

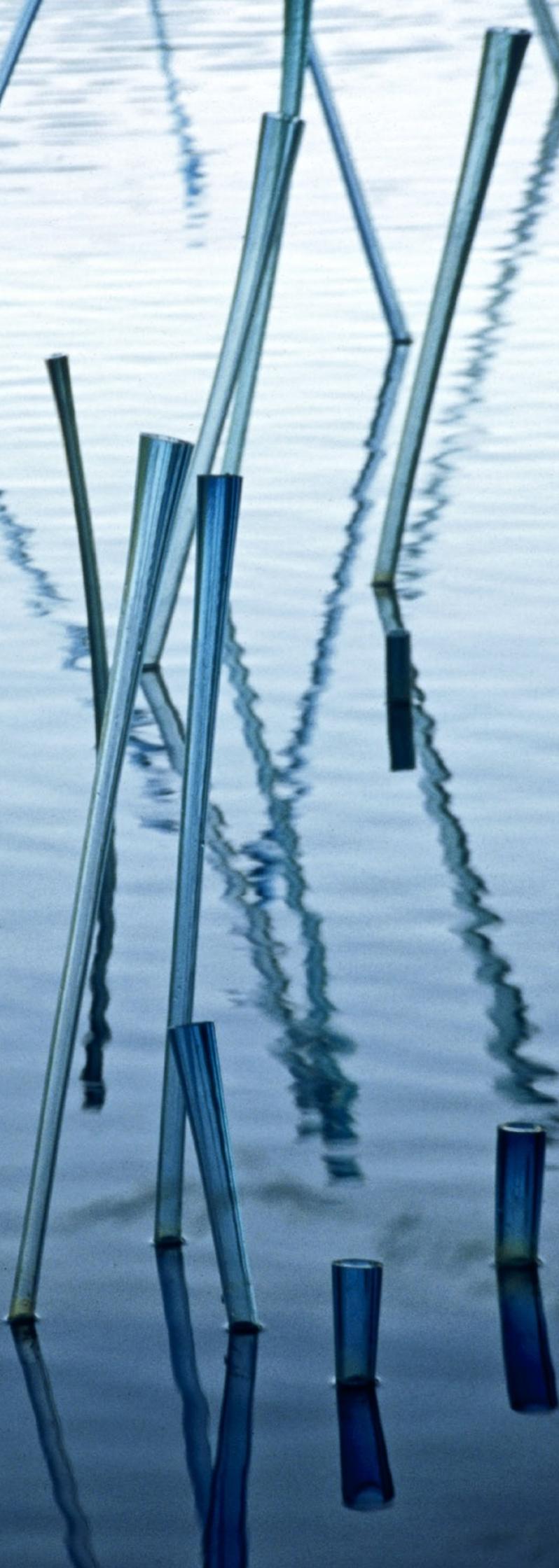
INTERIM REPORT

1 January–30 June

2009

KOMMUNINVEST

- 16 new members
- Balance sheet total SEK 156.0 bn
- Lending SEK 114.7 bn
- Operating profit SEK 50.4 mn



Interim Report for
Kommuninvest i Sverige AB (publ)

Registered company no.: 556281-4409.

Registered office: Örebro, Sweden

1 January – 30 June 2009

ABOUT KOMMUNINVEST

Kommuninvest is a credit market company owned and guaranteed by Swedish municipalities and county councils. The company's remit is to create the best conditions in the long term for its owners' financial operations based on a municipal value foundation. This concept, which is beneficial to society, results in a local debt office, a shared function offering municipalities and county councils assistance with financial administration. Kommuninvest provides access to competitive loans, debt management and other services that contribute to effective financial administration. This remit is carried out without a vested interest in profit-making. Kommuninvest i Sverige AB has 45 employees and offices in Örebro, central Sweden.

CEO'S STATEMENT

Since the start of the credit crunch, Kommuninvest has been of crucial significance to stabilisation of the financing abilities of the municipal sector. Over the first six months of the year, our position as Swedish Local Government Debt Office and market-leading lender has been further reinforced.

The good growth in membership means that four out of every five Swedish municipalities are now able to turn to Kommuninvest with their borrowing requirements. If this trend continues, 2009 will be the best year in the history of Kommuninvest.

The global financial system is currently undergoing extensive recapitalisation, driven by increased demands on the abilities of the banks to absorb risks. Even traditionally risk-conservative, financially stable organisations such as Kommuninvest are being affected by the market's increased capital requirements. In addition, demand from existing and particularly new members over the past few years has helped to drive Kommuninvest's ever growing lending volumes.

Therefore, Kommuninvest's owners have made the decision to increase our equity to a target level of 1% of the balance sheet total. Initially, capital reinforcement will take place by means of profit production, but shareholders' contributions will also be recommended.

The owner directives are to strengthen Kommuninvest's capital base while maintaining competitiveness in lending operations. The fact that we are able to report an improvement in profit and greater market share bears witness to the position of strength held by Kommuninvest.

The signs of economic recovery in Sweden are welcome, but they do not diminish the challenges which Swedish municipalities and county councils face in the short and medium term. Increased unemployment will burden the municipal economy for the foreseeable future.

Kommuninvest's financial stamina and ability to provide our members with effective financing solutions in the long term remain very good.

Tomas Werngren,
President and CEO

The market

After an uneasy start to the year, the financial markets have stabilised since March as a result of greater confidence in the measures implemented by central banks and governments the world over, but also of ever more positive signals which seem to indicate that the enormous economic downturn is on its way to slowing down. However, the situation is far from normal even though both financial and actual economic risks have been reduced.

Kommuninvest has reinforced its market position over the period and is demonstrating lending growth of 10% as a consequence of a good influx of members, among other things. At the end of the period, Kommuninvest represented 80 (73)% of municipalities in Sweden.

Access to liquidity has stabilised, and Kommuninvest has addressed the capital market for both short and long periods of maturity. The distribution of Swedish Local Government Debt Office certificates through Kommuninvest's short-term borrowing programme has been improved due to the fact that the five biggest banks in the Nordic region are now dealers for the programme.

Kommuninvest represents the type of borrower that is in great demand among investors in times of anxiety. Add to this the high credit rating, members' joint and several guarantees and high credit quality, along with operations which focus exclusively on financing publicly run operations.

With a view to continuing to ensure access to liquidity, Kommuninvest is following its strategy of expanding its investor base both with new borrowing markets and new investor categories, and continuing to develop new loan products that meet the needs of investors.

16 new members

Kommuninvest is an organisation supported by the idea of voluntary collaboration between municipalities and county councils with the aim of looking after common interests. Kommuninvest is Sweden's fastest growing inter-municipal cooperative society.

At the end of the period, Kommuninvest had 239 (218) members, of which 232 (211) were municipalities and 7 (7) were county councils. The following became new members:

Municipality of Malung-Sälen
 Municipality of Östra Göinge
 Municipality of Årjäng
 Municipality of Dals-Ed
 Municipality of Vaxholm
 Municipality of Älvkarleby
 Municipality of Ljungby
 Municipality of Hörby
 Municipality of Älmhult
 Municipality of Burlöv
 Municipality of Hässleholm
 Municipality of Olofström
 Municipality of Sala
 Municipality of Öckerö
 Municipality of Kristinehamn
 Municipality of Östhammar

The municipalities of Bromölla and Gullspång have also joined us as members since the end of the report period. A further 12 membership applications are being processed.

Still the highest credit rating

Kommuninvest has the highest possible credit rating from the two most-reputable credit rating institutions – Moody's and Standard & Poor's. In Sweden, only the Kingdom of Sweden (the Swedish State), the City of Stockholm and Kommuninvest have this high credit rating from two rating institutions. This reflects the overall financial strength of Kommuninvest's members and the public sector as a whole.

Profit/loss

The operating profit (profit before allocations, transfers and taxes) amounted to SEK 50.4 (4.2) million. This profit is attributable mostly to stronger net interest income, along with the net results of financial transactions.

The profit after allocations, transfers and taxes amounted to SEK 23.3 (2.2) million.

Net interest income increased to SEK 206.1 (36.4) million. This improvement can be attributed to strong development since the second six months of 2008 which has persisted throughout 2009, with increased lending volumes and improved margins.

The buy-back of issued securities and the sale of financial instruments has contributed SEK 69.8 (13.3) million to the figures, as recognised in 'Net profit/loss from financial instruments'.

Unrealised changes in market value recognised in the income statement amounted to SEK -176.0 (-3.5) million and are also entered under 'Net profit/loss from financial transactions'. This year's change in market value is attributable to the increase in the margin between borrowing and lending. Kommuninvest's intention is to hold assets and liabilities to maturity, which means that these are values which will not be realised.

Expenses amounted to SEK 50.2 (39.8) million. This increase is due to a larger workforce and higher consultancy costs.

Operational profit (operating profit excluding the effect of market value changes) amounted to SEK 226.4 (7.7) million.

Credit losses

Credit losses totalled SEK 0 (0) million. Kommuninvest has never sustained a credit loss in its lending.

Financial position

Lending. The balance sheet total amounted to SEK 155,979.5 (105,551.2) million at the end of the period.

Lending totalled SEK 114,740.3 (66,667.2) million. In nominal terms (actual amount loaned), lending amounted to SEK 113,521.3 (67,164.3) million. This increase in lending is attributable to enormous lending growth since the second half of 2008, driven by a strong demand from Kommuninvest members.

Investments. Invested funds pending onward lending to members totalled SEK 27,440.8 (31,968) million.

Borrowing. At the end of the period, borrowing amounted to SEK 145,918.9 (91,619.3) million.

Derivatives. Derivatives are offset as separate items in the balance sheet. Derivatives with positive and negative market value amounted to SEK 13,763.4 (6,884.9) million and SEK 9,452.3 (13,492.9) million respectively.

Equity. Equity totalled SEK 496.6 (344.5) million. Besides the profit for the year, equity has been affected by changes in the market values of financial assets classified as available-for-sale, where unrealised changes in market value are entered directly against equity. The change for the year totalled SEK 4.7 (-38.0) million.

Share capital. Share capital has increased through a new issue, on the authorisation given to the Board by the AGM. A new issue to the value of SEK 7.9 million was carried out during the year. The purpose is to strengthen the company's financial base by transferring participation capital from new members of the Society. Such transfers have been carried out regularly as membership has increased. Share capital amounts to SEK 244.6 million distributed over 2,446,000 shares.

Capital coverage. The capital coverage quota amounts to 3.12 (1.98).

Risks and uncertainty factors

In its business, Kommuninvest encounters a number of risks and uncertainty factors which may have an adverse impact on the company's profit, financial position, future prospects or opportunities to attain set targets. These are related mainly to the world in general, operations and financial risks.

The general development on the capital market, including interest rate development and the liquidity situation, along with the willingness to invest on various markets, may affect the competitive situation and how the competitive advantage of Kommuninvest develops. If Kommuninvest is unable to recruit and retain qualified employees, this may restrict Kommuninvest's competitiveness and opportunities for development.

Employees and the environment

The number of employees rose by 2 over the year, amounting to 45 people by the end of the first six months of 2009. Kommuninvest does not conduct any operations requiring a licence under Sweden's Environmental Code. Kommuninvest has prepared an environmental policy which was decided upon by the Board of Directors in February 2009.

Risk management

Kommuninvest handled market, liquidity and counterparty risks restrictively. Surplus liquidity is invested in interest-bearing securities issued by financial institutions with a credit rating of at least A2 from Moody's and/or A from Standard & Poor's, as well as in interest-bearing securities issued by states.

Kommuninvest has no exposure to the American sub-prime market, nor any positions in CDOs (Collateralised Debt Obligations) or ABSs (Asset Backed Securities).

A higher proportion of the investments have a term of less than four months, the aim being to reduce the price risk. To further decrease the counterparty risk, special credit assessments of the counterparties for

investments and derivatives have meant changes to business scope. At the same time, work to establish Credit Support Annexes with all derivative counterparties has continued, and is a priority. One-third of the approved derivative counterparties are currently covered by CSAs.

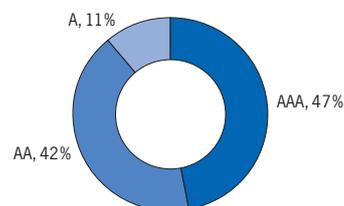
Operational risks

In 2007 the company introduced a new capital assessment process in accordance with an EC Directive (Basel II), which has been taken into account when calculating the company's capital coverage quota. The new capital assessment process has been inspected by the Swedish Financial Supervisory Authority which judges that Kommuninvest is sufficiently well capitalised to meet the demands made on the operation.

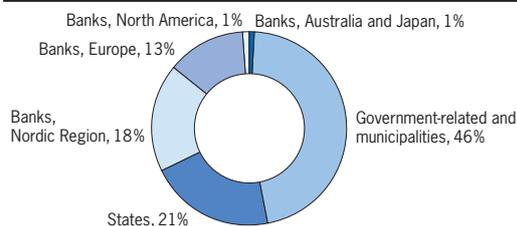
Risk diversification

Equity invested in government securities has increased since the start of the year. Derivative exposures are made up mostly of European banks.

Invested equity by rating category, 30 June 2009

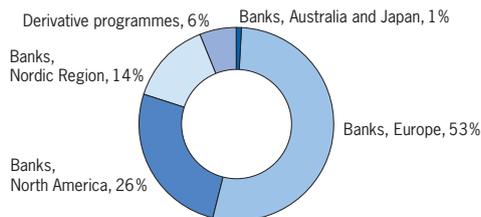


Invested equity by issuer category, 30 June 2009

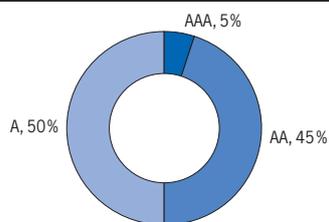


For investments, over 88% are distributed among counterparties with a credit rating of at least AA-. For derivatives, approximately 50% of nominal amounts are distributed among counterparties with a rating of at least AA-.

Receivables on derivative contracts by counterparty group, 30 June 2009



Nominal amounts on derivatives by rating category, 30 June 2009



Board of Directors

Catharina Lagerstam and Johan Törngren were elected as new Board members at the Annual General Meeting on 2 April 2009. The Board of Directors also includes Tommy Persson (Chairman), Ellen Bramness Arvidsson (Vice Chairman), Ingemar Alserud, Lorentz Andersson, Kerstin Ryding and Anna von Knorring.

Management

Kommuninvest's executive management team over the first six months of 2009 consisted of Tomas Werngren, President and CEO, Maria Viimne, Executive Vice President and Head of Funding & Investment and the Lending Group, Pelle Holmertz, Head of Treasury and Johanna Larsson, Head of Administration.



INCOME STATEMENT

SEK mn	Jan-Jun 2009	Jan-Jun 2008	Jan-Dec 2008
Interest income	1,879.2	2,144.9	4,727.2
Interest expenses	-1,673.1	-2,108.5	-4,575.1
Net interest income	206.1	36.4	152.1
Commission expenses	-1.5	-1.5	-3.6
Net result of financial transactions	-104.2	9.1	13.9
Other operating income	0.2	0.0	0.3
Total operating income	100.6	44.0	162.7
General administration expenses	-47.4	-37.5	-80.6
Depreciation of tangible assets	-0.8	-0.7	-1.6
Other operating expenses	-2.0	-1.6	-5.2
Total expenses	-50.2	-39.8	-87.4
Operating profit/loss	50.4	4.2	75.3
Allocations	1.6	0.5	-11.6
Tax on profit for the period	-28.7	-2.5	-19.2
Profit for the period	23.3	2.2	44.5
Report on total profit or loss	Jan-Jun 2009	Jan-Jun 2008	Jan-Dec 2008
Income for the period accounted for in the income statement	23.3	2.2	44.5
Additional profit or loss			
Available-for-sale financial assets	11.9	-38.0	1.1
Loans and receivables	-2.1	0.0	13.8
Tax related to additional profit or loss, total	-5.1		
Additional profit or loss, total	4.7	-38.0	14.9
Total profit or loss	28.0	-35.8	59.4

BALANCE SHEET

SEK mn	30 June 2009	30 June 2008	31 Dec 2008
ASSETS			
Cash	0,0	0,0	0,0
State bonds eligible as collateral	7,785.2	2,325.3	1,879.6
Lending to credit institutions	3,319.2	1,743.5	2,440.0
Lending	114,740.3	66,667.2	104,658.1
Bonds and other interest-bearing securities	16,336.4	27,899.2	17,631.6
Shares and participations	0.4	0.2	0.3
Shares in associated companies	0.5	0.5	0.5
Derivatives	13,763.4	6,884.9	16,094.3
Tangible assets, equipment	3.8	4.2	4.4
Other assets	28.0	24.2	25.9
Prepaid expenses and accrued revenues	2.3	2.0	3.8
Total assets	155,979.5	105,551.2	142,738.5
LIABILITIES AND EQUITY			
Liabilities to credit institutions	4,521.8	4,352.0	5,390.2
Securities issued	141,397.1	87,267.3	126,106.1
Derivatives	9,452.3	13,492.9	10,675.0
Other liabilities	50.2	44.7	40.4
Accrued expenses and deferred revenues	10.5	9.5	13.5
Provisions for pensions and similar obligations	0.5	0.3	0.4
Total liabilities	155,432.4	105,166.7	142,225.6
Untaxed reserves	50.5	40.0	52.2
Share capital	244.6	206.7	236.7
Statutory reserve	17.5	17.5	17.5
Fund for fair value	14.2	-43.4	9.5
Profit brought forward	197.0	161.5	152.5
Profit for the period	23.3	2.2	44.5
Total equity	496.6	344.5	460.7
Total equity and liabilities	155,979.5	105,551.2	142,738.5
Memorandum items			
Other pledged assets	411.0	233.0	323.0
Contingent liabilities	None	None	None
Obligations			
Pledged loans	1,941.0	661.6	1,752.7

CHANGE IN EQUITY

30 June 2009 SEK mn	Restricted equity		Unrestricted shareholders' equity			Total shareholders' equity
	Share capital	Statutory reserve	Fund for fair value	Profit or loss brought forward	Profit for the year	
Equity brought forward 1 Jan 2009	236.7	17.5	9.5	152.5	44.5	460.7
Appropriation of surplus	-	-	-	44.5	-44.5	0.0
Total result for the period	-	-	4.7	-	23.3	28.0
Total capital changes, excl. transactions with the company's owners	236.7	17.5	14.2	197.0	23.3	488.7
New share issue	7.9	0.0	0.0	0.0	0.0	7.9
Equity carried forward 30 Jun 2009	244.6	17.5	14.2	197.0	23.3	496.6

30 June 2008 SEK mn	Restricted equity		Unrestricted shareholders' equity			Total shareholders' equity
	Share capital	Statutory reserve	Fund for fair value	Profit or loss brought forward	Profit for the year	
Equity brought forward 1 Jan 2008	198.9	17.5	-5.4	137.4	24.1	372.5
Appropriation of surplus	-	-	-	24.1	-24.1	0.0
Total result for the period	-	-	-38.0	-	2.2	-35.8
Total capital changes, excl. transactions with the company's owners	198.9	17.5	-43.4	161.5	2.2	336.7
New share issue	7.8	0.0	0.0	0.0	0.0	7.8
Equity carried forward 30 Jun 2008	206.7	17.5	-43.4	161.5	2.2	344.5

31 Dec 2008 SEK mn	Restricted equity		Unrestricted shareholders' equity			Total shareholders' equity
	Share capital	Statutory reserve	Fund for fair value	Profit or loss brought forward	Profit for the year	
Equity brought forward 1 Jan 2008	198.9	17.5	-5.4	137.4	24.1	372.5
Appropriation of surplus	-	-	-	24.1	-24.1	0.0
Total result for the period	-	-	14.9	-	44.5	59.4
Total capital changes, excl. transactions with the company's owners	198.9	17.5	9.5	161.5	44.5	431.9
New share issue	37.8	0.0	0.0	0.0	0.0	37.8
Group contribution	0.0	0.0	0.0	-12.5	0.0	-12.5
Tax effect on Group contribution	0.0	0.0	0.0	3.5	0.0	3.5
Equity carried forward 31 Dec 2008	236.7	17.5	9.5	152.5	44.5	460.7

CASH FLOW STATEMENT

SEK mn	30 June 2009	30 June 2008	31 Dec 2008
Cash and equivalents at beginning of the period	340.8	0.8	0.8
Operating activities			
Operating profit/loss	50.4	4.2	75.3
Adjustment for items not included in cash flow: (NOTE 1)	174.8	8.1	4.3
Income tax paid	-7.2	-6.0	-3.9
Cash flow from current operations before changes in the assets and liabilities of operating activities	218.0	6.3	75.7
Change in interest-bearing securities	-4,011.8	-6,214.0	4,381.5
Change in lending	-10,380.3	10,656.0	-25,374.0
Change in other assets	-0.7	-792.6	212.3
Change in other liabilities	-7.3	2,231.6	10.1
Cash flow from current operations	-14,182.1	5,887.3	-20,694.4
Investment activities			
Sale/disposal of tangible assets	0.0	0.0	0.0
Acquisition of tangible assets	-0.2	-1.7	-2.9
Cash flow from investment activities	-0.2	-1.7	-2.9
Financing activities			
Change in securities issued	16,449.1	-5,634.6	20,392.5
Change in liabilities to credit institutions	-817.7	-221.2	618.5
New share issue	7.9	7.8	37.8
Group contribution paid	-12.5	0.0	-11.5
Cash flow from financing activities	15,626.8	-5,848.0	21,037.3
Cash flow for the year	1,444.5	37.6	340.1
Liquid assets at the end of the accounting period	1,785.3	38.4	340.8

NOTE 1. Adjustment for items not included in cash flow	30 June 2009	30 June 2008	31 Dec 2008
Depreciation	0.8	0.7	1.6
Net change in accrued acquisition cost during the period	0.0	1.0	1.0
Exchange rate differences from change in financial assets	-2.0	2.9	-1.1
Unrealised market values	176.0	3.5	2.7
Total	174.8	8.1	4.3

ACCOUNTING PRINCIPLES

The Interim Report has been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), and the Swedish Financial Supervisory Authority's regulations and general recommendations regarding annual accounts for credit institutions and securities companies (FFFS 2008:25).

The accounting principles and calculation methods used in this interim report are identical to those used in the most recent annual report, unless otherwise stated below:

New and amended standards from IASB and statements from IFRC.

Of the new standards and interpretations which have come into force in 2009, the following have affected Kommuninvest.

Revised IAS 1 Presentation of Financial Statements

This standard divides up changes in equity as a consequence of transactions with owners and other changes. The list of changes in equity will include only details relating to owner transactions. In addition, this standard introduces the term "Report on total profit or loss", which shows all items of income and expense which were previously reported in the equity calculation, either in a separate table or in two interlinked tables. Kommuninvest has opted to present its report on total profit or loss in a separate table.

CAPITAL COVER

The information on Kommuninvest's capital coverage refers to periodic information to be submitted in accordance with the regulations and general recommendations of the Swedish Financial Supervisory Authority regarding disclosure of information on capital coverage and risk management (FFFS 2007:5).

The law sets out specific minimum capital requirements for Kommuninvest regarding credit

risks, market risks and operational risks. Kommuninvest also has an internal capital assessment process which aims to ensure that Kommuninvest's capital also covers other risks in the operation, such as interest rate risks in the balance sheet, for example. The disclosures below regarding capital requirement are limited to the legal minimum capital requirement.

Capital base

(in thousands of SEK)	30 June 2009	30 June 2008	31 Dec 2008
Primary capital, net	488,036	416,621	488,753
Total capital base	488,036	416,621	488,753

Capital requirement

Capital requirement for credit risk in accordance with the standardised method	120,993	126,699	120,794
Capital requirement for operational risk	19,190	16,932	19,190
Capital requirement for foreign exchange risk	196	942	99
Capital requirement for positions in interest-linked financial instruments	15,950	66,269	5,948
Total capital requirement	156,329	210,842	146,031
Capital coverage quota	3.12	1.98	3.35

RECLASSIFICATION

Reclassification has taken place on 10 November 2008 of assets in the form of interest-bearing securities, recorded previously in the category of financial assets which can be sold to the category loans and

receivables. As this reclassification has been made from financial assets which can be sold, the income statement is not affected by changes in value which are recorded in equity in the fund for fair value.

30 June 2009

Had this reclassification not taken place, equity would have been affected negatively by SEK 67.407 million in the fund for fair value as at 30 June 2009.

Interest income amounting to SEK 46.340 million has been recognised in the income statement for the period 1 January - 30 June with regard to the reclassified assets.

	30 June 2009		31 December 2008	
	Book value	Fair value	Book value	Fair value
Interest-bearing securities	5,966,663	5,899,256	6,057,591	5,991,173

31 Dec 2008

Had this reclassification not taken place, equity would have been affected negatively by SEK 66.418 million in the fund for fair value as at 31 December 2008.

Interest income amounting to SEK 25.253 million has been recognised in the income statement for the period 10 November – 31 December with regard to the reclassified assets.

	31 December 2008		10 November 2008	
	Book value	Fair value	Book value	Fair value
Interest-bearing securities	6,057,591	5 991,173	6,078,148	6,078,148

All assets are of high quality, mostly zero-risk-weighted, interest payments are being made according to plan and Kommuninvest is of the view that a nominal amount will be received on the due date.

BOARD MEMBER SIGNATURES

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

Örebro, 26 August 2009

Tommy Persson
Chairman

Ellen Bramness Arvidsson
Vice Chairman

Ingemar Alserud
Board Member

Lorentz Andersson
Board Member

Anna von Knorring
Board Member

Catharina Lagerstam
Board Member

Kerstin Ryding
Board Member

Johan Törngren
Board Member

Tomas Werngren
President and CEO

REVIEW REPORT FOR KOMMUNINVEST I SVERIGE AB (PUBL)

To the Board of Directors of Kommuninvest i Sverige AB (publ)
Corporate Identity Number: 556281-4409

Introduction

We have reviewed the interim report for Kommuninvest i Sverige AB (publ) for the period from 1 January 2009 to 30 June 2009. It is the Board of Directors and the Managing Director who are responsible for the presentation of this interim report in accordance with the Swedish Act on Annual Accounts for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

The Scope of the Review

We conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, Review of the Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Federation of Authorized Public Accountants. A review of the interim report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope compared to an audit conducted according to Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material respects, is not prepared in accordance with the Swedish Act on Annual Accounts for Credit Institutions and Securities Companies (ÅRKL) and the Swedish Financial Supervisory Authority's regulations and general recommendations regarding annual accounts for credit institutions and securities companies (FFFS 2008:25).

Stockholm; 26 August 2009
Ernst&Young AB

Peter Strandh
Certified Public Accountant



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