



Interim report

KLP KOMMUNEKREDITT AS

Q1 2023

Table of contents

KLP KOMMUNEKREDITT AS

INTERIM FINANCIAL STATEMENTS	3
INCOME STATEMENT	5
BALANCE SHEET	6
STATEMENT OF CHANGES IN EQUITY	7
STATEMENT OF CASH FLOW	8
NOTES TO THE ACCOUNTS	9
NOTE 1 General information	9
NOTE 2 Accounting principles	9
NOTE 3 Net interest income	10
NOTE 4 Loans to customers	10
NOTE 5 Categories of financial instruments	11
NOTE 6 Fair value hierarchy	13
NOTE 7 Debt securities issued - stock exchange listed covered bonds and certificates	15
NOTE 8 Over-collateralisation	15
NOTE 9 Liabilities to credit institutions	16
NOTE 10 Financial assets and liabilities subject to net settlement	17
NOTE 11 Transactions with related parties	18
NOTE 12 Other assets	18
NOTE 13 Other liabilities and provision for accrued costs	19
NOTE 14 Capital adequacy	20
NOTE 15 Fixed-income securities	21
NOTE 16 Contingent liabilities	21
NOTE 17 Net gain/(loss) on financial instruments	21
NOTE 18 Loan loss provision	22
Quarterly earnings trend	23
Key figures - accumulated	23

Interim Financial Statements

KLP KOMMUNEKREDITT AS

Main features by first quarter end:

- Increased net interest income
- Moderate lending growth
- No recognized losses on lending

OBJECTIVE

The Company's objective is financing KLP Banken's loans to municipalities, county administrations and enterprises carrying out public sector assignments. Loans to companies must be guaranteed by municipalities, county administrations or the central government under the Norwegian Local Government Act. Guarantees are to be of the ordinary surety type covering both repayments and interest. The lending business is principally funded issuing covered bonds (OMF).

KLP Kommunekreditt AS is a wholly owned subsidiary of KLP Banken AS. The KLP Banken AS is owned by Kommunal Landspensjonskasse (KLP).

INCOME STATEMENT

Net interest income by the first quarter were NOK 25.3 (19.0)¹ million. The change is mainly due to increased interest rate level and somewhat higher lending margins in average.

Net profit and loss effects of financial instruments by first quarter amounts to NOK -2.5 (-2.4) million. This is mainly due to market value changes in the securities holdings and repurchases of own issues.

Operating expenses in the first quarter amounted to NOK -5.0 (-5.2) million. The Company has not had any credit losses, and very low loan loss provisions are recognized in the income statement.

Profit before tax for the quarter was NOK 17.8 (11.4) million. The change in profit is mainly due to increased net interest income.

LENDING

The Company's loans to customers as at 31 March 2023, amounted to NOK 19.4 (18.0) billion. So far this year the lending growth is NOK 0.3 billion. Borrowers are municipalities, county municipalities and local government enterprise lending covered by municipal guarantees. Total assets were NOK 21.8 (20.2) billion.

LIQUID INVESTMENTS

There are strict rules on which assets may be included in the securities holdings. In addition to loans to the public

sector the securities holdings consist of secure bonds as well as deposits in other banks. The securities comprise certificates and bonds of high credit quality, principally investments in covered bonds. As of 31.03.2023, the Company's securities portfolio market value was NOK 2.1 (1.8) billion. Realized and unrealized market value changes so far this year has given a profit and loss effect of NOK -1.7 (-2.4) million.

BORROWING

The Company's borrowing consists of covered bonds (OMF) as well as loans from KLP Banken AS. There were no new covered bond issues in the first quarter. Net repurchases of previous emissions equals to NOK 1.3 billion during the quarter. All covered bonds have Aaa rating from Moody's.

The Company regularly restructures its borrowing with the purpose of adjusting average duration. This may cause profit or loss. Buying back own bond issues have caused a net loss in the accounts statement of NOK -0.8 (-0.0) million so far this year.

RISK AND CAPITAL ADEQUACY

KLP Kommunekreditt AS has established a framework for risk management aimed at ensuring risks are identified, analyzed and subject to management using policies, limits, procedures, and instructions. The Company is to have a prudent risk profile and earnings are to be principally a result of the borrowing and lending activity as well as liquidity management. This means that the Company is to have low market risk. Interest risk arising from the borrowing and lending activities are reduced using derivatives. The Company is to have sufficient long-term financing within set limits. The credit risk in the Company is low and lending is limited to local government risk. Management of the Company's liquidity is conducted through investments in banks satisfying high credit quality requirements and in securities in accordance with Board-approved credit lines.

At the end of the first quarter 2023, core capital i.a.w. the capital adequacy rules were NOK 878 (756) million. Loans to municipalities and county administrations are risk-weighted 20 per cent in accordance with the authorities' capital adequacy regulations. KLP Kommunekreditt AS had a core capital adequacy and capital adequacy ratio of 20.4 (19.0) percent at the end of the first quarter. The minimum statutory requirement is 16.0 percent capital adequacy ratio. Leverage ratio was 4.0 (3.7) per cent. The minimum statutory requirement is 3.0 per cent.

¹Figures in parenthesis refer to the corresponding period last year.

Oslo, 9 May 2023

Aage E. Schaanning
Chair

Janicke E. Falkenberg

Aud Norunn Strand

Jonas V. Kårstad

Carl Steinar Lous
Managing Director

Income statement

KLP KOMMUNEKREDITT AS

NOTE	NOK THOUSANDS	Q1 2023	Q1 2022	01.01.2022 -31.12.2022
	Interest income, effective interest method	182 321	73 160	463 028
	Other interest income	52 994	12 913	98 981
3	Total interest income	235 315	86 074	562 009
	Interest expense, effective interest method	-185 879	-57 778	-404 952
	Other interest expenses	-24 090	-9 292	-49 451
3	Total interest costs	-209 969	-67 070	-454 403
3	Net interest income	25 347	19 004	107 606
17	Net gain/(loss) on financial instruments	-2 529	-2 413	-10 751
	Total net gain/(loss) on financial instruments	-2 529	-2 413	-10 751
	Other operating expenses	-4 973	-5 193	-20 725
18	Net loan losses	-2	-1	-8
	Total operating expenses	-4 976	-5 194	-20 733
	Operating profit/loss before tax	17 842	11 397	76 122
	Tax ordinary income	15 803	469	-13 771
	Profit for the period	33 644	11 866	62 351
	Other comprehensive income for the period	0	0	0
	Comprehensive income for the period	33 644	11 866	62 351

Balance sheet

KLP KOMMUNEKREDITT AS

NOTE	NOK THOUSANDS	31.03.2023	31.03.2022	31.12.2022
ASSETS				
5	Loans to credit institutions	250 723	274 419	547 868
4,5	Loans to customers	19 384 070	17 974 431	19 117 097
5,6,15	Fixed-income securities	2 057 757	1 825 195	2 724 070
5,6	Financial derivatives	146 857	87 530	138 897
12	Other assets	3 831	43	20 092
Total assets		21 843 238	20 161 619	22 548 024
LIABILITIES AND OWNERS EQUITY				
LIABILITIES				
5,9	Debt to credit institutions	2 313 058	755 168	1 707 544
5,7	Debt securities issued	18 474 384	18 547 439	19 783 028
5,6	Financial derivatives	21 228	17 111	25 939
	Deferred tax liabilities	2 129	5 110	21 857
13	Other liabilities	118 421	66 469	109 527
13	Provision for accrued costs and liabilities	0	706	28
Total liabilities		20 929 220	19 392 002	21 647 922
EQUITY				
	Share capital	391 500	362 500	391 500
	Share premium	363 500	312 500	363 500
	Other owners' equity	125 374	82 751	145 102
	Unallocated profit/loss	33 644	11 866	0
Total owners' equity		914 018	769 616	900 102
Total liabilities and equity		21 843 238	20 161 619	22 548 024

Statement of changes in equity

KLP KOMMUNEKREDITT AS

2023 NOK THOUSANDS	Share capital	Share premium	Other equity	Total owners' equity
Equity 1 January 2023	391 500	363 500	145 102	900 102
Profit for the period	0	0	33 644	33 644
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	0	0	33 644	33 644
Group contribution received	0	0	69 944	69 944
Group contribution made	0	0	-89 671	-89 671
Total transactions with the owners	0	0	-19 728	-19 728
Equity 31 March 2023	391 500	363 500	159 018	914 018

2022 NOK THOUSANDS	Share capital	Share premium	Other equity	Total owners' equity
Equity 1 January 2022	362 500	312 500	85 727	760 727
Profit for the period	0	0	11 866	11 866
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	0	0	11 866	11 866
Group contribution received	0	0	10 551	10 551
Group contribution made	0	0	-13 527	-13 527
Total transactions with the owners	0	0	-2 976	-2 976
Equity 31 March 2022	362 500	312 500	94 616	769 616

2022 NOK THOUSANDS	Share capital	Share premium	Other equity	Total owners' equity
Equity 1 January 2021	362 500	312 500	85 727	760 727
Income for the year	0	0	62 351	62 351
Other comprehensive income	0	0	0	0
Total comprehensive income for the period	0	0	62 351	62 351
Group contribution received	0	0	10 551	10 551
Group contribution made	0	0	-13 527	-13 527
Owners' equity received during the period	29 000	51 000	0	80 000
Total transactions with the owners	29 000	51 000	-2 976	77 024
Equity 31 December 2022	391 500	363 500	145 102	900 102

Statement of cash flow

KLP KOMMUNEKREDITT AS

NOK THOUSANDS	Q1 2023	Q1 2022	01.01.2022 -31.12.2022
OPERATIONAL ACTIVITIES			
Payments received from customers - interest, commission & charges	147 099	54 673	381 107
Disbursements on loans customers & credit institutions	-840 278	-220 560	-2 481 139
Receipts on loans customers & credit institutions	626 446	48 752	1 198 315
Disbursements on operations	-7 791	-6 795	-22 801
Net receipts/disbursements from operating activities	17 961	46 470	79 152
Interest from credit institutions	2 038	661	9 273
Net cash flow from operating activities	-54 525	-76 799	-836 092
INVESTMENT ACTIVITIES			
Payments on the purchase of securities	-100 590	-354 203	-2 084 060
Receipts on sale of securities	764 338	193 684	1 030 010
Receipts of interest from securities	22 414	5 022	36 175
Net cash flow from investment activities	686 162	-155 497	-1 017 875
FINANCING ACTIVITIES			
Receipts on loans from credit institutions	0	0	4 200 000
Repayments and redemption of securities debt	0	-1 751	-3 008 000
Change in securities debt, own funds	-1 320 692	0	-52 701
Net payment of interest on loans credit institutions	-168 423	-50 898	-325 316
Receipts in internal funding	805 000	150 000	3 005 000
Disbursements in internal funding	-200 000	-150 000	-2 055 000
Net payment of interest on internal funding	-12 652	-831	-14 887
Payment on group contribution	-19 728	-2 976	-2 976
Change in owners' equity	0	0	80 000
Net cash flows from financing activities	-916 495	-56 456	1 826 120
Net cash flow during the period	-284 858	-288 752	-27 847
Cash and cash equivalents at the start of the period	525 685	553 531	553 531
Cash and cash equivalents at the end of the period	240 827	264 779	525 685
Net receipts/disbursements	-284 858	-288 752	-27 847

Notes to the accounts

KLP KOMMUNEKREDITT AS

NOTE 1 General information

KLP Kommunekreditt AS was formed on 25 August 2009. The company is a credit enterprise that provides or acquires public sector loans that are guaranteed by the Norwegian municipalities. Borrowers provide surety covering both repayments and interest.

The object of the Company is primarily to finance activities by issuing covered bonds with security in public sector guarantees loans. Parts of these loans are listed on Oslo Børs (Stock Exchange).

KLP Kommunekreditt AS is registered and domiciled in Norway. It's head office is at Beddingen 8 in Trondheim, and the company has a branch office in Dronning Eufemiasgate 10 in Oslo.

The company is a wholly-owned subsidiary of KLP Banken AS which is in turn wholly-owned by Kommunal Landspensjonskasse (KLP). KLP is a mutual insurance company.

NOTE 2 Accounting principles

The interim report includes the interim Financial Statements of KLP Kommunekreditt AS for the period 1 January 2023 – 31 March 2023, with a specification of the results in the Q1. The interim Financial Statements has not been audited.

The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

Other accounting principles and calculations are the same in the interim financial statement as in the annual report for 2022, please see the annual report for further information.

NOTE 3 Net interest income

NOK THOUSANDS	Q1 2023	Q1 2022	01.01.2022 -31.12.2022
Interest income on loans to customers	179 181	72 339	453 754
Interest income on loans to credit institutions	3 140	821	9 273
Total interest income, effective interest method	182 321	73 160	463 028
Interest income on bonds and certificates	22 354	5 458	45 009
Other interest income	30 640	7 455	53 973
Total other interest income	52 994	12 913	98 981
Total interest income	235 315	86 074	562 009
Interest expenses on debt from KLP Banken AS	-13 166	-831	-17 264
Interest expenses on issued securities	-172 713	-56 947	-387 688
Total interest expenses, effective interest method	-185 879	-57 778	-404 952
Other interest expenses	-24 090	-9 292	-49 451
Total other interest expenses	-24 090	-9 292	-49 451
Total interest expenses	-209 969	-67 070	-454 403
Net interest income	25 347	19 004	107 606

NOTE 4 Loans to customers

NOK THOUSANDS	31.03.2023	31.03.2022	31.12.2022
Loans to customers before write-downs	19 329 809	18 002 969	19 101 791
Write-downs steps 1 and 2	-186	-177	-184
Loans to customers after write-downs	19 329 623	18 002 792	19 101 607
Accrued interest	145 622	58 559	113 540
Fair value hedging	-91 175	-86 920	-98 049
Loans to customers	19 384 070	17 974 431	19 117 097

All lending comprises loans to, or loans guaranteed by, Norwegian municipalities and county administrations, including loans to local government enterprises and intermunicipal (public sector lending). Guarantees are of the ordinary surety type covering both repayments and interest.

NOTE 5 Categories of financial instruments

NOK THOUSANDS	31.03.2023		31.03.2022		31.12.2022	
	Capitalized value	Fair value	Capitalized value	Fair value	Capitalized value	Fair value
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS						
Fixed-income securities	2 057 757	2 057 757	1 825 195	1 825 195	2 724 070	2 724 070
Financial derivatives	146 857	146 857	87 530	87 530	138 897	138 897
Total financial assets at fair value through profit and loss	2 204 614	2 204 614	1 912 725	1 912 725	2 862 967	2 862 967
FINANCIAL ASSETS FAIR VALUE HEDGING						
Lending to Norwegian municipalities	1 642 496	1 649 751	1 754 478	1 789 435	1 702 745	1 706 638
Total financial assets fair value hedging	1 642 496	1 649 751	1 754 478	1 789 435	1 702 745	1 706 638
FINANCIAL ASSETS AT AMORTIZED COST						
Loans to and receivables from credit institutions	250 723	250 723	274 419	274 419	547 868	547 868
Lending to Norwegian municipalities	17 741 574	17 741 574	16 219 953	16 219 953	17 414 352	17 414 352
Total financial assets at amortized cost	17 992 298	17 992 298	16 494 373	16 494 373	17 962 220	17 962 220
Total financial assets	21 839 407	21 846 663	20 161 575	20 196 532	22 527 932	22 531 825
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS						
Financial derivatives	21 228	21 228	17 111	17 111	25 939	25 939
Total financial liabilities at fair value through profit and loss	21 228	21 228	17 111	17 111	25 939	25 939
FINANCIAL LIABILITIES FAIR VALUE HEDGING						
Covered bonds issued	1 747 747	1 750 746	489 379	494 163	1 728 703	1 745 090
Total financial liabilities fair value hedging	1 747 747	1 750 746	489 379	494 163	1 728 703	1 745 090
FINANCIAL LIABILITIES AT AMORTIZED COST						
Liabilities to credit institutions	2 313 058	2 313 058	755 168	755 168	1 707 544	1 707 544
Covered bonds issued	16 726 637	16 707 564	18 058 059	18 098 066	18 054 324	18 048 197
Total financial liabilities at amortized cost	19 039 695	19 020 622	18 813 227	18 853 233	19 761 869	19 755 741
Total financial liabilities	20 808 670	20 792 596	19 319 717	19 364 508	21 516 511	21 526 770

NOTE 5 Categories of financial instruments (continues)

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for on normal market terms and conditions. A financial instrument is considered to be listed in an active market if the listed price is simply and regularly available from a stock market, dealer, broker, industry grouping, price setting service or regulatory authority, and these prices represent actual and regularly occurring transactions at arm's length. If the market for the security is not active, or the security is not listed on a stock market or similar, valuation techniques are used to set fair value. These are based for example on information on recently completed transactions carried out on business terms and conditions, reference to trading in similar instruments and pricing using externally collected yield curves and yield spread curves. As far as possible the estimates are based on externally observable market data and rarely on company-specific information.

The different financial instruments are thus priced in the following way:**Fixed-income securities - government**

Nordic Bond Pricing is used as a source for pricing Norwegian government bonds. The prices are compared with the prices from Bloomberg to reveal any errors.

Fixed-income securities - other than government

Norwegian fixed-income securities except government are generally priced using prices from Nordic Bond Pricing. Those securities that are not included in Nordic Bond Pricing are priced theoretically. The theoretical price is based on the assumed present value on the sale of the position. A zero-coupon curve is used for discounting. The zero-coupon curve is adjusted upwards by means of a credit spread, which is to take account of the risk the bond entails. The credit spread is calculated on the basis of a spread curve taking account of the duration of the bond. Nordic Bond Pricing is the main source of spread curves. They provide company-specific curves for Norwegian saving banks, municipalities and energy.

Saving banks have various spread curves based on total assets.

Financial derivatives

These transactions are valued based on the applicable swap curve at the time of valuation. Derivative contracts are to be used only to hedge balance amounts and to enable payments obligations to be met. Derivative contracts may be struck only with counterparties with high credit quality.

Fair value of loans to Norwegian local administrations

Fair value of lending without fixed interest rates is considered virtually the same as book value since the contract terms are continuously changed in step with market interest rates. Fair value of fixed rate loans is calculated by discounting contractual cash flows by the marked rate including a relevant risk margin on the reporting date. This is valued in Level 2 in the valuation hierarchy, cf. note 6.

Fair value of loans to and receivables from credit institutions

All receivables from credit institutions (bank deposits) are at variable interest rates. Fair value of these is considered virtually the same as book value since the contract terms are continuously changed in step with marked interest rates. This is valued in Level 2 in the valuation hierarchy, cf. note 6.

Fair value of liabilities to credit institutions

These transactions are valued using a valuation model, including relevant credit spread adjustments obtained from the market. This is valued in Level 2 in the valuation hierarchy, cf. note 6.

Liabilities created on issuance of covered bonds

Fair value in this category is determined on the basis of internal valuation models based on external observable data. This is valued in Level 2 in the valuation hierarchy, cf. note 6.

NOTE 6 Fair value hierarchy

31.03.2023 NOK THOUSANDS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Fixed-income securities	99 362	1 958 395	0	2 057 757
Financial derivatives	0	146 857	0	146 857
Total assets at fair value	99 362	2 105 252	0	2 204 614
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives (liabilities)	0	21 228	0	21 228
Total financial liabilities at fair value	0	21 228	0	21 228

31.03.2022 NOK THOUSANDS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Fixed-income securities	99 855	1 725 340	0	1 825 195
Financial derivatives	0	87 530	0	87 530
Total assets at fair value	99 855	1 812 869	0	1 912 725
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives (liabilities)	0	17 111	0	17 111
Total financial liabilities at fair value	0	17 111	0	17 111

31.12.2022 NOK THOUSANDS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Fixed-income securities	99 435	2 624 635	0	2 724 070
Financial derivatives	0	138 897	0	138 897
Total assets at fair value	99 435	2 763 533	0	2 862 967
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives (liabilities)	0	25 939	0	25 939
Total financial liabilities at fair value	0	25 939	0	25 939

NOTE 6 Fair value hierarchy (continues)

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for at normal market terms and conditions. Highest quality in regard to fair value is based on listed prices in an active market. A financial instrument is considered as listed in an active market if listed prices are simply and regularly available from a stock market, dealer, broker, industry group, price-setting service or regulatory authority, and these prices represent actual and regularly occurring transactions at arm's length.

Level 1: Instruments at this level obtain fair value from listed prices in an active market for identical assets or liabilities to which the entity has access at the reporting date. Examples of instruments in Level 1 are stock market listed securities.

Level 2: Instruments at this level obtain fair value from observable market data. This includes prices based on identical instruments, but where the instrument does not maintain a high enough trading frequency and is therefore not considered to be traded in an active market, as well as prices based on corresponding assets and price-leading indicators that can be confirmed from market

information. Example instruments at Level 2 are fixed-income securities priced on the basis of interest rate paths.

Level 3: Instruments at Level 3 contain non-observable market data or are traded in markets considered to be inactive. The price is based generally on discrete calculations where the actual fair value may deviate if the instrument were to be traded.

Note 5 discloses the fair value of financial assets and financial liabilities that are recognized at amortized cost and according to the rules on hedge accounting. Financial assets measured at amortized cost and hedge accounting comprise lending to and due to credit institutions, Norwegian municipalities and retail customers. The stated fair value of these assets is determined on terms qualifying for Level 2. Financial liabilities recognized at amortized cost and hedge accounting consist of debt securities issued and deposits. The stated fair value of these liabilities is determined by methods qualifying for Level 2.

There have been no transfers between Level 1 and Level 2.

NOTE 7 Debt securities issued - stock exchange listed covered bonds and certificates

NOK THOUSANDS	31.03.2023	31.03.2022	31.12.2022
Bond debt, nominal amount	20 700 000	19 508 000	20 700 000
Adjustments	424	11 705	12 429
Accrued interest	13 077	39 734	102 599
Own holdings, nominal amount	13 500	-1 012 000	-1 032 000
Total debt securities issued	18 474 384	18 547 439	19 783 028

Interest rate on borrowings through the issuance of securities on the reporting date: 3.59 % 1.43 % 3.60%

The interest rate is calculated as a weighted average of the act/360 basis. It includes interest rate effects and amortization costs.

NOK THOUSANDS	Balance sheet 31.12.2022	Issued	Matured/ redeemed	Other adjustments	Balance sheet 31.03.2023
Bond debt, nominal amount	20 700 000	0	0	0	20 700 000
Adjustments	12 429	0	0	1 071	13 500
Accrued interest	102 599	0	0	6 285	108 884
Own holdings, nominal amount	-1 032 000	0	-1 316 000	0	-2 348 000
Total debt securities issued	19 783 028	0	-1 316 000	7 356	18 474 384

NOTE 8 Over-collateralisation

NOK THOUSANDS	31.03.2023	31.03.2022	31.12.2022
SECURITY POOL			
Loans to customers	19 391 622	18 009 565	19 132 889
Financial derivatives (net)	125 662	70 381	112 913
Additional collateral ¹	4 298 845	2 772 054	3 974 463
Total security pool	23 816 129	20 852 000	23 220 266
Outstanding covered bonds incl. own funds and premium/discount	20 818 662	19 604 409	20 832 669
Coverage of the security pool	114.4 %	106.4 %	111.5 %

¹ Additional collateral includes loans and receivables from credit institutions and bonds and certificates. Liquidity reserve are not included in additional collateral.

Section 11-7 of the Regulations on Financial Institutions lays down a requirement for over-collateralisation by at least 2 percent of the value of the outstanding covered bonds.

NOTE 9 Liabilities to credit institutions

31.03.2023 NOK THOUSANDS				
	Due date	Nominal	Accrued interest	Book value
Debt to KLP Banken AS	16.12.2024	75 000	115	75 115
Debt to KLP Banken AS	16.12.2024	1 505 000	2 317	1 507 317
Debt to KLP Banken AS	16.12.2024	150 000	231	150 231
Debt to KLP Banken AS	16.12.2024	400 000	362	400 362
Debt to KLP Banken AS	16.12.2024	180 000	33	180 033
Total liabilities to credit institutions		2 310 000	3 058	2 313 058

Interest rate on debt to credit institutions at the reporting date: 3.26 %

The interest rate is calculated as a weighted average of the act/360 basis.

31.03.2022 NOK THOUSANDS				
	Due date	Nominal	Accrued interest	Book value
Debt to KLP Banken AS	15.12.2023	70 000	16	70 016
Debt to KLP Banken AS	15.12.2023	605 000	134	605 134
Debt to KLP Banken AS	15.12.2023	80 000	18	80 018
Total liabilities to credit institutions		755 000	168	755 168

Interest rate on debt to credit institutions at the reporting date: 0.47 %

The interest rate is calculated as a weighted average of the act/360 basis.

31.12.2022 NOK THOUSANDS				
	Due date	Nominal	Accrued interest	Book value
Debt to KLP Banken AS	15.12.2023	1 705 000	2 544	1 707 544
Total liabilities to credit institutions		1 705 000	2 544	1 707 544

Interest rate on debt to credit institutions at the reporting date: 3.16 %

The interest rate is calculated as a weighted average of the act/360 basis.

NOTE 10 Financial assets and liabilities subject to net settlement

31.03.2023 NOK THOUSANDS				Related sums that are not presented net		
	Gross financial assets/ liabilites	Gross assets/ liabilites presented net	Book value	Financial instruments	Security in cash	Net recognised value
ASSETS						
Financial derivatives	146 857	0	146 857	-21 228	0	125 629
Total	146 857	0	146 857	-21 228	0	125 629
LIABILITIES						
Financial derivatives	21 228	0	21 228	-21 228	0	0
Total	21 228	0	21 228	-21 228	0	0

31.03.2022 NOK THOUSANDS				Related sums that are not presented net		
	Gross financial assets/ liabilites	Gross assets liabilites presented net	Book value	Financial instruments	Security in cash	Net recognised value
ASSETS						
Financial derivatives	87 530	0	87 530	-17 111	0	70 419
Total	87 530	0	87 530	-17 111	0	70 419
LIABILITIES						
Financial derivatives	17 111	0	17 111	-17 111	0	0
Total	17 111	0	17 111	-17 111	0	0

31.12.2022 NOK THOUSANDS				Related sums that are not presented net		
	Gross financial assets/ liabilites	Gross assets/ liabilites presented net	Book value	Financial instruments	Security in cash	Net recognised value
ASSETS						
Financial derivatives	138 897	0	138 897	-25 939	0	112 959
Total	138 897	0	138 897	-25 939	0	112 959
LIABILITIES						
Financial derivatives	25 939	0	25 939	-25 939	0	0
Total	25 939	0	25 939	-25 939	0	0

The purpose of the note is to show the potential effect of netting agreements at the KLP Kommunekreditt AS. The note shows derivative positions in the financial statement.

NOTE 11 Transactions with related parties

NOK THOUSANDS	Q1 2023	Q1 2022	01.01.2022 -31.12.2022
KLP Banken AS, interest on borrowing	-13 166	-831	-17 264
KLP Banken AS, interest on deposits	1 707	592	4 177
KLP Banken AS, administrative services (at cost)	-3 366	-3 565	-13 116
KLP Kapitalforvaltning AS, fees for services provided	0	0	-74

NOK THOUSANDS	31.03.2023	31.03.2022	31.12.2022
BALANCES			
KLP Banken AS, debt to credit institutions	-2 313 058	-755 168	-1 707 544
KLP Banken AS, deposit	206 939	201 647	205 231
KLP Banken AS, loan settlement	635	43	20 092
Net outstanding accounts to:			
KLP Banken AS	-1 128	-1 246	-1 402

There are no direct salary cost in KLP Kommunekreditt AS. Personnel costs (administrative services) are allocated from KLP Banken AS.

Transactions with related parties are carried out on general market terms, with the exception of the Company's share of common functions, which is allocated at cost. Allocation is based on actual use. All internal receivables are settled as they arise.

NOTE 12 Other assets

NOK THOUSANDS	31.03.2023	31.03.2022	31.12.2022
Intercompany receivables	635	43	20 092
Prepaid expenses	2 598	0	0
Miscellaneous receivables	598	0	0
Total other assets	3 831	43	20 092

NOTE 13 Other liabilities and provision for accrued costs

NOK THOUSANDS	31.03.2023	31.03.2022	31.12.2022
Creditors	97	0	25
Intercompany payables	1 128	1 246	1 402
Short-term balances with credit institutions	112 400	62 700	108 100
Other liabilities	4 796	2 523	0
Total other liabilities	118 421	66 469	109 527
VAT	0	56	28
Accrued expenses	0	650	0
Total accrued costs and liabilities	0	706	28

NOTE 14 Capital adequacy

NOK THOUSANDS	31.03.2023	31.03.2022	31.12.2022
Share capital and share premium fund	755 000	675 000	755 000
Other owners' equity	125 374	82 751	145 102
Total owners' equity	880 374	757 751	900 102
Adjustments due to requirements for proper valuation	-2 058	-1 825	-2 724
Core capital/Tier 1 capital	878 316	755 925	897 378
Supplementary capital/Tier 2 capital	0	0	0
Supplementary capital/Tier 2 capital	0	0	0
Total eligible own funds (Tier 1 and Tier 2 capital)	878 316	755 925	897 378
Capital requirement	345 177	317 541	353 621
Surplus of own funds (Tier 1 and Tier 2 capital)	533 139	438 384	543 756
ESTIMATE BASIS CREDIT RISK:			
Institutions	79 643	72 398	141 371
Local and regional authorities	3 954 270	3 640 816	3 963 118
Covered bonds	157 111	153 552	194 389
Other items	2 598	0	0
Calculation basis credit risk	4 193 623	3 866 766	4 298 878
Credit risk	335 490	309 341	343 910
Operating risk	9 432	6 826	9 432
Credit valuation adjustment	256	1 374	280
Total capital requirement assets	345 177	317 541	353 621
Core capital adequacy ratio	20.4 %	19.0 %	20.3 %
Supplementary capital ratio	0.0 %	0.0 %	0.0 %
Capital adequacy ratio	20.4 %	19.0 %	20.3 %
Leverage ratio	4.0 %	3.7 %	4.0 %

CAPITAL REQUIREMENT PER 31.03.2023	Core capital/ Tier 1 capital	Supplementary capital/Tier 2 capital	Own funds
Minimum requirement excl. buffers	4.5 %	3.5 %	8.0 %
Protective buffer	2.5 %	0.0 %	2.5 %
Systemic risk buffer	3.0 %	0.0 %	3.0 %
Counter-cyclical capital buffer	2.5 %	0.0 %	2.5 %
Current capital requirement incl. buffers	12.5 %	3.5 %	16.0 %
Capital requirement leverage ratio	3.0 %	0.0 %	3.0 %

NOTE 15 Fixed-income securities

NOK THOUSANDS	31.03.2023		31.03.2022		31.12.2022	
	Acquisition cost	Market value	Acquisition cost	Market value	Acquisition cost	Market value
Certificates	188 259	191 816	99 848	99 855	392 669	395 773
Bonds	1 868 397	1 865 940	1 728 237	1 725 340	2 328 552	2 328 297
Total fixed-income securities	2 056 656	2 057 757	1 828 084	1 825 195	2 721 221	2 724 070

Fixed income securities are brought to account at market value, including accrued but not due interests.

NOTE 16 Contingent liabilities

NOK THOUSANDS	31.03.2023	31.03.2022	31.12.2022
Loan commitment	22 650	79 650	35 491
Total contingent liabilities	22 650	79 650	35 491

NOTE 17 Net gain/(loss) on financial instruments

NOK THOUSANDS	Q1 2023	Q1 2022	01.01.2022 -31.12.2022
Net gain/(loss) on fixed-income securities	-1 688	-2 413	-4 379
Net gain/(loss) financial derivatives and realized amortization linked to lending	0	0	5
Net gain/(loss) financial derivatives and realized repurchase of own debt	-841	0	-6 377
Total net gain/(loss) on financial instruments	-2 529	-2 413	-10 751

NOTE 18 Loan loss provision

Changes in provisions for expected losses in first quarter 2023 are related to changes in lending volume. No other changes have been made to the assumptions or input to the model for calculating loss provisions in the first quarter of 2023.

Refer to Note 8 and Note 2 in the annual report for more details of the model.

NOK THOUSANDS	12-month ECL stage 1	Lifetime ECL not credit impaired stage 2	Lifetime ECL credit impaired stage 3	Total
EXPECTED CREDIT LOSS (ECL) - LOANS TO CUSTOMERS - PUBLIC LENDING				
Opening balance ECL 01.01.2023	184	0	0	184
Transfers to stage 1	0	0	0	0
Transfers to stage 2	0	0	0	0
Transfers to stage 3	0	0	0	0
Net changes	-2	0	0	-2
New losses	9	0	0	9
Write-offs	-5	0	0	-5
Closing balance ECL 31.03.2023	186	0	0	186
Changes (01.01.2023-31.03.2023)	2	0	0	2

NOK THOUSANDS	12-month ECL stage 1	Lifetime ECL not credit impaired stage 2	Lifetime ECL credit impaired stage 3	Total
VALUE OF LENDING AND RECEIVABLES FOR CUSTOMERS RECOGNISED IN THE BALANCE SHEET - PUBLIC LENDING				
Lending 01.01.2023	19 215 331	0	0	19 215 331
Transfers to stage 1	0	0	0	0
Transfers to stage 2	0	0	0	0
Transfers to stage 3	0	0	0	0
Net changes	-157 533	0	0	-157 533
New lending	892 125	0	0	892 125
Write-offs	-474 491	0	0	-474 491
Lending 31.03.2023	19 475 432	0	0	19 475 432

Quarterly earnings trend

NOK MILLIONS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Interest income	235.3	225.0	141.6	109.3	86.1
Interest expense	-210.0	-191.6	-112.5	-83.3	-67.1
Net interest income	25.3	33.4	29.2	26.0	19.0
Net gain/(loss) financial instruments	-2.5	6.1	-3.3	-11.1	-2.4
Total net gain/(loss) on financial instruments	-2.5	6.1	-3.3	-11.1	-2.4
Other operating expenses	-5.0	-5.1	-5.6	-4.8	-5.2
Total operating expenses	-5.0	-5.1	-5.6	-4.8	-5.2
Operating profit/loss before tax	17.8	34.4	20.2	10.1	11.4
Tax ordinary income	15.8	-7.6	-4.5	-2.2	0.5
Profit for the period	33.6	26.8	15.8	7.9	11.9

Key figures - accumulated

NOK MILLIONS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Pre-tax income	17.8	76.1	41.8	21.5	11.4
Net interest income	25.3	107.6	74.2	45.0	19.0
Other operating income	0.0	0.0	0.0	0.0	0.0
Other operating cost	-5.0	-20.7	-15.6	-10.0	-5.2
Net gain/(loss) financial instruments	-2.5	-10.8	-16.8	-13.5	-2.4
Lending with public sector guarantee	19 384.1	19 117.1	18 717.6	18 321.1	17 974.4
Non-performing loans	0.0	0.0	0.0	0.0	0.0
Total liabilities created on issuance of securities	18 474.4	19 783.0	18 806.4	19 210.8	18 547.4
Other borrowing	2 313.1	1 707.5	1 506.6	905.5	755.2
Total assets	21 843.2	22 548.0	21 245.7	21 013.8	20 161.6
Average total assets	22 195.6	21 336.9	20 685.7	20 569.8	20 143.7
Equity	914.0	900.1	793.3	777.5	769.6
Interest net	0.11 %	0.50 %	0.36 %	0.22 %	0.09 %
Profit/loss from ordinary operation before taxes	0.08 %	0.36 %	0.20 %	0.10 %	0.06 %
Return on equity	7.93 %	8.46 %	7.32 %	5.66 %	5.99 %
Capital adequacy ratio	20.4 %	20.3 %	18.2 %	18.3 %	19.0 %
Liquidity coverage ratio (LCR)	2 827 %	2 174 %	4 278 %	813 %	1 628 %



KLP KOMMUNEKREDITT AS

Beddingen 8, 7042 Trondheim
Organization no.: 994 526 944

VISITOR ADDRESS

Trondheim: Beddingen 8
Oslo: Dronning Eufemias gate 10
klp.no/bank
Phone: + 47 55 54 85 00
klpkommunekreditt@klp.no