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***The approved Swedish version of this document, the base prospectus and any supplements thereto are available on [www.kommuninvest.se](http://www.kommuninvest.se) (non-official translations are available on [www.kommuninvest.org](http://www.kommuninvest.org)).***

## Supplement 2015:1 (Fi matter no. 15-3547) to the base prospectus of Kommuninvest i Sverige AB (publ) of 6 May 2014

This document constitutes a supplement to the base prospectus of Kommuninvest i Sverige AB (publ) (the "**Company**") for a program for regular issuance of bonds of 6 May 2014 (amended through supplemental prospectus 2014:1 which was made public by the Company on 9 September 2014). Supplement 2015:1 has been approved by, and registered with, the Swedish Financial Supervisory Authority and made public by the company on 17 March 2015.

This supplement is to be read together with the base prospectus (Fi matter no. 14-5501) and supplemental prospectus 2014:1 (Fi matter no. 14-12186). The base prospectus and supplement are available at [www.kommuninvest.se](http://www.kommuninvest.se) / [www.kommuninvest.org](http://www.kommuninvest.org) and may also be ordered without charge from the company.

This supplement has been prepared in connection with the company making public on 6 March 2015 its annual report for the period 1 January 2014 - 31 December 2014. In light of this, the following parts of the prospectus are updated:

- Section B – Issuer and any guarantor, section B.12,
- Section 7 – Summary of financial information,
  - Section 7.1 – Introduction
  - Section 7.2 – Accounting principles,
  - Section 7.3 – Income statement,
  - Section 7.4 – Balance sheet,
  - Section 7.5 – Cash flow statement, and
  - Section 7.6 – Key ratios.

Any investor who, prior to this supplement being made public, has applied for, or in any other manner, approved the purchase of, or subscription for, the negotiable securities which are covered by the base prospectus is entitled in accordance with Chapter 2, section 34, paragraph 3 of the Swedish Financial Instruments Trading Act (1991:980) to

withdrawal their application or approval within two business days from the publication of this supplement, thus the final day to withdraw is 19 March 2015.

## SUMMARY

Summary of the Income Statement and Balance Sheet, Section B – Issuer and any guarantor, section B.12, shall be supplemented with the following information:

| <b>Income statement</b>                  | 1 January – 31 December |                     |
|--|-------------------------|---------------------|
| <i>SEK millions</i>                      | <b>2014</b>             | <b>2013</b>         |
| Interest income                          | 3 650.8                 | 4 571.2             |
| Interest expenses                        | - 2 735.6               | <u>-3 601.7</u>     |
| <b>Net interest income</b>               | <b>915.2</b>            | <b>969.5</b>        |
| Commission expenses                      | -5.1                    | -5.6                |
| Net result of financial transactions     | 101.9                   | 38.7                |
| Other operating income                   | <u>1.3</u>              | <u>0.2</u>          |
| <b>Total operating income</b>            | <b>1 013.3</b>          | <b>1 002.8</b>      |
| General administration expenses          | -274.7                  | -239.3              |
| Depreciation of intangible fixed assets  | -0.4                    | -                   |
| Depreciation of tangible fixed assets    | -2.9                    | - 2.4               |
| Other operating expenses                 | <u>-5.9</u>             | <u>-3.5</u>         |
| <b>Total expenses</b>                    | <b>-283.9</b>           | <b>-245.2</b>       |
| <b>Operating profit</b>                  | <b>729.4</b>            | <b>757.6</b>        |
| Tax on net income for the year           | <u>-161.0</u>           | <u>-166.9</u>       |
| <b>Income for the year</b>               | <b><u>568.4</u></b>     | <b><u>590.7</u></b> |
| <b>Statement of comprehensive income</b> |                         |                     |
|  | 1 January –             | 31 December         |
| <i>SEK millions</i>                      | <b>2014</b>             | <b>2013</b>         |
| <b>Income for the year</b>               | <b>568.4</b>            | <b>590.7</b>        |



# KOMMUNINVEST

Svenska kommuner och landsting i samverkan

## Other comprehensive income

*Items that may later be reclassified  
to the income statement:*

|  |      |      |
|--|------|------|
| Available-for-sale financial assets  | 0.8  | -8.3 |
| Available-for-sale financial assets, transferred to<br>the income statement for the year | -6.8 | 1.0  |

|   |            |            |
|---|------------|------------|
| Tax attributable to items that may be reclassified<br>to the income statement | <u>1.3</u> | <u>1.6</u> |
|---|------------|------------|

|  |             |             |
|--|-------------|-------------|
| <b>Other comprehensive income<br/>for the year</b> | <u>-4.7</u> | <u>-5.7</u> |
|--|-------------|-------------|

|  |              |              |
|--|--------------|--------------|
| <b>Comprehensive income for the<br/>year</b> | <b>563.7</b> | <b>585,0</b> |
|--|--------------|--------------|

## Balance sheet

as per 31 December

| <i>SEK millions</i>                          | <b>2014</b>             | <b>2013</b>             |
|--|-------------------------|-------------------------|
| <b>Assets</b>                                |                         |                         |
| State bonds eligible as collateral           | 15 204.1                | 14 626.2                |
| Lending to credit institutions               | 4 022.1                 | 2 822.2                 |
| Lending                                      | 222 803.7               | 208 644.0               |
| Bonds and other interest-bearing securities  | 45 974.5                | 44 932.9                |
| Shares and participations                    | 2.4                     | 2.1                     |
| Shares and participations in ass'd companies | 0.5                     | 0.5                     |
| Shares and participations in subsidiaries    | 32.0                    | 32.0                    |
| Derivatives                                  | 23 848.8                | 6 235.8                 |
| Tangible assets                              | 6.0                     | 4.6                     |
| Intangible assets                            | 1.6                     | -                       |
| Current tax pre-paid tax                     | 79.0                    | 79.0                    |
| Other assets                                 | 14.9                    | 14.2                    |
| Deferred tax assets                          | 54.6                    | 54.6                    |
| Prepaid expenses and accrued revenue         | 7.9                     | <u>10.6</u>             |
| <b>Total assets</b>                          | <b><u>312 052.1</u></b> | <b><u>277 458.7</u></b> |



# KOMMUNINVEST

Svenska kommuner och landsting i samverkan

## Liabilities, provisions and equity

|   |                         |                         |
|---|-------------------------|-------------------------|
| Liabilities to credit institutions      | 4 800.6                 | 4 352.0                 |
| Securities issued                       | 292 318.0               | 256 258.7               |
| Derivatives                             | 10 628.3                | 13 231.8                |
| Other liabilities                       | 789.9                   | 764.6                   |
| Accrued expenses and prepaid revenues   | 136.8                   | 121.4                   |
| Provisions                              | 3.0                     | 2.5                     |
| Subordinated liabilities                | <u>1 000.1</u>          | <u>1 000.1</u>          |
| <b>Total liabilities and provisions</b> | <b><u>309 676.7</u></b> | <b><u>275 731.1</u></b> |

## Equity

### Restricted equity

|                   |         |         |
|-------------------|---------|---------|
| Share capital     | 2 046.4 | 1 396.4 |
| Statutory reserve | 17.5    | 17.5    |

### Unrestricted equity

|   |                  |                  |
|---|------------------|------------------|
| Fair value reserve                              | 12.6             | 17.3             |
| Profit brought forward                          | -269.5           | -294.3           |
| Income for the year                             | <u>568.4</u>     | <u>590.7</u>     |
| <b>Total equity</b>                             | <b>2 375.4</b>   | <b>1 727.6</b>   |
| <b>Total liabilities, provisions and equity</b> | <b>312 052.1</b> | <b>277 458.7</b> |

## Memorandum items

|                        |          |          |
|------------------------|----------|----------|
| Pledged assets         | 21 669.2 | 22 954.3 |
| Contingent liabilities | none     | none     |

## Obligations

|                             |         |         |
|-----------------------------|---------|---------|
| Committed undispersed loans | 3 783.5 | 3 480.0 |
|-----------------------------|---------|---------|

## SUMMARY OF FINANCIAL INFORMATION

The current section "7.1- Introduction" shall be deleted and replaced in its entirety with the following information:

### **Introduction**

A summary of certain selected financial information in respect of the Company is set forth below. The information is derived from the Company's annual reports for the 2014 and 2013 financial years, and interim financial statements for 1 January – 30 June 2014 and 2013. The information in the annual reports and interim financial statements has been audited by the Company's auditors. In their auditor's reports, the auditors have declared that each annual report and financial statement was prepared in accordance with the Annual Reports (Credit Institutions and Securities Companies) Act and standards for clear review of interim financial information and in all material respects provide a true and fair picture of the Company's financial position. The auditors have not stated any qualifications regarding the annual reports for the 2014 and 2013 financial years or regarding the 2014 and 2013 interim financial statements.

The financial information set forth below should be read together with other information in each annual report, interim financial statement and in the auditor's reports.

The current section "7.2 - Accounting principles" shall be deleted and replaced in its entirety by the following information:

### **Accounting principles**

The Company's annual report and interim financial statement have been prepared pursuant to the Annual Reports (Credit Institutions and Securities Companies) Act and in accordance with the Swedish Financial Supervisory Authority's regulations and general guidelines regarding annual reports for credit institutions and securities companies (FFFS 2008:25), including all applicable amending regulations. The forgoing entails that all of the EU's IFRS standards and declarations are complied with to the fullest extent possible within the framework of the Annual Reports (Credit Institutions and Securities Companies) Act and subject to the supplements and exceptions set forth in FFFS 2008:25. In addition, the Swedish Financial Reporting Board's recommendations RFR2 (Accounting for Legal Entities) have been applied.

New and amended standards from 2014: IAS 32 *Financial instrument: Presentation*, which contains clarification regarding the rules for when financial assets and liabilities can be offset. A new standard for consolidated accounts, IFRS 10, replaces IAS 27 and SIC 12. In accordance with Chapter 7, section 6a of the Annual Reports (Credit Institutions and Securities Companies) Act, Kommuninvest is not preparing consolidated accounts. A new standard for accounting of joint ventures and joint arrangements, IFRS 11. A new standard for disclosure of investments in subsidiaries, cooperation arrangements, associated companies and non-consolidated structured entities, IAS 12. IAS 27 *Consolidated and Separate Financial Statements*, an amended standard which only includes rules for legal entities. There are primarily no changes regarding accounting and disclosure for separate financial statements. The amended IAS 28 *Investments in Associates and Joint Ventures* standard primarily corresponds with the previous IAS 28. IAS 36 *Impairment of assets*, which are disclosures regarding the recovery value of intangible assets. None of these changes will have any impact on Kommuninvest's results, financial position, disclosures, capital requirements, capital base or large exposures. The amendment of IFRIC 21 *Levies*, which covers

the stability fee, but this interpretation will not have any material impact on Kommuninvest's results, financial position, disclosures, capital requirements, capital base or large exposures. IAS 39 *Financial instruments*, which entails that companies can continue hedge accounting notwithstanding that the counterparty to a derivative has changed due to legislation. This change will affect Kommuninvest since the Company does not need to discontinue its hedge accounting when a counterparty to a derivative is changed due to legislation.

In all other respects, the same accounting principles and calculation methods used in the 2014 interim financial statements are used in the 2013 financial statements and 2013 and 2014 annual reports.

The current section "7.3- Income statement" shall be supplemented with the following information:

|   | 1 January – 31 December |                     |
|---|-------------------------|---------------------|
| <i>SEK millions</i>                     | <b>2014</b>             | <b>2013</b>         |
| Interest income                         | 3 650.8                 | 4 571.2             |
| Interest expenses                       | <u>-2 735.6</u>         | <u>-3 601.7</u>     |
| <b>Net interest income</b>              | <b>915.2</b>            | <b>969.5</b>        |
| Commission expenses                     | -5.1                    | -5.6                |
| Net result of financial transactions    | 101.9                   | 38.7                |
| Other operating income                  | <u>1.3</u>              | <u>0.2</u>          |
| <b>Total operating income</b>           | <b>1 013.3</b>          | <b>1 002.8</b>      |
| General administrative expenses         | -274.7                  | -239.3              |
| Depreciation of intangible fixed assets | -0.4                    | -                   |
| Depreciation of tangible fixed assets   | -2.9                    | -2.4                |
| Other operating expenses                | <u>-5.9</u>             | <u>-3.5</u>         |
| <b>Total expenses</b>                   | <b>-283.9</b>           | <b>-245.2</b>       |
| <b>Operating profit</b>                 | <b>729.4</b>            | <b>757.6</b>        |
| Tax on net income for the year          | <u>-161.0</u>           | <u>-166.9</u>       |
| <b>Income for the year</b>              | <b><u>568.4</u></b>     | <b><u>590.7</u></b> |

**Statement of comprehensive income**

|  | Jan - December     |                    |
|--|--------------------|--------------------|
| <i>SEK millions</i>  | <b>2014</b>        | <b>2013</b>        |
| <b>Net income</b>  | <b>568.4</b>       | <b>590.7</b>       |
| <b>Other comprehensive income</b>  |                    |                    |
| <i>Items that may later be reclassified to the income statement:</i>             |                    |                    |
| Available-for-sale financial assets  | 0.8                | -8.3               |
| Available-for-sale financial assets, transferred to the income statement         | -6.8               | 1.0                |
| Tax attributable to items that may later be reclassified to the income statement | <u>1.3</u>         | <u>1.6</u>         |
| <b>Other comprehensive income</b>  | <u><b>-4.7</b></u> | <u><b>-5.7</b></u> |
| <b>Comprehensive income for the year</b>   | <b>563.7</b>       | <b>585.0</b>       |

The current section "7.4 - Balance sheet" shall be supplemented with the following information:

|   | as per 31 December |             |
|---|--------------------|-------------|
| <i>SEK millions</i>                               | <b>2014</b>        | <b>2013</b> |
| <b>Assets</b>                                     |                    |             |
| State bonds eligible as collateral                | 15 204.1           | 14 626.2    |
| Leading to credit institutions                    | 4 022.1            | 2 822.2     |
| Lending   | 222 803.7          | 208 644.0   |
| Bonds and other interests-bearing securities      | 45 974.5           | 44 932.9    |
| Shares and participations                         | 2.4                | 2.1         |
| Shares and participations in associated companies | 0.5                | 0.5         |
| Shares and participations in subsidiaries         | 32.0               | 32.0        |
| Derivatives                                       | 23 848.8           | 6 235.8     |
| Tangible assets                                   | 6.0                | 4.6         |
| Intangible assets                                 | 1.6                | -           |
| Current pre-paid taxes                            | 79.0               | 79.0        |



# KOMMUNINVEST

Svenska kommuner och landsting i samverkan

|                                      |                         |                         |
|--------------------------------------|-------------------------|-------------------------|
| Other assets                         | 14.9                    | 14.2                    |
| Deferred taxes                       | 54.6                    | 54.6                    |
| Prepaid expenses and accrued revenue | 7.9                     | 10.6                    |
| <b>Total assets</b>                  | <b><u>312 052.1</u></b> | <b><u>277 458.7</u></b> |

## Liabilities, provisions and equity

|   |                         |                         |
|---|-------------------------|-------------------------|
| Liabilities to credit institutions      | 4 800.6                 | 4 352.0                 |
| Securities issued                       | 292 318.0               | 256 258.7               |
| Derivatives                             | 10 628.3                | 13 231.8                |
| Other liabilities                       | 789.9                   | 764.6                   |
| Accrued expenses and prepaid revenues   | 136.8                   | 121.4                   |
| Provisions                              | 3.0                     | 2.5                     |
| Subordinated liabilities                | <u>1 000.1</u>          | <u>1 000.1</u>          |
| <b>Total liabilities and provisions</b> | <b><u>309 676.7</u></b> | <b><u>275 731.1</u></b> |

## Equity

### Restricted equity

|                   |         |         |
|-------------------|---------|---------|
| Share capital     | 2 046.4 | 1 396.4 |
| Statutory reserve | 17.5    | 17.5    |

### Unrestricted equity

|                        |                       |                       |
|------------------------|-----------------------|-----------------------|
| Fair value reserve     | 12.6                  | 17.3                  |
| Profit brought forward | -269.5                | -294.3                |
| Income for the year    | <u>568.4</u>          | <u>590.7</u>          |
| <b>Total equity</b>    | <b><u>2 375.4</u></b> | <b><u>1 727.6</u></b> |

**Total liabilities, provisions and equity**    **312 052.1**    **277 458.7**

## Memorandum items

|                        |          |          |
|------------------------|----------|----------|
| Pledged assets         | 21 669.2 | 22 954.3 |
| Contingent liabilities | none     | none     |

## Obligations

|                             |         |         |
|-----------------------------|---------|---------|
| Committed undisbursed loans | 3 783.5 | 3 480.0 |
|-----------------------------|---------|---------|



The current section "7.5- Cash flow statement" shall be supplemented with the following information with respect to the period 1 January - 31 December:

| <b>Cash flow statement 1 January - 31 December</b>  |                  |                  |
|---|------------------|------------------|
| <i>SEK millions</i>   | <b>2014</b>      | <b>2013</b>      |
| <b>Operational activities</b>   |                  |                  |
| Operating income  | 729.4            | 757.6            |
| Adjustment for items not included in cash flow  | -62.2            | -15.4            |
| Income tax paid   | -0.7             | -0.6             |
| <b>Cash flow from operating activities before changes in the assets and liabilities of operating activities</b> | <b>666.5</b>     | <b>741.6</b>     |
| Changes in interest-bearing securities  | -1 220.5         | -11 840.9        |
| Change in lending   | -11 659.3        | -8 741.7         |
| Change and other assets   | 2.3              | 2.1              |
| Change in other liabilities   | 12.1             | 7.1              |
| <b>Cash flow from operational activities</b>  | <b>-12 198.9</b> | <b>-19 831.8</b> |
| <b>Investment activities</b>  |                  |                  |
| Acquisition of intangible assets  | -2.0             | -                |
| Acquisition of tangible assets  | -4.3             | -1.6             |
| Divestment of tangible assets   | -                | 0.4              |
| <b>Cash flow from investment activities</b>   | <b>-6.3</b>      | <b>-1.2</b>      |
| <b>Financing activities</b>   |                  |                  |
| Issue of interest-bearing securities  | 108 359.7        | 126 416.0        |
| Redemption of interest-bearing securities   | -94 908.2        | -119 342.0       |
| New share issues  | 650.0            | 768.0            |
| Group contributions   | -696.5           | -805.3           |
| <b>Cash flow from financing activities</b>  | <b>13 405.0</b>  | <b>7 036.7</b>   |
| <b>Cash flow for the year</b>   | <b>1 199.8</b>   | <b>-12 796.3</b> |
| <b>Cash and equivalents at period's start</b>   | <b>2 822.3</b>   | <b>15 618.6</b>  |
| <b>Cash and equivalents at period's end</b>   | <b>4 022.1</b>   | <b>2 822.3</b>   |

Cash and equivalents consist in their entirety of lending to credit institutions which at the time of acquisition have a term to maturity of not more than three months and are subject to insignificant risk of value fluctuation.

**Adjustment for items not included in cash flow**

|   |              |              |
|---|--------------|--------------|
| Depreciation  | 3.3          | 2.4          |
| Profit on disposal of tangible fixed assets                     | -            | -0.2         |
| Exchange rate differences from change in financial fixed assets | -0.1         | 0.0          |
| Unrealised changes in market value                              | -65.4        | -17.6        |
| <b>Total</b>  | <b>-62.2</b> | <b>-15.4</b> |

**Interest paid and earned, included in the cash flow**

|                   |          |          |
|-------------------|----------|----------|
| Interest received | 3 820.7  | 4 379.3  |
| Interest paid     | -2 927.5 | -3 481.0 |

The current section "7.6 - Key ratios" shall be supplemented with the following information with respect to 2014:

| <i>SEK millions</i>  | <b>2014</b> | <b>2013</b> |
|--|-------------|-------------|
| <b>Growth</b>  |             |             |
| Lending (change as %)  | 6.8         | 3.8         |
| Net interest income (change as %)  | -5.6        | 25.6        |
| <b>Consolidation</b>   |             |             |
| Core Tier I ratio (%)  | 34.6        | 37.0        |
| Core capital ratio (%)   | 34.6        | 37.0        |
| Total capital ratio (%)  | 49.3        | 59.5        |
| Gross equity ratio according to CRR (%)  | 0.76        | 0.57        |
| Gross equity ratio including subordinated debentures (%)                           | 1.09        | 0.91        |
| <b>Efficiency</b>  |             |             |
| Administration expenses as % of lending <sup>1</sup>                               | 0.127       | 0.117       |
| Administration expenses, excluding the stability fee, as % of lending <sup>1</sup> | 0.078       | 0.070       |
| Administration expenses as % of balance sheet total <sup>1</sup>                   | 0.091       | 0.088       |



# KOMMUNINVEST

Svenska kommuner och landsting i samverkan

|  |        |         |
|--|--------|---------|
| Administration expenses, excluding the stability fee, as % of balance sheet total <sup>1</sup> | 0.055  | 0.053   |
| Lending/employee (SEK millions)  | 2893.6 | 2 980.6 |
| Change (%)   | -2.9   | -3.6    |
|  | 0.182  | 0.213   |
| <b>Return</b>  |        |         |
| Operating income based on standard tax as % of average equity                                  | 27.73  | 44.09   |
| <b>Cost/Income ratio</b>   |        |         |
| Total costs in relation to net interest and other operating income                             | 0.31   | 0.25    |
| <b>Other information</b>   |        |         |
| Number of employees at end of the year   | 77     | 70      |

<sup>1</sup> Administration expenses means general administrative expenses, depreciation and other operating expenses.

## **DOCUMENTS INCORPORATED BY REFERENCE**

Documents incorporated by reference on page 51 are supplemented with the following information:

The following parts of the annual report of the Company for 1 January 2014 – 31 December 2014 are incorporated into the Prospectus by reference thereto.

|  |             |
|--|-------------|
| Income statement and statement of comprehensive income | pages 42-43 |
| Balance sheet  | pages 44-45 |
| Cash flow statement                                    | page 48     |
| Notes  | pages 49-71 |
| 5-year summary <sup>2</sup>                            | pages 72-73 |
| Auditor's report                                       | page 75     |

<sup>2</sup> Only information regarding 2014 is incorporated as a supplement to the information which is already included in the Prospectus.