City of Trondheim

Rating report

A well-integrated institutional framework for Norwegian municipalities

Norwegian municipalities benefit from comprehensive fiscal equalisation schemes, robust funding support and effective policy coordination between different government tiers. A well-structured framework for financial support ensures effective crisis response.

Our evaluation of the framework leads to an indicative rating range for Norwegian municipalities spanning from AAA to AA-. This assessment underscores their strong integration with the Norwegian sovereign and coherence within Norway's sub-sovereign institutional arrangements.

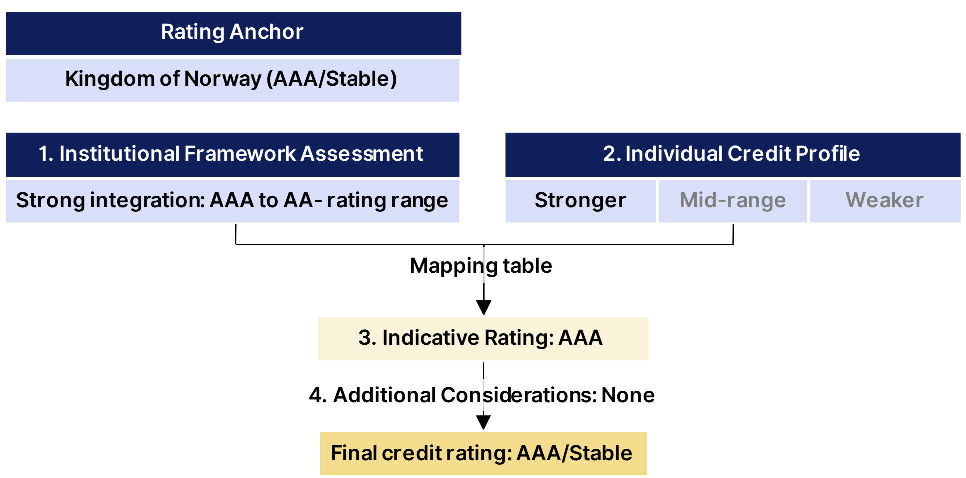
A strong individual credit profile

Trondheim displays strong debt affordability, supported by substantial financial assets via its investment fund and liquidity reserves, a low net interest payment burden and a low risk of contingent liabilities. It also demonstrates resilient budget performance with solid operating margins. Trondheim benefits from a diversified economy with favourable growth prospects and positive demographics and upholds strong governance quality. In addition, Trondheim exhibits low exposure to environmental risks and sets out ambitious climate policies.

Credit challenges

Compared to other municipalities, Trondheim's higher debt stock compares less favourably. In terms of revenue and expenditure flexibility, the municipality aligns with the Norwegian average, relying significantly on transfers and grants while having a limited portion of adjustable revenue.

Figure 1: Trondheim's rating drivers



Note: For further details, please see Scope's Sub-sovereigns Rating Methodology.
Source: Scope Ratings

Foreign currency

Long-term issuer rating/Outlook

AAA/Stable

Senior unsecured debt

AAA/Stable

Short-term issuer rating/Outlook

S-1+/Stable

Local currency

Long-term issuer rating/Outlook

AAA/Stable

Senior unsecured debt

AAA/Stable

Short-term issuer rating/Outlook

S-1+/Stable

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Credit strengths and challenges

Credit strengths	Credit challenges
• Ample liquidity • Resilient budgetary performance • Robust governance quality • Wealthy, resilient local economy • Favourable debt profile • Integrated institutional framework	• High debt stock, though backed by own investment fund • Limited revenue flexibility and expenditure flexibility

Outlook and rating triggers

The Stable Outlook reflects Scope's view that risks to the ratings are balanced.

Positive rating-change drivers	Negative rating-change drivers
• Not applicable	• Downgrade of Norway's sovereign rating • Changes to framework, materially weakening municipalities' integration in institutional arrangements • Individual credit profile weakening significantly

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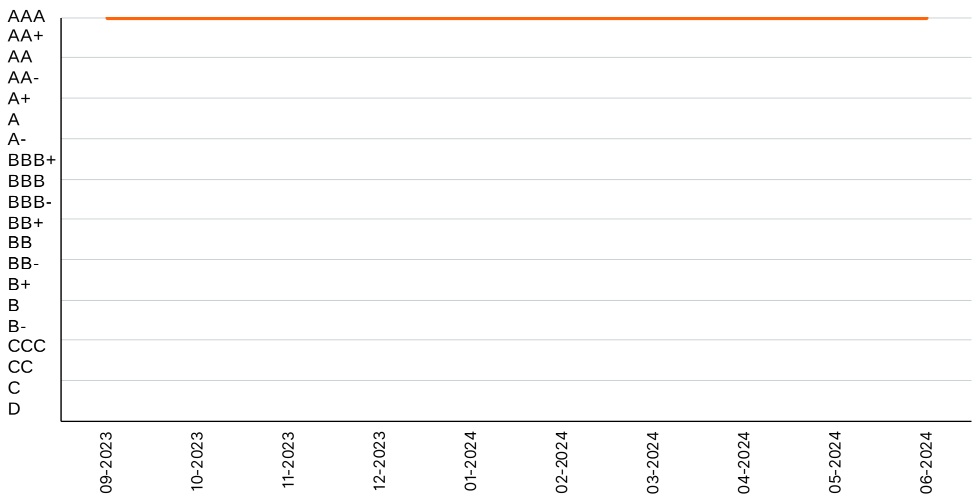
Figure 2: Rating history[1]



Source: Scope Ratings

[1] Foreign-currency long-term issuer rating. Positive/Negative Outlooks are treated with a +/-0.33-notch adjustment. Credit Watch positive/negative with a +/-0.67-notch adjustment.

Institutional framework

Our evaluation of the institutional framework for Norwegian municipalities leads to an indicative rating range for the sector spanning from AAA to AA- (**Annex I**). This assessment underscores their strong integration and coherence within Norway's sub-sovereign institutional arrangements. A well-structured framework for financial support, comprehensive fiscal equalisation systems, and municipallities' engagement in national policymaking foster a stable governance structure, ensuring effective crisis response and well-balanced decision-making across government tiers.

Range from AAA to AA- for Norwegian municipalities

Extraordinary support and bail-out practices

The Norwegian framework for extraordinary sub-sovereign support is well structured and predictable. Norwegian municipalities cannot become insolvent; in financial difficulties, the central government proactively takes control of financial management through the supervisory board to ensure obligations are met. Formal procedures for pre-emptive intervention and a credible history of support during crises enhance this supportive framework. The central government's demonstrated support during recent Covid and energy crises, with adapted grants and full cost compensation, underpins the stability of the sector.

Well-structured and predictable support framework

Ordinary budgetary support and fiscal equalisation

A comprehensive and predictable fiscal equalisation system mitigates disparities in municipal fiscal capacities and costs. It deploys tax revenue redistribution and general grants for income and cost equalisation. Income equalisation symmetrically compensates 60% of tax revenue gaps, plus top-ups for entities below 90% of the national average. Cost equalisation considers demographics, social factors, and population density. Discretionary and regional policy grants further complement this to address special conditions and support policy goals.

Comprehensive equalisation system

Funding practices

Norwegian local governments possess considerable financial autonomy. They source independent funding through banks, bonds and the state-owned Kommunalbanken (KBN), which provides financing at favourable rates under central government policy. KBN is a major debt financier and holds about a 50% market share, bolstering local governments' robust financial base.

Considerable financial autonomy

Fiscal rules and oversight

The Local Government Act mandates broad financial rules for counties and municipalities, including budget goals, accounting norms, and reporting mandates. It emphasises maintaining an operational budget balance and requires deficit correction within two years. Additional financial risk rules, although self-imposed, align with central policy objectives while maintaining sub-sovereign autonomy. Entities facing imbalances are closely monitored and included in ROBEK, a public registry.

Rigorous fiscal oversight

Revenue and spending powers

Municipalities share tax authority with the central government, coordinating tax-sharing and rate-setting. While parliament annually sets maximum income tax rates, municipalities can choose lower rates. They also have flexibility with secondary tax revenue sources and fees.

Shared tax authority with the central government

Political coherence and multi-level governance – Full integration

In Norway's integrated multilevel governance, sub-sovereigns impact national policymaking. Despite central government legislative dominance, a dedicated standing committee, effective communication via KS (Norwegian Association of Local and Regional Authorities), and decentralised administration bolster coordination. Extensive inter-municipal and inter-regional cooperation fosters policy coordination, efficient decisions, and a balanced, stable governance structure.

Integrated multi-level governance

Individual credit profile (ICP)

Trondheim's individual credit profile is assessed at 80 out of 100 (**Annex II**), resulting in the city's 'AAA' credit rating.

Strong individual credit profile

- **Debt and liquidity:** Trondheim displays strong debt affordability, supported by substantial liquidity reserves and financial assets via its investment fund, a net low interest payment burden and a low risk of contingent liabilities. Compared to other municipalities, Trondheim's higher debt stock compares less favourably.
- **Budget performance:** The city demonstrates resilient budget performance with high operating margins. In terms of revenue and expenditure flexibility, Trondheim aligns with the Norwegian average of Norwegian cities, relying significantly on transfers and grants while having a limited portion of adjustable revenue.
- **Economy and governance:** Trondheim benefits from a diversified economy with favourable growth prospects and positive demographics and upholds strong governance quality.
- **Environmental and social factors**: Trondheim has low exposure to environmental risks and has implemented ambitious climate policies. While the city compares favourably in social aspects such as ageing and healthcare, it faces challenges related to income inequality and poverty.

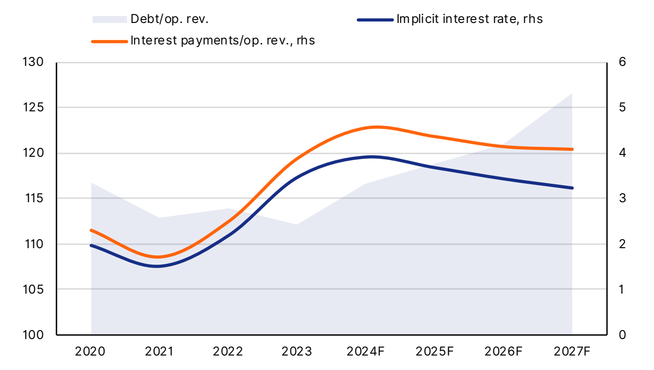
Debt and liquidity

Debt burden and trajectory

Trondheim's debt level stood at 112.1% of operating revenue in 2023 (**Figure 3**), which is comparable to 2021 (112.9%) and lower than 2020 (116.7%). This is high compared to other cities but manageable within Trondheim's operating revenue and largely backed by the financial assets of the city's own investment fund. We expect the debt-to-operating revenue ratio to rise in 2024-27 due to sustained investment spending and reach around 125% by 2027.

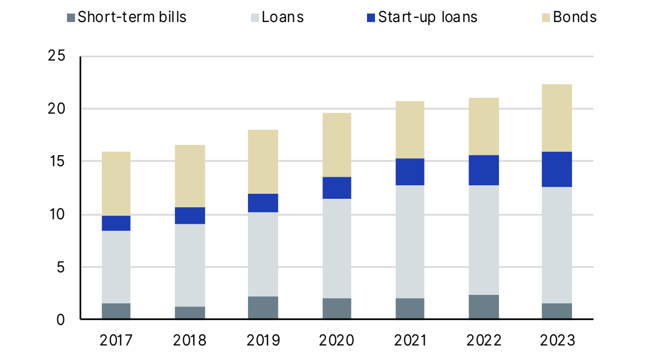
High debt stock

Figure 3: Debt and interest burden, %



Sources: Trondheim Kommune, KOSTRA database, Scope Ratings

Figure 4: Debt by instrument, NOK bn



Sources: Trondheim Kommune, Scope Ratings

Debt profile and affordability

A significant portion of the debt service is underpinned by fees, on-lending arrangements, or financing from the central government. This robust support structure enhances debt affordability and effectively mitigates exposure to interest rate risks. Trondheim's gross interest payment burden was 3.9% of operating revenue in 2023, up from 2.5% of operating revenue in 2022, but at a level comparable to other large municipalities in Norway. We project a continuously elevated level of gross interest payments of around 4.0% of operating revenue in the coming years.

Strong debt affordability

However, net interest payments are expected to decrease again and remain low, at 1.2% of operating revenue in 2024 after 1.4% in 2023 (**Figure 3**). Trondheim's low net interest payments are supported by substantial liquidity reserves and financial assets via its income-generating investment fund, TKK. The fund was established in 2002 after the city sold its energy plant, and it is contributing significantly to support the city's investment agenda and policy priorities.

Favourable debt profile

Total debt increased from NOK 16.5bn in 2018 to NOK 22.3bn in 2023, comprising NOK 14.4bn in bank loans, NOK 6.3bn in bonds, and NOK 1.5bn in short-term notes (**Figure 4**). NOK 12.5bn of Trondheim's debt is financed through the central government, while NOK 6.3bn is supported by housing rents and water/waste management fees. NOK 3.5bn of Trondheim's debt serves on-lending purposes, aiding housing access for individuals ("start-up loans") or supporting investments. Trondheim's debt is exclusively in Norwegian krone, with almost half of borrowings fully serviced by the city's treasury featuring fixed-term interest rates borrowings.

Despite an eight-year average debt maturity, a significant portion requires yearly rollovers, about NOK 4.6bn as of May 2024, given the use of short-term notes that are typically bought by a robust domestic investor base via certificates. To manage refinancing risks, the city's regulations limit debt maturing within a year to 30% of the total, which is a high yearly refinancing share. However, associated refinancing risks are mitigated by Trondheim's substantial liquidity reserves and the city's demonstrated practice of accelerating loan amortisations during periods of improved budgetary performance.

Trondheim has well-established access to diversified external funding sources, with regular bond issuances on the Oslo Stock Exchange, coupled with frequent issuance of short-term notes. Trondheim also benefits from state-owned funding sources, including Kommunalbanken, further enhancing its financial stability. As of June 2024, Trondheim has borrowed NOK 1.1bn out of an expected NOK 1.9bn for investment debt and has repaid NOK 61m out of a total instalment obligation of NOK 757m. The city expects its debt will increase by approximately 100 MNOK before the end of the year. In terms of start-up loans, Trondheim borrowed the full NOK 600m allocated for 2024 in February.

Liquidity position and funding flexibility

Ample liquidity

Trondheim's average total liquidity in 2023, encompassing both the treasury and the investment fund, declined to NOK 2.5bn, from NOK 2.8bn in 2022. The decrease was mainly due to a large pension adjustment premium which shifted downward the liquidity volume. As of 31 May 2024, the city held around NOK 2.9bn in bank deposits, providing ample liquidity and effectively covering current short-term payment obligations. In addition, the city treasury has access to the investment fund's bank deposits and a NOK 500m withdrawal right with its main bank, effectively mitigating certain liquidity risks. Trondheim's strong liquidity profile is well aligned with its strategic objective of maintaining a buffer to cover expenses for 60 days without resorting to new borrowings including refinancing maturing loans.

Contingent liabilities

Limited contingent liabilities

Trondheim's pension accounts are financially stable, with a slight increase in net liabilities to NOK 600m (3% of total pension liabilities), from NOK 700 net assets recorded in 2022. Financial debt within primary shareholdings is minimal. Municipality guarantees to external entities have increased to NOK 907m but related materialisation risks remain moderate.

Budget

Budgetary performance and outlook

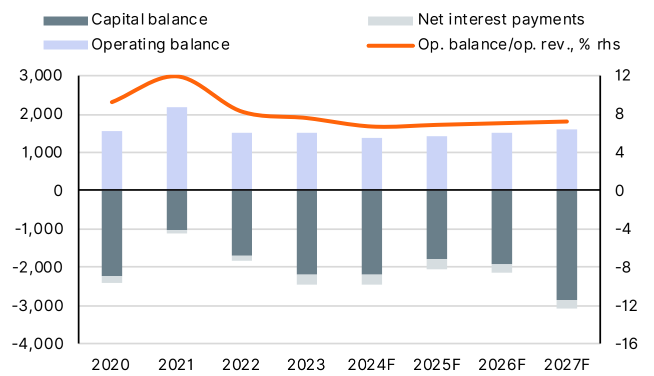
Challenging 2023, but solid budgetary performance history

Trondheim has a strong record of robust budgetary performance. Despite pandemic-related challenges and cost-of-living pressures, the city has maintained an average operating margin of around 10% of operating revenue in 2020-2022 and recorded only moderate deficits in its balance before debt movement (**Figure 5**). In 2023, Trondheim's performance exceeded initial budget expectations, but the operating margin decreased to 7.6% as operating revenue grew by 7.3%. Although tax revenues slightly declined, revenues from grants, fees, and other sources rebounded after a decline in 2022. Operating expenses surged by over 8% due to high inflation and rising demand for social services. Investment funds were underutilized by about NOK 480 million below budget due to project delays. The coming years will require strict spending prioritization and some structural changes to Trondheim's service offerings.

Resilient budget outlook

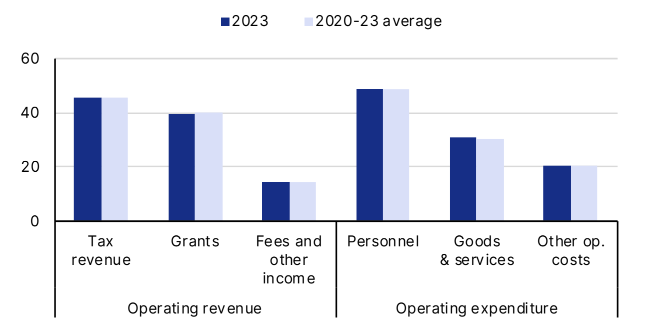
We expect moderated but robust operating margins of 5.8% in 2024 due to the lingering effects of high inflation and normalized tax growth following post-2021 gains, with stabilization around an average of 6.1% from 2025 to 2027. Trondheim's budgetary outlook is bolstered by tax revenue growth exceeding budgeted figures, central government flexibility in compensating extraordinary municipal costs, and investment fund returns surpassing expectations. However, despite higher annual revenue, multiple service areas, particularly child and family services, healthcare, and housing programs, are overspending compared to the 2023 budget. Prudent cost control is reflected in restrained spending growth over the 2024-27 financial plan. The city's overall financial results are likely to show contained deficits before debt movement, averaging around 4% of revenues over 2024-27. This will necessitate continued borrowing to fund the city's investment agenda for 2024-27, focusing on education, health, and elderly care.

Figure 5: Budgetary performance, NOK m (lhs); % (rhs)



Sources: Trondheim Kommune, KOSTRA database, Scope Ratings

Figure 6: Operating revenue and expenditure composition, % of total operating revenue and expenditure respectively



Sources: Trondheim Kommune, KOSTRA database, Scope Ratings

Revenue flexibility

Moderate revenue flexibility

Like all Norwegian municipalities, Trondheim's revenue flexibility is constrained by its substantial reliance on transfers. Government grants to Trondheim constitute about 40% of revenue (**Figure 6**). These grants allow some budget adjustment due to their largely unearmarked nature. The central government controls the sector's overall income dynamics by moderating grants in response to strong tax growth. This stabilises overall revenue but curbs direct fiscal gains from higher taxes. Like all Norwegian municipalities, Trondheim follows parliamentary tax limits. Ensuring financial sustainability, Trondheim applies top tax rates on income and wealth, and it raised fees for water and waste disposal in 2023. A 2025 revenue system review might impact Trondheim's revenue structure. However, having relatively lower income levels compared to other large municipalities, Trondheim is likely to benefit from the potential change in tax distribution, expected to result in a NOK 200m increase in tax revenue.

Expenditure flexibility

Moderate expenditure flexibility

Trondheim's expenditure flexibility is constrained by significant civil servant salary allocations and a focus on social welfare spending. Civil servant salaries comprise almost half of operating spending (**Figure 6**), in line with other Norwegian municipalities. While prioritising critical areas, the high share of social welfare spending restricts the potential for expenditure reductions. For capital expenses, Trondheim allocates around 14% of total spending on average, aligning with its peers.

Economy

Wealth levels and economic resilience

High wealth levels

Trondheim benefits from favourable economic fundamentals thanks to its wealth, economic resilience, and role as Norway's third-largest municipality, with around 215,000 residents. High wealth levels and good economic dynamism contribute to Trondheim's consistent population growth of 2,000-3,000 annually, fuelled by both immigration and a birth surplus. This trend, coupled with a strong local labour market, further strengthens its economic outlook.

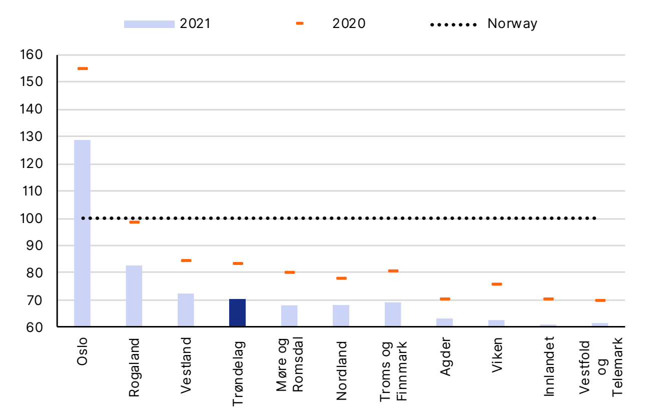
Economic sustainability

Strategically important economy

Serving as a crucial land and sea transport link in Norway, Trondheim's strategic importance is evident. Trondheim connects the populated south with the north, boosting its economic importance for trade and market access. Trondheim's diverse economic activities include manufacturing, encompassing metal and paper products, bricks, tiles, textiles, and food processing, particularly in the fish industry. This diversified industrial landscape contributes to both economic resilience and steady revenue.

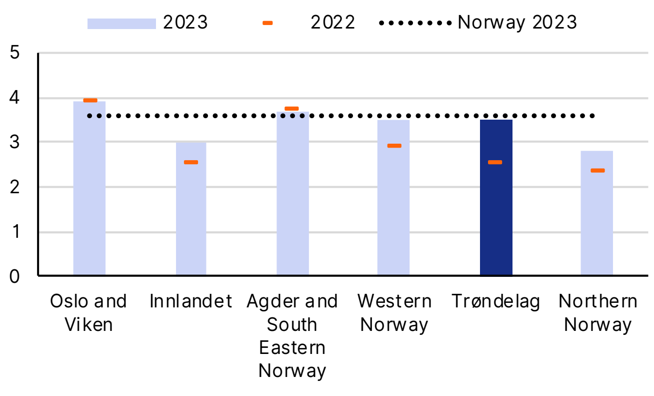
Trondheim also benefits from its status as Norway's Innovation and Technology capital, being home to institutions like the Norwegian University of Science and Technology, the largest university in Norway. This strong research environment enhances the city's economic adaptability.

Figure 7: GDP per capita, by county, % of national average



Sources: Statistics Norway, Scope Ratings

Figure 8: Unemployment rate, %



Sources: Statistics Norway, Scope Ratings

Governance

Governance and financial management

Trondheim benefits from robust governance, characterised by transparent, effective policymaking and a stable political environment. Municipalities are required to adhere to clear accounting rules, and there is ready access to centralised and harmonised data. Trondheim's track record of executing effective financial plans while achieving fiscal objectives, a history of compliance with fiscal regulations, and the establishment of a strategic investment fund that significantly contributes to the city's investment agenda and policy priorities all underscore Trondheim's effective resource management and internal controls. This is further accentuated by prudent debt management strategies.

Robust governance quality

Norway's 2023 local elections took place on September 11, 2023. In contrast to the 2019 elections, which favoured centre-left parties, the 2023 elections saw the centre-right bloc securing around 46% of the municipal vote, compared to approximately 44% for the red-green parties. On June 13, 2024, a parliamentary form of government was introduced in Trondheim. Henceforth, a city council consisting of four men and four women will govern the city. We consider Trondheim's governance framework to be resilient to political fluctuations.

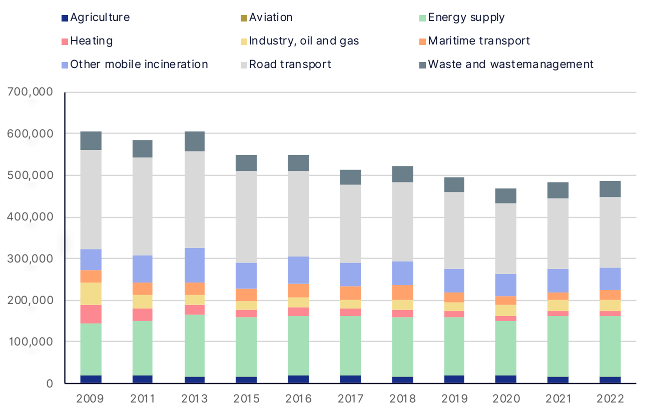
Environmental and social considerations

Environmental factors and resilience

Trondheim compares favourably in climate-transition readiness among Norwegian municipalities. In 2021, it emitted just over 485,000 metric tonnes of carbon dioxide equivalents mainly from road transport (35%) and energy supply (30%). Trøndelag county, where Trondheim is located, has moderate vulnerability to physical climate risks as assessed by the ESPON climate risk index, and its strong adaptive capacity aligns with most Norwegian counties.

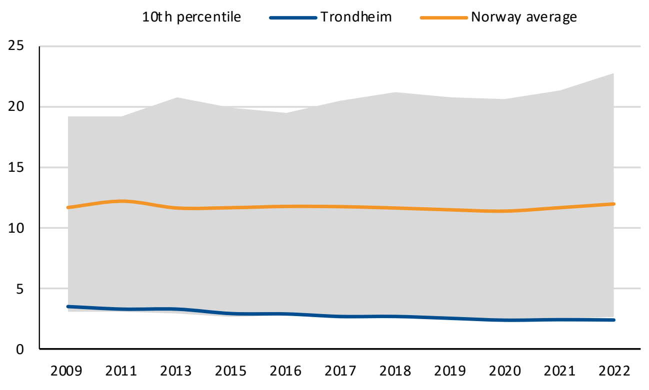
Minimal environmental risks

Figure 9: GHG emissions per sector, tCO2e



Sources: Norwegian Environmental Agency, Scope Ratings

Figure 10: Carbon intensity per capita vs Norwegian peers, tCO2e



Sources: Norwegian Environmental Agency, Statistics Norway, Scope Ratings

Trondheim has ambitious climate policies and is a pioneer in integrating the UN Sustainable Development Goals, as highlighted by the Norwegian Association of Local and Regional Authorities[2]. The city aims to reduce GHG emissions by 80% by 2030 compared to 2009 levels, surpassing the national target of 60%. By 2022, Trondheim had already cut emissions by 20%, significantly above the national average. Although the goal of a 30% reduction by 2023 was not met, a new Energy and Climate Plan was adopted to accelerate progress toward becoming a

[2] Kommunesektorens Organisasjon (2021), Voluntary Subnational Review – Norway

climate-neutral, energy-smart, circular, and climate-resilient city. The city plans to increase green loans from Kommunalbanken for low-emission building construction. Key measures include emission-free construction sites, transitioning to waste incineration for heating, and fossil-free public transport. The multi-year climate budget aims to mobilize NOK 655m from 2024-27 for climate goals, but faster emission reductions are needed to meet the 2030 target.

In terms of water management, Trondheim's infrastructure is comparable to other major Norwegian cities but older, with an average pipeline age of 43 years in 2022 (versus the national average of 33 years). Leakage rates were 27% in 2023, nearly matching the national average of 27.3%. While water quality is excellent, with 100% access to safe drinking water, the city's relatively low per capita spending on water management (EUR 6,200 versus the national average of EUR 10,500) suggests potential long-term risks in upgrading aging infrastructure.

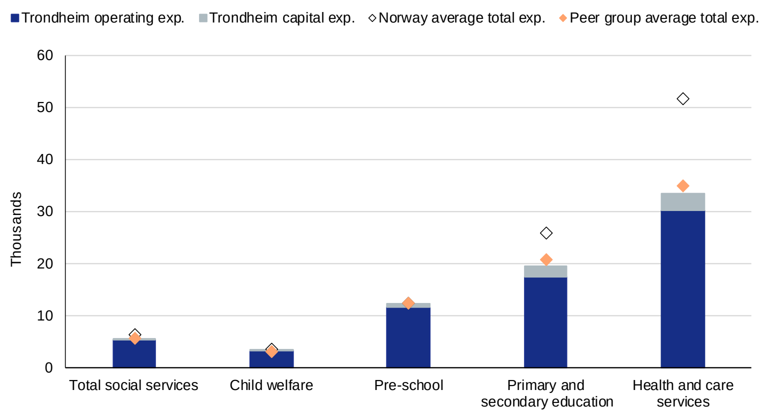
Social factors and resilience

Positive demographics

The city's demographics are favourable, with a lower old age dependency ratio (23% in 2020) compared to the national average (39%). Population ageing is also less severe in Trondheim, with a projected 16 percentage point increase in the old age dependency ratio from 2020-2050, versus the national average of 26 percentage points. However, like other major Norwegian cities, Trondheim faces social challenges, including higher income inequality (Gini coefficient of 0.25 compared to the national average of 0.23), which however, remains modest internationally.

Access to health and care professionals in Trondheim is comparable to other Norwegian municipalities, and health outcomes are favourable, with lower sick leave rates and higher life expectancy than national averages. Although access to primary and lower secondary education resources is below the national average due to larger class sizes, educational outcomes remain above average.

Figure 11: Spending per capita on social policy priorities 2023, NOK thousands



Sources: Statistics Norway, Scope Ratings

Cost-effective social systems

Trondheim's education and health services benefit from significant economies of scale compared to smaller Norwegian municipalities. Although per capita municipal spending on health and care in Trondheim is relatively low, it has been increasing, reaching NOK 33,394 in 2023, an almost 13% increase from 2022. However, this is still below the national average of NOK 51,578 **(Figure 11)**. While this suggests cost-effective social systems, it may also indicate potential underinvestment, which could adversely affect service access and outcomes in the long term. Despite this, Trondheim’s performance in its major social responsibilities remains robust.

Appendix I. Institutional Framework Assessment

To assess the institutional framework, we apply a Qualitative Scorecard (QS1) centred around 6 components. We assess each analytical component on a five-point scale ranging from a score of 0 for 'low' integration to 100 for 'full' integration. The institutional framework score, ranging from 0 to 100, is calculated as a simple average of these assessments. The score is then used to determine a rating range from the rating anchor level, within which the sub-sovereign's rating can be positioned.

Our assessment of intergovernmental integration between Norwegian municipalities and the Kingdom of Norway (AAA/Stable) results in an indicative **downward rating range of up to three notches** from the Norwegian sovereign, within which the municipalities can be positioned according to their individual credit strengths.

Institutional Framework scorecard (QS1)

Analytical component	Full integration (100)	Strong integration (75)	Medium integration (50)	Some integration (25)	Low integration (0)
Extraordinary support and bail-out practices		●			
Ordinary budgetary support and fiscal equalisation	●				
Funding practices		●			
Fiscal rules and oversight		●			
Revenue and spending powers		●			
Political coherence and multilevel governance		●			

Integration score	**79**
Downward rating range	**0-3**

Institutional framework score	100 > x ≥ 90	90 > x ≥ 80	80 > x ≥ 70	70 > x ≥ 60	60 > x ≥ 50	50 > x ≥ 40	40 > x ≥ 30	30 > x ≥ 20	20 > x ≥ 10	10 > x ≥ 0
Indicative rating range	0-1	0-2	0-3	0-4	0-5	0-6	0-7	0-8	0-9	0-10

Appendix II. Individual Credit Profile

Risk pillar	Analytical component	Assessment		
Debt and liquidity	**Debt burden & trajectory**	Stronger	Mid-range	Weaker
	Debt profile & affordability	Stronger	Mid-range	Weaker
	Contingent liabilities	Stronger	Mid-range	Weaker
	Liquidity position & funding flexibility	Stronger	Mid-range	Weaker
Budget	**Budgetary performance & outlook**	Stronger	Mid-range	Weaker
	Revenue flexibility	Stronger	Mid-range	Weaker
	Expenditure flexibility	Stronger	Mid-range	Weaker
Economy	**Wealth levels and economic resilience**	Stronger	Mid-range	Weaker
	Economic sustainability	Stronger	Mid-range	Weaker
Governance	**Governance and financial management**	Stronger	Mid-range	Weaker

Additional environmental and social factors	Assessment		
Environmental factors and resilience	Positive impact	No impact	Negative impact
Social factors and resilience	Positive impact	No impact	Negative impact

ICP score	**80**
Indicative notching	**0**

Appendix III. Mapping table

We derive the indicative sub-sovereign rating by mapping the result of the institutional framework assessment (i.e. the indicative rating range) to the ICP score.

For Trondheim, this results in an indicative rating aligned with the sovereign rating of AAA. No additional considerations apply.

Institutional framework assessment		Individual credit profile score							
Score	**Downward rating range**	100 > x ≥ 80	80 > x ≥ 70	70 > x ≥ 60	60 > x ≥ 50	50 > x ≥ 40	40 > x ≥ 30	30 > x ≥ 20	20 ≥ x > 0
100 > x ≥ 90	0-1	0	0	0	0	0	0	-1	-1
90 > x ≥ 80	0-2	0	0	-1	-1	-1	-1	-2	-2
80 > x ≥ 70	0-3	0	-1	-1	-1	-2	-2	-3	-3
70 > x ≥ 60	0-4	0	-1	-1	-2	-2	-3	-3	-4
60 > x ≥ 50	0-5	0	-1	-1	-2	-2	-3	-4	-5
50 > x ≥ 40	0-6	0	-1	-1/-2	-2/-3	-2/-3	-3/-4	-4/-5	-6
40 > x ≥ 30	0-7	0	-1/-2	-1/-2	-2/-3	-3/-4	-4/-5	-5/-6	-7
30 > x ≥ 20	0-8	0	-1/-2	-2/-3	-3/-4	-4/-5	-5/-6	-6/-7	-8
20 > x ≥ 10	0-9	0	-1/-2	-2/-3	-3/-4	-4/-5	-5/-6	-7/-8	-9
10 > x ≥ 0	0-10	0	-1/-2	-2/-3	-3/-4	-5/-6	-7/-8	-9/-10	-10

Note: Mapping table under section 4 of Scope's Sub-sovereigns Rating Methodology, as applied to the rating anchor's AAA-ratings.

Appendix IV. Statistical table

	2020	2021	2022	2023	2024F	2025F	2026F	2027F
Budgetary performance (NOK m)								
Operating revenue	16,784	18,390	18,513	19,860	*20,439*	*20,975*	*21,526*	*22,093*
Tax revenue	7,120	8,218	9,228	9,059	*9,346*	*9,613*	*9,888*	*10,171*
Grants	7,262	7,469	6,945	7,889	*8,152*	*8,399*	*8,654*	*8,917*
Fees and other income	2,403	2,703	2,339	2,912	*2,941*	*2,962*	*2,983*	*3,005*
Operating expenditure	15,233	16,198	16,983	18,352	*19,066*	*19,530*	*20,006*	*20,494*
Personnel	7,597	7,893	8,310	8,915	*9,355*	*9,573*	*9,796*	*10,024*
Good and services	4,513	4,985	5,079	5,692	*5,809*	*5,906*	*6,004*	*6,104*
Other operating expenditure	3,123	3,320	3,594	3,744	*3,902*	*4,051*	*4,206*	*4,366*
Operating balance	1,552	2,192	1,530	1,508	*1,372*	*1,445*	*1,520*	*1,598*
Interest received	235	208	324	501	*685*	*665*	*656*	*668*
Interest paid	385	313	460	770	*930*	*914*	*891*	*901*
Current balance	1,402	2,087	1,393	1,239	*1,128*	*1,195*	*1,286*	*1,365*
Capital balance	-2,258	-1,018	-1,690	-2,189	*-2,204*	*-1,796*	*-1,915*	*-2,855*
Balance before debt movement	-856	1,068	-297	-950	*-1,076*	*-600*	*-629*	*-1,490*
Debt (NOK m)								
Financial debt	19,582	20,765	21,084	22,266	*23,840*	*24,921*	*26,017*	*27,960*
Bank loans	11,598	13,211	13,291	14,421				
Bonds	6,000	5,500	5,500	6,300				
Commercial paper	1,984	2,054	2,293	1,545				
Financial ratios								
Debt/operating revenue, %	116.7	112.9	113.9	112.1	*116.6*	*118.8*	*120.9*	*126.6*
Debt/operating balance, years*	12.6	9.5	13.8	14.8	*17.4*	*17.2*	*17.1*	*17.5*
Interest payments/operating revenue, %	2.3	1.7	2.5	3.9	*4.6*	*4.4*	*4.1*	*4.1*
Implicit interest rate, %	2.0	1.5	2.2	3.5	*3.9*	*3.7*	*3.4*	*3.2*
Operating balance/operating revenue, %	9.2	11.9	8.3	7.6	*6.7*	*6.9*	*7.1*	*7.2*
Balance before debt movement/total revenue, %	-4.7	5.3	-1.5	-4.4	*-4.9*	*-2.7*	*-2.7*	*-6.3*
Transfers and grants/operating revenue, %	43.3	40.6	37.5	39.7	*39.9*	*40.0*	*40.2*	*40.4*
Personnel costs/operating expenditure, %	49.9	48.7	48.9	48.6	*49.1*	*49.0*	*49.0*	*48.9*
Capital expenditure/total expenditure, %	17.7	13.1	12.7	15.7	*12.8*	*11.0*	*12.1*	*0.0*

* Capped at 100 years; n.a. in case of operating deficits

Source: KOSTRA, Trondheim Kommune, Scope Ratings

We refer to consolidated accounts as per the KOSTRA database, and then we remove depreciation and repayment instalments from operating expenditure.

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