KOMMUNINVEST

Interim report

2025

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.

281+15

KOMMUNINVEST IS OWNED BY 281 MUNICIPALITIES AND 15 REGIONS

Organisation with clear division of roles

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

Kommuninvest Cooperative Society
Deals with 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 financial operations involving borrowing, liquidity management and lending.

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

AAA/Aaa

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

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 130.5 billion.

Social Sustainability Loans

Social Sustainability Loans to finance socially sustainable investments were introduced in 2021. Since the launch, the volume of Social Sustainability Loans has grown to SEK 14.2 billion.

Our vision

We are the secure and natural financier for all Swedish municipalities and regions, offering the market's most competitive and sustainable financing solutions.

Business concept

Kommuninvest is a member organisation for Swedish municipalities and regions. Through our credit market company, we offer competitive and sustainable financing solutions as well as knowledge, support and advice on financing and investment issues. Together, we contribute to the development of Swedish welfare and a long-term sustainable society.

Since 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 local and regional levels.

549.3

ON 30 JUNE 2025, LENDING TO CUSTOMERS AMOUNTED TO SEK 549.3 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 2025. Comparison figures relating to the income statement refer to the preceding year (1 January–30 June 2024), unless otherwise stated. Comparative figures relating to the balance sheet and to risk and capital-related data refer to 31 December 2024 unless otherwise indicated.

Comment from the CEO

The economic situation in the first half of the year was characterised by uncertainty both globally and locally in Sweden. Russia's war of aggression against Ukraine has continued. The US administration's trade, foreign and security policies have changed the playing field in many areas, and we have to deal with rapid shifts and reversals that in turn affect the markets. This has also had consequences for the pace of investment in the Swedish economy, with an impact on Swedish municipalities and regions.

SLUGGISH INVESTMENT RATE

We have seen a slight increase in municipal borrowing so far this year, and total new borrowing in the municipal sector was significantly lower in the first half of the year than in the same period last year. Some municipalities and regions have begun to take a more cautious approach to new investments, and we are seeing increased caution in the planning and implementation of new investments.

There is a fundamental need for maintenance and renovation in real estate, water and sewage, infrastructure and emergency preparedness. At the same time, we are seeing significantly lower population growth in the country, which is reducing investment needs, particularly in preschools, schools and new housing construction.

As of 30 June 2025, Kommuninvest's lending amounted to SEK 549.3 (545.2) billion. This was equivalent to an increase of 0.8 (3.7) percent in the first half of the year. This reflected weaker lending growth than in previous years and was slightly weaker than forecast. Weaker growth in the lending trend is deemed to be linked both to decreased demand for financing but also to the effect of increased competition in lending to local government authorities. Starting in late autumn 2024, commercial banks and savings banks have been more active in their lending to municipalities.

> "I am proud that during the period we issued our first social bond. With a volume of SEK 3 billion, this was the largest social bond issued to date in Sweden by a Swedish issuer."

Kommuninvest's operating profit, its profit before tax, amounted to SEK 58.4 (240.3) million. The risk tax introduced on 1 January 2022 and encompassing certain credit institutions, including Kommuninvest, burdened operating income by SEK 180.4 (167.3) million. Operating income, defined as operating profit excluding changes in market value, expected credit losses and risk tax amounted to SEK 328.3 (363.9) million. Despite the first six months of the year having been pervaded by increasing external uncertainty, we are delivering stable results with income and expenses developing as planned. This demonstrates the strength of our business model.

HIGHEST CREDIT RATING AND WELL-FUNCTIONING LIQUIDITY STRATEGY

Kommuninvest's liquidity strategy worked well during the period. Access to liquidity has been favourable, enabling the financing of customers' needs on favourable terms. Total outstanding borrowing at the end of the period amounted to SEK 632.9 billion in nominal terms, compared with SEK 589.4 billion at the beginning of the year.

KATARINA LJUNGQVIST, PRESIDENT AND CEO

Kommuninvest holds the highest credit ratings – AAA from S&P Global Ratings and Aaa from Moody's. In the spring of 2025 and the autumn of 2024 respectively, the rating agencies confirmed Kommuninvest's rating with a stable outlook.
The rating agencies highlight Kommuninvest's strong owners, the high quality of the loan portfolio, experienced management, the capital accumulation strategy and the joint and several guarantee commitment from the Association's members as important strengths.

SUSTAINABILITY WORK GOING FORWARD

I am proud that during the period we issued our first social bond to finance the Social Sustainability Loan portfolio that has been built up since 2021. With a volume of SEK 3 billion, this was the largest social bond issued to date in Sweden by a Swedish issuer. Eighteen institutional investors of very high quality participated in the oversubscribed transaction. The Social Sustainability Loan portfolio comprises municipal investment projects that, either on their own or in combination with a social initiative, aim to promote a socially sustainable society.

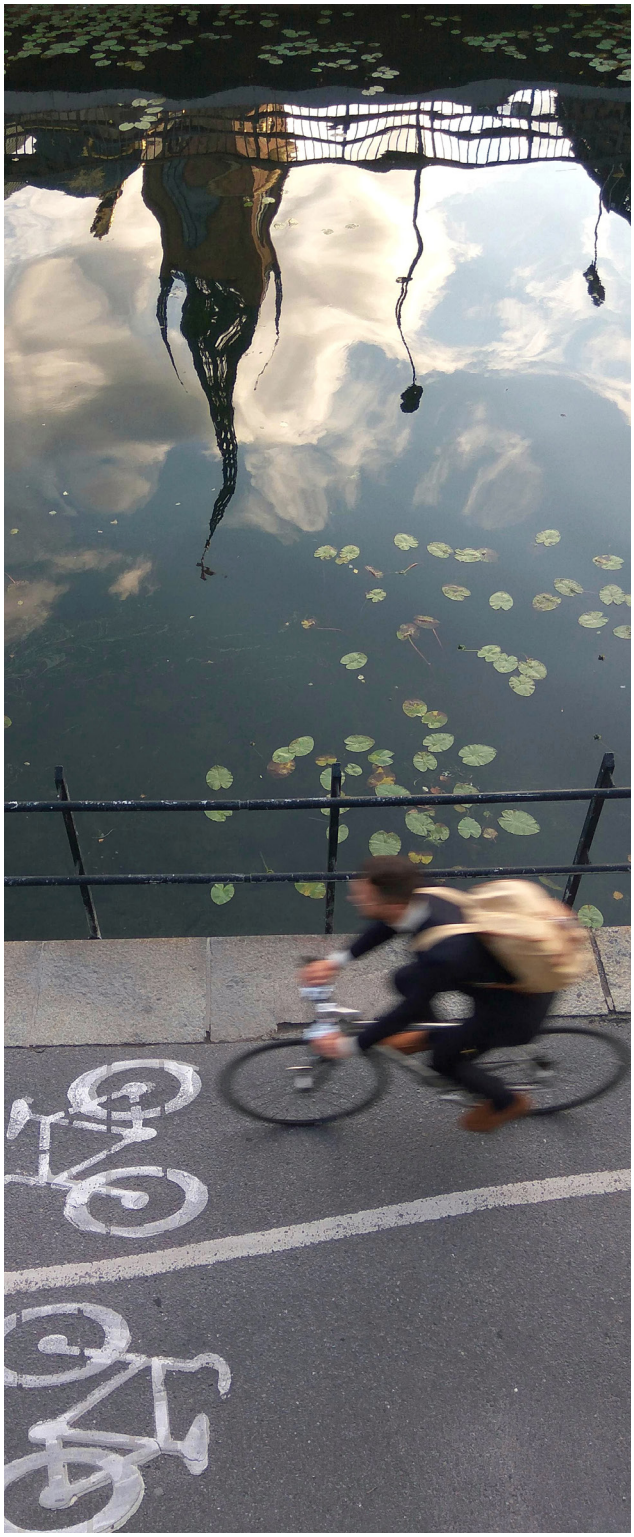
Our Green Loan portfolio also developed well during the period. The proportion of Green Loans in relation to total lending, based on disbursed volumes, amounted to 16.9 (16.8) percent.
As per 30 June 2025, the green portfolio encompassed 724 approved green projects, corresponding to SEK 130.5 billion to 204 municipalities and regions. This can be compared with the end of 2024, when the portfolio amounted to SEK 126.5 billion regarding 710 investment projects among 199 municipalities and regions.

During the period, we initiated an analysis of how changes in EU regulations in the area of sustainability will affect our work in this regard. In February, the European Commission published an Omnibus Package for sustainability reporting within the EU. This proposal has created some uncertainty regarding the ambition for sustainability reporting going forward and affects both companies and all credit market companies in the EU. Based on the changed conditions, Kommuninvest has initiated work during the period to create a way forward based on the new conditions linked to the management of ESG risks, double materiality analysis and the transition plan for limiting climate change.

Katarina Ljungqvist
President and CEO

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. Kommuninvest's fundamental assignment for financial sustainability forms part of the sustainability work as a whole.



DURING THE PERIOD, KOMMUNINVEST HAS, AMONG OTHER THINGS:

Issued its first social bond
During the period, Kommuninvest issued its first social bond to finance the Social Sustainability Loan portfolio that has been built up since 2021. With a volume of SEK 3 billion, this was the largest social bond issued to date in Sweden by a Swedish issuer. Eighteen institutional investors participated in the oversubscribed transaction, most of whom were Swedish institutions, while 22 percent of the issue volume was allocated to international institutions. The Social Sustainability Loan portfolio comprises municipal investment projects which, combined with a social initiative, seek to promote a socially sustainable society through the development of practices, innovation and/or improved quality. Loans may be granted for two types of investment: i) physical investments with an associated social impact, or ii) physical investments, in which the physical investment itself qualifies as a social initiative.

Begun implementing new, taxonomy-aligned terms for Green Loans
Starting in January, the first applications for Green Loans, in accordance with the updated terms published in 2024, began to be processed by Kommuninvest's Environmental Committee for Green Financing. 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 goal has been terms for Green Loans that foster the local government sector's realignment and that are practical for its actors. Experience from the first period with the new loan terms indicates continued growth for Green Loans, although lower than in previous years, and a generally favourable capacity among borrowers to comply with the new loan terms.

Initiated a review of ongoing amendments to the EU's regulatory framework for sustainable financing
In February, the European Commission published its Omnibus Package for sustainable finance. This proposal, and the subsequent decision to postpone the introduction of new legislation on sustainability reporting for certain companies, has caused uncertainty regarding the long-term legal situation around certain key EU and national legislations. This affects both companies and credit institutions operating in the EU. In light of these changed conditions, during the period, Kommuninvest initiated efforts to build a coherent strategy in this area. Among other things, this includes managing ESG risks, double materiality analysis and a transition plan for limiting climate change.

Lending and borrowing

The global economic outlook during the first six months of the year was characterised by considerable uncertainty. Russia's war of aggression against Ukraine has continued, and the new US administration's trade, foreign and security policies have created more uncertain economic conditions in large parts of the world.

From the autumn of 2023 to early 2025, the local government sector's borrowing requirements remained substantial. During the spring, the increase in borrowing decreased compared with previous years. There have been patterns of both some excess liquidity and increased caution in the planning and implementation of investments.

General demand for financing has slowed. The local government sector's total borrowing is expected to be lower in 2025 than in 2024. This would mean a return to more "normal" volumes. There have also been signs that municipalities and regions have begun to take a more cautious approach to investment. There is a fundamental need for maintenance and renovation in properties/housing, water and sewerage, and other infrastructure, where the underlying driving forces are strongly linked to green transition and preparedness. At the same time, we are seeing a clear slowdown in population growth in the country, which is affecting the pace of investment in areas such as preschools, schools and new housing construction.

KOMMUNIVEST'S LENDING

As of 30 June 2025, Kommuninvest's lending amounted to SEK 549.3 (545.2) billion. This was equivalent to an increase of 0.8 (3.7) percent in the first half of the year. This reflected weaker lending growth than in previous years. The weaker lending trend appears to be linked to lower demand for financing and to the effect of increased competition in lending to local government authorities.

Local government authorities with their own market programmes have continued to fund relatively large shares of their borrowing through these programmes and smaller shares through Kommuninvest. Starting in late autumn 2024, commercial and savings banks have been more active in the market for lending to municipalities.

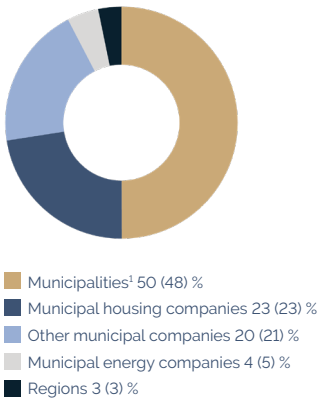
Of Kommuninvest's total lending in the first six months of the year, 50 (48) percent went to municipalities, 23 (26) percent to municipal housing companies and 24 (26) percent to other municipal companies. Lending to regions accounted for 3 (3) percent.

Of the lending for the period, 93 (85) percent comprised loans with capital tied up for more than one year and 7 (15) percent with capital tied up for one year or less. Loans with a capital maturity of one to three years accounted for 34 (28) percent of the total volume. At the end of the period, the average period for which capital was tied up in Kommuninvest's lending portfolio was 2.5 (2.4) years.

Within the framework of the green programme, development was relatively positive. In practice, the new green framework launched last year began to be applied in relation to customers in the spring, through new terms for Green Loans. As per 30 June 2025, the green portfolio encompassed 724 approved green projects,

LENDING PORTFOLIO BY BORROWER CATEGORY

30 June 2025 (31 Dec 2024)

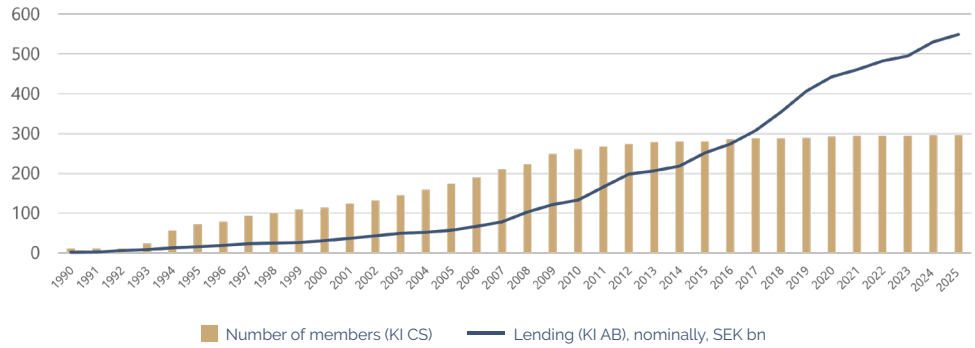


Kommuninvest's largest borrower groups are municipalities and municipal housing companies. As per 30 June 2025, they accounted for 73 (69) percent of the total lending.

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

NUMBER OF MEMBERS AND LENDING VOLUME

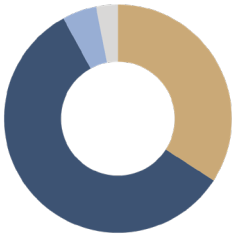
1990–2025 (30 June)



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 Kommuninvest.

NEW FUNDING BY PROGRAMME[1]

1 Jan–30 Jun 2025
(1 Jan–30 Jun 2024)



International benchmark funding 34 (29) %
Swedish Benchmark Programme 58 (50) %
Green Bonds 21 (5) %
Social Bonds 3 (-) %

[1] excl. commercial paper funding

NEW FUNDING BY CURRENCY[1]

1 Jan–30 Jun 2025
(1 Jan–30 Jun 2024)

SEK 66 (56) %
USD 34 (14) %
EUR 0 (30) %

[1] excl. commercial paper funding

corresponding to SEK 130.5 billion to 204 municipalities and regions. This can be compared with the end of 2024, when the portfolio amounted to SEK 126.5 billion regarding 710 investment projects among 199 municipalities and regions. Green Loans disbursed amounted to SEK 92.4 billion as of 30 June 2025, compared with SEK 91.6 billion at the end of the year. The proportion of Green Loans in relation to total lending, based on disbursed volumes, amounted to 16.9 (16.8) percent.

Progress in the social programme was highly favourable in the first six months of the year. New members with large project volumes were added as borrowers of Social sustainable Loans. The successful issue of a first social bond in March means that Kommuninvest now has a Social Sustainability Loan product that is also available for investment. As of 30 June 2025, the portfolio included 30 (27) approved projects, corresponding to SEK 14.2 (10.9) billion to 25 (20) municipalities. Loans disbursed amounted to SEK 6.3 (4.6) billion. The proportion of Social Sustainability Loans in relation to total lending amounted to 1.1 (0.8) percent.

The proportion of sustainable loans, including both Green Loans and Social Sustainability Loans, reached 18.0 (17.6) percent at the end of the first half of the year.

KOMMUNINVEST'S FUNDING

Kommuninvest finances its lending to municipalities and regions through funding on the Swedish and international capital markets. The borrowing strategy is based on a strong presence in strategically important markets for benchmark borrowing, a good match between assets and liabilities, and a highly accessible liquidity reserve. Kommuninvest's three priority borrowing currencies are SEK, USD and EUR.

Kommuninvest's liquidity strategy worked well during the period. Access to liquidity has been favourable, enabling the financing of both Kommuninvest's and its customers' needs on favourable terms. Total outstanding borrowing at the end of the period amounted to SEK 632.9 billion in nominal terms, compared with SEK 589.4 billion at the beginning of the year.

During the period, non-current debt instruments (maturities of more than a year) were issued in an amount corresponding to SEK 97.5 (76.6) billion. Non-current borrowing through certificates (maturities of less than a year) amounted to SEK 70.4 (69.5) billion. Previously issued debt with a nominal value of SEK 11.1 (1.6) billion was repurchased, while debt with a value of SEK 90.4 (81.7) billion matured.

The Swedish bond programme is the largest borrowing programme in terms of outstanding volume. Within the programme, issues are made on an ongoing basis through auctions. In April, a new bond was issued under the programme. Floating rate issues (FRNs) were also carried out during the period.

Internationally, three benchmark funding programmes were carried out in USD. Green funding was conducted in SEK. In March, Kommuninvest also launched its first social bond in SEK. Funds from sustainable bonds, which include both green and social bonds, are used to finance environmental and climate-related investment projects and socially sustainable investment projects among Kommuninvest's members.

MULTI-YEAR SUMMARY KOMMUNINVEST I SVERIGE AB

	30 Jun 2025	30 Jun 2024	31 Dec 2024	31 Dec 2023	31 Dec 2022
Total assets, SEK, million	668,005.4	637,994.5	613,315.0	568,911.1	553,256.5
Lending (recognised value), SEK, million	549,255.1	530,717.5	545,151.4	511,851.3	482,459.1
Net profit for the period, SEK, million	45.6	189.8	505.1	355.2	-42.1
Members, total	296	295	296	295	294
of which, municipalities	*281*	*280*	*281*	*280*	*280*
of which county councils/regions	*15*	*15*	*15*	*15*	*14*
Core Tier I capital ratio[2], %	344.5	384.7	337.9	354.9	454.1
Tier I capital ratio[3], %	344.5	384.7	337.9	354.9	454.1
Total capital ratio[4], %	344.5	384.7	337.9	354.9	454.1
Leverage ratio, %	11.4	10.2	18.0	20.2	14.2
Number of employees	124	113	128	109	105

2) Core Tier I capital in relation to total risk exposure. See also Note 10.
3) Tier I capital in relation to total risk exposure. See also Note 10.
4) Total capital base in relation to total risk exposure. See also Note 10.

LIQUIDITY MANAGEMENT

To ensure continued lending capacity and to be able to meet customer financing needs even during periods of stress in the financial markets, Kommuninvest maintains a liquidity reserve. At the end of the period, the reserve amounted to SEK 97.0 (57.2) billion.

The liquidity reserve is governed by investment rules and a low risk appetite. According to internal instructions, the reserve shall ensure that commitments can be met without jeopardising lending capacity. The size of the reserve is adjusted on an ongoing basis based on factors such as upcoming borrowing maturities and external factors, such as preparedness for collateralisation in the event of changes in the value of derivative contracts. The reserve is managed based on principles of high creditworthiness and favourable marketability. Investments are made with short maturities to ensure high liquidity, with the average maturity not exceeding 12 months. Individual investments may have a maximum maturity of 39 months.

During the period, the reserve was mainly invested in central bank certificates, in accounts with the Riksbank (Swedish central bank) and through repo transactions. Direct investments have primarily been made in securities issued by governments, central banks, subsidised lenders[1] and multilateral development banks.

RATING

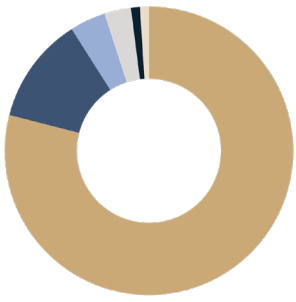
Kommuninvest holds the highest credit ratings – AAA from S&P Global Ratings and Aaa from Moody's. In the spring of 2025 and the autumn of 2024 respectively, the rating agencies confirmed Kommuninvest's rating with a stable outlook. The rating agencies highlight the joint and several guarantee from the Association's members, Kommuninvest's strong owners, the high quality of the loan portfolio, experienced management and the capital accumulation strategy as strengths in the model providing the highest possible rating from both agencies.

Kommuninvest also receives so-called ESG ratings from a number of players, including ISS ESG, 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 Kommuninvest's neighbour organisations in the other Nordic countries.

LIQUIDITY RESERVE BY COUNTRY

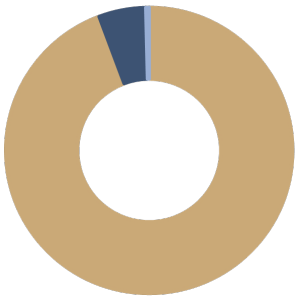
30 June 2025 (31 Dec 2024)



- Sweden 79 (65) %
- Supranationals 12 (15) %
- Germany 4 (12) %
- Finland 3 (2) %
- Denmark 1 (2) %
- Belgium 1 (3) %
- UK 0 (1) %

LIQUIDITY RESERVE BY RATING CATEGORY

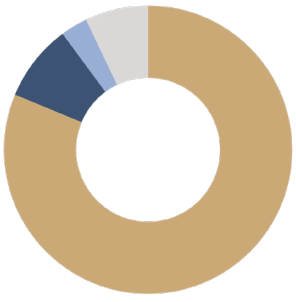
30 June 2025 (31 Dec 2024)



- AAA 94 (90) %
- AA 5 (9) %
- A 1 (1) %

LIQUIDITY RESERVE BY ISSUER CATEGORY

30 June 2025 (31 Dec 2024)



- National governments or central banks 81 (71) %
- Multilateral development banks 9 (9) %
- International organisations 3 (6) %
- Credit institutions (subsidised lenders) 7 (13) %
- Credit institutions (bank balances) 0 (1) %

Financial accounts

NET PROFIT

The figures in parentheses refer to the corresponding period in 2024.

Kommuninvest's operating profit, its profit before tax, amounted to SEK 58.4 (240.3) million. The risk tax introduced on 1 January 2022 and that encompasses certain credit institutions, including Kommuninvest, burdened operating income by SEK 180.4 (167.3) million.

Operating income, defined as operating profit/loss excluding unrealised changes in market value, expected credit losses and risk tax amounted to SEK 328.3 (363.9) million.

Net interest income

Net interest income amounted to SEK 525.8 (518.1) million. Net interest income is on a par with the preceding year, despite lower interest rates during the first six months of 2025. Higher earnings from lending and effective liquidity management have compensated for the lower return on lending relative to the capital base. For further information regarding net interest income for the period, see Note 2.

Net result of financial transactions

Net income from financial transactions was negative in the amount of SEK 91.0 (pos 45.5) million, of which unrealised changes in market value were negative in the amount of SEK 89.2 (42.8) million. The negative change is mainly driven by the strengthening of the SEK and lower fixed incomes denominated in SEK, but is offset by a reduction in the difference in value between Kommuninvest's assets and liabilities recognised at fair value. 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 6.0 (7.0) million. Income from the KI Finans contract service increased to SEK 6.1 (5.7) million, which is a positive development compared with the preceding year. However, the total item for other operating income was negatively affected by an adjustment of previously reported interest income from the Swedish Tax Agency. For further information, see Note 3.

Operating expenses

Expenses amounted to SEK 187.7 (145.8) million, of which personnel expenses accounted for SEK 91.3 (74.6) million and other expenses totalled SEK 96.4 (71.2) million. The increased costs are due to the increased resource requirements for development efforts to modernise Kommuninvest's systems platform.

Credit losses

Credit losses amounted to SEK 0.3 (0.9) million. Kommuninvest 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 180.4 (167.3) million and the resolution fee, which is set by the Swedish National Debt Office, amounted to SEK 8.0 (11.8) million. The risk tax is charged at 6 basis points, calculated on Kommuninvest's liabilities.

ASSETS

The figures in parentheses refer to the outcome as of 31 December 2024.

Kommuninvest's assets amounted to SEK 668,005.4 (613,315.0) million, an increase of SEK 54,690.4 million or 9 percent 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 39,854.5 million.

Kommuninvest's largest asset, Lending to municipalities and regions, increased by SEK 7,141.3 million to SEK 551,569.6 (544,428.3) million. In nominal terms, lending increased to SEK 549,255.1 (545,151.4) million, corresponding to a growth rate of 0.8 (3.7) percent for the first six months of the year.

Other items on the asset side increased to SEK 17,686.2 (9,991.6) million, which is explained by an increase in margin collateral posted to derivative counterparties, see also Note 8.

LIABILITIES

The figures in parentheses refer to the outcome as of 31 December 2024.

Kommuninvest's liabilities amounted to SEK 656,043.1 (601,398.3) million. The largest item by far, Kommuninvest's borrowing through issued securities, increased by 8.0 percent or the equivalent of SEK 47,364.1 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, increased to SEK 20,203.3 (12,922.6) million, due primarily to a lower level of outstanding derivatives, derivative contracts with a negative market value, which increased to SEK 15,693.6 (307.0) million. For further information, see Notes 6–7.

EQUITY

The figures in parentheses refer to the outcome as of 31 December 2024.

At the end of the period, equity in Kommuninvest amounted to SEK 11,962.3 (11,916.7) million, with the change comprising net profit for the period. Share capital amounted to SEK 10,900.0 (10,900.0) million, divided between 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 figures in parentheses refer to the outcome as of 31 December 2024.

Kommuninvest 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 Kommuninvest'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 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.

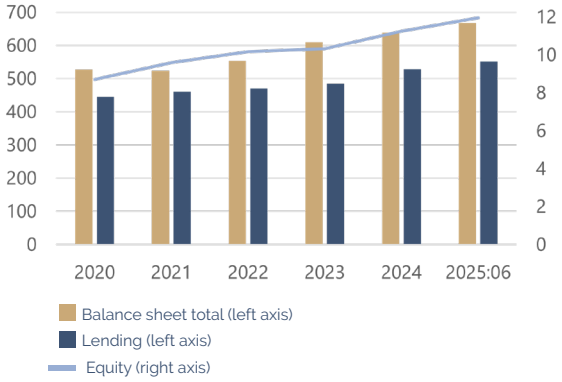
Separate requirements and guidelines are stated regarding risk-based capital requirements and leverage ratio capital requirements. Risk-based capital requirements and guidelines are stated as a percentage of risk-weighted assets, capital requirements and leverage ratio guidance figures, are stated as 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.

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

Kommuninvest 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. Core Tier 1 capital amounted to SEK 11,668.8 (11,625.9) million, entailing a core Tier I capital ratio of 344.5 (337.9) percent. Kommuninvest's capital base consists solely of core Tier I capital and the total capital ratio also therefore amounts to 344.5 (337.9) percent. See also Note 10.

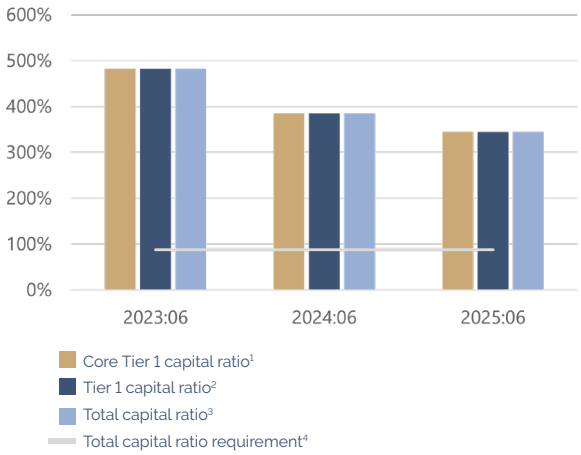
KOMMUNINVEST'S BALANCE SHEET

2020–2025 (30 June)
SEK bn



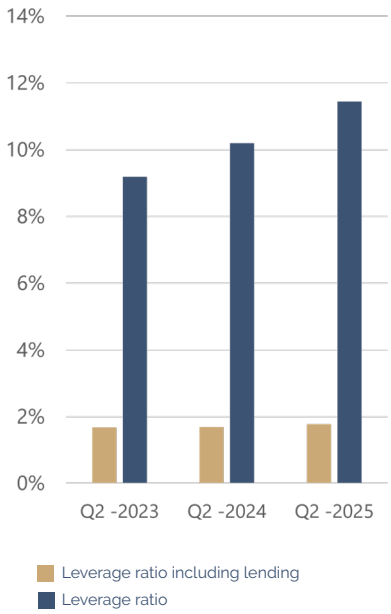
CAPITAL ADEQUACY

2023–2025 (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.

LEVERAGE RATIO
2023–2025 (30 June)



LEVERAGE RATIO

The figures in parentheses refer to the outcome as of 31 December 2024.

Effective 28 June 2021, the new capital requirement measure, leverage ratio, is 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 Kommuninvest does not need to hold capital to cover the risk of an insufficient leverage ratio under Pillar II.

Kommuninvest's leverage ratio amounts to 11.4 (18.0) 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, Kommuninvest raises funds in the finance market, which are then lent on to Kommuninvest's customers. The operations expose Kommuninvest to risks. The Board of Directors has formulated Kommuninvest's risk strategy in Kommuninvest's risk policy. This sets out, for example, that Kommuninvest'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 jeopardise Kommuninvest's financial position. Kommuninvest'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 early warning signals are used to limit and monitor Kommuninvest's risk taking. CEO limits and early warning signals are formulated to support the pre-determined risk appetites in each risk category. The overarching risk categories in Kommuninvest's risk universe are Net profit and capital, Liquidity and funding, Credit and market and Operational risks.

Sustainability risks are managed by taking into account factors relating to the environment, social responsibility and corporate governance (ESG factors) throughout the operations. ESG risks are realised through the traditional financial risk categories.

NET PROFIT AND CAPITAL

Kommuninvest 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. Kommuninvest'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 Kommuninvest's long-term development.

LIQUIDITY AND FUNDING

Liquidity management is designed to ensure that Kommuninvest 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 and geographic markets. Through access to diversified funding and good matching of maturities between assets and liabilities, Kommuninvest also limits structural liquidity risk.

Kommuninvest 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.

Liquidity risk is further limited by Kommuninvest being a full member of the Riksbank's (Swedish central bank) RIX payment system, through which Kommuninvest can, among other things, raise loans against collateral. Kommuninvest has additional opportunities to manage liquidity risks by entering into repurchase agreements with counterparties, which have increased in scope over the past year.

CREDIT AND MARKET

Figures in parentheses refer to outcomes as of 31 December 2024.

Kommuninvest provides credit to the Swedish local government sector including municipal companies. Both funding and lending entail market risks, given the conditions of the operations. Kommuninvest shall measure and assess the risk of incurring a loss and/or negative impact on Kommuninvest's revenues as a consequence of interest and/or exchange rate fluctuations. In addition, Kommuninvest shall measure and assess the risk of a counterparty failing to meet their commitments. Kommuninvest 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, Kommuninvest's total credit risk exposure amounted to SEK 669,181.0 (613,713.2) million. Of this exposure, 82 (89) percent involved Swedish municipalities and regions in the form of lending, 15 (9) percent involved sovereigns and other issuers of securities in the form of investments and deposits, and 3 (2) pertained to exposures to derivatives counterparties. As of 30 June 2025, counterparty exposure to derivative counterparties amounted to SEK 2,502.6 (2,194.2) 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

Kommuninvest 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 Kommuninvest'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.

Income statement

SEK, million	Note	Jan–Jun 2025	Jan–Jun 2024	Jan–Dec 2024
Interest revenues calculated according to effective interest method		8,713.4	12,287.3	23,550.2
Other interest revenues		119.9	168.1	198.3
Interest expenses calculated according to effective interest method		-8,279.0	-11,779.6	-22,528.8
Other interest expenses		-28.5	-157.7	-197.3
NET INTEREST INCOME	**2**	**525.8**	**518.1**	**1,022.5**
Dividends received		-	-	2.1
Commission expenses		-6.0	-6.3	-13.9
Net result of financial transactions		-91.0	45.5	286.0
of which, de-recognised assets valued at amortised cost		-	-	-
Other operating income	3	6.0	7.0	16.2
TOTAL OPERATING INCOME		**434.8**	**564.3**	**1,312.9**
General administration expenses		-182.1	-141.5	-305.1
Depreciation and impairment of intangible assets		-3.1	-3.1	-6.1
Depreciation and impairment of tangible assets		-0.9	-0.8	-1.6
Other operating expenses		-1.6	–0.4	-3.5
TOTAL EXPENSES		**-187.7**	**-145.8**	**-316.3**
PROFIT BEFORE CREDIT LOSSES		**247.1**	**418.5**	**996.5**
Net credit losses	4	-0.3	0.9	0.1
Fees imposed: Risk tax and resolution fee	5	-188.4	-179.1	-358.2
OPERATING PROFIT		**58.4**	**240.3**	**638.4**
Tax		-12.8	-50.5	-133.3
NET PROFIT FOR THE PERIOD		**45.6**	**189.8**	**505.1**

Statement of comprehensive income

SEK, million	Jan–Jun 2025	Jan–Jun 2024	Jan–Dec 2024
NET PROFIT FOR THE PERIOD	**45.6**	**189.8**	**505.1**
Other comprehensive income			
Items that may subsequently be reclassified to the income statement			
Available-for-sale financial assets	-	-	-
Available-for-sale financial assets, transferred to the income statement	-	-	-
Tax attributable to items that may subsequently be reclassified to the income statement	-	-	-
OTHER COMPREHENSIVE INCOME	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME	**45.6**	**189.8**	**505.1**

Balance sheet

SEK, million	Note	30 Jun 2025	30 Jun 2024	31 Dec 2024
ASSETS				
Cash and balances with central banks		34,467.5	10,512.6	6,575.8
Sovereign bonds eligible as collateral	6	45,771.1	72,487.0	34,541.6
Lending to credit institutions	6	396.9	600.4	712.6
Lending	6	551,569.6	528,589.5	544,428.3
Bonds and other interest-bearing securities	6	18,114.1	15,750.3	17,065.1
Shares and participations in subsidiaries		42.0	42.0	42.0
Derivatives	6, 7	1,276.2	8,259.9	9,951.5
Change in value of interest-hedged item in portfolio hedging		830.8	-	-217.1
Intangible assets		3.2	9.2	6.1
Tangible assets		4.6	4.8	5.1
Current tax assets		151.1	-	-
Other assets	8	15,318.8	1,700.0	155.6
Prepaid expenses and accrued revenues		59.5	38.8	48.4
TOTAL ASSETS		**668,005.4**	**637,994.5**	**613,315.0**
LIABILITIES, PROVISIONS AND EQUITY				
Liabilities and provisions				
Liabilities to credit institutions	6	4,027.2	191.9	2,433.9
Securities issued	6	635,839.8	616,606.4	588,475.7
Derivatives	6, 7	15,693.6	2,563.2	307.0
Change in value of interest-hedged item in portfolio hedging		-	817.5	-
Other liabilities	9	427.7	6,507.5	10,102.0
Accrued expenses and prepaid revenues		54.8	62.7	79.7
Provisions		0.0	0.0	0.0
Total liabilities and provisions		**656,043.1**	**626,749.2**	**601,398.3**
Equity				
Restricted equity				
Share capital		10,900.0	10,175.0	10,900.0
Development expenditure reserve		3.1	9.2	6.1
Statutory reserve		17.5	17.5	17.5
Unrestricted equity				
Unrestricted share premium reserve		540.0	395.0	540.0
Profit or loss brought forward		456.1	458.8	-52.0
Net profit for the period		45.6	189.8	505.1
Total equity		**11,962.3**	**11,245.3**	**11,916.7**
TOTAL LIABILITIES, PROVISIONS AND EQUITY		**668,005.4**	**637,994.5**	**613,315.0**

Statement of changes in equity

	Restricted equity				Unrestricted equity			Total equity
SEK, million	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 2025	**10,900.0**	**-**	**6.1**	**17.5**	**540.0**	**-52.0**	**505.1**	**11,916.7**
Net profit for the period							45.6	45.6
Change in development expenditure reserve for the period			-3.0			3.0		-
Other comprehensive income								-
Total comprehensive income	***-***	***-***	***-3.0***	***-***	***-***	***3.0***	***45.6***	***45.6***
Transactions with shareholders								
Appropriation of surplus						505.1	-505.1	-
New share issue in progress								-
Total transactions with shareholders	***-***	***-***	***-***	***-***	***-***	***505.1***	***-505.1***	***-***
Equity carried forward 30 Jun 2025	**10,900.0**	**-**	**3.1**	**17.5**	**540.0**	**456.1**	**45.6**	**11,962.3**
Equity brought forward 1 Jan 2024	**10,175.0**	**-**	**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		-
Other comprehensive income								-
Total comprehensive income	**-**	**-**	**-3.1**	**-**	**-**	**3.1**	**189.8**	**189.8**
Transactions with shareholders								
Appropriation of surplus						355.2	-355.2	-
New share issue in progress								-
Total transactions with shareholders	***-***	***-***	***-***	***-***	***-***	***355.2***	***-355.2***	***-***
Equity carried forward 30 Jun 2024	**10,175.0**	**-**	**9.2**	**17.5**	**395.0**	**458.8**	**189.8**	**11,245.3**
Equity brought forward 1 Jan 2024	**10,175.0**	**-**	**12.3**	**17.5**	**395.0**	**100.5**	**355.2**	**11,055.5**
Net profit for the period							505.1	505.1
Change in development expenditure reserve for the period			-6.2			6.2		-
Other comprehensive income								-
Total comprehensive income	***-***	***-***	***-6.1***	***-***	***-***	***6.2***	***505.1***	***505.1***
Transactions with shareholders								
Appropriation of surplus						355.2	-355.2	-
New share issue in progress	725.0				145.0			870.0
Unrestricted share premium reserve								-
New share issue in progress								-
Group contributions						-647.2		-647.2
Tax effect on Group contribution						133.3		133.3
Total transactions with shareholders	***725.0***	***-***	***-***	***-***	***145.0***	***-158.7***	***-355.2***	***356.1***
Equity carried forward 31 Dec 2024	**10,900.0**	**-**	**6.1**	**17.5**	**540.0**	**-52.0**	**505.1**	**11,916.7**

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.

Cash flow statement

SEK, million	Jan–Jun 2025	Jan–Jun 2024	Jan–Dec 2024
Operational activities			
Operating profit	58.2	240.2	638.4
Adjustment for items not included in cash flow	95.3	-45.6	-276.5
Income tax paid	-12.8	-43.3	7.2
	140.7	**151.3**	**369.1**
Change in liquidity portfolio	-12,241.0	-46,896.8	-10,155.8
Change in lending	-3,926.0	-18,833.1	-33,166.8
Change in other assets	-15,174.4	3,958.9	5,493.7
Change in other liabilities	-9,216.9	389.5	3,228.8
Cash flow from operational activities	**-40,417.6**	**-61,230.2**	**-34,231.1**
Investment activities			
Acquisitions of intangible assets	-0.1	-	-
Acquisitions of tangible assets	–0.4	-1.1	-2.2
Cash flow from investment activities	**–0.5**	**-1.1**	**-2.2**
Financing activities			
Issue of interest-bearing securities	167,892.0	139,025.0	228,770.4
Redemption and repurchases of interest-bearing securities	-99,267.2	-71,432.3	-192,995.3
New share issue in progress	-	-	870.0
Change in intra-Group liabilities	-630.5	-373.0	-248.0
Cash flow from financing activities	**67,994.3**	**67,219.7**	**36,397.1**
Cash flow for the period	**27,576.2**	**5,988.4**	**2,163.8**
Cash and cash equivalents at start of the period[1]	**7,288.6**	**5,124.8**	**5,124.8**
Cash and cash equivalents at end of the period[1]	**34,864.8**	**11,113.2**	**7,288.6**

1) 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	3.9	7.8
Profit from divestments of tangible assets	-	-3.2	0.0
Exchange rate differences from change in financial assets	1.8	-2.8	-2.6
Unrealised changes in market value	89.2	-42.8	-281.6
Net credit losses	0.3	-0.9	-0.1
Total	**95.2**	**-45.8**	**-276.5**
Interest paid and received, included in the cash flow			
Interest received[2]	8,317.0	11,319.7	21,824.5
Interest paid[3]	-7,612.4	-9,734.4	-15,222.8

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

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

Notes

Comparison figures relating to the income statement refer to the preceding year (1 January–30 June 2024), unless otherwise stated. Comparative figures relating to the balance sheet and to risk and capital-related data refer to 31 December 2024 unless otherwise indicated. 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 2024 Annual Report. No new or amended laws, standards or interpretations have come into effect in 2025 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 2025	Jan–Jun 2024	Jan–Dec 2024
Interest revenues			
Interest revenues according to effective interest method	8,713.4	12,287.3	23,550.2
of which, lending	*7,573.9*	*10,731.9*	*20,435.1*
of which, interest-bearing securities	*1,139.5*	*1,555.4*	*3,115.2*
Other interest revenues	119.9	168.1	198.3
Total	**8,833.3**	**12,455.4**	**23,748.5**
Of which: interest revenues from financial items not measured at fair value through the income statement	*6,127.9*	*6,420.5*	*17,236.6*
Interest expenses			
Interest expenses according to effective interest method	-8,279.0	-11,779.5	-22,528.8
of which, liabilities to credit institutions	-	-	-
of which, securities issued	*-8,279.0*	*-11,779.5*	*-22,528.7*
of which lending, negative lending rate	-	*-0.1*	*-0.1*
Other interest expenses	-28.5	-157.1	-197.3
Total	**-8,307.5**	**-11,936.6**	**-22,726.0**
Of which: interest expenses from financial items not measured at fair value through the income statement	*-6,361.2*	*-4,167.1*	*-17,435.3*
Net interest income	**525.8**	**518.8**	**1,022.5**

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 Kommuninvest has its registered office, Sweden.

NOTE 3 OTHER OPERATING INCOME

	Jan–Jun 2025	Jan–Jun 2024	Jan–Dec 2024
Capital gain on divestments of tangible assets	-	-	-
Revenue from contracts with customers	6.1	5.7	11.8
Other operating income	-0.1	1.3	4.4
Total	**6.0**	**7.0**	**16.2**

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 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 its customers' financial development. The sector faces challenges related to demographic changes and increased costs, among other things. There is considerable variation between local government authorities, with approximately one third reporting negative results. Kommuninvest is keeping a close eye on the local government authorities where the challenges are greatest. It is deemed, however, that a weaker financial trend will not lead to any realised credit losses given the specific status of local government authorities in the Swedish constitution, entitling them, for example, to levy taxes.

Changes in gross recognised value

30 Jun 2025	Opening balance	Initiated during the period	Maturing during the period	Closing balance
Cash and balances with central banks	6,575.8	34,467.5	-6,575.8	34,467.5
Sovereign bonds eligible as collateral	34,541.6	883,082.1	-871,852.6	45,771.1
Lending to credit institutions	712.6	403,580.2	-403,895.9	396.9
Lending	544,428.3	96,585.0	-89,443.7	551,569.6
Bonds and other interest-bearing securities	17,065.1	7,744.3	-24,567.3	242.1
Off-balance sheet items	398.2	140,837.9	-140,055.9	1,180.2
Total	**603,721.6**	**1,566,297.0**	**-1,536,391.2**	**633,627.4**

31 Dec 2024	Opening balance	Initiated during the period	Maturing during the period	Closing balance
Cash and balances with central banks	4,722.7	17,088.3	-15,235.2	6,575.8
Sovereign bonds eligible as collateral	31,481.4	2,000,536.9	-1,997,476.7	34,541.6
Lending to credit institutions	401.9	269,922.6	-269,611.9	712.6
Lending	508,802.2	247,654.5	-212,028.4	544,428.3
Bonds and other interest-bearing securities	9,916.4	16,669.1	-9,520.4	17,065.1
Off-balance sheet items	629.8	171,946.1	-172,177.7	398.2
Total	**555,954.4**	**2,723,817.5**	**-2,676,050.3**	**603,721.6**

Note 4, continued.

Change in provisions for credit losses

30 Jun 2025	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	-	-	-0.2	-	-0.2
Sovereign bonds eligible as collateral	-0.3	-3.5	3.3	-0.3	-	-0.8
Lending to credit institutions	-0.2	-	-	0.1	-	-0.1
Lending	-3.5	–0.5	0.4	0.3	-	-3.3
Bonds and other interest-bearing securities	–0.5	-0.1	0.3	-0.1	-	–0.4
Provisions for off-balance sheet items	0.0	0.3	–0.5	0.2	-	0.0
Total	**-4.5**	**-3.8**	**3.5**	**0.0**	**-**	**-4.8**

31 Dec 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	0.0	0.0	-	-	0.0
Sovereign bonds eligible as collateral	-0.3	-11.5	11.6	-0.1	-	-0.3
Lending to credit institutions	-0.1	-	-	-0.1	-	-0.2
Lending	-3.8	-0.2	0.6	0.0	-	-3.4
Bonds and other interest-bearing securities	–0.4	–0.4	0.0	0.3	-	–0.5
Provisions for off-balance sheet items	0.0	0.2	-0.2	0.0	-	0.0
Total	**-4.6**	**-11.9**	**12.0**	**0.1**	**-**	**-4.4**

NOTE 5 FEES IMPOSED: RISK TAX AND RESOLUTION FEE

	30 Jun 2025	30 Jun 2024	31 Dec 2024
Risk tax	180.4	167.3	334.7
Resolution fee	8.0	11.8	23.5
Total	**188.4**	**179.1**	**358.2**

NOTE 6 FINANCIAL ASSETS AND LIABILITIES

Financial instruments broken down by valuation category

30 Jun 2025	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	34,467.5	-	-	-	-	34,467.5	34,467.5
Sovereign bonds eligible as collateral	38,534.1	-	-	7,237.0	-	45,771.1	45,769.6
Lending to credit institutions	396.9	-	-	-	-	396.9	396.9
Lending	370,109.8	-	-	181,459.8	-	551,569.6	550,893.1
Change in value of interest-hedged items in portfolio hedging	830.8	-	-	-	-	830.8	830.8
Bonds and other interest-bearing securities	13,905.0	-	-	4,209.1	-	18,114.1	18,118.8
Derivatives	-	-	1,218.2	-	58.0	1,276.2	1,276.2
Other financial assets	15,288.6	-	-	-	-	15,288.6	15,288.6
Total	**473,532.7**	**-**	**1,218.2**	**192,905.9**	**58.0**	**667,714.8**	**667,041.5**
Financial liabilities							
Liabilities to credit institutions[1]	4,027.2	-	-	-	-	4,027.2	4,027.0
Securities issued[1]	456,915.1	-	-	178,924.7	-	635,839.8	645,508.8
Derivatives	-	15,693.5	-	-	0.1	15,693.6	15,693.6
Other financial liabilities	230.4	-	-	-	-	230.4	230.4
Total	**461,172.7**	**15,693.5**	**-**	**178,924.7**	**0.1**	**655,791.0**	**655,459.8**

1) The nominal amount of funding, that is, the amount to be paid up by the maturity date, amounts to SEK 638,928.0 (631,219.5) million.

Note 6, continued

31 Dec 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	6,575.8	-	-	-	-	6,575.8	6,575.8
Sovereign bonds eligible as collateral	30,609.0	-	-	3,932.6	-	34,541.6	34,541.2
Lending to credit institutions	712.6	-	-	-	-	712.6	712.6
Lending	364,812.2	-	-	179,616.1	-	544,428.3	542,404.9
Change in value of interest-hedged items in portfolio hedging	-217.1	-	-	-	-	-217.1	-217.1
Bonds and other interest-bearing securities	12,530.8	-	-	4,534.3	-	17,065.1	17,065.7
Derivatives	-	-	9,835.9	-	115.6	9,951.5	9,951.5
Other financial assets	144.8	-	-	-	-	144.8	144.8
Total	**415,168.1**	**-**	**9,835.9**	**188,083.0**	**115.6**	**613,202.5**	**611,179.3**
Financial liabilities							
Liabilities to credit institutions[1]	2,433.9	-	-	-	-	2,433.9	2,433.7
Securities issued[1]	403,576.8	-	-	184,899.0	-	588,475.7	588,834.2
Derivatives	-	301.4	-	-	5.6	307.0	307.0
Other financial liabilities	10,081.7	-	-	-	-	10,081.7	10,081.7
Total	**416,092.4**	**301.4**	**-**	**184,899.0**	**5.6**	**601,298.3**	**601,656.6**

1) The nominal amount of funding, that is, the amount to be paid up by the maturity date, amounts to SEK 596,412.6 (558,580.8) million.

Calculation of fair value

General

Fair value calculations for financial instruments 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, the liquidity reserve, 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 our 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 our 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.

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 we have taken, 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 our 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 our derivative counterparties have through their exposure to us. 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 assets/cash collateral received, accounts receivable and payable, open items, as well as Group-internal receivables and debts.

Significant assumptions and uncertainty factors
We have applied the valuation techniques best deemed to reflect the value of our 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. We have only a minor exposure to swap and exchange rates and, since we hedge other market risks, it is changes in funding and lending margins, basis swap spreads and credit spreads, on holdings in the liquidity reserve that drive 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 298 (307) 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 318 (330) 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 +/-20 (+/-23) million. A 10 basis-point 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 2025 (comparative figures refer to 31 December 2024) and exclude tax effects. Impact on equity relates to the tax effect. All market value effects are unrealised, and as we intend to hold the 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 the 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 the volatility of 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 our borrowing margins for this type of borrowing change. The scope of the change depends on the anticipated 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 we ceased issuing structured funding products in 2021 and only a small number of contracts now remain.

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

The credit risk in lending is considered to be the same as our 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.

Note 6, continued

Changed valuation models
The valuation models have been unchanged since the 2024 Annual Report.

Approval of valuation models
The valuation models applied are approved by the CFO and reported to our ALCO (Asset and Liability Committee) and Board of Directors. The Finance and Accounting Department is responsible for the valuation process, including the valuation models.

The Risk 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 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Sovereign bonds eligible as collateral	786.8	6,450.2	-	7,237.0
Lending	-	181,459.8	-	181,459.8
Bonds and other interest-bearing securities	2,824.8	1,384.3	-	4,209.1
Derivatives	-	1,276.2	-	1,276.2
Total	**3,611.6**	**190,570.5**	**-**	**194,182.1**
Financial liabilities				
Securities issued	149,033.8	29,871.0	20.0	178,924.8
Derivatives	-	15,691.8	1.8	15,693.6
Total	**149,033.8**	**45,562.8**	**21.8**	**194,618.4**

31 Dec 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Sovereign bonds eligible as collateral	1,703.9	2,228.7	-	3,932.6
Lending	-	179,616.1	-	179,616.1
Bonds and other interest-bearing securities	3,624.9	909.3	-	4,534.3
Derivatives	-	9,951.0	0.5	9,951.5
Total	**5,328.9**	**192,705.1**	**0.5**	**198,034.5**
Financial liabilities				
Securities issued	147,257.7	37,619.7	21.6	184,899.0
Derivatives	-	304.5	2.4	307.0
Total	**147,257.7**	**37,924.2**	**24.0**	**185,205.9**

Transfer between levels of instruments recognised at fair value

	Recognised value 30 Jun 2025	Recognised value 31 Dec 2024
Assets		
To level 1 from level 2	-	-
To level 2 from level 1	-	-
Liabilities		
To level 1 from level 2	-	14,019.3
To level 2 from level 1	19,048.9	36,428.9

We continuously review the criteria for the division into levels of financial assets and liabilities measured at fair value. The movements are attributable variations in the indicators that we use 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 2025 and 31 December 2024 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.

Note 6, continued

	Derivative assets	Derivative liabilities	Securities issued	Total
Opening balance, 1 Jan 2025	**0.5**	**-2.4**	**-21.6**	**-23.5**
Recognised gains and losses:				
– recognised in the income statement (net result of financial transactions)	–0.5	0.8	-0.1	0.2
Loans raised/Issues	-	-	-	-
Matured during period	-	-	1.7	1.7
Closing balance, 30 Jun 2025	**-**	**-1.6**	**-20.0**	**-21.6**
Gains and losses recognised in the income statement (net result of financial transactions) for assets included in the closing balance as per 30 June 2025	-	-0.1	0.3	0.2

	Derivative assets	Derivative liabilities	Securities issued	Total
Opening balance, 1 Jan 2024	**0.4**	**-288.8**	**-1,208.2**	**-1,496.6**
Recognised gains and losses:				
– recognised in the income statement (net result of financial transactions)	0.1	286.4	-273.0	13.5
Loans raised/Issues	-	-	-	-
Matured during period	-	-	1,459.6	1,459.6
Closing balance, 31 Dec 2024	**0.5**	**-2.4**	**-21.6**	**-23.5**
Gains and losses recognised in the income statement (net result of financial transactions) for assets included in the closing balance as per 31 June 2024	1.5	0.1	-1.5	0.1

Because the instruments in level 3 are hedged on a transaction basis, and each funding combination behaves as a funding combination in level 2, the changes in value in level 3 are analysed in the same manner as in level 2.

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 settlement in the balance sheet, since the legal right to settlement only applies for a stated type of suspension of payments, insolvency or bankruptcy.

				Related amounts that are not netted in the balance sheet			
30 Jun 2025	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	11,486.2	-10,210.0	**1,276.2**	-1,207.3	-41.7	-	**27.2**
Repos	-	-	**-**	-	-	-	**-**
Liabilities							
Derivatives	-23,172.1	7,478.5	**-15,693.6**	1,207.3	-	14,436.3	**-50.0**
Repos	-4,027.2	-	**-4,027.2**	-	4,027.2	-	**-**
Total	**-15,713.1**	**-2,731.5**	**-18,444.6**	**-**	**3,985.5**	**14,436.3**	**-22.8**

				Related amounts that are not netted in the balance sheet			
31 Dec 2024	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	21,050.7	-11,099.2	**9,951.5**	-222.5	-54.4	-9,121.1	**553.5**
Repos	-	-	**-**	-	-	-	**-**
Liabilities							
Derivatives	-9,409.7	9,102.7	**-307.0**	222.5	-	80.1	**-4.4**
Repos	-2,433.9	-	**-2,433.9**	-	2,433.9	-	**-**
Total	**9,207.1**	**-1,996.5**	**7,210.6**	**-**	**2,379.5**	**-9,041.0**	**549.1**

1) The amount offset for derivatives includes cash collateral of SEK 2,731.5 million as per 30 June 2024 and SEK 1,996.5 million as per 31 December 2024.

NOTE 8 OTHER ASSETS

	30 Jun 2025	30 Jun 2024	31 Dec 2024
Receivables from subsidiaries	-	-	2.1
Marginal collateral pledged	15,200.9	1,674.4	133.2
Contract assets	6.1	5.7	-
Other assets	111.8	19.9	20.3
Total	**15,318.8**	**1,700.0**	**155.6**

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. Kommuninvest 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 2025	30 Jun 2024	31 Dec 2024
Tax liability	13.4	50.5	-
Liabilities to parent society	213.6	74.0	846.2
Marginal collateral received	5.6	6,323.5	9,204.7
Other liabilities	195.1	59.5	51.1
Total	**427.7**	**6,507.5**	**10,102.0**

The liability to the Parent Society involves member contributions, which are handled by Kommuninvest on the Society's behalf and have not yet been transferred to Kommuninvest 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. Kommuninvest 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.

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.

Capital base	30 Jun 2025	30 Jun 2024	31 Dec 2024
Capital Instruments[1]	10,900.0	10,175.0	10,900.0
Retained earnings	999.2	863.0	999.2
Accumulated other comprehensive income and other reserves	17.5	17.5	17.5
Core Tier I capital before regulatory adjustments	**11,916.7**	**11,055.5**	**11,916.7**
Further value adjustments	-244.7	-308.5	-284.7
Latent tax	-	-	-
Intangible assets	-3.2	-14.3	-6.1
Total regulatory adjustments to core Tier I capital	**-247.9**	**-322.9**	**-290.8**
Total core Tier I capital	**11,668.8**	**10,732.6**	**11,625.9**
Tier I capital contributions	-	-	-
Total Tier I capital	**11,668.8**	**10,732.6**	**11,625.9**
Total Tier II capital	**-**	**-**	**-**
Total capital	**11,668.8**	**10,732.6**	**11,625.9**

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

	30 Jun 2025			30 Jun 2024			31 Dec 2024		
Capital requirement, Pillar I	**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)	251.1	8%	20.1	221.7	8%	17.7	247.8	8%	19.8
of which, institutional exposures	*91.3*	*8%*	*7.3*	*120.1*	*8%*	*9.6*	*142.7*	*8%*	*11.4*
of which, corporate exposures	*42.0*	*8%*	*3.4*	*101.6*	*8%*	*8.1*	*105.1*	*8%*	*8.4*
of which, other exposures	*117.9*	*8%*	*9.4*	-	-	-	-	-	-
Operational risks, basic indicator method	1,489.6	8%	119.2	1,394.5	8%	111.6	1,759.3	8%	140.7
Credit valuation adjustment	1,646.1	8%	131.7	1,173.7	8%	93.9	1,433.6	8%	114.7
Total risk exposure amount and minimum capital amount	**3,386.9**		**271.0**	**2,789.9**	**8.0%**	**223.2**	**3,440.7**		**275.2**

Capital adequacy ratios	30 Jun 2025	30 Jun 2024	31 Dec 2024
Core Tier I capital ratio	344.5%	384.7%	337.9%
Tier I capital ratio	344.5%	384.7%	337.9%
Total capital ratio	344.5%	384.7%	337.9%

Specific capital base requirements for risks other than insufficient leverage ratio[1]	30 Jun 2025		30 Jun 2024		31 Dec 2024	
Additional capital base requirements, Common Equity Tier I capital	42.1%	1,424.9	42.1%	1,173.7	42.1%	1,447.5
Additional capital base requirements, Tier I capital	14.0%	476.5	14.0%	391.2	14.0%	482.5
Additional capital base requirements, Tier II capital	18.7%	633.3	18.7%	521.6	18.7%	643.3
Total specific capital base requirements for risks other than insufficient leverage ratio	**74.8%**	**2,534.7**	**74.8%**	**2,086.6**	**74.8%**	**2,573.3**

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.

Note 10, continued

Combined buffer requirement	30 Jun 2025		30 Jun 2024		31 Dec 2024	
Capital conservation buffer	2.5%	84.7	2.5%	69.7	2.5%	86.0
Countercyclical buffer	2.0%	67.7	2.0%	55.7	2.0%	68.8
Systemic risk buffer	-	-	-	-	-	-
Total buffer requirements	**4.5%**	**152.4**	**4.5%**	**125.4**	**4.5%**	**154.8**
Core Tier I capital available for use as buffer	**261.7%**	**8,864.8**	**301.9%**	**8,422.8**	**255.1%**	**8,777.3**

Total risk-based capital base requirement	30 Jun 2025		30 Jun 2024		31 Dec 2024	
Capital base requirement in accordance with Pillar II	8.0%	271.0	8.0%	223.2	8.0%	275.3
Capital base requirement, Pillar II requirement[1]	74.8%	2,533.1	74.8%	2,086.6	74.8%	2,573.3
Combined buffer requirement	4.5%	152.4	4.5%	125.5	4.5%	154.8
Pillar II guidance[1]	-	-	-	-	-	-
Total risk-based capital base requirement	**87.3%**	**2,956.5**	**87.3%**	**2,435.3**	**87.3%**	**3,003.4**

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 2025	30 Jun 2024	31 Dec 2024
Total assets	668,005.4	637,994.5	613,315.0
Less asset amounts deducted to determine the core Tier I capital	-247.9	-322.9	-290.8
Adjustment for derivative instruments	-13,335.6	-3,855.5	-4,118.1
Deduction in the form of exposure to members and their companies	-552,400.4	-528,589.5	-544,428.3
Plus possible change in risk in connection with repo transactions	-	-	-
Total exposure	**102,021.6**	**105,226.6**	**64,477.8**
Tier 1 capital, calculated applying transitional rules, see the section Capital adequacy	11,668.8	10,732.6	11,625.9
Leverage ratio	**11.4%**	**10.2%**	**18.0%**

Leverage ratio, capital base requirements	30 Jun 2025		30 Jun 2024		31 Dec 2024	
Capital base requirement, Pillar I	3.0%	3,060.6	3.0%	3,156.8	3.0%	1,934.3
Capital base requirement, Pillar II requirement[1]	-	-	-	-	-	-
Pillar II guidance[1]	-	-	-	-	-	-
Total leverage ratio, capital base requirements	**3.0%**	**3,060.6**	**3.0%**	**3,156.8**	**3.0%**	**1,934.3**

1) In accordance with the Swedish Financial Supervisory Authority's (Finansinspektionen) 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 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 2025	30 Jun 2024	31 Dec 2024
Capital requirement, Pillar II			
Credit risk	3.6	27.1	21.6
Market risks	1,425.6	1,934.3	1,785.0
Capital buffer, Pillar II	402.3	286.6	401.0
Total internally assessed capital requirement (Pillar II), excluding the risk of insufficient leverage ratio	**1,831.5**	**2,248.0**	**2,207.6**
Internally assessed capital requirement for the risk of insufficient leverage ratio	2,329.3	1,848.8	1,626.1
Total internally assessed capital requirement (Pillar II)	**4,160.8**	**4,096.8**	**3,833.7**

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 the section "Capital adequacy" in the financial review.

Note 10, continued

LIQUIDITY

Liquidity Coverage Ratio (LCR)	30 Jun 2025	30 Jun 2024	31 Dec 2024
Total high-quality liquid assets (HQLA) (weighted value)	80,463.1	76,573.5	79,574.1
Cash outflows – total weighted values	40,466.5	37,929.1	36,448.3
Cash inflows – total weighted values	16,578.4	12,746.6	12,600.9
Net cash outflows (adjusted value)	23,888.1	25,182.6	23,847.4
Liquidity coverage ratio, %	472.4	322.8	434.9

Net Stable Funding Ratio (NSFR)	30 Jun 2025	30 Jun 2024	31 Dec 2024
Total available stable financing	491,904.7	459,189.7	460,206.5
Total need for stable financing	342,698.0	323,239.4	335,109.4
NSFR, %	143.5	142.1	137.5

NOTE 11 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are disclosed in Note 25 of the 2024 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 2024 Annual Report.

NOTE 12 RISKS AND UNCERTAINTY FACTORS

Risks and uncertainty factors are presented in Note 2 "Significant judgements and assumptions" and in Note 3 in the 2024 Annual Report for Kommuninvest i Sverige AB. No significant changes have occurred compared with what was presented in the 2024 Annual Report.

NOTE 13 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 is 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. Kommuninvest Fastighets AB has total assets of SEK 44.6 (45.9) million, equity of SEK 42.1 (42.1) million and a profit for the first six months of SEK 0.9 (1.3) million.

NOTE 14 EVENTS AFTER THE BALANCE SHEET DATE

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

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 2025	Jan–Jun 2024	Jan–Dec 2024
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	58.4	240.3	638.4
		Result of unrealised changes in market value	89.2	-42.8	-281.6
		Net credit losses	0.3	-0.9	-0.1
		Risk tax	180.4	167.3	334.7
		Operating income	**328.3**	**363.9**	**691.4**

Alternative performance measurements	Definition	Reconciliation	Jan–Jun 2025	Jan–Jun 2024	Jan–Dec 2024
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	102,021.6	105,226.6	64,477.8
		Exposure in the form of lending to members and their companies	552,400.4	528,589.5	544,428.3
		Total exposure	**654,422.0**	**633,816.1**	**608,906.1**
		Tier I capital, calculated applying transitional rules	11,668.8	10,732.6	11,625.9
		Leverage ratio including lending to members and their companies	**1.78%**	**1.69%**	**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 Kommuninvest i Sverige AB as well as describing significant risks and uncertainty factors facing the Company.

Örebro 26 August 2025

KATARINA LJUNGQVIST
President

ERIK LANGBY
Chairman

MATS FILIPSSON
Board Member

LARS HEIKENSTEN
Board Member

MIRJA HERRDIN
Board Member

CATRINA INGELSTAM
Board Member

JANE LUNDGREN ERICSSON
Board Member

KRISTINA SUNDIN JONSSON
Board Member

KRISTIN EKBLAD
Employee Representative

Auditor's review report

TO THE BOARD OF DIRECTORS OF KOMMUNINVEST I SVERIGE AB, ORG.NR 556281-4409

INTRODUCTION

We have reviewed the interim report for Kommuninvest i Sverige AB as of June 30, 2025 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 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 26 August 2025
Ernst & Young AB

MONA ALFREDSSON
Authorised Public Accountant

KOMMUNINVEST

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.

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