

**Report for 3rd quarter
2024**

KBN

Kommunalbanken AS

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About KBN

With total assets of over NOK 500 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 369bn

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

<i>(Amounts in NOK 1 000 000)</i>	3rd quarter 2024	January - September 2024	3rd quarter 2023	January - September 2023	2023
RESULTS					
Net interest income	595	1 699	556	1 572	2 105
Core earnings ¹	345	984	298	938	1 211
Profit after tax	310	1 194	197	866	1 432
Cost/income ratio (percent) ²	16.6%	16.7%	16.3%	15.1%	15.6%
Return on equity after tax ³	6.2%	8.0%	3.9%	6.3%	7.9%
Return on equity after tax (core earnings) ⁴	7.9%	7.3%	7.4%	7.6%	7.3%
Return on assets after tax ⁵	0.2%	0.3%	0.1%	0.2%	0.3%
LOANS TO CUSTOMERS					
New disbursements	11 453	30 378	10 817	32 186	53 429
Aggregate loans to customers ⁶	364 727	364 727	341 150	341 150	354 052
Aggregate customer financing ⁷	368 625	368 625	341 150	341 150	354 052
12 month lending growth in percent ⁸	6.9%	6.9%	5.7%	5.7%	7.8%
12 month aggregate financing growth in percent ⁹	8.1%	8.1%	5.7%	5.7%	7.8%
Green loans to customers ¹⁰	59 894	59 894	46 556	46 556	52 763
Share of green loans in lending portfolio	17.1%	17.1%	14.2%	14.2%	15.4%
Share of municipalities with green loans ¹¹	41.1%	41.1%	39.1%	39.1%	39.9%
LIQUIDITY PORTFOLIO⁶	128 078	128 078	129 261	129 261	114 610
DEBT SECURITIES ISSUED					
New long-term debt securities issued	21 263	82 843	29 877	62 771	76 935
Aggregate debt securities issued ⁶	457 205	457 205	467 286	467 286	438 407
TOTAL ASSETS	536 070	536 070	527 969	527 969	522 203
EQUITY					
Equity	21 863	21 863	20 671	20 671	21 684
Common equity Tier 1 capital adequacy ratio	18.2%	18.2%	18.2%	18.2%	17.4%
Leverage ratio	4.0%	4.0%	4.0%	4.0%	4.0%
LIQUIDITY COVERAGE RATIO (LCR)¹²					
Total	215%	215%	283%	283%	266%
NOK	93%	93%	95%	95%	87%
EUR	219%	219%	121%	121%	251%
USD	189%	189%	175%	175%	171%
AUD	127%	127%	26 525%	26 525%	1 253%
GBP	Infinite	Infinite	Infinite	Infinite	43 868%
OTHER KEY FIGURES					
Market share excl. Husbanken ¹³	50.0 %	50.0 %	50.4 %	50.4 %	51.1 %
Market share overall financing of customers excl. Husbanken ¹⁴	50.6 %	50.6 %	50.4 %	50.4 %	51.1 %
Percentage of women employed in KBN	34 %	34 %	38 %	38 %	36 %
Emissions in tons CO ₂ equivalents ¹⁵	17.7	69.9	21.6	71.9	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 62.4 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 growth

KBN's net interest income totalled NOK 595 million in the third quarter of 2024, compared to NOK 556 million in the third quarter of 2023. Growth in profitable lending products over the last twelve months together with higher interest rates contributed to this increase in KBN's income. KBN's aggregate customer financing grew by NOK 8.0 billion in the third quarter of 2024, with green lending accounting for NOK 5.5 billion of this growth. Green lending represented 17.1% of KBN's total lending at the end of the third quarter.

Results for the quarter

KBN's core earnings¹ totalled NOK 345 million in the third quarter of 2024, compared to NOK 298 million in the third quarter of 2023. KBN's net interest income totalled NOK 595 million in the third quarter of 2024, as compared to NOK 556 million in the corresponding period of 2023. There was relatively little change in money market interest rates in the quarter. Norges Bank kept its key policy rate unchanged at its September meeting. Norway's key policy rate has remained unchanged at 4.5% throughout 2024.

KBN's result for the accounting period in the third quarter of 2024 was a profit of NOK 310 million, compared to a profit of NOK 197 million in the same period in 2023. In the third quarter of 2024, KBN recognised a net loss on financial instruments totalling NOK 54 million, as compared to a net loss of NOK 191 million in the third quarter of 2023. These net losses comprise the sum of the realised and unrealised gains and losses recognised by KBN. Realised gains from market transactions of NOK 47 million were included in the net loss on financial instruments reported for the third quarter of 2024, while there was a net realised loss from market transactions of NOK 5 million in the third quarter of 2023. Unrealised losses amounted to NOK 101 million in the third quarter of 2024, compared to unrealised losses of NOK 187 million in the same period in 2023. KBN's fixed rate lending and associated hedging instruments contributed a net unrealised gain of NOK 64 million in the third quarter of 2024, primarily as a result of a moderate decrease in credit spreads for the local government sector. There was an equivalent net unrealised gain on fixed rate lending and associated hedging instruments of NOK 152 million in the third 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 third quarter of 2024, 50% 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 39 million for the third quarter of 2024, while KBN's own bonds and associated hedging instruments contributed a net unrealised loss of NOK 126 million to its result from ordinary activities. 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 very limited due to the fact that Norwegian municipalities cannot be declared insolvent. KBN's liquidity management portfolio is also of very high credit quality. KBN increased its provision for expected credit losses by NOK 4 million in the third quarter of 2024.

KBN's total operating costs for the third quarter of 2024 were NOK 102 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.

Results for the first nine months of 2024

KBN's core earnings² in the first nine months of 2024 totalled NOK 984 million as compared to NOK 938 million in the first nine months of 2023. KBN's net interest income in the first nine months of 2024 was NOK 1,699 million, compared to NOK 1,572 million in the same period in 2023. The increase was primarily due to higher interest rates in combination with lending growth.

KBN's result for the period in the first nine months of 2024 was a profit of NOK 1,194 million as compared to a profit of NOK 866 million in the same period in 2023. KBN recognised a net gain on financial instruments totalling NOK 219 million in the first nine months of 2024, compared to a net loss totalling NOK 125 million in the same period in 2023.

KBN's total operating costs for the first nine months of 2024 were NOK 285 million, compared to NOK 238 million in the first nine months of 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. KBN's cost-to-income ratio³ for the first nine months of 2024 was 16.7%, compared to 15.1% in the same period in 2023.

KBN's annualised return on equity in the first nine months of 2024 was 8.0%, compared to 6.3% in the same period in 2023. Based on its core earnings, KBN's annualised return on equity in the first nine months of 2024 was 7.3%, compared to 7.6% in the same period 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 the first nine months of 2024 was NOK 1,024 million, compared to NOK 758 million in the first nine months of 2023. KBN's total comprehensive income includes gains and losses on KBN's own bonds resulting from changes to KBN's own credit risk. For the first nine months of 2024, there was an unrealised loss from changes to KBN's own credit risk of NOK 227 million, as compared to an unrealised loss of NOK 143 million in the same period 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 and total comprehensive income

<i>(Amounts in NOK 1 000 000)</i>	Q3 2024	Year to date 2024	Q3 2023	Year to date 2023	2023
Net interest income	595	1 699	556	1 572	2 105
Fees and commission expenses	28	94	28	93	126
Net gain/(loss) on financial instruments	(54)	219	(191)	(125)	212
Increased/(reduced) provision for expected credit loss	4	(5)	(7)	(11)	(10)
Operating expenses	102	285	87	238	325
Income tax	97	350	60	261	444
Profit for the period	310	1 194	197	866	1 432
<i>(Amounts in NOK 1 000 000)</i>	Q3 2024	Year to date 2024	Q3 2023	Year to date 2023	2023
Profit for the period	310	1 194	197	866	1 432
Change in fair value of liabilities due to changes in own credit risk	82	(227)	(89)	(143)	484
Actuarial gain/(loss) on pension liability	0	0	0	0	(8)
Tax	(21)	57	22	36	(119)
Total comprehensive income for the period	372	1 024	130	758	1 789

Lending

KBN's lending portfolio totalled NOK 365 billion⁴ at the end of the third quarter of 2024, while aggregate customer financing⁵ totalled NOK 369 billion⁶ at the end of the third quarter. KBN's aggregate customer financing increased by NOK 8.0 billion in the third quarter of 2024, as compared to an increase of NOK 5.6 billion in the third quarter of 2023. The main reason for the growth in the third quarter of 2024 was a high level of demand for new loans.

KBN continued to experience a good level of growth in its green lending, and its portfolio of green loans increased by NOK 5.5 billion in the third quarter of 2024, as compared to NOK 2.4 billion in the same period in 2023. KBN's green lending in the third quarter of 2024 included green loans for an upper secondary school in Trondheim, a water and wastewater project in Oslo, and Bergen Light Rail. At the end of the third quarter of 2024, KBN's green lending represented 17.1% of its overall lending portfolio.

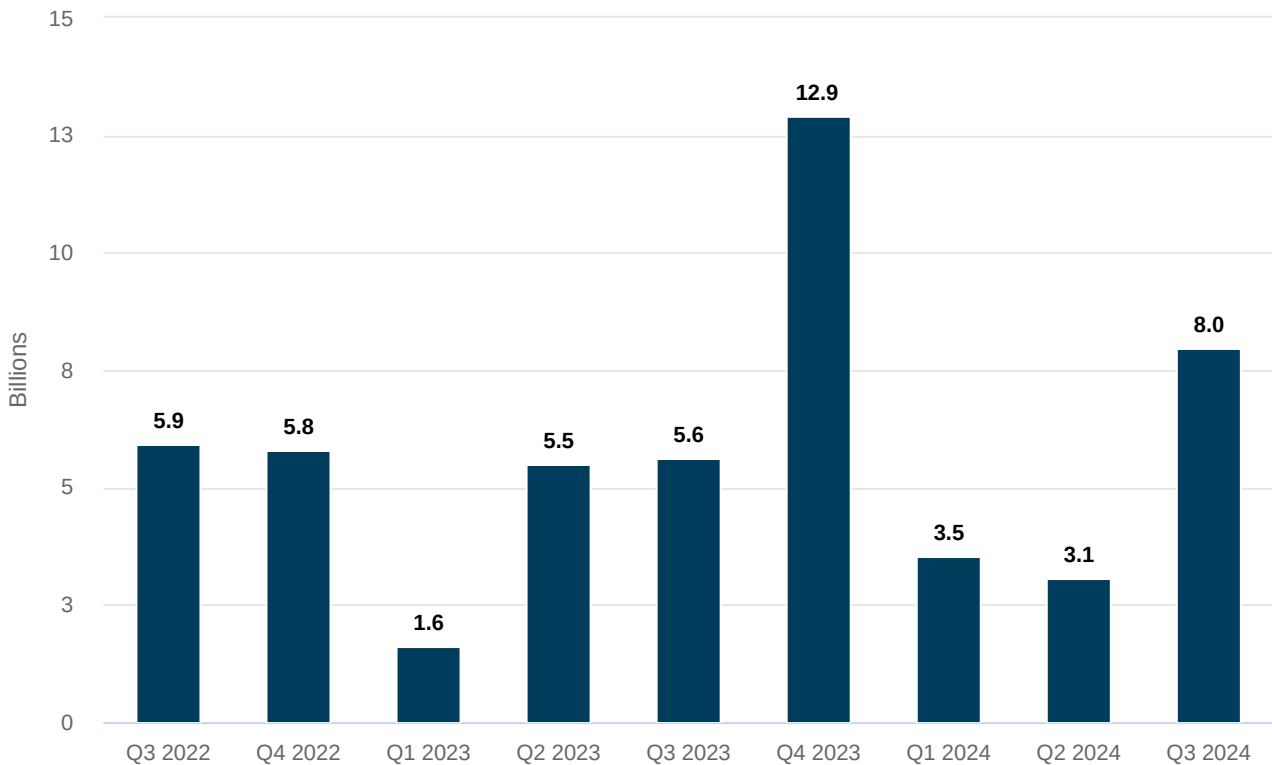
The annual rate of debt growth in the local government sector as at the end of September 2024 was calculated to be 9.5%. After adjusting for borrowing from the Norwegian State Housing Bank, the rate of debt growth was 9.3%. The debt growth is expected to fall towards the end of the year. After adjusting for borrowing from the Norwegian State Housing Bank, KBN's market share based on its aggregate customer financing as at the end of the third quarter of 2024 was 51.1%.

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 has 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 3.0% at the most recent assessment in September, while core inflation was 3.1%. The goal of monetary policy is for the annual rate of growth in the consumer price index to be as close as possible to 2% annual growth. The US dollar and Euro remained relatively stable against the majority of currencies in the third quarter of 2024, including the Norwegian krone.

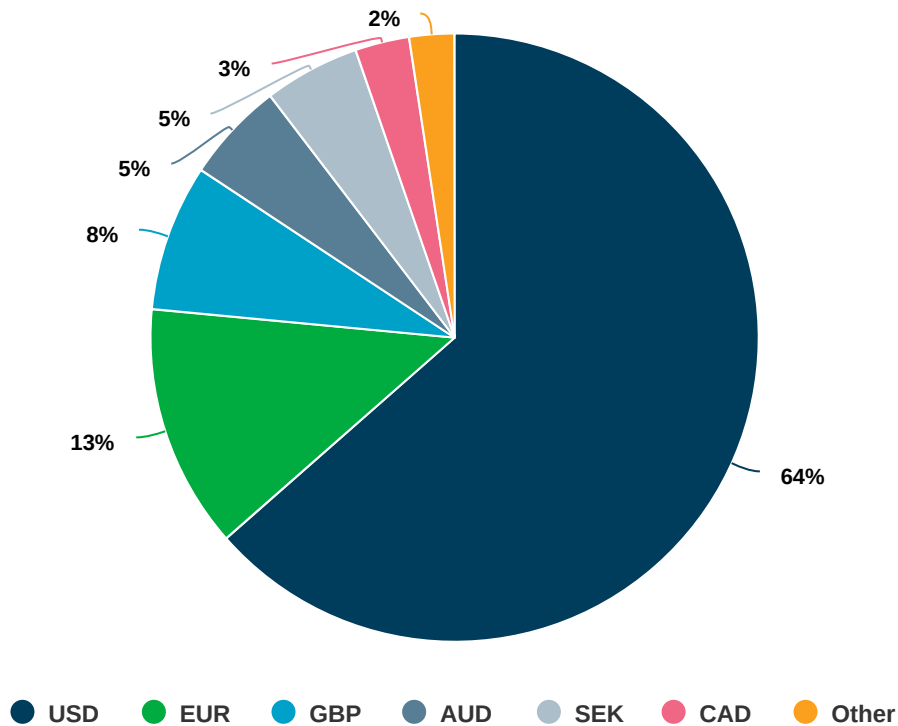
The credit spreads on local government and covered bonds fell through the third quarter of 2024. The outlook for future changes in the spreads on local government and covered bonds is uncertain, both in Norway and internationally.

Funding

KBN enjoyed good access to the international capital markets in the third quarter of 2024 and completed all its funding transactions as planned. In the first nine months of 2024, KBN's new borrowings totalled approximately NOK 83 billion through 28 bond issues in eight currencies, as compared to NOK 63 billion in the corresponding period of 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 the first six months of 2024



Liquidity management

KBN's liquidity portfolio totalled NOK 128 billion⁷ at the end of the third quarter of 2024, as compared to NOK 129 billion at the end of the third 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 47% of the portfolio at 30 September 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 30 September 2024	Volume in NOK billion	Capital adequacy	Requirements
Common equity Tier 1 capital adequacy ratio	17.4	18.2 %	14.9 %
Tier 1 capital adequacy ratio	20.9	21.9 %	16.7 %
Total capital ratio	21.7	22.7 %	19.2 %

KBN's total assets at the end of the third quarter of 2024 amounted to NOK 536 billion, up from NOK 528 billion at the end of the third quarter of 2023 and from NOK 522 billion at the end of 2023. The increase was in part due to growth in KBN's lending and an increase in the NOK value of balance sheet assets as a result of currency conversion.

KBN's Pillar 2 capital requirement at the end of the third quarter consisted of 2.0% of the basis for calculation under Pillar 1. The Pillar 2 requirement is intended to address risks that the undertaking is exposed to and that are not, or are only partially, covered by the general capital requirements in Pillar 1. The requirement must be satisfied with at least 56.25% common equity Tier 1 capital and at least 75% Tier 1 capital.

KBN's leverage ratio at the end of the third quarter of 2024 was 4.0%, as compared to the requirement of 3.0%.

KBN's capital adequacy at the end of the third 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 the first six months of 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's calculated that its own CO₂e emissions⁸ in the first nine months of 2024 were 69.9 tonnes of CO₂e, which is a moderate decrease from 71.9 tonnes of CO₂e in the same period in 2023.

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

At its monetary policy committee meeting in September 2024, Norges Bank announced that Norway's key policy rate will likely be held steady for some time. Norges Bank stated that the reason for this is the need to ensure inflation keeps declining towards the target of 2% per year within a reasonable time horizon, as it remains somewhat over the target. The outlook for the global economy has strengthened somewhat during the third quarter, but there is still considerable uncertainty. The future path of the policy rate thereafter will depend on economic developments.

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

Oslo, 7 November 2024

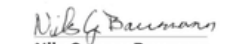
The Board of Directors and Chief Executive Officer of Kommunalbanken AS


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VICE CHAIR


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BOARD MEMBER


Jannicke Trumpy Granquist
CEO

Financial statement

INCOME STATEMENT

<i>(Amounts in NOK 1 000 000)</i>	Note	3rd quarter 2024	January - September 2024	3rd quarter 2023	January - September 2023	2023
Interest income from assets measured at amortised cost		4 970	14 540	4 269	10 789	15 411
Interest income from assets measured at fair value		1 797	5 555	1 857	4 860	6 933
Total interest income		6 767	20 095	6 127	15 649	22 345
Interest expense		6 172	18 396	5 570	14 077	20 240
Net interest income	1	595	1 699	556	1 572	2 105
Fees and commission expenses		28	94	28	93	126
Net gain/(loss) on financial instruments	2	(54)	219	(191)	(125)	212
Increased/(reduced) provision for expected credit loss	6	4	(5)	(7)	(11)	(10)
Total other operating income		(86)	130	(212)	(207)	96
Salaries and administrative expenses		63	173	53	144	190
Depreciation of fixed and intangible assets		12	35	11	31	43
Other operating expenses		27	77	23	62	92
Total operating expenses		102	285	87	238	325
Profit before tax		408	1 544	258	1 127	1 876
Income tax		97	350	60	261	444
Profit for the period		310	1 194	197	866	1 432
Portion allocated to shareholder		269	1 072	158	776	1 301
Portion allocated to owners of additional Tier 1 capital		41	122	39	90	131

STATEMENT OF COMPREHENSIVE INCOME

<i>(Amounts in NOK 1 000 000)</i>	Note	3rd quarter 2024	January - September 2024	3rd quarter 2023	January - September 2023	2023
Profit for the period		310	1 194	197	866	1 432
Other comprehensive income						
<i>Items which will not be reclassified to profit or loss</i>						
Change in fair value of liabilities due to changes in own credit risk	9	82	(227)	(89)	(143)	484
Actuarial gain/(loss) on pension liability		0	0	0	0	(8)
Tax		(21)	57	22	36	(119)
Total other comprehensive income		62	(170)	(67)	(107)	357
Total comprehensive income for the period		372	1 024	130	758	1 789
Portion allocated to shareholder		331	902	91	669	1 658
Portion allocated to owners of additional Tier 1 capital		41	122	39	90	131

Statement of financial position

(Amounts in NOK 1 000 000)	Note	30 September 2024	30 September 2023	31 December 2023
Assets				
Deposits with credit institutions	<u>3</u>	25 271	40 695	36 601
Loans to customers	<u>3,4,5,6</u>	364 544	335 777	352 226
Commercial paper and bonds	<u>3,4,6,7,8</u>	128 434	128 119	114 344
Financial derivatives	<u>3,4</u>	15 589	20 500	16 505
Deferred tax asset		2 025	2 671	2 318
Other assets		208	207	210
Total assets		536 070	527 969	522 203
Liabilities and equity				
Due to credit institutions	<u>3,4</u>	8 831	13 167	5 232
Commercial paper issued	<u>3,4,9</u>	29 673	9 707	41 318
Debt securities issued	<u>3,4,9</u>	451 874	441 059	424 593
Financial derivatives	<u>3,4</u>	22 947	42 560	28 505
Other liabilities		86	49	76
Pension commitments		25	27	25
Subordinated loan capital	<u>3,4,9</u>	772	728	770
Total liabilities		514 207	507 297	500 520
Share capital		3 895	3 895	3 895
Additional Tier 1 capital		3 484	3 484	3 484
Retained earnings		14 484	13 292	14 305
Total equity		21 863	20 671	21 684
Total liabilities and equity		536 070	527 969	522 203

Statement of changes in equity

(Amounts in NOK 1 000 000)

	1. January - 30 September 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	1 194	1 194
Other comprehensive income after tax - financial liabilities, changes in own credit risk	0	0	(170)	0	(170)
Other comprehensive income after tax - actuarial gain/loss	0	0	0	0	0
Interest paid on additional Tier 1 capital	0	0	0	(144)	(144)
Issuance of additional Tier 1 capital	0	0	0	0	0
Dividends for 2023	0	0	0	(700)	(700)
Equity as of 31 March 2024	3 895	3 484	(112)	14 596	21 863

	1. January - 30 September 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	866	866
Other comprehensive income after tax - financial liabilities, changes in own credit risk	0	0	(107)	0	(107)
Other comprehensive income after tax - actuarial gain/loss	0	0	0	0	0
Interest paid on additional Tier 1 capital	0	0	0	(83)	(83)
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 March 2023	3 895	3 484	(411)	13 703	20 671

	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

<i>(Amounts in NOK 1 000 000)</i>	January - September 2024	January - September 2023	2023
Cash flows from operating activities			
Interest received	19 696	14 258	21 671
Interest paid	(18 061)	(12 561)	(19 068)
Fees and commissions paid	(114)	(120)	(129)
Cash payments for operations	(250)	(207)	(285)
Paid taxes	0	0	0
Net disbursement of loans to customers	(10 673)	(12 727)	(25 647)
Net (payment)/disbursement short-term investments	14 466	5 902	1 677
Net payment/(disbursement) from purchase/sale of securities	(9 373)	(11 453)	1 936
Net (payment)/disbursement other assets	27	(19)	(50)
Net payment/(disbursement) other liabilities	20	(10)	24
Net (payment)/disbursement financial derivatives	18 736	22 882	11 435
Net cash flows from operating activities	14 475	5 943	(8 436)
Cash flows from investing activities			
Disbursement from sale of fixed assets	(36)	(25)	(34)
Net cash flows from investing activities	(36)	(25)	(34)
Cash flows from financing activities			
Payments on issued commercial paper	98 009	91 447	152 355
Repayment of commercial paper issued	(110 930)	(106 261)	(134 845)
Lease payments	(10)	(8)	(8)
Payments on issued debt securities	82 843	61 969	76 935
Repayment of debt securities issued	(83 603)	(53 021)	(85 790)
Interest Paid on additional Tier 1 capital	(144)	(83)	(101)
Dividends paid	(700)	(0)	0
Net cash flows from financing activities	(14 535)	(5 958)	8 546
Net cash flows	(97)	(40)	76
Adjustment of exchange rate changes	84	93	29
Net cash flows after effects of exchange rate changes	(13)	54	105
Cash and cash equivalents at 1 January	356	251	251
Net changes of cash and cash equivalents	(13)	54	105
Cash and cash equivalents at end of period	343	304	356
Whereof			
<i>Deposits with credit institutions without agreed time to maturity</i>	343	304	356
<i>Due to credit institutions without agreed time to maturity</i>	0	0	0

Notes to the financial statement

Accounting policies

Kommunalbanken AS (KBN) prepares its financial statements in accordance IFRS® Accounting Standards as adopted by the EU. The condensed interim financial statements as of 30 September 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)	3rd quarter 2024	January - September 2024	3rd quarter 2023	January - September 2023	2023
Deposits with credit institutions	175	502	115	286	404
Other money market deposits	0	0	0	11	11
Loans to customers	3 796	11 133	3 106	8 239	11 755
Financial derivatives, hedge accounting loans to customers	183	447	78	124	239
Commercial paper and bonds	816	2 458	971	2 129	3 002
Financial derivatives, hedge accounting loans to customers	(0)	(0)	0	0	0
<i>Interest income from assets measured at amortised cost</i>	<i>4 970</i>	<i>14 540</i>	<i>4 269</i>	<i>10 789</i>	<i>15 411</i>
Loans to customers	346	1 078	413	1 002	1 398
Commercial paper and bonds	517	1 463	334	999	1 524
Financial derivatives	933	3 015	1 110	2 859	4 011
<i>Interest income from assets measured at fair value</i>	<i>1 797</i>	<i>5 555</i>	<i>1 857</i>	<i>4 860</i>	<i>6 933</i>
Total interest income	6 767	20 095	6 127	15 649	22 345
Due to credit institutions	48	64	0	0	0
Commercial paper issued	111	416	185	286	417
Debt securities issued	2 110	5 994	1 522	4 490	6 195
Financial derivatives, hedge accounting debt securities issued	2 223	6 899	2 383	6 329	8 858
<i>Interest expenses from debt measured at amortised cost</i>	<i>4 491</i>	<i>13 373</i>	<i>4 091</i>	<i>11 105</i>	<i>15 470</i>
Debt securities issued	1 059	3 361	1 059	2 933	4 003
Financial derivatives	616	1 643	415	4	726
Subordinated loan capital	6	18	6	35	41
<i>Interest expenses from debt measured at fair value</i>	<i>1 681</i>	<i>5 023</i>	<i>1 480</i>	<i>2 972</i>	<i>4 770</i>
Total interest expenses	6 172	18 396	5 570	14 077	20 240
Net interest income	595	1 699	556	1 572	2 105

Note 2 Net gain/(loss) on financial instruments

(Amounts in NOK 1 000 000)

Net gain/(loss) on financial instruments	3rd quarter 2024	January - September 2024	3rd quarter 2023	January - September 2023	2023
Loans to customers	1 802	930	73	(2 611)	1 049
Commercial paper and bonds	1 135	1 013	342	227	1 310
Financial derivatives	7 499	6 200	(665)	1 456	9 803
Debt securities issued	(10 476)	(7 917)	67	859	(11 959)
Subordinated loan capital	(14)	(7)	(8)	(56)	10
Net gain/(loss) on financial instruments	(54)	219	(191)	(125)	212
Whereof net unrealised gain/(loss) on financial instruments	(101)	118	(187)	(216)	120
Whereof net realised gain/(loss) on market transactions	47	101	(5)	91	92

Specification of net gain/(loss) on financial instruments including hedging instruments	3rd quarter 2024	January - September 2024	3rd quarter 2023	January - September 2023	2023
Loans to customers, including hedging instruments	64	303	152	(92)	101
Commercial paper and bonds, including hedging instrument	8	121	(76)	(62)	(82)
Debt securities issued and subordinated loan capital, including hedging instruments	(126)	(205)	(267)	29	193
Net gain/(loss) on financial instruments	(54)	219	(191)	(125)	212

Specification of net gain/(loss) on financial instruments in fair value hedge	3rd quarter 2024	January - September 2024	3rd quarter 2023	January - September 2023	2023
Loan to customers	785	(74)	(160)	(1 129)	243
Financial derivatives, in hedge accounting loans to customers	(765)	74	145	1 052	(250)
Commercial paper and bonds	5	4	0	0	0
Financial derivatives, in hedge accounting commercial paper and bonds	(4)	(3)	0	0	0
Debt securities issued	(6 567)	(5 646)	(565)	125	(7 154)
Financial derivatives, in hedge accounting debt securities issued	6 489	5 568	566	(85)	7 242
Net gain/(loss) on financial instruments in fair value hedge	(57)	(78)	(14)	(37)	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, including certificates and bonds and debt securities issued, as well as from interest and fees are presented net in the income statement. Corresponding changes in fair value from FX derivatives used as hedging instruments in the economic hedging of the mentioned currency exposure, are presented net along with exchange differences from the hedged item. In the tables above, only the effects of exchange rate changes on fair value changes and changes in hedging value are presented.

Note 3 Classification of financial instruments

(Amounts in NOK 1 000 000)

At 30 September 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	25 271	0	0	0	0	25 271
Loans to customers	364 544	62 764	0	0	63 997	237 783
Commercial paper and bonds	128 434	71 931	0	0	1 745	54 758
Financial derivatives	15 589	0	13 278	2 311	0	0
Total financial assets	533 838	134 695	13 278	2 311	65 742	317 812
Due to credit institutions	8 831	0	0	0	0	8 831
Commercial paper issued	29 673	0	0	0	0	29 673
Debt securities issued	451 874	175 253	0	0	250 526	26 095
Financial derivatives	22 947	0	12 299	10 648	0	0
Subordinated loan capital	772	772	0	0	0	0
Total financial liabilities	514 096	176 024	12 299	10 648	250 526	64 599

At 30 September 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	40 695	0	0	0	0	40 695
Loans to customers	335 777	73 206	0	0	30 776	231 794
Commercial paper and bonds	128 119	73 660	0	0	0	54 459
Financial derivatives	20 500	0	19 190	1 310	0	0
Total financial assets	525 091	146 866	19 190	1 310	30 776	326 948
Due to credit institutions	13 167	0	0	0	0	13 167
Commercial paper issued	9 707	0	0	0	0	9 707
Debt securities issued	441 059	160 687	0	0	247 403	32 970
Financial derivatives	42 560	0	23 526	19 034	0	0
Subordinated loan capital	728	728	0	0	0	0
Total financial liabilities	507 222	161 414	23 526	19 034	247 403	55 844

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 30 September 2024	Level 1	Level 2	Level 3	Total
Loans to customers	0	62 764	0	62 764
Commercial paper and bonds	63 772	1 793	6 365	71 931
Financial derivatives	0	15 341	248	15 589
Total financial assets measured at fair value	63 772	79 898	6 613	150 284
Debt securities issued	10 653	146 679	17 922	175 253
Financial derivatives	0	20 530	2 417	22 947
Subordinated loan capital	0	0	772	772
Total financial liabilities measured at fair value	10 653	167 208	21 110	198 971

At 30 September 2023	Level 1	Level 2	Level 3	Total
Loans to customers	0	73 206	0	73 206
Commercial paper and bonds	62 057	4 114	7 489	73 660
Financial derivatives	0	20 316	184	20 500
Total financial assets measured at fair value	62 057	97 636	7 673	167 366
Debt securities issued	9 701	126 351	24 634	160 687
Financial derivatives	0	37 871	4 689	42 560
Subordinated loan capital	0	0	728	728
Total financial liabilities measured at fair value	9 701	164 222	30 051	203 975

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	(4 955)	(10 597)	0	131
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	165	1 560	2	(43)
Carrying amount 30 September 2024	6 365	17 922	772	(2 169)

	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	6 605	0	(1 099)	(15)
Sale	(1 396)	0	0	0
Issue	0	6 528	0	0
Settlement	(2 601)	(1 559)	0	1 204
Transfer into Level 3	1 581	0	0	0
Transfer out of Level 3	(3 152)	0	0	0
Net unrealised gain/(loss) recognised in the period	29	85	(70)	(1 557)
Carrying amount 30 September 2023	7 489	24 634	728	(4 506)

	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. Year to date 2024, net debt amounting to NOK 7.5 billion has been transferred from Level 1 to Level 2.

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

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

Sensitivity analysis, level 3

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

<i>(Amounts in NOK 1 000 000)</i>	30 September 2024		30 September 2023		31 December 2023	
	Carrying amount	Impact of changes in key assumptions	Carrying amount	Impact of changes in key assumptions	Carrying amount	Impact of changes in key assumptions
Commercial paper and bonds	6 365	(15)	7 489	(13)	10 760	(20)
Financial derivatives	(2 169)	(7)	(4 506)	(32)	(2 264)	(31)
Debt securities issued	(17 922)	7	(24 634)	16	(24 911)	16
Subordinated loan capital	(772)	3	(728)	0	(770)	3
Total		(12)		(30)		(32)

Note 5 Loans to customers

(Amounts in NOK 1 000 000)	30 September 2024	30 September 2023	31 December 2023
Principal amount	364 727	341 132	354 052
Accrued interest	3 625	3 042	2 915
Fair value adjustment	(3 695)	(6 988)	(4 700)
Value adjustment in fair value hedges	(92)	(1 389)	(18)
Expected credit loss	(36)	(38)	(41)
Total loans to customers	364 529	335 758	352 208
Other loans	15	18	18
Total loans	364 544	335 777	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)	30 September 2024		30 September 2023		31 December 2023	
	Carrying amount	Expected credit loss	Carrying amount	Expected credit loss	Carrying amount	Expected credit loss
Loans to customers	301 780	36	262 571	38	280 765	41
Commercial paper and bonds	56 503	3	54 459	5	47 446	3
Total	358 283	39	317 030	43	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)	3rd quarter 2024	January - September 2024	3rd quarter 2023	January - September 2023	2023
Loans to customers	4.9	(4.6)	(8.4)	(13.8)	(11.0)
Commercial paper and bonds	(0.9)	(0.2)	1.4	2.7	1.2
Increased/(reduced) provision for expected credit loss	4.0	(4.8)	(6.9)	(11.0)	(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 30 September 2024, 30 September 2023 and 31 December 2023.

Note 7 Commercial paper and bonds

(Amounts in NOK 1 000 000)

Commercial paper and bonds by type of issuer	30 September 2024	30 September 2023	31 December 2023
Domestic			
Issued by public bodies ¹	9 636	0	0
Hereof bonds issued by Norwegian municipalities	3 941	0	0
Issued by other borrowers	25 310	29 514	25 107
Foreign			
Issued by public bodies ¹	66 189	75 415	69 755
Issued by other borrowers	27 298	23 190	19 481
Total commercial paper and bonds	128 434	128 119	114 344

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

Commercial paper and bonds by time to maturity	30 September 2024	30 September 2023	31 December 2023
Under 1 year	23 155	42 670	31 833
1-5 years	102 758	84 637	80 869
> 5 years	2 521	812	1 642
Total commercial paper and bonds	128 434	128 119	114 344
Average duration (years)*	2.5	2.0	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 2.4 years as of September 30, 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 30 September 2024								
	< 1 year				> 1 year				Total
Time to maturity	A-1	A-2	A-3	Not rated	A	AA	AAA	Not rated	
Risk class									
Sovereigns and central banks	4 851	0	0	0	3 904	6 370	6 993	0	22 118
Multilateral development banks	534	0	0	0	0	1 743	12 937	0	15 215
Regional authorities	6 147	0	0	6 365	0	17 614	4 426	3 941	38 492
Financial institutions	1 499	0	0	0	0	399	0	0	1 898
Corporates	989	0	0	0	1 890	0	0	0	2 878
Covered Bonds	2 769	0	0	0	0	458	44 604	0	47 832
Total	16 790	0	0	6 365	5 793	26 584	68 961	3 941	128 434

(Amounts in NOK 1 000 000)	Exposure as at 30 September 2023								
	< 1 year				> 1 year				Total
Time to maturity	A-1	A-2	A-3	Not rated	A	AA	AAA	Not rated	
Risk class									
Sovereigns and central banks	12 687	0	0	0	926	7 647	1 736	0	22 996
Multilateral development banks	1 374	0	0	0	0	1 769	7 029	0	10 172
Regional authorities	19 394	0	0	3 655	202	14 052	5 795	2 386	45 484
Financial institutions	146	0	0	0	0	281	0	0	427
Corporates	2 006	0	0	0	1 896	0	1 606	0	5 509
Covered Bonds	3 408	0	0	0	0	0	40 124	0	43 532
Total	39 015	0	0	3 655	3 025	23 748	56 290	2 386	128 119

(Amounts in NOK 1 000 000)	Exposure as at 31 December 2023								
	< 1 year				> 1 year				Total
Time to maturity	A-1	A-2	A-3	Not rated	A	AA	AAA	Not rated	
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)	30 September 2024	30 September 2023	31 December 2023
Debt securities issued (nominal amounts incl. fees) as at 1 January	438 407	429 206	429 206
New issuance	82 843	62 771	76 935
Redemptions	(83 603)	(53 021)	(85 790)
Amortisation (incl. fees)	(276)	(803)	(242)
Effects of exchange rate changes	19 833	29 132	18 297
Debt securities issued (nominal amounts incl. fees) as at end of period	457 205	467 286	438 407
Accrued interest	5 932	5 269	5 592
Fair value adjustment	(11 262)	(31 495)	(19 406)
<i>Of which value adjustmenst that is due to change in own credit risk</i>	149	549	(78)
<i>Of which value adjustmenst that is due to other reasons, fair value</i>	(5 333)	(13 041)	(7 603)
<i>Of which value adjustmenst that is due to other reasons, hedge accounting</i>	(6 078)	(19 004)	(11 725)
Total Debt securities issued	451 874	441 059	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	98 009	82 843	0
Redemptions	(110 930)	(83 603)	0
<i>Changes that are not related to cash flows</i>			
Change due to accrued interest and amortisation	416	65	(6)
Changes in fair value	0	8 143	7
Repurchase, related to issue of Tier 1 capital	0	0	0
Effects of exchange rate changes on nominal amounts incl. fees	861	19 833	0
Carrying amount 30 September 2024	29 673	451 874	772

(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	91 447	61 969	0
Redemptions	(106 261)	(53 021)	0
<i>Changes that are not related to cash flows</i>			
Change due to accrued interest and amortisation	286	1 042	(25)
Changes in fair value	0	(614)	56
Repurchase, related to issue of Tier 1 capital	0	0	(1 200)
Effects of exchange rate changes on nominal amounts incl. fees	858	29 132	0
Carrying amount 30 September 2023	9 707	441 059	728

<i>(Amounts in NOK 1 000 000)</i>	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

<i>(Amounts in NOK 1 000 000)</i>	30 September 2024	30 September 2023	31 December 2023
Equity	21 863	20 671	21 684
Additional Tier 1 capital included in equity	(3 484)	(3 484)	(3 484)
Equity included in common equity Tier 1 capital	18 379	17 187	18 199
<i>Deductions:</i>			
Deferred tax asset that exceeds 10 % of common equity Tier 1 capital	(259)	(974)	(604)
Intangible assets	(153)	(152)	(162)
Dividends payable	(541)	(489)	(700)
Prudent valuation adjustments (AVA)	(134)	(142)	(138)
Adjustments unrealised loss (gains) due to changes in own credit risk	112	411	(59)
Total common equity Tier 1 capital	17 404	15 841	16 536
Other approved Tier 1 capital	3 484	3 484	3 484
Total Tier 1 capital	20 889	19 325	20 020
<i>Supplementary capital</i>			
Subordinated loan capital	800	800	800
Total supplementary capital	800	800	800
Total primary capital	21 689	20 125	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)	30 September 2024			30 September 2023	31 December 2023
	Carrying amount	Risk weighted assets	Minimum capital requirements and capital adequacy	Minimum capital requirements and capital adequacy	Minimum capital requirements and capital adequacy
Credit risk					
Sovereigns and central banks	22 118	0	0	0	0
Regional governments and local authorities	391 487	74 986	5 999	5 442	5 690
<i>Of which are Norwegian municipalities</i>	368 491	73 847	5 908	5 390	5 651
Corporates	2 881	1 440	115	156	129
Public sector entities	11 569	0	0	0	0
Multilateral development banks	15 227	0	0	0	0
Financial institutions	19 959	4 264	341	250	515
<i>Of which counterparty exposure on derivatives</i>	14 055	3 061	245	195	477
Claims secured by residential property	21	21	2	2	2
Covered bonds	47 876	4 964	397	348	309
Other assets	1 780	4 429	354	339	344
Credit Valuation Adjustment	223	2 791	223	236	427
Total credit risk	513 140	92 896	7 432	6 772	7 416
Market risk	0	0	0	0	0
Operational risk - Basic Indicator Approach		2 615	209	190	204
Minimum capital requirements		95 511	7 641	6 962	7 621
Total capital ratio			22.7 %	23.1 %	21.9 %
Tier 1 capital adequacy ratio			21.9 %	22.2 %	21.0 %
Common equity Tier 1 capital adequacy ratio			18.2 %	18.2 %	17.4 %
Leverage ratio			4.0 %	4.0 %	4.0 %

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