

# Report for 1st quarter 2025

The logo consists of the letters 'KBN' in a bold, dark grey sans-serif font, centered within a white square that is tilted slightly to the right.

**KBN**

Kommunalbanken AS

# Table of Contents

## About KBN

- 3** We finance the local communities of tomorrow
- 3** One of the largest Norwegian borrowers
- 3** AAA-rating

## Key figures

## The Board of Directors' Report

- 6** Strong green growth in challenging times
- 6** Results for the quarter
- 8** Lending
- 9** Financial markets
- 9** Funding
- 10** Liquidity management
- 11** Capital
- 11** Greenhouse gas accounting for the first quarter of 2025
- 12** Future prospects

## Financial statement

## Statement of financial position

## Statement of changes in equity

## Statement of cash flows

## Notes to the financial statement

- 17** Accounting policies
- 18** Note 1 Net interest income
- 18** Note 2 Net gain/(loss) on financial instruments
- 20** Note 3 Classification of financial instruments
- 21** Note 4 Financial instruments measured at fair value
- 23** Note 5 Loans to customers
- 23** Note 6 Expected credit loss
- 24** Note 7 Commercial paper and bonds
- 25** Note 8 Credit exposure in commercial paper and bonds
- 25** Note 9 Debt securities issued and commercial paper issued
- 27** Note 10 Primary capital
- 27** Note 11 Capital adequacy

## Contact information

## About KBN

With total assets of over NOK 550 billion, Kommunalbanken AS (KBN) is one of the largest financial institutions in Norway. KBN provides loans to municipalities, county authorities and companies with municipal guarantee that carry out local government tasks. Our ambition is to contribute to the development of sustainable communities.

KBN is 100% owned by the Norwegian state. KBN was first established in 1927 and is today the largest lender to the local government sector.

**Our total financing\* of the sector is in excess of**  
**NOK 380bn**

### We finance the local communities of tomorrow

KBN has a strong market position and seeks to use this to promote communities that are sustainable, both economically, socially and environmentally. We are committed to ensuring municipalities make future oriented choices when investing, and we offer a slightly lower interest rate on loans for projects that are ambitious from a climate perspective. We also use some of our resources to improve knowledge of climate change and risk, and interest rates, as well as economy and debt management for municipalities' elected representatives and administrative teams.

### One of the largest Norwegian borrowers

KBN finances its lending to the local government sector by borrowing money directly in the capital markets. KBN is today one of the largest Norwegian borrowers in the international capital markets, with a yearly borrowing program of around NOK 100 billion. KBNs green bonds finance the transition to a low-carbon, climate resilient future in Norwegian local societies. KBN has more than ten years' history as an issuer of green bonds.

### AAA-rating

KBN has a conservative risk profile and is one of the few AAA-rated financial institutions in the world. KBN has never suffered any losses on its lending. As a state-owned company with a public mandate, strong capital base, robust operations and low risk appetite, KBN holds the highest possible credit rating from both Standard and Poor's and Moody's.

\* Aggregate customer financing is the sum of KBN's lending portfolio and KBN's portfolio of municipal bonds in the liquidity portfolio, which are included as a part of KBN's financing of customers.

## Key figures

(Amounts in NOK 1 000 000)	1st quarter 2025	1st quarter 2024	2024
<b>RESULTS</b>			
Net interest income	552	553	2 253
Core earnings <sup>1</sup>	292	308	1 276
Profit after tax	437	390	1 474
Cost/income ratio (percent) <sup>2</sup>	18.6%	17.2%	17.1%
Return on equity after tax <sup>3</sup>	8.5%	7.7%	7.4%
Return on equity after tax (core earnings) <sup>4</sup>	6.3%	6.8%	7.2%
Return on assets after tax <sup>5</sup>	0.3%	0.3%	0.3%
<b>LOANS TO CUSTOMERS</b>			
New disbursements	13 936	11 284	46 692
Aggregate loans to customers <sup>6</sup>	373 942	357 100	369 859
Aggregate customer financing <sup>7</sup>	379 674	357 100	375 356
12 month lending growth in percent <sup>8</sup>	4.7%	8.2%	4.5%
12 month aggregate financing growth in percent <sup>9</sup>	6.3%	8.2%	6.0%
Green loans to customers <sup>10</sup>	72 388	54 249	65 969
Share of green loans in lending portfolio	20.0%	15.7%	18.5%
Share of municipalities with green loans <sup>11</sup>	45%	40%	44%
<b>LIQUIDITY PORTFOLIO<sup>6</sup></b>	134 408	115 723	139 954
<b>DEBT SECURITIES ISSUED</b>			
New long-term debt securities issued	60 401	38 188	91 909
Aggregate debt securities issued <sup>6</sup>	485 529	476 393	481 504
<b>TOTAL ASSETS</b>	556 258	531 179	567 644
<b>EQUITY</b>			
Equity	22 494	21 983	22 075
Common equity Tier 1 capital adequacy ratio	17.6%	18.5%	18.1%
Leverage ratio	4.0%	4.1%	3.9%
<b>LIQUIDITY COVERAGE RATIO (LCR)<sup>12</sup></b>			
Total	226%	276%	236%
NOK	93%	88%	97%
EUR	294%	378%	261%
USD	178%	175%	334%
<b>OTHER KEY FIGURES</b>			
Market share excl. Husbanken <sup>13</sup>	48.5 %	50.2 %	49.4 %
Market share overall financing of customers excl. Husbanken <sup>14</sup>	49.6 %	50.2 %	50.2 %
Percentage of women employed in KBN	34 %	36 %	33 %
Emissions in tons CO <sub>2</sub> equivalents <sup>15</sup>	5.3	31.0	82.5

## Footnotes

<sup>1</sup> Profit after tax adjusted for net unrealised gain/(loss) on financial instruments (in accordance with note 2) adjusted for estimated tax at 25% tax rate, and adjusted for Portion allocated to owners of additional Tier 1 capital. This result measure is included to give relevant information about the company's underlying operations.

<sup>2</sup> Operating expenses as a percentage of sum Net interest income and Total other operating income adjusted for Net unrealised gain/(loss) on financial instruments (in accordance with note 2).

<sup>3</sup> Share of the Profit for the year allocated to shareholders as a percentage of average equity (annualized). Average equity is calculated based on monthly equity, not including Profit for the year, less dividends from the time the dividends are paid out, as well as addition or reduction of the company's share capital during the year.

<sup>4</sup> Core earnings as a percentage of average equity (annualized).

<sup>5</sup> Share of Profit for the year allocated to shareholders as a percentage of average assets (annualized). Average assets are calculated based on monthly assets.

<sup>6</sup> Principal amounts.

<sup>7</sup> Principal amounts. Aggregate customer financing is the sum of KBN's lending portfolio and KBN's portfolio of municipal bonds in the liquidity portfolio, which are included as a part of KBN's financing of customers.

<sup>8</sup> 12-month lending growth based on aggregate loans to customers (principal amounts).

<sup>9</sup> 12-month growth based on aggregate customer financing (principal amount).

<sup>10</sup> Aggregate green loans to customers financed by green bonds. In addition, the bank has a smaller portfolio of green loans to customers that were given before or that does not qualify after the criteria in Green bond framework published in 2016. These loans are no longer financed with green bonds. Total aggregate green loans to customers are NOK 74.8 billion.

<sup>11</sup> Percentage of municipalities in KBN's lending portfolio with green loans, based on total aggregate green loans to customers.

<sup>12</sup> Liquidity coverage ratio (LCR) is a measure for the regulatory liquidity reserve. LCR is defined as liquid assets as a percentage of net payments in a given stress period of 30 days.

<sup>13</sup> KBN's market share based on total loans to customers of sector code 6500 divided by total lending to the same sector, based on Statistics Norway's K2 reporting. Lending from Husbanken is not included as KBN does not compete for these loans.

<sup>14</sup> KBN's market share based on total customer financing of sector code 6500 divided by total lending to the same sector, based on Statistics Norway's K2 reporting. Lending from Husbanken is not included as KBN does not compete for these loans.

<sup>15</sup> KBN's climate accounting is based on the Greenhouse Gas Protocol Corporate Standard. Own emissions consist of calculations within scope 1 and scope 2 in this climate statement, as well as indirect emissions in scope 3 from waste management and travel activities.

See also the overview and description of alternative performance measures published on [kbn.com](https://kbn.com)

## The Board of Directors' Report

### Strong green growth in challenging times

KBN's net interest income totalled NOK 552 million in the first quarter of 2025, compared to NOK 553 million in the first quarter of 2024. KBN's aggregate customer financing<sup>1</sup> grew by NOK 4 billion in the first quarter of 2025. The growth in green lending amounted to NOK 6 billion in the first quarter of 2025. Green lending represented 20% of KBN's total lending portfolio at the end of the first quarter of 2025.

### Results for the quarter

KBN's core earnings<sup>2</sup> 292 million in the first quarter of 2025, compared to NOK 308 million in the first quarter of 2024. KBN's net interest income totalled NOK 552 million in the first quarter of 2025, as compared to NOK 553 million in the corresponding period of 2024. Money market interest rates decreased somewhat in the quarter despite Norges Bank keeping its key policy rate unchanged at its March meeting. Norway's key policy rate remained at 4.5%, while the money market interest rate at the end of the quarter was 4.57%.

KBN's result for the accounting period, in the first quarter of 2025, was a profit of NOK 437 million, compared to a profit of NOK 390 million in the same period in 2024. In the first quarter of 2025, KBN recognised a net gain on financial instruments totalling NOK 162 million, as compared to a net gain of NOK 81 million in the first quarter of 2024. KBN's net gains/losses on financial instruments comprise the sum of the realised and unrealised gains and losses recognised by KBN. There was a net realised gain from market transactions of NOK 21 million for the first quarter of 2025, while there was a net realised gain from market transactions of NOK 25 million in the first quarter of 2024. Unrealised gains amounted to NOK 141 million in the first quarter of 2025, compared to unrealised gains of NOK 55 million in the same period in 2024. KBN's fixed rate lending and associated hedging instruments contributed a net unrealised gain of NOK 53 million in the first quarter of 2025, primarily as a result of a moderate decrease in credit spreads for the local government sector. There was an equivalent net unrealised gain on fixed rate lending and associated hedging instruments of NOK 68 million in the first quarter of 2024. KBN started to apply hedge accounting to all its new fixed rate lending with effect from 1 January 2022. KBN's introduction of hedge accounting to its fixed rate lending will over time reduce the size of the portfolio of fixed rate loans carried at fair value, and this will reduce the net unrealised gains and losses included in KBN's earnings. At the end of the first quarter of 2025, 38% of KBN's portfolio of fixed lending was carried at fair value.

KBN's liquidity portfolio and associated hedging instruments contributed a net unrealised gain of NOK 21 million for the first quarter of 2025, while KBN's own bonds and associated hedging instruments contributed a net unrealised gain of NOK 67 million to its result from ordinary activities in the same period. KBN's

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<sup>1</sup> Principal amounts. Aggregate customer financing is the sum of KBN's lending portfolio and KBN's portfolio of municipal bonds in the liquidity portfolio, which are included as a part of KBN's financing of customers.

<sup>2</sup> Profit after tax adjusted for net unrealised gain/(loss) on financial instruments (in accordance with note 2) adjusted for estimated tax at 25% tax rate, and adjusted for Portion allocated to owners of additional Tier 1 capital. This result measure is included to give relevant information about the company's underlying operations.

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unrealised gains and losses are expected to reverse, either as market conditions normalise or as the instruments approach maturity.

KBN's provision for expected credit losses is relatively limited due to the fact that Norwegian municipalities cannot be declared insolvent. KBN's liquidity management portfolio is also of very high credit quality. KBN increased its provision for expected credit losses by NOK 10 million in the first quarter of 2025. This increase was due to changes to macro parameters that impact the calculation model for expected credit loss.

KBN's total operating costs for the first quarter of 2025 were NOK 100 million, compared to NOK 96 million in the same period in 2024. The increase in operating costs was primarily due to inflation and the weakness of the Norwegian krone, a higher level of activity in developing and improving KBN's operations, and hiring in temporary employees pending new appointments.

KBN's annualised return on equity in the first quarter of 2025 was 8.5%, compared to 7.7% in the first quarter of 2024. Based on its core earnings, KBN's annualised return on equity in the first quarter of 2025 was 6.3%, compared to 6.8% in the first quarter of 2024. The decrease was due to somewhat lower core earnings as well as to an increase in the value of equity. The target set by KBN's Board of Directors' for its return on equity for the 2025-2027 strategy period is at least 7%.

KBN's total comprehensive income in the first quarter of 2025 was NOK 437 million, compared to NOK 318 million in the first quarter of 2024. KBN's total comprehensive income includes gains and losses on KBN's own bonds resulting from changes to KBN's own credit risk. In the first quarter of 2025, there was an unrealised loss after tax from changes to KBN's own credit risk of NOK -0.5 million, as compared to an unrealised loss after tax of NOK -73 million in the first quarter of 2024.

**Table 1: Result for the period and total comprehensive income**

(Amounts in NOK 1 000 000)	Q1 2025	Q1 2024	2024
Net interest income	552	553	2 253
Fees and commission expenses	27	33	125
Net gain/(loss) on financial instruments	162	81	157
Increased/(reduced) provision for expected credit loss	10	(9)	(9)
Operating expenses	100	96	383
Income tax	140	124	437
<b>Profit for the period</b>	<b>437</b>	<b>390</b>	<b>1 474</b>
(Amounts in NOK 1 000 000)	Q1 2025	Q1 2024	2023
Profit for the period	437	390	1 474
Change in fair value of liabilities due to changes in own credit risk	(1)	(97)	(305)
Actuarial gain/(loss) on pension liability	0	0	11
Tax	0	24	73
<b>Total comprehensive income for the period</b>	<b>437</b>	<b>318</b>	<b>1 254</b>

## Lending

KBN's lending portfolio totalled NOK 374 billion<sup>3</sup> at the end of the first quarter of 2025, while aggregate customer financing<sup>4</sup> totalled NOK 380 billion<sup>5</sup> at the end of the first quarter. KBN's aggregate customer financing increased by NOK 4 billion in the first quarter of 2025, as compared to an increase of NOK 3 billion in the first quarter of 2024. The main reason for the increase in aggregate customer financing in the first quarter of 2025 was the strong demand for new loans.

KBN's portfolio of green loans increased by NOK 6 billion in the first quarter of 2025, as compared to NOK 1 billion in the same period in 2024. KBN's green lending in the first quarter of 2025 included green loans for the municipalities of Trondheim, Oslo and Asker. At the end of the first quarter of 2025, KBN's green lending represented 20% of its overall lending portfolio.

The annual rate of debt growth in the local government sector as at the end of March 2025 was calculated to be 8.6%. After adjusting for borrowing from the Norwegian State Housing Bank, the rate of debt growth was 8.3%. After adjusting for borrowing from the Norwegian State Housing Bank<sup>6</sup>, KBN's market share based on its aggregate customer financing as at the end of the first quarter of 2025 was 49.6%.

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<sup>3</sup> Principal amount

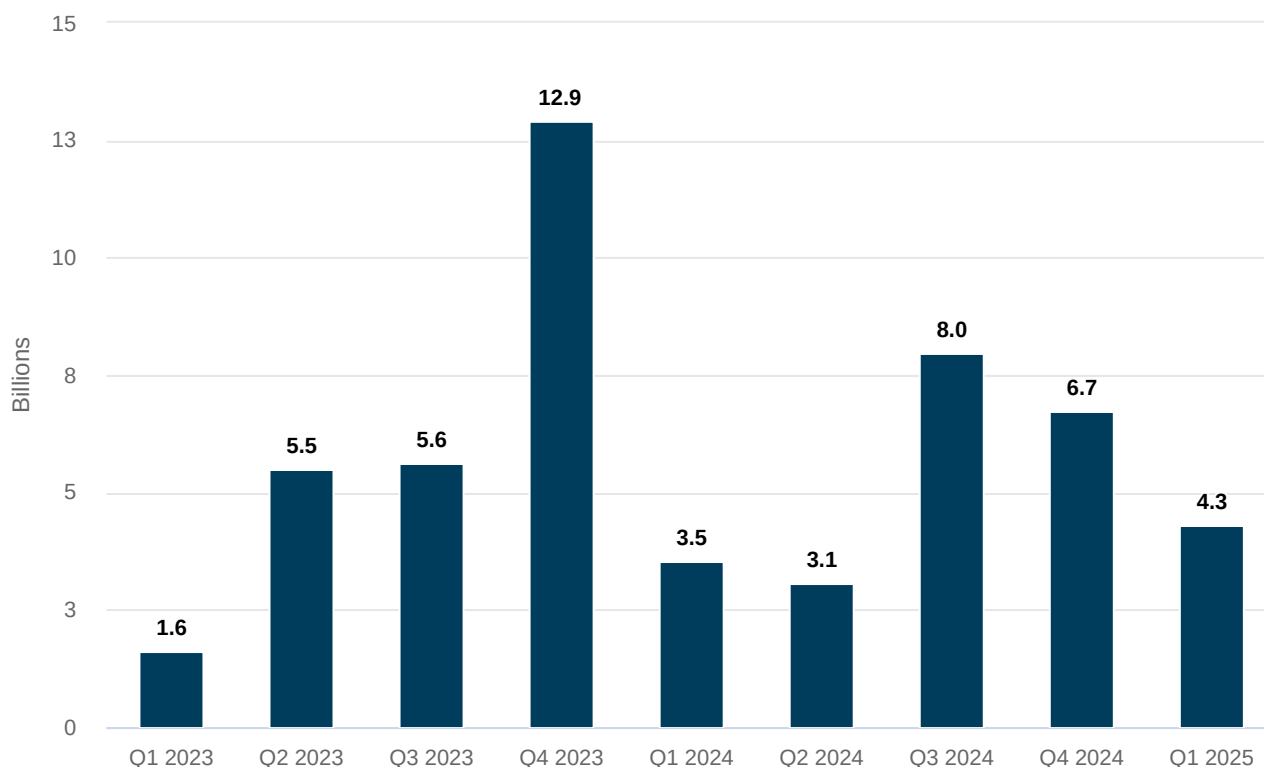
<sup>4</sup> Aggregate customer financing is the sum of KBN's lending portfolio and KBN's portfolio of municipal bonds in the liquidity portfolio, which are included as a part of KBN's financing of customers.

<sup>5</sup> Principal amount

<sup>6</sup> KBN's market share based on total customer financing of sector code 6500 divided by total lending to the same sector, based on Statistics Norway's K2 reporting, plus foreign ownership of local government sector outstanding securities. Lending from the Norwegian State Housing Bank is not included as KBN does not compete for these loans.

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**Chart 1: Quarterly growth in aggregate customer financing in billion kroner**

## Financial markets

Inflation slowed in 2024 and, despite the small uptick seen in Norway in the first three months of 2025, is still approaching the inflation targets of the central banks of many countries across the world, including in Norway. The rate of inflation in Norway was running at 2.6% at the most recent assessment in March, while core inflation was 3.4%. The goal of monetary policy is for the annual rate of growth in the consumer price index to be as close as possible to 2% annual growth.

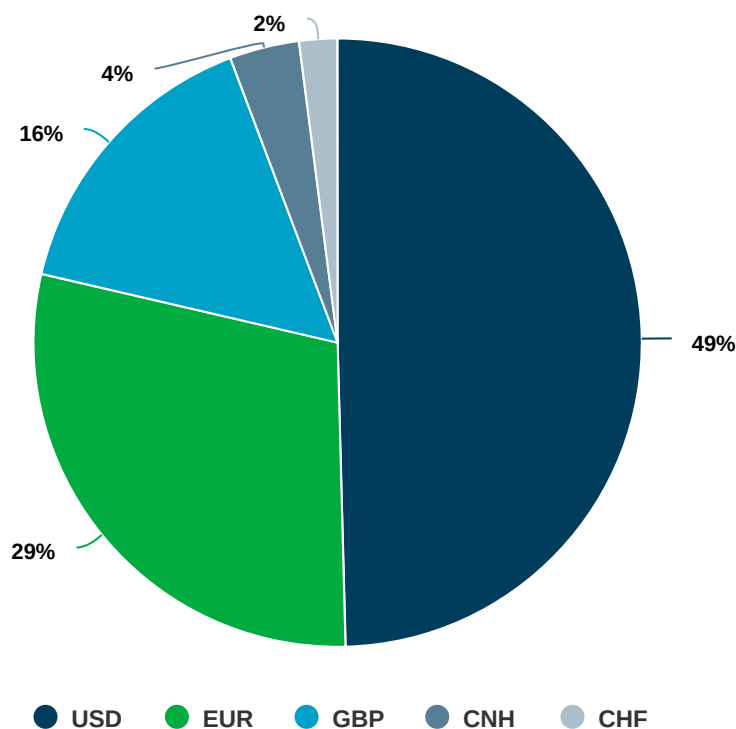
The change of President in the USA and the associated change in economic policy caused sizeable fluctuations in the fixed income and foreign exchange markets in the first quarter, and there is significantly more uncertainty than usual regarding future growth both nationally and internationally. The US dollar weakened against most currencies in the quarter, including the Norwegian krone. The Euro was relatively stable against the Norwegian krone in the first quarter. Credit spreads on local government and covered bonds decreased somewhat over the quarter.

## Funding

KBN enjoyed good access to the international capital markets in the first quarter of 2025 and completed all its funding transactions as planned. In the first quarter of 2025, KBN's new borrowings totalled approximately NOK 60 billion through 25 bond issues in six currencies, as compared to NOK 38 billion in the first quarter of 2024.

KBN continues to enjoy low borrowing costs and good market access thanks to its AAA/Aaa rating.

**Chart 2: New borrowings by currency in 2025**



## Liquidity management

KBN's liquidity portfolio totalled NOK 134 billion<sup>7</sup> at the end of the first quarter of 2025, as compared to NOK 116 billion at the end of the first quarter of 2024. KBN's liquidity portfolio is managed with the aim of matching its financing requirements, including lending growth, for the subsequent twelve months, and it is managed on the basis of a low-risk investment strategy.

The liquidity portfolio is largely held in zero-risk-weighted assets that are particularly liquid. Investments denominated in foreign currencies represented 52% of the portfolio at the end of the first quarter of 2025. Fluctuations in the value of the Norwegian krone relative to other currencies will therefore result in fluctuations in the size of the liquidity portfolio in NOK terms.

<sup>7</sup> Principal amount

## Capital

**Table 2: Capital adequacy key figures**

As at 31 March 2025	Volume in NOK billion	Capital adequacy	Requirements
Common equity Tier 1 capital adequacy ratio	18.0	17.6 %	14.6 %
Tier 1 capital adequacy ratio	21.5	21.0 %	16.4 %
Total capital ratio	22.3	21.7 %	18.9 %

KBN's total assets at the end of the first quarter of 2025 amounted to NOK 556 billion, down from NOK 568 billion at the end of 2024. The decrease from the end of 2024 was primarily due to a decrease in the NOK value of balance sheet assets as a result of currency conversion reflecting the stronger Norwegian krone and the weakness of the American dollar.

KBN's Pillar 2 capital requirement at the end of the first quarter of 2025 consisted of 1.7% of the basis for calculation under Pillar 1. The Pillar 2 requirement is intended to address risks that the undertaking is exposed to and that are not, or are only partially, covered by the general capital requirements in Pillar 1. The requirement must be satisfied with at least 56.25% common equity Tier 1 capital and at least 75% Tier 1 capital.

KBN's leverage ratio at the end of the first quarter of 2025 was 4.0%, as compared to the requirement of 3.0%.

KBN's capital adequacy at the end of the first quarter of 2025 was in excess of the requirements set by the authorities.

Capital adequacy figures are sensitive to large fluctuations in exchange rates, particularly the USD-NOK rate, because these impact the size of KBN's balance sheet through the conversion into NOK. In addition, changes in the value of KBN's outstanding currency hedging instruments lead to fluctuations in cash collateral that influence KBN's capital adequacy key figures. KBN has internal buffers that are intended to ensure its capital adequacy does not fall below the regulatory requirements as a result of such exchange rate fluctuations.

## Greenhouse gas accounting for the first quarter of 2025

KBN has a long-term goal of reducing its own emissions by at least 55% by 2030 compared to the 2019 level. This emissions trajectory implies that KBN's CO<sub>2</sub>e emissions in 2025 should be a maximum of 65% of the 2019 level, which corresponds to approximately 124 tonnes of CO<sub>2</sub>e for the year. KBN has calculated that its own CO<sub>2</sub>e emissions<sup>8</sup> in the first quarter of 2025 were 5 tonnes of CO<sub>2</sub>e, which is a decrease from 31 tonnes of CO<sub>2</sub>e in the first quarter of 2024. The reduction is due to lower energy consumption in new office premises as well as reduced travel activity in the first quarter of 2025.

<sup>8</sup> KBN's greenhouse gas accounting is based on the Greenhouse Gas Protocol Corporate Standard. For the purposes of this greenhouse gas accounting, KBN's own emissions consist of calculations regarding its Scope 1 and Scope 2 emissions, as well as its indirect emissions in Scope 3 from waste and business travel.

## Future prospects

At its monetary policy committee meeting in March 2025, Norges Bank announced that Norway’s key policy rate will likely be held steady at today’s level for some time. Norges Bank stated that the reason for this is the need to ensure inflation returns to its target of 2% per year within a reasonable time horizon, as it is still slightly above the target. The future path of the policy rate thereafter will depend on economic developments.

There is greater uncertainty than normal and worsening expectations regarding the outlook for the global economy, including due to the effect of changes to the USA’s economic policy.

KBN has good access to liquidity and will continue to provide its customers with attractive financing for local government sector projects across Norway.

Oslo, 8 May 2025

The Board of Directors and Chief Executive Officer of Kommunalbanken AS

  
Brit Kristin Sæbø Rugland  
CHAIR

  
Rune Midtgaard  
VICE CHAIR

  
Eyvind Aven  
BOARD MEMBER

  
Kristine Fausa Aasberg  
EMPLOYEE REPRESENTATIVE

  
Nils Gunnar Baumann  
EMPLOYEE REPRESENTATIVE

  
Toril Hovdenak  
BOARD MEMBER

  
Ida Espolin Johnson  
BOARD MEMBER

  
Ida Texmo Prytz  
BOARD MEMBER

  
Petter Steen Jr.  
BOARD MEMBER

  
Jannicke Trumpy Granquist  
CEO

## Financial statement

### INCOME STATEMENT

(Amounts in NOK 1 000 000)	Note	1st quarter 2025	1st quarter 2024	2024
Interest income from assets measured at amortised cost		5 068	4 688	19 557
Interest income from assets measured at fair value		1 537	1 993	7 375
Total interest income		6 606	6 680	26 931
Interest expense		6 053	6 127	24 678
<b>Net interest income</b>	<b>1</b>	<b>552</b>	<b>553</b>	<b>2 253</b>
Fees and commission expenses		27	33	125
Net gain/(loss) on financial instruments	<b>2</b>	162	81	157
Increased/(reduced) provision for expected credit loss	<b>6</b>	10	(9)	(9)
<b>Total other operating income</b>		<b>125</b>	<b>57</b>	<b>41</b>
Salaries and administrative expenses		63	61	221
Depreciation of fixed and intangible assets		12	12	48
Other operating expenses		25	23	115
<b>Total operating expenses</b>		<b>100</b>	<b>96</b>	<b>383</b>
<b>Profit before tax</b>		<b>577</b>	<b>514</b>	<b>1 911</b>
Income tax		140	124	437
<b>Profit for the period</b>		<b>437</b>	<b>390</b>	<b>1 474</b>
Portion allocated to shareholder		397	350	1 312
Portion allocated to owners of additional Tier 1 capital		40	41	162

### STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK 1 000 000)	Note	1st quarter 2025	1st quarter 2024	2024
Profit for the period		437	390	1 474
<b>Other comprehensive income</b>				
Items which will not be reclassified to profit or loss				
Change in fair value of liabilities due to changes in own credit risk	<b>9</b>	(1)	(97)	(305)
Actuarial gain/(loss) on pension liability		0	0	11
Tax		0	24	73
<b>Total other comprehensive income</b>		<b>(0)</b>	<b>(73)</b>	<b>(220)</b>
<b>Total comprehensive income for the period</b>		<b>437</b>	<b>318</b>	<b>1 254</b>
Portion allocated to shareholder		397	277	1 091
Portion allocated to owners of additional Tier 1 capital		40	41	162

## Statement of financial position

(Amounts in NOK 1 000 000)	Note	31 March 2025	31 March 2024	31 December 2024
<b>Assets</b>				
Deposits with credit institutions	<u>3</u>	33 071	35 806	37 787
Loans to customers	<u>3,4,5,6</u>	372 112	354 797	367 495
Commercial paper and bonds	<u>3,4,6,7,8</u>	134 410	114 666	139 971
Hereof commercial paper and bonds lent	<u>7</u>	12 787	1 081	7 688
Financial derivatives	<u>3,4</u>	14 542	23 472	20 133
Deferred tax asset		1 814	2 218	1 954
Other assets		308	220	303
<b>Total assets</b>		<b>556 258</b>	<b>531 179</b>	<b>567 644</b>
<b>Liabilities and equity</b>				
Due to credit institutions	<u>3,4</u>	18 343	17 364	17 539
Commercial paper issued	<u>3,4,9</u>	4 221	1 144	26 713
Debt securities issued	<u>3,4,9</u>	480 110	459 448	472 917
Financial derivatives	<u>3,4</u>	30 210	30 448	27 443
Other liabilities		93	4	177
Pension commitments		11	25	11
Subordinated loan capital	<u>3,4,9</u>	776	763	769
<b>Total liabilities</b>		<b>533 764</b>	<b>509 196</b>	<b>545 569</b>
Share capital		3 895	3 895	3 895
Additional Tier 1 capital		3 484	3 484	3 484
Retained earnings		15 115	14 604	14 696
<b>Total equity</b>		<b>22 494</b>	<b>21 983</b>	<b>22 075</b>
<b>Total liabilities and equity</b>		<b>556 258</b>	<b>531 179</b>	<b>567 644</b>

## Statement of changes in equity

(Amounts in NOK 1 000 000)

	1. January - 31 March 2025				
	Share capital	Additional Tier 1 capital	Financial liabilities, changes in own credit risk	Other equity	Total equity
<b>Equity as of 31 December 2024</b>	<b>3 895</b>	<b>3 484</b>	<b>(170)</b>	<b>14 866</b>	<b>22 075</b>
Profit for the period	0	0	0	437	437
Other comprehensive income after tax - financial liabilities, changes in own credit risk	0	0	(0)	0	(0)
Other comprehensive income after tax - actuarial gain/loss	0	0	0	0	0
Interest paid on additional Tier 1 capital	0	0	0	(18)	(18)
Issuance of additional Tier 1 capital	0	0	0	0	0
Dividends for 2023	0	0	0	0	0
<b>Equity as of 31 March 2025</b>	<b>3 895</b>	<b>3 484</b>	<b>(171)</b>	<b>15 285</b>	<b>22 494</b>

	1. January - 31 March 2024				
	Share capital	Additional Tier 1 capital	Financial liabilities, changes in own credit risk	Other equity	Total equity
<b>Equity as of 31 December 2023</b>	<b>3 895</b>	<b>3 484</b>	<b>59</b>	<b>14 245</b>	<b>21 684</b>
Profit for the period	0	0	0	390	390
Other comprehensive income after tax - financial liabilities, changes in own credit risk	0	0	(73)	0	(73)
Other comprehensive income after tax - actuarial gain/loss	0	0	0	0	0
Interest paid on additional Tier 1 capital	0	0	0	(18)	(18)
Issuance of additional Tier 1 capital	0	0	0	0	0
Dividends for 2023	0	0	0	0	0
<b>Equity as of 31 March 2024</b>	<b>3 895</b>	<b>3 484</b>	<b>(14)</b>	<b>14 617</b>	<b>21 983</b>

	1. January - 31 December 2024				
	Share capital	Additional Tier 1 capital	Financial liabilities, changes in own credit risk	Other equity	Total equity
<b>Equity as of 31 December 2023</b>	<b>3 895</b>	<b>3 484</b>	<b>59</b>	<b>14 245</b>	<b>21 684</b>
Profit for the period	0	0	0	1 474	1 474
Other comprehensive income after tax - financial liabilities, changes in own credit risk	0	0	(229)	0	(229)
Other comprehensive income after tax - actuarial gain/loss	0	0	0	8	8
Interest paid on additional Tier 1 capital	0	0	0	(162)	(162)
Issuance of additional Tier 1 capital	0	0	0	0	0
Dividends for 2022	0	0	0	(700)	(700)
<b>Equity as of 31 December 2024</b>	<b>3 895</b>	<b>3 484</b>	<b>(170)</b>	<b>14 866</b>	<b>22 075</b>

The Board of Directors has proposed a dividend of NOK 700 million for the financial year 2024. The General Meeting decides on the dividend distribution. The dividend is included in KBN's equity until the decision at the General Meeting, but is deducted when calculating capital adequacy. The General Meeting is scheduled to take place on 10 June, 2025.

## Statement of cash flows

(Amounts in NOK 1 000 000)	1st quarter 2025	1st quarter 2024	2024
<b>Cash flows from operating activities</b>			
Interest received	6 263	6 074	26 751
Interest paid	(5 935)	(5 673)	(23 392)
Fees and commissions paid	(88)	(103)	(122)
Cash payments for operations	(88)	(84)	(336)
Paid taxes	0	0	0
Net disbursement of loans to customers	(4 091)	(3 048)	(15 805)
Net (payment)/disbursement short-term investments	5 139	13 259	10 686
Net payment/(disbursement) from purchase/sale of securities	576	2 951	(18 131)
Net (payment)/disbursement other assets	60	58	0
Net payment/(disbursement) other liabilities	(82)	(67)	(8)
Net (payment)/disbursement financial derivatives	(14 566)	11 531	32 142
<b>Net cash flows from operating activities</b>	<b>(12 811)</b>	<b>24 898</b>	<b>11 784</b>
<b>Cash flows from investing activities</b>			
Disbursement from sale of fixed assets	(8)	(10)	(45)
<b>Net cash flows from investing activities</b>	<b>(8)</b>	<b>(10)</b>	<b>(45)</b>
<b>Cash flows from financing activities</b>			
Payments on issued commercial paper	46 577	35 140	132 316
Repayment of commercial paper issued	(68 207)	(76 534)	(148 789)
Lease payments	(2)	(4)	(10)
Payments on issued debt securities	60 401	38 188	91 909
Repayment of debt securities issued	(25 873)	(21 704)	(86 499)
Interest Paid on additional Tier 1 capital	(18)	(18)	(162)
Dividends paid	0	(0)	(700)
<b>Net cash flows from financing activities</b>	<b>12 878</b>	<b>(24 933)</b>	<b>(11 935)</b>
<b>Net cash flows</b>	<b>58</b>	<b>(44)</b>	<b>(196)</b>
Adjustment of exchange rate changes	(40)	63	83
<b>Net cash flows after effects of exchange rate changes</b>	<b>18</b>	<b>19</b>	<b>(113)</b>
Cash and cash equivalents at 1 January	243	356	356
Net changes of cash and cash equivalents	18	19	(113)
<b>Cash and cash equivalents at end of period</b>	<b>261</b>	<b>375</b>	<b>243</b>
Whereof			
Deposits with credit institutions without agreed time to maturity	261	375	243
Due to credit institutions without agreed time to maturity	0	0	0



## Notes to the financial statement

### Accounting policies

Kommunalbanken AS (KBN) prepares its financial statements in accordance IFRS® Accounting Standards as adopted by the EU. The condensed interim financial statements as of 31 March 2025 are prepared in accordance with IAS 34 Interim Financial Reporting and follow the same accounting policies and methods of computation as presented in the annual financial statements for 2023. The interim financial statement does not include all the information required in a full annual financial statement and should be read in conjunction with the annual financial statement for 2023.

The company has only one operating segment. There is thus no segment information beyond the note information provided on lending to customers and the business as a whole.

The preparation of financial statements in accordance with IFRS requires management to make estimates and judgments and assumptions that affect the reported amounts of assets and liabilities, and revenues and expenses. Estimates and judgments are based on historical experience and expectations about future developments.

The fair value of financial instruments not traded in an active market or lacking readily available quoted prices on the balance sheet date is determined using valuation models. When inputs into valuation models cannot be directly derived from observable market data, management makes assessments and uses assumptions related to credit risk and liquidity risk in financial instruments. Although judgmental assessments and assumptions are largely based on actual market conditions on the balance sheet date, they may introduce uncertainty into the recognised amounts.

## Note 1 Net interest income

(Amounts in NOK 1 000 000)	1st quarter 2025	1st quarter 2024	2024
Deposits with credit institutions	107	159	673
Other money market deposits	0	0	0
Loans to customers	3 896	3 656	15 027
Financial derivatives, hedge accounting loans to customers	184	114	636
Commercial paper and bonds	893	760	3 243
Financial derivatives, hedge accounting loans to customers	(12)	0	(22)
<i>Interest income from assets measured at amortised cost</i>	<i>5 068</i>	<i>4 688</i>	<i>19 557</i>
Loans to customers	290	374	1 408
Commercial paper and bonds	630	494	2 043
Financial derivatives	617	1 125	3 924
<i>Interest income from assets measured at fair value</i>	<i>1 537</i>	<i>1 993</i>	<i>7 375</i>
<b>Total interest income</b>	<b>6 606</b>	<b>6 680</b>	<b>26 931</b>
Due to credit institutions	35	1	132
Commercial paper issued	121	272	589
Debt securities issued	2 360	1 851	8 328
Financial derivatives, hedge accounting debt securities issued	1 327	2 367	8 753
<i>Interest expenses from debt measured at amortised cost</i>	<i>3 843</i>	<i>4 491</i>	<i>17 801</i>
Debt securities issued	1 039	1 165	4 448
Financial derivatives	1 165	466	2 405
Subordinated loan capital	6	6	24
<i>Interest expenses from debt measured at fair value</i>	<i>2 210</i>	<i>1 636</i>	<i>6 877</i>
<b>Total interest expenses</b>	<b>6 053</b>	<b>6 127</b>	<b>24 678</b>
<b>Net interest income</b>	<b>552</b>	<b>553</b>	<b>2 253</b>

## Note 2 Net gain/(loss) on financial instruments

(Amounts in NOK 1 000 000)

Net gain/(loss) on financial instruments	1st quarter 2025	1st quarter 2024	2024
Loans to customers	200	(1 147)	(972)
Commercial paper and bonds	321	(259)	481
Financial derivatives	3 708	(1 796)	3 866
Debt securities issued	(4 065)	3 270	(3 218)
Subordinated loan capital	(2)	13	2
<b>Net gain/(loss) on financial instruments</b>	<b>162</b>	<b>81</b>	<b>157</b>
Whereof net unrealised gain/(loss) on financial instruments	141	55	47
Whereof net realised gain/(loss) on market transactions	21	25	110

Specification of net gain/(loss) on financial instruments including hedging instruments	1st quarter 2025	1st quarter 2024	2024
Loans to customers, including hedging instruments	53	68	259
Commercial paper and bonds, including hedging instrument	42	77	89
Debt securities issued and subordinated loan capital, including hedging instruments	67	(64)	(190)
<b>Net gain/(loss) on financial instruments</b>	<b>162</b>	<b>81</b>	<b>157</b>

Specification of net gain/(loss) on financial instruments in fair value hedge	1st quarter 2025	1st quarter 2024	2024
Loan to customers	(113)	(758)	(1 441)
Financial derivatives, in hedge accounting loans to customers	96	724	1 453
Commercial paper and bonds	(1)	1	(18)
Financial derivatives, in hedge accounting commercial paper and bonds	1	(1)	18
Debt securities issued	(2 853)	1 802	(2 958)
Financial derivatives, in hedge accounting debt securities issued	2 838	(1 873)	2 878
<b>Net gain/(loss) on financial instruments in fair value hedge</b>	<b>(32)</b>	<b>(104)</b>	<b>(68)</b>

Changes in fair value of liabilities due to changes in own credit risk are not included in the line net gain/(loss) on financial instruments in the table above. Such fair value changes are recognised in other comprehensive income in the statement of comprehensive income. The change in fair value arising from debt securities issued presented in the above table, is due to changes in parameters other than own credit risk.

Changes in fair value are the result of changes in market parameters - mainly prices on bonds, interest rates, credit spreads, basis swap spreads and FX rates, and are reflected in carrying amounts in the statement of financial position and in the income statement. As KBN has limited currency and interest rate risk, the changes in relevant parameters will mostly be symmetric on the asset and liabilities sides of the statement of financial position and will therefore only to a small extent cause net effects in the income statement. Changes in credit spreads for investments in the liquidity portfolio, fixed interest-rate loans to customers measured at fair value and issued debt securities, as well as changes in basis swap spreads, may on the other hand lead to significant effect in income statement and in the statement of comprehensive income.

KBN hedges currency risk. The bank's guidelines require hedging of all currency risk associated with positions in foreign currency. However, short-term net positions may arise related to income statement and balance sheet items in USD and EUR. KBN's framework for currency risk in these currencies is set at 1.6% of regulatory capital. This means that net income effects from short-term exchange rate fluctuations are limited. Effects from the currency conversion of principal amounts from non-derivative interest-bearing instruments in foreign currency as well as from interest and fees are presented net in the income statement. This includes certificates and bonds and debt securities issued. Corresponding changes in fair value from FX derivatives used as hedging instruments in the economic hedging of the mentioned currency exposure, are presented net along with exchange differences from the hedged item. In the tables above, only the effects of exchange rate changes on fair value changes and changes in hedging value are presented.

## Note 3 Classification of financial instruments

(Amounts in NOK 1 000 000)

At 31 March 2025	Total	Fair value option	At fair value Mandatorily at fair value	Fair value hedge	At amortised cost Designated at hedge accounting	Hold to collect
Deposits with credit institutions	33 071	0	0	0	0	33 071
Other money market deposits	0	0	0	0	0	0
Loans to customers	372 112	49 834	0	0	83 065	239 213
Commercial paper and bonds	134 410	73 780	0	0	2 061	58 569
Financial derivatives	14 542	0	11 994	2 549	0	0
<b>Total financial assets</b>	<b>554 135</b>	<b>123 613</b>	<b>11 994</b>	<b>2 549</b>	<b>85 126</b>	<b>330 853</b>
Due to credit institutions	18 343	0	0	0	0	18 343
Commercial paper issued	4 221	0	0	0	0	4 221
Debt securities issued	480 110	164 768	0	0	274 474	40 868
Financial derivatives	30 210	0	21 486	8 724	0	0
Subordinated loan capital	776	776	0	0	0	0
<b>Total financial liabilities</b>	<b>533 660</b>	<b>165 545</b>	<b>21 486</b>	<b>8 724</b>	<b>274 474</b>	<b>63 432</b>

At 31 March 2024	Total	Fair value option	At fair value Mandatorily at fair value	Fair value hedge	At amortised cost Designated at hedge accounting	Hold to collect
Deposits with credit institutions	35 806	0	0	0	0	35 806
Other money market deposits	0	0	0	0	0	0
Loans to customers	354 797	66 483	0	0	49 651	238 663
Commercial paper and bonds	114 666	64 662	0	0	231	49 773
Financial derivatives	23 472	0	22 620	852	0	0
<b>Total financial assets</b>	<b>528 741</b>	<b>131 145</b>	<b>22 620</b>	<b>852</b>	<b>49 882</b>	<b>324 242</b>
Due to credit institutions	17 364	0	0	0	0	17 364
Commercial paper issued	1 144	0	0	0	0	1 144
Debt securities issued	459 448	176 110	0	0	256 538	26 800
Financial derivatives	30 448	0	14 688	15 760	0	0
Subordinated loan capital	763	763	0	0	0	0
<b>Total financial liabilities</b>	<b>509 167</b>	<b>176 873</b>	<b>14 688</b>	<b>15 760</b>	<b>256 538</b>	<b>45 309</b>

At 31 December 2024	Total	Fair value option	At fair value Mandatorily at fair value	Fair value hedge	At amortised cost Designated at hedge accounting	Hold to collect
Deposits with credit institutions	37 787	0	0	0	0	37 787
Other money market deposits	0	0	0	0	0	0
Loans to customers	367 495	58 136	0	0	71 923	237 436
Commercial paper and bonds	139 971	76 002	0	0	2 152	61 818
Financial derivatives	20 133	0	18 070	2 063	0	0
<b>Total financial assets</b>	<b>565 386</b>	<b>134 138</b>	<b>18 070</b>	<b>2 063</b>	<b>74 075</b>	<b>337 041</b>
Due to credit institutions	17 539	0	0	0	0	17 539
Commercial paper issued	26 713	0	0	0	0	26 713
Debt securities issued	472 917	160 426	0	0	280 955	31 536
Financial derivatives	27 443	0	16 543	10 900	0	0
Subordinated loan capital	769	769	0	0	0	0
<b>Total financial liabilities</b>	<b>545 381</b>	<b>161 195</b>	<b>16 543</b>	<b>10 900</b>	<b>280 955</b>	<b>75 788</b>

## Note 4 Financial instruments measured at fair value

Methods used for the determination of fair value is categorised within three levels, which reflect different degrees of valuation uncertainty:

Level 1 - Quoted prices in active markets for identical assets and liabilities

Level 2 - Valuation techniques with observable inputs

Level 3 - Valuation techniques where inputs are to a significant degree unobservable

See Note 9 in the Annual Report for further information about valuation techniques, inputs, value change analysis and sensitivities. Level 2 includes fixed rate loans to customers granted before 1 January 2022. Fixed rate loans to customers are granted on an individual basis and are not traded in an active market. Fair value is calculated using the discounted cash flows method where discount rates are derived from observable money market interest rate yield curves. Discount rates are adjusted for credit and liquidity risk linked to the relevant securities based on observable credit spreads for Norwegian municipalities at the balance sheet date. For fixed rate loans to customers with an installment structure, a discretionary liquidity premium is added to the valuation, but this does not constitute a significant part of the input data in the valuation.

Financial instruments measured at fair value in KBN's Statement of financial position are distributed in the following levels:

(Amounts in NOK 1 000 000)

At 31 March 2025	Level 1	Level 2	Level 3	Total
Loans to customers	0	49 834	0	49 834
Commercial paper and bonds	64 811	3 793	5 176	73 780
Financial derivatives	0	14 360	182	14 542
<b>Total financial assets measured at fair value</b>	<b>64 811</b>	<b>67 987</b>	<b>5 358</b>	<b>138 156</b>
Debt securities issued	9 299	137 097	18 372	164 768
Financial derivatives	0	26 496	3 713	30 210
Subordinated loan capital	0	0	776	776
<b>Total financial liabilities measured at fair value</b>	<b>9 299</b>	<b>163 593</b>	<b>22 862</b>	<b>195 754</b>

At 31 March 2024	Level 1	Level 2	Level 3	Total
Loans to customers	0	66 497	0	66 497
Commercial paper and bonds	52 776	1 803	10 083	64 662
Financial derivatives	0	23 014	458	23 472
<b>Total financial assets measured at fair value</b>	<b>52 776</b>	<b>91 313</b>	<b>10 542</b>	<b>154 631</b>
Debt securities issued	17 794	135 850	22 466	176 110
Financial derivatives	0	26 755	3 693	30 448
Subordinated loan capital	0	0	763	763
<b>Total financial liabilities measured at fair value</b>	<b>17 794</b>	<b>162 606</b>	<b>26 922</b>	<b>207 321</b>

At 31 December 2024	Level 1	Level 2	Level 3	Total
Loans to customers	0	58 136	0	58 136
Commercial paper and bonds	68 733	1 062	6 207	76 002
Financial derivatives	0	19 989	144	20 133
<b>Total financial assets measured at fair value</b>	<b>68 733</b>	<b>79 186</b>	<b>6 351</b>	<b>154 271</b>
Debt securities issued	11 046	131 815	17 565	160 426
Financial derivatives	0	23 248	4 196	27 443
Subordinated loan capital	0	0	769	769
<b>Total financial liabilities measured at fair value</b>	<b>11 046</b>	<b>155 063</b>	<b>22 529</b>	<b>188 638</b>

### Reconciliation of changes in Level 3

	Commercial paper and bonds	Debt securities issued	Subordinated loan capital	Financial derivatives
<b>Carrying amount 31 December 2024</b>	<b>6 207</b>	<b>17 565</b>	<b>769</b>	<b>(4 051)</b>
Purchase	458	0	0	4
Sale	(744)	0	0	0
Issue	0	1 746	0	0
Settlement	(468)	(255)	0	1
Transfer into Level 3	152	0	0	0
Transfer out of Level 3	(330)	0	0	0
Net unrealised gain/(loss) recognised in the period	(99)	(684)	8	515
<b>Carrying amount 31 March 2025</b>	<b>5 176</b>	<b>18 372</b>	<b>776</b>	<b>(3 531)</b>

	Commercial paper and bonds	Debt securities issued	Subordinated loan capital	Financial derivatives
<b>Carrying amount 31 December 2023</b>	<b>10 760</b>	<b>24 911</b>	<b>770</b>	<b>(2 264)</b>
Purchase	2 367	0	0	(2)
Sale	(328)	0	0	0
Issue	0	211	0	0
Settlement	(2 731)	(3 238)	0	134
Transfer into Level 3	548	0	0	0
Transfer out of Level 3	(632)	0	0	0
Net unrealised gain/(loss) recognised in the period	100	582	(7)	(1 102)
<b>Carrying amount 31 March 2024</b>	<b>10 083</b>	<b>22 466</b>	<b>763</b>	<b>(3 234)</b>

	Commercial paper and bonds	Debt securities issued	Subordinated loan capital	Financial derivatives
<b>Carrying amount 31 December 2023</b>	<b>10 760</b>	<b>24 911</b>	<b>770</b>	<b>(2 264)</b>
Purchase	2 476	0	0	6
Sale	(1 244)	0	0	0
Issue	0	2 047	0	0
Settlement	(5 160)	(10 673)	0	149
Transfer into Level 3	1 083	0	0	0
Transfer out of Level 3	(1 919)	0	0	0
Net unrealised gain/(loss) recognised in the period	212	1 280	(2)	(1 943)
<b>Carrying amount 31 December 2024</b>	<b>6 207</b>	<b>17 565</b>	<b>769</b>	<b>(4 051)</b>

The transfers into and out of Level 3 are mainly due to changes in market conditions that affect the assessment of inputs to the valuation techniques during the reporting period. In 2025, net assets amounting to NOK 1.7 billion has been transferred from Level 1 to Level 2.

Effects from the currency conversion of principal amounts from non-derivative interest-bearing instruments in foreign currency and from interest and fees, are presented net in the income statement. Corresponding changes in fair value from currency derivatives used as hedging instruments in the economic hedging of the mentioned currency exposure, are presented net along with FX differences from the hedged item.

Net unrealised fair value changes for loans to customers, commercial paper issued, debt securities issued as well as subordinated loans are included in the income statement in net gain/(loss) on financial instruments, with the exception of unrealised fair value changes due to a change in own credit risk. Unrealised fair value changes due to a change in own credit risk are included in the statement of comprehensive income as other comprehensive income.

### Sensitivity analysis, level 3

The table below shows the impact of a 10 bp increase in the discount rate for financial assets and liabilities in Level 3.

(Amounts in NOK 1 000 000)	31 March 2025		31 March 2024		31 December 2024	
	Carrying amount	Impact of changes in key assumptions	Carrying amount	Impact of changes in key assumptions	Carrying amount	Impact of changes in key assumptions
Commercial paper and bonds	5 176	(10)	10 083	(23)	6 207	(14)
Financial derivatives	(3 531)	(6)	(3 234)	(14)	(4 051)	(7)
Debt securities issued	(18 372)	6	(22 466)	14	(17 565)	7
Subordinated loan capital	(776)	2	(763)	3	(769)	2
<b>Total</b>		<b>(8)</b>		<b>(20)</b>		<b>(11)</b>

## Note 5 Loans to customers

(Amounts in NOK 1 000 000)	31 March 2025	31 March 2024	31 December 2024
Principal amount	373 942	357 100	369 859
Accrued interest	3 689	3 575	3 342
Fair value adjustment	(3 917)	(5 089)	(4 231)
Value adjustment in fair value hedges	(1 572)	(775)	(1 459)
Expected credit loss	(42)	(31)	(32)
<b>Total loans to customers</b>	<b>372 100</b>	<b>354 780</b>	<b>367 480</b>
Other loans	12	17	15
<b>Total loans</b>	<b>372 112</b>	<b>354 797</b>	<b>367 495</b>

## Note 6 Expected credit loss

The below table shows expected credit loss as part of the carrying amount of loans to customers and commercial paper and bonds at the end of the period.

(Amounts in NOK 1 000 000)	31 March 2025		31 March 2024		31 December 2024	
	Carrying amount	Expected credit loss	Carrying amount	Expected credit loss	Carrying amount	Expected credit loss
Loans to customers	322 279	42	288 314	31	309 359	32
Commercial paper and bonds	60 630	3	50 004	3	63 969	3
<b>Total</b>	<b>382 908</b>	<b>45</b>	<b>338 318</b>	<b>35</b>	<b>373 329</b>	<b>35</b>

The below table shows a specification of the period's change in expected credit loss that is recognised in the income statement.

(Amounts in NOK 1 000 000)	1st quarter 2025	1st quarter 2024	2024
Loans to customers	10.2	(9.3)	(8.9)
Commercial paper and bonds	(0.4)	0.2	0.4
<b>Increased/(reduced) provision for expected credit loss</b>	<b>9.8</b>	<b>(9.1)</b>	<b>(8.6)</b>

All assets are allocated to stage 1 at initial recognition. On subsequent reporting dates, stage 1 allocation means that there has been no significant increase in credit risk since initial recognition for that particular asset. An allocation to stage 2 on a subsequent reporting date represents a significant increase in credit risk since initial recognition, while stage 3 implies that the asset is credit impaired. Stage 1 requires the calculation of a 12-month expected credit loss that is recognised in the income statement and statement of financial position. Assets allocated to stages 2 and 3 require the calculation of a lifetime expected credit loss, recognised in the income statement and statement of financial position. The assets are allocated back to lower stages if the credit risk is since reduced. Actual credit losses have never taken place during KBN's history.

All exposures are assessed to be in stage 1, both as of 31 March 2025, 31 March 2024 and 31 December 2024.

## Note 7 Commercial paper and bonds

(Amounts in NOK 1 000 000)

Commercial paper and bonds by type of issuer	31 March 2025	31 March 2024	31 December 2024
Domestic			
Issued by public bodies <sup>1</sup>	18 131	0	15 039
Hereof bonds issued by Norwegian municipalities	5 774	0	5 533
Issued by other borrowers	25 289	26 836	27 074
Foreign			
Issued by public bodies <sup>1</sup>	65 845	66 795	68 185
Issued by other borrowers	25 145	21 034	29 673
<b>Total commercial paper and bonds</b>	<b>134 410</b>	<b>114 666</b>	<b>139 971</b>
Hereof			
Commercial paper and bonds lent	12 787	1 081	7 688
Commercial paper and bonds pledged as collateral	5 193	1 498	4 318

<sup>1</sup>Issued by or guaranteed by sovereigns, central banks, regional authorities and multilateral development bank

Commercial paper and bonds by time to maturity	31 March 2025	31 March 2024	31 December 2024
Under 1 year	37 995	27 753	31 632
1-5 years	92 594	83 633	106 376
> 5 years	3 820	3 279	1 962
<b>Total commercial paper and bonds</b>	<b>134 410</b>	<b>114 666</b>	<b>139 971</b>
Average duration (years)*	2.0	2.5	2.3

\*Average duration shown in the table above applies to Commercial paper and bonds, but not to money market deposits. These are presented on the line Deposits with credit institutions. Including such deposits, the average duration of liquid assets is 2.0 years as of March 31, 2024.



## Note 8 Credit exposure in commercial paper and bonds

Amounts in the tables below represent actual credit exposure.

(Amounts in NOK 1 000 000)									
Exposure as at 31 March 2025									
Time to maturity	< 1 year				> 1 year				
Risk class	A-1	A-2	A-3	Not rated	A	AA	AAA	Not rated	Total
Sovereigns and central banks	5 365	0	0	0	3 159	7 441	8 374	0	24 339
Multilateral development banks	1 179	0	0	0	0	1 074	12 886	0	15 139
Regional authorities	9 111	0	0	11 273	0	14 690	3 450	5 974	44 498
Financial institutions	1 156	0	0	0	256	110	1 772	0	3 294
Corporates	1 056	0	0	0	1 281	0	0	0	2 338
Covered Bonds	8 856	0	0	0	0	433	35 513	0	44 802
<b>Total</b>	<b>26 722</b>	<b>0</b>	<b>0</b>	<b>11 273</b>	<b>4 697</b>	<b>23 749</b>	<b>61 995</b>	<b>5 974</b>	<b>134 410</b>

(Amounts in NOK 1 000 000)									
Exposure as at 31 March 2024									
Time to maturity	< 1 year				> 1 year				
Risk class	A-1	A-2	A-3	Not rated	A	AA	AAA	Not rated	Total
Sovereigns and central banks	11 082	0	0	0	568	4 746	2 947	0	19 343
Multilateral development banks	1 050	0	0	0	0	1 770	11 686	0	14 506
Regional authorities	8 298	0	0	5 510	346	17 100	4 722	2 321	38 297
Financial institutions	149	0	0	0	0	287	0	0	436
Corporates	1 028	0	0	0	2 662	0	1 628	0	5 318
Covered Bonds	637	0	0	0	0	0	36 128	0	36 765
<b>Total</b>	<b>22 244</b>	<b>0</b>	<b>0</b>	<b>5 510</b>	<b>3 576</b>	<b>23 903</b>	<b>57 111</b>	<b>2 321</b>	<b>114 666</b>

(Amounts in NOK 1 000 000)									
Exposure as at 31 December 2024									
Time to maturity	< 1 year				> 1 year				
Risk class	A-1	A-2	A-3	Not rated	A	AA	AAA	Not rated	Total
Sovereigns and central banks	7 191	0	0	0	3 248	6 652	7 125	0	24 216
Multilateral development banks	1 424	0	0	0	0	1 132	12 985	0	15 541
Regional authorities	6 518	0	0	10 147	0	17 422	4 020	5 359	43 467
Financial institutions	309	0	0	0	264	399	0	0	972
Corporates	1 351	0	0	0	1 786	0	0	0	3 137
Covered Bonds	4 692	0	0	0	0	450	47 497	0	52 638
<b>Total</b>	<b>21 485</b>	<b>0</b>	<b>0</b>	<b>10 147</b>	<b>5 298</b>	<b>26 055</b>	<b>71 627</b>	<b>5 359</b>	<b>139 971</b>

## Note 9 Debt securities issued and commercial paper issued

(Amounts in NOK 1 000 000)				31 March 2025	31 March 2024	31 December 2024
<b>Debt securities issued (nominal amounts incl. fees) as at 1 January</b>				<b>481 504</b>	<b>438 407</b>	<b>438 407</b>
New issuance				60 401	38 188	91 909
Redemptions				(25 873)	(21 704)	(86 499)
Amortisation (incl. fees)				245	(35)	433
Effects of exchange rate changes				(30 747)	21 537	37 253
<b>Debt securities issued (nominal amounts incl. fees) as at end of period</b>				<b>485 529</b>	<b>476 393</b>	<b>481 504</b>
Accrued interest				6 398	5 633	7 296
Fair value adjustment				(11 817)	(22 578)	(15 883)
Of which value adjustment that is due to change in own credit risk				227	19	227
Of which value adjustment that is due to other reasons, fair value				(6 131)	(9 030)	(7 343)
Of which value adjustment that is due to other reasons, hedge accounting				(5 914)	(13 567)	(8 767)
<b>Total Debt securities issued</b>				<b>480 110</b>	<b>459 448</b>	<b>472 917</b>

(Amounts in NOK 1 000 000)	Commercial paper issued	Debt securities issued	Subordinated loan capital
<b>Carrying amount 31 December 2024</b>	<b>26 713</b>	<b>472 917</b>	<b>769</b>
<i>Cash flows</i>			
Payments from issuance	46 577	60 401	0
Redemptions	(68 207)	(25 873)	0
<i>Changes that are not related to cash flows</i>			
Change due to accrued interest and amortisation	121	(653)	6
Changes in fair value	0	4 066	2
Repurchase, related to issue of Tier 1 capital	0	0	0
Effects of exchange rate changes on nominal amounts incl. fees	(983)	(30 747)	0
<b>Carrying amount 31 March 2025</b>	<b>4 221</b>	<b>480 110</b>	<b>776</b>

(Amounts in NOK 1 000 000)	Commercial paper issued	Debt securities issued	Subordinated loan capital
<b>Carrying amount 31 December 2023</b>	<b>41 318</b>	<b>424 593</b>	<b>770</b>
<i>Cash flows</i>			
Payments from issuance	35 140	38 188	0
Redemptions	(76 534)	(21 704)	0
<i>Changes that are not related to cash flows</i>			
Change due to accrued interest and amortisation	272	6	6
Changes in fair value	0	(3 173)	(13)
Repurchase, related to issue of Tier 1 capital	0	0	0
Effects of exchange rate changes on nominal amounts incl. fees	948	21 537	0
<b>Carrying amount 31 March 2024</b>	<b>1 144</b>	<b>459 448</b>	<b>763</b>

(Amounts in NOK 1 000 000)	Commercial paper issued	Debt securities issued	Subordinated loan capital
<b>Carrying amount 31 December 2023</b>	<b>41 318</b>	<b>424 593</b>	<b>770</b>
<i>Cash flows</i>			
Payments from issuance	132 316	91 909	0
Redemptions	(148 789)	(86 499)	0
<i>Changes that are not related to cash flows</i>			
Change due to accrued interest and amortisation	589	2 138	0
Changes in fair value	0	3 523	(2)
Repurchase, related to issue of Tier 1 capital	0	0	0
Effects of exchange rate changes on nominal amounts incl. fees	1 280	37 253	0
<b>Carrying amount 31 December 2024</b>	<b>26 713</b>	<b>472 917</b>	<b>769</b>

## Note 10 Primary capital

(Amounts in NOK 1 000 000)	31 March 2025	31 March 2024	31 December 2024
Equity	22 494	21 983	22 075
Additional Tier 1 capital included in equity	(3 484)	(3 484)	(3 484)
<b>Equity included in common equity Tier 1 capital</b>	<b>19 009</b>	<b>18 499</b>	<b>18 590</b>
Deductions:			
Deferred tax asset that exceeds 10 % of common equity Tier 1 capital	(12)	(484)	(176)
Intangible assets	(150)	(159)	(153)
Dividends payable	(860)	(870)	(700)
Prudent valuation adjustments (AVA)	(143)	(145)	(127)
Adjustments unrealised loss (gains) due to changes in own credit risk	171	14	170
<b>Total common equity Tier 1 capital</b>	<b>18 015</b>	<b>16 855</b>	<b>17 604</b>
Other approved Tier 1 capital	3 484	3 484	3 484
<b>Total Tier 1 capital</b>	<b>21 500</b>	<b>20 339</b>	<b>21 088</b>
Supplementary capital			
Subordinated loan capital	800	800	800
<b>Total supplementary capital</b>	<b>800</b>	<b>800</b>	<b>800</b>
<b>Total primary capital</b>	<b>22 300</b>	<b>21 139</b>	<b>21 888</b>

\*Only non-reversible deferred tax assets should be deducted here

Primary capital has been calculated under Capital Requirements Regulation (CRR). Unrealised gain/(loss) on liabilities that is due to changes in own credit risk is related to debt securities issued.

## Note 11 Capital adequacy

(Amounts in NOK 1 000 000)	31 March 2025			31 March 2024	31 December 2024
	Carrying amount	Risk weighted assets	Minimum capital requirements and capital adequacy	Minimum capital requirements and capital adequacy	Minimum capital requirements and capital adequacy
<b>Credit risk</b>					
Sovereigns and central banks	24 339	0	0	0	0
Regional governments and local authorities	404 523	78 008	6 241	5 776	6 132
<i>Of which are Norwegian municipalities</i>	389 362	78 008	6 241	5 691	6 132
Corporates	2 339	1 169	94	148	126
Public sector entities	12 088	0	0	0	0
Multilateral development banks	15 158	0	0	0	0
Financial institutions	26 278	6 530	522	302	320
<i>Of which counterparty exposure on derivatives</i>	22 125	5 421	434	212	145
Claims secured by residential property	21	21	2	2	2
Covered bonds	44 823	4 732	379	308	442
Other assets	1 915	4 619	370	348	365
Credit Valuation Adjustment	350	4 378	350	209	144
<b>Total credit risk</b>	<b>531 834</b>	<b>99 458</b>	<b>7 957</b>	<b>7 093</b>	<b>7 530</b>
<b>Market risk</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operational risk - Basic Indicator Approach</b>		<b>3 100</b>	<b>248</b>	<b>209</b>	<b>248</b>
<b>Minimum capital requirements</b>		<b>102 558</b>	<b>8 205</b>	<b>7 302</b>	<b>7 778</b>
<b>Total capital ratio</b>			<b>21.7 %</b>	<b>23.2 %</b>	<b>22.5 %</b>
<b>Tier 1 capital adequacy ratio</b>			<b>21.0 %</b>	<b>22.3 %</b>	<b>21.7 %</b>
<b>Common equity Tier 1 capital adequacy ratio</b>			<b>17.6 %</b>	<b>18.5 %</b>	<b>18.1 %</b>
<b>Leverage ratio</b>			<b>4.0 %</b>	<b>4.1 %</b>	<b>3.9 %</b>

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