



KLP

**Q3_2021 Interim Report
KLP Group, Sustainability
and KLP**

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KLP Group

Q3 2021

Report for the third quarter of 2021

Good results for customers and owners after three quarters in 2021

- The value-adjusted return was 1.1 per cent in the third quarter and 5.6 per cent for the year to date, while the book return was 0.9 per cent in the quarter and 3.5 per cent to the end of the quarter.
- The results in the last quarter have been affected by higher interest rates and weak growth in the equity markets.
- The subsidiaries are delivering good profit contributions.

KLP – a customer-owned group

KLP 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 third quarter, the Group had total assets of NOK 872.5 billion, an increase of NOK 1.9 billion in the third quarter and NOK 65.3 billion so far this year.

The Group's total comprehensive income was NOK 1.2 (0.9) billion¹ after the third 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 694.5 billion, NOK 634.1 billion is linked to insurance obligations within public-sector occupational pensions.

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

Results for the third quarter of 2021

Investment result

KLP achieved an investment result - the return in excess of that guaranteed by the Company to its customers - totalling NOK 9.3 (6.8) billion after the third quarter. The value-adjusted return on the common portfolio was 1.1 per cent in the third quarter and 5.6 per cent for the year to date, while the book return was 0.9 per cent in the third quarter and 3.5 per cent in the year to date.

Risk result

The risk events in the stock have been within expectations throughout the year but will vary from quarter to quarter. Net income was NOK 332 million in the quarter and NOK 625 million so far this year.

Administration result

The Company's administration result shows a surplus of NOK 159 million so far this year, of which NOK 98 million fell in the quarter. Insurance-related operating costs came to NOK 891 (825) million so far this year.

Total profit/loss

Total profit/loss to the Company stands at NOK 1.2 (0.9) billion for the year to date. The customer result is NOK 9.5 (7.0) billion so far this year.

NOK millions	Customers	Company	Total
Investment result	9152	196	9 348
Risk result	313	313	625
Interest guarantee premium		188	188
Administration result		159	159
Other income from technical accounts		6	6
Net income from investments in the corporate portfolio and other income/expenses in non-technical accounts		838	838
Tax		.276	-276
Other profit/loss elements		-194	-194
Profit after Q3 2021	9 464	1229	10 693
Profit after Q3 2020	7007	906	7913

Financial strength and capital-related matters

KLP's total assets increased by NOK 1.7 billion in the third quarter and amount to NOK 694.5 billion. The premium reserve increased by NOK 4.7 billion to NOK 482.4 billion in the same period.

The securities adjustment fund increased by NOK 0.9 billion in the quarter, to NOK 68,6 billion after the third quarter.

Without applying transitional rules, the Company's solvency capital requirement (SCR) is 289 per cent. Taking account of the transitional arrangement for technical provisions, capital adequacy was 326 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 30.09.2021	At 30.09.2020
Book return	3,5	3,2
Value-adjusted return	5,6	1,4
Value-adjusted incl. added value in hold-to-maturity bonds and lending	4,4	3,1
<i>The returns figures apply to the common portfolio</i>		
Capital adequacy, Solvency II	289	264
Capital adequacy, Solvency II, with transitional measures	326	353

Premium income

Premium income excluding premium reserves received on transfers in amounts to NOK 41.2 (26.2) billion at the end of the quarter.

Claims/benefits

Pensions paid and other claims, excluding ceded premium reserves, amounted to NOK 16.3 (15.3) billion for the year to date.

Management of the common portfolio

The assets in the common portfolio totalled NOK 644.2 (582.1) billion and were invested as shown below:

Assets	At 30.09.2021		At 30.09.2020	
All figures in per cent	Proportion	Return	Proportion	Return
Equities	27,9 %	15,2 %	21,7 %	-1,7 %
Short-term bonds	14,5 %	-0,9 %	17,4 %	5,3 %
Long-term/HTM bonds	28,3 %	2,6 %	30,0 %	2,7 %
Lending	12,2 %	1,2 %	13,3 %	1,7 %
Property	13,0 %	6,0 %	12,9 %	2,6 %
Other financial assets	4,1 %	0,7 %	5,0 %	1,3 %

Equities

Total exposure in shares and alternative investments, including equity derivatives, was 27.9 per cent at the end of the third quarter. The total return on shares and alternative investments was 2.1 per cent in the quarter. The return on KLP's global equities was 0 per cent, while KLP's Norwegian equity portfolio returned 4.3 per cent in the quarter.

Short-term bonds and the money market

Short-term bonds made up 14.5 per cent and money-market instruments 4.1 per cent of the assets in the common portfolio at the end of the third quarter. Norwegian and US interest rates rose slightly during the quarter, while European rates were more or less unchanged. KLP's global government bond index achieved a currency-hedged return of 0 per cent in the quarter, while the return on the Norwegian government bond index was minus 0.8 per cent.

The quarterly return for KLP's global credit bond index was 0 per cent. In total, short-term bonds achieved returns of 0 per cent in the third quarter. The money market return was 0.1 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 September. Unrecognised added values in the common portfolio amounted to NOK 7.8 billion at 30 September. The portfolio is well diversified and consists of securities issued by creditworthy borrowers. The return measured at amortised cost in the third quarter was 0.8 per cent.

Property

Property investments, including Norwegian and international real estate funds, made up 13.0 per cent of the common portfolio. Property values in the common portfolio have been adjusted upwards by NOK 731 million in this quarter and NOK 2.7 billion so far this year. Property investments in the common portfolio achieved a return of 6.0 per cent in the year to date.

Lending

Lending in the common portfolio totals NOK 77.7 billion. This is split between NOK 64.9 billion in loans to the public sector, NOK 2.2 billion in loans with government guarantees and NOK 3.0 billion in secured mortgage loans, with the remaining NOK 7.5 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 459 million at 30 September. Returns were 1.2 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 2.5 per cent in the year to date.

Other matters

Several of the Company's customers have considered putting their pension schemes out to tender this year. Good and close customer follow-up which emphasises competence, quality and the benefit of being an owner in your own company has been a big reason why few customers have chosen to put their pensions provision out to tender.

KLP is in the middle of a major IT development programme which will also improve the way the Company works. The programme spans 5 years and, among other things, it will modernise the Company's systems for pension processing, improve usability for customers and pensioners, and increase efficiency and reduce costs over time.

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 the Company has adequate 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 third quarter produced a pre-tax operating profit of NOK 343.9 (97.2) million. After a good first half, net income improved further and the result for the third quarter was NOK 118.0 (79.1) million. The change is mainly due to a good insurance result and a satisfactory financial return through the period. Operating expenses were lower than expected and the Company has continued to reverse previous years' reserves.

Premium volume stood at NOK 1,984 million at the end of the third quarter, an increase of NOK 182 million from the position at 31.12.2020. The overall premium level is still rising, which is expected to continue in the upcoming tendering season. Premiums due have increased by 12.9 per cent, or NOK 193 million, compared with the same time in 2020. Growth is good in all of the Company's segments.

The insurance result was NOK 446 (296) million. One major claim was reported during the third quarter. NOK 75 million has been set aside for this so far, with NOK 39 million covered by reinsurance. Reversal of previous years' claims is still positive, and this year NOK 101 million has so far been taken to income, equivalent to 5.5 per cent of the reserves at the beginning of the year.

Key figures for the Company

	At. 30.09 2021	At 30.09 2020	Whole of 2020
Claims ratio	73,6	83,1	83,0
Cost ratio	14,8	17,5	17,6
Total cost ratio	88,4	100,7	100,6

Net financial income after the third quarter was NOK 173.9 (103.4) million, representing a return of 3.4 (2.3) per cent. Returns for the third quarter in isolation were NOK 45.2 (71.5) million, or 0.9 (1.5) per cent. So far this year, the equity portfolio has returned 15.8 per cent. As of the third quarter, the Company's investments in interest-bearing funds had a return of 0 per cent, while fixed income bonds returned 2.5 per cent. The return on real estate investments was 6.9 per cent, after a write-up of NOK 26 million.

The third quarter in isolation saw a return of 0.4 per cent on equities, 0 per cent on interest-bearing instruments, 0.8 per cent on long-term bonds and 3.0 per cent on property investments.

The Company's financial position is good, with a solvency capital requirement (SCR) of 267 per cent at the end of the third quarter, compared to 237 per cent at the end of 2020 and 252 per cent after the second quarter.

Asset and fund management

KLP Kapitalforvaltning provides securities management in the KLP Group. It had a total of NOK 648 billion under management at the end of the third quarter, of which NOK 124 billion came from external customers. The majority of the assets are managed on behalf of KLP and its subsidiaries. Net subscription in the KLP funds was NOK 8.9 billion in the first three quarters of the year, most of which, NOK 8.3 billion, came from external customers.

The Company achieved a pre-tax profit of NOK 53 million at the end of the third quarter.

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 September, the KLP Banken Group had loans to customers totalling NOK 38.2 (37.5) billion. Mortgage loans in the retail market and public-sector loans totalled NOK 21.4 (20.6) billion and 16.8 (16.9) billion respectively.

KLP Banken manages NOK 3.0 (3.3) billion in mortgage loans and NOK 74.6 (73.2) billion in loans to public-sector borrowers and other businesses.

In 2021, the retail market in KLP Banken has seen weaker growth in mortgages compared to last year's strong performance, increasing by NOK 0.7 (2.3) billion. Total new payments are at the same level as last year, but redemptions have increased. The Bank's mortgage products are aimed at members of the KLP pension schemes.

Lending volume to the public-sector market on KLP Banken's balance sheet decreased by NOK 0.7 (0.2) billion, while loans to public-sector borrowers managed on behalf of KLP increased by NOK 2.6 (6.2) billion in the same period. Managed loans to foreign debtors, mainly in other currencies, decreased by NOK 1.9 (0.6) billion so far this year, to NOK 8.0 billion.

The Bank's lending margins have been relatively stable so far this year 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 232.8 (229.3) million at the end of the third quarter.

KLP Banken's liquidity is invested in other banks and in interest-bearing securities. The portfolio of interest-bearing securities amounts to NOK 5.3 (4.8) billion.

The Bank's net gain/loss on financial instruments mainly includes the effects of loan buybacks and changes in the value of its securities holdings. In all, financial instruments produced total expenses of NOK -23.5 (-21.7) million to the end of the quarter.

The KLP Banken Group's external financing consists mainly of deposits and bonds. Deposit growth so far this year is NOK 0.8 (0.6) billion. On the reporting date, deposits from individuals and companies amounted to NOK 12.8 (12.0) billion and debt from securities issues came to NOK 29.5 (26.2) billion. The securities debt is mainly covered bonds issued by KLP Kommunekreditt AS and KLP Boligkreditt AS.

In 2020, KLP Banken AS used the extended right to take out emergency 'F-loans' from Norges Bank. This scheme is now closed, and KLP Banken has no outstanding F-loans at the end of the third quarter.

Operating expenses and depreciation amounted to NOK 172.8 (160.4) million as of the third quarter.

Losses and loss provisions in the retail market amount to NOK 1.3 (4.2) million so far in 2021. These are mainly losses on credit cards. The pandemic has not led to increased losses on mortgages. Nor have we experienced any losses related to public-sector lending.

The KLP Banken Group had a pre-tax operating profit of NOK 93.8 (101.8) million at the end of the third quarter. Broken down by area, profits were NOK 76.9 (71.2) million in the retail market and NOK 16.9 (30.5) million in the public-sector market.

Corporate social responsibility

KLP has long expressed support for the Paris Agreement and the 1.5 degree target. In September, we launched KLP's roadmap to net zero emissions in 2050. KLP has developed its own framework based on internationally established standards and best practice. The roadmap describes how KLP will work towards and measure the company's contribution to achieving the targets set out in the Paris Agreement, and how KLP will assess every investment against an emission path that is compatible with the 1.5 degree target. This means that KLP will set specific climate targets for the portfolio, as well as applying best practice in terms of assessment methods and the use of climate data for different types of investments. Transparency about companies' net zero targets is important, and the whole KLP roadmap can be accessed at www.klp.no/klima.

Climate change and weather events are becoming increasingly important from an insurance perspective. Over the summer, KLP Skadeforsikring ran a pre-project focusing on mapping the Company's own climate risk, looking at this in relation to the non-life company's positioning with the municipalities, assessing future reporting requirements, and clarifying responsibilities within

the organisation and possible changes as a result. Among other things, the pre-project recommends that the Company should analyse the identified climate risks in more depth, and that this should be included together with weather and climate forecasts in strategy work, product development, risk management, internal control and customer relations. In positioning itself with the municipalities, the Company should further develop its work on systematic safety management.

Together with DNB, KLP has carried out an analysis of climate risk in the shipping sector. Work on the report started through the Green Shipping Programme, which KLP is part of. The climate risk analysis has been developed from the perspective of banking and investment management. The report looks at how climate policy and energy prices will impact profitability in the maritime sector in the future.

In July, KLP decided to exclude 16 companies with links to Israeli settlements on the West Bank. KLP has reconsidered its position since the UN High Commissioner for Human Rights published a list of companies with activities linked to the Israeli settlements in the occupied Palestinian territories. These settlements are seen as a breach of international law, and KLP's assessment is that there is an unacceptable risk that the excluded companies could be contributing to violations of human rights in war and conflict situations through their affiliation with the Israeli settlements in the occupied West Bank. KLP has clear expectations of companies that it invests in, and these exclusions are based on due diligence. KLP held investments totalling NOK 275 million in the companies at the time of the decision.

Andøy municipality is an example of a client that has participated in KLP's working environment network since 2019 with a project to reduce sickness absence in the municipality. The aim of the project has been to increase the quality of services offered by the municipalities, including reducing sickness absence by 20 per cent and saving temporary staffing costs as a result. The municipality can point to good results, and since the project was completed, some departments have reduced sickness absence by 30 per cent over one year, with an overall decrease of 15 per cent for all departments. KLP sees this as an important contribution to establish these networks, which increases competence and insight that can improve working conditions, reduce sick leave and prevent disability.

Future prospects and events after the end of the quarter

A joint effort among the Norwegian finance industry is working to change the regulation for guaranteed products. There are several changes, but most important for public-sector occupational pensions is the proposition to establish a common buffer fund, that replaces today's supplementary reserves and securities adjustment fund. The buffer fund will be distributed by agreement and will be transferred in full if the pension scheme should move. This change is welcomed by many and is essential for putting an end to unreasonable transfer of value between clients and freeing of buffers - compared to today's regulation for transfer. A final decision on a common buffer fund is expected before the New Year.

In Norway, a large proportion of the population is now fully vaccinated and society is largely open after a long period characterised by strict infection control measures in connection with Covid-19. Many of KLP's employees are now back in the office, but working from home will also be part of life for KLP going forward. We are constantly reviewing how this solution affects day-to-day operations and KLP's employees.

The global economy has also been affected by the pandemic, and is expected to produce good growth as more countries return to normal. 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 a high level of preparedness and good financial strength to enable it to handle such fluctuations.

Oslo, 4 November 2021

The Board of Directors of Kommunal Landspensjonskasse gjensidig

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the employees

Erling Bendiksen
Elected by and from among
the employees

The Board of Directors of Kommunal Landspensjonskasse gjensidig forsikringsselskap

Income statement

KLP Group

NOTE	NOK MILLIONS	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
3	Premium income for own account	8 003	12 119	42 523	30 602	39 049
	Current return on financial assets	3 588	3 385	11 173	11 385	14 793
	Net interest income banking	80	94	233	230	318
	Net value changes on financial instruments	2 576	11 419	30 178	-3 417	15 331
8	Net income from investment properties	1 367	713	4 870	1 615	5 080
4	Other income	439	312	1 202	976	1 136
	Total net income	16 051	28 042	90 179	41 391	75 707
	Claims for own account	-5 932	-5 498	-25 686	-24 073	-29 780
	Change in technical provisions	-4 674	-8 074	-24 899	-13 326	-19 000
5	Net costs subordinated loan and hybrid Tier 1 securities	-41	-45	76	-787	-478
6	Operating expenses	-446	-368	-1 510	-1 407	-1 971
	Sale of business	0	-28	0	-180	-183
7	Other expenses	-328	-300	-957	-922	-1 258
	Unit holder's value change in consolidated securites funds	-677	-5 218	-11 998	-3 031	-11 074
	Total expenses	-12 097	-19 531	-64 974	-43 725	-63 744
	Operating profit/loss	3 954	8 510	25 205	-2 334	11 963
	To/from securities adjustment fund – life insurance	-622	-4 369	-13 023	7 986	245
	To supplementary reserves – life insurance	0	0	611	490	-7 749
	Assets allocated to insurance customers - life insurance	-2 465	-3 172	-10 602	-4 460	-2 803
	Pre-tax income	867	969	2 192	1 682	1 657
	Cost of taxes ¹	-356	-280	-856	-681	-860
	Income	510	689	1 335	1 001	797

NOTE	NOK MILLIONS	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
19	Actuarial loss and profit on post employment benefit obligations	-451	100	-266	-305	-88
	Adjustments of the insurance obligations	51	-11	30	33	12
	Tax on items that will not be reclassified to profit or loss	72	12	42	76	19
	Items that will not be reclassified to profit or loss	-328	101	-194	-195	-57
	Revaluation real property for use in own operation	91	13	138	143	392
8	Currency translation foreign subsidiaries	-95	360	-784	2 596	1 778
	Adjustments of the insurance obligations	95	-360	784	-2 596	-1 778
	Tax on items that will be reclassified to profit or loss	-23	-3	-34	-36	-98
	Items that will be reclassified to income particular specific conditions are met	68	10	103	107	294
	Total other comprehensive income	-260	111	-90	-88	238
	Total comprehensive income	250	800	1 245	913	1 034
	¹ Unit holders share of taxes in consolidated securities fund	-72	-61	-220	-194	-255

Financial position statement

KLP Group

NOTE	NOK MILLIONS	30.09.2021	30.09.2020	31.12.2020
	Deferred tax assets	43	56	61
	Other intangible assets	825	619	684
	Tangible fixed assets	2 672	2 270	2 557
	Investments in associated companies and joint venture	4 900	4 554	4 240
8,11	Investment property	84 367	77 855	81 485
9,14	Debt instruments held to maturity	28 806	30 870	28 986
9,14	Debt instruments classified as loans and receivables	159 944	153 670	154 180
9,11,14	Lending local government, enterprises & retail customers at fair value through profit / loss	481	672	589
9,14	Lending local government, enterprises and retail customers	115 720	113 699	115 071
9,11,14	Debt instruments at fair value through profit or loss	193 054	188 008	193 814
9,11	Equity capital instruments at fair value through profit/loss	264 899	197 632	204 982
9,11,14	Financial derivatives	4 163	1 525	11 561
9	Receivables	9 542	15 848	6 179
14	Cash and bank deposits	3 050	2 703	2 772
	TOTAL ASSETS	872 465	789 981	807 161
	Owners' equity contributed	18 971	17 531	18 194
	Retained earnings	22 467	21 712	21 222
	TOTAL OWNERS' EQUITY	41 439	39 243	39 416
9,10	Hybrid Tier 1 securities	1 670	1 989	1 764
9,10	Subordinated loan capital	2 995	3 250	3 135
19	Pension obligations	1 194	1 143	934
15	Technical provisions - life insurance	634 052	576 200	595 068
	Premiums, claims and contingency fund provisions - non-life insurance	3 281	2 888	2 729
9,10	Covered bonds issued	28 633	25 311	24 997
9,10	Debt to credit institutions	5 774	6 014	14 216
9,10	Liabilities to and deposits from customers	12 774	11 993	11 781
9,11	Financial derivatives	2 455	8 244	789
	Deferred tax	1 712	1 457	1 425
16	Other current liabilities	12 203	11 726	6 859
	Unit holders `s interest in consolidated securites funds	124 285	100 522	104 050
	TOTAL LIABILITIES	831 027	750 738	767 745
	TOTAL EQUITY AND LIABILITIES	872 465	789 981	807 161
	Contingent liabilities	29 869	25 249	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		1 335	1 335
Items that will not be reclassified to income		- 194	- 194
Items that will be reclassified to income later when particular conditions are met		103	103
Total other comprehensive income		- 90	- 90
Total comprehensive income		1 245	1 245
Owners' equity contribution received (net)	777		777
Total transactions with the owners	777		777
Owners' equity 30 September 2021	18 971	22 467	41 439

2020 NOK MILLIONS	Owners' equity contributed	Retained earnings	Total equity contributed
Owners' equity 1 January 2020	16 540	20 799	37 339
Income		1 001	1 001
Items that will not be reclassified to income		- 195	- 195
Items that will be reclassified to income later when particular conditions are met		107	107
Total other comprehensive income		- 88	- 88
Total comprehensive income		913	913
Owners' equity contribution received (net)	991		991
Total transactions with the owners	991		991
Owners' equity 30 September 2020	17 531	21 712	39 243

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 -30.09.2021	01.01.2021 -30.06.2021	01.01.2021 -31.03.2021	01.01.2020 -31.12.2020	01.01.2020 -30.09.2020
Net cash flow from operational activities	-17 004	-21 644	-13 315	13 405	2 399
Net cash flow from investment activities ¹	-215	-146	-69	-331	-231
Net cash flow from financing activities ²	17 496	22 640	15 833	-13 495	-2 658
Net changes in cash and bank deposits	278	850	2 449	-422	-490
Holdings of cash and bank deposits at start of period	2 772	2 772	2 772	3 194	3 194
Holdings of cash and bank deposits at end of period	3 050	3 622	5 221	2 772	2 703

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 September 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.

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.

The life insurance business continuously follows up the risks related to disability and whether the disability provisions need to be strengthened. When determining conditions for disability, experience data up to and including 2020 is used, including margins that take into account the uncertainty related to covid-19. No disability provisions have been made related to covid-19 beyond this.

A possible effect of covid-19 is lower employment rates, recession and increasing disability in society as a result of this. The Group consider this risk to be lower for the public sector.

There is also increased uncertainty associated with the pandemic in the occupational injury industry, but no extraordinary provisions have been made here either.

In September, the Norwegian Accounting Standards Board published updated guiding assumptions for pension liabilities. In relation to the assumptions used as at 31.12.2020, the discount rate for corporate bonds was changed from 1.7% to 1.9%. At the same time, wage growth was changed from 2.25% to 2.50%, the National Insurance Scheme's basic amount (G) was changed from 2.0% to 2.25% and pension adjustment was changed from 1.24% to 1.50%. In total, these changes result in a NOK 266 million increase in recognised pension liabilities for the Group as at 30.09.2021.

Note 2 Segment information

NOK MILLIONS	Group pensions pub. sect. & group life			Group pensions private			Non-life insurance			Banking		
	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
Premium income for own account from external customers ¹	41 163	29 081	37 102	sold	313	313	1 381	1 228	1 658	0	0	0
Net financial income from investments	33 267	8 731	25 351	sold	-604	-604	174	104	229	211	216	304
Other income	1 592	1 152	1 429	sold	2	2	1	1	2	58	58	77
Total income	76 022	38 964	63 881	-	-288	-288	1 556	1 333	1 889	269	274	381
Claims for own account	-24 690	-23 013	-28 360	sold	-45	-45	-996	-1 015	-1 375	0	0	0
Insurance provisions for own account	-24 893	-13 651	-19 329	sold	331	331	-6	-6	-2	0	0	0
Costs borrowing	76	-787	-478	sold	0	0	0	0	0	0	0	0
Operating costs excluding depreciation	-779	-724	-1 030	sold	-19	-19	-206	-211	-287	-167	-164	-233
Depreciation	-66	-53	-74	sold	0	0	-4	-4	-5	-4	-3	-4
Sale of business	0	0	0	sold	0	0	0	0	0	0	0	0
Other expenses	-1 056	-1 006	-1 377	sold	0	0	0	0	0	-4	-5	-7
Return to financial instruments attributable to minority interests												
Total expenses	-51 409	-39 233	-50 649	-	267	267	-1 212	-1 235	-1 668	-175	-173	-244

NOK MILLIONS	Group pensions pub. sect. & group life			Group pensions private			Non-life insurance			Banking		
	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
Operating profit/loss	24 614	-269	13 233	-	-22	-22	344	97	220	94	102	137
Funds credited to insurance customers ²	-22 914	1 572	-11 944	sold	8	8	0	0	0	0	0	0
Pre-tax income	1 699	1 303	1 289	-	-14	-14	344	97	220	94	102	137
Cost of taxes	-276	-174	-204	sold	0	0	-86	-24	-42	5	4	-4
Income	1 423	1 129	1 085	-	-14	-14	258	73	178	99	105	133
Change in other comprehensive income	-194	-223	-63	sold	-4	-4	-20	-23	-7	-9	-9	-3
Total comprehensive income	1 229	906	1 021	-	-18	-18	237	50	170	90	96	130
Assets	694 522	635 878	652 277	sold	sold	sold	6 081	5 269	5 270	44 980	43 442	42 688
Liabilities	653 133	596 663	612 894	sold	sold	sold	3 733	3 279	3 160	42 491	41 049	40 261

NOK MILLIONS	Asset management			Other			Eliminations			Total		
	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
Premium income for own account from external customers ¹	0	0	0	0	0	0	-21	-20	-24	42 523	30 602	39 049
Net financial income from investments	2	6	6	0	0	0	12 800	1 359	10 236	46 454	9 813	35 522
Other income	452	408	547	8	9	12	-910	-654	-932	1 202	976	1 136
Total income	454	415	554	8	9	12	11 868	685	9 280	90 179	41 391	75 708
Claims for own account	0	0	0	0	0	0	0	0	0	-25 686	-24 073	-29 780
Insurance provisions for own account	0	0	0	0	0	0	0	0	0	-24 899	-13 326	-19 000
Costs borrowing	0	0	0	0	0	0	0	0	0	76	-787	-478
Operating costs excluding depreciation	-397	-384	-517	-7	-9	-12	126	168	216	-1 432	-1 343	-1 881
Depreciation	-4	-4	-6	0	0	0	0	0	0	-78	-64	-90
Sale of business	0	0	0	0	0	0	0	-180	-183	0	-180	-183
Other expenses	0	0	0	0	0	0	103	90	125	-957	-922	-1 258

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
	-30.09.2021	-30.09.2020	-31.12.2020	-30.09.2021	-30.09.2020	-31.12.2020	-30.09.2021	-30.09.2020	-31.12.2020	-30.09.2021	-30.09.2020	-31.12.2020
Return to financial instruments attributable												
to minority interests							-11 998	-3 031	-11 074	-11 998	-3 031	-11 074
Total expenses	-401	-389	-523	-7	-9	-12	-11 769	-2 953	-10 916	-64 974	-43 725	-63 744
Operating profit/loss	53	26	31	1	-1	0	100	-2 268	-1 636	25 205	-2 334	11 963
Funds credited to insurance customers ²	0	0	0	0	0	0	-99	2 437	1 630	-23 013	4 016	-10 306
Pre-tax income	53	26	31	1	-1	0	1	169	-6	2 192	1 682	1 657
Cost of taxes	-13	-6	-7	0	0	0	-485	-480	-602	-856	-681	-860
Income	40	19	23	1	-1	0	-485	-311	-608	1 335	1 001	797
Change in other comprehensive income	-21	-23	-7	0	-1	0	154	194	322	-90	-88	238
Total comprehensive income	19	-4	16	0	-1	-1	-331	-117	-286	1 245	913	1 034
Assets	623	554	583	8	7	8	126 251	104 824	106 336	872 465	789 981	807 161
Liabilities	269	240	248	3	3	3	131 397	109 497	111 179	831 027	750 738	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.

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.

Note 3 Premium income for own account

NOK MILLIONS	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
Contribution service pension	8 021	12 119	42 578	27 563	36 270
Reinsurance premiums ceded	-18	0	-55	-36	-71
Transfer of premium reserves from others	0	0	0	3 075	2 850
Total premium income	8 003	12 119	42 523	30 602	39 049

Note 4 Other income

NOK MILLIONS	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
Supplement contractual early retirement scheme (ERS)	327	303	934	884	1 189
Other income ¹	112	8	268	92	-52
Total other income	439	312	1 202	976	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	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
SUBORDINATED LOANS					
Interest costs ¹	-32	-36	-93	-524	-555
Value changes	26	-40	106	23	169
Net costs subordinated loans	-6	-76	13	-501	-386
PERPETUAL HYBRID TIER 1 SECURITIES					
Interest costs	-16	-17	-47	-52	-67
Value changes	-19	48	110	-233	-25
Net costs perpetual hybrid tier 1 securities	-35	31	63	-285	-92
Net costs subordinated loan and hybrid Tier 1 securities	-41	-45	76	-787	-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	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
Personnel costs	253	217	885	820	1 131
Depreciation and writedowns	38	30	115	95	132
Other operating expenses	155	121	511	493	708
Total operating expenses	446	368	1 510	1 407	1 971

Note 7 Other expenses

NOK MILLIONS	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
Supplement contractual early retirement scheme (ERS)	327	303	934	884	1 189
Other expenses	1	- 3	23	38	70
Total other expenses	328	300	957	922	1 258

Note 8 Investment property

NOK MILLIONS	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
Net rental income	744	746	2 255	2 141	2 893
Net value adjustment	622	-42	2 615	-534	2 177
Realised gains	0	9	0	9	9
Net income from investment properties	1 367	713	4 870	1 615	5 080
Currency translate foreign subsidiaries (taken to other comprehensive income)	-95	360	-784	2 596	1 778
Net income from investment properties included currency translate	1 272	1 072	4 086	4 211	6 858

NOK MILLIONS	30.09.2021	30.09.2020	31.12.2020
Investment property 01.01.	81 485	74 545	74 545
Value adjustment, including currency translation	1 831	2 062	3 956
Net additions	1 111	1 319	3 083
Reclassified property for own use	0	- 102	- 102
Other changes	- 60	30	2
Investment property 30.09/31.12	84 367	77 855	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
- Liabilities to and deposits to customers
- 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 Bloomberg's 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 prices 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	30.09.2021		30.09.2020		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	5 625	6 078	5 154	6 027	5 130	5 786
Foreign hold-to-maturity bonds	23 181	24 820	25 716	28 252	23 856	26 163
Total debt instruments held to maturity	28 806	30 898	30 870	34 279	28 986	31 950
DEBT INSTRUMENTS CLASSIFIED AS LOANS AND RECEIVABLES- AT AMORTIZED COST						
Norwegian bonds	51 822	53 420	48 181	53 078	51 396	54 735
Foreign bonds	108 078	112 944	105 446	116 779	102 738	111 115
Other receivables	44	44	42	42	47	47
Total debt instruments classified as loans and receivables	159 945	166 407	153 670	169 900	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	481	481	672	672	589	589
Total loans to local government, enterprises & retail customers	481	481	672	672	589	589
LENDING TO LOCAL GOVERNMENT, ENTERPRISES & RETAIL CUSTOMERS - AT AMORTIZED COST						
Loans secured by mortgage	24 411	24 425	23 858	23 917	23 763	23 816
Loans to local government sector or enterprises with local government guarantee	83 226	83 697	79 629	81 333	81 335	82 668
Loans abroad secured by mortgage and local government guarantee	8 037	8 037	10 158	10 158	9 923	9 923
Loans creditcard	46	46	54	54	50	50
Total loans to local government, enterprises & retail customers	115 720	116 205	113 699	115 461	115 071	116 458

NOK MILLIONS	30.09.2021		30.09.2020		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	55 591	55 591	56 632	56 632	51 841	51 841
Norwegian certificates	9 626	9 626	6 764	6 764	6 094	6 094
Foreign bonds	90 953	90 953	98 389	98 389	92 025	92 025
Foreign certificates	953	953	50	50	549	549
Investments with credit institutions	35 930	35 930	26 173	26 173	43 305	43 305
Total debt instruments	193 054	193 054	188 008	188 008	193 814	193 814
EQUITY CAPITAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Shares	236 549	236 549	176 375	176 375	185 112	185 112
Equity funds	26 214	26 214	17 806	17 806	18 488	18 488
Property funds	2 137	2 137	15	15	1 382	1 382
Alternative investments	0	0	3 437	3 437	0	0
Total equity capital instruments	264 899	264 899	197 632	197 632	204 982	204 982
RECEIVABLES						
Receivables related to direct business	1 635	1 635	5 360	5 360	1 433	1 433
Receivables related to reinsurance agreements	407	407	163	163	176	176
Reinsurance share of gross claims reserve	18	18	17	17	0	0
Receivables related to securites	6 605	6 605	9 410	9 410	3 111	3 111
Prepaid rent related to real estate activites	245	245	212	212	212	212
Other receivables	631	631	685	685	1 246	1 246
Total other loans and receivables including receivables from policyholders	9 542	9 542	15 848	15 848	6 179	6 179

NOK MILLIONS	30.09.2021		30.09.2020		31.12.2020	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
FINANCIAL LIABILITIES - AT AMORTIZED COST						
Hybrid Tier 1 securities	1 670	1 639	1 989	1 750	1 764	1 592
Subordinated loan capital	2 995	3 353	3 250	3 654	3 135	3 561
Debt to credit institutions	902	902	3 495	3 495	3 304	3 304
Covered bonds issued	28 633	30 040	25 311	25 403	24 997	25 105
Liabilities and deposits from customers	12 774	12 774	11 993	11 993	11 781	11 781
Total financial liabilities	46 974	48 708	46 038	46 295	44 980	45 342
FINANCIAL LIABILITIES - AT FAIR VALUE THROUGH PROFIT OR LOSS						
Debt to credit institutions	4 871	4 871	2 519	2 519	10 913	10 913
Total financial liabilities	4 871	4 871	2 519	2 519	10 913	10 913

NOK MILLIONS	30.09.2021		30.09.2020		31.12.2020	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
FINANCIAL DERIVATIVES - AT FAIR VALUE THROUGH PROFIT OR LOSS						
Forward exchange contracts	2 807	1 189	297	6 885	9 140	384
Interest rate swaps	407	1 266	228	1 359	1 144	405
Interest rate and currency swaps	806	0	1 000	0	1 058	0
Share option	143	0	0	0	219	0
Total financial derivatives	4 163	2 455	1 525	8 244	11 561	789

Note 10 **Borrowing**

NOK MILLIONS	Nominal in NOK	Currency	Interest	Due date	Book value 30.09.2021	Book value 30.09.2020	Book value 31.12.2020
FIXED - TERM SUBORDINATED LOAN							
Kommunal Landspensjonskasse	2 530	EUR	Fixed ¹	2045	2 995	3 250	3 135
Total subordinated loan capital	2 530	-	-	-	2 995	3 250	3 135
HYBRID TIER 1 SECURITIES							
Kommunal Landspensjonskasse	984	JPY	Fixed ²	2034	1 670	1 989	1 764
Total hybrid Tier 1 securities	984	-	-	-	1 670	1 989	1 764
COVERED BONDS							
KLP Kommunekreditt AS	0	NOK	Fixed	2020	0	705	0
KLP Kommunekreditt AS	0	NOK	Floating	2021	0	496	260
KLP Kommunekreditt AS	461	NOK	Fixed	2021	469	610	8
KLP Kommunekreditt AS	2 008	NOK	Floating	2022	2 010	5 003	5 004
KLP Kommunekreditt AS	5 000	NOK	Floating	2023	5 005	5 005	5 006
KLP Kommunekreditt AS	5 000	NOK	Floating	2024	5 004	1 908	2 502
KLP Kommunekreditt AS	4 000	NOK	Floating	2025	4 002	1 604	2 053
KLP Kommunekreditt AS	500	NOK	Fixed	2027	505	505	508
KLP Boligkreditt AS	0	NOK	Floating	2020	0	120	0
KLP Boligkreditt AS	302	NOK	Floating	2021	302	769	585
KLP Boligkreditt AS	1 904	NOK	Floating	2022	1 904	2 500	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	997	1 497
KLP Boligkreditt AS	1 850	NOK	Floating	2026	1 852	0	0
Other		-	-	-	80	89	73
Total covered bonds	28 525	-	-	-	28 633	25 311	24 997

NOK MILLIONS	Nominal in NOK	Currency	Interest	Due date	Book value 30.09.2021	Book value 30.09.2020	Book value 31.12.2020
DEBT TO CREDIT INSTITUTIONS							
KLP Banken AS	0	NOK	Floating	2020	0	690	0
KLP Banken AS	0	NOK	Floating	2021	0	2 203	2 704
KLP Banken AS	300	NOK	Floating	2022	300	300	300
KLP Banken AS	300	NOK	Floating	2023	300	0	0
KLP Banken AS	300	NOK	Floating	2024	300	300	300
KLP Fond	0	NOK	Floating	2020	0	1 437	0
KLP Fond	632	NOK/EUR/USD	Floating	2021	632	0	4 140
KLP Fond	1 956	NOK/EUR/USD	Fixed	2021	1 956	0	914
Kommunal Landspensjonskasse	0	NOK/EUR/USD	Floating	2020	0	1 086	0
Kommunal Landspensjonskasse	2 262	NOK/EUR/USD	Floating	2021	2 262	0	5 859
Other		-	-	-	23	-2	-1
Total liabilities to credit institutions	5 750	-	-	-	5 774	6 014	14 216
LIABILITIES AND DEPOSITS FROM CUSTOMERS ³							
Retail	11 274	NOK	-	-	11 274	10 517	10 311
Business	1 465	NOK	-	-	1 465	1 446	1 441
Foreign	35	NOK	-	-	35	30	30
Liabilities to and deposits from customers	12 774	-	-	-	12 774	11 993	11 781
Total financial liabilities	50 562				51 845	48 557	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

30.09.2021 NOK MILLIONS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
<i>Land/plots</i>	0	0	973	973
<i>Real estate fund</i>	0	0	3 395	3 395
<i>Buildings</i>	0	0	80 000	80 000
Investment property	0	0	84 368	84 368
Lending at fair value	0	481	0	481
<i>Certificates</i>	3 349	7 230	0	10 579
<i>Bonds</i>	21 642	107 697	0	129 339
<i>Fixed-income funds</i>	17 202	7 258	5 923	30 382
Bonds and other fixed-income securities	42 193	122 185	5 923	170 301
Loans and receivables	21 372	1 381	0	22 753
<i>Shares</i>	230 315	3 415	2 818	236 549
<i>Equity funds</i>	2 325	0	49	2 374
<i>Property funds</i>	0	1 125	1 012	2 137
<i>Special funds</i>	0	0	0	0
<i>Private Equity</i>	0	0	23 839	23 839
Shares and units	232 640	4 541	27 718	264 899
Financial derivatives	0	4 163	0	4 163
Andre finansielle eiendeler ¹	0	4 223	0	4 223
Total assets at fair value	296 205	132 751	118 009	546 964
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives	0	2 455	0	2 455
Debt to credit institutions ¹	2 915	1 956	0	4 871
Total financial liabilities at fair value	2 915	4 411	0	7 326

30.09.2020 NOK MILLIONS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
<i>Land/plots</i>	0	0	941	941
<i>Real estate fund</i>	0	0	3 169	3 169
<i>Buildings</i>	0	0	73 744	73 744
Investment property	0	0	77 855	77 855
Lending at fair value	0	672	0	672
<i>Certificates</i>	2 783	4 275	0	7 058
<i>Bonds</i>	25 370	112 508	0	137 878
<i>Fixed-income funds</i>	16 908	3 963	0	20 871
Bonds and other fixed-income securities	45 062	120 745	0	165 807
Loans and receivables	20 606	1 595	0	22 201
<i>Shares</i>	171 041	2 915	2 304	176 260
<i>Equity funds</i>	2 193	0	55	2 247
<i>Property funds</i>	0	15	0	15
<i>Special funds</i>	0	2	3 435	3 437
<i>Private Equity</i>	0	0	15 673	15 673
Shares and units	173 234	2 931	21 466	197 632
Financial derivatives	0	1 525	0	1 525
Total assets at fair value	238 902	127 468	99 321	465 691
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives	0	8 244	0	2 315
Debt to credit institutions ¹	1 513	1 006	0	8 217
Total financial liabilities at fair value	1 513	9 250	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
Total assets at fair value	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

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 902 million per 30.09.2021.

Changes in Level 3, Investment Property	Book value 30.09.2021	Book value 30.09.2020	Book value 31.12.2020
Opening balance 1 January	81 485	74 545	74 545
Sold	0	-63	-83
Bought	1 111	1 382	3 166
Unrealised changes	1 831	2 062	3 956
Other changes	-60	-71	-99
Closing balance 30.09./31.12.	84 367	77 855	81 485
Realised gains/losses	0	0	0

Changes in Level 3, Financial Assets	Book value 30.09.2021	Book value 30.09.2020	Book value 31.12.2020
Opening balance 1 January	23 420	14 660	14 660
Sold	-3 050	-1 162	-1 765
Bought	7 605	4 215	8 828
Unrealised changes	5 665	3 753	1 697
Closing balance 30.09./31.12.	33 641	21 466	23 420
Realised gains/losses	1 561	425	644
Closing balance 30.09./31.12.	118 009	99 321	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 5 900 million as of 30.09.2021.

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 the 3rd quarter, NOK 546 million in stocks moved from Level 1 to Level 2, NOK 34 million moved from Level 1 to Level 3, NOK 1 963 million moved from level 2 to level 1 and NOK 1 million moved from level 2 to level 3. This is due to changes in liquidity.

Note 12 Liquidity risk

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

30.09.2021 NOK MILLIONS	Within 1 month	1-12 months	1-5 years	5-10 years	Over 10 years	Total
Subordinated loan ¹	0	126	578	664	4 767	6 135
Perpetual hybrid Tier 1 securities ¹	0	95	254	318	1 322	1 989
Debt to and deposits from customers (without defined maturity)	12 774	0	0	0	0	12 774
Covered bonds issued	462	4 227	23 893	577	0	29 159
Payables to credit institutions	2 308	9	907	0	0	3 224
Financial derivatives	1 444	2 137	234	263	142	4 220
Accounts payable	61	0	0	0	0	61
Contingent liabilities (without defined maturity)	29 869	0	0	0	0	29 869
Total	46 918	6 595	25 867	1 821	6 231	87 431

If the minority interests are taken out of account, derivatives maturing within one month are reduced with NOK 113 million, payables to credit institutions maturing within one month are reduced with NOK 32 million and derivatives maturing between 1 to 12 months are reduced with NOK 167 million. Total amount of the financial liabilities for the Group are after these adjustments NOK 87 120 million.

30.09.2020 NOK MILLIONS	Within 1 month	1-12 months	1-5 years	5-10 years	Over 10 years	Total
Subordinated loan ¹	137	3 774	0	0	0	3 911
Perpetual hybrid Tier 1 securities ¹	102	273	341	1 557	0	2 273
Debt to and deposits from customers (without defined maturity)	11 993	0	0	0	0	11 993
Covered bonds issued	120	1 173	26 992	591	0	28 876
Payables to credit institutions	190	2 710	610	0	0	3 511
Financial derivatives	7 077	-6	8	-321	0	6 759
Accounts payable	171	0	0	0	0	171
Contingent liabilities (without defined maturity)	25 249	0	0	0	0	25 249
Total	45 040	7 924	27 950	1 827	0	82 742

If the minority interests are taken out of account, derivatives maturing within one month are reduced with NOK 925 million. Total amount of the financial liabilities for the Group are after these adjustments NOK 81 816 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

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.

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

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

30.09.2021 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 -30.09.2021	Total	Adjusted for the unit holders' interests in consolidated securities funds	
ASSETS									
Financial derivatives classified as assets	19	-8	20	49	-181	2	-98	-90	
Debt instruments classified as loans and receivables – at amortised cost	0	0	0	0	0	13	13	13	
Bonds and other fixed-return securities	-50	-59	-1 113	-1 653	-2 104	220	-4 759	-3 781	
Fixed income fund holdings	-1 230	0	0	0	0	0	-1 230	-1 230	
Lending and receivables	-1	0	0	0	0	177	177	149	
Lending	0	0	0	0	0	603	603	603	
Cash and bank deposits	0	0	0	0	0	0	0	0	
Contingent liabilities ¹	0	0	0	0	0	31	31	31	
Total assets	-1 262	-66	-1 093	-1 604	-2 285	1 046	-5 264	-4 305	
LIABILITIES									
Deposit	0	0	0	0	0	-97	-97	-97	
Liabilities created on issue of securities	0	0	0	0	0	-221	-221	-221	
Financial derivatives classified as liabilities	1	0	29	1	0	12	43	43	
Hybrid capital, subordinated loans	0	0	0	44	83	0	127	127	
Debt to credit institutions	0	0	0	0	0	-41	-41	-41	
Total liabilities	1	0	29	45	83	-347	-189	-189	
Total before tax	-1 261	-66	-1 065	-1 558	-2 202	700	-5 453	-4 494	
Total after tax	-945	-50	-799	-1 169	-1 652	525	-4 089	-3 370	

30.09.2020 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 -30.09.2020	Total	Adjusted for the unit holders' interests in consolidated securities funds	
ASSETS									
Financial derivatives classified as assets	11	-2	-55	-94	-202	-18	-359	-316	
Debt instruments classified as loans and receivables – at amortised cost	0	0	0	0	0	4	4	0	
Bonds and other fixed-return securities	-49	-58	-1 229	-2 103	-2 560	243	-5 756	-2 092	
Fixed income fund holdings	-1 212	0	0	0	0	0	-1 212	-3 838	
Lending and receivables	-1	0	0	0	0	200	200	132	
Lending	0	0	0	0	0	587	587	587	
Cash and bank deposits	0	0	0	0	0	20	20	20	
Contingent liabilities ¹	0	0	0	0	0	49	49	49	
Total assets	-1 250	-61	-1 284	-2 196	-2 762	1 086	-6 468	-5 457	
LIABILITIES									
Deposit	0	0	0	0	0	-91	-91	-91	
Liabilities created on issue of securities	0	0	0	0	0	-219	-219	-219	
Financial derivatives classified as liabilities	1	0	72	98	0	13	185	105	
Hybrid capital, subordinated loans	0	0	0	58	108	0	167	167	
Debt to credit institutions	0	0	0	0	0	-41	-41	-41	
Total liabilities	1	0	72	157	108	-338	0	-79	
Total before tax	-1 249	-61	-1 212	-2 040	-2 654	748	-6 467	-5 536	
Total after tax	-937	-46	-909	-1 530	-1 990	561	-4 850	-4 152	

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

30.09.2021 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	27 394	35	0	0	0	0	1 377	28 806	28 806
Debt instruments classified as loans and receivables at amortized cost	138 501	0	375	1 679	0	0	19 389	159 944	159 944
Debt instruments at fair value - fixed-return securities	119 916	1 592	5 682	4 238	0	0	15 749	147 176	126 786
Fixed-income funds	0	0	0	0	0	0	23 124	23 124	23 124
Loans and receivables	21 784	0	0	969	0	0	0	22 753	19 492
Financial derivatives classified as assets	4 163	0	0	0	0	0	0	4 163	3 631
Cash and bank deposits	2 982	0	0	67	0	0	0	3 050	3 050
Lending	0	0	88 177	0	22 311	2 452	3 261	116 201	116 201
Total	314 739	1 628	94 233	6 953	22 311	2 452	62 901	505 217	481 034

SPECIFICATION OF INVESTMENT GRADE NOK MILLIONS	AAA	AA	A	BBB	Total Investment grade
Debt instruments held to maturity at amortized cost	12 768	2 776	7 498	4 352	27 394
Debt instruments classified as loans and receivables at amortized cost	19 152	23 572	58 933	36 843	138 501
Debt instruments at fair value - fixed-return securities	31 894	15 097	36 487	36 438	119 916
Fixed-income funds	0	0	0	0	0
Loans and receivables	0	10 161	11 238	385	21 784
Financial derivatives classified as assets	0	991	3 164	8	4 163
Cash and bank deposits	0	2 563	419	0	2 982
Lending	0	0	0	0	0
Total	63 814	55 160	117 739	78 026	314 739

30.09.2020
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	28 833	57	0	0	0	0	1 980	30 870	30 870
Debt instruments classified as loans and receivables at amortized cost	134 312	0	848	0	0	0	18 509	153 670	153 670
Debt instruments at fair value - fixed-return securities ²	118 969	2 056	5 268	10 473	0	0	12 133	148 899	130 305
Fixed-income funds	0	0	0	0	0	0	18 312	18 312	16 908
Loans and receivables	21 902	0	0	299	0	0	0	22 201	17 222
Financial derivatives classified as assets	1 525	0	0	0	0	0	0	1 525	1 419
Cash and bank deposits	2 633	0	0	70	0	0	0	2 703	2 703
Lending	0	0	70 275	0	21 020	3 216	19 860	114 371	114 371
Total	308 174	2 113	76 391	10 842	21 020	3 216	70 794	492 551	467 470

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 1 404 million per 30.09.2020

SPECIFICATION OF INVESTMENT GRADE NOK MILLIONS	AAA	AA	A	BBB	Total Investment grade
Debt instruments held to maturity at amortized cost	12 272	4 687	9 108	2 766	28 833
Debt instruments classified as loans and receivables at amortized cost	24 157	19 903	54 915	35 338	134 312
Debt instruments at fair value - fixed-return securities	34 785	11 633	33 414	39 136	118 969
Fixed-income funds	0	0	0	0	0
Loans and receivables	0	7 979	13 824	99	21 902
Financial derivatives classified as assets	0	316	1 209	0	1 525
Cash and bank deposits	0	2 475	158	0	2 633
Lending	0	0	0	0	0
Total	71 214	46 993	112 628	77 340	308 174

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

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.

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

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	30.09.2021		30.09.2020		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	13 542	12 053	10 723	10 131	15 388	14 159
Counterparty 2	11 601	10 218	8 500	8 500	13 120	9 013
Counterparty 3	9 353	7 248	7 177	7 039	12 585	8 160
Counterparty 4	7 465	6 785	6 770	6 485	8 744	8 034
Counterparty 5	5 781	5 781	6 502	5 866	7 409	7 208
Counterparty 6	5 536	5 536	5 676	5 500	6 155	5 622
Counterparty 7	5 106	5 067	5 569	5 272	5 857	5 604
Counterparty 8	4 835	4 672	4 672	4 672	5 622	4 710
Counterparty 9	4 672	4 620	4 233	4 066	4 768	4 698
Counterparty 10	4 546	4 423	3 525	3 525	4 747	3 915
Total	72 437	66 402	63 347	61 057	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	30.09.2021	30.09.2020	31.12.2020
Premium reserves - ordinary tariff	482 647	475 572	457 514
Premium funds, buffer funds and pensioners' surplus funds	30 818	10 366	38 588
Supplementary reserves	42 842	35 846	43 460
Securities adjustment fund	68 559	47 666	55 487
Other provisions	1	22	18
Profit/loss allocated to insurance contracts	9 185	6 728	0
Technical provisions in life insurance	634 052	576 200	595 068

Note 16 **Other current liabilities**

NOK MILLIONS	30.09.2021	30.09.2020	31.12.2020
Short-term payables trade in securities	8 901	8 793	3 029
Incurring not assessed taxes	567	1 232	1 489
Advance tax-deduction pension scheme	430	399	447
Accounts payable	316	126	270
Pre-called contribution to insurance	98	133	576
Other current liabilities	1 891	1 043	1 049
Total other current liabilities	12 203	11 726	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'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 264 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 298 per cent.

	30.09.2021	30.09.2020	31.12.2020
Solvency II - SCR ratio	264 %	244 %	261 %

NOK BILLIONS	30.09.2021	30.09.2020	31.12.2020
Simplified Solvency II Financial Position Statement			
Assets, book value	697	639	655
Added values - hold-to-maturity portfolio/loans and receivables	8	18	15
Added values - other lending	0	2	1
Other added/lesser values	0	0	0
Deferred tax asset	0	0	0
Total assets - solvency II	706	658	671

NOK BILLIONS	30.09.2021	30.09.2020	31.12.2020
Simplified Solvency II Financial Position Statement			
Best estimate	631	581	598
Risk margin	14	16	14
Hybrid Tier 1 securities/Subordinated loan capital	5	5	5
Other liabilities ¹	20	21	18
Deferred tax liabilities	1	1	1
Total liabilities - solvency II	671	625	637
Excess of assets over liabilities	35	32	34
- Deferred tax asset	0	0	0
+ Hybrid Tier 1 securities	2	2	2
Tier 1 basic own funds	36	34	35
Total eligible tier 1 own funds	36	34	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	44	43	43
Solvency capital requirement (SCR)	17	17	16
Solvency II- SCR ratio ¹	264 %	244 %	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

30.09.2021 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	4 163	0	4 163	-1 536	-2 496	-871	290	252
Repos	1 518	0	1 518	-500	0	0	1 018	1 018
Total	5 681	0	5 681	-2 036	-2 496	-871	1 308	1 270
LIABILITIES								
Financial derivatives	2 455	0	2 455	-1 536	-139	-15	919	919
Repos	1 954	0	1 954	0	0	0	1 954	1 453
Total	4 409	0	4 409	-1 536	-139	-15	2 873	2 372

30.09.2020 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	1 525	0	1 525	-549	-1 002	-584	0	0
Repos	0	0	0	0	0	0	0	0
Total	1 525	0	1 525	-549	-1 002	-584	0	278
LIABILITIES								
Financial derivatives	8 244	0	8 244	-549	-1 572	-8 015	475	475
Repos	1 006	0	1 006	0	0	0	1 006	1 006
Total	9 250	0	9 250	-549	-1 572	-8 015	1 481	1 481

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	30.09.2021	30.09.2020	31.12.2020
Capitalized net liability 01.01.	934	790	790
Capitalized pension costs	137	122	164
Capitalized financial costs	26	17	23
Actuarial gains and losses	266	305	88
Premiums / contributions received	-169	-89	-120
Business sold in 2020	0	0	-11
Capitalized net liability 30.09./31.12.	1 194	1 143	934

Assumptions	30.09.2021	30.09.2020	31.12.2020
Discount rate	1,90 %	1,40 %	1,70 %
Salary growth	2,50 %	2,00 %	2,25 %
The National Insurance basic amount (G)	2,25 %	1,75 %	2,00 %
Pension increases	1,50 %	0,99 %	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 increases the pension liability for employees with NOK 266 million as of 30.09.2021. The change is recognized in other comprehensive income in the income statement.

Key figures – Accumulated

NOK MILLIONS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
KLP GROUP								
Profit before tax	2 192	1 325	693	1 657	1 682	713	151	3 193
Total assets	872 465	870 548	813 514	807 161	789 981	785 598	764 904	3 194
Owners' equity	41 439	40 154	39 742	39 416	39 243	37 245	36 836	37 339
Solvency SCR ratio	264 %	257 %	258 %	261 %	244 %	230 %	214 %	253 %
Number of employees in the Group	1 032	1 017	1 021	1 018	1 016	1 010	1 008	1 007
KOMMUNAL LANDSPENSJONSKASSE								
Profit before tax	1 699	965	566	1 289	1 303	523	31	2 637
Premium income for own account	41 163	33 634	7 041	37 102	29 081	17 124	9 589	40 234
- of which inflow of premium reserve	0	0	0	2 850	2 846	2 865	2 503	11
Insurance customers' funds incl. acc. profit	24 690	19 100	13 754	28 360	23 013	17 809	11 478	20 157
- of which funds with guaranteed returns	8 346	8 346	8 419	7 656	7 667	7 655	6 377	292
Net investment common portfolio	644 160	626 280	603 076	604 782	582 108	574 890	570 649	574 953
Net investment choice portfolio	2 156	2 215	2 081	2 044	2 012	1 966	2 082	2 662
Insurance funds incl. earnings for the year	634 112	633 579	595 680	594 718	575 915	633 579	542 408	566 230
- of which funds with guaranteed interest	513 186	515 787	490 936	496 121	485 605	515 787	474 366	482 260
Solvency capital requirement (SCR)	44 536	43 473	41 580	42 742	42 507	41 148	38 960	40 530
Solvency SCR ratio	289 %	282 %	287 %	282 %	264 %	252 %	234 %	278 %
Riskprofit	625	293	191	-398	706	300	200	1 031
Return profits	9 347	7 232	4 688	12 350	6 831	3 417	-149	10 624
Administration profit	159	61	41	171	187	64	39	186

NOK MILLIONS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Solvency capital	176 437	174 816	160 647	172 863	141 563	143 139	123 211	150 617
Book return on common portfolio	3,5 %	2,6 %	1,4 %	4,8 %	3,2 %	1,9 %	0,6 %	4,5 %
Value-adjusted return on common portfolio	5,6 %	4,4 %	1,5 %	4,2 %	1,4 %	-0,5 %	-3,7 %	8,5 %
Return on unit-linked portfolio	5,8 %	5,0 %	1,9 %	4,2 %	0,4 %	-1,8 %	-5,7 %	9,9 %
Return on corporate portfolio	2,5 %	1,7 %	0,8 %	3,1 %	1,3 %	0,4 %	-0,1 %	4,3 %
KLP SKADEFORSIKRING AS								
Profit before tax	343,9	225,9	71,6	220,0	97,2	18,2	-126,1	165,6
Gross premium due	1 436,2	940,6	460,1	1 728,4	1 280,4	840,4	415,4	1 529,8
Premium income for own account	1 380,9	903,6	441,7	1 657,6	1 227,8	804,6	397,9	1 475,7
Owners' equity	2 348,3	2 294,4	2 178,7	2 110,9	1 990,7	1 924,0	1 819,9	1 940,5
Claims ratio	73,6 %	74,5 %	72,8 %	83,1 %	83,1 %	83,3 %	86,8 %	90,5 %
Combined-ratio	85,1 %	90,3 %	89,2 %	100,7 %	100,7 %	101,9 %	105,7 %	109,0 %
Return on assets under management	3,4 %	2,6 %	0,6 %	5,0 %	2,3 %	0,8 %	-2,3 %	6,7 %
Solvency capital requirement (SCR)	2 290	2 267	2 193	2 132	2 006	1 934	1 815	1 958
Solvency SCR ratio	267 %	252 %	238 %	239 %	246 %	234 %	213 %	240 %
Annual premium in force – retail market	846,7	828,9	806,8	786,0	759,8	734,6	709,3	683,9
Annual premium in force – public sector market	1 135,0	1 128,0	1 080,4	1 016,4	1 009,9	999,7	987,5	925,1
Net new subscriptions (accumulated within the year)	75,9	65,0	17,0	87,6	74,8	51,5	24,8	145,3
KLP BEDRIFTSPENSJON AS¹								
Profit before tax	sold	sold	sold	sold	sold	sold	-13,7	-12,6
Premium income for own account	sold	sold	sold	sold	sold	sold	313,5	1134,8
- of which premium reserve added	sold	sold	sold	sold	sold	sold	133,2	495,7
Insurance customers' funds including accumulated profit	sold	sold	sold	sold	sold	sold	6 342	6 649
- of which funds with guaranteed returns	sold	sold	sold	sold	sold	sold	1 595	1 538
Returns profit	sold	sold	sold	sold	sold	sold	2,1	13,4
Risk result	sold	sold	sold	sold	sold	sold	6,3	7,66

NOK MILLIONS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Administration losses	sold	sold	sold	sold	sold	sold	-9,6	-38,1
Solvency capital requirement (SCR)	sold	sold	sold	sold	sold	sold	171	323
Solvency SCR ratio	sold	sold	sold	sold	sold	sold	81 %	204 %
Solvency capital	sold	sold	sold	sold	sold	sold	758,2	763,9
Book capital return on common portfolio	sold	sold	sold	sold	sold	sold	0,8 %	3,4 %
Value-adjusted capital return on common portfolio	sold	sold	sold	sold	sold	sold	0,2 %	4,1 %
Return on defined unit-linked contribution pensions	sold	sold	sold	sold	sold	sold	-11,9 %	16,8 %
Return on corporate portfolio	sold	sold	sold	sold	sold	sold	0,1 %	3,0 %
KLP BANKEN GROUP								
Profit/loss before tax	93,8	54,3	48,6	136,8	101,7	39,8	21,6	102,3
Net interest income	232,8	152,8	75,7	317,3	229,3	136,0	75,7	292,9
Other operating income	58,6	38,6	19,0	77,7	58,6	39,0	19,4	78,1
Operating expenses and depreciation	-174,2	-118,6	-60,6	-232,1	-164,5	-119,1	-60,7	-238,5
Net realized/unrealized changes in financial instruments to fair value	-23,5	-18,6	14,5	-26,1	-21,7	-16,1	-19,4	-30,2
Contributions	12 774	12 643	12 103	11 781	11 993	12 245	12 034	11 487
Housing mortgages granted	21 365	21 409	20 894	20 570	20 610	20 121	19 143	18 387
Loan(s) with public guarantee(s)	16 842	16 752	16 734	17 654	16 933	17 357	16 823	16 547
Defaulted loans	32	34	57	54	48	77	97	86
Borrowing on the issuance of securities	29 536	29 195	27 147	25 800	26 203	25 993	25 899	25 822
Total assets	44 980	45 216	43 200	42 688	43 438	43 855	42 002	39 699
Average total assets	43 834	43 952	42 944	41 188	41 568	41 777	40 850	38 394
Owners' equity	2 490	2 474	2 470	2 427	2 389	2 343	2 322	2 221
Net interest rate	0,53 %	0,35 %	0,18 %	0,80 %	0,57 %	0,33 %	0,19 %	0,76 %

NOK MILLIONS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Profit/loss from general operations before tax	0,21 %	0,12 %	0,11 %	0,33 %	0,24 %	0,10 %	0,04 %	0,27 %
Return on owners' equity before tax	5,15 %	4,47 %	8,02 %	6,16 %	6,11 %	3,59 %	2,69 %	4,78 %
Capital adequacy	18,6 %	18,4 %	19,3 %	19,5 %	18,7 %	18,4 %	18,8 %	19,1 %
Number of private customers	47 750	46 872	46 116	45 406	44 842	44 213	43 712	42 785
Of this members of KLP	32 615	31 664	32 183	32 048	31 869	32 533	32 135	31 361
KLP KAPITALFORVALTNING AS								
Profit/loss before tax	53,0	24,6	20,7	30,9	25,6	-1,9	-0,3	44,3
Total assets under management	647 995	627 599	602 400	596 254	579 129	563 238	524 877	563 567
Assets managed for external customers	123 811	121 308	111 821	103 378	100 106	87 968	74 598	83 405

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

KLP Sustainability Accounts

Q3 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 3rd quarter

In the third quarter the total sickness absence was 3 per cent. This is within the target of below 4 per cent and lower than the sickness absence the previous year. As society is gradually reopening, a continued focus on hand hygiene and infection may 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.

	30.09.2021	30.09.2020	30.09.2019	UN Sustainable Development Goals
Employees of KLP	1 032	1 016	1 001	n/a
Total sickness absence	3,0 %	3,3 %	3,9 %	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 3rd quarter

Following the national lockdown in March, KLP introduced a home office scheme for all employees and tight restrictions on business travel. KLP has continued these due to continued infection control measures. As society is gradually reopening, some of the restrictions have been removed by KLP. This has resulted in increased activity levels compared to the activity levels in the third quarter in 2020.

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. This is expected to increase as society reopens.

	30.09.2021	30.09.2020	30.09.2019	UN Sustainable Development Goals
Number of flights	295	1 551	4 783	12.13.
Greenhouse gas emissions from flights (tonnes CO2e)	17	178	654	12.13.
Energy consumption in KLP's own offices (kWh per m2)	78	70	124	9. 13.
Energy consumption in KLP's property portfolio (kWh per m2)	171	171	193	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. Since data is still lacking it has only been possible to export data from the Oslo office. For the other offices, numbers from the third quarter of 2020 has been used to calculate the total energy consumption. KLP's property company in Trondheim has moved to new, more energyefficient offices. This may affect and be reflected in the energy consumption when we are able to export data.

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 third 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 3rd quarter

In the third quarter, KLP invested around NOK 2.7 billion in climate friendly investments. This is mainly in renewable energy and a new environmental building. So far this year, these investments have increased by a total of NOK 7.3 billion.

MILLION NOK	Change 3rd quarter		30.09.2021	30.09.2020	30.09.2019	UN Sustainable Developmen Goals
	2021	2020				
Renewable energy in Norway	-62	946	24 185	23 984	21 823	7.
Renewable energy internationally	747	18	7 185	5 139	2 157	7.
Renewable energy in developing countries	95	14	1 148	882	638	7. 9. 17.
Buildings with environmental qualities in the property portfolio	985	105	14 753	15 429	12 028	9.
Green bonds	2 035	167	5 969	1 828	930	n/a
Other climate-friendly investments	127	-195	6 411	1 563	177	7. 9. 15. 17.
Total	3 926	1 055	59 651	48 825	37 753	7. 9. 15. 17
As a share of KLP's total investments	0 %	0 %	9 %	8 %	6 %	n/a
Renewable energy (market value)	1 277	1 016	34 941	32 614	29 911	7.
Renewable energy (as a share of KLP's total investments)	0 %	0 %	5 %	5 %	5 %	7.
Fossil energy (market value)	525	-337	9 885	7 722	10 750	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)	985	105	14 753	15 429	12 028	9.
Buildings with environmental qualities in the property portfolio (as a share of the portfolio)	1 %	0 %	18 %	20 %	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 3rd quarter

KLPs investments in finance in developing countries increased by NOK 123 million in the third quarter. The increased market value is mainly due to an increased difference between the book value and real value of an underlying investment in Arise, as well as changes to the exchange rate.

MILLION NOK	Change 3rd quarter		30.09.2021	30.09.2020	30.09.2019	UN Sustainable Developmen Goals
	2021	2020				
Banking and finance in developing countries	123	-15	831	721	684	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 3rd quarter

KLP invested in one new seed fund in the third quarter and increased seed investments by NOK 46 million.

MILLION NOK	Change 3rd quarter			30.09.2021	30.09.2020	30.09.2019	UN Sustainable Developmen Goals
	2021	2020					
Seed investments in Norway	46	1		253	11	7	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 the third quarter, KLP had invested in 13 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 aimed to follow up 40 companies in the second quarter, and 240 companies during the year.

Results in the 3rd 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 86 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 49 companies in the third quarter. By the end of the quarter a total of 157 companies have been followed up on topics related to ESG, such as human rights in conflict areas, beaching, tax and transparency, labor rights in China and the Gulf, environmental damage, sustainable aquaculture, climate risk and children's rights.

	30.09.2021	30.09.2020	30.09.2019	UN Sustainable Development Goals
Companies excluded from investments	638	577	352	All SDGs
General meetings of Norwegian companies at which KLP has voted (number / percentage)	61 (86 %)	96 (99 %)	89 (98 %)	n/a
General meetings of foreign companies at which KLP has voted (number / percentage)	6 531 (99 %)	6 966 (96 %)	6 590 (97 %)	n/a
Unique companies KLP has had direct dialogue with on ESG topics	157	298	127	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 3rd quarter

Loans to municipalities and county councils increased by net NOK 1.7 billion in the third quarter. KLP gave five new green loans and paid out NOK 153.8 million. Some of this financed new, energy efficient schools in the municipalities Bardu and Hurdal, and electric van for Brannvesenet Sør IKS.

MILLION NOK	Change 3rd quarter		30.09.2021	30.09.2020	30.09.2019	UN Sustainable Developmen Goals
	2021	2020				
Loans for roads and transport	78	7 627	2 604	9 372	8 682	9.
Loans for public property	348	-502	4 333	4 875	4 724	9.
Loans to public sector and businesses	1 220	-7 297	72 734	62 180	55 267	9.
Lending to water, sewage and waste disposal	45	133	3 651	2 990	2 607	9.
Of which are green loans	172	277	2 293	277	new	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

Q3 2021

Income statement

Kommunal Landspensjonskasse

NOTE	NOK MILLIONS	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
3	Premium income	7 529	11 957	41 163	29 081	37 102
	Income from investments in subsidiaries, associated enterprises and jointly controlled entities	1 157	910	3 979	3 940	6 009
	Interest income and dividends etc. on financial assets	1 936	3 911	9 501	9 080	11 224
	Value changes on investments	4 496	-2 152	9 931	-13 032	1 240
	Gains and losses realized on investments	-870	7 920	9 567	7 942	5 698
	Net income from investments in the common portfolio	6 719	10 589	32 978	7 931	24 170
	Net income from investments in the investment option portfolio	16	44	118	-1	74
	Other insurance-related income	328	304	942	887	1 192
4	Claims	-5 590	-5 203	-24 690	-23 013	-28 360
	Changes in insurance liabilities taken to profit/loss - contractual liabilities	-5 745	-13 083	-38 236	-5 627	-27 649
	Changes in insurance liabilities taken to profit/loss - individual investment option portfolio	-5	-24	-77	589	487
	Funds assigned to insurance contracts - contractual liabilities	0	0	0	0	-4 111
	Unallocated profit to insurance contracts	-2 275	-3 538	-9 494	-7 041	0
5	Insurance-related operating expenses	-266	-224	-891	-825	-1 172
	Other insurance-related costs	-327	-304	-952	-897	-1 206
	Technical profit/loss	384	518	861	1 084	526
	Net income from investments in the corporate portfolio	413	345	1 033	846	1 457
	Other income	2	-4	11	0	18
13	Administration costs and other costs associated with the corporate portfolio	-65	-78	-206	-627	-712
	Non-technical profit/loss	350	263	838	219	762

NOTE	NOK MILLIONS	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
	Profit/loss pre-tax	735	780	1 699	1 303	1 289
	Tax	-161	-59	-276	-174	-204
	Income before other income and expenses	574	721	1 423	1 129	1 085
12	Actuarial gains and losses on defined benefits pension schemes	-287	64	-169	-193	-49
	Proportion of other comprehensive income on application of the equity method	-163	35	-97	-111	-39
	Adjustment of the insurance liabilities	51	-11	30	33	12
	Tax on other income and expenses that will not be reclassified to profit or loss	72	-16	42	48	12
	Total other income and expenses that will not be reclassified to profit or loss	-328	72	-194	-223	-63
	TOTAL COMPREHENSIVE INCOME	245	794	1 229	906	1 021

Statement of financial position

Kommunal Landspensjonskasse

NOTE	NOK MILLIONS	30.09.2021	30.09.2020	31.12.2020
ASSETS				
ASSETS IN THE CORPORATE PORTFOLIO				
	Intangible assets	758	535	602
7	Investment properties	994	963	1 017
	Shares and holdings in property subsidiaries	3 438	3 124	3 380
	Shares and holdings in other subsidiaries, associated enterprises and jointly controlled entities	5 256	4 734	4 910
6	Financial assets valued at amortized cost	19 351	19 116	19 012
6,7	Financial assets valued at fair value	15 572	16 407	12 816
	Receivables	1 076	4 726	1 922
11	Right-of-use assets	1 000	1 108	1 081
	Other assets	762	1 045	710
Total assets in the corporate portfolio		48 207	51 758	45 450
ASSETS IN THE CUSTOMER PORTFOLIOS				
	Shares and holdings in property subsidiaries	64 952	57 891	61 742
	Shares and holdings in other subsidiaries, associated enterprises and jointly controlled entities	4 923	4 578	4 254
	Receivables on and securities issued by subsidiaries, associated enterprises and jointly controlled entities	12 699	13 447	13 263
6	Financial assets valued at amortized cost	257 935	248 884	248 813
6,7	Financial assets valued at fair value	303 651	257 307	276 710
Total investment in the common portfolio		644 160	582 108	604 782
	Shares and holdings in property subsidiaries	236	209	223
	Receivables on and securities issued by subsidiaries, associated enterprises and jointly controlled entities	66	69	66
6	Financial assets at amortized costs	747	712	720
6,7	Financial assets at fair value	1 107	1 022	1 034
Total investments in the investment option portfolio		2 156	2 012	2 044
Total assets in the customer portfolios		646 316	584 120	606 826
TOTAL ASSETS		694 522	635 878	652 277

NOTE	NOK MILLIONS	30.09.2021	30.09.2020	31.12.2020
OWNERS' EQUITY AND LIABILITIES				
	Owners' equity contributed	18 971	17 531	18 194
	Retained earnings	22 418	21 684	21 188
	Total owners' equity	41 389	39 215	39 382
6	Subordinated loan capital etc.	4 664	5 239	4 898
14	Premium reserve etc.	480 820	473 589	456 055
	Supplementary reserves	42 715	35 735	43 325
	Securities adjustment fund	68 620	47 456	55 137
	Premium funds, defined contribution funds, pension regulation funds etc.	30 405	10 120	38 124
	Unallocated profit to customers	9 379	7 040	0
	Total insurance liabilities - contractual liabilities	631 940	573 940	592 642
14	Pension capital etc.	1 548	1 468	1 478
	Supplementary reserves	127	111	135
	Premium funds, defined contribution funds, pension regulation funds etc.	413	428	464
	Unallocated profit to customers	85	-32	0
	Total insurance liabilities - special investment portfolio	2 173	1 975	2 077
12	Pension obligations	755	741	594
	Current tax liabilities	210	943	1 155
	Deferred tax liabilities	879	659	614
11	Lease liabilities	1 034	1 121	1 099
9	Liabilities	11 404	11 965	9 506
	Accrued costs and prepaid income	73	81	309
	TOTAL OWNERS' EQUITY AND LIABILITIES	694 522	635 878	652 277
OFF-BALANCE SHEET ITEMS				
	Contingent liabilities	27 161	23 108	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		508	915	1 423
Actuarial gains and losses on defined benefits pension schemes			-169	-169
Proportion of other comprehensive income on application of the equity method			-97	-97
Adjustment of the insurance liabilities			30	30
Tax on other income and expenses that will not be reclassified to profit or loss			42	42
Total other income and expenses that will not be reclassified to profit or loss			-194	-194
Total comprehensive income (unallocated)		508	721	1 229
Owners equity contribution received	777			777
Total transactions with owners	777			777
Own funds 30 September 2021	18 971	5 913	16 505	41 389

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		527	602	1 129
Actuarial gains and losses on defined benefits pension schemes			-193	-193
Proportion of other comprehensive income on application of the equity method			-111	-111
Adjustment of the insurance liabilities			33	33
Tax on other income and expenses that will not be reclassified to profit or loss			48	48
Total other income and expenses that will not be reclassified to profit or loss			-223	-223
Total comprehensive income (unallocated)		527	379	906
Owners equity contribution received	991			991
Total transactions with owners	991			991
Own funds 30 September 2020	17 531	6 067	15 617	39 215

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	01.01.2021	01.01.2020	01.01.2020
	-30.09.2021	-30.06.2021	-31.03.2021	-31.12.2020	-30.09.2020
Net cashflow from operational activities	-424	778	271	2 885	3 159
Net cashflow from investment activities ¹	-211	-142	-69	-324	-227
Net cashflow from financing activities ²	695	-312	-302	-2 802	-2 827
Net changes in cash and bank deposits	61	323	-100	-241	105
Holdings of cash and bank deposits at start of period	659	659	659	900	900
Holdings of cash and bank deposits at end of period	720	983	560	659	1 005

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 September 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.

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.

KLP continuously follows up the risks related to disability and whether the disability provisions need to be strengthened. When determining conditions for disability, experience data up to and including 2020 is used, including margins that take into account the uncertainty related to covid-19. No disability provisions have been made related to covid-19 beyond this.

A possible effect of covid-19 is lower employment rates, recession and increasing disability in society as a result of this. We consider this risk to be lower for the public sector.

In September, the Norwegian Accounting Standards Board published updated guiding assumptions for pension liabilities. In relation to the assumptions used as at 31.12.2020, the discount rate for corporate bonds was changed from 1.7 % to 1.9 %. At the same time, wage growth was changed from 2.25 % to 2.50 %, the National Insurance Scheme's basic amount (G) was changed from 2.0 % to 2.25 % and pension adjustment was changed from 1.24 % to 1.50 %. In total, these changes result in a NOK 169 million increase in recognised pension liabilities for KLP as at 30.09.2021.

Note 2 Value-adjustment investment property

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

NOK MILLIONS	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
Value adjustment incl. foreign exchange	491	329	1 782	2 105	4 033
Foreign exchange effect on hedging	240	-269	939	-2 138	-1 500
Net value adjustment incl. exchange hedging	731	60	2 721	-34	2 533

Note 3 Premium income

NOK MILLIONS	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
Gross premiums due	7 529	11 976	41 163	26 234	34 252
Transfer of premium reserves from others	0	-19	0	2 846	2 850
Total premium income	7 529	11 957	41 163	29 081	37 102

Note 4 Claims

NOK MILLIONS	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
Claims paid	5 590	5 192	16 344	15 346	20 704
Transfers of premium reserves to others	0	12	8 346	7 667	7 656
Total claims	5 590	5 203	24 690	23 013	28 360

Note 5 Insurance-related operating expenses

NOK MILLIONS	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
Personnel costs	146	129	518	487	691
Depreciation	49	44	147	130	179
Other operating expenses	72	51	225	207	302
Total insurance-related operating expenses	266	224	891	825	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.

30.09.2021 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	639	715	4 793	5 170	25	25	5 457	5 910
Accrued not due interest	15	15	122	122	0	0	138	138
Foreign hold-to-maturity bonds	6 261	6 529	16 646	18 012	48	52	22 955	24 593
Accrued not due interest	22	22	190	190	0	0	212	212
Total investments held to maturity	6 937	7 281	21 752	23 495	74	78	28 762	30 853
BONDS CLASSIFIED AS LOANS AND RECEIVABLES								
Norwegian bonds	4 605	4 698	48 018	49 421	188	194	52 811	54 313
Accrued not due interest	65	65	768	768	3	3	836	836
Foreign bonds	7 664	7 944	107 853	112 487	476	495	115 993	120 927
Accrued not due interest	80	80	1 555	1 555	7	7	1 641	1 641
Total bonds classified as loans and receivables	12 414	12 787	158 194	164 231	673	699	171 281	177 717
OTHER LOANS AND RECEIVABLES								
Secured loans	0	0	3 039	3 053	0	0	3 039	3 053
Lending with public sector guarantee	0	0	66 667	67 104	0	0	66 667	67 104
Loans abroad secured by mortgage and local government guarantee	0	0	7 978	7 978	0	0	7 978	7 978
Accrued not due interest	0	0	304	304	0	0	304	304
Total other loans and receivables	0	0	77 989	78 439	0	0	77 989	78 439
Total financial assets at amortized cost	19 351	20 068	257 935	266 164	747	777	278 033	287 009
ASSETS – AT FAIR VALUE								

30.09.2021 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	8 742	8 742	0	0	8 749	8 749
Foreign shares	0	0	38 215	38 215	0	0	38 215	38 215
Total shares	7	7	46 958	46 958	0	0	46 965	46 965
Property funds	0	0	4 916	4 916	0	0	4 916	4 916
Norwegian equity funds	0	0	89 390	89 390	714	714	90 104	90 104
Foreign equity funds	0	0	25 056	25 056	0	0	25 056	25 056
Total equity fund units	0	0	119 362	119 362	714	714	120 077	120 077
Norwegian alternative investments	0	0	1 862	1 862	9	9	1 870	1 870
Foreign alternative investments	0	0	0	0	0	0	0	0
Total alternative investments	0	0	1 862	1 862	9	9	1 870	1 870
Total shares and units	7	7	168 182	168 182	723	723	168 911	168 911
DEBT INSTRUMENTS AT FAIR VALUE								
Norwegian bonds	6 307	6 307	29 979	29 979	0	0	36 286	36 286
Foreign bonds	693	693	18 652	18 652	0	0	19 345	19 345
Accrued not due interest	25	25	280	280	0	0	304	304
Norwegian fixed-income funds	2 852	2 852	27 027	27 027	271	271	30 151	30 151
Foreign fixed-income funds	0	0	30 382	30 382	0	0	30 382	30 382
Accrued not due interest	133	133	2 127	2 127	14	14	2 274	2 274
Norwegian certificates	340	340	7 148	7 148	0	0	7 488	7 488
Foreign certificates	0	0	953	953	0	0	953	953

30.09.2021 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	3	3	0	0	4	4
Fixed income securities	10 351	10 351	116 552	116 552	285	285	127 188	127 188
Norwegian loans and receivables	938	938	9 860	9 860	24	24	10 822	10 822
Foreign loans and receivables	575	575	5 486	5 486	68	68	6 129	6 129
Total loans and receivables	1 513	1 513	15 346	15 346	92	92	16 951	16 951
DERIVATIVES								
Interest rate swaps	681	681	256	256	0	0	937	937
Share options	0	0	143	143	0	0	143	143
Forward exchange contracts	0	0	1 976	1 976	7	7	1 982	1 982
Total financial derivatives classified as assets	681	681	2 374	2 374	7	7	3 062	3 062
OTHER FINANCIAL ASSETS								
Other financial assets	3 020	3 020	1 197	1 197	0	0	4 217	4 217
Total financial assets valued at fair value	15 572	15 572	303 651	303 651	1 107	1 107	320 329	320 329
LIABILITIES								
DERIVATIVES								
Interest rate swaps	0	0	52	52	0	0	52	52
Forward exchange contracts	6	6	765	765	2	2	773	773
Total financial derivatives classified as liabilities	6	6	817	817	2	2	825	825

30.09.2021 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	2 995	3 353	0	0	0	0	2 995	3 353
Hybrid Tier 1 securities	1 670	1 639	0	0	0	0	1 670	1 639
Total subordinated loan capital etc.	4 664	4 992	0	0	0	0	4 664	4 992
LIABILITIES TO CREDIT INSTITUTIONS								
Norwegian call money ¹	0	0	165	165	3	3	168	168
Foreign call money ¹	814	814	1 268	1 268	12	12	2 095	2 095
Total liabilities to credit institutions	814	814	1 433	1 433	15	15	2 262	2 262

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

30.09.2020 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	549	663	4 445	5 101	11	12	5 005	5 775
Accrued not due interest	15	15	123	123	0	0	138	138
Foreign hold-to-maturity bonds	6 834	7 237	18 595	20 715	38	45	25 466	27 997
Accrued not due interest	24	24	211	211	0	0	236	236
Total investments held to maturity	7 422	7 940	23 374	26 149	50	57	30 846	34 146
BONDS CLASSIFIED AS LOANS AND RECEIVABLES								
Norwegian bonds	4 137	4 434	42 451	46 231	171	188	46 759	50 852
Accrued not due interest	59	59	723	723	2	2	784	784
Foreign bonds	7 416	8 053	103 865	113 642	481	524	111 763	122 218
Accrued not due interest	81	81	1 658	1 658	8	8	1 746	1 746
Total bonds classified as loans and receivables	11 693	12 626	148 697	162 253	662	721	161 052	175 600
OTHER LOANS AND RECEIVABLES								
Secured loan	0	0	3 251	3 307	0	0	3 251	3 307
Lending with public sector guarantee	0	0	63 148	64 699	0	0	63 148	64 699
Loans abroad secured by mortgage and local government guarantee	0	0	10 101	10 101	0	0	10 101	10 101
Accrued not due interest	0	0	314	314	0	0	314	314
Total other loans and receivables	0	0	76 814	78 421	0	0	76 814	78 421
Total financial assets at amortized cost	19 116	20 566	248 884	266 823	712	778	268 711	288 167
ASSETS – AT FAIR VALUE								

30.09.2020 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	5 658	5 658	0	0	5 663	5 663
Foreign shares	0	0	25 492	25 492	0	0	25 492	25 492
Total shares	5	5	31 150	31 150	0	0	31 155	31 155
Property funds	0	0	2 518	2 518	0	0	2 518	2 518
Norwegian equity funds	0	0	68 489	68 489	537	537	69 027	69 027
Foreign equity funds	0	0	17 123	17 123	0	0	17 123	17 123
Total equity fund units	0	0	88 130	88 130	537	537	88 667	88 667
Norwegian alternative investments	0	0	2 978	2 978	14	14	2 992	2 992
Foreign alternative investments	0	0	3 437	3 437	0	0	3 437	3 437
Total alternative investments	0	0	6 415	6 415	14	14	6 429	6 429
Total shares and units	5	5	125 695	125 695	551	551	126 251	126 251
DEBT INSTRUMENTS AT FAIR VALUE								
Norwegian bonds	5 703	5 703	33 167	33 167	0	0	38 869	38 869
Foreign bonds	398	398	21 810	21 810	0	0	22 208	22 208
Accrued not due interest	24	24	330	330	0	0	355	355
Norwegian fixed-income funds	2 516	2 516	35 224	35 224	349	349	38 089	38 089
Foreign fixed-income funds	0	0	20 871	20 871	0	0	20 871	20 871
Accrued not due interest	95	95	1 714	1 714	13	13	1 822	1 822
Norwegian certificates	962	962	3 660	3 660	0	0	4 622	4 622

30.09.2020 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	11	11	10	10	0	0	21	21
Fixed income securities	9 709	9 709	116 786	116 786	362	362	126 857	126 857
Norwegian loans and receivables	1 348	1 348	5 542	5 542	43	43	6 934	6 934
Foreign loans and receivables	433	433	6 430	6 430	66	66	6 929	6 929
Total loans and receivables	1 781	1 781	11 972	11 972	109	109	13 862	13 862
DERIVATIVES								
Interest rate swaps	1 000	1 000	60	60	0	0	1 060	1 060
Forward exchange contracts	12	12	78	78	0	0	91	91
Total financial derivatives classified as assets	1 012	1 012	138	138	0	0	1 150	1 150
OTHER FINANCIAL ASSETS								
Other financial assets	3 900	3 900	2 716	2 716	0	0	6 616	6 616
Total financial assets valued at fair value	16 407	16 407	257 307	257 307	1 022	1 022	274 737	274 737
LIABILITIES								
DERIVATIVES								
Interest rate swaps	0	0	619	619	0	0	619	619
Forward exchange contracts	77	77	3 749	3 749	10	10	3 836	3 836
Total financial derivatives classified as liabilities	77	77	4 368	4 368	10	10	4 456	4 456

30.09.2020 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	3 250	3 654	0	0	0	0	3 250	3 654
Hybrid Tier 1 securities	1 989	1 750	0	0	0	0	1 989	1 750
Total subordinated loan capital etc.	5 239	5 404	0	0	0	0	5 239	5 404
LIABILITIES TO CREDIT INSTITUTIONS								
Norwegian call money ¹	0	0	48	48	3	3	51	51
Foreign call money ¹	993	993	26	26	13	13	1 031	1 031
Total liabilities to credit institutions	993	993	74	74	16	16	1 082	1 082

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

30.09.2021 NOK MILLIONS	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
<i>Certificates</i>	0	340	0	340
<i>Bonds</i>	0	7 025	0	7 025
<i>Fixed-income funds</i>	2 986	0	0	2 986
Fixed-income securities	2 986	7 365	0	10 351
Loans and receivables	629	884	0	1 513
<i>Shares</i>	0	0	7	7
Shares and units	0	0	7	7
Financial derivatives	0	681	0	681
Other financial assets	0	3 020	0	3 020
Total corporate portfolio	3 615	11 950	7	15 572
COMMON PORTFOLIO				
<i>Certificates</i>	2 825	5 280	0	8 105
<i>Bonds</i>	21 558	27 352	0	48 910
<i>Fixed-income funds</i>	44 927	8 687	5 923	59 537
Fixed-income securities	69 310	41 319	5 923	116 552
Loans and receivables	15 029	317	0	15 346
<i>Shares</i>	43 887	375	2 696	46 958
<i>Equity funds</i>	90 558	0	49	90 607
<i>Property funds</i>	0	1 125	3 791	4 916
<i>Special funds</i>	0	1 862	0	1 862
<i>Private Equity</i>	0	0	23 839	23 839
Shares and units	134 445	3 362	30 375	168 182
Financial derivatives	0	2 374	0	2 374
Other financial assets	0	1 197	0	1 197
Total common portfolio	218 784	48 569	36 297	303 651
INVESTMENT OPTION PORTFOLIO				
<i>Fixed-income funds</i>	278	7	0	285
Fixed-income securities	278	7	0	285
Loans and receivables	92	0	0	92
<i>Equity funds</i>	714	0	0	714
<i>Special funds</i>	0	9	0	9
Shares and units	714	9	0	723
Financial derivatives	0	7	0	7
Other financial assets	0	0	0	0
Total investment option portfolio	1 085	22	0	1 107
Total financial assets valued at fair value	223 484	60 542	36 304	320 329

30.09.2021 NOK MILLIONS	Level 1	Level 2	Level 3	Total
CORPORATE PORTFOLIO				
Investment property	0	0	994	994
Total investment property	0	0	994	994
FINANCIAL LIABILITIES BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Financial derivatives	0	6	0	6
Debt to credit institutions	814	0	0	814
Total corporate portfolio	814	6	0	820
COMMON PORTFOLIO				
Financial derivatives	0	817	0	817
Debt to credit institutions	1 433	0	0	1 433
Total common portfolio	1 433	817	0	2 249
INVESTMENT OPTION PORTFOLIO				
Financial derivatives	0	2	0	2
Debt to credit institutions	15	0	0	15
Total investment option portfolio	15	2	0	17
Total financial liabilities at fair value	2 262	825	0	3 087

30.09.2020 NOK MILLIONS	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
<i>Certificates</i>	0	973	0	973
<i>Bonds</i>	0	6 125	0	6 125
<i>Fixed-income funds</i>	2 611	0	0	2 611
Fixed-income securities	2 611	7 098	0	9 709
Loans and receivables	680	1 102	0	1 781
<i>Shares</i>	0	0	5	5
Shares and units	0	0	5	5
Financial derivatives	0	1 012	0	1 012
Other financial assets	0	3 900	0	3 900
Total corporate portfolio	3 291	13 111	5	16 407
COMMON PORTFOLIO				
<i>Certificates</i>	1 310	2 360	0	3 671
<i>Bonds</i>	22 932	32 375	0	55 307
<i>Fixed-income funds</i>	53 799	4 010	0	57 809
Fixed-income securities	78 041	38 745	0	116 786
Loans and receivables	11 658	314	0	11 972
<i>Shares</i>	28 521	451	2 178	31 150

30.09.2020 NOK MILLIONS	Level 1	Level 2	Level 3	Total
<i>Equity funds</i>	69 884	0	55	69 939
<i>Property funds</i>	0	15	2 504	2 518
<i>Special funds</i>	0	2 980	3 435	6 415
<i>Private Equity</i>	0	0	15 673	15 673
Shares and units	98 405	3 446	23 844	125 695
Financial derivatives	0	138	0	138
Other financial assets	0	2 716	0	2 716
Total common portfolio	188 104	45 359	23 844	257 307
INVESTMENT OPTION PORTFOLIO				
<i>Fixed-income funds</i>	362	0	0	362
Fixed-income securities	362	0	0	362
Loans and receivables	109	0	0	109
<i>Equity funds</i>	537	0	0	537
<i>Special funds</i>	0	14	0	14
Shares and units	537	14	0	551
Financial derivatives	0	0	0	0
Other financial assets	0	0	0	0
Total investment option portfolio	1 008	14	0	1 022
Total financial assets valued at fair value	192 403	58 484	23 850	274 737
CORPORATE PORTFOLIO				
Investment property	0	0	963	963
Total investment property	0	0	963	963
FINANCIAL LIABILITIES BOOKED AT FAIR VALUE				
CORPORATE PORTFOLIO				
Financial derivatives	0	77	0	77
Debt to credit institutions	993	0	0	993
Total corporate portfolio	993	77	0	1 070
COMMON PORTFOLIO				
Financial derivatives	0	4 368	0	4 368
Debt to credit institutions	74	0	0	74
Total common portfolio	74	4 368	0	4 442
INVESTMENT OPTION PORTFOLIO				
Financial derivatives	0	10	0	10
Debt to credit institutions	16	0	0	16
Total investment option portfolio	16	10	0	26
Total financial liabilities at fair value	1 082	4 456	0	5 538

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 30.09.2021	Book value 30.09.2020	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 30.09./31.12.	7	5	7
Realised gains/losses	0	0	0

Changes in Level 3 shares, unlisted COMMON PORTFOLIO	Book value 30.09.2021	Book value 30.09.2020	Book value 31.12.2020
Opening balance 01.01.	2 545	2 170	2 170
Sold	0	-23	-23
Bought	0	112	377
Unrealised changes	151	-82	22
Closing balance 30.09./31.12.	2 696	2 178	2 545
Realised gains/losses	0	1	0

Changes in Level 3 equity funds, unlisted COMMON PORTFOLIO	Book value 30.09.2021	Book value 30.09.2020	Book value 31.12.2020
Opening balance 01.01.	55	54	54
Sold	0	0	0
Bought	0	0	0
Unrealised changes	-6	1	1
Closing balance 30.09./31.12.	49	55	55
Realised gains/losses	0	0	0

Changes in Level 3, private equity, fixed- income funds and property funds COMMON PORTFOLIO	Book value 30.09.2021	Book value 30.09.2020	Book value 31.12.2020
Opening balance 01.01.	23 312	14 888	14 888
Sold	-2 984	-1 121	-1 740
Bought	7 604	4 013	8 341
Unrealised changes	5 622	3 831	302
Closing balance 30.09./31.12.	33 553	21 611	23 312
Realised gains/losses	1 556	414	636

Changes in Level 3, investment property CORPORATE PORTFOLIO	Book value 30.09.2021	Book value 30.09.2020	Book value 31.12.2020
Opening balance 01.01.	1 017	955	955
Sold	0	0	0
Bought	0	0	0
Unrealised changes	30	30	85
Other	-53	-23	-23
Closing balance 30.09./31.12.	994	963	1 017
Realised gains/losses	0	0	0
Total level 3	37 298	24 813	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 1 865 million as of 30.09.2021 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 3rd quarter, NOK 58 million was moved from Level 1 to Level 2 and NOK 86 million was moved from level 2 to level 1. The amounts are related to equity instruments and are due to change in liquidity. There were no other movements between the different levels in KLP.

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

30.09.2021 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	3 062	0	3 062	-801	-2 096	-201	260
Total	3 062	0	3 062	-801	-2 096	-201	260
PORTFOLIO ALLOCATION OF ASSETS							
Total assets – common portfolio	2 374	0	2 374	-800	-1 401	-201	253
Total assets – corporate portfolio	681	0	681	0	-689	0	0
Total assets – investment option portfolio	7	0	7	0	-5	0	6
Total	3 062	0	3 062	-801	-2 096	-201	260
LIABILITIES							
Financial derivatives	825	0	825	-801	-56	-93	8
Total	825	0	825	-801	-56	-93	8
PORTFOLIO ALLOCATION OF LIABILITIES							
Total liabilities – common portfolio	817	0	817	-800	-51	-93	0
Total liabilities – corporate portfolio	6	0	6	0	0	0	6
Total liabilities – investment option portfolio	2	0	2	0	-4	0	2
Total	825	0	825	-801	-56	-93	8

30.09.2020 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	1 150	0	1 150	-127	-1 015	0	22
Total	1 150	0	1 150	-127	-1 015	0	22
PORTFOLIO ALLOCATION OF ASSETS							
Total assets – common portfolio	138	0	138	-126	-16	0	3
Total assets – corporate portfolio	1 012	0	1 012	-1	-993	0	19
Total assets – investment option portfolio	0	0	0	0	-6	0	0
Total	1 150	0	1 150	-127	-1 015	0	22
LIABILITIES							
Financial derivatives	4 455	0	4 456	-127	-13	-5 527	83
Total	4 455	0	4 456	-127	-13	-5 527	83
PORTFOLIO ALLOCATION OF LIABILITIES							
Total liabilities – common portfolio	4 368	0	4 368	-126	-6	-5 527	0
Total liabilities – corporate portfolio	77	0	77	-1	0	0	76
Total liabilities – investment option portfolio	10	0	10	0	-8	0	7
Total	4 455	0	4 456	-127	-13	-5 527	83

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	30.09.2021	30.09.2020	31.12.2020
Short-term liabilities securities	6 719	5 873	2 258
Advance tax-deduction pension scheme	430	399	447
Accounts payable	41	3	4
Derivatives	825	4 456	327
Debt to credit institutions	2 262	1 082	5 859
Liabilities related to direct insurance	1 109	133	576
Other liabilities	18	18	34
Total liabilities	11 404	11 965	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 289 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 326 per cent.

	30.09.2021	30.09.2020	31.12.2020
SOLVENCY II-SCR RATIO ¹	289 %	264 %	282 %

NOK BILLIONS	30.09.2021	30.09.2020	31.12.2020
SIMPLIFIED SOLVENCY II FINANCIAL POSITION STATEMENT			
Assets, book value	694	635	652
Added values - hold-to-maturity portfolio/loans and receivables	9	19	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	703	655	668

NOK BILLIONS	30.09.2021	30.09.2020	31.12.2020
SIMPLIFIED SOLVENCY II FINANCIAL POSITION STATEMENT			
Best estimate	629	579	596
Risk margin	14	16	14
Hybrid Tier 1 securities/Subordinated loan capital	5	5	5
Other liabilities	19	21	18
Deferred tax liabilities	1	1	1
Total liabilities - solvency II	668	622	634
Excess of assets over liabilities	35	32	33
- Deferred tax asset	0	0	0
+ Hybrid Tier 1 securities	2	2	2
Tier 1 basic own funds	37	34	36
Total eligible tier 1 own funds	37	34	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	-8	-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	45	43	43
Market risk	7	7	7
Diversification market risk	-2	-2	-2
Counterparty risk	0	0	0
Life risk	14	15	14
Diversification life risk	-3	-3	-3
Diversification general	-3	-3	-3

NOK BILLIONS	30.09.2021	30.09.2020	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	10	8
Minimum	4	4	4
Maximum	7	7	7
Minimum capital requirement (MCR)	7	7	7
Solvency II -SCR ratio ¹	289 %	264 %	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	30.09.2021	30.09.2020	31.12.2020
RIGHT-OF-USE ASSETS			
	Property		
Opening balance 01.01.	1 081	204	204
Addition	0	981	981
Depreciation	-81	-78	-104
Closing balance 30.09. / 31.12.	1 000	1 108	1 081

NOK MILLIONS	30.09.2021	30.09.2020	31.12.2020
LEASE LIABILITIES			
	Property		
Opening balance 01.01.	1 099	210	210
Addition	0	981	981
Repayments	-65	-70	-92
Closing balance 30.09. / 31.12.	1 034	1 121	1 099

NOK MILLIONS	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
	Property				
Interest expense lease liabilities	6	7	19	10	17
Interest expense lease liabilities	6	7	19	10	17

Note 12 Pension obligations

NOK MILLIONS	30.09.2021	30.09.2020	31.12.2020
Capitalized net liability 01.01.	594	508	508
Capitalized pension costs	83	71	95
Capitalized financial costs	10	11	15
Actuarial gains and losses	169	193	49
Premiums / contributions received	-101	-42	-71
Capitalized net liability 30.09. / 31.12.	755	741	594

ASSUMPTIONS	30.09.2021	30.09.2020	31.12.2020
Discount rate	1.90%	1.40%	1.70 %
Salary growth	2.50%	2.00%	2.25 %
The National Insurance basic amount (G)	2.25%	1.75%	2.00 %
Pension increases	1.50%	0.99%	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 increases the pension liability for employees with NOK 169 million as of 30.09.2021. 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	Q3 2021	Q3 2020	01.01.2021 -30.09.2021	01.01.2020 -30.09.2020	01.01.2020 -31.12.2020
Interest expense subordinated loan	32	35	93	181	212
Discount subordinated loan	0	1	0	343	343
Interest expense Hybrid Tier 1 securities	16	17	47	52	67
Other costs associated with the corporate portfolio	17	25	66	50	91
Administration costs and other costs associated with the corporate portfolio	65	78	206	627	712

Note 14 Premium reserve

NOK MILLIONS	30.09.2021	30.09.2020	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	24 765	14 247	18 794
Premium reserve etc. 30.09. / 31.12.	480 820	473 589	456 055

NOK MILLIONS	30.09.2021	30.09.2020	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	70	-596	-523
Pension capital etc. 30.09. / 31.12.	1 548	1 468	1 478

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