

2025

# Impact Report

Green Loans Financed with Green Bonds



**KBN**

*We finance the local communities of tomorrow*

■ ■ Kommunalbanken Norway (KBN) is a fully state-owned company, with a mandate to provide stable and cost-efficient long-term financing to the local government sector. KBN's lending is funded by bonds issued in the international capital markets, with the highest possible credit rating of AAA/Aaa. Measured by total assets, KBN is among Norway's largest financial institutions with loans to nearly all of the country's municipalities.

**AAA**

Standard & Poor's  
Moody's

**99.7%**

of Norwegian municipalities are KBN customers

**49.7%**

of municipal debt is financed through KBN

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# 2025 Highlights

This report presents the environmental impact of KBN's green loan programme as of 31 December 2025. All funds raised by KBN's green bond issuances are used to finance green loans in the Norwegian municipal sector.

**50.6** bn.  
NOK

## GREEN BONDS

Funds from green bonds issued in international capital markets ...

**75.7** bn.  
NOK

## GREEN LOANS

... finance green loans for investments in the local government sector in Norway.



Strengthening green mobility in Ålgård: Liv Godin Bridge

## OUR GREEN LOAN PROGRAMME HELPS FINANCE

**16 569**

tonnes of CO<sub>2</sub>e reduced and avoided annually<sup>1</sup>

**610 756**

population equivalents increase in water and wastewater capacity<sup>2</sup>

**88 123**

MWh renewable energy produced annually

**51 023**

MWh energy reduced and avoided annually

**106 651**

tonnes increased waste management capacity

**21%**

share of total lending<sup>3</sup>

**570**

TOTAL NUMBER OF GREEN PROJECTS

**40**

NEW GREEN PROJECTS IN 2025

1) Read more about reporting principles on page 15 in this report.

2) Population equivalents is an expression that describes the load and capacity of water and wastewater supply.

3) Share of KBN's total lending which is eligible for green bond financing.

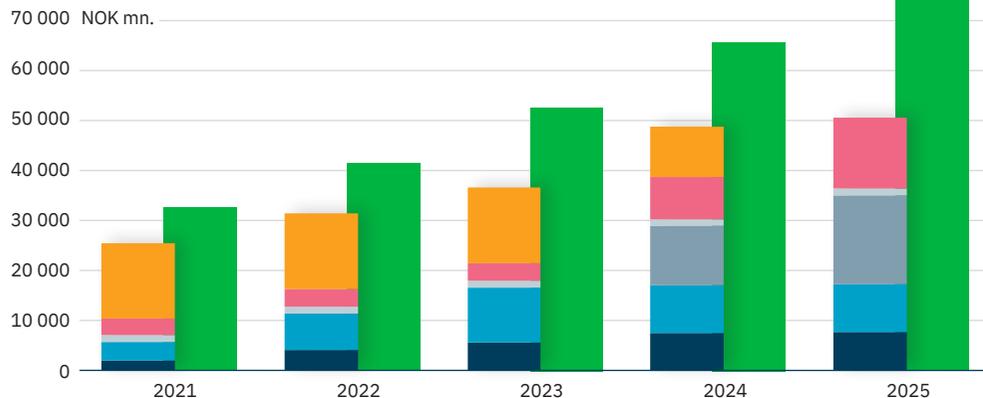


See all the green projects in Impact report 2025 (Excel) at [kbn.com](http://kbn.com).

# Executive summary

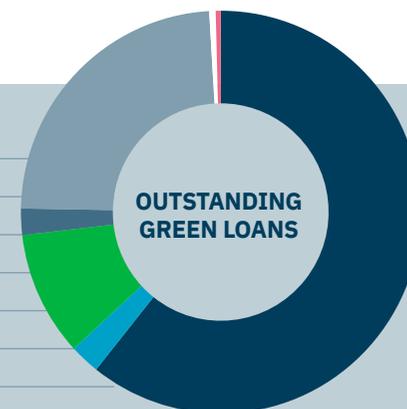
As of 31 Dec 2025

## OUTSTANDING GREEN BONDS AND GREEN LENDING



Total outstanding green bonds divided by outstanding green loans, as of 31 December 2025 (in NOK)			66.8% of which
Currency	Maturity date	ISIN	
AUD	Oct 2024	AU3CB0283596	0%
	Feb 2026	AU3CB0294130	3%
	Apr 2034	AU3CB0303519	7%
CAD	Oct 2024	XS2398386776 / US50047JAJ79	0%
	Oct 2026	XS2698771545 / US50047JAM09	5%
	Dec 2027	XS2564075583 / US50047JAK43	5%
EUR	Jan 2029	XS2745345160 / US50047JAN81	3%
	Apr 2029	XS2809676294	11%
NOK	Nov 2031	XS2932096691	13%
	Nov 2027	NO0010811276	1%
SEK	Nov 2032	NO0010811284	1%
	Feb 2025	XS2447758025	0%
	Aug 2026	XS2047497289	4%
	Jan 2027	XS2747093594	4%
	Sep 2028	XS3192976937	3%
USD	Oct 2028	XS3044417049	2%
	Sep 2029	XS2905418591	1%
	Sep 2030	XS3188804507	3%
Outstanding green lending	Oct 2031	XS2920501868	1%
	Oct 2024	XS2333390164 / US50048MDA53	0%
	Feb 2025	XS1188118100 / US50048MBX74	0%

Buildings	60.7%
Renewable energy	2.4%
Transportation	10.0%
Waste and circular economy	2.1%
Water and wastewater management	23.8%
Land use and area development projects	0.5%
Climate change adaptation	0.4%



## PROJECT PORTFOLIO AND ENVIRONMENTAL IMPACT <sup>1</sup>

Project category	Green loan outstanding (1000 NOK)	Reduced and avoided GHG (tonnes CO <sub>2</sub> e annually)	Reduced and avoided GHG per million NOK
Buildings	45 977 240	985	0.02
Renewable energy	1 835 147	744	0.41
Transportation	7 599 897	11 258	1.48
Waste and circular economy	1 600 861	77	0.05
Water and wastewater management	18 023 384	3 506	0.19
Land use and area development projects	394 748	n/a	n/a
Climate change adaptation	301 641	n/a	n/a
<b>Total</b>	<b>75 732 918</b>	<b>16 569</b>	<b>0.22</b>
<b>Renewable energy produced annually</b>			<b>88 123 MWh</b>
<b>Energy reduced/avoided annually</b>			<b>51 023 MWh</b>

<sup>1</sup>) The reported impact corresponds to the share of each project financed by KBNN. A grid factor of 12g CO<sub>2</sub>e per kWh electricity is applied throughout when converting electricity to emission reductions.

## BASIC INFORMATION

### Current Green Bond Framework:

KBNN Green Bond Framework, dated April 2024

### Reporting period and scope:

Calendar year 2025. The report provides information on outstanding projects financed with green bonds. The project list contains projects added in 2025. A complete overview of all projects in the portfolio is available in spreadsheet format at [kbn.com](http://kbn.com)

### Date of publication:

12 March 2026

### Reporting frequency:

Annually, next report scheduled March 2027

### Reporting approach:

Portfolio-based and project-by-project reporting

### Reporting framework:

Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting (2024)

### Verification:

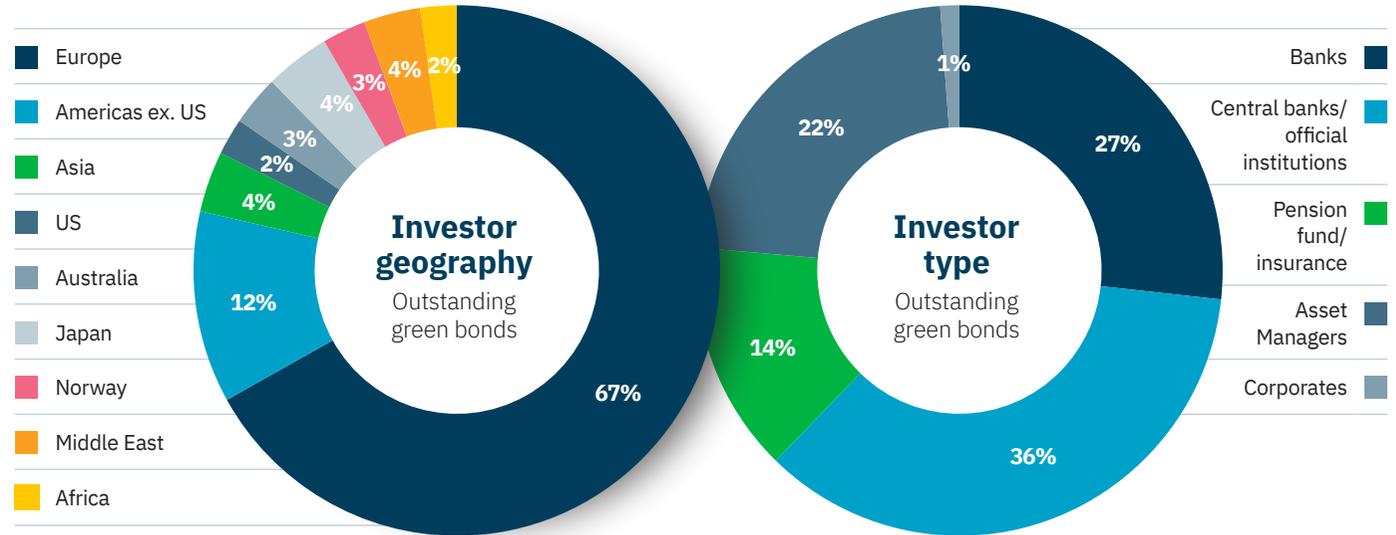
Internal audit of compliance with guidelines and routines related to green loans and bonds, as well as allocation. Conducted by KPMG. See page 47.

# Green bonds

KBN is the Norwegian bond issuer with the longest history of listed green bonds and is also among the most active Norwegian issuers of such bonds.

As of year-end 2025, we have 16 bonds in five different currencies, totaling NOK 50,6 billion in green funding.

Unallocated proceeds from green bonds per 31 Dec 2025	<b>0 NOK</b>
Green bonds	<b>50.6 billion NOK</b>
Share of total bonds outstanding	<b>10.3%</b>



## KBN Green Bond Framework received Medium Green shading by S&P Global Ratings

In 2024 KBN published its fourth Green Bond Framework, setting the bar for governance and project quality for any subsequent green funding. The updated framework has undergone review by S&P Global Ratings, which has resulted in an overall Medium Green shading for the project categories and no weaknesses to report. For further details on KBN's governing documents, please refer to page 11.



Activities that represent significant steps towards a low-carbon climate resilient future but will require further improvements to be long-term low-carbon climate resilient solutions.

**S&P Global**  
Ratings

## OUTSTANDING GREEN BONDS

ISIN	Currency	Outstanding	Maturity
AU3CB0294130	AUD	300 000 000	Feb 2026
XS2047497289	SEK	3 000 000 000	Aug 2026
XS2698771545 / US50047JAM09	CAD	500 000 000	Oct 2026
XS2747093594	SEK	3 000 000 000	Jan 2027
NO0010811276	NOK	750 000 000	Nov 2027
XS2564075583 / US50047JAK43	CAD	500 000 000	Dec 2027
XS3192976937	SEK	2 000 000 000	Sep 2028
XS3044417049	SEK	1 500 000 000	Oct 2028
XS2745345160 / US50047JAN81	CAD	300 000 000	Jan 2029
XS2809676294	EUR	700 000 000	Apr 2029
XS2905418591	SEK	1 000 000 000	Sep 2029
XS3188804507	SEK	2 000 000 000	Sep 2030
XS2920501868	SEK	500 000 000	Oct 2031
XS2932096691	EUR	800 000 000	Nov 2031
NO0010811284	NOK	600 000 000	Nov 2032
AU3CB0303519	AUD	840 000 000	Apr 2034

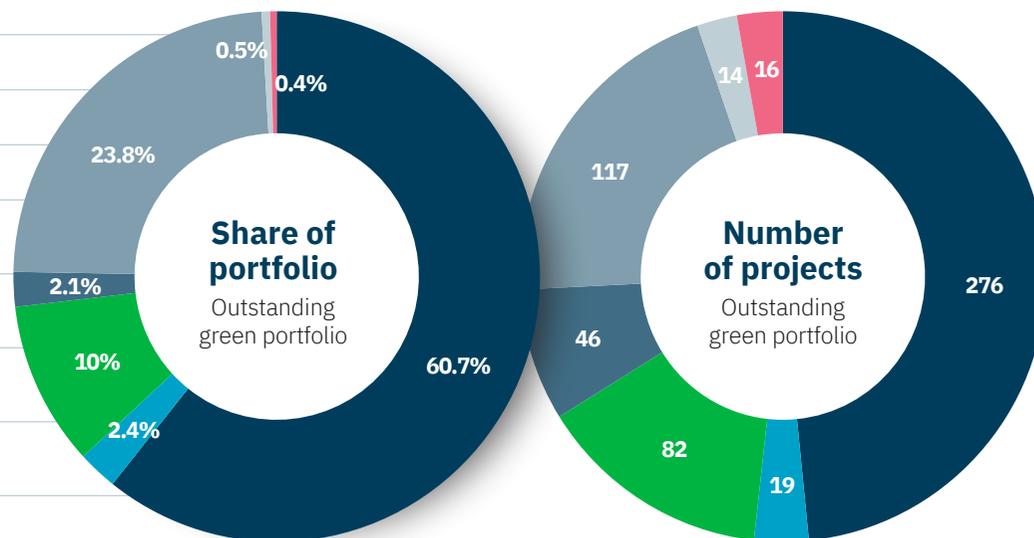
# Green loans

KBN offers discounted green loans to support climate- and environmentally friendly investments in the Norwegian local government sector. These green loans are mainly funded through the issuance of green bonds.

Green loans	<b>75.7 billion NOK</b> <sup>1</sup>
Share of total lending	<b>21%</b> <sup>2</sup>

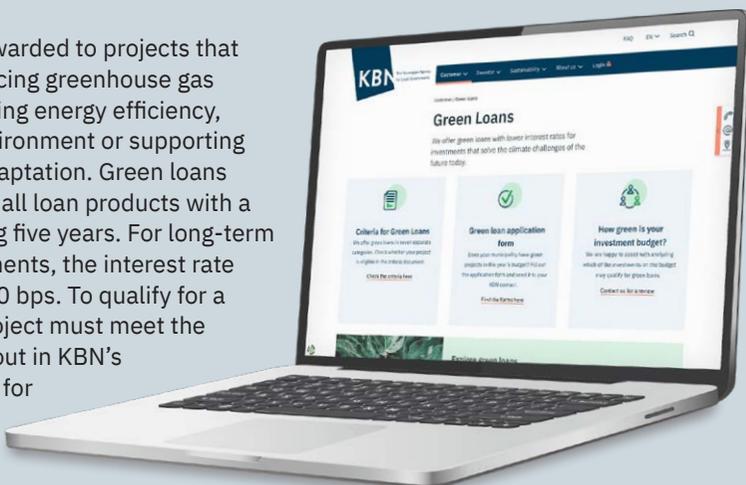
1) Amount of outstanding green loans which are eligible for green bond financing. In addition, KBN has a small amount of green loans outstanding which were granted prior to the establishment of the Criteria Document. These are no longer financed with green bonds.  
2) Share of KBN's total lending which is eligible for green bond financing.

- Buildings
- Renewable energy
- Transportation
- Waste and circular economy
- Water and wastewater management
- Land use and area development projects
- Climate change adaptation



## KBN's green loans

Green loans are awarded to projects that contribute to reducing greenhouse gas emissions, improving energy efficiency, enhancing the environment or supporting climate change adaptation. Green loans may be offered on all loan products with a maturity exceeding five years. For long-term loans with installments, the interest rate is discounted by 10 bps. To qualify for a green loan, the project must meet the requirements set out in KBN's Criteria Document for green loans.



## GROWTH IN GREEN LOANS

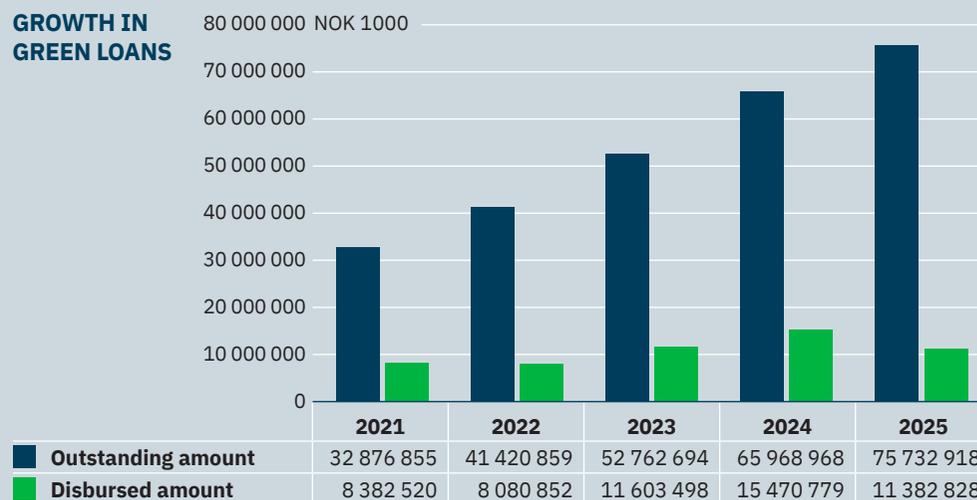




Photo: Stig Jarnes

# Financing a robust future

**BY JANNICKE TRUMPY GRANQUIST**

Chief Executive Officer, KBN

2025 marked a clear turning point in the strategic direction of the world's two largest economies. With Trump II, the United States once again withdrew from the Paris Agreement, announced renewed investments in 20th century solutions, and attempted to block the development of new renewable power, including Equinor's offshore wind project under construction off New York. The world's largest emitter, China, appears to have passed its emissions peak and for the first time chose to set a target for reducing its emissions. Despite a dip in 2025, China accounted for more than twice as much investment in green technology as the USA, and in recent years the country has built roughly as much solar and wind power as the rest of the world combined. The EU increased its investments by as much as 18 percent in renewable energy, grid, energy storage, transport, heating, and carbon capture and storage.

2025 also became the year when renewable energy overtook coal as the world's leading source of electricity. In the short term, far more oil is being produced than is demanded, according to the IEA. In the longer term, this trend only intensifies. It took six years to displace one million barrels of oil per day due to electrification of the car fleet from 2019–2024, while it is expected to take only one year to achieve the same by the end of this decade, according to Bloomberg New Energy Finance (BNEF).

Despite several bright spots throughout the year and positive development in some regions, far too little is being done to meet climate targets. A report from BNEF shows that global investment levels amount to only 37 percent of what is required to reach net zero greenhouse gas emissions by 2050. 2025 was the third warmest year measured globally since 1850, and the 1.5-degree target is at risk of being breached already during this decade. The warming is quicker than previously observed and expected and has reached 1.2-1.45 degrees. Many parts of the world have long since begun to



## Financing a robust future

continued

feel the effects of a changing climate and must invest significantly in climate adaptation in addition to emission reductions. "Extreme weather events" ranked fourth among the highest global risks by severity over the next two years in the annual risk report from the World Economic Forum. Over the long term (10 years), "extreme weather events," "biodiversity loss and ecosystem collapse," and "critical change to Earth systems" took the top three positions. The world is seemingly aware of the iceberg on the horizon but unable to adjust course sufficiently to avoid it.

According to the report Climate in Norway, temperatures in Norway are estimated to rise by 3.4 degrees by 2100 if greenhouse gas emissions continue to increase, with temperature changes being greatest in the north. For KBN's northern-

most customer in Svalbard, this has resulted in thawing permafrost and Longyearbyen experiencing two 5 000 year avalanches within two years. On mainland Norway, climate change will manifest as more frequent and intense cloudbursts, more flooding, more landslides and mudslides, less snow, and more frequent drought. This requires more knowledge and increased investments in climate adaptation among KBN's customers, the municipalities. The Norwegian Climate Service Centre, which previously developed climate profiles at the county level, will now develop such profiles at the municipal level to give the sector a better knowledge base for future planning. KBN offers green loans also to the sector's investments in climate adaptation, as it is necessary both to reduce emissions – which again helps to limit climate change – and

to adapt to changes that are already here, and will be more frequent and intense going forward.

Although debt growth in the municipal sector was lower than expected in 2025 – and KBN's lending growth likewise – KBN's green lending portfolio increased by NOK 10 billion to 75.7 billion. Green loans now make up 21 percent of our total lending portfolio. 46 percent of municipalities and county municipalities have at least one green loan from KBN. In connection with KBN's 100 year anniversary in 2027, we have set a goal of NOK 100 billion in green lending and that half of all municipalities and county municipalities will have a green loan from us.

In recent years, KBN has placed increased emphasis on nature in our green lending criteria, and in 2025 we updated the requirements for green loans for water and

wastewater projects to meet higher climate and environmental expectations as well as a sector in transition. The backlog in the water and wastewater sector is significant, and climate change reinforces the investment need. In 2026, KBN will consider a new loan product aimed at this type of investment.

The climate crisis is currently overshadowed by Russia's war against Ukraine, the US-Israel war on Iran and other geopolitical tension and challenges concerning the world order, but it is no less severe because of it, rather the opposite. It is all the more important to maintain momentum in transforming society toward low and zero emissions and making the necessary adaptations to a changing climate. KBN is committed to contributing to this important transition in the municipal sector. – We are financing a robust future.



24.03.2025

### Reducing nature risk with nature criteria for green loans

In line with the goals the world has set in the Nature Deal, Kommunalbanken (KBN) recognizes that climate change and nature loss are intertwined crises, and we are required to solve both.



08.05.2025

### Strong green growth in challenging times

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



27.11.2025

### Vestland and Rendalen are winners of the Local Climate Action of the Year

Vestland came away with the prize among large cities and counties. Among small and medium-sized municipalities, Rendalen was the winner.

Selected news stories from [kbn.com](https://kbn.com) showcase some of KBN's green finance activities in 2025.

# KBN strategy

Our value creation will balance financial, social, and environmental factors so that our return over time is generated within sustainable boundaries.

KBN's strategy highlights our focus on sustainability-related activities aimed at accelerating the green transition within the local government sector. To continue to be a leader in green finance, we will further develop our efforts in a number of key areas. We aim to achieve significant growth in green lending, supporting municipalities in transitioning to a low-carbon society while also adapting to climate change.

We will continue our work on mapping total financed emissions and set targets for their gradual reduction. Additionally, we will expand our work on nature-related risks and provide valuable insights on environmental and social impact to our customers and investors. Through our continued efforts in supporting sustainable alternatives that promote positive local impact we seek to stimulate increased green investments across the country.



## The customer's first choice

Our main aim is for our customers to want to use KBN for long-term financing of investment in welfare.



## Strong market participant

Through a strong position in the capital markets, nationally and internationally, KBN will ensure Norwegian municipalities have access to attractive financing.



## Leader in green finance

KBN will be among the leading financial institutions for green financing solutions and insight that contribute to the transition to a sustainable economy and value creation.



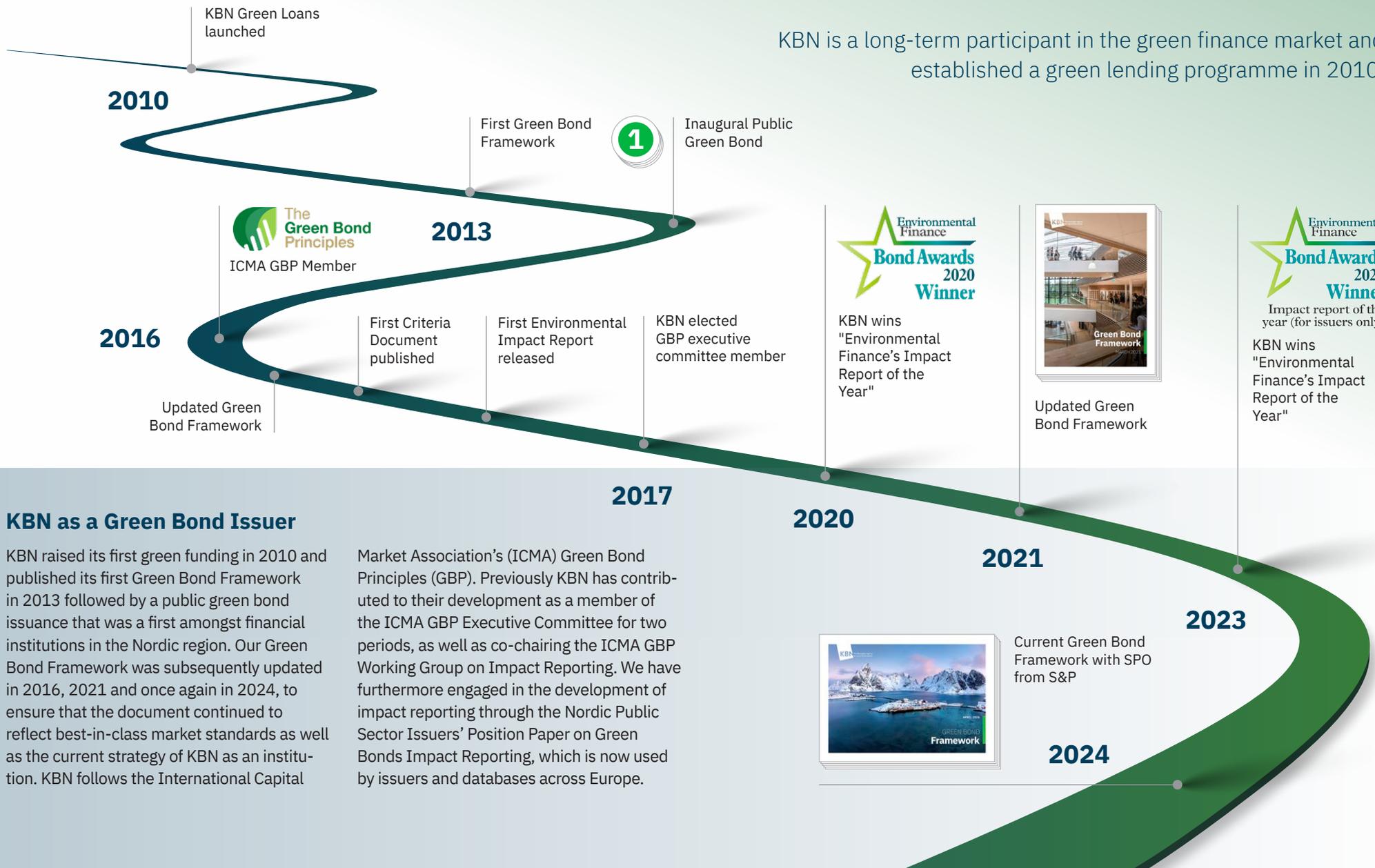
## Expertise and technology driven

The way we work will promote learning, knowledge sharing and the efficient use of technology.



# The history of KBN's green strategy

KBN is a long-term participant in the green finance market and established a green lending programme in 2010.



## KBN as a Green Bond Issuer

KBN raised its first green funding in 2010 and published its first Green Bond Framework in 2013 followed by a public green bond issuance that was a first amongst financial institutions in the Nordic region. Our Green Bond Framework was subsequently updated in 2016, 2021 and once again in 2024, to ensure that the document continued to reflect best-in-class market standards as well as the current strategy of KBN as an institution. KBN follows the International Capital

Market Association's (ICMA) Green Bond Principles (GBP). Previously KBN has contributed to their development as a member of the ICMA GBP Executive Committee for two periods, as well as co-chairing the ICMA GBP Working Group on Impact Reporting. We have furthermore engaged in the development of impact reporting through the Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting, which is now used by issuers and databases across Europe.

# Governance

## Green Bond Framework

■ KBN's Green Bond Framework is the governing document for KBN's green bond programme. It defines at the overall level the type of projects and project categories that can qualify for a green loan. It also describes KBN's procedures and processes for granting, evaluating, and reporting on green loans, as well as how the funds raised from green bonds are managed.

The 2024 framework aligns with the ICMA Green Bond Principles and has received a Medium Green shading by S&P Global Ratings in their Second Party Opinion. The SPO highlights KBN's thorough selection process and documentation requirements, annual impact reporting, and positive social benefits.

The current framework reflects KBN's commitment to mitigating physical climate risk and conserving or restoring nature through its green lending portfolio. The next framework revision is scheduled for 2027.



- ➔ Second Party Opinion
- ➔ KBN Green Bond Framework

### S&P Global Second Party Opinion of KBN's Green Project Categories

Buildings	● Medium to Light Green
Renewable energy	● Dark to Medium Green
Transportation	● Dark Green
Waste and circular economy	● Dark to Medium Green
Water and wastewater management	● Medium Green
Land use and area development projects	● Medium to Light Green
Climate change adaptation	● Dark to Medium Green

## Criteria Document for Green Loans

■ The Green Bond Framework is supplemented by KBN's Criteria Document for green loans, which establishes the minimum requirements that projects must meet to be classified as green. It also lists what documentation customers need to provide to demonstrate that their project meets the criteria, as well as relevant metrics for environmental impact. For certain categories, specific thresholds are defined – e.g. a new energy efficient building must use 20% less energy than the limit stipulated in the applicable national building regulations (TEK). In other project categories, such as climate change adaptation, the customers must describe the specific climate challenges their investment addresses and how.

The Criteria Document is updated regularly and is intended to reflect developments in technology, regulation and best practice.

- ➔ KBN Criteria Document

The Criteria Document is usually revised annually in consultation with KBN's Green Expert Committee, an external body that consists of specialists from relevant sectors. The purpose of the Green Expert Committee is to advise and guide the continuous development of KBN's Criteria Document for green loans to ensure that the criteria are up-to-date and relevant.



A person wearing a blue jacket and a backpack stands on a forest path, looking out over a river at sunset. The sun is low in the sky, creating a warm, golden glow through the trees. The person is seen from behind, looking towards the right side of the frame where the sun is setting. The forest is dense with tall trees, and the river flows in the distance.

## Nature risk: Mitigating nature risk through eligibility criteria for green loans

As a response to the intertwined challenges of climate change and nature degradation, KBN is increasingly incorporating requirements for nature and climate risk into the eligibility criteria for green loans. These steps are in line with KBN's strategy to mitigate physical climate risk and to conserve and restore nature through our green lending.

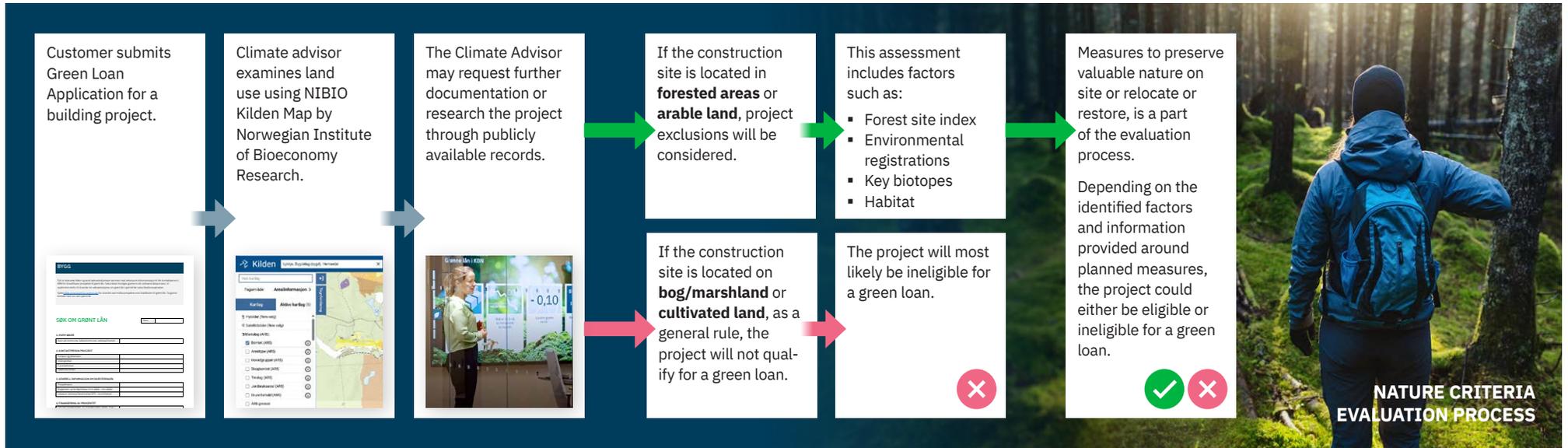
We enhanced our efforts to mitigate nature risk by setting criteria for land-use for new buildings in the 2024 criteria update. Starting in 2025 the criteria are also now applicable to new facilities for water and wastewater. Projects that involve building on certain types of nature may result in a rejection of a green loan, even if the building or facility meets the technical requirements in the criteria.

For larger investments (over 300 million NOK) located within risk zones for avalanches, floods or quick clay landslides, KBN requires documentation of risk mitigation measures. Only projects with proper assessments and planned measures will be considered for green financing.

### **Project screening**

To assess a project, KBN uses map data from the Norwegian Institute of Bioeconomy Research (NIBIO Kilden), which is a publicly available source. Projects with construction sites on bogs, marshlands or cultivated land are generally ineligible for green loans. Evaluations are conducted for sites in forested or arable lands, taking forest site index and biodiversity, including key biotopes or habitats, into account. For projects in these types of sensitive areas, KBN may request additional documentation, which may include risk and vulnerability assessments or detailed planning documents. As this new assessment methodology develops, the aim is to implement ▶

**Mitigating nature risk through eligibility criteria for green loans**  
continued



nature requirements for other project types involving physical infrastructure.

**Development of nature risk assessment**

While KBN strives to fund predominantly projects with few negative land use changes with green lending, the potential negative long-term effects of even small land use change underscore the need for nature risk assessments at project level. Moving forward, KBN will continue to develop our methodologies to reduce nature risk in our portfolio.

**Project rejections**

In 2025, one project was rejected due to nature risk considerations, as the project was planned on forest land of high site index.

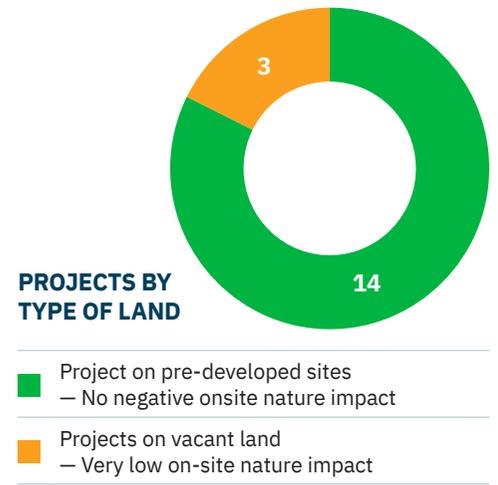
KBN maintains close dialogue with municipalities and provides guidance throughout the green loan application process. As a result, it is expected that projects not meeting the nature criteria are identified and filtered out earlier in the process.

It is nonetheless positive to note that a large proportion of new buildings and facilities are located on previously developed land.

**Land use in eligible projects**

In 2025 a total of 17 projects were subjected to nature risk assessment:

- 12 new construction projects on pre-developed sites: on-site impact on nature was considered non-existent or negligible
- 2 renovation projects: no negative on-site impact on nature
- 3 new construction projects partly on vacant land: on-site impact on nature was deemed unsubstantial, based on adequate planning and mitigation measures



# Project selection and reporting processes

## Assessment of project eligibility

### 1 | Customer submits application

The customer submits the application form and documentation.

### 2 | The application is assessed by KBN

The customer's relationship manager at KBN initially assesses whether the project aligns with KBN's Criteria Document for green loans. Subsequently, an in-house green finance advisor prepares a written recommendation outlining the project's impact, documentation, and any potential uncertainties. If the project qualifies, the recommendation is then reviewed by a green finance advisor. If the decision is deemed well-founded and verifiable, the application is approved.

For highly innovative projects and solutions not widely recognized in the market, the Chief Lending Officer's approval is required. While these projects must still demonstrate a significant climate or environmental impact, the evaluation process relies on an overall assessment of the documentation provided, given the absence of suitable criteria for evaluation.

## Registration and verification of environmental impact

### 3 | Registration of project information

New projects and their associated impacts are registered in KBN's database for environmental impact reporting.

### 4 | Verification of data

The environmental impact of new projects undergoes monthly verification by a green finance advisor. The verification process ensures that the data registered in the database aligns with the project-associated impact outlined in the project documentation.

## Impact reporting

### 5 | Green project list

The green project list is a digital database of projects financed with green loans. It provides short project descriptions, outstanding loan amounts and avoided and reduced greenhouse gas emissions where relevant.

### 6 | Annual impact reporting

The environmental impact report presents projects currently financed and is published alongside the annual report. An external reviewer performs an audit covering the allocation of the green bond proceeds to eligible projects and reported impact metrics. The auditor's report can be found on page 47.



Green project list at [kbn.com](https://kbn.com)



See all the green projects in Impact report 2025 (Excel) at [kbn.com](https://kbn.com)

# Key reporting principles

KBN's impact reporting follows the Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting, updated in early 2024.

Developed jointly by Nordic public sector issuers, including KBN, the paper provides practical guidance and promotes common reporting principles. The fourth edition reflects evolving methodologies, including a revised electricity baseline emission factor. Since all KBN-financed green projects are in Norway, KBN applies the Norwegian grid factor of 12 g CO<sub>2e</sub>/kWh (NVE) to all historical projects. The following sections describe KBN's alignment with the Position Paper.

## The Nordic reporting recommendations in KBN's impact report

- 1 Reporting compliance with the position paper:** KBN's impact report follows the paper's recommendations. Compliance and deviations are detailed in this section.
- 2 Report on expected impact, aiming for actual impact:** Our report is based on expected impact (ex-ante). Calculation methods can be found on page 17.

- 3 Report based on annual impact:** Our impact report focuses on annual impacts. Selected information on accumulated impacts is also provided.
- 4 Provide annual reporting:** Since 2016 KBN has issued an annual impact report, publicly available on KBN's website.
- 5 Provide quantitative and qualitative reporting:** We have quantitative indicators for each project category and report this data whenever feasible. Additionally, we offer a qualitative impact description of each project. Certain projects yield positive environmental outcomes but lack clear metrics or adequate reference points for comparison. We are constantly working to improve our metrics and our reporting of actual impact. Detailed information for all new projects can be found on page 22.

- 6 Focus on environmental impact:** Our reporting is focused on environmental impact and is limited to direct and indirect emissions and reductions under Scopes 1 and 2,

following respective reporting principles, as defined in the Greenhouse Gas Protocol.

- 7 Report project-by-project, where feasible:** We report on the impact of each project, as well as aggregate impact to category and portfolio levels.
- 8 Report based on the share financed:** All reported impact is matched to KBN's share of the project's financing.
- 9 Report impact by \$ only when quantifiable and relevant:** We do not report impact per invested monetary unit (e.g., X kg of CO<sub>2</sub> avoided annually per invested USD). This decision stems from the fact that not all project categories promote impact that can be measured in CO<sub>2</sub>.
- 10 Report on bond-by-bond or portfolio approach to issuance and allocation:** The issuance and allocation of green bond proceeds follow a portfolio approach, and we report on

- We comply** with the reporting recommendations
- We partly comply** with the reporting recommendations
- We do not comply** with the reporting recommendations



Nordic Public Sector Issuers Position Paper on Green Bond Impact Reporting.



the impact of the aggregate portfolio of eligible assets as of year-end. A breakdown of impact attributable to each outstanding bond is found in the Executive Summary on page 4.

**11 Provide both allocation and impact reporting:** This report includes both allocation and impact reporting, and the allocation of proceeds has been verified by KBN's internal auditor.

**12 Financing/refinancing:** The amount of financing and refinancing is determined by two distinct definitions, which are further described on page 18.

**13 Look-back period/Allocation period:** KBN does not apply a look-back period in the current green bond framework. We seek to qualify eligible projects prior to the issuance of our green bonds.

**14 Vintage reporting:** The green portfolio comprises projects approved under various framework vintages. The impact report spreadsheet specifies the latest criteria each project satisfies. Only new projects meeting the criteria of the most recent framework were included in the portfolio in 2025.

KBN's current and past green bond frameworks are available on our website.

**15 Provide breakdowns on asset type, geography, and sector:** The spreadsheet containing a list of the total portfolio serves as an overview of asset types. All assets are situated in Norway, and the project category indicates the sector.

**16 Maximise transparency and usability:** Impact reports and accompanying spreadsheets are available on our website.

**17 Framework age limit:** KBN's current Green Bond Framework underwent a Second Party Opinion by S&P in April 2024. The SPO remains relevant for three years and the framework and accompanying SPO will be revised in 2027.

**18 Communication of sustainability strategy:** KBN's sustainability strategy is briefly outlined on page 9 and further elaborated upon in our annual report within the Sustainability chapter.

**19 Process for identification and management of ESG risks:** ESG risk indicators are included in the credit assessment for all municipalities. Meas-

ures to mitigate ESG risks in the green lending portfolio were incorporated into our Criteria Document for green lending in 2024 by introducing new minimum requirements for nature and climate risk, see page 11.

**20 Climate-related risks:** In addition to the information provided in point 19, KBN's climate risk tool undergoes regular development and is frequently utilised in discussions with our customers to assist them in managing their climate risk. This tool encompasses indicators for both physical and transition risk.

**21 EU Taxonomy alignment approach:** We have assessed the green portfolio against the EU taxonomy to determine the degree of alignment between our eligibility criteria and the taxonomy. A summary of the mapping can be found on page 45, while a comprehensive assessment is available in spreadsheet format alongside the impact report.

**22 SFDR communication:** Currently, we do not provide complete information regarding all PAI indicators relevant for SFDR reporting. We plan to enhance our efforts in mapping our total financed emissions in 2026.



## Calculation methods

Category	Direct quantifiable impact, annually (estimated)	Conversion factor	Baseline	
 <b>Buildings</b>	kWh avoided or reduced kWh produced	1 kWh = 0.012 kg CO <sub>2</sub> e <sup>1</sup>	Reference building constructed in accordance with the applicable building regulations (currently TEK17) Energy demand prior to renovation	
 <b>Renewable energy</b>	kWh produced	1 kWh = 0.012 kg CO <sub>2</sub> e <sup>1</sup>	Use of electricity from local grid	
 <b>Transportation</b>	CO <sub>2</sub> e avoided Reduction in CO <sub>2</sub> e	<b>Electric or biogas vehicle</b>	Emissions new electric vehicle: 0.2 kWh/km <sup>2</sup> * 0.012 kg CO <sub>2</sub> /kWh = 0.0024 kg CO <sub>2</sub> /km Emissions new biogas vehicle: 0 kg CO <sub>2</sub> /km <sup>3</sup> Emissions alternative diesel vehicle: 0.126 kg CO <sub>2</sub> /km <sup>4</sup>	Alternative conventional type of vehicle (e.g. new diesel car)
		<b>Shore-side power or electric ferry</b>	1 kWh = 0.012 kg CO <sub>2</sub> e <sup>1</sup> 1 kWh = 0.25 kg marine diesel (MDO) <sup>5</sup> 1 kg marine diesel = 3.21 kg CO <sub>2</sub> /kg diesel <sup>6</sup>	Use of marine diesel
		<b>Electric construction machinery</b>	Emissions new electric construction machinery: "X" kWh/hour * 0.012 kg CO <sub>2</sub> e <sup>1</sup> /kWh = "Y" kg CO <sub>2</sub> e/hour * "Z" hours/year = amount of kg CO <sub>2</sub> e/year from new electric machinery Emissions existing diesel construction machinery: "X" liter/hour * 2.66 kg CO <sub>2</sub> <sup>7</sup> /liter = "Y" kg CO <sub>2</sub> /hour * "Z" hours/year = amount of kg CO <sub>2</sub> /year from existing machinery	Existing diesel construction machinery
 <b>Waste and circular economy</b>	Increase in capacity, tonnes kWh produced	1 kWh = 0.012 kg CO <sub>2</sub> e <sup>1</sup>	Situation before improvement Use of electricity from local grid	
 <b>Water and wastewater management</b>	Increase in capacity, population equivalents kWh produced	1 kWh = 0.012 kg CO <sub>2</sub> e <sup>1</sup>	Situation before improvement Use of electricity from local grid	
 <b>Land use and area development projects</b>	Area of the project	n/a	Situation before improvement	
 <b>Climate change adaptation</b>	n/a	n/a	Situation before improvement	

1) Average GHG emissions from usage of electricity in Norway in 2024 (NVE)

2) Average energy usage, electric vehicles 2016-2022 (The Norwegian Electric Vehicle Association)

3) KBN considers biogas as climate neutral as recommended by the Norwegian Environment Agency.

4) Average CO<sub>2</sub> emissions from new diesel cars in 2017 (Anskaffelser.no). Note that this is without

methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). The combustion emissions of methane and nitrous oxide

are relatively low compared to the CO<sub>2</sub> emissions and give and add between 0,5-1,5 % to the CO<sub>2</sub> emissions when calculated in CO<sub>2</sub>e.

5) Conversion rate of electric shore power distributed to amount of marine diesel avoided, recommended by Plug Port (A Norwegian company that offers shore power in partnership with the ports)

6) Emission factor recommended by Plug Port

7) Emission factor for diesel as provided by the Norwegian Environment Agency. Note that this is without methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). The combustion emissions of methane and nitrous oxide are relatively low compared to the CO<sub>2</sub> emissions and add between 0,5-1,5 % to the CO<sub>2</sub> emissions when calculated in CO<sub>2</sub>e.

# Refinancing and the age of projects

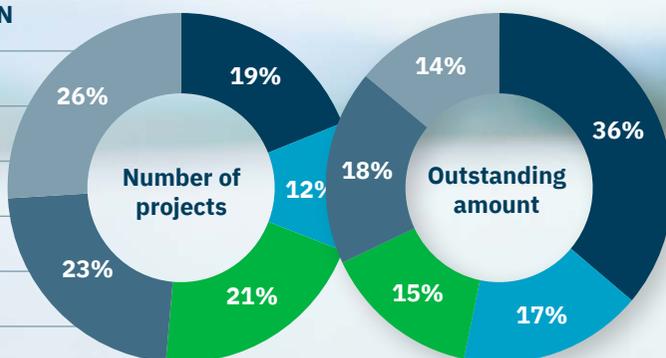
There are various definitions of refinancing, and the table shows how the portfolio compares against some of these. The charts show the portfolio by the physical age of the projects.

KBN's green loans primarily aim to finance new green projects. Generally, green loans are not awarded to projects completed more than twelve months prior to the application date. However, upon maturity

of existing green loans, they may be refinanced within the economic lifetime of the project. In such cases, projects undergo reassessment against the latest Criteria Document for green loans.

## PROJECTS BY COMPLETION

- 2025 or future date
- 2024
- 2022-2023
- 2020-2021
- 2019 or older



Source	Definition	Share of KBN's green portfolio
<b>Loans refinanced after maturity</b>	Share of outstanding loans refinanced after maturity	2,4%
<b>EU Green Bond Standard</b>	Share of financing (allocated amount to projects financed after bond issuance)	0%
	Share of refinancing (allocated amount to projects financed before bond issuance) <sup>1</sup>	100%
<b>Nordic Position Paper</b>	Share of outstanding loans granted during the reporting year	8%
	Share of outstanding loans granted prior to the reporting year	92%

<sup>1)</sup> As described in KBN's Green Bond Framework, we generally seek to qualify eligible projects prior to our green bond issuances, so that investors are clearly informed about the use of proceeds.



# Social impact: **Social value creation through green projects**

KBN is introducing social metrics to its impact reporting as a way to present a more comprehensive view of sustainable finance.

KBN seeks to facilitate the transition to a sustainable economy and greater value creation. Our value creation will balance financial, social and environmental factors so that our return over time is generated within sustainable limits. Through targeted financing, KBN enables investments that strengthen local economies, reduce environmental impact, and improve access to essential public services.

Municipal infrastructure — including schools, healthcare facilities, sports

venues, and civic and cultural buildings — plays a critical role in social cohesion, productivity, and quality of life. By directing capital toward future-oriented projects in these sectors, KBN contributes to resilient communities while supporting stable and responsible public finances.

KBN has a long track record of environmental impact reporting, with a focus on greenhouse gas reductions. This report expands its metrics to include initial social impact indicators, reflecting the growing



**Social value creation through green projects**  
continued



importance of holistic sustainability outcomes for investors. The green loan portfolio supports projects across education, welfare, and civic services, generating measurable benefits for local populations.

**Methodology**

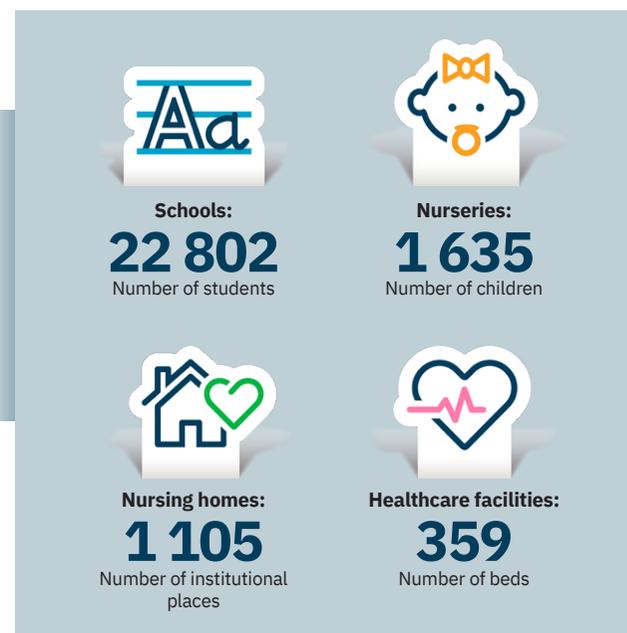
The initial social impact assessment focuses on the Buildings category, where data availability allows for consistent measurement of direct beneficiaries – the core social impact indicator used in this report.

Projects are grouped into sub-categories based on service type and beneficiary profile, using publicly available data where possible. We have noted where our degree of confidence in collected data is higher.

As KBN further develops its impact monitoring and reporting work, additional environmental and social metrics may be introduced to provide investors with a more comprehensive and transparent view of sustainability outcomes.



Building type	Previous years	2025	Total	KBN share of beneficiaries	Number of individual borrowers	Coverage of data gathering and reporting
Schools <sup>1</sup>	101	8	109	22 802	72	Missing data from 3 projects. High level of confidence.
Nurseries	22	2	24	1 635	18	Data for all entries. High level of confidence.
Nursing homes and homes for people with disabilities <sup>2</sup>	38	3	41	1 105	32	Missing data from 3 projects. Overall data quality is medium.
Healthcare facilities <sup>3</sup>	17	1	18	359	17	Missing data from 10 projects. Overall data quality is medium with significant under-reporting.
Sports facilities	18	3	21			No methodology to quantify beneficiaries.
Civic buildings	25	3	28			No methodology to quantify beneficiaries.
Cultural buildings	4	0	4			No methodology to quantify beneficiaries.



1) Schools with sports facilities and schools with nurseries were counted as schools.  
 2) For all housing units, occupancy considered was one single individual. All types of "social housing" were counted in this category.  
 3) Beneficiaries for healthcare facilities were counted as "number of beds".

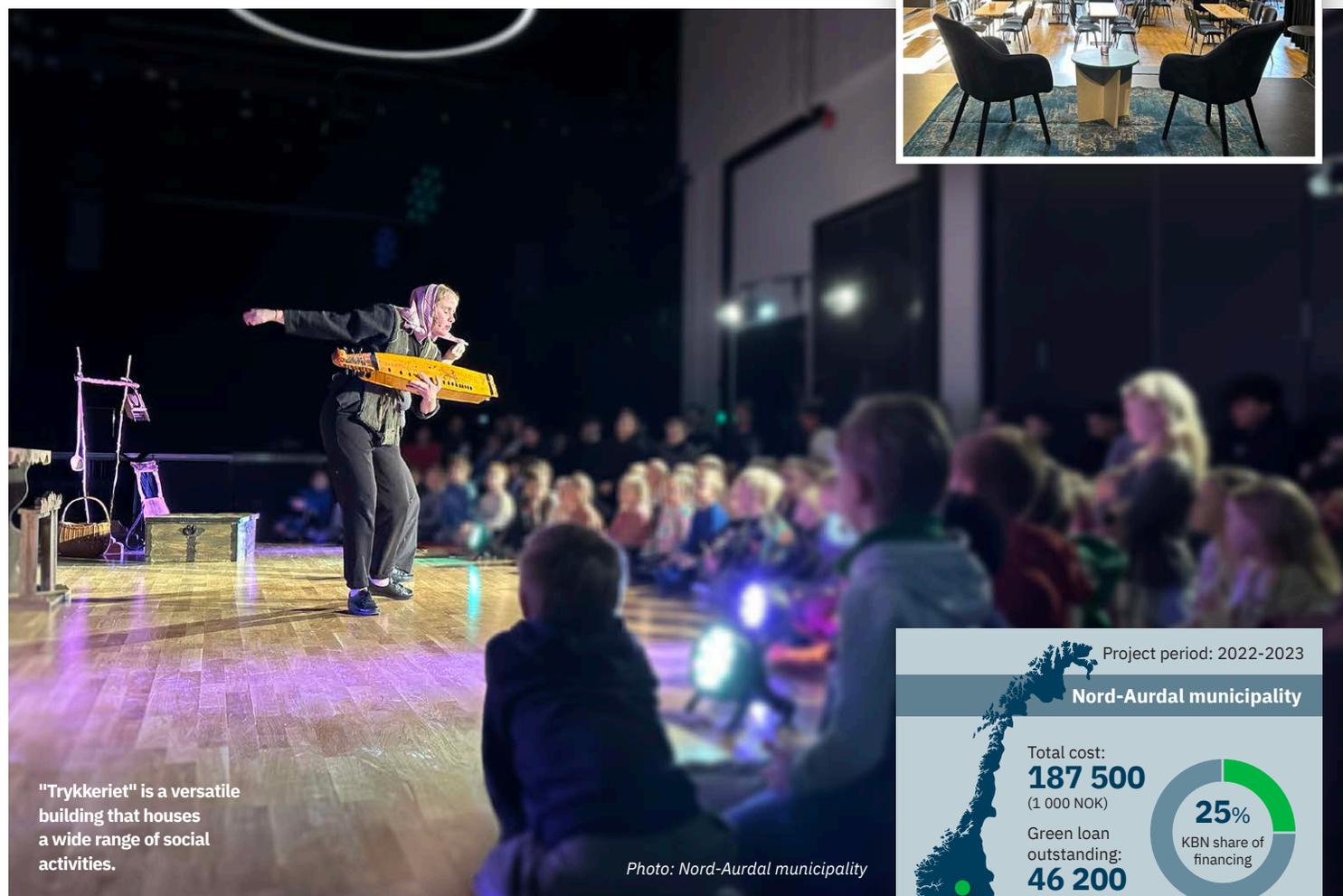
Social impact:

# From old print hall to Nord-Aurdal's new cultural hub

Nord-Aurdal municipality has transformed the former local newspaper printing hall into the Trykkeriet cultural arena, a concert venue and a new home for the local arts community.

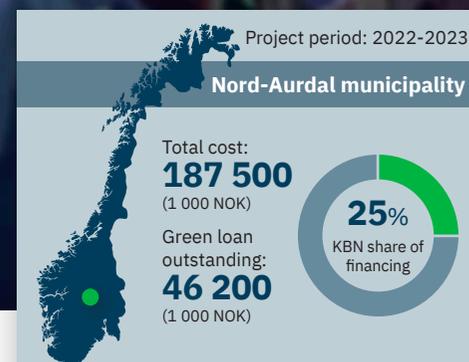
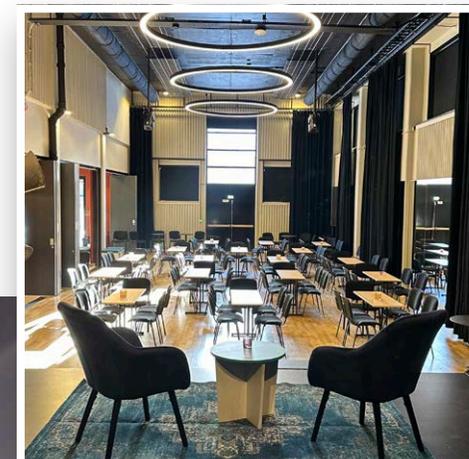
■ ■ The building includes seven rehearsal rooms for the cultural school, a performance hall with an audience capacity of 270, and inviting shared spaces designed to support music, dance, theatre, and visual arts. With strong local traditions in folk music and dance, the new venue is acoustically tailored to these art forms and fills a long-standing gap in the region's cultural infrastructure. Today, more than 40 bands and ensembles use the facilities regularly.

Trykkeriet has quickly become an inclusive meeting point for young people, offering free access to youth-led events and weekly open band sessions with professional guidance. The renovation also delivered significant environmental benefits: the building's energy demand was reduced by nearly 50%, and it is now connected to district heating based on local biothermal energy.



"Trykkeriet" is a versatile building that houses a wide range of social activities.

Photo: Nord-Aurdal municipality



# Key impact data

The impact reported on this page reflects the annual effect from all the projects in the green portfolio - both new and existing.

On the following pages, only new projects with first disbursement made in 2025 are listed. Hence, the environmental impact from the new projects represents only a portion of the totals presented in this table.

You can find a complete overview of all projects and their associated environmental impact in the spreadsheet accompanying this report or on KBN's website.

Project categories	Total number of projects	New green projects in 2025	Green loan outstanding (1000 NOK)	Production of renewable energy (kWh annually)	Reduced and avoided GHG (tonnes CO <sub>2</sub> e annually)	Category specific impact	
 Buildings	276	24	45 977 240	14 218 245	985	Estimated energy savings (kWh annually)	48 957 024
 Renewable energy	19	-	1 835 147	62 533 089	744	Installed capacity (kW)	3 226
 Transportation	82	7	7 599 897		11 258	Number of zero-emission vehicles	305
 Waste and circular economy	46	1	1 600 861	103 018	77	Increased capacity (tonnes)	106 651
 Water and wastewater management	117	6	18 023 384	11 269 009	3 506	Increased capacity (population equivalents)	610 756
						Estimated energy savings (kWh annually)	2 066 221
 Land use and area development projects	14	2	394 748			Included area (m <sup>2</sup> )	272 752
 Climate change adaptation	16	-	301 641				
<b>Total</b>	<b>570</b>	<b>40</b>	<b>75 732 918</b>	<b>88 123 361</b>	<b>16 569</b>		

## DISCLAIMER

The information presented in this report has been provided by KBN's customers. While KBN has reviewed the data, it has not been independently verified by KBN or a third party. Environmental

impact calculations have been performed by KBN. Although every effort has been made to ensure the accuracy of the information, investors and other stakeholders are advised to interpret

the results with caution, as calculations of this nature involve inherent uncertainty.



Get a complete overview of the green projects in Impact report 2025 (Excel) or Green project list at [kbn.com](https://kbn.com).

# Project categories



**Buildings**



**Renewable energy**



**Transportation**



**Waste and circular economy**



**Water and wastewater management**



**Land use and area development projects**



**Climate change adaptation**

KBN finances projects in municipalities and counties throughout Norway. The following pages offer a complete overview of this year's projects, along with selected project examples.

 See all the green projects in Impact report 2025 (Excel) at [kbn.com](https://kbn.com).



**Examples of new green projects in 2025**

# Buildings



This category covers projects that improve the environmental performance of buildings across their life cycle, including upgrades to existing buildings, new construction, on-site renewable energy, energy storage, climate adaptation measures, and emission-free construction sites. It includes both technical energy measures and broader material and design choices that reduce energy use or greenhouse gas emissions. The category does not cover conventional building projects that merely meet minimum regulatory requirements or projects without a clear climate or environmental improvement beyond standard practice.

## Key Figures

Total number of projects	<b>276</b>
Outstanding green loans (1000 NOK)	<b>45 977 240</b>
Renewable energy production (kWh annually)	<b>14 218 245</b>
Energy reduced/avoided (kWh annually)	<b>48 957 024</b>
CO <sub>2</sub> e reduced/avoided (tonnes annually)	<b>985</b>

## UN Sustainable Development Goals



## The EU Environmental Objectives

- Climate change mitigation
- Climate change adaptation
- Transition to a circular economy
- Protection and restoration of biodiversity and ecosystems



## NEW GREEN PROJECTS

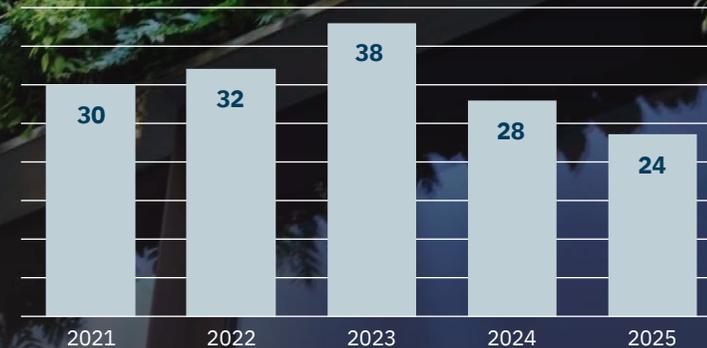


Photo: Fredrik Noralv Veggeland



## Rehabilitation of Sophies Minde for Community Use

Oslo municipality is rehabilitating Sophies Minde, a historically significant building and an important part of Grünerløkka's cultural heritage. The project is based on adaptive reuse, preserving the building's architectural and heritage values while upgrading it for continued public use.

The rehabilitated premises will accommodate an expanded kindergarten, increasing from 17 to 20 departments, as well as district functions, including a health station, maternity care, family services, offices, and meetings spaces. Approximately 13 000 square meters will be rehabilitated, including upgraded outdoor areas with around 7 100 square meters of play and community space.

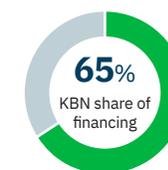
The project will reduce estimated energy consumption by 66%, reuse 8 000 bricks, aim for BREEAM-NOR 2016 Excellent, and be carried out as an emissions-free construction site.

Project period: 2023-2026

Oslo municipality

Total cost:  
**922 500**  
(1 000 NOK)

Green loan  
outstanding:  
**596 200**  
(1 000 NOK)



## Buildings, new projects in 2025

Borrower	Project name	Description	Project period	Criteria document fulfilled	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Heated area (m <sup>2</sup> )	Estimated impact (KBN share)		
										Energy produced (kWh annually)	Energy reduced or avoided (kWh annually)	Corresponds to reduced or avoided GHG (tonnes CO <sub>2</sub> e annually)
ASKER KOMMUNE	Hvalstad school	Asker Municipality is going to renovate and expand Hvalstad School, which achieve The Nordic Swan Ecolabel. The energy system in the existing building will be upgraded and will almost halve the energy demand	2023-2025	2023	251 770	244 217	531 000	46%	12 044	87 385	224 340	3.7
ASKER KOMMUNE	Røyken og Nesbru sport centers	Two new, identical sports halls are being built in Nesbru and Røyken in Asker. Due to their own solar power production, the sports halls meet the requirement for nearly zero-energy buildings (nZEB)	2023-2025	2023	128 230	124 383	320 000	39%	5 132	47 810	20 546	0.8
GRIMSTAD KOMMUNE	Fjære elementary school	A new primary school with an associated after-school program (SFO) is being built in Fjære. The school will have a capacity of 350 students and will be available for use by the local community outside of school hours. The school is being constructed with low energy requirements and solar panels, and it will achieve The Nordic Swan Ecolabel.	2024-2025	2025	200 000	195 000	254 000	77%	4 860	33 012	107 456	1.7
SØR-ODAL KOMMUNE	Furubo care center	Sør-Odal Municipality is going to build Nye Furubo. The project will include ten care homes, constructed with cross-laminated timber, and will use district heating and solar panels as energy sources. It has an energy rating of A	2022-2024	2025	38 100	37 289	77 300	48%	1 386	26 049	28 416	0.6
HAMARØY KOMMUNE	Oppeid care center	Hamarøy Municipality is set to build new care homes in Oppeid. The buildings will be constructed using environmentally friendly materials and will have low energy requirements.	2024-2025	2025	103 134	101 200	160 774	63%	2 555	-	76 714	0.9
KINN KOMMUNE	New office center Florø Hamn	Kinn kommune and Florø Hamn KF are constructing a new office building at Fugleskjærkaia	2021-2024	2016	81 090	81 090	96 250	84%	1 036	18 501	2 007	0.2
OSLO KOMMUNE	Sophies Minde	Oslo Municipality is completely renovating Sophies Minde. The building will be transformed into a kindergarten and various district functions such as a health station, "Oslohjelpe", offices, and an assembly hall. The renovation will result in a reduction of the estimated delivered energy consumption by 66.29%. 8,000 bricks from another building in the area have been reused. The building is certified with BREEAM-NOR 2016 Excellent.	2023-2026	2025	596 200	596 200	922 500	65%	22 896	-	1 702 441	20.3
OSLO KOMMUNE	Dælenga Sports Centre	Oslo municipality is building a multi-purpose sports centre with a full-scale sports hall, extensively using low-carbon concrete cast on site. The building is designed with low energy requirements and solar panels on the roof. They will also reuse certain outdoor components from previous outdoor facilities.	2022-2025	2025	354 600	354 600	541 000	66%	5 655	-	106 750	1.3



Buildings continued

Borrower	Project name	Description	Project period	Criteria document fulfilled	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Heated area (m <sup>2</sup> )	Estimated impact (KBN share)		
										Energy produced (kWh annually)	Energy reduced or avoided (kWh annually)	Corresponds to reduced or avoided GHG (tonnes CO <sub>2</sub> e annually)
<b>STANGE KOMMUNE</b>	Stange school	Stange school will be expanded with a new school building, allowing for more students. Low-carbon class A materials will be used, and a heat pump will be installed. The building will achieve 19% lower greenhouse gas emissions compared to a reference building.	2024-2026	2025	32 471	31 487	226 000	14%	2 514	-	6 585	0.1
<b>OSLO KOMMUNE</b>	Løren multipurpose hall	Oslo Municipality is constructing a multipurpose hall of 2 500 square meters and an activity park of 6 000 square meters in Løren, Oslo. The park will be part of the green ring in Hovinbyen, which is a pedestrian- and recreation-friendly urban development project. The building is constructed with extreme low-carbon concrete and has a low total estimated energy demand. Reused stone and steel have been utilized in the construction.	2023-2025	2025	216 874	216 874	268 600	81%	2 187	-	61 804	0.7
<b>OSLO KOMMUNE</b>	New Stig school	At the new Stig School, measures have been taken to reduce greenhouse gas emissions related to material use. Low-carbon concrete class A is used, and the school is constructed as a passive house building with solar panels on the roof. There is extensive use of emission-free solutions at the construction site.	2024-2026	2025	376 824	376 824	865 000	44%	11 570	108 909	164 817	3.3
<b>ELVERUM KOMMUNE</b>	Ydalirtunet assisted living facilities	Elverum municipality is planning to build 12 assisted living units with low energy consumption, climate friendly materials, and solar panels on the roof. The building is expected to have 55% lower greenhouse gas emissions compared to industry standards.	2023-2024	2025	44 361	43 622	86 679	50%	1 206	6 934	25 916	0.4
<b>BJØRNAFJORDEN KOMMUNE</b>	Jettegryta nursery	Bjørnafjorden Municipality will replace the existing kindergarten and construct a new one on the same site. The new kindergarten will meet the Passive House standard and make extensive use of environmentally certified timber.	2020-2024	2025	42 100	38 144	52 300	73%	971	36 910	1 841	0.5
<b>GRONG KOMMUNE</b>	Energy efficiency improvements at Grong Health and Care Center	Grong Municipality will upgrade the Grong Health and Care Center, including the installation of new windows, additional insulation, and solar panels.	2024-2025	2025	30 000	30 000	37 500	80%	-	33 840	42 612	0.9
<b>ALTA KOMMUNE</b>	Saga school	Saga Primary School will be expanded to also include lower secondary education. The expansion will be carried out as a new three-story extension, where low-carbon concrete class A will be used in the main structural elements.	2024-2025	2023	50 000	50 000	104 000	48%	1 908	-	2 935	0.0



Buildings continued

Borrower	Project name	Description	Project period	Criteria document fulfilled	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Heated area (m <sup>2</sup> )	Estimated impact (KBN share)		
										Energy produced (kWh annually)	Energy reduced or avoided (kWh annually)	Corresponds to reduced or avoided GHG (tonnes CO <sub>2</sub> e annually)
<b>ORKLAND KOMMUNE</b>	New fire station	Orkdal municipality is building a new fire station in Meldal with low energy requirements. The supporting structure will be in glued laminated timber, and heat pumps will be installed.	2024-2025	2025	53 844	53 844	70 000	77%	1 346	38 403	20 707	0.7
<b>ORKLAND KOMMUNE</b>	Solar panels on Orkland Town Hall	Orkland Municipality are installing solar panels on the roof of the town hall.	2024-2024	2025	760	760	950	80%	-	31 971	-	0.4
<b>OSLO KOMMUNE</b>	Økern kindergarden, school and multi-use sports hall	Oslo Municipality is developing Økern Square with a new school, kindergarden, and sports hall. The buildings are designed with low energy demand and environmentally friendly materials (low-carbon concrete class A and extreme). Renewable energy will also be generated through solar panels.	2024-2026	2025	1 013 590	1 013 590	2 340 000	43%	32 020	46 781	206 659	3.0
<b>OSLO KOMMUNE</b>	Energy efficiency improvements at LBS Veitvet	Energy efficiency measures at the Logistics and Emergency Response Center (LBS) of the Water and Sewerage Agency. The building, which consists of warehouse and office space, was constructed in 1975. Planned measures include additional insulation of exterior walls, replacement of roof hatches and windows, full window replacement in the warehouse, a new roof, transition from electric heating to hydronic heating with district heating, and a new ventilation unit with rotary heat recovery. These measures will reduce the need for delivered electrical energy and lower the overall energy demand.	2024-2025	2025	59 800	59 800	62 900	95%	5 318	-	589 444	7.0
<b>GJESDAL KOMMUNE</b>	Gjesdal health center	Gjesdal Health Center is a new, forward-looking healthcare district under development in the center of Ålgård. The building is set to achieve BREEAM certification at the 'Excellent' level.	2025-2027	2025	117 500	117 500	640 000	18%	8 071	-	68 162	0.8
<b>LOPPA KOMMUNE</b>	Skarven education center	Loppa municipality is building Skarven education center, which is built using mass timber and has a low energy demand.	2024-2026	2025	90 000	90 000	240 000	38%	3 162	-	34 980	0.4
<b>NORDLAND FYLKESKOMMUNE</b>	Mosjøen high school	Nordland county authority is building a new high school in Mosjøen. The building will have low energy demand and generate its own energy, utilising an innovative ASES system (Active Solar Energy Storage) for thermal energy storage. This energy storage solution is a pilot project, making Mosjøen high school the first building in Norway to implement this technology. The goal is to increase the share of renewable energy in buildings and thereby reduce the need for externally supplied energy.	2024-2025	2025	445 000	445 000	1 226 000	36%	13 563	187 570	158 027	4.1



Buildings continued

Borrower	Project name	Description	Project period	Criteria document fulfilled	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Heated area (m <sup>2</sup> )	Estimated impact (KBN share)		
										Energy produced (kWh annually)	Energy reduced or avoided (kWh annually)	Corresponds to reduced or avoided GHG (tonnes CO <sub>2</sub> e annually)
<b>RENOVASJONS-SELSKAPET FOR DRAMMENS-REGIONEN IKS</b>	Facility for operations and logistics	New operations and logistics facility consisting of a workshop, wash hall, and offices. It is being constructed on a former recycling station site with deposited waste in the ground. The property therefore cannot be used for residential or commercial purposes. The building will feature an energy solution based on a borehole field and a large heat pump, and will be constructed using low-carbon concrete, class A.	2025-2026	2025	185 000	80 000	231 250	35%	3 175	71 715	5 382	0.9
<b>VÅLER KOMMUNE (INNLANDET)</b>	Renovation of Sentralgården	The municipal building Sentralgården in Våler will be renovated, and solar panels will be installed. Energy consumption will be reduced by 30%.	2025-2026	2025	51 200	51 200	64 000	80%	1 526	-	42 614	0.5



# Renewable energy

Projects in this category focus on the production, storage, and distribution of energy from renewable sources, such as solar, geothermal, biogas, heat pumps, and district heating or cooling systems. It also includes supporting infrastructure that increases network capacity or enables efficient use of renewable energy. Energy solutions based on fossil fuels, waste incineration as an energy source<sup>1</sup>, or non-renewable peak-load systems fall outside the scope of this category.



## Key Figures

Total number of projects	19
Outstanding green loans (1000 NOK)	1 835 147
Renewable energy production (kWh annually)	62 533 089
Installed capacity (kW)	3 226
CO <sub>2</sub> e reduced/avoided (tonnes annually)	744

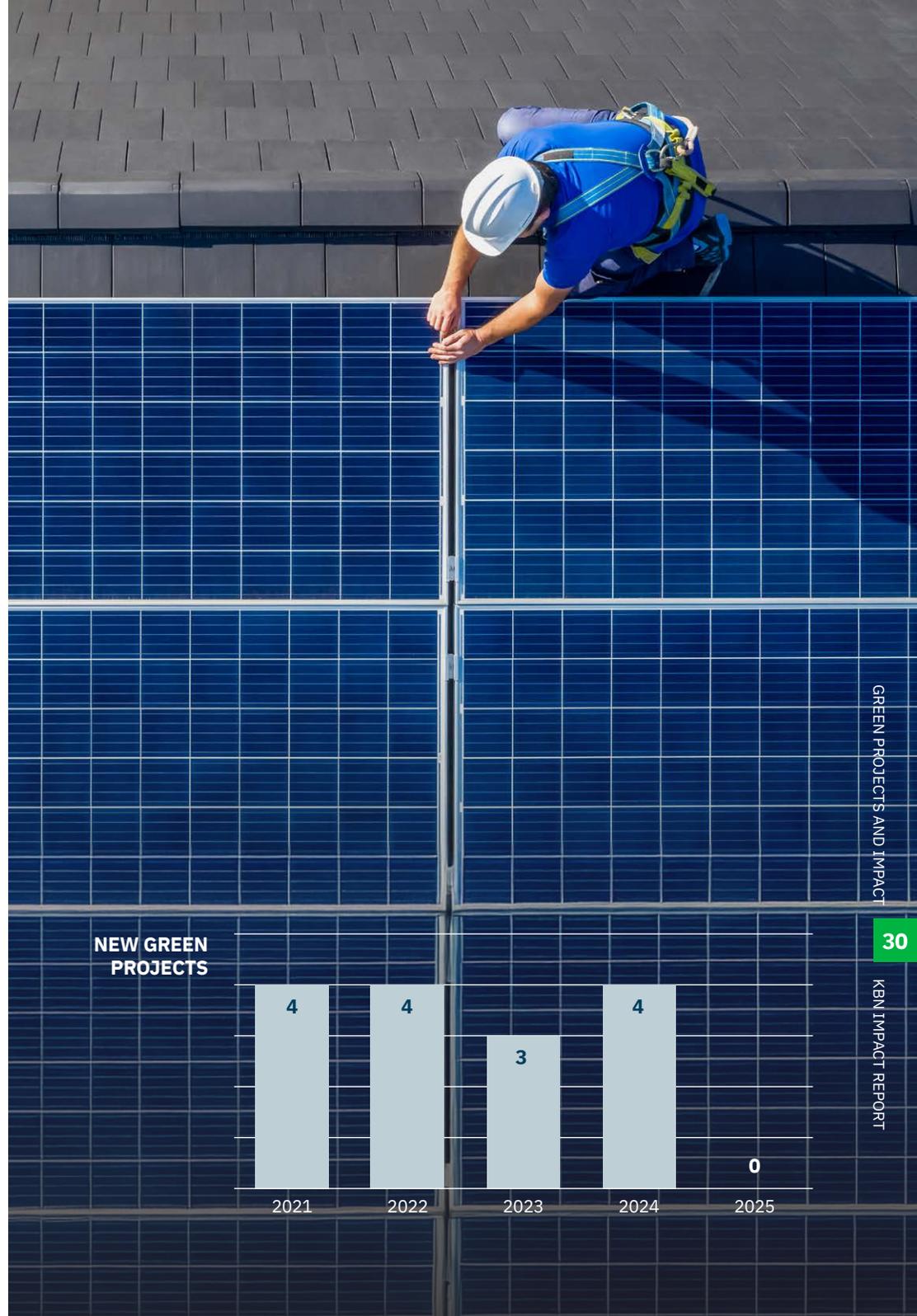
## UN Sustainable Development Goals



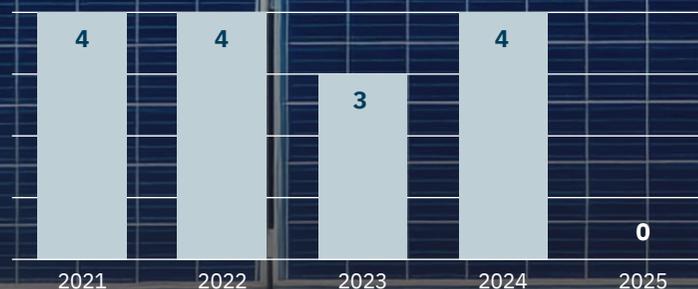
## The EU Environmental Objectives

- Climate change mitigation
- Climate change adaptation
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

<sup>1</sup>) As of Criteria Document update from 2024.



## NEW GREEN PROJECTS



# Transportation



The transportation category includes measures that enable low- or zero-emission mobility, covering walking and cycling infrastructure, land-based public transport, maritime transport, heavy machinery, and associated infrastructure such as charging or fueling facilities. The focus is on vehicles, vessels, equipment, and infrastructure powered by electricity or other renewable fuels. Conventional fossil-fuel vehicles, plug-in hybrids, and transport solutions without a clear emissions reduction effect are not included.

Key Figures		
Total number of projects		<b>82</b>
Outstanding green loans (1000 NOK)		<b>7 599 897</b>
CO <sub>2</sub> e reduced/avoided (tonnes annually)		<b>11 258</b>
Number of zero-emission vehicles		<b>305</b>
Length of pedestrian or cycle paths (km)		<b>17</b>

## UN Sustainable Development Goals



## The EU Environmental Objectives

- Climate change mitigation
- Climate change adaptation
- Pollution prevention and control



## NEW GREEN PROJECTS



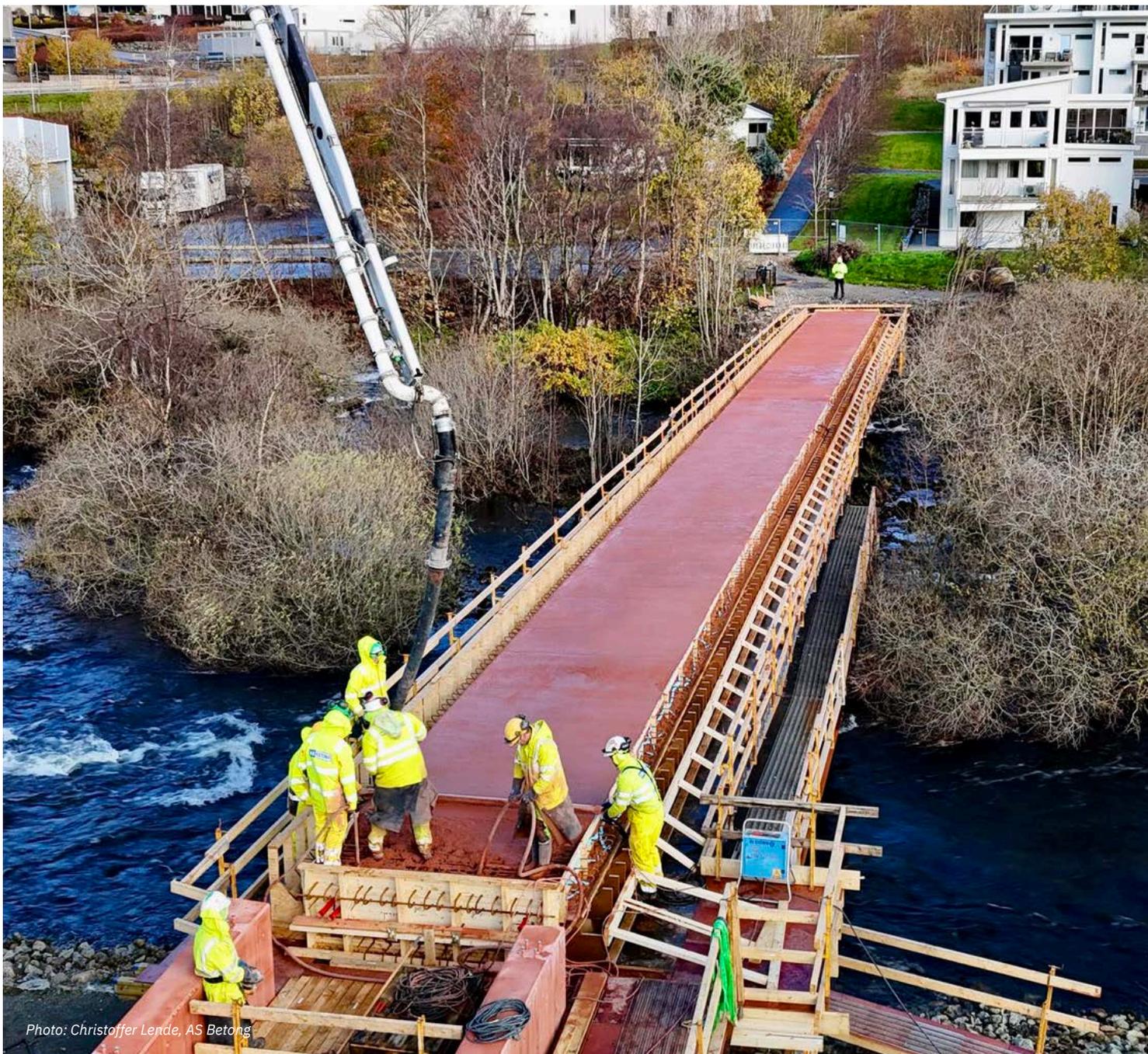


Photo: Christoffer Lende, AS Betong

## Strengthening green mobility in Ålgård

■ ■ Gjesdal Municipality built the Liv Godin cyclist and pedestrian bridge across the Figgjo River as part of a wider effort to strengthen sustainable mobility and improve accessibility in the town centre. The bridge connects the two sides of Ålgård and encourages walking and cycling by creating a safe, attractive crossing integrated into the existing river path.

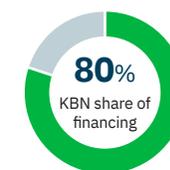
Beyond its transport function, the bridge is a strong example of how infrastructure can also serve as a cultural and social meeting point. The project is inspired by the life of Liv Godin, a Norwegian missionary in the Congo, and draws on textile traditions from both Ålgård's industrial heritage and the Kuba people of Congo. The red colour of the bridge symbolises African soil.

Project period: 2024-2025

Gjesdal municipality

Total cost:  
**15 600**  
(1 000 NOK)

Green loan  
outstanding:  
**12 500**  
(1 000 NOK)



## Transportation, new projects in 2025

Borrower	Project name	Description	Project period	Criteria document fulfilled	Last disbursement	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)
										Corresponds to avoided GHG (tonnes CO <sub>2</sub> e annually)
OSLO KOMMUNE	Emission free construction machinery	Purchase of several emission-free construction machines, including electric wheel loaders, material handlers and sweepers.	2019-2024	2025	2025	12 152	12 152	16 794	72%	46.8
OSLO KOMMUNE	New waste collection vehicles	Oslo municipality has purchased 57 biogas-powered waste collection trucks and one electric truck.	2021-2024	2025	2025	148 179	148 179	198 805	75%	587.5
GJESDAL KOMMUNE <b>CASE</b>	Pedestrian and bicycle bridge over the Figgjo River in Gjesdal	Gjesdal Municipality has built a pedestrian bridge in the town center over the Figgjo River. This is part of a broader initiative to make the town center more accessible and attractive for walking and cycling. The bridge is named the Liv Godin Bridge, after the Norwegian missionary Liv Godin.	2024-2025	2025	2025	12 500	12 500	15 600	80%	-
MØRE OG ROMSDAL FYLKESKOMMUNE	Bådalen pedestrian and bicycle path	Møre og Romsdal county build approximately 1 km of pedestrian and bicycle path, which will provide a safer route and reduce car usage to and from Bodalen school.	2025-2026	2025	2025	35 600	35 007	71 000	49%	-
REMITD IKS	Two electric wheel loaders	ReMidt IKS is planning to purchase two electric wheel loaders of the Volvo L25 type to replace diesel machines. These loaders will be used at recycling stations and waste transfer halls. The goal is to reduce greenhouse gas emissions	2024-2024	2025	2025	3 000	2 700	3 750	72%	24.8
KINN KOMMUNE	Shore-side power supply Fugleskjærkaia and Botnastranda	Kinn kommune and Florø Hamn KF have invested in shore power facilities at Fugleskjærkaia and Botnastranda.	2020-2021	2025	2025	10 330	10 330	18 590	56%	1 237.6
FOSEN RENOVASJON IKS	Electric waste collection truck	Fosen Renovasjon IKS are going to purchase 1 electric waste collection truck.	2024-2024	2025	2025	5 171	4 802	7 671	63%	-



# Waste and circular economy

This category encompasses projects that prevent waste, promote reuse and recycling, improve waste collection and sorting, and reduce emissions from waste treatment and disposal. It includes both upgrades to existing facilities and the development of new, climate-ambitious waste infrastructure, as well as measures such as biogas production and carbon capture. Projects that do not contribute to higher reuse, recycling, or emissions reduction—beyond compliance with basic legal requirements<sup>1</sup>—are generally excluded.



Key Figures		
Total number of projects		46
Outstanding green loans (1000 NOK)		1 600 861
Renewable energy production (kWh annually)		103 018
Increase in capacity (tonnes annually)		106 651
CO <sub>2</sub> e reduced/avoided (tonnes annually)		77

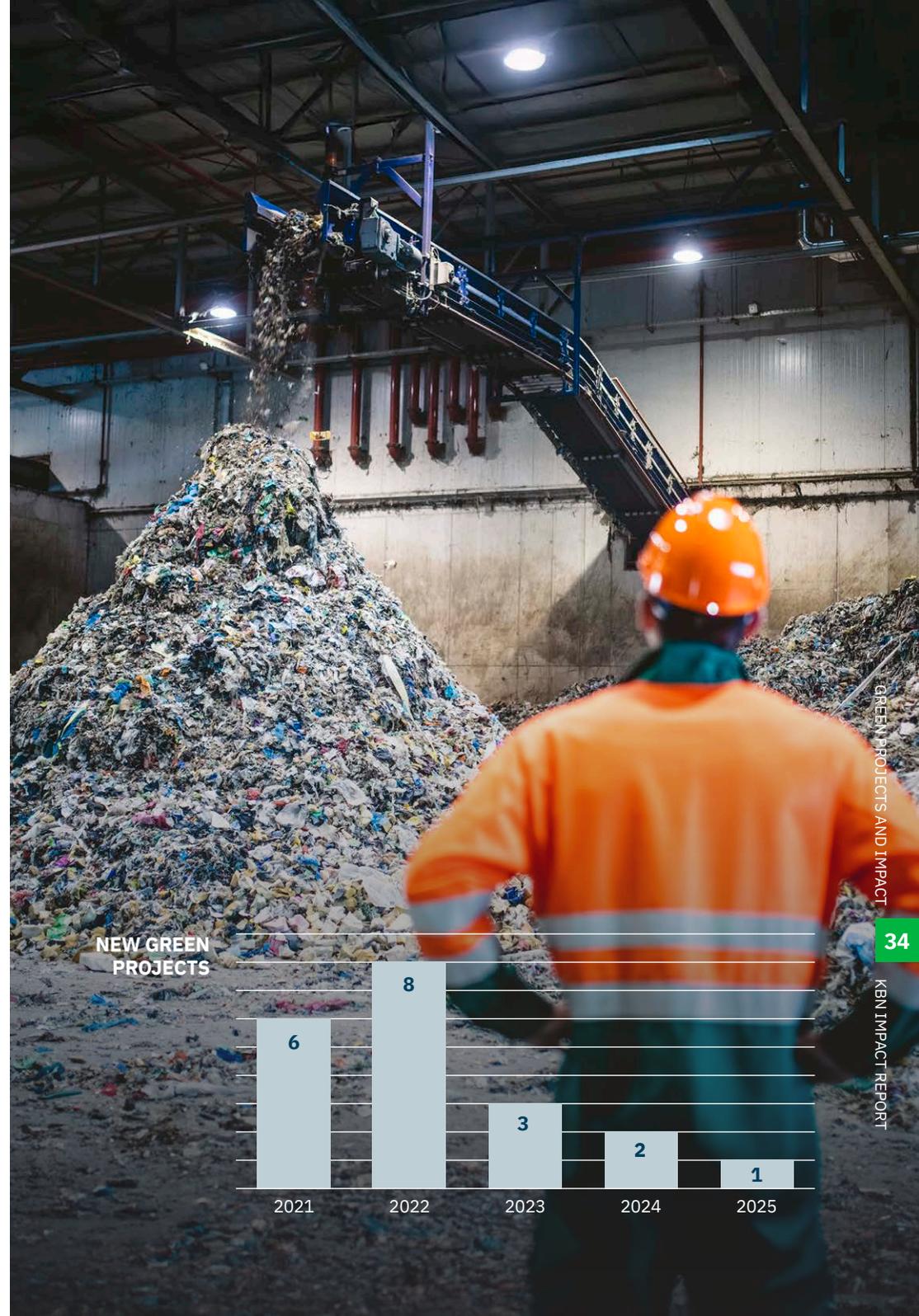
## UN Sustainable Development Goals



## The EU Environmental Objectives

- Climate change mitigation
- Climate change adaptation
- Transition to a circular economy
- Pollution prevention and control

1) As of Criteria Document update from 2023.



## NEW GREEN PROJECTS

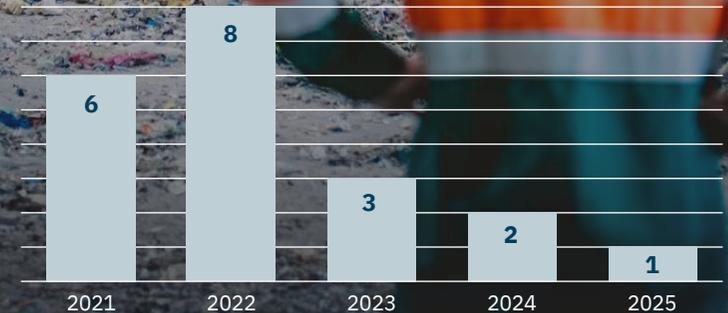


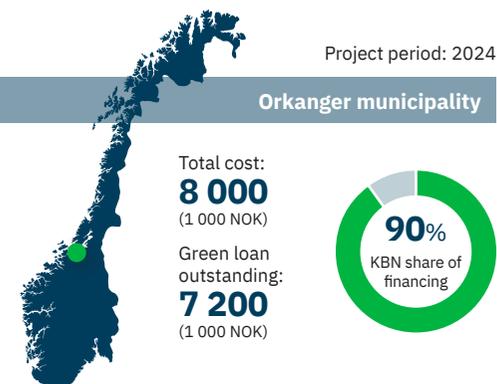


Photo: Remidt IKS

## More sustainable containers with less emissions

■ ■ ReMidt IKS is an intermunicipal waste management company jointly owned by 17 municipalities in Trøndelag and Møre og Romsdal, serving approximately 130,000 residents. In collaboration with its owner municipalities, ReMidt promotes sustainable resource use by facilitating waste sorting, reuse, and material recycling, and operates recycling stations across all member municipalities.

ReMidt IKS is acquiring bottom-emptying containers in 2024 to ensure extended waste sorting for recreational subscribers, housing cooperatives, and municipal businesses. These containers require less frequent emptying, which leads to reduced driving and lower emissions.



## Waste and circular economy, new projects in 2025

Borrower	Project name	Description	Project period	Criteria document fulfilled	Last disbursement	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)			
										Total capacity (tonnes)	Increased capacity (tonnes)	Expected energy production (kWh/annually)	Corresponds to avoided GHG (tonnes CO <sub>2</sub> e annually)
<b>REMIDT IKS</b> <b>CASE</b>	Bottom-emptying units for extended waste sorting	ReMidt IKS is acquiring bottom-emptying containers in 2024 to ensure extended waste sorting for recreational subscribers, housing cooperatives, and municipal businesses. These containers require less frequent emptying, which leads to reduced driving and lower emissions.	2024-2024	2025	2025	8 000	7 200	8 000	90%	-	-	-	-



# Water and wastewater management

Projects in this category address energy efficiency, emissions reduction, and climate adaptation within water supply, wastewater, and surface runoff systems. This includes upgrades to pipelines and facilities, small-scale renewable energy production linked to water infrastructure, and measures that improve resilience to climate impacts. Pure capacity expansions or routine maintenance without a documented climate, energy, or environmental benefit are not covered<sup>1</sup>.



## Key Figures

Total number of projects	<b>117</b>
Outstanding green loans (1000 NOK)	<b>18 023 384</b>
Renewable energy production (kWh annually)	<b>11 269 009</b>
Increase in capacity (p.e. annually)	<b>610 756</b>
CO <sub>2</sub> e reduced/avoided (tonnes annually)	<b>3 506</b>

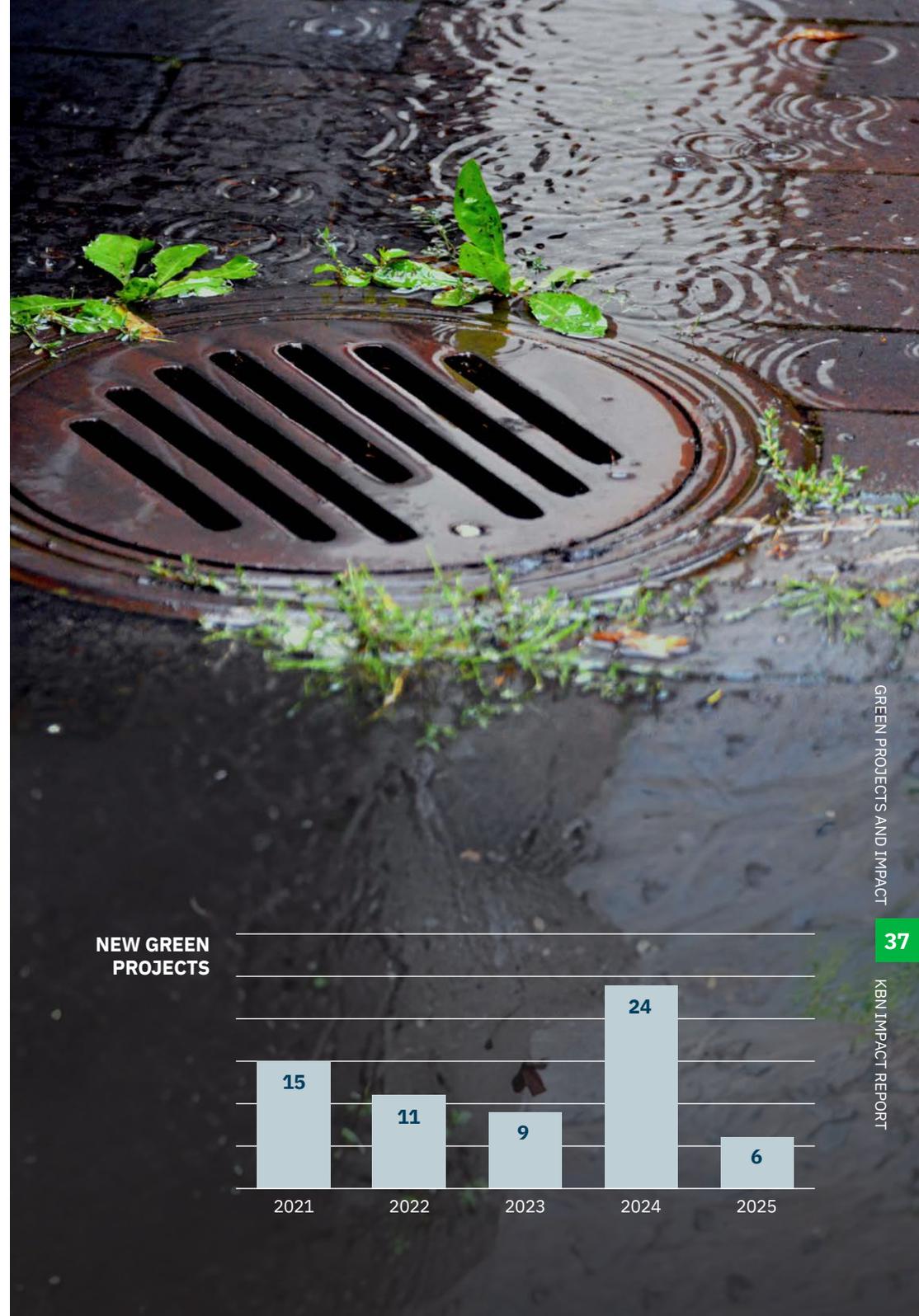
## UN Sustainable Development Goals



## The EU Environmental Objectives

- Climate change mitigation
- Climate change adaptation
- Sustainable land use and protection of water and marine resources
- Pollution prevention and control

1) As of Criteria Document update from 2025.



## NEW GREEN PROJECTS



Photo: Vest Stålbygg AS



## Upgrading Wastewater Infrastructure in Sysendalen

■ Major infrastructure project led by Eidfjord municipality to replace undersized facilities in the Sysendalen area, driven by stricter environmental requirements and growing demand from residential and recreational properties.

The existing treatment systems were found to be overloaded and unable to meet national discharge standards, prompting the need for a modern plant capable of handling increased wastewater volumes in compliance with environmental regulations. A new treatment facility has been planned and zoned at Gommakvilet near Liseth, with detailed project planning and regulatory processes completed by the municipal council.

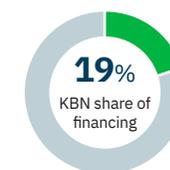
The facility is being designed to fulfil current and future wastewater treatment needs, meeting stricter discharge permits set by national authorities and supporting sustainable local development.

Project period: 2025-2027

Eidfjord municipality

Total cost:  
**276 000**  
(1 000 NOK)

Green loan  
outstanding:  
**52 800**  
(1 000 NOK)



## Water and wastewater management, new projects in 2025

Borrower	Project name	Description	Project period	Criteria document fulfilled	Last disbursement	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)			
										Estimated increase in capacity (PE)	Energy produced (kWh annually)	Energy reduced or avoided (kWh annually)	Corresponds to avoided GHG (tonnes CO <sub>2</sub> e annually)
<b>EIDFJORD KOMMUNE</b> <b>CASE</b>	Sysendalen wastewater treatment facility	New wastewater treatment facility with extensive use of low-carbon concrete. The new facility will replace two outdated plants.	2025-2027	2025	2025	52 800	52 800	276 000	19%	957	-	-	-
<b>OSLO KOMMUNE</b>	Zero-emission building and construction site	From 2025, all construction sites in Oslo will be zero-emission. In 2024, several projects were also carried out with zero emission technology.	2024-2025	2025	2025	949 479	949 479	949 479	100%	-	-	-	1 262.3
<b>VÅGAN KOMMUNE</b>	Separating wastewater and surface runoff Storgata	A 100-year-old combined sewer system will be removed and replaced with separate wastewater and stormwater pipelines.	2023-2025	2024	2025	43 582	43 582	47 839	91%	-	-	-	-
<b>OSLO KOMMUNE</b>	No-dig projects	Oslo Municipality is carrying out no-dig rehabilitation of the pipeline network, including the use of liner installation, which extends the lifespan of existing pipes.	2024-2025	2025	2025	235 372	235 372	235 372	100%	-	-	-	-
<b>ALSTHAUG KOMMUNE</b>	Rehabilitation of the wastewater network	Alstahaug municipality is rehabilitating the wastewater network.	2023-2028	2024	2025	61 800	59 645	77 250	77%	-	-	-	-
<b>VESTFOLD VANN IKS</b>	New water treatment plant at Seierstad	Vestfold Vann IKS are building a new and more environmentally friendly water treatment plant at Seierstad. The new processing plant will contribute to a significant reduction in chemical use and greenhouse gas emissions.	2025-2028	2024	2025	200 000	246 000	743 750	33%	-	-	-	240.5



# Land use and area development projects



This category covers projects related to land use, area development, and site-based measures that reduce pollution, improve environmental quality, or support more sustainable land use patterns. It includes remediation, anti-pollution measures, and climate- or environment-oriented area development. Projects that lead to environmental degradation, increased pollution, or land use changes without clear environmental benefits fall outside this category.

Key Figures		
Total number of projects		<b>14</b>
Outstanding green loans (1000 NOK)		<b>394 748</b>
Included area (m <sup>2</sup> )		<b>272 752</b>

## UN Sustainable Development Goals



## The EU Environmental Objectives

- Climate change mitigation
- Climate change adaptation
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems



## NEW GREEN PROJECTS



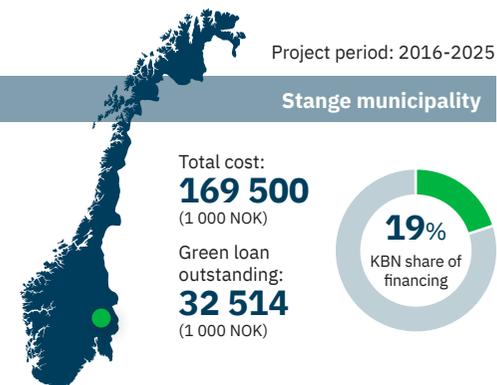


Photo: Bjørnar Fjeldberg

## Nature-Integrated Community Development in Åkersvika Hageby

■ ■ Åkersvika Hageby is a new sustainable residential district in Stange municipality, next to Hamar and Lake Mjøsa. The project covers approximately 150 000m<sup>2</sup> and will include around 750–800 homes across multiple development phases. The municipality has prepared the area with completed zoning and infrastructure, enabling efficient and predictable development while setting high standards for quality and sustainability.

The master plan focuses on integrating housing with nature, preserving green corridors, water features, and existing vegetation, while promoting walkability and community life. Located beside the Åkersvika Nature Reserve, the project demonstrates how urban growth can be balanced with environmental stewardship and social well-being, offering a model for responsible regional development.



## Land use and area development projects, new projects in 2025

Borrower	Project name	Description	Project period	Criteria document fulfilled	Last disbursement	Total green loans disbursed (1000 NOK)	Green loan outstanding (1000 NOK)	Total cost (1000 NOK)	KBN share of financing	Estimated impact (KBN share)
										Area (m <sup>2</sup> )
<b>STANGE KOMMUNE</b> <b>CASE</b>	Åkersvika hageby	Stange Municipality is developing Åkersvika Hageby, a new residential area of approximately 150 decares, with a strong focus on climate and environmental sustainability. The project emphasizes the preservation of green spaces, facilitation for pedestrians and cyclists, and sustainable buildings.	2016-2025	2025	2024	33 530	32 514	169 500	19 %	28 773
<b>KLEPP IDRETTSLAG</b>	Klepp Stadium plastic free artificial turf	Klepp stadium is installing new artificial turf with plastic free and biodegradable coated sand. Additionally the sand spreads less. This reduces the spread of microplastics.	2024-2024	2025	2025	1 940	1 430	5 546	26 %	2 254



# Climate change adaptation



Climate change adaptation projects are those that reduce vulnerability to climate-related risks such as flooding, landslides, extreme weather, and other long-term climate impacts. The category includes surface runoff management, preventive adaptation measures, and emergency preparedness initiatives. Measures that are purely reactive, routine maintenance, or unrelated to identified climate risks are generally not included.

<b>Key Figures</b>	Total number of projects	<b>16</b>
	Outstanding green loans (1000 NOK)	<b>301 641</b>

## UN Sustainable Development Goals



## The EU Environmental Objectives

- Climate change adaptation
- Sustainable land use and protection of water and marine resources



## NEW GREEN PROJECTS



# KBN and sustainability reporting

Read more about KBN's sustainability reporting in the Annual Report 2025

KBN is committed to being one of the leading financial institutions in the areas of sustainability and green financing solutions. Sustainability reporting has long been a priority for KBN and has been continuously improved.

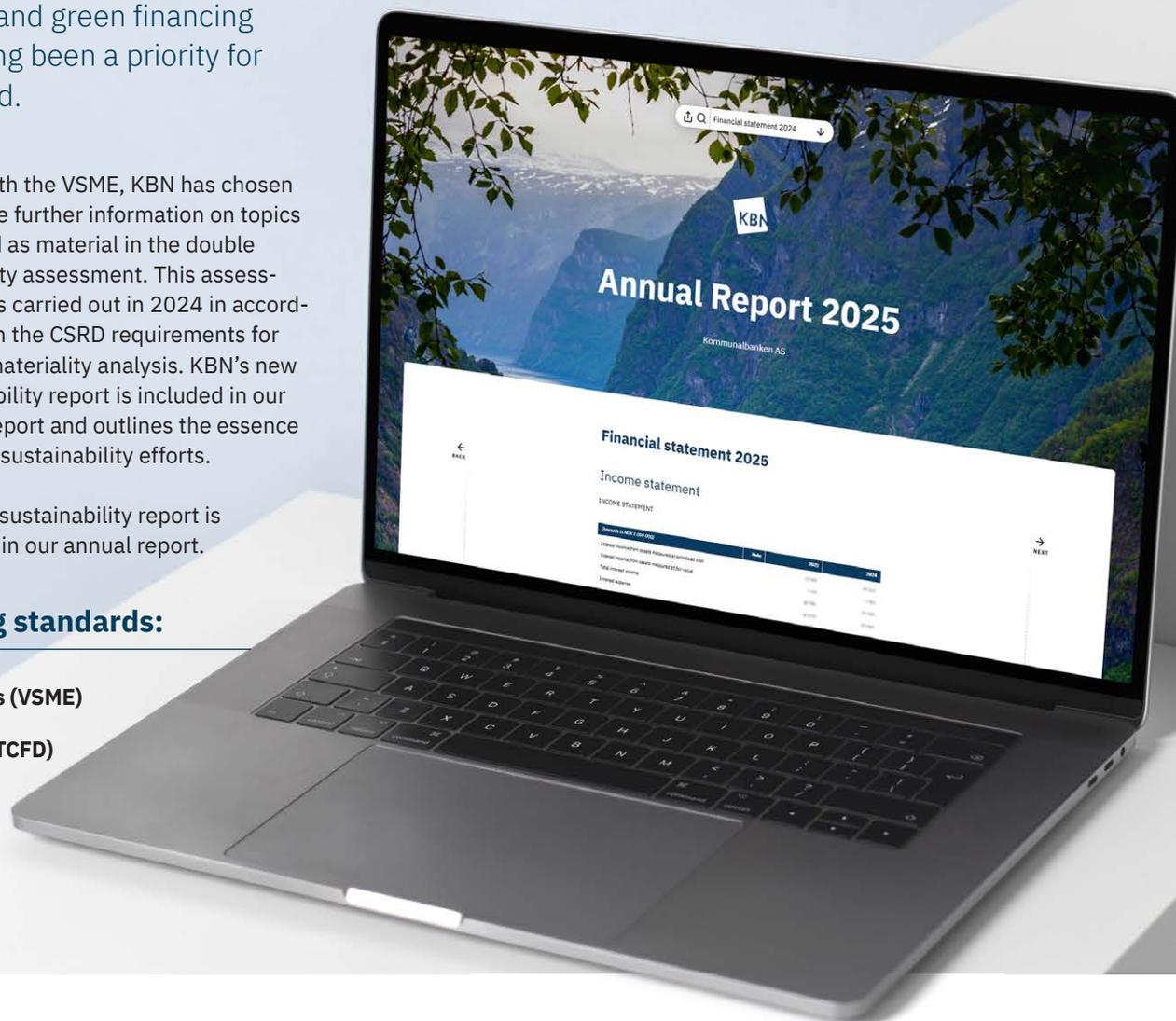
In 2024 KBN undertook significant steps to adapt our sustainability reporting to the CSRD requirements. In February 2025, the European Commission announced proposed simplifications to the Corporate Sustainability Reporting Directive (CSRD). As a result of these changes, KBN will no longer be subject to CSRD reporting requirements. For 2025, KBN has prepared its sustainability report based on the Voluntary Sustainability Reporting Standard for SMEs (VSME). In addition to data points

in line with the VSME, KBN has chosen to include further information on topics assessed as material in the double materiality assessment. This assessment was carried out in 2024 in accordance with the CSRD requirements for double materiality analysis. KBN's new sustainability report is included in our annual report and outlines the essence of KBN's sustainability efforts.

Our new sustainability report is included in our annual report.

## KBN reports according to the following standards:

- Voluntary Sustainability Reporting Standard for SMEs (VSME)
- Task Force on Climate-Related Financial Disclosures (TCFD)
- Eco-lighthouse



# Mapping against the EU Taxonomy

The following pages present KBN's self-assessment of its green project portfolio against the technical screening criteria outlined in the EU taxonomy, encompassing both the "Substantial Contribution" and "Do No Significant Harm" criteria.

This exercise is undertaken to identify gaps between KBN's eligibility criteria and the taxonomy, utilising the findings to shape the improvement of KBN's green lending programme. The results are published to foster transparency, and the complete mapping with comments is available for download.

## About the findings

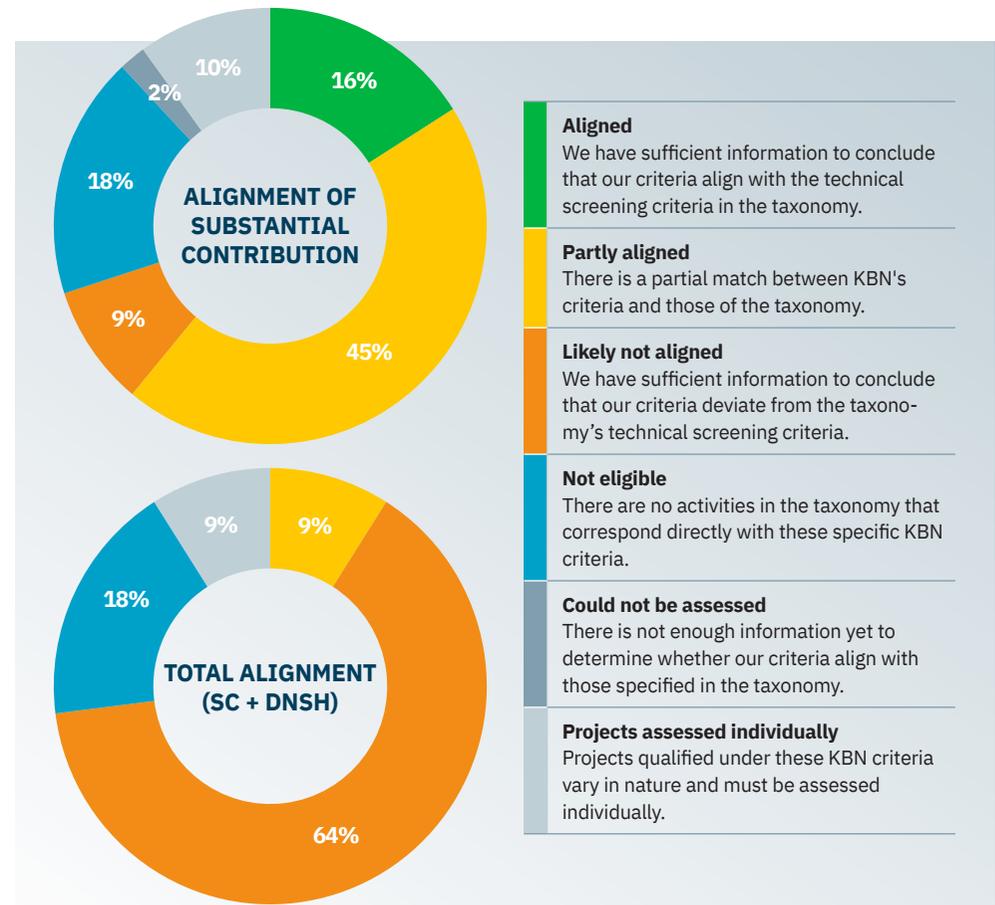
61% of KBN's portfolio is identified as either aligned or partly aligned with the Substantial Contribution criteria of the taxonomy. Project types include measures to improve the energy efficiency of buildings, low-carbon public land and maritime transportation, installation of solar energy equipment and new low-energy buildings.

The significant proportion of partly aligned projects is primarily attributed to new low-energy buildings larger than 5 000 m<sup>2</sup>. We consider the criteria for energy performance to be met, a determination based on the Norwegian nZEB (nearly zero-emis-

sion building) definition published by Norwegian authorities in 2023. Air-tightness is also deemed to be fulfilled, but there is insufficient information available to assess whether the criteria regarding the life cycle Global Warming Potential (GWP) is met for all projects larger than 5 000 m<sup>2</sup>.

While we identify a number of criteria to be aligned or likely aligned with the SC criteria, there is no full alignment with both SC and DNSH criteria. This primarily stems from the fact that extensive risk, water, and biodiversity assessments, as referred to in most DNSH criteria, are typically not conducted for smaller scale projects within the Norwegian local government sector. The absence of full alignment with SC and DNSH criteria across all project types underscores the complexity of the taxonomy and its documentation requirements, and that the market for taxonomy-compliant projects in Norway is still in its early stages.

 The full mapping can be found in spreadsheet format at [kbn.com](https://kbn.com).



## Mapping against the EU Taxonomy

continued



Several project types financed by KBN under its green lending programme lack a direct match in the taxonomy and are consequently classified as not eligible. Examples include initiatives such as protection against natural disasters, the utilisation of zero-emission heavy machinery and the development of related infrastructure.

The lack of high-quality and comparable data of sufficient detail remains a key challenge, and for several criteria it is still unclear what type and level of documentation are necessary to confirm taxonomy compliance.

### Minimum safeguards

In addition to meeting the technical screening criteria, a green project must adhere to the Minimum Safeguards (MS) to be considered taxonomy aligned.

The MS primarily applies to business entities, including public companies owned by public entities. Entities like municipalities and regional governments need a distinct assessment method, as the UNGPs and OECD guidelines do not specifically cover lending to public authorities.

Following the recommendations outlined in the EU Platform on Sustainable Finance Final Report on Minimum Safeguards (October 2022), our assessment

combines two approaches to examine the human rights situation within Norway and subsequently its municipalities and counties.

First, Norway has demonstrated its commitment to human rights through the ratification of core UN human rights conventions and by maintaining mechanisms for monitoring and reporting. Second, country ratings on human rights, such as those from Freedom House and Transparency International, consistently rank Norway highly across multiple human rights indicators.

While individual projects are not subject to assessment within the MS evaluation, Norway's general commitment to human rights obligations and strong performance in external rankings indicate a general compliance with minimum safeguards for municipalities and counties.

### Some notes on methodology

- The mapping undertaken is voluntary and conducted to the best of our ability. It is important to note that while we strive to analyse the taxonomy comprehensively, there are some limitations due to insufficient information or data availability. Results should be interpreted with caution.
- The analysis has been carried out internally by KBN's green finance team. When uncertainty arises, particularly regarding specific sectors, we have sought input from relevant open sources and engaged in dialogue with stakeholders with sectoral expertise. However, the final interpretation remains KBN's own.
- KBN's Criteria Document for green loans (dated January 2025) has been reviewed against the most recent version of the taxonomy available at the time of publication, specifically, the Climate and Environmental Delegated Acts that entered into force and were published in the Official Journal and outlined in the [EU Commission's Taxonomy Compass](#).
- The analysis is conducted at the project category level; individual projects are not evaluated separately. Each KBN project type is typically mapped to the taxonomy activity that best aligns with its characteristics, although there may be exceptions to this rule in certain cases.
- We generally assume compliance with sectoral legislation, unless information such as public reports or stakeholder feedback suggests otherwise.



The TEG final report explains the overarching design of the Taxonomy.

# Internal auditor's report



KPMG AS  
P.O. Box 7000 Majorstuen  
Sanktjohannesveien 6  
N-0306 Oslo  
Telephone +47 45 40 40 63  
Internet www.kpmg.no  
Enterprise 935 174 627 MVA

Kommunalbanken AS  
Board of Directors, by Chair Brit Kristin Sæbø Rugland

Filipstad brygge 1  
0252 Oslo

## Independent review of compliance with KBN's Green Bond Framework and the allocation of green bond proceeds 2025

On behalf of the Board of Directors of Kommunalbanken AS (KBN), KPMG has conducted an independent review of compliance with KBN's Green Bond Framework 2024, including control of reporting on the allocation of green bond proceeds in Impact Report 2025.

### *KBN's responsibility*

KBN's management is responsible for the implementation of processes and reporting in accordance with the applicable criteria, explained in KBN's Green Bond Framework 2024 (available on <https://www.kbn.com/globalassets/dokumenter/funding/green-bond-documents/kbn-green-bond-framework-2024.pdf> ) as well as the calculation principles that the company has developed itself. This responsibility also includes ensuring that attestation is carried out by an independent third party, relevant for granting loans, management and preparation of the reporting.

### *KPMGs actions performed*

KPMG has reviewed the processes and procedures established to ensure compliance with the Green Bond Framework 2024 in the following areas:

- Evaluation and selection of projects for allocation (lending) of funds from green bonds
- Reporting, including review of Impact Report 2025 and control of reporting on allocation of green bond proceeds

KPMGs actions are agreed with KBN and are based on the criteria defined by KBN's management.

The actions carried out will not provide an absolute certainty that the reporting in Impact Report 2025 is without significant errors. If additional review procedures had been performed, other matters may have been observed and come to our attention that would be reported.



## Conclusions

- KPMG considers that processes and procedures have been established that provide a satisfactory basis for implementing the KBN Green Bond Framework. Our control actions have not revealed factors indicating that KBN's lending and reporting as of December 31, 2025 as described in internal procedures and in impact report 2025, have not been carried out in accordance with the criteria set out in the Green Bond Framework.
- KPMG has reviewed KBN's reporting on the allocation of green bond proceeds in Impact Report 2025 and has noted that the reporting has been carried out in accordance with the Green Bond Framework 2024. Furthermore, we have not found any discrepancies in the rendering of information in the Impact Report 2025 compared to data we have collected about KBN's lending.

Oslo, February 26<sup>th</sup> 2026  
KPMG AS

Nicolai Cappelen  
Partner

Permeo document key: W0L8-GYWL5-RXEC4-SQ0Z-HEPT-2FY03

Permeo document key: W0L8-GYWL5-RXEC4-SQ0Z-HEPT-2FY03

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The logo for KBN, consisting of the letters 'KBN' in a bold, sans-serif font. The letters are white and are positioned on a white rectangular background that is tilted slightly to the right. This white background is set against a dark blue background that has a white shape on the left side, resembling a folded corner or a piece of paper.

The Norwegian Agency  
for Local Governments

Kommunalbanken AS  
PO Box 1210 Vika,  
N-0110 Oslo, Norway

Phone: +47 2150 2000  
Email: [post@kbn.com](mailto:post@kbn.com)  
Web page: [kbn.com](http://kbn.com)

Visiting address:  
Filipstad Brygge 1  
0252 Oslo