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## Swedish Export Credit Corp.

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# Swedish Export Credit Corp.

<b>SACP</b>	<b>a-</b>		+	<b>Support</b>	<b>+5</b>	+	<b>Additional Factors</b>	<b>0</b>
<b>Anchor</b>	<b>a-</b>			<b>ALAC Support</b>	<b>0</b>		<b>Issuer Credit Rating</b>  <b>AA+/Stable/A-1+</b>	
<b>Business Position</b>	Moderate	-1		<b>GRE Support</b>	<b>+5</b>			
<b>Capital and Earnings</b>	Very Strong	+2		<b>Group Support</b>	<b>0</b>			
<b>Risk Position</b>	Moderate	-1		<b>Sovereign Support</b>	<b>0</b>			
<b>Funding</b>	Average	0						
<b>Liquidity</b>	Adequate							

## Major Rating Factors

Strengths:	Weaknesses:
<ul style="list-style-type: none"> <li>Extremely high likelihood of government support.</li> <li>Strong loan asset quality and high-quality guarantees.</li> <li>Robust capitalization well above international average.</li> </ul>	<ul style="list-style-type: none"> <li>Heavy reliance on foreign wholesale funding, including structured funding.</li> <li>Concentration on large individual loan exposures.</li> <li>Relatively low profitability.</li> </ul>

## Outlook: Stable

The stable outlook on Swedish Export Credit Corp. (SEK) reflects S&P Global Ratings' view that there is an extremely high likelihood of timely support to SEK from the Swedish government, if needed, over the next two years. The outlook also reflects our expectation that the company's asset quality will remain strong and its liquidity and capitalization robust. Given the level of extraordinary support and our 'AAA' rating on Sweden, we could revise our assessment of SEK's stand-alone credit profile (SACP) downward by four notches without it affecting the rating.

While presently unlikely, we could consider a negative rating action if we saw that SEK's role or link with the Swedish government were weakening. Given SEK's current SACP, we could lower the ratings by one notch if, in our view, the likelihood of support had reduced to very high from extremely high, due a change in the role or link with the government.

We consider a positive rating action unlikely at this stage. However, we could raise the ratings if the Swedish government provided a timely guarantee for SEK's liabilities, in line with our criteria.

We expect that the Swedish krona (SEK) 125 billion (€11.7 billion) back-up credit line for the Commercial Interest Reference Rate (CIRR) portfolio will be renewed as part of the ongoing support we factor into our analysis of SEK's SACP, and more specifically, its funding and liquidity.

## Rationale

The 'AA+' long-term rating on SEK is based on our expectation that SEK will remain very tightly linked to its sole owner Sweden (AAA/Stable/A-1+), while playing a central part in the delivery of its national export strategy, leading us to factor five notches of uplift into our long-term rating on SEK.

SEK's 'a-' SACP reflects our view of the Swedish banking industry as a whole, and the institution's somewhat narrow focus on lending to borrowers with a connection to Swedish exports. It also rests on our expectation that SEK will continue to show capitalization levels above those of its international peers, and balance its unsecured concentration risk in some large Swedish corporates and international financial institutions, as well as the complex nature of its funding structure. Furthermore, we expect SEK to maintain its sound underwriting standards reflected in its very good asset quality and exceptional loan loss track record. The company's funding and liquidity position, characterized by a wholesale funding profile, is further supported by the Swedish government in the form of access to a SEK125 billion credit facility at the Swedish National Debt Office.

### **Anchor: Blended economic risk reflects SEK's net exposure after guarantees**

The anchor we assign to SEK is 'a-', reflecting its domicile in Sweden and its net credit exposure after guarantees to different markets worldwide. As a result, our blended economic risk score for SEK is somewhat higher than for banks operating only in Sweden, due to SEK's external exposures to Swedish exporters' customers. However, the difference is not large enough to lower the anchor.

We consider that Swedish banks will continue to benefit from a stable and low-risk operating environment. We view the Swedish economy as highly diverse and competitive, with high household incomes and net financial assets, but

believe that high property valuations, in tandem with increasing household debt, have created material economic imbalances. Nevertheless, we think that with increased housing supply, a rising central bank policy rate, and the required amortization of new residential mortgage loans, in particular at high debt-to-income levels, imbalances will likely to moderate over 2019-2021. We project banks' credit losses and nonperforming loans will remain manageable in the still-low interest-rate environment.

We view the banking sector's stability and absence of distortion and complexity as strengths. We consider Swedish banks well placed to benefit from sound margins and high efficiency rates, in part thanks to advanced digitization, as reflected in an average cost-to-income ratio of 46% between 2015 and 2018. Combined with low credit losses in the prevailing operating environment, this leads to sound profitability and high capital levels despite elevated dividend payout ratios. However, Sweden's banks rely on a large share of foreign wholesale funding relative to customer deposits, a key risk factor for the confidence-sensitive sector. That said, Sweden's private-sector debt capital markets and the government's willingness to ensure a well-functioning domestic covered bond market mitigate this risk, in our view. We consider the regulatory environment in Sweden to be in line with that in other EU countries despite comparatively high capital buffer requirements and a history of capital and liquidity support to the sector.

Table 1

Swedish Export Credit Corp.--Key Figures					
--Year ended Dec. 31--					
(Mil. SEK)	2019*	2018	2017	2016	2015
Adjusted assets	338,353	301,990	264,326	299,341	280,303
Customer loans (gross)	217,223	198,014	182,391	194,385	189,149
Adjusted common equity	18,113	17,612	17,292	16,507	15,998
Operating revenues	1,376	1,427	1,553	1,608	2,056
Noninterest expenses	435	582	597	590	557
Core earnings	734	648	772	780	1,187

\*Data as of Sept. 30. SEK--Swedish krona.

### Business position: Important export lending role, but with narrow revenue breadth

We base our assessment of SEK's business position on our expectation that it will remain in a low-margin operating environment with a relatively narrow role of supporting Swedish export companies, particularly through loans at the CIRR under the rules of the Organization for Economic Cooperation and Development (OECD) and for the EU.

SEK's business derives from its Swedish-government mandate to support the country's export sector, which contributes some 46% to Sweden's GDP, with either direct or end-client long-term financing. In our view SEK will remain an important pillar of Swedish exporters' success owing to its strong relationships with Sweden's largest exporters. More recently, SEK has also started promoting midsize corporations' expansion to new markets. The bank works with the Swedish government and commercial banks to offer corporate lending for the benefit of the Swedish export sector and end-customer financing, arranged for the buyers of Swedish goods and services. As of Sept. 30, 2019, SEK had total assets of SEK338.4 billion of which outstanding loans amounted to SEK285.3 billion. Nearly half of its lending is guaranteed by the Swedish government via the Swedish Export Credits Guarantee Board (EKN). However, SEK is able to take direct unguaranteed credit risk when compliant with its underwriting principles or in

connection with other guaranteed lending.

We understand that the government considers SEK to be an important tool to manage its incentives and support the Swedish economy, in particular in distressed times. Indeed, SEK played a key role during the difficult market conditions in late 2008 and at other times when traditional bank financing was scarce. We expect SEK to continue filling a key role in Sweden's next export strategy together with EKN under the umbrella of Team Sweden, and be an increasingly important tool in the delivery of the country's climate strategy.

Although it has recently been expanding its client base by integrating a higher share of midsize customers, we expect SEK will depend on a number of large Swedish exporters for a significant part of its revenues. SEK's lending is mainly conducted bilaterally in the form of loans or corporate bonds classified as lending, or arranged in conjunction with commercial banks within long-term export financing with SEK playing the role of co-arranger or financier. In such transactions, SEK is generally willing to lend at longer terms, and with more capital-intensive tranches than private commercial banks, to create long-term financing solutions for the export sector. SEK's revenues are primarily fees for arranging financing and net interest income from its lending activities. It also has some profit and loss volatility due to unrealized gains and losses associated with its liquidity holdings and the value of its own debt, but these are mitigated over time by holding short-dated liquidity instruments until maturity.

**Table 2**

Swedish Export Credit Corp.--Business Position					
	--Year ended Dec. 31--				
(%)	2019*	2018	2017	2016	2015
Total revenues from business line (currency in millions)	N/A	1,427.0	1,553.0	1,608.0	2,056.0
Commercial & retail banking/total revenues from business line	N.M.	98.7	106.6	106.8	80.5
Other revenues/total revenues from business line	N.M.	1.3	(6.6)	(6.8)	19.5
Return on average common equity	5.3	3.6	4.4	4.6	7.2

\*Data as of Sept. 30. N/A--Not applicable. N.M.--Not meaningful.

### **Capital and earnings: Very strong capital ratios, supported by ample use of guarantees, reduce balance-sheet risk**

We consider SEK's capital and earnings to be very strong, mainly driven by our projection that its risk-adjusted capitalization will be about 16%-17% in the next two years. SEK's risk-adjusted capital (RAC) ratio at year-end 2018 was 17.3%. Its elevated capital ratios reflect its high-quality loan book and associated guarantees, highly rated exposures in its liquidity portfolio, and superior capital base consisting solely of core capital. SEK's extensive use of sovereign and bank guarantees reduces its corporate exposure and lowers the risk weights in our assessment.

We anticipate an average annual growth in lending of around 6%-7% over the next two years. This rests on the assumption of the continuous demand for Swedish goods and services internationally. Additionally, increasingly uncertain global trade and a higher risk aversion regarding stability of capital market financing is increasing demand for SEK financing, as seen in SEK61.6 billion of new lending in the first three quarters of 2019, leading to total credits of SEK285.3 billion as of September 2019 (outstanding and undisbursed).

We project revenues will hover around SEK1.6 billion-SEK1.8 billion over our forecast period of 2019-2021. SEK's

earnings composition is dominated by interest income on loans, arrangement fees, interest-bearing securities, and other debt instruments held as liquidity. In the first half of 2019 its net interest income increased partly due to the lower contribution to the resolution fund, but also because of loan growth.

Margins in SEK's business are relatively low and stable, reflecting the low-risk high-guarantee nature of its lending and competition from commercial banks for high-quality counterparties and projects. In the event of more turbulent capital markets, however, we expect higher margin and longer duration of the CIRR loans to support SEK's NII. We believe that SEK's cost-efficiency (reported cost-to-income ratio of 31% at mid-year 2019 and 41% in 2018) is likely to be slightly below 40% over the next two years as projects aiming to improve SEK's internal information technology (IT) and risk-measurement systems have now been completed, in addition to lower resolution fund fees. The great fall in cost-to-income in June 30, 2019 was due to major net results of financial transactions and lower resolution fund fee, but also due to increased loan portfolio.

We expect SEK will post relatively stable but modest annual net return on equity of around 4% in the coming two years, below the institution's long-term target of 6%. We anticipate that the company will continue to pay out approximately 30% of net profits as dividends. In our view, SEK's strong capital buffers will support its business growth and therefore we do not incorporate any additional capital measures in our forecast.

Given its large liquidity and derivatives portfolio and use of the option to fair value its own debt, SEK's net financial unrealized gains and losses have been substantial in some years. For example, a change in the fair value of assets and hedge accounting resulted in an accounting loss of SEK155 million at mid-year 2019 and SEK32 million at mid-year 2018. However, these fluctuations have little impact on our capital forecast, because SEK's asset and liabilities at fair value are largely held to maturity and, over time, should have a neutral effect on earnings and capital.

We note that SEK meets its regulatory capital requirements with a comfortable buffer. As of September 2019, SEK's regulatory common equity tier 1 (CET1) ratio stood at 18.9% and remains well above the regulatory requirements of 11.9% for CET1 ratio and 16.6% for total capital ratio set by the Swedish Financial Supervisory Authority.

**Table 3**

Swedish Export Credit Corp.--Capital And Earnings					
	--Year ended Dec. 31--				
(%)	2019*	2018	2017	2016	2015
Tier 1 capital ratio	18.9	20.1	20.6	22.1	21.6
S&P Global Ratings' RAC ratio before diversification	N/A	17.3	17.2	18.0	18.2
S&P Global Ratings' RAC ratio after diversification	N/A	14.1	14.4	16.0	16.7
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	93.5	101.1	108.4	108.6	80.8
Fee income/operating revenues	(1.7)	(2.2)	(1.8)	(1.8)	(0.3)
Market-sensitive income/operating revenues	8.2	1.3	(6.6)	(6.8)	19.5
Noninterest expenses/operating revenues	31.6	40.8	38.4	36.7	27.1
Preprovision operating income/average assets	0.4	0.3	0.3	0.4	0.5
Core earnings/average managed assets	0.3	0.2	0.3	0.3	0.4

\*Data as of Sept. 30. N/A--Not applicable. N.M.--Not meaningful.

Table 4

Swedish Export Credit Corp.--Risk-Adjusted Capital Framework Data					
(Mil. SEK)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
<b>Credit risk</b>					
Government & central banks	171,572.0	9,900.0	5.8	6,713.0	3.9
Of which regional governments and local authorities	13,414.0	662.5	4.9	482.9	3.6
Institutions and CCPs	34,004.6	9,875.0	29.0	8,133.6	23.9
Corporate	115,688.0	61,187.5	52.9	82,318.9	71.2
Retail	0.0	0.0	0.0	0.0	0.0
Of which mortgage	0.0	0.0	0.0	0.0	0.0
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	90.0	87.5	97.2	89.0	98.9
Total credit risk	321,354.6	81,050.0	25.2	97,254.5	30.3
<b>Credit valuation adjustment</b>					
Total credit valuation adjustment	--	2,037.5	--	0.0	--
<b>Market Risk</b>					
Equity in the banking book	0.0	0.0	0.0	0.0	0.0
Trading book market risk	--	900.0	--	1,350.0	--
Total market risk	--	900.0	--	1,350.0	--
<b>Operational risk</b>					
Total operational risk	--	3,062.5	--	3,304.4	--
	<b>Exposure</b>	<b>Basel III RWA</b>	<b>Average Basel II RW (%)</b>	<b>S&amp;P Global Ratings RWA</b>	<b>% of S&amp;P Global Ratings RWA</b>
<b>Diversification adjustments</b>					
RWA before diversification	--	87,050.0	--	101,908.9	100.0
Total Diversification/ Concentration Adjustments	--	--	--	22,806.4	22.4
RWA after diversification	--	87,050.0	--	124,715.3	122.4
		<b>Tier 1 capital</b>	<b>Tier 1 ratio (%)</b>	<b>Total adjusted capital</b>	<b>S&amp;P Global Ratings RAC ratio (%)</b>
<b>Capital ratio</b>					
Capital ratio before adjustments		17,531.0	20.1	17,612.0	17.3
Capital ratio after adjustments‡		17,531.0	20.1	17,612.0	14.1

\*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions.

‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. SEK -- Sweden Krona. Sources: Company data as of 'Dec. 31 2018', S&P Global Ratings.

### Risk position: Moderate, due to concentration and complexity

Our assessment of SEK's risk position reflects our expectation that the company will maintain concentration risk, arising largely from unguaranteed corporate bond investments that we consider constitute lending, and SEK's operational complexity, which results from substantial activity in the structured funding market. However, the

company's loss history is exceptionally minimal and we expect that its asset quality will remain robust.

In our view, SEK will continue to have material concentrations in unguaranteed corporate exposures to large Swedish export companies, primarily in the form of bond investments in some of Sweden's largest corporations. We also believe SEK faces further concentration risk from guarantees provided by government export credit agencies--of which Swedish EKN is the largest--and financial institutions. However, we note mitigation of double-default risk, in that both the guarantor and the underlying guaranteed corporation have to default for a loss to materialize on SEK's guaranteed loan book. We consider that the counterparty exposures in its derivative transactions present an element of concentration that is not fully captured in our RAC framework. Historically, most losses SEK has faced have been due to bank failures and investments in collateralized debt obligations in its liquidity portfolio. We note that SEK has exited all of its securitization positions and its liquidity portfolio comprises financial instruments rated 'A-' or higher, with only a few exceptions.

SEK's use of structured funding adds materially to its operational complexity, in our view. SEK relies on the extensive use of complex and fairly illiquid derivatives, which in some circumstances can be difficult to value and renew if necessary. As of June 30, 2019, SEK had SEK59.6 billion in level 3 (marked to model) liabilities, of which SEK55.3 billion were classified as debt securities. We believe that the company has strengthened its resources and IT systems significantly over the past few years with respect to management and valuation of remaining risks.

SEK's loss experience remains exceptional, with gross nonperforming assets of 0.65% in Q3 2019, and loan loss reversal reported in 2017 and 2018. SEK has indicated its intention to increase its participation in syndicated loans, which we expect will lead to more direct corporate credit risk, which could lead to higher credit losses over time. These transactions could be end-client financing for large international clients of Swedish exporters or lending directly to Swedish counterparties. However, we believe that these risks are captured within our RAC framework and note SEK's history of strong underwriting of unsecured risks. We expect credit losses will remain low in the next two years, given the guaranteed nature of the business that SEK underwrites, and overall improvements in asset quality of the liquidity portfolio since SEK manages regulatory liquidity coverage ratio requirements in euros, U.S. dollars, and all currencies imposed by the Swedish regulator.

**Table 5**

Swedish Export Credit Corp.--Risk Position	--Year ended Dec. 31--				
	2019*	2018	2017	2016	2015
(%)					
Growth in customer loans	12.9	8.6	(6.2)	2.8	(6.8)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	22.4	19.5	12.3	8.7
Total managed assets/adjusted common equity (x)	18.7	17.1	15.3	18.1	17.5
New loan loss provisions/average customer loans	0.0	(0.0)	(0.0)	0.0	(0.0)
Net charge-offs/average customer loans	(0.0)	N.M.	0.0	(0.0)	(0.0)
Gross nonperforming assets/customer loans + other real estate owned	0.7	0.7	0.0	0.0	0.2
Loan loss reserves/gross nonperforming assets	9.1	9.8	1,550.0	577.3	65.9

\*Data as of Sept. 30. N/A--Not applicable. N.M.--Not meaningful.

### **Funding and liquidity: Supported by SEK's link to the government, which mitigates the wholesale profile, and by its substantial liquidity portfolio**

Our assessment of SEK's funding is underpinned by our expectation that it will maintain its close link with the Swedish government and the back-up facility provided by the Swedish National Debt Office (SNDO) in support of the company's CIRR lending. We expect the company will remain fully wholesale funded and continue to rely on nondomestic capital markets.

SEK funds itself internationally, primarily in euros, U.S. dollars, and Japanese yen, while maintaining nearly 28% of its long-term funding in relatively complex funding structures with early-redemption clauses at end-June 2019, both factors we consider to be weaknesses. Conversely, we see the link to the Swedish government and the diversity of SEK's funding sources as supportive factors, which have worked effectively in difficult markets historically, largely due to the strength of the sovereign. SEK's stable funding ratio of 69% at year-end 2018, is well below the Swedish banking system average. Although SEK shows relatively poor S&P Global Ratings' funding and liquidity metrics, we use our qualitative analysis of the company's policy of effectively matching assets and liability redemptions in our assessment of its funding.

In line with the mandate from the state, SEK has funded the SEK76 billion loan portfolio related to CIRR loans (with an average duration of seven years), which it administers on behalf of the government, with short-term borrowings that have maximum tenors of one year. Although profitable for the government, the structure gives rise to a duration mismatch and refinancing risk, which is mitigated by a SEK125 billion credit facility provided by the SNDO that is renewed annually. This facility is treated as contingent financing and has never been used, but it reduces the pre-financing risks for SEK53 billion (as of June 2019) in commitments for the CIRR program.

SEK's ratio of broad liquid assets to less than one-year wholesale funding was 0.52x at year-end 2018, which compares poorly with the industry average of about 1x. We note that due to its off-balance-sheet nature we exclude the SNDO's facility in our funding and liquidity ratios, but incorporate the government-provided credit facility and the ongoing support from its owners in our liquidity assessment.

As of Sept. 30, 2019, SEK had a regulatory liquidity coverage ratio of about 739%; as well as a regulatory net stable funding ratio of 122%, both strong for the Swedish banking sector.

**Table 6**

Swedish Export Credit Corp.--Funding And Liquidity					
	--Year ended Dec. 31--				
(%)	2019*	2018	2017	2016	2015
Core deposits/funding base	0.0	0.0	0.0	0.0	0.0
Customer loans (net)/customer deposits	N.M.	N.M.	N.M.	N.M.	309,693.4
Long-term funding ratio	59.8	60.4	68.5	64.3	66.4
Stable funding ratio	67.9	69.0	77.2	77.0	76.0
Short-term wholesale funding/funding base	42.8	42.4	33.9	38.1	36.0
Broad liquid assets/short-term wholesale funding (x)	0.5	0.5	0.6	0.6	0.6
Net broad liquid assets/short-term customer deposits	N.M.	N.M.	N.M.	N.M.	(56,621.5)
Short-term wholesale funding/total wholesale funding	42.8	42.4	33.9	38.1	36.0

**Table 6**

Swedish Export Credit Corp.--Funding And Liquidity (cont.)					
	--Year ended Dec. 31--				
(%)	2019*	2018	2017	2016	2015
Narrow liquid assets/3-month wholesale funding (x)	0.9	1.0	1.4	1.2	1.7

\*Data as of Sept. 30. N/A--Not applicable. N.M.--Not meaningful.

### External Support: Five notches of uplift, owing to SEK's government-related entity status

We regard SEK as a government-related entity (GRE) in Sweden. The long-term rating on SEK is five notches above the SACP, reflecting our view that there is an extremely high likelihood that the Swedish government would provide timely and sufficient support to SEK, if needed. Our long-term rating on SEK consequently incorporates five notches of uplift above our SACP assessment. Specifically, we consider that SEK:

- Plays a very important role for the Swedish government in providing financing to the export sector, which generates about 46% of Sweden's GDP. We also note that SEK's role as a key financier to export-related credits was confirmed in Sweden's 2015 revision to its export strategy and by SEK's role in Sweden's defense agreement with Brazil; and
- Has an integral link with the Swedish government, reflecting its 100% ownership of SEK, its supportive stance toward the company, and its mandate for SEK to act as the country's sole provider of CIRR export loans to Swedish exporters. We also note that in December 2015 the Swedish parliament voted to remove the government's option to reduce its ownership share to no less than 34%, which had been in place since 1996 but never significantly considered.

We do not believe that the February 2016 implementation of the Bank Recovery and Resolution Directive in Sweden affects the Swedish government's willingness or ability to provide support to SEK before bailing in senior unsecured debtholders. That said, we continue to monitor the development of the resolution strategy for SEK and how the minimum requirement for own funds and eligible liabilities (MREL) will be fulfilled in practice. Factoring potential support from additional loss-absorption capacity (ALAC) would however not impact SEK's ratings, considering the 5 notches of support already included as a result of its GRE status.

### Additional rating factors: None

No additional factors affect the ratings.

## Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria - Financial Institutions - Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing

Capacity, April 27, 2015

- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

## Related Research

- Banking Industry Country Risk Assessment Update: November 2019, Nov. 28, 2019
- Kingdom of Sweden, Summary Analysis, Aug. 23, 2019
- Nordic Banks' Capital And Earnings Can Weather The Weakening Credit Cycle, Nov. 14, 2019
- Banking Industry Country Risk Assessment: Sweden, April, 2019

Anchor Matrix										
Industry Risk	Economic Risk									
	1	2	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

## Ratings Detail (As Of December 6, 2019)\*

### Swedish Export Credit Corp.

Issuer Credit Rating	AA+/Stable/A-1+
Commercial Paper	
Foreign Currency	A-1+
Senior Unsecured	A-1+
Senior Unsecured	AA+
Senior Unsecured	AA+/A-1+
Short-Term Debt	A-1+

**Ratings Detail (As Of December 6, 2019)\*(cont.)**

Subordinated		BBB
<b>Issuer Credit Ratings History</b>		
04-Sep-2009	<i>Foreign Currency</i>	AA+/Stable/A-1+
06-Jul-2009		AA+/Watch Neg/A-1+
06-Jun-2003		AA+/Stable/A-1+
04-Sep-2009	<i>Local Currency</i>	AA+/Stable/A-1+
06-Jul-2009		AA+/Watch Neg/A-1+
06-Jun-2003		AA+/Stable/A-1+
<b>Sovereign Rating</b>		
Sweden		AAA/Stable/A-1+

\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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