

SEK

Green Bond presentation December 2020

Mission

SEK is to strengthen the **competitiveness** of the Swedish export industry and create **employment** and **sustainable growth** in Sweden.

Vision

A **sustainable world** through increased Swedish export.



100%

Owned by the Swedish Government

Ratings

”

“SEK's senior debt instruments continue to benefit from high government support, given its strong links with the sovereign because of both its government ownership, as well as the special mandate that the bank has to promote Swedish exports and manage the CIR system.”

“Solid capital and stronger-than-peer leverage”

“This [leverage ratio] places SEK in a stronger position than its Nordic public-sector peers...”

January 17, 2020

MOODY'S
Aa1 (stable)

“...that there is an extremely high likelihood of timely support to SEK from the Swedish government...”

“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.”

“In our view SEK will remain an important pillar of Swedish exporters' success owing to its strong relationships with Sweden's largest exporters.”

December 6, 2019

STANDARD
& POOR'S
AA+ (stable)

Sustainability risk management



Owner instruction
Sustainability targets and strategies



OECD Common Approaches
OECD Convention on Combating Bribery



Equator Principles & IFC Performance Standards



UN Global Compact
UN Guidelines on Business and Human Rights



Rationale of issuance

- Following the plan to align the Swedish Export Credit System to the Paris Agreement.
- Promote Nordic and Swedish environmental and social solutions in international projects.
- Promote the transition of Sweden to become a climate neutral export nation.



SEK

SEK Green Bond Framework

- Green Bond Principles compliant
- Second opinion by CICERO
- CO₂ reduction measured on an aggregated level
- Audited Allocation of Proceeds
- Homepage and Annual newsletter



SEK Green Bond Framework

Second opinion

“SEK bases its management of green projects on broad and well established guidelines like IFC’s Performance Standards on Environmental and Social Sustainability, IFC’s Environmental, Health and Safety General Guidelines and OECD’s “Common Approach” to environmental and social risks of projects. Furthermore, SEK employs the “International Financial Institution Framework for Harmonised Approach to Greenhouse Gas Accounting” for their CO2 impact assessment. Finally, SEK will establish a dedicated website which will allow for transparent reporting on all important aspects of the green bond program.

Overall, we therefore find that SEK’s green bond framework has a *very high probability of securing projects that support a low carbon and climate friendly future.*”



SEK Green Bond Framework

Project Evaluation and Selection

The Eligible Projects are selected through the best of SEK's capabilities, and are selected in two phases:

1. SEK Client Relationship Management team identifies and proposes a possible Eligible Project.
2. SEK Sustainability Analyst assesses as to whether a project qualifies as an Eligible Project. Final decision will be made by SEK Head of Sustainability.



SEK Green Bond Framework

Use of proceeds

- Renewable energy in India
- Green buildings in Boston
- North sea link UK-Norway
- Wind power in South America



SEK Green Bond Framework

Reporting

- CO₂ emission reductions will be measured on a project basis in proportion to the part financed by SEK.
- The methodology to measure these reductions follows the methodology set out in “International Financial Institution Framework for Harmonized Approach to Greenhouse Gas Accounting” November 2012.
- SEK Sustainability department will estimate the reasonableness of reported reductions.
- Reporting based on “Nordic Public Sector Issuers: Position Paper on Green Bonds Impact Reporting”, published in October 2017.
- Impact reporting on Eligible Projects and links to relevant documents will be disclosed at <https://www.sek.se/en/sustainability/green-bonds/>
- Newsletter is published annually to inform of Eligible Projects, CO₂ emission reductions and a summary of SEK Green Bond development.



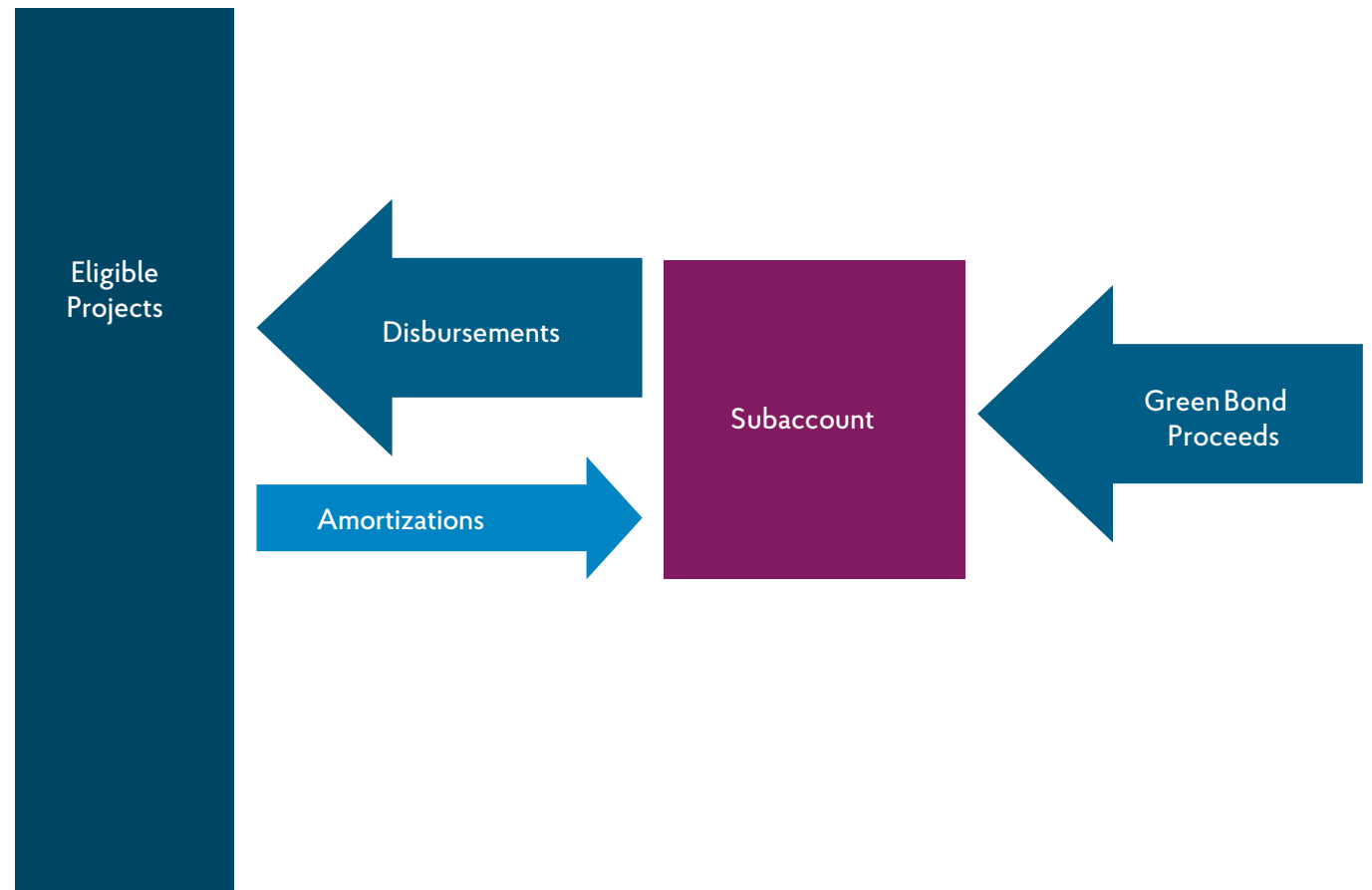
SEK Green Bond Framework

Management of Proceeds

Subaccount to absorb the Green Bond Proceeds. Balance will be adjusted on a semi-annual basis.

An amount equal to the subaccount balance will be held in cash, Green Bonds or municipality and/or government risk with a minimum credit rating of AA-.

The subaccount balance will be reviewed by external auditors on a semi-annual basis.

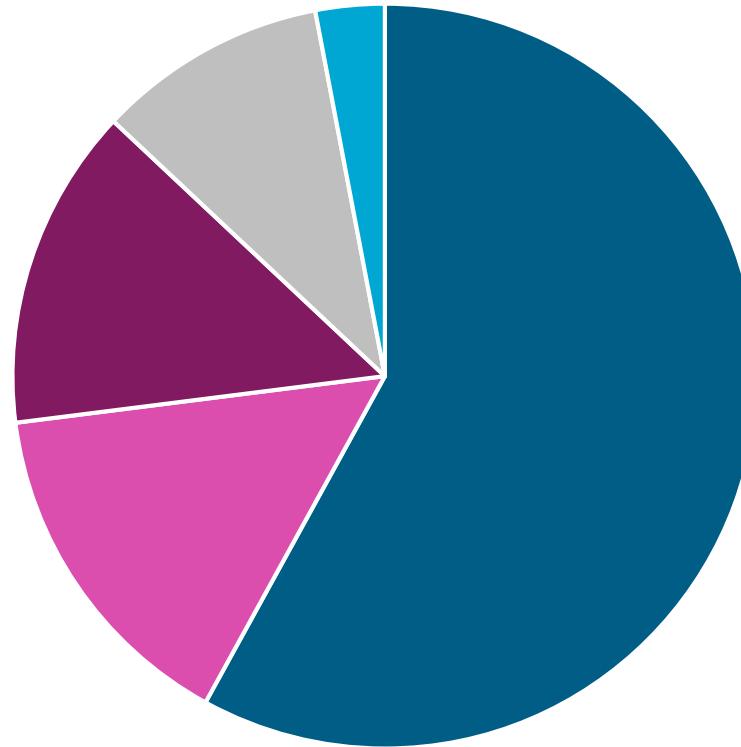


SEK Green Lending

Eligible Projects

Facility amount approximately USD 1.3 billion as of 31 December 2019.

Total annual CO₂ reduction on facility amount > 4,630,000 tons.



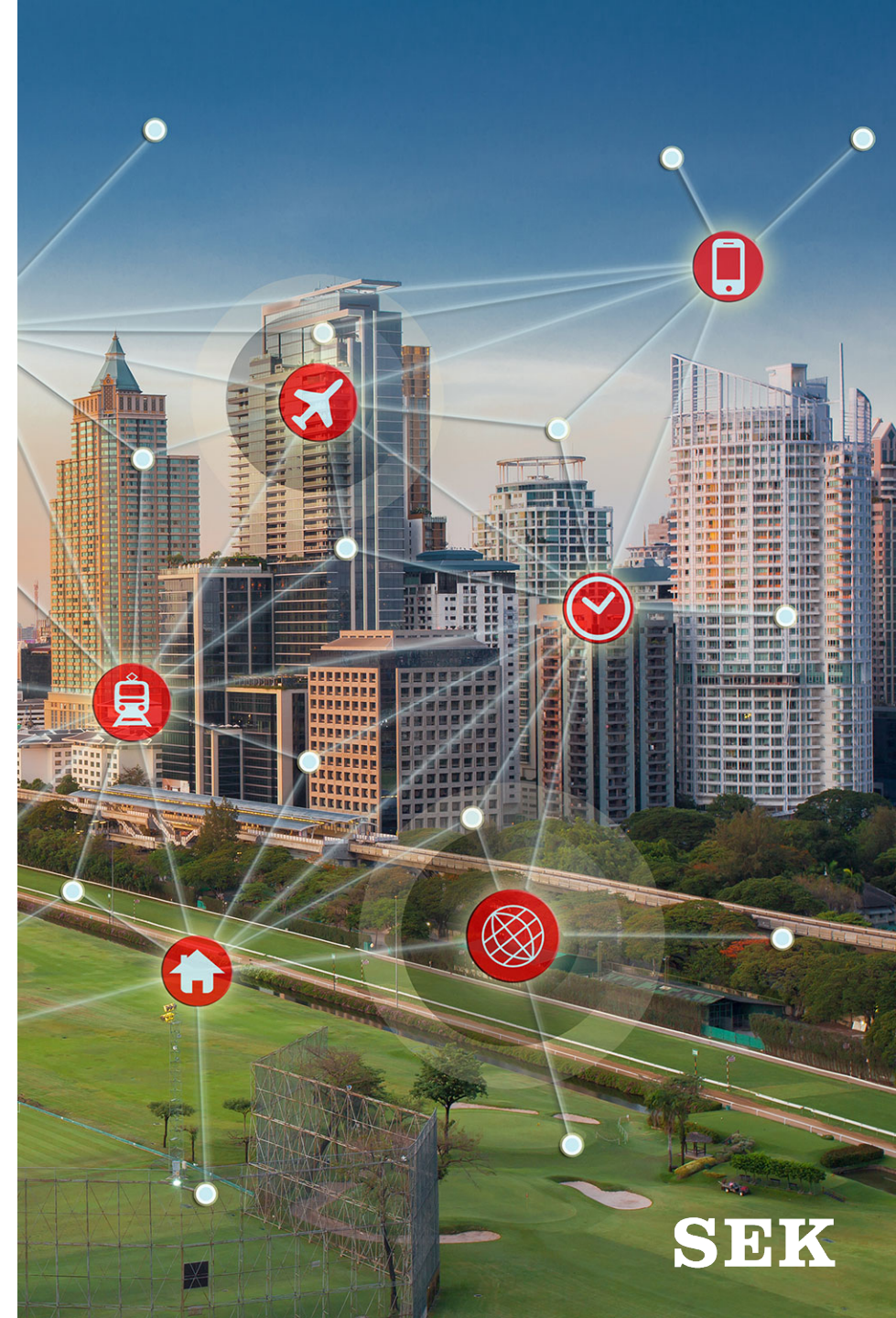
Project per category as of 31 December 2019

- Renewable energy 58%
- Sustainable construction 15%
- Resources and Environment 14%
- Sustainable transport 10%
- Energy efficiency 3%

Forward Looking

SEK Sustainability Bond Framework

- An umbrella framework for green, social and sustainability bonds with reference to the Global Sustainable Developments Goals
- EU Taxonomy aligned



Potential projects

Green projects

- Sun power in Africa
- Wind power in Europe
- Recycling facility in the Nordics
- Water to Energy in India

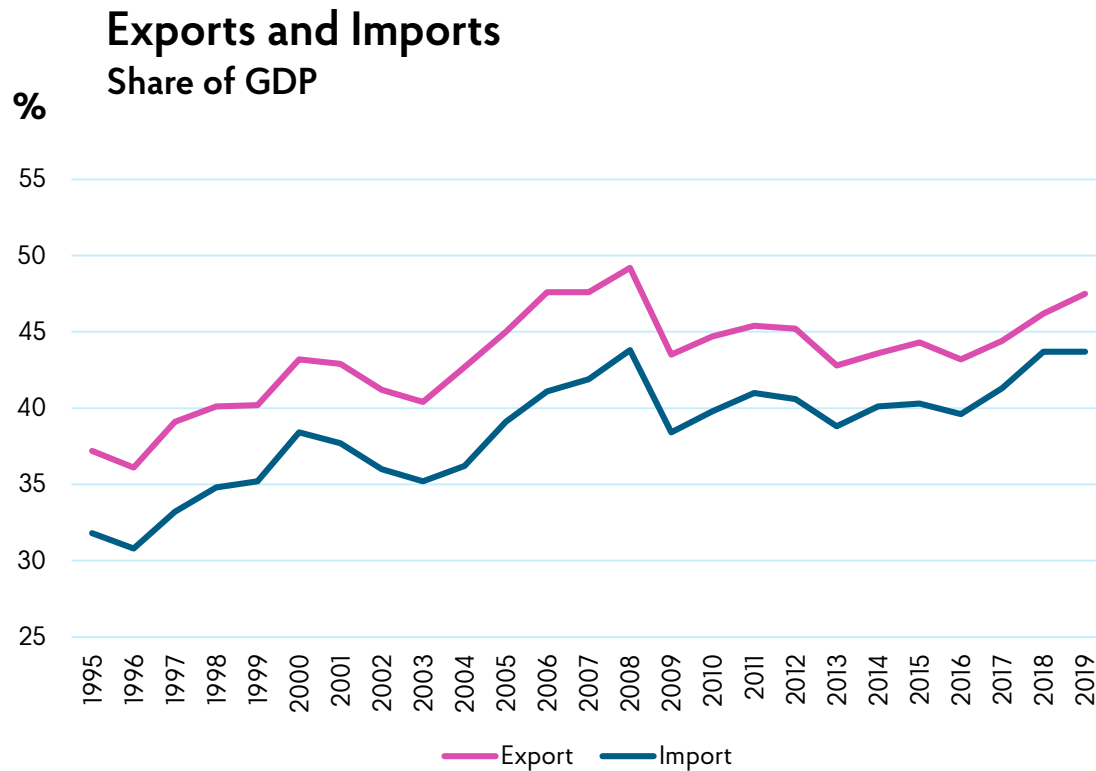
Social projects

- Water drilling in Africa
- BRT systems in Africa
- Hospitals in Africa



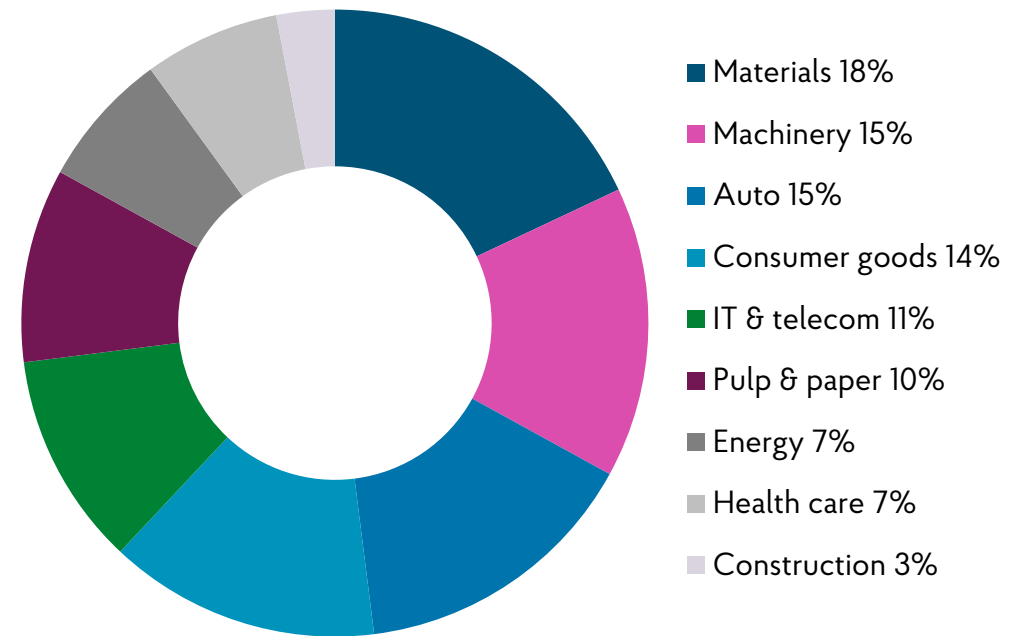
Swedish Exports

Large part of GDP and well diversified



Source: SCB as of December 31, 2019

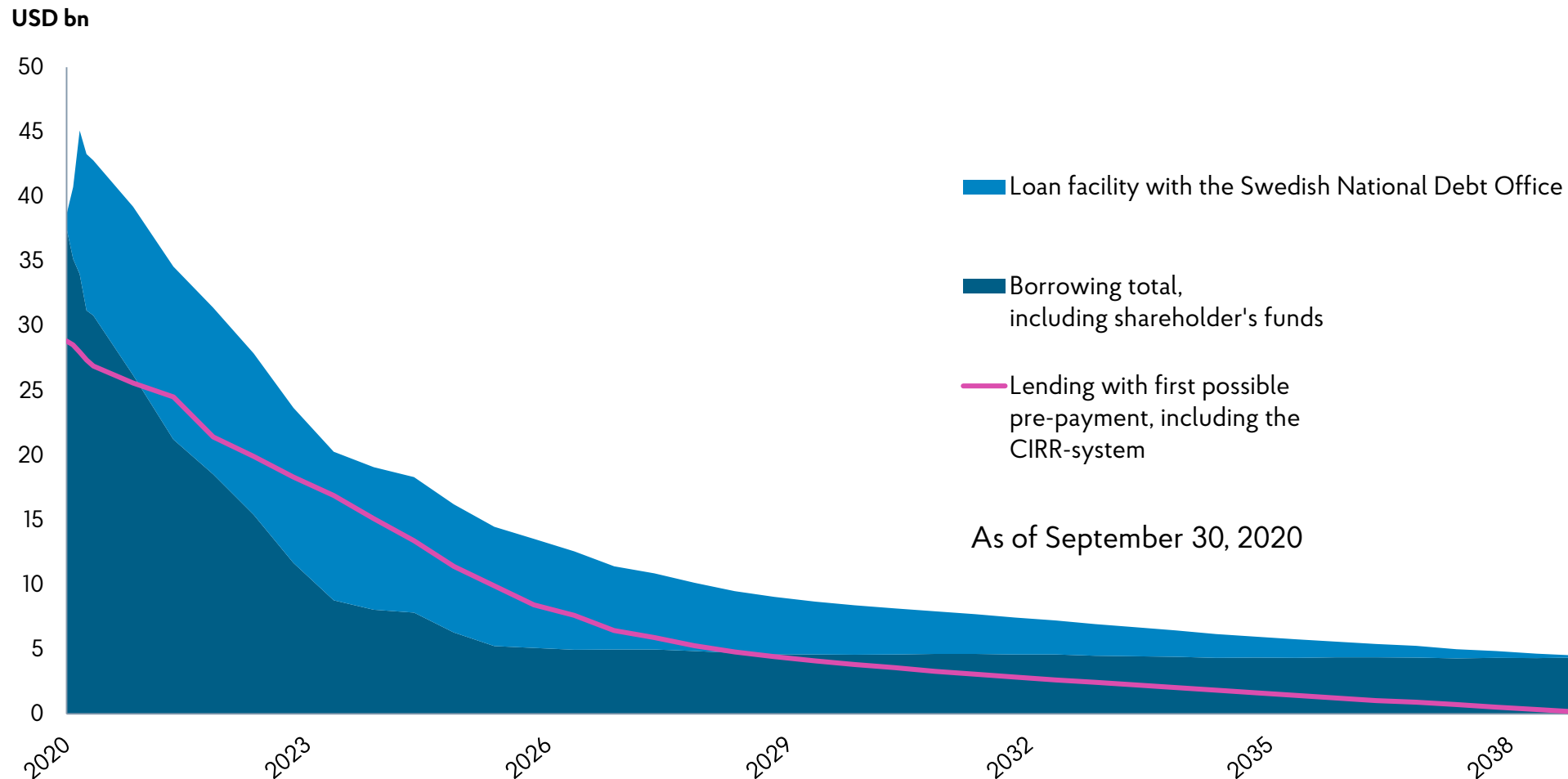
Key export goods



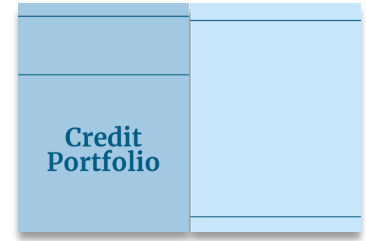
Swedish exporters



Funding and liquidity: No refinancing risk

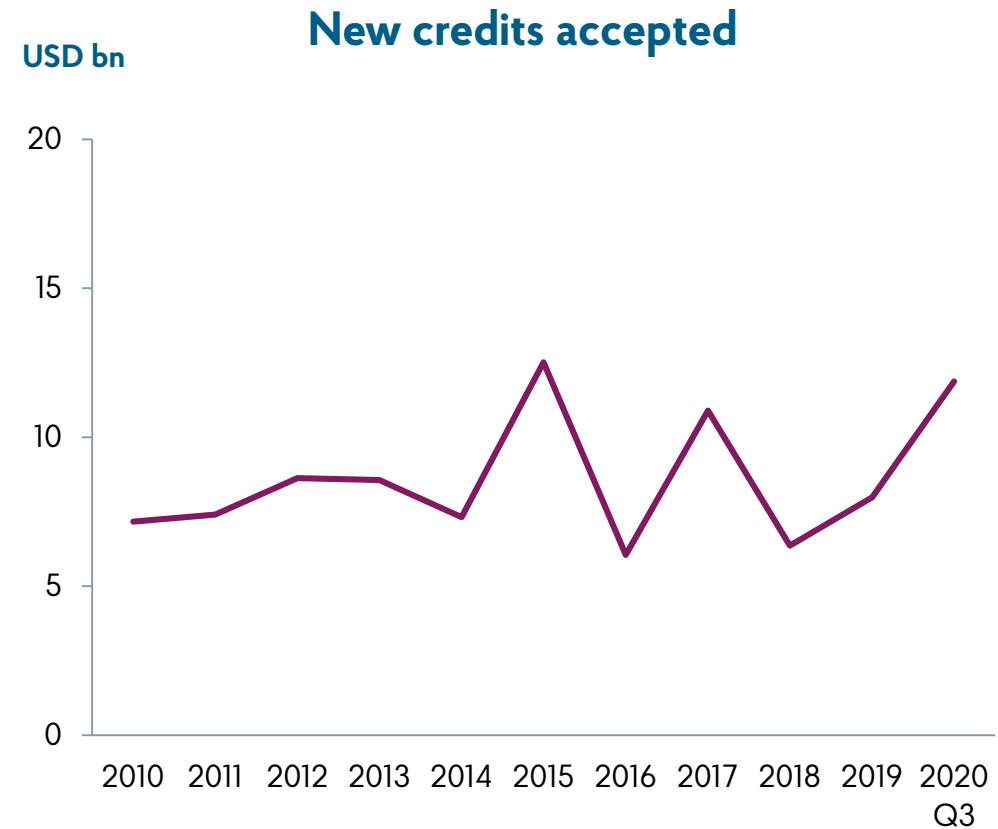


Credit Portfolio

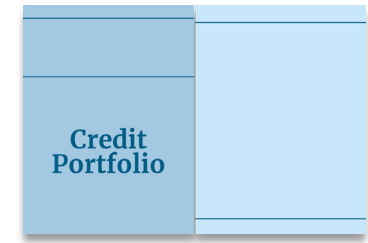


- Demand for financing from the Swedish export industry increased dramatically during the financial crisis 2008/2009
- The Swedish government heavily increased SEK's lending capacity during the financial crisis 2008/2009
- Further measures were introduced during Q1 2020 due to the COVID-19 pandemic
- SEK secured access to financing for the Swedish exporters
- New credits accepted Q3 2020: 11.9 bn USD

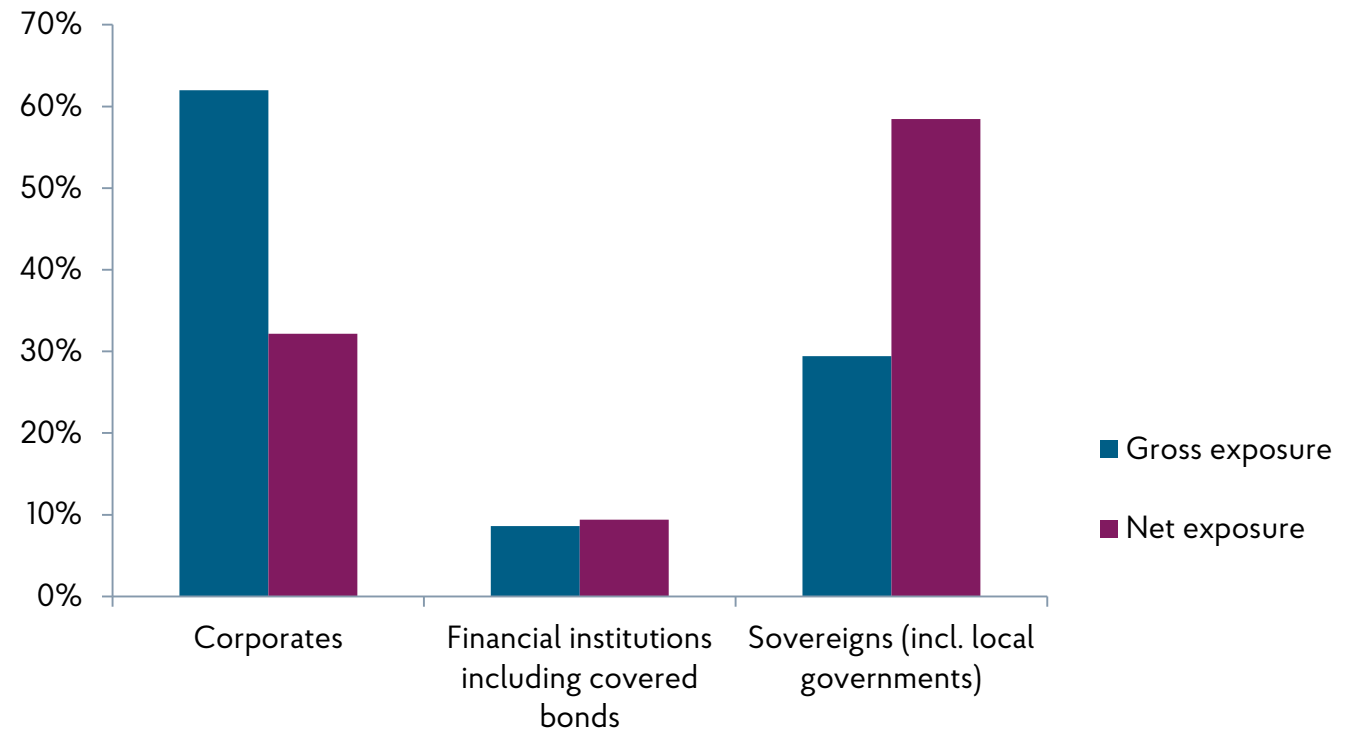
As of September 30, 2020



Counterparty exposures & risk mitigation



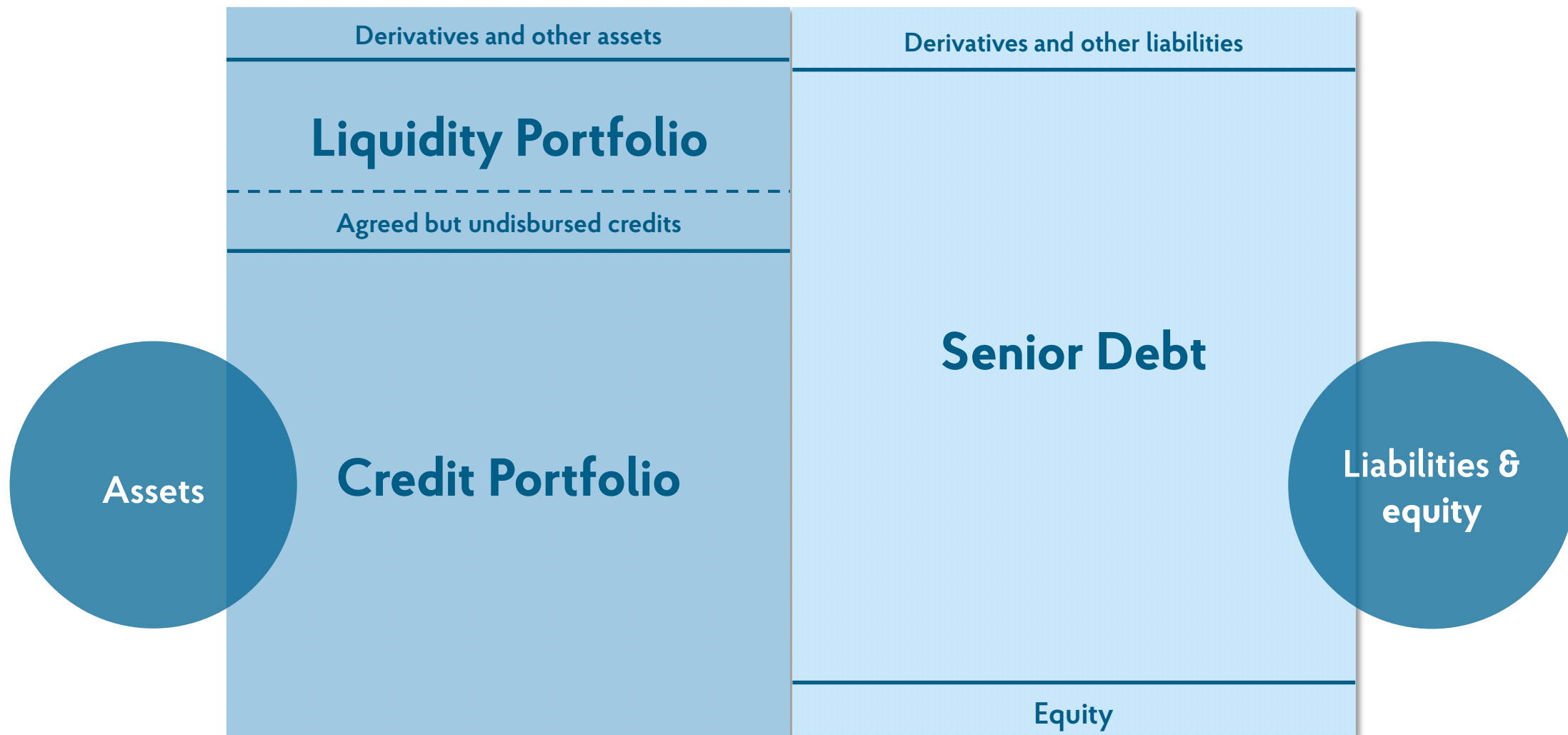
- Export credit agency guarantees
- Bank guarantees
- Credit derivatives
- Collateral agreements
- Insurance company guarantees



As of September 30, 2020

Not to scale

Total USD 41.1 bn



As of September 30, 2020

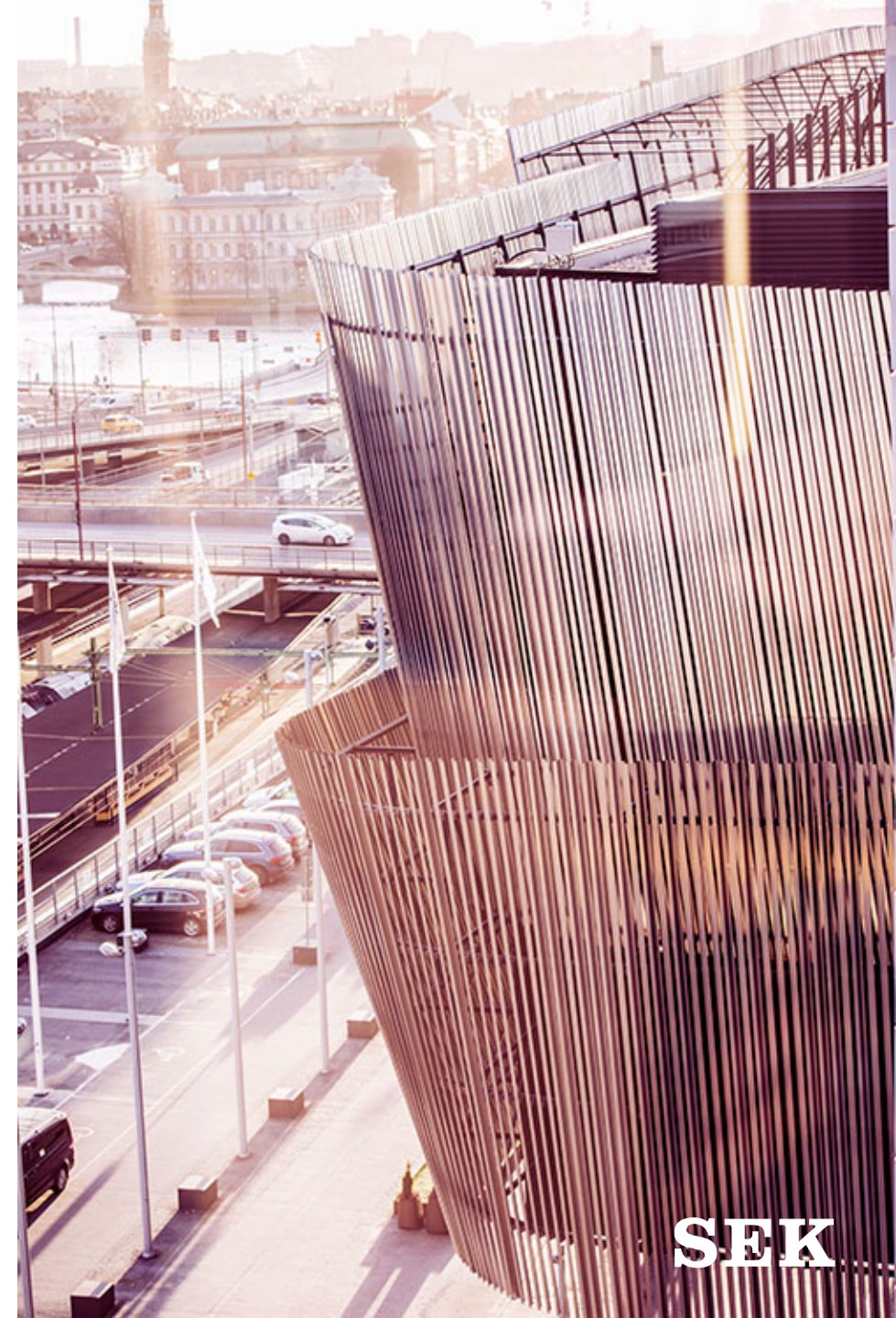
About SEK

Owner:	Swedish government, 100%
SEK's mission:	To ensure access to sustainable financial solutions for the Swedish export industry on commercial terms
Primary task:	Financing of export credits
Credit rating:	S&P: AA+ /Stable/ A-1+ Moody's: Aa1 /Stable/ P-1
Established:	1962

Financial information as of September 30, 2020

Total assets	USD 41.1 bn
Lending	USD 27.5 bn
Common Equity Tier 1 capital ratio	20.3%
After-tax return on equity	4.3%

As of September 30, 2020



Awards



W I N N E R

SSA Issuer of the Decade



W I N N E R

Issuer of the Year

SEK