



Interim report

2024

January - June

Working together for better terms

Kommuninvest's role entails offering secure and cost-effective financing to its members and customers – Swedish municipalities, regions, municipal companies and other local government actors.

280+15

KOMMUNINVEST IS OWNED BY 280 MUNICIPALITIES AND 15 REGIONS



Green Loans

Green Loans were introduced in 2015 for financing environmental and climate-related investments. Since the launch, the volume of Green Loans has grown to SEK 120.5 billion.

Our vision

Kommuninvest shall be the world's best organisation for local government financial administration. We finance the development of Sweden's local and regional sectors, as well as investments for a sound and sustainable society.

Organisation with clear division of roles

Kommuninvest comprises two parts: The Kommuninvest Cooperative Society (the Society) and the credit market company Kommuninvest i Sverige AB (the Company).

Kommuninvest Cooperative Society
Administers membership and the joint and several guarantee and is responsible for capital acquisition.

The Board of Directors consists of elected politicians from municipalities and regions.

Kommuninvest i Sverige AB
Conducts the financial operations, including funding, liquidity management and lending.

The Board of Directors consists of individuals with expertise in areas such as public administration, capital markets and business development.

Basic concept

Together, municipalities and regions can borrow more securely and inexpensively than each of them could individually. Together, the local government sector can also increase its expertise in financial management.



Social Sustainability Loans

Social Sustainability Loans were introduced in 2021 for financing socially sustainable investments. Since the launch, the volume of Social Sustainability Loans has grown to SEK 9 billion.

Start 1986

Since its inception in 1986, Kommuninvest has helped reduce the Swedish local government sector's funding expenses by many billions of kronor. Ultimately this has benefited citizens who have had access to improved public services at both the local and regional levels.

AAA/Aaa

KOMMUNINVEST HAS THE HIGHEST POSSIBLE CREDIT RATING, AAA/Aaa AND A STABLE OUTLOOK.

SEK 531 bn

ON 30 JUNE 2024, LENDING TO CUSTOMERS AMOUNTED TO SEK 531 BILLION.

Interim Report for Kommuninvest i Sverige AB (publ)

This is the interim report for the credit market company Kommuninvest i Sverige AB (Kommuninvest). Corporate identity number: 556281-4409

Registered office: Örebro 1 January–30 June 2024

Comparison figures relating to the income statement refer to the preceding year (1 January–30 June 2023), unless otherwise stated. Comparative figures relating to the balance sheet and to risk and capital-related data refer to 31 December 2023 unless otherwise indicated.

Comment from the CEO

“Our loan products for green and social investment projects are important tools in fostering local and regional sustainability efforts and these loan products have enjoyed favourable development to date this year.”

In the first half year, the global economy improved somewhat and several central banks, including the Riksbank, have cut their interest rates. The finance market in Sweden was stable over the year until concerns were noted at the end of July/beginning of August. With a worrying geopolitical trend being reinforced by an escalating conflict situation in the Middle East, supplemented by the uncertainty of the approaching US elections – signs of a weakening US economy have now brought substantial anxiety to the stock market. There are strong reasons to monitor development closely going forward and, as a credit institute, to maintain good preparedness in terms of both capital and liquidity.

For us at Kommuninvest it remains important to safeguard stability and favourable capacity for new lending, regardless of market conditions. Over these six months, we have intensified our development efforts that further serve to strengthen our capacity to provide benefit for society through cost-efficient financing solutions. We have enjoyed a favourable development, both in terms of our operations and with regard to our net profit. We can affirm that investment volumes in the local government sector are rising again. The foremost driving forces appear to be needs for maintenance and renovation among properties and infrastructure, such as in water and sewerage, as well as a general need to increase green transition initiatives. As of 30 June 2024, Kommuninvest's total lending amounted to SEK 530.7 (511.9) billion. In the first half of the year, this was equivalent to an increase of four percent, which was somewhat higher than we forecast in the autumn. Our funding efforts were implemented according to plan in the first half of the year, and the funding forecast of SEK 130–150 billion we issued in December 2023 remained unchanged at the end of the first half of the year.

SUSTAINABLE LOAN PRODUCTS MAKING PROGRESS

Our loan products for green and social investment projects are important tools in fostering local and regional sustainability efforts and these loan products have enjoyed favourable development to date this year. Over the period, growth in both Green Loans and Social Sustainability Loans was favourable. By 30 June this year, the portfolio comprised 679 approved green projects, equivalent to SEK 120.5 billion, among 196 municipalities and regions. This can be compared with the end of 2023, when the portfolio amounted to SEK 111.8 billion regarding 645 investment projects among 191 municipalities and regions. The proportion of Green Loans in relation to total lending, based on disbursed volumes, amounted to 16.2 (15.5) percent. Regarding Social Sustainability Loans, the portfolio included 24 (20) approved projects, equivalent to SEK 9 (6.7) billion among 20 (16) municipalities. The amount disbursed in Social Sustainability Loans over the period was SEK 3.4 (2.1) billion.

In terms of our own sustainability work, we have, over these six months, taken several key steps forward, having, for example, established a base year value for financed greenhouse gas emissions and launching a new framework for Green Bonds and new terms for Green Loans on 27 June this year. Both represent key steps on the path towards being able to follow up on and safeguard the achievement of net zero emissions by 2045.



KATARINA LJUNGVIST, CEO

NET PROFIT TREND

Kommuninvest's operating profit, its profit before tax, amounted to SEK 240.3 (195.7) million. Operating income, defined as operating profit/loss excluding unrealised changes in market value, expected credit losses and risk tax amounted to SEK 363.9 (365.8) million. Over the period, our operating costs increased due to planned development work, which was, in principle, fully offset by increasing net interest income.

The risk tax introduced on 1 January 2022 and that encompasses certain credit institutions, including Kommuninvest, burdened operating income by SEK 167.3 (163.0) million. The tax constitutes a considerable burden, exceeding the total operating costs in the operations, which amounted to SEK 138 million. We continue to work very actively for the actual implementation of the exemption clarified in an announcement by the Riksdag (Swedish parliament) as early as in the autumn of 2021. We take the view that there are very good reasons for Kommuninvest to be exempt from this tax – a view that has also been further strengthened over the year.

CONTINUED INITIATIVES FOR OUR CUSTOMERS

Beyond an extensive and pre-planned development process, in the first half of the year we undertook several more initiatives to support our customers' future needs. We conducted a review and overhauled our customer and credit processes that we intend to start implementing in the autumn, we have revised our organisation to further increase the competitiveness and efficiency of our continued efforts. We have also developed an updated visual identity and launched a brand new website to increase accessibility and simplicity for our customers and investors. In May, we conducted our recurring customer survey and I would like to take this opportunity to thank all of the customers who participated. In terms of the Customer Satisfaction Index (CSI), our customers gave us a higher score this year than in our most recent customer survey in 2022. This year, we achieved a CSI score of 86.3 (85.3). We are, of course, extremely happy and proud of this. We are not entirely satisfied, however, and intend to become even more proactive in our efforts towards customers and seek to increase the value we generate and want to more actively assist our customers in their continued green transition.

Sustainability

Kommuninvest conducts integrated sustainability efforts including environmental, climate-related, social and economic dimensions. The description below is based on environmental, climate and social factors in the business operations. The municipalities' fundamental assignment for financial sustainability remains, becoming part of the sustainability work as a whole.

DURING THE PERIOD, KOMMUNINVEST HAS, AMONG OTHER THINGS:

1) Established a base year value for financed greenhouse gas emissions

During the period, a method was adopted to enable the calculation of the greenhouse gas emissions¹ financed in association with Kommuninvest's lending. The method has been applied to calculate a closing amount, a "base year value", based on the 2022 data. The base year value constitutes the initial value when staking out the path towards Kommuninvest's climate target of net-zero greenhouse gas emissions financed by 2045. See also Kommuninvest's Capital Adequacy and Risk Management Report, for the second quarter of 2024. The work was performed in accordance with the standard for calculating financed greenhouse gas emissions developed by PCAF (the Partnership for Carbon Accounting Financials).

2) Launched a new framework for Green Bonds and new terms for Green Loans

Towards the end of the period, Kommuninvest published a new framework for Green Bonds, including new terms for Green Loans. The new terms have, as far as possible and appropriate, been adapted to the EU taxonomy and its criteria for "a substantial contribution" towards at least one of the EU's six environmental targets. In certain respects, Kommuninvest has adapted the requirements of the EU taxonomy to the circumstances of the Swedish municipalities and regions. The intention has been to achieve terms for Green Loans that foster the local government sector's realignment and that are practically functional for its actors.

¹Financed greenhouse gas emissions, constituting for Kommuninvest part of Scope 3 in accordance with the GHG Protocol.

3) Developed S and G factors for following up the credit process

Kommuninvest endeavours to understand and assess the financial impacts of sustainability factors on municipal borrowers. In 2023, an initial version of the environmental and climate factors was introduced in the credit assessment process. Over the first six months of 2024, Kommuninvest was also able to establish an initial method to assess social and governance-related risks, with this being introduced in the credit assessment process as of the second half of 2024. The method builds on public statistics and the compilation of an index illustrating how different geographical areas relate to one another in terms of the population's socio-economic exposure. The socio-economic index provides the basis on which to assess social risk. Control-related risk is assessed based on statements in audit reports.

4) Contributed to the development of a Swedish standard to measure the effects of initiatives

Kommuninvest is participating actively in the development of market practices for the financing of green and social investments and initiatives. Among other things, the Company has been part of the technical committee behind the standards for measuring impact published in May 2024 (SS 29000:2024 and SS 29001:2024). The work was conducted through the Swedish Institute for Standards (SIS), and serves to develop and apply a more shared terminology and harmonised approach.

5) Continued to observe a favourable trend in Green Loans and Social Sustainability Loans

Kommuninvest's loan programmes for green and social investment projects and initiatives provide key tools for fostering local and regional sustainability work. Growth for sustainable loan products, measured as the volume of Green Loans and Social Sustainability Loans, amounted to 8 and 62 percent respectively for the period, compared with 3 percent for the Company's traditional loan products. For further details, see pages 5-6.



Market and organisation

The global economic scenario improved over the first half of the year. Inflation has fallen. Market interest rates have fallen. Several central banks, including the Swedish central bank, the Riksbank, have implemented rate cuts. Uncertainties remain, associated not least, with geopolitical developments. The Russian war of aggression against Ukraine represents an uncertainty factor. The US presidential election this autumn is another. The current economic situation is, however, brighter now than it has been.

In this macro environment, the economic prospects of the local government sector have grown more favourable. Some of the municipalities and most of the regions, are still experiencing difficulties balancing their finances. The situation is particularly difficult among the regions. Among the local government authorities with relatively good finances, there is, however, an emerging optimism and a focus on investing for the future. SALAR expects the local government sector as a whole to achieve a negative net loss for 2024, but to return to positive performance levels as of 2025.

Until the end of the first six months of the year, Kommuninvest's lending has continued at a favourable pace. At the same time, total funding in the local government sector has maintained very high levels. This has resulted in Kommuninvest's market share decreasing somewhat. It remains to be seen whether this turns out to be a temporary or more long-lasting pattern.

The local government sector's major borrowing volumes primarily appear to be associated with brightening future prospects, extensive needs for upgrading and maintenance among properties and infrastructure and with it having become easier to implement planned investments. Production capacity within building and civil engineering is now more accessible than a year ago or so.

Both sustainable loan products have experienced strong development. Social Sustainability Loans have achieved significant progress as an increasingly established loan product, with a loan portfolio that is growing in size, with increasing numbers of borrowers and projects.

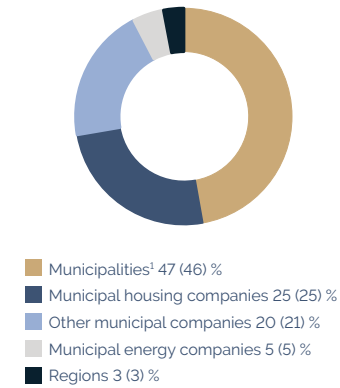
Kommuninvest's borrowing activities have developed according to plan. The borrowing forecast issued in December 2023, of SEK 130–150 billion, remained valid at the end of the first six months of the year. Its presence in the EUR market has been relatively extensive. Two successful green transactions were conducted, one in EUR and the other in SEK.

KOMMUNIVEST'S LENDING

As of 30 June 2024, Kommuninvest's lending amounted to SEK 530.7 (511.9) billion. This was equivalent to an increase of 4 (3) percent in the first half of the year. That represented an increase at a higher pace than in the first half of 2023.

For some time now, the investment pattern in the local government sector has begun to change. On the whole, investment volumes are rising again. This is also true in absolute terms. The principal driving forces appear to be maintenance and renovation needs among properties and infrastructure, particularly with regard to water and sewerage, as well as a general need to raise the pace of the green transition. These positive driving forces now appear to be having a greater impact on the overall view than negative factors, such as decreased new construction in public housing, the pruning of investment plans among municipalities and regions with

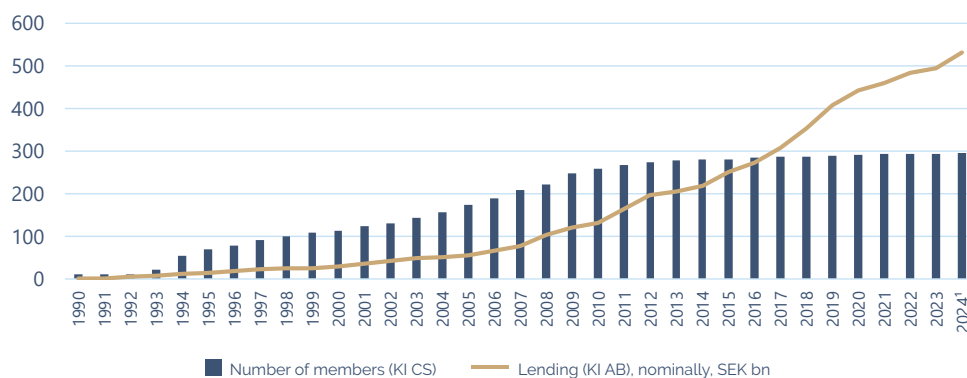
LENDING PORTFOLIO BY BORROWER CATEGORY
30 June 2024 (31 Dec 2023)



Kommuninvest's largest borrower groups are municipalities and municipal housing companies. As per 30 June 2024, they accounted for 72 (71) percent of the total lending.

¹ Some lending to municipalities is on-lent to municipal companies through municipal internal banks.

NUMBER OF MEMBERS AND LENDING VOLUME, 1990-2024



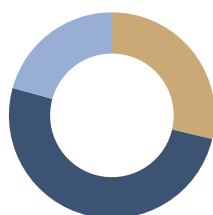
The main explanations for the high growth in lending are an increasing need over time for local government funding, more members having joined the Society and the fact that the members have chosen to source an increasing portion of their funding with the Company.

¹ 30 June

MARKET AND ORGANISATION

NEW FUNDING BY PROGRAMME¹

1 Jan–30 Jun 2024
(1 Jan–30 Jun 2023)

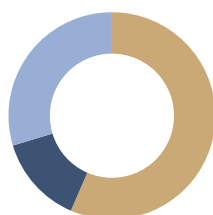


■ International benchmark funding 29 (28) %
■ Swedish Benchmark Programme 51 (50) %
■ Green Bonds 21 (22) %

¹ excl. commercial paper funding

NEW FUNDING BY CURRENCY¹

1 Jan–30 Jun 2024
(1 Jan–30 Jun 2023)



■ SEK 56 (56) %
■ USD 14 (28) %
■ EUR 30 (15) %

¹ excl. commercial paper funding

tough economic circumstances, as well as a sharply slowing demographic trend in many areas.

At the same time, the general decline in the construction and civil engineering industry has entailed the local government sector gaining better access to production capacity. Accordingly, local government actors with favourable financial conditions have, to a greater degree, been able to ensure that planned investments can actually be implemented.

With regard to the market share, the assessment is that 58.3 (58.6) percent of local government debt is financed via Kommuninvest.¹ The reduction appears primarily to involve other municipal and regional issuers raising major volumes through their own market programmes during the spring. It is currently unclear whether the high pace of issues in these programmes will persist over the autumn.

Of Kommuninvest's total lending, 47 (45) percent went to municipalities, 25 (26) percent to municipal housing companies and 25 (26) percent to other municipal companies. Lending to regions accounted for 3 (3) percent.

Of the lending for the period, 87 (85) percent comprised loans with capital tied up for more than one year and 13 (15) percent with capital tied up for one year or less. Loans with a capital maturity of one to three years accounted for 39 (28) percent of the total volume. At the end of the period, the average period for which capital was tied up in the Company's lending portfolio was 2.3 (2.4) years.

The volume of approved Green Loans increased. As per 30 June 2024, the portfolio encompassed 679 approved green projects, corresponding to SEK 120.5 billion to 196 municipalities and regions. This can be compared with the start of the year, when the portfolio amounted to SEK 111.8 billion regarding 645 investment projects among 191 municipalities and regions. The volume of disbursed Green Loans was SEK 86.1 billion as of 30 June 2024 and SEK 79.4 billion at the start of the year. The proportion of Green Loans in relation to total lending, based on disbursed volumes, amounted to 16.2 (15.5) percent.

Social Sustainability Loans have continued to develop into an established loan product. The portfolio is growing and becoming increasingly diversified. As of 30 June 2024, the portfolio included 24 (20) approved projects, corresponding to SEK 9.0 (6.7) billion to 20 (16) municipalities. The amount disbursed in Social Sustainability Loans was SEK 3.4 (2.1) billion.

KOMMUNINVEST'S FUNDING

Kommuninvest finances its lending to municipalities and regions by raising funds on the Swedish and international capital markets. The strategy builds on an established presence in strategic markets for benchmark funding, good matching between assets and liabilities, and a highly liquid reserve. The Company's three strategic funding markets are denominated in SEK, USD and EUR.

¹ Forecast for outstanding funding (the number within brackets refers to actual outstanding funding as per 31 December 2023).

MULTI-YEAR SUMMARY KOMMUNINVEST I SVERIGE AB

	30 Jun 2024	30 Jun 2023	31 Dec 2023	31 Dec 2022	31 Dec 2021
Total assets, SEK, million	637,994.5	609,873.9	568,911.1	553,256.5	524,261.7
Lending (recognised value), SEK, million	528,589.5	484,411.4	508,802.2	470,675.9	460,650.3
Net profit for the period, SEK, million	189.8	157.1	355.2	-42.1	375.6
Members, total	295	294	295	294	294
of which, municipalities	280	280	280	280	280
of which county councils/regions	15	14	15	14	14
Core Tier I capital ratio ² , %	384.7	481.9	354.9	454.1	397.1
Tier I capital ratio ³ , %	384.7	481.9	354.9	454.1	397.1
Total capital ratio ⁴ , %	384.7	481.9	354.9	454.1	397.1
Leverage ratio, %	10.20	9.19	20.17	14.23	15.36

2) Core Tier I capital in relation to total risk exposure. See also pages 9–10 and Note 10.

3) Tier I capital in relation to total risk exposure. See also pages 9–10 and Note 10.

4) Total capital base in relation to total risk exposure. See also pages 9–10 and Note 10.

MARKET AND ORGANISATION

The Company's liquidity strategy has worked well. Access to liquidity has been good and the Company has been able to finance its funding needs and those of its customers on favourable terms. At the end of the period, the total funding outstanding amounted to SEK 621.8 billion in nominal terms, compared with SEK 550.7 billion at the beginning of the year.

During the period, funding in long-term debt instruments with a maturity of more than one year was raised for an amount corresponding to SEK 76.6 (76.1) billion. Funding through short-term commercial papers, with maturities of less than one year, amounted to SEK 69.5 (42.1) billion. Previously issued funding of SEK 1.6 (6.5) billion was repurchased and SEK 81.7 (68) billion matured.

The Company's largest funding programme in terms of volumes outstanding is the Swedish Benchmark Programme. Within the programme, bonds outstanding are increased by means of weekly auctions. An additional bond was added to the programme in April. Two benchmark funding programmes in EUR were also implemented during the period, and one in USD. Over the period, green funding has been arranged in both EUR and SEK. Funding through Green Bonds finances green investment projects by the Company's members.

LIQUIDITY MANAGEMENT

To be able to continue providing customers with financing during periods of stress in the financial markets, and to ensure that matured funding can be repaid in a timely manner, Kommuninvest maintains a liquidity reserve. This reserve amounted to SEK 97.2 (44.3) billion at the end of the period.

Clear investment rules and a low risk appetite determine Kommuninvest's liquidity reserve. According to the Company's

instructions, the liquidity reserve shall safeguard the capacity to meet undertakings while maintaining lending capacity. The size of the liquidity reserve is adapted, among other things, to funding maturities and external factors, including contingencies for posting collateral if values of derivative contracts change. Guiding principles in the management of such assets are high credit quality and tradability. To further increase accessibility, the liquidity reserve shall be invested short-term, with the average maturity not exceeding 12 months. Individual investments may have a maturity of 39 months at most.

During the period, the reserve was largely invested with the Riksbank. Direct investments are made mainly in securities issued by sovereigns or central banks, multilateral development banks and subsidised lenders.¹

RATING

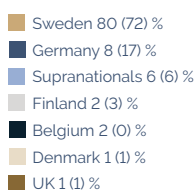
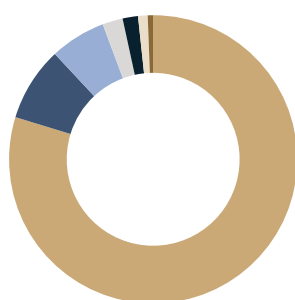
The Company holds the highest credit ratings – AAA from S&P Global Ratings and Aaa from Moody's. In December 2023, the rating agencies confirmed the Company's rating, with a stable outlook. The rating agencies highlight the joint and several guarantee from the members of the Cooperative Society, the mandate the Company has from its owner to act as a local government debt office for its members, the high quality of the loan portfolio and the strategy for building up capital.

Kommuninvest is also awarded so-called ESG ratings from a number of players, including ISSOekom, MSCI and Sustainalytics. The results place Kommuninvest among the group of financial institutions whose operations are considered to have a low exposure to sustainability risks.

¹ Subsidised lenders refers to issuers of securities where exposures are treated as exposures to the national government in accordance with the CRR regulations. Among others, these include the Company's neighbour organisations in the other Nordic countries.

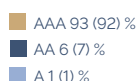
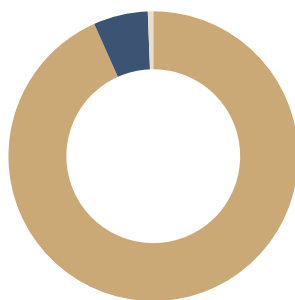
LIQUIDITY RESERVE BY COUNTRY

30 June 2024 (31 Dec 2023)



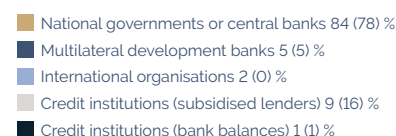
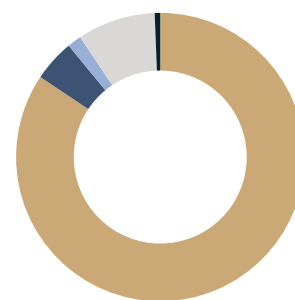
LIQUIDITY RESERVE BY RATING CATEGORY

30 June 2024 (31 Dec 2023)



LIQUIDITY RESERVE BY ISSUER CATEGORY

30 June 2024 (31 Dec 2023)



Financial accounts

NET PROFIT

Kommuninvest's operating profit, its profit before tax, amounted to SEK 240.3 (195.7) million. The risk tax introduced on 1 January 2022 and that encompasses certain credit institutions, including Kommuninvest, burdened operating income by SEK 167.3 (162.9) million.

Operating income, defined as operating profit/loss excluding unrealised changes in market value, expected credit losses and risk tax amounted to SEK 363.9 (365.8) million.

Net interest income

Net interest income amounted to SEK 518.1 (501.8) million.

The higher net interest compared with the preceding year is explained by the somewhat higher interest rate situation, giving a positive effect on net interest as the Company has more interest-bearing assets than corresponding liabilities. For further information regarding net interest income for the period, see Note 2.

Net result of financial transactions

The net result of financial transactions amounted to SEK 45.5 (-17.5) million, of which unrealised changes in market value were SEK 42.8 (-9.6) million. Since Kommuninvest intends to hold assets and liabilities to maturity, these values are not normally realised.

Other operating income

Other operating income amounted to SEK 7.0 (6.4) million, with income from the KI Finans contract service increasing to SEK 5.7 (5.5) million. For further information, see Note 3.

Operating expenses

Operating expenses amounted to SEK 145.8 (119.8) million, of which payroll expenses accounted for SEK 74.6 (66.8) million and other operating expenses totalled SEK 71.2 (53.0) million. The

increased costs are due to the increased resource requirements for development efforts to modernise and transform the Company's systems platform.

Credit losses

Credit losses totalled SEK 0.9 (2.4) million.

The Company has never suffered any confirmed credit losses. All credit losses are expected credit losses calculated in accordance with the accounting standard IFRS 9. For further information, see Note 4.

Fees imposed: Risk tax and resolution fee

The risk tax burdened net profit by SEK 167.3 (162.9) million and the resolution fee, which is set by the Swedish National Debt Office, amounted to SEK 11.8 (8.6) million. The risk tax is levied at 6 basis points of the Company's liabilities, which is 1 basis point higher than in 2022, the year in which the tax was introduced.

ASSETS

Kommuninvest's assets amounted to SEK 637,994.5 (568,911.1) million, an increase of SEK 69,083.4 million or 12% since the start of the year. The increase primarily comprises an increased liquidity reserve. The liquidity reserve, comprising the balance sheet items Cash and balances with central banks, Sovereign bonds eligible as collateral, Lending to credit institutions and Bonds and other interest-bearing securities, increased by a carrying amount of SEK 52,827.9 million.

The greatest asset for Kommuninvest, Lending to municipalities and regions, increased by SEK 19,787.3 million to SEK 528,589.5 (508,802.2) million. In nominal terms, lending increased to SEK 530,717.5 (511,851.3) million, corresponding to a growth rate of 3.7 percent for the first six months of the year.

Other items on the asset side decreased to SEK 10,054.7 million, which is explained by a decrease in margin collateral posted to derivative counterparties, see also Note 8.



FINANCIAL ACCOUNTS

LIABILITIES

The Company's liabilities amounted to SEK 626,749.2 (557,855.6) million. The largest item by far, the Company's funding through securities issued, increased by 13.4 percent, corresponding to SEK 73,074.1 million. The principal reason for the increase is the need to finance a larger liquidity reserve during this period of the year.

Other debt items, excluding securities issued, decreased to SEK 10,142.8 (14,323.3) million, due primarily to a lower level of outstanding derivatives, derivative contracts with a negative market value, which decreased to SEK 2,563.2 (5,961.3) million.

For further information, see Note 6.

EQUITY

At the end of the period, equity in Kommuninvest amounted to SEK 11,245.3 (11,055.5) million, with the change comprising net profit for the period. The new share issue in progress amounted to SEK 10,175.0 (10,175.0) million, distributed over 101,750,000 (101,750,000) shares. The share capital is attributable entirely to the members of the Kommuninvest Cooperative Society and no shares are available for trading.

For further information, see the Statement of changes in equity on page 14.

CAPITAL ADEQUACY

The Company must retain sufficient capital to be able to meet both internally estimated capital requirements and regulatory requirements. Sufficient capital adequacy is important for lending to Sweden's municipalities and regions to be able to continue growing and to maintain the confidence of the Company's stakeholders, particularly investors.

Kommuninvest is required to comply with the Supervisory Regulation (EU) No. 575/2013, also known as the CRR (Capital Requirements Regulation), which is directly applicable in Sweden and the Capital Adequacy Directive EU 2013/36, which is implemented in Sweden through legislation and regulations issued by Finansinspektionen. In the spring of 2019, a decision was made to amend the regulations, with the amendments being referred to as the "EU bank package". Several of the changes came into effect on 28 June 2021.

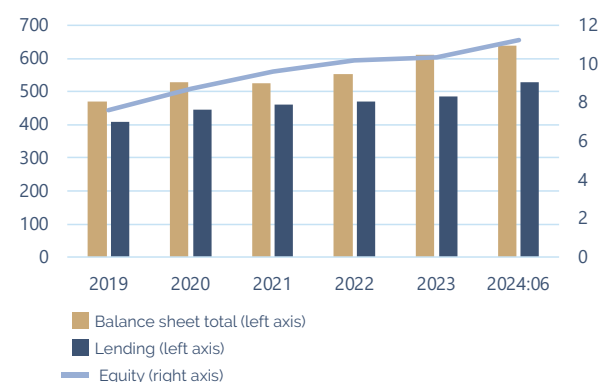
On 20 November 2020, Finansinspektionen (the Swedish Financial Supervisory Authority) announced its adoption of an amended application of the capital requirements for Swedish banks to adapt these requirements to the EU's bank packages. Today, Finansinspektionen determines specific capital base requirements in Pillar II. Finansinspektionen can also provide Pillar II guidance specifying a level of capital it believes the institution should maintain in addition to the requirement.

Separate requirements and guidelines are stated regarding risk-based capital requirements and leverage ratio capital requirements. Risk-based capital requirements and guidelines are stated as a percentage of risk-weighted assets, capital requirements and leverage ratio guidance figures, are stated as percentages of the exposures. The Pillar II guidance is based on the outcome of stress tests and other institution-specific assessments. The capital planning buffer is removed because its purpose must instead be fulfilled through Pillar II guidance.

KOMMUNINVEST'S BALANCE SHEET

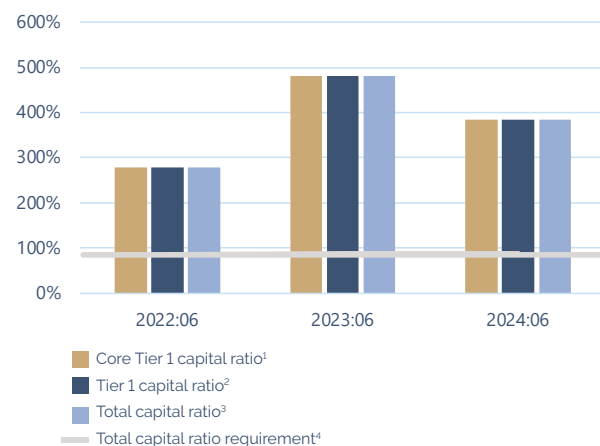
2019-2024 (30 June)

SEK bn



CAPITAL ADEQUACY

2022-2024 (30 June)



1) Core Tier I capital in relation to total risk exposure.

2) Tier I capital in relation to total risk exposure

3) Total capital base in relation to total risk exposure.

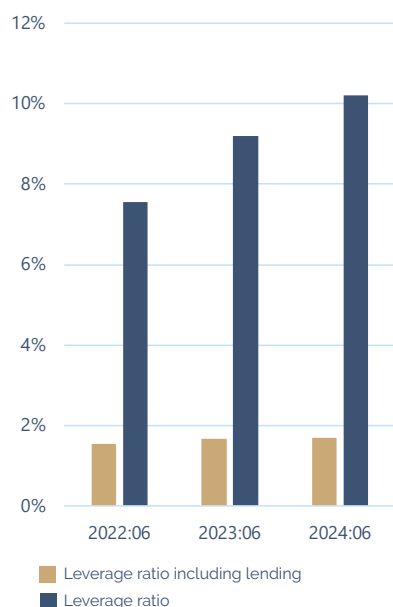
4) Capital requirements including buffer requirements in accordance with CRR (Regulation (EU) No 575/2013 of the European Parliament and of the Council) and Finansinspektionen's consideration of decisions regarding Capital Base Requirements, Pillar II requirements.

On 24 September 2021, Finansinspektionen announced its decision regarding the risk-based Pillar II requirements and Pillar II guidance that are applicable to the Company and that are based on Finansinspektionen's review and evaluation process, see Note 10. According to Finansinspektionen's decision, the Company does not need to hold capital for Pillar II guidance.

The Company is well capitalised to withstand the operations' risks, with capital relationships exceeding the prescribed minimum requirements in Pillar I, the capital base requirement in Pillar II, as well as the combined buffer requirement by a good margin.

LEVERAGE RATIO

2022-2024 (30 June)



The core Tier I capital amounted to SEK 10,732.6 (10,757.1) million, entailing a core Tier I capital ratio of 384.7 (354.9) percent. The Company's capital base consists solely of core Tier I capital and the total capital ratio also therefore amounts to 384.7 (354.9) percent. See also Note 10.

LEVERAGE RATIO

Effective 28 June 2021, the new capital requirement measure, leverage ratio, will be applied within the EU. The leverage ratio has been set at 3 percent and will be directly applicable to Kommuninvest via the supervisory regulation (amending regulation) (EU) 2019/876 of 20 May 2019.

The leverage ratio is defined as the ratio between Tier I capital and total exposure in assets and commitments. A specific leverage ratio regulation is applied when calculating the leverage ratio for Public Development Credit Institutions (PDCI), the category to which Kommuninvest belongs. For Kommuninvest, this means that all lending to members and their companies may be deducted from the exposure measure applied in calculating the leverage ratio.

On 24 September 2021, Finansinspektionen announced its decision regarding the risk-based Pillar II requirements and Pillar II guidance concerning the leverage ratio that are applicable to the Group and that are based on Finansinspektionen's review and evaluation process, see Note 10. The decision means that the Company does not need to hold capital to cover the risk of an insufficient leverage ratio under Pillar II.

The Company's leverage ratio amounts to 10.20 (20.17) percent.

LOW RISK APPETITE AND EFFICIENT RISK MANAGEMENT

In its capacity as the local government sector's largest individual lender, Kommuninvest is of key importance for the funding of Swedish municipalities' and regions' investments. Based on customers' needs, the Company raises funds in the finance market, which are then lent on to the Company's customers. The operations expose the Company to risks. In the Company's risk policy, the Company's Board of Directors has formulated the Company's risk strategy. This sets out, for example, that the Company's risks shall be minor and, in no case, greater than necessary in achieving the purpose of the operations. The total risk level may not adventure the Company's financial situation. The Company's risk strategy is characterised by deliberate risk-taking building on control, analysis and follow-up in the ongoing work, which also includes active efforts to identify, measure, manage, report and assess the risks.

To keep the operations within risk appetites adopted by the Board of Directors, CEO limits and KRIs are used to limit and monitor the Company's risk taking. CEO limits and KRIs are formulated to support the pre-determined risk appetites in each risk category. The overarching risk categories in the Company's risk universe are Net profit and capital, Liquidity and funding, Credit and market and Operational risks.

NET PROFIT AND CAPITAL

The Company shall measure and assess strategic and commercial risks to safeguard sufficient profitability, capital and competitiveness to conduct and develop the operations in accordance with established plans. The Company's purpose is to improve the cost-efficiency of the funding operations for the members of the Kommuninvest Cooperative Society and not to generate profit for its shareholders. Nonetheless, adequate earnings and capital are a precondition for the Company's long-term development.

LIQUIDITY AND FUNDING

Liquidity management is designed to ensure that the Company is able to meet all of its payment commitments on time, without incurring significant additional costs. This is ensured through sufficient diversification of funding sources, taking into account the number and types of counterparties, types of financial instruments, maturities, currencies

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and geographic markets. Through access to diversified funding and good matching of maturities between assets and liabilities, the Company also limits structural liquidity risk.

The Company shall also maintain a liquidity preparedness that makes it possible to meet its customers financing needs even during periods of stressed liquidity. Liquidity risk is limited by maintaining a liquidity reserve with highly liquid assets. The liquidity risk is further limited by the Company being a full member of the Riksbank's (Swedish central bank) RIX payment system, through which the Company can, among other things, raise loans against collateral.

CREDIT AND MARKET

The Company provides credit to the Swedish local government sector including municipal companies. Both funding and lending entail market risks, given the conditions of the operations. The Company shall measure and assess the risk of incurring a loss and/or negative impact on the Company's revenues as a consequence of interest and/or exchange rate fluctuations. In addition, the Company shall measure and assess the risk of a counterparty failing to meet their commitments. The Company accepts some exposure to market risks to increase operational efficiency, but never for speculative purposes. The exposure to market risk is limited by means of derivative contracts.

At the end of the period, the Company's total credit risk exposure amounted to SEK 640,507 (569,541) million. Of this exposure, 83 (89) percent involved Swedish municipalities and regions in the form of lending, 16 (8) percent involved sovereigns and other issuers of securities in the form of investments and deposits, and 1 (1) pertained to exposures to derivatives counterparties.

As of 30 June 2024, counterparty exposure to derivative

counterparties amounted to SEK 2,987 (3,961) million after netting for each counterparty and net of collateral received. Counterparty risks are restricted by entering into contracts with financial institutions with high creditworthiness and requirements for pledged assets. Interest-rate contracts entered into as of October 2016 must be cleared by a central clearing counterparty. Counterparty risks are further reduced by concluding ISDA agreements and security agreements (known as CSA agreements) with all counterparties. See further under Note 6.

OPERATIONAL RISKS

The Company shall measure and assess the risk of losses resulting from inadequate or failed internal processes or routines, human error, incorrect systems or external events, including legal risks. Operational risk is naturally inherent in the Company's operations and cannot be completely avoided. However, through good governance and control, Kommuninvest can reduce the likelihood of this risk arising and can reduce the consequences that may arise as a result of operational risk.

Sustainability risks are managed by considering economic, social and environmental sustainability throughout the operations. Requirements are based on national and international regulations and guidelines in the areas of the environment and climate, corruption, human rights, working conditions or business ethics.

EMPLOYEES

As of 30 June 2024, the number of employees amounted to 123 (104). Recruitment and skills supply/development have progressed according to plan.



Income statement

SEK, million	Note	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Interest revenues calculated according to effective interest method		12,287.3	8,704.6	20,482.6
Other interest revenues		168.1	56.0	361.2
Interest expenses calculated according to effective interest method		-11,779.6	-8,222.1	-19,474.8
Other interest expenses		-157.7	-36.7	-378.6
NET INTEREST INCOME	2	518.1	501.8	990.5
Dividends received		-	-	3.0
Commission expenses		-6.3	-6.1	-13.1
Net result of financial transactions		45.5	-17.5	47.6
of which, de-recognised assets valued at amortised cost		-	-	-0.1
Other operating income	3	7.0	6.4	14.9
TOTAL OPERATING INCOME		564.3	484.6	1,042.8
General administration expenses		-141.5	-114.7	-242.7
Depreciation and impairment of intangible assets		-3.1	-3.1	-6.2
Depreciation and impairment of tangible assets		-0.8	-1.0	-2.0
Other operating expenses		-0.4	-1.0	-2.6
TOTAL EXPENSES		-145.8	-119.8	-253.5
PROFIT BEFORE CREDIT LOSSES		418.5	364.8	789.3
Net credit losses	4	0.9	2.4	2.8
<i>Fees imposed: Risk tax and resolution fee</i>	5	-179.1	-171.5	-343.0
OPERATING PROFIT		240.3	195.7	449.2
Tax		-50.5	-38.6	-94.0
NET PROFIT FOR THE PERIOD		189.8	157.1	355.2

Statement of comprehensive income

SEK, million	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
NET PROFIT FOR THE PERIOD	189.8	157.1	355.2
Other comprehensive income	-	-	-
TOTAL COMPREHENSIVE INCOME	189.8	157.1	355.2

Balance sheet

SEK, million	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS				
Cash and balances with central banks		10,512.6	7,720.1	4,722.7
Sovereign bonds eligible as collateral	6	72,487.0	81,646.0	31,481.4
Lending to credit institutions	6	600.4	686.1	401.9
Lending	6	528,589.5	484,411.4	508,802.2
Bonds and other interest-bearing securities	6	15,750.3	12,631.5	9,916.4
Shares and participations in subsidiaries		42.0	42.0	42.0
Derivatives	6,7	8,259.9	22,186.9	7,822.8
Intangible assets		9.2	15.4	12.3
Tangible assets		4.8	5.1	4.6
Current tax assets		-	-	7.2
Other assets	8	1,700.0	490.9	5,663.7
Prepaid expenses and accrued revenues		38.8	38.5	33.9
TOTAL ASSETS		637,994.5	609,873.9	568,911.1
LIABILITIES, PROVISIONS AND EQUITY				
Liabilities and provisions				
Liabilities to credit institutions	6	191.9	89.4	821.1
Securities issued	6	616,606.4	571,342.8	543,532.3
Derivatives	6,7	2,563.2	1,690.4	5,961.3
Change in value of interest-hedged item in portfolio hedging		817.5	2,997.7	987.2
Other liabilities	9	6,507.5	23,387.2	6,496.0
Accrued expenses and prepaid revenues		62.7	40.6	57.7
Provisions		0.0	0.0	0.0
Total liabilities and provisions		626,749.2	599,548.1	557,855.6
Equity				
Restricted equity				
Share capital		10,175.0	9,475.0	10,175.0
Development expenditure reserve		9.2	15.4	12.3
Statutory reserve		17.5	17.5	17.5
Unrestricted equity				
Unrestricted share premium reserve		395.0	255.0	395.0
Profit or loss brought forward		458.8	405.8	100.5
Net profit for the period		189.8	157.1	355.2
Total equity		11,245.3	10,325.8	11,055.5
TOTAL LIABILITIES, PROVISIONS AND EQUITY		637,994.5	609,873.9	568,911.1

Statement of changes in equity

SEK, million	Restricted equity				Unrestricted equity			Total equity
	Share capital	New share issue in progress	Development expenditure reserve ¹	Statutory reserve ²	Unrestricted share premium reserve	Profit or loss brought forward	Net profit for the period	
Equity brought forward 1 Jan 2024	10,175.0	0.0	12.3	17.5	395.0	100.5	355.2	11,055.5
Net profit for the period							189.8	189.8
Change in development expenditure reserve for the period			-3.1			3.1		0.0
Other comprehensive income								0.0
Total comprehensive income	0.0	0.0	-3.1	0.0	0.0	3.1	189.8	189.8
Transactions with shareholders								
Appropriation of surplus						355.2	-355.2	0.0
New share issue								0.0
Total transactions with shareholders	0.0	0.0	0.0	0.0	0.0	355.2	-355.2	0.0
Equity carried forward 30 Jun 2024	10,175.0	0.0	9.2	17.5	395.0	458.8	189.8	11,245.3
Equity brought forward 1 Jan 2023	9,475.0	0.0	18.5	17.5	255.0	444.8	-42.1	10,168.7
Net profit for the period							157.1	157.1
Change in development expenditure reserve for the period			-3.1			3.1		0.0
Other comprehensive income								0.0
Total comprehensive income	0.0	0.0	-3.1	0.0	0.0	3.1	157.1	157.1
Transactions with shareholders								
Appropriation of surplus						-42.1	42.1	0.0
New share issue								0.0
Total transactions with shareholders	0.0	0.0	0.0	0.0	0.0	-42.1	42.1	0.0
Equity carried forward 30 Jun 2023	9,475.0	0.0	15.4	17.5	255.0	405.8	157.1	10,325.8
Equity brought forward 1 Jan 2023	9,475.0	0.0	18.5	17.5	255.0	444.8	-42.1	10,168.7
Net profit for the period							355.2	355.2
Change in development expenditure reserve for the period			-6.2			6.2		0.0
Other comprehensive income								0.0
Total comprehensive income	0.0	0.0	-6.2	0.0	0.0	6.2	355.2	355.2
Transactions with shareholders								
Appropriation of surplus						-42.1	42.1	0.0
New share issue in progress	700.0				140.0			840.0
Unrestricted share premium reserve								0.0
New share issue in progress								0.0
Group contributions						-388.4		-388.4
Tax effect on Group contribution						80.0		80.0
Total transactions with shareholders	700.0	0.0	0.0	0.0	140.0	-350.5	42.1	531.6
Equity carried forward 31 Dec 2023	10,175.0	0.0	12.3	17.5	395.0	100.5	355.2	11,055.5

1) The development expenditure reserve corresponds to capitalised development expenses accrued in-house that have been transferred from profit or loss brought forward, adjusted for a proportionate share of the amortisation reversed from the reserve to unrestricted equity.

2) The statutory reserve refers to previous statutory provisions to restricted equity. The requirement was abolished in 2016 and prior provisions remain.

For further information on shareholders' equity, see Shareholders' equity in the Financial accounts on page 9.

Cash flow statement

SEK, million	Jan–Jun 2024	Jan–Jun 2023	Jan–Dec 2023
Operational activities			
Operating profit	240.2	195.7	449.2
Adjustment for items not included in cash flow	-45.6	11.7	-50.9
Income tax paid	-43.3	-26.7	-3.6
	151.3	180.7	394.7
Change in liquidity portfolio	-46,896.8	-56,899.5	-3,886.1
Change in lending	-18,833.1	-13,292.5	-30,263.4
Change in other assets	3,958.9	193.2	-4,975.1
Change in other liabilities	389.5	7,486.5	-8,981.5
Cash flow from operational activities	-61,230.2	-62,331.6	-47,711.4
Investment activities			
Acquisitions of intangible assets	-	-	-2.3
Acquisitions of tangible assets	-1.1	-1.6	0.3
Cash flow from investment activities	-1.1	-1.6	-2.0
Financing activities			
Issue of interest-bearing securities	139,025.0	118,153.4	207,445.8
Redemption and repurchases of interest-bearing securities	-71,432.3	-76,239.4	-183,473.4
New share issue in progress	-	-	840.0
Change in intra-Group liabilities	-373.0	844.0	44.0
Cash flow from financing activities	67,219.7	42,758.0	24,856.4
Cash flow for the period	5,988.4	-19,575.2	-22,856.9
Cash and cash equivalents at start of the period	5,124.8	27,981.7	27,981.7
Cash and cash equivalents at end of the period	11,113.2	8,406.5	5,124.8
Cash and cash equivalents consists in their entirety of cash and balances with central banks, as well as loans to credit institutions that, at the time of acquisition, have a maturity of at most three months and that are exposed to insignificant risk of fluctuations in value.			
Adjustment for items not included in cash flow			
Depreciation and impairment	3.9	4.1	8.2
Profit from divestments of tangible assets	-3.2	-	-0.2
Exchange rate differences from change in financial assets	-2.8	0.4	3.2
Unrealised changes in market value	-42.8	9.6	-59.3
Net credit losses	-0.9	-2.4	-2.8
Total	-45.8	11.7	-50.9
Interest paid and received, included in the cash flow			
Interest received ¹	11,319.7	6,715.0	17,561.3
Interest paid ²	-9,734.4	-6,361.0	-16,450.4

1) Reported as interest received are payments that have been paid and received for the Company's loans and investments, as well as the payments paid and received for derivative contracts used to hedge the Company's loans and investments.

2) Reported as paid interest are payments that have been paid and received for the Company's funding, as well as payments paid and received for derivative contracts used to hedge the Company's funding.

Notes

All amounts are given in millions of SEK unless otherwise stated.

NOTE 1 ACCOUNTING PRINCIPLES

Compliance with standards and legislation

The Kommuninvest interim report has been prepared applying the regulation regarding interim reports in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), and the Swedish Financial Supervisory Authority's regulations and general recommendations regarding annual accounts for credit institutions and securities companies (FFFS 2008:25). Consequently all International Financial Reporting Standards and interpretations endorsed by the EU are followed as far as possible, within the provisions of ÅRKL and considering the additions and exemptions specified in FFFS 2008:25. Furthermore, the recommendations from the Swedish

Financial Reporting Board, Accounting for legal entities (RFR 2) have been applied. In accordance with Chapter 7, section 6a of ÅRKL, Kommuninvest has chosen not to prepare consolidated accounts, see Note 12.

New and amended standards and interpretations having come into effect

For all material purposes, the accounting policies and calculation methods in the interim report remain unchanged compared with the 2023 Annual Report. No new or amended laws, standards or interpretations have come into effect in 2024 that are assessed to have any material impact on Kommuninvest's net profit, position, disclosures, capital requirements, capital base or major exposures.

NOTE 2 NET INTEREST

	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Interest revenues			
Interest revenues according to effective interest method	12,287.3	8,704.6	20,482.6
of which, lending	10,731.9	7,505.5	17,598.2
of which, interest-bearing securities	1,555.4	1,199.1	2,884.4
Other interest revenues	168.1	56.0	361.2
Total	12,455.4	8,760.7	20,843.8
<i>Of which: interest revenues from financial items not measured at fair value through the income statement</i>	6,420.5	4,239.8	15,389.9
Interest expenses			
Interest expenses according to effective interest method	-11,779.5	-8,222.1	-19,474.8
of which, liabilities to credit institutions	0.0	0.0	0.0
of which, securities issued	-11,779.5	-8,221.6	-19,474.1
of which lending, negative lending rate	-0.1	-0.5	-0.7
Other interest expenses	-157.1	-36.7	-378.6
Total	-11,936.6	-8,258.9	-19,853.4
<i>Of which: interest expenses from financial items not measured at fair value through the income statement</i>	-4,167.1	-2,574.8	-15,315.9
Net interest income	518.8	501.8	990.5

In this note, income is recognised as positive and expenses as negative. Kommuninvest considers all income and expenses

to be attributable to the country in which the Company has its registered office, Sweden.

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NOTE 3 OTHER OPERATING INCOME

	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Capital gain on divestments of tangible assets	-	-	0.2
Revenue from contracts with customers	5.7	5.5	10.6
Other operating income	1.3	0.9	4.1
Total	7.0	6.4	14.9

All revenues from contracts with customers relate to revenues from a financial management service, KI Finans, which is offered to members of the Kommuninvest Cooperative Society. The service allows customers to create an overview of their financial positions. All revenues derive from a customer category consisting of municipalities and county councils/regions which are members of the Kommuninvest Cooperative Society and all customers operate in the same geographical market, Sweden.

All contracts are processed at the portfolio level, entitle the customer access to a service and the performance commitment is fulfilled over time during the period in which the service is provided. All contracts extend over one calendar year.

NOTE 4 NET CREDIT LOSSES

Credit losses

Kommuninvest continuously monitors financial development among its members and customers. At the current juncture, some of the more tangible challenges include the strained earnings situation and the demographic trend. Kommuninvest is

monitoring developments and particularly how customers with relatively high debt and those with extensive investment needs are affected. However, Kommuninvest does not see the weaker economic trend leading to any credit losses being realised.

Changes in gross recognised value

30 Jun 2024	Opening balance	Initiated during the period	Maturing during the period	Closing balance
Cash and balances with central banks	4,722.7	10,512.6	-4,722.7	10,512.6
Sovereign bonds eligible as collateral	31,481.4	1,080,890.7	-1,039,885.1	72,487.0
Lending to credit institutions	401.9	47,596.5	-47,398.0	600.4
Lending	508,802.2	76,874.6	-57,087.3	528,589.5
Bonds and other interest-bearing securities	9,916.4	6,525.6	-691.7	15,750.3
Off-balance sheet items	629.8	73,663.7	-71,920.2	2,373.3
Total	555,954.4	1,296,063.7	-1,221,705.0	630,313.1

31 Dec 2023	Opening balance	Initiated during the period	Maturing during the period	Closing balance
Cash and balances with central banks	26,217.2	4,722.7	-26,217.2	4,722.7
Sovereign bonds eligible as collateral	30,689.7	3,021,691.7	-3,020,900.0	31,481.4
Lending to credit institutions	1,763.4	12,381.6	-13,743.1	401.9
Lending	470,675.9	123,272.2	-85,145.9	508,802.2
Bonds and other interest-bearing securities	6,752.3	17,939.2	-14,775.1	9,916.4
Off-balance sheet items	549.2	162,200.6	-162,025.0	724.8
Total	536,647.7	3,342,208.0	-3,322,806.3	556,049.4

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Note 4, continued.

Change in provisions for credit losses

30 Jun 2024	Opening balance	Initiated during the period	Maturing during the period	Changed risk variables	Changed models	Closing balance
Cash and balances with central banks	0.0	-0.1	0.0	-	-	-0.1
Sovereign bonds eligible as collateral	-0.3	-7.2	7.1	-0.1	-	-0.5
Lending to credit institutions	-0.1	-	-	-0.1	-	-0.2
Lending	-3.8	-0.1	0.3	1.2	-	-2.4
Bonds and other interest-bearing securities	-0.4	-0.3	-	0.2	-	-0.5
Provisions for off-balance sheet items	0.0	0.1	-0.1	0.0	-	0.0
Total	-4.6	-7.6	7.3	1.2	-	-3.7

31 Dec 2023	Opening balance	Initiated during the period	Maturing during the period	Changed risk variables	Changed models	Closing balance
Cash and balances with central banks	-0.4	0.0	0.4	-	-	0.0
Sovereign bonds eligible as collateral	-0.5	-27.8	32.2	-4.2	-	-0.3
Lending to credit institutions	-0.7	-	-	0.6	-	-0.1
Lending	-5.7	-0.5	1.1	1.3	-	-3.8
Bonds and other interest-bearing securities	-0.1	-3.1	0.1	2.7	-	-0.4
Provisions for off-balance sheet items	0.0	-0.4	0.5	-0.1	-	0.0
Total	-7.4	-31.8	34.3	0.3	-	-4.6

NOTE 5 FEES IMPOSED: RISK TAX AND RESOLUTION FEE

	30 Jun 2024	30 Jun 2023	31 Dec 2023
Risk tax	167.3	162.9	325.9
Resolution fee	11.8	8.6	171
Total	179.1	171.5	343.0

NOTE 6 FINANCIAL ASSETS AND LIABILITIES

Financial instruments broken down by valuation category

30 Jun 2024	Amortised cost	Fair value through the income statement				Recognised value	Fair value
		Held for trade	Compulsory	Fair value option	Derivatives used for hedge accounting		
Financial assets							
Cash and balances with central banks	10,512.6	-	-	-	-	10,512.6	10,512.6
Sovereign bonds eligible as collateral	67,583.0	-	-	4,904.0	-	72,487.0	71,939.5
Lending to credit institutions	600.4	-	-	-	-	600.4	600.4
Lending	358,043.5	-	-	170,546.0	-	528,589.5	526,296.8
Bonds and other interest-bearing securities	11,385.3	-	-	4,365.1	-	15,750.3	7,536.9
Derivatives	-	-	8,158.0	-	101.8	8,259.9	8,259.9
Other financial assets	1,689.3	-	-	-	-	1,689.3	1,689.3
Total	449,814.0	-	8,158.0	179,815.1	101.8	637,889.0	626,835.3
Financial liabilities							
Liabilities to credit institutions	191.9	-	-	-	-	191.9	191.9
Securities issued	437,011.1	-	-	179,595.3	-	616,606.4	617,463.7
Derivatives	-	2,488.2	-	-	75.0	2,563.2	2,563.2
Change in value of interest-hedged items in portfolio hedging	817.5	-	-	-	-	817.5	817.5
Other financial liabilities	6,432.1	-	-	-	-	6,432.1	6,432.1
Total	444,452.6	2,488.2	-	179,595.3	75.0	626,611.0	627,468.3

1) The nominal amount of funding, that is, the amount to be paid up by the maturity date, amounts to SEK 631,219.5 (558,580.8) million.

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Note 6, continued

31 Dec 2023	Amortised cost	Fair value through the income statement				Recognised	Fair value
		Held for trade	Compulsory	Fair value option	Derivatives used for hedge accounting	value	
Financial assets							
Cash and balances with central banks	4,722.7	-	-	-	-	4,722.7	4,722.7
Sovereign bonds eligible as collateral	27,565.3	-	-	3,916.1	-	31,481.4	31,479.2
Lending to credit institutions	401.9	-	-	-	-	401.9	401.9
Lending	356,331.6	-	-	152,470.6	-	508,802.2	505,525.1
Bonds and other interest-bearing securities	5,587.9	-	-	4,328.5	-	9,916.4	9,913.0
Derivatives	-	-	7,818.5	-	4.3	7,822.8	7,822.8
Other financial assets	5,648.7	-	-	-	-	5,648.7	5,648.7
Total	400,258.1	-	7,818.5	160,715.2	4.3	568,796.1	565,513.4
Financial liabilities							
Liabilities to credit institutions ¹	821.1	-	-	-	-	821.1	821.1
Securities issued ¹	359,777.2	-	-	183,755.0	-	543,532.3	543,773.7
Derivatives	-	5,868.0	-	-	93.3	5,961.3	5,961.3
Change in value of interest-hedged items in portfolio hedging	987.2	-	-	-	-	987.2	987.2
Other financial liabilities	6,166.4	-	-	-	-	6,166.4	6,166.4
Total	367,751.9	5,868.0	-	183,755.0	93.3	557,468.3	557,099.7

¹ The nominal amount of funding, that is, the amount to be paid up by the maturity date, amounts to SEK 558,580.8 (549,472.6) million.

Calculation of fair value

General

For financial instruments, fair value calculations are to be divided according to the following three levels:

- Level 1: Valuation is made according to prices noted on an active market for the same instrument.
- Level 2: Valuation is made on the basis of directly or indirectly observable market data not included in level 1.
- Level 3: Valuation is made on the basis of non-observable market data, with significant elements of internal and external estimates.

Some of the financial instruments in Kommuninvest's debt portfolio and liquidity reserve are traded on active markets with quoted prices in accordance with level 1. For almost all of the remainder of the debt portfolio and liquidity reserve, including all lending and derivatives not traded on an active market with quoted prices, accepted and well-established valuation techniques are applied to determine fair value based on observable market data in accordance with level 2. For a small number of contracts for financial instruments in Kommuninvest's debt portfolio with input data not observable through the market or proprietary assessments, material effects on the valuation of these instruments are, accordingly, classified under level 3.

Lending

Fair value has been calculated by discounting anticipated future cash flows by a discount rate set at the swap rate adjusted by current lending margins. This means that if lending margins rise,

the fair value lower of existing loans will decline and vice versa at lower margins.

Sovereign bonds eligible as collateral, and bonds and other interest-bearing securities

In the valuation of securities, the quoted price of the asset is used. If trading is considered to occur on an active market, the valuation is classified under level 1, while other securities are classified under level 2.

Liabilities to credit institutions and securities issued

Funding is valued in the same way as by market participants holding the debt as an asset, either through quoted market prices or by discounting anticipated future cash flows. The discount rate has been set to the swap rate adjusted for current borrowing margins for the funding structure and market by applying the Company's current funding margins. Market prices used for valuation are mid-prices. Fundings expected to be traded in an active market are classified in level 1. Funding valued at quoted prices, not deemed as traded in an active market, are classified in level 2. Funding programmes valued on the basis of discounted future cash flows, a small number of funding programmes, in which future cash flows depend on significant unobservable market data, are classified in level 3. The members' guarantee undertaking affects the valuation of funding and that the guarantee undertaking is taken into account by market players and thus affects quoted market prices and current funding margins.

FINANCIAL STATEMENTS

Note 6, continued

Derivatives

Standardised derivatives in the form of FRA contracts scheduled for IMM days and traded in an active market are measured according to level 1. The fair value of other derivatives is calculated by discounting the anticipated future cash flows taking place at mid-prices at relevant reference rates for the currency concerned. Where anticipated future cash flows are dependent on unobservable market data or elements on in-house assessment, derivatives are classified in level 3; otherwise, they are classified in level 2. All derivatives classified in level 3, a small number of contracts are swaps matching funding transactions classified in level 3. The discount rate has been set as the current quoted swap rate in each currency. For currency swaps, the discount rate has been adjusted according to current basis swap spreads.

The credit valuation adjustment for derivatives, CVAs, is the market value of the expected loss of counterparty risks for derivatives. The valuation takes into account the risk mitigation measures taken by Kommuninvest, such as netting agreements (ISDA agreements) and agreements on the exchange of collateral (CSA agreements). Netting agreements and exchanges of collateral reduce the expected exposure in the event that a counterparty defaults. For those of Kommuninvest's derivative contracts that are cleared with central clearing counterparties, initial marginal collateral is provided, entailing a further step in reducing the counterparty risk. For these derivative contracts, CVA is not calculated. For derivative contracts not cleared by central clearing counterparties, CVA is calculated and entered in the accounts.

The debt value adjustment for derivatives (DVA) corresponds to the credit rating adjustment that Kommuninvest's derivative counterparties have through their exposure to Kommuninvest. Due to the members' joint and several guarantee and their high creditworthiness, the debt valuation adjustment is an insignificant amount.

Lending to credit institutions, other assets and other liabilities

For these items, the recognised value is an acceptable approximation of fair value. Lending to credit institutions comprises bank accounts and short-maturity repo transactions. Other assets and liabilities consist primarily of pledged/received cash collateral, accounts receivable and payable, open items, as well as Group-internal receivables and liabilities.

Significant assumptions and uncertainty factors

Kommuninvest has applied the valuation techniques best deemed to reflect the value of the Company's assets and liabilities. Changes in underlying market data could mean changes to the income statement and balance sheet in respect of unrealised market values. The valuation curves are also determined on the basis of current funding and lending margins, increased margins on lending leading to unrealised losses when the value of existing business is reduced. Kommuninvest has only a marginal exposure to swap rates and, since it hedges other market risks, it is changes in funding and lending margins, basis swap spreads and credit spreads, on holdings in the liquidity reserve that give rise to the changes in market value.

An increase in the lending price, in relation to swap rates, by 10 basis points on the receivables recognised at fair value would mean a negative change in net profit of SEK 311 (256) million. An increase in the borrowing cost, in relation to swap rates, by 10 basis points on the liabilities recognised at fair value would mean a positive change in net profit of SEK 306 (291) million. A parallel displacement in the lending and funding price, in relation to swap rates, by 10 basis points would mean a change in net profit of SEK +/-4 (+/-35) million. A 10 bp shift up or down in the valuation curve for the financial instruments valued in accordance with level 3 would entail an immaterial change in net profit as Kommuninvest ceased issuing structured funding in 2021 and only a small number of such contracts remain.

All of the above changes refer to 30 June 2024 (comparative figures refer to 31 December 2023) and exclude tax effects. Impact on equity relates to the tax effect. All market value effects are unrealised, and as Kommuninvest intends to hold its assets and liabilities to maturity, this means that these values will not normally be realised. Exceptions are repurchases of funding or lending instruments, which always take place on the investors' or customers' initiative respectively, leading to market values being realised.

Uncertainty in measurement due to unobservable input data

Input data that cannot be observed in the market consist of correlations between market data and volatilities in maturities longer than those for which observable market data are available. Instruments affected by unobservable input data consist of issued structured securities with options for premature redemption and the derivatives that hedge these at the transaction level. The recipient leg of such a derivative always consists of the warrants in the issued security and the payment leg of a risk-free interest rate +/- a fixed margin.

The effect on profit or loss of these contracts is realised when Kommuninvest's borrowing margins for this type of borrowing change. The scope of the change depends on the expected remaining duration of the contracts, which depend in turn on unobservable data. The effect on net profit from the unobservable input data that arises is therefore attributable to how input data affect the estimated remaining maturity of the contracts.

The effect on net profit from the variation described above is immaterial as Kommuninvest ceased issuing structured funding products in 2021 and only a small number of contracts now remain.

Change in value due to expected credit risk

With the joint and several guarantee for Kommuninvest's funding provided by the members of the Kommuninvest Cooperative Society, Kommuninvest's own credit risk is considered to be negligible. Changes are only considered to occur in Kommuninvest's own credit risk as a consequence of events such as a major downgrading of the Company's rating, or significant amendments to the members' guarantee undertaking that would reduce

FINANCIAL STATEMENTS

Note 6, continued

their collective responsibility for the Company's commitments. Since no such events or changes have occurred, all variations in funding margins and resulting changes in the value of funding are deemed attributable to general changes in the market price of credit and liquidity risk and not from changes in Kommuninvest's own credit risk.

The credit risk in lending is considered to be the same as Kommuninvest's own credit risk. Accordingly, no part of the change in the value of lending is considered to derive from changes in credit risk.

The assets in the liquidity reserve hold a very high credit rating. A change in credit risk affecting their valuation is deemed to occur only in connection with significant downgrades. Such downgrades have not occurred for any of the issuers, which is why no changes in the value of the liquidity reserve are

considered to derive from changes in credit risk.

Changed valuation models

The valuation models have been unchanged since the 2023 Interim Report. For previous changes, see Note 6 in Kommuninvest's 2023 Interim Report.

Approval of valuation models

The valuation models applied are approved by the CFO and reported to the Company's ALCO (Asset and Liability Committee) and Board of Directors. The Finance department is responsible for the valuation process, including the valuation models.

The Risk and Control department is responsible for ensuring independent control of the quality of valuation models and market data used in the valuation.

Financial instruments recognised at fair value in the balance sheet

30 Jun 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Sovereign bonds eligible as collateral	3,911.8	992.3	-	4,904.0
Lending	-	170,546.0	-	170,546.0
Bonds and other interest-bearing securities	3,228.1	1,137.0	-	4,365.1
Derivatives	-	8,259.9	-	8,259.9
Total	7,139.8	180,935.2	-	188,075.0
Financial liabilities				
Securities issued	143,694.3	35,880.2	20.8	179,595.3
Derivatives	-	2,560.9	2.3	2,563.2
Total	143,694.3	38,441.0	23.1	182,158.5
31 Dec 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Sovereign bonds eligible as collateral	2,153.1	1,763.0	-	3,916.1
Lending	-	152,470.6	-	152,470.6
Bonds and other interest-bearing securities	2,713.3	1,615.2	-	4,328.5
Derivatives	-	7,822.4	0.4	7,822.8
Total	4,866.4	163,671.2	0.4	168,538.0
Financial liabilities				
Securities issued	93,166.9	89,379.9	1,208.2	183,755.0
Derivatives	-	5,672.5	288.8	5,961.3
Total	93,166.9	95,052.5	1,497.0	189,716.4

FINANCIAL STATEMENTS

Note 6, continued

Transfer between levels of instruments recognised at fair value

	Recognised value 30 Jun 2024	Recognised value 31 Dec 2023
Assets		
To level 1 from level 2	215.8	-
To level 2 from level 1	-	-
Liabilities		
To level 1 from level 2	-	10,176.6
To level 2 from level 1	13,424.1	22,419.0

Kommuninvest continuously reviews the criteria for its division into levels of financial assets and liabilities measured at fair value. The movements are attributable variations in the indicators that Kommuninvest uses to demarcate between levels 1 and 2. The indicators show the number of observations and their standard deviation for bond prices and a specific number of executable quotes. The transfers are considered to have taken place on 30 June 2024 and 31 December 2023 for the preceding period.

Changes in level 3

The table below presents a reconciliation of opening and closing balances for financial instruments recognised at fair value in the balance sheet based on an assessment technique proceeding from unobservable input data (level 3). Value changes in level 3 are followed up continuously over the period.

	Derivative assets	Derivative liabilities	Securities issued	Total
Opening balance, 1 Jan 2024	0.4	-288.8	-1,208.2	-1,496.7
Recognised gains and losses:				
- recognised in the income statement (net result of financial transactions)	-0.4	686.6	-272.7	413.5
Loans raised/Issues	-	-	-	-
Matured during period	-	-	1,460.2	1,460.2
Closing balance, 30 Jun 2024	-0.0	397.9	-20.8	377.1
Gains and losses recognised in the income statement (net result of financial transactions) for assets included in the closing balance as per 30 June 2024	-	21	-1.9	0.1

	Derivative assets	Derivative liabilities	Securities issued	Total
Opening balance, 1 Jan 2023	2.5	-1,426.6	-4,411.0	-5,835.1
Recognised gains and losses:				
- recognised in the income statement (net result of financial transactions)	-2.1	1,137.8	-1,105.7	30.0
Loans raised/Issues	-	-	-	-
Matured during period	-	-	4,308.5	4,308.5
Closing balance, 31 Dec 2023	0.4	-288.8	-1,208.2	-1,496.7
Gains and losses recognised in the income statement (net result of financial transactions) for assets included in the closing balance as per 31 December 2023	0.6	-9.9	-163.6	-172.9

Because the instruments in level 3 are hedged on a transaction basis, and each borrowing combination behaves as a borrowing

combination in level 2, the changes in value in level 2 are analysed in the same manner as in level 2.

FINANCIAL STATEMENTS

NOTE 7 INFORMATION ON FINANCIAL ASSETS AND LIABILITIES SUBJECT TO NETTING

Kommuninvest nets assets and liabilities in the balance sheet where there is a legal right to do so and the intention is to settle the items net, which occurs for Kommuninvest's derivative assets and liabilities towards central counterparties for clearing.

Kommuninvest's derivatives are what are known as OTC derivatives, that is, they are not traded on an exchange but are issued under ISDA (International Swaps and Derivatives Association) Master agreements. In addition to the ISDA-agreement, a supplementary CSA (Credit Support Annex) has been signed with a considerable portion of the counterparties. CSA-agreements regulate the right to secure collateral to eliminate the exposure.

For non-cleared derivatives carried out under ISDA Master

agreements, all payment flows with a particular counterparty that mature on the same date are, to the greatest extent possible, netted in each currency to a net amount to be paid by one counterparty to another. For specific events, such as past-due payment, bankruptcy, etc. all transactions are concluded with that counterparty, as assessment is conducted and a net settlement is made.

ISDA Master agreements do not meet the criteria for netting in the balance sheet, since the legal right of netting only applies for a stated type of suspension of payments, insolvency or bankruptcy.

30 Jun 2024	Related amounts that are not netted in the balance sheet						
	Financial assets and liabilities, gross amounts	Amounts netted in the balance sheet ¹	Net amount reported in the balance sheet	Financial instruments	Provided (+)/Received (-) collateral – security	Provided (+)/Received (-) cash collateral	Net amount
Assets							
Derivatives	18,195.8	-9,936.0	8,259.9	-1,289.6	-76.5	-6,323.5	570.3
Repos	-	-	-	-	-	-	-
Liabilities							
Derivatives	-15,227.7	12,664.6	-2,563.2	1,289.6	-	1,271.4	-2.2
Repos	-191.9	-	-191.9	-	191.9	-	-
Total	2,776.2	2,728.6	5,504.8	-	115.4	-5,052.1	568.1

31 Dec 2023	Related amounts that are not netted in the balance sheet						
	Financial assets and liabilities, gross amounts	Amounts offset in the balance sheet ¹	Net amount reported in the balance sheet	Financial instruments	Provided (+)/Received (-) collateral – security	Provided (+)/Received (-) cash collateral	Net amount
Assets							
Derivatives	20,450.4	-12,627.6	7,822.8	-1,186.4	-119.0	-5,583.0	934.4
Repos	-	-	-	-	-	-	-
Liabilities							
Derivatives	-22,175.2	16,213.9	-5,961.3	1,186.4	-	4,761.8	-13.2
Repos	-821.1	-	-821.1	-	821.1	-	-
Total	-2,546.0	3,586.3	1,040.3	-	702.1	-821.2	921.2

¹ The amount offset for derivatives includes cash collateral of SEK 2,728.6 million as per 30 June 2024 and SEK 3,586.3 million as per 31 December 2023.

NOTE 8 OTHER ASSETS

	30 Jun 2024	30 Jun 2023	31 Dec 2023
Receivables from subsidiaries	-	-	3.0
Marginal collateral pledged	1,674.4	480.1	5,625.9
Contract assets	5.7	5.5	-
Other assets	19.9	5.3	34.8
Total	1,700.0	490.9	5,663.7

Kommuninvest pledges marginal collateral for derivatives cleared by central clearing counterparties, which are netted per counterparty and currency in the balance sheet. For further information, see Note 7. The Company also pledges cash collateral for derivatives not cleared by central clearing counterparties and for which there no right of netting applies. Accordingly, these are entered in full in the balance sheet.

Contract assets refer to the posting of non-invoiced revenue attributable to Kommuninvest's financial management service, KI Finans. For revenue recognition, see Note 3.

NOTE 9 OTHER LIABILITIES

	30 Jun 2024	30 Jun 2023	31 Dec 2023
Tax liability	50.5	19.1	-
Liabilities to Parent Society	74.0	858.6	447.0
Marginal collateral received	6,323.5	22,014.1	5,583.0
Other liabilities	59.5	495.4	466.0
Total	6,507.5	23,387.2	6,496.0

The liability to the Parent Society involves member contributions, which are handled by the Company on the Society's behalf and have not yet been transferred to the Company in the form of new share capital. Kommuninvest receives collateral for derivatives cleared by central clearing counterparties, which are netted per counterparty and currency in the balance sheet, see further under Note 7. The Company also receives cash collateral for derivatives not cleared by central clearing counterparties and for which no right of netting applies. Accordingly, these are entered in full in the balance sheet.

FINANCIAL STATEMENTS

NOTE 10 CAPITAL

Capital adequacy

The capital adequacy requirements are calculated in accordance with the Supervisory Regulation (EU) No. 575/2013, also known as the CRR (Capital Requirements Regulation), which is directly applicable in Sweden and the Capital Adequacy Directive EU 2013/36, which is implemented in Sweden through

legislation and regulations issued by Finansinspektionen. On 28 September 2021, the Swedish Financial Supervisory Authority (Finansinspektionen) decided to increase the buffer value to 1 percent, applicable as of 29 September 2022. Until then, the buffer value of 0 percent, applicable since 16 March 2020, remains in effect.

Capital base	30 Jun 2024	30 Jun 2023	31 Dec 2023
Capital Instruments ¹	10,175.0	9,475.0	10,175.0
Retained earnings	863.0	676.2	863.0
Accumulated other comprehensive income and other reserves	17.5	17.5	17.5
Core Tier I capital before regulatory adjustments	11,055.5	10,168.7	11,055.5
Further value adjustments	-308.5	-225.0	-286.1
Latent tax	-	-	-
Intangible assets	-14.3	-10.3	-12.3
Total regulatory adjustments to core Tier I capital	-322.9	-235.3	-298.4
Total core Tier I capital	10,732.6	9,933.4	10,757.1
Tier I capital contributions	-	-	-
Total Tier I capital	10,732.6	9,933.4	10,757.1
Total Tier II capital	-	-	-
Total capital	10,732.6	9,933.4	10,757.1

¹) For a more detailed description of the constituent instruments, see page 9.

Capital requirement, Pillar I	30 Jun 2024			30 Jun 2023			31 Dec 2023		
	Risk exposure	Capital requirement, %	Capital requirement, SEK	Risk exposure	Capital requirement, %	Capital requirement, SEK	Risk exposure	Capital requirement, %	Capital requirement, SEK
Capital requirement for credit risks (the standardised method)	221.7	8%	17.7	244.8	8%	19.6	177.3	8%	14.2
<i>of which, institutional exposures</i>	120.1	8%	9.6	137.3	8%	11.0	80.3	8%	6.4
<i>of which, corporate exposures</i>	101.6	8%	8.1	107.5	8%	8.6	97.0	8%	7.8
Operational risks, basic indicator method	1,394.5	8%	111.6	1,032.9	8%	82.6	1,394.5	8%	111.6
Credit valuation adjustment	1,173.7	8%	93.9	783.7	8%	62.7	1,459.1	8%	116.7
Total risk exposure amount and minimum capital amount	2,789.9	8.0%	223.2	2,061.4	8.0%	164.9	3,030.9	8.0%	242.5

Capital adequacy ratios	30 Jun 2024	30 Jun 2023	31 Dec 2023
Core Tier I capital ratio	384.7%	481.9%	354.9%
Tier I capital ratio	384.7%	481.9%	354.9%
Total capital ratio	384.7%	481.9%	354.9%

Specific capital base requirements for risks other than insufficient leverage ratio ¹	30 Jun 2024 ¹	30 Jun 2023 ¹	31 Dec 2023
Additional capital base requirements, Common Equity Tier I capital	42.1%	42.1%	42.1%
Additional capital base requirements, Tier I capital	14.0%	14.0%	14.0%
Additional capital base requirements, Tier II capital	18.7%	18.7%	18.7%
Total specific capital base requirements for risks other than insufficient leverage ratio	74.8%	74.8%	74.8%

¹) In accordance with Finansinspektionen's decision of 24 September 2021, in connection with the review and assessment process and addressing specific capital base requirements, liquidity requirements and Pillar II guidance.

FINANCIAL STATEMENTS

Note 10, continued

Combined buffer requirement	30 Jun 2024		30 Jun 2023		31 Dec 2023	
Capital conservation buffer	2.5%	69.7	2.5%	51.5	2.5%	75.8
Countercyclical buffer	2.0%	55.7	2.0%	41.2	2.0%	60.6
Systemic risk buffer	-	-	-	-	-	-
Total buffer requirements	4.5%	125.5	4.5%	92.8	4.5%	136.4
Core Tier I capital available for use as buffer	301.9%	8,422.8	399.1%	8,226.8	272.1%	8,247.8
Total risk-based capital base requirement	30 Jun 2024¹		30 Jun 2023¹		31 Dec 2023	
Capital base requirement in accordance with Pillar II	8.0%	223.2	8.0%	164.9	8.0%	242.5
Capital base requirement, Pillar II requirement	74.8%	2,086.6	74.8%	1,541.7	74.8%	2,266.9
Combined buffer requirement	4.5%	125.5	4.5%	92.8	4.5%	136.4
Pillar II guidance	-	-	-	-	-	-
Total risk-based capital base requirement	87.3%	2,435.3	87.3%	1,799.4	87.3%	2,645.8

¹ In accordance with Finansinspektionen's decision of 24 September 2021, in connection with the review and assessment process and addressing specific capital base requirements, liquidity requirements and Pillar II guidance.

For other information to be provided in accordance with section 8 of the CRR and Finansinspektionen's regulations and general advice on annual accounts in credit institutions and securities

companies, FFFS 2008:25, see the Capital Adequacy and Risk Management Report on Kommuninvest's website.

LEVERAGE RATIO

Leverage ratio	30 Jun 2024	30 Jun 2023	31 Dec 2023
Total assets	637,994.5	609,873.9	568,911.1
Less asset amounts deducted to determine the core Tier I capital	-322.9	-235.3	-251.6
Adjustment for derivative instruments	-3,855.5	-17,110.7	-6,522.3
Deduction in the form of exposure to members and their companies	-528,589.5	-484,411.4	-508,802.2
Plus possible change in risk in connection with repo transactions	-	-	0.5
Total exposure	105,226.6	108,116.5	53,335.5
Tier I capital, calculated applying transitional rules, see the section Capital adequacy	10,732.6	9,933.4	10,757.1
Leverage ratio	10.20%	9.19%	20.17%

Leverage ratio, capital base requirements	30 Jun 2024¹		30 Jun 2023¹		31 Dec 2023¹	
Capital base requirement, Pillar I	3.0%	3,156.8	3.0%	3,243.5	3.0%	1,600.1
Capital base requirement, Pillar II requirement	-	-	-	-	-	-
Pillar II guidance	-	-	-	-	-	-
Total leverage ratio, capital base requirements	3.0%	3,156.8	3.0%	3,243.5	3.0%	1,600.10

¹ In accordance with Finansinspektionen's decision of 24 September 2021, in connection with the review and assessment process and addressing specific capital base requirements, liquidity requirements and Pillar II guidance.

INTERNALLY ESTIMATED CAPITAL REQUIREMENTS

The difference between the Company's internal assessment and Finansinspektionen's capital base requirements and Pillar II guidance, mainly comprises the capital requirement for insufficient leverage ratio. In the Company's assessment, the capital requirement for the risk of insufficient leverage ratio

is equivalent to the difference between a leverage ratio of 0.7 percent and other risk-adjusted capital requirements, including the buffers in Pillars I and II. In Finansinspektionen's assessment, the Pillar II guidance on leverage ratio should be met at the Group level and not at the individual Company level.

Internally estimated capital requirements	30 Jun 2024	30 Jun 2023	31 Dec 2023
Capital requirement, Pillar II			
Credit risk	271	224	30.0
Market risks	1,934.3	2,123.3	1,554.0
Capital buffer, Pillar II	286.6	767.3	280.6
Total internally assessed capital requirement (Pillar II), excluding the risk of insufficient leverage ratio	2,248.0	2,913.0	1,864.6
Internally assessed capital requirement for the risk of insufficient leverage ratio	1,848.8	979.7	1,695.5
Total internally assessed capital requirement (Pillar II)	4,096.8	3,892.7	3,560.1

Kommuninvest's internal capital assessment forms the basis for the internally estimated capital requirement. For more

information on the Company's internal capital assessment and capital plan, see pages 9–11.

FINANCIAL STATEMENTS

Note 10, continued

LIQUIDITY

Liquidity Coverage Ratio (LCR)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Total high-quality liquid assets (HQLA) (weighted value)	76,573.5	80,142.2	76,881.2
Cash outflows – total weighted values	37,929.1	38,056.7	38,959.2
Cash inflows – total weighted values	12,746.6	10,342.0	12,404.4
Net cash outflows (adjusted value)	25,182.6	27,714.7	26,554.9
Liquidity coverage ratio, %	322.8	302.7	302.8

Net Stable Funding Ratio (NSFR)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Total available stable financing	459,189.7	428,843.9	419,521.3
Total need for stable financing	323,239.4	301,806.6	292,669.3
NSFR, %	142.1	142.1	143.3

NOTE 11 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are disclosed in Note 25 of the 2023 Annual Report for Kommuninvest i Sverige AB. No significant changes have taken place in relationships or transactions with related parties compared with those described in the 2023 Annual Report.

NOTE 13 EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred following the end of the reporting period.

NOTE 12 CONSOLIDATED ACCOUNTS

Since 1 January 2012, Kommuninvest i Sverige AB owns Kommuninvest Fastighets AB, which means that Kommuninvest i Sverige AB is now a group with Kommuninvest i Sverige AB as the parent company and Kommuninvest Fastighets AB as its subsidiary. The operations of Kommuninvest Fastighets AB consist entirely of owning and managing the building in which Kommuninvest i Sverige AB conducts its operations. In accordance with Section 7:6a of ÅRKL, Kommuninvest i Sverige AB will not prepare consolidated accounts since its subsidiary is of limited significance in presenting a fair portrayal of position and net profit. For the first six months of the year, Kommuninvest Fastighets AB has a balance sheet total of SEK 45.6 (48.3) million, equity of SEK 43.3 (42.1) million and profit of SEK 1.3 (0.0) million.

Alternative performance measurements

In this interim report, Kommuninvest i Sverige AB has chosen to present a number of alternative performance measurements that are not defined or specified in the applicable rules on financial

reporting. These alternative performance measurements have been defined in accordance with the guidelines of the European Securities and Markets Authority (ESMA).

Alternative performance measurements	Definition	Reconciliation	Jan–Jun 2024	Jan–Jun 2023	Jan–Dec 2023
Operating income	Operating profit reduced with the result of unrealised changes in market value that are included in the income statement item Net profit from financial transactions and expected credit losses. The key ratio is of interest in showing Kommuninvest's underlying earning capacity.	Operating profit	240.3	195.7	449.2
		Result of unrealised changes in market value	-42.8	9.6	-59.3
		Net credit losses	-0.9	-2.4	-2.8
		Risk tax	167.3	162.9	325.9
		Operating income	363.9	365.8	713.0
Alternative performance measurements	Definition	Reconciliation	Jan–Jun 2024	Jan–Jun 2023	Jan–Dec 2023
Leverage ratio including lending to members and their companies	Kommuninvest's Tier I capital divided by the gross exposure amount less exposures in the form of Kommuninvest's lending to members and their companies. The key ratio is relevant in showing that Kommuninvest meets, by a good margin, Finansinspektionen's leverage ratio requirement and Pillar II guidance, which for the Group amounts to 1 percent.	Total exposure according to current regulations	105,226.6	108,116.5	53,335.4
		Exposure in the form of lending to members and their companies	528,589.5	484,411.4	509,117.1
		Total exposure	633,816.1	592,527.9	562,452.5
		Tier I capital, calculated applying transitional rules	10,732.6	9,933.4	10,757.1
		Leverage ratio including lending to members and their companies	1.69%	1.68%	1.91%

Signatures of the Board of Directors

The Board of Directors hereby declares that this interim report provides a true and fair overview of the operations, position and results of the Company as well as describing significant risks and uncertainty factors facing the Company.

ÖREBRO 2024-08-20

ERIK LANGBY
Chairman

RICKARD SIMONSSON
Board Member

KRISTINA SUNDIN JONSSON
Board Member

CATRINA INGELSTAM
Board Member

MATS FILIPSSON
Board Member

ANETTE HENRIKSSON
Board Member

LARS HEIKENSTEN
Board Member

MATTIAS BOKENBLOM
Employee representative

KRISTIN EKBLAD
Employee representative

KATARINA LJUNGQVIST
President

Auditor's review report

TO THE BOARD OF DIRECTORS OF KOMMUNINVEST I SVERIGE AB (PUBL), COMPANY REG. NO. 556281-4409

INTRODUCTION

We have reviewed the interim report for Kommuninvest i Sverige AB as of June 30, 2024 and for the six-month period ending as at this date, which can be found on page 5–27 in this document, containing balance sheet and income statement, statement of comprehensive income, statement of changes in equity, statement of cash flow, notes and other information in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The Board of Directors, the President and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and

applying analytical and other review procedures. A review differs from and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

STOCKHOLM 2024-08-20

Ernst & Young AB

MONA ALFREDSSON

Authorised Public Accountant



On the Kommuninvest website, www.kommuninvest.se/en, you can read more about Kommuninvest, our services and news affecting the economy and finances of municipalities and regions in Sweden.