



2024

Salary Report

REPORT ON THE REMUNERATION OF KBN'S SENIOR EXECUTIVES IN 2024

Report on the remuneration of KBN's senior executives in 2024

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Introduction

The purpose of this salary report is to provide an open account of the remuneration of senior executives at KBN. The report has been produced in accordance with §6-16b of the Act on public limited liability companies (the Public Limited Liability Companies Act) and the associated regulations.

About KBN

KBN is a financial institution, defined as systemically important by the Norwegian authorities, which has as its primary duty the provision of loans to Norwegian municipalities and county authorities. The loans made by KBN are used to finance a range of welfare investments, such as schools, nurseries, health and care facilities and waste and wastewater systems.

KBN is wholly owned by the Norwegian state, with the Ministry of Local Government and Regional Development acting as KBN's owner. The state is the owner of Kommunalbanken in order to offer stable long-term and efficient financing of the local government sector. The state's aim as owner is to achieve the highest possible return over time subject to the limits of sustainability. KBN has around 90 employees and operates from offices in central Oslo.

Background

2024 was a year characterised by the weaker financial condition of Norway's local government sector, geopolitical uncertainty, and continuing high volatility and turbulence in the global currency, bond and equity markets. The Norwegian financial markets were affected by high energy prices and the continual weakening of the Norwegian krone. Rising costs in combination with long-term demographic changes put pressure on the local government sector's finances and forced difficult decisions about what to prioritise. However, the year also saw a further slowdown in inflation, and interest rate cuts are expected in 2025.

KBN achieved lending growth of NOK 15.7 billion in 2024, and its market share was 50.2%. Net interest income increased from NOK 2,105 million in 2023 to NOK 2,253 million in 2024. Sound growth in lending, combined with higher interest rates, contributed to the growth in earnings. 2024 was yet another record year for KBN's green lending to finance investments that reduce greenhouse gas emissions, improve energy efficiency and/or deliver adaptation for climate change. Green lending grew by NOK 13 billion in 2024 compared to NOK 11 billion in 2023. Green lending accounted for 18.5% of KBN's lending portfolio at the close of 2024.

The salary report for 2023 was considered by KBN's Annual General Meeting on 6 June 2024. The report was duly noted by the Meeting, with no need for any further changes in the report for 2024.

The remuneration scheme for senior executives

KBN's remuneration policy for senior executives is anchored in the company's value proposition and its personnel policy, and is in line with its owner's expectations of the company and its guidelines for the remuneration of senior executives. The central principles observed when determining the salaries of senior executives are that overall remuneration should be competitive but not market-leading when compared with equivalent companies in the banking and finance sector. KBN's remuneration scheme for senior executives complies with the provisions of the Financial Institutions Act¹, the regulations issued pursuant to the Financial Institutions Act², the circular on these regulations issued by the Financial Supervisory Authority of Norway³, the Norwegian state's guidelines for remuneration of senior executives⁴, the Public Limited Liability Companies Act⁵ and the regulations issued pursuant to the Public Limited Liability Companies Act on salaries and remuneration of senior executives⁶.

Remuneration for all employees, including senior executives, consists of a fixed salary, variable salary payments (remuneration contingent on KBN's earnings), pensions and other benefits, including personal insurance, newspapers and mobile telephone. KBN does not operate a share or option based remuneration program. Fixed salary is the main element of remuneration received. Fixed salaries are evaluated and adjusted annually in accordance with established salary appraisal criteria, which are as follows:

Employee performance in their specific position:

- Effort and results when carrying out the agreed duties
- Quality of the work carried out and adherence to deadlines
- The employee's further contribution that has supported the development of the department/specialist area

¹ The Financial Institutions Act

² The Financial Institutions Regulations

³ The Financial Supervisory Authority of Norway: Circular 02/2020

⁴ The Norwegian state's guidelines for remuneration of senior executives in companies with state ownership (Ministry of Trade, Industry and Fisheries 12.12.2022)

⁵ The Public Limited Liability Companies Act

⁶ Regulations on guidelines and report on remuneration of senior executives

KBN's values, shared targets, personal conduct:

- Conduct in accordance with KBN's values of Open, Responsible and Ahead
- Contributing to shared targets and achieving results
- Taking responsibility for their own professional and personal development
- Management

In addition, market salaries for similar positions may be taken into account in decisions on adjustments to fixed salary.

Salary adjustments for senior executives are considered by the Board's Remuneration Committee, and by the Board as a whole before final decisions are made. Annual changes to fixed salary take effect from 1 January each year.

KBN's scheme for variable salary is a collective scheme based on overall corporate criteria related to the areas of core earnings, capital adequacy and dividend capacity. Core earnings refers to profit after tax adjusted for net unrealised gain/(loss) on financial instruments and for estimated tax and the portion allocated to owners of additional Tier 1 capital. This performance measure is included to give relevant information about the company's underlying operations. The objective of using core earnings as a criterion is to exclude the effect of matters over which KBN's employees have little control, for example unrealised changes in values. The threshold for accrual of valuable salary is determined by the Board annually. Accrual of valuable salary is also dependent on KBN maintaining adequate solidity and dividend capacity at the close of the financial year.

The element of remuneration that is contingent on KBN's earnings is based on an allocation of surplus of up to 1.5 times monthly salary and applies to all employees of KBN. This has its basis in creating a shared target for employees and the owner, and is intended to have a unifying effect and complement the fixed salary arrangements. The level of additional remuneration is set at a moderate level, and requires considerable effort and use of expertise in order to achieve the targets set. The Board of Directors sets quantitative criteria for variable salary payments for the next financial year.

The Financial Institutions Regulations set out rules for remuneration arrangements in financial institutions. KBN's scheme for variable salary payments is outside the scope of Section 15-4 of the Financial Institutions Regulations since it applies to all employees, is based solely on quantitative criteria, is limited to an annual amount of 1.5 times monthly salary and does not create any incentive for employees to take risks, cf. The Financial Supervisory

Authority of Norway: Circular 02/2020. The criteria for payment of variable salary set requirements for both earnings and capital adequacy, and therefore do not represent any obstacle to maintaining KBN's capital adequacy. The scale of the variable salary payment that may be achieved represents only a limited fraction of each employee's total remuneration, and variable salary is not based on criteria for the individual employee's performance. For these reasons, and also taking into account the structure of the target criteria, the variable salary scheme is not considered to create any incentive for employees to take risks, and in addition the performance criteria are considered to ensure employee commitment to KBN's long-term objectives.

The variable salary scheme complies with the Norwegian state's guidelines for senior executive salaries, which stipulate an upper limit of 25% of fixed salary for additional payments linked to achieving relevant, transparent and quantitative criteria. Any distribution of variable salary is decided by the Board of Directors after approval of the Annual Report and Accounts.

Senior executives are defined for all purposes at KBN as the Chief Executive Officer (the "CEO") and members of the CEO's management team, (heads of department). There were no changes in the composition of KBN's senior executives in 2024. During the course of the financial year there were no exceptions from the decision-making process for determining the remuneration guidelines and no deviations from the guidelines.

Management system and decision-making process

The Board of Directors has appointed an advisory committee - the Remuneration Committee - which carries out preparatory work on the principles applicable to remuneration, guidelines for variable salary, and guidelines for the remuneration of senior executives. The Board has issued a mandate for the work of the Remuneration Committee. Minutes of the meetings of the Remuneration Committee are circulated to the Board. The Remuneration Committee has three members, who are appointed annually by and among the members of the Board. At year end 2024, the Committee's members are Brit Kristin S. Rugland (Chair), Petter Steen jr. and Nils Baumann (employee representative).

In addition to approving guidelines for variable salary payments annually, the Board approves guidelines for the remuneration of senior executives. These guidelines are submitted to the Annual General Meeting for approval in the event of a material change, or at a minimum every four years. KBN carries out an annual review of the practical implementation of the variable element of remuneration in the form of a written report, which is reviewed by the internal auditor in accordance with the Financial Institutions Regulations.

The Board of Directors determines the remuneration of the CEO. The CEO determines the remuneration of the other senior executives within the limits set by the Board's guidelines, and takes into account the Board's views when making final decisions on such remuneration. The CEO's decisions on the remuneration of senior executives are subsequently submitted to the Board for information.

Remuneration of KBN's senior executives in 2024

Fixed salary

Fixed salary payable in 2024 included the normal annual salary adjustment. The annual adjustment is based on KBN's established salary appraisal criteria, which are as follows:

Senior executive performance in their specific position:

- Effort and results when carrying out the agreed duties
- Quality of the work carried out and adherence to deadlines
- The executive's further contribution that has supported the development of the department/specialist area

- **KBN's values, shared targets, personal conduct:**
- Conduct in accordance with KBN's values of Open, Responsible and Ahead
- Contributing to shared targets and achieving results
- Taking responsibility for their own professional and personal development
- Management

In addition, market salaries for similar positions may be taken into account in decisions on adjustments to fixed salary.

Adjustments to fixed salaries are decided against the background of individual job performance and adherence to KBN's values and conduct. KBN does not publish further details of these assessments for reasons of confidentiality.

Variable salary

In line with the guidelines for variable salary and the results achieved in 2024, variable salary equivalent to 0.82 times monthly fixed salary was accrued for the year. By way of comparison, variable salary equivalent to 1.11 times monthly fixed salary was accrued in 2023.

Other benefits

Other benefits include insurance arrangements, mobile phone, internet, newspaper subscription etc. on the same terms and conditions as apply to other employees.

The insurance arrangements relate to various forms of personal insurance including health insurance and travel insurance, as well as disability insurance and life insurance up to the current level of fixed salary.

The Chief Lending Officer is entitled to an annual car benefit of NOK 50,000

The CEO has a contractual entitlement, subject to certain conditions, to severance pay equivalent to one year's fixed salary.

Pension benefits

KBN's pension scheme has since 2018 been a defined contribution scheme for salaries under 12 times the National Insurance Scheme basic amount (G) administered by Storebrand Livsforsikring AS. The defined contribution pension scheme has a contribution rate of 7% for salaries between zero and 7.1 times G and 18% for salaries between 7.1 G and 12 G. The scheme includes the option of the Advanced Pension Plan (AFP) in the private sector associated with the collective agreement. Related insurance cover is included in the scheme, and includes a disability pension scheme with child allowance without the right to individual paid-up policies, child pension and group life insurance / death benefits. The defined contribution scheme applies to all employees, except those who were 55 years or older as of 1 January 2018, and employees who were partially disabled or incapacitated with the right to sick pay at the time of the establishment of the contribution pension scheme. These individuals are covered by the previous scheme administered by KLP, which entitles its members to an age-adjusted retirement pension upon the completion of 30 years of service equivalent to 66% of the pensionable salary at the time of retirement from KBN. This scheme also includes disability and survivors pensions, as well as contractual early retirement.

Total remuneration of KBN's senior executives in 2024

The table below provides details of the total remuneration of KBN's senior executives in 2024.

(Amounts in NOK 1,000)

2024

Remuneration of senior executives	Agreed fixed salary	Paid fixed salary*	Variable salary accrued in the period*	Other benefits	Pension costs	Total remuneration	Total remuneration excluding variable salary
Jannicke Trumpy Granquist Chief Executive Officer	3 667	3 693	251	70	216	4 228	3 978
Sigbjørn Birkeland Chief Capital Markets Officer, Deputy CEO	2 526	2 544	173	29	169	2 915	2 742
Tor Ole Steinsland Chief of Staff	1 766	1 793	121	24	241	2 179	2 059
Håvard Thorstad Chief Compliance Officer	1 991	2 043	136	25	208	2 412	2 276
Ilse Margarete Bache Chief of Technology and Operations	1 859	1 899	127	31	345	2 402	2 275
Lars Strøm Prestvik Chief Lending Officer	1 988	2 024	136	74	209	2 444	2 308
Andrea Søvting Chief Financial Officer	2 059	2 041	139	28	169	2 377	2 238
Kjersti Ulset Chief Risk Officer	2 132	2 140	146	30	169	2 484	2 339
Total remuneration of senior executives	17 989	18 177	1 228	312	1 724	21 442	20 214

*11 months fixed salary plus holiday pay based on previous year's salary **Accrued at the end of the year and paid out in the following year

The table below provides details of the total remuneration of KBN's senior executives in 2023.

2023

Remuneration of senior executives	Agreed fixed salary	Paid fixed salary*	Variable salary accrued in the period*	Other benefits	Pension costs	Total remuneration	Total remuneration excluding variable salary
Jannicke Trumpy Granquist Chief Executive Officer	3 486	3 544	289	37	231	4 101	3 812
Sigbjørn Birkeland Chief Capital Markets Officer, Deputy CEO	2 401	2 435	199	26	160	2 820	2 621
Tor Ole Steinsland Chief of Staff	1 675	1 717	139	20	281	2 157	2 018
Håvard Thorstad Chief Compliance Officer	1 941	2 007	161	23	206	2 397	2 236
Ilse Margarete Bache Chief of Technology and Operations	1 766	1 818	144	23	397	2 382	2 238
Lars Strøm Prestvik Chief Lending Officer	1 888	1 924	157	72	221	2 373	2 217
Andrea Søvting Chief Financial Officer	1 874	1 894	155	21	160	2 231	2 075
Kjersti Ulset Chief Risk Officer	2 002	1 977	163	24	160	2 324	2 162
Total remuneration of senior executives	17 034	17 315	1 406	248	1 816	20 785	19 379

*11 months fixed salary plus holiday pay based on previous year's salary **Accrued at the end of the year and paid out in the following year

The tables below show the remuneration of the members of KBN's Board of Directors and the members of the Supervisory Board for 2024 and 2023:
(Amounts in NOK 1,000)

Remuneration of members of the Board of Directors	2024	2023
Chair Brit Rugland ^{1) 3)}	512	478
Deputy Chair Rune Midtgaard ²⁾	334	312
Board member Petter Steen jr. ¹⁾	230	215
Board member Ida Espolin Johnsen ³⁾	249	233
Board member Eyvind Aven ³⁾	321	300
Board member Toril Hovdenak ²⁾	249	233
Board member Ida Texmo Prytz ²⁾	249	233
Board member - employees' representative Nils Baumann (From 21 June 2023) ¹⁾	230	112
Board member - employees' representative Kristine Fausa Aasberg (From 6 June 2024) ²⁾	128	
Board member - employees' representative Anne Jenny Dvergsdal (To 6 June 2024) ²⁾	122	233
Board member - employees' representative Harald Jacobsen (To 21 June .2023) ¹⁾		103
Total remuneration of the Board of Directors	2 624	2 451

1) Member of the Remuneration Committee

2) Member of the Audit Committee

3) Member of the Risk Management Committee

The table below shows the aggregate remuneration of all the members of KBN's Supervisory Board:

(Amounts in NOK 1,000)

Fees payable to members of the Supervisory Board	2024	2023
Chair Hege Mørk (from 24 September 2024)	19	
Chair Ida Stuberg (from 27 September 2021 to 24 September 2024)	15	28
Members	101	77
Total remuneration of the members of the Supervisory Board	135	104

The fees paid to the members of the Board of Directors, the Supervisory Board, the Audit Committee, the Risk Management Committee and the Remuneration Committee are approved annually by the General Meeting. The fees apply from when they are approved. The General Meeting approved the new fees on 6 June 2024, which are as follows:

Board of Directors	Fees following the 2024 General Meeting 2024 (NOK)	Fees following the 2023 General Meeting (NOK)
Chair	380 300	361 500
Deputy Chair	196 600	186 900
Member	183 500	174 400
Deputy member for employees' representative on the Board (per meeting)	7 400	7 000
Audit Committee		
Chair	145 500	138 300
Member	72 200	68 600
Risk Management Committee		
Chair	145 500	138 300
Member	72 200	68 600
Remuneration Committee		
Chair	72 200	68 600
Member	52 600	50 000
Supervisory Board		
Chair	30 500	29 000
Member/deputy member (per meeting)	4 000	3 800

Historical analysis of remuneration of senior executives 2019-2024

The tables below provide details of the total remuneration of KBN's senior executives for the period 2019-2024, both for current senior executives and previous senior executives.

(Amount i NOK 1,000)			2024		2023		2022		2021		2020		2019	
Name	Position	Date of appointment	Total remuneration											
			remuneration	excluding variable salary										
Jannicke Trumpy Granquist*	Chief Executive Officer(CEO)	01.08.2014	4 228	3 978	4 101	3 812	3 676	3 676	3 574	3 371	2 938	2 938	2 605	2 390
Sigbjørn Birkeland	Chief Capital Markets Officer. Deputy CEO	01.08.2017	2 915	2 742	2 820	2 621	2 485	2 485	2 584	2 440	2 338	2 338	2 658	2 427
Tor Ole Steinsland	Chief of Staff	01.01.2012	2 179	2 059	2 157	2 018	1 846	1 846	1 816	1 716	1 575	1 575	1 844	1 697
Håvard Thorstad	Chief Compliance Officer	01.11.2015	2 412	2 276	2 397	2 236	2 151	2 151	2 245	2 123	2 062	2 062	2 430	2 232
Ilse Margarete Bache	Chief of Technology and Operations	01.01.2014	2 402	2 275	2 382	2 238	2 017	2 017	2 061	1 958	1 842	1 842	1 974	1 842
Lars Strøm Prestvik	Chief Lending Officer	01.08.2014	2 444	2 308	2 373	2 217	2 092	2 092	2 131	2 018	1 965	1 965	2 277	2 095
Andrea Søfting	Chief Financial Officer (CFO)	01.06.2021	2 377	2 238	2 231	2 075	1 867	1 867	962	897				
Kjersti Ulset	Chief Risk Officer	01.09.2021	2 484	2 339	2 324	2 162	1 881	1 881	676	637				

*Jannicke Trumpy Granquist was CFO until 18 October 2020, Acting CEO from 9 March 2020 and was appointed CEO with effect from 18 October 2020.

(Amount i NOK 1,000)			2024		2023		2022		2021		2020		2019	
Name	Position	Date of leaving	Total remuneration											
			remuneration	excluding variable salary										
Kristine Falkgård	Chief Executive Officer(CEO)	09.03.2020									3 617	3 617	4 062	3 715
Frank Øvrebø	Acting Chief Financial Officer (CFO)	31.05.2021						830	830	310	310			
Knut Andre Ask Kristiansen	Acting Chief Risk Officer	31.08.2021						1 282	1 282	1 744	1 744	142	129	
Morten Hatlem	Chief People and Strategy Officer	31.05.2021						723	723	1 734	1 734	1 838	1 673	
Thomas Yul Hansen	Chief Legal Officer	31.05.2021						707	707	1 680	1 680	2 014	1 859	

The figures for 2019 include compensation for the transition from defined benefit to defined contribution pension for the following executives: Jannicke Granquist, Sigbjørn Birkeland, Tor Ole Steinsland, Håvard Thorstad, Lars Strøm Prestvik, Kristine Falkgård, Frank Øvrebø and Thomas Yul Hanssen.

The table below provides a historical analysis of changes in total remuneration (including variable salary) in both NOK amount and percentage terms.

Change in total remuneration (including variable salary) as nominal NOK amount and percentage														
(Amount i NOK 1,000)			2024		2023		2022		2021		2020		2019	
Name	Position	Date of appointment	Change in NOK	Change in %	Change in NOK	Change in %	Change in NOK	Change in %	Change in NOK	Change in %	Change in NOK	Change in %	Change in NOK	Change in %
			Jannicke Trumpy Granquist*	Chief Executive Officer(CEO)	01.08.2014	128	3 %	425	12 %	101	3 %	636	22 %	333
Sigbjørn Birkeland	Chief Capital Markets Officer. Deputy CEO	01.08.2017	95	3 %	335	13 %	-100	-4 %	246	11 %	-319	-12 %		
Tor Ole Steinsland	Chief of Staff	01.01.2012	22	1 %	312	17 %	30	2 %	240	15 %	-268	-15 %		
Håvard Thorstad	Chief Compliance Officer	01.11.2015	15	1 %	246	11 %	-94	-4 %	183	9 %	-368	-15 %		
Ilse Margarete Bache	Chief of Technology and Operations	01.01.2014	20	1 %	365	18 %	-43	-2 %	218	12 %	-132	-7 %		
Lars Strøm Prestvik	Chief Lending Officer	01.08.2014	71	3 %	281	13 %	-39	-2 %	166	8 %	-312	-14 %		
Andrea Søfting	Chief Financial Officer (CFO)	01.06.2021	146	7 %	363	19 %	I/A		I/A		I/A			
Kjersti Ulset	Chief Risk Officer	01.09.2021	160	7 %	443	24 %	I/A		I/A		I/A			

*Jannicke Trumpy Granquist was CFO until 18 October 2020, Acting CEO from 9 March 2020 and was appointed CEO with effect from 18 October 2020.

KBN's senior executives are included in the general scheme for variable salary that applies to all employees. The accrual of variable salary is dependent on the achievement of various performance criteria. The criteria are approved annually by KBN's Board of Directors. Payments of variable salary are limited to a maximum of 1.5 times monthly salary. This means that the maximum variable salary payable in a year will be equivalent to 11% of total remuneration.

The accrual of variable salary over the last eight years was as follows:

Year	2024	2023	2022	2021	2020	2019	2018	2017
Multiple of monthly salary	0,82	1,11	0,00	0,88	0	1,04	0,50	1,50
Percentage of annual salary	6%	8%	0%	7%	0%	8%	4%	11%

The table below provides a historical analysis of changes in total remuneration (excluding variable salary) in both NOK amount and percentage terms.

Change in total remuneration (excluding variable salary) as nominal NOK amount and percentage													
(Amount i NOK 1,000)													
Name	Position	Date of appointment	2024		2023		2022		2021		2020		
			Change in NOK	Change in %	Change in %								
Jannicke Trumpy Granquist*	Chief Executive Officer(CEO)	01.08.2014	166	4 %	136	4 %	305	9 %	432	15 %	548	23 %	
Sigbjørn Birkeland	Chief Capital Markets Officer. Deputy CEO	01.08.2017	121	5 %	136	5 %	45	2 %	102	4 %	-88	-4 %	
Tor Ole Steinsland	Chief of Staff	01.01.2012	40	2 %	173	9 %	129	8 %	141	9 %	-121	-7 %	
Håvard Thorstad	Chief Compliance Officer	01.11.2015	40	2 %	85	4 %	28	1 %	61	3 %	-170	-8 %	
Ilse Margarete Bache	Chief of Technology and Operations	01.01.2014	37	2 %	221	11 %	60	3 %	115	6 %	0	0 %	
Lars Strøm Prestvik	Chief Lending Officer	01.08.2014	91	4 %	124	6 %	74	4 %	53	3 %	-130	-6 %	
Andrea Søfting	Chief Financial Officer (CFO)	01.06.2021	163	8 % I/A			I/A		I/A		I/A		
Kjersti Ulset	Chief Risk Officer	01.09.2021	177	8 % I/A			I/A		I/A		I/A		

*Jannicke Trumpy Granquist was CFO until 18 October 2020, Acting CEO from 9 March 2020 and was appointed CEO with effect from 18 October 2020.

The table below provides a historical analysis of changes in agreed fixed salary as at 31 December each year, excluding variable salary and other benefits in both NOK amount and percentage terms.

Change in nominal NOK amount and percentage in fixed salary, excluding variable salary													
(Amount i NOK 1,000)													
Name	Position	Date of appointment	2024		2023		2022		2021		2020		
			Change in NOK	Change in %	Change in %								
Jannicke Trumpy Granquist*	Chief Executive Officer(CEO)	01.08.2014	181	5 %	179	5 %	118	4 %	89	3 %	1 157	60 %	
Sigbjørn Birkeland	Chief Capital Markets Officer. Deputy CEO	01.08.2017	125	5 %	125	6 %	83	4 %	65	3 %	40	2 %	
Tor Ole Steinsland**	Chief of Staff	01.01.2012	91	5 %	105	7 %	0	0 %	223	17 %	22	2 %	
Håvard Thorstad	Chief Compliance Officer	01.11.2015	50	3 %	50	3 %	37	2 %	42	2 %	25	1 %	
Ilse Margarete Bache	Chief of Technology and Operations	01.01.2014	93	5 %	95	6 %	71	4 %	57	4 %	32	2 %	
Lars Strøm Prestvik	Chief Lending Officer	01.08.2014	100	5 %	100	6 %	65	4 %	52	3 %	28	2 %	
Andrea Søfting	Chief Financial Officer (CFO)	01.06.2021	185	10 %	105	6 %	69	0					
Kjersti Ulset	Chief Risk Officer	01.09.2021	130	6 %	180	10 %	72	0					

*Jannicke Trumpy Granquist was CFO until 18 October 2020, Acting CEO from 9 March 2020 and was appointed CEO with effect from 18 October 2020.

**Was appointed Chief of Staff in 2021, previously Chief Communications Officer

Financial key figures 2020-2024

The table shows financial key figures for the previous five years.

<i>(Amounts in NOK 1 000 000)</i>	2024	2023	2022	2021	2020
Core earnings	1 276	1 211	1 081	908	922
Profit for the year	1 474	1 423	-60	1 208	1 159

Historical analysis of fixed salaries for other employees 2020-2024

The table below shows the average fixed salary of KBN's full-time employees, excluding senior executives, for the previous five years. The figures reported are averages calculated as at 31 December, and are therefore affected by employees joining and leaving, as well as changes in job positions and internal salary adjustments for existing employees. The figures do not include variable salary and other benefits.

<i>Year</i>	2024	2023	2022	2021	2020
Average fixed salary	1 089 751	1 015 755	952 468	907 325	848 153
Percentage increase	7%	7%	5 %	7 %	0 %

Grounds for differences in salary growth

The state's guidelines for the remuneration of senior executives in companies with direct state ownership stipulate that: "If the growth in total remuneration, or in certain remuneration elements, is higher for senior executives than for other employees, either in terms of percentage or krone value, the state places emphasis on the board providing specific grounds for this in the company's remuneration report."

It is generally the case that salary growth in percentage terms has been higher for employees other than senior executives, but in terms of krone value increases have been higher for senior executives. In the annual salary settlement for 2024, the percentage increase in salary was the same for senior executives as for other employees at 5.2%. KBN has a strong history of moderation in its remuneration of senior executives in more recent years. Annual increases have, at a maximum, been at the same percentage for senior executives as for other employees, but have often been smaller than the increases for other employees. The variable salary component of remuneration is a collective scheme with the same percentage rate for all employees. Fixed salary is

the main element of senior executives' remuneration. Adjustments in fixed salary are therefore more significant at KBN than is the case for businesses where senior executives have a larger percentage of variable salary.

KBN is a complex, regulated and systemically important business which places extremely high demands on the expertise of its management. It is of crucial importance that KBN offers competitive remuneration to attract and retain managers with the relevant specialist expertise. Statistics published by the Norwegian Technical Calculation Committee for Wage Settlements show that KBN's senior executives receive salary settlements lower than those seen for the finance industry as a whole, and that senior executive remuneration at KBN is assessed as being on average somewhat lower than market comparisons.