Q2 Interim report 2026

KLP Banken Group

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KLP Banken Group

Interim Financial Statements Q2 2026

Main features at quarter end:

- Strong loan growth in the retail market
- Lower net interest income
- Increased operating expenses

The KLP Banken Group finances mortgages and other credits to retail customers as well as loans to municipalities, county municipalities and companies that perform public tasks. Additionally, the KLP Banken manages a lending portfolio on behalf of its parent company KLP (Kommunal Landspensjonskasse). The Group manages a lending total of NOK 142 (131)[1] billion. Lending activities are nationwide and are divided into the business segments retail market and public-sector market.

In the retail market, the bank offers products and services on competitive terms in order to help ensure that organisations which have chosen KLP as their pension provider are perceived as attractive employers. In the public-sector lending market, KLP Kommunekreditt AS, together with KLP, contributes to competition and thereby helps ensure that the sector has access to favourable long-term financing.

KLP Banken AS is wholly owned by KLP. KLP Banken AS has two wholly owned credit institutions, KLP Kommunekreditt AS and KLP Boligkreditt AS. The head office is in Trondheim.

Income statement

The KLP Banken Group's profit before tax for the second quarter amounted to NOK 118.5 (184.2) million. Operating profit before tax for the second quarter alone was NOK 79.8 million (107.5) million. The decline in earnings was primarily driven by lower net interest income in both business areas and higher operating expenses.

Profit before tax by business segment amounted to NOK 86.3 million (140.7) in the retail market and NOK 32.2 (43.5) million in the public sector market. After tax and deviations, the Group's total comprehensive income for the first half of the year was NOK 138.9 (174.3) million.

Net interest income in the KLP Banken Group amounted to NOK 204.8 (271.0) million in the first half of the year. The reduction was mainly due to lower margins between lending and funding in the retail market. Strong lending growth has increased the need for market funding, resulting in higher average funding costs during the first half of the year.

At quarter-end, the income statement included a net gain on financial instruments of NOK 25.6 (9.1) million. This profit & loss effect is mainly related to changes in the market value of the Bank's liquidity investments and the repurchase of its own debt. The increase from last year was primarily due to higher market values of the Bank's liquidity investments.

Net fee and commission income amounted to NOK 20.2 (16.8) million by the end of the second quarter.

The banking group manages mortgage loans and public sector loans funded by its parent company, KLP. Management fees for this assignment amounted to NOK 31.8 (31.3) million at quarter-end.

Operating expenses and depreciations amounted to NOK -163.9 (-144.7) million year to date. Most of the increase was attributable to higher costs for external services due to inflation, as well as growth in salary expenses. Operating expenses also include customer reimbursements related to payment card fraud amounting to NOK -1.2 (-0.4) million.

Credit losses and loss provisions year to date amounted to NOK -0.1 (0.7) million in the retail market. A positive figure here reflects reversals of previously recognized loss provisions exceeding new credit losses. KLP Banken has not observed any significant increase in credit losses or loss provisions related to residential mortgages and credit cards compared with last year. Furthermore, no losses on public sector lending has been realized so far in 2026.

Lending and credits

KLP Banken manages loans both on its own balance sheet and loans financed by KLP, totaling NOK 142 (131) billion. As of 30 June 2026, the KLP Banken Group's customer lending on its own balance sheet amounted to NOK 54.8 (44.2) billion. The distribution between the retail market and public sector lending was NOK 33.1 (24.4) billion and NOK 21.7 (19.8) billion respectively.

Growth in outstanding mortgages during the first half of the year amounted to NOK 4.1 (0.3) billion. New mortgage disbursements year to date totaled NOK 7.9 (3.8) billion. The Bank's primary target group for mortgage lending is members of KLP's pension schemes.

Mortgages totaling NOK 4.8 (1.0) billion) were sold from KLP Banken to the mortgage company KLP Boligkreditt during the first half of the year.

Outstanding utilised credit on credit cards has declined slightly during the second quarter; however, the number of active credit card customers and approved credit limits continues to show steady growth.

KLP Banken's lending volume in the public sector market declined by NOK -0.8 billion (1.1) since year-end. During the same period, loans to public sector borrowers managed on behalf of KLP increased by NOK 0.6 (0.3) billion. New loan disbursements to public sector borrowers in the first half of the year totaled NOK 6.7 (5.5) billion for KLP and KLP Banken combined.

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

Liquidity investments

Available liquidity is placed in other banks and in interest-bearing securities. The KLP Banken Group's deposits with credit institutions amounted to NOK 2.2 (1.8) billion at the end of the quarter. Book value of interest-bearing securities measured at fair value was NOK 9.6 (4.9) billion.

Changes in the market value of interest-bearing securities generated a profit effect of NOK 29.2 (13.3) million in the first half of the year.

Funding

The KLP Banken Group's external funding consists of deposits and bonds. At the reporting date, deposits from individuals and corporate customers amounted to NOK 17.7 (17.2) billion. Deposit growth in the first half year was NOK 0.7 (1.1) billion.

Debt incurred through the issuance of securities amounted to NOK 45.1 (30.2) billion. Of the securities debt, covered bonds (OMF) issued by KLP Kommunekreditt AS amounted to NOK 25.7 (19.1) billion, and by KLP Boligkreditt AS to NOK 17.5 (10.2) billion. All covered bond issuances have achieved Aaa rating. Securities debt in KLP Banken AS amounted to NOK 1.9 (0.8) billion.

The income statement effect of realised and unrealised value changes from the repurchase of the Group's own bond issues in the first quarter amounted to NOK -3.2 (-5.3) million.

Risk management and capital adequacy

The 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 policies, limits, procedures, and guidelines.

The bank is to have a conservative risk profile, and earnings are primarily to be derived from deposit-taking and lending activities as well as liquidity management. This implies low market risk, and that interest rate risk arising from lending and deposit activities is reduced using derivatives.

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

Credit risk in the bank is low, and lending is mainly 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 limits.

Core capital in accordance with capital adequacy rules at the end of the second quarter of 2026 amounted to NOK 3,600 (3,345) million. Core capital consists solely of Common Equity Tier 1 capital. Loans are risk-weighted in accordance with the capital requirements regulations. The KLP Banken Group's total capital ratio and CET1 ratio were 22.5 (26.9) per cent at the reporting date. The applicable regulatory capital requirements, including buffer requirements, are 15.3 per cent for the CET1 ratio and 19.2 per cent for the total capital ratio. The leverage ratio was 5.3 (6.4) per cent. The requirement here is 3.0 per cent.

Outlook

The KLP Banken Group's target group in the retail segment consists of KLP members, including employees of KLP's owner customers and pensioners. This represents a substantial share of the population and provides a strong foundation for further strengthening the Group's position in the retail banking market. The KLP Banken Group will continue its ambition to develop attractive and relevant products and services for its members.

In 2025, KLP Banken AS entered into an agreement with the Norwegian Nurses Organization (NSF) to provide banking services to NSF's 130,000 members. The agreement, which entered into effect on 1 January 2026, provides a basis for expecting continued strong mortgage growth, as a share of NSF members are anticipated to refinance their mortgages with KLP Banken. To support further growth, KLP Banken AS has strengthened its organization through increased staffing, the engagement of external consultants, and system enhancements.

A significant proportion of the KLP Banken Group's residential mortgages is funded through its subsidiary KLP Boligkreditt AS. The company issues covered bonds, helping to keep the banking group's overall funding costs low and thereby playing an important role in financing mortgages for KLP members. At the end of the second quarter, the company reported a negative operating result due to the substantial need for new market funding, resulting from strong lending growth. The Board expects the company to generate positive operating results over time.

Compared with other customer groups, the KLP Banken Group's retail customer base is relatively well protected from employment-related risk, as many customers are employed by municipalities and healthcare enterprises. The Group therefore expects the level of defaults and credit losses to remain limited in the future. The Bank also maintains ambitious growth targets for deposits, which are primarily expected to be achieved through attracting additional customers within its target group.

Household debt levels are subject to strict regulatory lending requirements through Norway's residential mortgage lending regulations. The KLP Banken Group views this framework as a sound basis for the continued development of retail banking products and services. The Group will continue to apply conservative credit-granting practices in line with regulatory requirements to maintain low risk in its lending portfolios, while also supporting customers facing financial difficulties by helping them identify appropriate solutions.

The banking industry remains at the forefront of technological development, while customer expectations for simple and digital solutions continue to increase. The KLP Banken Group aims to leverage proven technology to offer relevant, customer-friendly and efficient services. This entails an ongoing need for IT investments to support the Bank's objectives of continued growth and profitability. Against this background, among other considerations, KLP Banken decided in 2025 to join the Eika Banking Alliance. Technical migration is expected to take place during the first half of 2027.

Norwegian municipalities have developed a strong and comprehensive range of public services. Increasing life expectancy, demographic trends, income growth and climate-related risks indicate that public sector investment levels are likely to remain significant in the years ahead. In its annual budget survey, the Norwegian Association of Local and Regional Authorities (KS) indicated that investment activity and the volume of new borrowing in 2026 are expected to remain at approximately the same level as in the previous year. Demand for loans financing projects related to climate adaptation is also expected to continue growing in the years ahead.

KLP Kommunekreditt AS is Norway's only credit institution issuing covered bonds backed by loans to the public sector. The presence of KLP Kommunekreditt AS, together with KLP, in the public sector lending market promotes competition and thereby helps ensure stable access to long-term financing for the public sector on favorable terms. In connection with the 2026 national budget, the Norwegian Parliament requested that the Government assess whether loans to municipalities should carry the same risk weight as loans to the central government (0% risk weight). To date, the Government has not acted on this request.

KLP Banken AS has a strong capital position and equity that meets all regulatory requirements. Combined with low credit risk in its lending activities, this provides a solid basis for achieving access to the best possible funding terms in the capital markets. This is an important prerequisite for offering favourable lending terms.

The KLP Banken Group is well positioned for further development and growth.

Oslo, 13. August 2026

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Deputy Chair

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Elected by and from employees

ROAR W. BAKKEN
Elected by and from employees

MARIANNE SEVALDSEN
Managing Director

KLP Banken Group

Q2 2026

Income statement

KLP Banken Group

NOTE	NOK THOUSAND	Q2 2026	Q2 2025	01.01.2026-30.06.2026	01.01.2025-30.06.2025	01.01.2025-31.12.2025
	Interest income, effective interest method	681,717	619,480	1,325,544	1,215,314	2,464,909
	Other interest income	129,977	105,691	241,491	235,746	437,749
3	**Total interest income**	**811,695**	**725,171**	**1,567,035**	**1,451,060**	**2,902,658**
	Interest expense, effective interest method	-657,478	-550,639	-1,261,410	-1,105,962	-2,228,993
	Other interest expense	-51,198	-36,564	-100,861	-74,111	-161,633
3	**Total interest costs**	**-708,676**	**-587,203**	**-1,362,271**	**-1,180,073**	**-2,390,627**
3	**Net interest income**	**103,019**	**137,968**	**204,764**	**270,988**	**512,032**
	Commission income and income from banking services	11,544	9,827	21,807	18,602	41,428
	Commission cost and cost from banking services	-849	-849	-1,580	-1,773	-3,450
	Net charges and commission income	**10,695**	**8,978**	**20,227**	**16,828**	**37,978**
	Other fee income	15,889	15,632	31,979	31,264	62,529
12	Net gain/ (loss) financial instruments	18,240	7,781	25,564	9,088	22,517
	Total other operating income	**34,129**	**23,413**	**57,543**	**40,352**	**85,046**
	Salaries and administrative costs	-21,581	-18,135	-50,684	-44,409	-84,119
	Depreciation	-509	-584	-1,018	-1,196	-2,276
	Other operating expenses	-45,674	-43,651	-112,182	-99,135	-192,038
10	Net loan losses	-269	-457	-106	742	839
	Total operating expenses	**-68,033**	**-62,826**	**-163,990**	**-143,998**	**-277,594**
	Operating profit/loss before tax	**79,810**	**107,534**	**118,544**	**184,170**	**357,462**
	Tax ordinary income	2,587	-6,563	15,182	-5,512	-8,277
	Profit/loss for the period	**82,397**	**100,971**	**133,726**	**178,658**	**349,185**

NOTE	NOK THOUSAND	Q2 2026	Q2 2025	01.01.2026-30.06.2026	01.01.2025-30.06.2025	01.01.2025-31.12.2025
	Estimate differences, pensions for own employees	1,061	-5,688	6,857	-5,804	-3,089
	Tax on estimate changes related to defined-benefit pension schemes	-265	1,422	-1,714	1,451	772
	Other income and expenses that will not be reclassified to profit or loss	**796**	**-4,266**	**5,143**	**-4,353**	**-2,316**
	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 or loss	**0**	**0**	**0**	**0**	**0**
	Total other income and expenses	**796**	**-4,266**	**5,143**	**-4,353**	**-2,316**
	Comprehensive income for the period	**83,193**	**96,705**	**138,869**	**174,305**	**346,869**

Balance sheet

KLP Banken Group

NOTE	NOK THOUSAND	30.06.2026	30.06.2025	31.12.2025
	ASSETS			
5	Claims on central banks	78,639	75,882	77,276
5	Loans to credit institutions	2,219,496	1,784,818	1,213,288
4, 5	Loans to customers	54,832,537	44,203,264	51,504,194
5	Fixed-income securities	9,573,984	4,939,510	6,640,265
5	Shares and units	14,233	12,381	15,047
5	Financial derivatives	74,491	80,779	52,603
	Intangible assets	12,381	12,609	12,464
	Right-of-use assets	9,819	11,689	10,754
	Fixed assets	436	436	436
7	Other assets	16,057	12,636	7,632
	Total assets	**66,832,073**	**51,134,003**	**59,533,959**

NOTE	NOK THOUSAND	30.06.2026	30.06.2025	31.12.2025
	LIABILITIES AND OWNERS EQUITY			
	LIABILITIES			
5	Deposits and borrowings from the public	17,697,017	17,151,300	16,788,094
5, 6	Debt securities issued	45,065,473	30,156,897	38,839,093
5	Financial derivatives	19,087	23,747	20,909
	Deferred tax liabilities	0	4,751	79,394
	Lease liabilities	10,751	12,556	11,664
8	Other liabilities	264,923	190,984	59,141
8	Provision for accrued costs and liabilities	14,294	57,069	26,400
	Total liabilities	**63,071,546**	**47,597,304**	**55,824,696**
	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	1,431,658	1,172,394	1,519,263
	Profit for the period	138,869	174,305	0
	Total equity	**3,760,527**	**3,536,699**	**3,709,263**
	Total liabilities and equity	**66,832,073**	**51,134,003**	**59,533,959**

Statement of changes in equity

KLP Banken Group

NOK THOUSAND	Share capital	Share premium	Other accrued equity	Total owners' equity
Equity 1 January 2026	**1,140,000**	**1,050,000**	**1,519,263**	**3,709,263**
Profit for the period	0	0	133,726	133,726
Other income and expenses	0	0	5,143	5,143
Total comprehensive income for the period	**0**	**0**	**138,869**	**138,869**
Group contribution received during the period	0	0	284,853	284,853
Group contribution paid during the period	0	0	-372,458	-372,458
Total transactions with the owners	**0**	**0**	**-87,605**	**-87,605**
Equity 30 June 2026	1,140,000	1,050,000	1,570,527	3,760,527

NOK THOUSAND	Share capital	Share premium	Other accrued equity	Total owners' equity
Equity 1 January 2025	**1,140,000**	**1,050,000**	**1,248,951**	**3,438,951**
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**	**-76,557**	**-76,557**
Equity 30 June 2025	1,140,000	1,050,000	1,346,699	3,536,699

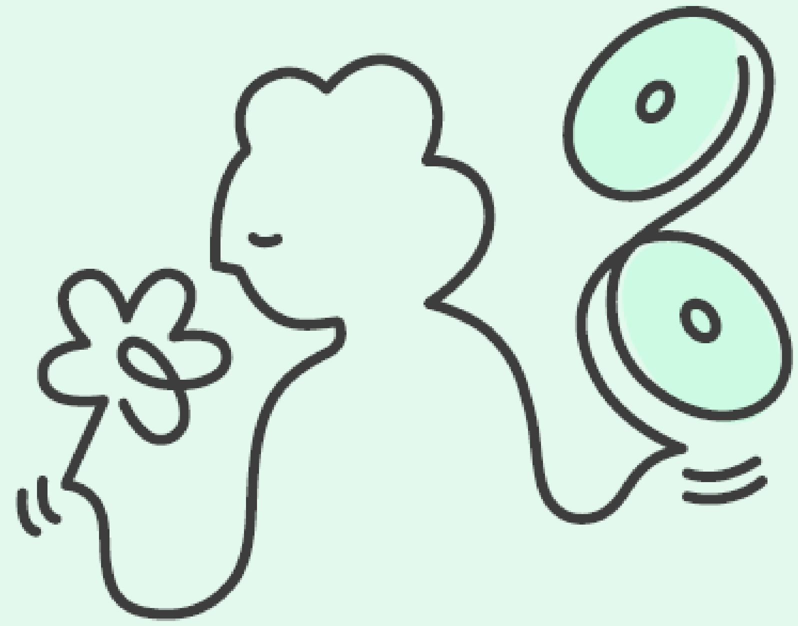
NOK THOUSAND	Share capital	Share premium	Other accrued equity	Total owners' equity
Equity 1 January 2025	**1,140,000**	**1,050,000**	**1,248,951**	**3,438,951**
Income for the year	0	0	349,185	349,185
Other income and expenses	0	0	-2,316	-2,316
Total comprehensive income for the year	**0**	**0**	**346,869**	**346,869**
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**	**-76,557**	**-76,557**
Equity 31 December 2025	1,140,000	1,050,000	1,519,263	3,709,263

Statement of cash flow

KLP Banken Group

NOK THOUSAND	01.01.2026-30.06.2026	01.01.2025-30.06.2025	01.01.2025-31.12.2025
OPERATING ACTIVITIES			
Payments received from customers – interest	1,290,163	1,157,927	2,331,701
Payments received from customers – commission and charges	21,807	18,601	41,428
Payments to customers – interest	-312,033	-334,926	-659,881
Payments to customers – commission and charges	-1,580	-1,773	-3,450
Payments made on issuance of loans to customers	-8,157,909	-5,552,891	-17,138,820
Receipts related to repayment and redemption of loans to customers	4,919,893	4,260,389	8,557,326
Net receipt of customer deposits, Bank	905,097	1,350,598	991,834
Receipts on loans	9,500,000	2,000,000	15,400,000
Repayments and redemption of securities debt	-1,878,000	-5,830,000	-10,065,000
Change in securities debt, own funds	-1,460,280	1,606,910	1,131,729
Net payment of interest on loans	-902,064	-774,522	-1,576,674
Payments on the purchase of securities	-9,351,875	-1,639,943	-10,523,910
Receipts on the sale of securities	6,449,273	4,262,945	11,474,815
Receipts of interest from securities	144,212	172,378	268,519
Disbursements on operations	-123,015	-85,664	-189,249
Payments to staff, pension schemes, employer's social security contrib.etc.	-58,621	-50,268	-100,030
Interest investment accounts	38,150	45,075	107,787
Net receipts/disbursements from operating activities	61,861	52,866	47,406
Net cash flow from operating activities	**1,085,079**	**657,702**	**95,531**

NOK THOUSAND	01.01.2026-30.06.2026	01.01.2025-30.06.2025	01.01.2025-31.12.2025
INVESTMENT ACTIVITIES			
Net cash flow from investment activities	**0**	**0**	**0**
FINANCING ACTIVITIES			
Payment of lease liabilities	-913	-877	-1,770
Group contributions paid	-87,605	-76,558	-76,557
Net cash flows from financing activities	**-88,517**	**-77,434**	**-78,327**
Net cash flow during the period	**996,561**	**580,268**	**17,204**
Cash and cash equivalents at the start of the period	1,256,428	1,239,224	1,239,224
Cash and cash equivalents at the end of the period	2,252,989	1,819,491	1,256,428
Net receipts/disbursements (-) of cash	**996,561**	**580,268**	**17,204**
Liquidity holdings comprise:			
Claims on central banks	78,639	75,882	77,276
Deposits with and receivables from banks with no agreed term	2,174,350	1,743,609	1,179,152
Total liquidity holdings at the end of the reporting period	**2,252,989**	**1,819,491**	**1,256,428**
Total interest received	**1,472,524**	**1,375,380**	**2,708,007**
Total interest paid	**-1,214,097**	**-1,109,448**	**-2,236,555**



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 01.01.2026-30.06.2026. 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 2025, please see the annual report for further information.

Note 3 Net interest income

NOK THOUSAND	Q2 2026	Q2 2025	01.01.2026-30.06.2026	01.01.2025-30.06.2025	01.01.2025-31.12.2025
Interest income on loans to customers	662,537	594,032	1,289,469	1,173,446	2,381,795
Interest income on loans to credit institutions	19,180	25,448	36,075	41,868	83,114
Total interest income, effective interest method	**681,717**	**619,480**	**1,325,544**	**1,215,314**	**2,464,909**
Interest income on interest-bearing securities	80,007	68,861	141,992	159,707	274,204
Other interest income	49,971	36,831	99,499	76,039	163,545
Total other interest income	**129,977**	**105,691**	**241,491**	**235,746**	**437,749**
Total interest income	**811,695**	**725,171**	**1,567,035**	**1,451,060**	**2,902,658**
Interest expenses on deposits to KLP Banken	-153,656	-167,671	-304,945	-327,837	-645,704
Interest expenses on issued securities	-503,822	-382,968	-956,465	-778,124	-1,583,289
Total interest expense, effective interest method	**-657,478**	**-550,639**	**-1,261,410**	**-1,105,962**	**-2,228,993**
Other interest expenses	-47,611	-32,960	-93,676	-66,902	-147,221
Interest expense lease liabilities	-43	-60	-96	-121	-235
Interest expenses on deposits to customers	-3,544	-3,544	-7,089	-7,089	-14,177
Total other interest expense	**-51,198**	**-36,564**	**-100,861**	**-74,111**	**-161,633**
Total interest expense	**-708,676**	**-587,203**	**-1,362,271**	**-1,180,073**	**-2,390,627**
Net interest income	**103,019**	**137,968**	**204,764**	**270,988**	**512,032**

Note 4 Loans to customers

NOK THOUSAND	30.06.2026	30.06.2025	31.12.2025
Principal on loans to customers	54,627,707	43,990,410	51,267,400
Credit portfolio	42,895	43,256	43,907
Overdraft current account	8	435	13
Write-downs step 1 and 2	-1,191	-1,250	-1,331
Write-downs step 3	-2,579	-3,265	-2,532
Loans to customers after write-downs	**54,666,840**	**44,029,586**	**51,307,456**
Accrued interest	237,298	223,535	248,071
Fair value hedging	-71,601	-49,857	-51,333
Loans to customers	**54,832,537**	**44,203,264**	**51,504,194**

Note 5 Fair value hierarchy

Fair value shall be a representative price based on what a corresponding asset or liability could 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 12 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 measured at Level 2 in accordance with the fair value hierarchy.

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 measured at Level 2 in accordance with the fair value hierarchy.

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 measured at Level 2 in accordance with the fair value hierarchy.

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 measured at Level 2 in accordance with the fair value hierarchy,

NOK THOUSAND	Level 1	Level 2	Level 3	30.06.2026	30.06.2025	31.12.2025
ASSETS AT FAIR VALUE						
Bonds and other fixed-income securities	2,391,749	7,182,235	0	9,573,984	4,939,510	6,640,265
Shares and units	0	0	14,233	14,233	12,381	15,047
Financial derivatives	0	74,491	0	74,491	80,779	52,603
Assets at fair value	**2,391,749**	**7,256,727**	**14,233**	**9,662,708**	**5,032,669**	**6,707,915**
LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS						
Financial derivatives	0	19,087	0	19,087	23,747	20,909
Liabilities at fair value through profit and loss	**0**	**19,087**	**0**	**19,087**	**23,747**	**20,909**

NOK THOUSAND	Level 1	Level 2	Level 3	Fair value 30.06.2026	Book value 30.06.2026	Fair value 30.06.2025	Book value 30.06.2025	Fair value 31.12.2025	Book value 31.12.2025
ASSETS AT AMORTISED COST									
Claims on central banks	0	78,639	0	78,639	78,639	75,882	75,882	77,276	77,276
Loans to and receivables on credit institutions	0	2,219,496	0	2,219,496	2,219,496	1,784,818	1,784,818	1,213,288	1,213,288
Loans to and receivables on customers	0	54,862,189	0	54,862,189	54,832,537	44,204,489	44,203,264	51,536,698	51,504,194
Assets at amortised cost	**0**	**57,160,324**	**0**	**57,160,324**	**57,130,672**	**46,065,189**	**46,063,964**	**52,827,262**	**52,794,758**
LIABILITIES AT AMORTISED COST									
Deposits from customers	0	17,697,017	0	17,697,017	17,697,017	17,151,300	17,151,300	16,788,094	16,788,094
Liabilities created on issuance of securities	0	45,292,000	0	45,292,000	45,065,473	30,288,947	30,156,897	38,996,469	38,839,093
Liabilities at amortised cost	**0**	**62,989,018**	**0**	**62,989,018**	**62,762,491**	**47,440,247**	**47,308,197**	**55,784,564**	**55,627,188**

CHANGES IN LEVEL 3 UNLISTED SHARES	
NOK THOUSAND	**Shares**
Opening balance 01.01.2026	**15,047**
Sold	0
Bought	0
Unrealised changes	-814
Closing balance 30.06.2026	**14,233**
Realised gains/losses	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. Financial assets measured at amortised 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 6 Debt securities issued

NOK THOUSAND	30.06.2026	30.06.2025	31.12.2025
Bond debt, nominal amount	47,257,000	30,470,537	39,635,000
Adjustments	-19,153	-13,400	-24,678
Accrued interest	302,627	249,760	249,772
Own holdings, nominal amount	-2,475,000	-550,000	-1,021,000
Total debt securities issued	**45,065,473**	**30,156,897**	**38,839,093**
Interest rate on borrowings through the issuance of securities on the reporting date:	4.92%	5.02%	4.62%

The interest rate is calculated as a weighted average of the act/360 basis. It Includes interest rate effects and amortisation costs.

NOK THOUSAND	Balance sheet 31.12.2025	Issued	Matured/ redeemed	Other adjustments	Balance sheet 30.06.2026
Bond debt, nominal amount	39,635,000	9,500,000	-1,878,000	0	47,257,000
Adjustments	-24,678	0	0	5,525	-19,153
Accrued interest	249,772	0	0	52,855	302,627
Own holdings, nominal amount	-1,021,000	0	-1,454,000	0	-2,475,000
Total debt securities issued	**38,839,093**	**9,500,000**	**-3,332,000**	**58,380**	**45,065,473**

Note 7 Other assets

NOK THOUSAND	30.06.2026	30.06.2025	31.12.2025
Intercompany receivables	2,698	2,072	2,651
Short-term receivable securities trading	594	871	4,836
Prepaid expenses	12,764	9,693	145
Total other assets	**16,057**	**12,636**	**7,632**

Note 8 Other liabilities and provision for accrued costs

NOK THOUSAND	30.06.2026	30.06.2025	31.12.2025
Creditors	1,708	4,259	3,300
Intercompany payables	125,321	45,280	16,638
Short-term balances with credit institutions	68,634	67,148	31,900
Other liabilities	69,260	74,298	7,303
Total other liabilities	**264,923**	**190,984**	**59,141**
Withholding tax	0	2,257	3,907
Social security contribution rate	2,646	2,265	2,969
Capital activity tax	950	815	1,064
Holiday pay	3,972	3,382	7,754
Pension obligations	2,445	28,705	8,845
VAT	43	0	147
Provisioned costs	4,239	19,646	1,713
Total accrued costs and liabilities	**14,294**	**57,069**	**26,400**

Note 9 Capital adequacy

NOK THOUSAND	30.06.2026	30.06.2025	31.12.2025
Share capital and share premium fund	2,190,000	2,190,000	2,190,000
Other owners' equity	1,431,658	1,172,394	1,519,263
Total owners' equity	**3,621,658**	**3,362,394**	**3,709,264**
Adjustments due to requirements for proper valuation	-9,574	-4,940	-6,640
Deduction goodwill and other intangible assets	-12,381	-12,609	-12,464
Core capital/Tier 1 capital	**3,599,703**	**3,344,846**	**3,690,160**

NOK THOUSAND	30.06.2026	30.06.2025	31.12.2025
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)	3,599,703	3,344,846	3,690,160
Capital requirement	1,278,951	994,523	1,151,269
Surplus of own funds (Tier 1 and Tier 2 capital)	**2,320,752**	**2,350,323**	**2,538,891**
Estimate basis credit risk:			
Institutions	458,768	363,161	239,521
Retail	3,084,346	1,882,298	2,508,651
Local and regional authorities (incl. municipalities/county administrations)	4,632,045	4,068,171	4,705,181
Investments with mortgage security in real estate	6,227,789	4,759,261	5,575,976
Investments fallen due	55,850	86,650	69,163
Covered bonds	568,603	385,609	342,558
Other items	40,132	37,065	29,983
Calculation basis credit risk	**15,067,532**	**11,582,214**	**13,471,032**
Credit risk	1,205,403	926,577	1,077,683
Operating risk	72,939	67,390	72,911
Credit valuation adjustments (CVA)	609	556	675
Total capital requirement assets	**1,278,951**	**994,523**	**1,151,269**
Core capital adequacy ratio	22.5%	26.9%	25.6%
Supplementary capital ratio	0.0%	0.0%	0.0%
Capital adequacy ratio	**22.5%**	**26.9%**	**25.6%**
Leverage ratio	**5.3%**	**6.4%**	**6.1%**

CAPITAL REQUIREMENT PER 30.06.2026	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	4.5%	0.0%	4.5%
Counter-cyclical capital buffer	2.5%	0.0%	2.5%
Pilar 2-requirement	1.3%	0.4%	1.7%
Current capital requirement including buffers	**15.3%**	**3.9%**	**19.2%**
Capital requirement leverage ratio	**3.0%**	**0.0%**	**3.0%**

Note 10 Loan loss provision

There has not been done any changes in the model for calculation of the expected loss provisions in the 2nd quarter. The total loan loss provisions have increased by 4 percentage for KLP Banken group from 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 THOUSAND	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2026	30.06.2025	31.12.2025
	Stage 1	Stage 2	Stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Allowance 01.01.	2,462	1,282	2,597	6,339	7,661	7,660
Transfer to stage 1	315	-273	-43	0	0	0
Transfer to stage 2	-15	96	-81	0	0	0
Transfer to stage 3	-1	-39	40	0	0	0
Net changes	-386	350	287	252	-492	-28
New losses	202	19	434	655	375	675
Write-offs	-126	-258	-599	-984	-591	-1,968
Allowance 30.06. / 31.12.	**2,451**	**1,176**	**2,635**	**6,262**	**6,953**	**6,340**
Change 01.01.- 30.06. / 31.12.	-10	-106	38	-77	-705	-1,319
This includes provisions for losses on loans and receivables - unused credit	1,797	639	57	2,493	2,439	2,476

BOOK VALUE OF LOANS AND RECEIVABLES FROM CUSTOMERS – ALL SEGMENTS

NOK THOUSAND	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2026	30.06.2025	31.12.2025
	Stage 1	Stage 2	Stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Lending 01.01.	50,859,400	645,465	54,525	51,559,391	42,923,470	42,923,470
Transfer to stage 1	184,523	-184,262	-262	0	0	0
Transfer to stage 2	-182,796	193,286	-10,490	0	0	0
Transfer to stage 3	-1,931	-8,816	10,748	0	0	0
Net changes	-580,140	-5,366	-57	-585,563	-749,322	-1,418,776
New lending	9,521,780	115,998	1,607	9,639,385	7,054,565	19,422,609
Write-offs	-5,543,831	-148,127	-13,553	-5,705,511	-4,971,077	-9,367,911
Lending 30.06. / 31.12.	**54,257,005**	**608,178**	**42,519**	**54,907,702**	**44,257,636**	**51,559,391**
Fair value hedging	-71,601	0	0	-71,601	-49,857	-51,333
Recognised loan loss provisions	-449	-537	-2,579	-3,564	-4,515	-3,864
Book value of loans to and receivables on customers 30.06. / 31.12.	**54,184,955**	**607,641**	**39,940**	**54,832,537**	**44,203,264**	**51,504,194**

EXPOSURE - UNUSED CREDIT

NOK THOUSAND	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.06.2026	30.06.2025	31.12.2025
	Stage 1	Stage 2	Stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Lending 01.01.	2,706,523	27,494	265	2,734,282	1,991,884	1,991,884
Transfer to stage 1	12,610	-12,542	-68	0	0	0
Transfer to stage 2	-3,449	3,452	-3	0	0	0
Transfer to stage 3	-13	-107	120	0	0	0
Net changes	38,517	-883	10	37,643	122,248	224,649
New lending	1,655,097	15,662	0	1,670,758	1,039,527	1,056,419
Write-offs	-806,555	-615	-90	-807,260	-385,960	-538,670
Lending 30.06. / 31.12.	**3,602,731**	**32,461**	**232**	**3,635,424**	**2,767,700**	**2,734,282**

Note 11 Contingent liabilities

NOK THOUSAND	30.06.2026	30.06.2025	31.12.2025
Credit facilities for lending not utilized	1,473,863	1,329,929	1,383,689
Credit facilities issued credit card	297,156	283,823	291,464
Loan promise	3,443,165	2,209,893	2,570,634
Total guarantees committed to Nora Stensparken	100,000	0	0
Total contingent liabilities	**5,314,184**	**3,823,645**	**4,245,787**

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.

Warranty Nora Stensparken: This is a completion warranty covering defects and deficiencies discovered after the handover of the apartment. If the buyer identifies defects or deficiencies that are not remedied by Nora Stensparken, the buyer may bring the case before the Conciliation Board (Forliksrådet). If the buyer is awarded compensation, this warranty shall cover such compensation.

KLP Banken has issued a guarantee related to NORA with a maximum exposure of 100 MNOK. On the balance sheet date 30.6.2026, 16 MNOK of the guarantee limit was utilized.

Note 12 Net gain/(loss) on financial instruments

NOK THOUSAND	Q2 2026	Q2 2025	01.01.2026-30.06.2026	01.01.2025-30.06.2025	01.01.2025-31.12.2025
Net gain/(loss) on fixed-income securities	20,214	7,817	29,217	13,257	35,329
Net gain/(loss) financial derivatives and realised amortisation linked to lending	0	-45	-103	-92	-1,573
Net gain/(loss) financial derivatives and realised repurchase of own debt	-1,793	-531	-3,189	-5,329	-13,092
Net accrual of over/under rates borrowings and securities	0	859	0	1,890	2,426
Other financial income and expenses	-180	-319	-361	-638	-572
Total net gain/(loss) on financial instruments	**18,240**	**7,781**	**25,564**	**9,088**	**22,517**

Note 13 Pension obligations - own employees

NOK THOUSAND	30.06.2026	30.06.2025	31.12.2025
Net pension obligation 01.01.	**8,845**	**21,575**	**21,575**
Recognised pension expense	6,379	7,196	12,218
Recognised financial expense	361	638	572
Recognised plan changes	0	0	-15,017
Estimate differences, pensions for own employees	-6,857	5,804	3,089
Premiums/contributions received	-6,283	-6,508	-13,591
Net pension obligation 30.06. / 31.12.	**2,445**	**28,705**	**8,845**

ASSUMPTIONS	30.06.2026	30.06.2025	31.12.2025
Discount rate	4.00%	3.70%	3.90%
Salary growth	4.00%	4.00%	4.00%
The National Insurance basic amount (G)	3.75%	3.75%	3.75%
Pension increases	2.75%	3.00%	2.75%
Social security contribution rate	14.10%	14.10%	14.10%
Capital activity tax	5.00%	5.00%	5.00%

The effect of changes in the assumptions is an reduction of the obligation by NOK 6.9 million as of 30.06.2026. The change is recognised in "Total other income and expenses that will not be reclassified to profit or loss".

Quarterly earnings trend

NOK MILLION	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
Interest income	811.7	755.3	735.3	716.3	725.2
Interest expense	-708.7	-653.6	-626.7	-583.8	-587.2
Net interest income	**103.0**	**101.7**	**108.6**	**132.5**	**138.0**
Commision income and income from banking services	11.5	10.3	12.0	10.9	9.8
Commision cost and cost from banking services	-0.8	-0.7	-0.9	-0.8	-0.8
Net charges and commission income	**10.7**	**9.5**	**11.1**	**10.0**	**9.0**
Other fee income	15.9	16.1	15.6	15.6	15.6
Net gain/(loss) financial instruments	18.2	7.3	12.3	1.1	7.8
Total other operating income	**34.1**	**23.4**	**28.0**	**16.7**	**23.4**
Salaries and administrative costs	-21.6	-29.1	-13.1	-26.6	-18.1
Depreciation	-0.5	-0.5	-0.5	-0.5	-0.6
Other operating expenses	-45.7	-66.5	-45.2	-47.7	-43.7
Net loan losses	-0.3	0.2	0.1	0.0	-0.5
Total operating expenses	**-68.0**	**-96.0**	**-58.8**	**-74.8**	**-62.8**
Operating profit/loss before tax	**79.8**	**38.7**	**88.9**	**84.4**	**107.5**
Tax ordinary income	2.6	12.6	-1.9	-0.9	-6.6
Profit/loss for the period	**82.4**	**51.3**	**87.1**	**83.5**	**101.0**
Other comprehensive income	1.1	5.8	-12.4	15.1	-5.7
Tax on other comprehensive income	-0.3	-1.4	3.1	-3.8	1.4
Other comprehensive income for the period	**0.8**	**4.3**	**-9.3**	**11.3**	**-4.3**
Comprehensive income for the period	**83.2**	**55.7**	**77.8**	**94.8**	**96.7**

Key figures – accumulated

NOK MILLION	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
Profit before tax	118.5	38.7	357.5	268.5	184.2
Net interest income	204.8	101.7	512.0	403.4	271.0
Other operating income	52.2	25.6	100.5	73.8	48.1
Operating expenses and depreciation	-164.0	-96.0	-277.6	-218.8	-144.0
Net gain/ (loss) financial instruments	25.6	7.3	22.5	10.2	9.1
Contributions	17,697.0	17,192.7	16,788.1	16,899.4	17,151.3
Loans to customers	54,832.5	53,443.9	51,504.2	45,614.1	44,203.3
Defaulted loans	39.9	47.1	52.0	58.7	73.7
Borrowing on the issuance of securities	45,065.5	40,949.7	38,839.1	32,769.3	30,156.9
Total assets	66,832.1	62,104.6	59,534.0	53,591.7	51,134.0
Average total assets	63,183.0	60,819.3	55,668.3	52,697.2	51,468.3
Owners' equity	3,760.5	3,677.3	3,709.3	3,631.5	3,536.7
Net interest rate	0.32%	0.17%	0.92%	0.77%	0.53%
Profit from ordinary operations as a % of average total assets	0.19%	0.06%	0.64%	0.51%	0.36%
Return on owners’ equity before tax	6.4%	4.2%	10.4%	10.4%	10.7%
Capital adequacy	22.5%	23.6%	25.6%	25.8%	26.9%
Liquidity coverage ratio (LCR)	622%	252%	604%	356%	478%

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