KOMMUNINVEST I SVERIGE AB

Capital Adequacy and Risk Management Report – Pillar 3

Q4 2021

KOMMUNINVEST

CONTENTS

LIST OF TABLES

This report contains information in accordance with Part 8 of Regulation (EU) No. 575/2013 (CRR) on prudential requirements for credit institutions and investment firms, the Swedish Financial Supervisory Authority's regulations FFFS 2014:12 regarding prudential requirements and capital buffers and the Swedish Financial Supervisory Authority's regulation FFFS 2014:21 regarding management of liquidity risks in credit institutions and investment firms.

All information refers to the consolidated situation unless otherwise stated. "Kommuninvest" or "the Group" refers to the Kommuninvest Group,consisting of a member organisation that, in turn, includes the following companies:
Kommuninvest i Sverige AB (the Company),
company reg. no.: 556281-4409
Kommuninvest Cooperative Society (the Society),
company reg. no.: 716453-2074
Kommuninvest Fastighets AB, company reg. no.: 556464-5629

Risk management and risk organisation

The Company's principal assignment is to ensure access to stable and efficient funding for the Swedish local government sector. This entails borrowing funds on the financial market, in accordance with customers' needs. The operations shall apply a low level of risk-taking, with risks only being accepted to be able to fulfil the local government debt office assignment. Presented below is a comprehensive overview of the Company's targets, principles and methods for managing risk.

In December, the Riksdag (Sweden's parliament) adopted the Government's proposal for a risk tax for certain credit institutions. The tax was introduced on 1 January 2022 with a structure under which Kommuninvest is fully eligible. For Kommuninvest, this is estimated to entail an additional expense of about SEK 255 million in 2022. At the same time, it was explained that the stance of the Riksdag was that Kommuninvest should be exempt from the tax as of 1 January 2023. This is partly on the grounds that Kommuninvest, in its capacity as a low-risk institution, does not constitute the risk to society intended to be addressed by the Government's proposal. Kommuninvest has conducted extensive analysis and preparations to ensure that the operations are able to manage the risk tax. This has partly entailed reducing the Group's cost level, excluding the risk tax, by means of efficiency enhancements and savings.

The Company takes economic, social and environmental sustainability into account throughout its operations, in terms of both the direct and indirect impact. From the perspective of risk, the focus during 2021 was on the indirect risks and their possible impact on confidence in the Company. Efforts have been made to ensure that sustainability is taken into account in the risk assessments, primarily with regard to risk in credit provision and counterparty risk.

Risk management has continued to be affected by the corona pandemic. At an overarching level, the Company can be said to have coped with the crisis well, with favourable access to liquidity being maintained throughout the pandemic. The Company has not suffered any credit losses. In 2020, the local government sector achieved a financial surplus of SEK 68 billion, its strongest to date. This is mainly explained by the compensation paid to municipalities and regions by the central government due to the pandemic. The favourable outcome contributed to improved self-financing and to debt increasing at a lower rate compared with the preceding year.

Following the removal of the recommendation to work from home on 29 September, the Company has initiated a return to the physical office. The advice and recommendations issued by the Public Health Agency of Sweden continue to provide guidance.

Risk profile

Kommuninvest plays a central role in the financing of investments by Swedish municipalities and regions. The Company raises funding in the financial market on the basis of customers' needs. The business model entails the Company being exposed to risks associated with the financial market, the Swedish central government and the local government authorities' financial conditions, their challenges in terms of climate and sustainability, as well as internal and external operational risks.

The Company's risk profile and permitted risk taking is established annually in the owner directives, which are adopted by the Annual General Meeting of the Society. The owner directive states that the Company's risks should be small and never greater than necessary for achieving the objectives of the operations. The risk level may not exceed a permissible level of risk-taking for a member in accordance with the Swedish Local Government Act.

In accordance with the owner directive, the Company's risk management is designed for operations to be conducted with a low level of risk taking. For an overview of the types of risks that Kommuninvest regularly manages and assesses, see page 41. To limit the risks associated with the Company's operating model and to ensure that operations are kept within the risk appetites specified by the Board of Directors, risk appetite indicators or other measures are applied.

Risk policy

The Company's attitude towards risk is set out in the Board of Directors' risk declaration, which is part of the Board of Directors' risk policy. The risk declaration is divided into four areas of limitation (pillars): equity, net profit, liquidity and confidence. Each of the pillars has an established qualitative risk appetite against which all risk is measured. The risk appetites describes the level of risk to which the Board is prepared to expose the Company for the purpose of fulfilling the assignment from the owners. The level of risk appetite is determined by factors including financial position, growth targets, market conditions for the given time period and whether efficiency gains can be achieved when risk-taking changes. The risk strategy is part of the Company's risk framework, which encompasses the Board of Directors' fundamental instruments of operational governance and good internal control.

Equity

The Company's Board of Directors has determined that the Company's capital base shall cover the Company's internally estimated capital requirements or the regulatory capital requirement, whichever is highest, by a margin. This margin takes into account a number of uncertainty factors that may adversely affect the Company's capital ratios, such as stronger growth in lending than forecast. The scale of the capital target in quantitative terms is determined annually within the framework of the Company's internal capital and liquidity assessment (ICLA).

Risk declaration

RISK DECLARATION	The Company's level of risk-taking shall be low. Risks shall be accepted only to be able to fulfil the mission as local government debt office. Other risks are to be eliminated. The risks that are accepted must be clarified, limited and continuously assessed. A sound risk culture safeguards the Company's low risk profile.			
PILLAR	**EQUITY**	**NET PROFIT**	**LIQUIDITY**	**CONFIDENCE**
RISK APPETITE	The Company shall maintain a favourable capital situation to be able to meet both the members' financing needs, as well as regulatory requirements. This is achieved through foresight, capital planning and risk management.	The Company shall achieve an operating income covering the Society's costs and interest on the owners' share capital. This is achieved through good cost control, sufficient lending margins and fees. The Company has no vested interest in generating a profit.	The Company shall meet the members' financing needs. This is achieved through good planning, diversified funding, maturity matching, efficient security management and a highly liquid reserve.	The Company shall maintain a high degree of trust among employees, customers, members and other stakeholders. This is safeguarded by means of a sound risk culture based on local government values, regulatory compliance and good internal governance and control.

Net profit
The Company has no vested interest in generating profit. Its purpose is to provide economic benefit to members and, following any necessary consolidation, profits accrue to the members. Pricing is based instead on the requirements for financial results stated in the owner directive. These requirements mean that the margin between funding and lending rates must be sufficient to cover the operating costs of the Company and the Society. The margin shall also provide an opportunity for a return on members' contribution capital.

Liquidity
The purpose of the Company's liquidity operations is to meet known and forecast liquidity needs. Liquidity preparedness shall also be favourable, both under normal market conditions and during periods of stressed liquidity. Liquidity management is designed to safeguard the Company's capacity to meet all of its payment commitments on time, without significant additional costs, and to ensure that liquidity is sufficient to be able to extend existing loans. 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.

Confidence
The Company's business concept builds on society and actors in the finance market perceiving the Company as a "stable, efficient and knowledgeable player", whose role as a local government debt office benefiting society provides the Swedish local government sector the most efficient financial management possible, focusing on financing. The Company's efforts to build confidence in the operations build on a risk culture founded on the values of local government, regulatory compliance and good internal governance and control.

Risk organisation
The overall responsibility for the Company's risk framework lies with the Company's CRO. The manager of each individual area of operations is responsible for risk management and control within those operations. Forward-looking and historical analyses are used to ensure that the Company identifies, assesses and measures risks correctly.

The Credit Group functions as a preparatory body in the assessment of counterparties, financial instruments and other credit issues requiring decisions by the Board of Directors or the CEO. The Credit Risk Committee determines the model and factors on which the Company's calculation of expected credit losses is based. The Company's Asset and Liability Committee (ALCO) is responsible for preparing matters concerning market risk and liquidity requiring a decision by the Board of Directors or the CEO.

The Company's RCC (Risk Compliance Control) Committee aims to document the work of the Company's control functions, as well as preparing reports to the Executive Management Team and the Board of Directors.

Kommuninvest's three lines of defence
The Company has three lines of defence whose purpose is to manage and control the risks that arise in the operations. The first line of defence comprises the operations themselves. The second line of defence comprises the risk control function and the regulatory compliance function. The third line of defence is the internal audit. The risk control function, which belongs to the second line of defence, is headed by the Company's Head of Risk and Control. The function shall maintain an independent and autonomous position in the operations and is, among other things, tasked with ascertaining that all significant risks to which the Company is exposed, or may be exposed, are identified and managed. The three different lines of defence are visualised in the organisational chart on page 5.

Risk and Control
The Risk and Control department exercises group-wide risk control and monitors the Group's financial and operational risks. The Board of Directors receives regular updates on risk control issues. The function is separate from the business operations and reports to the CEO. The department is headed by the CRO, who is appointed by the CEO who also reports the appointment to the Board of Directors.

The department is responsible for following up that risks are reported correctly and in accordance with applicable external and internal regulations, regularly performing stress tests, as well as leading and coordinating efforts related to operational risks. It is also responsible for ensuring that all relevant information is available to the Board of Directors and the Management when making decisions on risk policy, risk appetites and risk appetite indicators.

Compliance
The Company's compliance function is an independent control and support function and reports to the CEO. The head of the compliance function is appointed by the CEO and reports on compliance matters to both the CEO and the Board of Directors. Among other things, the compliance function is responsi-

ble for monitoring and controlling regulatory compliance within the licensed operations, as well as providing advice and support to the operations and the executive management on matters regarding legislation and other regulations applicable to the licensed operations.

Internal audit
The Company's internal audit, which is outsourced to an external party, is an independent review function that reports to the Board of Directors. The internal audit is responsible for evaluating risk management, the Company's control and governance processes and for the operations being conducted in accordance with the Company's internal regulations. The internal auditor reports to the Board of Directors and the CEO on an ongoing basis. Each year, the Board of Directors establishes a plan for the work of the internal audit. The CEO reports to the Board on measures implemented as a consequence of the internal audit unit's reports.

Risk management
To keep the operations within the established risk appetite, risk appetite indicators or other measures are applied, limiting the Company's risks. The risk appetite indicators are quantitative and designed to support the established risk appetite within each pillar. The level of the risk appetite indicators are dependent on both Company-specific factors (financial position, strategic targets, legal requirements, risk exposure, etc.), as well as on expected market conditions. Risk appetite indicators may be determined by the Board of Directors, the CEO, the CRO and/or others responsible (referred to as "risk owners") and constitute the various limits within the Company's risk framework.

In the Company's risk management, the qualitative risk appetites are connected to risk categories. Risks are categorised with the purpose of connecting the risk declaration and the quantitative risk appetites with the generally accepted risk taxonomy. The risk categories also symbolise different areas of responsibility within the Company. The connection is based on the pillars that potential risk would primarily affect if realised. The overarching risk categories managed by the Company are credit risk, market risk, liquidity risk, operational risk, strategic risk, regulatory compliance risk, stakeholder risk and sustainability risk. The Risk categories diagram on page 6 defines all of the risk categories managed by the Company.

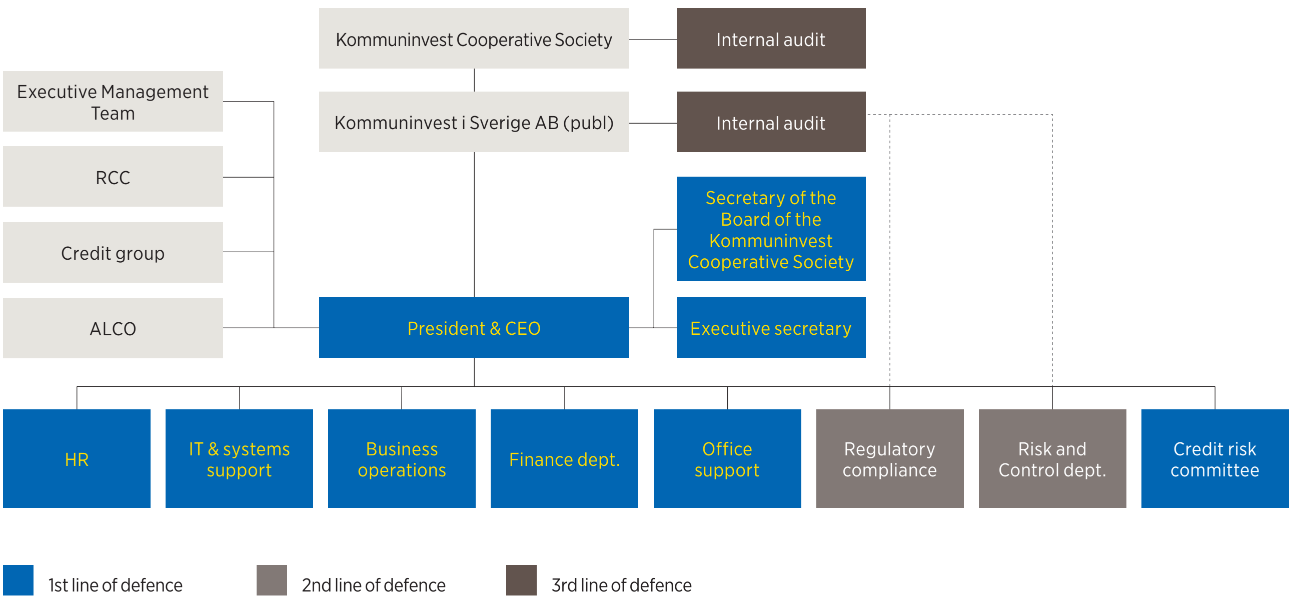
Capital management
The Company must retain sufficient capital to be able to meet both internally estimated capital requirements and regulatory requirements. Sufficient capital adequacy is important for lending to Sweden's municipalities and regions to be able to continue growing and to maintain the confidence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

The Board of Directors has set a principal capital target for the Company, exceeding by a margin, the highest of the internally estimated capital requirements and the Swedish Financial Supervisory Authority's (Finansinspektionen) overall capital assessment. The scale of the capital target in quantitative terms is determined annually within the framework of the Company's internal capital and liquidity assessment (ICLA).

Kommuninvest's capitalisation – responsibility of the owners
The Society is responsible for the Group's capitalisation. Kommuninvest does not build up capital by retaining earnings, but by means of obligatory and voluntary member contributions from the members of the Society, who are also the Company's owners. The Annual General Meeting of the Society in April 2020 adopted amended Articles of Association and a new plan for Kommuninvest's build-up of capital, which is based on a forecast of Kommuninvest's lending to members. According to the amended statutes and adopted capital plan, members' contribution capital to the Society will increase by about SEK 5 billion over the next four years, with members gradually paying a higher contribution per inhabitant up until 2024 – from SEK 900 per inhabitant in 2020 to SEK 1,300 per inhabitant in 2024. In accordance with another resolution, the time-limited debenture loan issued by the Society in 2010 was wound up during the second half of the year, as debenture loans of this type may no longer be included in the capital base.

Recruitment Policy
The working committee of the Kommuninvest Cooperative Society, which also constitutes the Nomination Committee for Kommuninvest i Sverige AB, is ultimately responsible for the

Organisational chart with the operations' three lines of defence



Kommuninvest’s risk management in brief

PILLAR	RISK CATEGORY	RISK DEFINITION
EQUITY	**Strategic capital risk**	The risk of inappropriate operational planning and the Company’s role in its capital planning.
	Credit market risk	The risk of loss or a negative effect on the Company’s income as a result of changes in basis or credit spreads.
NET PROFIT	**Issuer risk**	The risk that the issuer of a security fails to repay its full undertaking on maturity.
	Counterparty risk	The risk of a counterparty in derivative contracts failing prior to the final settlement of cash flows. The risk also includes potential concentrations among individual counterparties.
	Other price risks	The risk that a change in the pricing situation of underlying assets, such as shares, share indexes will affect values of assets and liabilities negatively.
	Interest rate risk	The risk of loss (negative change in financial value) or a negative effect on the Company’s income as a result of changes in interest rates.
	Foreign exchange risk	The risk of a negative effect on the Company’s income as a result of exchange rate fluctuations.
LIQUIDITY	**Liquidity risk**	The risk of not meeting a payment commitment on the due date.
	Structural liquidity risk	The risk of the Company not having financed its long-term commitments in advance.
	Local government debt office liquidity risk	The risk of having to disapprove financing to a member.
CONFIDENCE	**Operational risks** – *Personnel risk* – *Process risk* – *IT and systems risk* – *External risk*	The risk of losses resulting from inadequate or failed internal processes or routines, human error, incorrect systems or external events, including legal risks.
	Stakeholder risk	The risk of a ratings agency, customer, member, employee, investor, mass media organisation, national assembly, central government or other stakeholder losing confidence in the Company and its business concept.
	Sustainability risk	The risk of the Company directly or indirectly negatively affecting or being affected in the areas of the environment and climate, corruption, human rights, working conditions or business ethics.
	Risk in credit provision	The risk that a credit counterparty is unable to meet its obligations.
	Compliance risk	The risk of the Company failing to comply with current external or internal regulations and thereby risking being sanctioned, suffering losses or impairment or loss of reputation.
	Strategic risk	Strategic risk is the long-term risk of losses due to erroneous or misguided strategic choices and business decisions, incorrect implementation of decisions or inadequate sensitivity to changes in society, regulatory systems or the financial sector.

Recruitment Policy, which shall be subject to review by the Nomination Committee at least once a year, as well as when a review is necessitated by changes in relevant regulations.

At all times, Board members shall have sufficient qualifications, knowledge and experience within Kommuninvest's areas of operations to be able to:

- Exercise sound, competent and responsible corporate governance
- Review and follow up the operational activities in a constructive and efficient manner, and to
- Comprehend and analyse the risks associated with the operations.

In addition, members shall at all times have sufficient qualifications, knowledge and experience to be able to contribute actively to strategic planning and to be able to comprehend Kommuninvest's business strategy and how it is implemented.

Members may not, at the same time, hold an operational position or hold a position of trust in a company or organisation that conducts financial sector operations in direct competition with Kommuninvest.

The composition of the Board of Directors shall be appropriate to Kommuninvest's operations, stage of development and other conditions, and shall be characterised by diversity and breadth in terms of members' expertise, experience and background in general.

Diversity Policy and succession planning

Consequently, to achieve sufficient diversity and to promote differing views and experiences, the following aspects are taken into account in appointing the Board of Directors:

- favourable breadth in terms of age
- an even gender distribution
- members' geographical origins
- members' education and professional background

Via their representatives on the Board of Directors, employees contribute their perspectives and strong knowledge of the Company's operations, contributing to the Board of Directors' diversity.

Succession planning shall be undertaken, aimed at preventing, where possible, too many Board members from having to be replaced at the same time. Board members are elected for the period extending up until the ensuing Annual General Meeting. No later than 31 December, the Chairman or the individual appointed by the Chairman shall ask each member whether he or she intends to stand for re-election at the Annual General Meeting in the ensuing year.

Additional details regarding Board members' expertise, experience and other assignments, are presented in our Annual Report, which can be found on Kommuninvest's website.

Remuneration Policy

The Board of Directors establishes the remuneration principles applied within the Company and does not consider a specific Remuneration Committee necessary. These duties are performed instead by the Chairman of the Board.

Remunerations shall engender conditions to attract, retain and motivate employees so that operations can be conducted in an optimal manner. The basic principle is that remunerations and other terms of employment should be in-line with the market (without leading it) and should consist solely of fixed wages, with no variable remuneration therefore being paid. Wages are set taking into consideration the tasks involved and their degree of difficulty, responsibilities, educational requirements and how the employee fulfils the demands imposed and contributes to improvements in operations.

The Chairman of the Board is responsible for preparing the Board's decisions regarding compensation to Executive Management, compensation to employees bearing the overall responsibility for any of the Company's control functions, as well as for measures to monitor the application of the Company's Remuneration Policy. The Chairman is also responsible for conducting an independent review of the Company's Remuneration Policy and remuneration model. The CEO is responsible for the application of the Company's Remuneration Policy.

Prior to this year's update, the Remuneration Policy has undergone a number of changes. The purpose of the changes is to create a clearer and more accessible policy in connection with current regulations. The changes in the Policy do not entail any changes to the Company's remuneration model. The proposed new wordings correspond to current tasks already being performed.

For more information on the Remuneration Policy, see the Kommuninvest website.

As per 31 December 2021, the Company's Board of Directors consisted of Ellen Bramness Arvidsson (Chairman), Lars Heikensten, Erik Langby, Kristina Sundin Jonsson, Catrina Ingelstam, Mats Filipsson and Anette Henriksson, as well as employee representatives Mattias Bokenblom and Kristin Ekblad. Kurt Eliasson stepped down as an ordinary Board member in connection with the Annual General Meeting in April 2021.

For 2021, the Annual General Meeting approved a fixed fee of TSEK 600 for the Chairman of the Board. For the other Board Members, a fixed fee of TSEK 330 was set.

For more information regarding the fees paid to Board members and their attendance over the year, see the 2021 Annual Report on Kommuninvest's website.

Risk analysis and specially regulated personnel

The Company shall conduct an annual risk assessment of the remuneration system. This risk assessment shall take into account all risks that exist, or to which the Company may be exposed. This includes risks associated with the Company's Remuneration Policy and remuneration system. The risk assessment shall identify employees whose duties have a significant impact on the Company's risk profile.

The group of specially regulated personnel includes the following positions based on qualitative and quantitative criteria:

- Board of Directors of the Company
- Executive Management Team
- Head of Compliance
- Chief of Staff
- Head of Accounting and Reporting, as well as Financial Analysis
- Head of Customer Group
- Head of Debt Management
- Debt management, all employees
- Customer Group, all financial advisers
- Head of Communications
- Chief Legal Officer
- Head of Sustainability

Because variable remuneration is not applied, no separate analysis conducted of any particular risks associated with variable remuneration.

As the Company is not considered significantly extensive in terms of its size, internal organisation or the nature, scope and complexity of its operations, it has no Risk Committee. Nor has Kommuninvest engaged external consultants for advice during the year.

EU REM1 – Remuneration awarded for the financial year

SEK million		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Fixed remuneration	Number of identified staff	7	7	7	26
	Total fixed remuneration	**2.5**	**2.5**	**17.5**	**25.5**
	Of which: cash-based	*2.5*	*2.5*	*17.5*	*25.5*
	(Not applicable in the EU)				
	Of which: shares or equivalent ownership interests	-	-	-	-
	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
	Of which: other instruments	-	-	-	-
	(Not applicable in the EU)				
	Of which: other forms	-	-	-	-
	(Not applicable in the EU)				
Variable remuneration	Number of identified staff	-	-	-	-
	Total variable remuneration	**-**	**-**	**-**	**-**
	Of which: cash-based	-	-	-	-
	Of which: deferred	-	-	-	-
	Of which: shares or equivalent ownership interests	-	-	-	-
	Of which: deferred	-	-	-	-
	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
	Of which: deferred	-	-	-	-
	Of which: other instruments	-	-	-	-
	Of which: deferred	-	-	-	-
	Of which: other forms	-	-	-	-
	Of which: deferred	-	-	-	-
Total remuneration		**2.5**	**2.5**	**17.5**	**25.5**

EU REM5 – Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

	Management body remuneration			Business areas						
SEK million	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
Total number of identified staff										**40**
Of which: members of the MB	*7*	*7*	*7*							
Of which: other senior management				-	-	-	*4*	*1*	*2*	
Of which: other identified staff				-	-	-	*6*	*1*	*19*	
Total remuneration of identified staff	**2.5**	**2.5**	**2.5**	**-**	**-**	**-**	**14.7**	**3.3**	**25.0**	
Of which: variable remuneration	-	-	-	-	-	-	-	-	-	
Of which: fixed remuneration	*2.5*	*2.5*	*2.5*	-	-	-	*14.7*	*3.3*	*25.0*	

Credit risk

Credit risk refers to the risk of a loss being incurred as a consequence of a counterparty's incapacity to meet its obligations on time. Credit risk arises in various ways in the Group's operations band is divided into three areas: risk in credit provision arising in the lending operations, issuer risk arising in the Group's liquidity reserve and counterparty risk, which arises when the Group uses derivative instruments.

As a result of the local government sector's favourable creditworthiness, gained through, for example, economic development, the local authorities' right to levy taxes and the fact that local government authorities cannot, in practice, be declared bankrupt, the assessment has been made that Kommuninvest's credit provision risks are low. The Company's investment and derivatives counterparties present a high creditworthiness and a persistently stable financial capacity. Investments are only made in sovereign-related issuers maintaining a high credit rating of at least AA-. Besides its selective choice of counterparties, on entering into derivative agreements, the Company also applies several measures to mitigate credit risk, including collateral arrangements, thereby reducing its exposures.

Structure and organisation of the credit risk management function

Credit risk realated issues are handled in the Credit Group or the Credit Risk Committee. The risk control function is responsible for measuring, identifying, controlling, assessing, analysing and evaluating the Company's risks. The function is also responsible for monitoring exposure to risk levels on a daily basis, which includes measuring risk appetite indicators.

Risk in credit provision

Risk in credit provision arises in connection with lending to the Company's customers. Kommuninvest lends only to the local government sector, either directly to the member or to another lending counterparty, provided that a member is the majority owner and has provided a joint and several guarantee for the credit.

Credit risk review

To assess the financial development of the individual municipality/region, Kommuninvest primarily applies an internal risk value model. This is a quantitative model that determined a risk value for all municipalities/regions. The risk value is a quantitative measure intended to quantify the municipal group's financial viability at a general level. Based on this, the municipality's financial strengths and challenges are also highlighted. A high risk value means that the municipal group faces financial challenges that may require a more in-depth analysis. The risk value model is also used to continuously monitor the sector's development. Risk and control continuously perform more qualitative analyses of both the local government sector and individual borrowers.

Kommuninvest applies a set of indicators to continuously monitor the development of credit risk in the lending portfolio. The function of the indicators is to demonstrate whether there is a change in the probability of default necessitating a transfer between credit risk phases based on limits.

Kommuninvest uses both quantitative and qualitative indicators in its ongoing monitoring. The quantitative indicators consist of ratings from rating agencies and data from credit information providers (risk score, risk forecast and payment orders) and Kommuninvest's internal risk value model for assessing lending counterparties. Limits have been established for the quantitative indicators, and violations are followed up. A limit is also applied, meaning that an asset will be transferred to Phase 2 if payment is delayed by more than 30 days. The qualitative indicators consist of restructuring of loan terms. Before an individual counterparty is transferred to phase 2, a special assessment is to be made to elucidate the underlying causes and the counterparty's overall repayment capacity. The credit quality of the financial assets is determined by the Credit Risk Committee.

Default

Kommuninvest's definition of default is in line with the guidelines developed by the European Banking Authority (EBA) and entail a counterparty having defaulted when at least one of the following situations has occurred:

- Kommuninvest considers it unlikely that the counterparty will be able to meet its commitments in full.
- Any of the counterparty's commitments to Kommuninvest have been due for payment for more than 90 days.

Before an exposure is considered to be in default, Kommuninvest is to perform an expert assessment. Based on the EBA's guidelines, this shall ascertain whether a "technical default" situation has arisen. If the exposure is directly to a member (municipality or region), the in-depth analysis is motivated primarily by the local government authorities' constitutionally protected role in society, including the right to levy taxes, meaning in practice that a local government authority cannot be declared bankrupt. Kommuninvest has never suffered any actual credit loss, nor has it modified payment flows or renegotiated any existing agreements. The surety regulates the members' liability towards the Company. In light of the above, the Company has no specific principles for write-offs.

Lending frameworks and restrictions

The Board of Directors determines lending frameworks and restrictions for all lending, investment and derivative counterparties at least once annually. General lending frameworks for the Group's customers are established annually based on the total debt of the municipal/regional group. The lending framework is differentiated by means of a quantitative risk value model for assessing financial capacity. For members with greater financing needs in relative terms, it is possible to raise the limit.

Credit risk quality

EU CR1 – Performing and non-performing exposures and related provisions

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Collateral and financial guarantees received	
SEK million		*Of which stage 1*	*Of which stage 2*		*Of which stage 2*	*Of which stage 3*		*Of which stage 1*	*Of which stage 2*		*Of which stage 2*	*Of which stage 3*	Accumulated partial write-off	On performing exposures	On non-performing exposures
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	**469,673.9**	**360,772.7**	**-**	**-**	**-**	**-**	**-1.3**	**-1.3**	**-**	**-**	**-**	**-**	**-**	**248,205.2**	**-**
Central banks	7,672.5	7,672.5	-	-	-	-	0.0	0.0	-	-	-	-	-	-	-
General governments	212,445.6	161,347.2	-	-	-	-	-0.5	-0.5	-	-	-	-	-	-	-
Credit institutions	1,350.0	1,350.0	-	-	-	-	-0.1	-0.1	-	-	-	-	-	-	-
Other financial corporations	32,091.8	25,434.9	-	-	-	-	-0.1	-0.1	-	-	-	-	-	32,091.7	-
Non-financial corporations	216,114.0	164,968.1	-	-	-	-	-0.6	-0.6	-	-	-	-	-	216,113.5	-
Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities	**46,254.1**	**35,609.3**	**-**	**-**	**-**	**-**	**-0.2**	**-0.2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	30,724.2	29,072.2	-	-	-	-	-0.1	-0.1	-	-	-	-	-	-	-
Credit institutions	15,529.9	6,537.1	-	-	-	-	-0.1	-0.1	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	**357.1**	**357.1**	**-**	**-**	**-**	**-**	**0.0**	**0.0**	**-**	**-**	**-**	**-**		**-**	**-**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
General governments	115.0	115.0	-	-	-	-	0.0	0.0	-	-	-	-		-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Other financial corporations	4.9	4.9	-	-	-	-	-	-	-	-	-	-		-	-
Non-financial corporations	237.2	237.2	-	-	-	-	0.0	0.0	-	-	-	-		-	-
Households	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Total	**516,285.1**	**396,739.1**	**-**	**-**	**-**	**-**	**-1.5**	**-1.5**	**-**	**-**	**-**	**-**	**-**	**248,205.2**	**-**

EU CR1-A – Maturity of exposures

	Net exposure value					
SEK million	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
Loans and advances	1,350.0	102,471.4	307,912.4	57,940.1	-	**469,673.9**
Debt securities	-	43,038.6	3,215.5	-	-	**46,254.1**
Total	**1,350.0**	**145,510.0**	**311,127.9**	**57,940.1**	**-**	**515,928.0**

EU CQ3 – Credit quality of performing and non-performing exposures by past due days

SEK million	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	*Of which defaulted*
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	**469,673.9**	**469,673.9**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Central banks	7,672.5	7,672.5	-	-	-	-	-	-	-	-	-	-
General governments	212,445.7	212,445.7	-	-	-	-	-	-	-	-	-	-
Credit institutions	1,349.9	1,349.9	-	-	-	-	-	-	-	-	-	-
Other financial corporations	32,091.8	32,091.8	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	216,114.0	216,114.0	-	-	-	-	-	-	-	-	-	-
Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities	**46,254.1**	**46,254.1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	30,724.2	30,724.2	-	-	-	-	-	-	-	-	-	-
Credit institutions	15,529.9	15,529.9	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	**357.1**			**-**								**-**
Central banks	-			-								-
General governments	115.0			-								-
Credit institutions	-			-								-
Other financial corporations	4.9			-								-
Non-financial corporations	237.2			-								-
Households	-			-								-
Total	**516,285.1**	**515,928.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

EU CQ4 – Quality of non-performing exposures by geography

SEK million	Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing					
			Of which defaulted	Of which subject to impairment			
On-balance-sheet exposures	**515,927.9**	-	**-**	**396,381.8**	**-1.4**		**-**
Finland	1,406.8	-	-	1,406.8	-0.1		-
Germany	6,134.6	-	-	1,090.7	0.0		-
UK	580.6	-	-	580.6	0.0		-
Sweden	499,048.1	-	-	388,494.8	-1.2		-
Other countries	8,757.8	-	-	4,808.9	-0.1		-
Off-balance-sheet exposures	**517.8**	**-**	**-**			**0.0**	
Finland	-	-	-			-	
Germany	-	-	-			-	
UK	-	-	-			-	
Sweden	517.8	-	-			0.0	
Other countries	-	-	-			-	
Total	**516,445.7**	**-**	**-**	**396,381.8**	**-1.4**	**0.0**	**-**

EU CQ5 – Credit quality of loans and advances to non-financial corporations by industry

SEK million	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		*Of which loans and advances subject to impairment*		
			Of which defaulted			
Agriculture, forestry and fishing	10.0	-	-	*5.0*	0.0	-
Mining and quarrying	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-
Electricity, gas, steam and air conditioning supply	18,851.2	-	-	*12,452.0*	-0.1	-
Water supply	14,162.2	-	-	*9,660.9*	0.0	-
Construction	878.4	-	-	*567.8*	0.0	-
Wholesale and retail trade	-	-	-	-	-	-
Transport and storage	5,650.8	-	-	*5,079.8*	0.0	-
Accommodation and food service activities	532.8	-	-	*393.4*		-
Information and communication	941.0	-	-	*329.6*	0.0	-
Financial and insurance activities	433.0	-	-	*317.3*	0.0	-
Real estate activities	157,513.0	-	-	*121,586.4*	-0.4	-
Professional, scientific and technical activities	15,084.6	-	-	*13,294.2*	-0.1	-
Administrative and support service activities	461.5	-	-	*366.5*	0.0	-
Public administration and defense, compulsory social security	798.2	-	-	*537.9*	0.0	-
Education	630.2	-	-	*304.1*	0.0	-
Human health services and social work activities	-	-	-	-	-	-
Arts, entertainment and recreation	153.9	-	-	*65.2*	0.0	-
Other services	13.2	-	-	*8.0*	0.0	-
Total	**216,114.0**	**-**	**-**	***164,968.1***	**-0.6**	**-**

EU CQ6 – Collateral valuation - loans and advances

SEK million	Loans and advances											
		Performing		Non-performing								
						Past due > 90 days						
			Of which past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days		*Of which past due > 90 days ≤ 180 days*	*Of which: past due > 180 days ≤ 1 year*	*Of which: past due > 1 years ≤ 2 years*	*Of which: past due > 2 years ≤ 5 years*	*Of which: past due > 5 years ≤ 7 years*	*Of which: past due > 7 years*
Gross carrying amount	469,673.9	469,673.9	-	-	-	-	-	-	-	-	-	-
Of which secured	256,951.5	256,951.5	-	-	-	-	-	-	-	-	-	-
Of which secured with immovable property	-	-	-	-	-	-	-	-	-	-	-	-
Of which instruments with LTV higher than 60% and lower or equal to 80%	-	-		-	-	-						
Of which instruments with LTV higher than 80% and lower or equal to 100%	-	-		-	-	-						
Of which instruments with LTV higher than 100%	-	-		-	-	-						
Accumulated impairment for secured assets	-0.8	-0.8	-	-	-	-	-	-	-	-	-	-
Collateral												
Of which value capped at the value of exposure	-	-	-	-	-	-	-	-	-	-	-	-
Of which immovable property	-	-	-	-	-	-	-	-	-	-	-	-
Of which value above the cap	-	-	-	-	-	-	-	-	-	-	-	-
Of which immovable property	-	-	-	-	-	-	-	-	-	-	-	-
Financial guarantees received	248,205.2	248,205.2	-	-	-	-	-	-	-	-	-	-
Accumulated partial write-off	-	-	-	-	-	-	-	-	-	-	-	-

Counterparty risk

Counterparty risk arises when the Company includes derivative contracts to limit market risks. Counterparty risk is limited by entering into contracts only with financial institutions with a high credit rating.

Risk management

To enter into an uncleared derivative, the counterparty must, at the time of the transaction, have a credit rating, as an issuer or senior securities of at least BBB+ or be guaranteed by someone with this credit rating. For the Company to enter into a cleared derivative, the counterparty must, at the time of the transaction, have a credit rating as an issuer of senior securities of at least BBB–.

Counterparty risks are further reduced by concluding ISDA agreements and security agreements (CSA agreements) with all counterparties. ISDA agreements allow netting of positive and negative exposures. CSA agreements govern the right to collect or pledge collateral to eliminate the exposure arising from changes in the value of derivative contracts that have been entered into. Pledging collateral is also associated with counterparty risk and occurs in the form of Initial Margin for cleared derivatives, as well as in the form of excess pledged collateral. Following collateral, the total counterparty risk amounts to SEK 3,102.5 (3,025.2) million.

Counterparty risk	31 Dec 2021	31 Dec 2020
Gross exposure (before ISDA)	10,253.7	9,810.8
Net exposure (after ISDA)	6,522.2	6,111.3
Net exposure after collateral (after CSA)	142.9	1,915.5

Management of credit reduction in CSA

In connection with the new EMIR regulatory framework, which requires the replacement of variation margins for OTC derivatives, the Company has, since March 2017, introduced CSA agreements entailing a daily exchange of collateral without thresholds. Of the nominal amount of all derivatives, 95 percent is now covered by a daily exchange of collateral.

The Initial Margin set for cleared derivatives can take the form of either securities or cash in SEK or USD. Derivatives entered after March 2017 are only covered by cash collateral denominated in SEK or USD. Derivatives entered after this date are covered by approved sovereign securities.

Collateral in the form of securities received is kept in a separate account from the Company's other collateral holdings. Cash and cash equivalents are managed in the Company's joint transaction account. Settlement with counterparties is conducted within the TriResolve support system, based on established procedures according to which difference thresholds are used to manage deviations.

In addition to the market scenario included in the LCR measure, a supplementary scenario is also used to calculate collateral outflows from derivative agreements that have been entered into. The complementary scenario is calculated by measuring historical flows of collateral. This calculation is made for all 30-day intervals over the past two years.

If the credit rating falls to Aa3/AA-, the value of collateral needed to be pledged by the Company does not increase. The Company assesses the subsequent risk as immaterial since the thresholds that disappear are low and only apply to a few counterparties.

Concentrations in credit reductions measures	31 Dec 2021	31 Dec 2020
Collateral recived		
Cash funds, SEK	1,351.4	-
Cash funds, USD	2,111.6	73.2
Cash funds, SEK (CLEARING)	1,813.8	3,324.1
Cash funds, USD (CLEARING)	-	1,882.6
Securities (UK)	189.3	407.0
Securities (Denmark)	170.2	129.3
Securities (France)	233.5	157.2
Securities (Netherlands)	15.1	20.9
Securities (Germany)	-	95.8
Pledged assets		
Cash funds, SEK	1,360.8	13,522.7
Cash funds, USD	215.3	2,774.2
Cash funds, USD (CLEARING)	355.0	-
Initial margin set, USD	811.2	163.4

Counterparty limits

Counterparties, including central counterparties, are divided into risk categories. The category to which each counterparty is assigned is based on an overall assessment of the counterparty risk, in which external ratings are one factor. Limits determined based on category include: framework for nominal amount in currency-related derivatives (OTC), framework for total nominal amounts (clearing), framework for present market value and stressed future market value, as well as accounting CVA and regulatory CVA. Limits for settlement risk are determined based on credit ratings and limits for correlation risk are determined based on a threshold value. In determining limits, any mutual connections are taken into account, as well as any group limits to be applied.

External ratings

Credit ratings from Moody's and S&P Global Ratings are fed into the Bloomberg Adaptiv system support module, affecting the scope of transactions based on policies and instructions. No changes were implemented in 2021.

Stressed future market value

Stressed future market value captures the risk of major changes in market values in the event that a counterparty were to default. The Company calculates future market values using Monte-Carlo simulation. The foremost factor affecting future movements is the dominant share of derivatives, that being the USD/SEK currency pair.

Nominal amounts by geography (cleared and non-cleared)

Country	Volume, nominal amount	%
UK	750,226.2	82.1
Finland	52,366.9	5.7
Sweden	41,064.3	4.5
Denmark	30,927.5	3.4
France	25,037.8	2.7
Germany	8,163.3	0.9
Ireland	5,343.5	0.6
Japan	206.1	0.0
USA	73.4	0.0
Norway	40.5	0.0
Switzerland	34.6	0.0

Maturities of derivative contracts (cleared and non-cleared)

	Nominally 0–1 years	Nominally 1–3 years	Nominally 3–6 years	Nominally > 6 years
Interest	167,868.8	178,162.3	352,503.9	44,076.6
FX	95,065.5	30,717.3	38,508.9	-
Structured	6,462.3	118.4	-	-

Credit valuation adjustment

The Company's income statement is adjusted based on the risk of changes in credit rating, or Credit Valuation Adjustment (CVA). During the Covid-19 outbreak, the Company initially experienced a higher CVA for its counterparties. These are now back to pre-pandemic levels. At the end of the year, recognised CVA amounted to SEK 4.1 (5.1) million.

Correlation risk

The Company measures the general correlation risk for derivative exposures in relation to the counterparty's probability of bankruptcy. This is calculated weekly for each counterparty. Exponential weight factor is applied. An unfavourable correlation, exceeding the limit, should be seen as an indicator of increased risk and, based on the principles established, an assessment should be made as to whether there is a need to increase CCR (counterparty risks) and CVA risks.

Measurement of capital requirements

The Company has no internal models for calculating capital requirements on counterparty risk. In 2021, the market value method was replaced by the standard method, SA-CCR, which the Company now applies instead. All of the Company's members have signed a guarantee agreement, meaning that they assume responsibility for the Company's possible counterparty losses. Accordingly, the Company only reports SA-CCR without addressing capital requirements.

EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

SEK million	Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
Loans and advances	221,468.7	248,205.2	-	*248,205.2*	-
Debt securities	46,254.1	-	-	-	
Total	**267,722.8**	**248,205.2**	**-**	***248,205.2***	**-**
Of which non-performing exposures	-	-	-	-	-
Of which defaulted	-	-			

EU CR4 – Standardised approach – Credit risk exposure and CRM effects, Solo

SEK million	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
Exposure classes	**On-balance-sheet exposures**	**Off-balance-sheet exposures**	**On-balance-sheet exposures**	**Off-balance-sheet amount**	**RWAs**	**RWAs density (%)**
Central governments or central banks	38,485.9	-	38,485.9	-	0.0	0.0%
Regional government or local authorities	212,445.3	115.0	460,650.5	258.9	0.0	0.0%
Public sector entities	-	-	-	-	-	-
Multilateral development banks	8,757.8	-	8,757.8	-	0.0	0.0%
International organisations	-	-	-	-	-	-
Institutions	8,919.8	-	8,919.8	-	267.1	3.0%
Corporates	248,321.9	402.8	116.8	0.0	116.8	100.0%
Retail	-	-	-	-	-	-
Secured by mortgages on immovable property	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-
Exposures associated with particularly high risk	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
Collective investment undertakings	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Other items	-	-	-	-	-	-
Total	**516,930.7**	**517.8**	**516,930.7**	**258.9**	**383.9**	**0.1%**

EU CR4 – Standardised approach – Credit risk exposure and CRM effects, Consolidated

SEK million	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
Exposure classes	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density (%)
Central governments or central banks	38,487.2	-	38,487.2	-	0.0	0.0%
Regional government or local authorities	212,445.3	115.0	460,650.5	258.9	0.0	0.0%
Public sector entities	-	-	-	-	-	-
Multilateral development banks	8,757.8	-	8,757.8	-	0.0	0.0%
International organisations	-	-	-	-	-	-
Institutions	8,935.0	-	8,935.0	-	270.1	3.0%
Corporates	248,306.3	402.8	101.2	0.0	101.2	100.0%
Retail	-	-	-	-	-	-
Secured by mortgages on immovable property	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-
Exposures associated with particularly high risk	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
Collective investment undertakings	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Other items	-	-	-	-	-	-
Total	**516,931.6**	**517.8**	**516,931.6**	**258.9**	**371.3**	**0.1%**

EU CR5 – Standardised approach, Solo

SEK million	Risk weight																
Exposure classes	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Total	*Of which unrated*
Central governments or central banks	38,485.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**38,485.9**	-
Regional government or local authorities	465,164.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**465,164.4**	-
Public sector entities		-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Multilateral development banks	8,757.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**8,757.8**	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Institutions	7,585.0	-	-	-	1,335.5	-	-	-	-	-	-	-	-	-	-	**8,920.5**	-
Corporates	0.0	-	-	-	-	-	-	-	-	116.8	-	-	-	-	-	**116.8**	-
Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Other items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Total	**519,993.0**	**-**	**-**	**-**	**1,335.5**	**-**	**-**	**-**	**-**	**116.8**	**-**	**-**	**-**	**-**	**-**	**521,445.3**	**-**

EU CR5 – Standardised approach, Consolidated

SEK million	Risk weight																
Exposure classes	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1250%**	**Others**	**Total**	***Of which unrated***
Central governments or central banks	38,487.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**38,487.2**	-
Regional government or local authorities	465,164.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**465,164.4**	-
Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Multilateral development banks	8,757.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**8,757.8**	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Institutions	7,585.0	-	-	-	1,350.6	-	-	-	-	-	-	-	-	-	-	**8,935.6**	-
Corporates	0.0	-	-	-	-	-	-	-	-	101.2	-	-	-	-	-	**101.2**	-
Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Other items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Total	**519,994.4**	**-**	**-**	**-**	**1,350.6**	**-**	**-**	**-**	**-**	**101.2**	**-**	**-**	**-**	**-**	**-**	**521,446.2**	**-**

EU CCR1 – Analysis of CCR exposure by approach

SEK million	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
SA-CCR (for derivatives)	730.4	1,855.0		1.4	8,413.3	3,620.8	3,619.6	-
IMM (for derivatives and SFTs)			-	-	-	-	-	-
Of which securities financing transactions netting sets			-		-	-	-	-
Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
Of which from contractual cross-product netting sets			-		-	-	-	-
Financial collateral simple method (for SFTs)					-	-	-	-
Financial collateral comprehensive method (for SFTs)					2,766.8	0.7	0.7	0.1
VaR for SFTs					-	-	-	-
Total					**8,690.0**	**3,621.5**	**3,620.3**	**0.1**

EU CCR2 – Transactions subject to own funds requirements for CVA risk

SEK million	Exposure value	RWEA
Total transactions subject to the Advanced method	-	-
(i) VaR component (including the 3× multiplier)		-
(ii) stressed VaR component (including the 3× multiplier)		-
Transactions subject to the Standardised method	4,255.0	845.3
Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
Total transactions subject to own funds requirements for CVA risk	**4,255.0**	**845.3**

EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

SEK million	Risk weight											Total exposure value
Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	**-**
Regional government or local authorities	4,255.0	-	-	-	-	-	-	-	-	-	-	**4,255.0**
Public sector entities	-	-	-	-	-	-	-	-	-	-	-	**-**
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	**-**
International organisations	-	-	-	-	-	-	-	-	-	-	-	**-**
Institutions	-	-	-	-	0.7	-	-	-	-	-	-	**0.7**
Corporates	-	-	-	-	-	-	-	-	-	-	-	**-**
Retail	-	-	-	-	-	-	-	-	-	-	-	**-**
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	**-**
Other items	-	-	-	-	-	-	-	-	-	-	-	**-**
Total exposure value	**4,255.0**	**-**	**-**	**-**	**0.7**	**-**	**-**	**-**	**-**	**-**	**-**	**4,255.7**

EU CCR5 – Composition of collateral for CCR exposures

	Collateral used in derivative transactions				Collateral used in SFTs			
SEK million	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
Collateral type	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
Cash – domestic currency	-	4,984.5	0.0	1,360.8	-	-	-	-
Cash – other currencies	-	453.0	812.7	731.0	-	-	-	-
Domestic sovereign debt	-	608.1	1,652.0	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-	-
Other collateral	-	-	-	-	-	275.9	-	277.6
Total	**-**	**6,045.6**	**2,464.7**	**2,091.7**	**-**	**275.9**	**-**	**277.6**

EU CCR8 – Exposures to CCPs

SEK million	Exposure value	RWEA
Exposures to QCCPs (total)		-
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	635.4	-
(i) OTC derivatives	*635.4*	-
(ii) Exchange-traded derivatives	-	-
(iii) SFTs	-	-
(iv) Netting sets where cross-product netting has been approved	-	-
Segregated initial margin	2,464.7	
Non-segregated initial margin	-	-
Prefunded default fund contributions	-	-
Unfunded default fund contributions	-	-
Exposures to non-QCCPs (total)		-
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
(i) OTC derivatives	-	-
(ii) Exchange-traded derivatives	-	-
(iii) SFTs	-	-
(iv) Netting sets where cross-product netting has been approved	-	-
Segregated initial margin	-	
Non-segregated initial margin	-	-
Prefunded default fund contributions	-	-
Unfunded default fund contributions	-	-

Market risk

Market risk is defined as the risk of loss (negative change in financial value) or a negative effect on the Company's income as a result of changes in risk factors in the financial market. The market risks are divided into interest rate risk, foreign exchange risk, credit market risk, as well as other price risks. Market risk mainly arises from mismatches between assets and liabilities. The Company's exposure to market risk is limited by means of derivative contracts. The Company accepts some exposure to market risks to increase operational efficiency, but never for speculative purposes.

Structure and organisation of the market risk management function

Within the Company's first line of defence, Debt Management is responsible for managing market risks and for keeping market risks within the limits set in the risk framework. For instruments subject to hedge accounting, the Finance Department is responsible for the retrospective testing of the effectiveness of the hedging relationships. For macro hedging of interest rate risk, the effectiveness of the hedges is tested for each package. For in all other types of hedging relationships, each individual hedging relationship is tested.

Interest rate risk

Interest rate risk is defined as the risk of a loss (negative change in financial value) or a negative effect on the Company's income as a result of changes in interest rates. Interest rate risk arises as a consequence of the periods for which interest is fixed for assets and liabilities not being in agreement. The Company does not assume interest rate risk positions for speculative purposes but only to manage its operations. Risk management is based on matching interest maturities between assets and liabilities. When necessary, derivatives are used to achieve favourable matching. Interest rate risk includes earnings risks, meaning the risk of losses resulting from revenues or expenses deviating from the business plan and forecasts.

Sensitivity analysis of financial value

According to a fixed limit set by the Board of Directors, the exposure to interest rate risk in the portfolio may never exceed SEK 100 million given a one percentage point parallel shift in the yield curve.

At year-end, the exposure (throughout the portfolio) amounted to SEK 12,5 (negtive 29.1) million given a one percentage point parallel shift (upwards) in the yield curve. An exposure with a positive value means an increase in the economic value of assets and liabilities if the interest rate rises and a decrease in the economic value of assets and liabilities if the interest rate falls.

Sensitivity analysis of the Company's net interest income

The effect on the Company's net interest income is analysed on the basis of two scenarios: a parallel displacement upwards of 100 basis points and a parallel displacement downwards of 50 basis points. Given the generally very low market rates, the scenarios are made asymmetrical – the interest rate was adjusted less in the scenario where interest rates fall further. The Company has good matching of cash flows between assets and liabilities. The only exceptions are assets financed by equity, which lack cash flows. Earnings from assets financed with equity will therefore increase if market interest rates rise and correspondingly decrease if market interest rates fall. If all market interest rates were to rise by 100 basis points at year-end, net interest income over a one-year period would increase by SEK 80.7 (123.8) million, provided that the size and composition of balance sheet does not change, and correspondingly, if all market interest rates were to fall by 50 basis points at year-end, net interest income would have decreased by SEK 40.3 (61.9) million over a one-year period.

Capital requirement for interest rate risk

The capital requirement for interest rate risk under Pillar II has been calculated based on the Swedish Financial Supervisory Authority's (Finansinspektionen) model for interest rate risk in the banking book. The model calculates the change in the value of the Company's net assets, given a number of change scenarios for the zero coupon curve.

The change scenarios consist partly of parallel displacements, upwards and downwards, where the magnitude of the shift is based on historical market data and partly of four changes in the curve gradient, where the interest rate curve increases or decreases over short or long maturities. Under Pillar II, a capital requirement for interest rate risk of SEK 101.2 (106.9) million has been entered.

Foreign exchange risk

Currency risk refers to the risk of a negative effect on the Company's income as a result of exchange rate fluctuations. Foreign exchange risk arises if assets and liabilities denominated in a specific currency are mismatched in terms of size in the balance sheet. The Company hedges all known future flows by means of derivatives. However, foreign exchange risk arises on an ongoing basis through the net interest income generated on returns on foreign currency investments. This risk is limited by such returns continuously being exchanged to SEK. The maximum permitted exposure corresponds to SEK 5 million in each currency.

Capital requirement for foreign exchange risk

The Company's exposure to foreign exchange risk is so low that there is no longer a statutory capital requirement. The capital requirement under Pillar II is calculated by multiplying the exposure by the foreign exchange fluctuations over the year. In 2021, the SEK/EUR and SEK/USD foreign exchange rates fluctuated by as much as 7 (8) percent per month. An exchange rate fluctuation of 7 (8) percent, with an exposure of SEK 5 million, would entail a capital requirement of SEK 0.3 (0.4) million per month. Accordingly, on an annual basis, this corresponds to a capital requirement of SEK 4.1 (4.8) million.

Credit market risk
Credit market risk is defined as the risk of loss or a negative effect on the Company's income as a result of changes in basis or credit spreads. Credit market risk is divided into two sub-categories: (a) credit spread risk on derivatives (CVA risk) and credit spread risk on lending, funding and investments, and (b) basis spread risk.

Credit spread risk on lending, funding and investments, and basis spread risk
Credit spread risk on lending, funding and investments, and basis spread risk arises primarily as a consequence of imbalances in maturities between assets and liabilities valued at fair value. The Company restricts the credit market risk through good maturity matching between assets (loans and investments) and liabilities (funding and equity).

Credit spread risk on derivatives (CVA risk)
The credit spread risk on derivatives (CVA risk) derives from the risk of the Company's income statement being adjusted for the risk of changes in credit rating, or Credit Valuation Adjustment (CVA). CVA is a price adjustment applied to derivatives depending on the development of CDS prices, FX volatility and the exposure to the counterparty. CVA can be considered equal to the deviation from the risk-free price of a contract and is often interpreted as the market price for counterparty risk. At the end of the year, recognised CVA amounted to SEK 4.1 (5.1) million. CVA risk refers to the risk that the Company's earnings will be negatively affected by an increase in reported CVA.

Capital requirement for credit market risk
A total capital requirement under Pillar II for credit market risk (excluding credit spread on derivatives) is calculated for a number of scenarios. The largest capital requirement calculated for a single principal scenario will then constitute the Company's capital requirement for credit market risk. The principal scenarios on which the capital requirement calculation is based are either historical, simulated or theoretical. The historical and simulated scenarios are intended to capture periods when fluctuations were greatest in the credit markets where the Company makes business transactions.

The simulated scenarios include scenarios in which credit and basis swap movements are simulated using mathematical models, with a certain degree of probability, based on market data from various, selected periods of time.

The theoretical scenarios are prepared based on the credit market risks associated with and which could arise from the Company's business model. These scenarios are included to ensure that the capital requirements cover all of the risks that could arise from the Company's business model since the historical and simulated scenarios do not necessarily cover all of the various possible scenarios.

In the calculations performed as per 31 December 2021, the total capital requirement for credit market risk amounted to SEK 1,329.3 (1,711.9) million. In calculating capital requirements for CVA risk under Pillar I, Kommuninvest applies the standardised method in the capital requirement regulations (CRR). As the exposure value, the fully adjusted exposure value is used, meaning that the riskreducing effects of the collateral are taken into account. In accordance with the regulations, transactions with central clearing counterparties are excluded. The Company's derivatives entered into after 1 March 2017 are included in the daily reconciliation with the exchange of collateral, which reduces the capital requirement. At the end of the year, the capital requirement for CVA risk was SEK 67.6 (59.3) million.

Other price risks
Other price risks refers to the risk that a change in the pricing situation of underlying assets and indexes, such as shares or share indexes, will lead to a loss or negative effect on the Company's income. The Company uses derivatives to hedge price risks with regard to underlying assets and indexes. This means that no other price risks remain.

Liquidity risk

Liquidity risk refers to the risk that it will not be possible to meet payment obligations on maturity without the expense of obtaining payment funds increasing considerably.

The short-term liquidity risk includes risks in the daily liquidity management where unforeseen events may make it difficult for the Company to meet its obligations. For this purpose, the Company maintains a liquidity reserve with highly liquid assets to limit this risk. The liquidity risk is further limited by the Company being a full member of the Riksbank's (Swedish central bank) RIX payment system, through which the Company can, among other things, raise loans against collateral.

The structural liquidity risk (financing risk) corresponds to the risk that the Company has not financed its long-term commitments in advance. This risk is restricted, in part, through access to diversified funding and, in part, through good matching of maturities between assets and liabilities.

Structure and organisation of the liquidity risk management function

All liquidity management occurs centrally within the Company, Kommuninvest i Sverige AB. Because other Group companies have no employees, they do not manage liquidity themselves. Debt Management is the function within the Company responsible for planning liquidity and managing borrowing, investments, derivatives, currency exchange and repo transactions.

Liquidity planning is intended to facilitate the renegotiation of existing lending, forecasting of new lending, the forecasting funding maturities, funding that can be withdrawn and liquidity requirements stemming from CSA agreements entered into and the clearing of derivatives.

Debt Management must also ensure that liquidity is available for lending with different maturities in accordance with the applicable lending limits. Debt Management must continuously monitor maturity imbalances and borrow liquidity during maturities where necessary.

Risk profile and measurement of liquidity risks

The Company's risk management is based on the risk strategy and risk declaration established by the Board of Directors, as well as the four areas of limitation and their qualitative risk appetites. Liquidity risk is one of these four areas of limitation.

The Company´s declaration of risks

The Company shall undertake a low risk exposure. Risks are only accepted in order to fulfill the mission as a municipality debt office. All other risks shall be eliminated. Risks that are accepted shall be visualized, limited and regularly evaluated. A sound riskculture assures the Company´s low riskprofile.

The Company's risk appetite for liquidity risks

The Company shall cater its members need for financing. Achieved through forward planning, diversified funding, duration matching, efficient collateral management and a highly liquid reserve.

A risk appetite indicator is an overarching and forward-looking risk analysis tool that is a measure of the level and focus of the Company's risks that can be accepted to safeguard the effects of governance and control. The risk appetite indicators established by the Board of Directors, the CEO, the Head of Risk and Control and/or those responsible for risks are to be calibrated and assessed regularly (at least annually). This assessment entails assessing whether the indicators effectively and qualitatively measure the qualitative risk appetites.

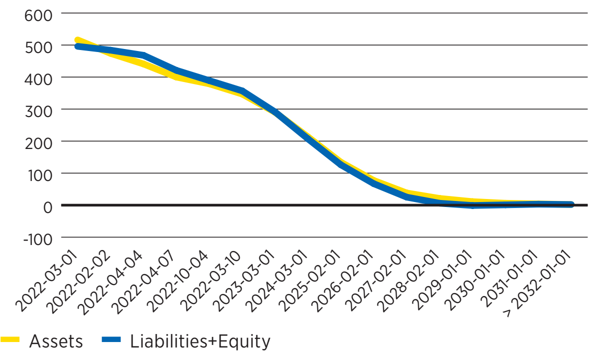
The Company has determined some 20 different risk appetite indicators within the liquidity limitation pillar. These should detect early whether the risk level is about to change and include indicators measuring diversification of borrowing, changes in borrowing levels, the liquidity of the liquidity reserve, liquidity preparedness at different maturities and the structural liquidity situation.

The risk control function is responsible for measuring, identifying, controlling, assessing, analysing and evaluating the Company's risks. The function is also responsible for monitoring exposure to risk levels on a daily basis, which includes measuring risk appetite indicators.

Maturity profile, balance sheet

31 Dec 2021

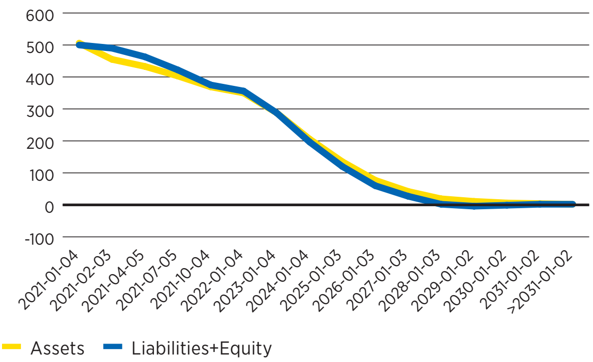
SEK bn



Maturity profile, balance sheet

31 Dec 2020

SEK bn



Diversified funding

The Company has diversified funding, with access to several different capital markets. This ensures that funding activities provides the necessary conditions to cover new lending, renewals and funding maturities, even under worsening market conditions. The strategic funding program are the Company's Swedish benchmark borrowing in USD within the EMTN (Euro Medium Term Note) programme, the ECP (Euro Commercial Paper) programme, as well as its funding in the Japanese market. The Company maintains a continuous market presence in these programmes. In addition, the Company regularly issues green bonds, both in SEK and in USD.

Good matching between assets and liabilities

Liquidity risks arise when assets and liabilities have different maturities. To minimise this risk, the Company strives to achieve good matching between assets (lending and investments) and liabilities (funding and shareholders' equity). The goal is to match assets and liabilities with maturities of more than one year and for deviations over time to be zero. The graph below illustrates the balance sheet maturity profile, indicating good matching between assets and liabilities.

The average maturity of the Company's outstanding borrowing as of 31 December 2021 was 2.4 (2.3) years if the earliest possible notice date is used in the calculation. In connection with cancellable borrowing, the investor has the right, under certain conditions, to request premature repayment of loaned funds.

The average remaining maturity for the Company's assets as of 31 December 2021 was 2.4 (2.4) years, of which the average remaining maturity for the Company's loan portfolio was 2.7 (2.7) years and the average remaining maturity for the liquidity reserve was 0.2 (0.3) years.

Liquidity reserve

To ensure a favourable preparedness in terms of liquidity even during periods of stress (such as impeded opportunities for financing in the capital markets), the Company maintains a liquidity reserve. The liquidity reserve is defined as the Company's holdings in securities, investment repos and bank balances. Bank balances refer to holdings without underlying securities. The Company's own direct holdings of securities and securities pledged as collateral are excluded from the reserve.

The scale of the liquidity reserve is governed by the principle that a sufficient volume shall be maintained to meet the Company's liquidity needs even during periods of substantial unease in the financial markets.

The liquidity reserve is invested in assets of favourable credit quality, high turnover and readily redeemed. All holdings are to be eligible as collateral with the Swedish central bank (the Riksbank). In accordance with the Company's Finance Policy, investments may not be made in securities with a remaining maturity of more than 39 months. Investments are also subject to a country limit whereby exposures to an individual country may not exceed SEK 15 billion, with the exception of Sweden, for which no country limit applies. In addition, the Board of Directors determines the maximum gross exposure to individual issuers.

Liquidity coverage ratio (LCR)

The Liquidity Coverage Ratio (LCR) measures the relationship between high quality liquid assets and the net cash outflow over a 30-day period under stressful circumstances. In the short term, a liquidity coverage ratio of 100 percent thus ensures that the Company's liquidity reserve consists of sufficient high quality liquid assets to meet the net cash outflow over the ensuing 30 days under stressful circumstances.

Kommuninvest measures and monitors LCR on a daily basis. Partly at the total level, for significant currencies, that is, for each separate currency in which the Company holds borrowings amounting to 5 percent or more of its total borrowing, which are in the SEK and USD. According to the limit set by the Board of Directors, the LCR quota may not be lower than 110 percent. For SEK, the Board of Directors has set a limit of 85 percent.

The high proportion of government bonds and other high quality liquid assets in the Company's liquidity reserve means that the liquidity coverage ratio exceeds, by a favourable margin, the authorities' requirement to maintain a liquidity coverage ratio of at least 100 percent. The Company's LCR quota, in accordance with the CRR regulations, totalled, as of 31 December 2021 376.1 (271.8) percent, 67,313.5 (491.8) percent in USD, and 675.0 (502.4) percent in SEK.

EU LIQ1 – Quantitative information of LCR, Solo

SEK million	Total unweighted value (average)				Total weighted value (average)			
Quarter ending on	**31 Dec 2021**	**30 Sep 2021**	**30 Jun 2021**	**31 Mar 2021**	**31 Dec 2021**	**30 Sep 2021**	**30 Jun 2021**	**31 Mar 2021**
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High-quality liquid assets								
Total high-quality liquid assets (HQLA)					70,061.2	70,078.8	72,051.0	66,721.7
Cash – outflows								
Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-
Stable deposits	-	-	-	-	-	-	-	-
Less stable deposits	-	-	-	-	-	-	-	-
Unsecured wholesale funding	-	-	-	-	-	-	-	-
Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
Non-operational deposits (all counterparties)	-	-	-	-	-	-	-	-
Unsecured debt	-	-	-	-	-	-	-	-
Secured wholesale funding					1,400.0	1,221.7	1,207.9	1,406.6
Additional requirements	16,527.3	16,630.3	16,818.9	16,873.8	15,377.5	15,407.4	15,582.1	15,696.7
Outflows related to derivative exposures and other collateral requirements	15,255.1	15,276.9	15,450.0	15,571.2	15,250.3	15,272.1	15,445.2	15,566.4
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	1,272.2	1,353.4	1,368.9	1,302.6	127.2	135.3	136.9	130.3
Other contractual funding obligations	15,956.8	17,319.0	16,910.4	16,791.2	15,956.8	17,319.0	16,910.4	16,791.2
Other contingent funding obligations	15,956.8	18,962.7	18,169.3	18,508.3	15,956.8	18,962.7	18,169.3	18,508.3
Total cash outflows					**32,734.3**	**35,591.8**	**34,959.3**	**35,611.6**
Cash – inflows								
Secured lending (e.g. reverse repos)	5,165.0	5,690.0	8,821.6	12,212.1	2,911.0	3,516.5	5,994.2	7,968.3
Inflows from fully performing exposures	7,868.8	8,992.3	8,454.9	9,369.0	3,777.1	3,772.4	3,371.3	3,879.4
Other cash inflows	4,062.6	6,775.6	5,898.6	5,978.5	2,806.8	5,511.6	4,516.6	4,588.3
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
(Excess inflows from a related specialised credit institution)					-	-	-	-
Total cash inflows	**15,947.5**	**20,552.5**	**22,083.5**	**26,256.6**	**9,494.8**	**12,800.6**	**13,882.1**	**16,435.9**
Fully exempt inflows	-	-	-	-	-	-	-	-
Inflows subject to 90% cap	-	-	-	-	-	-	-	-
Inflows subject to 75% cap	15,612.8	20,153.8	21,439.3	26,256.6	9,252.2	12,507.5	13,382.6	16,435.9
Total adjusted value								
Liquidity buffer					**70,061.2**	**70,078.8**	**72,051.0**	**66,721.7**
Total net cash outflows					**23,365.1**	**21,764.4**	**20,991.6**	**18,705.5**
Liquidity coverage ratio					**318.1%**	**394.1%**	**433.7%**	**454.6%**

EU LIQ1 – Quantitative information of LCR, Consolidated

SEK million	Total unweighted value (average)				Total weighted value (average)			
Quarter ending on	**31 Dec 2021**	**30 Sep 2021**	**30 Jun 2021**	**31 Mar 2021**	**31 Dec 2021**	**30 Sep 2021**	**30 Jun 2021**	**31 Mar 2021**
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High-quality liquid assets								
Total high-quality liquid assets (HQLA)					70,061.2	70,287.3	72,259.6	66,930.2
Cash – outflows								
Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-
Stable deposits	-	-	-	-	-	-	-	-
Less stable deposits	-	-	-	-	-	-	-	-
Unsecured wholesale funding	-	-	-	-	-	-	-	-
Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
Non-operational deposits (all counterparties)	-	-	-	-	-	-	-	-
Unsecured debt	-	-	-	-	-	-	-	-
Secured wholesale funding					1,400.0	1,221.7	1,207.9	1,406.6
Additional requirements	16,527.3	16,714.6	16,898.5	16,934.7	15,377.5	15,491.7	15,661.7	15,757.6
Outflows related to derivative exposures and other collateral requirements	15,255.1	15,361.1	15,529.6	15,632.1	15,250.3	15,356.4	15,524.8	15,627.3
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
Credit and liquidity facilities	1,272.2	1,353.4	1,368.9	1,302.6	127.2	135.3	136.9	130.3
Other contractual funding obligations	15,890.2	17,128.2	16,720.0	16,086.3	15,890.2	17,128.2	16,720.0	16,086.3
Other contingent funding obligations	16,689.7	18,435.9	17,896.9	17,573.2	16,689.7	18,435.9	17,896.9	17,573.2
Total cash outflows					**33,467.2**	**35,149.3**	**34,766.5**	**34,737.4**
Cash – inflows								
Secured lending (e.g. reverse repos)	5,165.0	5,765.0	8,910.6	12,314.7	2,911.0	3,516.5	5,994.2	7,968.3
Inflows from fully performing exposures	7,868.7	8,990.1	8,452.6	8,903.9	3,776.9	3,770.9	3,369.6	3,476.1
Other cash inflows	4,062.6	6,775.6	5,898.6	6,462.4	2,806.8	5,511.6	4,516.6	4,607.1
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
(Excess inflows from a related specialised credit institution)					-	-	-	-
Total cash inflows	**15,947.3**	**20,550.3**	**22,081.1**	**26,275.3**	**9,494.7**	**12,799.0**	**13,880.4**	**16,051.6**
Fully exempt inflows	-	-	-	-	-	-	-	-
Inflows subject to 90% cap	-	-	-	-	-	-	-	-
Inflows subject to 75% cap	15,612.6	20,151.6	21,437.0	26,275.3	9,252.1	12,506.0	13,380.9	16,051.6
Total adjusted value								
Liquidity buffer					**70,061.2**	**70,287.3**	**72,259.6**	**66,930.2**
Total net cash outflows					**23,365.3**	**21,891.6**	**21,119.4**	**18,629.1**
Liquidity coverage ratio					**318.1%**	**393.4%**	**433.0%**	**456.9%**

EU LIQB on qualitative information on LCR, which complements template EU LIQ1

Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time

Since the measurements began, the Company's liquidity ratio (LCR) has mainly been driven by the relationship between borrowing in the Company's bond programme, lending to members and potential collateral outflows as a result of CSA agreements entered into.

Explanations on the changes in the LCR over time

Although there is no clear LCR trend, situations occasionally arise in which the liquidity reserve increases in relation to the outflows due to the fact that borrowing cannot always be synchronised with lending. In such situations, the Company's investments in highly liquid assets increase. The ratio is also affected by variation in outflows of securities, which also has an effect on negative market scenarios. The Company also has some borrowing that can be terminated prematurely, which to some extent can give rise to variations in LCR.

Explanations on the actual concentration of funding sources

To ensure that funding activities provide the necessary conditions to cover new lending, renewals and funding maturities, even under worsening market conditions, the Company maintains diversified funding with access to several different capital markets. The strategic funding programs are the Company's Swedish benchmark borrowing in USD within the EMTN (Euro Medium Term Note) programme, the ECP (Euro Commercial Paper) programme, as well as its funding in the Japanese market. The Company maintains a continuous market presence in strategic funding programmes. Today, the Company also regularly issues green bonds in the currencies SEK and USD.

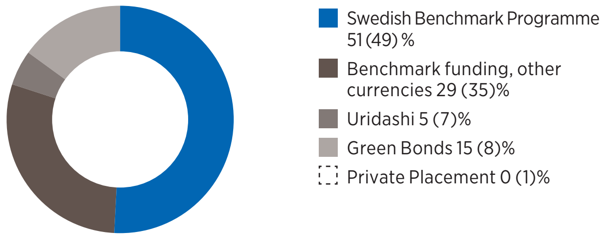
High-level description of the composition of the institution`s liquidity buffer

The reserve is defined as the Company's holdings in securities, investment repos and bank balances. Bank balances refer to holdings without underlying securities. In accordance with the Company's strategy, the liquidity reserve shall be invested short-term, with the average maturity not exceeding 12 months. Individual investments may have a maturity of up to 39 months. The average remaining maturity on the investments in the liquidity reserve as per 31 December 2021 was 2.28 (3.35) months. The longest maturity for an individual security was 20.43 (24.77) months.

Investments are subject to a country limit whereby exposures to an individual country may be SEK 15 billion, with the exception of Sweden, for which no country limit applies. In addition, the Board of Directors determines annually the maximum gross exposure to individual issuers. Investments are made primarily in securities issued by sovereigns or central banks, multilateral development banks and subsidised lenders[1]. The Company's own direct holdings of securities and securities pledged as collateral are excluded from the reserve. As per 31 December 2021, 93 (95) percent of the reserve was invested in securities with the highest possible credit rating, and 69 (75) percent consisted of investments in securities issued by issuers in Sweden.

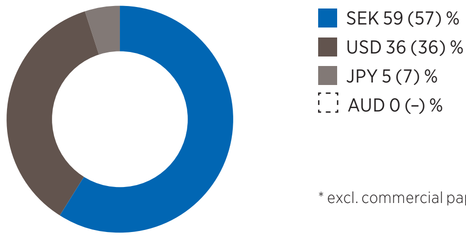
Funding portfolio by programme

2021 (2020)



Funding portfolio by currency*

2021 (2020)



* excl. commercial paper funding

1) Subsidised lenders refer to securities issuers where the exposure is treated as a sovereign exposure in accordance with CRR regulations. This includes, among other things, the Company's Nordic sister organisations.

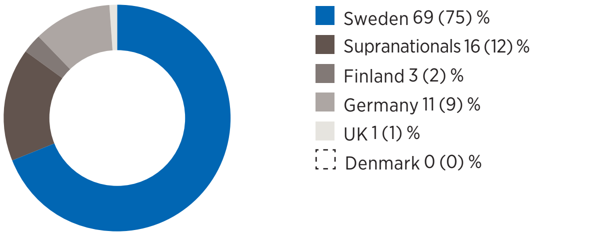
Derivative exposures and potential collateral calls
The Company uses derivatives to hedge market risks. CSA agreements entered into with all derivative counterparties ensure that changes in market value are covered by collateral, mainly cash collateral. The Company calculates potential collateral flows according to the HLBA method and takes this into account in the LCR measurements. Collateral flows according to the HLBA method are continuously reconciled with internal stress tests for collateral flows.

Currency mismatch in the LCR
The Company's main borrowing currencies are SEK and USD. The Company's only lending currency is SEK. The Company's liquidity reserve shall mainly be invested in SEK-denominated assets. The Company also invests in other currencies to meet the LCR requirements.

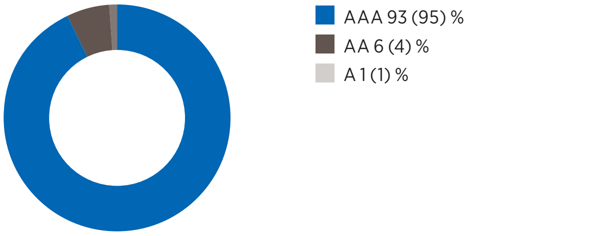
Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile
In the Company's internal liquidity measures and governance, the Company assumes a forecast turnover rate if higher than 50 percent, which it usually is. The company also maintains additional preparedness for unexpected outflows, including new lending.

Net stable funding ratio (NSFR)
With regard to measures relating to the structural liquidity risk, the Company measures and monitors the stable net financing ratio (Net Stable Funding Ratio), that is, the relationship between available stable financing and the Company's need for stable financing. Since June 2016, a limit has been imposed by the Company's Board of Directors to the effect that the NSFR quota may not fall below 110 percent. As per 31 December 2021, the NSFR quota was 142.9 (141.5) percent. In accordance with the Company's asset and liability management strategy, the Company shall continuously and over time maintain a good match between assets and liabilities. This together with the fact that the asset side only consists of lending to the municipality/regional sector and the liquidity reserve consisting of highly liquid assets, contributes to a stable NSFR quota over time.

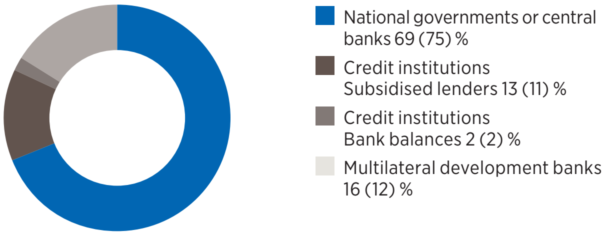
Liquidity reserve distributed by country
2021 (2020)



Liquidity reserve distributed by rating category
2021 (2020)



Liquidity reserve distributed by issuer category
2021 (2020)



EU LIQ2: Net Stable Funding Ratio, Solo

SEK million	No maturity	Unweighted value by residual maturity < 6 months	6 months to < 1yr	≥ 1yr	Weighted value
Available stable funding (ASF) Items					
Capital items and instruments	9,399.2	-	-	-	9,399.2
Own funds	9,399.2	-	-	-	9,399.2
Other capital instruments		-	-	-	-
Retail deposits		-	-	-	-
Stable deposits		-	-	-	-
Less stable deposits		-	-	-	-
Wholesale funding:		75,823.6	54,781.0	375,753.0	403,143.5
Operational deposits		-	-	-	-
Other wholesale funding		75,823.6	54,781.0	375,753.0	403,143.5
Interdependent liabilities		-	-	-	-
Other liabilities:		2,541.7	-	-	0.0
NSFR derivative liabilities	2,237.4				
All other liabilities and capital instruments not included in the above categories		2,541.7	-	-	-
Total available stable funding (ASF)					**412,542.7**
Required stable funding (RSF) Items					
Total high-quality liquid assets (HQLA)					**125.3**
Assets encumbered for more than 12m in cover pool		-	-	-	-
Deposits held at other financial institutions for operational purposes		-	-	-	-
Performing loans and securities:		68,477.9	38,599.8	354,907.4	283,694.7
Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		1,334.7	-	-	133.5
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		67,143.2	38,599.8	354,907.4	283,561.3
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		67,143.2	38,599.8	354,907.4	283,561.3
Performing residential mortgages, of which:		-	-	-	-
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		-	-	-	-
Interdependent assets		-	-	-	-
Other assets:		7,496.7	7,290.1	13,290.8	5,359.3
Physical traded commodities				-	-
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			2,464.7		2,095.0
NSFR derivative assets			2,588.0		2,588.0
NSFR derivative liabilities before deduction of variation margin posted			22,374.1		111.9
All other assets not included in the above categories		206.6	-	-	-
Off-balance sheet items		-	-	-	0.0
Total RSF					**288,744.0**
Net Stable Funding Ratio (%)					**142.9%**

EU LIQ2: Net Stable Funding Ratio, Consolidated

	Unweighted value by residual maturity				
SEK million	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
Available stable funding (ASF) Items					
Capital items and instruments	9,409.9	-	-	-	9,409.9
Own funds	9,409.9	-	-	-	9,409.9
Other capital instruments		-	-	-	-
Retail deposits		-	-	-	-
Stable deposits		-	-	-	-
Less stable deposits		-	-	-	-
Wholesale funding:		75,823.6	54,781.0	375,753.0	403,143.5
Operational deposits		-	-	-	-
Other wholesale funding		75,823.6	54,781.0	375,753.0	403,143.5
Interdependent liabilities		-	-	-	-
Other liabilities:	-	2,531.9	-	-	0.0
NSFR derivative liabilities	2,237.4				
All other liabilities and capital instruments not included in the above categories		2,531.9	-	-	-
Total available stable funding (ASF)					**412,553.4**
Required stable funding (RSF) Items					
Total high-quality liquid assets (HQLA)					**125.3**
Assets encumbered for more than 12m in cover pool		-	-	-	-
Deposits held at other financial institutions for operational purposes		-	-	-	-
Performing loans and securities:		68,493.0	38,599.8	354,907.4	283,696.2
Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		1,349.8	-	-	135.0
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		67,143.2	38,599.8	354,907.4	283,561.3
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		67,143.2	38,599.8	354,907.4	283,561.3
Performing residential mortgages, of which:		-	-	-	-
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		-	-	-	-
Interdependent assets		-	-	-	-
Other assets:		7,482.4	7,290.1	13,290.8	5,359.3
Physical traded commodities				-	-
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			2,464.7		2,095.0
NSFR derivative assets			2,588.0		2,588.0
NSFR derivative liabilities before deduction of variation margin posted			2,237.4		111.9
All other assets not included in the above categories		192.3	-	-	-
Off-balance sheet items		-	-	-	0.0
Total RSF					**288,738.4**
Net Stable Funding Ratio (%)					**142.9%**

Stress tests and contingency plan

The Company's liquidity reserve must, in accordance with the financial policy and financial instructions, safeguard the following factors affecting liquidity:

- Short-term deviations in the maturity matching.
- Outflows as a result of collateral management within the derivatives operations.
- Outflows as a result of the Company being able to offer customers new loans or turnover of existing loans.

The Company's liquidity preparedness must be able to cope with stresses in the above parameters affecting liquidity. Liquidity preparedness is evaluated on an ongoing basis through stress tests, and appropriate measures to improve the liquidity situation are detailed in the Company's contingency plan. An example of a stress test is a stressed LCR measure based on a longer period of time than the regulatory LCR measure. The contingency plan is linked to the Company's risk framework, which includes an escalation process that should reflect the Company's financial situation and that includes five levels: normal position, risk-owner limitation, CEO limitation, Board of Directors limitation and legal requirements. If the financial situation changes from the normal position, a number of measures are specified in a specific order of priority to improve the Company's liquidity, which shall enable the Company to meet its payment obligations.

Continuity management

The continuity management plan for liquidity includes the contingency plan, the continuity plan and the recovery plan. In the event of an interruption, or major operational disruption or crisis, the plan and the tests and exercises conducted serve as a guide as to how efforts are to be organised.

The plan also describes measures to improve the Company's liquidity and its likelihood of meeting its payment obligations, including, for example, temporarily increased funding, utilising the liquidity reserve and the pricing of loan products.

The Company shall test the plan and conduct exercises based on it regularly (at least annually). The results of the completed exercises/tests are to be analysed and, if necessary, the plan shall be updated accordingly.

Operational risk

Operational risk refers to 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 inherent in the Company's operations and cannot be completely avoided, eliminated or transferred to another party. 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.

Risk management

Operational risks exist throughout the operations and can never be completely avoided. Risk management and analysis are performed continuously. Self-assessment, incident management, approval processes in connection with amendments, and contingency and continuity planning are among the methods used to identify, manage and analyse operational risk.

The risks are mitigated by good governance and control, thus keeping operational risk at a controlled and acceptable level. Risk management within Kommuninvest comprises uniform measurement and reporting of operational risks. An analysis of the level of risk in all operations is performed on a regular basis and reported to the Board of Directors, CEO and management. The operational risk unit within the Risk and Control department bears overall responsibility for the methods and procedures used to measure, identify, control, assess, analyse, evaluate and report operational risks. The process of managing operational risk is performed based on Kommuninvest's risk appetite and the processes essential to the operations.

Methods for identifying, managing and analysing operational risks

Risk indicators

Risk indicators are a measure of the effects of governance and control within the Company, and are to be monitored and analysed continuously to alert the operations if their risks increase. Reviewing these indicators serves to inform the operations if the risk situation within Kommuninvest changes.

Self-assessment

Operational risks can arise in any part of the Company's operations. What the operational risks have in common is that their size is only to a minor extent affected by external factors, such as changes in market rates or in the creditworthiness of different customers or counterparties. Instead, operational risks arise through shortcomings in Kommuninvest's own operations and/or organisation. Against this background, the CEO is responsible, alongside all department managers, for conducting self-assessment of the operational net risks in the Company's products, services, functions, processes and IT systems. The results of the self-assessment are reported annually to the Board of Directors, the CEO and the management.

Stress tests

Stress tests are a tool for ensuring that Kommuninvest keeps a forward-looking perspective in its risk management and capital planning. Stress test is a collective name for various types of evaluations that the Company performs in its operations, experienced-based or hypothetical, to quantify risks and to measure the Company's capacity to manage extraordinary circumstances. Stress tests are to be performed using scenario analyses or sensitivity analyses.

Incident management

A reportable event is defined as one that deviates from the expected. Reportable events are those where risks are materialised, that is, external events or events within Kommuninvest that have, or could have, a negative impact on the Company's business, assets, or reputation.

Kommuninvest shall, in an organised and structured manner, track reportable events (incidents), basing this work on the Company's established instructions for such reporting. Events that deviate from the expected should, as far as possible, be reported and handled within the area of operations or the process in which the risk arises.

Process owner is responsible for employees reporting such events and taking action to handle the events.

Processes for approving new products, services, markets, currencies, IT systems, and organisational and operational changes (NPAP)

Kommuninvest's approval process is to be initiated when the need for a new product, service, market, currency, process, or IT system arises or is identified, or when a substantial change is needed in an existing one. The process should also be initiated in connection with major changes in the Company's operations or organisation. The purpose of the process is to identify and manage the risks that may arise in connection with change.

Written documentation for approval decisions shall be prepared in accordance with the operational management templates by the individual initiating the matter. The documentation shall be developed in dialogue with all relevant functions at the Company.

Continuity management

The organisation shall perform crisis prevention work. This is done in the operations under the direction of the relevant department manager. To provide support, guidelines are to be provided in the form of security instructions, continuity management plans and security procedures.

At least once a year, the Board of Directors shall be informed of the latest results from tests of the contingency, continuity and recovery plans.

Capital requirement for operational risk

Kommuninvest applies the base indicator method to determine the capital requirement for operational risk. The method calculates the capital requirement based on 15 percent of the operating income over the past three years.

Kommuninvest's capital requirement under Pillar 1 for operational risks amounts to SEK 91.0 (107.0) million.

Strategic risk

Strategic risk refers to the long-term risk of losses due to erroneous or misguided strategic choices and business decisions, incorrect implementation of decisions or inadequate sensitivity to changes in society, regulatory systems or the financial sector and/or local government sector. The Company has a procedure for developing strategic targets set by the Board of Directors. Strategic risks are limited by strategic decisions being made on the basis of well-founded analyses and decisions of a strategic nature often being made by the Board of Directors.

Included under strategic risk is business risk, which is the risk of reduced revenues or increased expenses as a consequence of factors in the external business environment (including market conditions, customer behaviours and technological developments) having a negative impact on volumes and margins. All departments within the Company work continuously with external monitoring in their respective fields.

Capital requirement for strategic risk
The Company's assessment is that the capital requirement for strategic risk is managed within operational risks.

Stakeholder risk
Stakeholder risk refers to the risk of a ratings agency, customer, member, employee, investor, mass media organisation, national assembly, central government or other stakeholder losing confidence in the Company and its business concept.

The Company's stakeholder risk is managed by the Company safeguarding a sound risk culture based on local government values, regulatory compliance and good internal governance and control. An analysis of the level of risk is performed on a regular basis and reported to the Board of Directors, CEO and the management

Capital requirement for Stakeholder risk
The Company's assessment is that the capital requirement for stakeholder risk is managed within operational risks.

Compliance risk
Regulatory compliance risk refers to the risk of the Company failing to comply with current external or internal regulations and thereby risking being sanctioned, suffering losses or impairment or loss of reputation.

The Company works continuously with external monitoring and analysis of regulatory changes to reduce the Company's regulatory compliance risks. External monitoring is coordinated by the Company's regulatory group, which also verifies the analyses. The principal responsibility for the operation being conducted in accordance with current regulations rests with the operational organisation. The regulatory compliance function contributes both pro-actively through advice and support for the operational organisation and reactively by examining and checking the risk management processes. In preparation for each year, an analysis is made of the Company's regulatory compliance risks and, based on that analysis, a plan is drawn up for the future work of the function. The plan is approved by the CEO and reported to the Board of Directors.

Capital requirement for regulatory compliance risk
The Company's assessment is that the capital requirement for regulatory compliance risk is addressed within the operational risks.

Sustainability risk
Sustainability risk refers to the risk of the Company directly or indirectly negatively affecting or being affected in the areas of the environment and climate, corruption, human rights, working conditions or business ethics.

Sustainability risks are managed by considering economic, social and environmental sustainability throughout the operations. Requirements are based on national and international regulations and guidelines in the areas of the environment and climate, corruption, human rights, working conditions or business ethics. An analysis of the level of risk is performed on a regular basis and reported to the Board of Directors, CEO and the management.

Capital requirement for sustainability risk
The Company's assessment is that the capital requirement for sustainability risk is addressed within the operational risks.

EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

	Relevant indicator			Own funds requirement	Total operational risk-weighted exposure amount		
SEK million	Year-3	Year-2	Last year			Own funds requirements	Risk weighted exposure amount
Banking activities							
Banking activities subject to basic indicator approach (BIA)	607.2	447.9	727.4	-	-	89.1	1,114.1
Banking activities subject to standardised (TSA)/alternative standardised (ASA) approaches	-	-	-	-	-	-	-
Subject to TSA:	-	-	-	-	-		
Subject to ASA:	-	-	-	-	-		
Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-	-	-

Capital management and own funds

Own funds and capital requirements
Kommuninvest is required to comply with the 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 the Swedish Financial Supervisory Authority. In the spring of 2019, a decision was made to amend the regulations, with the amendments being referred to as the EU bank package. These regulatory changes are often referred to as CRR 2 and will become applicable in the next few years. Furthermore, on 20 November 2020, the Swedish Financial Supervisory Authority adopted a changed application of the capital requirements for Swedish banks to adapt these requirements to the bank package. As a result, Finansinspektionen has introduced special capital requirements and leverage ratio requirements in Pillar 2, as well as Pillar 2 guidance. The Pillar 2 guidance is based on the outcome of stress tests and other institution-specific assessments. The capital planning buffer has been removed because its purpose is instead fulfilled through Pillar 2 guidance. Information on Pillar 2 requirements and Pillar 2 guidance applicable to Kommuninvest have been notified by the Swedish Financial Supervisory Authority as of 2021-09-24.

Risk-base capital base requirement	31 Dec 2021		31 Dec 2020	
Capital base requirement in accordance with Pillar 1	186.5	8.0%	191.7	8.0%
Capital base requirement, Pillar 2 requirement[1]	1,773.7	76.1%	-	-
Combined buffer requirement	58.3	2.5%	59.9	2.5%
Pillar 2 guidance[1]	396.2	17.0%	-	-
Total risk-base capital base requirement	**2,414.7**	**0.0**	**251.6**	**10.5%**

1) According to Finansinspektionen's deliberations regarding its decision.

Capital planning
The Group's capital planning is intended to ensure that the Group is fully capitalised to meet both the risks in the operations, as well as future regulatory requirements. In relation to both of these aspects, the Group is well capitalised.

One priority with capital planning is to ensure that the Group has sufficient capital to support the Company, so that its internal capital target it met. The principle of the capital target is that the capital in the Company shall exceed the highest of the internally assessed capital requirement and the regulatory capital requirement according to the Swedish Financial Supervisory Authority. The scale of the capital target in quantitative terms is determined annually within the framework of the Company's internal capital and liquidity assessment (ICAAP and ILAAP).

The Group's capital target for 2021 amounted to SEK 7,800 (7,700) million, which corresponds to the Company's capital target plus a board buffer of 1,100 (1,200) million. In relation to the Group's capital base, which amounts to SEK 9,409.9 (8,565.4) million, the capital target is met by a good margin.

Internally estimated capital requirements	31 Dec 2021	31 Dec 2020
Capital requirement, Pillar 2		
Credit risk	31.4	20.6
Market risks	1,434.7	1,823.5
Capital planning buffer	-	1,070.4
Other risk[1]	1,944.0	449.7
Total internally estimated capital requirement	**3,410.1**	**3,364.2**

1) Consists of capital requirements for the risk of excessively low leverage ratio.

Capital targets	31 Dec 2021	31 Dec 2020
Capital target Company	6,700.0	6,500.0
Board of Directors buffer	1,100.0	1,200.0
Capital targets	**7,800.0**	**7,700.0**

Key metrics

EU KM1 – Key metrics template

SEK million	31 Dec 2021	30 Sep 2021	30 Jun 2021
Available own funds (amounts)			
Common Equity Tier 1 (CET1) capital	9,409.9	9,402.6	9,328.6
Tier 1 capital	9,409.9	9,402.6	9,328.6
Total capital	9,409.9	9,402.6	9,328.6
Risk-weighted exposure amounts			
Total risk-weighted exposure amount	2,330.7	2,831.2	2,764.4
Capital ratios (as a percentage of risk-weighted exposure amount)			
Common Equity Tier 1 ratio (%)	403.7%	332,1%	337.5%
Tier 1 ratio (%)	403.7%	332,1%	337.5%
Total capital ratio (%)	403.7%	332,1%	337.5%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)			
Additional CET1 SREP requirements (%)	42.8%	42.8%	42.8%
Additional AT1 SREP requirements (%)	14.3%	14.3%	14.3%
Additional T2 SREP requirements (%)	19.0%	19.0%	19.0%
Total SREP own funds requirements (%)	84.1%	84.1%	84.1%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
Capital conservation buffer (%)	2.5%	2.5%	2.5%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-
Institution specific countercyclical capital buffer (%)	-	-	-
Systemic risk buffer (%)	-	-	-
Global Systemically Important Institution buffer (%)	-	-	-
Other Systemically Important Institution buffer	-	-	-
Combined buffer requirement (%)	2.5%	2.5%	2.5%
Overall capital requirements (%)	86.6%	86.6%	86.6%
CET1 available after meeting the total SREP own funds requirements (%)	319.6	248.0	253.4
Leverage ratio			
Leverage ratio total exposure measure	61,213.0	67,763.2	91,672.7
Leverage ratio	15.4%	13.9%	10.2%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)			
Additional CET1 leverage ratio requirements (%)	-	-	-
Additional AT1 leverage ratio requirements (%)	-	-	-
Additional T2 leverage ratio requirements (%)	-	-	-
Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%
Applicable leverage buffer		-	-
Overall leverage ratio requirements (%)	3.0%	3.0%	3.0%
Liquidity Coverage Ratio			
Total high-quality liquid assets (HQLA) (Weighted value -average)	70,061.2	70,287.3	72,259.6
Cash outflows – Total weighted value	33,467.2	35,149.3	34,766.5
Cash inflows – Total weighted value	9,494.7	12,799.0	13,880.4
Total net cash outflows (adjusted value)	23,365.3	21,891.6	21,119.4
Liquidity coverage ratio (%)	318.1%	393.4%	433.0%
Net Stable Funding Ratio			
Total available stable funding	412,553.4	417,107.7	419,371.5
Total required stable funding	288,738.4	286,499.8	279,800.6
NSFR ratio (%)	142.9%	145.6%	147.1%

EU OV1 – Overview of RWAs, Solo

	Risk weighted exposure amounts (RWEAs)		Total own funds requirements
SEK million	**31 Dec 2021**	**30 Sep 2021**	**31 dec 2021**
Credit risk (excluding CCR)	383.7	408.0	30.7
Of which the standardised approach	*383.7*	*408.0*	*30.7*
Of which the foundation IRB (FIRB) approach	-	-	-
Of which slotting approach	-	-	-
Of which equities under the simple riskweighted approach	-	-	-
Of which the advanced IRB (AIRB) approach	-	-	-
Counterparty credit risk – CCR	845.5	1,131.3	67.6
Of which the standardised approach	*0.1*	*0.0*	*0.0*
Of which internal model method (IMM)	-	-	-
Of which exposures to a CCP	-	-	-
Of which credit valuation adjustment - CVA	*845.4*	*1,131.3*	*67.6*
Of which other CCR	-	-	*0.0*
Settlement risk	-	-	-
Securitisation exposures in the non-trading book (after the cap)	-	-	-
Of which SEC-IRBA approach	-	-	-
Of which SEC-ERBA (including IAA)	-	-	-
Of which SEC-SA approach	-	-	-
Of which 1250%/ deduction	-	-	-
Position, foreign exchange and commodities risks (Market risk)	-	-	-
Of which the standardised approach	-	-	-
Of which IMA	-	-	-
Large exposures	-	-	-
Operational risk	1,137.5	1,337.1	91.0
Of which basic indicator approach	*1,137.5*	*1,337.1*	*91.0*
Of which standardised approach	-	-	-
Of which advanced measurement approach	-	-	-
Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	-	-	-
Total	**2,366.7**	**2,876.4**	**189.3**

EU OV1 – Overview of RWAs, Consolidated

	Risk weighted exposure amounts (RWEAs)		Total own funds requirements
SEK million	**31 Dec 2021**	**30 Sep 2021**	**31 Dec 2021**
Credit risk (excluding CCR)	371.2	394.7	29.7
Of which the standardised approach	371.2	394.7	29.7
Of which the foundation IRB (FIRB) approach	-	-	-
Of which slotting approach	-	-	-
Of which equities under the simple riskweighted approach	-	-	-
Of which the advanced IRB (AIRB) approach	-	-	-
Counterparty credit risk – CCR	845.5	1,131.3	67.6
Of which the standardised approach	0.1	0.0	0.0
Of which internal model method (IMM)	-	-	-
Of which exposures to a CCP	-	-	-
Of which credit valuation adjustment – CVA	845.3	1,131.3	67.6
Of which other CCR	-	-	-
Settlement risk	-	-	-
Securitisation exposures in the non-trading book (after the cap)	-	-	-
Of which SEC-IRBA approach	-	-	-
Of which SEC-ERBA (including IAA)	-	-	-
Of which SEC-SA approach	-	-	-
Of which 1250%/ deduction	-	-	-
Position, foreign exchange and commodities risks (Market risk)	-	-	-
Of which the standardised approach	-	-	-
Of which IMA	-	-	-
Large exposures	-	-	-
Operational risk	1,114.1	1,305.2	89.1
Of which basic indicator approach	1,114.1	1,305.2	89.1
Of which standardised approach	-	-	-
Of which advanced measurement approach	-	-	-
Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	-	-	-
Total	**2,330.7**	**2,831.2**	**186.5**

Kommunivests own funds is only CET 1 capital and consists of Participation capital and retained earnings. It is only in the event of resignation or exclusion that a member can receive his participation capital. A member who resigns or is excluded receives his participation capital after six months. Such a payment presupposes that, in the Board's assessment, it is possible to carry it out without in any significant respect adversely affecting the capital adequacy situation in Kommuninvest.

EU CC1 – Composition of regulatory own funds

SEK million	Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves		
Capital instruments and the related share premium accounts	9,001.7	A
of which: Participatin capital	9,001.7	A
Retained earnings	631.4	B
Accumulated other comprehensive income (and other reserves)	-	
Funds for general banking risk	-	
Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
Minority interests (amount allowed in consolidated CET1)	-	
Independently reviewed interim profits net of any foreseeable charge or dividend	-	
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**9,633.1**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
Additional value adjustments (negative amount)	-218.9	
Intangible assets (net of related tax liability) (negative amount)	-4.2	
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
Negative amounts resulting from the calculation of expected loss amounts	-	
Any increase in equity that results from securitised assets (negative amount)	-	
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
Defined-benefit pension fund assets (negative amount)	-	
Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
of which: qualifying holdings outside the financial sector (negative amount)	-	
of which: securitisation positions (negative amount)	-	
of which: free deliveries (negative amount)	-	
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
Amount exceeding the 17,65% threshold (negative amount)	-	
of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
of which: deferred tax assets arising from temporary differences	-	
Losses for the current financial year (negative amount)	-	
Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	-	
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**-223.2**	
Common Equity Tier 1 (CET1) capital	**9,409.9**	

SEK million	Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
Additional Tier 1 (AT1) capital: instruments		
Capital instruments and the related share premium accounts	-	
of which: classified as equity under applicable accounting standards	-	
of which: classified as liabilities under applicable accounting standards	-	
Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	-	
Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	
Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
of which: instruments issued by subsidiaries subject to phase out	-	
Additional Tier 1 (AT1) capital before regulatory adjustments	**-**	
Additional Tier 1 (AT1) capital: regulatory adjustments		
Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
Other regulatory adjustments to AT1 capital	-	
Total regulatory adjustments to Additional Tier 1 (AT1) capital	**-**	
Additional Tier 1 (AT1) capital	**-**	
Tier 1 capital (T1 = CET1 + AT1)	**9,409.9**	
Tier 2 (T2) capital: instruments		
Capital instruments and the related share premium accounts	-	
Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	-	
Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	-	
Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
of which: instruments issued by subsidiaries subject to phase out	-	
Credit risk adjustments	-	
Tier 2 (T2) capital before regulatory adjustments	**-**	
Tier 2 (T2) capital: regulatory adjustments		
Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
Other regulatory adjustments to T2 capital	**-**	
Total regulatory adjustments to Tier 2 (T2) capital	**-**	
Tier 2 (T2) capital	**-**	
Total capital (TC = T1 + T2)	**9,409.9**	

SEK million	Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
Total Risk exposure amount	**2,330.7**	
Capital ratios and buffers		
Common Equity Tier 1 (as a percentage of total risk exposure amount)	403.7%	
Tier 1 (as a percentage of total risk exposure amount)	403.7%	
Total capital (as a percentage of total risk exposure amount)	403.7%	
Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	49.8%	
of which: capital conservation buffer requirement	2.5%	
of which: countercyclical buffer requirement	-	
of which: systemic risk buffer requirement	-	
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-	
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	**319.6%**	
Amounts below the thresholds for deduction (before risk weighting)		
Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	
Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	
Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-	
Applicable caps on the inclusion of provisions in Tier 2		
Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	
Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
Current cap on CET1 instruments subject to phase out arrangements	-	
Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
Current cap on AT1 instruments subject to phase out arrangements	-	
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
Current cap on T2 instruments subject to phase out arrangements	-	
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
SEK million	**As at period end**	**As at period end**	
Assets - Breakdown by asset clases according to the balance sheet in the published financial statements			
Cash and balances with central banks	7,672.5		
Sovereign bonds eligible as collateral	30,724.1		
Lending to credit institutions	1,349.8		
Lending	460,650.3		
Bonds and other interest-bearing securities	15,529.8		
Derivatives	5,729.3		
Intangible assets	24.7		
Tangible assets	6.0		
Tangible assets, lands and buildings	26.7		
Current tax assets	79.6		
Other assets	2,427.0		
Deferred tax assets	0.7		
Prepaid operating expenses and accrued revenue	42.1		
Total assets	**524,262.6**		
Liabilities - Breakdown by liability clases according to the balance sheet in the published financial statements			
Liabilities to credit institutions	277.70		
Securities issued	506,080.1		
Derivatives	3,851.4		
Change in value of interest-hedged item in portfolio hedging	381.8		
Other liabilities	3,519.5		
Accrued operating expenses and prepaid revenues	46.1		
Provisions for pensions and similar obligations	0.0		
Total liabilities	**514,156.6**		
Shareholders' Equity			
Participation capital	9,001.7		A
Reserves	24.7		B
Profit carried forward	618.5		B
Net profit	461.1		
Total shareholders' equity	**10,106.0**		

Countercyclical buffer

As per 31 December 2021, the countercyclical buffer requirement for Kommuninvest i Sverige AB amounted to 0.0 percent, thereby leaving the value unchanged compared with the buffer value of 0 percent that began to be applied on 16 March 2020.

EU CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
Breakdown by country:	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Finland	153.9	-	-	-	-	153.9	12.3	-	-	12.3	1,924.1	41.5%	0%
UK	116.1	-	-	-	-	116.1	9.3	-	-	9.3	1,451.7	31.3%	0%
Sweden	101.2	-	-	-	-	101.2	8.1	-	-	8.1	1,265.3	27.2%	0%
Japan	0.0	-	-	-	-	0.0	0.0	-	-	0.0	0.0	0%	0%
USA	-	-	-	-	-	-	-	-	-	-	-	0%	0%
Canada	-	-	-	-	-	-	-	-	-	-	-	0%	0%
France	0.0	-	-	-	-	0.0	0.0	-	-	0.0	0.0	0%	0%
Total	**371.3**	**-**	**-**	**-**	**-**	**371.3**	**29.7**	**-**	**-**	**29.7**	**4,641.1**	**100%**	

EU CCyB2 – Amount of institution-specific countercyclical capital buffer

Total risk exposure amount	**2,330.7**
Institution-specific countercyclical capital buffer rate	0.0
Institution-specific countercyclical capital buffer requirement	0.0

Leverage ratio

The leverage ratio is defined as the ratio between Tier I capital and total exposure in assetsand commitments and the requirement has been set at 3 percent.

A specific leverage ratio regulation is applied when calculating the leverage ratio for Public Development Credit Institutions (PDCI), In Kommuninvest's assessment, all of the criteria to be defined as a PDCI have been met. In its most recent review and evaluation process, the Swedish Financial Supervisory Authority found no reason to question that assessment. For Kommuninvest, this means that all lending to members and their companies can be deducted from the exposure measure applied in calculating the leverage ration. Kommuninvest meets the leverage requirement of 3 percent by a good margin.

EU LR1 – LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

SEK million	Applicable amount
Total assets as per published financial statements	525,262.6
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-
(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
(Adjustment for temporary exemption of exposures to central bank (if applicable))	-
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of point (i) of Article 429a(1) CRR)	-
Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
Adjustment for eligible cash pooling transactions	-
Adjustments for derivative financial instruments	-2,176.8
Adjustment for securities financing transactions (SFTs)	1.0
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	258.9
(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-223.1
(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
Other adjustments	-460,909.2
Leverage ratio total exposure measure	**62,213.1**

EU LR2 – LRCom: Leverage ratio common disclosure

	CRR leverage ratio exposures	
SEK million	**31 Dec 2021**	**31 Dec 2020**
On-balance sheet exposures (excluding derivatives and SFTs)		
On-balance sheet items (excluding derivatives, SFTs, but including collateral)	518,533.3	546,991.1
Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-1,601.7	-7,227.6
(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
(General credit risk adjustments to on-balance sheet items)	-	-
(Asset amounts deducted in determining Tier 1 capital)	-223.2	-208.2
Total on-balance sheet exposures (excluding derivatives and SFTs)	**516,708.4**	**539,555.3**
Derivative exposures		
Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	1,608.9	2,526.0
Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	3,545.3	3,949.1
Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
Exposure determined under Original Exposure Method	-	-
(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
(Exempted CCP leg of client-cleared trade exposures) (Original exposure method)	-	-
Adjusted effective notional amount of written credit derivatives	-	-
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
Total derivatives exposures	**5,154.2**	**6,475.1**
Securities financing transaction (SFT) exposures		
Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-	-
(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
Counterparty credit risk exposure for SFT assets	0.7	-
Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
Agent transaction exposures	-	-
(Exempted CCP leg of client-cleared SFT exposure)	-	-
Total securities financing transaction exposures	**0.7**	**-**
Other off-balance sheet exposures		
Off-balance sheet exposures at gross notional amount	517.8	7,267.7
(Adjustments for conversion to credit equivalent amounts)	-258.9	-3,633.8
(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
Off-balance sheet exposures	**258.9**	**3,633.9**
Excluded exposures		
(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	-	-
(Excluded exposures of public development banks - Public sector investments)	-212,502.6	-210,794.5
(Excluded promotional loans of public development banks: - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-248,406.6	-247,197.1
(Excluded passing-through promotional loan exposures by non-public development banks (or units): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
(Excluded guaranteed parts of exposures arising from export credits)	-	-
(Excluded excess collateral deposited at triparty agents)	-	-
(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
(Total exempted xposures)	**-460,909.2**	**-457,991.6**

SEK million	CRR leverage ratio exposures 31 Dec 2021	31 Dec 2020
Capital and total exposure measure		
Tier 1 capital	**9,409.9**	**9,328.6**
Leverage ratio total exposure measure	**61,213.0**	**91,672.7**
Leverage ratio		
Leverage ratio	15.4%	10.2%
Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	1.8%	1.7%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	15.4%	10.2%
Regulatory minimum leverage ratio requirement (%)	3.0%	3.0%
Additional leverage ratio requirements (%)	-	-
Required leverage buffer (%)	-	-

Leverage ratio, capital base requirements		31 Dec 2021
Capital base requirement in accordance with Pillar 1	3.0%	2,750.2
Capital base requirement, Pillar 2 requirement[1]	-	-
Pillar 2 guidance[1]	3.0%	2,746.5
Total leverage ratio, capital base requirement[2]	**6.0%**	**5,496.7**

1) The difference between 1 % of total exposure excluding deducions in the form of exposure to members and there companies, and capital base requirement in accordance with Pillar 1.

2) The difference between 1 % of total exposure excluding deducions in the form of exposure to members and there companies.

EU LR3 – LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

SEK million	CRR leverage ratio exposures
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	**56,281.27**
Trading book exposures	-
Banking book exposures, of which:	56,281.27
Covered bonds	-
Exposures treated as sovereigns	*47,245.15*
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-
Institutions	*8,934.96*
Secured by mortgages of immovable properties	-
Retail exposures	-
Corporate	*101.16*
Exposures in default	-
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	-

Scope of application

EU LI1 - Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

			Carrying values of items				
SEK million	**Carrying values as reported in published financial statements**	**Carrying values under scope of regulatory consolidation**	**Subject to the credit risk framework**	**Subject to the CCR framework**	**Subject to the securitisation framework**	**Subject to the market risk framework**	**Not subject to own funds requirements or subject to deduction from own funds**
Breakdown by asset clases according to the balance sheet in the published financial statements							
Cash and balances with central banks	7,672.5		7672.5	-	-	-	-
Sovereign bonds eligible as collateral	30,724.1		30,724.1	-	-	-	-
Lending to credit institutions	1,349.8		1,349.8	-	-	-	-
Lending	460,650.3		460,650.3	-	-	-	-
Bonds and other interest-bearing securities	15,529.8		15,529.8	-	-	-	-
Derivatives	5,729.3		-	5,729.3	-	-	-
Intangible assets	24.7		24.7	-	-	-	-
Tangible assets	6.0		6.0	-	-	-	-
Tangible assets, lands and buildings	26.7		26.7	-	-	-	-
Current tax assets	79.6		79.6	-	-	-	-
Other assets	2,427.0		825.3	-	-	-	1,601.7
Deferred tax assets	0.7		0.7	-	-	-	-
Prepaid operating expenses and accrued revenue	42.1		42.1	-	-	-	-
Total assets	**524,262.6**		**516,931.6**	**5,729.3**	**-**	**-**	**1,601.7**
Breakdown by liability classes according to the balance sheet in the published financial statements							
Liabilities to credit institutions	277.7		-	-	-	-	277.7
Securities issued	506,080.1		-	-	-	-	506,080.1
Derivatives	3,851.4		-	3,851.4	-	-	0.0
Change in value of interest-hedged item in portfolio hedging	381.8		-	-	-	-	381.8
Other liabilities	3,519.5		-	-	-	-	3,519.5
Accrued operating expenses and prepaid revenues	46.1		-	-	-	-	46.1
Provisions for pensions and similar obligations	0.0		-	-	-	-	0.0
Total liabilities	**513,878.9**			**3,851.4**			**510,027.5**

EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

SEK million	Total	Items subject to: Credit risk framework	Securitisation framework	CCR framework	Market risk framework
Assets carrying value amount under the scope of regulatory consolidation (as per template LI1)	**522,660.9**	**516,931.6**	**-**	**5,729.3**	**-**
Liabilities carrying value amount under the regulatory scope of consolidation (as per template LI1)	**3,851.4**	**-**	**-**	**3,851.4**	**-**
Total net amount under the regulatory scope of consolidation	**518,809.5**	**-**	**-**	**-**	**-**
Off-balance-sheet amounts	**517.8**	**-**	**-**	**-**	
Differences in valuations	-	-	-	-	
Differences due to different netting rules, other than those already included in row 2	2,377.9	-	-	-	
Differences due to consideration of provisions	-	-	-	-	
Differences due to the use of credit risk mitigation techniques (CRMs)	-	-	-	-	
Differences due to credit conversion factors	-	-	-	-	
Differences due to Securitisation with risk transfer	-	-	-	-	
Other differences	-	-	-	-	
Exposure amounts considered for regulatory purposes	**521,705.2**	**-**	**-**	**-**	**-**

EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation: Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	Description of the entity
Kommuninvest Coorperative Society	*Full consolidation*	X					*Holding company*
Kommuninvest i Sverige AB	*Full consolidation*	X					*Credit insitution*
Kommunivest Fastighets AB	*Full consolidation*	X					*Real estate company*

EU PV1: Prudent valuation adjustments (PVA)

SEK million	Risk category: Equity	Interest Rates	Foreign exchange	Credit	Commodities	Category level AVA – Valuation uncertainty: Unearned credit spreads AVA	Investment and funding costs AVA	Total category level post-diversification	*Of which: Total core approach in the trading book*	*Of which: Total core approach in the banking book*
Category level AVA										
Market price uncertainty	0.6	1.7	60.0	-	-	0.9	38.2	50.7	-	*50.7*
Set not applicable in the EU						-	-			
Close-out cost	0.8	2.8	70.1	-	-	0.9	-	37.4	-	*37.4*
Concentrated positions	-	-	-	-	-	-	-	-	-	-
Early termination	-	-	-	-	-	-	-	-	-	-
Model risk	4.6	-	0.4	-	-	2.1	3.4	5.2	-	*5.2*
Operational risk	-	8.8	0.2	-	-	-	-	9.1	-	*9.1*
Set not applicable in the EU										
Set not applicable in the EU										
Future administrative costs	0.6	113.8	2.2	-	-	-	-	116.6	-	*116.6*
Set not applicable in the EU										
Total Additional Valuation Adjustments (AVAs)								**218.9**	**-**	***218.9***

Assets encumbered

The main sources of encumbrance are derivative and repo transactions entered into under ISDA/CSA and GMRA agreements, respectively. The terms and conditions of these agreements follow market standard. Collateral is posted in form of debt securities with hair-cuts of up to 10 percent and in form of cash. Exchange of collateral is made on mainly daily basis under the CSAs and on a daily basis under the GMRAs.

The variation in encumbrance is driven by cross currency rates, where a relative appreciation of SEK implies a higher degree of encumbrance. The majority of unencumbered assets reported as other assets are not available for encumbrance.

There is no encumbrance between entities within the group.

EU AE1 - Encumbered and unencumbered assets

SEK million	Carrying amount of encumbered assets	*of which notionally eligible EHQLA and HQLA*	Fair value of encumbered assets	*of which notionally eligible EHQLA and HQLA*	Carrying amount of unencumbered assets	*of which EHQLA and HQLA*	Fair value of unencumbered assets	*of which EHQLA and HQLA*
Assets of the reporting institution	**7,054.1**	**-**			**530,594.6**	***46,993.5***		
Equity instruments	-	-	-	-	-	-	-	-
Debt securities	1,952.3	-	1,952.3	-	46,993.5	*46,993.5*	46,993.5	*46,993.5*
of which: covered bonds	-	-	-	-	-	-	-	-
of which: securitisations	-	-	-	-	-	-	-	-
of which: issued by general governments	1,952.3	-	1,952.3	-	31,258.2	*31,258.2*	31,258.2	*31,258.2*
of which: issued by financial corporations	-	-	-	-	15,310.3	*15,310.3*	15,310.3	*15,310.3*
of which: issued by non-financial corporations	-	-	-	-	-	-	-	-
Other assets	5,101.7	-			477,757.6			

EU AE2 - Collateral received and own debt securities issued

SEK million	Fair value of encumbered collateral received or own debt securities issued	of which notionally eligible EHQLA and HQLA	Unencumbered: Fair value of collateral received or own debt securities issued available for encumbrance	Unencumbered: of which EHQLA and HQLA
Collateral received by the reporting institution	**-**	**-**	**-**	**-**
Loans on demand	-	-	-	-
Equity instruments	-	-	-	-
Debt securities	-	-	-	-
of which: covered bonds	-	-	-	-
of which: securitisations	-	-	-	-
of which: issued by general governments	-	-	-	-
of which: issued by financial corporations	-	-	-	-
of which: issued by non-financial corporations	-	-	-	-
Loans and advances other than loans on demand	-	-	-	-
Other collateral received	-	-	-	-
Own debt securities issued other than own covered bonds or securitisations	**-**	**-**	**-**	**-**
Own covered bonds and asset-backed securities issued and not yet pledged			**-**	**-**
TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	**7,054.1**	**-**		

EU AE3 - Sources of encumbrance

SEK million	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
Carrying amount of selected financial liabilities	4,528.9	–
of which: derivatives	4,528.9	–
of which: deposits	–	–

Signature

As the CFO of Kommuninvest i Sverige AB (the Company), I hereby, certify that the disclosures presented in the Company's Capital Adequacy and Risk Management Report (Pillar 3) Q4 2021 in accordance with Part Eight of Regulation (EU) No 575/2013, have been prepared in accordance with the internal controls and procedures.

Örebro, 2[illegible] Feb 2022

Patrick Nimander
CFO

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. On the website you will find:

- Our newsletter that each week provides members with the latest updates on macroeconomics and other areas affecting local government finances
- Reports on local government finances
- Membership magazine Dialog
- Log-in to the finance management tool KI Finans
- Information for investors

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