

Report for 2nd quarter 2025

The logo consists of the letters 'KBN' in a bold, black, sans-serif font. The letters are contained within a white square that is tilted slightly to the right. The background of the entire page is a soft-focus photograph of a field of wildflowers, featuring several bright yellow buttercup-like flowers and numerous small white flowers on thin green stems.

KBN

Kommunalbanken AS

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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 382bn

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 interest rates, as well as economy and debt management, and climate change and risk 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. KBN's 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)	2nd quarter 2025	January - June 2025	2nd quarter 2024	January - June 2024	2024
RESULTS					
Net interest income	568	1 121	550	1 104	2 253
Core earnings ¹	305	597	330	638	1 276
Profit after tax	378	815	493	884	1 474
Cost/income ratio (percent) ²	20.7%	19.7%	16.1%	16.7%	17.1%
Return on equity after tax ³	7.3%	7.9%	10.1%	8.9%	7.4%
Return on equity after tax (core earnings) ⁴	6.6%	6.5%	7.3%	7.1%	7.2%
Return on assets after tax ⁵	0.3%	0.3%	0.3%	0.3%	0.3%
LOANS TO CUSTOMERS					
New disbursements	10 468	24 404	7 640	18 924	46 692
Aggregate loans to customers ⁶	375 281	375 281	358 059	358 059	369 859
Aggregate customer financing ⁷	381 906	381 906	360 655	360 655	375 356
12 month lending growth in percent ⁸	4.8%	4.8%	6.7%	6.7%	4.5%
12 month aggregate financing growth in percent ⁹	5.9%	5.9%	7.5%	7.5%	6.0%
Green loans to customers ¹⁰	73 166	73 166	54 890	54 890	65 969
Share of green loans in lending portfolio	20.1%	20.1%	15.8%	15.8%	18.5%
Share of municipalities with green loans ¹¹	45.4%	45.4%	40.1%	40.1%	44.4%
LIQUIDITY PORTFOLIO⁶	130 108	130 108	120 787	120 787	140
DEBT SECURITIES ISSUED					
New long-term debt securities issued	42 382	102 601	23 392	61 580	91 909
Aggregate debt securities issued ⁶	509 544	509 544	474 307	474 307	481 504
TOTAL ASSETS	561 651	561 651	530 227	530 227	567 644
EQUITY					
Equity	22 166	22 166	21 510	21 510	22 075
Common equity Tier 1 capital adequacy ratio	17.6%	17.6%	18.5%	18.5%	18.1%
Leverage ratio	3.9%	3.9%	4.1%	4.1%	3.9%
LIQUIDITY COVERAGE RATIO (LCR)¹²					
Total	314.3%	314.3%	246.0%	246.0%	236.0%
NOK	88.4%	88.4%	77.0%	77.0%	97.0%
EUR	794.6%	794.6%	336.0%	336.0%	261.0%
USD	228.0%	228.0%	231.0%	231.0%	334.0%
OTHER KEY FIGURES					
Market share excl. Husbanken ¹³	48.6%	48.6%	49.8%	49.8%	49.4%
Market share overall financing of customers excl. Husbanken ¹⁴	49.9%	49.9%	50.2%	50.2%	50.2%
Percentage of women employed in KBN	34%	34%	36%	36%	33%
Emissions in tons CO ₂ equivalents ¹⁵	15.5	20.9	21.2	52.2	82.5

Footnotes

¹ 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.

² 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).

³ 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.

⁴ Core earnings as a percentage of average equity (annualized).

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

⁶ Principal amounts.

⁷ 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.

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

⁹ 12-month growth based on aggregate customer financing (principal amount).

¹⁰ 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 75.5 billion.

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

¹² 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.

¹³ 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.

¹⁴ 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.

¹⁵ 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

The Board of Directors' Report

Stable net interest income in challenging times

KBN's net interest income totalled NOK 568 million in the second quarter of 2025, compared to NOK 550 million in the second quarter of 2024. KBN's aggregate customer financing¹ grew by NOK 2 billion in the second quarter of 2025, of which the growth in green lending amounted to NOK 1 billion. Green lending represented 20.1% of KBN's total lending portfolio at the end of the quarter.

Results for the quarter

KBN's core earnings² totalled NOK 305 million in the second quarter of 2025, compared to NOK 330 million in the second quarter of 2024. The decrease in core earnings was due to an increase in KBN's operating costs in combination with lower realised gains relative to the corresponding period in 2024. KBN's net interest income totalled NOK 568 million in the second quarter of 2025, as compared to NOK 550 million in the corresponding period of 2024. Norges Bank cut its key policy rate by 0.25 of a percentage point at its June monetary policy committee meeting. The rate now stands at 4.25%, while the money market interest rate at the end of the quarter was 4.34%.

KBN's result for the accounting period, in the second quarter of 2025, was a profit of NOK 378 million, compared to a profit of NOK 493 million in the same period in 2024. In the second quarter of 2025, KBN recognised a net gain on financial instruments totalling NOK 44 million, as compared to a net gain of NOK 193 million in the second 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 4 million for the second quarter of 2025, while there was a net realised gain from market transactions of NOK 28 million in the second quarter of 2024. Unrealised gains amounted to NOK 40 million in the second quarter of 2025, compared to unrealised gains of NOK 164 million in the same period in 2024. KBN's fixed rate lending and associated hedging instruments contributed a net unrealised gain of NOK 134 million in the second 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 171 million in the second 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 second quarter of 2025, 32.5% 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 18 million for the second quarter of 2025, while KBN's own bonds and associated hedging instruments contributed a net unrealised loss of NOK 112 million to its result from ordinary activities in the same period.

¹ 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.

² 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.

KBN's 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. This is because the Norwegian Local Government Act states that 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 1 million in the second quarter of 2025, bringing the total to NOK 46 million at the end of the quarter.

KBN's total operating costs for the second quarter of 2025 were NOK 112 million, compared to NOK 88 million in the same period in 2024. This increase was in accordance with the plans adopted by KBN and was primarily due to wage growth, a higher level of activity in developing and improving KBN's operations, the latter of which has led to increased staffing and hiring in temporary employees pending new appointments.

Results for the first six months of 2025

KBN's core earnings³ for the first six months of 2025 totalled NOK 597 million, compared to NOK 638 million in the first six months of 2024. KBN's net interest income in the first six months of 2025 was NOK 1,121 million, as compared to NOK 1,104 million in the first six months of 2024.

KBN's result for the accounting period in the first six months of 2025 was a profit of NOK 815 million as compared to a profit of NOK 884 million in the first six months of 2024. KBN recognised net gains on financial instruments totalling NOK 206 million in the first six months of 2025, compared with NOK 273 million in the first six months of 2024.

KBN's total operating costs for the first six months of 2025 were NOK 211 million, compared to NOK 184 million in the first six months of 2024. This increase was in accordance with the plans adopted by KBN and was primarily due to wage growth, a higher level of activity in developing and improving KBN's operations, the latter of which has led to increased staffing and hiring in temporary employees pending new appointments. KBN's cost-to-income ratio⁴ for the first six months of 2025 was 19.7%, compared to 16.7% in the first six months of 2024.

KBN's annualised return on equity in the first six months of 2025 was 7.9%, compared to 8.9% in the same period in 2024. Based on its core earnings, KBN's annualised return on equity in the second quarter of 2025 was 6.5%, compared to 7.1% in the same period in 2024. The decrease was due to somewhat lower core earnings as well as to an increase in retained earnings. KBN's annualised return on equity based on its core earnings increased from 6.3% in the first quarter to 6.5% in the first six months of 2025. The return target set by KBN by its Board of Directors for the 2025-2027 period is at least 7%.

KBN's total comprehensive income in the first six months of 2025 was NOK 919 million, compared to NOK 652 million in the first six months of 2024. KBN's total comprehensive income includes gains and losses on

³ 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.

⁴ Operating expenses as a percentage of the total of Net interest income and Total other operating income adjusted for Net unrealised gain/(loss) on financial instruments (in accordance with note 2).

KBN's own bonds resulting from changes to KBN's own credit risk. For the first six months of 2025, there was an unrealised gain after tax from changes to KBN's own credit risk of NOK 104 million, as compared to an unrealised gain after tax of NOK 231 million in the same period in 2024.

Table 1: Result for the period and total comprehensive income

(Amounts in NOK 1 000 000)	2nd quarter 2025	January - June 2025	2nd quarter 2024	January - June 2024	2024
Net interest income	568	1 121	550	1 104	2 253
Fees and commission expenses	33	60	33	66	125
Net gain/(loss) on financial instruments	44	206	193	273	157
Increased/(reduced) provision for expected credit loss	1	11	0	(9)	(9)
Operating expenses	112	211	88	184	383
Income tax	89	229	128	252	437
Profit for the period	378	815	493	884	1 474
(Amounts in NOK 1 000 000)	2nd quarter 2025	Year to date 2025	2nd quarter 2024	Year to date 2024	2024
Profit for the period	378	815	493	884	1 474
Change in fair value of liabilities due to changes in own credit risk	139	139	(212)	(309)	(305)
Actuarial gain/(loss) on pension liability	0	0	0	0	11
Tax	(35)	(35)	53	77	73
Total comprehensive income for the period	482	919	335	652	1 254

Lending

KBN's lending portfolio totalled NOK 375 billion⁵ at the end of the second quarter of 2025, while aggregate customer financing⁶ totalled NOK 382 billion⁷ at the end of the second quarter of 2025. KBN's aggregate customer financing increased by NOK 2 billion in the second quarter of 2025, as compared to an increase of NOK 3 billion in the second quarter of 2024. The main reason for the reduction in growth in KBN's aggregate customer financing was the favourable terms available to local government sector borrowers in the capital markets.

KBN's portfolio of green loans increased by NOK 1 billion in the second quarter of 2025, as compared to NOK 1 billion in the same period in 2024. KBN's green lending in the second quarter of 2025 included green loans for the municipalities of Fredrikstad and Sandefjord. At the end of the second quarter of 2025, KBN's green lending represented 20.1% of its overall lending portfolio.

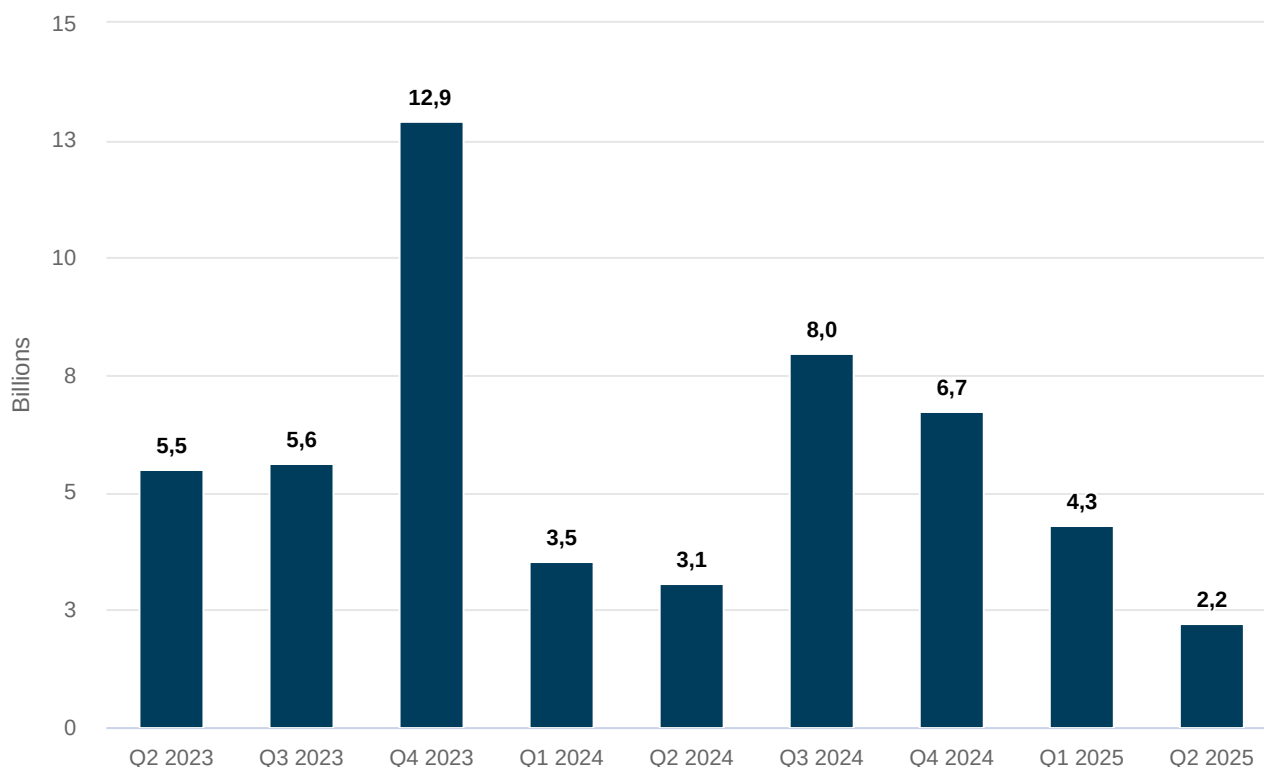
The annual rate of debt growth in the local government sector as at the end of June 2025 was calculated to be 8.6%. After adjusting for borrowing from the Norwegian State Housing Bank, the rate of debt growth was 8.1%. After adjusting for borrowing from the Norwegian State Housing Bank, KBN's market share based on its aggregate customer financing⁸ as at the end of the second quarter of 2025 was 49.9%.

⁵ Principal amount

⁶ 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.

⁷ Principal amount

⁸ 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, 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.

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

Financial markets

The rate of inflation in Norway was running at 3.0% at the most recent assessment in June, while core inflation was 3.1%. 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 half of 2025, and there is significantly more uncertainty than usual regarding future growth both nationally and internationally. The American dollar weakened against most currencies in the quarter, including the Norwegian krone.

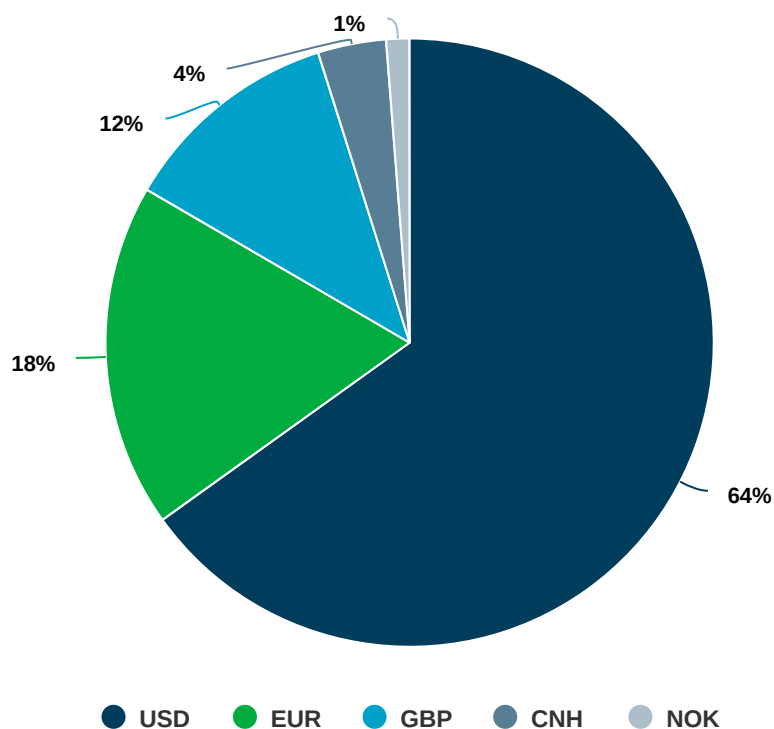
The Euro strengthened against the Norwegian krone towards the end of the second quarter. Credit spreads on local government and covered bonds decreased somewhat over the quarter.

Funding

KBN enjoyed good access to the international capital markets in the first six months of 2025 and completed all its funding transactions as planned. KBN's new borrowings in the first six months of 2025 totalled approximately NOK 103 billion through 40 bond issues in 8 currencies, as compared to NOK 62 billion in the second 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 130 billion⁹ at the end of the second quarter of 2025, as compared to NOK 121 billion at the end of the second 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 57% of the portfolio at the end of the second 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.

⁹ Principal amount

Capital

Table 2: Capital adequacy key figures

As at 30 June 2025	Volume in NOK billion	Capital adequacy	Requirements
Common equity Tier 1 capital adequacy ratio	18.1	17.6 %	14.6 %
Tier 1 capital adequacy ratio	21.6	21.0 %	16.4 %
Total capital ratio	22.4	21.8 %	18.8 %

KBN's total assets at the end of the second quarter of 2025 amounted to NOK 562 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 the strengthening of the Norwegian krone and the weakness of the American dollar.

KBN's Pillar 2 capital requirement at the end of the second 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.

On 13 May KBN received a letter from the Financial Supervisory Authority of Norway regarding its resolution plan and MREL requirements. The Financial Supervisory Authority of Norway states in the letter that if KBN were to be hit by a crisis, they would assume that the strategy for KBN would be winding-up under public administration, and on this basis no institution-specific resolution plan will be produced, nor will minimum requirements be set for the total amount of own funds and eligible liabilities (MREL) held by KBN. This is the same as for other similar institutions in the EU.

KBN's leverage ratio at the end of the second quarter of 2025 was 3.9%, as compared to the requirement of 3.0%.

KBN's capital adequacy at the end of the second 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 in 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 CO₂e emissions in 2025 should be a maximum of 65% of the 2019 level, which corresponds to approximately 124 tonnes of CO₂e for the year. KBN is well positioned

to achieve this goal. KBN has calculated that its own CO₂e emissions¹⁰ in the first six months of 2025 were 21 tonnes of CO₂e, which is a decrease from 52 tonnes of CO₂e in the same period in 2024. The reduction is due to lower energy consumption in new office premises as well as reduced travel activity in the first six months of 2025.

Future prospects

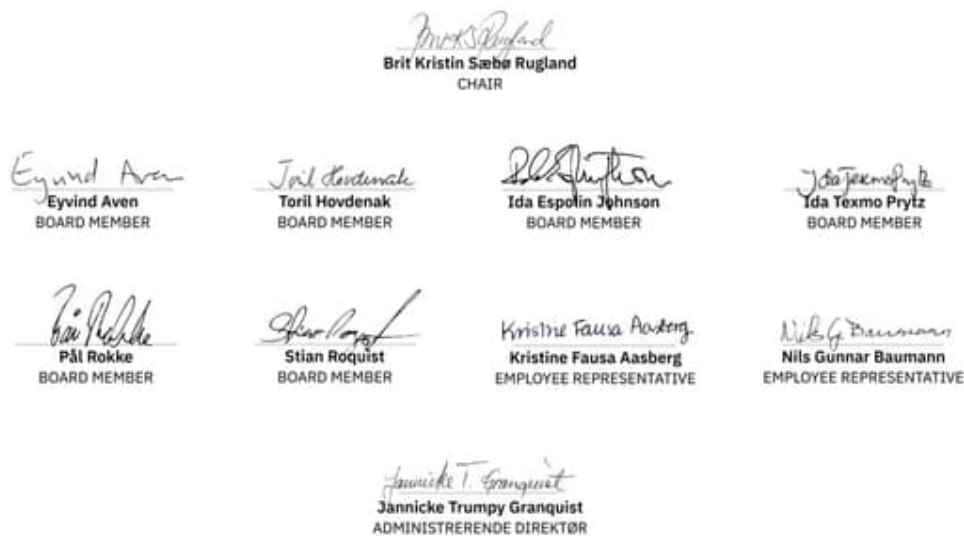
At its monetary policy committee meeting in June 2025, Norges Bank stated that a restrictive monetary policy was still required, but that the outlook for the coming year indicates lower inflation than previously expected. Norges Bank stated that a cautious normalisation of the policy rate would pave the way for inflation to return to the target of 2% without restricting the economy more than necessary. 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, 7 August 2025

The Board of Directors and Chief Executive Officer of Kommunalbanken AS



¹⁰ 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.

Financial statement

INCOME STATEMENT

(Amounts in NOK 1 000 000)	Note	2nd quarter 2025	January - June 2025	2nd quarter 2024	January - June 2024	2024
Interest income from assets measured at amortised cost		5 074	10 142	4 882	9 570	19 557
Interest income from assets measured at fair value		1 408	2 945	1 765	3 758	7 375
Total interest income		6 482	13 087	6 647	13 328	26 931
Interest expense		5 913	11 967	6 097	12 224	24 678
Net interest income	1	568	1 121	550	1 104	2 253
Fees and commission expenses		33	60	33	66	125
Net gain/(loss) on financial instruments	2	44	206	193	273	157
Increased/(reduced) provision for expected credit loss	6	1	11	0	(9)	(9)
Total other operating income		10	135	159	216	41
Salaries and administrative expenses		64	126	49	110	221
Depreciation of fixed and intangible assets		13	25	12	23	48
Other operating expenses		35	60	28	50	115
Total operating expenses		112	211	88	184	383
Profit before tax		467	1 044	622	1 136	1 911
Income tax		89	229	128	252	437
Profit for the period		378	815	493	884	1 474
Portion allocated to shareholder		335	733	453	803	1 312
Portion allocated to owners of additional Tier 1 capital		43	83	40	81	162

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK 1 000 000)	Note	2nd quarter 2025	January - June 2025	2nd quarter 2024	January - June 2024	2024
Profit for the period		378	815	493	884	1 474
Other comprehensive income						
Items which will not be reclassified to profit or loss						
Change in fair value of liabilities due to changes in own credit risk	9	139	139	(212)	(309)	(305)
Actuarial gain/(loss) on pension liability		0	0	0	0	11
Tax		(35)	(35)	53	77	73
Total other comprehensive income		104	104	(159)	(231)	(220)
Total comprehensive income for the period		482	919	335	652	1 254
Portion allocated to shareholder		440	837	294	571	1 091
Portion allocated to owners of additional Tier 1 capital		43	83	40	81	162

Statement of financial position

(Amounts in NOK 1 000 000)	Note	30 June 2025	30 June 2024	31 December 2024
Assets				
Deposits with credit institutions	<u>3</u>	36 400	37 709	37 787
Loans to customers	<u>3,4,5,6</u>	375 557	355 592	367 495
Commercial paper and bonds	<u>3,4,6,7,8</u>	130 773	120 010	139 971
Hereof commercial paper and bonds lent	<u>7</u>	5 665	6 072	7 688
Financial derivatives	<u>3,4</u>	16 936	14 572	20 133
Deferred tax asset		1 692	2 143	1 954
Other assets		293	202	303
Total assets		561 651	530 227	567 644
Liabilities and equity				
Due to credit institutions	<u>3,4</u>	4 608	10 839	17 539
Commercial paper issued	<u>3,4,9</u>	4 109	7 509	26 713
Debt securities issued	<u>3,4,9</u>	508 682	459 239	472 917
Financial derivatives	<u>3,4</u>	21 200	30 356	27 443
Other liabilities		102	(4)	177
Pension commitments		11	25	11
Subordinated loan capital	<u>3,4,9</u>	773	752	769
Total liabilities		539 485	508 717	545 569
Share capital		3 895	3 895	3 895
Additional Tier 1 capital		3 484	3 484	3 484
Retained earnings		14 787	14 131	14 696
Total equity		22 166	21 510	22 075
Total liabilities and equity		561 651	530 227	567 644

Statement of changes in equity

(Amounts in NOK 1 000 000)

	1. January - 30 June 2025				
	Share capital	Additional Tier 1 capital	Financial liabilities, changes in own credit risk	Other equity	Total equity
Equity as of 31 December 2024	3 895	3 484	(170)	14 866	22 075
Profit for the period	0	0	0	815	815
Other comprehensive income after tax - financial liabilities, changes in own credit risk	0	0	104	0	104
Other comprehensive income after tax - actuarial gain/loss	0	0	0	0	0
Interest paid on additional Tier 1 capital	0	0	0	(128)	(128)
Issuance of additional Tier 1 capital	0	0	0	0	0
Dividends for 2023	0	0	0	(700)	(700)
Equity as of 30 June 2025	3 895	3 484	(66)	14 853	22 166

	1. January - 30 June 2024				
	Share capital	Additional Tier 1 capital	Financial liabilities, changes in own credit risk	Other equity	Total equity
Equity as of 31 December 2023	3 895	3 484	59	14 245	21 684
Profit for the period	0	0	0	884	884
Other comprehensive income after tax - financial liabilities, changes in own credit risk	0	0	(231)	0	(231)
Other comprehensive income after tax - actuarial gain/loss	0	0	0	0	0
Interest paid on additional Tier 1 capital	0	0	0	(126)	(126)
Issuance of additional Tier 1 capital	0	0	0	0	0
Dividends for 2023	0	0	0	(700)	(700)
Equity as of 30 June 2024	3 895	3 484	(173)	14 303	21 510

	1. January - 31 December 2024				
	Share capital	Additional Tier 1 capital	Financial liabilities, changes in own credit risk	Other equity	Total equity
Equity as of 31 December 2023	3 895	3 484	59	14 245	21 684
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)
Equity as of 31 December 2024	3 895	3 484	(170)	14 866	22 075

Statement of cash flows

(Amounts in NOK 1 000 000)	January - June 2025	January - June 2024	2024
Cash flows from operating activities			
Interest received	13 028	13 207	26 751
Interest paid	(11 591)	(11 651)	(23 392)
Fees and commissions paid	(101)	(112)	(122)
Cash payments for operations	(186)	(160)	(336)
Paid taxes	0	0	0
Net disbursement of loans to customers	(5 417)	(4 006)	(15 805)
Net (payment)/disbursement short-term investments	(11 346)	4 048	10 686
Net payment/(disbursement) from purchase/sale of securities	4 930	(3 371)	(18 131)
Net (payment)/disbursement other assets	75	50	0
Net payment/(disbursement) other liabilities	(83)	(75)	(8)
Net (payment)/disbursement financial derivatives	(28 925)	17 367	32 142
Net cash flows from operating activities	(39 615)	15 295	11 784
Cash flows from investing activities			
Disbursement from sale of fixed assets	(18)	(20)	(45)
Net cash flows from investing activities	(18)	(20)	(45)
Cash flows from financing activities			
Payments on issued commercial paper	70 383	48 606	132 316
Repayment of commercial paper issued	(91 780)	(83 622)	(148 789)
Lease payments	(4)	(4)	(10)
Payments on issued debt securities	102 601	61 580	91 909
Repayment of debt securities issued	(39 992)	(41 205)	(86 499)
Interest Paid on additional Tier 1 capital	(128)	(126)	(162)
Dividends paid	(700)	(700)	(700)
Net cash flows from financing activities	40 380	(15 473)	(11 935)
Net cash flows	746	(197)	(196)
Adjustment of exchange rate changes	(30)	68	83
Net cash flows after effects of exchange rate changes	716	(129)	(113)
Cash and cash equivalents at 1 January	243	356	356
Net changes of cash and cash equivalents	716	(129)	(113)
Cash and cash equivalents at end of period	959	227	243
Whereof			
Deposits with credit institutions without agreed time to maturity	959	227	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 30 June 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 2024. 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 2024.

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)	2nd quarter 2025	January - June 2025	2nd quarter 2024	January - June 2024	January- December 2024
Deposits with credit institutions	116	223	168	327	673
Other money market deposits	1	1	0	0	0
Loans to customers	4 000	7 896	3 681	7 337	15 027
Financial derivatives, hedge accounting loans to customers	204	389	151	265	636
Commercial paper and bonds	761	1 654	889	1 649	3 243
Financial derivatives, hedge accounting loans to customers	(9)	(20)	(7)	(7)	(22)
<i>Interest income from assets measured at amortised cost</i>	<i>5 074</i>	<i>10 142</i>	<i>4 882</i>	<i>9 570</i>	<i>19 557</i>
Loans to customers	263	553	358	731	1 408
Commercial paper and bonds	638	1 269	452	945	2 043
Financial derivatives	507	1 123	956	2 081	3 924
<i>Interest income from assets measured at fair value</i>	<i>1 408</i>	<i>2 945</i>	<i>1 765</i>	<i>3 758</i>	<i>7 375</i>
Total interest income	6 482	13 087	6 647	13 328	26 931
Due to credit institutions	40	76	14	15	132
Commercial paper issued	65	186	33	305	589
Debt securities issued	2 554	4 914	2 033	3 885	8 328
Financial derivatives, hedge accounting debt securities issued	1 075	2 402	2 310	4 677	8 753
<i>Interest expenses from debt measured at amortised cost</i>	<i>3 734</i>	<i>7 577</i>	<i>4 391</i>	<i>8 882</i>	<i>17 801</i>
Debt securities issued	1 096	2 136	1 138	2 303	4 448
Financial derivatives	1 077	2 242	562	1 027	2 405
Subordinated loan capital	6	12	6	12	24
<i>Interest expenses from debt measured at fair value</i>	<i>2 179</i>	<i>4 390</i>	<i>1 706</i>	<i>3 342</i>	<i>6 877</i>
Total interest expenses	5 913	11 967	6 097	12 224	24 678
Net interest income	568	1 121	550	1 104	2 253

Note 2 Net gain/(loss) on financial instruments

(Amounts in NOK 1 000 000)

Net gain/(loss) on financial instruments	2nd quarter 2025	January - June 2025	2nd quarter 2024	January - June 2024	2024
Loans to customers	2 282	2 482	275	(872)	(972)
Commercial paper and bonds	395	716	138	(122)	481
Financial derivatives	660	4 367	497	(1 299)	3 866
Debt securities issued	(3 278)	(7 343)	(710)	2 560	(3 218)
Subordinated loan capital	(14)	(16)	(7)	6	2
Net gain/(loss) on financial instruments	44	206	193	273	157
Whereof net unrealised gain/(loss) on financial instruments	40	181	164	220	47
Whereof net realised gain/(loss) on market transactions	4	25	28	54	110

Specification of net gain/(loss) on financial instruments including hedging instruments	2nd quarter 2025	January - June 2025	2nd quarter 2024	January - June 2024	2024
Loans to customers, including hedging instruments	134	187	171	239	259
Commercial paper and bonds, including hedging instrument	23	65	36	113	89
Debt securities issued and subordinated loan capital, including hedging instruments	(112)	(45)	(15)	(79)	(190)
Net gain/(loss) on financial instruments	44	206	193	273	157

Specification of net gain/(loss) on financial instruments in fair value hedge	2nd quarter 2025	January - June 2025	2nd quarter 2024	January - June 2024	2024
Loan to customers	1 373	1 260	(102)	(859)	(1 441)
Financial derivatives, in hedge accounting loans to customers	(1 325)	(1 229)	115	839	1 453
Commercial paper and bonds	23	21	(1)	(1)	(18)
Financial derivatives, in hedge accounting commercial paper and bonds	(22)	(20)	1	1	18
Debt securities issued	(2 112)	(4 965)	(882)	920	(2 958)
Financial derivatives, in hedge accounting debt securities issued	2 115	4 953	952	(921)	2 878
Net gain/(loss) on financial instruments in fair value hedge	52	20	83	(22)	(68)

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 30 June 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	36 400	0	0	0	0	36 400
Other money market deposits	375 557	45 508	0	0	94 658	235 391
Loans to customers	130 773	81 600	0	0	2 546	46 628
Commercial paper and bonds	16 936	0	13 916	3 020	0	0
Financial derivatives	559 666	127 108	13 916	3 020	97 204	318 419
Total financial assets	559 666	127 108	13 916	3 020	97 204	318 419
Due to credit institutions	4 608	(0)	0	0	0	4 608
Commercial paper issued	4 109	0	0	0	0	4 109
Debt securities issued	508 682	172 263	0	0	275 775	60 645
Financial derivatives	21 200	0	13 364	7 836	0	0
Subordinated loan capital	773	773	0	0	0	0
Total financial liabilities	539 373	173 036	13 364	7 836	275 775	69 362

At 30 June 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	37 709	0	0	0	0	37 709
Other money market deposits	0	0	0	0	0	0
Loans to customers	355 592	64 414	0	0	55 171	236 007
Commercial paper and bonds	120 010	63 683	0	0	769	55 558
Financial derivatives	14 572	0	13 503	1 069	0	0
Total financial assets	527 883	128 097	13 503	1 069	55 940	329 274
Due to credit institutions	10 839	0	0	0	0	10 839
Commercial paper issued	7 509	0	0	0	0	7 509
Debt securities issued	459 239	174 848	0	0	257 966	26 425
Financial derivatives	30 356	0	15 628	14 728	0	0
Subordinated loan capital	752	752	0	0	0	0
Total financial liabilities	508 696	175 600	15 628	14 728	257 966	44 773

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
Total financial assets	565 386	134 138	18 070	2 063	74 075	337 041
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
Total financial liabilities	545 381	161 195	16 543	10 900	280 955	75 788

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 30 June 2025	Level 1	Level 2	Level 3	Total
Loans to customers	0	45 508	0	45 508
Commercial paper and bonds	66 675	9 217	5 709	81 600
Financial derivatives	0	16 599	337	16 936
Total financial assets measured at fair value	66 675	71 324	6 045	144 044
Debt securities issued	11 247	142 779	18 237	172 263
Financial derivatives	0	17 421	3 779	21 200
Subordinated loan capital	0	0	773	773
Total financial liabilities measured at fair value	11 247	160 201	22 788	194 236

At 30 June 2024	Level 1	Level 2	Level 3	Total
Loans to customers	0	64 427	0	64 427
Commercial paper and bonds	56 652	871	6 160	63 683
Financial derivatives	0	14 219	353	14 572
Total financial assets measured at fair value	56 652	79 517	6 513	142 683
Debt securities issued	17 885	136 136	20 827	174 848
Financial derivatives	0	26 669	3 688	30 356
Subordinated loan capital	0	0	752	752
Total financial liabilities measured at fair value	17 885	162 805	25 267	205 957

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
Total financial assets measured at fair value	68 733	79 186	6 351	154 271
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
Total financial liabilities measured at fair value	11 046	155 063	22 529	188 638

Reconciliation of changes in Level 3

	Commercial paper and bonds	Debt securities issued	Subordinated loan capital	Financial derivatives
Carrying amount 31 December 2024	6 207	17 565	769	(4 051)
Purchase	458	0	0	8
Sale	(744)	0	0	0
Issue	0	3 267	0	0
Settlement	(827)	(1 436)	0	(25)
Transfer into Level 3	1 059	0	0	0
Transfer out of Level 3	(330)	0	0	0
Net unrealised gain/(loss) recognised in the period	(114)	(1 159)	4	626
Carrying amount 30 June 2025	5 709	18 237	773	(3 443)

	Commercial paper and bonds	Debt securities issued	Subordinated loan capital	Financial derivatives
Carrying amount 31 December 2023	10 760	24 911	770	(2 264)
Purchase	2 367	0	0	(5)
Sale	(1 244)	0	0	0
Issue	0	1 345	0	0
Settlement	(4 567)	(5 882)	0	209
Transfer into Level 3	619	0	0	0
Transfer out of Level 3	(1 848)	0	0	0
Net unrealised gain/(loss) recognised in the period	74	453	(18)	(1 276)
Carrying amount 30 June 2024	6 160	20 827	752	(3 335)

	Commercial paper and bonds	Debt securities issued	Subordinated loan capital	Financial derivatives
Carrying amount 31 December 2023	10 760	24 911	770	(2 264)
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)
Carrying amount 31 December 2024	6 207	17 565	769	(4 051)

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)	30 June 2025		30 June 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	5 709	(12)	6 160	(16)	6 207	(14)
Financial derivatives	(3 443)	(6)	(3 335)	(7)	(4 051)	(7)
Debt securities issued	(18 237)	6	(20 827)	7	(17 565)	7
Subordinated loan capital	(773)	2	(752)	3	(769)	2
Total		(10)		(13)		(11)

Note 5 Loans to customers

(Amounts in NOK 1 000 000)	30 June 2025	30 June 2024	31 December 2024
Principal amount	375 281	358 059	369 859
Accrued interest	3 518	3 136	3 342
Fair value adjustment	(3 009)	(4 712)	(4 231)
Value adjustment in fair value hedges	(199)	(877)	(1 459)
Expected credit loss	(45)	(31)	(32)
Total loans to customers	375 547	355 575	367 480
Other loans	11	17	15
Total loans	375 557	355 592	367 495

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)	30 June 2025		30 June 2024		31 December 2024	
	Carrying amount	Expected credit loss	Carrying amount	Expected credit loss	Carrying amount	Expected credit loss
Loans to customers	330 049	45	291 178	31	309 359	32
Commercial paper and bonds	49 173	1	56 327	4	63 969	3
Total	379 223	46	347 504	35	373 329	35

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)	2nd quarter 2025	January - June 2025	2nd quarter 2024	January - June 2024	2024
Loans to customers	2.9	13.1	(0.2)	(9.5)	(8.9)
Commercial paper and bonds	(1.5)	(1.9)	0.5	0.7	0.4
Increased/(reduced) provision for expected credit loss	1.4	11.2	0.3	(8.8)	(8.6)

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 30 June 2025, 30 June 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	30 June 2025	30 June 2024	31 December 2024
Domestic			
Issued by public bodies ¹	14 046	10 828	15 039
Hereof bonds issued by Norwegian municipalities	6 705	0	5 533
Issued by other borrowers	24 739	20 514	27 074
Foreign			
Issued by public bodies ¹	65 144	62 927	68 185
Issued by other borrowers	26 844	25 740	29 673
Total commercial paper and bonds	130 773	120 010	139 971
Hereof			
Commercial paper and bonds lent	5 665	6 072	7 688
Commercial paper and bonds pledged as collateral	5 313	3 689	4 318

¹Issued by or guaranteed by sovereigns, central banks, regional authorities and multilateral development bank

Commercial paper and bonds by time to maturity	30 June 2025	30 June 2024	31 December 2024
Under 1 year	38 969	25 108	31 632
1-5 years	87 620	91 151	106 376
> 5 years	4 184	3 750	1 962
Total commercial paper and bonds	130 773	120 010	139 971
Average duration (years)*	2.6	2.6	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 June 30, 2025.

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 30 June 2025							
Time to maturity	< 1 year				> 1 year			
Risk class	A-1	A-2	A-3	Not rated	A	AA	AAA	Not rated
Sovereigns and central banks	9 041	0	0	0	2 101	6 741	10 390	0
Multilateral development banks	1 976	0	0	0	0	467	13 405	0
Regional authorities	9 459	0	0	5 881	378	8 889	3 503	6 959
Financial institutions	875	0	0	0	265	116	0	0
Corporates	574	0	0	0	1 285	0	0	0
Covered Bonds	11 163	0	0	0	0	458	36 846	0
Total	33 088	0	0	5 881	4 029	16 672	64 144	6 959

(Amounts in NOK 1 000 000)	Exposure as at 30 June 2024							
Time to maturity	< 1 year				> 1 year			
Risk class	A-1	A-2	A-3	Not rated	A	AA	AAA	Not rated
Sovereigns and central banks	7 066	0	0	0	1 520	4 690	5 086	0
Multilateral development banks	1 051	0	0	0	0	1 719	11 683	0
Regional authorities	7 229	0	0	8 997	352	16 079	5 022	3 409
Financial institutions	0	0	0	0	0	393	0	0
Corporates	765	0	0	0	2 265	0	0	0
Covered Bonds	0	0	0	0	0	430	42 254	0
Total	16 111	0	0	8 997	4 136	23 312	64 044	3 409

(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
Sovereigns and central banks	7 191	0	0	0	3 248	6 652	7 125	0
Multilateral development banks	1 424	0	0	0	0	1 132	12 985	0
Regional authorities	6 518	0	0	10 147	0	17 422	4 020	5 359
Financial institutions	309	0	0	0	264	399	0	0
Corporates	1 351	0	0	0	1 786	0	0	0
Covered Bonds	4 692	0	0	0	0	450	47 497	0
Total	21 485	0	0	10 147	5 298	26 055	71 627	5 359

Note 9 Debt securities issued and commercial paper issued

(Amounts in NOK 1 000 000)	30 June 2025	30 June 2024	31 December 2024
Debt securities issued (nominal amounts incl. fees) as at 1 January	481 504	438 407	438 407
New issuance	102 601	61 580	91 909
Redemptions	(39 992)	(41 205)	(86 499)
Amortisation (incl. fees)	360	(186)	433
Effects of exchange rate changes	(34 928)	15 712	37 253
Debt securities issued (nominal amounts incl. fees) as at end of period	509 544	474 307	481 504
Accrued interest	7 817	6 589	7 296
Fair value adjustment	(8 679)	(21 657)	(15 883)
<i>Of which value adjustment that is due to change in own credit risk</i>	88	231	227
<i>Of which value adjustment that is due to other reasons, fair value</i>	(4 965)	(9 242)	(7 343)
<i>Of which value adjustment that is due to other reasons, hedge accounting</i>	(3 802)	(12 645)	(8 767)
Total Debt securities issued	508 682	459 239	472 917

(Amounts in NOK 1 000 000)	Commercial paper issued	Debt securities issued	Subordinated loan capital
Carrying amount 31 December 2024	26 713	472 917	769
<i>Cash flows</i>			
Payments from issuance	70 383	102 601	0
Redemptions	(91 780)	(39 992)	0
<i>Changes that are not related to cash flows</i>			
Change due to accrued interest and amortisation	186	881	(12)
Changes in fair value	0	7 204	16
Repurchase, related to issue of Tier 1 capital	0	0	0
Effects of exchange rate changes on nominal amounts incl. fees	(1 393)	(34 928)	(0)
Carrying amount 30 June 2025	4 109	508 682	773

(Amounts in NOK 1 000 000)	Commercial paper issued	Debt securities issued	Subordinated loan capital
Carrying amount 31 December 2023	41 318	424 593	770
<i>Cash flows</i>			
Payments from issuance	48 606	61 580	0
Redemptions	(83 622)	(41 205)	0
<i>Changes that are not related to cash flows</i>			
Change due to accrued interest and amortisation	305	811	(12)
Changes in fair value	0	(2 251)	(6)
Repurchase, related to issue of Tier 1 capital	0	0	0
Effects of exchange rate changes on nominal amounts incl. fees	903	15 712	0
Carrying amount 30 June 2024	7 509	459 239	752

(Amounts in NOK 1 000 000)	Commercial paper issued	Debt securities issued	Subordinated loan capital
Carrying amount 31 December 2023	41 318	424 593	770
<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
Carrying amount 31 December 2024	26 713	472 917	769

Note 10 Primary capital

(Amounts in NOK 1 000 000)	30 June 2025	30 June 2024	31 December 2024
Equity	22 166	21 510	22 075
Additional Tier 1 capital included in equity	(3 484)	(3 484)	(3 484)
Equity included in common equity Tier 1 capital	18 682	18 025	18 590
Deductions:			
Deferred tax asset that exceeds 10 % of common equity Tier 1 capital	0	(387)	(176)
Intangible assets	(146)	(155)	(153)
Dividends payable	(328)	(351)	(700)
Prudent valuation adjustments (AVA)	(161)	(135)	(127)
Adjustments unrealised loss (gains) due to changes in own credit risk	66	173	170
Total common equity Tier 1 capital	18 112	17 171	17 604
Other approved Tier 1 capital	3 484	3 484	3 484
Total Tier 1 capital	21 597	20 655	21 088
Supplementary capital			
Subordinated loan capital	800	800	800
Total supplementary capital	800	800	800
Total primary capital	22 397	21 455	21 888

*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)	30 June 2025			30 June 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
Credit risk					
Sovereigns and central banks	28 273	0	0	0	0
Regional governments and local authorities	393 575	78 366	6 269	5 876	6 132
<i>Of which are Norwegian municipalities</i>	<i>388 561</i>	<i>78 366</i>	<i>6 272</i>	<i>5 876</i>	<i>6 132</i>
Corporates	1 860	930	74	121	126
Public sector entities	10 105	0	0	0	0
Multilateral development banks	15 854	0	0	0	0
Financial institutions	22 322	5 106	408	304	320
<i>Of which counterparty exposure on derivatives</i>	<i>15 858</i>	<i>3 177</i>	<i>254</i>	<i>202</i>	<i>145</i>
Claims secured by residential property	21	21	2	2	2
Covered bonds	48 522	5 488	439	355	442
Other assets	1 801	4 338	347	352	365
Credit Valuation Adjustment	339	4 238	339	204	144
Total credit risk	522 672	98 488	7 879	7 214	7 530
Market risk	0	0	0	0	0
Operational risk		4 440	355	209	248
Minimum capital requirements		102 928	8 234	7 423	7 778
Total capital ratio			21.8 %	23.1 %	22.5 %
Tier 1 capital adequacy ratio			21.0 %	22.3 %	21.7 %
Common equity Tier 1 capital adequacy ratio			17.6 %	18.5 %	18.1 %
Leverage ratio			3.9 %	4.1 %	3.9 %

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