

INTERIM REPORT KOMMUNINVEST

1 January–30 June

2011

- 2 (5) new members
- Balance sheet total SEK 221.4 (190.2) billion
- Lending SEK 147.9 (133.7) billion
- Operating profit SEK 187.3 (195.1) million



Bohuslän Museum.
The Municipality of Uddevalla has been a member of the Kommuninvest Cooperative Society since 1993.

Interim Report for
Kommuninvest i Sverige AB (publ)

Registered company no: 556281-4409
Registered office: Örebro, Sweden
1 January – 30 June 2011

Comparative earnings figures relate to the preceding six month period (1 January – 30 June 2010) unless otherwise indicated. Comparative balance sheet and risk related figures relate to 31 December 2010 unless otherwise indicated.

About Kommuninvest

Kommuninvest's mission is to act as Sweden's local government debt office. This means that we contribute to financial stability for the municipal sector and offer Swedish municipalities and county councils cost-efficient financial management focused on financing.

Kommuninvest is a member organization owned and guaranteed by Swedish municipalities and county councils. Kommuninvest aims to provide its members with the best financing opportunities, without a vested interest in profit-making, while offering the international credit market one of the most solid investment opportunities.

Cover photo: _____

Wisby Strand, Congress & Event.

The Municipality of Gotland has been a member of the Kommuninvest Cooperative Society since 1994.

CEO'S STATEMENT

Kommuninvest's stable development continued during the first six months of 2011, with positive growth in both the number of members and lending volume as well as favourable financial results.

During the period, our funding operations have benefited from the uncertainty in international money markets and the strong demand for interest rate securities issued by low risk entities. Kommuninvest is a type of borrower which is more sought after by investors in times of increased risk awareness. This is due to the high creditworthiness of Kommuninvest and its members, the members' joint and several guarantee and a business that is entirely focused on providing finance to public entities.

The launch in Sweden of our strategic Swedish Benchmark Programme has been a success. This programme has contributed to improved pricing transparency for municipal sector borrowings in the Swedish market, which we believe is of significant value to municipal borrowers.

Two new members joined Kommuninvest during the first six months of the year and discussions are ongoing with a number of new municipalities. The slightly weaker membership growth compared with the preceding period is primarily explained by 2010 being an election year, which can prolong municipal decision-making processes. By 30 June 2011, 88 percent of Swedish municipalities were Kommuninvest members.

The result has contributed to a strengthening of Kommuninvest's equity, in line with the company's ambitions. During the period, we have also increased our liquidity reserve. The reinvestment of profits is expected to continue, in order to increase the capitalisation in line with the future expected increase in lending volumes.

Our long-term financial stability and our ability to provide our borrowers with long-term, cost-effective financing solutions continues to be very strong.

Tomas Werngren
President and CEO

The market

The world economy and financial markets

The global economic recovery continued during the first half-year, driven mainly by the emerging economies, historically low interest rates in western economies, and solid corporate earnings. However, the recovery has faced a number of challenges, including political turmoil in the Middle East and North Africa, a catastrophic earthquake in Japan as well as a new wave in the European debt crisis. The political negotiations involving Greece, the European Union and the International Monetary Fund, coupled with uncertainty regarding the treatment of debtors, led to renewed market uncertainty particularly towards the end of the reporting period. Additional market uncertainty has been brought on after the reporting period, due to the handling of the US national debt ceiling and national budget.

The fiscal woes in the Eurozone have led to increased demand for Swedish interest rate securities, due to the country's strong public finances.

The Swedish municipal sector

During the first six months, the Swedish economy continued its recovery. The positive labour market developments, with an increase in the number of worked hours, has contributed to strengthening the tax income base in municipalities and county councils. As a whole, the municipal sector achieved a strong economic result in 2010, well above the level considered to be sound financial management. Kommuninvest expects full-year 2011 results to also be positive, in spite of an uncertain macroeconomic climate and a dampened outlook for the world economy. Municipal

sector borrowings remain stable, with total municipal sector debt at around SEK 365 billion.

Kommuninvest lending and membership growth

For the first half year of 2011, Kommuninvest recorded 15 per cent growth in lending volumes, compared with the corresponding period during 2010. Total lending amounted to SEK 147.9 billion on 30 June. The growth in lending is a result of increased lending to both existing and new members, and has contributed to further strengthening Kommuninvest's market position.

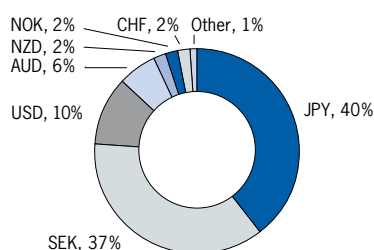
As of 30 June 2011 Kommuninvest Cooperative Society had 262 members, of which 254 municipalities and 8 county councils. 88 per cent of Sweden's municipalities were thus members of Kommuninvest Cooperative Society. New members during the period were Norrtälje Municipality and Dalarna County Council.

Funding activities

Kommuninvest's lending is financed by means of short-term and long-term borrowing programmes on national and international capital markets. The funding strategy is based on diversified funding sources, in terms of funding markets, investor categories, funding currencies and borrowing products. All borrowings are swapped to floating interest rate in SEK, EUR or USD.

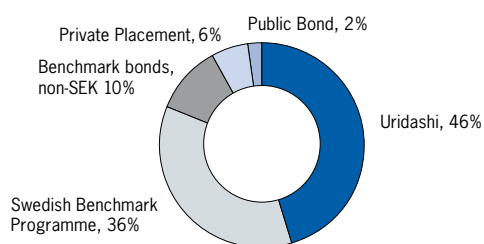
The demand for stable issuers with a clear low-risk profile remained good throughout the period and Kommuninvest was able to fulfil its borrowing requirements on favourable terms, both for short-term and long-term maturities.

Borrowing by currency, 1 Jan–30 June 2011
(excl. commercial paper borrowings)



Source: Kommuninvest

Borrowing by programme, 1 Jan–30 June 2011
(excl. commercial paper borrowings)



Source: Kommuninvest

In total, over SEK 50 billion was raised in long-term debt instruments during the first six months 2011. A total of SEK 36 billion in long-term borrowings matured during the same period.

In Sweden, Kommuninvest's Swedish Benchmark Programme, comprising long-term municipal bonds, has been well received by investors. As of 30 June, a total of SEK 38.2 billion was outstanding in bonds K1210, K1508 and K1708. The bonds are classified according to the Riksbank's liquidity class II. During the reporting period, the bonds were approved by Nasdaq OMX as collateral for customer and clearing member exposures. By 2015, Kommuninvest aims to have 50 per cent of its borrowings in SEK.

Among other funding transactions were a three-year USD bond for USD 500 million. In Australia the build-up of Kommuninvest's "Kangaroo/Kauri" programme continues.

The initial turbulence in the Japanese capital market in the wake of the earthquake catastrophe proved short-lived, with limited effect on Kommuninvest's borrowing activities. At the end of the reporting period, Kommuninvest's borrowings in Japan were higher than before the catastrophe.

The average maturity of Kommuninvest's capital market funding was 3.4 years as of 30 June 2011. The corresponding number as of 30 June 2010 was 3.8 years.

Rating

Kommuninvest has the highest possible credit rating from two credit rating agencies – since 2002 from Moody's (Aaa) and since 2006 from Standard & Poor's (AAA). The latest credit ratings were published by Moody's in May 2011, and by Standard & Poor's in June 2011.

According to the rating agencies, the ratings reflect Kommuninvest's excellent asset quality and solid liquidity reserve, the concentration to municipal sector financing, the high market share, conservative risk principles and the joint and several guarantee provided by Kommuninvest's members.

Financial account

Comparative earnings figures relate to the preceding six month period (1 January – 30 June 2010) unless otherwise indicated. Comparative balance sheet and risk related figures relate to 31 December 2010 unless otherwise indicated.

Profit/loss

The profit after allocations and taxes amounted to SEK 110.9 (105.3) million.

The operating profit (profit before allocations and taxes) amounted to SEK 187.3 (195.1) million.

Net interest income totalled SEK 266.0 (214.2) million. The increase in net interest income is attributable to the strong trend in recent years with increased lending volumes and improved margins. The improvement in margin is an effect of ongoing efforts to increase the company's capitalisation in accordance with the company's targets.

The buy-back of issued securities and the sale of financial instruments have contributed favourably to operating income by SEK 23.9 (78.1) million and is accounted for within 'Net result of financial transactions'.

Unrealised changes in market value recognised in the income statement amounted to SEK 26.6 (-15.6) million and are also accounted for within 'Net result of financial transactions'. Kommuninvest's intention is to hold assets and liabilities to maturity, which means that these are values which Kommuninvest does not intend to realise.

Operating profit, excluding the effect of market value changes, amounted to SEK 160.7 (210.7) million.

Costs increased to SEK 126.6 (80.1) million, with the increase being attributable primarily to the increase in the stability fee. The increase is the result of both the full implementation of the fee in 2011, as well as an increase in the calculation base for the fee, the balance sheet total.

Credit losses

Credit losses totalled SEK 0 (0) million.

Financial position

The balance sheet total amounted to SEK 221,440.1 (190,200.2) million at the end of the period.

The value of the lending portfolio amounted to SEK 147,927.8 (133,729.1) million. In nominal terms (actual amount lent), lending amounted to SEK 147,087.7 (132,948.0) million. The increase in lending is driven by a strong demand from Kommuninvest's members.

Invested funds awaiting future lending to members totalled SEK 60,697.6 (43,344.8) million.

At the end of the period, borrowing amounted to SEK 207,429.6 (177,290.8) million.

Derivatives with a positive and negative market value amounted to SEK 12,681.9 (13,024.0) million and SEK 11,745.3 (10,794.2) million respectively.

Equity totalled SEK 902.9 (782.8) million. In addition to the profit for the period, 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 period totalled SEK 5.1 (-41.5) million.

Share capital has increased through a new issue, on the authorisation given to the Board by the Annual General Meeting. A new issue of SEK 4.0 (3.9) million was carried out during the period. The purpose was 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 amounted to SEK 292.4 million distributed over 2,923,850 shares.

Capital adequacy

The capital adequacy ratio (total capital base in rela-

tion to total capital requirement) amounted to 5.72 (10.09 as of 31 December 2010). The decrease in the ratio during the first six months is due to the increase in the liquidity reserve, in order for Kommuninvest to be able to meet expected future financing needs from existing and new members. The total capital ratio (total capital base in relation to risk-weighted assets) was 45.8 percent as of 30 June 2011 (80.5 percent as of 31 December 2010).

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.

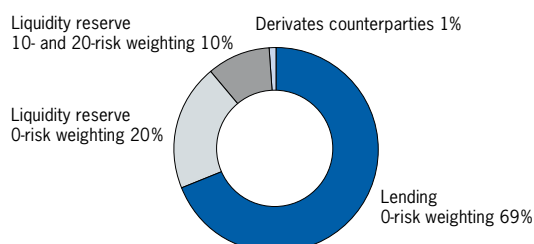
The general development in the capital market, including interest rate development and the liquidity situation, along with the willingness to invest in various markets, may affect the competitive situation and how the competitive advantage of Kommuninvest develops. If Kommuninvest is unable to recruit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

A more detailed description of Kommuninvest's risk management is found in the company's latest Annual Report on pages 40-46. No material change in the risk situation, as compared with the description in the Annual Report, has occurred during the reporting period.

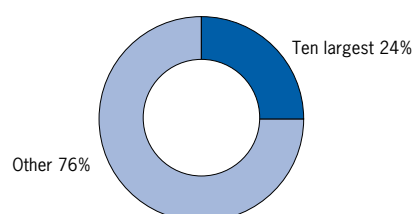
Employees and the environment

The number of employees increased by nine people during the period to 62 people. Kommuninvest does not conduct any operations requiring a licence under Sweden's Environmental Code. Kommuninvest has an environmental policy adopted by the Board of Directors.

Credit risk exposure, 30 June 2011



Credit concentration – distribution of lending, 30 June 2011



Risk management

In 2007 the company introduced a new capital adequacy assessment process in accordance with an European Commission Directive (Basel II), which has been taken into account when calculating the company's capital adequacy ratio. The capital adequacy assessment process is inspected by the Swedish Financial Supervisory Authority which judges that Kommuninvest is sufficiently capitalized to meet the demands imposed on its operations.

From a risk perspective, Kommuninvest distinguishes itself from other financial market players:

- Lending is provided exclusively to Swedish municipalities, municipal corporations, county councils or borrowers guaranteed by local government authorities and therefore carries a zero risk weighting from the perspective of capital adequacy.
- The members of Kommuninvest Cooperative Society are customers to the company and party to a joint and several guarantee supporting all of the Company's obligations.
- Kommuninvest does not work to maximise its profits and the company's profits shall primarily be reflected in the income statements of its owners.
- Kommuninvest conducts no deposit operations or speculation in interest rate and currency movements.
- Kommuninvest has a favourable capital situation. At 30 June 2011, the capital adequacy ratio was 5.72 (10.09 as of 31 December 2010), compared with the official requirement of 1.0.

On 30 June 2011, Kommuninvest's total credit risk exposure amounted to SEK 222.3 (191.9) billion. 69 percent (75) of the exposure was related to lending to Swedish municipalities and county councils. 20 percent (19) was related to investments in securities issued

by sovereign states or issuers guaranteed by sovereign states, 10 percent (5) investments in securities issued by other entities and 1 percent (1) was related to exposure to derivatives counterparties. All investments made in the group "other entities" concerned issuers under supervision by a financial supervisory authority.

ISDA agreements, permitting the netting of positive and negative exposures and conveying the right to prior redemption if the creditworthiness of the counterparty worsens, are established with all derivatives counterparties.

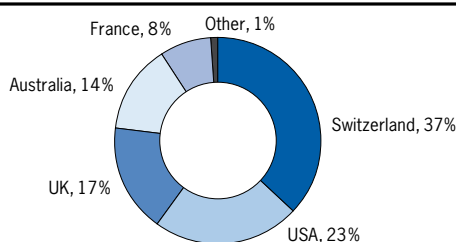
Credit risk exposure related to derivatives counterparties as of 30 June 2011 amounted to SEK 4.2 (6.9) billion, after netting. Counterparty risk is limited by entering into contracts with counterparties with high creditworthiness and requirements for assets pledged. As of 30 June 2011, 51 (50) percent of the counterparty exposure was related to counterparties with a credit rating of at least Aa3 from Moody's or AA- from Standard & Poor's.

To reduce counterparty risk further, Kommuninvest aims to secure CSA agreements with all derivatives counterparties. CSA agreements regulate the right to secure collateral to eliminate the exposure arising through derivative transactions. As of 30 June 2011 CSA agreements had been established with 20 out of 32 counterparties with whom Kommuninvest had outstanding contracts. 68 per cent of the credit risk exposure related to derivatives counterparties was covered by CSA agreements.

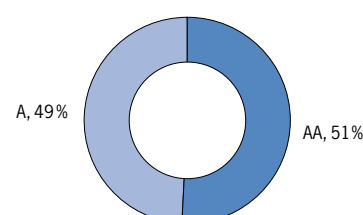
Liquidity management

The liquidity reserve amounted to SEK 60.7 (43.3) billion on 30 June 2011, and was invested in interest-bearing securities issued by sovereign states, and in

Net derivatives exposure distributed by exposure countries
30 June 2011



Derivative receivables distributed by rating category
30 June 2011



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. The increase of the liquidity reserve has been completed in order to ensure sufficient liquidity in light of the Eurozone debt crisis.

According to Board instructions, Kommuninvest's liquidity reserve shall amount to at least 20 per cent of the balance sheet total including 50 per cent of outstanding tenders. The liquidity reserve is primarily held in securities issued by sovereigns, municipalities or financial institutions with a sovereign guarantee. A large share is held in securities eligible for collateral with the Riksbank.

The reporting of the liquidity reserve is in accordance with Finansinspektionen's (Swedish Financial Supervisory Authority) regulations on liquidity, FFFS 2010:7. Kommuninvest's liquidity and funding strategy, approved by the Board on 13 November 2010, has been designed in accordance with the requirements as put forth in FFFS 2010:7.

Liquidity reserve as of 30 June 2011, SEK million

Total liquidity reserve 60,698
-of which eligible as collateral with Riksbank 30,538

Liquidity ratio

Balance sheet total, SEK million 221,440
Total liquidity reserve, as per cent of balance sheet total 27.4%

For further information about the liquidity reserve, please consult the Kommuninvest website, page Investor Relations → Financial information and publications → Liquidity reserve.

Significant events after the reporting period

Throughout July and August, increasing uncertainty and a loss of risk appetite has manifested itself on financial markets. To date, the market uncertainty has not significantly affected Kommuninvest's business and possibilities to fulfill its mission.

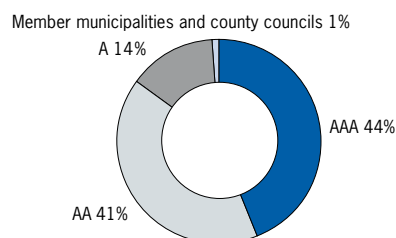
Board of Directors

Björn Börjesson was elected as new Board member and Chairman of the Board at the Annual General Meeting on 7 April 2011. The Board of Directors also includes Ellen Bramness Arvidsson (Vice Chairman), Lorentz Andersson, Anna von Knorring, Catharina Lagerstam, Johan Törngren, Anna Sandborgh and Kurt Eliasson.

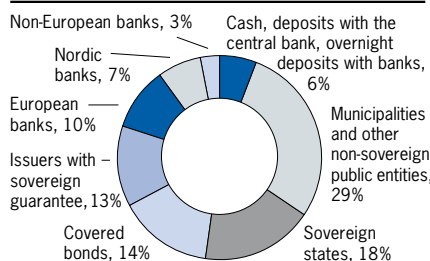
Management

Over the first six months of 2011, Kommuninvest's executive management team consisted of Tomas Werngren, President and CEO, Maria Viimne, Executive Vice President, Anders Gänge, Head of Financial Group and Johanna Larsson, Head of Administration.

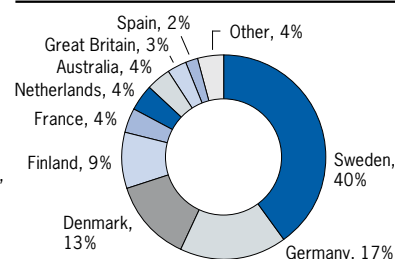
Liquidity reserve distributed by rating category
30 June 2011



Liquidity reserve distributed by issuer category
30 June 2011



Liquidity reserve distributed by country
30 June 2011



Liquidity reserve distributed by rating category and maturities

	0-4 months	4-12 months	1-3 years	3-5.5 years	Total
AAA	15%	2%	19%	8%	44%
AA	9%	4%	16%	11%	41%
A	5%	2%	4%	3%	14%
Member municipalities and county councils	0%	0%	1%	0%	1%



Campus Trollhättan.
The Municipality of Trollhättan has
been a member of the Kommuninvest
Cooperative Society since 1993.

INCOME STATEMENT

SEK mn	Jan-Jun 2011	Jan-Jun 2010	Jan-Dec 2010
Interest income	2,469.1	1,292.2	3,025.0
Interest expense	-2,203.1	-1,078.0	-2,593.0
Net interest income	266.0	214.2	432.1
Commission expense	-3.0	-1.7	-4.4
Net result of financial transactions	50.9	62.5	17.2
Other operating income	0.0	0.2	0.3
Total operating income	313.9	275.2	445.1
General administration expense	-119.9	-76.7	-160.5
<i>whereof stability fee</i>	<i>-45.0</i>	<i>-15.8</i>	<i>-41.2</i>
Depreciation of tangible assets	-1.2	-1.3	-2.7
Other operating expenses	-5.5	-2.1	-6.2
Total expenses	-126.6	-80.1	-169.4
Operating profit/loss	187.3	195.1	275.7
Allocations	-35.7	-51.4	-83.2
Tax on profit for the period	-40.7	-38.4	-51.9
Profit for the period	110.9	105.3	140.6

STATEMENT OF COMPREHENSIVE INCOME

SEK mn	Jan-Jun 2011	Jan-Jun 2010	Jan-Dec 2010
Income for the period accounted for in the Income Statement	110.9	105.3	140.6
<i>Other comprehensive income</i>			
Financial assets available for sale	8.9	-54.2	-67.2
Loans and receivables	-2.0	-2.1	-4.2
Tax attributable to other comprehensive income	-1.8	14.8	18.8
Total other comprehensive income	5.1	-41.5	-52.6
Total comprehensive income	116.0	63.8	88.0

BALANCE SHEET

SEK mn	30 June 2011	30 June 2010	31 Dec 2010
ASSETS			
Cash	0.0	0.0	0.0
National debt instruments eligible as collateral	13,937.8	15,150.4	12,887.7
Lending to credit institutions	5,077.9	1,390.3	1,697.6
Lending	147,927.8	128,785.2	133,729.1
Bonds and other interest-bearing securities	41,681.9	30,432.4	28,759.5
Shares and participations	1.1	0.8	1.0
Shares in associated companies	0.5	0.5	0.5
Derivatives	12,681.9	14,986.0	13,024.0
Tangible assets, equipment	6.8	6.4	6.9
Other assets	102.6	123.8	67.5
Prepaid expenses and accrued revenues	21.8	6.8	26.4
Total assets	221,440.1	190,882.6	190,200.2
LIABILITIES AND EQUITY			
Liabilities to credit institutions	3,368.0	7,710.2	3,438.9
Securities issued	204,061.6	174,291.4	173,851.9
Derivatives	11,745.3	7,766.2	10,794.2
Other liabilities	16.3	115.6	66.4
Accrued expenses and deferred revenue	90.9	54.2	44.1
Provisions for pensions and similar obligations	1.4	1.0	1.2
Subordinated debt	1,000.1	0.0	1,002.9
Total liabilities	220,283.6	189,938.6	189,199.5
Untaxed reserves	253.6	186.1	217.9
Equity			
Restricted equity			
Share capital (2,923,850 shares, quoted value SEK 100)	292.4	273.5	273.4
New share issue in progress	0.0	0.0	15.0
Statutory reserve	17.5	17.5	17.5
Unrestricted equity			
Fair value reserve	-6.2	-0.2	-11.3
Profit brought forward	488.3	361.8	347.6
Profit for the period	110.9	105.3	140.6
Total equity	902.9	757.9	782.8
TOTAL LIABILITIES AND EQUITY	221,440.1	190,882.6	190,200.2
Memorandum items			
Collateral pledged for own liabilities	1,071.4	3,156.4	4,808.2
Contingent liabilities	None	None	None
Commitments			
Pledged loans	1,051.7	1,976.4	1,856.0

CHANGES IN EQUITY

30 June 2011 SEK mn	Restricted equity		Unrestricted equity			Total equity
	Share capital	Statutory reserve	Fair value reserve ¹	Profit or loss brought forward	Profit for the period	
Equity brought forward 1 Jan 2011	288.4	17.5	-11.3	347.7	140.6	782.9
Profit for the period	-	-	-	-	110.9	110.9
Other comprehensive income	-	-	5.1	-	-	5.1
Appropriation of surplus	-	-	-	140.6	-140.6	0.0
New share issue	4.0	-	-	-	-	4.0
Equity carried forward 30 June 2011	292.4	17.5	-6.2	488.3	110.9	902.9

¹ The fair value reserve comprises
 -Financial assets available for sale
 -Loans and receivables (reclassified)

-8.7
 2.5

30 June 2010 SEK mn	Restricted equity		Unrestricted equity			Total equity
	Share capital	Statutory reserve	Fair value reserve ²	Profit or loss brought forward	Profit for the period	
Equity brought forward 1 Jan 2010	269.6	17.5	41.3	191.2	170.6	690.2
Profit for the period	-	-	-	-	105.3	105.3
Other comprehensive income	-	-	-41.5	-	-	-41.5
Appropriation of surplus	-	-	-	170.6	-170.6	0.0
New share issue	3.9	-	-	-	-	3.9
Equity carried forward 30 June 2010	273.5	17.5	-0.2	361.8	105.3	757.9

² The fair value reserve comprises
 -Financial assets available for sale
 -Loans and receivables (reclassified)

-5.7
 5.5

31 Dec 2010 SEK mn	Restricted equity		Unrestricted equity			Total equity
	Share capital	Statutory reserve	Fair value reserve ³	Profit or loss brought forward	Profit for the period	
Equity brought forward 1 Jan 2010	269.6	17.5	41.3	191.2	170.6	690.2
Profit for the period	-	-	-	-	140.6	140.6
Other comprehensive income	-	-	-52.6	-	-	-52.6
Appropriation of surplus	-	-	-	170.6	-170.6	0.0
New share issue	3.8	-	-	-	-	3.8
New share issue in progress	15.0	-	-	-	-	15.0
Group contributions	-	-	-	-19.3	-	-19.3
Tax effect on group contributions	-	-	-	5.1	-	5.1
Equity carried forward 31 Dec 2010	288.4	17.5	-11.3	347.6	140.6	782.8

³ The fair value reserve comprises
 -Financial assets available for sale
 -Loans and receivables (reclassified)

-15.3
 4.0

CASH FLOW STATEMENT

SEK million	Jan-Jun 2011	Jan-Jun 2010	Jan-Dec 2010
Operational activities			
Operating income	187.3	195.1	275.7
Adjustment for items not included in cash flow (1)	-25.4	16.9	88.0
Income tax paid	-57.8	-66.7	-121.0
Cash flow from operating activities before changes in the assets and liabilities of operating activities	104.1	145.3	242.7
Change in interest-bearing securities	-15,476.7	2,290.6	6,163.7
Change in lending	-14,294.1	-5,090.7	-11,143.9
Change in other assets	-86.0	-47.9	-11.3
Change in other liabilities	64.9	-220.8	-235.0
Cash flow from operating activities	-29,687.8	-2,923.5	-4,983.8
Investment activities			
Sale/disposal of tangible assets	0.0	0.0	0.4
Acquisition of tangible assets	-1.1	-4.0	-6.4
Cash flow from investment activities	-1.1	-4.0	-6.0
Financing activities			
Change in securities issued	31,443.4	3,615.0	9,210.7
Change in liabilities to credit institutions	-68.0	279.2	-3,950.5
Subordinated loan	0.0	0.0	1,000.0
New share issue	4.0	3.8	18.8
Group contribution paid	0.0	-7.9	-19.3
Cash flow from financing activities	31,379.4	3,890.1	6,259.7
Cash flow for the period	1,690.5	962.6	1,269.9
Cash and cash equivalents at the start of the period	1,697.6	427.7	427.7
Cash and cash equivalents at the end of the period	3,388.1	1,390.3	1,697.6
<p>The cash flow statement is produced using the cash accounting method. Operating income has been adjusted for changes not included in operational activities. The cash flow statement has been divided into inward and outward payments from operational activities, investment activities and financing activities.</p>			
(1) Adjustment for items not included in cash flow			
Depreciation	1.2	1.3	2.7
Exchange rate differences from change in financial assets	0.0	0.0	-1.2
Unrealised changes in market value	-26.6	15.6	86.5
Total	-25.4	16.9	88.0
<p>Cash and cash equivalents as of 30 June 2011 (30 June 2010 and 31 Dec 2010) consists exclusively of lending to credit institutions, excluding deposits of 1,689.8 (0.0 and 0.0).</p>			
Interest paid and received, included in the cash flow			
Interest received	2,464.9	1,344.3	2,923.0
Paid interest	-1,873.8	-1,109.6	-2,454.0

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 regulations and general recommendations of the Swedish Financial Supervisory Authority (Finansinspektionen) regarding annual accounts for credit institutions and securities companies (FFFS 2008:25).

Consequently all International Financial Reporting Standards (IFRS) and statements endorsed by the EU are followed as far as possible, within the provisions of ÅRKL and taking into account the additions and exemptions specified in FFFS 2008:25.

The accounting principles and calculation methods used in the interim report are identical to those used in the most recent annual report.

During the period SEK 4.8 billion has been transferred from Level 2 to Level 1. This relates to covered bonds which are now valued based upon Level 1.

School of Engineering, Jönköping University.
The Municipality of Jönköping has been
a member of the Kommuninvest
Cooperative Society since 2008.



CAPITAL ADEQUACY

The information on Kommuninvest's capital adequacy 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 require-

ments 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, SEK mn	30 June 2011	30 June 2010	31 Dec 2010
Primary capital, net	1,092.3	903.3	944.2
Total primary capital	1,092.3	903.3	944.2
Supplementary capital			
Perpetual debenture loan	1,000.0	0.0	944.2
Total supplementary capital	1,000.0	0.0	944.2
Total capital base	2,092.3	903.3	1,888.4
Capital requirement			
Capital requirement for credit risk in accordance with the standardised method	299.8	75.5	129.0
Capital requirement for operational risk	53.9	30.1	53.9
Capital requirement for foreign exchange risk	0.2	0.1	0.1
Capital requirement for positions in interest-linked financial instruments	11.9	49.7	4.2
Total capital requirement	365.8	155.4	187.2
Capital adequacy ratio	5.72	5.81	10.09

RECLASSIFICATION

Reclassification has taken place on 10 November 2008 of assets in the form of interest-bearing securities, recorded previously in the 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 other comprehensive income.

30 June 2011

Had this reclassification not taken place, equity would have been affected negatively by SEK 5.9 million in the fair value reserve as at 30 June 2011. This means that the fair value reserve has increased during the period with SEK 3.8 million with regard to the reclassified securities.

Interest income amounting to SEK 11.3 million has been recognised in the income statement for the period 1 January – 30 June with regard to the reclassified assets.

	30 June 2011		31 December 2010	
	Book value	Fair value	Book value	Fair value
Interest-bearing securities	3,823.3	3,817.4	5,249.4	5,239.7

31 December 2010

Had this reclassification not taken place, equity would have been affected negatively by SEK 9.7 million in the fair value reserve as at 31 December 2010. This means that the fair value reserve has increased during the period with SEK 18.2 million with respect to the reclassified securities.

Interest income amounting to SEK 25.9 million has been recognised in the income statement for the period 1 January – 31 December with regard to the reclassified assets.

	31 December 2010		31 December 2009	
	Book value	Fair value	Book value	Fair value
Interest-bearing securities	5,249.4	5,239.7	5,598.8	5,570.8

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 the face value 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, 24 August 2011

Björn Börjesson
Chairman

Ellen Bramness Arvidsson
Vice Chairman

Lorentz Andersson
Board Member

Kurt Eliasson
Board Member

Anna von Knorring
Board Member

Catharina Lagerstam
Board Member

Anna Sandborgh
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 summarized interim financial information (interim report) for Kommuninvest i Sverige AB (publ) for the period from 1 January 2011 to 30 June 2011. The Board of Directors and the President are responsible for the presentation of this interim report in accordance with the Swedish Annual Accounts for Credit Institutions and Securities Companies Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope and focus 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 Far (the Swedish Institute 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 in accordance with the International Standards on Auditing, ISA, and to sound accounting principles in general. 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 Annual Accounts for Credit Institutions and Securities Companies Act (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; 24 August 2011

Ernst&Young AB

Peter Strandh
Certified Public Accountant



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