

Q3 Interim Report 2025

KLP Kommunekreditt AS



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KLP Kommunekreditt AS

Q3 2025

Interim Financial Statements 3/2025

Main features by third quarter end:

- Stable P&L development
- Increased lending volume
- No realized loan losses

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

The operating profit before tax for the third quarter was NOK 24.0 (18.2)¹ million. Year-to-date, profit before tax is NOK 69.2 (63.5) million. The change in profit is mainly due to net gains on financial instruments.

Net interest income for the third quarter amounted to NOK 29.1 (25.8) million. Year-to-date net interest income is NOK 77.5 (82.7) million. Compared to the third quarter last year, the company has had a higher average lending volume, resulting in increased net interest income. The year-to-date reduction in net interest income is due to lower margins on loans.

Net effects from financial instruments year-to-date amount to NOK 7.5 (-3.7) million. This mainly includes costs related to buybacks of funding and value changes in liquidity placements. Realized and unrealized value changes in the company's liquidity placements have contributed NOK 7.6 (6.3) million to the result so far this year. Accounting losses from buybacks of own debt amount to -0.1 (-9.8) million year-to-date.

Operating expenses as of third quarter were NOK -15.8 (-15.6) million. The company has not had any loan losses and maintains very low loan loss provisions.

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

Lending and total assets

The company's loans to customers as of 30 September 2025 were NOK 20.6 (18.0) billion. So far this year, the net loan growth has been NOK 1.9 billion. Borrowers are municipalities, county municipalities, and enterprises with municipal guarantees. Total assets was NOK 22.5 (22.9) billion.

Liquidity investments

The collateral associated with the loan financing is subject to strict requirements. In addition to loans to the public sector, it consists of high credit quality securities and deposits in other banks. The securities consist of certificates and bonds with high credit quality, mainly covered bonds. As of 30 September 2025, the company's interest-bearing securities had a market value of NOK 0.9 (4.1) billion.

Funding

The company's funding consists of covered bonds (OMF) and loans from KLP Banken AS. The company had NOK 1.7 (0.6) billion in intra-group debt at the end of the quarter. Outstanding OMF debt was NOK 19.7 (21.2) billion. NOK 0.5 billion in new covered bonds have been issued so far this year. Net repurchases or sales of own holdings from previous issues amount to NOK -0.3 (-4.5) billion as of third quarter. All OMF issuances have an Aaa rating from Moody's.

Risk and capital adequacy

KLP Kommunekreditt AS has established a risk management framework to ensure that risks are identified, analyzed, and managed through guidelines, frameworks, routines, and instructions. The company should have a cautious risk profile, and earnings should primarily result from lending and borrowing activities as well as liquidity management. This means that the company should have low market risk. Interest rate risk arising from lending and borrowing activities is reduced using derivatives. The company shall have sufficient long-term financing within established frameworks. The credit risk in the company is very low, and loans are limited to those with municipal risk. The company's liquidity is placed in banks with high credit quality requirements and in securities in line with board-approved credit lines.

Core capital under the capital adequacy rules at the end of Q3 2025 was NOK 1,011.0 (945.2) million. Loans to municipalities and county municipalities are risk-weighted at 20 percent according to regulatory capital adequacy rules. KLP Kommunekreditt AS has a core capital adequacy and capital adequacy ratio of 21.9 (21.4) percent as at third quarter. The minimum statutory requirement is 17.5 percent capital adequacy ratio. Leverage ratio was 4.5 (4.1) per cent. The requirement here is 3.0 per cent.

Outlook

KLP Kommunekreditt AS is the only credit institution in Norway that issues covered bonds secured by loans to the public sector. Together with KLP, the company contributes to competition in the public lending market, thereby ensuring that the public sector has access to long-term financing on favorable terms. The overall growth in recent years demonstrates a solid market position.

High credit quality in the loan portfolios is intended to help KLP Kommunekreditt AS achieve favorable funding terms. Government regulation of banks and financial institutions requires compliance with a range of capital and liquidity requirements. This necessitates ongoing earnings that enable the company to meet such requirements.

The market for municipal sector loans continues to grow, and a large portion of borrowing is financed in the securities market rather than through financial institutions. KLP Kommunekreditt AS is well-capitalized and has an advantage as a stable and long-term lender in a low-risk market. The general development in the financial markets will determine the extent to which KLP Kommunekreditt AS can finance its lending activities on terms that provide sufficient profitability for continued growth.

Norwegian municipalities have developed a strong and comprehensive range of services for the population. Increased life expectancy, demographic trends, income development, and climate risk suggest a continued high level of investment in the public sector in the coming years. Higher costs due to increased interest rates do not appear to have reduced lending growth compared to recent years. In its annual budget survey, KS (the Norwegian Association of Local and Regional Authorities) indicates that investment and borrowing levels are expected to remain high going forward. Demand for loans to projects that support climate adaptation is also likely to continue increasing in the years ahead.

The Board assumes that there will continue to be a significant need for long-term and stable financing for public borrowers. KLP Kommunekreditt AS and KLP together aim to be a key provider of loans for public investment purposes.

Trondheim, 5 November 2025

AAGE E. SCHAANNING
Chair

JANICKE E. FALKENBERG

INGER HEGNA

JONAS V. KÅRSTAD

CARL STEINAR LOUS
Managing Director

Income statement

KLP Kommunekreditt AS

NOTE	NOK THOUSANDS	Q3 2025	Q3 2024	01.01.2025 -30.09.2025	01.01.2024 -30.09.2024	01.01.2024 -31.12.2024
	Interest income, effective interest method	258 393	244 934	767 779	741 742	984 871
	Other interest income	58 150	64 817	204 976	179 145	269 668
3	Total interest income	316 543	309 751	972 755	920 886	1 254 539
	Interest expense, effective interest method	-251 296	-250 984	-792 275	-742 877	-1 017 952
	Other interest expenses	-36 118	-32 945	-102 962	-95 265	-128 028
3	Total interest costs	-287 414	-283 928	-895 237	-838 142	-1 145 980
3	Net interest income	29 129	25 823	77 518	82 745	108 559
17	Net gain/(loss) on financial instruments	1 570	-1 463	7 456	-3 650	-10 448
	Total net gain/(loss) on financial instruments	1 570	-1 463	7 456	-3 650	-10 448
	Other operating expenses	-6 649	-6 124	-15 739	-15 595	-21 157
18	Net loan losses	-9	3	-18	10	3
	Total operating expenses	-6 658	-6 121	-15 757	-15 585	-21 155
	Operating profit/loss before tax	24 042	18 239	69 217	63 510	76 956
	Tax ordinary income	-959	969	-2 237	973	2 997
	Profit for the period	23 083	19 208	66 980	64 483	79 953
	Other income and expenses	0	0	0	0	0
	Comprehensive income for the period	23 083	19 208	66 980	64 483	79 953

Balance

KLP Kommunekreditt AS

NOTE	NOK THOUSANDS	30.09.2025	30.09.2024	31.12.2024
ASSETS				
5	Loans to credit institutions	817 481	720 700	705 779
4,5	Loans to customers	20 634 836	18 005 864	18 687 981
5,6,15	Fixed-income securities	941 842	4 088 504	3 587 455
5,6	Financial derivatives	110 683	119 741	83 757
12	Other assets	32 412	8 669	2 025
	Total assets	22 537 254	22 943 476	23 066 996
LIABILITIES AND OWNERS EQUITY				
LIABILITIES				
5,9	Debt to credit institutions	1 653 271	551 105	951 824
5,7	Debt securities issued	19 667 475	21 183 736	20 976 533
5,6	Financial derivatives	20 032	23 170	38 057
	Deferred tax liabilities	1 304	1 695	18 625
13	Other liabilities	115 800	169 586	52 720
13	Provision for accrued costs and liabilities	476	418	0
	Total liabilities	21 458 357	21 929 709	22 037 759
EQUITY				
	Share capital	391 500	391 500	391 500
	Share premium	363 500	363 500	363 500
	Other accrued equity	256 917	194 284	274 237
	Unallocated profit/loss	66 980	64 483	0
	Total owners' equity	1 078 897	1 013 767	1 029 237
	Total liabilities and equity	22 537 254	22 943 476	23 066 996

Statement of changes in equity

KLP Kommunekreditt AS

2025 NOK THOUSANDS	Share capital	Share premium	Other accrued equity	Total owners' equity
Equity 1 January 2025	391 500	363 500	274 237	1 029 237
Profit for the period	0	0	66 980	66 980
Other income and expenses	0	0	0	0
Total comprehensive income for the period	0	0	66 980	66 980
Group contribution received	0	0	61 410	61 410
Group contribution made	0	0	-78 731	-78 731
Total transactions with the owners	0	0	-17 321	-17 321
Equity 30 September 2025	391 500	363 500	323 897	1 078 897

2024 NOK THOUSANDS	Share capital	Share premium	Other accrued equity	Total owners' equity
Equity 1 January 2024	391 500	363 500	214 212	969 212
Profit for the period	0	0	64 483	64 483
Other income and expenses	0	0	0	0
Total comprehensive income for the period	0	0	64 483	64 483
Group contribution received	0	0	70 651	70 651
Group contribution made	0	0	-90 578	-90 578
Total transactions with the owners	0	0	-19 927	-19 927
Equity 30 September 2024	391 500	363 500	258 767	1 013 767

2024 NOK THOUSANDS	Share capital	Share premium	Other accrued equity	Total owners' equity
Equity 1 January 2024	391 500	363 500	214 212	969 212
Income for the year	0	0	79 953	79 953
Other income and expenses	0	0	0	0
Total comprehensive income for the period	0	0	79 953	79 953
Group contribution received	0	0	70 651	70 651
Group contribution made	0	0	-90 578	-90 578
Total transactions with the owners	0	0	-19 927	-19 927
Equity 31 December 2024	391 500	363 500	274 237	1 029 237

Statement of cash flow

KLP Kommunekreditt AS

NOK THOUSANDS	01.01.2025 -30.09.2025	01.01.2024 -30.09.2024	01.01.2024 -31.12.2024
OPERATIONAL ACTIVITIES			
Payments received from customers - interest	697 968	722 839	978 918
Payments made on issuance of loans to customers	-2 869 578	-462 251	-2 062 280
Receipts related to repayment and redemption of loans to customers	996 718	1 455 729	2 393 715
Receipts on loans from credit institutions	503 400	6 250 000	6 250 000
Repayments and redemption of securities debt	-4 000 000	-5 000 000	-5 000 000
Change in securities debt, own funds	2 086 039	477 512	333 063
Net payment of interest on loans credit institutions	-691 318	-646 787	-951 937
Receipts in internal funding	2 300 000	350 000	1 500 000
Disbursements in internal funding	-1 600 000	-500 000	-1 250 000
Net payment of interest on internal funding	-57 794	-25 640	-33 070
Payments on the purchase of securities	-1 033 426	-3 221 642	-3 520 132
Receipts on sale of securities	3 644 911	703 316	1 449 349
Receipts of interest from securities	94 411	49 422	101 362
Disbursements on operations	-15 832	-16 833	-21 719
Net receipts/disbursements from operating activities	47 789	-4 552	-12 032
Interest from credit institutions	16 388	11 926	23 675
Net cash flow from operating activities	119 675	143 038	178 912
INVESTMENT ACTIVITIES			
Net cash flow from investment activities	0	0	0
FINANCING ACTIVITIES			
Payment on group contribution	-17 321	-19 927	-19 927
Net cash flows from financing activities	-17 321	-19 927	-19 927
Net cash flow during the period	102 354	123 111	158 985
Cash and cash equivalents at the start of the period	694 341	535 356	535 356
Cash and cash equivalents at the end of the period	796 696	658 467	694 341
Net receipts/disbursements	102 354	123 111	158 985
Liquidity holdings comprise:			
Deposits with and receivables from banks with no agreed term	796 696	658 467	694 341
Total liquidity holdings at the end of the reporting period	796 696	658 467	694 341
Total interest received	808 767	784 186	1 103 956
Total interest paid	-749 113	-672 427	-985 007

Notes to the financial statement

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 2025 – 30 September 2025.

The financial statements for KLP Kommunekreditt AS have been prepared in accordance with IFRS Accounting Standards®) as adopted by the EU with some additions that follow The Norwegian Accounting Act and the Regulations concerning annual accounts for banks, mortgage firms and finance companies (the Accounting Regulations). The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim Financial Statements has not been audited.

Other accounting principles and calculations are the same in the interim financial statement as in the annual report for 2024 please see the annual report for further information.

Note 3 **Net interest income**

NOK THOUSANDS	Q3 2025	Q3 2024	01.01.2025 -30.09.2025	01.01.2024 -30.09.2024	01.01.2024 -31.12.2024
Interest income on loans to customers	252 183	238 876	742 107	724 708	961 196
Interest income on loans to credit institutions	6 210	6 058	25 672	17 034	23 675
Total interest income, effective interest method	258 393	244 934	767 779	741 742	984 871
Interest income on fixed-income securities	13 389	26 528	84 329	66 474	116 937
Other interest income	44 760	38 288	120 647	112 671	152 731
Total other interest income	58 150	64 817	204 976	179 145	269 668
Total interest income	316 543	309 751	972 755	920 886	1 254 539
Interest expenses on debt from KLP Banken AS	-22 158	-8 477	-59 241	-25 174	-33 323
Interest expenses on issued securities	-229 138	-242 507	-733 033	-717 703	-984 629
Total interest expenses, effective interest method	-251 296	-250 984	-792 275	-742 877	-1 017 952
Other interest expenses	-36 118	-32 945	-102 962	-95 265	-128 028
Total other interest expenses	-36 118	-32 945	-102 962	-95 265	-128 028
Total interest expenses	-287 414	-283 928	-895 237	-838 142	-1 145 980
Net interest income	29 129	25 823	77 518	82 745	108 559

Note 4 **Loans to customers**

NOK THOUSANDS	30.09.2025	30.09.2024	31.12.2024
Principal on lending	20 473 904	17 879 842	18 594 965
Write-downs	-195	-170	-177
Accrued interest	219 316	194 769	175 177
Fair value hedging	-58 189	-68 577	-81 984
Loans to and receivables from customers	20 634 836	18 005 864	18 687 981

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	30.09.2025		30.09.2024		31.12.2024	
	Capitalized value	Fair value	Capitalized value	Fair value	Capitalized value	Fair value
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS						
Fixed-income securities	941 842	941 842	4 088 504	4 088 504	3 587 455	3 587 455
Financial derivatives	110 683	110 683	119 741	119 741	83 757	83 757
Total financial assets at fair value through profit and loss	1 052 525	1 052 525	4 208 245	4 208 245	3 671 212	3 671 212
FINANCIAL ASSETS FAIR VALUE HEDGING AT AMORTIZED COST						
Lending to Norwegian municipalities	2 123 260	2 141 684	1 881 709	1 893 232	1 921 836	1 936 594
Total financial assets fair value hedging at amortized cost	2 123 260	2 141 684	1 881 709	1 893 232	1 921 836	1 936 594
FINANCIAL ASSETS AT AMORTIZED COST						
Loans to and receivables from credit institutions	817 481	817 481	720 700	720 700	705 779	705 779
Lending to Norwegian municipalities	18 511 575	18 511 575	16 124 154	16 124 154	16 766 145	16 766 145
Total financial assets at amortized cost	19 329 056	19 329 056	16 844 854	16 844 854	17 471 924	17 471 924
Total financial assets	22 504 842	22 523 265	22 934 808	22 946 330	23 064 972	23 079 730
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS						
Financial derivatives	20 032	20 032	23 170	23 170	38 057	38 057
Total financial liabilities at fair value through profit and loss	20 032	20 032	23 170	23 170	38 057	38 057
FINANCIAL LIABILITIES FAIR VALUE AT HEDGING AMORTIZED COST						
Covered bonds issued	2 268 681	2 267 448	1 744 803	1 760 513	1 679 351	1 691 807
Total financial liabilities fair value hedging amortized cost	2 268 681	2 267 448	1 744 803	1 760 513	1 679 351	1 691 807
FINANCIAL LIABILITIES AT AMORTIZED COST						
Liabilities to credit institutions	1 653 271	1 653 271	551 105	551 105	951 824	951 824
Covered bonds issued	17 398 794	19 739 468	19 438 932	19 518 414	19 297 182	19 343 808
Total financial liabilities at amortized cost	19 052 065	21 392 738	19 990 037	20 069 518	20 249 006	20 295 632
Total financial liabilities	21 340 777	23 680 218	21 758 011	21 853 202	21 966 414	22 025 497

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for on the balance sheet day. 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 to the least extent possible 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.

Fixed-income securities - other than government

Norwegian fixed-income securities are generally priced based on rates from Nordic Bond Pricing. Securities not covered by Nordic Bond Pricing are priced theoretically. The theoretical price should be based on the discounted value of the security's future cash flows. Discounting is done using a swap curve adjusted for credit spread and liquidity spread. The credit spread should, to the extent possible, be based on a comparable bond from the same issuer. Liquidity spread is determined at the discretion of the evaluator.

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

30.09.2025 NOK THOUSANDS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Fixed-income securities	128 969	812 873	0	941 842
Financial derivatives	0	110 683	0	110 683
Total assets at fair value	128 969	923 556	0	1 052 525
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives (liabilities)	0	20 032	0	20 032
Total financial liabilities at fair value	0	20 032	0	20 032

30.09.2024 NOK THOUSANDS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Fixed-income securities	99 089	3 989 415	0	4 088 504
Financial derivatives	0	119 741	0	119 741
Total assets at fair value	99 089	4 109 156	0	4 208 245
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives (liabilities)	0	23 170	0	23 170
Total financial liabilities at fair value	0	23 170	0	23 170

31.12.2024 NOK THOUSANDS	Level 1	Level 2	Level 3	Total
ASSETS BOOKED AT FAIR VALUE				
Fixed-income securities	99 103	3 488 353	0	3 587 455
Financial derivatives	0	83 757	0	83 757
Total assets at fair value	99 103	3 572 109	0	3 671 212
LIABILITIES BOOKED AT FAIR VALUE				
Financial derivatives (liabilities)	0	38 057	0	38 057
Total financial liabilities at fair value	0	38 057	0	38 057

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. 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	30.09.2025	30.09.2024	31.12.2024
Bond debt, nominal amount	19 453 400	22 950 000	22 950 000
Adjustments	-10 031	-13 636	-42 953
Accrued interest	224 105	221 372	183 486
Own holdings, nominal amount	0	-1 974 000	-2 114 000
Total debt securities issued	19 667 475	21 183 736	20 976 533
Interest rate on borrowings through the issuance of securities on the reporting date:	4.77%	5.15%	5.10%

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 31.12.2024	Issued	Matured/ redeemed	Other adjustments	Balance sheet 30.09.2025
Bond debt, nominal amount	22 950 000	503 400	-4 000 000	0	19 453 400
Adjustments	-42 953	0	0	32 922	-10 031
Accrued interest	183 486	0	0	40 620	224 105
Own holdings, nominal amount	-2 114 000	0	2 114 000	0	0
Total debt securities issued	20 976 533	503 400	-1 886 000	73 542	19 667 475

Note 8 Over-collateralisation

NOK THOUSANDS	30.09.2025	30.09.2024	31.12.2024
SECURITY POOL			
Loans to customers	20 661 242	18 016 856	18 715 951
Financial derivatives (net)	89 623	96 491	45 704
Additional collateral ¹	1 275 223	6 436 275	5 886 869
Total security pool	22 026 088	24 549 622	24 648 525
Outstanding covered bonds incl. own funds and premium/discount	19 739 468	23 263 135	23 158 712
Coverage of the security pool	111.6%	105.5%	106.4 %

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

30.09.2025 NOK THOUSANDS				
	Due date	Nominal	Accrued interest	Book value
Debt to KLP Banken AS	15.12.2026	500 000	991	500 991
Debt to KLP Banken AS	15.12.2026	550 000	1 090	551 090
Debt to KLP Banken AS	15.12.2026	200 000	396	200 396
Debt to KLP Banken AS	15.12.2026	400 000	793	400 793
Total liabilities to credit institutions		1 650 000	3 271	1 653 271

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

4.46%

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

30.09.2024 NOK THOUSANDS				
	Due date	Nominal	Accrued interest	Book value
Debt to KLP Banken AS	15.12.2025	400 000	803	400 803
Debt to KLP Banken AS	15.12.2025	150 000	301	150 301
Total liabilities to credit institutions		550 000	1 105	551 105

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

4.82%

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

31.12.2024 NOK THOUSANDS				
	Due date	Nominal	Accrued interest	Book value
Debt to KLP Banken AS	15.12.2026	550 000	1 146	551 146
Debt to KLP Banken AS	15.12.2026	400 000	677	400 677
Total liabilities to credit institutions		950 000	1 824	951 824

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

4.69 %

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

Note 10 Financial assets and liabilities subject to net settlement

30.09.2025 NOK THOUSANDS		Related sums that are not presented net		
	Gross financial assets/ liabilities	Financial instruments	Security in cash	Net recognised value
ASSETS				
Financial derivatives	110 683	-20 032	0	90 652
Total	110 683	-20 032	0	90 652
LIABILITIES				
Financial derivatives	20 032	-20 032	0	0
Total	20 032	-20 032	0	0

30.09.2024 NOK THOUSANDS		Related sums that are not presented net		
	Gross financial assets/ liabilities	Financial instruments	Security in cash	Net recognised value
ASSETS				
Financial derivatives	119 741	-23 170	0	96 571
Total	119 741	-23 170	0	96 571
LIABILITIES				
Financial derivatives	23 170	-23 170	0	0
Total	23 170	-23 170	0	0

31.12.2024 NOK THOUSANDS		Related sums that are not presented net		
	Gross financial assets/ liabilities	Financial instruments	Security in cash	Net recognised value
ASSETS				
Financial derivatives	83 757	-38 057	0	45 699
Total	83 757	-38 057	0	45 699
LIABILITIES				
Financial derivatives	38 057	-38 057	0	0
Total	38 057	-38 057	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

TUSEN KRONER	30.09.2025	30.09.2024	31.12.2024
Interest incomes	7 724	7 819	10 499
Interest expenses	-59 241	-25 174	-33 323
Purchase of services	-9 949	-9 599	-12 991
Other receivables	7 042	7 879	1 571
Bank deposits	232 100	221 696	224 376
Borrowing	-1 653 271	-551 105	-951 824
Other debt	-1 161	-984	-1 134

All transactions are against KLP Banken AS.

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	30.09.2025	30.09.2024	31.12.2024
Intercompany receivables	7 042	7 879	1 571
Prepaid expenses	634	790	0
Miscellaneous receivables	24 736	0	454
Total other assets	32 412	8 669	2 025

Note 13 Other liabilities and provision for accrued costs

NOK THOUSANDS	30.09.2025	30.09.2024	31.12.2024
Creditors	113	-32	113
Intercompany payables	1 161	984	1 134
Short-term balances with credit institutions	94 100	98 896	46 513
Other liabilities	20 426	69 739	4 960
Total other liabilities	115 800	169 586	52 720
VAT	476	418	0
Total accrued costs and liabilities	476	418	0

Note 14 Capital adequacy

NOK THOUSANDS	30.09.2025	30.09.2024	31.12.2024
Share capital and share premium fund	755 000	755 000	755 000
Other owners' equity	256 917	194 284	274 237
Total owners' equity	1 011 917	949 284	1 029 237
Adjustments due to requirements for proper valuation	-942	-4 089	-3 587
Core capital/Tier 1 capital	1 010 975	945 196	1 025 650
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)	1 010 975	945 196	1 025 650
Capital requirement	368 732	352 977	362 060
Surplus of own funds (Tier 1 and Tier 2 capital)	642 243	592 219	663 590
ESTIMATE BASIS CREDIT RISK:			
Institutions	172 957	153 409	148 935
Local and regional authorities	4 154 937	3 761 897	3 890 649
Covered bonds	71 191	318 580	272 571
Other items	25 370	790	454
Calculation basis credit risk	4 424 455	4 234 675	4 312 609
Credit risk	353 956	338 774	345 009
Operating risk	14 132	12 335	15 314
Credit valuation adjustment (CVA)	644	1 868	1 737
Total capital requirement assets	368 732	352 977	362 060
Core capital adequacy ratio	21.9 %	21.4 %	22.7 %
Supplementary capital ratio	0.0 %	0.0 %	0.0 %
Capital adequacy ratio	21.9 %	21.4 %	22.7 %
Leverage ratio	4.5 %	4.1 %	4.5 %

CAPITAL REQUIREMENT PER 30.09.2025	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	4.5 %	0.0 %	4.5 %
Counter-cyclical capital buffer	2.5 %	0.0 %	2.5 %
Current capital requirement incl. buffers	14.0 %	3.5 %	17.5 %
Capital requirement leverage ratio	3.0 %	0.0 %	3.0 %

Note 15 Fixed-income securities

NOK THOUSANDS	30.09.2025		30.09.2024		31.12.2024	
	Acquisition cost	Market value	Acquisition cost	Market value	Acquisition cost	Market value
Certificates	128 755	128 969	98 933	99 089	98 925	99 103
Bonds	807 317	812 873	3 970 968	3 989 415	3 471 466	3 488 353
Total fixed-income securities	936 072	941 842	4 069 901	4 088 504	3 570 391	3 587 455

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

Note 16 Contingent liabilities

NOK THOUSANDS	30.09.2025	30.09.2024	31.12.2024
Loan commitment	77 773	0	5 242
Total contingent liabilities	77 773	0	5 242

Note 17 Net gain/(loss) on financial instruments

NOK THOUSANDS	Q3 2025	Q3 2024	01.01.2025 -30.09.2025	01.01.2024 -30.09.2024	01.01.2024 -31.12.2024
Net gain/(loss) on fixed-income securities	1 570	923	7 602	6 329	-258
Net gain/(loss) financial derivatives and realized amortization linked to lending	0	0	0	-189	-189
Net gain/(loss) financial derivatives and realized repurchase of own debt	0	-2 386	-146	-9 790	-10 001
Total net gain/(loss) on financial instruments	1 570	-1 463	7 456	-3 650	-10 448

Note 18 **Loan loss provision**

Changes in provisions for expected losses in third quarter of 2025 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 third quarter of 2025.

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

Expected credit loss (ECL) - loans to customers - public lending

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.09.2025	30.09.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Opening balance ECL 01.01.	177	0	0	177	180	180
Transfers to stage 1	0	0	0	0	0	0
Transfers to stage 2	0	0	0	0	0	0
Transfers to stage 3	0	0	0	0	0	0
Net changes	-6	0	0	-6	-6	-11
New losses	38	0	0	38	8	24
Write-offs	-14	0	0	-14	-11	-16
Closing balance ECL	196	0	0	196	170	177
Changes in the period 01.01-30.09./31.12.	18	0	0	18	-10	-3

Book value of loans and receivables for customers - public lending

NOK THOUSANDS	12 months ECL	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	30.09.2025	30.09.2024	31.12.2024
	stage 1	stage 2	stage 3	Total stage 1-3	Total stage 1-3	Total stage 1-3
Lending 01.01.	18 770 141	0	0	18 770 141	19 087 959	19 087 958
Transfers to stage 1	0	0	0	0	0	0
Transfers to stage 2	0	0	0	0	0	0
Transfers to stage 3	0	0	0	0	0	0
Net changes	-625 525	0	0	-625 525	-626 122	-1 167 223
New lending	4 075 731	0	0	4 075 731	831 534	2 529 768
Write-offs	-1 527 127	0	0	-1 527 127	-1 218 760	-1 680 362
Lending	20 693 220	0	0	20 693 220	18 074 611	18 770 141
Fair value hedging	-58 189	0	0	-58 189	-68 577	-81 984
Recognised loan loss provisions	-195	0	0	-195	-170	-177
Book value of loans to public lending	20 634 836	0	0	20 634 836	18 005 864	18 687 981

Quarterly earnings trend

NOK MILLIONS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
Interest income	316.5	327.8	328.4	333.7	309.8
Interest expense	-287.4	-305.2	-302.6	-307.8	-283.9
Net interest income	29.1	22.6	25.8	25.8	25.8
Net gain/(loss) financial instruments	1.6	2.7	3.2	-6.8	-1.5
Total net gain/(loss) on financial instruments	1.6	2.7	3.2	-6.8	-1.5
Other operating expenses	-6.6	-4.2	-4.8	-5.6	-6.1
Total operating expenses	-6.6	-4.2	-4.8	-5.6	-6.1
Operating profit/loss before tax	24.1	21.0	24.2	13.5	18.2
Tax ordinary income	-1.0	-0.3	-1.0	2.0	1.0
Profit for the period	23.1	20.7	23.2	15.5	19.2

Key figures - accumulated

NOK MILLIONS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
Pre-tax income	69.2	45.2	24.2	77.0	63.5
Net interest income	77.5	48.4	25.8	108.6	82.7
Other operating income	0.0	0.0	0.0	0.0	0.0
Other operating cost	-15.7	-9.1	-4.8	-21.2	-15.6
Net gain/(loss) financial instruments	7.5	5.9	3.2	-10.4	-3.7
Lending with public sector guarantee	20 634.8	19 750.6	19 419.2	18 688.0	18 005.9
Non-performing loans	0.0	0.0	0.0	0.0	0.0
Total liabilities created on issuance of securities	19 667.5	19 124.0	20 985.7	20 976.5	21 183.7
Other borrowing	1 653.3	2 054.0	1 552.9	951.8	551.1
Total assets	22 537.3	22 345.9	23 668.9	23 067.0	22 943.5
Average total assets	22 802.1	22 706.4	23 368.0	22 127.6	22 065.9
Equity	1 078.9	1 055.8	1 035.1	1 029.2	1 013.8
Interest net	0.34 %	0.21 %	0.11 %	0.49 %	0.37 %
Profit/loss from ordinary operation before taxes	0.30 %	0.20 %	0.10 %	0.35 %	0.29 %
Return on equity	8.97 %	8.78 %	9.39 %	7.94 %	8.74 %
Capital adequacy ratio	21.9 %	22.2 %	21.6 %	22.7 %	21.4 %
Liquidity coverage ratio (LCR)	873 %	747 %	368 %	1 113 %	860 %

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