

Note 33 - Pension

General description of the company's pension obligations

Pensions

Defined benefit scheme

This pension scheme is administered by a pension fund conferring entitlement to specific future pension benefits from age 67. The schemes include children's pension and disability pension under further rules. The Group's defined benefit pension scheme assures the majority of employees a pension of 68 per cent of final salary up to 12G. The defined benefit scheme is closed to new members.

Defined contribution scheme

Under the defined contribution pension scheme the Group does not provide a future pension of a given size, but pays an annual contribution to the employees' collective pension savings. Future pension will depend on the size of the contribution and the annual return on the pension savings. The Group has no further obligations with regard to the employee's labour contribution after the employer's annual contribution has been paid. Defined contribution schemes are directly expensed. The Group has made a defined contribution pension scheme available to its employees since 1 January 2008.

Early retirement pension scheme

The banking and financial industry has established an agreement on a contractual early retirement pension scheme ("AFP") for employees from age 62 to 67. The bank pays 100 per cent of the pension paid from age 62 to 64 and 60 per cent of the pension paid from age 65 to age 67. Admission of new retirees ceased with effect from 31 December 2010.

Early retirement pension scheme, new arrangement

The Act relating to state subsidies in respect of employees who take out contractual early retirement pension in the private sector (AFP Subsidies Act) entered into force on 19 February 2010. Employees who take out contractual early retirement with effect in 2011 or later will receive benefits under the new scheme. The new AFP scheme represents a lifelong add-on to National Insurance and can be taken out from age 62. The employer's premium is determined as a percentage of salary payments between 1G and 7.1G. In keeping with the recommendation of the Norwegian Accounting Standards Board, no provision was made in the financial year for the group's de facto AFP obligation. This is because the office coordinating the schemes run by the main employer and trade union organisations has so far not performed the necessary calculations.

For further details of the Group's pension schemes see Note 2 on accounting principles and Note 9 on personnel expenses.

Actuarial assumptions	2011		2010		2009	
	Costs	Commitment	Costs	Commitment	Costs	Commitment
Discount rate	4.0 %	2.6 %	4.4 %	4.0 %	4.0 %	4.4 %
Expected rate of return on plan assets	5.7 %	4.1 %	6.3 %	5.7 %	6.0 %	6.3 %
Expected future wage and salary growth	3.5 %	3.3 %	4.0 %	3.5 %	4.5 %	4.0 %
Expected adjustment of basic amount (G)	3.8 %	3.3 %	4.3 %	3.8 %	4.0 %	4.3 %
Expected increase in current pension	2.0 %	0.4 %	2.0 %	2.0 %	3.6 %	2.0 %
Employers contribution	14.1 %	14.1 %	14.1 %	14.1 %	14.1 %	14.1 %
Expected voluntary exit before/after 50 yrs	2/0 %	2/0 %	2/0 %	2/0 %	2/0 %	2/0 %
Estimated early retirement outtake at age 62/64	25/50 %	25/50 %	25/50 %	25/50 %	50/100 %	25/50 %

Parent Bank			Net pension liability in the balance sheet (NOK million). Financial position 1 Jan.	Group		
2009	2010	2011		2011	2010	2009
795	653	609	Net present value of pension liabilities in funded schemes	633	679	843
-530	-600	-656	Estimated value of pension assets	-675	-615	-549
264	53	-47	Net pension liability in funded schemes	-42	64	294
-234	26	0	Estimated discrepancies not incl in profit and loss account	2	31	-254
-1	-1	-1	Non-recorded effect of plan change	-1	-1	-1
30	78	48	Net pension liability in the balance sheet before employer's contribution	-41	94	39
37	15	5	Employer's contribution	5	16	41
67	93	-43	Net pension liability in the balance sheet	-36	110	81

Distribution of liability between unfunded and funded pension scheme, Group

Group	2011			2010			2009		
	Funded	Unfunded	Total	Funded	Unfunded	Total	Funded	Unfunded	Total
Present value of pension liability in funded schemes	599	34	633	569	110	679	673	170	843
Fair value of pension assets	-675	-	-675	-615	-	-615	-549	-	-549
Net pension liability in funded schemes	-76	34	-42	-46	110	64	124	170	294
Unrecognised estimate variance (possible actuarial gain/loss)	-9	11	2	-33	64	31	-230	-24	-254
Unrecognised previous periods' accrual	-1	0	-1	-1	-	-1	-1	-	-1
Net pension liability in the balance sheet before employer's contribution	-86	45	-41	-81	174	94	-107	146	39
Employer's contribution	1	5	5	1	16	16	18	24	41
Net pension liability in the balance sheet after employer's contribution	-85	49	-36	-80	190	110	-89	170	81

2009	2010	2011	Pension cost for the year	2011	2010	2009
42	27	26	Present value of pension accumulated in the year	29	29	49
31	27	24	Interest cost of pension liabilities	25	28	33
-32	-38	-36	Expected rate of return on plan assets	-37	-39	-33
-	-14	-2	Actuarial gains or losses	-2	-15	-
14	8	-	Previous periods' accrual recognised in the period	-	8	15
56	9	12	Net defined-benefit pension cost without employer's contribution	14	10	64
6	4	0	Employer's contribution - subject to accrual accounting	1	4	7
-	-27	-	Curtailment (transition to defined contribution pension)	-	-30	-4
-	-81	-	Settlement (transition to defined contribution pension)	-	-90	-1
-	-	-	Effect (phase-out of the scheme)	-	-	2
62	-96	12	Net pension cost related to defined benefit plans	14	-105	68
-	-	4	Early retirement pension scheme, new arrangement	4	-	-
5	6	8	Cost of defined contribution pension	13	13	9
67	-90	24	Total pension cost	32	-92	77
19	-116	2	Of which unfunded pension commitment	2	-128	21

2009	2010	2011	Movement in net pension liability in the balance sheet	2011	2010	2009
67	93	-43	Net pension liability in the balance sheet 1.1	-36	110	81
-	-	-	Curtailment/Settlement	14	-	-
62	-96	12	Net defined-benefit costs in profit and loss account incl. curtailment/settlement	-	-105	68
-36	-38	-12	Paid-in pension premium, defined-benefit schemes	-14	-40	-39
93	-42	-42	Net pension liability in the balance sheet 31.12	-35	-35	110

2009	2010	2011	Financial status 31.12	2011	2010	2009
602	611	679	Pension liability	706	633	627
-567	-640	-670	Value of pension assets	-690	-657	-582
46	-17	-56	Deferred loss/gain	-57	-16	52
-1	-1	-1	Previous periods' accrual recognised in the period	-1	-1	-1
80	-47	-48	Net pension liability before employer's contribution	-41	-41	96
12	5	5	Employer's contribution	6	5	14
93	-42	-42	Net pension liability after employer's contribution *	-35	-35	110

* Presented gross in the Group accounts

Breakdown of financial status 31.12 between secured and unsecured pension scheme, Group

Group	2011			2010			2009		
	Funded	Unfunded	Total	Funded	Unfunded	Total	Funded	Unfunded	Total
Pension liability	668	38	706	599	34	633	534	93	627
Value of pension assets	-690	-	-690	-657	-	-656	-582	-	-582
Deferred loss/gain	-53	-4	-57	-26	11	-16	-32	84	52
Deferred plan change	-1	-	-1	-1	-	-1	-1	-	-1
Net pension liability before employer's contribution	-75	34	-41	-86	45	-40	-81	177	96
Employer's contribution	1	5	6	1	5	5	1	13	14
Net pension liability after employer's contribution	-74	39	-35	-85	49	-35	-80	190	110

2009	2010	2011	Members	2011	2010	2009
961	975	921	Number of persons included in pension scheme	952	1,005	1,025
606	623	560	of which active	588	650	663
355	352	361	of which retirees and disabled	364	355	362

Investment og pension assets in the pension fund	2011	2010	2009
Current bonds	142	157	127
Bonds held to maturity	275	255	264
Money market	32	40	27
Equities	177	230	193
Real estate	16	15	14
Total	641	697	625