



Interim report

KLP BANKEN GROUP
Q1 2020

Table of contents

KLP BANKEN GROUP

INTERIM FINANCIAL STATEMENTS	3
INCOME STATEMENT	5
BALANCE SHEET	6
STATEMENT OF CHANGES IN EQUITY	7
STATEMENT OF CASH FLOW	8
NOTES TO THE ACCOUNTS	9
— Note 1 General information	9
— Note 2 Accounting principles	9
— Note 3 Net interest income	10
— Note 4 Loans to customers	10
— Note 5 Categories of financial instruments	11
— Note 6 Fair value hierarchy	13
— Note 7 Securities liabilities - stock exchange listed covered bonds and certificates	14
— Note 8 Liabilities to credit institutions	15
— Note 9 Financial assets and liabilities subject to net settlement	15
— Note 10 Transactions with related parties	16
— Note 11 Other assets	17
— Note 12 Other liabilities and provision for accrued costs	17
— Note 13 Capital adequacy	18
— Note 14 Fixed-income securities	19
— Note 15 Loan loss provision	19
— Note 16 Contingent liabilities	22
— Note 17 Net gain/(loss) on financial instruments	22
— Note 18 Leases	22
— Note 19 Pension obligations - own employees	23
— Quarterly earnings trend	24
— Key figures - accumulated	25

Interim financial statements

KLP BANKEN GROUP Q1 2020

MAIN FEATURES BY FIRST QUARTER END:

- Stable lending growth
- Increased net interest income
- Market value of liquid investments down due to market turmoil

The KLP Banken Group provides lending to municipalities, county administrations and companies carrying out public sector assignments. Additionally the KLP Banken manages a lending portfolio on behalf of its parent company KLP (Kommunal Landspensjonskasse). The Group manages lending totaling NOK 110 (97)¹ billion. The overall business of KLP Banken AS and its subsidiaries is divided into the retail market and public sector loans business areas. The business is nationwide.

KLP Banken AS is owned 100 per cent by KLP through KLP Bankholding AS. KLP Banken AS has two wholly owned subsidiaries, KLP Kommunekreditt AS and KLP Boligkreditt AS.

INCOME STATEMENT

Net interest income for the KLP Banken Group by first quarter end 2020 amounted to NOK 78.5 (66.0) million. This development is mainly due to stable margins and growth in mortgage lending.

Operating expenses including depreciations amounted to NOK 61.3 (55.6) million. The quarterly increase is mainly in external operating costs.

Net charges and commission income increased by NOK 0.5 million, or 13 per cent, compared to the same period last year. This is mainly due to the loan volume increase in the retail market.

At the end of the first quarter, the income statement includes a net loss associated with securities of NOK -12.7 (-3.4) million. The change is mainly connected to decreased market value of the KLP Banken Group's investments in liquid bonds, due to market turmoil caused by the Covid-19 pandemic.

In addition to its own lending, the banking group administers housing mortgages and public sector

lending financed by its parent company (KLP). The management fee for this task amounted to NOK 14.8 million at the end of the first quarter, which is the same figure as last year.

Loan loss provisions and realized losses in total amounted to NOK 2.3 (1.9) million in the first quarter. The change is connected to an increase in expected loan loss provisions due to effects of the pandemic.

By the end of the first quarter, the KLP Banken Group had a pre-tax profit of NOK 21.6 (24.0) million. The retail market segment generated a profit of NOK 16.4 (18.4) million while the public sector segment achieved a profit of NOK 5.2 (5.6) million. Group total income after tax amounted to NOK 34.3 (16.5) million at the reporting date.

LENDING

On 31 March 2020, the KLP Banken Group had a lending balance of NOK 36.0 (33.7) billion. The distribution between the retail market and public sector lending was NOK 19.2 (17.0) billion and NOK 16.8 (16.7) billion, respectively.

So far this year the Group's mortgage lending balance increased by NOK 770 (325) million. The credit card lending balance is reduced by NOK 5 million since last year-end and amounted to NOK 59 million by the end of the quarter. Managed mortgages on behalf of KLP has increased by NOK 33 (-66) million in the quarter.

The public sector lending balance has increased during the quarter by NOK 0.2 (-0.1) billion. Managed public sector loans on behalf of KLP has increased by NOK 1.2 (0.7) billion in the same period.

KLP has contributed to satisfy municipal funding needs in a stressed market situation by extraordinary reallocation of pension funds.

LIQUID INVESTMENT

On the reporting date, the portfolio of liquid investments amounted to NOK 5.9 (3.1) billion. Net financial losses due to market value changes is commented above.

¹ Figures in parenthesis are from the corresponding period last year.

BORROWING

The KLP Banken Group's external financing comprise deposits, certificates and bonds. On the date of reporting, deposits from individuals and companies were NOK 12.0 (11.0) billion and issued securities amounted to NOK 28.1 (24.7) billion. Of the outstanding volume of issued securities, covered bonds (OMF) issued by KLP Kommunekreditt AS and KLP Boligkreditt AS amounted to NOK 18.1 (17.3) billion and NOK 9.0 (6.5) billion respectively. All covered bond issues have achieved AAA rating.

KLP Banken AS has utilized the opening of extended access to F-loans from Norges Bank (Norwegian Central Bank) in the first quarter. At the end of the quarter drawn amount amounted to NOK 1.5 billion. The loans are secured by deposit of securities of corresponding value.

OPERATIONS

Most of the KLP Banken employees have been working from home offices since March 13th, but the bank has been able to operate approximately as normal.

RISK AND CAPITAL ADEQUACY

The KLP Banken Group is exposed to various types of risks and the bank has established a framework for risk management aimed at ensuring that risks are identified, analysed and subjected to management using policies, limits, procedures and instructions.

The bank is to have a prudent risk profile and earnings are to be principally a result of borrowing and lending activity as well as liquidity management. This means that the bank is to have low market risk, and interest and foreign-exchange risk arising within the borrowing and lending activity is reduced using derivatives.

The KLP Banken Group and its subsidiaries are to have responsible long-term financing and limits have been established to ensure that that this objective is achieved.

The credit risk associated with the banking group assets is low and lending is mainly limited to loans with local government risk and loans with lien on housing property. Management of the bank's liquidity is conducted through investments in other banks satisfying given credit quality requirements and in securities in accordance with Board-approved credit lines.

At the end of the first quarter, eligible Tier 1 and Tier 2 capital i.a.w. the capital adequacy rules were NOK 2 285.1 (2 102.9) million. In February a capital increase of NOK 100 million was completed. Eligible Tier 1 and Tier 2 capital comprises core capital only. Lending is risk-weighted in accordance with the authorities' capital adequacy regulations. The KLP Banken Group had a capital adequacy ratio of 18.8 (19.0) per cent at the end of the first quarter. The minimum statutory requirement is 12.5 per cent core capital adequacy and 16.0 per cent capital adequacy. Leverage ratio was 5.1 (5.4) per cent. Here the requirement is 3.0 per cent.

SUMMARY OF PANDEMIC EFFECTS ON THE FINANCIAL STATEMENT

The market turmoil caused by the corona virus (Covid-19 pandemic) has decreased the market value of the Bank's liquid investments (see comments under Income Statement above). Further on, the reduced regulatory capital adequacy for the countercyclical capital buffer, has enhanced the Bank Group's capital adequacy position relative to the authoritative requirements. KLP Banken AS has, for the first time, utilized the extended access to F-loans in Norges Bank (Norway Central Bank). Loan loss provisions increased by 28 per cent in the first quarter of 2020, mainly due to the Bank's view of higher possibility for a negative market scenario following the virus situation and the market turmoil.

KLP Banken has made contributions to ease pandemic effects for its customers by reducing interest rates and fees as well as extended loan maturity and installment postponement.

Going forward it is expected that the conducted interest adjustments on lending will decrease lending margins, and thus reduce net interest income in the short term. The companies in the KLP Banken Group meets all statutory requirements for capital adequacy and liquidity and possess capacity for further growth. If the crisis persists it is expected that funding provided from KLP still may be used to maintain the financial capacity towards public sector borrowers and its members in the retail market.

Income statement

KLP BANKEN GROUP

NOTE	NOK THOUSANDS	Q1 2020	Q1 2019	01.01.2019 -31.12.2019
	Interest income, amortised cost	258 627	206 996	910 090
	Interest income at fair value	46 664	35 493	164 825
3	Total interest income	305 291	242 489	1 074 914
	Interest expense, amortized cost	-196 808	-145 220	-658 224
	Interest expense at fair value	-30 018	-31 232	-123 819
3	Total interest costs	-226 826	-176 453	-782 044
3	Net interest income	78 465	66 037	292 871
	Commission income and income from banking services	5 107	4 562	21 240
	Commission cost and cost from banking services	-465	-464	-2 040
	Net charges and commission income	4 641	4 098	19 200
	Other fee income	14 800	14 800	58 873
17	Net gain/ (loss) financial instruments	-12 732	-3 431	-30 159
	Total other operating income	2 068	11 369	28 713
	Salaries and administrative costs	-18 979	-19 060	-75 681
	Depreciation	-1 459	-2 764	-8 180
	Other operating expenses	-40 821	-33 769	-148 021
15	Net loan losses	-2 296	-1 878	-6 642
	Total operating expenses	-63 555	-57 472	-238 524
	Operating profit/loss before tax	21 620	24 032	102 260
	Tax ordinary income	22 974	-5 729	-24 737
	Profit/loss for the period	44 594	18 303	77 523
	Estimate difference, pension obligation and assets	-13 685	-2 393	7 182
	Tax on actuarial gains and losses	3 421	598	-1 796
	Items that will not be reclassified to profit and loss	-10 264	-1 795	5 387
	Changes in the fair value through profit and loss	0	0	0
	Tax on changes in fair value of available for sale financial assets	0	0	0
	Items that may be reclassified to profit and loss	0	0	0
	Other comprehensive income for the period	-10 264	-1 795	5 387
	Comprehensive income for the period	34 330	16 508	82 909

Balance sheet

KLP BANKEN GROUP

NOTE	NOK THOUSANDS	31.03.2020	31.03.2019	31.12.2019
ASSETS				
5	Claims on central banks	108 982	60 320	68 798
5	Loans to credit institutions	2 128 606	1 649 667	1 497 793
4,5	Loans to customers	35 965 714	33 697 919	34 933 743
5,6,14	Fixed-income securities	5 880 248	3 072 568	3 118 503
5,6	Shareholdings	2 053	2 053	2 053
5,6	Financial derivatives	71 753	69 534	40 849
	Deferred tax assets	9 310	4 446	10 196
	Fixed assets	479	628	511
18	Right-of-use assets	3 116	4 675	3 506
	Intangible assets	19 410	22 963	20 447
11	Other assets	63 458	847	2 309
Total assets		44 253 127	38 585 620	39 698 709
LIABILITIES AND OWNERS EQUITY				
LIABILITIES				
8	Debt to credit institutions	1 450 123	0	0
5,7	Debt securities issued	28 145 482	24 655 401	25 822 190
5	Deposits and borrowings from the public	12 034 471	11 031 424	11 486 525
5,6	Financial derivatives	124 236	104 929	64 455
18	Lease liabilities	3 191	4 697	3 573
12	Other liabilities	93 645	576 619	51 854
12	Provision for accrued costs and liabilities	75 231	58 390	49 550
Total liabilities		41 926 378	36 431 460	37 478 148
EQUITY				
	Share capital	1 065 000	1 057 500	1 057 500
	Share premium	825 000	732 500	732 500
	Other owners' equity	402 418	347 652	430 561
	Profit for the period	34 330	16 508	0
Total equity		2 326 749	2 154 160	2 220 561
Total liabilities and equity		44 253 127	38 585 620	39 698 709

Statement of changes in equity

KLP BANKEN GROUP

2020 NOK THOUSANDS	Share capital	Share premium	Other equity	Total owners' equity
Equity 1 January 2020	1 057 500	732 500	430 561	2 220 561
Profit for the period	0	0	44 594	44 594
Other comprehensive income	0	0	-10 264	-10 264
Total comprehensive income for the period	0	0	34 330	34 330
Group contribution received	0	0	51 740	51 740
Group contribution made	0	0	-51 740	-51 740
Tax on group contribution made 2019	0	0	-28 142	-28 142
Owners' equity received during the period	7 500	92 500	0	100 000
Total transactions with the owners	7 500	92 500	-28 142	71 858
Equity 31 March 2020	1 065 000	825 000	436 749	2 326 749

2019 NOK THOUSANDS	Share capital	Share premium	Other equity	Total owners' equity
Equity 1 January 2019	1 057 500	732 500	347 652	2 137 652
Profit for the period	0	0	18 303	18 303
Other comprehensive income	0	0	-1 795	-1 795
Total comprehensive income for the period	0	0	16 508	16 508
Group contribution received	0	0	0	0
Group contribution made	0	0	0	0
Total transactions with the owners	0	0	0	0
Equity 31 March 2019	1 057 500	732 500	364 160	2 154 160

2019 NOK THOUSANDS	Share capital	Share premium	Other equity	Total owners' equity
Owners' equity 1 January 2019	1 057 500	732 500	347 652	2 137 652
Income for the year	0	0	77 523	77 523
Other comprehensive income	0	0	5 387	5 387
Total comprehensive income for the period	0	0	82 909	82 909
Group contribution received	0	0	61 052	61 052
Group contribution made	0	0	-61 052	-61 052
Total transactions with the owners	0	0	0	0
Equity 31 December 2019	1 057 500	732 500	430 561	2 220 561

Statement of cash flow

KLP BANKEN GROUP

NOK THOUSANDS	Q1 2020	Q1 2019	Q1.01.2019 -31.12.2019
OPERATING ACTIVITIES			
Payments received from customers – interest, commission and charges	232 879	188 476	900 764
Payments to customers – interest, commission and charges	-48 179	-38 650	-173 230
Disbursements on loans to customers and credit institutions	-5 223 236	-1 929 980	-11 072 876
Receipts on loans to customers	4 272 999	1 710 566	9 535 488
Net receipts on customer deposits banking	548 561	370 365	824 798
Disbursements on operations	-36 662	-38 644	-151 461
Payments to staff, pension schemes, employer's social security contribution etc.	-20 047	-17 556	-78 646
Interest investment accounts	4 608	2 134	23 837
Net receipts/disbursements from operating activities	-40 704	27 269	31 807
Income tax paid	0	0	0
Net cash flow from operating activities	-309 781	273 980	-159 519
INVESTMENT ACTIVITIES			
Receipts on sale of securities	1 023 415	186 732	2 708 725
Payments on the purchase of securities	-3 790 618	-766 111	-3 810 624
Receipts of interest from securities	15 702	8 253	56 527
Payments on the purchase of tangible fixed assets	0	0	-1 614
Net cash flow from investment activities	-2 751 502	-571 125	-1 046 987
FINANCING ACTIVITIES			
Receipts on loans from credit institutions	1 450 000	0	0
Receipts on loans	2 799 992	1 550 000	9 000 000
Repayment and redemption of loans	-1 046 000	-1 125 000	-7 708 000
Change in payment for loan buybacks	520 000	171 000	484 000
Net payment of interest on loans	-164 422	-88 157	-465 689
Payment of lease liabilities	-392	-385	-1 542
Group contributions made	0	0	-19 431
Receipts on issue of owners' equity	100 000	0	0
Net cash flows from financing activities	3 659 178	507 458	1 289 339
Net cash flow during the period	597 895	210 312	82 833
Cash and cash equivalents at the start of the period	1 536 846	1 454 013	1 454 013
Cash and cash equivalents at the end of the period	2 134 742	1 664 325	1 536 846
Net receipts/disbursements (-) of cash	597 895	210 312	82 833

Notes to the accounts

KLP BANKEN GROUP

NOTE 1 General information

KLP Banken AS was formed on 25 February 2009. KLP Banken AS owns all the shares in KLP Kommunekreditt AS and KLP Boligkreditt AS. These companies together form the KLP Banken AS Group. KLP Banken AS Group provide or acquire loans to Norwegian municipalities and county authorities, as well as to companies with public sector guarantee. The lending activities are principally financed by issuance of covered bonds. The Group also offers standard banking products to private customers. KLP Banken AS is registered and domiciled in Norway. It's head office is at Beddingen 8 in Trondheim. The company has a branch office in Dronning Eufemiasgate 10, Oslo.

The company, KLP Banken AS, is a subsidiary of KLP Bankholding AS, which is in turn wholly owned by Kommunal Landspensjonskasse (KLP). KLP is a mutual insurance company.

NOTE 2 Accounting principles

The interim report includes the interim Financial Statements of KLP Banken Group for the period

1 January 2020 – 31 March 2020, with a specification of the results in the first quarter. The interim Financial Statements has not been audited.

The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The amendments to IAS 12 Income Tax, effective from 2019, will have an effect on the interim financial statements. The tax effect of all distributions in 2019 shall be recognized in period profit or loss, other income and expenses or in equity in accordance with where the company originally recognized the transactions that generated the distribution. This entails an income recognition of the tax effect on the group contribution provided in the income statement, which is recognized in other owners' equity. At the same time, this is offset against higher earnings, so that the net effect on equity is zero. Comparative figures are not changed.

Other accounting principles and calculations are the same in the interim financial statement as in the annual report for 2019.

NOTE 3 Net interest income

NOK THOUSANDS	Q1 2020	Q1 2019	01.01.2019 -31.12.2019
Interest income on loans to customers, amortised cost	252 650	203 790	892 192
Interest income on loans to credit institutions, amortised cost	5 977	3 207	17 898
Total interest income, amortised cost	258 627	206 996	910 090
Interest income on bonds and certificates, fair value	19 233	9 567	58 866
Other interest income, fair value	27 431	25 926	105 958
Total interest income, fair value	46 664	35 493	164 825
Total interest income	305 291	242 489	1 074 914
Interest expenses on debt to KLP Banken, amortised cost	-47 677	-38 312	-171 759
Interest expenses on issued securities, amortised cost	-149 115	-106 886	-486 384
Interest expense lease liabilities	-16	-23	-82
Total interest expenses, amortised cost	-196 808	-145 220	-658 224
Other interest expenses, fair value	-30 018	-31 232	-123 819
Total interest expenses, fair value	-30 018	-31 232	-123 819
Total interest costs	-226 826	-176 453	-782 044
Net interest income	78 465	66 037	292 871

NOTE 4 Loans to customers

NOK THOUSANDS	31.03.2020	31.03.2019	31.12.2019
Principal on loans to customers	35 697 179	33 488 972	34 769 527
Credit portfolio	59 131	65 586	63 945
Overdraft current account	518	479	506
Write-downs step 1 and 2	-1 671	-1 198	-1 328
Write-downs step 3	-2 783	-1 285	-2 547
Loans to customers after write-downs	35 752 375	33 552 554	34 830 101
Accrued interest	111 017	94 190	86 259
Premium/discount	-6 694	-10 624	-7 202
Fair value hedging	109 015	61 799	24 585
Loans to customers	35 965 714	33 697 919	34 933 743

NOTE 5 Categories of financial instruments

NOK THOUSANDS	31.03.2020		31.03.2019		31.12.2019	
	Capitalized value	Fair value	Capitalized value	Fair value	Capitalized value	Fair value
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS						
Fixed-income securities	5 880 248	5 880 248	3 072 568	3 072 568	3 118 503	3 118 503
Financial derivatives	71 753	71 753	69 534	69 534	40 849	40 849
Shares and holdings	2 053	2 053	2 053	2 053	2 053	2 053
Total financial assets at fair value through profit and loss	5 954 053	5 954 053	3 144 155	3 144 155	3 161 405	3 161 405
FINANCIAL ASSETS FAIR VALUE HEDGING						
Loans to and receivables from customers	3 116 524	3 113 411	3 489 033	3 531 287	2 897 943	2 935 099
Total financial assets fair value hedging	3 116 524	3 113 411	3 489 033	3 531 287	2 897 943	2 935 099
FINANCIAL ASSETS AT AMORTIZED COST						
Loans to and receivables from credit institutions	108 982	108 982	60 320	60 320	68 798	68 798
Loans to and receivables from central banks	2 128 606	2 128 606	1 649 667	1 649 667	1 497 793	1 497 793
Loans to and receivables from customers	32 849 189	32 837 187	30 208 885	30 198 769	32 035 800	31 676 869
Total financial assets at amortized cost	35 086 777	35 074 774	31 918 873	31 908 757	33 602 391	33 243 460
Total financial assets	44 157 354	44 142 238	38 552 061	38 584 198	39 661 739	39 339 964
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS						
Financial derivatives	124 236	124 236	104 929	104 929	64 455	64 455
Total financial liabilities at fair value through profit and loss	124 236	124 236	104 929	104 929	64 455	64 455
FINANCIAL LIABILITIES FAIR VALUE HEDGING						
Liabilities created on issuance of securities	1 856 891	1 858 798	1 898 706	1 918 731	1 793 121	1 809 391
Total financial liabilities fair value hedging	1 856 891	1 858 798	1 898 706	1 918 731	1 793 121	1 809 391
FINANCIAL LIABILITIES AT AMORTIZED COST						
Liabilities to credit institutions	1 450 123	1 450 123	0	0	0	0
Liabilities created on issuance of securities	26 288 591	26 237 102	22 756 695	22 882 572	24 029 069	24 120 851
Deposits from customers	12 034 471	12 034 471	11 031 424	11 031 424	11 486 525	11 486 525
Total financial liabilities at amortized cost	39 773 186	39 721 696	33 788 120	33 913 997	35 515 594	35 607 376
Total financial liabilities	41 754 312	41 704 730	35 791 755	35 937 657	37 373 171	37 481 222

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. A financial instrument is considered to be listed in an active market if the listed price is simply and regularly available from a stock market, dealer, broker, industry grouping, price setting service or regulatory authority, and these prices represent actual and regularly occurring transactions at arm's length. If the market for the security is not active, or the security is not listed on a stock market or similar, valuation techniques are used to set fair value. These are based for example on information on recently completed transactions carried out on business terms and conditions, reference to trading in

similar instruments and pricing using externally collected yield curves and yield spread curves. As far as possible the estimates are based on externally observable market data and rarely on company-specific information.

THE DIFFERENT FINANCIAL INSTRUMENTS ARE THUS PRICED IN THE FOLLOWING WAY:

FIXED-INCOME SECURITIES - GOVERNMENT

Bloomberg is used as a source for pricing Norwegian government bonds. It is Oslo Stock Exchange that provides the price (via Bloomberg). The prices are compared with the prices from Reuters to reveal any errors.

NOTE 5 Categories of financial instruments – continues**FIXED-INCOME SECURITIES - OTHER THAN GOVERNMENT**

Norwegian fixed-income securities, except government are priced directly on prices from Nordic Bond Pricing. Those securities that are not included in 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 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.

FINANCIAL DERIVATIVES

These transactions are valued based on the applicable swap curve at the time of valuation. Derivative contracts are to be used only to hedge balance amounts and to enable payments obligations to be met. Derivative contracts may be struck only with counterparties with high credit quality.

SHARES (UNLISTED)

For liquid shares and units, the closing price on the balance sheet date is used as the basis for measurement at fair value. If the prices are not quoted, the last price traded is used. Illiquid shares are priced on the basis of the Oslo Stock Exchange's index algorithm based on the last traded prices. If the price picture is out of date, a derived valuation is produced from relevant equity indices or other similar securities. If this is also considered unsatisfactory, a discretionary valuation is made in which the Company's financial key figures, broker assessment etc. are used.

FAIR VALUE OF LOANS TO RETAIL CUSTOMERS

The fair value through profit/loss is calculated by discounting contractual cash flows to present values. The discount

rate is determined as the market rate, including a suitable risk margin. For loans measured at fair value through other comprehensive income, the fair value is calculated as the recognised principal minus estimated loss provisions on loans classified in Stage 2 and 3 (see note 15 Loan losses provision).

FAIR VALUE OF LOANS TO NORWEGIAN LOCAL ADMINISTRATIONS

The fair value of these loans is considered to be virtually the same as the book value, as the contract terms are constantly adjusted in line with market interest rates. The fair value of fixed rate loans is calculated by discounting contractual cash flows by market interest rates including a suitable risk margin at the end of the reporting period. This is valued at Level 2 in the valuation hierarchy, cf. Note 6.

FAIR VALUE OF DEPOSITS

The fair value of floating rate deposits is taken to be approximately equal to the deposit amount including accrued interest. The fair value of fixed rate deposits is calculated by discounting contractual cash flows by market interest rates including a suitable risk margin. Discounting contractual cash flows by market interest rates including a suitable risk margin. This is valued at Level 2 in the valuation hierarchy, cf. Note 6.

FAIR VALUE OF LOANS TO AND RECEIVABLES FROM CREDIT INSTITUTIONS

All receivables from credit institutions (bank deposits) are at variable interest rates. The fair value of these is considered to be virtually the same as the book value, as the contract terms are continuously changed in step with change in market interest rates. This is valued at Level 2 in the valuation hierarchy, cf. Note 8. As the contract terms are continuously changed in step with change in market interest rates. This is valued at Level 2 in the valuation hierarchy, cf. Note 6.

LIABILITIES CREATED ON ISSUANCE OF SECURITIES

Fair value in this category is determined on the basis of internal valuation models based on external observable data. This is valued in Level 2 in the valuation hierarchy, cf. Note 6.

NOTE 6 Fair value hierarchy

31.03.2020 NOK THOUSANDS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
ASSETS BOOKED AT FAIR VALUE				
Fixed-income securities	259 935	5 620 312	0	5 880 248
Shareholdings	0	0	2 053	2 053
Financial derivatives	0	71 753	0	71 753
Total assets at fair value	259 935	5 692 065	2 053	5 954 053
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives (liabilities)	0	124 236	0	124 236
Total financial liabilities at fair value	0	124 236	0	124 236

31.03.2019 NOK THOUSANDS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
ASSETS BOOKED AT FAIR VALUE				
Fixed-income securities	146 661	2 925 907	0	3 072 568
Shareholdings	0	0	2 053	2 053
Financial derivatives	0	69 534	0	69 534
Total assets at fair value	146 661	2 995 441	2 053	3 144 155
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives (liabilities)	0	104 929	0	104 929
Total financial liabilities at fair value	0	104 929	0	104 929

31.12.2019 NOK THOUSANDS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
ASSETS BOOKED AT FAIR VALUE				
Fixed-income securities	259 574	2 858 929	0	3 118 503
Shareholdings	0	0	2 053	2 053
Financial derivatives	0	40 849	0	40 849
Total assets at fair value	259 574	2 899 778	2 053	3 161 405
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives (liabilities)	0	64 455	0	64 455
Total financial liabilities at fair value	0	64 455	0	64 455

NOK THOUSANDS	31.03.2020	31.03.2019	31.12.2019
CHANGES IN LEVEL 3 UNLISTED SHARES			
Opening balance	2 053	2 053	2 053
Additions/purchases of shares	0	0	0
Unrealized changes	0	0	0
Closing balance	2 053	2 053	2 053
Realized gains/losses	0	0	0

NOTE 6 Fair value hierarchy – cont.

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for at 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 listed in an active market if listed prices are simply and regularly available from a stock market, dealer, broker, industry group, 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 to which the entity has access at the reporting date. Examples of instruments in 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 non-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.

Note 5 discloses the fair value of financial assets and financial liabilities that are recognized at amortized cost and according to the rules on hedge accounting. Financial assets measured at amortized cost and hedge accounting comprise lending to and due to credit institutions, Norwegian municipalities and retail customers. The stated fair value of these assets is determined on terms qualifying for level 2. Financial liabilities recognized at amortized cost and hedge accounting consist of debt securities issued and deposits. The stated fair value of these liabilities is determined by methods qualifying for level 2.

There have been no transfers between level 1 and level 2.

NOTE 7 Securities liabilities - stock exchange listed covered bonds and certificates

NOK THOUSANDS	31.03.2020	31.03.2019	31.12.2019
Bond debt, nominal amount	28 921 992	26 441 000	27 168 000
Adjustments	63 262	33 579	21 526
Accrued interest	90 227	83 822	82 665
Own holdings, nominal amount	-930 000	-1 903 000	-1 450 000
Total debt securities issued	28 145 482	24 655 401	25 822 190
Interest rate on borrowings through the issuance of securities at the reporting date:	1.97 %	1.71 %	2.22 %
The interest rate is calculated as a weighted average of the act/360 basis. It includes interest rate effects and amortization costs.			

NOK THOUSANDS	Balance Sheet 31.12.2019	Issued	Matured/ Redeemed	Other Adjustments	Balance Sheet 31.03.2020
CHANGES IN SECURITIES LIABILITIES - STOCK EXCHANGE LISTED COVERED BONDS AND CERTIFICATES					
Bond debt, nominal amount	27 168 000	2 799 992	-1 046 000	0	28 921 992
Adjustments	21 526	0	0	41 736	63 262
Accrued interest	82 665	0	0	7 563	90 227
Own holdings, nominal amount	-1 450 000	0	520 000	0	-930 000
Total debt securities issued	25 822 190	2 799 992	-526 000	49 299	28 145 482

NOTE 8 Liabilities to credit institutions

NOK THOUSANDS	Due date	Nominal value	Accrued interest	Book Value 31.03.2020
Norges Bank	19.06.2020	200 000	29	200 029
Norges Bank	21.09.2020	250 000	25	250 025
Norges Bank	28.09.2020	300 000	7	300 007
Norges Bank	26.03.2021	700 000	63	700 063
Total liabilities to credit institutions		1 450 000	123	1 450 123

In the first quarter of 2020, KLP Banken AS applied F-loans from Norges Bank and was granted 4 loans with nominal value of NOK 1450 million.

NOTE 9 Financial assets and liabilities subject to net settlement

31.03.2020 NOK THOUSANDS				Related sums that are not presented net		
	Gross financial assets/liabilities	Gross assets/liabilities presented net	Book value	Financial instruments	Security in cash	Net recognised value
ASSETS						
Financial derivatives	71 753	0	71 753	-71 753	0	0
Total	71 753	0	71 753	-71 753	0	0
LIABILITIES						
Financial derivatives	124 236	0	124 236	-71 753	-6 415	46 068
Total	124 236	0	124 236	-71 753	-6 415	46 068

31.03.2019 NOK THOUSANDS				Related sums that are not presented net		
	Gross financial assets/liabilities	Gross assets/liabilities presented net	Book value	Financial instruments	Security in cash	Net recognised value
ASSETS						
Financial derivatives	69 534	0	69 534	-69 534	0	0
Total	69 534	0	69 534	-69 534	0	0
LIABILITIES						
Financial derivatives	104 929	0	104 929	-69 534	-8 902	26 493
Total	104 929	0	104 929	-69 534	-8 902	26 493

NOTE 9 Financial assets and liabilities subject to net settlement - cont.

31.12.2019 NOK THOUSANDS				Related sums that are not presented net		
	Gross financial assets/liabilities	Gross assets/ liabilities presented net	Book value	Financial instruments	Security in cash	Net recognised value
ASSETS						
Financial derivatives	40 849	0	40 849	-40 849	0	0
Total	40 849	0	40 849	-40 849	0	0
LIABILITIES						
Financial derivatives	64 455	0	64 455	-40 849	-6 409	17 197
Total	64 455	0	64 455	-40 849	-6 409	17 197

The purpose of the note is to show the potential effect of netting agreements at the KLP Banken AS Group . The note shows derivative positions.

NOTE 10 Transactions with related parties

NOK THOUSANDS	Q1 2020	Q1 2019	01.01.2019 -31.12.2019
KLP, fees lending management	14 800	14 800	58 843
KLP Kapitalforvaltning AS, fees for services provided	0	-42	-166
KLP, rent	-665	-685	-2 765
KLP Skipsbygget AS, rent	-605	-808	-1 632
KLP Bassengtomten AS, rent parking	-21	0	-63
KLP Eiendomsdrift AS, cost office buildings	0	-216	-449
KLP, pension premium	-2 714	-2 959	-12 329
KLP, staff services (at cost)	-16 719	-16 447	-66 865
KLP Group companies, subsidised interest employee loans	3 968	917	8 134

NOK THOUSANDS	31.03.2020	31.03.2019	31.12.2019
BALANCES			
KLP, net internal accounts	1 914	-1 847	912
KLP, loan settlement	-2 300	-62 068	-15 144
KLP Group companies, net other internal accounts	1 272	248	1 083

Transactions with related parties are carried out at general market terms, with the exception of the Company's share of common functions, which are allocated at cost. Allocation is based on actual use. All internal receivables are settled as they arise.

NOTE 11 Other assets

NOK THOUSANDS	31.03.2020	31.03.2019	31.12.2019
Intercompany receivables	54 926	673	2 189
Miscellaneous receivables	114	118	114
Prepaid expenses	8 418	56	6
Total other assets	63 458	847	2 309

NOTE 12 Other liabilities and provision for accrued costs

NOK THOUSANDS	31.03.2020	31.03.2019	31.12.2019
Creditors	3 630	2 053	2 741
Intercompany payables	54 040	64 340	15 339
Tax payable	28 143	19 431	28 143
Other liabilities	7 832	490 795	5 631
Total other liabilities	93 645	576 619	51 854
Withholding tax	1 550	1 553	2 622
Social security contributions	1 613	1 561	2 312
Capital activity tax	588	568	836
Holiday pay	7 084	6 489	5 540
Pension obligations	50 019	42 382	35 649
VAT	4	55	208
Provisioned costs	14 372	5 782	2 382
Total accrued costs and liabilities	75 231	58 390	49 550

NOTE 13 Capital adequacy

NOK THOUSANDS	31.03.2020	31.03.2019	31.12.2019
Share capital and share premium fund	1 890 000	1 790 000	1 790 000
Other owners' equity	430 561	347 652	430 561
Total owners' equity	2 320 561	2 137 652	2 220 561
Adjustments due to requirements for proper valuation	-5 880	-3 073	-3 119
Deduction goodwill and other intangible assets	-19 410	-22 963	-20 447
Deferred tax asset	-10 196	-8 667	-10 196
Core capital/Tier 1 capital	2 285 075	2 102 949	2 186 800
Supplementary capital/Tier 2 capital	0	0	0
Supplementary capital/Tier 2 capital	0	0	0
Total eligible own funds (Tier 1 and Tier 2 capital)	2 285 075	2 102 949	2 186 800
Capital requirement	974 251	884 149	914 461
Surplus of own funds (Tier 1 and Tier 2 capital)	1 310 824	1 218 800	1 272 340
ESTIMATE BASIS CREDIT RISK:			
Institutions	452 858	343 955	307 730
Retail	168 079	84 581	170 558
Local and regional authorities (incl. municipalities/county administrations)	3 453 586	3 355 399	3 348 562
Investments with mortgage security in real estate	6 792 248	6 293 618	6 575 624
Investments fallen due	110 644	78 638	97 389
Covered bonds	528 287	266 068	273 712
Other holdings	72 456	72 720	57 476
Calculation basis credit risk	11 578 156	10 494 979	10 831 051
Credit risk	926 253	839 598	866 484
Operating risk	47 880	44 435	47 880
Credit valuation adjustments (CVA)	119	116	97
Total capital requirement assets	974 251	884 149	914 461
Core capital adequacy ratio	18.8 %	19.0 %	19.1 %
Supplementary capital ratio	0.0 %	0.0 %	0.0 %
Capital adequacy ratio	18.8 %	19.0 %	19.1 %
Leverage ratio	5.1 %	5.4 %	5.4 %

CAPITAL REQUIREMENT PER 31.03.2020	Core capital/ Tier 1 capital	Supplementary capital Tier 2 capital	Own funds
Minimum requirement excl. buffers	4.5 %	3.5 %	8.0 %
Protective buffer	2.5 %	0.0 %	2.5 %
Systemic risk buffer	3.0 %	0.0 %	3.0 %
Counter-cyclical capital buffer	1.0 %	0.0 %	1.0 %
Pillar 2-requirement	1.5 %	0.0 %	1.5 %
Current capital requirement incl. buffers	12.5 %	3.5 %	16.0 %
Capital requirement leverage ratio	3.0 %	0.0 %	3.0 %

NOTE 14 Fixed-income securities

NOK THOUSANDS	31.03.2020		31.03.2019		31.12.2019	
	Acquisition cost	Market value	Acquisition cost	Market value	Acquisition cost	Market value
Certificates	454 434	455 074	146 633	146 661	238 331	238 517
Bonds	5 423 793	5 425 173	2 919 013	2 925 907	2 877 980	2 879 986
Total fixed-income securities	5 878 226	5 880 248	3 065 646	3 072 568	3 116 311	3 118 503

Fixed income securities are brought to account at market value, including accrued but not due interests.

NOTE 15 Loan loss provision

In first quarter 2020 the bank has conducted a revision of the assumptions in the macro scenarios in IFRS 9, due to the situation related to the spread of covid-19. The bank now sees it more likely that the negative scenario will occur than in previous quarters. Weighting of the probability of the three scenarios, expected, positive and negative, has changes. In addition to this, loans that are granted payment facilitation are moved to stage 2. This causes an increase in the calculated loan loss provision of about 28 percent from last quarter, of which 1 percent is due to the migration of loans to stage 2.

Refer to Note 18 and Note 2 in the annual report for more details of the model.

Expected credit loss (ECL) - loans to customers, all segments

NOK THOUSANDS	12-month ECL stage 1	Lifetime ECL (not credit impaired) stage 2	Lifetime ECL (credit impaired) stage 3	Total
Opening balance ECL 01.01.2020	3 955	205	2 549	6 710
Transfer to stage 1	61	-50	-11	0
Transfer to stage 2	-80	90	-10	0
Transfer to stage 3	-68	-31	100	0
Net changes	-185	81	-5	-109
New losses	198	19	0	217
Write-offs	-22	0	-172	-194
Change in risk model	890	118	335	1 343
Closing balance ECL 31.03.2020	4 748	431	2 786	7 966
Changes (01.01.2020 - 31.03.2020)	794	226	237	1 256

Expected credit loss (ECL) - loans to customers, amortised cost

NOK THOUSANDS	12-month ECL stage 1	Lifetime ECL (not credit impaired) stage 2	Lifetime ECL (credit impaired) stage 3	Total
Opening balance ECL 01.01.2020	1 183	148	2 547	3 878
Transfer to stage 1	52	-42	-10	0
Transfer to stage 2	-69	78	-10	0
Transfer to stage 3	-68	-30	99	0
Net changes	-126	72	-5	-59
New losses	112	17	0	129
Write-offs	-13	0	-172	-185
Change in risk model	255	102	334	692
Closing balance ECL 31.03.2020	1 327	346	2 783	4 456
Changes (01.01.2020 - 31.03.2020)	144	198	235	578

NOTE 15 Loan loss provision - cont.

Losses on unused credit

NOK THOUSANDS	12-month ECL stage 1	Lifetime ECL (not credit impaired) stage 2	Lifetime ECL (credit impaired) stage 3	Total
Opening balance ECL 01.01.2020	2 772	58	2	2 832
Transfer to stage 1	9	-8	-1	0
Transfer to stage 2	-11	11	0	0
Transfer to stage 3	0	-1	1	0
Net changes	-59	8	0	-50
New losses	86	1	0	88
Write-offs	-9	0	0	-9
Change in risk model	634	16	1	650
Closing balance ECL 31.03.2020	3 422	85	3	3 510
Changes (01.01.2020 - 31.03.2020)	650	28	1	679

Value of lending and receivables for customers recognised in the balance sheet - all segments

NOK THOUSANDS	12-month ECL stage 1	Lifetime ECL (not credit impaired) stage 2	Lifetime ECL (credit impaired) stage 3	Total
Gross lending 01.01.2020	34 780 207	53 202	86 038	34 919 447
Transfer to stage 1	18 265	-17 683	-582	0
Transfer to stage 2	-764 931	765 338	-407	0
Transfer to stage 3	-16 782	-14 008	30 790	0
Net changes	-218 379	827	1 141	-216 411
New losses	4 909 978	276 875	7 378	5 194 231
Write-offs	-3 981 886	-21 006	-27 158	-4 030 050
Gross lending 31.03.2020	34 726 472	1 043 545	97 199	35 867 217

Losses on lending and receivables from customers rated at amortised cost

NOK THOUSANDS	12-month ECL stage 1	Lifetime ECL (not credit impaired) stage 2	Lifetime ECL (credit impaired) stage 3	Total
Gross lending 01.01.2020	34 780 207	53 202	86 038	34 919 447
Transfer to stage 1	18 265	-17 683	-582	0
Transfer to stage 2	-764 931	765 338	-407	0
Transfer to stage 3	-16 782	-14 008	30 790	0
Net change	-218 379	827	1 141	-216 411
New lending	4 909 978	276 875	7 378	5 194 230
Write-offs	-3 981 886	-21 006	-27 158	-4 030 050
Gross lending 31.03.2020	34 726 472	1 043 545	97 199	35 867 217

NOTE 15 Loan loss provision - cont

Exposure - unused credit

NOK THOUSANDS	12-month ECL stage 1	Lifetime ECL (not credit impaired) stage 2	Lifetime ECL (credit impaired) stage 3	Total
Gross lending 01.01.2020	892 264	2 258	71	894 592
Transfer to stage 1	358	-330	-27	0
Transfer to stage 2	-1 143	1 143	0	0
Transfer to stage 3	-14	-28	42	0
Net change	12 960	-303	9	12 666
New lending	26 552	40	0	26 592
Write-offs	-22 437	0	0	-22 437
Gross lending 31.03.2020	908 539	2 779	95	911 413

Losses recognised in the profit and loss account consist of:

NOK THOUSANDS	Q1 2020	Q1 2019	01.01.2019 -31.12.2019
Change in loss provisions in stage 1, 2 and 3	-2 385	-1 773	-6 653
Established losses	-1	-113	-239
Recovery for previously established losses	91	8	250
Total losses in the income statement	-2 296	-1 878	-6 642

NOTE 16 Contingent liabilities

NOK THOUSANDS	31.03.2020	31.03.2019	31.12.2019
Credit facilities for lending not utilized	664 734	595 732	649 868
Credit facilities issued credit card	239 066	212 363	234 061
Loan promise	1 330 949	129 620	1 232 829
Total contingent liabilities	2 234 749	937 715	2 116 758

NOTE 17 Net gain/(loss) on financial instruments

NOK THOUSANDS	Q1 2020	Q1 2019	01.01.2019 -31.12.2019
Net gain/(loss) on fixed-income securities	-8 976	3 520	-1 214
Net gain/(loss) financial derivatives and realized repurchase of own debt	-3 469	-6 777	-27 854
Net value change lending and borrowing, hedge accounting	-22	157	50
Other financial income and expenses	-265	-331	-1 141
Total net gain/(loss) on financial instruments	-12 732	-3 431	-30 159

NOTE 18 Leases

NOK THOUSANDS	31.03.2020	31.03.2019	31.12.2019
RIGHT-OF-USE ASSETS	Property	Property	Property
Opening balance 01.01.	3 506	5 064	5 064
Depreciation	-390	-390	-1 558
Closing balance	3 116	4 675	3 506
LEASE LIABILITIES	Property	Property	Property
Opening balance 01.01.	3 573	5 064	5 064
Repayments	-382	-368	-1 491
Closing balance	3 191	4 697	3 573

NOK THOUSANDS	Q1 2020	Q1 2019	01.01.2019 -31.12.2019
Interest expense lease liabilities	16	23	82

NOTE 19 Pension obligations - own employees

NOK THOUSANDS	31.03.2020	31.03.2019	31.12.2019
Capitalized net liability	35 649	38 265	38 265
Pension costs taken to profit/loss	2 713	2 959	12 189
Finance costs taken to profit/loss	265	331	1 312
Actuarial gains and losses incl. socoal security contributions	13 685	2 393	-7 182
Premiums/supplement paid-in including admin	-2 293	-1 566	-8 934
Capitalized net liability	50 019	42 382	35 649

ASSUMPTIONS	31.03.2020	31.03.2019	31.12.2019
Discount rate	1.70%	2.40%	2.30%
Salary growth	2.25%	2.75%	2.25%
The National Insurance basic amount (G)	2.00%	2.50%	2.00%
Pension increases	1.24%	1.73%	1.24%
Social security contribution	14.10%	14.10%	14.10%
Capital activity tax	5.00%	5.00%	5.00%

Quarterly earnings trend

NOK MILLIONS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Interest income	305.3	295.7	276.7	255.9	242.5
Interest expense	-226.8	-212.2	-205.4	-183.9	-176.5
Net interest income	78.5	83.5	71.3	72.0	66.0
Commission income and income from banking services	5.1	5.6	5.8	5.3	4.6
Commission cost and cost from banking services	-0.5	-0.4	-0.6	-0.5	-0.5
Net charges and commission income	4.6	5.2	5.1	4.8	4.1
Other fee income	14.8	14.5	14.8	14.8	14.8
Net gain/ (loss) financial instruments	-12.7	-7.4	-11.2	-8.1	-3.4
Total other operating income	2.1	7.0	3.6	6.7	11.4
Salaries and administrative costs	-19.0	-22.0	-16.3	-18.2	-19.1
Depreciation	-1.5	-1.5	-1.6	-2.4	-2.8
Other operating expenses	-40.8	-46.8	-32.4	-35.1	-33.8
Net loan losses	-2.3	-0.5	-3.0	-1.3	-1.9
Total operating expenses	-63.6	-70.8	-53.3	-57.0	-57.5
Operating profit/loss before tax	21.6	24.9	26.7	26.6	24.0
Tax ordinary income	23.0	-6.1	-6.6	-6.4	-5.7
Profit/loss for the period	44.6	18.9	20.1	20.2	18.3
Other comprehensive income	-13.7	9.6	0.0	0.0	-2.4
Tax on other comprehensive income	3.4	-2.4	0.0	0.0	0.6
Other comprehensive income for the period	-10.3	7.2	0.0	0.0	-1.8
Comprehensive income for the period	34.3	26.1	20.1	20.2	16.5

Key figures - accumulated

NOK MILLIONS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Pre-tax income	21.6	102.3	77.3	50.6	24.0
Net interest income	78.5	292.9	209.4	138.1	66.0
Other operating income	19.4	78.1	58.4	38.5	18.9
Other operating cost and depreciation	-63.6	-238.5	-167.8	-114.4	-57.5
Net realized/unrealized change fin. instruments at fair value	-12.7	-30.2	-22.7	-11.6	-3.4
Deposits	12 034.5	11 486.5	11 648.7	11 464.8	11 031.4
Lending customers	19 142.5	18 386.6	17 745.6	17 351.0	17 038.2
Lending with public sector guarantee	16 823.2	16 547.1	16 524.4	16 293.0	16 659.7
Non-performing loans	97.2	86.0	68.5	59.7	62.0
Total liabilities created on issuance of securities	28 145.5	25 822.2	25 527.5	24 858.3	24 655.4
Other borrowing	0.0	0.0	0.0	0.0	0.0
Total assets	44 253.1	39 698.7	39 611.4	38 860.6	38 585.6
Average total assets	41 975.9	38 393.7	38 350.0	37 974.6	37 837.1
Equity	2 326.7	2 220.6	2 194.5	2 174.3	2 154.2
Interest net	0.19%	0.76%	0.55%	0.36%	0.17%
Profit/loss from ordinary operation before taxes	0.05%	0.27%	0.20%	0.13%	0.06%
Return on equity	3.89%	4.78%	4.82%	4.73%	4.50%
Capital adequacy ratio	18.8 %	19.1 %	19.1 %	19.7 %	19.0 %
Liquidity coverage ratio (LCR)	258%	313%	322%	340%	352%

**KLP BANKEN AS**

Beddingen 8, 7042 Trondheim

Organisasjonsnr.: 993 821 837

BESØKSADRESSE

Trondheim: Beddingen 8

Oslo: Dronning Eufemias gate 10

klpbanken.no

Tlf.: 55 54 85 00

klpbanken@klp.no