

Q2 Interim report 2025

KLP Banken Group



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KLP Banken Group

Interim Financial Statements 2/2025

Main features by second quarter:

- Good P&L development
- Moderate lending growth
- Strong deposit growth

The KLP Banken Group finances mortgages and other credit in the retail market, as well as lending to municipalities, county authorities and companies carrying out public sector assignments. Additionally, the KLP Banken Group manages a lending portfolio on behalf of its parent company Kommunal Landspensjonskasse (KLP). The Group manages a lending total of NOK 131 (125)¹ billion. The lending business is nationwide and divided into the business areas of the retail market and the public sector market.

In the retail market, the bank offers products and services on competitive terms to help make employers who have chosen KLP as their pension provider more attractive to employees.

In the public sector lending market, KLP Kommunekreditt AS, together with KLP, aims to promote competition and thereby ensure that the sector has access to favorable long-term financing.

KLP Banken AS is wholly owned by KLP. KLP Banken AS has two wholly owned subsidiaries, KLP Kommunekreditt AS and KLP Boligkreditt AS. The main office is in Trondheim.

Income statement

KLP Banken Group's operating profit before tax at the end of the first half of the year was NOK 184.2 (166.9) million. The result for the second quarter alone was NOK 107.5 (91.8) million. The change in profit is mainly due to net interest income from the retail market and income from financial instruments increasing more than the bank's costs.

Segmented profit before tax shows NOK 140.7 (121.9) million from the retail market and NOK 43.5 (45.0) million from the public sector market. After tax and estimate deviations, the Group's total comprehensive income was NOK 174.3 (173.1) million.

Net interest income in KLP Banken Group for the first half of the year was NOK 271.0 (254.6) million. The increase is mainly due to slightly lower funding costs, which have improved margins between lending and

¹Figures in parenthesis refer to the corresponding period last year.

financing in the retail market. A strong increase in deposits from personal customers compared to last year has also contributed.

At the end of the quarter, the income statement includes a net gain from changes in the value of financial instruments of NOK 9.1 (5.9) million. This result effect is mainly related to buybacks of the bank's own issued debt and changes in the market value of the bank's liquidity placements.

Net fees and commission income amounted to NOK 16.8 (15.1) million for the second quarter.

The banking group manages residential and public sector loans financed by the parent company (KLP). The management fee for this assignment amounted to NOK 31.3 (31.3) million for the first half of the year.

Operating expenses and depreciations have been recorded at NOK -144.7 (-140.0) million so far this year. Most of the increase is due to inflation in the cost of external services and wage growth. Other operating expenses also include reimbursements to customers due to fraud, totaling NOK -0.4 (-0.6) million.

Credit losses and loss provisions in the retail market so far in 2025 amount to NOK 0.7 (0.0) million. The change from the same period last year is mainly due to the reversal of historical loss provisions. KLP Banken does not see a significant increase in losses or provisions on mortgages and credit cards compared to last year. So far in 2025, there have also been no confirmed losses related to public sector loans.

Lending and credits

KLP Banken manages loans on its own balance sheet as well as loans financed by KLP, totaling NOK 131 (125) billion. As of June 30, 2025, loans to customers on the Group's own balance sheet amounted to NOK 44.2 (42.8) billion. The distribution between the retail market and public sector loans was NOK 24.4 (24.5) billion and NOK 19.8 (18.3) billion, respectively.

Growth in outstanding residential mortgages during the first half of the year was NOK 0.3 (0.5) billion. New mortgage disbursements so far this year total NOK 3.8 (3.8) billion. The bank's primary target group for mortgages is members of KLP's pension schemes.

Mortgages totaling NOK 1.0 (1.6) billion were sold from KLP Banken AS to the credit institution KLP Boligkreditt AS in the first half of the year. The volume of mortgages managed on behalf of KLP has remained relatively stable and amounted to NOK 3.4 billion at the end of the quarter.

Outstanding drawn credit on credit cards has slightly decreased during the first half of the year, but the number of active credit card customers and approved credit limits continues to grow steadily.

The KLP Banken Group's lending volume in the public sector market has increased by NOK 1.1 (-0.7) billion so far this year. Loans to public sector borrowers managed on behalf of KLP have increased by NOK 0.3 (1.8) billion. New disbursements to public sector borrowers in the first half of the year total NOK 5.5 (4.2) billion for KLP and the KLP Banken Group combined.

Liquidity investments

Available liquidity is placed in other banks and in interest-bearing securities. At the end of the second quarter, KLP Banken Group's placements in credit institutions amounted to NOK 1.8 (1.8) billion. The book value of interest-bearing securities measured at fair value was NOK 4.9 (5.1) billion.

Changes in market value of interest-bearing securities have contributed to a profit effect of NOK 13.3 (13.2) million in the first half of the year.

Funding

KLP Banken Group's external financing consists of deposits and bonds. At the reporting date, deposits from individuals and businesses amounted to NOK 17.2 (15.6) billion. Deposit growth so far this year is close to 9 percent. KLP Banken's focus on attractive deposit products has led to strong growth in new deposit and everyday banking customers.

Debt incurred by issuing securities in the KLP Banken Group was NOK 30.2 (30.8) billion at the end of the second quarter. Of this, covered bonds (OMF) issued by KLP Kommunekreditt AS accounted for NOK 19.1 (18.8) billion, and by KLP Boligkreditt AS NOK 10.2 (11.1) billion. All OMF issuances have achieved an Aaa rating. The bond debt in KLP Banken AS was NOK 0.8 (0.8) billion.

The profit effect of realized and unrealized value changes from buybacks of the bank's own bond issuances as of the second quarter was NOK -5.3 (-8.9) million.

Risk and capital adequacy

KLP Banken Group is exposed to various types of risk and has established a risk management framework to ensure that risks are identified, analysed, and managed through guidelines, limits, procedures, and instructions.

The bank is to maintain a conservative risk profile, and earnings should primarily result from lending and deposit activities as well as liquidity management. This implies that the business should have low market risk, and that interest rate risk arising from lending and borrowing activities is mitigated through the use of derivatives.

KLP Banken Group and its subsidiaries must maintain sound long-term funding in accordance with regulatory requirements, and limits have been established to ensure this objective is met.

The bank's credit risk is low, and lending is primarily limited to loans with municipal risk and loans secured by real estate. The bank's liquidity is managed through placements in other banks and in securities that meet specified credit quality requirements in line with board-approved credit lines.

Equity capital in accordance with capital adequacy regulations at the end of the second quarter of 2025 was NOK 3,345 (3,088) million. The equity capital consists solely of core capital. Loans are risk-weighted according to the capital requirements regulation. KLP Banken Group had a capital adequacy ratio and core

capital ratio of 26.9 (20.9) percent at the reporting date. The applicable capital requirements, including buffer requirements, are 14.8 percent for core capital and 18.6 percent for total capital. The leverage ratio was 6.4 (6.1) percent, with a requirement of 3.0 percent.

Outlook

KLP Banken Group's target group in the retail market consists of KLP's members—employees of KLP's owner-customers and pensioners. This represents a significant portion of the population, and the foundation for further developing the Group's position among these individuals is considered strong. KLP Banken Group will continue to work on developing favorable and relevant products and services for its members.

In recent years, macroeconomic uncertainty has affected Norwegian households. In particular, inflation and high interest rates have dampened consumption and investment. Although interest rates now appear to be declining, low mortgage growth is still expected for some time. KLP's members, who are primarily public sector employees and their households, are more shielded from employment-related risks due to their roles in municipalities and health enterprises. KLP Banken Group therefore assumes that the risk of defaults and losses will remain limited in the future. The bank maintains its growth ambitions for deposits, primarily by attracting more deposit customers.

Household debt is subject to strict government regulations on credit issuance in the retail market. KLP Banken Group sees this as a solid foundation for further development of its banking products and services in the retail market. The Group will continue its conservative credit approval practices to maintain low risk in its loan portfolios, while also supporting customers facing challenges during difficult times as far as possible.

The banking industry is at the forefront of technological development, and customer expectations for simple and digital solutions are increasing. KLP Banken Group aims to leverage proven technology to offer relevant, user-friendly, and efficient services. This requires ongoing IT investments to achieve the bank's goals for continued growth and profitability.

Norwegian municipalities have developed a strong and comprehensive service offering for the population. Increased life expectancy, demographic changes, income development, and climate risk suggest a continued high level of investment in the public sector in the coming years. Higher costs due to increased interest rates do not appear to have reduced lending growth compared to recent years. In its annual budget survey, KS (the Norwegian Association of Local and Regional Authorities) indicates that investment and borrowing levels are expected to remain high going forward. Demand for loans to projects that support climate adaptation is also expected to continue rising.

KLP Kommunekreditt AS is the only credit institution in Norway that issues covered bonds secured by loans to the public sector. The presence of KLP Kommunekreditt AS, together with KLP, in the public lending market contributes to competition and ensures that the public sector has stable access to long-term financing on favorable terms.

KLP Banken AS has strong financial solidity and an equity position that meets all regulatory requirements. Combined with low credit risk in its lending operations, this provides a solid foundation for accessing the best possible funding in the capital markets.

The Capital Requirements Regulation CRR3 came into effect in Norway on April 1, 2025. The new rules reduce capital requirements for residential mortgages for banks using the standard method to calculate capital requirements, such as KLP Banken Group. These changes will help level the playing field between standard method banks and IRB banks. For KLP Banken Group, the changes will reduce capital requirements by NOK 400–500 million.

KLP Banken is well positioned for further development and growth.

Trondheim, 14 August 2025

SVERRE THORNES

Chair

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Deputy Chair

JANICKE E. FALKENBERG

ANNE BJERTNÆS

PER KRISTIAN VAREIDE

JONAS V. KÅRSTAD

Elected by and from
employees

ELLEN WINGE LER

Elected by and from
employees

MARIANNE SEVALDSEN

Managing Director

Income statement

KLP Banken Group

NOTES	NOK THOUSANDS	Q2 2025	Q2 2024	01.01.2025 -30.06.2025	01.01.2024 -30.06.2024	01.01.2024 -31.12.2024
	Interest income, effective interest method	619 480	600 433	1 215 314	1 195 685	2 401 323
	Other interest income	105 691	98 731	235 746	192 974	447 209
3	Total interest income	725 171	699 164	1 451 060	1 388 659	2 848 532
	Interest expense, effective interest method	-550 639	-536 361	-1 105 962	-1 064 925	-2 186 588
	Other interest expense	-36 564	-34 857	-74 111	-69 168	-141 716
3	Total interest costs	-587 203	-571 218	-1 180 073	-1 134 093	-2 328 304
3	Net interest income	137 968	127 945	270 988	254 566	520 228
	Commission income and income from banking services	9 827	9 111	18 602	16 515	36 160
	Commission cost and cost from banking services	-849	-684	-1 773	-1 403	-2 929
	Net charges and commission income	8 978	8 426	16 828	15 112	33 231
	Other fee income	15 632	15 682	31 264	31 264	62 529
16	Net gain/ (loss) financial instruments	7 781	-972	9 088	5 929	-6 953
	Total other operating income	23 413	14 711	40 352	37 194	55 576
	Salaries and administrative costs	-18 135	-17 253	-44 409	-42 814	-97 239
	Depreciation	-584	-808	-1 196	-1 616	-3 249
	Other operating expenses	-43 651	-42 371	-99 135	-95 525	-182 165
14	Net loan losses	-457	1 146	742	30	-1 009
	Total operating expenses	-62 826	-59 285	-143 998	-139 925	-283 662
	Operating profit/loss before tax	107 534	91 797	184 170	166 947	325 373
	Tax ordinary income	-6 563	-5 142	-5 512	-6 091	-10 418
	Profit/loss for the period	100 970	86 655	178 658	160 855	314 955
	Estimate differences, pensions for own employees	-5 688	6 193	-5 804	16 334	23 019
	Tax on estimate changes related to defined-benefit pension schemes	1 422	-1 548	1 451	-4 084	-5 755
	Other income and expenses that will not be reclassified to profit/loss	-4 266	4 644	-4 353	12 251	17 264
	Changes in value of assets recognised at fair value through other income and expenses	0	0	0	0	0
	Tax on changes in fair value of available for sale financial assets	0	0	0	0	0
	Other income and expenses that may be reclassified to profit/loss	0	0	0	0	0
	Total other income and expenses	-4 266	4 644	-4 353	12 251	17 264
	Comprehensive income for the period	96 705	91 299	174 305	173 106	332 220

Balance sheet

KLP Banken Group

NOTES	NOK THOUSANDS	30.06.2025	30.06.2024	31.12.2024
ASSETS				
5	Claims on central banks	75 882	74 826	76 375
5	Loans to credit institutions	1 784 818	1 842 170	1 196 476
4,5	Loans to customers	44 203 264	42 804 313	42 836 270
5,6,13	Fixed-income securities	4 939 510	5 096 525	7 579 182
5,6	Shareholdings	12 381	1 852	1 853
5,6,8	Financial derivatives	80 779	113 546	83 852
	Intangible assets	12 609	13 262	12 869
17	Right-of-use assets	11 689	13 560	12 625
	Fixed assets	436	436	436
10	Other assets	12 636	12 107	2 677
	Total assets	51 134 003	49 972 597	51 802 615
LIABILITIES AND OWNERS EQUITY				
LIABILITIES				
5,7	Debt securities issued	30 156 897	30 766 945	32 334 498
5	Deposits and borrowings from the public	17 151 300	15 628 805	15 800 651
5,6,8	Financial derivatives	23 747	32 249	38 057
	Deferred tax liabilities	4 751	3 820	71 880
17	Lease liabilities	12 556	14 290	13 433
11	Other liabilities	190 984	202 860	66 982
11	Provision for accrued costs and liabilities	57 069	43 790	38 162
	Total liabilities	47 597 304	46 692 758	48 363 664
EQUITY				
	Share capital	1 140 000	1 140 000	1 140 000
	Share premium	1 050 000	1 050 000	1 050 000
	Other accrued equity	1 172 394	916 733	1 248 952
	Profit for the period	174 305	173 106	0
	Total equity	3 536 699	3 279 839	3 438 952
	Total liabilities and equity	51 134 003	49 972 597	51 802 615

Statement of changes in equity

KLP Banken Group

2025 NOK THOUSANDS	Share capital	Share premium	Other accrued equity	Total owners' equity
Equity 1 January 2025	1 140 000	1 050 000	1 248 952	3 438 952
Profit for the period	0	0	178 658	178 658
Other income and expenses	0	0	-4 353	-4 353
Total comprehensive income for the period	0	0	174 305	174 305
Group contribution received during the period	0	0	244 884	244 884
Group contribution paid during the period	0	0	-321 441	-321 441
Total transactions with the owners	0	0	-76 558	-76 558
Equity 30 June 2025	1 140 000	1 050 000	1 346 699	3 536 699

2024 NOK THOUSANDS	Share capital	Share premium	Other accrued equity	Total owners' equity
Equity 1 January 2024	1 140 000	1 050 000	983 931	3 173 931
Profit for the period	0	0	160 855	160 855
Other income and expenses	0	0	12 251	12 251
Total comprehensive income for the period	0	0	173 106	173 106
Group contribution received during the period	0	0	214 756	214 756
Group contribution paid during the period	0	0	-281 954	-281 954
Total transactions with the owners	0	0	-67 198	-67 198
Equity 30 June 2024	1 140 000	1 050 000	1 089 839	3 279 839

2024 NOK THOUSANDS	Share capital	Share premium	Other accrued equity	Total owners' equity
Equity 1 January 2024	1 140 000	1 050 000	983 931	3 173 931
Income for the year	0	0	314 955	314 955
Other income and expenses	0	0	17 264	17 264
Comprehensive income for the year	0	0	332 220	332 220
Group contribution received during the period	0	0	214 756	214 756
Group contribution paid during the period	0	0	-281 954	-281 954
Total transactions with the owners	0	0	-67 198	-67 198
Equity 31 December 2024	1 140 000	1 050 000	1 248 952	3 438 952

Statement of cash flow

KLP Banken Group

NOK THOUSANDS	01.01.2025 -30.06.2025	01.01.2024 -30.06.2024	01.01.2024 -31.12.2024
OPERATING ACTIVITIES			
Payments received from customers – interest	1 157 927	1 173 790	2 328 908
Payments received from customers – commission and charges	18 602	16 516	36 160
Payments to customers – interest	-334 926	-286 197	-602 364
Payments to customers – commission and charges	-1 773	-1 404	-2 929
Payments made on issuance of loans to customers	-5 552 891	-4 074 431	-9 768 310
Receipts related to repayment and redemption of loans to customers	4 260 389	4 099 965	9 765 901
Net receipt of customer deposits, Bank	1 350 598	1 568 269	1 740 138
Receipts on loans	2 000 000	4 200 000	7 600 000
Repayments and redemption of securities debt	-5 830 000	-5 300 000	-7 950 000
Change in securities debt, own funds	1 606 910	443 183	1 277 543
Net payment of interest on loans	-774 522	-757 378	-1 565 256
Payments on the purchase of securities	-1 639 943	-2 330 770	-6 514 698
Receipts on the sale of securities	4 262 945	1 528 649	3 235 716
Receipts of interest from securities	172 378	112 244	273 146
Disbursements on operations	-85 664	-103 346	-187 672
Payments to staff, pension schemes, employer's social security contrib.etc.	-50 268	-48 033	-97 864
Interest investment accounts	45 075	38 969	91 587
Net receipts/disbursements from operating activities	52 865	85 773	64 650
Net cash flow from operating activities	657 702	365 799	-275 344
INVESTMENT ACTIVITIES			
Payments on the purchase of tangible fixed assets	0	0	-305
Net cash flow from investment activities	0	0	-305
FINANCING ACTIVITIES			
Payment of lease liabilities	-877	-841	-1 698
Group contributions paid	-76 558	-67 198	-67 198
Net cash flows from financing activities	-77 434	-68 039	-68 896
Net cash flow during the period	580 268	297 760	-344 545
Cash and cash equivalents at the start of the period	1 239 224	1 583 769	1 583 769
Cash and cash equivalents at the end of the period	1 819 491	1 881 529	1 239 224
Net receipts/disbursements (-) of cash	580 268	297 760	-344 545
Liquidity holdings comprise:			
Claims on central banks	75 882	74 826	76 375
Deposits with and receivables from banks with no agreed term	1 743 609	1 806 703	1 162 849
Total liquidity holdings at the end of the reporting period	1 819 491	1 881 529	1 239 224
Total interest received	1 375 380	1 325 003	2 693 641
Total interest paid	-1 109 448	-1 043 575	-2 167 620

Notes to the financial statement

KLP Banken Group

Note 1 **General information**

KLP Banken AS was formed 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 Group. KLP Banken Group offers 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. In addition, The Group, offers standard banking products to private customers. KLP Banken AS is registered and domiciled in Norway. Its 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 wholly owned subsidiary of 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 2025 – 30 June 2025. The interim Financial Statements has not been audited.

The financial statements have been prepared in accordance with IFRS Accounting Standards®) as adopted by the EU with some additions that follow The Norwegian Accounting Act and the Regulations concerning annual accounts for banks, mortgage firms and finance companies (the Accounting Regulations). The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

Other accounting principles and calculations are the same in the interim financial statement as in the annual report for 2024, please see the annual report for further information.

Note 3 Net interest income

NOK THOUSANDS	Q2 2025	Q2 2024	01.01.2025 -30.06.2025	01.01.2024 -30.06.2024	01.01.2024 -31.12.2024
Interest income on loans to customers	588 807	577 400	1 163 095	1 152 853	2 309 736
Interest income on loans to credit institutions	30 673	23 033	52 219	42 831	91 586
Total interest income, effective interest method	619 480	600 433	1 215 314	1 195 685	2 401 323
Interest income on interest-bearing securities	68 861	60 960	159 707	118 421	294 139
Other interest income	36 831	37 771	76 039	74 553	153 071
Total other interest income	105 691	98 731	235 746	192 974	447 209
Total interest income	725 171	699 164	1 451 060	1 388 659	2 848 532
Interest expenses on deposits to KLP Banken	-167 671	-146 053	-327 837	-279 549	-589 067
Interest expenses on issued securities	-382 968	-390 308	-778 124	-785 376	-1 597 521
Total interest expense, effective interest method	-550 639	-536 361	-1 105 962	-1 064 925	-2 186 588
Other interest expenses	-32 960	-31 466	-66 902	-62 383	-128 152
Interest expense lease liabilities	-60	-67	-121	-137	-267
Interest expenses on deposits to customers	-3 544	-3 324	-7 089	-6 648	-13 296
Total other interest expense	-36 564	-34 857	-74 111	-69 168	-141 716
Total interest expense	-587 203	-571 218	-1 180 073	-1 134 093	-2 328 304
Net interest income	137 968	127 945	270 988	254 566	520 228

Note 4 Loans to customers

NOK THOUSANDS	30.06.2025	30.06.2024	31.12.2024
Principal on loans to customers	43 990 410	42 642 282	42 659 516
Credit portfolio	43 256	42 584	45 428
Overdraft current account	435	166	200
Write-downs step 1 and 2	-1 250	-1 538	-1 480
Write-downs step 3	-3 265	-2 357	-3 736
Loans to customers after write-downs	44 029 586	42 681 137	42 699 925
Accrued interest	223 535	216 545	218 328
Fair value hedging	-49 857	-93 369	-81 984
Loans to customers	44 203 264	42 804 313	42 836 270

Note 5 Categories of financial instruments

NOK THOUSANDS	30.06.2025		30.06.2024		31.12.2024	
	Capitalized value	Fair value	Capitalized value	Fair value	Capitalized value	Fair value
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS						
Fixed-income securities	4 939 510	4 939 510	5 096 525	5 096 525	7 579 182	7 579 182
Financial derivatives	80 779	80 779	113 546	113 546	83 852	83 852
Shares and holdings	12 381	12 381	1 852	1 852	1 853	1 853
Total financial assets at fair value through profit and loss	5 032 669	5 032 669	5 211 923	5 211 923	7 664 887	7 664 887
FINANCIAL ASSETS FAIR VALUE HEDGING AT AMORTIZED COST						
Loans to and receivables from customers	1 894 693	1 895 919	1 715 131	1 727 651	1 921 836	1 936 594
Total financial assets fair value hedging amortized cost	1 894 693	1 895 919	1 715 131	1 727 651	1 921 836	1 936 594
FINANCIAL ASSETS AT AMORTIZED COST						
Loans to and receivables from credit institutions	75 882	75 882	74 826	74 826	76 375	76 375
Loans to and receivables from central banks	1 784 818	1 784 818	1 842 170	1 842 170	1 196 476	1 196 476
Loans to and receivables from customers	42 308 570	42 308 570	41 089 182	41 089 182	40 914 435	40 914 435
Total financial assets at amortized cost	44 169 271	44 169 271	43 006 178	43 006 178	42 187 285	42 187 285
Total financial assets	51 096 633	51 097 858	49 933 232	49 945 752	51 774 008	51 788 766
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS						
Financial derivatives	23 747	23 747	32 249	32 249	38 057	38 057
Total financial liabilities at fair value through profit and loss	23 747	23 747	32 249	32 249	38 057	38 057
FINANCIAL LIABILITIES FAIR VALUE HEDGING AT AMORTIZED COST						
Liabilities created on issuance of securities	1 723 971	1 739 921	1 702 310	1 714 791	1 679 351	1 691 807
Total financial liabilities fair value hedging at amortized cost	1 723 971	1 739 921	1 702 310	1 714 791	1 679 351	1 691 807
FINANCIAL LIABILITIES AT AMORTIZED COST						
Deposits from customers	17 151 300	17 151 300	15 628 805	15 628 805	15 800 651	15 800 651
Liabilities created on issuance of securities	28 432 926	28 549 027	29 064 635	29 162 159	30 655 147	30 722 615
Total financial liabilities at amortized cost	45 584 226	45 700 327	44 693 440	44 790 964	46 455 798	46 523 267
Total financial liabilities	47 331 943	47 463 994	46 428 000	46 538 004	48 173 207	48 253 132

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for on the balance sheet date. 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 to the least extent possible on company-specific information.

The different financial instruments are thus priced in the following way:

Fixed-income securities - government

Nordic Bond Pricing is used as a source for pricing Norwegian government bonds.

Fixed-income securities - other than government

Norwegian fixed-income securities are generally priced based on rates from Nordic Bond Pricing. Securities not covered by Nordic Bond Pricing are priced theoretically. The theoretical price should be based on the discounted value of the security's future cash flows. Discounting is done using a swap curve adjusted for credit spread and liquidity spread. The credit spread should, to the extent possible, be based on a comparable bond from the same issuer. Liquidity spread is determined at the discretion of the evaluator.

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 pricing information is outdated, a derived valuation is produced from relevant stock indices or other similar securities. If this is also considered unsatisfactory, a discretionary valuation is made. This may be based on fundamental analysis, broker assessment, or adjustments for risk or liquidity considerations in relation to the price.

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 14 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.

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 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

30.06.2025 NOK THOUSANDS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Fixed-income securities	614 618	4 324 892	0	4 939 510
Financial derivatives	0	80 779	0	80 779
Shareholdings	0	0	12 381	12 381
Total assets at fair value	614 618	4 405 670	12 381	5 032 669
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives (liabilities)	0	23 747	0	23 747
Total financial liabilities at fair value	0	23 747	0	23 747

30.06.2024 NOK THOUSANDS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Fixed-income securities	722 609	4 373 916	0	5 096 525
Shareholdings	0	0	1 852	1 852
Financial derivatives	0	113 546	0	113 546
Total assets at fair value	722 609	4 487 462	1 852	5 211 923
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives (liabilities)	0	32 249	0	32 249
Total financial liabilities at fair value	0	32 249	0	32 249

31.12.2024 NOK THOUSANDS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Fixed-income securities	629 300	6 949 882	0	7 579 182
Financial derivatives	0	83 852	0	83 852
Shareholdings	0	0	1 853	1 853
Total assets at fair value	629 300	7 033 734	1 853	7 664 887
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives (liabilities)	0	38 057	0	38 057
Total financial liabilities at fair value	0	38 057	0	38 057

NOK THOUSANDS	30.06.2025	30.06.2024	31.12.2024
CHANGES IN LEVEL 3 UNLISTED SHARES			
Opening balance	1 853	1 897	1 897
Additions/purchases of shares	11 895	0	1
Unrealized changes	-1 367	-45	-45
Closing balance	12 381	1 852	1 853
Realized gains/losses	0	0	0

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 **Debt securities issued - stock exchange listed covered bonds and certificates**

NOK THOUSANDS	30.06.2025	30.06.2024	31.12.2024
Bond debt, nominal amount	30 470 537	33 554 838	34 302 426
Adjustments	-13 400	-49 837	-47 355
Accrued interest	249 760	236 945	243 427
Own holdings, nominal amount	-550 000	-2 975 000	-2 164 000
Total debt securities issued	30 156 897	30 766 945	32 334 498
Interest rate on borrowings through the issuance of securities at the reporting date:	5.02%	5.12%	5.09%
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 31.12.2024	Issued	Matured/ redeemed	Other adjustments	Balance sheet 30.06.2025
Changes in debt securities issued - stock exchange listed covered bonds and certificates					
Bond debt, nominal amount	34 302 426	2 000 000	-5 830 000	-1 890	30 470 537
Adjustments	-47 355	0	0	33 954	-13 400
Accrued interest	243 427	0	0	6 334	249 760
Own holdings, nominal amount	-2 164 000	0	1 614 000	0	-550 000
Total debt securities issued	32 334 498	2 000 000	-4 216 000	38 398	30 156 897

Note 8 Financial assets and liabilities subject to net settlement

30.06.2025 NOK THOUSANDS		Related amounts not presented net		
	Gross financial assets/ liabilities	Financial instruments	Security in cash	Net amount
ASSETS				
Financial derivatives	80 779	-23 747	-67 148	5 621
Total	80 779	-23 747	-67 148	5 621
LIABILITIES				
Financial derivatives	23 747	-23 747	0	0
Total	23 747	-23 747	0	0

30.06.2024 NOK THOUSANDS		Related sums that are not presented net		
	Gross financial assets/ liabilities	Financial instruments	Security in cash	Net recognised value
ASSETS				
Financial derivatives	113 546	-32 249	-87 471	11 990
Total	113 546	-32 249	-87 471	11 990
LIABILITIES				
Financial derivatives	32 249	-32 249	0	0
Total	32 249	-32 249	0	0

31.12.2024 NOK THOUSANDS		Related amounts not presented net		
	Gross financial assets/ liabilities	Financial instruments	Security in cash	Net amount
ASSETS				
Financial derivatives	83 852	-38 057	0	45 794
Total	83 852	-38 057	0	45 794
LIABILITIES				
Financial derivatives	38 057	-38 057	0	0
Total	38 057	-38 057	0	0

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

Note 9 Transactions with related parties

30.06.2025 NOK THOUSANDS		
	KLP	Other group companies
Interest incomes	4 313	2 111
Fee income	31 264	0
Purchase of administrative services	-44 044	0
Pension costs	-7 475	0
Buy other services	-1 564	-1 454
Other assets	892	1 180
Other liabilities	-45 279	0

30.06.2024 NOK THOUSANDS		
	KLP	Other group companies
Interest incomes	4 780	2 720
Fee income	31 264	0
Purchase of administrative services	-42 609	0
Pension costs	-7 791	0
Buy other services	-1 708	-1 414
Other assets	964	1 374
Other liabilities	-41 528	0

31.12.2024 NOK THOUSANDS		
	KLP	Other group companies
Interest incomes	4 858	8 741
Fee income	62 529	0
Purchase of administrative services	-79 008	0
Pension costs	-15 350	0
Buy other services	-3 265	-3 001
Other assets	997	1 203
Other liabilities	-11 667	-187

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 10 Other assets

NOK THOUSANDS	30.06.2025	30.06.2024	31.12.2024
Intercompany receivables	2 072	2 339	2 200
Short-term receivable securities trading	871	0	454
Miscellaneous receivables	0	19	0
Prepaid expenses	9 693	9 750	23
Total other assets	12 636	12 107	2 677

Note 11 Other liabilities and provision for accrued costs

NOK THOUSANDS	30.06.2025	30.06.2024	31.12.2024
Creditors	4 259	4 423	1 159
Intercompany payables	45 279	41 528	11 854
Short-term balances with credit institutions	66 900	87 800	46 513
Other liabilities	74 547	69 108	7 455
Total other liabilities	190 984	202 860	66 982
Withholding tax	2 257	2 378	3 793
Social security contributions	2 265	2 214	3 174
Capital activity tax	815	784	1 019
Holiday pay	3 382	3 331	7 322
Pension obligations	28 705	29 712	21 575
VAT	0	66	0
Provisioned costs	19 646	5 306	1 280
Total accrued costs and liabilities	57 069	43 790	38 162

Note 12 Capital adequacy

NOK THOUSANDS	30.06.2025	30.06.2024	31.12.2024
Share capital and share premium fund	2 190 000	2 190 000	2 190 000
Other owners' equity	1 172 394	916 733	1 248 952
Total owners' equity	3 362 394	3 106 733	3 438 952
Adjustments due to requirements for proper valuation	-4 940	-5 097	-7 579
Deduction goodwill and other intangible assets	-12 609	-13 262	-12 869
Core capital/Tier 1 capital	3 344 846	3 088 374	3 418 503
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)	3 344 846	3 088 374	3 418 503
Capital requirement	994 523	1 185 174	1 206 130
Surplus of own funds (Tier 1 and Tier 2 capital)	2 350 323	1 903 201	2 212 372
Estimate basis credit risk:			
Institutions	363 161	375 933	245 919
Retail	1 882 298	933 647	892 084
Local and regional authorities (incl. municipalities/county administrations)	4 068 171	3 708 250	3 890 649
Investments with mortgage security in real estate	4 759 261	8 471 155	8 331 891
Investments fallen due	86 650	56 320	71 129
Covered bonds	385 609	416 495	618 724
Other items	37 065	27 677	18 973
Calculation basis credit risk	11 582 214	13 989 476	14 069 369
Credit risk	926 577	1 119 158	1 125 550
Operating risk	67 390	65 852	78 833
Credit valuation adjustments (CVA)	556	163	1 748
Total capital requirement assets	994 523	1 185 174	1 206 130
Core capital adequacy ratio	26.91 %	20.85 %	22.67 %
Supplementary capital ratio	0.00 %	0.00 %	0.00 %
Capital adequacy ratio	26.91 %	20.85 %	22.67 %
Leverage ratio	6.39 %	6.07 %	6.49 %

CAPITAL REQUIREMENT PER 30.06.2025	Core capital/Tier 1 capital	Supplementary capital/Tier 2 capital	Own funds
Minimum requirement excl. buffers	4.50 %	3.50 %	8.00 %
Protective buffer	2.50 %	0.00 %	2.50 %
Systemic risk buffer	4.50 %	0.00 %	4.50 %
Counter-cyclical capital buffer	2.50 %	0.00 %	2.50 %
Pillar 2-requirement	0.83 %	0.27 %	1.10 %
Current capital requirement incl. buffers	14.83 %	3.77 %	18.60 %
Capital requirement leverage ratio	3.00 %	0.00 %	3.00 %

Note 13 Fixed-income securities

NOK THOUSANDS	30.06.2025		30.06.2024		31.12.2023	
	Acquisition cost	Market value	Acquisition cost	Market value	Acquisition cost	Market value
Certificates	306 779	307 408	236 397	236 717	237 420	237 846
Bonds	4 607 446	4 632 102	4 840 950	4 859 808	7 316 761	7 341 336
Total fixed-income securities	4 914 225	4 939 510	5 077 347	5 096 525	7 554 181	7 579 182

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

Note 14 Loan loss provision

There has not been done any changes in the model for calculation of the expected loss provisions in the second quarter.

The total loan loss provisions have increased by 6 percentage for KLP Banken Group from the last quarter. Refer to Note 10 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 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Opening balance ECL 01.01.	2 299	1 546	3 814	7 659	6 207	6 207
Transfer to stage 1	410	-347	-63	0	0	0
Transfer to stage 2	-15	33	-19	0	0	0
Transfer to stage 3	-1	-137	137	0	0	0
Net changes	-518	231	-204	-491	493	537
New losses	180	6	190	375	254	1 676
Write-offs	-45	-11	-534	-590	-77	-148
Change in risk model	0	0	0	0	-598	-613
Closing balance ECL	2 311	1 322	3 321	6 954	6 280	7 659
Changes 01.01-30.06./31.12.	12	-224	-493	-705	72	1 452
This includes provisions for losses on loans and receivables - unused credit	1 711	672	56	2 439	2 381	2 443

Expected credit loss (ECL) loans to customers – mortgage

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Opening balance ECL 01.01.	147	284	2 290	2 722	1 508	1 508
Transfer to stage 1	49	-49	0	0	0	0
Transfer to stage 2	-5	7	-3	0	0	0
Transfer to stage 3	0	-59	59	0	0	0
Net changes	-119	15	52	-52	121	259
New losses	50	6	0	55	46	1 096
Write-offs	-5	-2	-321	-328	-6	-10
Change in risk model	0	0	0	0	-123	-131
Closing balance ECL	116	203	2 078	2 397	1 545	2 722
Changes 01.01-30.06./31.12.	-31	-81	-213	-325	38	1 214
This includes provisions for losses on loans and receivables - unused credit on mortgages	9	0	0	9	7	4

Expected credit loss (ECL) – public lending

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Opening balance ECL 01.01.	177	0	0	177	180	180
Transfer to stage 1	0	0	0	0	0	0
Transfer to stage 2	0	0	0	0	0	0
Transfer to stage 3	0	0	0	0	0	0
Net changes	-4	0	0	-4	-4	-11
New losses	27	0	0	27	3	24
Write-offs	-13	0	0	-13	-4	-16
Closing balance ECL	187	0	0	187	174	177
Changes 01.01-30.06./31.12.	10	0	0	10	-6	-3

Expected credit loss (ECL) – credit card

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Opening balance ECL 01.01.	1 942	1 262	347	3 551	4 372	4 372
Transfer to stage 1	361	-299	-63	0	0	0
Transfer to stage 2	-10	26	-16	0	0	0
Transfer to stage 3	-1	-77	78	0	0	0
Net changes	-414	207	-56	-263	-646	-853
New losses	80	0	0	80	203	515
Change in risk model	0	0	0	0	-472	-484
Closing balance ECL	1 960	1 119	289	3 367	3 458	3 551
Changes 01.01-30.06./31.12.	17	-143	-57	-183	-915	-822
This includes provisions for losses on loans and receivables - unused credit on credit card	1 702	672	56	2 430	2 374	2 439

Expected credit loss (ECL) - loan without collateral

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Opening balance ECL 01.01.	7	0	0	7	0	0
Transfer to stage 1	0	0	0	0	0	0
Transfer to stage 2	0	0	0	0	0	0
Transfer to stage 3	0	0	0	0	0	0
Net changes	-7	0	0	-7	0	-5
New losses	20	0	0	20	0	7
Change in risk model	0	0	0	0	0	5
Closing balance ECL	20	0	0	20	0	7
Changes 01.01-30.06./31.12.	13	0	0	13	0	7

Expected credit loss (ECL) loans to customers – senior loans

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Opening balance ECL 01.01.	25	0	874	899	24	25
Transfer to stage 1	0	0	0	0	0	0
Transfer to stage 2	0	0	0	0	0	0
Transfer to stage 3	0	0	0	0	0	0
Net changes	0	0	-479	-479	874	873
New losses	3	0	0	3	2	4
Change in risk model	0	0	0	0	-3	-3
Closing balance ECL	27	0	395	422	896	899
Changes 01.01-30.06./31.12.	2	0	-479	-477	872	874
This includes provisions for losses on loans and receivables - unused credit on senior loans	1	0	0	1	0	1

Expected credit loss (ECL) loans to customers – overdrafts deposit accounts

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Opening balance ECL 01.01.	0	0	305	305	124	124
Transfer to stage 1	0	0	0	0	0	0
Transfer to stage 2	0	0	0	0	0	0
Transfer to stage 3	0	0	0	0	0	0
Net changes	0	0	67	67	82	151
New losses	0	0	190	190	0	30
Closing balance ECL	0	0	561	561	207	305
Changes 01.01-30.06./31.12.	0	0	256	256	83	181

Book value of loans and receivables from customers – all segments

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Lending 01.01.	42 211 152	648 394	63 924	42 923 470	42 946 094	42 946 094
Transfer to stage 1	171 093	-169 796	-1 297	0	0	0
Transfer to stage 2	-180 917	184 795	-3 878	0	0	0
Transfer to stage 3	-3 177	-28 071	31 248	0	0	0
Net changes	-748 031	-3 032	1 740	-749 323	-777 488	-1 660 257
New losses	6 987 510	64 694	2 361	7 054 565	4 634 131	10 067 569
Write-offs	-4 843 602	-110 353	-17 121	-4 971 075	-3 901 156	-8 429 936
Lending	43 594 026	586 631	76 979	44 257 637	42 901 580	42 923 470
Fair value hedging	-49 857	0	0	-49 857	-93 369	-81 984
Recognised loan loss provisions	-599	-650	-3 265	-4 515	-3 898	-5 216
Book value of loans to and receivables on customers	43 543 570	585 980	73 714	44 203 264	42 804 313	42 836 270

Book value of loans and receivables from customers – mortgages

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Lending 01.01.	21 003 463	646 105	62 013	21 711 580	21 738 128	21 738 128
Transfer to stage 1	170 246	-169 122	-1 123	0	0	0
Transfer to stage 2	-180 132	183 955	-3 823	0	0	0
Transfer to stage 3	-3 052	-27 815	30 867	0	0	0
Net change	-2 164 686	-59 584	-12 745	-2 237 015	-2 284 974	-4 176 311
New lending	3 831 546	64 694	2 097	3 898 338	4 194 198	7 127 858
Write-offs	-1 520 029	-53 402	-2 432	-1 575 862	-1 427 997	-2 978 095
Lending	21 137 355	584 831	74 855	21 797 041	22 219 355	21 711 580
Recognised loan loss provisions	-107	-203	-2 077	-2 387	-1 539	-2 718
Book value of loans to mortgages	21 137 248	584 627	72 778	21 794 654	22 217 816	21 708 862

Book value of loans and receivables from customers – public lending

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Lending 01.01.	18 770 141	0	0	18 770 141	19 087 958	19 087 958
Transfer to stage 1	0	0	0	0	0	0
Transfer to stage 2	0	0	0	0	0	0
Transfer to stage 3	0	0	0	0	0	0
Net change	-476 042	0	0	-476 042	-475 057	-1 167 223
New lending	2 895 699	0	0	2 895 699	268 101	2 529 768
Write-offs	-1 389 141	0	0	-1 389 141	-476 680	-1 680 362
Lending	19 800 657	0	0	19 800 657	18 404 323	18 770 141
Fair value hedging	-49 857	0	0	-49 857	-93 369	-81 984
Recognised loan loss provisions	-187	0	0	-187	-173	-177
Book value of loans to public lending	19 750 613	0	0	19 750 613	18 310 780	18 687 981

Book value of loans and receivables from customers – credit card

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Lending 01.01.	42 041	2 289	1 098	45 428	42 393	42 393
Transfer to stage 1	848	-674	-173	0	0	0
Transfer to stage 2	-785	840	-55	0	0	0
Transfer to stage 3	-76	-256	332	0	0	0
Net change	-3 095	-399	-248	-3 743	-3 056	-2 955
New lending	1 570	0	0	1 570	3 247	5 990
Lending	40 502	1 800	954	43 256	42 584	45 428
Recognised loan loss provisions	-258	-447	-233	-938	-1 083	-1 112
Book value of loans to credit card	40 244	1 353	721	42 318	41 500	44 316

Book value of loans to receivables from customers – senior loans

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Lending 01.01.	2 394 745	0	389	2 395 134	2 077 541	2 077 541
Transfer to stage 1	0	0	0	0	0	0
Transfer to stage 2	0	0	0	0	0	0
Transfer to stage 3	0	0	0	0	0	0
Net change	-37 632	0	0	-37 632	-10 866	-85 702
New lending	256 935	0	0	256 935	168 528	403 296
Lending	2 614 048	0	389	2 614 437	2 235 203	2 395 134
Recognised loan loss provisions	-33	0	-389	-421	-896	-898
Book value of senior loans	2 614 015	0	0	2 614 016	2 234 306	2 394 236

Book value of loans to and receivables from customers - lending without collateral

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Lending 01.01.	589	0	0	589	0	0
Transfer to stage 1	0	0	0	0	0	0
Transfer to stage 2	0	0	0	0	0	0
Transfer to stage 3	0	0	0	0	0	10
Net change	-589	0	0	-589	0	580
New lending	1 701	0	0	1 701	0	0
Lending	1 701	0	0	1 701	0	589
Recognised loan loss provisions	-20	0	0	-20	0	-7
Book value of loans	1 681	0	0	1 681	0	582

Book value of loans to receivables from customers – overdraft deposit accounts

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Lending 01.01.	173	0	424	597	73	73
Transfer to stage 1	0	0	0	0	0	0
Transfer to stage 2	0	0	0	0	0	0
Transfer to stage 3	-49	0	49	0	0	0
Net change	-419	0	44	-375	-15	447
New lending	58	0	264	322	59	77
Lending	-237	0	781	544	117	597
Recognised loan loss provisions	0	0	-561	-561	-207	-305
Book value of overdraft deposit accounts	-237	0	220	-17	-90	292

Exposure - unused credit

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2025	30.06.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Lending 01.01.	1 946 025	45 497	362	1 991 884	1 824 120	1 824 120
Transfer to stage 1	5 798	-5 716	-82	0	0	0
Transfer to stage 2	-5 824	5 834	-10	0	0	0
Transfer to stage 3	-16	-56	72	0	0	0
Net change	121 581	778	-112	122 248	-68 081	-54 350
New lending	1 037 336	2 191	0	1 039 527	943 312	688 443
Write-offs	-360 946	-25 014	0	-385 960	-259 243	-466 328
Lending	2 743 954	23 516	230	2 767 700	2 440 108	1 991 884

Losses recognised in the profit and loss account consist of:

NOK THOUSANDS	01.01.2025 -30.06.2025	01.01.2024 -30.06.2024	01.01.2024 -31.12.2024
Change in loss provisions in stage 1, 2 and 3	629	-128	-1 463
Established losses	-260	-219	-458
Recovery for previously established losses	373	377	913
Total losses in the income statement	742	30	-1 009

Note 15 Contingent liabilities

NOK THOUSANDS	30.06.2025	30.06.2024	31.12.2024
Credit facilities for lending not utilized	1 329 929	1 277 074	1 276 291
Credit facilities issued credit card	283 823	272 003	278 099
Loan promise	2 209 893	1 575 460	1 090 343
Total contingent liabilities	3 823 645	3 124 537	2 644 733

Credit facilities for lending not utilized: The 'Fleksilån' product is included here; this is a credit facility which allows the customer to borrow up to a specified credit limit.

Credit facilities issued credit card: Customers' credit card limits are a contingent liability for the Bank,

where the customer can choose to utilise the credit up to the allocated credit limit.

Loan commitment: The Bank issues funding certificates that customers can use in bidding procedures for home purchases. This also includes other loans that have been granted but not disbursed.

Note 16 Net gain/(loss) on financial instruments

NOK THOUSANDS	Q2 2025	Q2 2024	01.01.2025 -30.06.2025	01.01.2024 -30.06.2024	01.01.2024 -31.12.2024
Net gain/(loss) on fixed-income securities	7 817	5 740	13 257	13 178	1 431
Net gain/(loss) financial derivatives and realized amortization linked to lending	-45	-224	-92	-225	-326
Net gain/(loss) financial derivatives and realized repurchase of own debt	-531	-7 447	-5 329	-8 943	-11 550
Net accrual of over/under rates borrowings and securities	859	1 380	1 890	2 760	5 172
Other financial income and expenses	-319	-421	-638	-841	-1 680
Total net gain/(loss) on financial instruments	7 781	-972	9 088	5 929	-6 953

Note 17 Leases

NOK THOUSANDS	30.06.2025	30.06.2024	31.12.2024
	Property		
RIGHT-OF-USE ASSETS			
Opening balance 01.01.	12 625	14 495	14 495
Depreciation	-935	-935	-1 870
Closing balance	11 689	13 560	12 625
LEASE LIABILITIES			
Opening balance 01.01.	13 433	15 131	15 131
Repayments	-877	-841	-1 698
Closing balance	12 556	14 290	13 433

NOK THOUSANDS	Q2 2025	Q2 2024	01.01.2025 -30.06.2025	01.01.2024 -30.06.2024	01.01.2024 -31.12.2024
			Property		
Interest expense lease liabilities	60	67	121	137	267
Interest expense lease liabilities	60	67	121	137	267

Note 18 Pension obligations - own employees

NOK THOUSANDS	30.06.2025	30.06.2024	31.12.2024
Capitalized net liability	21 575	43 999	43 999
Pension costs taken to profit/loss	7 196	7 552	15 110
Finance costs taken to profit/loss	638	841	1 679
Actuarial gains and losses incl. social security contributions	5 804	-16 334	-23 019
Premiums/supplement paid-in including admin	-6 508	-6 346	-16 195
Capitalized net liability	28 705	29 712	21 575

ASSUMPTIONS	30.06.2025	30.06.2024	31.12.2024
Discount rate	3.70%	3.45%	3.90%
Salary growth	4.00%	3.50%	4.00%
The National Insurance basic amount (G)	3.75%	3.25%	3.75%
Pension increases	3.00%	2.80%	3.00%
Social security contribution	14.10%	14.10%	14.10%
Capital activity tax	5.00%	5.00%	5.00%

The effect of changes in the assumptions is a increase of the obligation by NOK 5 804 thousand as of 30.06.2025.

The change is recognized in "Total other income and expenses that will not be reclassified to profit or loss".

Quarterly earnings trend

NOK MILLIONS	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Interest income	725.2	725.9	740.3	719.6	699.2
Interest expense	-587.2	-592.9	-605.8	-588.4	-571.2
Net interest income	138.0	133.0	134.5	131.2	127.9
Commission income and income from banking services	9.8	8.8	9.7	9.9	9.1
Commission cost and cost from banking services	-0.8	-0.9	-0.8	-0.7	-0.7
Net charges and commission income	9.0	7.9	8.9	9.2	8.4
Other fee income	15.6	15.6	15.6	15.6	15.7
Net gain/(loss) financial instruments	7.8	1.3	-12.8	-0.1	-1.0
Total other operating income	23.4	16.9	2.9	15.5	14.7
Salaries and administrative costs	-18.1	-26.3	-28.0	-26.4	-17.3
Depreciation	-0.6	-0.6	-0.8	-0.8	-0.8
Other operating expenses	-43.7	-55.5	-45.8	-40.8	-42.4
Net loan losses	-0.5	1.2	-0.9	-0.1	1.1
Total operating expenses	-62.8	-81.2	-75.6	-68.2	-59.3
Operating profit/loss before tax	107.5	76.6	70.7	87.7	91.8
Tax ordinary income	-6.6	1.1	-0.1	-4.2	-5.1
Profit/loss for the period	101.0	77.7	70.6	83.5	86.7
Other comprehensive income	-5.7	-0.1	12.5	-5.8	6.2
Tax on other comprehensive income	1.4	0.0	-3.1	1.5	-1.5
Other comprehensive income for the period	-4.3	-0.1	9.4	-4.4	4.6
Comprehensive income for the period	96.7	77.6	80.0	79.2	91.3

Key figures – accumulated

NOK MILLIONS	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Pre-tax income	184.2	76.6	325.4	254.7	166.9
Net interest income	271.0	133.0	520.2	385.8	254.6
Other operating income	48.1	23.5	95.8	71.2	46.4
Other operating cost and depreciation	-144.0	-81.2	-283.7	-208.1	-139.9
Net gain/(loss) financial instruments	9.1	1.3	-7.0	5.8	5.9
Deposits	17 151.3	16 756.6	15 800.7	15 684.8	15 628.8
Lending customers	24 452.7	24 300.9	24 148.3	24 221.7	24 493.5
Lending with public sector guarantee	19 750.6	19 419.2	18 688.0	18 005.9	18 310.8
Non-performing loans	73.7	66.7	63.9	57.9	54.4
Total liabilities created on issuance of securities	30 156.9	32 283.7	32 334.5	32 542.6	30 766.9
Other borrowing	0.0	0.0	0.0	0.0	0.0
Total assets	51 134.0	52 710.9	51 802.6	51 930.6	49 972.6
Average total assets	51 468.3	52 256.7	50 365.4	50 429.4	49 450.4
Equity	3 536.7	3 440.0	3 439.0	3 359.0	3 279.8
Interest net	0.53 %	0.25 %	1.03 %	0.76 %	0.51 %
Profit/loss from ordinary operation before taxes	0.36 %	0.15 %	0.65 %	0.51 %	0.34 %
Return on equity	10.71 %	8.91 %	9.46 %	10.70 %	10.52 %
Capital adequacy ratio	26.9 %	21.7 %	22.7 %	20.6 %	20.8 %
Liquidity coverage ratio (LCR)	478 %	341 %	300 %	401 %	452 %

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