

Press Release

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Kommuninvest and Swedbank collaborate on municipal loans

The financial crisis leaves a trail of higher prices on the credit market in its wake. Swedbank and Kommuninvest are therefore initiating a collaboration in order to offer municipalities and county councils the best possible borrowing conditions for credit with short-term fixed interest rates.

The collaboration between Kommuninvest and Swedbank arises from the insight that we complement rather than compete with each other when it comes to financial services for municipalities and county councils.

The co-operation encompasses some SEK 33 billion and affects municipalities that are customers of Swedbank and the network of co-operating Sparbankerna savings banks. Municipalities and county councils that are not members of Kommuninvest, and therefore unable to borrow from the organisation, can apply for membership.

“The co-operation with Kommuninvest is a fine example of Swedbank’s commitment to ensuring that Sweden’s municipalities and county councils have the best possible financial offering available to them in any situation. As the main bank for the majority of Sweden’s municipal enterprises and county councils, we have high demands on being able to offer competitive solutions for capital investment, public funding and systems for paying salaries and other transactions,” says Jan Lidén, CEO of Swedbank.

The recent turbulence on the global financial market has raised the price of liquidity. Kommuninvest’s role as a local debt office is important on a market in turmoil. With the highest possible credit rating – on a par with the Kingdom of Sweden – it can offer cost-effective financing opportunities. This enables Kommuninvest to offer attractive credit with short fixed interest periods.

“By working alongside Swedbank we are making it easier for our members to access the best possible credit terms in the long run. We have entered into this co-operation based on our remit as a local debt office, i.e. to create favourable solutions for our members’ financial operations without a vested interest in profit-making, based on a municipal value foundation. Membership of Kommuninvest is voluntary and open to all municipalities and county councils in Sweden, so this offer is directed at all municipalities, county councils and their majority-owned companies,” says Tomas Werngren, CEO of Kommuninvest.

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Kommuninvest’s sole focus is to create the best conditions in the long term for the financial operations of its owners and their majority-owned companies, based on a municipal value foundation. The company is owned and guaranteed by Swedish municipalities and county councils, and supplies credit exclusively to the municipal sector, which has a 0% risk weighting. Kommuninvest has the highest possible credit rating from Standard & Poor’s (AAA) and Moody’s (Aaa).

Swedbank is an international business bank, but also one with a strong presence among Sweden’s municipalities, and with well-established roots in Sweden’s local communities. **Swedbank** is a leading financial partner to municipalities and county councils with a genuine commitment to social development. Municipalities are a linchpin in this respect, and Swedbank’s ambition as a financial partner takes this as its point of departure.