity adjustments will not apply. It is not clear from FSA's reply how the sums released should be allocated. In its reply, FSA also states that a fresh application from KLP to finance a strengthening of the premium reserve is required, and that this funding will be conditional on KLP contributing equity.

Based on the reply from FSA, KLP will reassess the allocation of the sums released as a result of longevity adjustments, and reconsider how to strengthen the premium reserve and how to finance this.

ACCOUNTING ESTIMATES

In preparing the interim financial statements, management has exercised discretion and used estimates and assumptions that affect the accounting figures. Actual figures may deviate from estimates used.

Note 2 Value-adjustment investment property

The portfolio of investment properties, including investment properties owned via subsidiaries, has been valued at 30 June 2021.

NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
Value adjustment incl. foreign exchange	2 473	-1 307	1 291	1 776	4 033
Foreign exchange effect on hedging	-517	1 225	698	-1 869	-1 500
Net value adjustment incl. exchange hedging	1 956	-82	1 990	-94	2 533

Note 3 Premium income

NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
Gross premiums due	26 593	7 173	33 634	14 258	34 252
Transfer of premium reserves from others	0	362	0	2 865	2 850
Total premium income	26 593	7 535	33 634	17 124	37 102

Note 4 Claims

NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
Claims paid	5 418	5 053	10 753	10 154	20 704
Transfers of premium reserves to others	-73	1 278	8 346	7 655	7 656
Total claims	5 346	6 332	19 100	17 809	28 360

Note 5 Insurance-related operating expenses

NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
Personnel costs	185	182	373	358	691
Depreciation	49	43	99	86	179
Other operating expenses	91	82	153	157	302
Total insurance-related operating expenses	326	308	625	601	1 172

Note 6 Fair value of financial assets and liabilities

For information regarding pricing of financial assets and liabilities see note 9 Fair value of financial assets and liabilities in the consolidated financial statement.

30.06.2021 NOK MILLIONS	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
ASSETS – AT AMORTIZED COST								
INVESTMENTS HELD TO MATURITY								
Norwegian hold-to-maturity bonds	540	626	4 445	4 890	11	11	4 996	5 527
Accrued not due interest	10	10	107	107	0	0	117	117
Foreign hold-to-maturity bonds	6 291	6 586	16 164	17 681	38	43	22 493	24 309
Accrued not due interest	18	18	214	214	1	1	233	233
Total investments held to maturity	6 859	7 239	20 930	22 892	50	55	27 838	30 186
BONDS CLASSIFIED AS LOANS AND RECEIVABLES								
Norwegian bonds	4 605	4 755	48 465	49 297	205	214	53 275	54 265
Accrued not due interest	65	65	732	732	4	4	801	801
Foreign bonds	7 424	7 819	101 922	109 379	476	502	109 821	117 700
Accrued not due interest	155	155	1 587	1 587	8	8	1 750	1 750
Total bonds classified as loans and receivables	12 248	12 793	152 706	160 995	693	729	165 648	174 517
OTHER LOANS AND RECEIVABLES								
Secured loans	0	0	3 086	3 105	0	0	3 086	3 105
Lending with public sector guarantee	0	0	65 089	65 849	0	0	65 089	65 849
Loans abroad secured by mortgage and local government guarantee	0	0	8 246	8 246	0	0	8 246	8 246
Accrued not due interest	0	0	285	285	0	0	285	285
Total other loans and receivables	0	0	76 706	77 485	0	0	76 706	77 485
Total financial assets at amortized cost	19 107	20 032	250 342	261 372	743	784	270 192	282 187
ASSETS – AT FAIR VALUE								

30.06.2021 NOK MILLIONS	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
EQUITY CAPITAL INSTRUMENTS								
Norwegian shares	7	7	8 512	8 512	0	0	8 518	8 518
Foreign shares	0	0	32 654	32 654	0	0	32 654	32 654
Total shares	7	7	41 166	41 166	0	0	41 172	41 172
Property funds	0	0	4 730	4 730	0	0	4 730	4 730
Norwegian equity funds	0	0	90 720	90 720	711	711	91 430	91 430
Foreign equity funds	0	0	22 096	22 096	0	0	22 096	22 096
Total equity fund units	0	0	117 546	117 546	711	711	118 256	118 256
Norwegian alternative investments	0	0	1 865	1 865	9	9	1 874	1 874
Foreign alternative investments	0	0	0	0	0	0	0	0
Total alternative investments	0	0	1 866	1 866	9	9	1 874	1 874
Total shares and units	7	7	160 577	160 577	719	719	161 303	161 303
DEBT INSTRUMENTS AT FAIR VALUE								
Norwegian bonds	5 812	5 812	27 316	27 316	0	0	33 128	33 128
Foreign bonds	434	434	18 633	18 633	0	0	19 066	19 066
Accrued not due interest	18	18	271	271	0	0	289	289
Norwegian fixed-income funds	2 665	2 665	30 276	30 276	316	316	33 257	33 257
Foreign fixed-income funds	0	0	29 997	29 997	0	0	29 997	29 997
Accrued not due interest	148	148	2 864	2 864	19	19	3 031	3 031
Norwegian certificates	100	100	4 200	4 200	0	0	4 300	4 300
Foreign certificates	0	0	550	550	0	0	550	550

30.06.2021 NOK MILLIONS	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Accrued not due interest	0	0	2	2	0	0	2	2
Fixed income securities	9 177	9 177	114 109	114 109	335	335	123 621	123 621
Norwegian loans and receivables	985	985	6 305	6 305	48	48	7 337	7 337
Foreign loans and receivables	699	699	6 675	6 675	70	70	7 444	7 444
Total loans and receivables	1 684	1 684	12 980	12 980	117	117	14 781	14 781
DERIVATIVES								
Interest rate swaps	646	646	10	10	0	0	656	656
Share options	0	0	223	223	0	0	223	223
Forward exchange contracts	0	0	76	76	0	0	77	77
Total financial derivatives classified as assets	646	646	310	310	0	0	956	956
OTHER FINANCIAL ASSETS								
Other financial assets	1	1	5 456	5 456	0	0	5 457	5 457
Total financial assets valued at fair value	11 514	11 514	293 432	293 432	1 171	1 171	306 118	306 118
LIABILITIES								
DERIVATIVES								
Interest rate swaps	0	0	477	477	0	0	477	477
Forward exchange contracts	1	1	2 543	2 543	11	11	2 555	2 555
Total financial derivatives classified as liabilities	1	1	3 020	3 020	11	11	3 032	3 032

30.06.2021 NOK MILLIONS	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
SUBORDINATED LOAN CAPITAL								
Subordinated loan capital	2 989	3 351	0	0	0	0	2 989	3 351
Hybrid Tier 1 securities	1 635	1 585	0	0	0	0	1 635	1 585
Total subordinated loan capital etc.	4 623	4 937	0	0	0	0	4 623	4 937
LIABILITIES TO CREDIT INSTITUTIONS								
Norwegian call money ¹	0	0	527	527	3	3	529	529
Foreign call money ¹	898	898	247	247	17	17	1 162	1 162
Total liabilities to credit institutions	898	898	774	774	19	19	1 692	1 692

¹ Call money is collateral for paid/received margin related to derivatives.

30.06.2020 NOK MILLIONS	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
ASSETS – AT AMORTIZED COST								
INVESTMENTS HELD TO MATURITY								
Norwegian hold-to-maturity bonds	547	669	4 446	5 318	11	12	5 004	5 998
Accrued not due interest	10	10	107	107	0	0	117	117
Foreign hold-to-maturity bonds	6 753	7 129	19 019	21 134	38	45	25 810	28 308
Accrued not due interest	18	18	231	231	1	1	250	250
Total investments held to maturity	7 328	7 826	23 803	26 790	50	58	31 180	34 673
BONDS CLASSIFIED AS LOANS AND RECEIVABLES								
Norwegian bonds	4 137	4 406	42 486	45 949	172	188	46 795	50 543
Accrued not due interest	60	60	680	680	4	4	744	744
Foreign bonds	7 416	7 989	103 324	112 130	481	521	111 221	120 639
Accrued not due interest	156	156	1 658	1 658	9	9	1 823	1 823
Total bonds classified as loans and receivables	11 770	12 612	148 148	160 416	665	721	160 583	173 749
OTHER LOANS AND RECEIVABLES								
Secured loan	0	0	3 286	3 349	0	0	3 286	3 349
Lending with public sector guarantee	0	0	62 478	64 042	0	0	62 478	64 042
Loans abroad secured by mortgage and local government guarantee	0	0	14 926	14 942	0	0	14 926	14 942
Accrued not due interest	0	0	340	340	0	0	340	340
Total other loans and receivables	0	0	81 029	82 672	0	0	81 029	82 672
Total financial assets at amortized cost	19 098	20 438	252 980	269 878	715	779	272 792	291 094
ASSETS – AT FAIR VALUE								

30.06.2020 NOK MILLIONS	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
EQUITY CAPITAL INSTRUMENTS								
Norwegian shares	5	5	5 435	5 435	0	0	5 441	5 441
Foreign shares	0	0	24 253	24 253	0	0	24 253	24 253
Total shares	5	5	29 688	29 688	0	0	29 693	29 693
Property funds	0	0	2 535	2 535	0	0	2 535	2 535
Norwegian equity funds	0	0	62 599	62 599	497	497	63 096	63 096
Foreign equity funds	0	0	15 832	15 832	0	0	15 832	15 832
Total equity fund units	0	0	80 966	80 966	497	497	81 463	81 463
Norwegian alternative investments	0	0	2 872	2 872	14	14	2 885	2 885
Foreign alternative investments	0	0	2 907	2 907	0	0	2 907	2 907
Total alternative investments	0	0	5 779	5 779	14	14	5 792	5 792
Total shares and units	5	5	116 433	116 433	511	511	116 949	116 949
DEBT INSTRUMENTS AT FAIR VALUE								
Norwegian bonds	5 626	5 626	33 381	33 381	0	0	39 008	39 008
Foreign bonds	347	347	21 611	21 611	0	0	21 958	21 958
Accrued not due interest	26	26	312	312	0	0	338	338
Norwegian fixed-income funds	2 558	2 558	37 069	37 069	366	366	39 993	39 993
Foreign fixed-income funds	0	0	16 632	16 632	0	0	16 632	16 632
Accrued not due interest	24	24	75	75	3	3	102	102
Norwegian certificates	943	943	3 030	3 030	0	0	3 973	3 973

30.06.2020 NOK MILLIONS	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Accrued not due interest	9	9	9	9	0	0	18	18
Fixed income securities	9 534	9 534	112 119	112 119	369	369	122 022	122 022
Norwegian loans and receivables	1 473	1 473	7 012	7 012	24	24	8 508	8 508
Foreign loans and receivables	2 606	2 606	3 191	3 191	65	65	5 863	5 863
Total loans and receivables	4 079	4 079	10 203	10 203	89	89	14 371	14 371
DERIVATIVES								
Interest rate swaps	1 030	1 030	1 023	1 023	0	0	2 053	2 053
Forward exchange contracts	30	30	3 738	3 738	9	9	3 777	3 777
Total financial derivatives classified as assets	1 060	1 060	4 761	4 761	9	9	5 830	5 830
OTHER FINANCIAL ASSETS								
Other financial assets	4 850	4 850	3 589	3 589	0	0	8 439	8 439
Total financial assets valued at fair value	19 528	19 528	247 105	247 105	977	977	267 611	267 611
LIABILITIES								
DERIVATIVES								
Interest rate swaps	0	0	107	107	0	0	107	107
Forward exchange contracts	0	0	582	582	3	3	586	586
Total financial derivatives classified as liabilities	0	0	690	690	3	3	693	693

30.06.2020 NOK MILLIONS	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
SUBORDINATED LOAN CAPITAL								
Subordinated loan capital	3 174	3 545	0	0	0	0	3 174	3 545
Hybrid Tier 1 securities	2 020	1 767	0	0	0	0	2 020	1 767
Total subordinated loan capital etc.	5 194	5 312	0	0	0	0	5 194	5 312
LIABILITIES TO CREDIT INSTITUTIONS								
Repos	1 213	1 213	0	0	0	0	1 213	1 213
Norwegian call money ¹	0	0	1 737	1 737	3	3	1 740	1 740
Foreign call money ¹	1 047	1 047	2 066	2 066	13	13	3 125	3 125
Total liabilities to credit institutions	2 259	2 259	3 803	3 803	16	16	6 078	6 078

¹ Call money is collateral for paid/received margin related to derivatives.

31.12.2020 NOK MILLIONS	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
ASSETS – AT AMORTIZED COST								
INVESTMENTS HELD TO MATURITY								
Norwegian hold-to-maturity bonds	543	644	4 445	5 000	11	11	5 000	5 655
Accrued not due interest	19	19	101	101	0	0	120	120
Foreign hold-to-maturity bonds	6 547	6 923	16 993	18 918	38	44	23 578	25 884
Accrued not due interest	41	41	223	223	1	1	264	264
Total investments held to maturity	7 149	7 626	21 763	24 242	50	56	28 962	31 924
BONDS CLASSIFIED AS LOANS AND RECEIVABLES								
Norwegian bonds	4 337	4 567	46 054	49 088	191	204	50 582	53 860
Accrued not due interest	60	60	725	725	3	3	788	788
Foreign bonds	7 366	7 880	101 144	109 202	468	503	108 979	117 585
Accrued not due interest	100	100	1 702	1 702	8	8	1 810	1 810
Total bonds classified as loans and receivables	11 863	12 607	149 626	160 718	671	719	162 159	174 043
OTHER LOANS AND RECEIVABLES								
Secured loans	0	0	3 191	3 243	0	0	3 191	3 243
Lending with public sector guarantee	0	0	64 088	65 304	0	0	64 088	65 304
Loans abroad secured by mortgage and local government guarantee	0	0	9 864	9 864	0	0	9 864	9 864
Accrued not due interest	0	0	280	280	0	0	280	280
Total other loans and receivables	0	0	77 424	78 691	0	0	77 424	78 691
Total financial assets at amortized cost	19 012	20 233	248 813	263 650	720	775	268 546	284 658

ASSETS – AT FAIR VALUE

31.12.2020 NOK MILLIONS	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
EQUITY CAPITAL INSTRUMENTS								
Norwegian shares	7	7	6 581	6 581	0	0	6 588	6 588
Foreign shares	0	0	26 548	26 548	0	0	26 548	26 548
Total shares	7	7	33 129	33 129	0	0	33 136	33 136
Property funds	0	0	4 031	4 031	0	0	4 031	4 031
Norwegian equity funds	0	0	72 440	72 440	580	580	73 021	73 021
Foreign equity funds	0	0	17 818	17 818	0	0	17 818	17 818
Total equity fund units	0	0	94 290	94 290	580	580	94 870	94 870
Norwegian alternative investments	0	0	1 709	1 709	8	8	1 717	1 717
Foreign alternative investments	0	0	0	0	0	0	0	0
Total alternative investments	0	0	1 710	1 710	8	8	1 718	1 718
Total shares and units	7	7	129 128	129 128	588	588	129 724	129 724
DEBT INSTRUMENTS AT FAIR VALUE								
Norwegian bonds	6 604	6 604	30 995	30 995	0	0	37 600	37 600
Foreign bonds	429	429	18 703	18 703	0	0	19 131	19 131
Accrued not due interest	28	28	368	368	0	0	396	396
Norwegian fixed-income funds	2 632	2 632	36 415	36 415	337	337	39 384	39 384
Foreign fixed-income funds	0	0	28 828	28 828	0	0	28 828	28 828
Norwegian certificates	530	530	2 255	2 255	0	0	2 785	2 785
Foreign certificates	0	0	549	549	0	0	549	549

31.12.2020 NOK MILLIONS	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Accrued not due interest	2	2	5	5	0	0	7	7
Fixed income securities	10 226	10 226	118 119	118 119	337	337	128 681	128 681
Norwegian loans and receivables	570	570	15 446	15 446	27	27	16 043	16 043
Foreign loans and receivables	1 129	1 129	5 530	5 530	67	67	6 726	6 726
Total loans and receivables	1 700	1 700	20 977	20 977	93	93	22 770	22 770
DERIVATIVES								
Interest rate swaps	775	775	1 018	1 018	0	0	1 792	1 792
Share options	0	0	219	219	0	0	219	219
Forward exchange contracts	109	109	4 706	4 706	16	16	4 831	4 831
Total financial derivatives classified as assets	884	884	5 943	5 943	16	16	6 843	6 843
OTHER FINANCIAL ASSETS								
Other financial assets	0	0	2 543	2 543	0	0	2 543	2 543
Total financial assets valued at fair value	12 816	12 816	276 710	276 710	1 034	1 034	290 560	290 560
LIABILITIES								
DERIVATIVES								
Interest rate swaps	0	0	0	0	0	0	0	0
Forward exchange contracts	0	0	326	326	1	1	327	327
Total financial derivatives classified as liabilities	0	0	326	326	1	1	327	327

31.12.2020 NOK MILLIONS	Corporate portfolio		Common portfolio		Investment option portfolio		Total	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
SUBORDINATED LOAN CAPITAL								
Subordinated loan capital	3 135	3 561	0	0	0	0	3 135	3 561
Hybrid Tier 1 securities	1 764	1 592	0	0	0	0	1 764	1 592
Total subordinated loan capital etc.	4 898	5 152	0	0	0	0	4 898	5 152
LIABILITIES TO CREDIT INSTITUTIONS								
Norwegian call money ¹	0	0	2 504	2 504	3	3	2 507	2 507
Foreign call money ¹	923	923	2 412	2 412	17	17	3 352	3 352
Total liabilities to credit institutions	923	923	4 917	4 917	19	19	5 859	5 859

¹ Call money is collateral for paid/received margin related to derivatives.

Note 7 Fair value hierarchy

30.06.2021 NOK MILLIONS	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
<i>Certificates</i>	0	100	0	100
<i>Bonds</i>	0	6 264	0	6 264
<i>Fixed-income funds</i>	2 813	0	0	2 813
Fixed-income securities	2 813	6 364	0	9 177
Loans and receivables	820	864	0	1 684
<i>Shares</i>	0	0	7	7
Shares and units	0	0	7	7
Financial derivatives	0	646	0	646
Other financial assets	0	1	0	1
Total corporate portfolio	3 633	7 874	7	11 514
COMMON PORTFOLIO				
<i>Certificates</i>	2 973	1 779	0	4 752
<i>Bonds</i>	20 558	25 662	0	46 220
<i>Fixed-income funds</i>	48 857	8 643	5 637	63 137
Fixed-income securities	72 388	36 084	5 637	114 109
Loans and receivables	12 664	316	0	12 980
<i>Shares</i>	38 176	327	2 662	41 166
<i>Equity funds</i>	92 184	0	49	92 233
<i>Property funds</i>	0	1 117	3 613	4 730
<i>Special funds</i>	0	1 866	0	1 866
<i>Private Equity</i>	0	0	20 582	20 582
Shares and units	130 360	3 310	26 906	160 577
Financial derivatives	0	310	0	310
Other financial assets	0	5 456	0	5 456
Total common portfolio	215 413	45 477	32 543	293 432
INVESTMENT OPTION PORTFOLIO				
<i>Fixed-income funds</i>	328	7	0	335
Fixed-income securities	328	7	0	335
Loans and receivables	117	0	0	117
<i>Equity funds</i>	711	0	0	711
<i>Special funds</i>	0	9	0	9
Shares and units	711	9	0	719
Financial derivatives	0	0	0	0
Other financial assets	0	0	0	0
Total investment option portfolio	1 156	16	0	1 171
Total financial assets valued at fair value	220 202	53 366	32 550	306 118

30.06.2021 NOK MILLIONS	Level 1	Level 2	Level 3	Total
CORPORATE PORTFOLIO				
Investment property	0	0	1 002	1 002
Total investment property	0	0	1 002	1 002
FINANCIAL LIABILITIES BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Financial derivatives	0	1	0	1
Debt to credit institutions	898	0	0	898
Total corporate portfolio	898	1	0	900
COMMON PORTFOLIO				
Financial derivatives	0	3 020	0	3 020
Debt to credit institutions	774	0	0	774
Total common portfolio	774	3 020	0	3 795
INVESTMENT OPTION PORTFOLIO				
Financial derivatives	0	11	0	11
Debt to credit institutions	19	0	0	19
Total investment option portfolio	19	11	0	30
Total financial liabilities at fair value	1 692	3 032	0	4 724

30.06.2020 NOK MILLIONS	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
<i>Certificates</i>	0	952	0	952
<i>Bonds</i>	22	5 978	0	6 000
<i>Fixed-income funds</i>	2 582	0	0	2 582
Fixed-income securities	2 604	6 930	0	9 534
Loans and receivables	2 729	1 350	0	4 079
<i>Shares</i>	0	0	5	5
Shares and units	0	0	5	5
Financial derivatives	0	1 060	0	1 060
Other financial assets	0	4 850	0	4 850
Total corporate portfolio	5 333	14 190	5	19 528
COMMON PORTFOLIO				
<i>Certificates</i>	2 065	974	0	3 039
<i>Bonds</i>	22 485	32 819	0	55 304
<i>Fixed-income funds</i>	53 740	0	0	53 740
Fixed-income securities	78 291	33 792	0	112 083
Loans and receivables	9 890	313	0	10 203
<i>Shares</i>	27 177	293	2 218	29 688

30.06.2020 NOK MILLIONS	Level 1	Level 2	Level 3	Total
<i>Equity funds</i>	63 837	0	60	63 897
<i>Property funds</i>	0	15	2 519	2 535
<i>Special funds</i>	0	2 910	2 905	5 815
<i>Private Equity</i>	0	0	14 534	14 534
Shares and units	91 015	3 218	22 236	116 469
Financial derivatives	0	4 761	0	4 761
Other financial assets	0	3 589	0	3 589
Total common portfolio	179 196	45 674	22 236	247 105
INVESTMENT OPTION PORTFOLIO				
<i>Fixed-income funds</i>	368	0	0	368
Fixed-income securities	368	0	0	368
Loans and receivables	89	0	0	89
<i>Equity funds</i>	497	0	0	497
<i>Special funds</i>	0	14	0	14
Shares and units	497	14	0	511
Financial derivatives	0	9	0	9
Other financial assets	0	0	0	0
Total investment option portfolio	955	22	0	977
Total financial assets valued at fair value	185 483	59 886	22 241	267 611
CORPORATE PORTFOLIO				
Investment property	0	0	971	971
Total investment property	0	0	971	971
FINANCIAL LIABILITIES BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Financial derivatives	0	0	0	0
Debt to credit institutions	1 047	1 213	0	2 259
Total corporate portfolio	1 047	1 213	0	2 259
COMMON PORTFOLIO				
Financial derivatives	0	690	0	690
Debt to credit institutions	3 803	0	0	3 803
Total common portfolio	3 803	690	0	4 492
INVESTMENT OPTION PORTFOLIO				
Financial derivatives	0	3	0	3
Debt to credit institutions	16	0	0	16
Total investment option portfolio	16	3	0	19
Total financial liabilities at fair value	4 865	1 905	0	6 770

31.12.2020 NOK MILLIONS	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
<i>Certificates</i>	0	533	0	533
<i>Bonds</i>	0	7 061	0	7 061
<i>Fixed-income funds</i>	2 632	0	0	2 632
Fixed-income securities	2 632	7 594	0	10 226
Loans and receivables	1 464	236	0	1 700
<i>Shares</i>	0	0	7	7
Shares and units	0	0	7	7
Financial derivatives	0	884	0	884
Other financial assets	0	0	0	0
Total corporate portfolio	4 096	8 713	7	12 816
COMMON PORTFOLIO				
<i>Certificates</i>	549	2 260	0	2 809
<i>Bonds</i>	16 038	34 028	0	50 066
<i>Fixed-income funds</i>	52 460	8 534	4 250	65 243
Fixed-income securities	69 047	44 822	4 250	118 119
Loans and receivables	20 662	315	0	20 977
<i>Shares</i>	30 258	326	2 545	33 129
<i>Equity funds</i>	74 016	0	55	74 070
<i>Property funds</i>	0	1 157	2 874	4 031
<i>Special funds</i>	0	1 710	0	1 710
<i>Private Equity</i>	0	0	16 188	16 188
Shares and units	104 274	3 193	21 662	129 128
Financial derivatives	0	5 943	0	5 943
Other financial assets	0	2 543	0	2 543
Total common portfolio	193 983	56 816	25 911	276 710
INVESTMENT OPTION PORTFOLIO				
<i>Fixed-income funds</i>	330	7	0	337
Fixed-income securities	330	7	0	337
Loans and receivables	93	0	0	93
<i>Equity funds</i>	580	0	0	580
<i>Special funds</i>	0	8	0	8
Shares and units	580	8	0	588
Financial derivatives	0	16	0	16
Other financial assets	0	0	0	0
Total investment option portfolio	1 004	30	0	1 034
Total financial assets valued at fair value	199 083	65 559	25 918	290 560

31.12.2020 NOK MILLIONS	Level 1	Level 2	Level 3	Total
CORPORATE PORTFOLIO				
Investment property	0	0	1 017	1 017
Total investment property	0	0	1 017	1 017
FINANCIAL LIABILITIES BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Financial derivatives	0	0	0	0
Debt to credit institutions	923	0	0	923
Total corporate portfolio	923	0	0	923
COMMON PORTFOLIO				
Financial derivatives	0	326	0	326
Debt to credit institutions	4 917	0	0	4 917
Total common portfolio	4 917	326	0	5 242
INVESTMENT OPTION PORTFOLIO				
Financial derivatives	0	1	0	1
Debt to credit institutions	19	0	0	19
Total investment option portfolio	19	1	0	21
Total financial liabilities at fair value	5 859	327	0	6 186

Changes in Level 3 shares, unlisted CORPORATE PORTFOLIO	Book value 30.06.2021	Book value 30.06.2020	Book value 31.12.2020
Opening balance 01.01.	7	5	5
Sold	0	0	0
Bought	0	0	0
Unrealised changes	0	0	1
Closing balance 30.06./31.12.	7	5	7
Realised gains/losses	0	0	0

Changes in Level 3 shares, unlisted COMMON PORTFOLIO	Book value 30.06.2021	Book value 30.06.2020	Book value 31.12.2020
Opening balance 01.01.	2 545	2 170	2 170
Sold	0	-7	-23
Bought	4	106	377
Unrealised changes	113	-52	22
Closing balance 30.06./31.12.	2 662	2 218	2 545
Realised gains/losses	0	3	0

Changes in Level 3 equity funds, unlisted COMMON PORTFOLIO	Book value 30.06.2021	Book value 30.06.2020	Book value 31.12.2020
Opening balance 01.01.	55	54	54
Sold	0	0	0
Bought	0	0	0
Unrealised changes	-6	6	1
Closing balance 30.06./31.12.	49	60	55
Realised gains/losses	0	0	0

Changes in Level 3, private equity, fixed-income funds and property funds COMMON PORTFOLIO	Book value 30.06.2021	Book value 30.06.2020	Book value 31.12.2020
Opening balance 01.01.	23 312	14 888	14 888
Sold	-1 646	-581	-1 740
Bought	4 976	2 846	8 341
Unrealised changes	3 190	2 806	302
Closing balance 30.06./31.12.	29 832	19 958	23 312
Realised gains/losses	870	257	636

Changes in Level 3, investment property CORPORATE PORTFOLIO	Book value 30.06.2021	Book value 30.06.2020	Book value 31.12.2020
Opening balance 01.01.	1 017	955	955
Sold	0	0	0
Bought	0	0	0
Unrealised changes	20	20	85
Other	-35	-5	-23
Closing balance 30.06./31.12.	1 002	971	1 017
Realised gains/losses	0	0	0
Total level 3	33 552	23 212	26 935

Unrealised changes are reflected in the line «Value changes on investments» in the different portfolios in the income statement.

The amounts in the level distribution can in turn be found in the financial position statement under various portfolios' allocation of financial instruments at fair value and investment property.

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 as noted in an active market if noted prices are 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 for identical assets or liabilities that the entity has access to at the reporting date. Examples of instruments at Level 1 are stock market listed securities.

LEVEL 2:

Instruments at this level obtain fair value from observable market data. This includes prices based on identical instruments, but where the instrument does not maintain a high enough trading frequency and is therefore not considered to be traded in an active market, as well as prices based on corresponding assets and price-leading indicators that can be confirmed from market information. Example instruments at Level 2 are fixed income securities priced on the basis of interest rate paths.

LEVEL 3:

Instruments at Level 3 contain no observable market data or are traded in markets 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. The instruments covered at Level 3 in the company include unlisted shares and Private Equity.

Valuations related to items in the various levels are described in note 9 for the Group. For description of the pricing of investment property please see the annual financial statements.

The fair value of assets and liabilities measured at amortized cost are stated in note 6. Level based classification of these items will be as follows; assets classified as held to maturity are included in level 1, lending and loans and receivables are included in level 2. Liabilities, measured at amortized cost, will be categorized as follows: subordinated loans are included in both level 1 and 2, hybrid tier 1 securities are included in level 2 and debt to credit institutions are included in level 1. Information regarding pricing of these interest bearing instruments are available in note 9 for the Group.

No sensitivity analysis has been carried out on securities included in Level 3. A change in the variables of the pricing is considered of little significance on the securities. A sensitivity analysis for investment property is available in the annual report. On a general basis, a 5 percent change in the pricing would produce a change of NOK 1 678 million as of 30.06.2021 on the assets in level 3.

With regard to transferring securities between the levels, a limit is set for the number of trading days and the amount of trading for shares by separating Level 1 and Level 2. The general principles related to the distribution between levels basically concern whether the asset or liability is listed or not and whether the listing can be stated to be in an active market. As regards shares, there is a further distinction between trading days and amount of trading which separates out listed securities that do not form part of an active market. The values at the end of the reporting period provide the basis for any movement between the levels.

During the 2nd quarter, NOK 30 million was moved from Level 1 to Level 2 and NOK 5 million was moved from level 2 to level 1. The amounts are related to equity instruments and are due to change in liquidity. In addition, NOK 550 million of fixed-income securities was also moved from level 2 to level 1. There were no other movements between the different levels in KLP.

Note 8 Presentation of assets and liabilities that are subject to net settlement

30.06.2021 NOK MILLIONS					Related amounts not presented net		
	Gross financial assets/ liabilities	Gross assets/ liabilities presented net	Book value	Financial instruments	Security in cash	Security in securities	Net amount
ASSETS							
Financial derivatives	956	0	956	-87	-820	0	241
Total	956	0	956	-87	-820	0	241
PORTFOLIO ALLOCATION OF ASSETS							
Total assets – common portfolio	310	0	310	-87	-130	0	223
Total assets – corporate portfolio	646	0	646	0	-678	0	18
Total assets – investment option portfolio	0	0	0	0	-12	0	0
Total	956	0	956	-87	-820	0	241
LIABILITIES							
Financial derivatives	3 032	0	3 032	-87	-111	-2 462	391
Total	3 032	0	3 032	-87	-111	-2 462	391
PORTFOLIO ALLOCATION OF LIABILITIES							
Total liabilities – common portfolio	3 020	0	3 020	-87	-108	-2 462	381
Total liabilities – corporate portfolio	1	0	1	0	0	0	1
Total liabilities – investment option portfolio	11	0	11	0	-3	0	8
Total	3 032	0	3 032	-87	-111	-2 462	391

30.06.2020 NOK MILLIONS						Related amounts not presented net	
	Gross financial assets/ liabilities	Gross assets/ liabilities presented net	Book value	Financial instruments	Security in cash	Security in securities	Net amount
ASSETS							
Financial derivatives	5 830	0	5 830	-691	-4 847	0	313
Total	5 830	0	5 830	-691	-4 847	0	313
PORTFOLIO ALLOCATION OF ASSETS							
Total assets – common portfolio	4 761	0	4 761	-690	-3 794	0	277
Total assets – corporate portfolio	1 060	0	1 060	0	-1 047	0	30
Total assets – investment option portfolio	9	0	9	-2	-6	0	6
Total	5 830	0	5 830	-691	-4 847	0	313
LIABILITIES							
Financial derivatives	1 905	0	1 905	-691	-8	0	1 213
Total	1 905	0	1 905	-691	-8	0	1 213
PORTFOLIO ALLOCATION OF LIABILITIES							
Total liabilities – common portfolio	690	0	690	-690	0	0	0
Total liabilities – corporate portfolio	1 213	0	1 213	0	0	0	1 213
Total liabilities – investment option portfolio	3	0	3	-2	-8	0	0
Total	1 905	0	1 905	-691	-8	0	1 213

31.12.2020 NOK MILLIONS					Related amounts not presented net		
	Gross financial assets/ liabilities	Gross assets/ liabilities presented net	Book value	Financial instruments	Security in cash	Security in securities	Net amount
ASSETS							
Financial derivatives	6 843	0	6 843	-326	-5 795	0	1 089
Total	6 843	0	6 843	-326	-5 795	0	1 089
PORTFOLIO ALLOCATION OF ASSETS							
Total assets – common portfolio	5 943	0	5 943	-326	-4 860	0	970
Total assets – corporate portfolio	884	0	884	0	-923	0	106
Total assets – investment option portfolio	16	0	16	0	-12	0	12
Total	6 843	0	6 843	-326	-5 795	0	1 089
LIABILITIES							
Financial derivatives	327	0	327	-326	-3	0	0
Total	327	0	327	-326	-3	0	0
PORTFOLIO ALLOCATION OF LIABILITIES							
Total liabilities – common portfolio	326	0	326	-326	0	0	0
Total liabilities – corporate portfolio	0	0	0	0	0	0	0
Total liabilities – investment option portfolio	1	0	1	0	-3	0	0
Total	327	0	327	-326	-3	0	0

The purpose of this note is to show the potential effect of netting agreements at KLP; what possibilities KLP has to net bilateral agreements against other counterparties should the latter go bankrupt and the remaining amount if all such netting agreements are materialized. The note shows derivative positions in the financial position statement, and one additional table with information on the different portfolios in the company.

Note 9 **Liabilities**

NOK MILLIONS	30.06.2021	30.06.2020	31.12.2020
Short-term liabilities securities	6 213	11 709	2 258
Advance tax-deduction pension scheme	760	704	447
Accounts payable	44	13	4
Derivatives	3 032	693	327
Debt to credit institutions	1 692	6 078	5 859
Liabilities related to direct insurance	107	1 023	576
Other liabilities	21	20	34
Total liabilities	11 870	20 239	9 506

Note 10 **SCR ratio**

The Solvency II balance sheet includes assets and liabilities at fair value. For assets that have a different value in the accounts change in balance value are added. There are no observable market values for KLP's insurance liabilities, which are thus calculated by way of a best estimate based on actuarial assumptions. In addition there is a risk margin that is to reflect a third party's capital costs by taking over these liabilities.

Tier 1 capital appears from the Solvency II balance sheet and Hybrid Tier 1 securities. Tier 2 capital consist of subordinated loans and ancillary own funds. The Financial Supervisory Authority of Norway has accepted that KLP's right to call in further member contribution if necessary, which is laid down in the Company's articles of association, can be counted as ancillary own funds, the amount corresponding to 2.5 per cent of the Company's premium reserve. Capital that may be included in Tier 2 capital is limited upwards to 50 per cent of SCR.

Without the use of the transitional measure on technical provisions the Company's SCR ratio is 282 per cent, which is well over the Company's target of at least 150 per cent. With the transitional measure on technical provisions the SCR ratio is 332 per cent.

	30.06.2021	30.06.2020	31.12.2020
SOLVENCY II-SCR RATIO ¹	282 %	252 %	282 %

NOK BILLIONS	30.06.2021	30.06.2020	31.12.2020
SIMPLIFIED SOLVENCY II FINANCIAL POSITION STATEMENT			
Assets, book value	692	627	652
Added values - hold-to-maturity portfolio/loans and receivables	12	18	16
Added values - other lending	0	0	0
Other added/lesser values	0	0	0
Deferred tax asset	0	0	0
Total assets - solvency II	704	645	668

NOK BILLIONS	30.06.2021	30.06.2020	31.12.2020
SIMPLIFIED SOLVENCY II FINANCIAL POSITION STATEMENT			
Best estimate	631	563	596
Risk margin	14	17	14
Hybrid Tier 1 securities/Subordinated loan capital	5	5	5
Other liabilities	19	28	18
Deferred tax liabilities	1	1	1
Total liabilities - solvency II	670	614	634
Excess of assets over liabilities	34	31	33
- Deferred tax asset	0	0	0
+ Hybrid Tier 1 securities	2	2	2
Tier 1 basic own funds	36	33	36
Total eligible tier 1 own funds	36	33	36
Subordinated loans	3	3	4
Tier 2 basic own funds	3	3	4
Ancillary own funds	12	12	11
Tier 2 ancillary own funds	12	12	11
Deduction for max. eligible tier 2 own funds	-7	-7	-7
Total eligible tier 2 own funds	8	8	8
Deferred tax asset	0	0	0
Total eligible tier 3 own funds	0	0	0
Solvency II total eligible own funds	43	41	43
Market risk	7	7	7
Diversification market risk	-2	-2	-2
Counterparty risk	0	0	0
Life risk	14	17	14
Diversification life risk	-3	-4	-3
Diversification general	-3	-3	-3

NOK BILLIONS	30.06.2021	30.06.2020	31.12.2020
Operational risk	3	3	3
Loss absorbing ability deferred tax	-1	-1	-1
Solvency capital requirement (SCR)	15	16	15
Linear minimum capital requirement (MCR_linear)	7	9	8
Minimum	4	4	4
Maximum	7	7	7
Minimum capital requirement (MCR)	7	7	7
Solvency II-SCR ratio ¹	282 %	252 %	282 %

¹ Final calculation of Solvency II-SCR ratio as of 31.12.2020 gives a Solvency II-SCR ratio of 282 %. This is a reduction of 4 % compared to previously reported.

Note 11 Leases

NOK MILLIONS	30.06.2021	30.06.2020	31.12.2020
RIGHT-OF-USE ASSETS	Property		
Opening balance 01.01.	1 081	204	204
Addition	0	0	981
Depreciation	-54	-51	-104
Closing balance 30.06. / 31.12.	1 027	154	1 081

NOK MILLIONS	30.06.2021	30.06.2020	31.12.2020
LEASE LIABILITIES	Property		
Opening balance 01.01.	1 099	210	210
Addition	0	0	981
Repayments	-43	-49	-92
Closing balance 30.06. / 31.12.	1 056	160	1 099

NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
	Property				
Interest expense lease liabilities	6	2	13	3	17
Interest expense lease liabilities	6	2	13	3	17

Note 12 Pension obligations

NOK MILLIONS	30.06.2021	30.06.2020	31.12.2020
Capitalized net liability 01.01.	594	508	508
Capitalized pension costs	55	48	95
Capitalized financial costs	6	7	15
Actuarial gains and losses	-118	258	49
Premiums / contributions received	-33	-33	-71
Capitalized net liability 30.06. / 31.12.	505	787	594

ASSUMPTIONS	30.06.2021	30.06.2020	31.12.2020
Discount rate	2.00 %	1.50 %	1.70 %
Salary growth	2.25 %	2.25 %	2.25 %
The National Insurance basic amount (G)	2.00 %	2.00 %	2.00 %
Pension increases	1.24 %	1.24 %	1.24 %
Social security contribution rate	14.10 %	14.10 %	14.10 %
Capital activity tax	5.00 %	5.00 %	5.00 %

The effect of changes in pension assumptions reduces the pension liability for employees with NOK 118 million as of 30.06.2021. The change is recognized in "Total other income and expenses that will not be reclassified to profit or loss".

Note 13 Administration costs and other costs associated with the corporate portfolio

NOK MILLIONS	Q2 2021	Q2 2020	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020	01.01.2020 -31.12.2020
Interest expense subordinated loan	33	49	61	146	212
Discount subordinated loan	0	336	0	342	343
Interest expense Hybrid Tier 1 securities	16	15	31	35	67
Other costs associated with the corporate portfolio	32	14	48	26	91
Administration costs and other costs associated with the corporate portfolio	81	415	141	549	712

Note 14 Premium reserve

NOK MILLIONS	30.06.2021	30.06.2020	31.12.2020
Premium reserve etc. 01.01.	456 055	459 343	459 343
Net freed up reserves due to changes in the public sector occupational pension as of January 1st, 2020	0	0	-22 081
Other changes	20 097	5 561	18 794
Premium reserve etc. 30.06. / 31.12.	476 152	464 904	456 055

NOK MILLIONS	30.06.2021	30.06.2020	31.12.2020
Pension capital etc. 01.01.	1 478	2 064	2 064
Net freed up reserves due to changes in the public sector occupational pension as of January 1st, 2020	0	0	-63
Other changes ¹	67	-618	-523
Pension capital etc. 30.06. / 31.12.	1 545	1 446	1 478

¹ Other changes in 2020 are negative due to the reallocation from the investment option portfolio to the common portfolio.