

A close-up photograph of a person's hand typing on a black computer keyboard. The hand is positioned on the left side of the keyboard, with fingers resting on the keys. The keyboard is white with black keys. In the background, a computer monitor is visible, displaying a blurred image of a cityscape or a similar scene. The overall lighting is soft and warm, creating a professional and focused atmosphere.

Interim report Q 1 2012
KLP Banken AS Group

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KLP Banken AS Group

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Income statement KLP Banken AS Group

Note	NOK thousands	Q1 2012	Q1 2011	01.01.2011- 31.12.2011
	Interest income and similar income	270 726	219 845	969 147
	Cost of interest and similar costs	-257 951	-208 561	-948 019
3	Net interest income	12 776	11 284	21 128
	Commission & banking svcs income	1 203	772	4 179
	Commission & banking svcs costs	-5	-25	-413
	Net charges and commission income	1 198	747	3 766
	Fees, lending management	28 336	16 874	59 630
	Net gain/(loss) fin. instrums. fair value	17 496	1 137	-6 796
	Total other operating income	45 832	18 011	52 834
	Salary and administrative costs	-12 097	-9 898	-44 833
	Depreciation	-534	-553	-2 241
	Other operating expenses	-20 776	-18 001	-92 558
	Total operating expenses	-33 406	-28 452	-139 632
	Loss on loans issued, guarantees etc.	0	0	-50
	Gains/losses on securities that are fixed assets	0	0	-204
	Operating income before tax	26 400	1 590	-62 158
	Tax on ordinary income	-10 679	-445	27 087
	Income	15 721	1 145	-35 071
	Other comprehensive income	0	0	0
	Other comprehensive income for the period after tax	0	0	0
	COMPREHENSIVE INCOME FOR THE PERIOD	15 721	1 145	-35 071

Financial position statement KLP Banken AS Group

Note	NOK thousands	31.03.2012	31.03.2011	31.12.2011
ASSETS				
	Lending to and receivables from credit institutions	1 474 253	1 078 627	1 610 889
4	Lending to and receivables from customers	26 387 393	26 408 259	28 415 577
	Interest-bearing securities	1 890 539	441 549	1 536 960
	Financial derivatives	102 994	11 898	70 165
	Deferred tax asset	17 383	0	21 949
	Tangible fixed assets	582	700	634
	Intangible assets	21 038	22 966	21 520
8	Other assets	37 406	272 950	26 386
	TOTAL ASSETS	29 931 590	28 236 950	31 704 079
LIABILITIES AND OWNERS' EQUITY				
LIABILITIES				
6	Debt to credit institutions	450 066	11 819 360	4 306 449
5	Liabilities created on issuance of securities	25 864 031	13 629 144	24 169 735
	Deposits	2 114 977	1 440 863	1 840 261
	Financial derivatives	214 571	130 962	192 594
	Deferred taxes	6 114	9 531	0
9	Other liabilities	90 913	8 502	18 584
9	Provision for accrued costs and liabilities	16 159	9 967	17 418
	TOTAL LIABILITIES	28 756 832	27 048 328	30 545 041
OWNERS' EQUITY				
	Share capital	750 000	750 000	750 000
	Share premium fund	271 371	306 443	271 372
	Other owners' equity	137 665	131 034	137 665
	Unallocated profit/loss	15 721	1 145	0
	TOTAL OWNERS' EQUITY	1 174 758	1 188 622	1 159 037
	TOTAL LIABILITIES AND OWNERS' EQUITY	29 931 590	28 236 950	31 704 079



Statement of owners' equity KLP Banken AS Group

2012 NOK thousands	Share capital	Share premium fund	Other owners' equity	Total owners' equity
Owners' equity 1 January 2012	750 000	271 372	137 665	1 159 037
Income	0	15 721	0	15 721
Other comprehensive income	0	0	0	0
Total comprehensive income	0	15 721	0	15 721
Total transactions with the owners	0	0	0	0
Owners' equity 31 March 2012	750 000	287 093	137 665	1 174 759

2011 NOK thousands	Share capital	Share premium fund	Other owners' equity	Total owners' equity
Owners' equity 1 January 2011	750 000	306 443	131 034	1 187 477
Income	0	1 145	0	1 145
Other comprehensive income	0	0	0	0
Total comprehensive income	0	1 145	0	1 145
Total transactions with the owners	0	0	0	0
Owners' equity 31 March 2011	750 000	307 588	131 034	1 188 622



Statement of cash flows KLP Banken AS Group

NOK thousands	31.03.2012	31.03.2011	2011
Operational activities			
Payments received from customers - interest, commission & charges	229 544	174 792	781 784
Payments to customers - interest, commission & charges	-18 614	-10 392	-50 230
Net receipts/disbursements on lending customers	2 083 245	-1 387 703	-2 043 066
Net receipts on customer deposits banking	274 716	415 129	814 527
Net receipts/disbursements on operations	-23 859	-112 671	-84 480
Payments to staff, pension schemes, employer's social security contribution etc.	-12 853	-11 039	-39 241
Tax and public charges paid	-43	0	0
Net interest investment accounts	47 804	92 329	51 774
Net receipts/disbursements regarding operating activities	25 559	3 742	108 499
Income tax paid	0	0	0
Net cash flows from operating activities	2 605 500	-835 813	-460 433
Investment activities			
Receipts regarding securities	0	0	98 680
Disbursements regarding securities	-280 599	-440 379	-1 618 210
Payments on the purchase of tangible fixed assets	0	-96	-272
Net cash flows from investment activities	-280 599	-440 475	-1 519 802
Financing activities			
Net receipts on loans from credit institutions	-2 197 411	2 516 051	15 901 453
Disbursements - loan repayment	0	0	-12 928 945
Net payment of interest on loans	-210 041	-162 468	-768 531
Net receipts/disbursements (-) on other short-term items	-20 215	-1 457 187	-43 127
Net cash flows from financing activities	-2 427 665	896 396	2 160 850
Net cash flows during the period	-102 764	-379 895	180 616
Cash and cash equivalents at the start of the period	1 523 225	1 342 609	1 342 609
Cash and cash equivalents held at the end of the period	1 420 461	962 714	1 523 225
Net receipts/disbursements (-) of cash	-102 764	-379 895	180 616
RECONCILIATION			
Income before tax	26 400	1 590	-62 158
Change in accounts receivable	0	-125	0
Change in accounts payable	0	687	646
Items classified as investment or financing activities	251 286	186 588	980 911
Changes in other accrued income and expenditure	2 327 812	-1 024 556	-1 379 832
Net cash flows from operating activities	2 605 500	-835 813	-460 433

Note 1 General information

KLP Banken AS was formed on 25 February 2009. The company offers standard banking products to personal banking customers. The bank is an online bank without branches. KLP Banken AS is registered and domiciled in Norway. Its head office is at Beddingen 8 in Trondheim. The Company has branch offices in Oslo.

KLP Banken AS owns all the shares in KLP Kreditt AS (formerly Kommunekreditt Norge AS) and KLP Kommunekreditt AS. The Company 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

This interim report covers the period 1 January to 31 March 2012. The accounts have not been audited.

The KLP Banken AS Group interim financial statements have been prepared in accordance with the Norwegian Regulation 1240 "Regulations on financial statements etc for banks, financial enterprises and their parent companies", hereinafter referred to as the Annual Accounts Regulations of 16 December 1998 and Norwegian Act No. 56 "Act regarding annual accounts etc (Accounting Act)" of 17 July 1998.

The Accounting Act and the regulations require that the Company uses international accounting standards (IAS/IFRS) approved by the EU in the preparation of the accounts but allows certain exceptions from IFRS through Regulation No. 57: "Regulations on simplified application of international accounting standards" of 21 January 2008 (hereinafter referred to as "the Simplification Regulations". The Simplification Regulations allow the presentation in the accounts of a provision for dividend and group contribution at the end of the reporting period even though the resolution is passed at a later date. This is the only accounting principle deviating in regard to IFRS.

These interim financial statements are presented in accordance with the same principles as the annual financial statements for 2011 and the interim report should therefore be read in conjunction with the latter. The annual financial statements are available at www.klp.no.

Note 3 Net interest income

NOK thousands	Q1 2012	Q1 2011	The year 2011
Interest on lending to and receivables from credit institutions	10 516	7 266	52 757
Interest on lending to customers	246 491	210 082	889 856
Interest on securities	13 719	2 497	26 534
Total interest income	270 726	219 845	969 147
Interest on debt to credit institutions	189 363	178 239	763 520
Interest on debt to KLP	30 142	19 981	109 717
Interest on debt to customers	36 490	10 318	67 414
Premium/discount on covered bonds	1 955	0	7 342
Other interest costs	1	23	26
Total interest costs	257 951	208 561	948 019
Net interest income	12 776	11 284	21 128

Note 4 Lending to customers

NOK thousands	31.03.2012	31.03.2011	31.12.2011
Lending to customers before write-downs	26 132 022	26 216 524	28 147 575
Individual write-downs	-9	0	-49
Lending to customers after individual write-downs	26 132 013	26 216 524	28 147 524
Accrued interest	188 464	172 641	166 605
Lending customers fair value hedging	64 872	0	101 449
Lending customers fair value adjustment	2 044	19 094	2 739
Lending to customers	26 387 393	26 408 259	28 415 577

Note 5 Securities liabilities issued

NOK thousands ISIN code	Nominal	Currency	Interest rate	Commencement	Due date	Accr. interest	31.03.2012 Book value
N00010585185	4 300 000	NOK	Variable	15.09.2010	15.09.2015	6 031	4 306 031
N00010592884	3 000 000	NOK	Variable	10.12.2010	10.12.2012	4 633	3 004 633
N00010592892	4 000 000	NOK	Variable	10.12.2010	10.12.2013	6 444	4 006 444
N00010592900	750 000	NOK	Fixed	15.12.2010	15.12.2020	10 180	760 180
XS0605180412	1 250 000	SEK	Variable	15.03.2011	15.03.2013	1 351	1 096 351
N00010609795	4 000 000	NOK	Variable	20.05.2011	20.05.2014	13 211	4 013 211
N00010614555	1 750 000	NOK	Variable	28.06.2011	28.06.2012	438	1 750 438
N00010624778	2 500 000	NOK	Fixed	15.09.2011	15.05.2015	47 771	2 547 771
XS0747335494	500 000	SEK	Variable	17.02.2012	17.02.2015	1 520	435 020
Amortisation / value adjustments							27 408
Total covered bonds issued							21 947 487
Certificate loan	500 000	NOK	Variable	16.12.2011	14.12.2012	735	500 735
Certificate loan	500 000	NOK	Fixed	17.01.2012	17.04.2012	2 805	502 805
Certificate loan	600 000	NOK	Fixed	17.01.2012	17.07.2012	3 662	603 662
Certificate loan	500 000	NOK	Variable	18.01.2012	18.01.2013	3 063	503 063
Certificate loan, KLP	500 000	NOK	Fixed	01.02.2012	02.05.2012	2 277	502 277
Certificate loan, KLP	500 000	NOK	Fixed	01.02.2012	01.06.2012	2 359	502 359
Certificate loan	300 000	NOK	Fixed	01.03.2012	31.08.2012	775	300 775
Secured bonds	500 000	NOK	Variable	12.03.2012	11.06.2013	869	500 869
Total liabilities issuance of certificate loans and secured bonds							3 916 543
Total liabilities created on issuance of securities							25 864 031



Note 5 Securities liabilities issued (continued)

NOK thousands ISIN code	Nominal	Currency	Interest rate	Commencement	Due date	Accr. interest	31.03.2011 Book value
N00010587793	3 000 000	NOK	Variable	15.09.2010	21.09.2011	3 480	3 003 480
N00010592884	1 500 000	NOK	Variable	10.12.2010	10.12.2012	2 585	1 502 585
N00010592892	3 000 000	NOK	Variable	10.12.2010	10.12.2013	5 390	3 005 390
XS0605180412	1 250 000	SEK	Variable	15.03.2011	15.03.2013	1 408	1 096 408
N00010585185	4 300 000	NOK	Variable	15.09.2010	15.09.2015	6 092	4 306 092
N00010592900	750 000	NOK	Fixed	15.12.2010	15.12.2020	10 114	760 114
Amortisation/value adjustments							-44 924
Total liabilities created on issuance of securities							13 629 144

NOK thousands ISIN code	Nominal	Currency	Interest rate	Commencement	Due date	Accr. interest	31.12.2011 Book value
N00010585185	4 300 000	NOK	Variable	15.09.2010	15.09.2015	7 208	4 307 208
N00010592884	3 000 000	NOK	Variable	10.12.2010	10.12.2012	5 500	3 005 500
N00010592892	4 000 000	NOK	Variable	10.12.2010	10.12.2013	7 600	4 007 600
N00010592900	750 000	NOK	Fixed	15.12.2010	15.12.2020	1 602	751 602
XS0605180412	1 250 000	SEK	Variable	15.03.2011	15.03.2013	1 597	1 096 597
N00010609795	4 000 000	NOK	Variable	20.05.2011	20.05.2014	15 443	4 015 443
N00010614555	2 900 000	NOK	Variable	28.06.2011	28.06.2012	938	2 900 938
N00010624778	2 000 000	NOK	Fixed	15.09.2011	15.05.2015	20 741	2 020 741
Amortisation/value adjustments							46 827
Total covered bonds issued							22 152 457

Certificate loan, KLP	1 000 000	NOK	Fixed	31.08.2011	01.02.2012	10 952	1 010 952
Certificate loan	500 000	NOK	Fixed	01.09.2011	01.03.2012	5 548	505 548
Certificate loan	500 000	NOK	Variable	16.12.2011	14.12.2012	778	500 778
Total liabilities issuance of certificate loans							2 017 278

Total liabilities created on issuance of securities							24 169 735
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Note 6 Debt to credit institutions

NOK thousands	Due date	Nominal	Accrued inter.	31.03.2012 Book value
Debt to KLP	15.06.2012	450 000	66	450 066
Total liabilities to credit institutions				450 066

NOK thousands	Due date	Nominal	Accrued inter.	31.03.2011 Book value
Debt to KLP	15.06.2011	3 200 000	3 787	3 203 787
Export finance loan 7	15.06.2011	4 294 016	14 677	4 308 693
Export finance loan 8	15.09.2011	4 294 016	12 862	4 306 878
Total liabilities to credit institutions				11 819 360

Beløp i hele 1 000 kroner NOK thousands	Due date	Nominal	Accrued inter.	31.12.2011 Book value
Debt to KLP	15.03.2012	4 300 000	6 449	4 306 449
Total liabilities to credit institutions				4 306 449

Note 7 Transactions with related parties

NOK thousands	31.03.2012	31.03.2011	31.12.2011
Income statement items			
KLP, fees income lending management	24 619	16 774	59 480
KLP, interest on borrowing	-22 746	-20 498	-109 717
KLP, interest on certificate loan	-7 396	0	-10 952
KLP Kapitalforvaltning, fees for services provided	-192	-144	-680
KLP, rent	-854	-851	-3 411
KLP, pension premium	-1 809	-807	-7 146
KLP, staff services (at cost)	-9 486	-8 241	-39 226
KLP Group companies, subsidised interest staff loans	0	0	655
Total	-17 864	-13 767	-110 997
Financial position statement items			
KLP, borrowing Group debt short-term	-450 066	-3 203 787	-4 306 449
KLP, certificate loans issued	-1 004 636	0	-1 010 952
KLP, net internal accounts	-2 264	-6 498	-10 580
KLP, clearance banking system	34 661	-29 353	19 128
KLP Kapitalforvaltning AS, net internal accounts	-200	-141	-171
KLP Group companies	28	0	149
Total	-1 422 477	-3 239 779	-5 308 875

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

Note 8 Other assets

NOK thousands	31.03.2012	31.03.2011	31.12.2011
Intra-Group accounts	34 662	132 186	21 943
Miscellaneous receivables	52	138 999	520
Prepaid expenses	2 692	1 765	3 923
Total other assets	37 406	272 950	26 386

Note 9 Other liabilities and provision for accrued costs

NOK thousands	31.03.2012	31.03.2011	31.12.2011
Creditors	1 818	1 861	1 817
Intra-Group accounts	2 466	6 641	16 767
Miscellaneous liabilities	86 629	0	0
Total other liabilities	90 913	8 502	18 584
Advances	970	888	2 170
Social security costs	959	860	1 562
Holiday Pay	4 088	3 878	3 344
Pension liabilities	7 364	4 186	7 421
VAT	62	155	2 922
Provisioned costs	2 716	0	0
Total accrued costs and liabilities	16 159	9 967	17 418

Note 10 Capital adequacy

NOK thousands	31.03.2012	31.03.2011	31.12.2011
Share capital and share premium fund	1 021 371	1 056 443	1 021 371
Other owners' equity	137 665	131 043	137 665
Owners' equity	1 159 036	1 187 486	1 159 036
Interim profit/loss	0	0	0
Deduction goodwill and other intangible assets	-21 038	-22 966	-21 520
Deferred tax asset	-21 949	0	-21 949
Core capital	1 116 049	1 164 520	1 115 567
Supplementary capital	0	0	0
Supplementary capital	0	0	0
Total Tier 1 and 2 capital to count	1 116 049	1 164 520	1 115 567
Capital requirement	519 232	527 963	619 028
Surplus of Tier 1 and 2 capital	596 817	636 557	496 539
Estimate basis credit risk			
Local and regional authorities (incl. municipalities)	4 986 150	4 895 563	5 727 763
Government-owned enterprises	0	47 763	0
States	3 450	0	0
Institutions	332 738	363 475	0
Investments with mortgage security in real estate	546 540	586 150	1 083 538
Investments fallen due	-	0	0
Covered bonds	177 788	0	0
Holdings securities	439	88 313	306 163
Other holdings	179 599	344 413	346 513
Estimate basis credit risk	6 226 703	6 325 675	7 463 975
Credit risk	498 136	506 054	597 118
Operational risk	21 096	21 910	21 910
Total capital requirement	519 232	527 964	619 028
Core capital adequacy ratio	17,2 %	17,6 %	14,4 %
Supplementary capital ratio	0,0 %	0,0 %	0,0 %
Capital adequacy ratio	17,2 %	17,6 %	14,4 %

Basel II regulations have been used in calculating capital adequacy.

The authorities' minimum requirement for capital adequacy is set at 8 per cent for financial institutions.

Note 11 Loss on loans issued etc..

NOK thousands	31.03.2012	31.12.2011
Known losses	0	40
Reversal of previous write-downs	0	0
Change in individual write-downs	0	9
Change in write-downs by group	0	0
Total losses on lending	0	49
Gross default exceeding 90 days	11 820	14 080
Gross other doubtful loans	0	0

Write-downs applied to housing lending. Losses or write-downs are not expected on loans in default in the public sector.

Note 12 Contingent liabilities

NOK thousands	31.03.2012	31.12.2011
Credit facilities for lending not utilised	44 666	99 328
Loan promise	66 949	80 709
Total conditional liabilities	111 615	180 037

Note 13 Key figures

Akkumulerte tall i millioner kroner	Q1-12	Q4-11	Q3-11	Q2-11	Q1-11
Pre-tax income	26,4	-62,2	-33,5	-20,9	1,6
Net interest income	12,8	21,1	11,1	10,1	11,3
Other operating income	29,5	63,4	46,2	30,9	17,6
Operating costs and depreciation	-33,4	-139,9	-97,7	-62,4	-28,5
Net realised/unrealis. change fin. instrum. at fair value	17,5	-6,8	7,0	0,5	1,1
Deposits	2 115,0	1 840,3	1 715,1	1 530,4	1 440,9
Housing mortgage lending	1 653,3	3 211,3	2 476,9	2 060,8	1 614,3
Lending with public sector guarantee	24 734,0	25 204,3	25 651,7	24 728,2	24 794,0
Defaulted loans	11,8	14,1	40,8	6,8	0,0
Borrowing on issuance of securities	25 864,0	24 169,7	22 131,7	18 634,7	13 629,1
Other borrowing	450,1	4 306,4	6 010,3	8 313,4	11 819,4
Total assets	29 931,6	30 545,0	31 386,5	29 859,3	28 237,0
Average total assets	30 238,3	29 205,1	29 625,8	28 862,2	28 051,0
Owners' equity	1 174,8	1 159,0	1 170,0	1 179,0	1 188,6
Interest net	0,04 %	0,07 %	0,04 %	0,04 %	0,04 %
Income from ordinary operation before taxes	0,09 %	-0,21 %	-0,11 %	-0,07 %	0,01 %
Income from ordinary op. excl. fair value assessments, pre-tax	0,03 %	-0,19 %	-0,14 %	-0,07 %	0,00 %
Return on owners' equity before tax	2,25 %	-5,36 %	-2,86 %	-1,78 %	0,13 %
Capital adequacy ratio	17,2 %	14,4 %	15,6 %	17,1 %	17,6 %
Number of personal customers	18 715	15 622	13 535	12 555	10 082
Of which members of KLP	10 539	9 151	8 217	7 495	5 936





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