

# Q4 Interim report 2024

KLP Boligkreditt AS

# KLP



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# KLP Boligkreditt AS

## Interim Financial Statements 4/2024

Main features by quarter end:

- Increased net interest income
- Stable lending volume
- No recognized loan losses

### Objective

The Company's objective is to finance KLP Banken's mortgage loans at preferable terms, mainly through the issuance of covered bonds.

KLP Boligkreditt AS is a wholly owned subsidiary of KLP Banken AS. KLP Banken AS is owned by Kommunal Landspensjonskasse gjensidig forsikringselskap (KLP).

### Income statement

The operating profit before tax for the fourth quarter was NOK 13.8 (6.6)<sup>1</sup> million. For the year 2024, the profit before tax was NOK 49.1 (14.9) million. The change in profit is mainly due to growth in net interest income and reduced negative income effects on financial instruments.

Net interest and credit commission income per fourth quarter was NOK 111.5 (80.8) million. The change is mainly related to higher interest rates providing increased returns on loans financed with equity.

Net income effects of financial instruments at the end of the quarter were NOK -0.7 (-3.7) million. This mainly includes market value changes in liquidity placements and costs from the repurchase of borrowings. Realized and unrealized value changes in the liquidity portfolio resulted in an income effect of NOK 0.9 (0.2) million. Restructuring of the borrowing portfolio is done regularly to adjust average maturity. This can result in both losses and gains. Accounting effects from the repurchase of own debt amounted to a total of NOK -1.5 (-3.9) million in 2024.

Operating costs per fourth quarter were NOK -61.7 (-62.2) million. The company has not had any realized loan losses and has very low loss provisions.

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<sup>1</sup> Figures in parenthesis are from the corresponding period last year.

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### **Lending and total assets**

The company's loans to customers as of December 31, 2024, amounted to NOK 12.7 (12.7) billion. Loans amounting to NOK 4.0 (4.5) billion were purchased from the parent company KLP Banken AS in 2024. The total assets were NOK 13.8 (13.7) billion.

### **Liquid investments**

KLP Boligkreditt AS has strict requirements for the assets that can be included in the collateral pool. In addition to mortgages, the collateral pool consists of securities and deposits in other banks. The securities consist of certificates and bonds with very high credit quality, mainly investments in covered bonds. As of December 31, 2024, the company's interest-bearing securities had a market value of NOK 0.8 (0.5) billion.

### **Borrowing**

The company's external financing consists of issued covered bonds (OMF) and loans from KLP Banken AS. The company had NOK 2.2 (1.7) billion in intra-group debt at the end of the fourth quarter. Outstanding OMF debt was NOK 10.5 (11.1) billion. New covered bonds amounting to NOK 1.0 (1.0) billion were issued in 2024. Net repurchases and sales of previous issues amounted to NOK -1.6 (-2.5) billion. All OMF issuances have an Aaa rating from Moody's.

### **Risk and capital adequacy**

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

Core capital according to the capital adequacy regulations at the end of the fourth quarter of 2024 was NOK 1,069.2 (931.2) million. Core capital was increased by NOK 100 million in the first half of the year. Mortgage lending is risk-weighted at 35 percent according to official regulations for capital adequacy. KLP Boligkreditt AS has a core capital ratio and capital adequacy ratio of 21.6 (18.7) percent per fourth quarter. The minimum requirement for total capital adequacy is 17.5 percent. The leverage ratio was 7.7 (6.8) percent. The requirement here is 3.0 percent.

**Oslo, 5 February 2025**

**AAGE E. SCHAANNING**

Chair

**JANICKE E. FALKENBERG**

**LILL STABELL**

**JONAS V. KÅRSTAD**

**CHRISTOPHER A. N. STEEN**

Managing Director

## Income statement

KLP Boligkreditt AS

NOTE	NOK THOUSANDS	Q4 2024	Q4 2023	2024	2023
	Interest income, effective interest method	178 500	171 788	703 772	591 812
	Other interest income	10 649	7 234	39 264	31 295
3	<b>Total interest income</b>	<b>189 149</b>	<b>179 022</b>	<b>743 036</b>	<b>623 106</b>
	Interest expense, effective interest method	-158 826	-157 273	-631 523	-542 313
3	<b>Total interest expense</b>	<b>-158 826</b>	<b>-157 273</b>	<b>-631 523</b>	<b>-542 313</b>
3	<b>Net interest income</b>	<b>30 323</b>	<b>21 749</b>	<b>111 513</b>	<b>80 793</b>
15	Net gain/(loss) on financial instruments	-1 304	98	-659	-3 733
	<b>Total net gain/(loss) on financial instruments</b>	<b>-1 304</b>	<b>98</b>	<b>-659</b>	<b>-3 733</b>
	Other operating expenses	-15 183	-15 205	-61 686	-62 162
16	Net loan losses	-14	-16	-26	3
	<b>Total operating expenses</b>	<b>-15 197</b>	<b>-15 222</b>	<b>-61 711</b>	<b>-62 159</b>
	<b>Operating profit/loss before tax</b>	<b>13 822</b>	<b>6 626</b>	<b>49 143</b>	<b>14 901</b>
	Tax ordinary income	-1 990	-1 458	-6 609	-3 278
	<b>Profit for the period</b>	<b>11 831</b>	<b>5 168</b>	<b>42 533</b>	<b>11 623</b>
	<b>Other income and expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Comprehensive income for the period</b>	<b>11 831</b>	<b>5 168</b>	<b>42 533</b>	<b>11 623</b>

## Balance

### KLP Boligkreditt AS

NOTE	NOK THOUSANDS	31.12.2024	31.12.2023
	<b>ASSETS</b>		
5	Loans to credit institutions	331 192	469 974
4,5	Loans to customers	12 669 545	12 745 448
5,6,14	Fixed-income securities	828 687	516 406
11	Other assets	3 092	4 296
	<b>Total assets</b>	<b>13 832 517</b>	<b>13 736 124</b>
	<b>LIABILITIES AND OWNERS EQUITY</b>		
	<b>LIABILITIES</b>		
5,9	Debt to credit institutions	2 193 926	1 686 316
5,7	Debt securities issued	10 549 732	11 105 128
	Deferred tax liabilities	14 146	7 537
12	Other liabilities	4 661	5 424
	<b>Total liabilities</b>	<b>12 762 466</b>	<b>12 804 406</b>
	<b>EQUITY</b>		
	Share capital	430 000	380 000
	Share premium	530 463	480 463
	Other accrued equity	109 588	71 256
	<b>Total owners' equity</b>	<b>1 070 051</b>	<b>931 719</b>
	<b>Total liabilities and equity</b>	<b>13 832 517</b>	<b>13 736 124</b>

## Statement of changes in equity

### KLP Boligkreditt AS

2024 NOK THOUSANDS	Share capital	Share premium	Other accrued equity	Total owners' equity
Equity 1 January 2024	380 000	480 463	71 256	931 719
Income for the year	0	0	42 533	42 533
Other income and expenses	0	0	0	0
Total comprehensive income for the period	0	0	42 533	42 533
Group contribution received	0	0	14 898	14 898
Group contribution made	0	0	-19 100	-19 100
Paid-up equity for the period	50 000	50 000	0	100 000
Total transactions with the owners	50 000	50 000	-4 202	95 798
<b>Equity 31 December 2024</b>	<b>430 000</b>	<b>530 463</b>	<b>109 588</b>	<b>1 070 051</b>

2023 NOK THOUSANDS	Share capital	Share premium	Other accrued equity	Total owners' equity
Equity 1 January 2023	380 000	480 463	59 633	920 096
Income for the year	0	0	11 623	11 623
Other income and expenses	0	0	0	0
Total comprehensive income for the period	0	0	11 623	11 623
Group contribution received	0	0	0	0
Group contribution made	0	0	0	0
Total transactions with the owners	0	0	0	0
<b>Equity 31 December 2023</b>	<b>380 000</b>	<b>480 463</b>	<b>71 256</b>	<b>931 719</b>



## Statement of cash flow

KLP Boligkreditt AS

NOK THOUSANDS	2024	2023
<b>OPERATING ACTIVITIES</b>		
Payments received from customers - interest	685 391	567 810
Receipts on loans customers & credit institutions	4 030 960	4 098 045
Receipts on loans from credit institutions	1 000 000	1 000 000
Repayment and redemption of loans	-2 500 000	-2 000 000
Change in securities debt, own funds	944 031	-548 349
Net payment of interest on loans	-567 828	-500 708
Receipts in internal funding	6 413 070	6 783 028
Repayment in internal funding	-5 906 396	-5 623 737
Net payment of interest on internal funding	-63 734	-23 558
Payments on the purchase of securities	-670 314	-219 829
Receipts on sale of securities	360 220	1 125 861
Receipts of interest from securities	37 924	33 063
Disbursements on operations	-61 366	-61 722
Net receipts/disbursements from operating activities	2 595	1 547
Net interest investment accounts	19 192	14 873
<b>Net cash flow from operating activities</b>	<b>3 723 744</b>	<b>4 646 322</b>
<b>INVESTMENT ACTIVITIES</b>		
Disbursements on loans customers & credit institutions	-3 955 728	-4 538 968
<b>Net cash flow from investment activities</b>	<b>-3 955 728</b>	<b>-4 538 968</b>
<b>FINANCING ACTIVITIES</b>		
Change in owners' equity	100 000	0
Group contribution paid	-4 202	0
<b>Net cash flows from financing activities</b>	<b>95 798</b>	<b>0</b>
<b>Net cash flow during the period</b>	<b>-136 187</b>	<b>107 355</b>
Cash and cash equivalents at the start of the period	456 573	349 219
Cash and cash equivalents at the end of the period	320 386	456 573
<b>Net receipts/disbursements</b>	<b>-136 187</b>	<b>107 355</b>
<b>Liquidity holdings comprise:</b>		
Deposits with and receivables from banks with no agreed term	320 386	456 573
<b>Total liquidity holdings at the end of the reporting period</b>	<b>320 386</b>	<b>456 573</b>
<b>Total interest received</b>	<b>742 506</b>	<b>615 746</b>
<b>Total interest paid</b>	<b>-631 562</b>	<b>-524 267</b>

## Notes to the accounts

KLP Boligkreditt AS

### Note 1 **General information**

KLP Boligkreditt AS was formed on 30 October 2013. The company is a housing credit enterprise, and finance the activity primary through issuing covered bonds.

KLP Boligkreditt AS is registered and domiciled in Norway. Its head office is at Beddingen 8 in Trondheim, with a branch office in Dronning Eufemiasgate 10, 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 Boligkreditt AS for the period 1 January 2024 – 31 December 2024, specifying the earnings trend in Q4. The interim Financial Statements has not been audited.

The financial statements for KLP Boligkreditt 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".

Other accounting principles and calculations are the same in the interim financial statement as in the annual report for 2023, please see the annual report for further information.

## Note 3 Net interest income

NOK THOUSANDS	Q4 2024	Q4 2023	2024	2023
Interest income on loans to customers	174 220	167 446	684 581	576 938
Interest income on loans to credit institutions	4 280	4 342	19 191	14 873
<b>Total interest income, effective interest method</b>	<b>178 500</b>	<b>171 788</b>	<b>703 772</b>	<b>591 812</b>
Interest income on fixed-income securities	10 649	7 234	39 264	31 295
<b>Total other interest income</b>	<b>10 649</b>	<b>7 234</b>	<b>39 264</b>	<b>31 295</b>
<b>Total interest income</b>	<b>189 149</b>	<b>179 022</b>	<b>743 036</b>	<b>623 106</b>
Interest expenses on debt from KLP Banken AS	-22 545	-14 257	-64 670	-26 129
Interest expenses on issued securities	-136 281	-143 016	-566 852	-516 185
<b>Total interest expenses, effective interest method</b>	<b>-158 826</b>	<b>-157 273</b>	<b>-631 523</b>	<b>-542 313</b>
<b>Total interest expense</b>	<b>-158 826</b>	<b>-157 273</b>	<b>-631 523</b>	<b>-542 313</b>
<b>Net interest income</b>	<b>30 323</b>	<b>21 749</b>	<b>111 513</b>	<b>80 793</b>

## Note 4 Loans to customers

NOK THOUSANDS	31.12.2024	31.12.2023
Loans to customers before write-downs	12 642 167	12 717 235
Provisions and write-downs	-88	-62
<b>Loans to customers after write-downs</b>	<b>12 642 079</b>	<b>12 717 173</b>
Accrued interest	27 466	28 276
<b>Loans to customers</b>	<b>12 669 545</b>	<b>12 745 448</b>

## Note 5 Categories of financial instruments

NOK THOUSANDS	31.12.2024		31.12.2023	
	Capitalized value	Fair value	Capitalized value	Fair value
<b>FINANCIAL ASSETS AT FAIR VALUE</b>				
Fixed-income securities	828 687	828 687	516 406	516 406
<b>Total financial assets at fair value</b>	<b>828 687</b>	<b>828 687</b>	<b>516 406</b>	<b>516 406</b>
<b>FINANCIAL ASSETS AT AMORTIZED COST</b>				
Loans to and receivables from credit institutions	331 192	331 192	469 974	469 974
Loans to and receivables from customers	12 669 545	12 669 545	12 745 448	12 745 448
<b>Total financial assets at amortized cost</b>	<b>13 000 738</b>	<b>13 000 738</b>	<b>13 215 422</b>	<b>13 215 422</b>
<b>Total financial assets</b>	<b>13 829 425</b>	<b>13 829 425</b>	<b>13 731 829</b>	<b>13 731 829</b>
<b>FINANCIAL LIABILITIES AT AMORTIZED COST</b>				
Liabilities to credit institutions	2 193 926	2 193 926	1 686 316	1 686 316
Covered bonds issued	10 549 732	10 568 742	11 105 128	11 102 781
<b>Total financial liabilities at amortized cost</b>	<b>12 743 659</b>	<b>12 762 669</b>	<b>12 791 444</b>	<b>12 789 097</b>
<b>Total financial liabilities</b>	<b>12 743 659</b>	<b>12 762 669</b>	<b>12 791 444</b>	<b>12 789 097</b>

Fair value shall be a representative price based on what a corresponding asset or liability would have been traded for on the balance sheet date. 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.

**Fair value of loans to retail costumers**

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.

**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.

**Fair value of liabilities to credit institutions**

These transactions are valued using a valuation model, including relevant credit spread adjustments obtained from the market.

**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.

## Note 6 Fair value hierarchy

31.12.2024 NOK THOUSANDS	Level 1	Level 2	Level 3	Total
<b>ASSETS BOOKED AT FAIR VALUE</b>				
Fixed-income securities	29 731	798 957	0	828 687
<b>Total assets at fair value</b>	<b>29 731</b>	<b>798 957</b>	<b>0</b>	<b>828 687</b>

  

31.12.2023 NOK THOUSANDS	Level 1	Level 2	Level 3	Total
<b>ASSETS BOOKED AT FAIR VALUE</b>				
Fixed-income securities	19 815	496 592	0	516 406
<b>Total assets at fair value</b>	<b>19 815</b>	<b>496 592</b>	<b>0</b>	<b>516 406</b>

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 not therefore 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. Financial assets measured at amortized cost comprise lending to and due to credit institutions, and retail customers. The stated fair value of these assets is determined on terms qualifying for level 2. Financial liabilities recognized at amortized cost 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	31.12.2024	31.12.2023
Bond debt, nominal amount	10 500 000	12 000 000
Adjustments	-4 779	-3 151
Accrued interest	54 511	54 278
Own holdings, nominal amount	0	-946 000
<b>Total debt securities issued</b>	<b>10 549 732</b>	<b>11 105 128</b>
Interest rate on borrowings through the issuance of securities on the reporting date:	5.05%	5.07%

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 31.12.2023	Issued	Matured/ redeemed	Other adjustments	Balance sheet 31.12.2024
Bond debt, nominal amount	12 000 000	1 000 000	-2 500 000	0	10 500 000
Adjustments	-3 151	0	0	-1 628	-4 779
Accrued interest	54 278	0	0	233	54 511
Own holdings, nominal amount	-946 000	0	946 000	0	0
<b>Total debt securities issued</b>	<b>11 105 128</b>	<b>1 000 000</b>	<b>-1 554 000</b>	<b>-1 395</b>	<b>10 549 732</b>

## Note 8 Over-collateralisation

NOK THOUSANDS	31.12.2024	31.12.2023
SECURITY POOL		
Loans to customers <sup>1</sup>	12 670 853	12 689 403
Additional collateral <sup>2</sup>	903 440	1 833 583
<b>Total security pool</b>	<b>13 574 293</b>	<b>14 522 986</b>
Outstanding covered bonds incl. own funds and premium/discount	10 568 742	12 050 920
<b>Coverage of the security pool</b>	<b>128.4%</b>	<b>120.5%</b>

<sup>1</sup> Excluding mortgage loans that do not qualify for security pool.

<sup>2</sup> Additional collateral includes loans to and receivables from credit institutions and bonds and certificates. Liquid assets used in the LCR 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 5 percent of the value of the outstanding covered bonds.

## Note 9 Liabilities to credit institutions

31.12.2024 NOK THOUSANDS	Due date	Nominal	Accrued interest	Book value
Debt to KLP Banken AS	15.12.2026	2 050 000	3 690	2 053 690
Debt to KLP Banken AS	15.12.2026	140 000	236	140 236
<b>Total liabilities to credit institutions</b>		<b>2 190 000</b>	<b>3 926</b>	<b>2 193 926</b>

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

4.05 %

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

31.12.2023 NOK THOUSANDS	Due date	Nominal	Accrued interest	Book value
Debt to KLP Banken AS	15.12.2025	1 537 488	2 817	1 540 306
Debt to KLP Banken AS	15.12.2025	145 838	173	146 011
<b>Total liabilities to credit institutions</b>		<b>1 683 326</b>	<b>2 990</b>	<b>1 686 316</b>

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

3.88 %

## Note 10 Transactions with related parties

NOK THOUSANDS	2024	2023
KLP Banken AS, interest on borrowing	-64 670	-26 129
KLP Banken AS, interest on deposits	10 499	8 646
KLP Banken AS, administrative services (at cost)	-56 223	-56 169
KLP Kapitalforvaltning AS, fees for services provided	-20	-20
KLP Group companies, subsidised interest employee loans	6 550	9 988

NOK THOUSANDS	31.12.2024	31.12.2023
<b>BALANCES</b>		
KLP Banken AS, borrowing Group current liabilities	-2 193 926	-1 686 316
KLP Banken AS, deposit	224 373	213 875
KLP Banken AS, net internal liabilities	1 614	1 778
KLP Banken AS, net outstanding accounts	-4 566	-5 316
KLP, net outstanding accounts	997	1 608
KLP Group companies, net other internal accounts	460	890
KLP Banken AS, purchase of loans	-3 955 728	-4 538 968

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

Transactions with related parties are carried out at 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 11 Other assets

NOK THOUSANDS	31.12.2024	31.12.2023
Intercompany receivables	3 092	4 296
<b>Total other assets</b>	<b>3 092</b>	<b>4 296</b>

## Note 12 Other liabilities and provision for accrued costs

NOK THOUSANDS	31.12.2024	31.12.2023
Creditors	75	88
Intercompany payables	4 586	5 336
<b>Total other liabilities</b>	<b>4 661</b>	<b>5 424</b>

## Note 13 Capital adequacy

NOK THOUSANDS	31.12.2024	31.12.2023
Share capital and share premium fund	960 463	860 463
Other owners' equity	109 588	71 256
<b>Total owners' equity</b>	<b>1 070 051</b>	<b>931 719</b>
Adjustments due to requirements for proper valuation	-829	-516
<b>Core capital/Tier 1 capital</b>	<b>1 069 222</b>	<b>931 203</b>
Supplementary capital/Tier 2 capital	0	0
<b>Supplementary capital/Tier 2 capital</b>	<b>0</b>	<b>0</b>
Total eligible own funds (Tier 1 and Tier 2 capital)	1 069 222	931 203
Capital requirement	395 315	397 569
<b>Surplus of own funds (Tier 1 and Tier 2 capital)</b>	<b>673 907</b>	<b>533 634</b>
Estimate basis credit risk:		
Institutions	66 761	94 672
Retail	380 294	401 637
Investments with mortgage security in real estate	4 256 870	4 273 476
Covered bonds	79 896	49 659
Other holdings	480	910
<b>Calculation basis credit risk</b>	<b>4 784 301</b>	<b>4 820 354</b>
Credit risk	382 744	385 628
Operating risk	12 571	11 940
<b>Total capital requirement assets</b>	<b>395 315</b>	<b>397 569</b>
Core capital adequacy ratio	21.6 %	18.7 %
Supplementary capital ratio	0.0 %	0.0 %
<b>Capital adequacy ratio</b>	<b>21.6 %</b>	<b>18.7 %</b>
<b>Leverage ratio</b>	<b>7.7 %</b>	<b>6.8 %</b>

CAPITAL REQUIREMENT PER 31.12.2024	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 %
<b>Current capital requirement including buffers</b>	<b>14.0 %</b>	<b>3.5 %</b>	<b>17.5 %</b>
<b>Capital requirement leverage ratio</b>	<b>3.0 %</b>	<b>0.0 %</b>	<b>3.0 %</b>

## Note 14 Fixed-income securities

NOK THOUSANDS	31.12.2024		31.12.2023	
	Acquisition cost	Market value	Acquisition cost	Market value
Certificates	29 678	29 731	0	0
Bonds	795 145	798 957	513 138	516 406
<b>Total fixed-income securities</b>	<b>824 823</b>	<b>828 687</b>	<b>513 138</b>	<b>516 406</b>

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



## Note 15 Net gain/(loss) on financial instruments

NOK THOUSANDS	Q4 2024	Q4 2023	2024	2023
Net gain/(loss) on fixed-income securities	-1 303	325	890	179
Net gain/(loss) financial derivatives and realized repurchase of own debt	-1	-227	-1 549	-3 912
<b>Total net gain/(loss) financial instruments</b>	<b>-1 304</b>	<b>98</b>	<b>-659</b>	<b>-3 733</b>

## Note 16 Loan loss provision

There has not been done any changes in the model for calculation of the expected loss provisions in the fourth quarter.

The total loan loss provisions have been increased since third quarter of 2024. Although the percentage increase is large, the amounts involved are relatively small in relation to the total lending volume. The increase is NOK 12 000 kroner.

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
<b>EXPECTED CREDIT LOSS (ECL) - LOANS TO CUSTOMERS - MORTGAGE</b>				
Opening balance ECL 01.01.2024	41	22	0	63
Transfers to stage 1	9	-9	0	0
Transfers to stage 2	-1	1	0	0
Transfers to stage 3	0	0	0	0
Net changes	1	35	0	36
New losses	13	2	0	15
Write-offs	-8	-2	0	-10
Change in risk model	-8	-8	0	-16
<b>Closing balance ECL 31.12.2024</b>	<b>46</b>	<b>42</b>	<b>0</b>	<b>88</b>
Changes (01.01.2024-31.12.2024)	5	20	0	26

NOK THOUSANDS	12-month ECL stage 1	Lifetime ECL not credit impaired stage 2	Lifetime ECL credit impaired stage 3	Total
<b>VALUE OF LENDING AND RECEIVABLES FOR CUSTOMERS RECOGNISED IN THE BALANCE SHEET - MORTGAGE</b>				
Lending 01.01.2024	12 434 701	310 809	0	12 745 510
Transfers to stage 1	121 871	-121 871	0	0
Transfers to stage 2	-210 380	210 380	0	0
Transfers to stage 3	0	0	0	0
Net changes	-430 227	-5 604	0	-435 830
New lending	3 317 419	11 472	0	3 328 891
Write-offs	-2 915 253	-53 684	0	-2 968 937
<b>Lending 31.12.2024</b>	<b>12 318 131</b>	<b>351 503</b>	<b>0</b>	<b>12 669 634</b>
Recognised loan loss provisions	-46	-42	0	-88
<b>Book value of loans to mortgages 31.12.2024</b>	<b>12 318 085</b>	<b>351 461</b>	<b>0</b>	<b>12 669 545</b>

## Quarterly earnings trend

NOK MILLIONS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Interest income	189.1	187.1	183.9	182.9	179.0
Interest expense	-158.8	-159.4	-155.9	-157.4	-157.3
<b>Net interest income</b>	<b>30.3</b>	<b>27.7</b>	<b>28.0</b>	<b>25.5</b>	<b>21.7</b>
Net gain/ (loss) on financial instruments	-1.3	0.6	0.4	-0.4	0.1
<b>Total net gain/(loss) on financial instruments</b>	<b>-1.3</b>	<b>0.6</b>	<b>0.4</b>	<b>-0.4</b>	<b>0.1</b>
Other operating expenses	-15.2	-15.9	-13.5	-17.1	-15.2
<b>Total operating expenses</b>	<b>-15.2</b>	<b>-15.9</b>	<b>-13.5</b>	<b>-17.1</b>	<b>-15.2</b>
<b>Operating profit/loss before tax</b>	<b>13.8</b>	<b>12.4</b>	<b>14.9</b>	<b>8.0</b>	<b>6.6</b>
Tax ordinary income	-2.0	-1.7	-2.2	-0.7	-1.5
<b>Profit for the period</b>	<b>11.8</b>	<b>10.7</b>	<b>12.7</b>	<b>7.3</b>	<b>5.2</b>

## Key figures accumulated

NOK MILLIONS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Pre-tax income	49.1	35.3	22.9	8.0	14.9
Net interest income	111.5	81.2	53.5	25.5	80.8
Other operating expenses	-61.7	-46.5	-30.6	-17.1	-62.2
Net gain/ (loss) financial instruments	-0.7	0.6	0.1	-0.4	-3.7
Housing mortgage lending	12 669.5	12 603.6	12 556.9	12 533.6	12 745.4
Non-performing loans	0.0	0.0	0.0	0.0	0.0
Total liabilities created on issuance of securities	10 549.7	10 549.5	11 148.8	11 279.0	11 105.1
Other borrowing	2 193.9	2 153.0	1 551.6	1 377.2	1 686.3
Total assets	13 832.5	13 777.6	13 761.9	13 704.1	13 736.1
Average total assets	13 784.3	13 756.9	13 749.0	13 720.1	13 911.8
Equity	1 070.1	1 058.2	1 047.5	1 034.8	931.7
Interest net	0.81 %	0.59 %	0.39 %	0.19 %	0.58 %
Profit/loss from ordinary operation before taxes	0.36 %	0.26 %	0.17 %	0.06 %	0.11 %
Return on equity	4.87 %	4.66 %	4.54 %	3.17 %	1.62 %
Capital adequacy ratio	21.6 %	20.9 %	20.9 %	21.0 %	18.7 %
Liquidity coverage ratio (LCR)	1 031 %	1 043 %	731 %	744 %	697 %

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