

Report for 4th quarter 2024

The logo consists of the letters 'KBN' in a bold, sans-serif font, white in color, set against a black rectangular background that is tilted slightly to the right.

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 375bn

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)	4th quarter 2024	2024	4th quarter 2023	2023
RESULTS				
Net interest income	554	2 253	534	2 105
Core earnings ¹	293	1 276	273	1 211
Profit after tax	280	1 474	566	1 432
Cost/income ratio (percent) ²	18.3%	17.1%	17.5%	15.6%
Return on equity after tax ³	5.5%	7.4%	13.1%	7.9%
Return on equity after tax (core earnings) ⁴	6.7%	7.2%	6.8%	7.3%
Return on assets after tax ⁵	0.2%	0.3%	0.4%	0.3%
LOANS TO CUSTOMERS				
New disbursements	16 314	46 692	21 242	53 429
Aggregate loans to customers ⁶	369 859	369 859	354 052	354 052
Aggregate customer financing ⁷	375 356	375 356	354 052	354 052
12 month lending growth in percent ⁸	4.5%	4.5%	7.8%	7.8%
12 month aggregate financing growth in percent ⁹	6.0%	6.0%	7.8%	7.8%
Green loans to customers ¹⁰	65 969	65 969	52 763	52 763
Share of green loans in lending portfolio	18.5%	18.5%	15.4%	15.4%
Share of municipalities with green loans ¹¹	44%	44%	40%	40%
LIQUIDITY PORTFOLIO⁶	139 954	139 954	114 610	114 610
DEBT SECURITIES ISSUED				
New long-term debt securities issued	9 065	91 909	14 956	76 935
Aggregate debt securities issued ⁶	481 504	481 504	438 407	438 407
TOTAL ASSETS	567 644	567 644	522 203	522 203
EQUITY				
Equity	22 075	22 075	21 684	21 684
Common equity Tier 1 capital adequacy ratio	18.1%	18.1%	17.4%	17.4%
Leverage ratio	3.9%	3.9%	4.0%	4.0%
LIQUIDITY COVERAGE RATIO (LCR)¹²				
Total	236%	236%	266%	266%
NOK	97%	97%	87%	87%
EUR	261%	261%	251%	251%
USD	334%	334%	171%	171%
AUD	707%	707%	1 253%	1 253%
GBP	22 674%	22 674%	43 868%	43 868%
OTHER KEY FIGURES				
Market share excl. Husbanken ¹³	49.4 %	49.4 %	51.1 %	51.1 %
Market share overall financing of customers excl. Husbanken ¹⁴	50.2 %	50.2 %	51.1 %	51.1 %
Percentage of women employed in KBN	33 %	33 %	36 %	36 %
Emissions in tons CO ₂ equivalents ¹⁵	23.3	82.5	39.6	111.5

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 68.5 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

Increased interest income and profitable green growth

KBN's net interest income totalled NOK 554 million in the fourth quarter of 2024, compared to NOK 534 million in the fourth quarter of 2023. Profitable growth over the last twelve months together with higher interest rate levels contributed to this increase in KBN's income from previous year. KBN's aggregate customer financing grew by NOK 6.7 billion in the fourth quarter of 2024, with green lending accounting for NOK 6.1 billion of this growth. Green lending represented 18.5% of KBN's total lending at the end of the fourth quarter.

Results for the quarter

KBN's core earnings¹ totalled NOK 293 million in the fourth quarter of 2024, compared to NOK 273 million in the fourth quarter of 2023. KBN's net interest income totalled NOK 554 million in the fourth quarter of 2024, as compared to NOK 534 million in the corresponding period of 2023. Money market interest rates were relatively stable in the quarter. Norges Bank kept its key policy rate unchanged at its December meeting. Norway's key policy rate remained unchanged at 4.5% throughout 2024.

KBN's result for the accounting period, in the fourth quarter of 2024, was a profit of NOK 280 million, compared to a profit of NOK 566 million in the same period in 2023. In the fourth quarter of 2024, KBN recognised a net loss on financial instruments totalling NOK 62 million, as compared to a net gain of NOK 338 million in the fourth quarter of 2023. 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 10 million for the fourth quarter of 2024, while there was a net realised gain from market transactions of NOK 1 million in the fourth quarter of 2023. Unrealised losses amounted to NOK 71 million in the fourth quarter of 2024, compared to unrealised gains of NOK 336 million in the same period in 2023. KBN's fixed rate lending and associated hedging instruments contributed a net unrealised loss of NOK 44 million in the fourth quarter of 2024, primarily as a result of a moderate increase 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 193 million in the fourth quarter of 2023. 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 fourth quarter of 2024, 45% of KBN's portfolio of fixed lending was carried at fair value.

KBN's liquidity portfolio and associated hedging instruments contributed a net unrealised loss of NOK 42 million for the fourth quarter of 2024, while KBN's own bonds and associated hedging instruments contributed a net unrealised gain of NOK 15 million to its result from ordinary activities in the same period. KBN's unrealised gains and losses are expected to reverse, either as market conditions normalise or as the instruments approach maturity.

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.

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 reduced its provision for expected credit losses by NOK 4 million in the fourth quarter of 2024.

KBN's total operating costs for the fourth quarter of 2024 were NOK 98 million, compared to NOK 87 million in the same period in 2023. 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. Digitalisation, further development of digital robustness and increased regulatory requirements are contributing factors to cost growth.

Results for 2024 as a whole

KBN's core earnings² for 2024 as a whole totalled NOK 1,276 million, compared to NOK 1,211 million for 2023. KBN's net interest income in 2024 as a whole was NOK 2,253 million, as compared to NOK 2,105 million in 2023. The increase was primarily due to the average level of interest rates being higher in 2024 than in 2023, as well as lending growth.

KBN's result for the period for 2024 as a whole was a profit of NOK 1,474 million as compared to a profit of NOK 1,432 million in 2023. KBN recognised net gains on financial instruments totalling NOK 157 million in 2024, compared with NOK 212 million in 2023.

KBN's total operating costs in 2024 as a whole were NOK 383 million, compared to NOK 325 million in 2023. The increase was 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. Digitalisation, further development of digital robustness and increased regulatory requirements are contributing factors to cost growth. KBN's cost-to-income ratio³ for 2024 was 17.1%, compared to 15.6% in 2023.

KBN's annualised return on equity in 2024 was 7.4%, compared to 7.9% in 2023. Based on its core earnings, KBN's annualised return on equity in 2024 was 7.2%, compared to 7.3% in 2023. The return requirement set for KBN by its owner for the 2022-2024 period is 5.5%.

KBN's total comprehensive income in 2024 was NOK 1,254 million, compared to NOK 1,789 million in 2023. KBN's total comprehensive income includes gains and losses on KBN's own bonds resulting from changes to KBN's own credit risk. In 2024, there was an unrealised loss from changes to KBN's own credit risk of NOK 228 million, as compared to an unrealised gain of NOK 363 million in 2023.

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.

³ Operating expenses as a percentage of the sum of net interest income and total other operating income adjusted for net unrealised gains/losses on financial instruments (in accordance with note 2).

Table 1: Result for the period for 2024 and total comprehensive income

(Amounts in NOK 1 000 000)	Q4 2024	2024	Q4 2023	2023
Net interest income	554	2 253	534	2 105
Fees and commission expenses	31	125	34	126
Net gain/(loss) on financial instruments	(62)	157	338	212
Increased/(reduced) provision for expected credit loss	(4)	(9)	1	(10)
Operating expenses	98	383	87	325
Income tax	87	437	183	444
Profit for the period	280	1 474	566	1 432
(Amounts in NOK 1 000 000)	Q4 2024	2024	Q4 2023	2023
Profit for the period	280	1 474	566	1 432
Change in fair value of liabilities due to changes in own credit risk	(78)	(305)	627	484
Actuarial gain/(loss) on pension liability	11	11	(8)	(8)
Tax	17	73	(155)	(119)
Total comprehensive income for the period	230	1 254	1 030	1 789

Lending

KBN's lending portfolio totalled NOK 370 billion⁴ at the end of the fourth quarter of 2024, while aggregate customer financing⁵ totalled NOK 375 billion⁶ at the end of the fourth quarter. KBN's aggregate customer financing increased by NOK 6.7 billion in the fourth quarter of 2024, as compared to an increase of NOK 12.9 billion in the fourth quarter of 2023. The main reason for the increase in aggregate customer financing in the fourth quarter of 2024 was demand for new loans. The level of demand for new loans was somewhat weaker in the fourth quarter of 2024 compared with the same period in 2023, while there was also a higher level of competition.

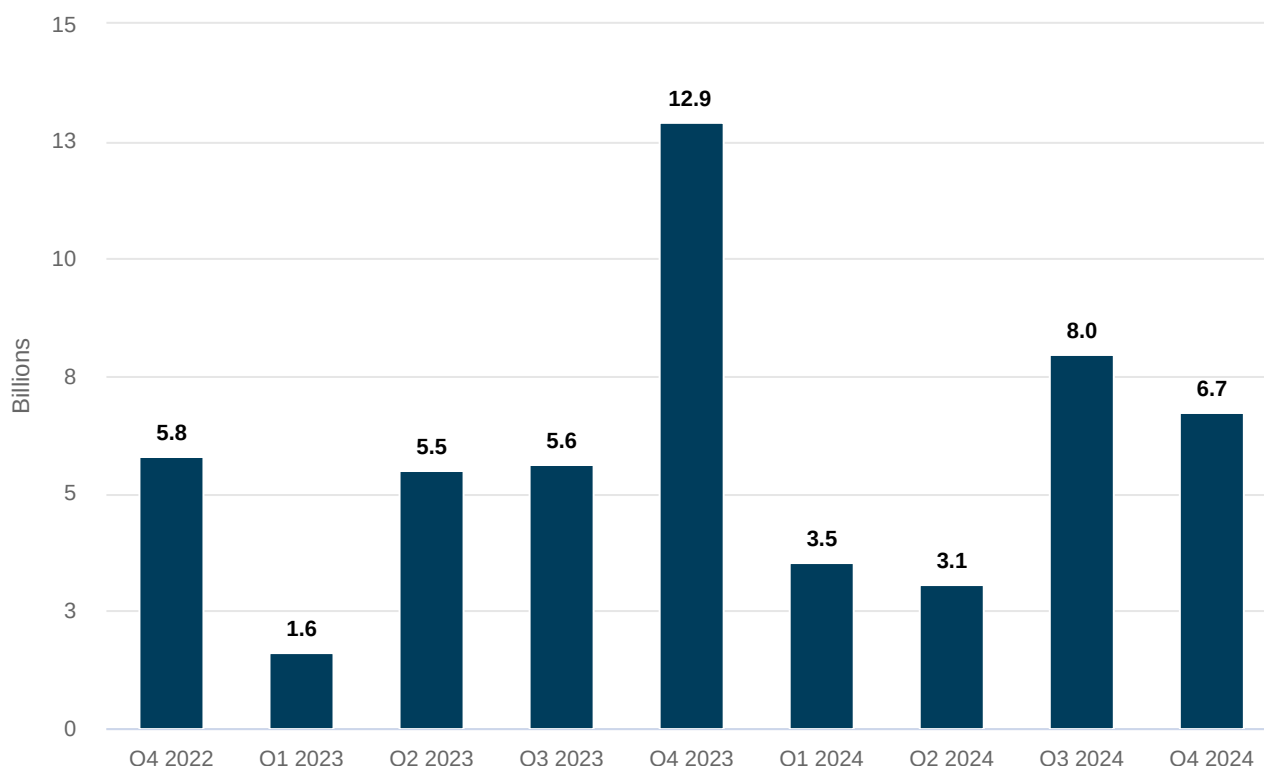
KBN continued to experience a good level of growth in its green lending, and its portfolio of green loans increased by NOK 6.1 billion in the fourth quarter of 2024, as compared to NOK 6.2 billion in the same period in 2023. KBN's green lending in the fourth quarter of 2024 included green loans for a water and wastewater project in Oslo and for Bergen Light Rail. At the end of the fourth quarter of 2024, KBN's green lending represented 18.5% of its overall lending portfolio.

The annual rate of debt growth in the local government sector as at the end of December 2024 was calculated to be 8.5%. After adjusting for borrowing from the Norwegian State Housing Bank, the rate of debt growth was 8.0%. After adjusting for borrowing from the Norwegian State Housing Bank, KBN's market share based on its aggregate customer financing as at the end of the December 2024 was 50.2%.

⁴ Principal amount

⁵ 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.

⁶ Principal amount

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

Financial markets

Inflation slowed in 2024 and is approaching the targets of the central banks of many countries across the world, including in Norway. The market now expects that the rate of inflation will continue to fall and that peak interest rates have now been reached. The rate of inflation in Norway was running at 2.2% at the most recent assessment in January (rate as at December 2024), while core inflation was 2.7%. 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 US dollar and Euro strengthened against the majority of currencies in the fourth quarter of 2024, including the Norwegian krone.

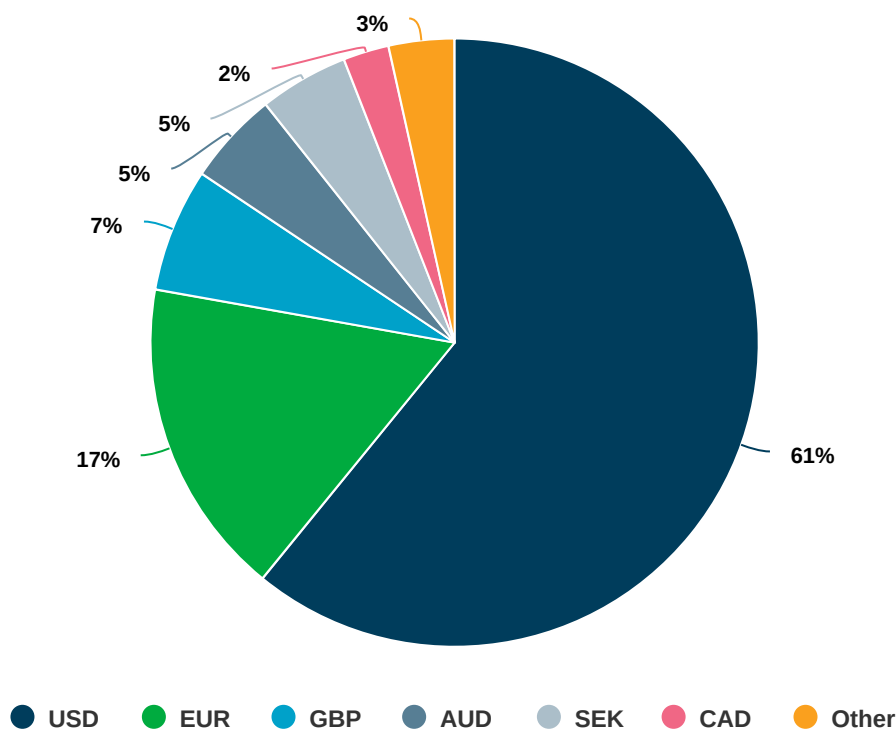
The credit spreads on local government and covered bonds increased through the fourth quarter of 2024. The outlook for future changes in the spreads on local government and covered bonds is uncertain, both in Norway and internationally.

Funding

KBN enjoyed good access to the international capital markets in the fourth quarter of 2024 and completed all its funding transactions as planned. In 2024 as a whole, KBN's new borrowings totalled approximately NOK 92 billion through 38 bond issues in eight currencies, as compared to NOK 77 billion in 2023.

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

Chart 2: New borrowings by currency in 2024



Liquidity management

KBN's liquidity portfolio totalled NOK 140 billion⁷ at the end of the fourth quarter of 2024, as compared to NOK 115 billion at the end of the fourth quarter of 2023. 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 54% of the portfolio at 31 December 2024. 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.

⁷ Principal amount

Capital

Table 2: Capital adequacy key figures

As at 31 December 2024	Volume in NOK billion	Capital adequacy	Requirements
Common equity Tier 1 capital adequacy ratio	17.6	18.1 %	14.9 %
Tier 1 capital adequacy ratio	21.1	21.7 %	16.7 %
Total capital ratio	21.9	22.5 %	19.2 %

KBN's total assets at the end of the fourth quarter of 2024 amounted to NOK 568 billion, up from NOK 522 billion at the end of 2023. The increase was in part due to growth in KBN's lending, as well as to the weakness of the Norwegian krone leading to an increase in the NOK value of balance sheet assets as a result of currency conversion, and receipts of cash collateral.

KBN received the Financial Authority of Norway's (Finanstilsynet's) decision regarding its Pillar 2 requirement (SREP) on 11 November 2024, with the new requirement entering into force on 31 December 2024. The Financial Supervisory Authority of Norway determined that KBN will have a Pillar 2 requirement consisting of 1.7% of the basis for calculation under Pillar 1. KBN's Pillar 2 requirement has thus decreased by 0.3 percentage points. 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 2023 was 3.9%, as compared to the requirement of 3.0%.

KBN's capital adequacy at the end of the fourth quarter of 2024 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 2024

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 2024 should be a maximum of 55% of the 2019 level, which corresponds to approximately 106 tonnes of CO₂e for the year. KBN has calculated that its own CO₂e emissions⁸ in 2024 were 82.5 tonnes of CO₂e, which is a moderate decrease from 111.5 tonnes of CO₂e in 2023, well below and within the target for 2024.

⁸ 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

Norges Bank reiterated at its January 2025 monetary policy committee meeting that it expects it will reduce Norway’s key policy rate to 4.25% in March and then to 3.75% by the end of the year. Norges Bank stated that a restrictive monetary policy is still needed to stabilise inflation around the target of 2%. The future path of the policy rate thereafter will depend on economic developments. The outlook for the Norwegian and global economy have improved, but there continues to be a high level of uncertainty, including in relation to the change in American politics in the USA.

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

The Board of Directors proposes a dividend for 2024 of NOK 700 million. This represents 47% of KBN’s profit for the period in 2024 and 55% of its core earnings.

Oslo, 13 February 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	4th quarter 2024	2024	4th quarter 2023	2023
Interest income from assets measured at amortised cost		5 017	19 557	4 623	15 411
Interest income from assets measured at fair value		1 820	7 375	2 073	6 933
Total interest income		6 836	26 931	6 696	22 345
Interest expense		6 282	24 678	6 163	20 240
Net interest income	1	554	2 253	534	2 105
Fees and commission expenses		31	125	34	126
Net gain/(loss) on financial instruments	2	(62)	157	338	212
Increased/(reduced) provision for expected credit loss	6	(4)	(9)	1	(10)
Total other operating income		(89)	41	303	96
Salaries and administrative expenses		48	221	46	190
Depreciation of fixed and intangible assets		12	48	11	43
Other operating expenses		38	115	30	92
Total operating expenses		98	383	87	325
Profit before tax		367	1 911	749	1 876
Income tax		87	437	183	444
Profit for the period		280	1 474	566	1 432
Portion allocated to shareholder		239	1 312	525	1 301
Portion allocated to owners of additional Tier 1 capital		41	162	41	131

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK 1 000 000)	Note	4th quarter 2024	2024	4th quarter 2023	2023
Profit for the period		280	1 474	566	1 432
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	(78)	(305)	627	484
Actuarial gain/(loss) on pension liability		11	11	(8)	(8)
Tax		17	73	(155)	(119)
Total other comprehensive income		(50)	(220)	464	357
Total comprehensive income for the period		230	1 254	1 030	1 789
Portion allocated to shareholder		189	1 091	989	1 658
Portion allocated to owners of additional Tier 1 capital		41	162	41	131

Statement of financial position

(Amounts in NOK 1 000 000)	Note	31 December 2024	31 December 2023
Assets			
Deposits with credit institutions	<u>3</u>	37 787	36 601
Loans to customers	<u>3,4,5,6</u>	367 495	352 226
Commercial paper and bonds	<u>3,4,6,7,8</u>	139 971	114 344
<i>Hereof commercial paper and bonds lent</i>	<u>7</u>	7 688	0
Financial derivatives	<u>3,4</u>	20 133	16 505
Deferred tax asset		1 954	2 318
Other assets		303	210
Total assets		567 644	522 203
Liabilities and equity			
Due to credit institutions	<u>3,4</u>	17 539	5 232
Commercial paper issued	<u>3,4,9</u>	26 713	41 318
Debt securities issued	<u>3,4,9</u>	472 917	424 593
Financial derivatives	<u>3,4</u>	27 443	28 505
Other liabilities		177	76
Pension commitments		11	25
Subordinated loan capital	<u>3,4,9</u>	769	770
Total liabilities		545 569	500 520
Share capital		3 895	3 895
Additional Tier 1 capital		3 484	3 484
Retained earnings		14 696	14 305
Total equity		22 075	21 684
Total liabilities and equity		567 644	522 203

Statement of changes in equity

(Amounts in NOK 1 000 000)

	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 2023	0	0	0	(700)	(700)
Equity as of 31 December 2024	3 895	3 484	(170)	14 866	22 075

	1. January - 31 December 2023				
	Share capital	Additional Tier 1 capital	Financial liabilities, changes in own credit risk	Other equity	Total equity
Equity as of 31 December 2022	3 895	2 392	(304)	12 920	18 903
Profit for the period	0	0	0	1 432	1 432
Other comprehensive income after tax - financial liabilities, changes in own credit risk	0	0	363	0	363
Other comprehensive income after tax - actuarial gain/loss	0	0	0	(6)	(6)
Interest paid on additional Tier 1 capital	0	0	0	(101)	(101)
Issuance of additional Tier 1 capital	0	1 093	0	0	1 093
Dividends for 2022	0	0	0	0	0
Equity as of 31 December 2023	3 895	3 484	59	14 245	21 684

Statement of cash flows

(Amounts in NOK 1 000 000)	2024	2023
Cash flows from operating activities		
Interest received	26 751	21 671
Interest paid	(23 392)	(19 068)
Fees and commissions paid	(122)	(129)
Cash payments for operations	(336)	(285)
Paid taxes	0	0
Net disbursement of loans to customers	(15 805)	(25 647)
Net (payment)/disbursement short-term investments	10 686	1 677
Net payment/(disbursement) from purchase/sale of securities	(18 131)	1 936
Net (payment)/disbursement other assets	0	(50)
Net payment/(disbursement) other liabilities	(8)	24
Net (payment)/disbursement financial derivatives	32 142	11 435
Net cash flows from operating activities	11 784	(8 436)
Cash flows from investing activities		
Disbursement from sale of fixed assets	(45)	(34)
Net cash flows from investing activities	(45)	(34)
Cash flows from financing activities		
Payments on issued commercial paper	132 316	152 355
Repayment of commercial paper issued	(148 789)	(134 845)
Lease payments	(10)	(8)
Payments on issued debt securities	91 909	76 935
Repayment of debt securities issued	(86 499)	(85 790)
Interest Paid on additional Tier 1 capital	(162)	(101)
Dividends paid	(700)	0
Net cash flows from financing activities	(11 935)	8 546
Net cash flows	(196)	76
Adjustment of exchange rate changes	83	29
Net cash flows after effects of exchange rate changes	(113)	105
Cash and cash equivalents at 1 January	356	251
Net changes of cash and cash equivalents	(113)	105
Cash and cash equivalents at end of period	243	356
Whereof		
Deposits with credit institutions without agreed time to maturity	243	356
Due to credit institutions without agreed time to maturity	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 December 2024 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)	4th quarter 2024	2024	4th quarter 2023	2023
Deposits with credit institutions	171	673	118	404
Other money market deposits	0	0	0	11
Loans to customers	3 894	15 027	3 516	11 755
Financial derivatives, hedge accounting loans to customers	189	636	115	239
Commercial paper and bonds	771	3 243	873	3 002
Financial derivatives, hedge accounting loans to customers	(7)	(22)	0	0
<i>Interest income from assets measured at amortised cost</i>	<i>5 017</i>	<i>19 557</i>	<i>4 623</i>	<i>15 411</i>
Loans to customers	330	1 408	396	1 398
Commercial paper and bonds	580	2 043	525	1 524
Financial derivatives	909	3 924	1 152	4 011
<i>Interest income from assets measured at fair value</i>	<i>1 820</i>	<i>7 375</i>	<i>2 073</i>	<i>6 933</i>
Total interest income	6 836	26 931	6 696	22 345
Due to credit institutions	68	132	0	0
Commercial paper issued	173	589	130	417
Debt securities issued	2 333	8 328	1 704	6 195
Financial derivatives, hedge accounting debt securities issued	1 853	8 753	2 530	8 858
<i>Interest expenses from debt measured at amortised cost</i>	<i>4 428</i>	<i>17 801</i>	<i>4 365</i>	<i>15 470</i>
Debt securities issued	1 087	4 448	1 070	4 003
Financial derivatives	762	2 405	722	726
Subordinated loan capital	6	24	6	41
<i>Interest expenses from debt measured at fair value</i>	<i>1 854</i>	<i>6 877</i>	<i>1 798</i>	<i>4 770</i>
Total interest expenses	6 282	24 678	6 163	20 240
Net interest income	554	2 253	534	2 105

Note 2 Net gain/(loss) on financial instruments

(Amounts in NOK 1 000 000)

Net gain/(loss) on financial instruments	4th quarter 2024	2024	4th quarter 2023	2023
Loans to customers	(1 903)	(972)	3 660	1 049
Commercial paper and bonds	(532)	481	1 083	1 310
Financial derivatives	(2 334)	3 866	8 347	9 803
Debt securities issued	4 699	(3 218)	(12 717)	(11 959)
Subordinated loan capital	9	2	(36)	10
Net gain/(loss) on financial instruments	(62)	157	338	212
Whereof net unrealised gain/(loss) on financial instruments	(71)	47	336	120
Whereof net realised gain/(loss) on market transactions	10	110	1	92

Specification of net gain/(loss) on financial instruments including hedging instruments	4th quarter 2024	2024	4th quarter 2023	2023
Loans to customers, including hedging instruments	(44)	259	193	101
Commercial paper and bonds, including hedging instrument	(32)	89	(20)	(82)
Debt securities issued and subordinated loan capital, including hedging instruments	15	(190)	165	193
Net gain/(loss) on financial instruments	(62)	157	338	212

Specification of net gain/(loss) on financial instruments in fair value hedge	4th quarter 2024	2024	4th quarter 2023	2023
Loan to customers	(1 367)	(1 441)	1 372	243
Financial derivatives, in hedge accounting loans to customers	1 378	1 453	(1 302)	(250)
Commercial paper and bonds	(21)	(18)	0	0
Financial derivatives, in hedge accounting commercial paper and bonds	21	18	0	0
Debt securities issued	2 688	(2 958)	(7 279)	(7 154)
Financial derivatives, in hedge accounting debt securities issued	(2 689)	2 878	7 328	7 242
Net gain/(loss) on financial instruments in fair value hedge	10	(68)	118	81

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 December 2024	Total	At fair value			At amortised cost	
		Fair value option	Mandatorily at fair value	Fair value hedge	Designated at hedge accounting	Hold to collect
Deposits with credit institutions	37 787	0	0	0	0	37 787
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

At 31 December 2023	Total	At fair value			At amortised cost	
		Fair value option	Mandatorily at fair value	Fair value hedge	Designated at hedge accounting	Hold to collect
Deposits with credit institutions	36 601	0	0	0	0	36 601
Loans to customers	352 226	71 461	0	0	42 274	238 490
Commercial paper and bonds	114 344	66 898	0	0	0	47 446
Financial derivatives	16 505	0	15 454	1 051	0	0
Total financial assets	519 675	138 359	15 454	1 051	42 274	322 537
Due to credit institutions	5 232	0	0	0	0	5 232
Commercial paper issued	41 318	0	0	0	0	41 318
Debt securities issued	424 593	165 165	0	0	240 285	19 143
Financial derivatives	28 505	0	14 267	14 238	0	0
Subordinated loan capital	770	770	0	0	0	0
Total financial liabilities	500 419	165 935	14 267	14 238	240 285	65 694

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 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

At 31 December 2023	Level 1	Level 2	Level 3	Total
Loans to customers	0	71 461	0	71 461
Commercial paper and bonds	52 667	3 471	10 760	66 898
Financial derivatives	0	16 151	354	16 505
Total financial assets measured at fair value	52 667	91 083	11 114	154 864
Debt securities issued	11 759	128 495	24 911	165 165
Financial derivatives	0	25 888	2 618	28 505
Subordinated loan capital	0	0	770	770
Total financial liabilities measured at fair value	11 759	154 382	28 299	194 441

KBN has reassessed the categorisation of fixed rate loans to customers at fair value in the fair value hierarchy. KBN considers that all the bank's fixed rate loans to customers at fair value should be included in level 2, since both money market interest rate yield curves and credit spreads are considered observable, and non-observable input data do not constitute a significant proportion of input data. Historical data have been adjusted accordingly. The change applies correspondingly to information on measurements at fair value for loans to customers measured at amortised cost in note 10 of the annual report.

Reconciliation of changes in Level 3

	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)

	Commercial paper and bonds	Debt securities issued	Subordinated loan capital	Financial derivatives
Carrying amount 31 December 2022	6 424	19 580	1 897	(4 138)
Purchase	9 203	0	(1 099)	(15)
Sale	(1 396)	0	0	0
Issue	0	6 528	0	0
Settlement	(3 864)	(1 655)	0	1 238
Transfer into Level 3	4 093	0	0	0
Transfer out of Level 3	(3 655)	0	0	0
Net unrealised gain/(loss) recognised in the period	(45)	459	(28)	651
Carrying amount 31 December 2023	10 760	24 911	770	(2 264)

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 2024, net debt amounting to NOK 6.7 billion has been transferred from Level 1 to Level 2, and net assets amounting to NOK 0.6 billion has been transferred from Level 2 to Level 1.

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 December 2024		31 December 2023	
	Carrying amount	Impact of changes in key assumptions	Carrying amount	Impact of changes in key assumptions
Commercial paper and bonds	6 207	(14)	10 760	(20)
Financial derivatives	(4 051)	(7)	(2 264)	(31)
Debt securities issued	(17 565)	7	(24 911)	16
Subordinated loan capital	(769)	2	(770)	3
Total		(11)		(32)

Note 5 Loans to customers

(Amounts in NOK 1 000 000)	31 December 2024	31 December 2023
Principal amount	369 859	354 052
Accrued interest	3 342	2 915
Fair value adjustment	(4 231)	(4 700)
Value adjustment in fair value hedges	(1 459)	(18)
Expected credit loss	(32)	(41)
Total loans to customers	367 480	352 208
Other loans	15	18
Total loans	367 495	352 226

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 December 2024		31 December 2023	
	Carrying amount	Expected credit loss	Carrying amount	Expected credit loss
Loans to customers	309 359	32	280 765	41
Commercial paper and bonds	63 969	3	47 446	3
Total	373 329	35	328 211	44

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)	4th quarter 2024	2024	4th quarter 2023	2023
Loans to customers	(4.3)	(8.9)	2.7	(11.0)
Commercial paper and bonds	0.5	0.4	(1.5)	1.2
Increased/(reduced) provision for expected credit loss	(3.8)	(8.6)	1.2	(9.8)

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 December 2024 and 31 December 2023.

Note 7 Commercial paper and bonds

(Amounts in NOK 1 000 000)

Commercial paper and bonds by type of issuer	31 December 2024	31 December 2023
Domestic		
Issued by public bodies ¹	15 039	0
Hereof bonds issued by Norwegian municipalities	5 533	0
Issued by other borrowers	27 074	25 107
Foreign		
Issued by public bodies ¹	68 185	69 755
Issued by other borrowers	29 673	19 481
Total commercial paper and bonds	139 971	114 344
Hereof		
Commercial paper and bonds lent	7 688	0
Commercial paper and bonds pledged as collateral	4 318	1 514

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

Commercial paper and bonds by time to maturity	31 December 2024	31 December 2023
Under 1 year	31 632	31 833
1-5 years	106 376	80 869
> 5 years	1 962	1 642
Total commercial paper and bonds	139 971	114 344
Average duration (years)*	2.3	1.9

*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 2.1 years as of December 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 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
									139 971

(Amounts in NOK 1 000 000)		Exposure as at 31 December 2023							
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	11 242	0	0	0	574	6 718	2 590	0	21 125
Multilateral development banks	1 409	0	0	0	0	1 713	9 133	0	12 256
Regional authorities	12 762	0	0	2 707	208	16 102	4 780	2 233	38 791
Financial institutions	145	0	0	0	0	274	0	0	419
Corporates	1 400	0	0	0	1 826	0	1 533	0	4 759
Covered Bonds	2 166	0	0	0	0	0	34 827	0	36 994
Total	29 125	0	0	2 707	2 608	24 807	52 864	2 233	114 344

Note 9 Debt securities issued and commercial paper issued

(Amounts in NOK 1 000 000)	31 December 2024	31 December 2023
Debt securities issued (nominal amounts incl. fees) as at 1 January	438 407	429 206
New issuance	91 909	76 935
Redemptions	(86 499)	(85 790)
Amortisation (incl. fees)	433	(242)
Effects of exchange rate changes	37 253	18 297
Debt securities issued (nominal amounts incl. fees) as at end of period	481 504	438 407
Accrued interest	7 296	5 592
Fair value adjustment	(15 883)	(19 406)
<i>Of which value adjustment that is due to change in own credit risk</i>	227	(78)
<i>Of which value adjustment that is due to other reasons, fair value</i>	(7 343)	(7 603)
<i>Of which value adjustment that is due to other reasons, hedge accounting</i>	(8 767)	(11 725)
Total Debt securities issued	472 917	424 593

(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

(Amounts in NOK 1 000 000)	Commercial paper issued	Debt securities issued	Subordinated loan capital
Carrying amount 31 December 2022	23 377	402 553	1 897
<i>Cash flows</i>			
Payments from issuance	152 355	76 935	0
Redemptions	(134 845)	(85 790)	0
<i>Changes that are not related to cash flows</i>			
Change due to accrued interest and amortisation	417	1 122	(19)
Changes in fair value	0	11 475	92
Repurchase, related to issue of Tier 1 capital	0	0	(1 200)
Effects of exchange rate changes on nominal amounts incl. fees	15	18 297	0
Carrying amount 31 December 2023	41 318	424 593	770

Note 10 Primary capital

(Amounts in NOK 1 000 000)	31 December 2024	31 December 2023
Equity	22 075	21 684
Additional Tier 1 capital included in equity	(3 484)	(3 484)
Equity included in common equity Tier 1 capital	18 590	18 199
Deductions:		
Deferred tax asset that exceeds 10 % of common equity Tier 1 capital	(176)	(604)
Intangible assets	(153)	(162)
Dividends payable	(702)	(700)
Prudent valuation adjustments (AVA)	(127)	(138)
Adjustments unrealised loss (gains) due to changes in own credit risk	170	(59)
Total common equity Tier 1 capital	17 602	16 536
Other approved Tier 1 capital	3 484	3 484
Total Tier 1 capital	21 086	20 020
<i>Supplementary capital</i>		
Subordinated loan capital	800	800
Total supplementary capital	800	800
Total primary capital	21 886	20 820

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 December 2024			31 December 2023
	Carrying amount	Risk weighted assets	Minimum capital requirements and capital adequacy	Minimum capital requirements and capital adequacy
Credit risk				
Sovereigns and central banks	24 216	0	0	0
Regional governments and local authorities	398 680	76 647	6 132	5 690
<i>Of which are Norwegian municipalities</i>	382 537	76 647	6 132	5 651
Corporates	3 140	1 570	126	129
Public sector entities	12 295	0	0	0
Multilateral development banks	15 553	0	0	0
Financial institutions	19 679	4 004	320	515
<i>Of which counterparty exposure on derivatives</i>	8 836	1 814	145	477
Claims secured by residential property	21	21	2	2
Covered bonds	52 654	5 524	442	309
Other assets	1 894	4 561	365	344
Credit Valuation Adjustment	144	1 798	144	427
Total credit risk	528 275	94 126	7 530	7 416
Market risk	0	0	0	0
Operational risk - Basic Indicator Approach		3 100	248	204
Minimum capital requirements		97 226	7 778	7 621
Total capital ratio			22.5 %	21.9 %
Tier 1 capital adequacy ratio			21.7 %	21.0 %
Common equity Tier 1 capital adequacy ratio			18.1 %	17.4 %
Leverage ratio			3.9 %	4.0 %

Contact information

Kommunalbanken AS
P.O.Box 1210 Vika, 0110 Oslo

Address:
Filipstad Brygge 1, 0252 Oslo

Phone: +47 21 50 20 00
E-mail: post@kbn.com

www.kbn.com