

# Annual Report 2024

KLP Banken AS and KLP Banken  
Group

The KLP logo is rendered in a large, white, serif font. The letter 'K' is stylized with a tall, thin vertical stroke on its left side. The 'L' and 'P' are also in a classic serif style. The logo is centered horizontally and positioned in the upper half of the page, overlapping the background image of a city street.

# KLP

# Table of Contents

## KLP Banken AS and KLP Banken Group

<b>3</b>	Annual Report for 2024	<b>70</b>	Note 18 Financial derivatives
<b>16</b>	Income statement	<b>71</b>	Note 19 Shares and holdings
<b>17</b>	Balance	<b>72</b>	Note 20 Financial assets and liabilities subject to net settlement
<b>19</b>	Statement of owners' equity	<b>72</b>	Note 21 Ownership in Group companies
<b>20</b>	Statement of owners' equity KLP Banken Group	<b>73</b>	Note 22 Intangible assets
<b>21</b>	Statement of cash flows	<b>73</b>	Note 23 Leases
<b>22</b>	Notes to the account	<b>73</b>	Note 24 Art
<b>22</b>	Note 1 General information	<b>74</b>	Note 25 Other assets
<b>22</b>	Note 2 Material accounting policy information	<b>74</b>	Note 26 Deposits from customers
<b>30</b>	Note 3 Important accounting estimates and valuations	<b>74</b>	Note 27 Debt securities issued - stock exchange listed covered bonds and certificates
<b>30</b>	Note 4 Segment information	<b>75</b>	Note 28 Other liabilities and provision for accrued costs
<b>31</b>	Note 5 Net interest income	<b>76</b>	Note 29 Capital adequacy
<b>31</b>	Note 6 Net commission income	<b>76</b>	Note 30 Financial risk management
<b>32</b>	Note 7 Net gain/(loss) on financial instruments	<b>77</b>	Note 31 Credit risk
<b>32</b>	Note 8 Pay and general management costs	<b>83</b>	Note 32 Market risk
<b>32</b>	Note 9 Auditor's fee	<b>85</b>	Note 33 Liquidity risk
<b>32</b>	Note 10 Loan loss provision	<b>88</b>	Note 34 Hedge accounting
<b>58</b>	Note 11 Tax	<b>89</b>	Note 35 Written-down assets
<b>59</b>	Note 12 Pension obligations, own employees	<b>90</b>	Note 36 Transactions with related parties
<b>62</b>	Note 13 Cash, cash equivalents and other loans and receivables from credit institutions	<b>91</b>	Note 37 Salary and obligations to senior management etc.
<b>63</b>	Note 14 Lending and receivables	<b>94</b>	Note 38 Number of employees
<b>64</b>	Note 15 Categories of financial instruments	<b>94</b>	Note 39 Contingent liabilities
<b>67</b>	Note 16 Fair value hierarchy	<b>95</b>	Independent auditor's report
<b>69</b>	Note 17 Fixed-income securities	<b>98</b>	Contact information

# KLP Banken AS and KLP Banken Group

## Annual Report for 2024

The KLP Banken Group achieved an annual profit before tax of NOK325 million in 2024, making this the most profitable year in the Bank's 15-year history. Deposit growth in the retail market has also been historically high, and a large number of new retail customers have established customer relationships with the Bank. The results reflect a positive long-term trend.

### ABOUT KLP BANKEN

KLP Banken AS is wholly owned by Kommunal Landspensjonskasse gjensidig forsikringselskap (KLP), and has its head office in Trondheim. KLP Banken AS has two subsidiaries, KLP Kommunekreditt AS and KLP Boligkreditt AS, which are part of the KLP Banken Group. The operations of the KLP Banken Group are divided into two nationwide business areas: the retail market and the public-sector market.

The KLP Banken Group offers simple and competitive banking products and services combined with good digital solutions to set up and manage them. In this way, the Bank also aims to reinforce the perception that public-sector enterprises which have chosen KLP as a pension provider are attractive employers. Employees in these enterprises, together with pensioners, make up almost 66 per cent of the KLP Banken Group's retail customer base.

The KLP Banken Group's presence in the market for loans to public-sector enterprises contributes to competition and provides the target group of municipalities, county authorities and businesses with public guarantees with access to favourable long-term financing. The Bank also provides guidance to this target group in the area of financing and municipal finance, while working with other parts of KLP to develop products and services that meet the needs of customers.

In this way, the KLP Banken Group aims to be a significant lender and financial advisor to KLP's owners, while retaining and attracting new customers by delivering good customer experiences.

### Financial performance in 2024 - KLP Banken Group

Profit (NOK millions)	2024	2023	Change
Operating profit before tax	325.4	285.4	39.9
Total comprehensive income	332.2	257.1	75.2
Net interest income	520.2	464.7	55.5

Balance sheet (NOK billions)	2024	2023	Change
Loans on the bank group's balance sheet	42.8	42.9	-0.0
Loans managed for KLP	87.6	82.1	5.5
<b>Total loan management</b>	<b>130.4</b>	<b>124.9</b>	<b>5.5</b>
Loans paid out	19.8	15.8	4.0

## INCOME STATEMENT

The profit contribution from the two business areas is NOK 251.7 (199.4)<sup>1</sup> million from the retail market and NOK 73.7 (86.0) million from the public-sector market.

The KLP Banken Group's return on equity was 10.3 (9.6) per cent before tax and 9.9 (9.1) per cent after tax.

Net lending in the KLP Banken Group was little changed in 2024. There was a growth in mortgages of NOK 0.3 (0.6) billion and a reduction in public-sector loans of NOK -0.3 (-0.2) billion. Loans managed for KLP increased by NOK 5.5 (3.5) billion in 2024.

Money market rates, and hence interest rates in general, were at a stable, relatively high level throughout 2024. KLP Banken adjusted its lending rates accordingly and had roughly the same average lending margins in 2024 as in the previous year. High interest rates are thus a major reason for the increase in net interest income, as lending financed with equity produced higher returns compared to the previous year.

Total net interest income increased by 12 (26) per cent compared to the year before, and 79 (76) per cent of the KLP Banken Group's net interest income in 2024 came from the retail market.

Profit/loss effects from changes in value on financial instruments turned from positive to negative through 2024. The main reason for this is that the value of the bank's liquidity investments, which are recognised at market value, fell towards the end of the year. Accounting effects from buy-backs of bonds issued have also resulted in slightly higher costs compared to last year.

The accounting item for 'net profit/loss on financial instruments' includes the effects of changes in the value of securities and buy-backs of bonds issued, also interest rate expences on pension obligations as well as changes in the value of loans. In total, this item showed a net expense of NOK -7.0 (2.5) million in the financial year.

Changes in the Bank's earnings from fees mainly follow changes in the volume of outstanding credit in the retail market. Slightly higher lending volume, adjustments to some fee rates, and income from increased credit card usage caused net fees and commission income to rise to NOK 33.2 (27.9) million in 2024.

Total operating costs and depreciation amounted to NOK 282.7 (270.1) million in 2024. This is an increase of 5 (10) percent. The change over and above normal cost growth is mainly related to increased costs for IT operations and digitisation projects.

Loss provisions are calculated on loans in the retail market and on loans to the public sector; see Note 10.

Individual losses and loss provisions on loans and other credit are all related to lending in the retail market. The public-sector market did not see any individual loan losses in 2024.

---

<sup>1</sup> Figures in brackets refer to the previous year.

Losses and loss provisions taken to profit/loss were NOK 1.0 (0.9) million in the financial year. Capitalised loan loss provisions were NOK 7.7 (6.2) million. Of this, step 3 loss provisions amounted to NOK 3.8 (1.5) million while steps 1 and 2 together totalled NOK 3.8 (4.7) million. The Bank's losses are at a very low level and the Board of Directors believes that the provisions are sufficient.

## OVERALL LOAN MANAGEMENT

The KLP Banken Group manages a total loan portfolio of NOK 130.4 (124.9) billion for KLP and on its own balance sheet. Outstanding loans (principal) per company in the KLP Banken Group as at 31.12.2024:

Company / NOK billions	Mortgages	Public/commercial	Total loans
KLP Banken AS (parent)	11.4		11.4
KLP Boligkreditt AS	12.7		12.7
KLP Kommunekreditt AS		18.7	18.7
KLP (Management agreement)	3.4	84.1	87.6
<b>TOTAL</b>	<b>27.5</b>	<b>102.8</b>	<b>130.4</b>

Drawn credit on credit cards comes in addition to mortgages in the retail market.

Some of the managed loans to public-sector/commercial customers are pure management assignments for KLP, whereby the conclusion of loan agreements, documentation and follow-up are handled by the principal. The KLP Banken Group also has a responsibility for offers, contracts and loan documentation under its mandate from KLP.

## RETAIL MARKET

### Customers

The KLP Banken Group had a total of nearly 57,700 (52,500) active retail customers at the end of the year. The table below shows the breakdown by numbers of customers actively using the Bank's products (customers using one or more products).

	Number 2024	Share of members 2024	Number 2023	Share of members 2023
Deposits	56,653	66 %	51,268	67 %
Lending	15,107	79 %	14,923	79 %
Credit cards	6,167	83 %	5,622	85 %
<b>Total customers</b>	<b>57,679</b>	<b>66 %</b>	<b>52,488</b>	<b>67 %</b>
Number of members	37,955		35,390	
Number of non-members	19,724		17,098	

Overall customer growth in 2024 amounts to 9.9 per cent.

### Products

The KLP Banken Group offers a full range of standard banking products and services in the retail market, with most of the revenue coming from mortgages and deposits. The mortgage products include ordinary

mortgages, flexiloans, mortgages for young people, bridging finance for house purchases, loans for holiday homes, and senior loans.

The deposit products in the retail market are current accounts and savings accounts with varying purposes and conditions, including savings for young people to buy a home (BSU). The Bank also has deposits in share savings accounts for retail customers who are saving in KLP funds. The Bank also offers debit and credit cards and other payment solutions. Most retail customers use self-service through mobile and online banking, but they can also contact the Bank through other channels when they need to.

The KLP Banken Group aims to help customers make sustainable choices. The Bank therefore offers green mortgages to members of KLP who have energy-friendly homes, or who choose to take measures to improve their energy efficiency. At the end of 2024, green loans amounted to NOK 1.7 billion, or 7 per cent of the Bank's total lending portfolio in the retail market.

## **Lending**

The KLP Banken Group's outstanding mortgages in the retail market totalled NOK 24.1 (23.7) billion at the end of 2024.

In 2024, the KLP Group's mortgage portfolios grew from NOK 26.6 billion to NOK 27.5 billion. That represents a net growth of 3.6 (1.7) per cent. Gross new lending totalled NOK 7.7 (7.7) billion. Mortgages are secured using cautious valuations whereby all borrowers are assessed with respect to solvency and willingness to pay before a loan is approved. Fixed-interest loans accounted for 10 (7) per cent of outstanding loans at year-end. Other loans were at floating interest rates.

At the end of 2024, the mortgage portfolios in the KLP Banken Group had an average loan-to-value ratio (LTV - debt as a percentage of the estimated property value) of 53 (55) per cent.

At year-end, outstanding debt on credit cards issued by the Bank was NOK 47.8 (44.3) million. Credit card usage has increased in recent years, but the level of used credit has remained relatively stable.

Loans more than 90 days past due amounted to NOK 46.2 (28.2) million at the end of the year. That represents 0.19 (0.12) per cent of the KLP Banken Group's total lending in the retail market. Defaults and losses have thus increased in 2024, but are still at a low level compared to most other banks.

KLP's own customer satisfaction survey shows a solid score of 77 for the Bank's retail customers in 2024, which is high in an industry context.

## **PUBLIC-SECTOR MARKET**

### **Lending**

Loans to the public sector are provided by KLP and KLP Kommunekreditt AS and managed by the KLP Banken Group.

KLP Kommunekreditt AS, together with KLP, has a good position in the market for long-term financing of municipalities, county authorities and enterprises that work for the public sector. The Bank also has an important role as an advisor for customers on financial matters, for example. Customers appreciate this, as shown by the fact that they are expressing steadily increasing satisfaction with the Bank. In EPSI's customer satisfaction survey, the public-sector market scored 74 in 2024.

Total loans from KLP and KLP Kommunekreditt AS to public-sector borrowers and enterprises amounted to NOK 93.4 (90.3) billion at the end of 2024, an increase of NOK 3.2 billion, or 3.5 per cent, in the financial year. For the local government sector as a whole, the estimated debt growth was around 7 per cent in 2024.

Loans at fixed interest rates made up 28 (27) per cent of total lending at the end of the year.

In 2024, new loans were paid to the public sector from the companies in the KLP Group for a total of NOK 12.0 (7.1) billion.

The credit risk associated with loans to municipalities and county authorities in Norway is limited to deferred payments postponement and not to a lapse in payment obligations. This is pursuant to Norwegian law, which provides the lender with security against loss if a municipality cannot meet its payment obligations. In the event of a payment deferral, the lender is also assured of compensation for accrued interest, interest on overdue payments and debt recovery costs under the Norwegian Local Government Act. Neither KLP nor the KLP Banken Group has had any credit losses on loans to municipalities or county authorities.

The KLP Banken Group aims to be a driver and advisor on the transition to a more sustainable society, and to get municipalities to make sustainable choices within public administration. The Bank offers green loans to municipalities, county authorities and companies with a local government affiliation for projects that have a clear positive environmental and climate impact. Among other things, these loans fund various improvements to water and sewerage facilities to increase capacity and water quality. The loans also help prepare communities for more surface water due to climate change. Green loans are loans that are provided for projects or municipal initiatives that have a clear climate goal. The criteria for projects to qualify for green loans vary over time, and the current criteria are published on [KLP.no](https://www.klp.no). For green loans, there was a net increase of NOK 905 million in 2024.

Through the year, KLP Banken has provided loans for projects covering different needs for the municipalities. For example, a green loan was granted to Hitra municipality to finance a new school, Ringsaker municipality was given a loan to finance repairs and upgrades to the drainage system, and Møre and Romsdal received a loan to finance sports facilities and infrastructure projects.

Together with Norwegian Association of Local and Regional Authorities (KS) and its sister company KLP Eiendom, KLP Banken has developed a service for the municipalities called "Guidance on energy saving for municipalities". This service will help municipalities to take effective and profitable energy-saving measures in their own building stock, as well as helping to finance these in the best possible way.

## LIQUIDITY

The KLP Banken Group's liquidity situation is satisfactory, as the Group's financing more than covers the liquidity needs from operations. The year-end cash flow statement shows reduced net liquidity overall. Operating activities produced a negative net cash flow because of increased investment levels in marketable securities compared to last year.

Free liquidity is invested in other banks and in interest-bearing securities. Investments in credit institutions amounted to NOK 1.3 (1.7) billion. The book value of interest-bearing securities measured at fair value was NOK 7.6 (4.3) billion in the KLP Banken Group at the end of the year. The portfolio consists entirely of high-rated covered bonds and bonds issued by the Norwegian government or other public institutions.

The Bank reports the liquidity reserve (LCR) monthly for the KLP Banken Group as a whole and quarterly for each company.

## FINANCING OF OPERATIONS

### Financing of the retail market

The KLP Banken Group's activities in the retail market are financed with deposits, borrowing and equity.

The Bank's deposits from retail customers increased from NOK 12.5 billion to NOK 14.3 billion (a rise of 14.4 per cent) in 2024.

At the end of the financial year, KLP Banken AS had outstanding securities debt of NOK 0.8 (0.9) billion. This is used to finance the subsidiaries in addition to deposits.

The KLP Banken Group uses KLP Boligkreditt AS to finance part of its lending activities in the retail market by issuing covered bonds backed by mortgages. In 2024, new mortgage-backed bonds in the amount of NOK 1.0 (1.0) billion were issued. Outstanding bond debt in KLP Boligkreditt AS was NOK 10.5 (11.1) billion at the end of 2024. KLP Boligkreditt AS has achieved the best rating for its borrowing programme.

KLP Boligkreditt AS purchased mortgages amounting to NOK 4.0 (4.5) billion from KLP Banken AS during 2024. At the end of the year, mortgages totalling NOK 12.7 (12.7) billion were financed on KLP Boligkreditt's balance sheet and NOK 11.4 (11.1) billion on KLP Banken AS's balance sheet.

### Financing of the public-sector market

The mortgage company KLP Kommunekreditt AS issues covered bonds secured on loans to municipalities and county authorities and to enterprises with a municipal loan guarantee. Cost-effective financing enables the KLP Banken Group to offer long-term lending on favourable terms.

At the end of 2024, the Bank had issued covered bonds backed by loans to the local government sector amounting to NOK 21.0 (19.4) billion. New issues in 2024 amounted to NOK 6.3 (6.0) billion. No bonds have



been issued outside Norway. KLP Kommunekreditt AS has achieved the best rating for its borrowing programme.

A proportion of KLP Banken's deposits from municipalities and enterprises is also used to finance loans from KLP Kommunekreditt AS through internal loans to the mortgage company.

## BALANCE SHEET AND CAPITAL ADEQUACY

The total assets of KLP Banken Group amounted to NOK 51.8 (48.9) billion at the end of 2024. The breakdown is shown in the table below:

Total assets/NOK billions	2024	2023	Change
Public-sector loans/municipal guarantee	18.7	19.0	-0.3
Loans to private individuals	24.1	23.9	0.3
Securities and liquidity	8.9	5.9	2.9
Other assets	0.1	0.1	-0.0
<b>Total</b>	<b>51.8</b>	<b>48.9</b>	<b>2.9</b>

The Group's equity and subordinated loan capital, based on the Board of Directors' proposal for allocation of profits between the Group companies for 2024, was NOK 3.4 (3.2) billion. Core capital is identical to equity and subordinated loan capital. This gives a capital adequacy and tier 1 capital ratio of 22.7 (21.7) per cent. The current capital requirement, including capital buffers, is 18.6 per cent.

KLP Banken AS has a Pillar 2 supplement of 1.1 per cent, which is included in the Group's capital requirements at the end of 2024. The Bank also maintains a buffer of at least 1.0 per cent above the actual capital requirement for Pillar 1 and Pillar 2 risks, so the capital target is 19.6 per cent.

The risk-weighted balance came to NOK 14.1 (13.7) billion at the end of 2024.

The leverage ratio in the Group was 6.5 (6.3) per cent. The leverage ratio requirement is 3 per cent. Capital adequacy is considered to be good.

## ABOUT THE FINANCIAL STATEMENTS

The Board of Directors believes that the financial statements provide a true and fair picture of the Banks' assets and liabilities, financial position and results. The conditions for a going concern are present, and this is assumed in the financial statements.

## ALLOCATION OF PROFIT FOR THE YEAR

The financial statements for KLP Banken AS show total comprehensive income for 2024 of NOK 205.9 (152.4) million after tax. The Board of Directors proposes that a group contribution, with tax effect, of NOK 194.7 (172.3) million be paid to KLP. NOK 146.0 (129.2) million will be received from KLP in return as a group contribution without any tax effect. Profit after tax and group contribution made will be transferred to other equity. The group contribution only has an accounting effect from the date of the decision.

## RATING

The rating agencies' assessment of the companies in the KLP Banken Group has a bearing on the borrowing terms that can be obtained. The companies use Moody's for credit rating of bonds. KLP Banken AS has a rating of A3. All covered bond issues have the best rating, Aaa.

## RISK MANAGEMENT IN KLP BANKEN

KLP Banken AS and its subsidiaries are exposed to different types of risks. The Bank has established a risk management framework aimed at ensuring that risks are identified, analysed and managed by means of policies, limits, procedures and instructions.

Separate guidelines have been established for the most significant individual risks (liquidity, credit, market, operational and compliance risks), along with an overall policy for risk management which includes principles, organisation, limits etc. for the bank group's overall risk. The policies are adopted by the Board of Directors and reviewed at least once a year. The policies are of an overarching nature and are supplemented with procedures, rules and instructions determined at the administrative level.

The overall risk management policy governs roles related to the Bank's risk management, including requirements and guidelines for the risk control function. One purpose of the risk control function is to check that the guidelines are being followed.

Stress testing is used as a method for risk assessment, and as a tool for communication and risk discussion. In this context, stress testing includes both sensitivity analyses and scenario analyses.

The policies include tolerance for the individual risks and for the overall risk. Risk tolerances are defined for different stress scenarios, and various forms of stress testing are regularly carried out to ensure that the actual exposure is within the approved tolerance limits.

The Bank is also exposed to ESG risk through its own business and indirectly through its lending portfolio. ESG risk is defined as the risk of losses where the Bank's exposure to counterparties is adversely affected by ESG factors. ESG risk is a risk driver for credit risk, counterparty risk and market risk, and can be divided as follows:

- Environmental risk (E) is the risk of losses where the Bank's exposure to counterparties is adversely affected by environmental factors, including climate change and/or environmental degradation.
- Social risk (S) is the risk of losses where the Bank's exposure to counterparties is adversely affected by societal factors such as social conditions, labour rights, human rights, poverty, etc.
- Governance Risk (G) is the risk of losses where the Bank's exposure to counterparties is adversely affected by poor management and control within the counterparty.

The KLP Banken Group is working to map climate risk in its operations. The Bank has a risk that some of its mortgage customers could be affected by extreme weather, which influences the market price of a home in

the short and/or long term, hence reducing the collateral. To take a closer look at this, the Bank uses data from the Norwegian Water Resources and Energy Directorate (NVE), the Norwegian Mapping Authority and the Norwegian Geotechnical Institute (NGI) on floods, sea level rise and landslides to see how its mortgage portfolio is exposed to these events. Within the public-sector market, the Bank has a role as advisor to the municipalities within climate and sustainability, and offers green financing products to meet the municipalities' and authorities' expectations for climate-related and sustainable investments.

Financial crime is a serious social problem, and preventing financial crime is an important part of the KLP Banken Group's corporate social responsibility. The KLP Banken Group works systematically to prevent our products and services from being used for illegal activities such as money laundering, corruption, terrorist financing or other criminal activity, and to provide our customers with secure digital finance. Fraud against banking customers is constantly increasing and is a significant social problem. Specialised knowledge and effective cooperation and coordination between the public sector and the banks are needed to address this. KLP Banken is working to combat all forms of financial crime to reduce financial losses for our customers, for the KLP Banken Group and for society as a whole. Effective measures to prevent fraud, money laundering and terrorist financing take a very high priority for the KLP Banken Group.

The KLP Banken Group aims to maintain a prudent risk profile and earnings should mainly be the result of borrowing and lending activities and liquidity management. This means that the KLP Banken Group should maintain a low level of market risk and that interest rate risk arising from its borrowing and lending activity should be reduced by means of derivatives. The KLP Banken Group should have prudent long-term financing and limits have been set to ensure that this objective is achieved. The credit risk in KLP Banken is low and lending is limited to loans with municipal risk and loans with security in residential and holiday property. Management of the KLP Banken Group's liquidity takes the form of investments which satisfy credit quality requirements, and securities in line with Board-approved credit lines.

The boards of KLP Banken AS, KLP Kommunekreditt AS and KLP Boligkreditt AS have appointed a joint risk committee. The risk committee deals with matters relating to the Bank's different risks, and has an advisory function vis-à-vis the Board of Directors.

## **CORPORATE GOVERNANCE**

The Bank's articles of association and applicable legislation provide guidance for corporate governance, corporate management, and a clear division of roles between governing bodies and the chief executive officer.

The Board of Directors sets the guidelines for the business. It held six board meetings in 2024.

The chief executive officer is in charge of the day-to-day management of the company in accordance with instructions issued by the Board of Directors.

The board members have taken out directors' liability insurance. This also covers the CEO. The directors' liability insurance also covers the subsidiaries.

## WORKING ENVIRONMENT AND ORGANISATION

KLP Banken AS and its subsidiaries had 74 (73) permanent employees at the end of 2024. All employment contracts are with KLP Banken AS. Two employees have additional functions in the subsidiaries, KLP Kommunekreditt AS and KLP Boligkreditt AS.

The KLP Banken Group's most important resource is its employees, most of whom are highly experienced and have extensive credit and market expertise in both the retail market and the public sector. The development of products and services, and regulatory requirements placed on the KLP Banken Group, lead to constant changes within the business and demand a adaptation and fresh skills. Further development of the organisation and staff training are therefore important elements of the Bank's plans and activities.

Regular surveys are conducted among all employees to measure commitment, health and safety, job satisfaction and compliance with KLP's core values. These surveys show that the vast majority of employees are highly committed and enjoy working for KLP. The Bank has a working environment committee (AMU), made up of representatives from management, KLP's HR department, elected employee representatives and health and safety. The Board considers that cooperation between the management of the KLP Banken Group and the employees is working well.

The KLP Group aims to keep sickness absence below 4 per cent. In the financial year, the KLP Banken Group had a sickness absence rate of 4.0 (2.7) per cent, of which long-term absence totalled 2.1 (0.8) per cent, and short-term absence 1.9 (1.9) per cent. Long-term absence has increased, and is being closely monitored by managers in the Bank and the HR department in KLP, and by the Bank's Board of Directors in the event of increased absence over time. There were no work-related injuries or accidents in 2024.

As part of the KLP Group, KLP Banken complies with the Group's guidelines on equality and diversity, whose objectives, initiatives and activities take account of the basis for discrimination described in the legislation. Separate objectives for equality and diversity have been adopted in the central executive committee. In connection with recruitment, the Company routinely states its desire to hear from all qualified job applicants irrespective of age, gender, disability, political opinions, sexual orientation or ethnic background. For the 2024 financial year a common Group-wide statement pursuant to the Equality and Discrimination Act will be prepared. The statement will be available during March 2025 on:

<https://www.klp.no/en/financial-information>.

The Board of Directors of the KLP Banken Group meets the activity and reporting requirements resulting from the Norwegian Equality and Non-Discrimination Act. Active work for diversity, equality, equal pay and reduced sickness absence are part of corporate social responsibility.

The KLP Banken Group also adheres to the KLP Group's code of conduct and the guidelines for reporting suspected wrongdoing in the workplace (whistleblowing).

Of the KLP Banken Group's employees, 54 (56) per cent are women. Every effort is made to achieve a balance between women and men at all levels. The proportion of women in senior positions was 55 (58) per cent. In the KLP Banken Group's central management team (levels 1 and 2) the proportion of women was 63

(63) per cent. At the end of 2024, the Board of Directors of KLP Banken AS comprised three women and four men, including one woman and one man elected from among the employees.

## SUSTAINABILITY

The Norwegian Transparency Act requires enterprises to carry out due diligence checks and account for these in their public reporting for 2024, a Group-wide statement has been prepared for KLP pursuant to the Transparency Act. KLP Banken will publish this statement by 30 June 2025. The statement will be made available under [Corporate Social Responsibility - About KLP - KLP.no](#).

For the 2024 financial year, a consolidated sustainability report has been prepared for the KLP Group, pursuant to Section 2-3 (4) of the Norwegian Accounting Act. KLP Banken is not currently covered by the reporting requirements as a separate entity, but is included in the Group-level reporting for Kommunal Landspensjonskasse gjensidig forsikringsselskap, whose registered address is Dronning Eufemias gate 10, 0191 Oslo, Norway. The consolidated sustainability report and auditor's sign-off be made available at <https://www.klp.no/en/financial-information>.

## OUTLOOK

KLP Banken's target group in the retail market is KLP's membership base, which is made up of employees and pensioners of KLP's owner-customers. This comprises a significant proportion of the population, and the conditions for further developing the KLP Banken Group's position are considered to be good. The KLP Banken Group will go on working to develop favourable and predictable products and services for its members.

Norwegian society is experiencing a period of macroeconomic uncertainty, and this also affects both households and municipalities. Inflation and high interest rates are major factors in this. The Bank expects to see continued low mortgage growth in the near term before a gradual normalisation. KLP Group members, who are mainly public-sector employees and their households, are more shielded than other groups from risk associated with their working conditions as employees in municipalities and health enterprises. The KLP Banken Group therefore assumes that the risk of defaults and losses will remain limited in the future. The Bank is maintaining its growth ambitions for deposits, to be achieved mainly by recruiting more deposit customers.

The debt burden on households is subject to strict official requirements for the provision of credit in the retail market, laid down in the Norwegian Lending Regulations (Utlånsforskriften). The KLP Banken Group sees this as a good basis for further development of banking products and services in the retail market. The KLP Banken Group will pursue conservative procedures for granting credit in order to maintain low risk in the Bank's lending portfolios, but will also be there wherever possible for customers facing challenges in difficult times.

The banking industry is at the forefront of technological development, and customers' expectations for simple and digital solutions are growing. The KLP Banken Group aims to exploit proven technology in order

to offer relevant, customer-friendly and efficient services to its customers. This raises a long-term need for IT investments to achieve the Bank's targets for further growth and profitability.

Norwegian municipalities have developed a good and comprehensive range of services to the public. Increased life expectancy, demographics, income growth and climate risk give grounds to expect a substantial level of investment in the public sector over the next few years. Tighter economic conditions do not yet appear to have resulted in lower loan growth than what has been normal in recent years. In its annual budget survey, the Norwegian Association of Local and Regional Authorities (KS) expects the levels of investment and borrowing to remain high in 2025 but there is a risk that this may change in the long term. Demand for loans for projects that contribute to climate adaptation is likely to continue to increase in the years ahead.

KLP Kommunekreditt AS is the only mortgage company in Norway that issues bonds secured against loans to the public sector. The presence of KLP Kommunekreditt AS together with KLP in the market for public loans contributes to competition and so provides the public sector with stable access to long-term financing on favourable terms.

KLP Banken AS has good solvency and an equity capital situation that meets all regulatory requirements. Combined with low credit risk in its lending business, this is a basis for access to the best possible financing in the capital markets. This is an important prerequisite if we are to offer favourable lending terms.

The new Capital Requirements Regulation (CRR3) entered into force in the EU on 1 January 2025, and the Ministry of Finance has decided that the changes will be introduced in Norway when the rules are included in the EEA Agreement. The new Regulation entails lower capital requirements for mortgages for banks that use the standard method to calculate their capital requirements, such as the KLP Banken Group. The changes will contribute to more equal competitive conditions between standard method banks and IRB banks. For the KLP Banken Group, the changes will result in an easing of the capital requirement of between NOK 400 and 500 million.

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

**Trondheim, 12 March 2025**

The Board of Directors of  
KLP Banken AS

**SVERRE THORNES**

Chair

**AAGE E. SCHAANNING**

Deputy Chair

**JANICKE E. FALKENBERG**

**ANNE BJERTNÆS**

**PER KRISTISN VAREIDE**

**JONAS V. KÅRSTAD**

Elected by and from the  
employees

**ELLEN WINGE LER**

Elected by and from the  
employees

**MARIANNE SEVALDSEN**

Managing Director

## Income statement

### KLP Banken AS and KLP Banken Group

NOTES	KLP Banken AS		NOK MILLIONS	KLP Banken Group	
	2023	2024		2024	2023
	665	832	Interest income, effective interest method	2 401	2 039
	111	138	Other interest income	447	351
5	<b>776</b>	<b>970</b>	<b>Total interest income</b>	<b>2 849</b>	<b>2 390</b>
	-491	-656	Interest expenses, effective interest method	-2 187	-1 803
	-15	-14	Other interest expenses	-142	-123
5	<b>-506</b>	<b>-670</b>	<b>Total interest expense</b>	<b>-2 328</b>	<b>-1 925</b>
5	<b>270</b>	<b>300</b>	<b>Net interest income</b>	<b>520</b>	<b>465</b>
6	31	36	Commission income and income from banking services	36	31
6	-3	-3	Commission costs and costs of banking services	-3	-3
36	61	63	Other fee income	63	61
7	3	-1	Net gain/(loss) on financial instruments	-7	2
	<b>92</b>	<b>95</b>	<b>Total other operating income</b>	<b>89</b>	<b>92</b>
8	-92	-97	Salary and administrative costs	-97	-92
	-90	-99	Other operating expenses	-182	-175
22,23	-4	-3	Depreciation	-3	-4
10	-1	-1	Loss on loans issued, guarantees etc.	-1	-1
	<b>-186</b>	<b>-201</b>	<b>Total operating expenses</b>	<b>-284</b>	<b>-271</b>
	<b>176</b>	<b>194</b>	<b>Operating profit/loss before tax</b>	<b>325</b>	<b>285</b>
11	-14	-6	Tax on ordinary income	-10	-19
	<b>162</b>	<b>189</b>	<b>Income for the year</b>	<b>315</b>	<b>267</b>
12	-13	23	Estimate differences, pensions for own employees	23	-13
11	3	-6	Tax on estimate changes related to defined-benefit pension schemes	-6	3
	<b>-10</b>	<b>17</b>	<b>Other income and expenses that will not be reclassified to profit/loss</b>	<b>17</b>	<b>-10</b>
	0	0	Changes in value of assets recognised at fair value through other income and expenses		
11	0	0	Tax on changes in fair value of available for sale financial assets		
	<b>0</b>	<b>0</b>	<b>Other income and expenses that may be reclassified to profit/loss</b>		
	<b>-10</b>	<b>17</b>	<b>Total other income and expenses</b>	<b>17</b>	<b>-10</b>
	<b>152</b>	<b>206</b>	<b>COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>332</b>	<b>257</b>
	0.88%	0.93%	Income for the year in per cent of total assets	0.61%	0.55%
	0.83%	1.02%	Comprehensive income for the year in per cent of total assets	0.64%	0.53%



## Balance

### KLP Banken AS and KLP Banken Group

NOTES	KLP Banken AS		NOK MILLIONS	KLP Banken Group	
	31.12.2023	31.12.2024		31.12.2024	31.12.2023
			<b>ASSETS</b>		
13	75	76	Claims on central banks	76	75
13	3 355	3 754	Loans to and receivables on credit institutions	1 196	1 578
14	11 110	11 479	Loans to and receivables on customers	42 836	42 856
17	2 260	3 163	Fixed-income securities	7 579	4 276
18,20	0	0	Financial derivatives	84	108
19	2	2	Shares and holdings	2	2
21	1 615	1 715	Holdings in Group companies	0	0
22	14	13	Intangible assets	13	14
23	14	13	Right-of-use assets	13	14
24	0	0	Fixed assets	0	0
25	8	6	Other assets	3	3
	<b>18 454</b>	<b>20 222</b>	<b>TOTAL ASSETS</b>	<b>51 803</b>	<b>48 928</b>
			<b>LIABILITIES AND OWNERS' EQUITY</b>		
			<b>LIABILITIES</b>		
26	14 488	16 249	Deposits from customers	15 801	14 060
27	905	806	Liabilities created on issuance of securities	32 334	31 408
18,20	0	0	Financial derivatives	38	23
23	15	13	Lease liabilities	13	15
28	59	18	Other liabilities	67	127
11	28	40	Deferred tax	72	56
28	64	38	Provision for accrued costs and liabilities	38	64
	<b>15 560</b>	<b>17 165</b>	<b>TOTAL LIABILITIES</b>	<b>48 364</b>	<b>45 754</b>
			<b>OWNERS' EQUITY</b>		
	1 140	1 140	Share capital	1 140	1 140
	1 050	1 050	Share premium	1 050	1 050
	704	867	Other accrued equity	1 249	984
29	<b>2 894</b>	<b>3 057</b>	<b>TOTAL OWNERS' EQUITY</b>	<b>3 439</b>	<b>3 174</b>
	<b>18 454</b>	<b>20 222</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>51 803</b>	<b>48 928</b>

**Trondheim, 12 March 2025**

The Board of Directors of  
KLP Banken AS

**SVERRE THORNES**

Chair

**AAGE E. SCHAANNING**

Deputy Chair

**JANICKE E. FALKENBERG**

**ANNE BJERTNÆS**

**PER KRISTISN VAREIDE**

**JONAS V. KÅRSTAD**

Elected by and from the  
employees

**ELLEN WINGE LER**

Elected by and from the  
employees

**MARIANNE SEVALDSEN**

Managing Director

## Statement of owners' equity

### KLP Banken AS

2024 NOK MILLIONS	Share capital	Share premium	Other accrued equity	Total owners' equity
Owners' equity 1 January 2024	1 140	1 050	704	2 894
Income for the year			189	189
Other income and expenses			17	17
<b>Comprehensive income for the year</b>			<b>206</b>	<b>206</b>
Group contributions without tax effect received in the period			129	129
Group contributions with tax effect made in the period			-172	-172
<b>Total transactions with the owners</b>			<b>-43</b>	<b>-43</b>
<b>Owners' equity 31 December 2024</b>	<b>1 140</b>	<b>1 050</b>	<b>867</b>	<b>3 057</b>

2023 NOK MILLIONS	Share capital	Share premium	Other accrued equity	Total owners' equity
Owners' equity 1 January 2023	1 140	1 050	582	2 772
Income for the year			162	162
Other income and expenses			-10	-10
<b>Comprehensive income for the year</b>			<b>152</b>	<b>152</b>
Group contributions without tax effect received in the period			90	90
Group contributions with tax effect made in the period			-119	-119
<b>Total transactions with the owners</b>			<b>-30</b>	<b>-30</b>
<b>Owners' equity 31 December 2023</b>	<b>1 140</b>	<b>1 050</b>	<b>704</b>	<b>2 894</b>

NOK MILLIONS	Number of shares	Par value	Share capital
Equity at 1 January 2024	7 500 000	152.0	1 140
<b>Equity at 31 December 2024</b>	<b>7 500 000</b>	<b>152.0</b>	<b>1 140</b>

There is one class of shares. All shares are owned by Kommunal Landspensjonskasse gjensidige forsikringselskap (KLP).

## Statement of owners' equity KLP Banken Group

### KLP Banken Group

2024 NOK MILLIONS	Share capital	Share premium	Other accrued equity	Total owners' equity
Owners' equity 1 January 2024	1140	1050	984	3174
Income for the year			315	315
Other income and expenses			17	17
<b>Comprehensive income for the year</b>			<b>332</b>	<b>332</b>
Group contributions without tax effect received in the period			215	215
Group contributions with tax effect made in the period			-282	-282
<b>Total transactions with the owners</b>			<b>-67</b>	<b>-67</b>
<b>Owners' equity 31 December 2024</b>	<b>1140</b>	<b>1050</b>	<b>1249</b>	<b>3439</b>

2023 NOK MILLIONS	Share capital	Share premium	Other accrued equity	Total owners' equity
Owners' equity 1 January 2023	1140	1050	776	2966
Income for the year			267	267
Other income and expenses			-10	-10
<b>Comprehensive income for the year</b>			<b>257</b>	<b>257</b>
Group contributions without tax effect received in the period			160	160
Group contributions with tax effect made in the period			-209	-209
<b>Total transactions with the owners</b>			<b>-50</b>	<b>-50</b>
<b>Owners' equity 31 December 2023</b>	<b>1140</b>	<b>1050</b>	<b>984</b>	<b>3174</b>

## Statement of cash flows

### KLP Banken AS/KLP Banken Group

NOTES	KLP Banken AS		NOK MILLIONS	KLP Banken Group	
	2023	2024		2024	2023
			<b>OPERATING ACTIVITIES</b>		
	627	782	Payments received from customers – interest	2 329	1 881
	31	36	Payments received from customers – commission and charges	36	31
	-459	-623	Payments to customers – interest	-602	-442
	-3	-3	Payments to customers – commission and charges	-3	-3
	-3 132	-3 750	Payments made on issuance of loans to customers	-9 768	-8 740
	3 001	3 341	Receipts related to repayment and redemption of loans to customers	9 766	8 377
	-8 988	-7 913	Loans paid to subsidiaries		
	8 834	7 156	Loan repayments from subsidiaries		
	299	1 761	Net receipt of customer deposits, Bank	1 740	282
27	200	350	Receipts on loans	7 600	7 200
27	-300	-450	Repayments and redemption of securities debt	-7 950	-7 300
	-50	0	Change in securities debt, own funds	1 278	-2 006
27	-46	-45	Net payment of interest on loans	-1 565	-1 322
	-2 304	-2 324	Payments on the purchase of securities	-6 515	-2 967
	2 469	1 426	Receipts on the sale of securities	3 236	5 261
	106	134	Receipts of interest from securities	273	217
	-84	-105	Disbursements on operations	-188	-168
	-93	-98	Payments to staff, pension schemes, employer's social security contrib.etc.	-98	-93
	33	49	Interest investment accounts	92	66
	35	74	Net receipts/disbursements from operating activities	65	20
	<b>175</b>	<b>-201</b>	<b>Net cash flow from operating activities</b>	<b>-275</b>	<b>295</b>
			<b>INVESTMENT ACTIVITIES</b>		
	0	0	Payments on the purchase of tangible fixed assets	0	0
	0	-100	Disbursement of capital to subsidiaries		
	<b>0</b>	<b>-100</b>	<b>Net cash flow from investment activities</b>	<b>0</b>	<b>0</b>
			<b>FINANCING ACTIVITIES</b>		
23	-2	-2	Payment of lease liabilities	-2	-2
	-30	-43	Group contributions made	-67	-50
	<b>-31</b>	<b>-45</b>	<b>Net cash flow from financing activities</b>	<b>-69</b>	<b>-51</b>
	<b>144</b>	<b>-346</b>	<b>Net cash flow during the period</b>	<b>-345</b>	<b>243</b>
	876	1 020	Cash and cash equivalents at start of period	1 584	1 340
	1 020	673	Cash and cash equivalents at end of period	1 239	1 584
	<b>144</b>	<b>-346</b>	<b>Net receipts/disbursements (-) of cash</b>	<b>-345</b>	<b>243</b>
			<b>Liquidity holdings comprise:</b>		
	75	76	Claims on central banks	76	75
	944	597	Deposits with and receivables from banks with no agreed term	1 163	1 508
13	<b>1 020</b>	<b>673</b>	<b>Total liquidity holdings at the end of the reporting period</b>	<b>1 239</b>	<b>1 584</b>
	<b>766</b>	<b>965</b>	<b>Total interest received</b>	<b>2 694</b>	<b>2 163</b>
	<b>-505</b>	<b>-669</b>	<b>Total interest paid</b>	<b>-2 168</b>	<b>-1 764</b>

## Notes to the account

KLP Banken AS/KLP Banken Group

### Note 1 General information

KLP Banken AS was founded on 25 February 2009. KLP Banken AS owns all the shares in KLP Kommunekreditt AS and KLP Boligkreditt AS. These companies together form the KLP Banken Group. KLP Banken AS is a wholly owned subsidiary of Kommunal Landspensjonskasse (KLP). KLP is a mutual insurance company.

The companies in the KLP Banken Group are part of the KLP Group, and the KLP Group's annual report is available at [www.klp.no](http://www.klp.no).

The KLP Banken Group offers loans to Norwegian municipalities and county authorities, as well as to companies with a public sector guarantee. The lending activities are principally financed by the issuance of covered bonds. In addition, The Group, offers standard banking products to private customers.

The company, KLP Banken AS, is registered as domiciled in Norway. The bank is an online bank without branches. Its head office is at Beddingen 8 in Trondheim. The company has a branch office in Oslo.

The company's financial statement for 2024 were approved by the company's board 12.03.2025. The annual financial statement is available at [www.klp.no](http://www.klp.no).

### Note 2 Material accounting policy information

Below is a description of the most important accounting principles used in the preparation of the company and Group financial statements for KLP Banken AS. These principles are applied in the same way in all periods presented unless indicated otherwise.

#### 2.1 FUNDAMENTAL PRINCIPLES

The financial statements for KLP Banken AS and the Group have been prepared in accordance with IFRS Accounting Standards® as adopted by the EU. The Norwegian Accounting Act and the Regulations concerning Annual Accounts for Banks, Mortgage Firms and Finance Companies (the Accounting Regulations) contain individual requirements for additional information which is not required under IFRS Accounting Standards. These supplementary information requirements have been incorporated into the notes to the financial statements.

To prepare the accounts in accordance with IFRS, management must make accounting estimates and approximate valuations. This will affect the value of the company's and the Group's assets and liabilities, income and expenses recognized in the financial statements. Actual figures may differ from estimates used.

Areas in which discretionary valuations and estimates of material significance to the company/group have been used are described in Note 3.

All amounts are presented in NOK millions without decimals unless stated otherwise.

The financial statements have been prepared in accordance with the going concern assumption.

### **2.1.1. Changes in accounting principles and information**

#### **a. New and changed standards adopted by the company/group in 2024:**

There are no new or amended IFRS Accounting Standards or IFRIC interpretations that have come into effect for the 2024 financial statements that significantly affect the Group's financial statements. The accounting policies applied are consistent with the policies applied in the 2023 annual report, except for a voluntary change in accounting policies for presentation in the cash flow statement.

Presentation in the cash flow statement:

Following a reassessment of the classification and presentation of the entity's cash flows based on IAS 7, the entity has, as of the 2024 financial statements, made a voluntary change in principle for the classification and presentation of cash flows.

Payments for the purchase of securities, receipts for the sale of securities, and interest payments from securities are, as of 2024, classified as cash flows from operating activities. These were previously classified as cash flows from investing activities. The comparative figures have been restated and net payments of NOK 2,511 million and NOK 271 million in the consolidated and separate financial statements, respectively, have been reclassified from investing activities to operating activities.

Payments from the issuance of securities debt, payments from the repayment and redemption of securities debt, changes in the holding of securities debt and payments of interest on securities debt are classified as cash flows from operating activities as of 2024. The comparative figures have been restated and net payments of NOK -3,427 million and NOK -196 million in the consolidated and company accounts, respectively, have been reclassified from financing activities to operating activities.

The reason for the change is to provide users of the accounts with more relevant and reliable information about the resources used in operating activities during the year.

#### **b. Standards, changes to and interpretations of existing standards that have not come into effect and where the company/group has not chosen early application.**

A new accounting standard for presentation and disclosure in financial statements, IFRS 18, has been published by the IASB in April 2024. This new standard will replace IAS 1 Presentation of Financial Statements. If approved by the EU, the standard will be effective for annual reporting periods beginning on or after 1 January 2027. KLP Banken does not plan to implement the standard early.

There are certain other changes in standards and interpretations that will be effective for annual financial statements beginning on or after 1 January 2025 and that have not been adopted in these financial statements. These are not expected to have a material impact on the financial statements.

## **2.2 CONSOLIDATION PRINCIPLES**

### **2.2.1 Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. Control over an entity arises when the Group is exposed to variation in the profitability from the entity and can influence this profitability through its power over the entity. Subsidiaries are consolidated from the date on which control is acquired and are omitted from the consolidated financial statements when control ceases.

Intragroup transactions and accounts between group companies are eliminated. Where group companies present accounts in accordance with principles other than those used by the Group, these are converted to correspond to the Group's accounting principles before they are consolidated.

## **2.3 CURRENCY**

### **2.3.1 Functional currency and presentation currency**

The accounts are presented in NOK, which is the functional currency of the parent company and the presentation currency of the Group.

## **2.4 FINANCIAL INSTRUMENTS**

The most important accounting policies relating to financial instruments are described below.

### **2.4.1. Recognition and derecognition**

Financial assets and liabilities are recognized on the balance sheet on the date when the company/group becomes party to the instrument's contractual terms and conditions. Regular purchases and sales of investments are recognized on the date of the agreement. Financial assets are removed from the balance sheet when the rights to receive cash flows from the investment expire or when these rights have been transferred, and the company/group has essentially transferred the risk and the potential benefits from ownership. Financial liabilities are derecognized when the rights to the contractual conditions have been fulfilled or cancelled or have expired.

### **2.4.2 Classification and subsequent measurement**

#### **2.4.2.1 Financial assets**

Financial assets are classified on initial recognition in one of the following categories:



- Amortised cost
- Fair value through profit or loss
- Fair value through other comprehensive income

Measurement category is determined upon initial recognition.

A financial asset is measured at amortised cost if both of the following criteria are met, and the financial asset has not been reported at fair value through profit or loss (the 'fair value option'):

- The financial asset is held in a business model whose purpose is to keep financial assets in order to receive the contractual cash flows (the 'business model criterion'), and
- At certain times, the contractual terms of the financial asset lead to cash flows that only include repayments and interest on the outstanding principal amount (the 'cash flow criterion').

Loans provided with a view to resale to the wholly owned mortgage companies KLP Boligkreditt AS and KLP Kommunekreditt AS will have a different business model in the consolidated financial statements and the company accounts. In the company accounts, these loans will be made with a view both to receiving the contractual cash flows and to resale, so they are measured at fair value with value changes through other comprehensive income. In the consolidated accounts, these loans will be included in a business model where the intention is to own the loan throughout its life in order to receive the contractual cash flows, and they are measured at amortised cost.

The company/group has assessed all its instruments measured at amortised cost against the rules described above and believes the instruments satisfy the criteria. The bank has senior loans on the balance sheet that to some extent expose the bank to the risk of impairment on the homes offered as collateral. The bank has determined that these loans do not pass significant insurance risks from the borrower to the bank as there are no plausible scenarios that result in curtailment of the loan amount. The loans are therefore considered to be within the scope of IFRS 9 in their entirety. These loans are considered to satisfy the cash flow criterion as the bank believes that they will never suffer more than an insignificant curtailment of the loan amounts.

All other financial assets are measured at fair value with changes in value through profit/loss, i.e.:

- Assets with contractual cash flows that do not meet the cash flow criterion; and/or
- Assets held in a different business model than 'held to collect contractual cash flows'; or
- Assets designated at fair value through profit or loss (the 'fair value option').

The Company/Group may designate a debt instrument that meets the criteria to be measured at amortised cost to be reported at fair value through profit or loss if this eliminates or significantly reduces inconsistencies in measurement ('accounting mismatches').

## Impairment model

The impairment model for losses on loans and receivables is based on expected credit losses. The impairment model defines default as *“a payment that is more than 90 days past due, or an account that is continuously overdrawn for a minimum of 90 days (by at least NOK 1.000)”*. Also, a commitment defaulted on if it has been forfeited for various reasons, such as debt negotiations.

For more information on to the company/group’s input, assumptions and estimation techniques related to the impairment model, please refer to Note 10.

### 2.4.2.2 Financial liabilities

The Company/Group has classified all financial liabilities measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification applies to derivatives and financial liabilities designated as such upon initial recognition. The company/group has designated certain liabilities at fair value through the income statement, because this reduces or eliminates inconsistencies in measurement (‘accounting mismatches’)
- Financial guarantees and loan commitments

Financial guarantees and loan commitments not valued at fair value are included in the general impairment method; see information under 2.4.2.1.

Expected credit losses are calculated for loan commitments and presented as “Other liabilities” in the balance sheet. Changes in the provision for expected losses are presented in the line “Loss on loans issued, guarantees etc. in the P/L statement. For instruments that have both a drawn part and an unused limit, expected credit losses are distributed pro rate between provisions for the loan losses and provisions in the balance sheet based on the relative share of the exposure. Other financial liabilities are recognized at amortized cost. The category includes deposits from customers and credit institutions with no interest rate hedging and other financial liabilities not designated as liabilities measured at fair value through profit or loss.

### 2.4.2.3 Financial derivatives and hedging

Financial derivatives are capitalised at fair value at the time the derivative contract is struck. On subsequent measurement the derivatives are recognised at fair value and are presented as an asset if the value is positive and a liability if the value is negative. Recognition of associated gains and losses depends on whether the derivative has been identified as a hedging instrument and on the type of accounting hedge the derivative is included in.

For derivatives not included in hedging relationships, gains and losses are recognised as net value changes on derivatives and foreign exchange. In the financial statements, they are included in the line ‘Net gain/loss on financial instruments. These fall into the category of financial assets at fair value reported through profit or loss.

For derivatives included in the accounting hedges, gains and losses are recognised as net changes in value of certificates, bonds and other securities, and are presented in the financial statements under 'Net profit/(loss) on financial instruments.

The derivatives which are hedging instruments are used for hedging interest rate risk on fixed interest borrowing and lending. In its hedging activity, the Group safeguards itself against movements in market interest rates. Changes in the credit spread are not considered in the company/group's hedging strategy. The company/group uses the rules on fair value hedging, so the book value of the hedged item (asset or liability) is adjusted for the value change in the hedged risk. The value change is recognised in the income statement.

### **2.4.3 Netting**

Financial assets and liabilities are presented net in the statement of financial position when there is an unconditional offsetting entitlement that can be legally enforced, and the intention is to settle net or realise the asset and liability simultaneously.

### **2.4.4 Modification**

When the contractual cash flows from a financial instrument are renegotiated or otherwise amended, and the renegotiation or change does not lead to derecognition of the financial instrument, the gross book value of the financial instrument is recalculated, and a gain or loss is recognized in the income statement. The gross book value of the financial instrument is recalculated as the present value of the renegotiated or amended contractual cash flows, discounted at the original effective interest rate for the financial instrument. Any costs or fees incurred adjust the book value of the modified financial instrument and are amortised over the remaining lifetime of the changed financial instrument.

## **2.5 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are defined as receivables from credit institutions without any termination date. The amount does not include receivables from credit institutions that are linked to the purchase and sale of securities in the management of the securities portfolios. The statement of cash flows has been prepared in accordance with the direct method.

## **2.6 OWNERSHIP INTERESTS IN GROUP COMPANIES**

Investments in group companies are investments for permanent ownership or use and are valued at acquisition cost.

The Group financial statements cover the Bank and its wholly owned subsidiaries KLP Boligkreditt AS and KLP Kommunekreditt AS. All entities in which the Group has a decisive influence/control are considered to be subsidiaries.

## **2.7 FINANCIAL LIABILITIES**

The company/group's financial liabilities comprise liabilities to credit institutions, covered bonds issued and deposits from customers.

### **2.7.1 Liabilities to credit institutions**

Liabilities to credit institutions are capitalized at fair value on take-up. As a rule, on subsequent measurement the liability is recognized at amortized cost. The interest costs are included in amortization on the line for 'Interest expenses, effective interest rate method' in the income statement.

### **2.7.2 Covered bonds issued**

In the first instance, covered bonds issued are recognized at fair value on take-up adjusted for purchase costs, i.e. nominal value adjusted for any premium/discount on issue. On subsequent valuation the bonds are valued at amortized cost. The interest costs are shown in the line 'Interest expenses, effective interest rate method' in the income statement. Bonds with fixed interest are recognized in accordance with the rules on fair value hedging if they reduce or eliminate the inconsistency ("accounting mismatch").

### **2.7.3 Liabilities to and deposits from customers**

Deposits from customers are recognised at fair value in the balance sheet when the deposit is recorded as transferred to the customer's account. In subsequent periods, liabilities to and deposits from customers are recognised at amortised cost. The interest expenses are included in the line 'Interest expenses, effective interest rate method' in the income statement.

## **2.8 PRESENTATION OF INCOME IN THE ACCOUNTS**

Income from the sale of products and services is valued at the fair value of the consideration, net of any discounts. Intragroup sales are eliminated in the consolidated financial statements.

### **2.8.1 Income from services**

Fees for lending management are taken to income in proportion to the management carried out for the time up to the end of the reporting period. Other services are taken to income on a linear basis over the contract period.

### **2.8.2 Interest income/expenses**

Interest income and interest expenses associated with all interest-bearing financial instruments valued at amortised cost and fair value through other comprehensive income are taken to income using the effective interest rate method on the book value of the asset on the balance-sheet date and are reported under 'Interest income/expenses, effective interest rate method'.

For interest-bearing financial investments and derivatives measured at fair value through the income statement, interest income is classified as 'Interest income and similar income, fair value', while other value changes are classified as 'Net gain or loss on financial investments'.

## 2.9 TAX

Tax costs in the income statement comprise tax payable and changes in deferred tax. Tax is recognized in the profit and loss account in the period in which it is incurred. Deferred tax and tax assets are calculated as differences between the accounting and taxation value of assets and liabilities. Deferred tax assets are capitalized to the extent it can be shown probable that the company will have sufficient taxable profit to exploit the tax asset.

The Company is a part of a financial services group and a tax group. Except for the limitations pursuant to the Financial Institutions Act, any tax-related surplus may be passed in its entirety to the parent company and subsidiaries as a group contribution with tax effect.

Group contributions that are proposed but not approved by the general meeting are classified as equity. When the group contribution is approved, it is reclassified as a liability. The tax effect of the group contribution is included in the calculation of deferred tax until the date of approval.

## 2.10 PENSION OBLIGATIONS - OWN EMPLOYEES

The Company/Group's pension obligations are partially insurance-covered through KLP's public-sector occupational pensions by way of membership of the joint pension scheme for municipalities and enterprises ('Fellesordningen'). Pension liability beyond these schemes is covered through operations. The Company/Group has a defined-benefit pension scheme for its employees. The accounting liability for defined-benefit schemes is the present value of the obligation on the reporting date, with a deduction for the fair value of the pension assets. The gross obligation is calculated using the straight-line method. The gross obligation is discounted to present value using the interest rates on Norwegian high-quality bonds. Gains and losses arising on recalculation of the obligation as a result of known deviations and changes in actuarial assumptions are charged to owners' equity via other comprehensive income during the period in which they arise. The effect of changes in the benefits from the scheme is taken to profit/loss immediately.

The Company/Group has presented the pension costs under the accounting line 'Salary and administrative costs', while the net interest element is presented in the accounting line 'Net gain/(loss) on financial instruments. The estimate deviation has been classified under 'Items that will not be reclassified to income' in the accounting line 'Estimate deviation pension obligations and pension assets'.

The 'Fellesordningen' is a multi-undertaking scheme, which means that the actuarial risk is distributed across all the municipalities and companies included in the scheme. The financial and actuarial assumptions behind the calculation of net pension obligations are therefore based on factors that are representative of the whole Group.

## Note 3 Important accounting estimates and valuations

The company/group prepares estimates and assumptions about future situations. These are constantly evaluated and are based on historical data and expectations concerning probable future events considered on the basis of data available at the time of presentation of the financial statements.

The estimates may be expected to differ from the final outcome and the areas where there is significant risk of substantial change in capitalised values in future periods are discussed below.

### 3.1 LOSSES ON FINANCIAL ASSETS

Financial assets not measured at fair value are assessed for impairment at the end of the reporting period.

Financial instruments are assessed for impairment for expected losses. The method for measuring impairment for expected loss depends on whether the credit risk has increased significantly since initial recognition. When the credit risk has not increased significantly after initial recognition, provisions are based on 12 months' expected loss (stage 1). If the credit risk has increased significantly since initial recognition, but there is no credit deterioration, write-downs are based on expected loss over the lifetime (stage 2). If the credit risk has increased significantly and there is credit deterioration, a provision should be raised for the expected loss over its lifetime (stage 3).

In the company/group, the assessment of what is considered to be a significant change in credit risk for home mortgage loans is based on a combination of quantitative and qualitative indicators and 'backstops'. The most important driver for a significant change in credit risk for home mortgage loans is a change in the probability of default (PD) from initial recognition up to the reporting date. A relative change in PD of more than 1.5 is considered to be a significant change in credit risk. The change in PD must also be at least 0.6 percentage points for the change to be considered significant.

For some lending products, the company/group has not developed its own PD and LGD (loss given default) models. This is because the products are considered to have a low credit risk due to municipal guarantees, or because the scope of the product and thus the consequences of losses are small. For these products, the simplified loss ratio method is used. Here a change in risk rating of at least one grade from initial recognition to the reporting date is considered to be a significant increase in credit risk.

## Note 4 Segment information

NOK MILLIONS	Public sector Market		Retail Market		Other/eliminations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Net interest income	109	114	412	351	0		520	465
Other operating income	37	44	47	42	5	6	89	92
Operating expenses	-75	-75	-208	-195	0		-283	-270
Loss on loans issued, guarantees etc.	0	0	-1	-1	0		-1	-1
Elimination	3	3	2	2	-5	-6	0	0
<b>Operating profit/loss before tax</b>	<b>74</b>	<b>86</b>	<b>252</b>	<b>199</b>	<b>0</b>	<b>0</b>	<b>325</b>	<b>285</b>
Assets as at 31.12.	23 067	21 188	34 069	32 190	-5 323	-4 451	51 813	48 928
Liabilities as at 31.12.	22 021	20 219	29 900	28 364	-3 606	-2 829	48 315	45 754

## Segments:

Public-sector: Net interest income in the subsidiary KLP Kommunekreditt AS. Management commission from KLP related to KLP Banken's assignment to manage loans to municipal enterprises.

KLP Banken's operating costs related to the management of public-sector loans.

Retail: Net interest income in KLP Banken AS and the subsidiary KLP Boligkreditt AS. Management commission from KLP related to KLP Banken's assignment to manage mortgages financed by KLP. KLP Banken's operating costs related to the management of loans in the retail market.

Other/elimination: Accrual of historical one-off income in KLP Banken's accounts resulting from changes in the market value of bonds issued by the subsidiaries. Own holdings in the subsidiaries were bought and later sold by the parent company at a profit.

## Note 5 Net interest income

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
2023	2024		2024	2023
632	783	Interest income on loans to customers	2 310	1 973
33	49	Interest income on loans to credit institutions	92	66
<b>665</b>	<b>832</b>	<b>Total interest income, effective interest method</b>	<b>2 401</b>	<b>2 039</b>
111	138	Interest income on interest-bearing securities	294	219
0	0	Other interest income	153	132
<b>111</b>	<b>138</b>	<b>Total other interest income</b>	<b>447</b>	<b>351</b>
<b>776</b>	<b>970</b>	<b>Total interest income</b>	<b>2 849</b>	<b>2 390</b>
-444	-610	Interest expenses on deposits to KLP Banken	-589	-427
-46	-46	Interest expenses on issued securities	-1 598	-1 375
<b>-490</b>	<b>-656</b>	<b>Total interest expense, effective interest method</b>	<b>-2 187</b>	<b>-1 802</b>
0	0	Other interest expenses	-128	-108
0	0	Interest expense lease liabilities	0	0
-15	-13	Interest expenses on deposits to customers	-13	-15
<b>-15</b>	<b>-14</b>	<b>Total other interest expense</b>	<b>-142</b>	<b>-123</b>
<b>-506</b>	<b>-670</b>	<b>Total interest expense</b>	<b>-2 328</b>	<b>-1 925</b>
<b>270</b>	<b>300</b>	<b>Net interest income</b>	<b>520</b>	<b>465</b>

## Note 6 Net commission income

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
2023	2024		2024	2023
17	20	Interbank commission	20	17
7	7	Reminder fees	7	7
7	9	Amendment fees	9	7
0	1	Interbank commission	1	0
<b>31</b>	<b>36</b>	<b>Total commission income</b>	<b>36</b>	<b>31</b>
0	0	Interbank commission	0	0
-2	-2	Payment handling	-2	-2
-1	-1	Other commission expenses	-1	-1
<b>-3</b>	<b>-3</b>	<b>Total commission costs</b>	<b>-3</b>	<b>-3</b>
<b>28</b>	<b>33</b>	<b>Net commission income</b>	<b>33</b>	<b>28</b>

## Note 7 Net gain/(loss) on financial instruments

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
2023	2024		2024	2023
4	1	Net gain/(loss) on fixed-income securities	1	8
0	0	Net gain/(loss) financial derivatives and realized amortization linked to lending	0	0
0	0	Net gain/(loss) financial derivatives and realized repurchase of own debt	-6	-4
-1	-2	Other financial income and expenses	-2	-1
<b>3</b>	<b>-1</b>	<b>Total net gain/(loss) on financial instruments</b>	<b>-7</b>	<b>2</b>

## Note 8 Pay and general management costs

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
2023	2024		2024	2023
62	66	Salaries	66	62
10	10	Social security contributions	10	10
3	3	Capital activity tax	3	3
14	15	Pensions including social security contributions	15	14
3	2	Other benefits	2	3
<b>92</b>	<b>97</b>	<b>Total pay and general management costs</b>	<b>97</b>	<b>92</b>

## Note 9 Auditor's fee

NOK THOUSANDS			KLP Banken AS	
	EY	PwC	2024	2023
Ordinary audit	300	255	555	709
<b>Total auditor's fee</b>	<b>300</b>	<b>255</b>	<b>555</b>	<b>709</b>

NOK THOUSANDS			KLP Banken Group	
	EY	PwC	2024	2023
Ordinary audit	675	543	1218	1440
Certification services				345
<b>Total auditor's fee</b>	<b>675</b>	<b>543</b>	<b>1218</b>	<b>1785</b>

The company has changed external auditors in 2024. The audit costs for 2024 include costs to both EY and PwC. The amounts above are inclusive of VAT. Audit fees are included in the line "Other operating expenses" in the income statement.

## Note 10 Loan loss provision

### Framework for loan loss provisions

The measurement of the provision for expected credit losses on financial assets according to IFRS 9 depends on whether the credit risk has increased significantly since initial recognition. At initial recognition and if the credit risk has not increased significantly, the provision should equal 12-month expected credit losses (stage 1). If the credit risk has increased significantly from the initial recognition (stage 2) or if the asset is classified as impaired (stage 3), the provision should equal lifetime expected credit losses.



## Calculation of expected credit loss

Expected credit loss (ECL) is calculated as the exposure at default (EAD) multiplied by the probability of default (PD) multiplied by the loss given default (LGD).

Probability of Default (PD) is a calculated probability based on statistical models to estimate the probability of an exposure going into default during the following 12-month period (12-month PD). In addition to calculating 12 months PD, the bank has developed PD graphs used for calculating marginal PD for the exposure's remaining lifetime (Lifetime PD).

Loss given default (LGD) is what the bank expects to lose given that an exposure goes into default. The calculation is based on how probable it is that a defaulted exposure is cured and expected credit loss if the exposure is not cured.

Exposure at default (EAD) is expected exposure at the moment of a future default.

In KLP Banken/the Group, the assessment of what is considered to be a significant change in credit risk for retail mortgage loans are based on a combination of quantitative and qualitative indicators and 'backstops'. The most important driver for a significant change in credit risk for retail mortgage loan is a change in the probability of default (PD) from the initial recognition up to the reporting date. A relative change in 12 month PD of more than 1.5 is considered a significant change in credit risk. In addition, the change in 12 month PD must also be at least 0.6 percentage points for the change to be considered significant. Exposures that are more than 30 days past due will automatically be placed in Stage 2, and exposures more than 90 days past due will be placed in Stage 3. The loans go back to Stage 2 and Stage 1 when the criteria for significant change in credit risk and default are no longer fulfilled. A loan in stage 3 will be three months in quarantine before it will be moved back to stage 2 or 1. Based on this a loan will remain in stage three for three months after the loan is reported "healthy".

## Definition of default

Default is defined as "a claim that is over 90 days past due, or an account that has been continuously overdrawn for a minimum of 90 days (minimum amount NOK 1,000). Furthermore, a commitment is considered defaulted if for various reasons it has been written off, e.g. through debt negotiations, established debt settlement and/or bankruptcy.

## Simplified loss ratio method

For products where the bank has not developed PD and LGD (loss given default) models, a simplified loss ratio method is used. Here a change in risk rating of at least one grade from initial recognition to the reporting date is considered to be a significant increase in credit risk. This applies to the senior loan, loans without collateral and credit card products within the retail market. For credit cards, the bank has calculated a loss ratio based on the average estimated PD for the credit card portfolio obtained from an external credit information agency and the average LGD for credit cards for the period 2006-2018 calculated by a debt collection agency. For loans without collateral the PD as for credit card is used, while the LGD is calculated by Intrum. For senior loans, a loss ratio of 0.001 percent is used based on the fact that

senior loans cannot, in principle, go into default since the product is such that no interest or instalments are to be paid on the loan before the home is sold or the customer dies. In addition to that, the loan calculation is conservative, with lower loan to value (LTV) the younger the customer is (minimum age of 60 years).

For public lending in KLP Kommunekreditt AS the simplified loss rate method is used, but here with the exception for low credit risk so that all loans are in stage 1. For these loans, a loss rate of 0.001 per cent is used.

### **Follow-up of defaulted and doubtful commitments**

Mortgages in arrears are handled by a special commitments department in the bank. KLP Banken/Group currently uses its own collection process up to and including legally enforced recovery and execution of sale/foreclosure. If a repayment agreement is not reached, any residual debt after realisation of the collateral is transferred to a collection agency for further follow-up.

For credit cards and loans without collateral, KLP Banken/ Group has an agreement with a debt collection agency where unpaid instalments are followed up with pre-collection. The debt collection agency also handles unpaid claims with termination, legally enforced recovery and, if applicable, monitoring in cases where legally enforced recovery has so far been in vain.

### **Individual loss provisions**

Mortgages over 90 days past due are reviewed and followed up regularly. In addition, exposures are also reviewed when the bank receives information about debt negotiations or other conditions that would indicate increased risk. A loss assessment is carried out for all such exposures. The collateral is assessed on the basis of previously determined value, in addition to new information about the bank's collateral, for example from a broker if a sale/foreclosure has already been initiated. If the realisation value proves to be lower than the residual debt of the commitment, a loss provisions of the exposure is carried out.

Exposures with individual loss provisions are followed up with a view to the realization of the collateral. This can be undertaken by agreement on an ordinary sale or legally by means of a foreclosure. In some cases, a payment agreement to repay the full amount of residual debt is reached. In these cases, the loss provisions will be maintained for a minimum of 1 year after the loan has been satisfactorily served, before the exposure is considered cured.

### **Determination of loss**

For mortgages, the determination of loss will only occur after the security has been realised and further legal proceedings have not succeeded, that is after an application for distraint has not yielded a result. The case is then monitored by a debt collection agency and followed up on a regular basis.

Credit cards and loans without collateral are recognised as established losses when a case is closed due to insolvency or passed for monitoring by the debt collection company. A case is primarily monitored after legal action has not succeeded. Closure/waiver of a case occurs when there is nothing to be obtained in the estate after death, for bankruptcy or by debt negotiation.

## Description of inputs, assumptions and estimation techniques in the model for expected losses (ECL model)

In connection with IFRS 9 and new methods for loss calculation, KLP Banken/Group has developed PD and LGD models for the bank's/group's mortgage loan portfolio. A PD model has been developed for new mortgage customers and a PD model for existing mortgage customers. The first model uses data that is available at the time of application and is valid for three months after the mortgage is granted. The second model begins after three months, and also uses data that depends on the customer's behaviour (for example the number of days in arrears). Explanatory variables are age, income, number of payment reminders sent in the last 12 months, total number of days in arrears in the last 12 months, loan-to-value ratio, co-borrower, default in the last 12 months and product type.

The most important measure for a PD model is the model's ability to discriminate, i.e. the ability to distinguish bad customers from good customers. The ability to discriminate is measured using ROC (Receiver Operating Characteristic), which provides some information about the proportion of predictions that are correct. The PD model for mortgage was in 2022 updated with data from 2020 and 2021. In addition the basis for the calculation of LTV has been updated, based on this the PD-model was recalibrated.

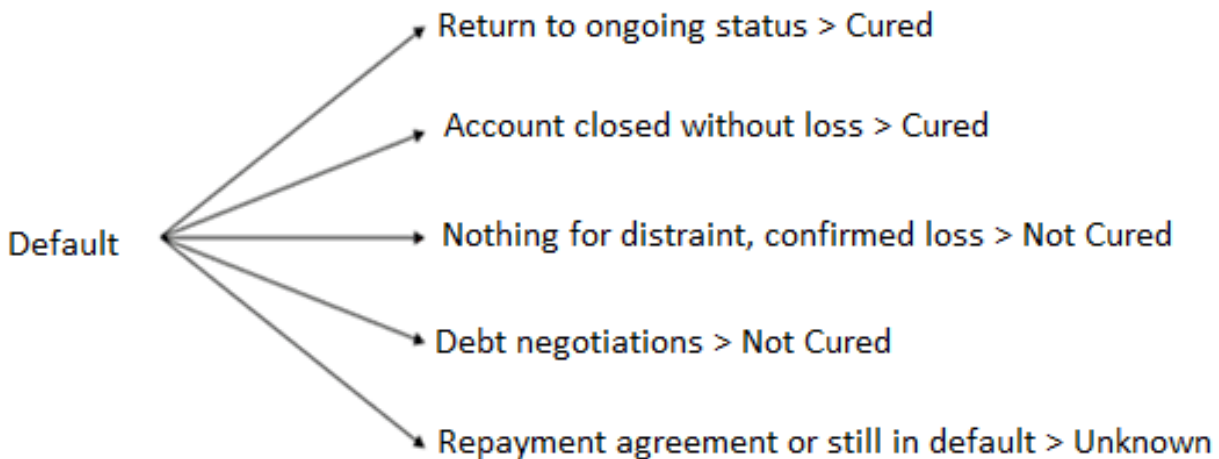
*The lifetime probability of default (Lifetime PD)* is used for all mortgage loans in KLP Banken excluding senior loans where a simplified model for expected loss is used. The lifetime probability of default (LTPD) of an exposuer is calculated based on aggregated figures for historically observed default rates for each year of all exposures and each exposure's probability of default 12 months after start. The results from model development show that the default rate increases slightly in year 2 before then decreasing, so that the PD in year 2 is higher than in year 1. This is in line with the expected result, since it is expected that it will take some time before a newly granted mortgage loan experiences problems. A customer will typically seek to avoid default on a mortgage loan, and will typically default on other debts before he goes into default on the mortgage loan. The reduction in PD after year 2 can be explained by a "survivalship effect", i.e. the contracts that have not defaulted in the first 2 years are typically of better credit quality, and as the loans are repaid the risk becomes lower. Experience from the industry is that contracts that have existed for a certain period of time converge towards a stable observed default rate. For KLP Banken/Group's mortgage loan portfolio, 3 years has been set as the parameter for when the default level converges towards a long-term PD level. The long-term PD level is set at 0.3 per cent, which corresponds to the average PD for the best contracts in the portfolio.

*Exposure at default (EAD)* is used for all mortgages in KLP Banken/Group excluding senior loans where a simplified model for expected loss is used. The EAD model has the same data sample as the LTPD model. If an exposure is in default, the exposure's balance at the time will be the bank's/group's exposure at default. EAD can be expressed for an exposure as a function of the likelihood that the contract will not be repaid within the time  $t$ . For repayment loans, EAD at time  $t$  is estimated as the exposure's balance at the time pursuant to the repayment schedule multiplied by the likelihood of the contract not being repaid within time  $t$ . The probability of a contract being terminated early within the year  $t$  is calculated as a percentage for each year in the future from 1 to 7 years.

**Loss given default (LGD)**

When estimating future credit loss it is important to look at the proportion of customers in default whose accounts become cured. The bank/group has examined all historical defaults over 90 days and analysed the outcomes of these defaults. The results of the analysis show a very high level of defaults becoming cured. KLP Banken/Group has, since its inception, handled defaults and debt collection internally within the bank/group, and has one dedicated employee who handles exposures in default. The cases are followed closely, and there has been a limited number of defaults since the bank's inception. The analysis shows that the bank has had minimal losses, and most defaults have been reported as cured.

Cured default is defined as the account returning to ongoing status (no longer 90 days past due/90 days overdrawn over the bank's significant amount), or that the account is terminated without loss (typically through voluntary sale of collateral or refinancing in another bank). Non-cured default is defined as where the recovery process has resulted in the account having an established loss, or that an application for distraint has been made against the customer (foreclosure of the property or recovery of guarantee). Customers with status "nothing for distraint" also belong in this category). If the customer has entered debt negotiations, this is also defined as non-cured default. One last possibility is that the final outcome of the default is still unknown due to a short time horizon between the default date and modelling date. The figure below illustrates the various outcomes for a default.



The observed cure rate is calculated and validated at least yearly in the same way as during model development. If the observed cure rate deviates by more than 10 percentage points from the estimate used in the IFRS 9 model, an assessment shall be made of whether measures are needed, e.g. a re-estimation of the model.

**Forward-looking information**

A part of the assessment of future losses is the assessment of how the future will look with regard to the macroeconomic conditions that affect the bank's credit losses, e.g. interest rates, housing prices, unemployment rates etc. To calculate the expected credit loss (ECL), the bank has assumed three different

scenarios, which are weighted for probability based on an assessment of the probability of each of the three outlined scenarios occurring. The scenarios used by the bank are one expected outcome, one pessimistic outcome and one optimistic outcome for expected credit loss, where the three scenarios have a factor for outcome and a probability that the scenario occurs. The sum of the weighted scenarios constitutes the expected credit loss, and the probability that each scenario will occur will thus affect the expected credit loss. In the expected outcome we assume unchanged house prices and stable PD. In the negative scenario, a house price fall of 15 percent and a doubling of the average PD, while the cure rate falls by 5 percentage points. This scenario is assigned 20 percent probability. In the positive scenario, the bank has assumed that house prices will increase by 5 percent and that the average PD will be halved. This scenario is assigned 20 percent probability. The expected scenario is thus weighted with a 60 percent probability. It is assumed that a loan will have the same staging in all the scenarios.

If one only assumes a pessimistic scenario, the expected credit losses will roughly triple, and if one only assumes an optimistic scenario, the expected loss will increase with about 60 percent compared to the current losses. If only the positive scenario is assumed the expected losses will be reduced to about 40 percent of the current losses.

KLP Banken's risk forum assesses these scenarios and their weighting on a quarterly basis, based on changes in macroeconomic factors or other factors that may affect expected credit loss in the bank.

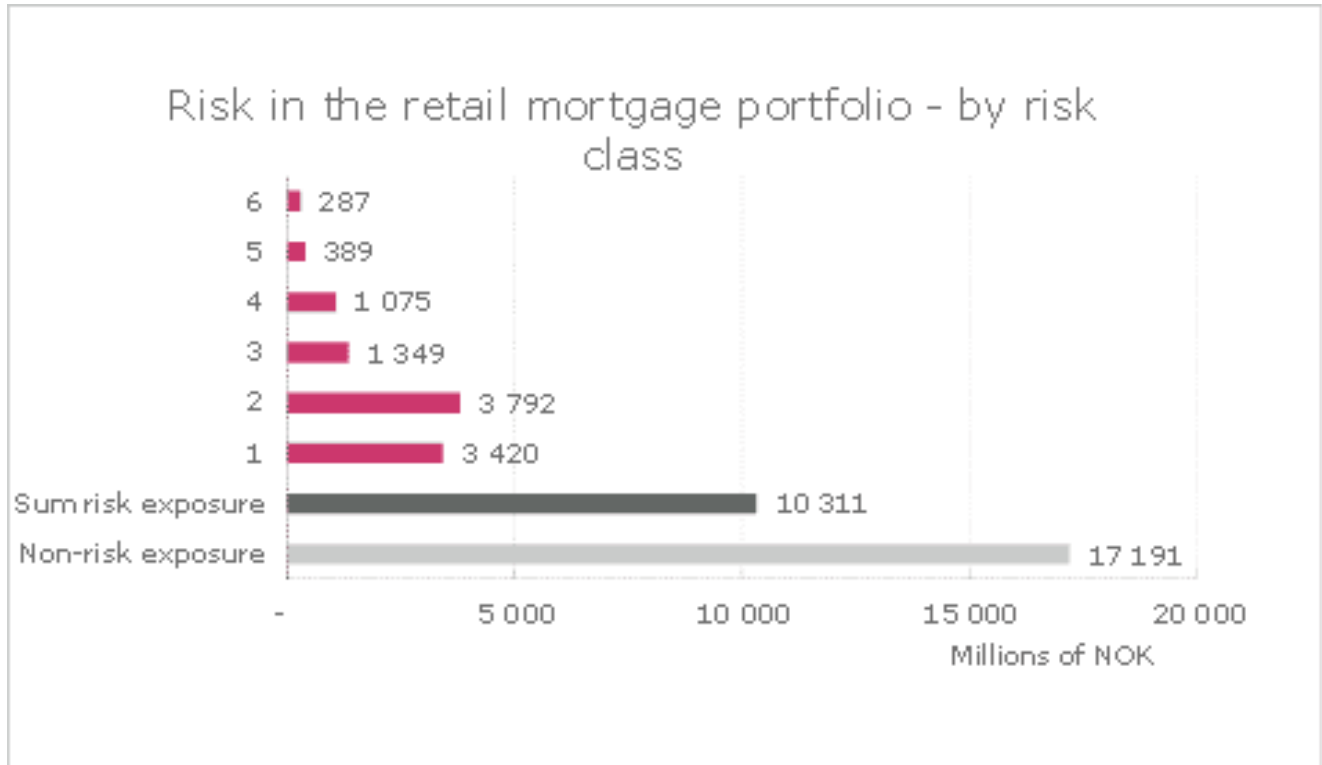
### **Sustainability risk**

Sustainability risk includes risks related to environmental, social or governance (ESG) events that could pose a threat to the Bank if they occur. Climate risk is part of the Bank's sustainability risk. Climate change and the actions that society is taking to achieve its climate target may involve financial risk. Three areas have been identified where the climate issue entails risk. These are physical risk, transition risk and liability risk. Physical risk is associated with the cost of physical damage resulting from climate change, such as extreme weather. Transition risk is financial risk associated with the transition to a low-emission society, and liability risk involves compensation claims related to decisions or non-decisions that may be linked to climate policy or climate change in one way or another.

In the Bank's risk analysis for 2024, an assessment has been made of how sustainability risk affects the different types of risk to which the Bank is exposed. Credit risk is the type of risk that may be expected to arise first, specifically physical climate risk in the mortgage portfolio. The Bank's direct exposure to physical climate risk is generally close to zero, as customers are insured and will recover their losses should the Bank's collateral (residential property) be impaired due to a climate-related incident. It is therefore a greater risk to the Bank if customers are indirectly affected by reduced prices or difficulties selling properties in specific areas affected by climate change, either by certain areas becoming "uninhabitable" or by key companies being forced to close down as a result of physical or transition risk. This can reduce the value of the Bank's collateral, increasing the risk of a loss if the customer defaults on their mortgage.

In order to monitor this risk, the Bank collects data on the risk of flooding, sea level rise and landslides in the mortgage portfolio from Eiendomsverdi. Data from the Bank's mortgage portfolio is combined with data

from NVE<sup>2</sup> (floods), the Norwegian Mapping Authority (sea levels) and NGI<sup>3</sup> (avalanches). In total, approximately NOK 10 billion, or 37 per cent of the Bank’s mortgage portfolio, is exposed to the physical risks mentioned here, to a greater or lesser extent. The figure below shows the physical risk in the retail mortgage portfolio distributed by six risk classes, where risk class 1 is the one with the lowest risk.



As mentioned earlier, the direct risk is covered through mortgage insurance, but a decrease in the market value of the mortgage portfolio due to climate-related events in the immediate area is a risk to the Bank. At this stage, it is hard to imagine the Bank excluding individual customers on the basis of this risk, but it is conceivable that an industry standard could be developed in the future, where banks require a lower loan to value ratio for houses located in areas with significant climate risk.

<sup>2</sup> NVE – The Norwegian energy Regulatory Authority

<sup>3</sup> NGI – Norwegian Geotechnical Institute

## KLP Banken AS

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

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2024	2 190	2 307	1 468	5 966
Transfer to Stage 1	927	-882	-45	0
Transfer to Stage 2	-17	62	-45	0
Transfer to Stage 3	-2	-95	98	0
Net changes	-1 043	231	1 324	512
New losses	340	142	1 154	1 636
Write-offs	-38	-44	-40	-122
Change risk model/parameters	-282	-216	-99	-597
<b>Closing balance ECL 31.12.2024</b>	<b>2 076</b>	<b>1 505</b>	<b>3 814</b>	<b>7 395</b>
Changes (01.01.2024 - 31.12.2024)	-114	-803	2 346	1 429
This includes provisions for losses on loans and receivables - unused credit	1 671	693	78	2 443

### Expected credit loss (ECL) loans to customers - mortgage

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2024	99	299	1 048	1 446
Transfer to Stage 1	14	-14		0
Transfer to Stage 2	-2	33	-31	0
Transfer to Stage 3	0	-28	28	0
Net changes	-39	-32	294	223
New losses	49	29	1 003	1 081
Change risk model/parameters	-18	-44	-52	-115
<b>Closing balance ECL 31.12.2024</b>	<b>102</b>	<b>243</b>	<b>2 290</b>	<b>2 634</b>
Changes (01.01.2024 - 31.12.2024)	3	-56	1 242	1 189
This includes provisions for losses on loans and receivables - unused credit on mortgages	3	0	0	4

### Expected credit loss (ECL) - credit card

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2024	2 067	2 008	297	4 372
Transfer to Stage 1	913	-868	-45	0
Transfer to Stage 2	-15	29	-14	0
Transfer to Stage 3	-2	-68	70	0
Net changes	-1 036	219	-35	-853
New losses	281	113	121	515
Change risk model/parameters	-265	-172	-47	-484
<b>Closing balance ECL 31.12.2024</b>	<b>1 942</b>	<b>1 262</b>	<b>347</b>	<b>3 551</b>
Changes (01.01.2024 - 31.12.2024)	-125	-747	50	-822
This includes provisions for losses on loans and receivables - unused credit on credit card	1 667	693	78	2 439

**Expected credit loss (ECL) - loan without collateral**

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2024				
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3				
Net changes	-5			-5
New losses	7			7
Change risk model/parameters	5			5
<b>Closing balance ECL 31.12.2024</b>	<b>7</b>			<b>7</b>
Changes (01.01.2024 - 31.12.2024)	7			7

**Expected credit loss (ECL) loans to customers - senior loans**

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2024	25			25
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3	0		0	0
Net changes	0		873	873
New losses	4			4
Change risk model/parameters	-3			-3
<b>Closing balance ECL 31.12.2024</b>	<b>25</b>		<b>874</b>	<b>899</b>
Changes (01.01.2024 - 31.12.2024)	1		874	874

This includes provisions for losses on loans and receivables - unused credit on senior loans

**Expected credit loss (ECL) loans to customers - overdraft deposit accounts**

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2024			124	124
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3				
Net changes			151	151
New losses			30	30
<b>Closing balance ECL 31.12.2024</b>			<b>305</b>	<b>305</b>
Changes (01.01.2024 - 31.12.2024)			181	181

Individual loss write-downs on mortgages are evaluated independently based on its default status and collateral of the mortgage. For example, if a defaulted loan has progressed to compulsory sale and it is found that the loan's collateral will not cover the loan's remaining debt, the 'difference' is recognised as an individual loss write-down. When the mortgage is realised and attempts at further recovery have been unsuccessful, the residual claim is added to long-time monitoring (we currently use Intrum for long-term



monitoring). The residual loan is then posted as an established loss and is removed from the balance sheet. If funds can be recovered on established losses in the future, these will be recorded as recovery on past losses.

The Company has NOK 2.9 million in outstanding amounts that have been written down during the year and which are still the subject of enforcement measures. The bank has NOK 13.4 million in exposures in Step 3 where no impairment has been raised because of the value of the security provided; the corresponding figure for 2023 was NOK 22.7 million.

### Book value of loans to and receivables from customers - all segments

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2024	10 718 868	349 564	44 193	11 112 625
Transfer to Stage 1	84 175	-80 679	-3 496	0
Transfer to Stage 2	-102 223	106 207	-3 984	0
Transfer to Stage 3	-8 509	-14 163	22 671	0
Net change	-60 277	3 451	-284	-57 110
New lending	4 131 540	61 608	15 762	4 208 910
Write-offs	-3 640 602	-129 095	-10 939	-3 780 637
<b>Lending 31.12.2024</b>	<b>11 122 972</b>	<b>296 892</b>	<b>63 924</b>	<b>11 483 788</b>
Recognised loan loss provisions	-404	-811	-3 736	-4 952
<b>Book value of loans to and receivables on customers 31.12.2024</b>	<b>11 122 568</b>	<b>296 081</b>	<b>60 188</b>	<b>11 478 837</b>
Non-performing loans secured by collateral			59 767	59 767
Defaults loans without collateral security			4 157	4 157

### Book value of loans to and receivables from customers - mortgages

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2024	8 602 816	346 647	43 154	8 992 618
Transfer to Stage 1	82 874	-79 519	-3 355	0
Transfer to Stage 2	-101 492	105 432	-3 940	0
Transfer to Stage 3	-6 519	-13 956	20 475	0
Net change	-3 607 034	-124 837	-8 516	-3 740 387
New lending	3 722 336	61 397	15 235	3 798 968
Write-offs	-7 556	-561	-1 041	-9 158
<b>Lending 31.12.2024</b>	<b>8 685 424</b>	<b>294 603</b>	<b>62 013</b>	<b>9 042 040</b>
Recognised loan loss provisions	-98	-243	-2 290	-2 630
<b>Book value of loans to mortgages 31.12.2024</b>	<b>8 685 327</b>	<b>294 360</b>	<b>59 723</b>	<b>9 039 410</b>

## Book value of loans to and receivables from customers - credit card

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2024	38 610	2 917	866	42 393
Transfer to Stage 1	1 301	-1 159	-141	0
Transfer to Stage 2	-731	775	-44	0
Transfer to Stage 3	-302	-206	509	0
Net change	-2 130	-247	-578	-2 955
New lending	5 293	210	486	5 990
<b>Lending 31.12.2024</b>	<b>42 041</b>	<b>2 289</b>	<b>1 098</b>	<b>45 428</b>
Recognised loan loss provisions	-275	-569	-268	-1 112
<b>Book value of loans to credit card 31.12.2024</b>	<b>41 766</b>	<b>1 721</b>	<b>830</b>	<b>44 316</b>

## Book value of loans to and receivables from customers - senior loans

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2024	2 077 541			2 077 541
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3	-1 603		1 603	0
Net change	-84 489		-1 214	-85 702
New lending	4 03 296		0	4 03 296
<b>Lending 31.12.2024</b>	<b>2 394 745</b>		<b>389</b>	<b>2 395 134</b>
Recognised loan loss provisions	-509		-389	-898
<b>Book value of senior loans 31.12.2024</b>	<b>2 394 236</b>		<b>0</b>	<b>2 394 236</b>

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

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
KLP Banken AS NOK THOUSANDS	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2024				
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3	10			10
Net change	580			580
<b>Lending 31.12.2024</b>	<b>589</b>			<b>589</b>
Recognised loan loss provisions	-7			-7
<b>Book value of overdraft deposits accounts 31.12.2024</b>	<b>582</b>			<b>582</b>

**Book value of loans to and receivables from customers - overdraft deposit accounts**

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2024	-99		173	73
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3	-85		85	0
Net change	321		126	447
New lending	36		41	77
<b>Lending 31.12.2024</b>	<b>173</b>		<b>424</b>	<b>597</b>
Recognised loan loss provisions			-305	-305
<b>Book value of overdraft deposits accounts 31.12.2024</b>	<b>173</b>		<b>120</b>	<b>292</b>

**Exposure - unused credit**

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2024	1 766 778	57 144	197	1 824 121
Transfer to Stage 1	10 028	-10 008	-20	0
Transfer to Stage 2	-13 288	13 295	-7	0
Transfer to Stage 3	-141	-33	174	0
Net change	-56 208	1 852	5	-54 350
New lending	682 837	5 595	10	688 443
Write-offs	-443 980	-22 347		-466 328
<b>Lending 31.12.2024</b>	<b>1 946 025</b>	<b>45 497</b>	<b>362</b>	<b>1 991 884</b>

**LOSSES RECOGNISED IN THE PROFIT AND LOSS ACCOUNT CONSIST OF:**

KLP Banken AS NOK THOUSANDS	2024
Change in loss provisions in Stage 1, 2 and 3	-1 440
Established losses	-458
Recovery for previously established losses	913
<b>Total losses in the income statement</b>	<b>-986</b>

## KLP Banken Group

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

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2024	2 411	2 328	1 468	6 207
Transfer to Stage 1	936	-891	-45	0
Transfer to Stage 2	-19	64	-45	0
Transfer to Stage 3	-2	-95	98	0
Net changes	-1 053	266	1 324	537
New losses	378	144	1 154	1 676
Write-offs	-61	-46	-40	-148
Change risk model/parameters	-290	-224	-99	-613
<b>Closing balance ECL 31.12.2024</b>	<b>2 299</b>	<b>1 546</b>	<b>3 814</b>	<b>7 659</b>
Changes (01.01.2024 - 31.12.2024)	-112	-782	2 346	1 452
This includes provisions for losses on loans and receivables - unused credit	1 671	693	78	2 443

### Expected credit loss (ECL) loans to customers - mortgage

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2024	139	320	1 049	1 508
Transfer to Stage 1	23	-23		0
Transfer to Stage 2	-4	34	-31	0
Transfer to Stage 3		-28	28	0
Net changes	-38	3	294	259
New losses	62	31	1 003	1 096
Write-offs	-8	-2		-10
Change risk model/parameters	-27	-52	-52	-131
<b>Closing balance ECL 31.12.2024</b>	<b>147</b>	<b>285</b>	<b>2 291</b>	<b>2 722</b>
Changes (01.01.2024 - 31.12.2024)	8	-36	1 242	1 214
This includes provisions for losses on loans and receivables - unused credit on mortgages	3	0		4

### Expected credit loss (ECL) - public lending

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2024	180			180
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3				
Net changes	-11			-11
New losses	24			24
Write-offs	-16			-16
<b>Closing balance ECL 31.12.2024</b>	<b>177</b>			<b>177</b>
Changes (01.01.2024 - 31.12.2024)	-3			-3

**Expected credit loss (ECL) - credit card**

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2024	2 067	2 008	297	4 372
Transfer to Stage 1	913	-868	-45	0
Transfer to Stage 2	-15	29	-14	0
Transfer to Stage 3	-2	-68	70	0
Net changes	-1 036	219	-35	-853
New losses	281	113	121	515
Change risk model/parameters	-265	-172	-47	-484
<b>Closing balance ECL 31.12.2024</b>	<b>1 942</b>	<b>1 262</b>	<b>347</b>	<b>3 551</b>
Changes (01.01.2024 - 31.12.2024)	-125	-747	50	-822
This includes provisions for losses on loans and receivables - unused credit on credit card	1 667	693	78	2 439

**Expected credit loss (ECL) - loan without collateral**

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2024				
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3				
Net changes	-5			-5
New losses	7			7
Change risk model/parameters	5			5
<b>Closing balance ECL 31.12.2024</b>	<b>7</b>			<b>7</b>
Changes (01.01.2024 - 31.12.2024)	7			7

**Expected credit loss (ECL) loans to customers - senior loans**

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2024	25			25
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3	0		0	0
Net changes	0		873	873
New losses	4			4
Change risk model/parameters	-3			-3
<b>Closing balance ECL 31.12.2024</b>	<b>25</b>		<b>874</b>	<b>899</b>
Changes (01.01.2024 - 31.12.2024)	1		874	874

## Expected credit loss (ECL) loans to customers - overdraft deposit accounts

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2024			124	124
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3				
Net changes			151	151
New losses			30	30
<b>Closing balance ECL 31.12.2024</b>			<b>305</b>	<b>305</b>
Changes (01.01.2024 - 31.12.2024)			181	181

## Book value of loans to and receivables from customers - all segments

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2024	42 241 527	660 373	44 193	42 946 094
Transfer to Stage 1	206 045	-202 550	-3 496	0
Transfer to Stage 2	-312 603	316 587	-3 984	0
Transfer to Stage 3	-8 509	-14 163	22 671	0
Net changes	-1 657 819	-2 154	-284	-1 660 257
New losses	9 978 727	73 080	15 762	10 067 569
Write-offs	-8 236 217	-182 779	-10 939	-8 429 936
<b>Lending 31.12.2024</b>	<b>42 211 152</b>	<b>648 394</b>	<b>63 924</b>	<b>42 923 470</b>
Fair value hedging	-81 984			-81 984
Recognised loan loss provisions	-627	-853	-3 736	-5 216
<b>Book value of loans to and receivables on customers 31.12.2024</b>	<b>42 128 540</b>	<b>647 541</b>	<b>60 188</b>	<b>42 836 270</b>
Non-performing loans secured by collateral			59 767	59 767
Defaults loans without collateral security			4 157	4 157

## Book value of loans to and receivables from customers - mortgages

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2024	21 037 518	657 456	43 154	21 738 128
Transfer to Stage 1	204 745	-201 390	-3 355	0
Transfer to Stage 2	-311 872	315 812	-3 940	0
Transfer to Stage 3	-6 519	-13 956	20 475	0
Net changes	-4 037 353	-130 441	-8 516	-4 176 311
New losses	7 039 754	72 869	15 235	7 127 858
Write-offs	-2 922 809	-54 245	-1 041	-2 978 095
<b>Lending 31.12.2024</b>	<b>21 003 463</b>	<b>646 105</b>	<b>62 013</b>	<b>21 711 580</b>
Recognised loan loss provisions	-144	-284	-2 290	-2 718
<b>Book value of loans to mortgages 31.12.2024</b>	<b>21 003 319</b>	<b>645 820</b>	<b>59 723</b>	<b>21 708 862</b>

## Book value of loans to and receivables from customers - public lending

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2024	19 087 958			19 087 958
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3				
Net changes	-1 167 223			-1 167 223
New losses	2 529 768			2 529 768
Write-offs	-1 680 362			-1 680 362
<b>Lending 31.12.2024</b>	<b>18 770 141</b>			<b>18 770 141</b>
Fair value hedging	-81 984			-81 984
Recognised loan loss provisions	-177			-177
<b>Book value of loans to public lending 31.12.2024</b>	<b>18 687 981</b>			<b>18 687 981</b>

## Book value of loans to and receivables from customers - credit card

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Lending 31.12.2024	38 610	2 917	866	42 393
Transfer to Stage 1	1 301	-1 159	-141	0
Transfer to Stage 2	-731	775	-44	0
Transfer to Stage 3	-302	-206	509	0
Net changes	-2 130	-247	-578	-2 955
New losses	5 293	210	486	5 990
<b>Lending 31.12.2024</b>	<b>42 041</b>	<b>2 289</b>	<b>1 098</b>	<b>45 428</b>
Recognised loan loss provisions	-275	-569	-268	-1 112
<b>Book value of loans to credit card 31.12.2024</b>	<b>41 766</b>	<b>1 721</b>	<b>830</b>	<b>44 316</b>

## Book value of loans to and receivables from customers - senior loans

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Lending 31.12.2024	2 077 541			2 077 541
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3	-1 603		1 603	0
Net changes	-84 489		-1 214	-85 702
New losses	403 296			403 296
<b>Lending 31.12.2024</b>	<b>2 394 745</b>		<b>389</b>	<b>2 395 134</b>
Recognised loan loss provisions	-509		-389	-898
<b>Book value of senior loans 31.12.2024</b>	<b>2 394 236</b>		<b>0</b>	<b>2 394 236</b>

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

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Lending 31.12.2024				
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3	10			10
Net changes	580			580
<b>Lending 31.12.2024</b>	<b>589</b>			<b>589</b>
Recognised loan loss provisions	-7			-7
<b>Book value of loans 31.12.2024</b>	<b>582</b>			<b>582</b>

**Book value of loans to and receivables from customers - overdraft deposit accounts**

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Lending 31.12.2024	-99		173	73
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3	-85		85	0
Net changes	321		126	447
New losses	36		41	77
<b>Lending 31.12.2024</b>	<b>173</b>		<b>424</b>	<b>597</b>
Recognised loan loss provisions	0		-305	-305
<b>Book value of overdraft deposit accounts 31.12.2024</b>	<b>173</b>		<b>120</b>	<b>292</b>

**Exposure - unused credit**

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2024	Stage 1	Stage 2	Stage 3	Total
Lending 31.12.2024	1766 778	57 144	197	1824 120
Transfer to Stage 1	10 028	-10 008	-20	0
Transfer to Stage 2	-13 288	13 295	-7	0
Transfer to Stage 3	-141	-33	174	0
Net changes	-56 208	1 852	5	-54 350
New losses	682 837	5 595	10	688 443
Write-offs	-443 980	-22 347		-466 328
<b>Lending 31.12.2024</b>	<b>1 946 025</b>	<b>45 497</b>	<b>362</b>	<b>1 991 884</b>

**Losses recognised in the profit and loss account consist of:**

KLP Banken Group NOK THOUSANDS	01.01.2024 -31.12.2024
Change in loss provisions in Stage 1, 2 and 3	-1 463
Established losses	-458
Recovery for previously established losses	913
<b>Total losses in the income statement</b>	<b>-1 009</b>



## KLP BANKEN AS

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

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2023	2 182	2 049	998	5 229
Transfer to Stage 1	871	-655	-216	0
Transfer to Stage 2	-34	51	-18	0
Transfer to Stage 3	-2	-108	110	0
Net changes	-2 162	-963	269	-2 857
New losses	293	117	227	636
Write-offs	-173	-121	-185	-479
Change risk model/parameters	1 214	1 937	284	3 436
<b>Closing balance ECL 31.12.2023</b>	<b>2 190</b>	<b>2 307</b>	<b>1 468</b>	<b>5 966</b>
Changes (01.01.2023 - 31.12.2023)	8	258	471	737
This includes provisions for losses on loans and receivables - unused credit	1 786	1 188	55	3 029

### Expected credit loss (ECL) loans to customers - mortgage

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2023	121	166	421	708
Transfer to Stage 1	5	-5		0
Transfer to Stage 2	-6	24	-18	0
Transfer to Stage 3		-34	34	0
Net changes	-74	138	450	514
New losses	53	11	188	251
Write-offs			-28	-28
<b>Closing balance ECL 31.12.2023</b>	<b>99</b>	<b>299</b>	<b>1 048</b>	<b>1 446</b>
Changes (01.01.2023 - 31.12.2023)	-22	133	626	737
This includes provisions for losses on loans and receivables - unused credit on mortgages	4	0	0	4

### Expected credit loss (ECL) - credit card

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2023	2 040	1 883	516	4 440
Transfer to Stage 1	866	-650	-216	0
Transfer to Stage 2	-28	28		0
Transfer to Stage 3	-2	-74	76	0
Net changes	-2 259	-1 222	-381	-3 861
New losses	235	106	17	358
Change risk model/parameters	1 214	1 937	284	3 436
<b>Closing balance ECL 31.12.2023</b>	<b>2 067</b>	<b>2 008</b>	<b>297</b>	<b>4 372</b>
Changes (01.01.2023 - 31.12.2023)	27	125	-220	-67
This includes provisions for losses on loans and receivables - unused credit on credit card	1 782	1 188	55	3 025

## Expected credit loss (ECL) loans to customers - senior loans

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2023	22			22
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3				
Net changes	-2			-2
New losses	5			5
<b>Closing balance ECL 31.12.2023</b>	<b>25</b>			<b>25</b>
Changes (01.01.2023 - 31.12.2023)	3			3

This includes provisions for losses on loans and receivables - unused credit on senior loans

## Expected credit loss (ECL) loans to customers - overdraft deposit accounts

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2023			60	60
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3				
Net changes			42	42
New losses			22	22
<b>Closing balance ECL 31.12.2023</b>			<b>124</b>	<b>124</b>
Changes (01.01.2023 - 31.12.2023)			64	64

## Book value of loans to and receivables from customers - all segments

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2023	10 694 461	240 116	43 654	10 978 230
Transfer to Stage 1	51 477	-50 762	-715	0
Transfer to Stage 2	-194 406	197 984	-3 578	0
Transfer to Stage 3	-807	-9 300	10 107	0
Net change	-138 516	-4 128	132	-142 511
New lending	4 343 522	45 864	13 016	4 402 402
Write-offs	-4 036 864	-70 210	-18 422	-4 125 497
<b>Lending 31.12.2023</b>	<b>10 718 868</b>	<b>349 564</b>	<b>44 193</b>	<b>11 112 625</b>
Recognised loan loss provisions	-404	-1 120	-1 413	-2 937
<b>Book value of loans to and receivables on customers 31.12.2023</b>	<b>10 718 464</b>	<b>348 444</b>	<b>42 780</b>	<b>11 109 688</b>
Non-performing loans secured by collateral			41 601	41 601
Defaults loans without collateral security			2 592	2 592

**Book value of loans to and receivables from customers - mortgages**

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2023	8 873 262	236 732	41 976	9 151 970
Transfer to Stage 1	49 373	-49 373		0
Transfer to Stage 2	-193 097	196 675	-3 578	0
Transfer to Stage 3	-576	-9 086	9 663	0
Net change	-4 051 820	-73 822	-15 597	-4 141 238
New lending	3 929 262	45 665	12 928	3 987 856
Write-offs	-3 588	-145	-2 237	-5 970
<b>Lending 31.12.2023</b>	<b>8 602 816</b>	<b>346 647</b>	<b>43 154</b>	<b>8 992 618</b>
Recognised loan loss provisions	-94	-299	-1 048	-1 441
<b>Book value of loans to mortgages 31.12.2023</b>	<b>8 602 722</b>	<b>346 348</b>	<b>42 106</b>	<b>8 991 176</b>

**Book value of loans to and receivables from customers - credit card**

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2023	38 554	3 384	1 594	43 532
Transfer to Stage 1	2 104	-1 389	-715	0
Transfer to Stage 2	-1 308	1 308		0
Transfer to Stage 3	-200	-214	414	0
Net change	-6 009	-372	-483	-6 864
New lending	5 470	199	56	5 726
<b>Lending 31.12.2023</b>	<b>38 610</b>	<b>2 917</b>	<b>866</b>	<b>42 393</b>
Recognised loan loss provisions	-285	-821	-241	-1 347
<b>Book value of loans to credit card 31.12.2023</b>	<b>38 325</b>	<b>2 097</b>	<b>625</b>	<b>41 046</b>

**Book value of loans to and receivables from customers - senior loans**

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2023	1 782 407			1 782 407
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3				
Net change	-113 594			-113 594
New lending	408 729			408 729
<b>Lending 31.12.2023</b>	<b>2 077 541</b>			<b>2 077 541</b>
Recognised loan loss provisions	-24			-24
<b>Book value of senior loans 31.12.2023</b>	<b>2 077 517</b>			<b>2 077 517</b>

**Book value of loans to and receivables from customers - overdraft deposit accounts**

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2023	239		84	322
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3	-31		31	0
Net change	-368		27	-341
New lending	61		31	92
<b>Lending 31.12.2023</b>	<b>-99</b>		<b>173</b>	<b>73</b>
Recognised loan loss provisions	0		-124	-124
<b>Book value of overdraft deposits accounts 31.12.2023</b>	<b>-99</b>		<b>49</b>	<b>-51</b>

**Exposure - unused credit**

KLP Banken AS NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2023	1 339 781	54 926	230	1 394 938
Corrected for loan promise 31.12.2022	397 260			397 260
Transfer to Stage 1	10 509	-10 459	-50	0
Transfer to Stage 2	-13 130	13 130		0
Transfer to Stage 3	-177	-50	227	0
Net change	-16 990	270	-215	-16 934
New lending	457 970	5 171	4	463 145
Write-offs	-408 444	-5 845		-414 289
<b>Lending 31.12.2023</b>	<b>1 766 778</b>	<b>57 144</b>	<b>197</b>	<b>1 824 120</b>

**LOSSES RECOGNISED IN THE PROFIT AND LOSS ACCOUNT CONSIST OF:**

KLP Banken AS NOK THOUSANDS	01.01.2023 -31.12.2023
Change in loss provisions in Stage 1, 2 and 3	-1 336
Established losses	-7
Recovery for previously established losses	464
<b>Total losses in the income statement</b>	<b>-879</b>

## KLP BANKEN GROUP

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

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2023	2 390	2 090	998	5 478
Transfer to Stage 1	873	-657	-216	0
Transfer to Stage 2	-35	53	-18	0
Transfer to Stage 3	-2	-108	110	0
Net changes	-2 166	-949	269	-2 847
New losses	333	119	227	678
Write-offs	-196	-157	-185	-538
Change risk model/parameters	1 214	1 937	284	3 436
<b>Closing balance ECL 31.12.2023</b>	<b>2 411</b>	<b>2 328</b>	<b>1 468</b>	<b>6 207</b>
Changes (01.01.2023 - 31.12.2023)	20	238	471	729
This includes provisions for losses on loans and receivables - unused credit	1 786	1 188	55	3 029

### Expected credit loss (ECL) loans to customers - mortgage

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2023	144	207	422	774
Transfer to Stage 1	7	-7		0
Transfer to Stage 2	-8	25	-18	0
Transfer to Stage 3	0	-34	34	0
Net changes	-66	152	450	537
New losses	65	13	188	266
Write-offs	-4	-36	-28	-68
<b>Closing balance ECL 31.12.2023</b>	<b>139</b>	<b>320</b>	<b>1 049</b>	<b>1 508</b>
Changes (01.01.2023 - 31.12.2023)	-5	113	626	734
This includes provisions for losses on loans and receivables - unused credit on mortgages	4	0	0	4

### Expected credit loss (ECL) - public lending

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2023	184			184
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3				
Net changes	-13			-13
New losses	27			27
Write-offs	-19			-19
<b>Closing balance ECL 31.12.2023</b>	<b>180</b>			<b>180</b>
Changes (01.01.2023 - 31.12.2023)	-4			-4

**Expected credit loss (ECL) - credit card**

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2023	2 040	1 883	516	4 440
Transfer to Stage 1	866	-650	-216	0
Transfer to Stage 2	-28	28		0
Transfer to Stage 3	-2	-74	76	0
Net changes	-2 259	-1 222	-381	-3 861
New losses	235	106	17	358
Change risk model/parameters	1 214	1 937	284	3 436
<b>Closing balance ECL 31.12.2023</b>	<b>2 067</b>	<b>2 008</b>	<b>297</b>	<b>4 372</b>
Changes (01.01.2023 - 31.12.2023)	27	125	-220	-67
This includes provisions for losses on loans and receivables - unused credit on credit card	1 782	1 188	55	3 025

**Expected credit loss (ECL) loans to customers - senior loans**

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2023	22			22
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3				
Net changes	-2			-2
New losses	5			5
<b>Closing balance ECL 31.12.2023</b>	<b>25</b>			<b>25</b>
Changes (01.01.2023 - 31.12.2023)	3			3

**Expected credit loss (ECL) loans to customers - overdraft deposit accounts**

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Opening balance ECL 01.01.2023			60	60
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3				
Net changes			42	42
New losses			22	22
<b>Closing balance ECL 31.12.2023</b>			<b>124</b>	<b>124</b>
Changes (01.01.2023 - 31.12.2023)			64	64

## Book value of loans to and receivables from customers - all segments

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2023	41 943 196	489 280	43 654	42 476 129
Transfer to Stage 1	105 454	-104 738	-715	0
Transfer to Stage 2	-372 516	376 094	-3 578	0
Transfer to Stage 3	-807	-9 300	10 107	0
Net changes	-1 671 084	-11 841	132	-1 682 793
New losses	11 055 314	76 252	13 016	11 144 582
Write-offs	-8 818 028	-155 374	-18 422	-8 991 824
<b>Lending 31.12.2023</b>	<b>42 241 528</b>	<b>660 373</b>	<b>44 193</b>	<b>42 946 094</b>
Fair value hedging	-86 644	0	0	-86 644
Recognised loan loss provisions	-625	-1 141	-1 413	-3 179
<b>Book value of loans to and receivables on customers 31.12.2023</b>	<b>42 154 259</b>	<b>659 232</b>	<b>42 780</b>	<b>42 856 272</b>
Non-performing loans secured by collateral			41 601	41 601
Defaults loans without collateral security			2 592	2 592

## Book value of loans to and receivables from customers - mortgages

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2023	20 906 667	485 896	41 976	21 434 538
Transfer to Stage 1	103 350	-103 350		0
Transfer to Stage 2	-371 208	374 786	-3 578	0
Transfer to Stage 3	-576	-9 086	9 663	0
Net changes	-4 475 334	-81 535	-15 597	-4 572 466
New losses	7 694 045	76 054	12 928	7 783 027
Write-offs	-2 819 426	-85 308	-2 237	-2 906 971
<b>Lending 31.12.2023</b>	<b>21 037 518</b>	<b>657 456</b>	<b>43 154</b>	<b>21 738 128</b>
Recognised loan loss provisions	-135	-320	-1 048	-1 503
<b>Book value of loans to mortgages 31.12.2023</b>	<b>21 037 382</b>	<b>657 136</b>	<b>42 106</b>	<b>21 736 625</b>

## Book value of loans to and receivables from customers - public lending

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Lending 01.01.2023	19 215 331			19 215 331
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3				
Net changes	-1 109 055			-1 109 055
New losses	2 947 008			2 947 008
Write-offs	-1 965 325			-1 965 325
<b>Lending 31.12.2023</b>	<b>19 087 958</b>			<b>19 087 958</b>
Fair value hedging	-86 644			-86 644
Recognised loan loss provisions	-180			-180
<b>Book value of loans to public lending 31.12.2023</b>	<b>19 001 135</b>			<b>19 001 135</b>

**Book value of loans to and receivables from customers - credit card**

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Lending 31.12.2023	38 554	3 384	1 594	43 532
Transfer to Stage 1	2 104	-1 389	-715	0
Transfer to Stage 2	-1 308	1 308		0
Transfer to Stage 3	-200	-214	414	0
Net changes	-6 009	-372	-483	-6 864
New losses	5 470	199	56	5 726
<b>Lending 31.12.2023</b>	<b>38 610</b>	<b>2 917</b>	<b>866</b>	<b>42 393</b>
Recognised loan loss provisions	-285	-821	-241	-1 347
<b>Book value of loans to credit card 31.12.2023</b>	<b>38 325</b>	<b>2 097</b>	<b>625</b>	<b>41 046</b>

**Book value of loans to and receivables from customers - senior loans**

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Lending 31.12.2023	1 782 407			1 782 407
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3				
Net changes	-113 594			-113 594
New losses	408 729			408 729
<b>Lending 31.12.2023</b>	<b>2 077 541</b>			<b>2 077 541</b>
Recognised loan loss provisions	-24			-24
<b>Book value of senior loans 31.12.2023</b>	<b>2 077 517</b>			<b>2 077 517</b>

**Book value of loans to and receivables from customers - overdraft deposit accounts**

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Lending 31.12.2023	239		84	322
Transfer to Stage 1				
Transfer to Stage 2				
Transfer to Stage 3	-31		31	0
Net changes	-368		27	-341
New losses	61		31	92
<b>Lending 31.12.2023</b>	<b>-99</b>		<b>173</b>	<b>73</b>
Recognised loan loss provisions	0		-124	-124
<b>Book value of overdraft deposit accounts 31.12.2023</b>	<b>-99</b>		<b>49</b>	<b>-51</b>



## Exposure - unused credit

KLP Banken Group NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	
2023	Stage 1	Stage 2	Stage 3	Total
Lending 31.12.2023	1 339 781	54 926	230	1 394 937
Corrected for loan promise 31.12.2022	397 260	0	0	397 260
Transfer to Stage 1	10 509	-10 459	-50	0
Transfer to Stage 2	-13 130	13 130		0
Transfer to Stage 3	-177	-50	227	0
Net changes	-16 990	270	-215	-16 934
New losses	457 970	5 171	4	463 145
Write-offs	-408 444	-5 845		-414 289
<b>Lending 31.12.2023</b>	<b>1 766 778</b>	<b>57 144</b>	<b>197</b>	<b>1 824 120</b>

## LOSSES RECOGNISED IN THE PROFIT AND LOSS ACCOUNT CONSIST OF:

KLP Banken Group NOK THOUSANDS	01.01.2023 -31.12.2023
Change in loss provisions in Stage 1, 2 and 3	-1 328
Established losses	-7
Recovery for previously established losses	464
<b>Total losses in the income statement</b>	<b>-871</b>

## Note 11 Tax

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
2023	2024		2024	2023
176	194	Accounting income before taxes	325	285
		<b>Other income components:</b>		
-13	23	Estimate difference, pension obligations and assets	23	-13
		<b>Differences between accounting and tax income:</b>		
-4	1	Reversal of value increase financial assets	39	19
0	1	Other permanent differences	1	0
13	-24	Change in differences between book and taxable income	-61	-4
<b>172</b>	<b>195</b>	<b>Taxable income</b>	<b>327</b>	<b>287</b>
		<b>RECONCILIATION OF BASIS FOR DEFERRED TAX/TAX ASSETS</b>		
		<b>DEFERRED TAX ASSETS LINKED TO:</b>		
-3	-3	Financial instruments	-3	-6
		Lending to customers and credit enterprises	-18	-19
-11	-5	Pension obligation	-5	-11
		Other differences	11	4
<b>-15</b>	<b>-9</b>	<b>Total deferred tax assets</b>	<b>-16</b>	<b>-32</b>
		<b>DEFERRED TAX LINKED TO:</b>		
0	0	Financial instruments	15	24
0	0	Lending to customers and credit enterprises	9	1
43	49	Tax effect of group contribution	66	63
<b>43</b>	<b>49</b>	<b>Total deferred tax</b>	<b>89</b>	<b>88</b>
<b>28</b>	<b>40</b>	<b>Net deferred tax/tax assets</b>	<b>73</b>	<b>56</b>
		<b>SUMMARY OF TAX EXPENSES FOR THE YEAR</b>		
-2	6	Changes in deferred tax excl.group contribution	7	-2
-30	-43	Reversed tax on paid out group contribution	-67	-50
43	49	Tax on Group contribution payment made	77	67
<b>11</b>	<b>11</b>	<b>Capitalized tax</b>	<b>16</b>	<b>15</b>
14	17	Tax on ordinary result	10	19
-3	-6	Tax on postings in other comprehensive income	6	-3
<b>11</b>	<b>11</b>	<b>Total tax expenses</b>	<b>16</b>	<b>15</b>
6.7%	5.2%	Effective tax percentage	4.6%	5.6%
		<b>RECONCILIATION OF TAX PERCENTAGE</b>		
176	194	Accounting income before taxes	325	285
-13	23	Items in other comprehensive income	23	-13
<b>163</b>	<b>217</b>	<b>Total profit before tax</b>	<b>348</b>	<b>272</b>
41	54	Income taxes expense, nominal tax rate	87	68
11	11	Income tax expense, effective tax rate	16	15
<b>30</b>	<b>43</b>	<b>Difference between effective and nominal tax rate</b>	<b>71</b>	<b>53</b>
30	43	Tax effect on paid out group contribution	67	50
0	0	Tax effects of permanent differences	0	0
		Effect of change in tax rate on deferred tax	4	3
<b>30</b>	<b>43</b>	<b>Total</b>	<b>71</b>	<b>53</b>

The rules on the global minimum tax (top-up tax, Pillar Two tax) were introduced as of the income year 2024. KLP is considered a pension fund under the regulations, and is therefore exempt from the global minimum tax. Since KLP is a mutual life insurance company, and the ultimate parent company in the group, other entities in the group are also exempt because they are also considered pension funds.

## Note 12 Pension obligations, own employees

The majority of the pension obligation is covered through KLP's joint pension scheme for local authorities and enterprises ("Fellesordningen"). The Company also offers a pension scheme in addition to Fellesordningen. This obligation is covered through operation. Fellesordningen is a defined-benefit pension scheme that satisfies the requirements for mandatory occupational pensions ("obligatorisk tjenestepensjon", or OTP).

NOK MILLIONS	Joint scheme	Via operation	Sum 2024	Joint scheme	Via operation	Sum 2023
<b>Pension costs</b>						
Present value of accumulation for the year	12	1	12	10	1	11
Administration cost	0	0	0	0	0	0
Planchange	0	0	0	0	0	0
Social security contributions and capital activity tax - pension costs	2	0	2	2	0	2
<b>Pension costs incl. social security and administration costs taken to income</b>	<b>14</b>	<b>1</b>	<b>15</b>	<b>13</b>	<b>1</b>	<b>14</b>
<b>Net financial costs</b>						
Interest costs	5	0	5	4	0	4
Expected return	-4	0	-4	-3	0	-3
Management costs	0	0	0	0	0	0
Net interest costs	1	0	1	1	0	1
Social security contribution and capital activity tax - net interest cost	0	0	0	0	0	0
<b>Net interest cost including social security contributions</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>Estimate difference, pensions</b>						
Actuarial gains (losses)	-19	0	-19	10	1	11
Social security contributions and capital activity tax	-4	0	-4	2	0	2
<b>Actuarial gains (losses) incl. social security contributions</b>	<b>-23</b>	<b>0</b>	<b>-23</b>	<b>12</b>	<b>1</b>	<b>13</b>
<b>Total pension costs including interest costs and estimate difference</b>	<b>-8</b>	<b>1</b>	<b>-6</b>	<b>25</b>	<b>3</b>	<b>28</b>

NOK MILLIONS	Joint scheme	Via operation	Sum 2024	Joint scheme	Via operation	Sum 2023
<b>Pension obligations</b>						
Gross accrued pension obligation	137	13	150	146	14	159
Pension assets	132	0	132	122	0	122
Net liability before SSC	5	13	18	23	14	37
Social security contributions and Capital activity tax	1	3	3	4	3	7
Gross accrued obligations incl. social security costs	138	16	154	150	16	166
<b>Net liability incl. social security costs</b>	<b>6</b>	<b>16</b>	<b>22</b>	<b>28</b>	<b>16</b>	<b>44</b>
<b>Reconciliation of pension obligations</b>						
Capitalized net liability/(asset) 01.01	28	16	44	17	15	32
Pension costs taken to profit/loss	14	1	15	13	1	14
Finance costs taken to profit/loss	1	1	2	1	0	1
Actuarial gains and losses incl. social security contributions	-23	0	-23	12	1	13
Premium/supplement paid-in including admin	-12	-2	-14	-12	-1	-13
Social security contributions and capital activity tax paid in premiums/supplement	-2	0	-3	-2	0	-3
<b>Capitalized net liability/(asset) 31.12</b>	<b>6</b>	<b>16</b>	<b>22</b>	<b>28</b>	<b>16</b>	<b>44</b>
<b>Change in pension obligations</b>						
Gross pension assets 01.01. before planchange	150	16	166	118	15	133
Planchange	0	0	0	0	0	0
Gross pension assets 01.01. after planchange	150	16	166	118	15	133
Present value of accumulation for the year	12	1	12	10	1	11
Interest costs	5	0	5	4	0	4
Actuarial losses (gains) gross pension obligation	-25	0	-25	20	1	22
Social security contributions and capital activity tax	0	0	0	0	0	0
Payments	-4	-2	-6	-2	-1	-3
<b>Gross pension obligation 31.12</b>	<b>138</b>	<b>16</b>	<b>154</b>	<b>150</b>	<b>16</b>	<b>166</b>
<b>Change in pension assets</b>						
Pension assets 01.01	122	0	122	101	0	101
Expected return	4	0	4	3	0	3
Actuarial loss (gain) on pension assets	-2	0	-2	9	0	9
Administration cost	0	0	0	0	0	0
Financing cost	0	0	0	0	0	0
Premium/supplement paid-in including admin	12	2	14	12	1	13
Payments	-4	-2	-6	-2	-1	-3
<b>Pension assets 31.12</b>	<b>132</b>	<b>0</b>	<b>132</b>	<b>122</b>	<b>0</b>	<b>122</b>

NOK MILLIONS	Joint scheme	Via operation	Sum 2024	Joint scheme	Via operation	Sum 2023
<b>Over/under-financing of the pension scheme</b>						
Present value of the defined-benefit pension obligation	138	16	154	150	16	166
Fair value of the pension assets	132	0	132	122	0	122
<b>Net pension obligation</b>	<b>6</b>	<b>16</b>	<b>22</b>	<b>28</b>	<b>16</b>	<b>44</b>

	31.12.2024	31.12.2023
<b>Financial assumptions (common to all pension schemes)</b>		
Discount rate	3.90%	3.10%
Salary growth	4.00%	3.50%
National Insurance basic amount (G)	3.75%	3.25%
Pension increases	3.00%	2.80%
Social security contributions	14.10%	14.10%
Capital activity tax	5.00%	5.00%

For the measurement of pension expense for 2024 used assumptions as of 31.12.2023, while for calculating pension liabilities 31.12.2024 used assumptions and population per 31.12.2024. The assumptions are based on market conditions per 31.12.2024 and are in accordance with the recommendation from the Norwegian Accounting Standards Board.

### Actuarial assumptions:

#### KLP's joint pension scheme for local authorities and enterprises ("Fellesordningen")

An important part of the basis of pension costs and pension obligations is how mortality and disability develop amongst the members of the pension scheme. KLP uses best estimate based on mortality and disability figures in KLPs customer base.

#### Take-up of contractual early retirement (AFP), (per cent in relation to remaining employees):

The costs of AFP depend on how many in each year-group take AFP. On reaching 62 years there are 42.5 per cent who retire with an AFP pension. It is only those who are employed and working right up until they retire who are entitled to AFP. This is taken into account in the calculation of the AFP obligation.

For the new lifelong public AFP scheme, the regulations for the distribution of financing still need to be established. Before a new agreement framework is in place, it is considered challenging to reliably measure the effect of the plan change. The guidance assumes that the accounting for the plan change can be deferred until the agreement framework related to the distribution of financing is determined. A significant increase in obligations and costs is expected.

Voluntary termination for Fellesordning (in %)						
Age (years)	<24	24-29	30-39	40-49	50-55	>55
Turnover	25%	15%	7,5%	5%	3%	0,0 %

### PENSIONS VIA OPERATIONS:

Take-up of AFP/premature retirement is not relevant to this scheme. In regard to mortality the same estimates have been used as for "Fellesordningen".

Number	Joint scheme	Via operation	Sum 2024	Joint scheme	Via operation	Sum 2023
<b>Membership status</b>						
Number active	82	2	84	78	2	80
Number deferred (previous employees with deferred entitlements)	69	4	73	66	4	70
Number of pensioners	29	3	32	27	4	31

	2024	2023
<b>Composition of the pension assets:</b>		
Property	12.9%	13.3%
Lending	11.0%	11.3%
Shares	35.1%	31.6%
Long-term bonds	26.5%	28.6%
Short-term bonds	10.8%	11.5%
Liquidity/money market	3.7%	3.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

The pension funds are based on KLP's financial funds in the common portfolio. The table shows percentage placing of the pension funds administered by KLP at the end of the year. Value-adjusted return on the assets was 8.96 per cent in 2024 and 6.39 per cent in 2023. Expected payment into benefit plans after cessation of employment for the period 1 January 2025 – 31 December 2025 is NOK 11.7 million.

Sensitivity analysis 2024		
Discount rate reduced by 0.5%		Increase
Gross pension obligation		9.9%
Accumulation for the year		15.8%
Salary growth increases by 0.25%		Increase
Gross pension obligation		0.5%
Accumulation for the year		1.3%
Mortality increases by 10%		Increase
Gross pension obligation		2.6%
Accumulation for the year		1.9%

The sensitivity analysis above is based on all other assumptions being unchanged. In practice that is an unlikely scenario and changes in some assumptions are correlated. The calculation of gross pension obligation and accumulation for the year in the sensitivity analysis has been done using the same method as in calculating gross

## Note 13 Cash, cash equivalents and other loans and receivables from credit institutions

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
75	76	Claims on central banks	76	75
<b>75</b>	<b>76</b>	<b>Total claims on central banks</b>	<b>76</b>	<b>75</b>
944	597	Bank deposits operations	1163	1508
23	11	Bank accounts to be used for the purchase and sale of securities	34	69
2 388	3 146	Receivable on group companies		
<b>3 355</b>	<b>3 754</b>	<b>Total loans and receivables from credit institutions</b>	<b>1 196</b>	<b>1 578</b>

Of which: restricted assets 4 (3)

## Note 14 Lending and receivables

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
<b>LOANS TO AND RECEIVABLES FROM CUSTOMERS</b>				
11 054	11 422	Principal on loans to customers	42 660	42 666
42	45	Credit portfolio	45	42
0	0	Overdraft current account	0	0
-2	-1	Write-downs step 1 and 2	-1	-2
-1	-4	Write-downs step 3	-4	-1
16	16	Accrued interest	218	237
		Fair value hedging	-82	-87
<b>11 110</b>	<b>11 479</b>	<b>Loans to and receivables from customers</b>	<b>42 836</b>	<b>42 856</b>

## Note 15 Categories of financial instruments

KLP Banken AS 31.12.2024		NOK MILLIONS	KLP Banken Group 31.12.2024	
Book value	Fair value		Book value	Fair value
		<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>		
3 163	3 163	Fixed-income securities	7 579	7 579
0	0	Financial derivatives	84	84
2	2	Shares and holdings	2	2
<b>3 165</b>	<b>3 165</b>	<b>Total financial assets at fair value through profit and loss</b>	<b>7 665</b>	<b>7 665</b>
		<b>FINANCIAL ASSETS FAIR VALUE HEDGING AT AMORTIZED COST</b>		
		Loans to and receivables from customers	1 922	1 937
		<b>Total financial assets fair value hedging at amortized cost</b>	<b>1 922</b>	<b>1 937</b>
		<b>FINANCIAL ASSETS AT AMORTIZED COST</b>		
76	76	Loans to and receivables from credit institutions	76	76
608	608	Loans to and receivables from central banks	1 196	1 196
3 191	3 191	Loans to and receivables from customers	40 914	40 914
<b>3 876</b>	<b>3 876</b>	<b>Total financial assets at amortized cost</b>	<b>42 187</b>	<b>42 187</b>
		<b>FINANCIAL ASSETS AT FAIR VALUE WITH VALUE CHANGE OVER OTHER INCOME AND EXPENSES</b>		
11 433	11 433	Loans to and receivables from customers		
<b>11 433</b>	<b>11 433</b>	<b>Total financial assets at fair value with value change over other income and expenses</b>		
<b>18 474</b>	<b>18 474</b>	<b>Total financial assets</b>	<b>51 774</b>	<b>51 789</b>
		<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS</b>		
		Financial derivatives	38	38
		<b>Total financial liabilities at fair value through profit and loss</b>	<b>38</b>	<b>38</b>
		<b>FINANCIAL LIABILITIES FAIR VALUE HEDGING AT AMORTIZED COST</b>		
		Liabilities created on issuance of securities	1 679	1 692
		<b>Total financial liabilities fair value hedging at amortized cost</b>	<b>1 679</b>	<b>1 692</b>
		<b>FINANCIAL LIABILITIES AT AMORTIZED COST</b>		
16 249	16 249	Deposits from customers	15 801	15 801
806	810	Liabilities created on issuance of securities	30 655	30 723
<b>17 055</b>	<b>17 059</b>	<b>Total financial liabilities at amortized cost</b>	<b>46 456</b>	<b>46 523</b>
<b>17 055</b>	<b>17 059</b>	<b>Total financial liabilities</b>	<b>48 173</b>	<b>48 253</b>



KLP Banken AS 31.12.2023		NOK MILLIONS	KLP Banken Group 31.12.2023	
Book value	Fair value		Book value	Fair value
		<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>		
2 260	2 260	Fixed-income securities	4 276	4 276
0	0	Financial derivatives	108	108
2	2	Shares and holdings	2	2
<b>2 262</b>	<b>2 262</b>	<b>Total financial assets at fair value through profit and loss</b>	<b>4 387</b>	<b>4 387</b>
		<b>FINANCIAL ASSETS FAIR VALUE HEDGING AT AMORTIZED COST</b>		
		Loans to and receivables from customers	1 585	1 578
		<b>Total financial assets fair value hedging at amortized cost</b>	<b>1 585</b>	<b>1 578</b>
		<b>FINANCIAL ASSETS AT AMORTIZED COST</b>		
75	75	Loans to and receivables from credit institutions	75	75
967	967	Loans to and receivables from central banks	1 578	1 578
2 430	2 430	Loans to and receivables from customers	41 272	41 272
<b>3 473</b>	<b>3 473</b>	<b>Total financial assets at amortized cost</b>	<b>42 925</b>	<b>42 925</b>
		<b>FINANCIAL ASSETS AT FAIR VALUE WITH VALUE CHANGE OVER OTHER COMPREHENSIVE INCOME</b>		
11 067	11 067	Loans to and receivables from customers		
<b>11 067</b>	<b>11 067</b>	<b>Total financial assets at fair value with value change over other comprehensive income</b>		
<b>16 802</b>	<b>16 802</b>	<b>Total financial assets</b>	<b>48 896</b>	<b>48 890</b>
		<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS</b>		
		Financial derivatives	23	23
		<b>Total financial liabilities at fair value through profit and loss</b>	<b>23</b>	<b>23</b>
		<b>FINANCIAL LIABILITIES FAIR VALUE HEDGING AT AMORTIZED COST</b>		
		Liabilities created on issuance of securities	1 713	1 723
		<b>Total financial liabilities fair value hedging at amortized cost</b>	<b>1 713</b>	<b>1 723</b>
		<b>FINANCIAL LIABILITIES AT AMORTIZED COST</b>		
14 488	14 488	Deposits from customers	14 060	14 060
905	908	Liabilities created on issuance of securities	29 695	29 718
<b>15 393</b>	<b>15 396</b>	<b>Total financial liabilities at amortized cost</b>	<b>43 756</b>	<b>43 779</b>
<b>15 393</b>	<b>15 396</b>	<b>Total financial liabilities</b>	<b>45 492</b>	<b>45 525</b>

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 are easily 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 and units**

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 3 (see note 10 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 16.

## Fair value of deposits

The fair value of floating rate deposits is taken to be approximately equal to the deposit amount including accrued interest. The fair value of fixed rate deposits is calculated by discounting contractual cash flows by market interest rates including a suitable risk margin. Discounting contractual cash flows by market interest rates including a suitable risk margin. This is valued at Level 2 in the valuation hierarchy, cf. Note 16.

## 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 16.

## 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 16.

## Note 16 Fair value hierarchy

### KLP Banken AS

31.12.2024 NOK MILLIONS	Level 1	Level 2	Level 3	Total
<b>ASSETS BOOKED AT FAIR VALUE</b>				
Fixed-income securities	500	2 663		3 163
Financial derivatives		0		0
Shares and holdings			2	2
<b>Total assets at fair value</b>	<b>500</b>	<b>2 663</b>	<b>2</b>	<b>3 165</b>
<b>ASSETS AT FAIR VALUE WITH VALUE CHANGE OVER OTHER INCOME AND EXPENSES</b>				
Loans to and receivables on customers			11 433	11 433
<b>Total mortgage assessed at fair value over other income and expenses</b>			<b>11 433</b>	<b>11 433</b>

### KLP Banken Group

31.12.2024 NOK MILLIONS	Level 1	Level 2	Level 3	Total
<b>ASSETS BOOKED AT FAIR VALUE</b>				
Fixed-income securities	629	6 950		7 579
Financial derivatives	0	84		84
Shares and holdings			2	2
<b>Total assets at fair value</b>	<b>629</b>	<b>7 034</b>	<b>2</b>	<b>7 665</b>
<b>LIABILITIES BOOKED AT FAIR VALUE</b>				
Financial derivatives (liabilities)		38		38
<b>Total financial liabilities at fair value</b>		<b>38</b>		<b>38</b>

## KLP Banken AS

31.12.2023 NOK MILLIONS	Level 1	Level 2	Level 3	Total
<b>ASSETS BOOKED AT FAIR VALUE</b>				
Fixed-income securities	707	1 553		2 260
Financial derivatives		0		0
Shares and holdings			2	2
<b>Total assets at fair value</b>	<b>707</b>	<b>1 554</b>	<b>2</b>	<b>2 262</b>
<b>ASSETS AT FAIR VALUE WITH VALUE CHANGE OVER OTHER INCOME AND EXPENSES</b>				
Loans to and receivables on customers			11 067	11 067
<b>Total mortgage assessed at fair value over other income and expenses</b>			<b>11 067</b>	<b>11 067</b>

## KLP Banken Group

31.12.2023 NOK MILLIONS	Level 1	Level 2	Level 3	Total
<b>ASSETS BOOKED AT FAIR VALUE</b>				
Fixed-income securities	826	3 451		4 276
Financial derivatives		108		108
Shares and holdings			2	2
<b>Total assets at fair value</b>	<b>826</b>	<b>3 559</b>	<b>2</b>	<b>4 387</b>
<b>LIABILITIES BOOKED AT FAIR VALUE</b>				
Financial derivatives (liabilities)		23		23
<b>Total financial liabilities at fair value</b>		<b>23</b>		<b>23</b>

## KLP Banken AS/KLP Banken Group

NOK MILLIONS	31.12.2024	31.12.2023
<b>Changes in level 3 unlisted securities</b>		
Opening balance 1 January	2	1
Additions/purchases of shares	0	
Unrealized changes	0	1
<b>Closing balance 31.12.</b>	<b>2</b>	<b>2</b>

## KLP Banken AS

NOK MILLIONS	31.12.2024	31.12.2023
<b>Changes in level 3 loans to and receivables from customers</b>		
Opening balance 1 January	11 067	10 933
Loans to and receivables from customers	3 646	3 103
Overdue/redeemed loans to and receivables from customers	-3 271	-2 967
Net other changes	-9	-1
<b>Closing balance 31 December</b>	<b>11 433</b>	<b>11 067</b>

### Level 1:

Instruments in this level obtain fair value from listed prices in an active market for identical assets or liabilities that the entity has access to at the reporting date. Example instruments at Level 1 are stock market listed securities.

**Level 2:**

Instruments in 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 not therefore 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 15 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 3.

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 17 Fixed-income securities**

KLP Banken AS 31.12.2024				NOK MILLIONS	KLP Banken Group 31.12.2024				
Acquisition cost	Unrel. gain/loss	Accr. int. not due	Market value	Debtor categories	Acquisition cost	Unrel. gain/loss	Accr. int. not due	Market value	
109	0		109	Government/social security administration	237	0		238	
2 652	-2	13	2 663	Credit enterprises	6 160	-4	31	6 187	
				Local government administration	758	0	5	763	
262	-7	3	258	Foreign credit institutions (not banks)	262	-7	3	258	
136	-4	2	133	Multilateral development banks (not banks)	136	-4	2	133	
<b>3 159</b>	<b>-14</b>	<b>18</b>	<b>3 163</b>	<b>Total fixed-income securities</b>	<b>7 554</b>	<b>-15</b>	<b>40</b>	<b>7 579</b>	
Effective interest rate:				5.19%	Effective interest rate:				5.19%

KLP Banken AS 31.12.2023				NOK MILLIONS	KLP Banken Group 31.12.2023			
Acquisition cost	Unrel. gain/loss	Accr. int. not due	Market value	Debtor categories	Acquisition cost	Unrel. gain/loss	Accr. int. not due	Market value
218	0		218	Government/social security administration	336	1		337
1 551	-5	8	1 553	Credit enterprises	3 248	-8	15	3 254
				Local government administration	195	0	1	196
355	-6	5	354	Foreign credit institutions (not banks)	355	-6	5	354
136	-2	2	135	Multilateral development banks (not banks)	136	-2	2	135
<b>2 259</b>	<b>-12</b>	<b>14</b>	<b>2 260</b>	<b>Total fixed-income securities</b>	<b>4 270</b>	<b>-16</b>	<b>22</b>	<b>4 276</b>
Effective interest rate:				5.16%	Effective interest rate: 5.19%			

Effective interest is calculated as a yield-to-maturity, i.e. it is the constant interest rate level at which one may discount all the future cash flows from the securities to obtain the securities' total market value.

## Note 18 Financial derivatives

### KLP Banken AS

NOK MILLIONS 31.12.2024	Nominal amount	Fair value	< 1 year	1-5 years	5-10 years	> 10 years	Total
Derivatives related to lending	7	0	7				7
<b>Total assets</b>	<b>7</b>	<b>0</b>	<b>7</b>				<b>7</b>

### KLP Banken Group

NOK MILLIONS 31.12.2024	Nominal amount	Fair value	< 1 year	1-5 years	5-10 years	> 10 years	Total
Derivatives related to lending	1 997	84	376	1 247		374	1 997
<b>Total assets</b>	<b>1 997</b>	<b>84</b>	<b>376</b>	<b>1 247</b>		<b>374</b>	<b>1 997</b>
Derivatives related to borrowing	1 700	-38		1 700			1 700
<b>Total liabilities</b>	<b>1 700</b>	<b>-38</b>		<b>1 700</b>			<b>1 700</b>

### KLP Banken AS

NOK MILLIONS 31.12.2023	Nominal amount	Fair value	< 1 year	1-5 years	5-10 years	> 10 years	Total
Derivatives related to lending	7	0		7			7
<b>Total assets</b>	<b>7</b>	<b>0</b>		<b>7</b>			<b>7</b>

## KLP Banken Group

KLP Banken Group							
NOK MILLIONS							
31.12.2023							
	Nominal amount	Fair value	< 1 year	1-5 years	5-10 years	> 10 years	Total
Derivatives related to borrowing	1 200	18		500	700		1 200
Derivatives related to lending	1 533	91	92	1 087	355		1 533
<b>Total assets</b>	<b>2 733</b>	<b>108</b>	<b>92</b>	<b>1 587</b>	<b>1 055</b>		<b>2 733</b>
Derivatives related to borrowing	500	-22		500			500
Derivatives related to lending	136	-1		83	52		136
<b>Total liabilities</b>	<b>636</b>	<b>-23</b>		<b>583</b>	<b>52</b>		<b>636</b>

The company uses interest-rate swaps to adjust for differences in interest rate exposure between lending and borrowing. All derivative agreements entered into are for hedging purposes. The hedging strategy involves swapping interest terms in future periods, not swapping principal amounts. Interest-rate swaps are generally agreed with the same principal as the underlying loan or borrowing (back-to-back). Changes in the value of the effective part of the hedging instruments are regularly compared with changes in the value of the hedged risk, and any differences in hedging effectiveness are corrected.

## Note 19 Shares and holdings

KLP Banken AS 31.12.2024			NOK THOUSANDS	KLP Banken Group 31.12.2024		
Organisation number	Volume	Market value		Organisation number	Volume	Market value
988477052	7700	8	Bankenes ID-tjeneste AS	988477052	7700	8
918713867	517	1 069	Vipps Holding AS	918713867	517	1 069
821083052	799318725	673	VN Norge AS	821083052	799318725	673
920013015	2791	103	Norsk Gjeldsinformasjon AS	920013015	2791	103
		<b>1 853</b>	<b>Total shares and holdings</b>			<b>1 853</b>

KLP Banken AS 31.12.2023			NOK THOUSANDS	KLP Banken Group 31.12.2023		
Organisation number	Volume	Market value		Organisation number	Volume	Market value
988 477 052	6700	7	Bankenes ID-tjeneste AS	988477052	6700	7
918 713 867	517	1 069	Vipps Holding AS	918713867	517	1 069
821 083 052	799318725	748	VN Norge AS	821083052	799318725	748
920 013 015	2791	73	Norsk Gjeldsinformasjon AS	920013015	2791	73
		<b>1 897</b>	<b>Total shares and holdings</b>			<b>1 897</b>

## Note 20 Financial assets and liabilities subject to net settlement

### KLP Banken Group

31.12.2024 NOK MILLIONS		Related amounts not presented net		
	Gross financial assets/liabilities	Financial instruments	Security in cash	Net amount
<b>ASSETS</b>				
Financial derivatives	84	-38		46
<b>Total</b>	<b>84</b>	<b>-38</b>		<b>46</b>
<b>LIABILITIES</b>				
Financial derivatives	38	-38		0
<b>Total</b>	<b>38</b>	<b>-38</b>		<b>0</b>

### KLP Banken Group

31.12.2023 NOK MILLIONS		Related amounts not presented net		
	Gross financial assets/liabilities	Financial instruments	Security in cash	Net amount
<b>ASSETS</b>				
Financial derivatives	108	-23		85
<b>Total</b>	<b>108</b>	<b>-23</b>		<b>85</b>
<b>LIABILITIES</b>				
Financial derivatives	23	-23		0
<b>Total</b>	<b>23</b>	<b>-23</b>		<b>0</b>

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

## Note 21 Ownership in Group companies

### KLP BANKEN AS

NOK MILLIONS	Organization number	Ownership %	Acquisition-cost	Book value 31.12.2024	Book value 31.12.2023
KLP Boligkreditt AS	912719634	100	960	960	860
KLP Kommunekreditt AS	994526944	100	755	755	755
<b>Total holdings in Group companies</b>			<b>1 715</b>	<b>1 715</b>	<b>1 615</b>



## Note 22 Intangible assets

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
58	58	Acquisition cost 01.01	58	58
		Additions		
		Disposals		
<b>58</b>	<b>58</b>	<b>Acquisition cost 31.12</b>	<b>58</b>	<b>58</b>
-42	-44	Accumulated depreciation previous years	-44	-42
-2	-1	Ordinary depreciation for the year	-1	-2
<b>14</b>	<b>13</b>	<b>Book value</b>	<b>13</b>	<b>14</b>
		Depreciation period 3-7 years		

KLP Banken Group's intangible assets primarily consist of membership and license costs related to Finans Norge, representing the largest individual item, as well as investments in the implementation of VISA payment solutions. Other intangible assets include various software solutions and systems that support the bank's operations and digital services, including functionality for payment processing, system integrations, and customer adaptations.

## Note 23 Leases

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
		RIGHT-OF-USE ASSETS - PROPERTY		
16	14	Opening balance 01.01.	14	16
-2	-2	Depreciation	-2	-2
<b>14</b>	<b>13</b>	<b>Closing balance 31.12.</b>	<b>13</b>	<b>14</b>
		LEASE LIABILITIES - PROPERTY		
17	15	Opening balance 01.01.	15	17
-2	-2	Repayments	-2	-2
<b>15</b>	<b>13</b>	<b>Closing balance 31.12.</b>	<b>13</b>	<b>15</b>

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
2023	2024		2024	2023
		PROPERTY		
0	0	Interest expense lease liabilities	0	0
<b>0</b>	<b>0</b>	<b>Interest expense lease liabilities</b>	<b>0</b>	<b>0</b>

## Note 24 Art

KLP Banken AS		NOK THOUSANDS	KLP Banken Group	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
436	436	Acquisition cost 01.01	436	436
<b>436</b>	<b>436</b>	<b>Acquisition cost 31.12</b>	<b>436</b>	<b>436</b>
<b>436</b>	<b>436</b>	<b>Book value</b>	<b>436</b>	<b>436</b>

## Note 25 Other assets

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
8	6	Receivables between companies in the same Group	2	3
<b>8</b>	<b>6</b>	<b>Total other assets</b>	<b>3</b>	<b>3</b>

## Note 26 Deposits from customers

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
14 488	14 497	Deposits from customers without agreed duration	14 049	14 060
	1 752	Deposits from customers with agreed duration	1 752	
<b>14 488</b>	<b>16 249</b>	<b>Total deposits from customers</b>	<b>15 801</b>	<b>14 060</b>
<b>CUSTOMER DEPOSITS DIVIDED BY CUSTOMER GROUPS</b>				
12 506	14 327	Deposits from customers, retail market	14 327	12 506
1 554	1 473	Deposits from customers, public sector market	1 473	1 554
428	449	Deposits from subsidiaries		
<b>14 488</b>	<b>16 249</b>	<b>Total deposits from customers</b>	<b>15 801</b>	<b>14 060</b>
<b>4.00%</b>	<b>4.15%</b>	<b>Interest rate on customer deposits, at the reporting date</b>	<b>4.15%</b>	<b>4.00%</b>

The interest rate is calculated as a weighted average of the act/360 basis.

## Note 27 Debt securities issued - stock exchange listed covered bonds and certificates

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
900	800	Bonds, nominal value	32 138	31 215
0	0	Revaluations	-47	-12
5	5	Accrued interest	243	206
<b>905</b>	<b>806</b>	<b>Total liabilities created on issuance of securities</b>	<b>32 334</b>	<b>31 408</b>
<b>5.43%</b>	<b>5.44%</b>	<b>Interest rate on borrowings through the issuance of securities at the reporting date</b>	<b>5.09%</b>	<b>5.08%</b>

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

### KLP Banken AS

NOK MILLIONS	Balance sheet 31.12.2023	Issued	Matured/ redeemed	Other adjustments	Balance sheet 31.12.2024	Interest paid in 2024
<b>CHANGE IN LIABILITIES CREATED ON ISSUANCE OF SECURITIES</b>						
Bonds, nominal value	900	350	-450		800	
Revaluations	0			0	0	
Accrued interest	5			1	5	-45
<b>Total liabilities created on issuance of securities</b>	<b>905</b>	<b>350</b>	<b>-450</b>	<b>1</b>	<b>806</b>	<b>-45</b>

KLP Banken Group						
NOK MILLIONS	Balance sheet 31.12.2023	Issued	Matured/ redeemed	Other adjustments	Balance sheet 31.12.2024	Interest paid in 2024
<b>CHANGE IN LIABILITIES CREATED ON ISSUANCE OF SECURITIES</b>						
Bonds, nominal value	31 215	7 600	-6 671	-5	32 138	
Revaluations	-12			-35	-47	
Accrued interest	206			38	243	-1 565
<b>Total liabilities created on issuance of securities</b>	<b>31 408</b>	<b>7 600</b>	<b>-6 671</b>	<b>-3</b>	<b>32 334</b>	<b>-1 565</b>

KLP Banken AS						
NOK MILLIONS	Balance sheet 31.12.2022	Issued	Matured/ redeemed	Other adjustments	Balance sheet 31.12.2023	Interest paid in 2023
<b>CHANGE IN LIABILITIES CREATED ON ISSUANCE OF SECURITIES</b>						
Bonds, nominal value	1 050	200	-350		900	
Revaluations	0			-1	0	
Accrued interest	4			1	5	-46
<b>Total liabilities created on issuance of securities</b>	<b>1 055</b>	<b>200</b>	<b>-350</b>	<b>0</b>	<b>905</b>	<b>-46</b>

KLP Banken Group						
NOK MILLIONS	Balance sheet 31.12.2022	Issued	Matured/ redeemed	Other adjustments	Balance sheet 31.12.2023	Interest paid in 2023
<b>CHANGE IN LIABILITIES CREATED ON ISSUANCE OF SECURITIES</b>						
Bonds, nominal value	33 331	7 200	-9 311	-6	31 215	
Revaluations	10			-22	-12	
Accrued interest	144			62	206	-1 322
<b>Total liabilities created on issuance of securities</b>	<b>33 485</b>	<b>7 200</b>	<b>-9 311</b>	<b>34</b>	<b>31 408</b>	<b>-1 322</b>

## Note 28 Other liabilities and provision for accrued costs

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
52	15	Receivables between companies in the same Group	12	39
2	1	Creditors	1	3
		Short-term balances with credit institutions	47	80
5	2	Miscellaneous liabilities	7	5
<b>59</b>	<b>18</b>	<b>Total other liabilities</b>	<b>67</b>	<b>127</b>
3	4	Withholding tax	4	3
3	3	Social security contributions	3	3
1	1	Capital activity tax	1	1
7	7	Holiday pay	7	7
44	22	Pension obligations	22	44
6	1	Provisioned costs	1	6
<b>64</b>	<b>38</b>	<b>Total accrued costs and liabilities</b>	<b>38</b>	<b>64</b>

## Note 29 Capital adequacy

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
2 190	2 190	Share capital and share premium fund	2 190	2 190
704	867	Other owners' equity	1 249	984
<b>2 894</b>	<b>3 057</b>	<b>Total owners' equity</b>	<b>3 439</b>	<b>3 174</b>
-2	-3	Adjustments due to requirements for proper valuation	-8	-4
-14	-13	Deduction goodwill and other intangible assets	-13	-14
<b>2 878</b>	<b>3 041</b>	<b>Core capital/Tier 1 capital</b>	<b>3 419</b>	<b>3 156</b>
<b>0</b>	<b>0</b>	<b>Supplementary capital/Tier 2 capital</b>	<b>0</b>	<b>0</b>
2 878	3 041	Total own funds (eligible Tier 1 and Tier 2 capital)	3 419	3 156
860	919	Capital requirement	1 206	1 163
<b>2 018</b>	<b>2 122</b>	<b>Surplus of own funds (eligible Tier 1 and Tier 2 capital)</b>	<b>2 212</b>	<b>1 993</b>
Calculation basis credit risk:				
3 940	4 198	Institutions	246	336
		Local and regional authorities	3 891	3 847
3 911	4 075	Investments with mortgage security in real estate	8 332	8 185
540	512	Retail	892	942
50	71	Investments fallen due	71	50
155	266	Covered bonds	619	325
1 637	1 734	Other holdings	19	23
<b>10 234</b>	<b>10 856</b>	<b>Calculation basis credit risk</b>	<b>14 069</b>	<b>13 707</b>
819	868	Credit risk	1 126	1 097
42	51	Operational risk	79	66
0	0	Credit valuation adjustments (CVA)	2	0
<b>860</b>	<b>919</b>	<b>Total capital requirement assets</b>	<b>1 206</b>	<b>1 163</b>
26.8%	26.5%	Core capital adequacy ratio	22.7%	21.7%
0.0%	0.0%	Supplementary capital ratio	0.0%	0.0%
<b>26.8%</b>	<b>26.5%</b>	<b>Capital adequacy ratio</b>	<b>22.7%</b>	<b>21.7%</b>
<b>5.5%</b>	<b>5.5%</b>	<b>Unweighted capital adequacy</b>	<b>6.5%</b>	<b>6.3%</b>

Capital requirement as at 31.12.2024	Core capital/ Tier 1 capital	Supplementary capital/Tier 2 capital	Own funds
Minimum requirement without buffers	4.5%	3.5%	8.0%
Protective buffers	2.5%	0.0%	2.5%
System risk buffers	4.5%	0.0%	4.5%
Counter-cyclical buffers	2.5%	0.0%	2.5%
Pillar 2-requirement	0.8%	0.3%	1.1%
<b>Current capital requirement incl. buffers</b>	<b>14.8%</b>	<b>3.8%</b>	<b>18.6%</b>
<b>Capital requirement leverage ratio</b>	<b>3.0%</b>	<b>0.0%</b>	<b>3.0%</b>

## Note 30 Financial risk management

### Organisation of risk management

The Board of Directors of the Bank has established a risk management framework aimed at ensuring that risks are identified, analyzed and managed based on policies, limits, procedures and instructions. The Board has adopted risk policies covering the key individual risks as well as an overarching risk policy that covers principles, organization, limits etc. for the Bank's total risk. The risk policies are of an overarching nature

and are complemented by procedures, guidelines and instructions laid down at the senior management level. The policies state which departments are responsible for handling the various risks and cover the establishment of a separate risk control function. One purpose of the risk control function is to check that the risk policies and other guidelines for risk management are being followed. This function is carried out by the head of the Risk Management and Compliance Department, which is responsible for preparing periodic risk reports to senior management and the Board as well as reporting on any breaches of policies or guidelines. The Department, which has an independent role in relation to other departments, also has other tasks associated with the Bank's risk management. The responsibility for the operational direction of the Bank's liquidity risk and interest rate risk lies with the Finance Department. KLP Banken has established a risk committee, which is a sub-committee of the Board. The risk committee deals with matters specifically related to risk and has an advisory function to the Board.

## Note 31 Credit risk

Credit risk is defined as the risk of loss associated with loan customers, derivative counterparties, issuers of securities and other counterparties being unable or unwilling to settle at the agreed time and in accordance with written contracts, where the collateral established does not cover the outstanding claim. The Group provides loans to retail customers, Norwegian municipalities and county administrations, local government enterprises, intermunicipal companies and loans to companies where the loan is guaranteed by a Norwegian municipality or county administration.

### 31.1 Control and limitation of credit risk

The Board has adopted a policy for credit risk which contains overarching guidelines, requirements and limits associated with credit risk. The policy states that the Bank should have a low credit risk profile and includes limits on types of lending and principles for the organisation and operation of the Bank's lending activity. The Bank is allowed to take on some higher risk within some products, but loan products to retail customers other than mortgage loans may not amount to more than 10 per cent of the Bank's total lending in the retail market. The policy also includes an overarching mandate structure for lending and other counterparty exposure.

Credit risk associated with issuers of securities, derivative counterparties and other counterparties in the financial area is also limited by Board-determined limits on individual counterparties. These limits are based on the counterparty's solvency and other assessments of counterparties' creditworthiness.

In processing all new loan applications in the public sector, checks are made on whether the customer's credit limits are greater than the sum of the loan amounts applied for and current lending. In the credit risk policy described above, requirements are set for reporting to the Board on the use of the limits. Any breach of the limits must be reported to the Company's Board in any event. All loans in the public sector market in KLP Banken are provided to municipalities or county administrations, or with a municipal/county administration guarantee. In the retail market, loans are provided with a mortgage on housing or leisure real estate, generally within 75 per cent of the market value of the mortgaged object. In processing loan applications the borrower's servicing ability and the value of the mortgaged object is assessed and loans are provided only within set limits and authorisations. KLP Banken also provides unsecured credit to private individuals through credit cards according to credit rating of the customer's ability to pay and debt ratio.

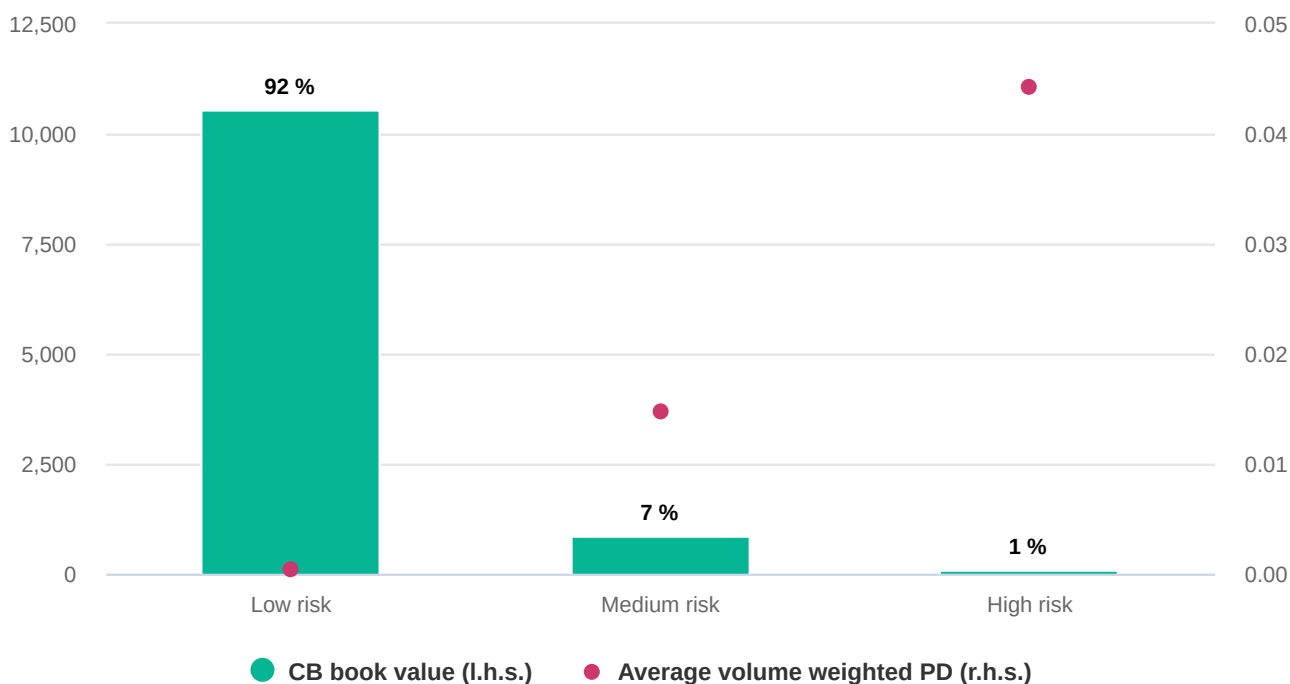
The market value of the mortgage assets is updated quarterly using market values for housing in Norway provided by Eiendomsverdi AS.

### 31.2 Loan according to type of security/exposure (principal)

NOK MILLIONS	KLP Banken AS		KLP Banken Group	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Retail mortgage loans	11 422	11 054	24 065	23 771
Unsecured retail loans (credit cards)	45	42	45	42
Lending to municipalities and county administrations			17 834	18 086
Lending with municipal/county administration guarantee			761	809
<b>Total</b>	<b>11 468</b>	<b>11 096</b>	<b>42 705</b>	<b>42 708</b>
Sums falling due more than 12 months after the end of the reporting period	11 284	10 912	40 894	41 145
<b>Allocation of loan to value (principal) for retail mortgage loans</b>				
Loan to value ratio up to 50 per cent	5 119	5 046	9 646	8 595
Loan to value ratio from 51 to 60 per cent	1 615	1 368	4 575	4 382
Loan to value ratio from 61 to 75 per cent	1 675	1 498	6 167	6 503
Loan to value ratio above 75 per cent	3 013	3 142	3 676	4 290
<b>Total</b>	<b>11 422</b>	<b>11 054</b>	<b>24 065</b>	<b>23 771</b>

KLP Banken uses a risk classification system to classify retail customers with loans or credits. Customers are classified from A to K, where A indicates very low risk while K is for customers on which the bank has incurred ascertained losses. Below is a distribution table with the volume of loans divided into low, medium and high risk, where low risk is defined as lending to customers in class A or B, medium risk is defined as lending to customers in class C or D, and high risk is defined as lending to customers in classes E to K.

### Home loans in KLP Banken



## Home loans in KLP Banken Group



The table below shows the total book value of the various risk classes and per stage in the impairment model. Stage 1 is all healthy loans, which must be written down by the expected losses for 12 months. Stage 2 indicates that the exposure has a substantially increased credit risk since its initial recognition on the balance sheet, and means that the loan must be written down by the estimated losses throughout the entire term. Stage 3 is all loans in default (over 90 days past due) or with individual loss write-downs, which must be written down by the estimated losses throughout the entire term.

2024 Lending in KLP Banken AS	Stage 1	Stage 2	Stage 3	Total CB book value
Low risk - risk class A	5 330	34	2	5 367
Low risk - risk class B	5 126	60	6	5 192
Medium risk - risk class C	516	58	5	578
Medium risk - risk class D	125	141	14	279
High risk - risk class E	5	28	23	56
High risk - risk class F			2	2
High risk - risk class K			12	12
Engagements without risk class (new customers)	0			0
<b>Total CB book value</b>	<b>11 102</b>	<b>320</b>	<b>64</b>	<b>11 486</b>

2024 Lending in KLP Banken Group	Stage 1	Stage 2	Stage 3	Total CB book value
Low risk - risk class A	11 740	94	2	11 836
Low risk - risk class B	10 623	112	6	10 740
Medium risk - risk class C	862	144	5	1 011
Medium risk - risk class D	189	285	14	488
High risk - risk class E	7	37	23	66
High risk - risk class F			2	2
High risk - risk class K			12	12
Engagements without risk class (new customers)	18 595			18 595
<b>Total CB book value</b>	<b>42 015</b>	<b>672</b>	<b>64</b>	<b>42 751</b>

2024 Unused credit in KLP Banken AS	Stage 1	Stage 2	Stage 3	Total unused credit
Low risk - risk class A	1 238	29	0	1 266
Low risk - risk class B	257	9	0	267
Medium risk - risk class C	11	2	0	14
Medium risk - risk class D	2	6	0	8
High risk - risk class E		0	0	0
High risk - risk class F				
High risk - risk class K			0	0
Engagements without risk class (new customers)	0			0
<b>Total unused credit</b>	<b>1 508</b>	<b>45</b>	<b>0</b>	<b>1 554</b>

2024 Unused credit in KLP Banken Group	Stage 1	Stage 2	Stage 3	Total unused credit
Low risk - risk class A	1 238	29	0	1 266
Low risk - risk class B	257	9	0	267
Medium risk - risk class C	11	2	0	14
Medium risk - risk class D	2	6	0	8
High risk - risk class E		0	0	0
High risk - risk class F				
High risk - risk class K			0	0
Engagements without risk class (new customers)	0			0
<b>Total unused credit</b>	<b>1 508</b>	<b>45</b>	<b>0</b>	<b>1 554</b>

2023 Lending in KLP Banken AS	Stage 1	Stage 2	Stage 3	Total CB book value
Low risk - risk class A	4 911	32	3	4 947
Low risk - risk class B	4 991	86	1	5 078
Medium risk - risk class C	663	85	0	748
Medium risk - risk class D	125	135	18	278
High risk - risk class E	6	36	11	53
High risk - risk class F			2	2
High risk - risk class K			8	8
Engagements without risk class (new customers)				0
<b>Total CB book value</b>	<b>10 697</b>	<b>373</b>	<b>44</b>	<b>11 115</b>



2023 Lending in KLP Banken Group	Stage 1	Stage 2	Stage 3	Total CB book value
Low risk - risk class A	10 384	76	3	10 464
Low risk - risk class B	11 348	156	1	11 505
Medium risk - risk class C	1 177	162	0	1 339
Medium risk - risk class D	209	248	18	476
High risk - risk class E	13	42	11	66
High risk - risk class F			2	2
High risk - risk class K			8	8
Engagements without risk class (new customers)	19 088			19 088
<b>Total CB book value</b>	<b>42 220</b>	<b>684</b>	<b>44</b>	<b>42 948</b>

2023 Unused credit in KLP Banken AS	Stage 1	Stage 2	Stage 3	Total unused credit
Low risk - risk class A	1 067	34	0	1 101
Low risk - risk class B	321	15	0	336
Medium risk - risk class C	26	4	0	30
Medium risk - risk class D	3	4	0	7
High risk - risk class E		0		0
High risk - risk class F				
High risk - risk class K				
Engagements without risk class (new customers)				0
<b>Total unused credit</b>	<b>1 417</b>	<b>57</b>	<b>0</b>	<b>1 474</b>

2023 Unused credit in KLP Banken Group	Stage 1	Stage 2	Stage 3	Total unused credit
Low risk - risk class A	1 067	34	0	1 101
Low risk - risk class B	321	15	0	336
Medium risk - risk class C	26	4	0	30
Medium risk - risk class D	3	4	0	7
High risk - risk class E		0		0
High risk - risk class F				
High risk - risk class K				
Engagements without risk class (new customers)				0
<b>Total unused credit</b>	<b>1 417</b>	<b>57</b>	<b>0</b>	<b>1 474</b>

The KLP Banken Group also invests in securities issued by the government, municipalities and county administrations and deposits in banks satisfying minimum rating requirements, as well as covered bonds issued by Norwegian credit institutions.

### Credit quality of securities, bank deposits and derivatives

#### Securities with external credit rating (Moody's)

NOK MILLIONS	KLP Banken AS		KLP Banken Group	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
AAA	2 905	1 906	6 536	3 719
Aa1-Aa3	258	354	258	354
Unrated			785	204
<b>Total</b>	<b>3 163</b>	<b>2 260</b>	<b>7 579</b>	<b>4 276</b>

### Deposits in banks grouped by external credit assessment (Moody's)

NOK MILLIONS	KLP Banken AS		KLP Banken Group	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Aa1-Aa3	598	764	1181	1254
A1-A3	10	203	464	323
<b>Total</b>	<b>608</b>	<b>967</b>	<b>1 645</b>	<b>1 578</b>

The Bank Group may also be exposed to credit risk from interest rate derivatives. The purpose of such contracts is to reduce risks arising from the Group's borrowing and lending activities. The Group's internal policy sets out the requirements for the creditworthiness of derivative counterparties. All derivative contracts are entered into with counterparties with a minimum A1 rating (Moody's).

### 31.3 Maximum exposure to credit risk

KLP Banken measures maximum exposure as the sum of principal and accrued interest. No collateral in cash or securities is exchanged, nor are other credit improvements carried out. The table below shows the maximum exposure for the parent bank and the Group.

#### Maximum exposure to credit risk

NOK MILLIONS	KLP Banken AS		KLP Banken Group	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Receivables from central banks	76	75	76	75
Loans to and receivables from credit institutions	3 754	3 355	1 196	1 578
Loans to and receivables from customers	11 486	11 115	42 926	42 755
- of which retail mortgage loans	11 439	11 070	24 109	23 816
- of which retail credit cards	47	45	47	45
- of which lending to the public sector			18 770	18 895
Fixed-income securities	3 163	2 260	7 579	4 276
Financial derivatives	0	0	84	108
Off-balance sheet items	1 554	1 474	1 554	1 474
Loan loss provisions rated at amortized cost	1	1	2	2
Loan loss provisions rated at a real value over other comprehensive income (FVOCI)	1	1	1	1
Loan loss provisions on off-balance items	2	3	2	3
<b>TOTAL</b>	<b>20 038</b>	<b>18 284</b>	<b>53 421</b>	<b>50 272</b>

### 31.4 Loan loss provisions

The Bank has very low losses, cf. Note 10, and considers all receivables, except credit cards, to be satisfactorily secured. All mortgage loans to the retail market in KLP Banken are secured with mortgages generally within 75 per cent of the market value, and any losses will only arise when the value of the mortgaged object falls below the residual amount of the loan. The Bank has also issued credit cards to customers in the retail market. These are unsecured receivables with a higher risk of loss than for mortgage-secured loans. Loans in the public-sector market are provided to municipalities or county administrations, or to undertakings with a municipal/county administration guarantee. KLP Banken has had no write-downs or losses in the public-sector market.

NOK MILLIONS	KLP Banken AS		KLP Banken Group	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Principal on loans with payments overdue by 7-30 days	34	83	190	260
Principal on loans with payments overdue by 31-90 days	35	40	50	46
Principal on non-performing loans	97	43	97	43
<b>Total loans fallen due</b>	<b>167</b>	<b>167</b>	<b>338</b>	<b>349</b>
Relevant collateral or guarantees	164	164	335	273
Principal on lending that has been individually written down	11	5	11	5
- of which written down	3	1	3	1

### 31.5 Concentration of credit risk

A large proportion of the Group's lending at the end of the year was linked to public-sector financing, so the portfolio has a high concentration towards a single sector. The underlying credit risk from this sector is however so low that it is hardly possible to reduce this concentration without increasing the total risk in the portfolio. The concentration towards the Norwegian public sector is thus considered not to be a risk issue. The concentration towards individual borrowers is limited by individual Board-set limits.

Lending to the Group's largest borrower as at 31 December 2024 was approximately 2.1 per cent of the Group's total lending.

## Note 32 Market risk

Market risk is here understood to mean the risk of a reduction in the fair value of the Bank's owners' equity as a result of fluctuations in market prices for the Bank's assets and liabilities. Changes in credit margins are excluded as they fall under credit risk.

The Group is exposed to market risk as a result of the Group's borrowing and lending activity and management of its liquidity. The exposure is however limited to interest rate risk and exchange rate risk. Interest rate risk arises from differences in timing of interest rate adjustments for the Company's assets and liabilities. The risk associated with such imbalances is reduced by using derivative contracts. All of the Company's borrowing is in NOK, and the whole of the lending portfolio comprises loans in NOK.

### 32.1 Measurement of market risk

Interest rate risk is measured as the change in value on a one percentage point change in all interest rates.

### 32.2 Interest rate risk

The market risk policy comprises the Group's overarching guidelines, requirements and limits associated with market risk. The policy dictates that the market risk should be minimised so the total market risk is low. It further states that the Group should not actively take positions that expose it to market risk. The policy also sets limits for interest rate risk, both for the total interest rate risk for the indefinite future and for rolling 12-month periods. The risk limits are set to ensure that low market risk profile that has been adopted is adhered to. The operational responsibility for managing the Company's market risk lies with the

Finance Department. The Risk Management and Compliance Department reports the Company's actual exposure in relation to limits in accordance with guidelines set by the Board.

Interest rate risk arises because the fixed interest periods for the Bank's assets and liabilities are not the same. The gap in the table below shows the difference between assets and liabilities that can be interest-adjusted within the given time intervals. The repricing date shows the time to the next agreed interest adjustment date. Floating-rate loans and deposits, and cash and receivables from credit institutions, fall into the time interval up to one month, while fixed-interest loans, securities and liabilities created on issuance of securities fall into the time interval for which interest adjustment has been agreed.

The Company's interest rate sensitivity as at 31 December 2024 (2023), measured as value change in the event of one percentage point change in all interest rates, was NOK 2.7 million (2.9).

## INTEREST RATE RISK KLP BANKEN AS

### Repricing dates for interest-bearing assets and liabilities as at 31 December 2024

NOK MILLIONS	Total Principal	Up to 1 mth	From 1 mth to 3 mths	From 3 mths to 12 mths	From 1 year to 5 years	Over 5 years
Loans to and receivables from credit institutions	3 830	3 830				
Loans to and receivables from customers	11 425	5 232	6 188	1	4	
Fixed-income securities	3 131	611	2 520			
<b>Total</b>	<b>18 386</b>	<b>9 674</b>	<b>8 708</b>	<b>1</b>	<b>4</b>	
Liabilities to depositors	16 249	422	15 199	628		
Liabilities created on issuance of securities	800	350	450	0		
<b>Total</b>	<b>17 049</b>	<b>772</b>	<b>15 649</b>	<b>628</b>		
<b>Gap</b>	<b>1 337</b>	<b>8 902</b>	<b>-6 941</b>	<b>-628</b>	<b>4</b>	
Financial derivatives	0		7	-7		
<b>Net gap</b>	<b>1 337</b>	<b>8 902</b>	<b>-6 934</b>	<b>-635</b>	<b>4</b>	

## INTEREST RATE RISK KLP BANKEN GROUP

### Repricing dates for interest-bearing assets and liabilities as at 31 December 2024

NOK MILLIONS	Total Principal	Up to 1 mth	From 1 mth to 3 mths	From 3 mths to 12 mths	From 1 year to 5 years	Over 5 years
Loans to and receivables from central banks and credit institutions	1 273	1 273				
Loans to and receivables from customers	42 662	20 638	20 212	282	1 267	263
Fixed-income securities	7 510	1 360	6 100	50	0	0
<b>Total</b>	<b>51 445</b>	<b>23 271</b>	<b>26 312</b>	<b>332</b>	<b>1 267</b>	<b>263</b>
Liabilities to depositors	16 249	422	15 199	628	0	0
Liabilities created on issuance of securities	31 382	21 046	10 336	0	0	0
<b>Total</b>	<b>47 631</b>	<b>21 468</b>	<b>25 535</b>	<b>628</b>	<b>0</b>	<b>0</b>
<b>Gap</b>	<b>3 814</b>	<b>1 803</b>	<b>777</b>	<b>-296</b>	<b>1 267</b>	<b>263</b>
Financial derivatives	0	-914	1 035	-202	454	-373
<b>Net gap</b>	<b>3 814</b>	<b>889</b>	<b>1 812</b>	<b>-498</b>	<b>1 721</b>	<b>-110</b>

## INTEREST RATE RISK KLP BANKEN AS

### Repricing dates for interest-bearing assets and liabilities as at 31 December 2023

MILLIONER KRONER	Sum Hovedstol	Inntil 1 mnd	Fra 1 mnd til 3 mnd	Fra 3 mnd til 12 mnd	Fra 1 år til 5 år	Over 5 år
Kontanter og fordringer på sentralbanker og kredittinstitusjoner	3 430	3 430				
Utlån til og fordringer på kunder	11 096	4 881	6 204	4	8	
Rentebærende verdipapirer	2 231	651	1 580			
<b>Sum</b>	<b>16 758</b>	<b>8 962</b>	<b>7 784</b>	<b>4</b>	<b>8</b>	
Innskudd fra kunder	14 488		14 488			
Gjeld stiftet ved utstedelse av verdipapirer	900		900			
<b>Sum</b>	<b>15 388</b>		<b>15 388</b>			
<b>Gap</b>	<b>1 369</b>	<b>8 962</b>	<b>-7 604</b>	<b>4</b>	<b>8</b>	
Finansielle derivater	0		8		-8	
<b>Nettogap</b>	<b>1 369</b>	<b>8 962</b>	<b>-7 597</b>	<b>4</b>	<b>1</b>	

## INTEREST RATE RISK KLP BANKEN GROUP

### Repricing dates for interest-bearing assets and liabilities as at 31 December 2023

NOK MILLIONS	Total Principal	Up to 1 mth	From 1 mth to 3 mths	From 3 mths to 12 mths	From 1 year to 5 years	Over 5 years
Loans to and receivables from central banks and credit institutions	1 653	1 653				
Loans to and receivables from customers	42 708	20 454	20 531	229	1 201	293
Fixed-income securities	4 245	1 031	3 215			
<b>Total</b>	<b>48 607</b>	<b>23 137</b>	<b>23 745</b>	<b>229</b>	<b>1 201</b>	<b>293</b>
Liabilities to depositors	14 060	0	14 060	0	0	0
Liabilities created on issuance of securities	31 207	7 500	22 007	1 000	700	0
<b>Total</b>	<b>45 267</b>	<b>7 500</b>	<b>36 067</b>	<b>1 000</b>	<b>700</b>	<b>0</b>
<b>Gap</b>	<b>3 339</b>	<b>15 637</b>	<b>-12 322</b>	<b>-771</b>	<b>501</b>	<b>293</b>
Financial derivatives	0	-931	747	60	-170	293
<b>Net gap</b>	<b>3 339</b>	<b>14 707</b>	<b>-11 575</b>	<b>-711</b>	<b>332</b>	<b>587</b>

## Note 33 Liquidity risk

Liquidity risk is the risk that the Bank may not be able to meet its obligations and/or finance increases in its assets without substantial additional costs arising in the form of price falls on assets which must be realised, or in the form of more costly financing.

### 33.1 Management of liquidity risk

A liquidity policy has been established for the Group containing principles, guidelines, requirements and limits that apply to the management of the liquidity risk. The policy contains various requirements and limits to adhere to the desired liquidity risk profile, including targets for deposit cover, limits for refinancing needs for various timeframes and liquidity buffer requirements. The Board has also adopted an emergency plan for financial crises (including liquidity crises) as part of the Bank's recovery plan. In addition to the

requirements at Group level, separate specific requirements have been established for subsidiaries, including requirements for continuously positive cash flows, limits for refinancing requirements and requirements for liquidity reserves and drawing rights. The operational responsibility for managing the Company's liquidity risk lies with the Finance Department. The Risk Management and Compliance Department reports the Company's actual exposure in relation to limits in accordance with guidelines set by the Board.

The bank holds deposits and a well-diversified securities portfolio to manage liquidity risk. The securities portfolio consists of securities issued by the government, municipalities, and other LCR-approved 0% risk-weighted assets, as well as covered bonds issued by Norwegian credit institutions. The securities are spread across several counterparties, and the bank also has established credit lines that set limits on large exposures. The bank's securities portfolio is intended to have low credit risk and will consist exclusively of securities rated AA or AAA.

### 33.2 Maturity analysis

The tables below show the maturity analysis of the Group's assets and liabilities including stipulated interest rates.

## LIQUIDITY RISK KLP BANKEN AS

### Maturity analysis for assets and liabilities as at 31 December 2024:

NOK MILLIONS	Total	Undefined	Up to 1 mth	From 1 mth to 3 mths	From 3 mths to 12 mths	From 1 year to 5 years	Over 5 years
Lending	16 146	4 878	43	86	391	2 028	8 720
Credit Card issued	47	47					
Securities	3 537		110	172	797	2 458	
Receivables from credit institutions	3 916		619	7	51	3 238	
Deposits in central banks	76		76				
<b>Total</b>	<b>23 722</b>	<b>4 924</b>	<b>849</b>	<b>265</b>	<b>1 240</b>	<b>7 724</b>	<b>8 720</b>
Liabilities to depositors	16 249		12 769	2 525	956		
Unused loan commitments	1 085		394	691	0		
Liabilities created on issuance of securities	847			315	315	521	
Lease liabilities	94		1	2	10	54	27
<b>Total</b>	<b>18 275</b>		<b>13 164</b>	<b>3 229</b>	<b>1 280</b>	<b>575</b>	<b>27</b>
<b>Net cash flow</b>	<b>5 447</b>	<b>4 924</b>	<b>-12 315</b>	<b>-2 965</b>	<b>-40</b>	<b>7 149</b>	<b>8 693</b>

## LIQUIDITY RISK KLP BANKEN GROUP

### Maturity analysis for assets and liabilities as at 31 December 2024:

NOK MILLIONS	Total	Undefined	Up to 1 mth	From 1 mth to 3 mths	From 3 mths to 12 mths	From 1 year to 5 years	Over 5 years
Lending	68 301	4 878	201	582	2 978	13 010	46 652
Credit Card issued	47	47					
Securities	8 483		155	417	1 295	6 616	
Receivables from credit institutions	1 196		1 196				
Deposits in central banks	76		76				
<b>Total</b>	<b>78 104</b>	<b>4 924</b>	<b>1 629</b>	<b>999</b>	<b>4 273</b>	<b>19 626</b>	<b>46 652</b>
Liabilities to depositors	16 249		12 769	2 525			
Unused loan commitments	1 090		395	695			
Liabilities created on issuance of securities	36 999		175	218	5 262	31 344	
Financial derivatives	45		-12	3	29	19	6
Lease liabilities	94		1	2	10	54	27
<b>Total</b>	<b>54 478</b>		<b>13 328</b>	<b>3 443</b>	<b>6 257</b>	<b>31 416</b>	<b>33</b>
<b>Net cash flow</b>	<b>23 626</b>	<b>4 924</b>	<b>-11 699</b>	<b>-2 444</b>	<b>-1 984</b>	<b>-11 790</b>	<b>46 619</b>

## LIQUIDITY RISK KLP BANKEN AS

### Maturity analysis for assets and liabilities as at 31 December 2023:

NOK MILLIONS	Total	Undefined	Up to 1 mth	From 1 mth to 3 mths	From 3 mths to 12 mths	From 1 year to 5 years	Over 5 years
Lending	12 546	4 275	32	65	290	1 888	5 996
Credit Card issued	45	45					
Securities	2 507		10	238	83	2 176	
Receivables from credit institutions	3 478		976	5	39	2 458	
Deposits in central banks	75		75				
<b>Total</b>	<b>18 651</b>	<b>4 319</b>	<b>1 093</b>	<b>308</b>	<b>413</b>	<b>6 522</b>	<b>5 996</b>
Liabilities to depositors	14 488		12 506	1 982			
Unused loan commitments	808		219	588			
Liabilities created on issuance of securities	943			312	162	469	
Lease liabilities	17		1	0	2	7	7
<b>Total</b>	<b>16 256</b>		<b>12 726</b>	<b>2 883</b>	<b>164</b>	<b>476</b>	<b>7</b>
<b>Net cash flow</b>	<b>2 395</b>	<b>4 319</b>	<b>-11 633</b>	<b>-2 575</b>	<b>249</b>	<b>6 046</b>	<b>5 989</b>

## LIQUIDITY RISK KLP BANKEN GROUP

### Maturity analysis for assets and liabilities as at 31 December 2023:

NOK MILLIONS	Total	Undefined	Up to 1 mth	From 1 mth to 3 mths	From 3 mths to 12 mths	From 1 year to 5 years	Over 5 years
Lending	50 124	4 275	159	403	1 988	12 073	31 227
Credit Card issued	45	45					
Securities	4 656		267	599	235	3 555	
Receivables from credit institutions	1 578		1 578				
Deposits in central banks	75		75				
<b>Total</b>	<b>56 478</b>	<b>4 319</b>	<b>2 080</b>	<b>1 002</b>	<b>2 223</b>	<b>15 627</b>	<b>31 227</b>
Liabilities to depositors	14 488		12 506	1 982			
Unused loan commitments	878		290	588			
Liabilities created on issuance of securities	33 943		94	589	3 828	29 432	
Financial derivatives	49		-12	3	34	17	6
Lease liabilities	17		1		2	7	7
<b>Total</b>	<b>49 375</b>		<b>12 879</b>	<b>3 163</b>	<b>3 863</b>	<b>29 456</b>	<b>14</b>
<b>Net cash flow</b>	<b>7 103</b>	<b>4 319</b>	<b>-10 799</b>	<b>-2 161</b>	<b>-1 640</b>	<b>-13 829</b>	<b>31 213</b>

### Note 34 Hedge accounting

NOK MILLIONS 31.12.2024			
<b>KLP Banken Group</b>	<b>Book value</b>	<b>Cumulative change in fair value</b>	<b>Change in fair value in the period</b>
<b>HEDGED OBJECT</b>			
Loan	1 922	-82	5
Debt	1 679	39	34

NOK MILLIONS 31.12.2024			
<b>KLP Banken Group</b>	<b>Nominal value</b>	<b>Fair value</b>	<b>Change in fair value in the period</b>
<b>HEDGING INSTRUMENT</b>			
Interest rate swap loan	1 990	-82	4
Interest rate swap debt	1 700	39	34

Hedging instruments broken down by maturity are shown in Note 18 Financial derivatives.

NOK MILLIONS 31.12.2023			
<b>KLP Banken Group</b>	<b>Book value</b>	<b>Cumulative change in fair value</b>	<b>Change in fair value in the period</b>
<b>HEDGED OBJECT</b>			
Loan	1 585	-87	11
Debt	1 713	6	16



NOK MILLIONS			
31.12.2023			
	Nominal value	Fair value	Change in fair value in the period
<b>KLP Banken Group</b>			
<b>HEDGING INSTRUMENT</b>			
Interest rate swap loan	1 662	-87	11
Interest rate swap debt	1 700	6	16

## Note 35 Written-down assets

Defaulted credit cards are followed up by the debt collection agency, while defaulted mortgages are followed up by the Bank, either with an agreement on an ordinary voluntary sale or with resort to legally enforced recovery and execution of compulsory sale. Residual claims after the realisation of a mortgage in the case of legally enforced recovery are generally passed on to the debt collection agency for further follow-up. The table shows the balance of previously reported losses that can still be recovered. These residual commitments are with the debt collection agency for further follow-up and monitoring.

KLP Banken AS KLP Banken Group		1. Contract amount of loans that have been written down, but which can still be recovered	2. Written down in the accounts	3. Amount outstanding that can be recovered	4. Estimated value of collateral for amount that can be recovered	5. Point 3-4 exposure without collateral	6. Point 4 in % of point 3
31.12.2024 NOK MILLIONS		Gross exposure	Written down	Continued	Value of security	Net exposure	Guarantee ratio
<b>WRITE-DOWNS OF FINANCIAL ASSETS</b>							
Mortgages with collateral	Collateral						
Mortgage loans with realised collateral (established losses)	None	4	4	4		4	0.0%
Credit cards (established losses)	None	14	14	14		14	0.0%
<b>Total</b>		<b>18</b>	<b>18</b>	<b>18</b>		<b>18</b>	<b>0.0%</b>

KLP Banken AS KLP Banken Group		1. Contract amount of loans that have been written down, but which can still be recovered	2. Written down in the accounts	3. Amount outstanding that can be recovered	4. Estimated value of collateral for amount that can be recovered	5. Point 3-4 exposure without collateral	6. Point 4 in % of point 3
31.12.2023 NOK MILLIONS		Gross exposure	Written down	Continued	Value of security	Net exposure	Guarantee ratio
<b>WRITE-DOWNS OF FINANCIAL ASSETS</b>							
Mortgages with collateral	Collateral						
Mortgage loans with realised collateral (established losses)	None	4	4	4		4	0.0%
Credit cards (established losses)	None	14	14	14		14	0.0%
<b>Total</b>		<b>18</b>	<b>18</b>	<b>18</b>		<b>18</b>	<b>0.0%</b>

## Note 36 Transactions with related parties

Other group companies	KLP Banken AS 2024		NOK MILLIONS	KLP Banken Group 2024	
	KLP	Subsidiaries		KLP	Other group companies
3	5	98	Interest incomes	5	3
		-21	Interest expenses	0	
	63		Fee income	63	
	-79		Purchase of administrative services	-79	
		69	Sale of administrative services	0	
	-15		Pension costs	-15	0
-3	-3		Buy other services	-3	-3
		3 146	Loans to and receivables on customers		
1		6	Other assets		1
		-449	Deposits		
	-12	-3	Other liabilities	-11	
		3 956	Transferred loans to KLP Boligkreditt AS		

Other group companies	KLP Banken AS 2023		NOK MILLIONS	KLP Banken Group 2023	
	KLP	Subsidiaries		KLP	Other group companies
3	5	93	Interest income	5	3
		-17	Interest expenses		
	61		Fee income	61	
	-78		Purchase of administrative services	-78	
		70	Sale of administrative services		
	-14		Pension costs	-14	
-3	-3		Buy other services	-3	-3
		2 388	Loans to and receivables on customers		
1		7	Other assets		1
		-428	Deposits		
	-39	-12	Other liabilities	-38	
		4 539	Transferred loans to KLP Boligkreditt AS		

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

## Note 37 Salary and obligations to senior management etc.

2024 NOK THOUSANDS	Paid from KLP Banken AS				Interest rate as at 31.12.2024	Repayment plan <sup>1)</sup>	Paid from another company in the same group					
	Salaries, fees etc.	Other benefits	Annual pension accumulation	Loans			Salaries, fees etc.	Other benefits	Annual pension accumulation	Loans	Interest rate as at 31.12.2024	Repayment plan <sup>1)</sup>
<b>SENIOR EMPLOYEES</b>												
Marianne Sevaldesen, <i>Managing Director</i>	3 960	159	1 326							3 622	4.95	A43
Carl Steinar Lous, <i>Department Manager Public Market</i>	1 619	25	305	2 986	4.95	A39				88	4.95	A27
Christopher A. Steen, <i>Department Manager Finance</i>	1 657	31	310	8 701	4.85/5.50	A54						
<b>BOARD OF DIRECTORS</b>												
Sverre Thornes, <i>Chair</i>				9 654	4.95/5.50	Flex	5 398	196	1 692	10 000	4.25	A53
Aage E. Schaanning				7 326	4.95/5.50	Flex	4 306	160	1 322			
Janicke Elisaeth S. Falkenberg												
Kjell Fosse (to March 2024)	77											
Anne Bjertnæs	131											
Jonas Vincent Kårstad, <i>elected by and among the employees</i>	140											
Ellen Winge Ler, <i>elected by and among the employees</i>	131											
<b>EMPLOYEES</b>												
Loans to employees of KLP Banken AS for employee terms				114 531						39 621		
Loans to employees of KLP Banken AS under ordinary terms				6 037						531		

2023 NOK THOUSANDS	Paid from KLP Banken AS				Interest rate as at 31.12.2023	Repayment plan <sup>1)</sup>	Paid from another company in the same group						
	Salaries, fees etc.	Other benefits	Annual pension accumulation	Loans			Salaries, fees etc.	Other benefits	Annual pension accumulation	Loans	Interest rate as at 31.12.2023	Repayment plan <sup>1)</sup>	
<b>SENIOR EMPLOYEES</b>													
Marianne Sevaldesen, <i>Managing Director</i>	3 185	151	1 313								3 738	4.70	A43
Carl Steinar Lous, <i>Department Manager Public Market</i>	1 547	24	309	3 125	4.70	A39					120	4.70	A27
Christopher A. Steen, <i>Department Manager Finance</i>	1 556	58	313	555	4.70	A30					957	4.70	A29
<b>BOARD OF DIRECTORS</b>													
Sverre Thornes, <i>Chair</i>				4 516	4.70	Flex	5 137	189	1 628	10 000		4.25	A53
Aage E. Schaanning				6 182	4.70	Flex	4 099	152	1 281				
Aina Iren Slettedal Eide <i>(Left the Board in March 2023)</i>													
Janicke Elisaeth S. Falkenberg <i>(from March 2023)</i>													
Kjell Fosse	138												
Karianne Oldernes Tung (Up to November 2023)	126												
Anne Bjertnæs <i>(from November 2023)</i>													
Jonas Vincent Kårstad, <i>elected by and among the employees</i>	126												
Ellen Winge Ler, <i>elected by and among the employees</i>	126												
<b>EMPLOYEES</b>													
Loans to employees of KLP Banken AS for employee terms				77 897							66 962		
Loans to employees of KLP Banken AS under ordinary terms											2 982		

1) A= Annuity loan, last payment.

NOK THOUSANDS	2024	2023
Period expenses related to interest subsidies on loans to employees	933	1 187

The KLP Board of Directors has laid down principles and guidelines for remuneration that apply for the entire Group and set up a remuneration committee as a subcommittee of the Board. The committee reports on and carries out checks that the remuneration schemes in the Group are in line with the Board's principles and guidelines.

The Managing Director of KLP Banken AS has no agreement on performance pay (bonus) or guaranteed salary. She is pensionable aged 65.

Department Manager Public Sector Market also holds the position as the Managing Director of the subsidiary KLP Kommunekreditt AS, but he receives no remuneration for that appointment. He has no agreement on performance pay, but has a salary guarantee in the event of dismissal/agreed termination. He is pensionable aged 70.

The Department Manager Finance holds the post of Managing Director of the subsidiary KLP Boligkreditt AS. He receives no remuneration for this appointment, and has no agreement on performance pay (bonus) or guaranteed salary. He is pensionable aged 70.

All employees of the KLP Group in Norway are registered in KLP's pension scheme for municipalities and companies. The employees earn pension rights in this scheme for salaries up to 12G.

Employees in the KLP Group with salaries above 12 G and for lower retirement age than 67 years, also earn pension benefits for salaries above 12G if they were employed before 2 May 2013 and had a salary above 12G at that time. Full retirement pension in this additional cover amounts to 66% of salary above 12G, and is achieved after at least 30 years of earnings in the scheme. Employees with a special agreement for a lower pension age than 67 years are ensured an old-age pension corresponding to 66% of all pensionable salary up to 67 years. This add-on was closed May 2, 2013 and does not apply to employees who started after that date. Nor does the scheme apply to employees who were employed at this time in KLP, but who only receive salary above 12G after this date.

There are no obligations to provide the Chair of the Board of Directors with special consideration or other benefits on termination or change in employment contract or appointment.

Directors' fees are set by the General Assembly. Board members employed in the KLP Group, not having been elected by and from the employees, do not receive a fee for the Board appointment. This applies to the following board members: Sverre Thornes, CEO of KLP, Aage E. Schaanning, CFO of KLP and Janicke Elisabeth S. Falkenberg. Benefits in addition to Directors' fees for Board members employed in the KLP Group are stated only if they are included in the senior management group employed in the KLP Group. The same applies to information about lending.

All benefits are shown without the addition of social security costs and capital activity taxes.

The KLP Group offers loans for various purposes. There are separate loan terms for employees, and no senior employees have loan terms that deviate from these. Loans to external directors are only granted under ordinary loan terms. The interest rebate that accrues to employees is refunded to the lending company.

Attention is drawn otherwise to the description of the main principles on determination of remuneration in the KLP Group that may be found at [KLP.no](#).

## Note 38 Number of employees

KLP Banken AS			KLP Banken Group	
2023	2024		2024	2023
73	74	Number of permanent employees 31.12.	74	73
3	3	Number of temporary employees 31.12.	3	3
<b>76</b>	<b>77</b>	<b>Total number of employees 31.12.</b>	<b>77</b>	<b>76</b>
72	73	Number of full time equivalents permanent employees	73	72
3	3	Number of full time equivalents temporary employees	3	3
<b>75</b>	<b>76</b>	<b>Total number of full time equivalents</b>	<b>76</b>	<b>75</b>

## Note 39 Contingent liabilities

KLP Banken AS		NOK MILLIONS	KLP Banken Group	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
1 276	1 276	Credit facilities for lending not utilized	1 276	1 276
263	278	Credit facilities issued credit card	278	263
814	1 085	Loan commitment	1 090	885
19 253	20 836	Credit facility KLP Kommunekreditt AS		
11 054	10 500	Credit facility KLP Boligkreditt AS		
<b>32 660</b>	<b>33 975</b>	<b>Total contingent liabilities</b>	<b>2 645</b>	<b>2 424</b>

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.

Credit facility: This is based on a guarantee to the subsidiaries from the parent company equal to the outstanding covered bonds.



Shape the future  
with confidence

Statsautoriserte revisorer  
Ernst & Young AS

Stortorvet 7, 0155 Oslo  
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA  
Tlf: +47 24 00 24 00

www.ey.no  
Medlemmer av Den norske Revisorforening

To the General Meeting in KLP Banken AS

## INDEPENDENT AUDITOR'S REPORT

### Opinion

---

We have audited the financial statements of KLP Banken AS (the Company) which comprise:

- The financial statements of the company, which comprise the balance as at 31 December 2024, the income statement, statement of owners' equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- The financial statements of the Group, which comprise the balance as at 31 December 2024, the income statement, statement of owners' equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the company as at 31 December 2024 and their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the group as at 31 December 2024 and their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

### Basis for opinion

---

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 1 year from the election by the general meeting of the shareholders on 15 May 2024 for the accounting year 2024.

### Key audit matters

---

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2024. We have determined that there are no key audit matters to communicate in our report.



Shape the future  
with confidence

## Other information

---

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report otherwise appears to be materially misstated. We are required to report that fact if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

## Responsibilities of management for the financial statements

---

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

---

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.





Shape the future  
with confidence

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Oslo, 12 March 2025  
ERNST & YOUNG AS

Johan-Herman Stene  
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been prepared for information purposes only.)

## Contact information

KLP BANKEN AS  
Beddingen 8  
7042 Trondheim

Organization number: 993 821837

Visitors address, Trondheim  
Beddingen 8

Visitors address, Oslo  
Dronning Eufemias gate 10

[www.klp.no/bank-og-lan](http://www.klp.no/bank-og-lan)

Phone: +47 55 54 85 00

klpbanken@klp.no