



Swedish Export Credit Corporation

Annual and Sustainability Report 2020



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

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How to read SEK's Annual Report

AB Svensk Exportkredit's (SEK's) Annual and Sustainability Report 2020 is an integrated report in which the sustainability report is included. The company's audited annual accounts and the consolidated financial statements are included on pages 8-135. The Report of the Directors can be found on pages 8-55. The Parent Company's results and assets correspond predominantly to those of the Group. Unless otherwise stated or when it is clear from the context, the information in these notes relates to the Consolidated Group and the Parent Company.

Alternative performance measures (APMs) are key performance indicators that are not defined under IFRS or in the Capital Requirements Directive IV (CRD IV) or in Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms (CRR). SEK has chosen to present these, either because they are in common use within the industry or because they accord with SEK's

mission from the Swedish government. The APMs are used internally to monitor and manage operations, and are not considered to be directly comparable with similar key performance indicators presented by other companies. For additional information regarding the APMs, refer to www.sek.se.

SEK's Swedish corporate identity number 556084-0315, with its registered office in Stockholm, Sweden is a public company as defined in the Swedish Companies Act. In some instances, a public company is obliged to add "(publ)" to its company name. For more information about SEK's operations, refer to www.sek.se or contact SEK at information@sek.se or on +46 8 613 83 00. Design and production: SEK, with production support from Ashman Original AB, Stockholm 2021. Images: Jan Danielsson, Shutterstock, Unsplash and SEK. Print: Print Run AB, Sundbyberg 2021.

This is SEK

Mission

SEK's mission is to ensure access to financial solutions for the Swedish export industry on commercial and sustainable terms. The mission also includes administration of the officially supported CIRR system.

Vision

A sustainable world through increased Swedish exports.

Target group

SEK lends money to Sweden-based exporters, their suppliers and foreign customers.

Since 1962, SEK has offered loans that have enabled hundreds of Swedish companies to grow by increasing production, increasing the number of employees and selling products and services to clients across the globe.

With lending in about 60 countries, SEK allows companies to feel at home even when conducting business internationally by granting access to an entire ecosystem of banks, companies and business partners across the globe.

Sustainability is central to SEK's operations, and therefore it is a natural step to finance the industry's transition to a fossil-free society; a development that also creates new export opportunities.

SEK fulfills a well-defined function in companies' total loan portfolio. SEK specializes solely in international export financing with the sole concern that Swedish exporters are able to succeed with more export transactions. This is exactly why SEK was founded: to create more business for Swedish exporters, and thereby contributing to jobs and growth in Sweden.



To combat climate change, Swedish corporates need to invest in becoming climate neutral. Financing from SEK assists corporates with maintaining competitiveness while they transition operations to reduce climate impact. SEK finances the climate transition in Sweden by focusing on four areas: energy, transportation, shipping and smart cities.



2020 in brief

The year has been dominated by the COVID-19 pandemic and its consequences. The financial concern that characterized Swedish exporters has led to an increased demand for SEK's offering and have showcased SEK's crucial role in times of economic turbulence.

125.5

billion Skr
in new lending

289

billion Skr
in the total lending portfolio

1,238

million Skr
in operating profit



Return

4.9%

on equity

Rating

Standard & Poor's

AA+

Moody's

Aa1

Net interest income

1,946

million Skr

SEK has dedicated employees

Empowerment

77

Empowerment measures motivation, authority and competence.

60

SEK had lending in about 60 countries during 2020.

Level of satisfaction

93%

of our clients say we understand their needs.



HR Director of the Year

Every year, Universum celebrates employers and individuals who go that extra mile when building a strong brand and attracting talents across the country. In 2020, the "HR Director of the Year" prize was awarded to Sirpa Rusanen, CHRO at SEK, for her commitment and leadership in employer attractiveness issues.



One of the world's safest banks

SEK has been named the ninth safest bank in the world by Global Finance. Each year, the US publication produces a list of the world's 50 safest banks. The ranking is made by examining the 500 largest banks and comparing their total assets and ratings from Moody's, Standard & Poor's and Fitch.



Award-winning partnership

SEK's partner Business Sweden won the World Trade Promotion Organisation (WTPO) Awards 2020 based on collaboration with Swedish export promoters. The shared strategy and collaborative model to strengthen Swedish exporters on a global level now acts as a role model for the area.

Export Credit Survey December 2020

The Swedish exporters' view of the future has brightened since last spring and is stronger now than before the pandemic outbreak.

77

percent of SEK's clients plan to invest in the transition.

Statement by the CEO

SEK's mission more important than ever

During the year, operations were marked by the COVID-19 pandemic. Growth in global trade slowed in 2019 and during the start of 2020 and came to a halt when the pandemic hit with full force at the end of the first quarter. Projections for the year were revised sharply downward and the pandemic, along with the closure of the majority of societal functions worldwide, overshadowed Brexit, trade conflicts and geopolitical risks.

Following a turbulent first six months of the year, the situation brightened in the third quarter, with the opening of societal functions, increased economic activity and global trade showing signs of recovery. A second wave of infection affected most of the world during the final quarter of the year, with rising death tolls as a result. Some macroeconomic indicators once again turned downward, but these effects were mitigated by positive vaccine prospects. The World Bank's January 2021 projection reveals that global growth in 2020 amounted to a decline of 4.3 percent.

Measures during the pandemic

The spread of COVID-19 has had many and various impacts on SEK's operations. The most notable of these is the heavy impact on the export industry, resulting in the need for urgent financing and leading to an increase in demand for financing. One part of SEK's mission is to "In periods when the market cannot satisfactorily provide financing to the Swedish export industry, constitute a tool whereby the government can take separate measures to ensure that such financing can be provided." Exports comprise almost half of Sweden's GDP, and 1.5 million people are employed in the export sector. As such, the export industry's access to financing in order to maintain operations has great significance for the growth and welfare of Sweden.

During the year, a number of measures have been taken to secure the company's lending capacity with the aim of supporting the increasing financing needs of exporters. At the Annual General Meeting, it was resolved that the government would refrain from receiving a dividend for 2019. Another measure adopted was the expansion of SEK's credit facility at the Swedish National Debt Office from Skr 125 billion to Skr 200 billion.

In order to finance the export industry, SEK borrows capital in the international capital market. Thanks to SEK's long-term relationships and good name among international investors, the company was able to borrow funds when other players were shut out, despite critical disruption to the financial system. In line with SEK's focus on sustainability, the company has issued five new green bonds and issued five new tranches of existing bonds for a total of Skr 5.1 billion during the year.

Since March, the majority of SEK's employees have been working remotely, which has worked very well, both from a technical and a practical viewpoint. Pulse surveys have been conducted continuously among employees to identify needs and take actions to ensure a good work environment and work-life balance. Client meetings have also been conducted remotely, which have worked well but made it more difficult to build new relationships and led to a diminished growth rate for new clients compared with previous years.

The crisis has clarified SEK's mission

In the first phase of the crisis, borrowing needs were greatest among exporters and their suppliers, who were hard hit by considerable disruptions in supply chains. Initial demand was for short-term credits to strengthen clients' liquidity before gradually changing to increasing demand for longer credit terms as many companies began to realize that the pandemic could be long-term. New lending for the second quarter amounted to Skr 56.5 billion, which is the second highest volume ever for a single quarter, and new lending totaled Skr 125.5 billion at the end of the year, the highest in SEK's history. The high level of lending has also resulted in net interest income for the year being very high at Skr 1,946 million.

In times of economic turbulence, companies seek stable, long-term financiers to a greater extent than usual, resulting in increased interest in SEK. We witnessed this during the financial crisis, and the pandemic was no exception. The crisis has clarified SEK's most important mission, and despite clear challenges, we managed to support the Swedish export industry during a very trying period.

SEK finances the industry's climate transition

To reach the goals set by the Paris Agreement, more industries need to transition their business and reduce climate emissions. Investment requirements are significant globally, and over the year, SEK has increased its focus on financing the export industry's transition in Sweden. We aim to be a positive force for the climate transition, and have identified four focus areas which require special attention. These areas are transportation, energy, smart cities and shipping. SEK has extensive experience of financing major international energy projects and therefore has excellent prerequisites to drive Sweden's efforts for this transition.

To understand the needs that our clients have to make this transition, SEK conducted a survey in the autumn. The survey findings showed that, over the next three years, eight out of ten companies intend to invest in transition in Sweden to reduce their climate impact. Of these, 54 percent stated that they require financing to make these investments. The findings demonstrate an enormous force for change among exporters.

Swedish exporters are at the forefront of the development of sustainable products and services. Combined with SEK's unique expertise with financial solutions and international business, this strengthens companies' competitiveness and increases the perception of Sweden as a modern export nation. Together, we contribute to increased sustainable growth and more jobs in Sweden.



In accordance with the government's export and investment strategy, SEK's export financing for the extraction and exploration of fossil fuels will cease by the year 2022. In close collaboration with SEK, the Swedish Export Credit Agency (EKN) has investigated how the Swedish export finance systems can contribute to a clear climate transition and a decrease in greenhouse gas emissions. As a result, we will also cease to finance and provide guarantees for transactions aimed at the exploration, extraction, power generation and transportation of coal. In addition, SEK and EKN will provide additional export opportunities to companies that contribute to the climate transition and increase transparency in the Swedish export finance system.

Asides from increased financing for the transition, SEK assesses that demand for export credits will increase over the next few years. Even in 2020, an increased interest for green export credits was noted. One of the largest transactions that was carried out was the financing of seven solar power farms in Angola, for which several Swedish suppliers have contributed with equipment. Other projects that were financed are the world's largest wind farm Dogger Bank located off the east coast of the UK and the shipment of Scania buses running on biofuels to the Ivory Coast. You can read more about SEK's cases on page 24-25.

High scores in the year's customer survey

Every other year, SEK conducts a customer survey, and the findings from autumn 2020 show that customers have incredibly high confidence in us. Customers believe that SEK's

employees are extremely talented, that we inspire confidence and act as a long-term and stable business partner. 96 percent of clients could recommend SEK to others. At the same time, customers have responded that we need to be more proactive and provide more information about our services and products. We see this as a welcoming challenge and have already adopted measures to become even better.

At SEK, we are very proud of our mission, to ensure access to financial solutions for the Swedish export industry on commercial and sustainable terms. We are convinced that sustainable business is a crucial component of Sweden's export successes. For almost 60 years, SEK has successfully strengthened the competitiveness of the Swedish export industry and built strong relationships with clients, banks and business partners around the world. We are now looking to the future with new experiences, hope for a fast vaccination against COVID-19 and the power to change and combat the climate crisis.

Stockholm, February 18, 2021

Catrin Fransson
Chief Executive Officer

Business environment factors that impact operations

The world is engulfed by the ongoing pandemic, a serious health crisis with far-reaching economic consequences. Economic forecasts are subject to considerable uncertainty. In parallel, awareness of the climate crisis is increasing. Global economies need to be adjusted toward a more sustainable world. SEK has identified four trends that impact the company's operations.



Transition to a sustainable world

The need to adjust economies toward a sustainable world is major. New investments will take place with the development of new technology, sustainable infrastructure and sustainable energy solutions. A green technology shift is creating opportunities for Sweden to export environmental technology and expertise for such areas as sustainable urban development. EU regulations are being prepared to align financial flows with the goals of the Paris Agreement. Among international investors, interest is increasing for investing in green and sustainable bonds, while transparency requirements for end investors within the EU are becoming more stringent. There is also a greater awareness that climate risks will lead to higher financial risks and affect required rates of return on capital. The climate issue already gives rise to stranded assets and has impacted companies' business models. Together with EKN, SEK is developing ways for the Swedish export credit system to contribute to a clear climate transition and a sharp reduction in greenhouse gas emissions.



Regional value chains

Sensitivity in the global value chains has been brought into question in light of the COVID-19 pandemic and increased political tension. New technology and digitalization encourages production to be moved closer to sales, and that global subcontractors are exchanged in favor of regional subcontractors. The pandemic has also placed renewed focus on the need for countries to be self-sufficient and have their own capacity in place to develop such things as medicine, vaccines and protective equipment. Overall, business potential exists for investments in new, local and regional, sustainable production facilities. By continuing to work closely with Swedish exporters, SEK is able to support the Swedish and international expansion of exporters. In the collaboration with Team Sweden, SEK works to enable international companies to invest in Sweden, with the aim of increasing work opportunities and exports from Sweden.



Digitalization

The digitalization trend is continuing to create new business models in all industries, including the financial sector. For the Swedish export industry, it is crucial to keep up with the rapid developments to maintain competitiveness. Automation will have a major significance for all industries, and the rollout of 5G is an important factor for this. Swedish companies currently possess a strong competitive advantage in many areas, but it is important that they continue to develop in order to retain and capture market shares. The financial sector has long been at the forefront in terms of digitalization, but SEK's work with digitalization has only commenced in recent years. With the increasing degree of remote working, SEK's sensitivity for manual, analog work based on the physical handling of documentation increases. The pandemic has also increased the need for companies to possess the ability to use digital tools in their operations. This applies not only for internal work, but also for customer and investor meetings that are increasingly taking place digitally.



Regulations

The change of pace to regulations that affect SEK's operations remains high. Many regulations impact SEK as a financial institution, and it is therefore important that the company's network is developed and maintained to facilitate long-term planning and the ability to receive information from the various European regulatory forums. In 2021, new regulations will be introduced that have a relatively large impact on SEK's regulatory requirements, such as capital requirements, methods for measuring and monitoring risks as well as reporting to regulatory bodies. Another regulation that will take effect during the business plan period is the Banking Reform Package, that includes requirements for new models for the calculation of capital requirements for market and counterparty risk. This will impact SEK in terms of its processes and IT as well as its capital requirement. The reference rate reform is also expected to affect SEK, primarily through the replacement of LIBORs in 2022 with new risk-free rates (RFRs). Active business environment monitoring is conducted to identify regulatory changes and to assess their effect.

The impact of the pandemic on SEK's operations

The COVID-19 pandemic has hit the Swedish export industry hard, leading to a substantial increase in borrowing requirements and record high lending for SEK. During the year, the company has adopted a number of measures to ensure a good lending capacity and thereby support exporters during the crisis.

In the first phase of the crisis, borrowing needs were greatest among exporters and their suppliers, who were hard hit by considerable disruptions in supply chains. At this time, demand was for short-term credits to strengthen liquidity before gradually changing to increasing demand for longer credit terms as many companies began to realize that the crisis could be long-term.

Measures to ensure lending capacity

The most important measure for SEK was to ensure the company's lending capacity to support exporters who were in urgent need of financing.

At the Annual General Meeting in March, SEK proposed that the owner, which is to say the Swedish state, resolve that no dividend be distributed for 2019, which then occurred. Another measure adopted was the expansion of SEK's credit facility at the Swedish National Debt Office from Skr 125 billion to Skr 200 billion, for more information, refer to page 26. Measures that introduced by other parties have also helped exporters obtain financing from SEK. For example, as a result of the pandemic, EKN has prepared a new working capital credit guarantee for large companies that covers 75 percent of the bank's risk, which is a higher coverage than normal.

Critical disruptions in the capital market

As a result of the pandemic, critical disruptions to the financial system arose which led to a temporary stop for all activity in the borrowing market. Certain companies were completely shut out from the capital markets, while others were forced to pay considerably more than usual. Despite this, SEK succeeded in borrowing USD 1.75 billion in March in the form a three-year bond issue, read more on page 30. SEK had investors from essentially all corners of the world, for which central

banks accounted for a large share of the issue. This is the largest issue in the company's history.

Digital customer meetings and remote working for employees

A considerable effect of the pandemic is that most of SEK's employees have been working remotely since March, which has worked well, both in technical and practical terms. Pulse surveys have continuously been conducted to identify needs and take actions to ensure a good work environment and work-life balance. The results of the pulse surveys have demonstrated, for example, that motivation is relatively high, but with variations over time, and that the work-life balance needs to be improved, read more on page 31. Our employees' motivation and well-being are prerequisites for successful business and satisfied clients.

At the start of the year, the organization was not used to remote working, as this was a concept that had not been put into practice to the same extent before the pandemic. But the IT organization acted quickly in successfully implementing remote working from a purely technical standpoint. SEK has also provided technical assistance and work environment aids so that remote working will run smoothly.

The risk that sensitive information is exposed increases with remote working. As such, employees are continually reminded and receive regular information and recommendations about the measures they should take to protect sensitive information.

Almost all customer meetings have been conducted remotely with great success. However, processing new customers has been more challenging without any physical meetings. The number of new customers was less than expected in 2020 and the expected growth has been lowered for the 2021–2023 business plan period.



Increased focus on financing the transition

As a consequence of the pandemic, SEK's business plan has been revised, which means, among other things, that the targets for green loans and financing for the transition to fossil-free industry have been raised significantly.

To combat the climate crisis and reach the goals of the Paris Agreement, a substantial increase in climate investment is required on a global scale. The need for investments in, for example, transportation, the energy sector, sustainable urban development and fossil-free production are significant, and SEK has therefore decided to increase its focus on financing

industry's climate transition in Sweden. Four areas have been identified as suitable, based on transition requirements and SEK's business potential. These are energy, transportation, smart cities and shipping.

According to a survey that SEK carried out in the autumn, 77 percent of SEK's clients plan to invest in the transition to reduce their climate impact within a three-year period. This demonstrates a considerable potential for SEK to contribute and be a positive force for the transition of the export industry. Read more about SEK's work for the transition on pages 20-21.

Voices from employees on remote working

How does one ensure that all employees receive information?

"All 'corridor talk' or spontaneous interaction is lost when employees work from home. Marketing and Communication has worked considerably to increase and expand information so that everyone feels updated about what is happening within the organization."

Catharina Henriksson, Press Officer

How has interviewing candidates digitally worked?

"Conducting interviews digitally has worked very well thanks to good technological equipment. It has been efficient in terms of saving time and planning for everyone involved, but I am still looking forward to being able to meet more candidates at physical meetings."

Anna Rattfeldt, HR Partner

How has remote working worked in terms of maintaining a work-life balance?

"The time spent commuting to work has disappeared due to remote working, and there is more time to spend with family. The downside is that it can be difficult to detach work from leisure time."

Ingrid Holkedahl, Director Treasury

How has the pandemic affected client processing?

"SEK has fully demonstrated its stability and that we are a company to rely on during a crisis. Despite all client contact taking place digitally, we have been able to deliver and demonstrate a proactive spirit via various channels."

Peter Odefalk, Account Manager

How has collaborating with all of SEK worked digitally?

"I think that we are more considerate and more focused as a result. However, it is more difficult to generate energy, enthusiasm and support for one another, and also to set challenges and be creative. Improvement work and business development are also more difficult when working remotely."

Björn Birk, Change Management Leader

How has it worked for SEK to set up technical equipment for remote working?

"Thanks to the fact that we already use laptops, mobile phones and Skype as a collaborative platform, the ability to work remotely has functioned well."

On the other hand, remote working has placed high requirements on the internet connection that employees have at home, an area for which there is the potential to improve."

Daniel de Soto, IT technician

SEK finances the Swedish export industry on sustainable and commercial terms

The Swedish Export Credit Corporation finances Swedish exporters, their subsidiaries, and foreign customers. With lending in about 60 countries, the company has substantial knowledge of international transactions and we are a natural business partner with export financing.

The Swedish Export Credit Corporation's mission is to ensure access to financial solutions with the aim of supporting the Swedish export industry on commercial and sustainable terms. The target group is Swedish exporters, their subsidiaries and international buyers of Swedish products and services.

Sustainability is central to operations, and therefore it is a natural step to finance the industry's transition to a fossil-free society; a development that also creates new export possibilities.

SEK is a credit market institution owned by the Swedish government and acts as a complement to banks. All lending is made on commercial grounds. Operations are governed, inter alia, by the owner instruction and ownership policy.

EKN offers guarantees to the Swedish export industry, and together with SEK, comprises the Swedish export credit system.

SEK is a member of Team Sweden, which is made up of a number of government export promotion agencies. Together, these organizations collaborate to create favorable conditions for Swedish companies in international markets

SEK has a public policy assignment

SEK administers the CIRR system, which is a specially commissioned public policy assignment by the Swedish parliament. CIRR (Commercial Interest Reference Rate) allow exporters' customers to receive financing at a fixed interest rate for the entire credit period. The CIRR system has, since 1990, generated a considerable surplus for the Swedish government. The benefit to the national economy that export credits generate is presented on page 17.

Lending on sustainable terms

SEK wants to set an example with regard to sustainability topics and to drive development in sustainable business forward. SEK does this mainly by setting requirements when lending. Know your customer and sustainability assessments are conducted for all transactions prior to granting credit.

In conjunction with its lending, SEK's most material sustainability topics are anti-corruption, environmental and climate impact, labor conditions and human rights. Read more in Sustainability Notes 5-7.

As lender, SEK has a responsibility for ensuring that the financed transactions comply with international sustainability guidelines. Read more in Sustainability Note 4.

The UN Sustainable Development Goals (SDGs) are part of the 2030 Agenda for Sustainable Development. The Agenda contains 17 Global Goals aimed at eradicating poverty and hunger, realizing human rights, and securing lasting protection for the planet and its natural resources. SEK works with the Global Goals in its strategy and its operations. Read more about how SEK contributes to the UN SDGs in Sustainability Note 11.



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An export credit system that contributes to the climate transition

Stakeholder dialogue for the year has focused on the UN SDG 13 that addresses combating climate change and the proposals from the Swedish Export Credit Corporation and the Swedish Export Credit Agency for how Swedish export credit systems will contribute to a clear transition and a reduction in the emission of greenhouse gases.

For Sweden's export and investment strategy, the government has established that Sweden must drive international and European regulation for export credits to contribute to sustainability and the realization of the goals set by the Paris Agreement.

The government has therefore assigned Swedish Export Credit Agency (EKN), in close collaboration with SEK, with the mission to investigate how the Swedish export credit systems – meaning financing from SEK and guarantees from EKN – can contribute to a clear climate transition and a decrease in greenhouse gas emissions. The report *An export credit system that contributes to the climate transition* (Ref. No. UD2020/03704/FH) was submitted to the government on 4 September 2020.

Reaching the goals of the Paris Agreement requires a substantial increase in climate investment on a global scale. A significant share of this capital needs to come from the private sector. The Swedish and international export credit systems can act as catalysts for the investments required and strengthen Swedish competitiveness, not least in the current economic crisis as a result of the COVID-19 pandemic.

In accordance with the government's export and investment strategy, SEK's export financing for the extraction and exploration of fossil fuels will cease by the year 2022. From 2021, EKN and SEK have decided to cease financing and providing guarantees for transactions aimed at the exploration, extraction, power generation and transportation of coal. The investigation

has shown that this decision does not have any major negative economic effects on the Swedish export industry.

Proposals from the investigation

Some of the proposals from the investigation that can contribute to a clear climate transition and sharp reduction of greenhouse gas emissions are presented in brief here.

- For transactions related to projects with high GHG emissions, EKN and SEK will place more importance on the Paris Agreement's 1.5 °C goal, considering lock-in effects as well as transition opportunities.
- EKN and SEK will produce customized products for exports that contribute to climate transition.
- From 2022, EKN and SEK will report climate-related risks and opportunities in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- Further increase the transparency of the Swedish export credit system as far as possible with due consideration to the bank confidentiality legislation.

By taking an active position in the climate transition, SEK can create more business, reduce its financial risk over time and contribute to a sustainable export industry.

For the opinions of the stakeholders, see Sustainability Note 2 and for EKN's and SEK's proposals from the investigation, see Sustainability Note 6.



Client-centric strategy

SEK's strategy is client-centric and is based on the mission, macro-economic factors, stakeholders and the core values that guide our operations.

Strategy

SEK has a key role in strengthening the competitiveness of Sweden's export industry and contributing to increased sustainable growth and employment in Sweden.

The long-term strategy remains in place. SEK will expand its income base to deepen relationships and broaden the scope of business with existing customers and attract new customers. New business opportunities are being created through partners and collaborations, and client-driven efficiency processes are being implemented in the company. In this way, SEK can create more value for more parties in an efficient manner.

The ongoing pandemic has led to a health crisis and an economic crisis in many parts of the world. At the same time, the climate crisis has become all the more evident, and the timespan for reaching the goals of the Paris Agreement all the more pressing. Major infrastructure investments will be one of the tools for creating growth for the economies of many countries. There is a substantial global need for investment in areas such as major energy projects, climate-smart transportation, sustainable urban development and fossil-frugal production.

SEK is increasing its focus on financing this transition in Sweden and internationally. In this case, SEK is implementing its expertise and experience of working with major international projects, and increasing focus on financing more export credits and international infrastructure projects.

In economically turbulent times, global demand for export credits usually increases. Competitiveness in the different countries' export credit systems is therefore important for the success of exporters. Swedish exporters that use export credits are extremely pleased with the Swedish export credit system, but there is still a great potential to reach out to more exporters. The strategy includes increasing resources in the export credits area to more clearly be able to showcase customer benefit to large and medium-sized companies.

SEK's clients value the company's know-how and expertise. SEK is a "relationship bank" in terms of client and borrowing activities. This is the foundation of the company's strategy. The ability to reach existing and new clients and partners with SEK's offering and creating the flexibility to meet changing requirements by increasing efficiency and through digitalization will be increasingly important aspects of meeting the challenges posed by the changing global environment. The 2020 customer survey shows that customers are requesting more contact and proactivity from SEK as well as more digital solutions. An important aspect of this strategy is increasing selling power by ensuring proactivity and the right expertise in the company.



SEK will expand its income base to deepen relationships and broaden the scope of business with existing customers and attract new customers. New business opportunities are being created through partners and collaborations, and client-driven efficiency processes are being implemented in the company.

Core values

SEK's core values are a prerequisite for succeeding with the strategy. A sustainable workplace starts with healthy values. How employees of SEK behave and interact with clients and one another has an impact on the corporate culture. In 2020, SEK's employees have updated the core values through different workshops. This is based on employees in their various occupational roles endeavoring to be professional, simplifying difficulties and building sustainable relationships.

Partners and collaboration

A large part of SEK's transactions derive from collaboration with banks throughout the world. Collaboration with Swedish and international banks, development banks and export promotion players within Team Sweden such as Almi, Business Sweden and the Swedish Export Credit Agency is crucial to accomplishing the strategy.

With the aim of increasing sustainable Swedish deliveries to international infrastructure projects, particularly in developing countries, SEK is part of a collaborative initiative within the framework for Team Sweden. The collaboration in Team Sweden has been more clearly operationalized and several successful projects have been completed over the past year. In light of the present more turbulent economic situation, the need for financing of infrastructure projects is even greater in developing countries, and a large portion of such business is currently taking place in Africa. A strategy will be implemented to expand this work and reach out to projects in Asia and Latin America. Increasing the share of exports in Asia is an important part of Sweden's export and investment strategy since Asia comprises the largest share of forecast global growth. Competition and financing solutions from other countries are extensive, and as such the interaction within Team Sweden and with exports and current EPC companies (Engineering, Procurement and Construction) is an even more important prerequisite for success.



Strategy

- Deepen relationships and broaden the scope of business with existing clients
- Attract new clients
- Seize new business opportunities within the transition
- Develop and expand export credit transactions
- Create efficient client-driven processes through digitalization



Targets and outcomes

SEK's strategy is to attract new clients and to deepen relationships with existing clients through digitalization, collaboration and client-driven processes. The prioritized targets are as follows and the next page includes a follow-up of the public policy assignment.

		2019 outcomes	2020 targets	2020 outcomes
Profitable growth	Client Satisfaction	91% ¹	>80%	92% ²
Swedish export industry's competitiveness	Value added for clients through export credits ³	73% ¹	>60%	80% ²
A sustainable workplace	Empowerment ⁴	76	>80	77
	Attractive employer ⁴	78	>85	81
Green financing	Number of green loans	9	12	11

		2019 outcomes	2020 targets	2020 outcomes	long-term targets
Financial targets⁵	Return on equity	5.5%	3.1%	4.9%	6%
	Dividend	0%	30%	30% ⁶	30%
	Total capital ratio, margin to FI's requirement	3.9%	2-4% ⁷	6.8%	See foot-note 7

1 Results from the 2018 client survey.

2 Results from the 2020 client survey.

3 Proportion of the client survey that perceives that SEK's export credits contributed significantly or very significantly to the execution of their export transactions.

4 See definitions on page 140.

5 The general meeting of shareholders has decided the long-term financial targets for SEK. These were communicated at the 2015 annual general meeting and do not have any time limit.

6 Dividend proposed by the Board to the Annual General Meeting.

7 According to the capital target, SEK's total capital ratio is to exceed the Swedish FSA's capital adequacy requirement by 2 to 4 percentage points. The capital targets are decided annually by the annual general meeting and are valid until further notice.

Comments on target attainment

SEK exceeded the profitability target for 2020 of 3.1 percent return on equity, but did not reach the long-term profitability target of 6 percent return. The company ended the year with a return on equity of 4.9 percent. After the Annual General Meeting in March 2020 decided to withhold a dividend for 2019, the Board has decided to propose to the Annual General Meeting that a dividend of 30 percent be paid out for 2020, in accordance with the target.

The company carried out a tactical revision of the business plan during the second quarter to adapt the company's focus to the changed conditions that came with the COVID-19 pandemic. The business plan assumed higher provisions for expected credit losses and a lower net result from financial transactions than the outcome for the full year. Net interest income also became stronger than forecast as a result of the strong customer flow. The company still does not reach the long-term profitability target. Since the target was set, short-term interest rates have fallen significantly and the resolution fee has been introduced. This has led to a loss of revenue for which the company's customer operations have not been able to fully compensate.

The company has a stronger capital situation than the target indicates. A strong Swedish krona, reduced countercyclical buffer requirements and reduced risk in the company's liquidity management have strengthened the company's capitalization by just over 3 percentage points during the year. The Swedish FSA (FI) has introduced restrictions on the possibility of dividends due to the current pandemic, these restrictions apply up to and including the third quarter of 2021. The com-

pany's strategy is to initiate an adjustment of the company's capitalization in 2021 to reach the capital target.

The company exceeds the target for profitable growth and the Swedish export industry's competitiveness. In terms of a sustainable workplace and sustainability, the company makes further positive progress but still does not reach all the way to the target. The targets of 80 and 85 respectively, are very ambitious and show the great importance the company attaches to these issues. The company does not achieve the target of completing 12 green lending transactions, but increases the lending volume compared to the previous year significantly, from just over Skr 3 billion to just over Skr 10 billion. A very positive development. To meet the company's sustainability targets, the company has prepared and implemented a processing plan. For 2021, the target level for green loans and loans to finance the transition have been raised significantly towards the goal of being a positive force in the transition.

In addition to the financial targets, the company set ambitious business targets for 2020. Prior to 2020, the company had set high targets for both growth in the customer base and to broaden the business with the company's customers. The macro economic situation during the COVID-19 pandemic had great impact on the company's ability to grow its customer base, the goals have therefore been adapted to the current situation. The strategic direction to increase profitability by deepening the relationship and broadening the business with existing customers and attracting new customers stands.

The long-term financial goals are set by the owner and must be viewed over a longer time horizon.

Follow-up of the public policy assignment

SEK's administration of the official supported export credit system (CIRR system) is a specially commissioned public policy assignment by the Swedish parliament. The benefit to the national economy of this mission should be evaluated partly by measurement of the added value that SEK creates in terms of export credits, of which CIRRs comprise a part, and partly through the stakeholder dialogue. The stakeholder dialogue is presented in sustainability note 2.

SEK follows up the public policy assignment using a biennial client survey. Below is parts of the results from the most recent survey that was conducted in 2020.

1. *"Have SEK's export credits helped execute clients' export transactions?"*
80 percent of clients who had engaged SEK's services for export credits stated that SEK's credits had contributed significantly or very significantly to the execution of their export transactions. This can be compared with 73 percent in the preceding survey in 2018.
2. *"The reason why the exporters decided to collaborate with SEK"*
The results are shown as open replies, in which the clients say, for example, that SEK has excellent business insight and has a small decision-making organization with excellent service and competent employees. Other reasons that have been given include access to the export credit system and a long-standing partnership with SEK.
3. *"Did the collaboration match the client's expectations?"*
80 percent of clients stated that the collaboration exceeded their expectations. 17 percent responded that the collaboration significantly exceeded their expectations. The corresponding figures for the 2018 client survey were 66 and 28 percent, respectively.
4. *"How SEK can further improve its offering of export credits"*
The three main strengths that clients have raised are that SEK inspires confidence, has competent and capable employees, and a good reputation. However, clients believe that SEK should be more proactive with providing information about services and products and that SEK should focus more on digitalization and modernization.
5. *"How the clients perceived the Swedish export credit system compared with corresponding systems in key competing countries"*
67 percent of the client companies consider the Swedish export credit system to be better than the systems in key competitor countries. The corresponding figure for 2018 was 73 percent.



Value creation and business model at SEK

SEK's mission, core values and strategy are the basis for its operations. The model shows how capital in the form of resources and relations are used and employed to generate value for various stakeholders and to fulfil SEK's mission.

The resources SEK uses

Financial capital

Equity **Skr 20.1 bn**
Borrowing in the capital market
Skr 287.5 bn
Green borrowing **2%**

Human capital

Employees **248**
Consultants **71**

Relationship capital

Team Sweden
Swedish and international banks
Investors

Intellectual Capital

Policies and instructions
IT systems and processes
High credit rating AA+, Aa1
Sustainability rating, prime

Environmental capital

Office emissions tons CO₂e **77**
Business travel
emissions tons CO₂e **88**
Carbon offsetting tons CO₂e **165**

Lending to Swedish exporters and their customers around the globe.



Raising capital in the international capital market



Value SEK creates

Clients

Loans outstanding including committed undisbursed loans
– exporters **Skr 122 bn**
– exporters' customers **Skr 167 bn**
Satisfied clients **92%**
Value added by export credits **80%**

Employees

Women/men in management positions **48/52%**
Employees with foreign/Swedish background **33/67%**
Empowerment **77**
Attractive employer **81**

Society

Indirect contribution to Sweden's GDP **Skr 80 bn**
Indirect contribution to number of job opportunities **87,000**
CIRR loans outstanding **Skr 69.2 bn**
Resolution fee **Skr 86 mn**
Income tax paid **Skr 311 mn**

Lending

Green lending **Skr 20 bn**
Fossil-fuel related lending **Skr 2 bn**
Other lending **Skr 267 bn**

Owner

Dividend **Skr 290 mn**
Return on equity was **4.9%**

SEK invests in the export industry's climate transition

Many companies in Sweden are actively working to realign their production to reduce emissions from fossil fuels, and the pandemic has accelerated the action against climate change. SEK aims to be a positive force for these efforts and is therefore financing industry's investments for the transition in Sweden.

The Swedish Export Credit Corporation has resolved to take greater responsibility for its work to transition the Swedish export industry to a circular economy. The industry transition will be decisive for how Sweden will succeed with its commitment to the Paris Agreement.

Sweden has all of the prerequisites in place to be a modern export nation, particularly when it comes to sustainable value chains and products. There are substantial driving forces in our community to become an even smarter export nation. Sweden can chart the way forward for areas such as renewable energy and energy-efficiency enhancements, fossil-free transportation and IT infrastructure as well as through knowledge and innovation hubs.

The transition to a more sustainable world brings with it great global investment needs. Financing is a prerequisite for companies to be able to invest in a green future. SEK aims to be a positive force for the transition and has excellent prerequisites to drive these efforts thanks to extensive international financing experience when it comes to renewable energy, which often comprises projects that need long-term financing together with insight to be able to manage project risks. SEK is now leveraging this experience to finance industry's investments for the transition in Sweden.

Four focus areas for the transition

SEK has divided its work with the transition into four focus areas: transportation, energy, smart cities and shipping. All areas are assessed to have a healthy business potential. The transportation sector accounts for 30 percent of Sweden's hazardous emissions and is the world's second largest source of CO₂ emissions, accounting for almost 25 percent of global emissions. Global demand for transportation is on the rise, and it is therefore necessary to find new sustainable solutions. Currently, investments are being made and commercial solutions are being explored in technological areas such as electrification, automation, connectivity and biofuels. Potential clients can be found in the automotive industry, public transport and haulage.

For energy processes, major investments will be made in wind power, solar power, hydrogen and transmission infrastructure. This mainly concerns investments in core networks and infrastructure, renewable energy and smart systems. Sweden shall be the first fossil-free welfare country, and electricity production is set to become 100 percent renewable by 2040. SEK assesses that there is healthy potential for recurring transactions in the area.

More companies to receive financing for the transition

SEK's ambition is that more companies will learn about the financing solutions and the expertise that the company can offer for the transition to become climate neutral. A key activity will be to create collaborations and networks among the companies that have been identified within each area. SEK will be stepping up collaboration with the other bodies in Team Sweden in general, and the Swedish Export Credit Agency in particular, both for individual transactions and on a strategic level, in order to reach more clients. The company will also be working actively with targeted marketing for each focus area. Being a positive force for the transition is about working proactively with industry, relevant organizations, and business and political decision makers with the aim of adapting major structural prerequisites for Sweden's transition.

Eight out of ten exporters investing for a green transition

To gain an understanding of the significance of the need for a transition among SEK's existing clients, the company asked questions in a client survey that was carried out in autumn 2020. Over the next three years, eight out of ten companies stated that they intend to make investments in Sweden with the aim of reducing their climate impact. Of these, 54 percent stated that they require financing to make these investments. The results show that there is a great desire to make the transition and an enormous potential to create sustainable products and operations that benefit companies, consumers, the climate and Swedish sustainable exports.



Interest for green investments increasing

The area of sustainable financing is developing at a rapid pace, and EU regulations are being produced to align financial flows with the goals of the Paris Agreement. Among international investors, interest is increasing for investing in green bonds while transparency requirements for end investors within the EU are increasing. There is also a greater awareness that climate risks lead to higher financial risks and therefore affect required rates of return on capital.

By issuing green bonds in international capital markets, SEK finances the export industry's green transition using funds

from investors who want to make a difference for society and the environment. In 2020, the company issued five new green bonds and five new tranches of existing bonds for a total of Skr 5.1 billion.

By investing in a green transition, Sweden can be in a stronger position when the pandemic is over. As the export industry is transitioning to a circular economy, it will become an engine for new innovations and business opportunities that will not only help Sweden become a modern export nation in the future, but will also contribute to increased global sustainability.

SEK has divided its work with the transition into four focus areas: transportation, energy, smart cities and shipping. All areas have significant business potential.

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Financial solutions for the Swedish export industry

Since 1962, SEK has offered financial solutions that have enabled hundreds of Swedish companies to grow by increasing production, making acquisitions, increasing the number of employees and selling products and services to clients across the globe. SEK lends money to Sweden-based exporters, their suppliers and foreign clients.

Most of Sweden's largest companies finance many of their export transactions with solutions from SEK, an option that is now available even for medium-sized companies. The companies view state-owned SEK as a competent and long-term specialist partner, who with lending in approximately 60 countries is just as global as the companies themselves, and grants access to an entire ecosystem of banks, companies

and business partners across the globe. Sustainable financing solutions are a cornerstone for SEK's business model. With a wealth of experience in working with renewable energy internationally, SEK is in the perfect position to contribute to the industry's transition in Sweden, a development that also creates new export opportunities

Examples of when to use SEK's financing solutions:

When the company should invest in new facility, expand production or broaden the financing base.



Improve corporate working capital.



Strengthen the company's competitiveness through offering the company's foreign customer financing.



Increase the chances that the company wins the contract through various warranty solutions.



Exporters



Transform the business to reduce emissions from fossil fuels.

SEK's most common offers

SEK offers the Swedish export industry a number of different financing solutions with short and long maturities.

Green loans

Companies whose products or operations contribute to reduced environmental impact or more effective usage of resources are eligible for green loans. On top of a lower interest rate, these companies also receive a green stamp proving that their operations contribute to the UN SDGs. All of SEK's financing solutions, from export credits to factoring services, can qualify as green loans provided that the borrower meets the necessary criteria.

Working capital

Working capital, is SEK's most in demand loan. It is aimed for companies such as those that need to invest in a new facility, increase production, broaden their financial base or require capital for capital goods.

Working capital for SME

This loan product is encompassed by the EU's InnovFin Guarantee Facility and provides innovative small and medium-sized companies with the ability to loan up to SEK 65 million, without posting collateral. Companies can, for example, make new investments, increase their production or establish themselves in new markets.

Factoring services

Factoring services is an effective solution for companies who want to grow but need to release capital. The companies can sell their invoices to SEK, receive payment directly and improve their key performance indicators when accounts receivable are exchanged for cash on the balance sheet. Factoring services can also help exporters to offer their customers extended credit periods. When exporters sell their invoices, they widen their scope to sell more, while avoiding any negative impact on the company's liquidity and balance sheet. SEK takes over the exporter's claim against its customer and the exporter receives immediate payment.

Financing for the transition to fossil-free industry

Many companies in Sweden are actively working to realign their operations to reduce emissions from fossil fuels. SEK aims to be a positive force in these efforts and can finance everything from climate-smart energy solutions to sustainable transportation.

Contract guarantees

Export transactions often entail foreign buyers demanding guarantees, such as for advance payment and performance bonds, before entering into an agreement. Such guarantees are issued by a third party, for example SEK, and guarantee compensation to the buyer should the exporter be unable to fulfill its undertakings. A guarantee entails SEK assuming risk for the exporter.

Export credits

Swedish exporters can strengthen their competitiveness by offering their customers financing in connection with the sale of their products or services. Usually, three parties are involved in this: SEK as the financier, the Swedish Export Credits Guarantee Board (EKN) who eliminate the risk that the exporter does not get paid, and one or more commercial banks, who arrange the transaction and cover part of the risk that is not covered by EKN. See more information on page 28.

Leasing and installment plans

SEK offers financing in the form of leasing and installment plans for export transactions that utilize capital goods as collateral. This is a collaboration with the client's own finance companies and where SEK can engage in risk-sharing with the individual exporter, enabling smaller-scale transactions in various markets.

Project financing

SEK offers financing in the form of leasing and installment plans for export transactions that utilize capital goods as collateral. This is a collaboration with the client's own finance companies and where SEK can engage in risk-sharing with the individual exporter, enabling smaller-scale transactions in various markets.

Loans in local currencies

SEK offers financing in more currencies than most of its fellow market participants. The loan can be returned in another currency than that included in the contract of sale. If the price has been agreed in Swedish kronor but the borrower desires USD, the loan can be provided with the equivalent value in USD. This also allows Swedish companies with subsidiaries abroad to take out loans in the local currency to eliminate interest and currency risk.



Case: Swedish companies construct solar power farms in Angola

Hitachi ABB Power Grids and several other Swedish companies are supplying equipment to solar farms in Angola, a nation wishing to increase its share of sustainable energy in the country.

“A project of this size will not only contribute to the country’s electricity supply, it will also make a difference to, for example, schools and households, in seven locations when solar panels are built. In addition, the cost of solar energy is lower than diesel, which will make this a good long-term investment for the country,” says Carlo Amado, Business Development Director of the MCA Group.

The financing from SEK covers seven solar panel projects – two slightly larger projects close to the capital city of Luanda and five smaller projects in rural areas. The total capacity will be 370 megawatts and will make a huge difference for the country’s electricity supply. The loans extend over a long term (18 years) and the estimated construction period is two years.

To ensure that SEK could finance the entire project, the Swedish share of the project’s content needed to be increased. The Swedish business facilitator, Elof Hansson Trade, was then brought in, and helped the construction company MCA Group and the US energy company Sun Africa – who is the developer of the project – to coordinate the Swedish deliveries for the project. This resulted in several Swedish companies supplying everything from the steel framework under the solar panels to safety equipment and furniture.

Facts

Business: Export credit CIRR

Amount: EUR 560 million

Maturity: 18 years

Borrower: The state of Angola

Lender: ING bank Netherlands

Guarantee: EKN

Sustainability

Pursuant to the IFC Performance Standards regulations that SEK adheres to, the borrower must compensate individuals who cultivate the land being taken over to build solar power farms, even though the land is state-owned. Images from Google Maps reveal that sections of the land where the farms are planned are being used for cultivation. As such, the project needs to produce an action plan to identify and compensate those who have cultivated the land in order to receive financing.

“Electricity is the basic resource for any economic growth and a necessary ingredient for the prosperity of a country and its people. Sun Africa is proud to be an integral part of a team that is bringing clean and sustainable electricity to Angola.”

Nikola Krneta, Managing Director på Sun Africa

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Case: Financing the world's largest offshore wind farm

Dogger Bank, located off the east coast of the UK, is the world's largest offshore wind farm under construction. The project financing to date encompasses the first two of three phases, each with a capacity of 1.2 GW. The project will become the UK's largest source of renewable energy and is a part of the country's efforts to achieve important climate goals.

Dogger Bank's total supply of electricity will be able to power approximately six million households in the UK. Swedish Hitachi ABB Power Grids and NKT are delivering transmission equipment in the form of high voltage direct current (HVDC) converter stations and high-voltage cables for power transmission from the wind farms to the grid.

The financing comprises a number of facilities, export credits and commercial project financing facilities, where it is natural for parties like SEK to participate in supporting the financing of Swedish exports.

"SEK's focus on supporting energy transition projects in Sweden and internationally is a very important part of our mission. Our participation in the financing of Dogger Bank is one example of this," says Birgitta Lindström Kruk, Head of Export & Project Finance at SEK.

Facts

Business: Project financing

Currency: GBP

Lender: Doggerbank Offshore Wind Farm Project

Financial advisor: BNP Paribas

Sustainability

Participation in the project is entirely in line with SEK's focus on supporting the energy sector's transition. The transaction is in line with the Green Bond Framework and the UN's SDG 7 concerning ensuring access to affordable, reliable, sustainable and modern energy for all as well as target 7.2 to increase substantially the share of renewable energy in the global energy mix.

Case: SEK finances Climeon's green electricity production technology

The environmental technology company Climeon wants to take the next step in developing geothermal heat power and its core markets. With the help of financing from SEK, the company is able to accelerate its product development and quickly scaling up operation.

Climeon is a Swedish environmental technology company that was founded in 2011. The company's unique technology for heat power converts low temperature heat into clean electricity. The company is now further developing its offering in geothermal heat power to offer more complete power solutions.

As a result of the COVID-19 pandemic, the business has qualified for the European Investment Fund's (EIF) expanded COVID support measures. Since Climeon has been negatively affected by the crisis, EIF guarantees 80 percent of the transaction instead of 50.

Facts

Business: Financing for transition to fossil-neutral

Amount: EUR 7.5 million

Maturity: 2 years

Lender: Climeon

Guarantee: European Investment Fund (EIF) 80% and DNB 10%

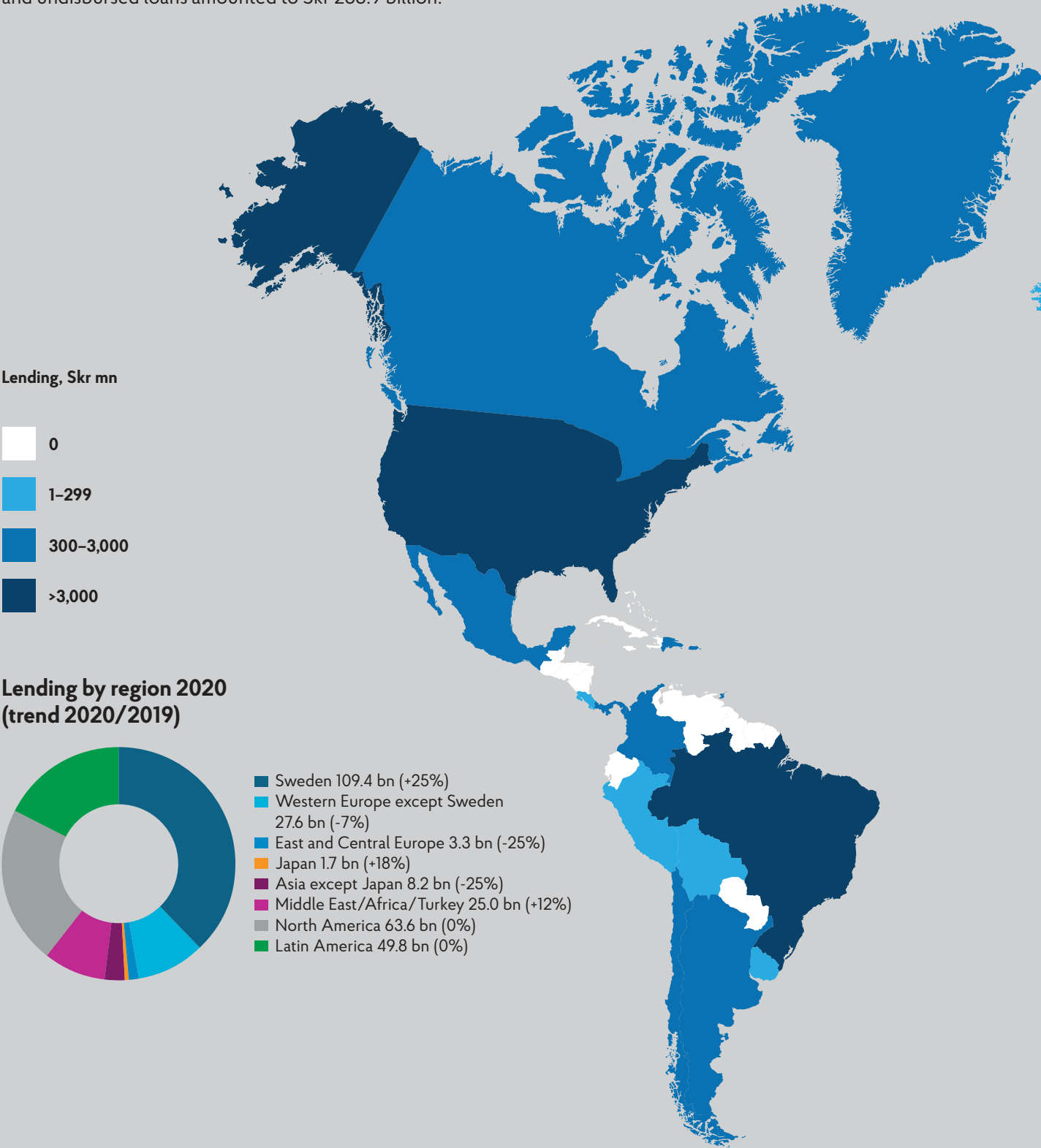


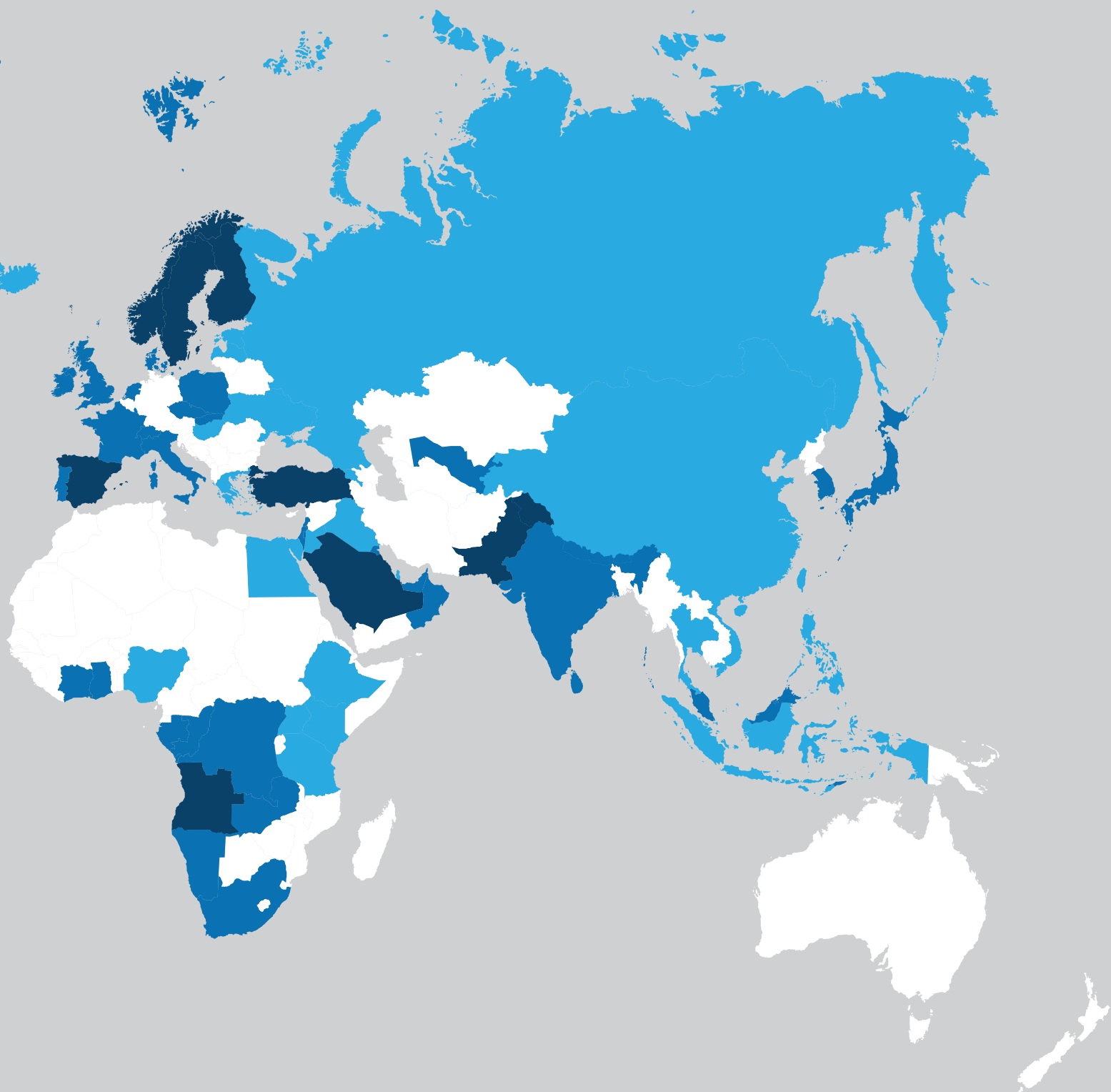
"The loan gives us improved prerequisites to further develop surrounding services and products and offer customers a more complete solution for renewable electricity production."

Thomas Öström, founder of Climeon

Lending worldwide

The map shows the countries where SEK has lending to Swedish exporters or buyers of Swedish goods and services. At December 31, 2020, the total volume of loans outstanding and undisbursed loans amounted to Skr 288.9 billion.





High demand leads to record-high lending

Demand for financing from the Swedish export industry has risen well above the norm as a result of the pandemic's effects. Thanks to good liquidity and a high lending capacity, SEK has succeeded in meeting clients' needs throughout the crisis. During the year, SEK lent Skr 125.5 billion and set a new lending record for the company.

In the first phase of the crisis, borrowing needs were greatest among exporters and their suppliers, who were hard hit by considerable disruptions in supply chains. At this time, demand was for short-term credits to strengthen clients' liquidity before gradually changing to increasing demand for longer credit terms as many companies began to realize that the pandemic could be long-lived.

The third quarter showed signs of recovery and an increase in economic activity. Demand for financing decreased and lending volumes returned to more normal levels. This was in part due to a stronger business cycle, but also because many exporters had already covered their financing requirements by this time. At the end of the year, SEK had lent Skr 125.5 billion and set a new lending record for the company.

During the first six months of the year, business was dominated by capital financing to Swedish exporters and their suppliers with a business volume of Skr 62 billion, an increase of 152 percent year-on-year. In the second six months of the year, SEK completed several project finance programs, including for new wind farms in Europe and Latin America, and issued export credits totaling Skr 8.5 billion. The largest export credit pertained to green financing of solar power farms in Angola, where Hitachi ABB Power Grids and a number of Swedish companies are supplying equipment worth EUR 560 million which is guaranteed by the Swedish Export Credit Agency.

Despite numerous transactions and a high lending volume, growth in new clients is lower than previously anticipated. This was partly because the spread of infection made it more problematic to meet counterparties and partly because efforts to solicit new clients were curtailed by the crisis.

To reach the emission targets in the Paris Agreement and combat climate emissions, SEK has resolved to take greater responsibility by financing industry's transition in Sweden, particularly in the areas of energy, transportation, smart cities and shipping. SEK have excellent opportunities to contribute thanks to its wealth of experience in financing renewable

energy internationally. SEK expects that demand for export credits, project financing and financing for the transition will increase in the next few years.

How an export credit is handled



Responsible credit granting creates sustainable business

SEK endeavors to provide sound and sustainable credit granting throughout the lending process. This encompasses everything from a high standard for KYC to risk and sustainability analyses of transactions. As a result of SEK's mission and longstanding partnerships with large exporters, SEK's credit portfolio has a concentration that reflects the Swedish export industry.

SEK's credit portfolio is characterized by good credit quality. 92 percent of SEK's exposure is against risk counterparties who have a rating corresponding to investment grade.

How SEK works with credit analysis

1. When a business enquiry is received, SEK always carries out know your customer (KYC) and sustainability assessments on the parties in the deal. A basic requirement of any business transaction is that SEK obtains a level of KYC that meets the requirements in the applicable laws and regulations pertaining to money laundering and terrorism financing.

2. The account manager involves credit analysts who carry out a counterparty risk classification and a transaction credit risk assessment.

3. If a more in-depth sustainability review is required due to higher risk at country, counterparty or transaction levels, the account manager engages a sustainability analyst. The sustainability assessment covers areas such as human rights, including labor conditions, corruption and environmental impact.

4. The account manager structures the transaction and compiles documentation ahead of credit decisions, including profitability, credit and sustainability analyses.

5. Account managers, credit analysts and, where necessary, sustainability analysts participate when decisions are taken by SEK's Credit Committee.

6. SEK actively monitors its credit risk through ongoing follow-up of clients and transactions. All credit and risk classification decisions must be tested at least once per year in an annual report.

SEK often uses risk mitigation measures, primarily through guarantees from EKN and other government export credit agencies in the OECD, and in certain cases credit derivatives. SEK also collaborates with EIF, whose guarantees are aimed at Swedish innovative exporters. Risk mitigation leads to relatively large differentials between exposures before risk mitigation and exposures related to risk mitigation based on geography and industry. The credit portfolio has a favorable spread in terms of geographies and industries before taking into account risk mitigation, while net exposures are more concentrated.

Overall, the effects of the pandemic on SEK's credit quality are relatively limited. During the year, increased lending has primarily been to major well-known exporters with good credit quality. Lending guaranteed by EKN's risk-mitigating guarantees for working capital has comprised a large share of this. An increased amount of forbearance requests and downgraded ratings have negatively impacted the existing portfolio. The organization has successfully worked with detailed follow-ups of clients that have been identified as particularly vulnerable. The need for increased individual provisions, stage 3, has been limited.

The importance is constantly increasing of more highly developed credit analysis of new and existing counterparties to leverage business opportunities and meet regulatory requirements. In 2020, SEK established processes for SEK's new default definition that will come into effect on January 1, 2021. In line with this, the company's processes for managing forborne exposures and non-performing exposures have also been adjusted. In 2021, SEK will further initiate the implementation of a working method to manage the assessment of environmental, social and governance (ESG) factors for the rating of counterparties.

SEK is a member of the Equator Principles and has also complied for many years with the OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence, see Note 26 and Sustainability Note 8.



Borrowing, liquidity and green financing

Even in times of financial turbulence, SEK should always have the capacity to finance the Swedish export industry. This can be safeguarded through maintaining diversified borrowing and high liquidity. SEK strives to maintain the company's solid credit rating and the favorable reputation that it has earned through its long-standing experience and presence on the global financial markets.

Borrowing and liquidity

Bond issue

SEK borrows funds using several different instruments in various geographic markets and targets both institutional and private investors. SEK also issues green bonds to finance green loans.



New lending capacity*

Part of the liquidity portfolio forms a contingency for new lending in the event of poorer access to the capital markets.



Collateral*:

SEK neutralizes market risk through derivative contracts. SEK also has collateral agreements in place with all counterparties to neutralize the counterparty risk that arises in conjunction with derivative contracts.



Committed undisbursed loans*

Lending commitments that are as yet undisbursed have been funded in advance as SEK does not assume any refinancing risk.

* SEK holds liquidity investments as a contingency for disbursements of new loans and committed loans as well as for payments under the collateral agreements SEK has in place with derivative counterparties.



New lending including disbursement of committed loans

By matching the maturities of available financing with lending, SEK ensures that it can meet its obligations. This applies to all of lending commitments, for both loans outstanding and committed undisbursed loans.

In 2020, the market was primarily characterized by the ongoing pandemic. Major turbulence in the financial system arose at the end of the first quarter. A dampened spread of infection combined with record-large fiscal packages and low interest rates led to gradual stabilization beginning in May and throughout the summer. In the fourth quarter, the market was torn between hope and despair. A second wave has had a negative impact while hope for imminent vaccination has positively impacted the market.

During the year, SEK issued four public benchmark bonds totaling USD 5.25 billion, that were well received. The first of these four was for USD 1.75 billion with a maturity of three years. This is the largest issue in the company's history.

SEK has remained active in the Japanese Uridashi market, where it remains one of the largest foreign issuers. SEK issued the same volume in 2020 as in 2019 despite the market decreasing in absolute terms during the year.

The borrowing volume increased substantially during the year due to the company's increased lending. In total, SEK completed approximately 190 borrowing transactions in eight currencies at a total volume of about Skr 123 billion, compared with approximately Skr 80 billion in 2019. SEK continues to maintain high liquidity for new lending and remains well prepared to meet the future financing needs of the Swedish export industry.

Green loans

SEK provides green loans for exports that promote a transition to a climate-neutral economy and to meet the UN's SDGs. An increased volume of green loans contributes to increasing exports of Swedish environmental expertise worldwide and is also a profitable business for SEK, refer to Sustainability Note 6.

Green bonds and SOFR

In line with SEK's focus on sustainability, the company has issued five new green bonds and issued five new tranches of existing bonds for a total of Skr 5.1 billion during the year. In the fourth quarter, SEK conducted its first public secured overnight financing rate (SOFR) transaction. SOFR is the new reference rate that will replace the USD LIBOR. SEK completed a borrowing program for USD 700 million over two and a half years, making it one of the very first in its segment to conduct such a transaction, which is good for the company's marketing and reputation.

A sustainable workplace

In 2020, SEK has worked with strategic changes to increase selling power by ensuring proactivity and the right expertise in the company. In line with this, employees have implemented updated core values focusing on being professional, simplifying difficulties and building sustainable relationships.

Work environment, leadership and employeeship

This year, high demands have been placed on leadership and employeeship. A coaching approach, openness and mutual responsibility has provided good prerequisites for managing the situation while focusing on SEK's mission.

Since the beginning of March, as a further effect of the pandemic, the vast majority of SEK's employees have been working remotely, which has worked very well for all functions, both from a technical and a practical viewpoint. Customer meetings have also been conducted remotely with great success. SEK has prepared measures to reduce the risk of infection at the workplace and to ensure a healthy work environment for those working remotely. Investments have been made for the physical and psychological work environments and increased support has been provided for managers and employees. SEK has continuously carried out pulse surveys to find out how employees are experiencing their work situation. The results of pulse surveys have demonstrated that, on a fundamental level, motivation is relatively high, but with variations over time, and that the work-life balance has been deemed less successful. Remote working combined with high business pressure has resulted in a higher workload than usual.

Employee survey

This year's employee survey was completed in October. Participation in the survey was just over 90 percent, which shows high commitment among our employees. The results demonstrate an increase in nine of ten key areas compared with the corresponding survey in 2018. The areas of highest value were reputation, collaboration, loyalty, immediate managers and work content. The year's employee survey also showed that the job satisfaction index rose from 67 to 69.

Competence and development

In 2020, SEK commenced strategic work in the area of skills supply. The aim is to be an attractive employer by ensuring that the right competence is in the right place and to provide employees with the long-term development that they require. By clarifying roles, responsibilities and working methods, the company is better equipped to reach business goals and ensure increased selling power.

These efforts formed the basis for strategic requirements and thereafter, the focus has been on clarifying roles and responsibilities by completing competence analyses. These analyses help to paint a picture of the expectations that the organization has of various roles, and the success factors for these roles. By conducting competence analyses, SEK is provided with a shared language and clarity in terms of the

behavior, knowledge and experience that are critical for each role. This is a development initiative for the organization and employees that focuses on the strategic skills supply, increased selling power, clarifying development opportunities and maximizing the potential of SEK's employees.

The Swedish Export Academy training program, including participants such as Business Sweden, EKN, Almi and the Ministry for Foreign Affairs, was conducted in 2020. The program aims to develop employees as well as collaboration between the organizations.

Diversity

SEK aims to be a workplace where equality and diversity are naturally included. Each year, SEK establishes goals for its diversity work. One goal is to achieve as even a gender distribution as possible in executive management and other management positions. At year-end, the proportion of women was 62 percent on the Board of Directors, 50 percent in executive management and 48 percent in management positions (including executive management). Another goal is that the number of employees with a foreign background should exceed 25 percent. The most recent measurement in 2017 showed that 33 percent of SEK's employees had a foreign background.

Health

SEK's long-term ambition is to be a workplace that contributes to good health and to work with preventive measures, which has been a strength during the ongoing pandemic. The company's perks include wellness contribution, private medical and health insurance, and domestic services.

New employees


During the year, SEK has recruited employees mainly for IT and Risk. At the end of the year, SEK had 253 employees. Eight employees chose to change their jobs internally and 25 new employees were recruited during the year.

Procurement of products and services

A well-functioning procurement process is very important if SEK is to have cost-efficient operations and to ensure that supplies meet SEK's sustainability requirements. All of SEK's suppliers must commit to comply with SEK's Code of Conduct or demonstrate that they have an equivalent approach. In 2020, SEK bought goods and services for approximately Skr 300 million. The largest cost items within purchasing are office rent, IT systems, consulting services, market data and legal advice. SEK has approx 700 suppliers, of which approximately 540 are based in Sweden and others predominantly reside in Europe or the United States.

Sustainability Report

SEK's sustainability information is integrated into the annual report. In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, SEK has, however, chosen to prepare part of the statutory sustainability report separate from the Report of the Directors. See details below for where to find the various parts.

					
Business model	Policy	Result of policies	Material risks	Risk management	Performance indicators
Sustainability efforts are integrated in the business plan.	SEK has a sustainability policy that includes all material sustainability topics. The risk policy includes managing sustainability risks.	The policies are followed up with operating targets and risk appetites.	SEK's material sustainability risks are anti-corruption and business ethics, and environment, climate, human rights and labor conditions in conjunction with lending.	Sustainability risk is a type of risk and is managed in SEK's risk framework.	The key performance indicators relate to the climate, projects and green financing. SEK also have KPIs for a sustainable workplace.
SEK's value creation and business model pages 18-19	Sustainability Notes 4-8 pages 124-131	Targets and outcomes page 16, Note 26 page 103, Sustainability Notes 5-8 pages 125-131	Risk section page 38, Note 26 page 103, Sustainability Notes 5-8 pages 125-131	Risk section page 38, note 26 page 103, sustainability notes 5-8 pages 125-127	Targets and outcomes page 16, KPIs page 33, Sustainability Notes 5-9 pages 125-131

Key performance indicators

Skr mn (unless otherwise indicated)	2020	2019	2018	2017	2016
Results					
Net interest income	1,946	1,717	1,442	1,683	1,747
Operating profit	1,238	1,304	852	1,007	1,002
Net profit	968	1,027	648	772	780
C/I-ratio	0.31	0.35	0.41	0.36	0.34
After-tax return on equity	4.9%	5.5%	3.6%	4.5%	4.6%
After-tax return on assets	0.3%	0.3%	0.2%	0.3%	0.3%
Earnings per share before and after dilution (Skr)	243	257	162	193	195
Dividend	290	-	194	232	234
Statement of financial position					
Total assets	335,399	317,296	302,033	264,392	299,442
Total liabilities	315,335	298,214	283,794	246,818	282,306
Total equity	20,064	19,082	18,239	17,574	17,136
Lending					
New customer financing	125,470	74,515	57,015	89,305	54,856
<i>of which to Swedish exporters</i>	62,148	24,901	18,014	21,643	18,107
<i>of which to exporters' customers</i>	63,322	49,614	39,001	67,662	36,749
<i>CIRR-loans as a percentage of new lending</i>	15%	21%	9%	41%	20%
Loans outstanding and undisbursed loans	288,891	269,744	260,040	268,034	263,483
Borrowing					
New borrowing	123,156	81,053	60,411	82,441	70,388
Outstanding senior debt	287,462	273,017	257,847	224,833	252,948
Outstanding subordinated liabilities	-	-	-	2,040	2,266
Capital and liquidity position					
Common Equity Tier 1 capital	21.8%	20.6%	20.1%	20.6%	22.1%
Tier 1 capital ratio	21.8%	20.6%	20.1%	20.6%	22.1%
Total capital ratio	21.8%	20.6%	20.1%	23.0%	25.1%
Leverage ratio	5.8%	5.7%	5.6%	5.9%	5.3%
Liquidity coverage ratio (LCR)	447%	620%	266%	169%	215%
Net stable funding ratio (NSFR)	135%	120%	144%	140%	132%
Sustainability					
New lending to green loans (Skr mn)	10,827	3,036	2,044	2,385	3,334
Total greenhouse gas emissions from own operations in ton CO ₂ e	165	381	415	440	402
Allocation of women/men in management positions	48/52	42/58	41/59	42/58	36/64
Percentage of employees who have completed training in SEK's Code of Conduct including anti-corruption	100%	100%	99%	96%	97%

For definitions, see page 140. For information on Alternative Performance Measures (APM), see www.sek.se

Review of 2020

All amounts in this Report of the Directors relate to the Consolidated Group, unless otherwise stated, see Note 1. As of December 31, 2020, the Consolidated Group comprised SEK and wholly-owned, non-active subsidiary, SEKETT AB. These are jointly referred to as the "Consolidated Group" or the "Group". The Parent Company's results and assets correspond predominantly to those of the Group and, accordingly, the information essentially reflects the conditions in the Parent Company. For differences in the accounting policies between the Group and Parent Company, see Note 1 (r).

Business reporting

In 2020, SEK lent a total of Skr 125.5 billion (2019: Skr 74.5 billion), which set a new record. Previously, the record for new lending in a single year was in 2009 at Skr 122.5 billion during and in the aftermath of the financial crisis. In times of economic crisis, when the capital markets may cease to function as effectively, SEK can be a tool for the state to ensure vital financing for the Swedish export industry, which the company's lending levels this year have again confirmed, as was the case during and in the aftermath of the financial crisis.

SEK's good name has enabled long-term financing of the substantial increase in demand from clients over the year. In 2020, SEK has raised borrowings corresponding to Skr 123 billion with long maturities, that is, maturities of at least one year, an increase of Skr 42 billion year-on-year. A considerable portion of the long-term borrowing, 87 percent, was conducted in the form of plain vanilla transactions sold to investors worldwide. SEK also issued commercial papers with shorter maturities, corresponding to Skr 27 billion in 2020. SEK's long-term relationships with investors and its good name in the capital markets resulted in the increased volumes being well received.

As part of its efforts to adapt to the replacement of the USD LIBOR, SEK issued a SOFR-linked USD 700 million bond in November.

In line with SEK's focus on sustainability, the company also issued Skr 5.1 billion in green bonds during 2020.

In 2020, credits were granted to nine larger international projects where SEK conducted separate sustainability reviews in line with the OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence as well as the Equator Principles. In 2020, new lend-

ing that qualified for classification as green loans amounted to Skr 10.8 billion (2019: Skr 3.1 billion).

New lending

Skr bn	2020	2019
Lending to Swedish exporters ¹	62.2	24.9
Lending to exporters' customers ²	63.3	49.6
Total	125.5	74.5
<i>CIRR-loans as percentage of new financial transactions</i>	<i>15%</i>	<i>21%</i>

1 Of which Skr 1.1 billion (year-end 2019: Skr 1.8 billion) had not been disbursed at period end.

2 Of which Skr 17.9 billion (year-end 2019: Skr 16.3 billion) had not been disbursed at period end.

SEK's borrowing

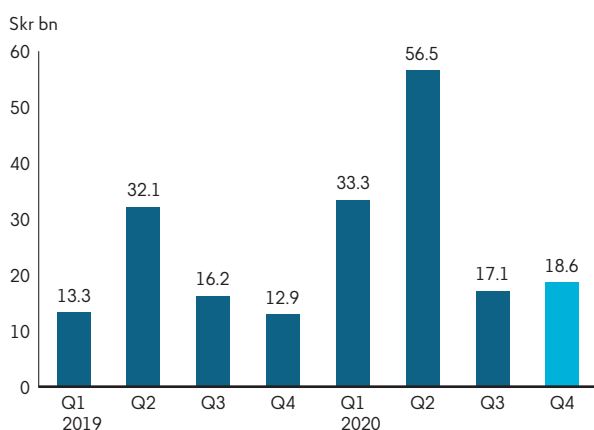
Skr bn	2020	2019
New long-term borrowing	123.2	81.1
Outstanding senior debt	287.5	273.0
Repurchase and redemption of own debt	3.0	21.3

Factors affecting SEK's total comprehensive income

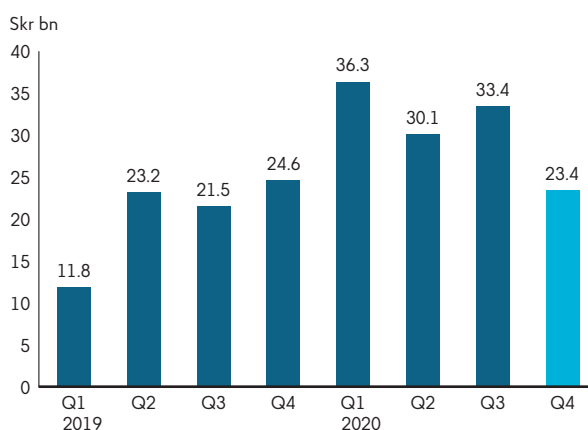
A major part of SEK's operating profit derives from net interest income, which is earned mainly on loans to clients, but also to a lesser extent on liquidity investments. Borrowing for these assets comes from equity and from securities issued in international capital markets. Accordingly, the key determinants of SEK's operating profit are: the interest rate on interest-bearing assets, the interest rate of issued securities, the outstanding volume of interest-bearing assets and the proportion of assets financed by equity.

SEK issues debt instruments with terms that may be fixed, floating or linked to various indices. SEK's strategy is to economically hedge these terms at floating rates with the aim of matching the terms of its debt-financed assets. The quality of SEK's operating profit, its relatively stable credit ratings and SEK's public role have enabled SEK to achieve borrowing at

New lending



New borrowing, long-term borrowing



levels that are competitive within the market. Another factor affecting net interest income is the size of the resolution fee, which SEK is required to pay to a fund to support the recovery of credit institutions. In 2020, the resolution fee amounted to 0.05 percent of the calculation basis (2019: 0.09 percent), which essentially corresponds to SEK's debt financed assets less the CIRR loans.

In addition to net interest income, another key influence on SEK's operating earnings has been changes in the fair value of certain assets, liabilities and derivatives. The factors that mainly impacts unrealized changes in fair value is short interest rates, credit spreads and cross-currency basis spreads. Cross-currency basis spread is the deviation in the nominal interest rate between two currencies in a currency interest rate swap caused by the difference between the base interest rate of the currencies. Operating expenses also have an important impact on SEK's operating profit.

Other comprehensive income is primarily affected by unrealized changes in value attributable to credit spreads on SEK's own debt, which relate to the credit rating attributed to SEK by its investors. Actuarial profits and losses on SEK's defined benefit plans also affect other comprehensive income.

Operating profit

Operating profit amounted to Skr 1,238 million (2019: Skr 1,304 million). Net profit amounted to Skr 968 million (2019: Skr 1,027 million). In both cases, the positive impact of increased net interest income was offset by an increase in provisions for expected credit losses and lower net results of financial transactions.

Net interest income

Net interest income amounted to Skr 1,946 million (2019: Skr 1,717 million), an increase of 13 percent compared to the previous year. The record high volumes of new lending during the year affected net interest income positively. Net interest income also increased by Skr 83 million due to a lower resolution fee, which amounted to Skr 86 million (2019: Skr 169 million).

The table below shows average interest-bearing assets and liabilities.

Skr bn, Average	2020	2019	Change
Total loans	224.6	213.4	5%
Liquidity investments	61.4	62.9	-2%
Interest-bearing assets	305.5	284.8	7%
Interest-bearing liabilities	280.2	265.4	6%

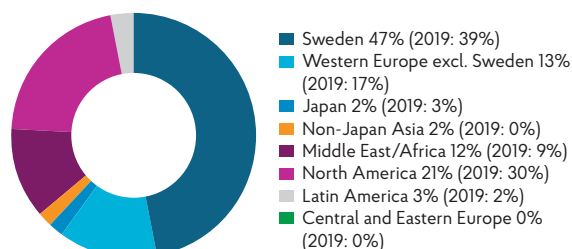
Commission earned and commission incurred

Commission earned and commission incurred amounted to Skr -42 million (2019: Skr -33 million). Commission earned amounted to Skr 1 million (2019: Skr 1 million). Commission incurred amounted to Skr -43 million (2019: Skr -34 million).

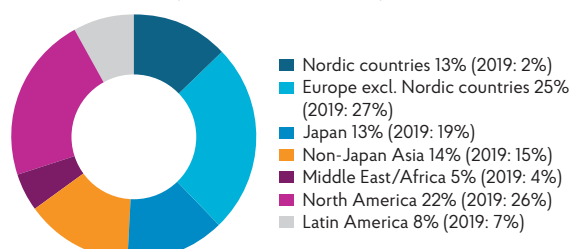
Net results of financial transactions

Net results of financial transactions amounted to Skr 83 million (2019: Skr 226 million) mainly due to effects from basis spreads

SEK's markets for new lending 2020, Skr 125.5 billion (2019: Skr 74.5 billion)



SEK's markets for new borrowing, long-term, 2020, Skr 123.2 billion (2019: Skr 81.1 billion)



and differences between the gains or losses on hedging instruments and the related hedged items. During the year, there was significant volatility in the financial markets. This was reflected in wide swings in the market factors to which SEK's unrealized earnings are exposed, such as interest rates and basis and credit spreads. The impact on total earnings during the year was limited, however, even if individual market factors contributed to increased volatility in unrealized earnings during the year.

Operating expenses

Skr mn	2020	2019	Change
Personnel expenses	-347	-333	4%
Other administrative expenses	-198	-206	-4%
Depreciation and impairment of non-financial assets	-51	-57	-11%
Total operating expenses	-596	-596	0%

Operating expenses were unchanged compared to the previous year. A provision of Skr 8 million was made for the individual variable remuneration program (2019: Skr 10 million).

Net credit losses

Net credit losses amounted to Skr -153 million (2019: Skr -10 million), which consisted entirely of increased provisions for expected credit losses. The significant increase in provisions for expected credit losses was primarily attributable to market conditions in the wake of the COVID-19 pandemic leading to an increase in stage 1 expected credit losses. SEK's IFRS 9 model

is based on GDP growth projections estimating the impact on the probability of default. SEK's management believes it underestimates the probability of default within the asset portfolio, see Note 9. SEK has accordingly made an overall adjustment.

Loss allowances as of December 31, 2020 amounted to Skr -249 million compared to Skr -128 million as of December 31, 2019, of which exposures in stage 3 amounted to Skr -46 million (year-end 2019: Skr -64 million). The decrease in stage 3 is the result of an established loss, which had previously been fully reserved, partially offset by increased exposures in stage 3.

Taxes

Tax costs amounted to Skr -270 million (2019: Skr -277 million), of which Skr -266 million (2019: Skr -570 million) consisted of current tax and Skr -1 million (2019: Skr 291 million) consisted of deferred tax (see note 10). The effective tax rate amounted to 21.8 percent (2019: 21.2 percent), compared to the nominal tax rate for 2020 of 21.4 percent (2019: 21.4 percent).

Other comprehensive income

Skr mn	2020	2019
Items to be reclassified to operating profit	-	-8
<i>of which other comprehensive income effects related to cash-flow hedges</i>	-	-8
Items not to be reclassified to operating profit	19	20
<i>of which own credit risk</i>	18	24
<i>of which revaluation of defined benefit plans</i>	1	-4
Other comprehensive income before tax	19	12

Other comprehensive income before tax amounted to Skr 19 million (2019: Skr 12 million), mainly due to a positive result related to changes in own credit risk, which is included in items not to be reclassified to operating profit.

Return on equity

After-tax return on equity amounted to 4.9 percent (2019: 5.5 percent).

Statement of financial position

Total assets and liquidity

Total assets increased compared to the end of 2019, mainly driven by increased lending volumes which more than offset the effect of a stronger Swedish krona. During the year SEK had a substantial increase in demand for financing, mainly from existing clients, which has also led to an increase in committed loans.

Skr bn	2020	2019	Change
Total assets	335.4	317.3	6%
Liquidity investments	59.2	63.6	-7%
Outstanding loans	231.7	217.6	6%
<i>of which loans in the CIRR-system</i>	<i>69.2</i>	<i>76.1</i>	<i>-9%</i>

Liabilities and equity

As of December 31, 2020, the aggregate volume of available funds and shareholders' equity exceeded the aggregate vol-

ume of loans outstanding and loans committed at all maturities. SEK considers all of its outstanding commitments to be covered through maturity.

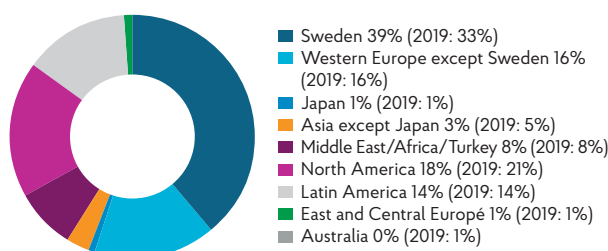
SEK has a credit facility in place with the Swedish National Debt Office of up to Skr 200 billion. To ensure coverage of the increased demand from clients within the officially supported export credit ("CIRR") framework, SEK utilized Skr 10 billion from the facility during the first quarter of 2020. The credit facility can be utilized for both loans covered by the CIRR-system and, up to Skr 15 billion, for commercial export financing. The credit facility is intended as a reserve when funding markets are not available to SEK. In February 2021, the Swedish parliament decided to extend the credit facility for 2021.

Credit risks

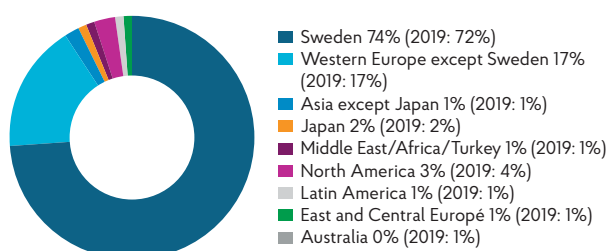
Total exposures amounted to Skr 359.5 billion on December 31, 2020 (year-end 2019: Skr 347.5 billion). Credit exposures to central governments and corporates have increased during the year as a result of increased lending to Swedish exporters, part of which has been guaranteed by government agencies. Exposures to financial institutions have decreased due to active liquidity management measures by the company, see note 26.

The credit risk is limited primarily through the use of guarantees. The guarantors are predominantly government export credit agencies in the OECD, of which the Swedish Export Credits Guarantee Board (EKN) is the largest, which explains the higher net exposure toward Sweden in the following diagram.

Gross exposures per region, December 31, 2020



Net exposures per region, December 31, 2020



Other exposures and risks

SEK's hedging transactions are expected to be effective in offsetting changes in fair value attributable to hedged risks. The determination of the gross value of certain items in the statements of financial position, particularly derivatives and unsecured liabilities, which effectively hedge each other, requires complex judgments regarding the most appropriate valuation technique, assumptions and estimates. If different valuation models or assumptions are used, or if assumptions change, a different result may arise. Excluding the impact on the valua-

tion of spreads on SEK's own debt and basis spreads, which can be significant, such changes in fair value would generally offset each other, with little impact on the value of net assets.

SEK maintains a conservative policy with regard to market risk exposures, primarily consisting of interest rate risks and currency risks. For quantitative and qualitative information about risks and exposures, see the "Risk and capital management" section of this annual report as well as Note 26.

Capital adequacy

As of December 31, 2020, SEK's total own funds amounted to Skr 19.5 billion (year-end 2019: Skr 18.3 billion). The total capital ratio was 21.8 percent (year-end 2019: 20.6 percent), representing a margin of 6.8 percentage points above SEK's estimate of Finansinspektionen's (the Swedish FSA) requirement of 15.0 percent as of December 31, 2020. The corresponding Common Equity Tier 1 capital estimated requirement was 9.5 percent. Given that SEK's own funds are comprised solely of Common Equity Tier 1 capital, this represents a margin of 12.3 percentage points above the requirement. Overall, SEK is strongly capitalized and has healthy liquidity.

Percent	Dec 31, 2020	Dec 31, 2019
Common Equity Tier 1 capital ratio	21.8	20.6
Tier 1 capital ratio	21.8	20.6
Total capital ratio	21.8	20.6
Leverage ratio	5.8	5.7
Liquidity coverage ratio (LCR) ¹	447	620
Net stable funding ratio (NSFR) ¹	135	120

1 In the first quarter of 2020, SEK changed its methodology for calculating LCR and NSFR as an adaptation to future regulatory requirements. The changes to the LCR calculation only have a marginal effect on the outcome, while the new NSFR calculation has a slight positive effect.

Results under the CIRR-system

Pursuant to the company's assignment as stated in its owner instruction issued by the Swedish government, SEK administers credit granting in the Swedish system for officially supported export credits (CIRR-system). The CIRR-system paid net compensation to SEK of Skr 196 million (2019: Skr 192 million). This is compensation paid to SEK for carrying the CIRR-system loans and their related credit risks on SEK's balance sheet. The compensation is included in SEK's net interest income.

Skr mn	2020	2019	Change
Results from the CIRR-system	-95	-24	-296%
<i>of which interest differential compensation</i>	14	1	1,300%

The CIRR-loans are provided under agreements within the OECD, which is a common regulatory framework for the individual countries' subsidies on their export industries. Exporters are offered the opportunity to fix interest rates for the period of the offer. CIRR-loans are provided in collaboration between SEK, EKN and commercial banks.

The aggregate result for CIRR-based export credits under the system for the period from 1990 to 2020 amounted to

approximately Skr 3.2 billion, with an average year-end volume of outstanding loans at Skr 22.7 billion. The result for the past five years amounts to Skr 259 million and the average volume of outstanding loans amounts to Skr 62.8 billion.

Investments

SEK continually invests in the development of new IT systems in order to meet regulatory requirements, to develop the business and to ensure appropriate and effective IT support for the company's business and support processes. During 2020, an intensive development work on methods and processes related to SEK's increased client focus has been made, which has implicated large IT expenditures. Combined with development of new IT-systems to meet regulatory requirements. Capital expenditures in IT systems during 2020 amounted to Skr 51 million (2019: Skr 28 million).

Proposal for the distribution of profits

All amounts are in Skr million, unless otherwise indicated.

The results of the Consolidated Group's and the Parent Company's operations during the year and its financial position at December 31, 2020, can be seen in the statement of comprehensive income, statement of financial position and statement of cash flows for the Consolidated Group as well as the income statement, balance sheet and statement of cash flows for the parent company and related notes.

The Board has decided to propose the payment of a dividend of Skr 290 million (2019: -) at the Annual General Meeting, corresponding to the company's dividend policy of 30 percent of the profit for the year. The dividend is within the framework of the Swedish FSA's recommendation. The following proposal regarding distribution of profits relates to the Parent Company.

At the disposal of the Annual General Meeting	15,840
The Board of Directors proposes that the Annual General Meeting dispose of these funds as follows:	
- Dividend to the shareholder of Skr 72.78 per share, amounting to	290
Remaining disposable funds to be carried forward	15,550

Unrealized changes on assets and liabilities at fair value have affected the equity of the Parent Company with one percent.

The own funds for the Group amounted to Skr 19,450 million as of December 31, 2020, resulting in a total capital adequacy ratio of 21.8 percent. It is the assessment of the Board of Directors that the proposed dividend has coverage in equity. The own funds and the volume of liquidity investments will, even after the proposed dividend continue to be satisfactory in relation to the line of business the company operates in, and the company is assumed to fulfill its obligations in the short and long term. Thus, it is the assessment of the Board of Directors that the proposed dividend is justifiable considering the demands with respect to the size of the company's and the Group's equity, which are imposed by the nature, scope and risks associated with the business, and the company's and the Group's need for consolidation, volume of liquidity investments and financial position in general.

Risk and capital management

The Risk and capital management section addresses significant aspects of SEK's risk and capital management. For detailed descriptions, including quantitative information on SEK's capital adequacy and its risk and capital management, refer to Note 25 and Note 26, respectively. For supplementary and expanded information, refer to the separate risk report, "Capital Adequacy and Risk Management Report – Pillar 3 2020", available at www.sek.se.

Events in 2020

2020 has been dominated by the COVID-19 pandemic regarding general economic outlook and the export companies' abilities to pursue its activities. Globally GDP decreased by 4.3 percent due to the pandemic, while in Sweden GDP decreased by 2.8 percent. The fact that GDP did not decrease more is probably due to the major financial rescue packages that have been initiated globally during the year in order to avoid the economic consequences of the pandemic. Swedish economy and the Swedish export companies have managed well under the current circumstances and SEK has therefore not reported any substantial incurred credit losses. However, reserves for expected credit losses has increased but not in a magnitude which have hindered SEK from continuing lending to its customers in accordance with their needs. During the year, the credit volumes have been record high, which has meant that SEK has been able to refinance its relatively large disbursements related to new lending. The market conditions have varied during the year but the financial markets have been surprisingly strong given the restrained situation. This is probably due to the rescue packages mentioned earlier. At the end of 2020, positive news regarding development of several effective vaccines against COVID-19 and a clear outcome in the U.S. presidential election have helped to stabilize the markets even though the increase in spread of infections and the delay in the Brexit negotiations have had an opposite effect.

SEK's capital adequacy has improved in 2020. At the end of the year, the total capital ratio was 21.8 percent (2019: 20.6 percent), of which the Tier 1 capital ratio and the Common Equity Tier 1 ratio amounted to 21.8 percent (2019: 20.6 percent). The increase was primarily due to decreased risk in the liquidity portfolio, strengthening of the Swedish krona against USD and EUR and increased own funds. Increased lending volumes had a counteracting effect.

SEK's total exposures increased since the end of 2019 related to increased lending volumes were primarily net exposures towards central governments and corporates increased. The leverage ratio amounted to 5.8 percent (2019: 5.7 percent) at year end.

SEK's largest financial risks are credit risk (Skr 6.1 billion (2019: Skr 7.3 billion) in allocated capital), market risk (Skr 1.1 billion (2019: Skr 1.1 billion) in allocated capital) and operational risk (Skr 0.2 billion (2019: Skr 0.2 billion) in allocated capital) in line with internally assessed capital adequacy.

The minimum requirement for own funds and eligible liabilities (MREL) is 7.0 percent (the corresponding requirement for 2020: 7.2 percent) of total liabilities and own funds. SEK meets these requirements since a portion of the senior debt can be included at present. Under the applicable Swedish

legislation, SEK needs to issue at least Skr 12 billion in Senior non-preferred (SNP) debt before 2024, said debt being subordinate to other senior debt (senior preferred).

SEK's liquidity was fairly stable during the year but with a volatile market during the beginning of the COVID-19 pandemic in the latter part of the first quarter and in the second quarter. Capacity for managing operational and structural liquidity risk has been good. This was confirmed by new lending capacity, which has been at a high level and amounted to 3 months (2019: 5 months), and by the liquidity coverage ratio (LCR), which was 447 percent (2019: 620 percent) at year end. The net stable funding ratio (NSFR) amounted to 135 percent (2019: 120 percent) at year end.

Following the early COVID-19 crisis, the risk level regarding market risk in SEK's portfolio has been reduced, which is reflected in a reduction in stressed VaR for positions that impact own funds.

Capital target

The Company's capital target, which is one of the principal control instruments, is established by the Swedish Government at a general meeting of the shareholders. The capital target is designed to ensure that SEK has sufficient capital to support its strategy and that regulatory requirements are met, even in the event of deep economic declines. In addition, SEK's own funds must also cover the volatility that may be expected under normal conditions. The capital target is for SEK's total capital ratio to amount to between two (2) and four (4) percentage points over the requirement communicated by Finansinspektionen (the Swedish FSA). Moreover, SEK's Common Equity Tier 1 ratio is in total at least four (4) percentage points above the requirement communicated by the Swedish FSA.

In accordance with the Swedish FSA's latest published capital evaluation SEK was required to have a total capital ratio and a CET1 ratio of 14.7 percent and 9.8 percent, respectively (2019: 16.4 percent and 11.5 percent respectively). The decrease in requirements are mainly related to that the Swedish Financial Supervisory Authority in 2020 lowered the countercyclical buffer rate that is applied to exposures located in Sweden from 2.5 percent to 0.0 percent. This measure lowered SEK's capital requirements with approximately 1.8 percent. The requirements should be compared with a total capital ratio and CET1 ratio on December 31, 2020 of 21.8 percent (December 31, 2019: 20.6 percent). Since SEK's Total capital ratio exceeds the Swedish FSA's total capital requirements, this means that SEK exceeds the lower limit of in the capital target. The outcome, however, exceeds the upper limit in the capital target, which is explained by SEK's need to have

extra capital resources in place for new lending during the pandemic together with the lowering of the countercyclical buffer rate.

Core risk management principles

SEK must be selective in its choice of counterparties and clients in order to ensure a strong credit rating. SEK only lends funds to clients who have successfully undergone SEK's procedure for gaining understanding of the customer and its business relations (know your customer), and have a business structure that complies with SEK's mission of promoting the Swedish export industry.

The business operations are limited to financial solutions and positions that the Company has approved and has procedures for, whose risks can be measured and evaluated and where the Company complies with international sustainability risk guidelines.

SEK's liquidity strategy entails that the Company secures financing that, at the very least, has the same maturities as the funds that it lends.

Risk appetite

The Board decides on the Company's risk appetite, which is to encompass all of the Company's significant risk classes and to express the outer limits for the business operations. The risk appetite must specify the risk measurements that, in the opinion of the Board, provide information that is sufficient for

the members of the Board to be well versed in the type and scope of the Company's risks. The risk appetite is strongly connected to the Company's loss capacity and thus to its equity. At least on a quarterly basis, the Board is provided with a comprehensive update of the risk exposures' relationship to the risk appetite.

Refer also to the "SEK's risks and risk management" section, where the risk appetite by risk class is described in detail.

SEK's risk framework

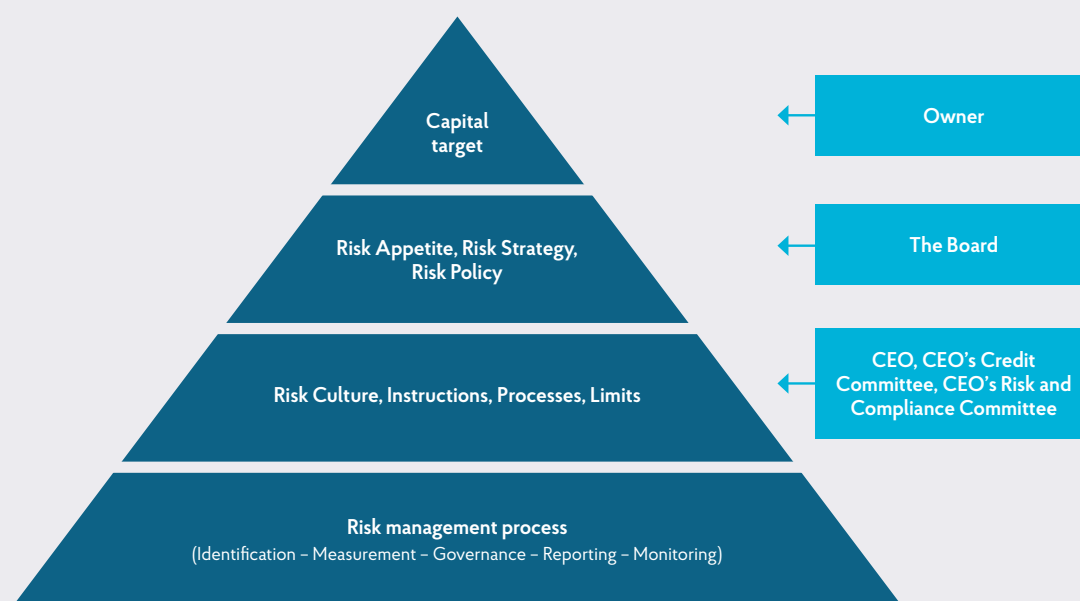
Effective risk management and control in SEK are based on a sound risk culture, a shared approach and a well-functioning control environment. SEK emphasizes the importance of high risk awareness among personnel and an understanding of the importance of preventive risk management to, thereby, keep risk exposure within the determined level. SEK also has a risk framework, see the Risk Framework illustration.

The structure of the risk framework is ultimately governed by SEK's mission from its owner, the Swedish government, and SEK's business model.

The capital target constitutes the outer boundary for SEK's strategy. Within the restrictions of the capital target, risk appetite is stated, which is expressed by risk class and comprises the risk to which the Board is prepared to expose SEK in order to achieve its strategic objectives. Risk governance is specified in the form of a risk strategy, a risk policy, in SEK's risk culture, and in instructions, processes and limits. These

SEK's risk framework

The risk framework encompasses the entire operations and is ultimately governed by SEK's mission.



policy documents describe the risk management process and define what activities and operations are included in the process, and how they should be performed. The policy documents also indicate how responsibility is structured in terms of the execution, monitoring of and compliance with risk management.

Risk governance

The Board of Directors has ultimate responsibility for governing and monitoring risk exposure and risk management, and for ensuring satisfactory internal control. The Board determines the overall risk governance by taking decisions on such matters as risk appetite and risk strategy. The Board also decides on risk policies and on matters of considerable importance to credit granting. For a detailed description of the Board of Directors' rules of procedure, refer to the Corporate Governance Report.

SEK has organized risk management and risk control in accordance with the principle of three lines of defense in the form of clear-cut separation of responsibility between the commercial and support operations that own the risks, the control functions that independently identify and monitor the risks and an internal audit, which reviews the control functions; see diagram below.



Risk management process

The Company's risk management process encompasses: identification, measurement, management, reporting, control and monitoring of those risks with which the business is associated and for which SEK has formulated internal controls with this purpose in mind. SEK's risk management process consists of the following key elements:

Risk identification — at any given time, SEK must be aware of the risks to which it is or can be exposed. Risks are identified, primarily in new transactions, in external changes in SEK's operating environment or internally in, for example, products, processes, systems and through annual risk analyses that include all aspects of SEK. Both forward-looking and historical analyses and testing are performed.

Measurement — the size of the risks is measured on a daily basis in respect of significant measurable risks or is assessed qualitatively as frequently as necessary. For those risks that are not directly measurable, SEK evaluates the risk according to models that are based on SEK's risk appetite for the respective risk class, specifying appropriate scales of probability and consequence.

Governance — SEK aims to oversee the development of business, actively utilize risk-reduction capabilities and control the development of risks over time to ensure that the business activities are kept within the risk appetite and limits. SEK also plans and draws up documentation to ensure the continuity of business-critical processes and systems and that planning is carried out for crisis management. Exercises and training regarding the management of situations that require crisis and/or continuity planning are performed continuously.

Reporting — the Company reports on the current risk situation, on the use of capital and on related matters to the CEO, the Finance and Risk Committee and the Board, at least once each quarter.

Control and monitoring — SEK checks and monitors compliance with capital targets, risk appetite, limits, risk management and internal and external regulations to ensure that risk exposures are kept at an acceptable level for SEK and that risk management is effective and appropriate.

Internal capital and liquidity assessment processes

The internal capital adequacy assessment process is an integral part of SEK's strategic planning¹. The purposes of the internal capital adequacy assessment process are to ensure that SEK has sufficient capital to meet the regulatory requirements under both normal and stressed financial conditions and to support SEK's high credit rating. The capital kept by SEK must be sufficient in relation to the risks that SEK has, or can be exposed to. The capital adequacy assessment is based on SEK's internal assessments of the risks and their development, as well as assessments of risk measurement models, risk governance and risk management. It is integrated into business planning and forms the foundation for SEK's strategy for maintaining an adequate level of capital. Capital adequacy assessments are conducted at least for the forthcoming three-year period.

In addition to the internal capital adequacy assessment process, an in-depth liquidity analysis is performed. During the planning period, the liquidity requirement and its com-

position in terms of liquidity requirements for different currencies, among other items, are evaluated to ensure the Company has adequate liquidity to implement the business plan and meet regulatory requirements.

To arrive at an adequate capitalization level that also applies under stressed financial conditions, an analysis is conducted of how the capitalization is affected by stress in global financial markets, as well as of other factors that impact SEK's business model and net risk exposure.

When SEK performs the internal capital adequacy assessment, it applies methods other than those used for the Swedish FSA's capital requirement. The assessment is based on SEK's internal calculation of economic capital, which captures all of the specific risks to which SEK's operations are exposed, even risks over and above those included in the Swedish FSA's capital requirement. For example, for credit risk, economic capital is based on a quantitative approach whereby Value at Risk (VaR) is calculated at a confidence level of 99.9 percent. This quantitative estimate is performed using a simulation-based tool that produces a probability distribution of the value of the credit portfolio over a defined time horizon (usually one year).

In addition to the internal capital adequacy assessment, SEK also estimates the total capital requirement as set for SEK by the Swedish FSA in its annual review and evaluation process. The capital adequacy assessment estimated by the Swedish FSA is a minimum requirement for SEK's own funds.

During 2020, the Swedish FSA has published amended rules and a change in the application of banks' capital requirements. The changes result from the implementation of the EU's Banking Package. These changes mean, among other things, that the Swedish FSA must decide on a Pillar 2 requirement and announce a Pillar 2 guidance for the capital it believes the institutions should hold above the capital requirement to cover risks and future financial stresses. FI will also announce an additional leverage ratio requirement in addition to the minimum requirement, in the form of Pillar 2 guidance. Both Pillar 2 guidelines will be institution specific and non-binding. Decisions on Pillar 2 requirements and notification of Pillar 2 guidance will be announced after the first evaluation and review which will take place after the entry of the amended supervision act.

In SEK's assessment, SEK has own funds that comfortably exceed both the internally estimated need of own funds and the total capital requirement calculated by the Swedish FSA. For supplementary and expanded information, refer to the separate risk report, "Capital Adequacy and Risk Management Report – Pillar 3 2020", available at www.sek.se.



Detailed risk statement

Risk class	Risk management	Risk profile	Risk appetite	Proportion of Economic capital
Credit risk				
Credit risk is the risk of losses due to the failure of a credit (or an arrangement similar to that of a credit) to be fulfilled. Credit risk is divided into issuer risk, counterparty risk, concentration risk, settlement risk and country risk (including transfer risk).	Lending must be based on in-depth knowledge of SEK's counterparties as well as counterparties' repayment capacity. Lending must also be aligned with SEK's mission based on its owner instruction. SEK's credit risks are mitigated through a risk-based selection of counterparties and managed through the use of guarantees and other types of collateral. Furthermore, SEK's lending is guided by the use of a normative credit policy, specifying principles for risk levels and lending terms. Concentrations that occur naturally as a result of the Company's mission are accepted, but the Company continuously works towards reducing the risk of concentration where this is possible.	SEK's lending portfolio is of a high credit quality. The Company's mission naturally entails certain concentration risks, such as geographical concentration risk in Sweden. The net risk is principally limited to counterparties with high creditworthiness, such as export credit agencies (ECAs), major Swedish exporters, banks and insurers. SEK invests its liquidity in high credit quality securities, primarily with short maturities.	Moderate (SEK's risk appetite for credit risk is higher than other risks.)	58.4%
Liquidity risk				
Liquidity and refinancing risk is the risk, within a defined period of time, of the company not being able to refinance its existing assets or being unable to meet the need for increased liquidity. Liquidity risk also includes the risk of having to borrow funds at unfavorable interest rates or needing to sell assets at unfavorable prices in order to meet payment commitments. Liquidity risk encompasses refinancing risk and market liquidity risk.	SEK must have diversified funding to ensure that funding is available through maturity for all credit commitments – credits outstanding as well as agreed but undisbursed credits. The size of SEK's liquidity investments must ensure that new lending can take place even during times of financial stress.	SEK has secured funding for all its credit commitments, including those agreed but not yet disbursed. In addition, the size of SEK's liquidity investments allow new lending to continue at a normal pace, even during times of stress. As a consequence of SEK having secured funding for all its credit commitments, the remaining term to maturity for available funding is longer than the remaining term to maturity for lending.	Low	-
Market risk				
Market risk is the risk of loss or change in future net income resulting from, for example, changes in interest rates, exchange rates, commodity prices or share prices. Market risk includes price risk in connection with sales of assets or the closing of exposures.	SEK conducts no active trading. The core of SEK's market risk strategy is to borrow funds in the form of bonds which, regardless of the market risk exposures in the bonds, are hedged by being swapped to a floating interest rate. Borrowed funds are used either immediately for lending, mainly at a floating rate of interest, or swapped to a floating rate, or to ensure that SEK has sufficient liquidity. The aim is to hold assets and liabilities to maturity.	SEK's business model leads to exposure mainly to spreads, interest-rate risk and currency risk. SEK's largest net exposures are to changes in spreads, mainly to credit spreads associated with assets and liabilities and to cross-currency basis spreads.	Low	10.9%
Operational risk				
Operational risk is the risk of losses resulting from inappropriate, inadequate or faulty internal processes or procedures, systems, human error, or from external events. Operational risk includes legal, IT and information security risk.	SEK manages the operational risk on an ongoing basis through mainly efficient internal control procedures, performing risk analysis before changes, focus on continuous improvements and business continuity management. Costs to reduce risk exposures must be in proportion to the effect that such measures have.	Operational risks arise in all parts of the business. The vast majority of incidents that have occurred are minor events that are rectified promptly within each function. Overall operational risk is low as a result of effective internal control measures and a focus on continuous improvement.	Low	1.9%

Risk class	Risk management	Risk profile	Risk appetite	Proportion of Economic capital
Compliance risk				
Compliance risk is the risk of failure to meet obligations pursuant on the one hand to legislation, ordinances and other regulations, and on the other hand to internal rules. Compliance risk includes the risk of money laundering and financing of terrorism.	SEK works continuously to develop tools and knowledge to help identify the company's compliance risks. The company analyses and monitors compliance risks with the intention of continuously reducing the risk of non-compliance with regulations pertaining to operations requiring permits.	SEK's operations lead to exposure to the risk of failing to comply with current regulatory requirements and ordinances in markets in which the company operates.	Low	-
Business and strategic risk				
Strategic risk is the risk of lower revenue because strategic initiatives fail to achieve the pursued results, inefficient organizational changes, improper implementation of decisions, unwanted effects from outsourcing, or the lack of adequate response to changes in the regulatory and business environment. Strategic risk focuses on large-scale and structural risk factors. Business risk is the risk of an unexpected decline in revenue resulting from, for example, changes to competitive conditions with a decrease in volumes and/or falling margins.	SEK's executive management is responsible for identifying and managing the strategic risks and monitoring the external business environment and developments in the markets in which SEK conducts operations and for proposing the strategic direction to the Board. A risk analysis in the form of a self-assessment concerning strategic risk is to be conducted each year.	SEK's strategic risks mainly arise through changes in the external operating environment, such as market conditions, which could result in limited lending opportunities for SEK, and regulatory reforms from two perspectives: (1) the impact of these reforms on SEK's business model; and (2) the requirements on the organization resulting from increased regulatory complexity.	Low to moderate	-
Sustainability risk				
Sustainability risk is the risk that SEK's operations directly or indirectly impact their surroundings negatively with respect to business ethics, corruption, climate and the environment, human rights and labor conditions. Human rights includes the child rights perspective; labor conditions encompasses gender equality and diversity; and ethics includes tax transparency.	Sustainability risks are managed according to a risk-based approach. In cases of heightened sustainability risk, a detailed sustainability review is performed and measures could be required in order to mitigate environmental and social risks. Requirements are based on national and international regulations and guidelines within the areas of environment and climate, anti-corruption, human rights including labor conditions and business ethics including tax.	SEK is indirectly exposed to sustainability risks in connection to its lending activities. High sustainability risks could occur in financing of large projects or businesses in countries with high risk of corruption or human rights violations.	Low to moderate	-



Lars Linder-Aronson
Chairman of the Board

Chairman's statement

SEK stands strong during the pandemic and economic crisis

When I wrote the Chairman's statement in 2019, the coronavirus and COVID-19 were still unknown terms in Sweden. News came in of a new, to that point unknown virus in China, but it took just more than one month before it had spread to other parts of the world. In March, the pandemic hit home with a force that led to deep human suffering, enormous stress on healthcare, business and workplace closures and substantial concern in the financial markets.

SEK quickly rearranged its operations and activated the company's crisis management plans. Most employees moved their workplaces to the home, from which the vast majority of whom have worked since then. A crisis management organization was initiated to coordinate operations in light of the new conditions.

The considerable financial concern that was triggered during the initial phase of the pandemic resulted in a liquidity crisis that had an immediate and substantial impact on companies and financial institutions. In Sweden, the government, parliament and authorities quickly ensured that the financial system had access to liquidity. SEK's prerequisites for supporting the Swedish export industry were strengthened in the form of, inter alia, an expanded credit facility with the Swedish National Debt Office.

SEK's owner instruction states that the company should be available as a tool for the state in the event of a crisis. Just as with the Lehman crash in 2008, monetary and capital markets ceased to function from one day to the next, and many companies' operations slowed down dramatically. This led to acute financing requirements in the business sector. Thanks to strong capitalization, a good liquidity reserve and the phenomenal reputation that SEK enjoys in the financial markets, SEK had the ability to meet its clients' needs.

It is with pride and joy that I note that SEK took to this challenge in the best way possible. In a short time, and under the stress of technical and communicative challenges, SEK was able to provide a large share of its clients' urgent liquidity

strengthening requirements. The state's tool was in place, well-oiled and up to the task.

But this year has not only been about the pandemic and crisis management. When economic activity returned, it led to new export transactions that SEK was able to participate in financing. During the year, SEK also contributed with financing of several projects aimed at the transition to a more fossil-frugal society. Green lending and borrowing is another area that has developed over the course of the year. SEK's ambition is that clients' green investments and initiatives should not only be in place from a sustainability perspective, but also for economic benefits. This will be accomplished by SEK's borrowing for green projects being provided with more favorable conditions than traditional borrowing.

At the time of writing, the pandemic is still raging with undiminished strength, but there is hope that vaccines and governmental support packages will form a light in the tunnel. SEK remains strong and ready to finance the Swedish export industry and contribute to a more fossil-frugal society.

Following such a year, I would like to convey an extra great thank you to our management and employees. Everyone has contributed in a unique way to managing the difficulties that have arisen and making sure that SEK can, together, continue to carry out its mission in the best way possible. I would like to give particular thanks to the IT department, who have succeeded with a seamless and well-functioning transition of operations from two workplaces to over 200 home offices in a short period of time.

Finally, I would like to thank the Board of Directors for its committed and energetic work, in which the knowledge and experience of Board members have been of great benefit during these, at times, difficult circumstances. I would like to pay particular thanks to the departing Board members Cecilia Ardström and Ulla Nilsson, who after ten years on the Board, are stepping down from their positions at the 2021 Annual General Meeting.

Corporate Governance Report 2020

SEK is a Swedish credit market institution, with its seat in Stockholm, Sweden. SEK is wholly owned by the Swedish state and under the administration of the Swedish Ministry of Enterprise and Innovation.

The government considers SEK a key actor in the state's promotion of the Swedish export industry and in the realization of the government's export strategy.

Corporate governance at SEK is based on Swedish law and the applicable Swedish and international regulations, including the international guidelines adopted by SEK.

The owner's governance of SEK is executed through the state's ownership policy for state-owned companies 2020 and owner instruction and, as for all Swedish limited companies, through the Swedish Companies Act (*aktiebolagslagen (2005:551)*) its Articles of Association, general meeting of shareholders, its Board and its CEO. In addition to its effort to operate responsibly, SEK complies with international sustainability guidelines.

The state's ownership policy and guidelines for companies with state ownership

On February 27, 2020, the Swedish Government adopted a new ownership policy for state-owned companies. In the state's ownership policy, the government details its mission and objectives, the applicable frameworks and its position on key policy issues pertaining to corporate governance at all state-owned companies. The state's ownership policy includes the government's guidelines for external reporting and guidelines for terms of employment for senior executives. Moreover, the state's ownership policy means that the Swedish Corporate Governance Code (the "Code") shall be applied.

As set out in the state's ownership policy, inter alia, as a state-owned company, SEK is to set a positive example for

sustainable business. For governance pertaining to sustainability, see Sustainability Note 4.

State-owned companies are subject to more substantial information requirements regarding sustainability reporting and, therefore, are to apply such regulations as the GRI Sustainability Reporting Guidelines or other international frameworks for sustainability reporting.

The Code

The Code is part of the Swedish government's framework for corporate governance. SEK complies with the Code in line with the owner's guidelines.

Deviations from the Code

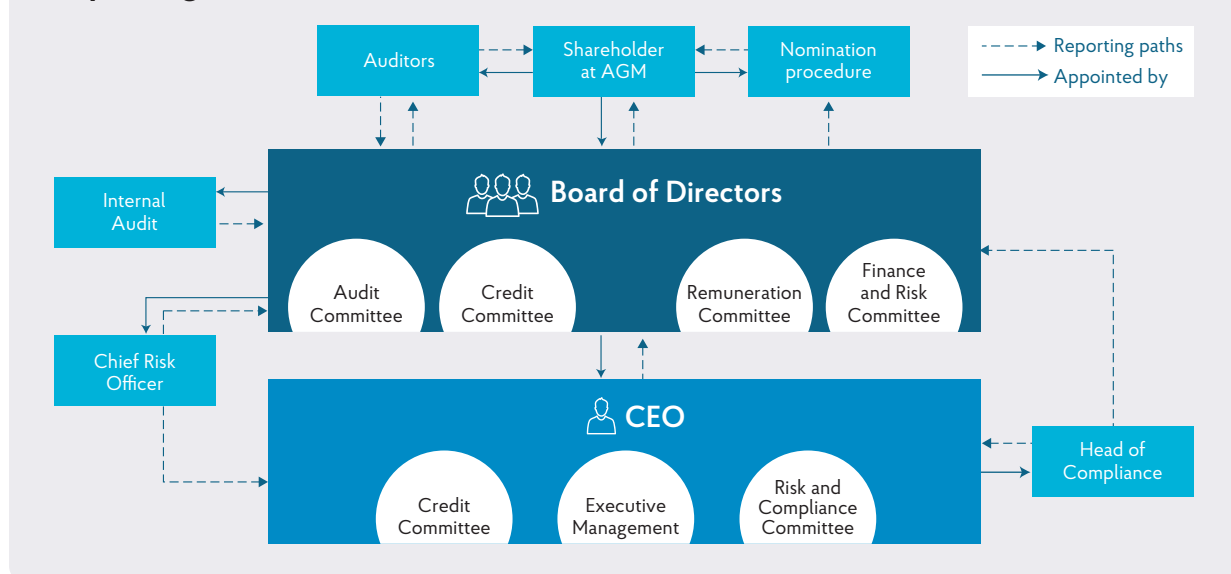
SEK chooses to deviate from the Code in regard to certain aspects, in accordance with the Code's regulations regarding "comply or explain." The reason for such deviations is that SEK is wholly owned by the state and it is not a publicly listed company with diverse ownership. SEK's corporate governance deviated from the requirements of the Code on the following points in the 2020 fiscal year:

Nomination Committee. The nomination process for Directors and auditors adheres to the principles described in the state's ownership policy.

Chairman of the General Meeting. The nomination process for the Chairman of the General Meeting adheres to the principles described in the state's ownership policy.

The Board of Directors' independence from the owner. In accordance with the state's ownership policy, SEK does not disclose whether the Directors are independent in relation to the owner.

Corporate governance structure



Owner instruction

The owner instruction states, inter alia, that SEK is to: (a) conduct lending operations on commercial and sustainable terms, within the scope of the objects set out in the Articles of Association, with the aim of promoting the Swedish export industry by offering financing solutions that directly or indirectly promote Swedish exports; (b) provide export credits, including the officially supported credits (CIRR loans); (c) in periods when the market can not satisfactorily provide financing to the Swedish export industry, constitute a tool whereby the government can take separate measures to ensure that such financing can be provided; and (d) promote compliance with international guidelines within the area of sustainable business relating to the environment, anti-corruption, human rights, labor conditions and business ethics. Where relevant when making credit assessments, SEK is to comply with international frameworks, such as the OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence or the Equator Principles, and observe the OECD's Recommendation of the Council on Sustainable Lending Practices and Officially Supported Export Credits. Accordingly, SEK's sustainability work is integrated into its corporate governance.

The owner instruction sets further requirements for the reporting and control of SEK's administration of the CIRR system under the specially commissioned public policy assignment from the government. The socioeconomic value of this can be evaluated in part by measuring the added value that SEK generates in terms of export credits, of which CIRRs comprise a part, and in part through the company conducting a stakeholder dialogue.

Articles of Association

SEK's Articles of Association regulate such issues as the operating targets of the company. The Articles of Association does not include any provisions for the appointment or removal of Directors, except for a provision stipulating that the Chairman of the Board is to be appointed by the general meeting of shareholders and the maximum and minimum number of Directors. For amendments to be made to the Articles of Association, the notice of the extraordinary general meeting that will address amendments to the Articles of Association is to be issued not earlier than six weeks and not later than four weeks prior to the meeting. SEK's Articles of Association do not contain any limitations on the number of votes that the shareholder can cast at a general meeting of shareholders.

General meeting of shareholders

Annual General Meeting

SEK's Annual General Meeting was held on March 26, 2020. External parties were entitled to attend the meeting. The minutes of the Annual General Meeting are available at www.sek.se.

The Annual General Meeting re-elected the following Directors: Lars Linder-Aronson, Cecilia Ardström, Anna Brandt, Reinhold Geijer, Hanna Lagercrantz, Hans Larsson, Eva Nilsagård and Ulla Nilsson. Lars Linder-Aronson was re-elected Chairman of the Board by the Annual General Meeting.

The Annual General Meeting adopted the Annual Report for 2019 submitted by the Board and the CEO, and discharged the Board and the CEO from liability for the fiscal year 2019. The owner resolved, given the current circumstances, to abstain from a dividend.

In addition, the Annual General Meeting resolved on unchanged guidelines for the remuneration of senior executives, see also under note 5 of the Annual Report, as well as the state's ownership policy, the government's Guidelines for external reporting in state-owned companies, and the government's Guidelines for remuneration and other terms of employment for senior executives in state-owned companies as adopted by the government on February 27, 2020.

The Board of Directors

The Board's composition and nomination procedure

The nomination procedure for Directors complies with the state's ownership policy and is conducted and coordinated by the Division for State-owned companies at the Swedish Ministry of Enterprise and Innovation. A working group analyzes the skills requirements based on the composition of the Board as well as the company's operations, status, future challenges and completed Board of Directors training. Any recruitment needs are then established and the recruitment process initiated. The state's ownership policy sets out that the government seeks to achieve an even gender balance and the target is a minimum of 40 percent board representation for both women and men. Boards with six to eight directors elected by the general meeting of shareholders must include at least three persons of each gender. Directors are to be selected from a broad recruitment base with the aim of utilizing the expertise of women and men, as well as of individuals with various backgrounds and experience. Discrimination based on gender, transgender identity or expression, ethnic affiliation, religion or other belief, disability, sexual preference or age is prohibited.

SEK carries out a suitability assessment of Directors and senior executives pursuant to the regulatory framework issued by the European Banking Authority (EBA). SEK's assessment of potential new Directors is based on the owner having identified the candidate in question according to a job specification. The owner is informed of the outcome following SEK's assessment. When the procedure is complete, the nominations are disclosed publicly in accordance with the provisions of the Code.

The Articles of Association stipulate that the Board is to comprise no less than six and no more than eight Directors. Directors are elected each year at the Annual General Meeting to serve until the end of the following Annual General Meeting. The CEO is not a Director. The Board of Directors consists of five women and three men. The names, ages, and main education of the Directors, and the number of Board and Committee meetings held during the year are presented on pages 48 and 52–53. None of the Directors or the CEO hold shares or financial instruments issued by SEK.

Chairman of the Board

The Chairman of the Board is elected by the annual general meeting of shareholders. Should the Chairman resign from the assignment during the term of office, the Board is to elect a new Chairman from within its ranks to serve until the end of the general meeting that elects a new Chairman. The Chairman leads the Board's work, monitors to ensure that the Board is performing its duties, represents the Board in relation to the owner and maintains contact with the owner. The Chairman is also responsible for initiating the annual evaluation of the

Board's and the CEO's work. The Chairman ensures that the Board receives adequate information and decision data for its work by, inter alia, informing the Board about what has transpired from contact with the owner. The Chairman also ensures that the Board receives the requisite training for the Board work to function efficiently, and checks that Board decisions are implemented.

The Board and its working methods

The Board is responsible for the organization and the administration of SEK's affairs of which sustainability forms an integral part. The Board is also tasked with ensuring that the company's financial statements, including sustainability reporting, are prepared in accordance with applicable legislation, accounting standards and other requirements. The Board must continually assess SEK's financial position and ensure

that SEK is structured in such a way that its accounting, management of funds and SEK's other financial circumstances are governed by satisfactory controls. The Board adopts the operating targets and strategies for the operations, and issues general internal regulations in policies and instructions. The Board ensures that an efficient system is in place to monitor and control SEK's operations. In addition, the Board is tasked with appointing, and dismissing if necessary, the CEO and the Chief Risk Officer, and deciding on the remuneration of these individuals and other members of executive management.

The Board's work follows the rules of procedure and the Board's annual plan, which are adopted each year at the statutory Board meeting. The Board of Directors met on 12 occasions in 2020. The CEO attends all Board meetings except those addressing matters in which there is a conflict of interest, such as when evaluating the CEO's work.

Attendance at Board and committee meetings in 2020

	Total	Board of Directors	Remuneration Committee	Finance and Risk Committee	Credit Committee	Audit Committee
Number of meetings	52	12	5	9	19	7
Lars Linder-Aronson ¹	47	12	5	9	19	2
Cecilia Ardström ²	28	12	0	9	0	7
Anna Brandt	31	12	0	0	19	0
Reinhold Geijer	36	12	5	0	19	0
Hanna Lagercrantz ³	26	12	5	7	0	2
Hans Larsson ⁴	26	12	0	9	0	5
Eva Nilsagård	24	12	5	0	0	7
Ulla Nilsson ⁵	38	12	0	2	19	5

1 Lars Linder-Aronson stepped down from the Audit Committee on March 26, 2020.

2 Cecilia Ardström resigned as a Chairman of the Finance and Risk Committee on March 26, 2020.

3 Hanna Lagercrantz was elected as a member of the Finance and Risk Committee on March 26, 2020 and on the same day she stepped down from the Audit Committee.

4 Hans Larsson was elected as a Chairman of the Finance and Risk Committee on March 26, 2020 and on the same day he was elected as a member of the Audit Committee.

5 Ulla Nilsson was elected as a member of the Audit Committee on March 26, 2020 and on the same day she stepped down from the Finance and Risk Committee.

Board's work during the year

The COVID-19 pandemic, that broke out in the spring of 2020, impacted the work of the company and of the Board during the year. A tangible result of this has been that a large share of the year's meetings have been held digitally. Another direct consequence was that in November 2020, the planned Board trip to New York and Washington was postponed.

When the crisis was at its worst, during the spring of 2020, much of the Board's time was devoted to monitoring the impact of the crisis on SEK's lending, but also its borrowing capacity and risk monitoring. The Board approved, for example, the utilization of the credit facility that SEK has with the Swedish National Debt Office. In June 2020, the Board also made a decision to amend the current business plan since the original business plan, that was adopted in autumn 2019, was broadly outdated six months after it was devised due to the major changes to conditions that the pandemic had led to.

In addition to matters that were more or less attributable

to the ongoing COVID-19 pandemic, the Board has managed customary matters but also gone into more depth with certain issues. The Board's strategy days during summer 2020 were devoted to such matters as the company's vision and core values as well as for the company's expanded initiative for transition credits. In addition, sustainability issues were addressed at a number of meetings, and the Board has promoted proposals to adjust the company's risk appetite so that transactions that involve financing the extraction and exploration of coal will cease. In autumn 2020, the Board followed up on the company's IT faculties and how the investments that have been made to strengthen IT capacity have developed.

In 2020, the Board of Directors also held specific training courses. The themes taken up included capital issues from a broader perspective, the design and function of the recovery plan and a review of the IBOR reform (transition to essentially risk-free rates) and SEK's efforts to adjust to the changes that this entails.

The Board established the following committees. The Board's rules of procedure include establishing annual instructions for all of its committees. The minutes from each committee are reported at Board meetings by the respective committee's chairman.

Remuneration Committee

Lars Linder-Aronson (Chairman), Reinhold Geijer, Hanna Lagercrantz and Eva Nilsagård



In addition to regular matters, the Remuneration Committee has devoted more time to issues that address the skills supply and competence development during the year, and how to ensure that the organization is efficient in reaching its objectives.

- Prepare matters relating to employment terms and conditions, salaries, pensions and other benefits for the CEO and the management, and general issues relating to salaries, pensions and other benefits.
- Prepare proposals regarding the remuneration policy for decision by the Board.
- Prepare proposals on salaries for other individuals in management positions for whom the Board determines the terms of remuneration.
- Evaluate compliance with the Annual General Meeting's resolutions on remuneration.

Finance and Risk Committee

Hans Larsson (Chairman), Cecilia Ardström, Hanna Lagercrantz and Lars Linder-Aronson



In the autumn, when the markets reacted most markedly, the Committee carefully monitored the company's capacity to finance the increasing client demand and the general risk scenario. During the year, the Committee also devoted extra time on reviewing the company's limit structure, and prepared questions that address changes to SEK's internal ratings based methodology

- Ensure that the company can identify, measure, manage, report internally and control the risks to which it is or can be expected to be exposed.
- Prepare matters pertaining to general policies, strategies and risk appetite in all risk and capital-related issues where sustainability risk is a component, as well as regarding overall issues concerning the company's financial operations.
- Set limits for such risk and capital-related matters that the Board delegates to the Committee to determine, and to establish measurement methods and limits concerning market and liquidity risk, in addition to models for valuing financial instruments.

Credit Committee

Ulla Nilsson (Chairman), Anna Brandt, Reinhold Geijer and Lars Linder-Aronson



The Credit Committee decided 95 cases (2019: 58) over the year. The Committee is the final instance for credit decisions with the exception of credit decisions that are of fundamental or otherwise significant importance to the company, which are determined by the Board. No such cases arose in 2020. During the year, much of the Committee's time was spent monitoring elevated credit risks in the wake of the COVID-19 pandemic and preparing decisions on credit provisions. The committee has also prepared questions that address SEK's focus on financing the transition.

- Ensure the Board's involvement in decision-making regarding credit risks.
- Prepare matters relating to credits and credit decisions that are of fundamental or otherwise significant importance to the company, and also to take decisions regarding credits in accordance with the delegation rules determined by the Board and in which sustainability aspects are included.

Audit Committee

Cecilia Ardström (Chairman), Hans Larsson, Eva Nilsagård and Ulla Nilsson



In 2020, the Audit Committee has, in addition to the ongoing work concerning auditing, continued its focus on monitoring the company's efforts to strengthen internal controls. Additional time was devoted to the credit provisions that had been made.

- Monitor the company's financial reporting and submit recommendations and proposals aimed at assuring the reliability of the company's reporting.
- Monitor the efficiency of the company's internal control, internal audit and risk management in terms of the financial reporting.
- Evaluate the audit process and inform the Board of the results and, through the Chairman of the Board, to inform the company's owner about the results of the evaluation.
- Keep informed about the audit of the annual accounts and the consolidated financial statements, as well as the conclusions of the Supervisory Board of Public Accountants' quality control.
- Assist in the preparation of proposals regarding the selection of auditors for resolution by the general meeting of shareholders.

Policy documents

In 2020, SEK's Board and committees adopted the following policies and instructions:

Document

The Board's rules of procedure
Code of Conduct
Sustainable Business Policy
Risk Policy
Credit Policy
Instruction for the CEO
Instruction for the Chief Risk Officer, CRO
Instruction for the Internal Audit function
Instruction for the Compliance function
Limits for market risk
Limits for liquidity risk
HR policy
Credit Instruction
Audit instruction

Evaluation of the work of the Board of Directors and the CEO

A separate assessment of the work of the Board and CEO is carried out once a year under the leadership of the Chairman. The results of this assessment were reported to the Board and, by the Board's Chairman, to the owner. An evaluation is also performed by the owner in conjunction with the nomination of Directors. The evaluation for 2020 was conducted with particular focus on the assessment that is to be made of the Board of Directors' suitability as a group in accordance with the regulations issued by the EBA.

Remuneration of the Board of Directors and senior executives

Information regarding remuneration of the Board, CEO and executive management and the Board's proposals to the Annual General Meeting are presented in Note 5 of this Annual Report.

Chief Executive Officer

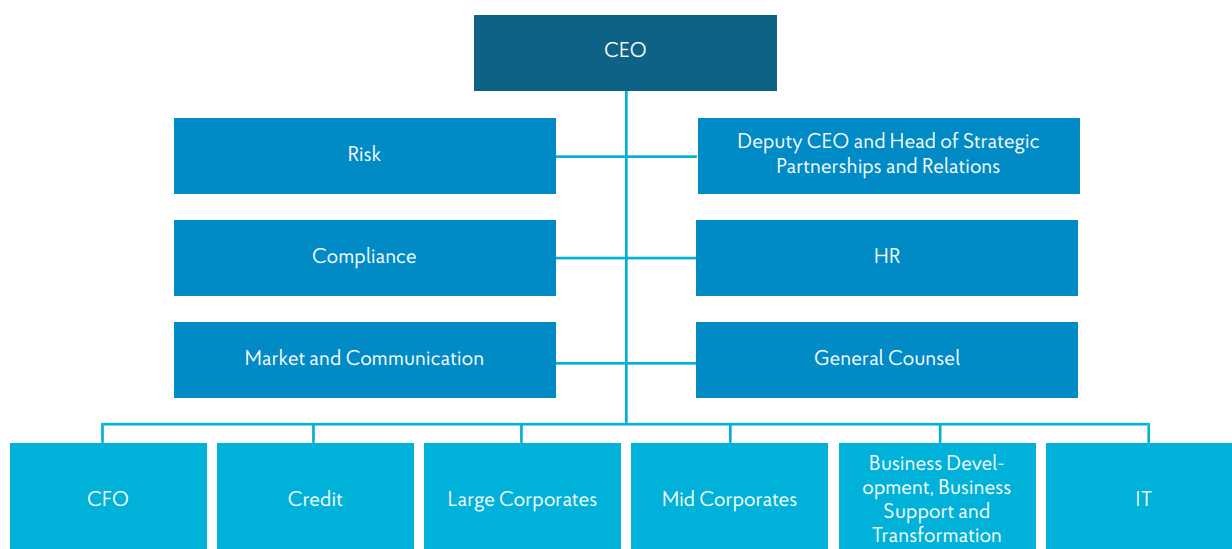
Catrin Fransson has been the CEO of SEK since the 2014 Annual General Meeting. Catrin Fransson was born in 1962 and has an MSc in Economics and Business from Luleå University of Technology. The Board of Directors has established an instruction for the CEO's work. The CEO is responsible for day-to-day management of business operations in accordance with the Board's guidelines, established policies and instructions. The executive management (EM) is tasked with supporting the CEO in the operational management of the company.

The CEO has appointed a Risk and Compliance Committee (RCC), which has the main task of acting as a consultative body supporting the CEO on risk-related questions and questions pertaining to regulatory compliance. The RCC is tasked with preparing questions pertaining to risk and regulatory compliance, and which are to be addressed or decided by the Finance and Risk Committee, the Audit Committee or the Board. Moreover, the RCC is responsible for following up risk reports, deviations from planned measures due to identified deficiencies, and for the implementation of new and amended regulations. The internal audit function is co-opted to all of the RCC's meetings.

According to the Credit Instruction, all decisions pertaining to credits/exposures are taken by not less than two employees jointly. Accordingly, the CEO may not take any unilateral credit decision. The Board's Credit Committee has instead delegated the mandate to the company's Credit Committee (CC). The CEO is Chairman of the CC and the Committee is to be comprised of the members appointed by the Board's Credit Committee. For the CC to be quorate three members must participate in the meeting. Decisions by the CC must be unanimously. In the case of disagreement, the case is referred to the Board's Credit Committee for decision.

Organization

Effective from January 1, 2021, SEK has implemented a new organization aimed at reaching business goals and ensuring increased selling power. Large Corporates and Mid Corporates have been replaced by the Customer relations and Structured finance functions. The sustainability analysis has moved from Credit to Legal, with the Legal function changing name to Legal and Sustainability Analysis.



Internal governance, control and risk management

The Board is responsible for SEK's internal governance and control. Effective internal control is built on a sound culture regarding risk, effective internal processes and procedures, as well as the proper functioning of the control environment through operationally integrated internal controls. The functions for compliance, risk and internal audit monitor the management of operational risk, and compliance with policy documents. All managers in each area of responsibility have an obligation to ensure that the operation for which they are responsible is conducted with good internal governance and control.

Compliance function

The compliance function assignment comprises identifying risks that the company may not meet its obligations according to legislation, regulations and other rules that apply to its operations requiring permits. The compliance function shall also assess the appropriateness of the measures taken to mitigate these risks. The compliance function is independent of the business operations and reports directly to the CEO. Within the framework of its assignment, the function monitors and controls the function of compliance with external and internal rules, provides advice and support to the business on compliance-related issues, and informs and trains the relevant executives. Reporting is made continuously to the CEO and quarterly in written and verbal form to the Board and the CEO. The scope and direction of the compliance function's work is established in an annual plan determined by the Board of Directors.

Risk function

The risk function is assigned responsibility for ensuring compliance with the overall approach and the internal rules for risk management at the company, as well as monitoring compliance with the decisions of the Board and the CEO

regarding risk management and control. The assignment also includes monitoring that the company's business operations and support functions manage risk in a satisfactory manner. The Risk function is to monitor that all material risks to which SEK is exposed, or can expect to be exposed to, are identified and managed by the relevant functions. In addition, the Risk function is to check that the company has adequate ability to, as quickly as possible, collect and automatically collate data for the company's material and measurable risks and check that the IT systems that support the collation can meet various analysis requirements. The Risk function is to comprise individuals with sufficient knowledge of methods and procedures to manage risks, and of markets and products, to be able to provide relevant and independent information, analyses and expert opinions about the company's risks. The person responsible for the independent risk control function is the CRO, who reports directly to the CEO, and reports regularly to the Board of Directors and the CEO.

Internal audit

SEK has an independent internal audit function that reviews the company's internal governance and control. The Board establishes the auditing assignment each year by means of an audit plan, which takes into account the mandatory audits required by applicable legislation. The assignment involves checking and assessing whether the company's risk management, governance, control, reporting and management processes and regulatory compliance are effective and suitable. The internal audit reports its observations to the Board and the CEO. As of 2019, the external party conducting the internal audit is Deloitte. The appointment of an external party to perform the internal audit provides SEK with access to significant and extensive capabilities for auditing the company's regulatory compliance, particularly capital adequacy, including audits of ICAAP and the company's IRB model.

Framework for internal control

Monitoring activities

- Control testing
- Annual assessments

Information and communication

- Internal reporting
- External reporting



Code of Conduct

It is the responsibility of the CEO to establish guidelines so that all employees understand the requirement for maintaining ethical values and the role of each individual in such work, as regulated in part by the Code of Conduct, which is adopted each year by the Board, and confirmed in writing by all employees. The Code of Conduct demands integrity and ethical conduct and is communicated to employees through annual training sessions. Suspected conduct that could involve or lead to a breach of the law, unethical behavior, infringement or suspected breach of the Code of Conduct must be reported. These types of breaches can also be reported anonymously via SEK's whistleblow system, which is managed by a third party. SEK's Code of Conduct is available at www.sek.se.

Internal governance, control and risk management with regard to financial reporting

To ensure correct and reliable financial reporting, SEK has developed a management system for financial reporting based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework for internal control (2013 version). This internal control framework is divided into five components: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities.

Governance and control environment

The governance and control environment comprises, for example, the attitude from the management, as well as policies and instructions from the Board of Directors and executive management. For a strong internal control environment, it is important that the Board of Directors and executive management indicate the significance of good internal control and that there are relevant and appropriate policies and instructions in the area.

Risk assessment

SEK performs an annual risk assessment at management, function and process level. The aim is to identify, document and quantify the consequences and probability of events occurring that could entail that SEK's targets cannot be achieved or errors in the financial reporting. The company carries out regular risk assessments during the year in the event of material changes for the company.

Control activities

Controls have been designed based on identified risks to prevent, detect and correct errors and discrepancies.

The controls are conducted as company-wide controls, as general IT controls and at transaction level. Company-wide controls include instructions and procedures regarding authorizations, powers and responsibilities relating to credit granting, and monitoring of compliance. General IT controls include change management, back-up procedures and rights.

Transaction-based controls, whether manual or automated, are carried out to manage the risk of errors occurring in financial reporting. Such controls include reconciliations and analyses. Processes and controls are documented in the form of flow charts and descriptions of individual control activities, which specify who executes a particular control, how it is implemented and how implementation of the control is to be documented.

Information and communication

Policies, instructions, guidelines and operating procedures are continually updated and communicated to the staff via relevant channels, primarily via the intranet, internal training and personnel meetings. Formal and informal communication between staff and management is promoted by the small number of employees and their geographic location, primarily at one office.

Monitoring activities

Monitoring and testing of control activities are carried out on an ongoing basis throughout the year to ensure that risks are taken into account and managed satisfactorily. Testing is carried out by staff who are independent of the implementation of controls and who are capable of evaluating the implementation of controls. Measures to address any deficiencies are monitored by the Risk and Compliance Committee and the Audit Committee. The executive management has also established controls to ensure that appropriate measures are taken in response to the recommendations made by the internal audit function and by the auditors elected by the Annual General Meeting.

SEK is a foreign private issuer as defined by US regulations and is therefore also affected by the US Sarbanes-Oxley Act (SOX). SOX requires the executive management to assess and comment, each year, on the efficiency of the internal control of financial reporting based on the testing of internal controls. No corresponding expression of opinion is required of the company's auditors for the category of companies to which SEK belongs under the US regulatory framework. The executive management has assessed the internal control of financial reporting in accordance with the rules applicable to foreign private issuers. At December 31, 2020, the conclusion was that effective and efficient controls were in place relating to internal control of financial reporting.

Auditors

The 2020 Annual General Meeting elected Öhrlings Price-waterhouseCoopers AB as auditor of the company, with auditor Authorized Public Accountant Anneli Granqvist as Principal Auditor and Authorized Public Accountant Peter Sott as co-signing auditor. The Swedish National Audit Office may appoint one or more auditors to participate in the annual audit. However, this did not occur in 2020.

Each year, the Audit Committee reviews the audit plan and is informed of the audit observations on an ongoing basis. The company's auditors are always present at the meetings of the Audit Committee and were present at one Board meeting. The Board of Directors holds a meeting with the company's auditors at least once a year without the attendance of the CEO or any other member of the executive management. The Board also receives summary audit reports.

The Board of Directors



Lars Linder-Aronson

Chairman of the Board, Chairman of SEK's Remuneration Committee. Member of SEK's Finance and Risk Committee and SEK's Credit Committee and SEK's Audit Committee. **Born:** 1953. **Education:** MSc Economics and Business, Stockholm School of Economics. **Elected:** 2011. **Previous positions:** Managing Director Enskilda Securities AB and Deputy Managing Director Skandinaviska Enskilda Banken AB. **Other appointments:** Chairman of the Board: Strand European Holdings AB, Nordisk Renting AB, Ursvik Entré Holding AB and Urvik Entré AB. Director: Facility Labs AB, Morco Förvaltning AB and Bright Group Oy.



Cecilia Ardström

Director, Chairman of SEK's Audit Committee and SEK's Finance and Risk Committee. **Born:** 1965. **Education:** Economics, Gothenburg School of Business, Economics and Law. **Elected:** 2011. **Previous positions:** Chief Financial Officer and Head of Asset Management, Länsförsäkringar AB. Head of Treasury, Tele2 Group. Head of Asset Management and CIO, Folksam Group. **Other appointments:** Director: Doro AB, Teracom AB and Guldillen AB. **Current position:** Acting CEO at AMF Fonder AB and CFO, Corpia Group AB.



Anna Brandt

Director, Member of SEK's Credit Committee. **Born:** 1961. **Education:** MSc Economics and Business, Stockholm School of Economics. **Elected:** 2017. **Previous positions:** Executive Director and Member of the Board: the World Bank; the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB). Ambassador for Agenda 2030 at the Ministry for Foreign Affairs, Ambassador to Nairobi, Kenya and Ambassador to Dublin, Ireland. **Current position:** Ambassador and permanent representative of Sweden to the OECD and UNESCO, Paris.



Reinhold Geijer

Director, Member of SEK's Credit Committee and SEK's Remuneration Committee. **Born:** 1953. **Education:** MSc Economics and Business, Stockholm School of Economics. **Elected:** 2017. **Previous positions:** Chief Executive Officer, the Royal Bank of Scotland, Nordic Branch. Chief Executive Officer, Nordisk Renting AB. Executive Vice President, Telia AB. Chief Executive Officer, Swedbank. Earlier employments in Ericsson Radio Systems AB, SSAB Swedish Steel and Weyerhaeuser Integrated Forest Company, USA. **Other appointments:** Chairman of the Board, BTS Group AB. Director, Eterna Invest AB; Zacco A/S and Livförsäkringsaktiebolaget Skandia ömsesidigt.

Auditors: Öhrlings PricewaterhouseCoopers AB, auditors at SEK since 2017.

Principal auditor: Authorized Public Accountant Anneli Granqvist. Born: 1972. Auditor at SEK since 2017.

Co-signing auditor: Authorized Public Accountant Peter Sott. Born: 1982. Auditor at SEK since 2020.



Hanna Lagercrantz

Director, Member of SEK's Audit Committee and SEK's Remuneration Committee. **Born:** 1970. **Education:** M.Sc, Stockholm School of Economics, M. Phil Economics Cambridge University, UK. **Elected:** 2019. **Previous positions:** Member of the Board at LKAB, SBAB, SOS Alarm AB, Swedish Space Corporation (SSC), Svenska Skeppshypotekskassan, Swedfund International AB and AO Dom Shvetsii. She has previously served at SEB, UBS and S.G. Warburg. **Other appointments:** Board member of Almi Företagspartner AB and Research Institutes of Sweden Holding (RISE) AB. **Current position:** Investment Director, Ministry of Enterprise.



Hans Larsson

Director, Member of SEK's Finance and Risk Committee. **Born:** 1961. **Education:** Bachelor of Business Administration and Economics, Uppsala University. Advanced Management Program (AMP), Stockholm School of Economics (SSE). **Elected:** 2017. **Previous positions:** Head of Group Strategy & Business Development, SEB. Executive Vice President and Chief of Staff, Lindorff Group. Director Nordax AB and Nordax Bank AB. **Other appointments:** Director, Nordnet AB, Nordnet Bank AB, Intrum AB and Norwegian Finance Holding ASA / Bank Norwegian AS. Chairman of the Board, Linderyd Advisory AB. **Current position:** Founder and CEO, Linderyd Advisory AB and Lunda Advisory AB.



Eva Nilsagård

Director, Member of SEK's Audit Committee and SEK's Remuneration Committee. **Born:** 1964. **Education:** MSc in accounting and financial management and Executive MBA from the School of Business, Economics and Law at the University of Gothenburg. **Elected:** 2018. **Previous positions:** CFO, Plastal Industri AB. SVP Strategy & Business development, Volvo Trucks (EMEA). CFO, Vitrolife AB. VP Finance & IT, Volvo Penta. Other senior positions within finance and business development in Volvo, the AstraZeneca Group and SKF. **Other appointments:** Director and Chairman of the audit committee, AddLife AB, Bufab AB, Xbrande Biopharma AB, Hansa Biopharma AB, Nimbus Group AB and Irras AB. Chairman of the Board Spermosen AB. **Current position:** Founder and CEO, Nilsagård consulting.



Ulla Nilsson

Director, Chairman of SEK's Credit Committee and member of SEK's Finance and Risk Committee. **Born:** 1947. **Education:** M. Pol. Sc.; and Economics and Business Administration, Uppsala University. **Elected:** 2011. **Previous positions:** Managing Director, Swedish Chamber of Commerce to the United Kingdom. Skandinaviska Enskilda Banken AB: Global Head of SEB Futures London, Chairman of Enskilda Futures Limited London, Head of Trading & Capital Markets Singapore, Head of Treasury Luxemburg and Skånska Banken. **Other appointments:** Honorary Vice President, Swedish Chamber of Commerce to the United Kingdom. Deputy board member of Ergomiljö i Kristianstad AB.

No members of the Board hold shares or other financial instruments in the company.

Management



Catrin Fransson

CEO

Born: 1962

Education: MSc Economics and Business, Luleå University

Employed: 2014

Other appointments: Chairman of the Board, Almi Företagspartner Stockholm Sörmland AB and member of the Board of Trustees, SNS (Centre for Business and Policy Studies)



Per Åkerlind

Deputy CEO and Head of Strategic Partnerships and Relations

Born: 1962

Education: MSc in Engineering, the Royal Institute of Technology, Stockholm

Employed: 1990

Other appointments: Chairman of the Credit Markets Group SFF



Karl Johan Bernerfalk

General Counsel, Head of Legal

Born: 1972

Education: LLM, Lund University

Employed: 2007

Other appointments: –



Andreas Ericson

Head of Mid Corporates

Born: 1976

Education: Business Studies Program, University of Westminster

Employed: 2010

Other appointments: Director, Cold Lake AB; Hanson Motor i Mora AB and Gravesen Invest AB



Stefan Friberg

Chief Financial Officer

Born: 1968

Education: MSc Business and Economics, Stockholm University

Employed: 2015

Other appointments: –



Teresa Hamilton

Burman

Chief Credit Officer

Born: 1962

Education: MSc Business and Economics, Stockholm University

Employed: 2015

Other appointments: –



Jens Hedar
Head of Large Corporates
Born: 1974
Education: Studies at the Stockholm School of Economics
Employed: 2007
Other appointments: –



Petra Könberg
Head of Marketing and Communications
Born: 1969
Education: Market Economist DIHM, IHM Business School Stockholm
Employed: 2017
Other appointments: –



Sirpa Rusanen
Chief Human Resources Officer
Born: 1964
Education: Behavioral Science Degree, Lund University
Employed: 2005
Other appointments: –



Susanna Rystedt
Head of Business Development, Business Support and Transformation
Born: 1964
Education: MSc Economics and Business, Stockholm School of Economics
Employed: 2009
Other appointments: Director, AB Trav och Galopp



Peter Svensén
Chief Risk Officer
Born: 1974
Education: MSc in Industrial Engineering and Management, Linköping University
Employed: 2019
Other appointments: –



Madeleine Widaeus
Chief Information Officer
Born: 1970
Education: MSc in Engineering, Mechanical Engineering, Manufacturing Systems, the Royal Institute of Technology, Stockholm (KTH) and University certificate in Business Administration, Stockholm University
Employed: 2018
Other appointments: –

Changes after December 31, 2020: Due to SEK's organizational changes (see page 49) three members of management have new areas of responsibility. Jens Hedar, Head of Large Corporates, becomes Head of Client Relationship Management, Andreas Ericson, Head of Mid Corporates, becomes Head of Structured Finance, and Karl Johan Bernerfalk, Head of Legal, becomes Head of Legal and Sustainability Analysis.

Consolidated Statement of Comprehensive Income

Skr mn	Note	2020	2019
Interest income calculated using effective interest method ¹		4,960	5,703
Other interest income ¹		-852	654
Interest expenses ¹		-2,162	-4,640
Net interest income	2	1,946	1,717
Net fee and commission expense	3	-42	-33
Net results of financial transactions	4	83	226
Total operating income		1,987	1,910
Personnel expenses	5	-347	-333
Other administrative expenses	6	-198	-206
Depreciation and impairment of non-financial assets	7	-51	-57
Total operating expenses		-596	-596
Operating profit before credit losses		1,391	1,314
Net credit losses	9	-153	-10
Operating profit		1,238	1,304
Tax expenses	10	-270	-277
Net profit		968	1,027
Other comprehensive income related to:			
Items to be reclassified to profit or loss			
<i>Derivatives in cash-flow hedges</i>		-	-8
Tax on items to be reclassified to profit or loss	10	-	2
Net items to be reclassified to profit or loss		-	-6
Items not to be reclassified to profit or loss			
<i>Own credit risk</i>		18	24
<i>Revaluation of defined benefit plans</i>		1	-4
Tax on items not to be reclassified to profit or loss	10	-5	-4
Net items not to be reclassified to profit or loss		14	16
Total other comprehensive income		14	10
Total comprehensive income²		982	1,037

Skr

Basic and diluted earnings per share ³	243	257
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1 Since Q4 2020, SEK has changed the accounting principle regarding the CIRR-system. The comparative figures have been adjusted, see Note 1.

2 The entire profit is attributable to the shareholder of the Parent Company.

3 The average number of shares in 2020 amounted to 3,990,000 (2019: 3,990,000)

Consolidated Statement of Financial Position

Skr mn	Note	December 31, 2020	December 31, 2019
Assets			
Cash and cash equivalents	11, 12	3,362	1,362
Treasuries/government bonds	11, 12	22,266	8,344
Other interest-bearing securities except loans	11, 12	33,551	53,906
Loans in the form of interest-bearing securities	11, 12	50,780	43,627
Loans to credit institutions	9, 11, 12	31,315	27,010
Loans to the public	8, 9, 11, 12	171,562	163,848
Derivatives	12, 14	7,563	6,968
Tangible and intangible assets	7	145	134
Deferred tax assets	10	15	16
Other assets	16	12,853	9,334
Prepaid expenses and accrued revenues	17	1,987	2,747
Total assets		335,399	317,296
Liabilities and equity			
Borrowing from credit institutions	12, 18	3,486	3,678
Borrowing from the public	12, 18	10,000	-
Debt securities issued	12, 18	273,976	269,339
Derivatives	12, 14	25,395	20,056
Other liabilities	19	455	2,466
Accrued expenses and prepaid revenues	20	1,924	2,582
Provisions	5, 21	99	93
Total liabilities		315,335	298 214
Share capital		3,990	3,990
Reserves		-129	-143
Retained earnings		16,203	15,235
Total equity	22	20,064	19,082
Total liabilities and equity		335,399	317,296

Consolidated Statement of Changes in Equity

	Equity	Share capital	Reserves			Retained earnings
Skr mn			Hedge reserve	Own credit risk	Defined benefit plans	
Opening balance of equity Jan 1, 2019	18,239	3,990	6	-117	-42	14,402
Net profit for the year	1,027					1,027
Other comprehensive income related to:						
Items to be reclassified to profit or loss						
<i>Derivatives in cash-flow hedges</i>	-8		-8			
Tax on items to be reclassified to profit or loss	2		2			
Items not to be reclassified to profit or loss						
<i>Own credit risk</i>	24			24		
<i>Revaluation of defined benefit plans</i>	-4				-4	
Tax on items not to be reclassified to profit or loss	-4			-5	1	
Total other comprehensive income	10	-	-6	19	-3	-
Total comprehensive income	1,037	-	-6	19	-3	1,027
Dividend	-194					-194
Closing balance of equity 2019 ^{1,2}	19,082	3,990	-	-98	-45	15,235
Opening balance of equity Jan 1, 2020	19,082	3,990	-	-98	-45	15,235
Net profit for the year	968					968
Other comprehensive income related to:						
Items to be reclassified to profit or loss						
<i>Derivatives in cash-flow hedges</i>	-		-			
Tax on items to be reclassified to profit or loss	-		-			
Items not to be reclassified to profit or loss						
<i>Own credit risk</i>	18			18		
<i>Revaluation of defined benefit plans</i>	1				1	
Tax on items not to be reclassified to profit or loss	-5			-4	-1	
Total other comprehensive income	14	-	-	14	0	-
Total comprehensive income	982	-	-	14	0	968
Dividend	-					-
Closing balance of equity 2020 ^{1,2}	20,064	3,990	-	-84	-45	16,203

1 The entire equity is attributable to the shareholder of the Parent Company.

2 See note 22.

Statement of Cash Flows in the Consolidated Group

Skr mn	2020	2019
Operating activities		
Operating profit ¹	1,238	1,304
Adjustments for non-cash items in operating profit		
Provision for credit losses, net	153	10
Depreciation and impairment of non-financial assets	51	57
Exchange-rate differences	5	7
Unrealized changes in fair value	-69	-185
Other	0	-5
Total adjustments for non-cash items in operating profit	140	-116
Income tax paid	-311	-529
Increase (-)/decrease (+) in lending	-37,824	-2,540
Increase (-)/decrease (+) in bonds and securities held	4,276	-889
Other changes in assets and liabilities – net	14,493	1,996
Cash flow from operating activities	-17,988	-774
Investing activities		
Investments	-35	-40
Cash flow from investing activities	-35	-40
Financing activities		
Senior debt	153,518	126,412
Repayments of debt	-119,143	-112,190
Repurchase and early redemption of own long-term debt	-4,915	-18,642
Derivatives	-8,651	4,049
Payment of lease liability	-27	-39
Dividend paid	-	-194
Cash flow from financing activities	20,782	-604
Net cash flow for the period	2,759	-1,418
Cash and cash equivalents at beginning of the year	1,362	2,416
Net cash flow for the period	2,759	-1,418
Exchange-rate differences on cash and cash equivalents	-759	364
Cash and cash equivalents at end of year²	3,362	1,362
<i>of which cash at banks</i>	<i>561</i>	<i>651</i>
<i>of which cash equivalents</i>	<i>2,801</i>	<i>711</i>

1 Interest payments received and expenses paid

Interest payments received	4,329	9,057
Interest expenses paid	2,861	4,366

2 Cash and cash equivalents include, in this context, cash at banks that can be immediately converted into cash and short-term deposits for which the time to maturity does not exceed three months from trade date. See note 11.

Parent Company Income Statement

Skr mn	Note	2020	2019
Interest income calculated using effective interest method ¹		4,960	5,703
Other interest income ¹		-852	654
Interest expenses ¹		-2,162	-4,640
Net interest income	2	1,946	1,717
Net fee and commission expense	3	-42	-33
Net results of financial transactions	4	102	250
Total operating income		2,006	1,934
Personnel expenses	5	-347	-335
Other administrative expenses	6	-198	-207
Depreciation and impairment of non-financial assets	7	-51	-57
Total operating expenses		-596	-599
Operating profit before credit losses		1,410	1,335
Net credit losses	9	-136	-5
Impairment of financial fixed assets ²		-17	-5
Operating profit		1,257	1,325
Changes in untaxed reserves	10	-	1,321
Tax expenses	10	-273	-572
Net profit		984	2,074

1 Since Q4 2020, SEK has changed the accounting principle regarding the CIRR-system. The comparative figures have been adjusted, see Note 1.

2 Impairment of financial fixed assets represents impairment of loans in the form of interest bearing securities.

Parent Company Statement of Comprehensive Income

Skr mn	Note	2020	2019
Net profit for the year (after taxes)		984	2,074
Other comprehensive income related to:			
Items to be reclassified to profit or loss			
<i>Derivatives in cash-flow hedges¹</i>		-	-8
Tax on items to be reclassified to profit or loss	10	-	2
Net items to be reclassified to profit or loss		-	-6
Total other comprehensive income		-	-6
Total comprehensive income		984	2,068

1 See the Parent Company Statement of Changes in Equity.

Parent Company Balance Sheet

Skr mn	Note	December 31, 2020	December 31, 2019
Assets			
Cash and cash equivalents	11, 12	3,362	1,362
Treasuries/government bonds	11, 12	22,266	8,344
Other interest-bearing securities except loans	11, 12	33,551	53,906
Loans in the form of interest-bearing securities	11, 12	50,780	43,627
Loans to credit institutions	9, 11, 12	31,315	27,010
Loans to the public	8, 9, 11, 12	171,562	163,848
Derivatives	12, 14	7,563	6,968
Shares in subsidiaries	15	0	0
Tangible and intangible assets	7	145	134
Other assets	16	12,853	9,334
Prepaid expenses and accrued revenues	17	1,987	2,747
Total assets		335,384	317,280
Liabilities and equity			
Borrowing from credit institutions	12, 18	3,486	3,678
Borrowing from the public	12, 18	10,000	-
Debt securities issued	12, 18	273,976	269,339
Derivatives	12, 14	25,395	20,056
Other liabilities	19	455	2,467
Accrued expenses and prepaid revenues	20	1,924	2,582
Provisions	5, 21	26	20
Total liabilities		315,262	298,142
Non-distributable capital			
Share capital		3,990	3,990
Legal reserve		198	198
Fund for internally developed software		94	47
Distributable capital			
Retained earnings		14,856	12,829
Net profit for the year		984	2,074
Total equity	22	20,122	19,138
Total liabilities and equity		335,384	317,280

Parent Company Statement of Changes in Equity

	Equity	Share capital	Legal reserve	Fund for internally developed software	Fair value reserve Hedge reserve	Retained earnings
Skr mn						
Opening balance of equity Jan 1, 2019	17,264	3,990	198	22	6	13,048
Net profit for the year	2,074					2,074
Other comprehensive income related to:						
Items to be reclassified to profit or loss						
<i>Derivatives in cash-flow hedges</i>	-8				-8	
Tax on items to be reclassified to profit or loss	2				2	
Total other comprehensive income	-6	-	-	-	-6	-
Total comprehensive income	2,068	-	-	-	-6	2,074
To the net results	-			25		-25
Dividend	-194					-194
Closing balance of equity 2019¹	19,138	3,990	198	47	-	14,903
Opening balance of equity Jan 1, 2020	19,138	3,990	198	47	-	14,903
Net profit for the year	984					984
Other comprehensive income related to:						
Items to be reclassified to profit or loss:						
<i>Derivatives in cash-flow hedges</i>	-				-	
Tax on items to be reclassified to profit or loss	-				-	
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-
To the net results	-			47		-47
Dividend	-					-
Closing balance of equity 2020¹	21,122	3,990	198	94	-	15,840

1 See note 22.

Statement of Cash Flows in the Parent Company

Skr mn	2020	2019
Operating activities		
Operating profit ¹	1,257	1,325
Adjustments for non-cash items in operating profit		
Provision for credit losses, net	153	10
Depreciation and impairment of non-financial assets	51	57
Exchange-rate differences	5	2
Unrealized changes in fair value	-87	-185
Other	-	-18
Total adjustments for non-cash items in operating profit	122	-134
Income tax paid	-311	-529
Increase (-)/decrease (+) in lending	-37,824	-2,539
Increase (-)/decrease (+) in bonds and securities held	4,276	-889
Other changes in assets and liabilities - net	14,492	1,994
Cash flow from operating activities	-17,988	-772
Investing activities		
Capital expenditures	-35	-40
Cash flow from investing activities	-35	-40
Financing activities		
Senior debt	153,518	126,412
Repayments of debt	-119,143	-112,190
Repurchase and early redemption of own long-term debt	-4,915	-18,642
Change in subordinated debt	-	-
Derivatives	-8,651	4,048
Payment of lease liability	-27	-39
Dividend paid	-	-194
Cash flow from financing activities	20,782	-605
Net cash flow for the period	2,759	-1,417
Cash and cash equivalents at beginning of the year	1,362	2,415
Net cash flow for the period	2,759	-1,417
Exchange-rate differences on cash and cash equivalents	-759	364
Cash and cash equivalents at end of year²	3,362	1,362
<i>of which cash at banks</i>	<i>561</i>	<i>651</i>
<i>of which cash equivalents</i>	<i>2,801</i>	<i>711</i>
1 Interest payments received and expenses paid		
Interest payments received	4,329	9,057
Interest expenses paid	2,861	4,366

2 Cash and cash equivalents include, in this context, cash at banks that can be immediately converted into cash and short-term deposits for which the time to maturity does not exceed three months from trade date. See note 11.

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Note 1. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated Financial Statements, unless otherwise stated.

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(a) Reporting entity

AB Svensk Exportkredit (the "Parent Company", the "Company" or "SEK") is domiciled in Sweden. The address of the Company's registered office is Klarabergsviadukten 61-63, P.O. Box 194, SE-101 23 Stockholm, Sweden. The Consolidated Group as of December 31, 2020 consists of SEK and its wholly owned, inactive subsidiary, SEKETT AB. These are jointly referred to as the "Consolidated Group" or the "Group".

(b) Basis of presentation

(i) Statement of compliance

The consolidated accounts have been compiled in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The IFRS standards applied by SEK are all endorsed by the European Union (EU). Additional standards, consistent with IFRS, are imposed by the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) (ÅRKL), Recommendation RFR 1, Supplementary Accounting Principles for Groups, issued by the Swedish Financial Reporting Board (RFR), and the accounting regulations of the Swedish FSA (FFFS 2008:25), all of which have been complied with in preparing the Consolidated Financial Statements, of which these notes form a part. SEK also follows the Swedish Government's principles for external reporting in accordance with its State Ownership Policy and principles for state-owned enterprises. The accounting policies of the Parent Company match those used in the preparation of the Consolidated Financial Statements, except as stated in note 1, section (q) below. The Parent Company's results and total assets represent most of the results and total assets of the Consolidated Group. The information in these notes relates to both the Consolidated Group and the Parent Company, unless otherwise stated.

Certain additional disclosures required by applicable regulations or legislation are included in the notes, or with reference to the "Risk and Capital Management" section, pages 38-43. Such information is deemed to be incorporated herein by reference. Disclosures regarding sustainability and policy for diversity are included in the financial and sustainability notes, and on pages 31 and 45-49.

The Consolidated Financial Statements and the Parent Company's annual report were approved for issuance by SEK's Board of Directors on February 18, 2021. The Group's Statements of Comprehensive Income and Financial Position and the Parent Company's Income Statement and Balance Sheet will be subject to approval by SEK's shareholder at the Annual General Meeting to be held on March 24, 2021.

(ii) Basis of measurement

The Consolidated Financial Statements have been prepared on an amortized cost basis, subject to the following exceptions:

- all derivatives are measured at fair value,
- financial instruments – measured at fair value through profit or loss – are measured at fair value, and
- when applying hedge accounting at fair value, amortized cost is adjusted in the Consolidated Financial Statements based on the underlying hedged item, to reflect changes in fair value with regard to the hedged risk.

(iii) Functional and presentation currency

SEK has determined that the Swedish krona (Skr) is the Parent Company's functional and presentation currency under IFRS. Significant factors are that SEK's equity is denominated in Swedish kronor, its performance is evaluated based on a result expressed in Swedish kronor, and that a large portion of SEK's expenses, especially personnel expenses, other expenses and taxes, are denominated in Swedish kronor. SEK manages its foreign currency risk by hedging exposures between the Swedish kronor and other currencies.

(iv) Going concern

SEK's Board of Directors and management have made an assessment of SEK's ability to continue as a going concern and are satisfied that SEK has the resources to continue operations for the foreseeable future. The Board of Directors and management are not aware of any material uncertainties that could cast significant doubt upon SEK's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on a going-concern basis.

(c) Changes to accounting policies and presentation

In all significant respects, the accounting policies, bases of calculation and presentation are unchanged compared with the 2019 annual

report, except for the changes described below. In addition to the changes below, certain amounts reported in prior periods have been restated to conform to the current presentation. SEK analyzes and assesses the application and impact of changes in financial reporting standards that are applied within the Group. Changes that are not mentioned are either not applicable to SEK or have been determined to not have a material impact on SEK's financial reporting.

(i) Changed accounting of revenues and expenses in the CIRR system

As of the fourth quarter of 2020, SEK reports interest income and interest expenses relating to assets and liabilities attributable to the CIRR system in SEK's statement of comprehensive income. The previous accounting principle was to not report these in SEK's statement of comprehensive income, but only to report the administrative compensation from the Swedish government, the arrangement fee income when SEK is arranging the credits, and interest income from loans between SEK and CIRR-system. The new policy means that all revenue and expenses from the CIRR-system is recognized in SEK's profit or loss. The new policy does not impact the treatment of assets and liabilities related to the CIRR-system in the Group's statement of financial position and balance sheet, and thus, as previously, all assets and liabilities related to the CIRR-system have been included in SEK's assets and liabilities in the Group's statement of financial position and the parent company's balance sheet as SEK bears the credit risk for lending and is a contracting party regarding lending and borrowing. The new presentation makes it easier for the reader to understand the return on SEK's assets and costs for SEK's liabilities. The change has no impact on SEK's net interest income or net profit, but only affects interest income and interest expenses. The comparative figures have been recalculated and the change, as well as the impact in 2020, is shown in the table below.

Impact on statement of comprehensive income

Skr mn	Full year 2020		
	Old policy	Change	New policy
Interest income calculated using the effective interest method	3,495	1,465	4,960
Other interest income	384	-1,236	-852
Interest expenses	-1,933	-229	-2,162
Net interest income	1,946	-	1,946
Impact on net profit for the period	-	-	-

Skr mn	Full year 2019		
	Old policy	Change	New policy
Interest income calculated using the effective interest method	5,187	516	5,703
Other interest income	896	-242	654
Interest expenses	-4,366	-274	-4,640
Net interest income	1,717	-	1,717
Impact on net profit for the period	-	-	-

(ii) Changes in Swedish regulations

The Swedish Financial Reporting Board has amended the accounting recommendation for legal entities by issuing "RFR 2 Supplementary Accounting Rules for Legal Entities – January 2020". SEK implemented those amendments on January 1, 2020 but they have not had any significant impact on SEK's Financial Statements.

(d) Basis of consolidation

The Consolidated Financial Statements encompass the Parent Company and subsidiaries, meaning companies over which the Parent

Company has control and that are impacted by the Company's results. The Consolidated Financial Statements have been prepared using the purchase method. The Financial Statements of the subsidiary are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiary are consistent with Group policies. Intra-group transactions and balances, and any unrealized gains and losses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements. Unless otherwise stated or when it is clear from the context, the information in these notes relates to the Consolidated Group and the Parent Company. Consolidation of SEK pursuant to the supervisory regulations does differ from the consolidation made in the Consolidated Financial Statements, as SEKETT AB is not a financial company and no consolidation of SEK pursuant to the supervisory regulation was made. Since SEKETT is not an institute pursuant to the CRR definition, it is not subject to the supervisory regulations on an individual basis. No current or anticipated material restrictions to prompt transfer of own funds or repayment of liabilities among the parent or its subsidiary have been identified.

(e) Segment reporting

Segments are identified based on internal reporting to the chief executive officer ("CEO") who serves as the chief operating decision maker. SEK has one segment, lending, based partly on the Company's assignment from the owner, which is to ensure access to financial solutions for the Swedish export industry on commercial and sustainable terms, and partly on how governance and earnings monitoring of the business are conducted. Accordingly, no segment reporting has been prepared. Disclosures regarding the geographic breakdown and revenue per product group are presented in note 2.

(f) Recognition of operating income

(i) Net interest income

Interest income and interest expense related to all financial assets and liabilities, regardless of classification, are recognized in net interest income. Interest income and interest expense are recognized on a gross basis, with the exception of interest income and interest expenses related to derivatives, which are reported on a net basis. Interest for derivatives used to hedge borrowing is recognized as interest expense and interest on all derivatives used to hedge assets is recognized as interest income, regardless of whether the contracts' net interest is positive or negative. This reflects the real interest expense of borrowing after taking economic hedges into account. Negative interest rates on assets are recognized as interest expense and negative interest rates on liabilities are recognized as interest income. Interest income calculated using the effective interest method presented in SEK's Financial Statements applies only to those assets that are subsequently measured at amortized cost and the interest for hedging instruments related to those assets as the effective interest method is a measurement technique whose purpose is to calculate amortized cost and allocate interest income over the relevant time period. This interest income and corresponding interest expense are calculated and recognized based on the effective interest rate method or based on a method that results in interest income or interest expense that is a reasonable approximation of the result that would be obtained using the effective interest method as the basis for the calculation. The effective interest rate is regarded as an integral part of the effective interest rate of a financial instrument (usually fees received as compensation for risk). The effective interest rate is equivalent to the rate used to discount contractual future cash flows to the carrying amount of the financial asset or liability. The item Other interest income covers interest income of financial assets at fair value through profit or loss and the remuneration for the CIRR-system. In addition to interest income and interest expense, net interest income, where these are recognized as interest expense, includes the resolution fee and guarantee commissions that are comparable to interest.

Pursuant to the Company's assignment as stated in its owner instruction issued by the Swedish government, SEK administers credit

granting in the Swedish system for officially supported export credits (the "CIRR-system"). SEK receives compensation from the Swedish government in the form of an administration fee, which is calculated based on the principal amount outstanding. The administrative compensation received by SEK from the Swedish government is recognized as part of interest income in SEK's Statement of Comprehensive Income since the commission received in compensation is equivalent to interest.

(ii) Net fee and commission expense

Commissions earned and commissions incurred are recognized as net fee and commission expense in SEK's Statement of Comprehensive Income. The gross amounts of commissions earned and commissions incurred are disclosed in the notes to the Financial Statements. The major part of the revenues classified as commission earned constitutes revenue from contracts with customers according to IFRS 15. The recognition of commissions earned depends on the purpose for which the fee is charged. Fees are either recognized as revenue when services are performed or accrued over the period of a specific business transaction. Lending fees that are not part of the effective interest of a financial instrument are recognized at a point of time, such as when the transaction has been performed. Commissions incurred are transaction-based, and are recognized in the period in which the services are received. Guarantee commissions that are comparable to interest and fees that comprise integrated components of financial instruments, and therefore included in the effective interest rate, are not recognized as commissions and are instead included under net interest income.

(iii) Net results of financial transactions

Net results of financial transactions include realized gains and losses related to all financial instruments and unrealized gains and losses on all financial instruments measured at fair value, except for the types of financial instruments for which the change is to be recognized in other comprehensive income. Gains and losses include gains and losses related to currency exchange effects, interest-rate changes, changes in basis-spreads and changes in the credit rating of the counterparty to the financial contract. The item also includes the hedge ineffectiveness, i.e., market value changes attributable to hedged risks and derivatives in fair-value hedges. Realized gains and losses from financial instruments measured at amortized cost, such as interest rate compensation received and realized gains/losses from the repurchase of issued own debt, are recognized as they arise directly under net results of financial transactions.

(g) Foreign currency transactions

Monetary assets and liabilities in foreign currencies have been translated into the functional currency (Swedish krona) at the exchange rates applicable on the last day of each reporting period. Revenues and costs in foreign currencies are translated into Swedish kronor at the exchange rate prevailing on the dates that they arise. Any changes in the exchange rates between the relevant currencies and the Swedish krona relating to the period between the dates that they arise and the date of settlement are recognized as currency exchange effects. Currency exchange effects on the nominal amounts of financial assets and liabilities measured at fair value are recognized as currency exchange effects, although the currency exchange effect on the change in fair value that arises due to other components is not separated. Currency exchange effects are included as a component of net results of financial transactions.

(h) Financial instruments

(i) Recognition and derecognition in the Statement of Financial Position

When recognizing financial instruments, trade date accounting is applied for the recognition and derecognition of securities bought, securities issued and derivatives. Other financial instruments are recognized in the Statement of Financial Position and derecognized from this on the relevant settlement date. The difference between the carrying amount of a financial liability or an asset (or part of a finan-

cial liability or an asset) that is extinguished or transferred to another party and the consideration paid is recognized in the Statement of Comprehensive Income under net results of financial transactions. A financial asset or liability is recognized in the Statement of Financial Position only when SEK becomes a party to the contractual provisions of the instrument. A financial asset is derecognized from the Statement of Financial Position when the contractual rights to receive the cash flows from the asset cease or when the asset is transferred and the transfer qualifies for derecognition. A financial liability (or part of a financial liability) is derecognized from the Statement of Financial Position only when it is extinguished, such as when the obligation specified in the contract is discharged, canceled or expires. In the case of renegotiated financial assets, such as lending, the asset is derecognized from the Statement of Financial Position when the terms of the loan are deemed to be substantially different. The terms are deemed to be substantially different when the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, differs by not less than 10 percent from the discounted present value of the remaining cash flows for the original debt instrument. A change of currency or counterparty are deemed substantially different terms. Should the renegotiated loan entail terms that are substantially different, it is recognized as a new loan.

(ii) Measurement on initial recognition

When financial instruments are initially recognized, they are measured at fair value plus, in the case of financial assets or financial liabilities not carried at fair value through profit or loss, any transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability.

(iii) Offsetting

Financial assets and liabilities are offset and presented in the Statement of Financial Position when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Derivative assets and derivatives liabilities in relation to central clearing counterparties are offset in the Consolidated Statement of Financial Position, but cash collateral received or paid is accounted for separately as paid or received cash collaterals. Refer to note 14 for further information about the offsetting of financial assets and financial liabilities.

(iv) Classification of financial assets and liabilities

Financial assets and liabilities are categorized in two categories for valuation purposes: amortized cost ("AMC") and fair value through profit or loss (FVTPL).

Financial assets at amortized cost (AMC). The balance sheet items Cash and cash equivalents, Loans to credit institutions, Loans to the public and Loans in the form of interest-bearing securities are recognized at amortized cost, provided that the following criteria are met by all assets:

- The financial asset is included in a portfolio where the business model aims to collect contractual cash flows and
- the terms and conditions for the financial asset entail that the cash flows received comprise solely payments of principal and interest (SPPI) on nominal amounts outstanding.

The business model is based on SEK's overriding portfolio objective, and on how the Company manages, monitors and evaluates the financial assets in the portfolio from both a business and a risk perspective.

The business model is established at a level (homogenous portfolio) that reflects how the asset is treated in relation to the objective/business goal.

The following parameters have been evaluated in relation to the liquidity portfolio:

- Internal targets and governance of the liquidity portfolio, and documentation thereof;
- Administration and commercial follow-up;
- Risk management, follow-up and reporting;

- Frequency, objective and volume in terms of noted sales; and
- Remuneration models, and how these are impacted by valuation methods.

IFRS 9 requires that SEK categorize financial assets based on the properties of the contractual cash flows, where the financial asset is held in a business model with the objective of holding assets to collect contractual cash flows (hold to collect).

The assessment of the properties of the contractual cash flows aims to identify if the contractual cash flows comprise solely payments of principal and interest, which is an SPPI test. Contractual cash flows that solely payments of principal and interest qualify as a basic lending arrangement, which is a prerequisite for measuring the instrument at amortized cost. SEK has prepared a tool for the implementation and documentation of evaluations and assessments of financial assets in the lending portfolios, whereby relevant factors are taken into consideration, such as the tenor of the interest rate in relation the interest-rate setting period, interest-rate cap/floor, index-linked coupon/interest, payment trigger, currency mismatch, government interest rates and early repayment.

Financial assets measured at fair value through profit or loss (FVTPL). Derivatives are measured at FVTPL. Interest-bearing securities included in SEK's liquidity investments, consisting of the balance-sheet items Treasuries/government bonds and Other interest-bearing securities except loans, are measured at fair value (FVTPL) and, accordingly, they are included in a portfolio, where the business model entails measurement at fair value. Financial assets measured at fair value through profit or loss (FVTPL) are recognized at fair value in the Statement of Financial Position. Changes in fair value are recognized in profit or loss under the item Net results of financial transactions.

Financial liabilities measured at fair value through profit or loss (FVTPL). There are two main subcategories in the category of financial liabilities at fair value through profit or loss: financial liabilities designated upon initial recognition at fair value through profit or loss (FVO) and financial liabilities mandatorily measured at fair value. Securities issued by SEK containing embedded derivatives are in their entirety irrevocably classified as financial liabilities at fair value through profit or loss. Derivatives are measured at FVTPL. Financial liabilities measured at fair value through profit and loss are recognized at fair value in the Statement of Financial Position. Changes in fair value are recognized in profit or loss under the item Net results of financial transactions with the exception of gains and losses that arise from changes in SEK's own credit risk on liabilities classified in accordance with FVO. Such changes are recognized in the Reserve for changes in own credit risk under Other comprehensive income and are not reclassified to profit or loss.

Financial liabilities at amortized cost (AMC). All debt securities issued by SEK other than those classified as financial liabilities at fair value through profit or loss are measured at amortized cost, using the effective interest rate method. Where one or more derivative is used to hedge currency, interest rate and/or other exposures, fair-value hedge accounting is applied. Subordinated debt is classified as other financial liabilities and is subject to fair-value hedge accounting. When applying fair-value hedge accounting on subordinated debt, hedging is applied to the subordinated debt for the period corresponding to the derivative's time to maturity, when the maturities do not coincide.

(v) Presentation of certain financial instruments in the Statement of Financial Position

The presentation of financial instruments in the Statement of Financial Position differs in certain respects from the categorization of financial instruments made for valuation purposes. Loans in the form of interest-bearing securities comprise loans granted to customers that are contractually documented in the form of interest-bearing securities, as opposed to bilateral loan agreements, which are classified in the Statement of Financial Position either as loans to credit institutions or loans to the public. All other financial assets that are not classified in the Statement of Financial Position as loans in the form

of interest-bearing securities are presented as cash and cash equivalents, treasuries/government bonds, other interest-bearing securities except loans or derivatives.

(vi) Presentation of certain financial instruments

Derivatives. In the ordinary course of its business, SEK uses various types of derivatives for the purpose of hedging or eliminating SEK's interest-rate, currency-exchange-rate or other exposures. Derivatives are classified as financial assets or liabilities at fair value through profit or loss. Where SEK decides to categorize a financial liability at fair value through profit or loss (FVO), the purpose is to avoid the mismatch that would otherwise arise from the fact that the changes in the value of the derivative, measured at fair value, would not match the changes in value of the underlying liability, measured at amortized cost.

Guarantees. SEK holds financial guarantees in connection with certain loans. Such guarantees are ordinarily accounted for as guarantees in accordance with SEK's established accounting policy and are therefore not recognized in the Consolidated Statement of Financial Position except for the deferred costs of related guarantee fees paid in advance for future periods. When SEK classifies a risk-mitigating instrument as a financial guarantee, SEK always owns the specific asset whose risk the financial guarantee mitigates and the potential amount that SEK can receive from the counterparty under the guarantee represents only the actual loss incurred by SEK related to its holding. Premiums on financial guarantees are accrued and recognized as interest expense in net interest income. Credit default swaps are recognized at fair value at fair value through profit or loss.

Embedded derivatives. In the ordinary course of its business, SEK issues financial liabilities that frequently contain embedded derivatives. When financial liabilities contain embedded derivatives, where the financial characteristics and risks of the instrument's unique components are not related, the entire instrument is irrevocably classified as financial liabilities measured at fair value through profit or loss (FVO), and thus does not separate the embedded derivatives.

Leasing assets (SEK as a lessor). In the ordinary course of its business, SEK acquires leases that are classified as finance leases (as opposed to operating leases). When making such a classification, all aspects of the leasing contract, including third-party guarantees, are taken into account. Any lease payment that is received from a lessee is divided into two components for the purposes of measurement: one component constituting a repayment of the loan and the other component recognized as interest income.

Lease liability (SEK as a lessee). All leases, with the exception of short-term and low-value leases, are to be recognized as right-of-use assets subject to depreciation with corresponding liabilities in the lessee's balance sheet, and the lease payments are to be recognized as repayments and interest expenses. The leasing liability is accounted for under Other liabilities. The lease term is determined as the non-cancellable period of a lease, together with any extension or termination options when SEK is reasonably certain to exercise them. Reassessments of extensions and terminations options are made upon the occurrence of either a significant event or a significant change in circumstances that is within the control of SEK and will affect the assessment of whether it is reasonably certain to exercise the option. The lease term is revised if there is a change in the non-cancellable period of lease, for example, if an option not previously included in the lease term is exercised. The lease liability consists of the future cash flows, which are discounted using SEK's incremental borrowing rate. SEK has also decided to apply the exceptions for short-term and low-value leases, for example office machinery, which are accounted for as leasing cost under other administrative expenses. SEK has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease component, except for expenses for real estate tax and non-deductible value added tax, as a single lease.

Committed undisbursed loans and binding offers. Committed undisbursed loans and binding offers, disclosed under the heading "Commitments" in note 24 are measured as the undiscounted future cash flows concerning loan disbursements related to loans committed but not yet disbursed at the reporting period end date, as well as binding offers.

Repurchased debt. SEK repurchases its own debt from time to time. Gains or losses that SEK realizes when repurchasing own debt instruments are recognized in the Statement of Comprehensive Income as a component of Net results of financial transactions.

Assets and liabilities related to the CIRR system. All assets and liabilities related to the CIRR-system are included in SEK's assets and liabilities in the Group's report on financial position and the parent company's balance sheet as SEK bears the credit risk for lending and is the party to the agreement regarding lending and borrowing. Unrealized revaluation effects on derivatives related to the CIRR-system are recognized net under other assets.

(vii) Hedge accounting

SEK applies hedge accounting in cases where derivatives are used to create economic hedging and the hedge relationship is eligible for hedge accounting, with the exception of lending within the CIRR-system, for which hedge accounting is not applied. The method used for hedge accounting is either fair-value hedge accounting or cash-flow hedge accounting. In order to be able to apply hedge accounting in accordance with IFRS 9, the hedge relationship must meet the hedge effectiveness criteria at the beginning of each hedged period which requires that:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; the hedge ratio of the hedging relationship is the same as that actually used in the economic hedge; and
- the effects of the forthcoming reforms to reference rates, as this might have a different impact on the hedged item and the hedging instrument, see note 14 for further information.

Fair-value hedge accounting. Fair-value hedge accounting is used for transactions in which one or several derivatives are used to hedge the interest-rate risk that has arisen from a fixed-rate financial asset or liability. When applying fair-value hedging, the hedged item is revalued at fair value with regard to the risk being hedged. SEK defines the risk being hedged in fair-value hedge accounting as the risk of a change in fair value with regard to a chosen reference rate (referred to as interest-rate risk). The hedged item may be a component of the financial asset or liability, i.e., comprises less than the entire fair value change for the financial asset or liability. That could be a component of the nominal amount or the tenor of the item. The hedging instrument may consist of one or several derivatives that exchange fixed interest for floating interest in the same currency (interest-rate derivatives) or one or several instruments that exchange fixed interest in one currency for floating interest in another currency (interest and currency derivatives), in which case the currency risk is a part of the fair value hedge.

Both at inception of the hedge and on an ongoing basis, SEK's hedging relationships are expected to be highly effective in achieving offsetting changes in fair values attributable to the hedged risk. An assessment of effectiveness is performed by comparing critical terms for the hedged item and the hedging transaction. If they are identical, but reversed, the hedge relationship is regarded 100% effective. The hedge ratio is 1:1 other than in specific circumstances where SEK may choose a hedge ratio other than 1:1 in order to improve the effectiveness. Potential sources of ineffectiveness in the hedge relationship are:

- changes in timing of the payment of the hedged item,
- use of an existing derivative with a non-zero fair value,
- changes in timing of the trade date of the derivative and the validation of the hedge relationship,
- the different treatment of currency basis in calculating changes in the fair value of the hedging instrument and hedged item and

- a significant change in the credit risk of either party to the hedge relationship.

The credit risk of the entities is monitored by the Credit Department on an ongoing basis. The risk associated with SEK and the counterparty at the inception of the hedge relationship is considered minimal and does not dominate the value changes that result from the economic relationship. This will be reassessed in cases where there is a significant change in either party's circumstances, for example if the counterparty is in default. In addition, the hedging instruments used by SEK consist of derivatives subject to margining, clearing and cash collateralization, which significantly reduced the credit risk for both parties involved. Therefore, the credit risk is unlikely to dominate the change in fair value of the hedging instrument.

Ineffectiveness is defined as the difference between the fair value change relating to the hedged risk of the hedged item and the fair value change relating to the hedging instrument. Any ineffectiveness is recognized automatically in profit or loss as a result of separately remeasuring the hedged item and the hedging instrument.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the hedge ratio of the hedging relationship must be adjusted (i.e., rebalances the hedge) so that it meets the qualifying criteria again. Hedge accounting is discontinued prospectively only when the hedging relationship (or a part of a hedging relationship) ceases to meet the qualifying criteria (after any rebalancing). This includes instances when the hedging instrument expires or is sold, terminated or exercised. If a fair-value hedge relationship no longer fulfills the requirements for hedge accounting, that component of the hedged item ceases to be measured at fair value and is measured at amortized cost, and the previously recognized fair-value changes for the hedged item are amortized over the remaining tenor of the previously hedged item.

Cash flow hedges. Cash flow hedge accounting is used for transactions in which one or several derivatives hedge risk for variability in the cash flows from a floating-rate financial asset or liability. When hedging cash flows, the hedged asset or liability is measured at amortized cost and changes in fair value in the hedging instrument are recognized in other comprehensive income. When the hedged cash flow is recognized in profit or loss, the value changes in the hedging instrument in the Statement of Comprehensive Income are reclassified from other comprehensive income to profit or loss. SEK defines the risk hedged in a cash flow hedge as the risk of variability of cash flows with regard to a chosen reference rate (referred to as cash flow risk). The hedging instrument may consist of one or several derivatives that exchange floating interest for fixed interest in the same currency (interest-rate derivatives) or one or several derivatives that exchange floating interest in one currency for fixed interest in another currency (interest and currency derivatives).

If a cash flow hedge relationship no longer fulfills the requirements for hedge accounting, and accumulated gains or losses related to the hedge have been recorded in equity, such gains or losses remain in equity and are amortized through other comprehensive income to net interest income over the remaining tenor of the hedged item.

(viii) Principles for determination of fair value of financial instruments

The best evidence of fair value is prices in an active market. Fair-value measurements are categorized using a fair-value hierarchy. The financial instruments carried at fair value in the Statement of Financial Position have been categorized under the three levels of the fair-value hierarchy according to IFRS that reflect the significance of inputs. The categorization of these instruments is based on the lowest level of input that is significant to the fair value measurement in its entirety. SEK uses the following hierarchy for determining and disclosing the fair value of financial instruments, based on valuation techniques:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: valuation models for which all inputs with a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

SEK recognizes transfers between levels of the fair-value hierarchy in the beginning of the reporting period in which the change has occurred.

For all classes of financial instruments (assets and liabilities), fair value is established by using observable market prices or established valuation models. If the market for a financial instrument is not active, fair value is established by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been at the measurement date in an arm's length exchange based on normal business terms and conditions. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available. Reference to the current fair value of another instrument that is substantially the same can also be used. If the aforementioned are not available, discounted cash flow analysis or option pricing models may be used for assessing the instrument's value. Periodically, the valuation techniques are calibrated and tested for validity using prices from observable current market transactions in the same instruments, or based on any available observable market data, or compared with the counterparty's prices.

In calculating fair value with valuation models, SEK seeks to use liquid, observable market quotes (market data) as far as possible, to best reflect the market's view on prices. These market quotes are used, directly or indirectly, for the calculation of fair value. Examples of the indirect use of market data are:

- the derivation of discount curves from observable market data, which is then interpolated to calculate the non-observable data points; and
- model parameters in quantitative models, which are used to calculate the fair value of a structured product, where the model is calibrated so that available market data can be used to recreate observable market prices on similar instruments.

In some cases, due to low liquidity in the market, there is no access to observable market data. In these cases, SEK follows market practice by basing its valuations on similar observable market data. One example is if there are no observable market prices for a bond it can be valued through a credit curve based on observable prices for instruments with the same credit risk.

For observable market data, SEK uses third-party information based on purchased contracts (such as Bloomberg). This type of information can be divided into two groups, with the first group consisting of directly observable prices and the second of market data calculated from the observed prices. SEK continuously assures the high quality of market data, and a thorough validation of market data is exercised quarterly in connection with the financial reporting.

For transactions that cannot be valued based on observable market data, the use of non-observable market data is necessary. Examples of non-observable market data are discount curves created using observable market data that are then extrapolated to calculate non-observable interest rates, correlations between different underlying market parameters and volatilities at long maturities. Correlations that are non-observable market data are calculated from time-series of observable market data.

The valuation models applied by SEK comply with accepted methods for pricing financial instruments. Fair value adjustments are applied by SEK when there are additional factors that market participants take into account and that are not captured by the valuation model. The independent risk function assesses the level of fair-value adjustments to reflect counterparty risk, SEK's own credit rating and other non-observable parameters, where relevant.

Significant models for the valuation of financial instruments must receive approval from the Board's Finance and Risk Committee. Other models are approved by the chief financial officer ("CFO"). New mod-

els for valuation are reported to the Board's Finance and Risk Committee annually, together with the applicable validation. The use of a valuation model demands a validation and thereafter an approval. Validation is conducted by the independent risk function. Analysis of significant non-observable market data, fair-value adjustments and significant changes in fair values of level 3-instruments are reviewed on quarterly basis by plausibility checks.

(ix) Determination of fair value of certain types of financial instruments

Derivatives. Derivatives are recognized at fair value, and fair value is calculated based on established valuation models or market prices. When calculating fair value for derivative instruments, the impact on the fair value of the instrument related to credit risk (own or counterparty) is based on publicly quoted prices on credit default swaps of the counterparty or SEK, if such prices are available.

Issued debt instruments. When calculating the fair value of issued debt instruments, the effect on the fair value of SEK's own credit risk is assessed based on internally established models. These are if possible based on observable prices. In cases observable prices are not available, recent transactions or spread against similar lender are used.

Issued debt instruments that are compound financial instruments with embedded derivatives. SEK issues debt instruments in many financial markets. A large portion of these are compound financial instruments with embedded derivatives. SEK's policy is to hedge the risks in these instruments using derivatives in order to obtain effective financial hedges. The entire compound financial instruments are irrevocably classified as financial liabilities measured at fair value through profit or loss, and accordingly derivatives are not separated. As there are no quoted market prices for these instruments, valuation models are used to calculate fair value. The method applied for calculating gains and losses that arise from changes in SEK's own credit risk (OCA) is based on the change in the credit risk for the financial liability from initial recognition. In practice, this means that OCA incorporates market movements not related to changes in benchmark rates or the embedded derivatives.

(x) Impairment of financial assets

The impairment of exposures are based on expected credit losses (ECL). All assets measured at amortized cost, including credit commitments and financial guarantees, are to be tested for any impairment. SEK uses both models and expert assessment to calculate reserves for expected credit losses. The degree of expert assessment depends on the models' results, materiality and available information and can be used to take into account factors that are not captured by the models.

The model for calculating ECL is based on an exposure being at one of three different stages. Initially, all exposures were at stage 1. Stage 1 also includes exposures where the credit risk is no longer significantly higher and which have therefore been reclassified from stage 2. In stage 1, the ECL calculation should correspond to provisions based on expected credit losses for the forthcoming 12-month period (12mECL). Where the credit risk has increased significantly since initial recognition, the exposure is moved to stage 2. Stage 2 also includes exposures where the counterparty/exposure is no longer in default and which have therefore been reclassified from stage 3, as well as a smaller portion of exposures that lack an initial rating and where the rating is below BBB. In stage 2, the provision is based on expected credit losses over the remaining lending period of the asset (LTECL). If the exposure moves into default, it is moved to stage 3, where the ECL calculation continues to be based on LTECL. 12mECL comprises the part of LTECL that arises from expected credit losses based on the probability of default (PD) within 12 months of the reporting date. Both LTECL and 12mECL are calculated on an individual basis.

SEK has chosen to use credit rating models for all exposures, in other words, to calculate expected credit losses (ECL) by using the probability of default (PD), loss given default (LGD) and exposure at default (EAD).

Significant increase in credit risk. A significant increase in credit risk is a relative assessment, whereby the credit quality at the reporting date is compared with the initial credit quality when the exposure was recognized. The starting point when assessing what should be included as criteria for the assessment of credit risk is the existing process for following up credit risk and credit risk management within SEK. All counterparties are given a risk rating, which means that risk classification forms the basis for follow-up should a significant increase in credit risk have occurred. Moreover, other indicators currently in use to follow up credit risk in exposures and of counterparties, include the number of days past due, forbearance measures and other risk raising factors, such as deviations from covenants. These indicators are applied to assess credit risk and whether a significant increase in credit risk has occurred.

- **Risk classification.** A significant increase in credit risk is defined based on a deterioration by a number of steps in the initial rating and where a separation is made between exposures with an initial rating of AAA to A - and others.
- **Number of days past due.** SEK applies the presumption specifically stated in IFRS 9 and applies a more than 30-days-past-due criterion for receivables when assessing a significant increase in credit risk. All exposures that are more than 30-days-past-due will therefore be included in stage 2 and the LTECL will be calculated for these exposures. To ensure that there is no longer a significant increase in credit risk, a waiting period is applied following the resumption of payments and all past-due receivables being extinguished for the exposure. Appropriate waiting periods are assessed on an ongoing basis to, at any given time, ensure that a reasonable waiting period is set given SEK's exposures and payment structures.
- **Forbearance measures.** Exposures encompassed by forbearance measures have a raised credit risk assessment and, therefore, will also be assessed as having a significant increase in credit risk on application of IFRS 9. Similar to the days-past-due criterion, a waiting period will be applied to ensure the exposure no longer has a raised credit risk at the time it is returned to stage 1. Appropriate waiting periods are assessed on an ongoing basis to, at any given time, ensure that a reasonable waiting period is set given SEK's exposures and the reasons the exposure was marked for forbearance.
- **Other risk raising factors.** Other factors can exist that indicate an exposure or a counterparty has an increased credit risk, which are not captured by a change in the risk classification, days-past-due or forbearance measures. Examples of these include recurring waivers that impact credit risk, sector trends and extraordinary changes in the management and/or Board of Directors. To capture these risk-raising factors, the management can conduct a specific qualitative assessment of the significant increase in credit risk at a counterparty. Since this assessment comprises a qualitative expert assessment, the waiting period for any transfer to stage 1 will be taken into consideration in the assessment and no extra waiting period will be applied.

Default. If the exposure moves into default, it is moved to stage 3, where the ECL calculation continues to be based on LTECL. Default is a key concept to the calculation of ECL, since ongoing assessments are made of how likely an exposure is to enter default and of the amount SEK is expected to lose on the exposure should it default.

- In the financial reporting when applying IFRS 9, default is defined as: SEK assesses that it is unlikely that the counterparty will meet its loan commitments in full, irrespective of whether collateral or guarantees are used, and independent of any overdue amount or the number of calendar days since they fell due for payment. This also includes special reasons, such as the risk counterparty's financial position or equivalent is such that it finds itself in a position which – from a creditor's perspective – does not correspond to any form of composition or insolvency procedure. This is termed "unlikely to pay."
- The risk counterparty is more than 90 calendar days past due with the payment of a receivable.

If any exposure to a counterparty is deemed in default, all exposures to that counterparty are deemed in default. When an exposure or a counterparty that was previously classified as being in default no

longer meets this definition, the exposure or counterparty should no longer be deemed in default. To ensure that default status no longer applies, a waiting period is applied after the moment the exposure or counterparty is no longer deemed to be in default and can accordingly return to stage 2.

Calculation of expected credit losses (ECL). The ECL is based on SEK's objective expectation of how much it will lose on the exposure given its knowledge on the reporting date and after taking into consideration what could occur in the future. The ECL is a probability-weighted amount that is determined by evaluating the outcome of several possible stages, and where the data taken into consideration comprises both information from previous conditions, the current conditions and forecasts of future economic conditions. The expected credit loss should be calculated on the gross counterparty, in other words the borrower, which means that the PD, as defined below, for the borrower is used in the model.

Moreover, the LGD should incorporate actual future expectations, in other words, all cash flows including guarantees. The calculation of ECL is point-in-time and the included parameters PD, LGD and EAD are all point-in-time and should not be confused with the corresponding parameters for capital adequacy.

Probability of default (PD). PD is the likelihood that a counterparty defaults on one or more exposures on a one-year horizon (for stage 1) or for the entire lending period (for stages 2 and 3). When calculating expected credit losses under IFRS 9, PD represents the probability of default at a specific point-in-time in an economic cycle (point-in-time PD). The two most important data sources for PD models are Standard & Poor's and the World Bank's database, where SEK obtains default statistics and transition matrices as well as macroeconomic series and GDP growth forecasts. SEK has chosen to create a PD segmentation at both geographic and industry levels.

SEK's method entails three scenarios being prepared for each PD curve: a base scenario, a downturn scenario, and an upturn scenario.

The three scenarios are defined by a weight allocated to each scenario; the weights should add up to 1, in other words 100%. The World Bank's forecast forms the base scenario. The other scenarios are prepared quarterly by a cross-functional group at SEK, and are then adopted by the CEO and reported to the Board's Credit Committee. By allocating a weight to each PD curve, SEK defines its expectations of future macroeconomic trends.

Loss Given Default (LGD). LGD is the amount expressed as a percentage of the credit exposure that on default, SEK expects to lose from the defaulting counterparty. The same segments are used for preparing the LGD as are used for the PD, with the addition of the division into large corporates and small and medium-sized enterprises for non-financial companies. Due to the low historic rate of default in SEK's lending, the LGD is modeled by using default data from Global Credit Data (GCD), with the exception of the Sovereign segment, where LGD is prepared based on a qualitative assessment.

When estimating expected losses in cash flows, collateral and other credit enhancements included in the terms and conditions are taken into consideration, subject to the prerequisite that they are not reported separately by the Company. The LGD used for estimating ECL should take into consideration all cash flows that could be collected in the case of a default. These also include the cash flows that SEK can expect from collateral and guarantees included in the terms and conditions. Accordingly, the LGD takes into consideration guarantees where the exposure guaranteed with a guarantee included in the terms and conditions unless an increased correlation between the borrower and the guarantee counterparty is deemed to exist.

Exposure at default (EAD). The impairment requirement under IFRS 9 applies for all financial assets measured at amortized cost. Moreover, this encompasses accepted undisbursed binding offers and financial guarantees issued, which are recognized off balance sheet until used. In the above regard, an assessment is to be made of the scope of the default by the borrower on default, since only that amount should be

included in the ECL estimate. These are generally termed credit conversion factors (CCF).

The ECL estimate is performed based on the appearance of the exposure at default, which means that the repayment structure and any expectations in terms of early repayment or extension clauses in the agreement need to be considered when assessing the EAD. Based on the completed analyses, contractual maturities are assessed given the repayment structures as being a good approximation of the expected maturities on which the ECL is to be estimated. No specific pattern exists regarding early repayment, which could possibly comprise the basis for another approach.

For existing facilities (accepted, undisbursed), two different credit conversion factors (CCFs) exist depending on when default occurs: (1) for default within one year, calculated using default data from GCD; and (2) for default after one year, calculated using internal default data. For binding offers regarding existing facilities, CCFs are based on historic internal data regarding the proportion of binding offers that are used. CCFs are used together with the preliminary repayment plan for both the utilized and unutilized portions of existing facilities to model the future exposure on default.

For exposures in stage 3 where SEK has net risk, the impairment is not calculated in the ECL model, but the account manager calculates and proposes impairment based on established guidelines and methods. The Board's Credit Committee determines the impairment requirements for stage 3.

Impairment of an asset's carrying amount is made to a reserve account which, in the Consolidated Statement of Financial Position, reduces the line item to which it relates.

Charge-offs are recorded when a loss has been confirmed, that is that it is evident that it is highly unlikely that any remaining part of SEK's claim on a counterparty will be reimbursed within the foreseeable future and when there exists no guarantee or collateral covering the claim. Charge-offs may also be made once bankruptcy proceedings have been concluded and a final loss can be established, taking into account the value of any assets held by the bankruptcy estate and SEK's share of these assets.

Recoveries are recorded only if there is virtual certainty of collection, such as in the aftermath of a bankruptcy proceeding when the payment due to SEK has been finally determined.

Restructured loan receivables pertain to loan receivables where SEK has granted concessions to the borrower as a result of the borrower's deteriorated financial position. Following a restructure, normally, the loan receivable is no longer considered doubtful if the obligation is being met in compliance with the new terms and conditions. Concessions granted in connection with loan restructuring are regarded as credit losses.

(i) Tangible assets

Items of tangible assets are measured at cost, less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Tangible assets are depreciated using the straight-line method over their estimated useful lives. Average useful lives, depreciation methods and residual values are evaluated and tested annually. No depreciation is carried out from the time that an asset is classified as an asset held-for-sale. The right-of-use assets according to IFRS 16 Leases are accounted for as tangible assets when the underlying assets are tangible assets. SEK account or right-of-use assets for rental premises as tangible assets.

(j) Intangible assets

Intangible assets comprise mainly the capitalized portion of investments in IT systems. Expenses that are directly attributable to large investments in the development of IT systems are recognized as intangible assets if they are expected to generate future economic benefits. The capitalized portion of investments in IT systems includes expenses related to the intangible asset, such as consulting fees and expenses for Group personnel who have contributed to producing the intan-

gible asset. Each intangible asset is amortized using the straight-line method over an estimated useful life from the date the asset is available for use. Average useful lives are evaluated and reconsidered on a yearly basis. An annual impairment test is performed on intangible assets not yet used.

(k) Employee benefits

SEK sponsors both defined-benefit and defined-contribution pension plans.

(i) Defined-contribution plans

A defined-contribution pension means that the size of the premium is predetermined, such as is the case with the BTP1 and BTPK plans. A defined-contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate legal entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined-contribution pension plans are recognized as an employee benefit expense in profit or loss at the rate at which they are accrued by employees providing services to the entity during a period. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined-benefit plans

Defined-benefit pension plans means that the pension benefit is predetermined, such as is the case with the BTP2 plan. Defined-benefit plans are post-employment benefit plans other than defined-contribution plans. The present value of the net obligation for defined-benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. The net obligation is recognized in the balance sheet at its present value less the fair value of any plan assets.

The cost for defined-benefit plans is allocated over the employee's service period. The calculation is performed annually by independent actuaries. The obligations are valued at the present value of the expected future disbursements, taking into consideration assumptions such as expected future pay increases, rate of inflation and mortality rates. The discount rate used is the equivalent of the interest rate on the reporting date for Swedish mortgage bonds, with a remaining term approximating that of the actual commitments. Changes in actuarial assumptions and experience-based adjustments to obligations may result in actuarial gains or losses. These actuarial gains and losses are reported together with the difference between the actual and expected return on pension assets in other comprehensive income as incurred. Service cost, gains/losses from changes in plans, and the interest net of pension assets and liabilities are recognized in profit or loss. SEK participate in various collective pension plans covering all employees. Sufficient information is available to allow the calculation of SEK's proportionate share in the defined-benefit liabilities, assets and the costs for these plans. The future costs of the plans may change accordingly if the underlying assumptions of the plans change.

(l) Equity

Equity in the Consolidated Group consists of the following items: share capital; reserves; retained earnings; and net profit for the year. Reserves consist of the following items: the reserve for fair-value changes in respect of derivatives in cash-flow hedges (hedge reserve); the reserve for fair-value changes with respect to changes in SEK's credit risk (own credit risk reserve) and the reserve for remeasurement in respect of defined-benefit pension plans (reserve for defined-benefit pension plans).

(m) Taxes

Income tax on the profit or loss for the year comprises current and deferred taxes. Current tax is tax expected to be payable on taxable income for the fiscal year. Deferred tax includes deferred tax in the untaxed reserves of the individual Group companies and deferred

taxes on other temporary fiscal differences. Deferred tax is calculated with an expected tax rate of 21.4 percent (2019: 21.4 percent). Deferred tax is calculated on all taxable temporary differences, regardless of whether a given temporary difference is recognized in profit or loss, or through other comprehensive income. A temporary difference is the difference between the recognized and fiscal values of an asset or a liability.

(n) Earnings per share

Earnings per share are calculated as net profit divided by the average number of shares. There is no dilution of shares.

(o) Statement of Cash Flows

The Statement of Cash Flows shows inflows and outflows of cash and cash equivalents during the year. SEK's Statement of Cash Flows has been prepared in accordance with the indirect method, whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and credit losses. The cash flows are classified under operating, investing and financing activities. Cash and cash equivalents include cash at banks where amounts can be immediately converted into cash and short-term deposits where the time to maturity does not exceed three months from the acquisition date.

(p) Critical accounting policies, assumptions and estimates

When adopting and applying the Group's accounting policies, in certain cases, the management makes judgments and estimates that have a significant effect on the amounts recognized in the Financial Statements. These estimates are based on past experience and assumptions that the Company believes are fair and reasonable. These estimates and the judgments behind them affect the reported amounts of assets, liabilities, income and expenses as well as disclosures. Actual outcomes can later differ from the estimates and the assumptions made.

SEK considers the judgments made related to the following critical accounting policy to be the most significant:

- Functional currency of the Parent Company

Furthermore, SEK has identified the following key sources of estimation uncertainty when applying IFRS:

- Fair value assessments of certain financial instruments; and
- Provisions for expected credit losses.

(i) Functional currency of the Parent Company

SEK has established that the Swedish krona (Skr) is its functional currency under IFRS. Large portions of its assets, liabilities and related derivatives are denominated in foreign currencies. Under IFRS, both assets and liabilities are translated at closing exchange rates and the differences between historical book values and current values are recognized as currency exchange effects in the Statement of Comprehensive Income. These differences largely offset each other, causing the net result not to be a material amount in relation to total assets and liabilities in foreign currency. This reflects the economic substance of SEK's policy of holding assets financed by liabilities denominated in, or hedged into, the same currency. See note 26 for information on SEK's positions in foreign currency.

(ii) Fair value assessments of certain financial instruments

SEK recognizes a large part of the balance sheet at fair value, primarily interest-bearing securities recognized on the lines Treasuries/Government bonds and Other interest-bearing securities except loans, derivatives and issued debt. When financial instruments are recognized at fair value, these amounts are calculated on the basis of market prices, valuation models, valuations conducted by external parties and discounted cash flows. SEK's financial instruments are predominantly not subject to public trading and quoted market prices are not available. When recognizing the amounts for assets, liabilities and derivatives, as well as income and expenses, it is necessary to make assumptions and assessments regarding the fair value of financial instruments and derivatives, particularly if they comprise unquoted or illiquid securities

or other instruments of debt. Should the conditions underlying these assumptions and assessments change, the recognized amounts would also change. Refer to note 26 for further information about the impact on the value of financial assets and liabilities of a one percentage point movement in the market interest rate. Other valuation models or assumptions could produce different valuation results. SEK makes judgments regarding what the most appropriate valuation techniques are for the different financial instruments based on their categories. In all cases, the decision is based on a professional assessment pursuant to SEK's accounting and valuation policies. The use of a valuation model demands a validation and thereafter an approval, in addition to approval of all models at least annually. The valuation models applied by SEK comply with accepted methods for pricing financial instruments. Fair-value adjustments are applied when there are additional factors that market participants take into account and that are not captured by the valuation model. A CVA (Credit Value Adjustment) and DVA (Debt Value Adjustment) are made to reflect the counterparty's credit risk and SEK's own credit rating, which affects the fair value of the derivatives (see note 13, for fair value changes related to credit risk.)

When financial assets or liabilities are recognized at fair value, the instruments are recognized at their full fair value, including any credit spreads. When quoted market prices are not available for such instruments, certain assumptions must be made about the credit spread of either the counterparty or one's own credit spread, depending on whether the instrument is an asset or a liability.

Developments in the financial markets have to some extent affected the prices at which SEK's debt is issued. These changes, which are different in different markets, have been included in the calculation of fair value for these liabilities. SEK issues debt instruments in many financial markets. A large portion of these are compound financial instruments with embedded derivatives. SEK's policy is to hedge the risks in these instruments using derivatives with corresponding structures in order to obtain effective economic hedges. Such compound financial instruments are classified as financial liabilities measured at fair value. As there mostly are no market quotes for this group of transactions, valuation models are used to calculate fair value. The gross value of these instruments and derivatives, which effectively hedge each other, requires complex judgments regarding the most appropriate valuation technique, assumptions and estimates. If other valuation models or assumptions are used, or if assumptions are changed, this could produce other valuation results. Excluding the impact on the valuation of credit spreads on SEK's own debt and basis spreads, such changes in fair value would generally offset each other.

SEK uses derivative instruments to mitigate and reduce risks attributable to financial assets and liabilities. In order to mitigate counterparty risk, i.e., the form of credit risk generated from derivative transactions, SEK enters into such transactions only with counterparties with good credit ratings. Moreover, SEK endeavors to enter into ISDA Master Agreements with Credit Support Annexes (CSAs) with its counterparties. This means that the highest allowed risk level is established in advance, regardless of what changes in market value may occur.

Derivatives are measured at fair value with reference to listed market prices where available. If market prices are not available, valuation models are used instead. SEK uses a model to adjust the fair value of the net exposure for changes in SEK's or the counterparty's credit quality. The models use directly observable market parameters if such are available.

As of December 31, 2020, financial assets and liabilities for which valuation models were used, and where market inputs with a significant effect on the recorded fair value are observable (level 2) amounted to Skr 28 billion (2019: Skr 32 billion) and Skr 30 billion (2019: Skr 31 billion), 9 percent (2019: 11 percent) and 10 percent (2019: 10 percent) of total financial assets and total financial liabilities respectively. Financial assets and liabilities for which valuation included significant non-observable parameters (level 3) amounted to Skr 2 billion (2019: Skr 2 billion) and Skr 43 billion (2019: Skr 46 billion), 0 percent (2019: 1 percent) and 14 percent (2019: 16 percent) of total financial assets and total financial liabilities respectively. The assessment of non-observable

parameters included in models for assessing market value are associated with subjectivity and uncertainty, which can impact the results recognized for specific positions. Despite SEK using appropriate valuation models which are consistent with those used in the market, other models and assumptions for determining the fair value of financial instruments could result in other fair value estimates on the reporting date. At December 31, 2020, the total minimum and maximum effects of changing one or more non-observable parameters to reflect the assumptions under other reasonable circumstances for level 3-instruments amounted to Skr -137 million (2019: Skr -172 million) and Skr 137 million (2019: Skr 175 million) respectively. Refer to note 13 for information regarding value changes for assets and liabilities if non-observable market parameters are changed and section (h) (viii) above for the Principles for determination of fair value of financial instruments.

(iii) Provisions for expected credit losses

Provisions are estimated using quantitative models, which incorporate inputs, assumptions and methodologies that involve a high degree of management judgement. In particular, the following can have a significant impact on the level of impairment provisions: determination of a significant increase in credit risk, incorporation of forward-looking macroeconomic scenarios and measurement of both 12-month and lifetime expected credit losses. A significant increase in credit risk is defined by SEK based on a deterioration by a number of steps from the initial rating. On December 31, 2020 if the definition of significant increase in credit risk had been one less step of deterioration the impairments would have been Skr 4 million higher (2019: Skr 23 million), and if the definition had been one more step of deterioration the impairments would have been Skr 0 million lower (2019: Skr 1 million). SEK's method of calculating probability of default entails three scenarios being prepared for each PD curve. The three scenarios are defined by a weight allocated to each scenario. On December 31, 2020 if the probability of a downturn scenario, or an upturn scenario, would have been weighted with 100% probability the impairments would have been Skr 12 million higher (2019: Skr 11 million) or Skr 11 million lower (2019: Skr 16 million), respectively. On December 31, 2020, SEK's total lending including off-balance sheet exposures amounted to Skr 294 billion (2019: Skr 277 billion) and the related impairment reserve amounted to Skr 249 million (2019: Skr 128 million). If, for example, the actual amount of total future cash flow were to have been 10 percent higher or lower than the estimate, this would have affected operating profit for the fiscal year ended December 31, 2020 by an additional approximately Skr 25 million (2019: Skr 13 million) and equity at the same date by approximately Skr 20 million (2019: Skr 10 million). A higher total future cash flow would affect operating profit and equity positively, while a lower total future cash flow would affect operating profit and equity negatively.

(q) Parent Company

The financial Statements for the Parent Company, AB Svensk Exportkredit (publ), have been prepared in accordance with Swedish legislation, the requirements of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) (ÅRKL), and Recommendation RFR 2, Accounting for Legal Entities, issued by the Swedish Financial Reporting Board (RFR), as well as the accounting regulations of the Swedish FSA (FFFS 2008:25). This means that IFRS standards have been applied to the extent permitted within the framework of ÅRKL and the accounting regulations of the Swedish FSA. The accounting policies of the Parent Company are essentially unchanged, apart from the changes presented with respect to the Group. The differences in accounting policies between the Parent Company and the Consolidated Group are as follows:

(i) Income Statement

In accordance with ÅRKL requirements, the Parent Company presents an income Statement and a separate Statement of comprehensive income. Gains and losses that arise from changes in SEK's own credit risk on liabilities designated at fair value are recognized in the income

Statement of the Parent Company under net results of financial transactions in net profit, compared to other comprehensive income for the Group. Expected credit losses of interest-bearing securities measured at amortized cost are recognized separately under impairment of fixed financial assets.

(ii) Shares in subsidiaries

The Parent Company's investments in subsidiaries are recognized at cost and dividends received are recognized in profit or loss.

(iii) Tax on profit for the year

In accordance with Swedish tax law, the Parent Company maintains certain untaxed reserves. Untaxed reserves are disclosed in the balance sheet of the Parent Company and changes in untaxed reserves are recognized in profit or loss.

(iv) Group contributions

Parent Company contributions to subsidiaries are recognized, taking into account their tax effect, as investments in shares in subsidiaries, unless impaired.

(v) Equity

Equity in the Parent Company consists of the following items: share capital; legal reserve; development expenditure reserve; revaluation reserve; retained earnings; and net profit for the year. The revaluation reserve consists of the hedge reserve (value changes on derivatives in cash flow hedges).

(vi) Pension liability

The Parent Company applies a different basis for calculating defined-benefit pension plans compared with what is stated in IAS 19. In the Parent Company, the BTP plan is accounted for as a defined-contribution plan and the Parent Company complies with the regulations of the Swedish Pension Obligations Vesting Act and the Swedish FSA. Except for the BTP plan being accounted for as a defined-contribution plan, the primary differences as compared to IAS 19 include how the discount rate is set, the calculation of defined-benefit obligations based on current salary levels without consideration of future salary increases and the fact that all actuarial gains and losses are included in earnings as they occur.

(r) New standards and amendments to standards and interpretations not yet adopted and considered relevant to SEK

The IASB has published amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in "Reform for new reference rates - phase 2". Phase 2 of the reform of the reference rates, has three main areas: hedge accounting, modifications and information. The changes clarify that the hedge accounting do not have to cease just because the hedged items and hedging instruments modified as a result of the IBOR reform. Security conditions (and associated documentation) must be changed to reflect those modifications made to the hedged item, the hedging instrument and the hedged risk. Any value adjustments such as these changes entails is reported as hedging inefficiency. Further clarified that modifications required as a direct result of the IBOR reform and made in an economically equivalent way should not be reported as modifications for instruments valued at accrued acquisition value. For such modifications, the effective interest rate is adjusted in line with those modified cash flows. The amendments shall be applied for financial years beginning January 1, 2021 or later, and previous application is allowed. The changes are expected to result in SEK's hedging conditions may remain as before and that no significant modification gains or modification losses are reported. The changes are therefore expected not have any significant impact on SEK's accounts, capital adequacy or large exposures when first applied.

Other IFRS or IFRS IC interpretations that are not yet applicable are not expected to have a material impact on SEK's Financial Statements, capital adequacy or large exposure ratios.

Note 2. Net interest income

Skr mn	2020	2019
Interest income		
Loans to credit institutions	236	546
Loans to the public	4,210	4,597
Loans in the form of interest-bearing securities	897	829
Interest-bearing securities excluding loans in the form of interest-bearing securities	242	686
Derivatives	-1,708	-538
Administrative remuneration CIRR-system ¹	197	194
Other assets	34	43
Total interest income	4,108	6,357
Interest expenses		
Interest expenses excl. resolution fee	-2,076	-4,471
Resolution fee	-86	-169
Total interest expenses	-2,162	-4,640
Net interest income	1,946	1,717

Skr mn	2020	2019
Interest income were related to:		
Financial assets at fair value through profit or loss	-1,070	452
Derivatives used for hedge accounting	-396	-303
Financial assets at amortized cost	5,574	6,208
Total interest income	4,108	6,357
Interest expenses were related to:		
Financial liabilities at fair value through profit or loss	725	1,158
Financial assets measured at fair value through profit or loss - negative interest on income	-60	-72
Financial assets measured at amortized cost - negative interest income	0	-9
Derivatives used for hedge accounting	1,904	-286
Financial liabilities at amortized cost	-4,731	-5,431
Total interest expenses	-2,162	-4,640
Net interest income	1,946	1,717

Interest income geographical areas

Skr mn	2020	2019
Sweden	1,223	1,281
Europe except Sweden	-166	1,340
Countries outside of Europe	3,051	3,736
Total interest income	4,108	6,357

Interest income per product group

Skr mn	2020	2019
Lending to Swedish exporters	1,921	1,954
Lending to exporters' customers ²	1,229	1,784
Liquidity	958	2,619
Total interest income	4,108	6,357

1 Including administrative remuneration for concessionary loans by Skr 1 million (2019: Skr 2 million).

2 In interest income for Lending to exporters' customers, Skr 196 million (2019: Skr 192 million) represent remuneration from the CIRR-system (see note 24).

Since Q4 2020, SEK has changed the accounting principle regarding the CIRR-system. The comparative figures have been adjusted, see Note 1.

Note 3. Net fee and commissions expense

Skr mn	2020	2019
Fee and commissions earned were related to¹:		
Lending	1	1
Total	1	1
Commissions incurred were related to¹:		
Depot and bank fees	-10	-8
Brokerage	-4	-5
Other commissions incurred	-29	-21
Total	-43	-34
Net fee and commissions expense	-42	-33

1 Skr -37 million (2019: Skr -28 million) includes financial assets and liabilities not measured at fair value through profit or loss.

Note 4. Net results of financial transactions

Skr mn	Consolidated Group		Parent Company	
	2020	2019	2020	2019
Derecognition of financial instruments not measured at fair value through profit or loss:				
Financial assets at amortized cost	14	19	14	19
Financial assets or liabilities at fair value through profit or loss:				
Designated upon initial recognition (FVO) ¹	-488	-5,590	-469	-5,566
Mandatorily	466	5,710	466	5,710
Financial instruments under fair-value hedge accounting:				
Net results of the hedging instrument	1,277	2,846	1,277	2,846
Net results of the hedged item	-1,191	-2,761	-1,191	-2,761
Currency exchange-rate effects on all assets and liabilities excl. currency exchange-rate effects related to revaluation at fair value	5	2	5	2
Total net results of financial transactions	83	226	102	250

1. Difference between Parent Company and Consolidated Group is due to different accounting principles regarding changes in SEK's own credit risk, see note 1.

Note 5. Personnel expenses

Skr mn	Consolidated Group		Parent Company	
	2020	2019	2020	2019
Salaries and remuneration to the Board of Directors and the CEO	-7	-7	-7	-7
Salaries and remuneration to Senior Executives	-25	-23	-25	-23
Salaries and remuneration to other employees	-168	-161	-168	-161
Pensions	-64	-60	-64	-62
Social insurance	-68	-63	-68	-63
Other personnel expenses	-15	-19	-15	-19
Total personnel expenses	-347	-333	-347	-335

The combined total of the remuneration to senior executives, excluding the CEO of the Parent Company, amounted to Skr 25 million (2019: Skr 23 million). Of the remuneration to senior executives, Skr 25 million (2019: Skr 23 million) is pensionable. Of the remuneration to the CEO of the Parent Company, Skr 5 million (2019: Skr 5 million) is pensionable. For all employees, excluding the CEO, SEK follows collective agreements between the Banking Institution Employers' Organization (BAO) and trade unions.

Remuneration and other benefits to the Board of Directors and Senior Executives in the Consolidated Group

2020 Skr thousand	Fee, includes committee fee	Fixed remuneration ¹	Other benefits ²	Pension fee ³	Total
Chairman of the Board of Directors:					
Lars Linder-Aronson	-588	-	-	-	-588
Other members of the Board of Directors:					
Cecilia Ardström	-322	-	-	-	-322
Anna Brandt ⁴	-	-	-	-	-
Reinhold Geijer	-288	-	-	-	-288
Hans Larsson	-302	-	-	--	-302
Eva Nilsagård	-297	-	-	-	-297
Ulla Nilsson	-322	-	-	-	-322
Hanna Lagercrantz ⁴ ,	-	-	-	-	-
Senior Executives:					
Catrin Fransson, Chief Executive Officer (CEO) ⁵	-	-5,234	-33	-1,536	-6,803
Per Åkerlind, Deputy Chief Executive Officer and Head of Strategic Partnerships and Relations	-	-3,527	-31	-1,257	-4,815
Karl Johan Bernerfalk, General Counsel, Head of Legal	-	-1,576	-31	-552	-2,159
Andreas Ericson, Head of Mid Corporates	-	-2,024	-32	-631	-2,687
Stefan Friberg, Chief Financial Officer (CFO)	-	-2,964	-18	-515	-3,497
Teresa Hamilton Burman, Chief Credit Officer (CCO)	-	-2,389	-18	-524	-2,931
Jens Hedar, Head of Large Corporates	-	-2,316	-18	-635	-2,969
Petra Könberg, Head of Marketing and Communications	-	-1,286	-34	-428	-1,748
Peter Svensén, Chief Risk Officer (CRO)	-	-2,597	-26	-569	-3,192
Sirpa Rusanen, Chief Human Resources Officer (CHRO)	-	-1,719	-22	-675	-2,416
Susanna Rystedt, Head of Business Development, Business Support and Transformation	-	-2,501	-16	-788	-3,305
Madeleine Widaeus, Chief Information Officer (CIO)	-	-1,671	-16	-493	-2,180
Total	-2,119	-29,804	-295	-8,603	-40,821
¹ Predetermined salary or other compensation such as holiday pay and allowances. ² Other benefits consist of, for example subsistence benefits. ³ Includes premiums for insurance covering sickness benefit for prolonged illness and other public risk insurance as a result of collective pension agreements. ⁴ Remuneration is not paid from the Company to the representatives on the Board of Directors who are employed by the owner, the Swedish Government. ⁵ The retirement age of the CEO, Catrin Fransson, is 65 years and the pension fee is 30 percent of her fixed salary.					

Remuneration and other benefits to the Board of Directors and Senior Executives in the Consolidated Group

2019 Skr thousand	Fee, includes committee fee	Fixed remuneration ¹	Other benefits ²	Pension fee ³	Total
Chairman of the Board of Directors:					
Lars Linder-Aronson	-603	-	-	-	-603
Other members of the Board of Directors:					
Cecilia Ardström	-308	-	-	-	-308
Anna Brandt ⁴	-	-	-	-	-
Reinhold Geijer	-275	-	-	-	-275
Hans Larsson	-249	-	-	-	-249
Eva Nilsagård	-277	-	-	-	-277
Ulla Nilsson	-298	-	-	-	-298
Hélène Westholm ⁴ , resigned March 28, 2019	-	-	-	-	-
Hanna Lagercrantz ⁴ , from March 28, 2019	-	-	-	-	-
Senior Executives:					
Catrin Fransson, Chief Executive Officer (CEO) ⁵	-	-5,015	-25	-1,462	-6,502
Per Åkerlind, Head of Treasury and Capital Management and Executive Vice President	-	-3,509	-30	-1,123	-4,662
Karl Johan Bernerfalk, General Counsel	-	-1,507	-23	-529	-2,059
Andreas Ericson, Head of Mid Corporates	-	-1,978	-28	-607	-2,613
Stefan Friberg, Chief Financial Officer (CFO)	-	-2,922	-27	-500	-3,449
Teresa Hamilton Burman, Chief Credit Officer (CCO)	-	-2,353	-18	-508	-2,879
Jens Hedar, Head of Large Corporates	-	-2,224	-15	-649	-2,888
Petra Könberg, Head of Marketing & Business Development	-	-1,236	-33	-407	-1,676
Irina Slinko, acting Chief Risk Officer (CRO), resigned August 20, 2019	-	-1,159	-12	-365	-1,536
Anna-Lena Söderlund, acting Chief Risk Officer (CRO), from August 21, 2019, resigned October 27, 2019	-	-278	-6	-115	-399
Peter Svensén, Chief Risk Officer (CRO), from October 28, 2019	-	-471	-3	-80	-554
Sirpa Rusanen, Chief Human Resources Officer (CHRO)	-	-1,644	-42	-623	-2,309
Susanna Rystedt, Chief Administrative Officer (CAO)	-	-2,484	-40	-759	-3,283
Madeleine Widaeus, Chief Information Officer (CIO)	-	-1,574	-16	-463	-2,053
Total	-2,010	-28,354	-318	-8,190	-38,872

1 Predetermined salary or other compensation such as holiday pay and allowances.

2 Other benefits consist of, for example, car allowances and subsistence benefits.

3 Includes premiums for insurance covering sickness benefit for prolonged illness and other public risk insurance as a result of collective pension agreements.

4 Remuneration is not paid from the Company to the representatives on the Board of Directors who are employed by the owner, the Swedish Government.

5 The retirement age of the CEO, Catrin Fransson, is 65 years and the pension fee is 30 percent of her fixed salary.

Total Expenditure on Remuneration in accordance with CRR

2020 Skr thousand	Executive management	Other members of staff whose actions have a material impact on the risk profile of the institution
Total amount expended for remuneration	-38,632	-87,252
of which fixed remuneration	-38,632	-81,244
of which variable remuneration in cash	-	-6,008
number of beneficiaries	12	67
Outstanding vested deferred remuneration	-	-
Outstanding unvested deferred remuneration	-90	-8,164
Deferred remuneration awarded	-	-3,605
Deferred remuneration paid out	-69	-2,535
Deferred remuneration reduced through performance adjustments	-	-
Severance payments made	-	-
number of beneficiaries	-	-
Severance payments awarded	-	-

2019 Skr thousand	Executive management	Other members of staff whose actions have a material impact on the risk profile of the institution
Total amount expended for remuneration	-34,780	-88,565
of which fixed remuneration	-34,780	-81,730
of which variable remuneration in cash	-	-6,835
number of beneficiaries	12	74
Outstanding vested deferred remuneration	-	-
Outstanding unvested deferred remuneration	-90	-4,727
Deferred remuneration awarded	-	-4,101
Deferred remuneration paid out	-69	-569
Deferred remuneration reduced through performance adjustments	-	-
Severance payments made	-	-1,319
number of beneficiaries	-	1
Severance payments awarded	-	-

Finansinspektionens (the Swedish FSA's) regulations (FFFS 2011:1) regarding remuneration structures in credit institutions, investment firms and fund management companies licensed to conduct discretionary portfolio management apply to SEK. Moreover, SEK applies the government's ownership policy and guidelines on terms of employment for senior executives at state-owned companies 2020. In accordance with these regulations, SEK's Board has prepared a proposal for a set of guidelines for the remuneration of senior executives at SEK, which was adopted at the 2019 Annual General Meeting. The guidelines stipulate that salary and remuneration to the senior executives of SEK should be fair and reasonable. They should also be competitive, capped and appropriate as well as contribute to good ethical principles and corporate culture. Remuneration should not be higher than at comparable companies, and should be reasonable. Remuneration to senior executives consists of fixed salary, severance pay, pension benefits and other benefits. Pension terms for senior executives should be in the form of defined contribution plans.

SEK's remuneration system is designed to promote sound and effective risk management and restrict excessive risk-taking. Remuneration to employees is mainly determined at fixed amounts.

SEK's Board of Directors' Remuneration Committee (the "Remuneration Committee") prepares proposals for decision by the Board relating to remuneration policy for the Company, on total remuneration for the CEO, for other members of the executive management, for the Head of Compliance, and for other employees reporting directly to the CEO, as well as on the terms and conditions for and the outcome of the Company's remuneration system. The Remuneration Committee also prepares and handles overall issues relating to remuneration

(salaries, pension and other benefits), measures aimed at applying SEK's remuneration policy, and issues relating to succession planning. Further, the Remuneration Committee prepares overall instructions for remuneration issues that it deems necessary. The Remuneration Committee also ensures that the relevant oversight department, together with the Remuneration Committee, annually reviews and evaluates the Company's remuneration systems and also reviews whether such systems comply with the Company's remuneration policy and relevant instructions regarding remuneration. The outcome is presented to the Board in a separate report on the same day as the annual report is submitted. The Remuneration Committee has met five times in 2020.

The company has only one variable remuneration system, individual variable compensation ("IRE"). Within this system, permanent staff that have customer or business responsibility, but are not members of senior management, are offered the opportunity to receive individual variable remuneration. IRE has been around since 2017 and should be evaluated on an ongoing basis. The result of the evaluations shall be reported to the Remuneration Committee.

The IRE system is discretionary in nature, in that all outcomes are subject to deferred payment and the Board takes all decisions regarding results and payments. Before an individual receives any IRE payment, the payment is subject to testing at three different levels: the Company level, the Department level and the Individual level. The test at the Company level is the basis for any IRE outcome. The outcome at the Company level is conditional on the actual return exceeding a predetermined target. If appropriate, actual return is adjusted for the impact of non-operational items and unexpectedly high risk-taking. Of the profit that corresponds to any excess return, a percentage

accrues to the IRE at the Company level. The outcome at the Company level is capped at a maximum of two months' salary, calculated on the basis of all Company employees entitled to IRE. In the case of a positive outcome at the Company level, the next step is to test at the Department level. This test assesses the outcome at the Department level in relation to the department's quantitative targets. If the targets have not been reached, the outcome at the Company level is reduced for all members of the department. The remainder after this test comprises the outcome at the Department level, which is capped at a maximum of two months' salary, calculated on the basis of all department's employees entitled to IRE. The final test is at the Individual level. This test assesses the behavior and performance of individuals. For each individual, the outcome following the test at the Individual level is subject to a floor of zero and a ceiling of 1.5 times the amount at the Department level. Accordingly, the maximum outcome for any individual is three months' salary. The total outcome for all employees encompassed by IRE in a department must be within the outcome at the Department level. The Company pays payroll taxes on any IRE paid, which also carries pension entitlements.

SEK's remuneration policy is designed in such a way that the Company may decide that remuneration that is subject to deferred disbursement may be withheld, in part or full, if it subsequently transpires that the performance criteria have not been fulfilled or if the employee has breached certain internal rules. The same applies if disbursement would not be justifiable by the Company's financial situation. Moreover, the outcome may also be adjusted if credit losses, or recoveries of credit losses, have occurred after the relevant income year, but are deemed to be attributable to that year.

For all employees encompassed by IRE, the disbursement plan states that 40 percent of the outcome will be disbursed in April in the year following the income year to which the remuneration relates, and 20 percent will be disbursed in April in each of the three subsequent years.

As part of its strategic analysis and planning, the Company undertakes an annual process for internal capital and liquidity assessment. As part of this assessment, an analysis is conducted with the aim of identifying employees, whose work duties have a material impact on SEK's risk profile, including risks related to the Company's remuneration policy and remuneration system. The outcome of this analysis is taken into account when designing the remuneration systems in order to promote sound and efficient risk management and to restrict excessive risk-taking. No employees receive remuneration of EUR 1 million or more per fiscal year. No new agreements containing variable remunerations have been established during the year.

The CEO's, Catrin Fransson's, terms of employment comply with the Guidelines for Terms of Employment for Senior Executives in State-owned Companies 2020.

SEK pays a defined contribution pension insurance amounting to 30 percent of the CEO's pensionable salary. The retirement age for the CEO is 65.

For the CEO, SEK pays premiums for insurance for sickness benefits for prolonged illness, other collective risk insurance corresponding to those applicable under the BTP plan as well as healthcare insurance under Skandia Privatvård Plus and travel insurance. Other benefits payable to the CEO include per diem allowances. The CEO is entitled to six months' notice prior to termination initiated by SEK and severance pay corresponding to 18 months' salary. A deduction is made for any income arising from new employment.

The retirement age is 65 for all senior executives. The pension terms, conditions for termination of employment and other terms of employment for the senior executives follow the current Guidelines for Terms of Employment for Senior Executives in State-owned Companies 2020, where the BTP plan is included as an approved, collectively bargained, defined-benefit and defined-contribution pension plan. Since the 2017 Annual General Meeting, the new guidelines apply when appointing new senior executives at SEK. Pension provisions for senior executives in SEK are limited to 30 percent of pensionable income for retirement and survivors' pension. Due to SEK's imple-

mentation of a defined-benefit pension plan, the BTP plan, resulting from a collective agreement between the BAO and the Financial Sector Union of Sweden, covering employees in the banking and finance industries, the contribution for retirement and survivors' pension can exceed 30 percent.

For the senior executives, SEK pays premiums for insurance for sickness benefits for prolonged illness, other collective risk insurance arising out of applicable collective agreements as well as travel insurance and health insurance. Other benefits include car and per diem allowances.

Per Åkerlind has a notice period of six months should termination be initiated by SEK and is entitled to severance pay corresponding to 18 months' salary. A deduction is made for any income arising from new employment. For other senior executives, the notice period upon termination initiated by SEK follows collective agreements. Upon resignation by the employee, the notice period is three or six months.

Pensions

The employees at SEK have a collectively bargained pension plan through the BTP plan, which is the most significant pension plan for salaried bank employees in Sweden. The BTP plan is funded by means of insurance with the insurance companies SPP and SEB.

Total pension cost for defined benefit and defined contribution obligations

Skr mn	2020	2019
Service cost	-5	-6
Regulation of pension obligations	0	0
Interest cost, net	-1	-2
Pension cost for defined benefit pensions, incl. payroll tax	-6	-8
Pension cost for defined contribution pension cost incl. payroll tax	-58	-52
Pension cost recognized in personnel costs	-64	-60
Actuarial gains (+) and losses (-) on defined benefit obligation during period	-2	-16
Return above expected return, gains (+) and losses (-) on plan assets	3	12
Change in the effect of the asset ceiling excluding interest	-	-
Revaluation of defined benefit plans	1	-4

Net value of defined benefit pension obligations

Skr mn	2020	2019
Defined benefit obligations	277	272
Plan assets	-195	-189
Provision for pensions, net obligation¹	82	83

1 See note 21.

Development of defined benefit obligations

Skr mn	2020	2019
Defined benefit obligation, opening balance	272	253
Service cost	6	6
Interest cost	5	5
Pension Payments incl. special payroll tax	-9	-8
Actuarial gains (-) and losses (+), effect due to changed demographic assumptions	-	-
Actuarial gains (-) and losses (+), effect due to changed financial assumptions	12	25
Actuarial gains (-) and losses (+), effect due to experience based outcome	-9	-9
Defined benefit obligation, closing balance	277	272

Development of plan assets related to defined benefit obligation

Skr mn	2020	2019
Fair value of plan assets, opening balance	189	173
Expected return on plan assets	3	4
Contributions by the employer ¹	7	7
Benefits paid ²	-8	-7
Return on plan assets excluding interest income	4	12
Fair value of plan assets, closing balance	195	189

1 Expected contribution from the employer in the following year is Skr 5 million (2019: Skr 6 million) excluding payroll tax.

2 Expected compensation paid in the following year is Skr 7 million (2019: Skr 9 million).

Distribution of plan assets related to defined benefit obligation

Skr mn	2020	2019
Domestic equity investments	4	4
Foreign equity investments	23	17
Domestic government bonds	41	49
Domestic corporate bonds	18	22
Mortgage bonds	53	49
Other Investments	33	25
Properties	23	23
Total plan assets	195	189

Principal actuarial assumptions used end of year

Percent	2020	2019
Discount rate	1.25	1.7
Assumption of early pension withdrawal	20.0	20.0
Expected salary increase	2.0	2.0
Expected inflation	1.8	2.0
Expected lifetime	DUS14	DUS14
Expected turnover	5.0	5.0

Sensitivity analysis of essential assumptions

	Negative outcome		Positive outcome	
Skr mn	2020	2019	2020	2019
Discount rate	-1%	-1%	+1%	+1%
Defined benefit obligation	358	351	218	215
Service cost	9	8	5	5
Interest cost	1	2	5	6
Expected lifetime	+1 year	+1 year	-1 year	-1 year
Defined benefit obligation	291	286	264	260
Service cost	7	6	7	6
Interest cost	4	5	3	4

Net reconciliation of pension liabilities

Skr mn	2020	2019
Pension liabilities, opening balance	83	80
Net periodic pension cost	8	7
Contributions by the employer	-7	-7
Net pension payments	-1	-1
Revaluations recognized in other comprehensive income	-1	4
Pension liabilities, closing balance	82	83

Pension cost

	Parent Company	
Skr mn	2020	2019
Pension commitments provided for in the statement of financial position		
Pension costs for the year, excluding taxes	0	0
Pension commitments provided for through insurance contracts		
Pension costs for the year, excluding taxes	-63	-61
Net cost accounted for pensions, excluding taxes	-63	-61

Reconciliation of provisions for pensions

	Parent Company	
Skr mn	2020	2019
Opening balance, January 1	10	10
Provisions made / provision used	-1	0
Closing balance, December 31	9	10

Net interest is calculated using the discount rate of pension obligations, based on the net surplus or net deficit in the defined benefit plan.

Pension expense in 2020 for defined benefit pensions amounts to Skr 7 million (2019: Skr 8 million).

As of December 31, 2020, the expected weighted average remaining service time for active employees was 13.38 years (2019: 14.89 years), the expected weighted average duration for the present value was 20.19 years (2019: 19.23 years) and the average salary for active employees was Skr 0.9 million (2019: Skr 0.9 million).

Discount rate

The discount rate is based on the estimated interest curve of Swedish mortgage bonds, as this market is regarded as liquid enough to be used for this purpose. The discount rate is based on market expectations at the end of the accounting period, using bonds with the same duration as the pension liability.

Expected early retirement

According to the transitional rule for § 8 in the BTP-plan, the calculation includes the assumption that 20 percent of the employees use the possibility for early retirement. The earliest retirement age is 61 for employees born 1956 or earlier. Employees born 1967 or later have no right to retire before age 65.

Expected return on plan assets

Expected return on plan assets is equal to the discount rate as regulated in IAS 19.

Expected salary increase

The assumption of salary increase is based on SEK's assessment.

Expected inflation

The expected inflation is in line with Swedish inflation-linked bonds.

Expected employee turnover

Expected employee turnover is based on SEK's assessment of the long-term expected Company staff attrition during one year.

Parent Company

In the Parent Company, the BTP plan is accounted for as a defined contribution plan. Defined benefit plans are not accounted for in accordance with IAS 19 but are accounted for in accordance with Swedish standards, including the Swedish law on pensions, "Tryggandelagen" and regulations prescribed by the Swedish Financial Supervisory Authority. The primary differences as compared to IAS 19 include the discount rate and the calculation of defined benefit obligations based on current salary levels without consideration of future salary increases.

Average number of employees

	2020	2019	2018
Women	123	120	117
Men	125	121	126
Total average number of employees	248	241	243

Number of employees at year-end¹

	2020	2019	2018
Women	125	123	118
Men	128	121	120
Total number of employees²	253	244	238
<i>of which full-time employees</i>	247	236	230
<i>allocation of women/men</i>	49/51	50/50	49/51
<i>of which part-time employees</i>	6	8	8
<i>allocation of women/men</i>	83/17	75/25	75/25
<i>of which permanent employees</i>	253	243	236
<i>allocation of women/men</i>	49/51	51/49	50/50
<i>of which temporary employees</i>	0	1	2
<i>allocation of women/men</i>	0/0	0/100	50/50
<i>of which managers</i>	31	31	29
<i>of which non-management</i>	222	213	209

1 Information collected from the HR-system.

2 In addition to its employees, SEK had 75 consultants (FTEs) (2019: 66 consultants) engaged at year-end 2020.

Employees by age distribution

	2020	2019	2018
Total number of employees	253	244	238
<i>of which under the age of 30 years</i>	13	12	13
<i>of which between 30 and 50 years</i>	122	127	127
<i>of which over 50 years</i>	118	105	98

Employee turnover

	2020	2019	2018
Number of employees who left employment	16	30	32
<i>of which women</i>	8	16	12
<i>of which men</i>	8	14	20
<i>of which under the age of 30 years</i>	0	2	3
<i>of which between 30 and 50 years</i>	12	22	20
<i>of which over 50 years</i>	4	6	9

Health

Percent	2020	2019	2018
Absence due to sickness ¹	2.1	2.5	3.1

1 Number of hours of sickness in relation to scheduled working hours.

Equality and diversity

	2020	2019	2018
Allocation of women/men on the Board of Directors	62/38	62/38	62/38
Allocation of women/men in SEK's executive management	50/50	50/50	50/50
Allocation of women/men in management positions	48/52	42/58	41/59
Allocation of women/men at SEK in total	49/51	50/50	51/49

Note 6. Other administrative expenses

Skr mn	2020	2019
Travel expenses and marketing	-3	-7
IT and information system (fees incl.)	-140	-156
Other fees	-38	-34
Premises	-10	-3
Other	-7	-6
Total other administrative expenses	-198	-206

Remuneration to auditors

Skr mn	2020	2019
Öhrlings PricewaterhouseCoopers AB:		
Audit fees ¹	-9	-10
Audit related fees ²	-	0
Tax related fees ³	-	0
Other fees ⁴	-3	-2
Total	-12	-12

- 1 Fees related to audit of annual financial statements and reviews of interim financial statements.
- 2 Fees charged for assurance and related services that are related to the performance of audit or review of the financial statements and are not reported under Audit fees.
- 3 Fees for professional services rendered by the principal independent auditors for tax compliance and tax advice.
- 4 Fees for products and services rendered by the principal independent auditors, other than the services reported in Audit fees through Tax related fees above.

In the financial statements, remuneration to auditors is mainly included in Other administrative expenses.

Note 7. Tangible and intangible assets

Skr mn	Dec 31, 2020	Dec 31, 2019
Net book value		
Tangible assets	22	28
Right-of-use assets	25	50
Intangible assets ¹	98	56
Total net book value	145	134
Depreciation and impairment during the year according to the Consolidated Statement of Comprehensive Income	-51	-57

- 1 Intangible assets consist of the capitalized portion of investments in IT systems. The average useful life for intangible assets is 5 years.

Note 8. Leasing

SEK as lessee

All leases with the exception of short-term and low-value leases, are recognized as a right-of-use asset with a corresponding lease liability. The right-of-use assets are accounted for under Tangible and intangible assets and the lease liability is accounted for under Other liabilities (see note 7 and note 19). The right-of-use assets and the lease liability relate to rental premises. For further information see note 1 Significant accounting policies. The lease term is determined as the non-callable period of a lease, together with any extension or termination option that SEK is reasonably certain to exercise. SEK has extension options which it is not reasonably certain to exercise. The potential future cash flows related to the extension options amount to Skr 77 million (2019: Skr 78 million) for a period of 3 years.

Right-of-use assets

Skr mn	2020	2019
Opening balance	50	94
Depreciation	-27	-32
Addition/Deduction ¹	2	-12
Closing balance	25	50

- 1 There have been cancelled and new leases. During 2019 the estimation of lease liability and right-of-use assets also has changed. Future cash flows relating to real estate tax and non-deductible value added tax are no longer included. This change means that lease liability and right-of-use assets have decreased by Skr 13 million.

Accounted for in profit or loss

Skr mn	2020	2019
Depreciation charge on right-of-use assets	-27	-32
Interest expenses on lease liability	0	0
Expenses relating to short-term leases ¹	0	0
Expenses relating to low-value leases ¹	-1	-1
Variable lease fees ¹	-6	-1
Total amount accounted for in profit or loss	-34	-34

- 1 Accounted for under Other administrative expenses.

Lease liability

Skr mn	2020	2019
Opening balance	44	95
Interest expenses accrued	0	0
Payments of lease liability	-27	-39
Addition/Deduction ¹	2	-12
Closing balance	19	44

1 There have been cancelled and new leases. During 2019 the estimation of lease liability and right-of-use assets also has changed. Future cash flows relating to real estate tax and non-deductible value added tax are no longer included. This change means that lease liability and right-of-use assets have decreased by Skr 13 million.

Contractual flows of lease liability

Skr mn	2020	2019
Within 1 year	18	26
Between 1 and 5 years	1	18
Discounting effect	0	0
Closing balance	19	44

The total cash outflow for leases in 2020 was Skr 34 million (2019: Skr 41 million).

SEK as lessor

All SEK's leasing transactions, where SEK is the lessor, are classified as financial leases. When making such classification, all aspects regarding the leasing contract, including third party guarantees, are taken into account. A reconciliation between the gross investment in the leases and the present value of minimum lease payments receivable at the end of the reporting period can be found below. Future lease payments receivable will mature in the following periods.

Skr mn	December 31, 2020		December 31, 2019	
	Gross investment	Present value of minimum lease payments	Gross investment	Present value of minimum lease payments
Within 1 year	102	99	63	61
Between 1 and 5 years	91	81	87	78
More than 5 years	19	14	-	-
Total	212	194	150	139
Unearned finance income	-	17	-	14
Unguaranteed residual value	-	-	-	-

The leases are included in the line item "Loans to the public" in the Statement of Financial Position.

Note 9. Impairments

Skr mn	2020	2019
Expected credit losses, stage 1	-98	-19
Expected credit losses, stage 2	-48	11
Expected credit losses, stage 3	-7	-17
Established credit losses	-20	-25
Reserves applied to cover established credit losses	20	40
Recovered credit losses	-	-
Net credit losses	-153	-10

The table below shows the book value of loans and nominal amounts for off-balance sheet exposures before expected credit losses for each stage as well as related loss allowance amounts, in order to place expected credit losses in relation to credit exposures. Overall, the credit portfolio has an extremely high credit quality and SEK often uses risk mitigation measures, primarily through guarantees from the Swedish Export Credit Agency (EKN) and other government export credit agencies in the Organisation for Economic Co-operation and Development (OECD), which explains the low provision ratio.

Skr mn	December 31, 2020				December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans, before expected credit losses								
Loans in the form of interest-bearing securities	47,095	3,719	-	50,814	40,909	2,735	-	43,644
Loans to credit institutions	8,834	509	-	9,343	9,578	541	-	10,119
Loans to the public	142,179	28,109	1,482	171,770	132,313	30,326	1,316	163,955
Off balance, before expected credit losses								
Guarantees	2,463	1,506	-	3,969	3,232	1,161	-	4,393
Committed undisbursed loans	25,893	32,642	-	58,535	28,083	26,856	11	54,950
Total, before expected credit losses	226,464	66,485	1,482	294,431	214,115	61,619	1,327	277,061
<i>of which guaranteed</i>	<i>59.5%</i>	<i>84.6%</i>	<i>97.6%</i>	<i>63.2%</i>	<i>56.4%</i>	<i>92.1%</i>	<i>95.4%</i>	<i>62.2%</i>
Loss allowance, loans								
Loans in the form of interest-bearing securities	-20	-13	-	-33	-14	-2	-	-16
Loans to credit institutions	-6	0	-	-6	-1	0	-	-1
Loans to the public	-113	-42	-46	-201	-36	-7	-64	-107
Loss allowance, off balance¹								
Guarantees	0	0	-	-	0	0	0	0
Committed undisbursed loans	-8	-1	-	-9	-3	-1	-	-4
Total, loss allowance	-147	-56	-46	-249	-54	-10	-64	-128
Provision ratio	0.06%	0.08%	3.10%	0.08%	0.03%	0.02%	4.82%	0.05%

1 Recognized under provision in Consolidated Statement of Financial Position.

Loans and off balance, before loss allowance

Skr mn	December 31, 2020				December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	214,115	61,619	1,327	277,061	202,583	60,678	1,425	264,686
Increase due to origination and acquisition	134,041	25,944	815	160,800	73,812	5,633	113	79,558
Transfer to stage 1	683	-872	-	-189	13	-16	-	-3
Transfer to stage 2	-8,391	7,422	-159	-1,128	-6,752	6,281	-	-471
Transfer to stage 3	-	-42	34	-8	-97	-199	286	-10
Decrease due to derecognition	-113,984	-27,586	-535	-142,105	-55,444	-10,758	-497	-66,699
Closing balance	226,464	66,485	1,482	294,431	214,115	61,619	1,327	277,061

Loss allowance

Skr mn	December 31, 2020				December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	-54	-10	-64	-128	-34	-21	-84	-139
Increases due to origination and acquisition	-84	0	-	-84	-22	-1	0	-23
Net remeasurement of loss allowance	-23	-48	2	-69	-4	7	7	10
Transfer to stage 1	0	0	-	-	0	0	-	0
Transfer to stage 2	1	-1	0	-	0	0	-	0
Transfer to stage 3	-	1	-10	-9	0	2	-24	-22
Decreases due to derecognition	8	0	0	8	6	4	-	10
Decrease in allowance account due to write-offs	-	-	20	20	-	-	40	40
Exchange-rate differences ¹	5	2	6	13	0	-1	-3	-4
Closing balance	-147	-56	-46	-249	-54	-10	-64	-128

1 Recognized under Net results of financial transactions in the Statement of Comprehensive Income.

Provisions for expected credit losses (ECLs) are calculated using quantitative models based on inputs, assumptions and methods that are highly reliant on assessments. In particular, the following could heavily impact the level of provisions: the establishment of a material increase in credit risk, allowing for forward-looking macroeconomic scenarios, and the measurement of both ECLs over the next 12 months and lifetime ECLs. ECLs are based on objective assessments of what SEK expects to lose on the exposures given what was known on the reporting date and taking into account possible future events. The ECL is a probability-weighted amount that is determined by evaluating the outcome of several possible scenarios and where the data taken into consideration comprises information from previous conditions, current conditions and projections of future economic conditions. SEK's method entails three scenarios being prepared for each probability of default curve: (i) a base scenario, (ii) a downturn scenario and (iii) an upturn scenario. The base scenario consists of GDP forecasts from the World Bank. When calculating the ECL as of December 31, 2020 the latest available forecast was the World Bank's forecast from June 2020. The base scenario has been weighted at between 72 and

78 percent, and the downturn and upturn scenarios weighted equally at between 11 and 14 percent.

SEK's IFRS 9 model is based on GDP growth projections estimating the impact on the probability of default. SEK's management believes that the strong positive GDP growth projections for 2021 may understate the probability of default of the asset portfolio, as they do not take into account the sharp fall in GDP during the second quarter. In the fourth quarter, SEK made an overall adjustment to increase expected credit losses, which was calculated pursuant to SEK's IFRS 9 model as of December 31, 2020.

SEK has conducted an extensive assessment of material increases in credit risk due to the COVID-19 pandemic. SEK's assessment is that the company's method is still applicable for assessing whether a material increase in credit risk has occurred. SEK has noted an increase in credits moving from stage 1 to stage 2, which was mainly attributable to an increase in forbearance agreements due to the COVID-19 pandemic and decreased ratings. The movements from stage 1 to stage 2 have not had any material impact on expected credit losses.

Loan credit quality, before expected credit losses, allocated by stage

Skr mn	December 31, 2020				December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
AAA	37	-	-	37	546	-	-	546
AA+ to A-	29,261	-	-	29,261	31,421	-	-	31,421
BBB+ to BBB-	130,068	1,166	-	131,234	116,040	1,147	-	117,187
BB+ to BB-	32,281	23,201	-	55,482	23,378	20,381	-	43,759
B+ to B-	5,998	7,053	-	13,051	11,411	11,894	-	23,305
CCC to D	463	917	1,482	2,862	4	180	1,316	1,500
Total, before expected credit losses	198,108	32,337	1,482	231,927	182,800	33,602	1,316	217,718

More information regarding SEK's Credit Policy is found in note 26 and in the Risk and capital management section.

Note 10. Taxes

Skr mn	Consolidated Group		Parent Company	
	2020	2019	2020	2019
Income tax				
Adjustment previous year	-4	2	-3	2
Current tax	-266	-570	-270	-574
Deferred tax	0	291	-	-
Total income tax	-270	-277	-273	-572
Income tax related to other comprehensive income				
Tax on items to be reclassified to profit or loss				
<i>Current tax</i>	-	2	-	2
<i>Deferred tax</i>	-	-	-	-
Tax on items not to be reclassified to profit or loss				
<i>Current tax</i>	-4	-5	-	-
<i>Deferred tax</i>	-1	1	-	-
Income tax related to other comprehensive income	-5	-2	-	2
Reconciliation of effective tax rate				
The Swedish corporate tax rate (percent)	21.4	21.4	21.4	21.4
Profit before taxes	1,238	1,304	1,257	2,646
National tax based on profit before taxes	-265	-279	-269	-566
Tax effects of:				
Non-taxable income	0	9	-	9
Non-deductible expenses	-1	-16	-1	-16
Imputed interest on tax allocation reserve	-	-1	-	-1
Tax effect of dissolution of untaxed reserves due to changed tax rate	-	8	-	-
Other	-4	2	-3	2
Total tax	-270	-277	-273	-572
Effective tax expense (percent)	21.8	21.2	21.7	21.7

Deferred taxes

Skr mn	Consolidated Group	
	2020	2019
Deferred tax assets concerning:		
Temporary differences, related to pensions	15	16
Other temporary differences	-	-
Total deferred tax assets	15	16
Deferred tax liabilities concerning:		
Untaxed reserves	-	-
Total deferred tax liabilities	-	-
Net deferred tax liabilities (-) / tax assets (+)	15	16

No deductible loss carry forwards existed as of December 31, 2020, or December 31, 2019.

Change in deferred taxes

Skr mn	Consolidated Group	
	2020	2019
Opening balance	16	-276
Change through profit or loss	0	291
Change in other comprehensive income	-1	1
Closing balance	15	16

No deferred taxes accounted for in the Parent Company as of December 31, 2020, or December 31, 2019.

In June 2018, the Swedish Parliament introduced, among other things, reduced corporate tax and general interest deduction restrictions. The new rules came into force on January 1, 2019. The corporate tax is reduced in two stages - first to 21.4 percent (from January 1, 2019) and later to 20.6 percent (from January 1, 2021). The change has not had any significant impact on SEK's deferred taxes.

Untaxed reserves

Skr mn	Parent Company	
	Dec 31, 2020	Dec 31, 2019
Tax allocation reserve:		
Opening balance	-	1,321
Dissolution during the year	-	-1,321
Allocation during the year	-	-
Closing balance	-	-

In the financial statements of the Consolidated Group, the untaxed reserves of the Group companies are allocated 78 percent to equity and 22 percent to deferred taxes included as deferred tax liabilities in the statement of financial position. Changes in the amounts reported as deferred taxes are included in taxes on net profit in the Statement of Comprehensive Income. The entire untaxed reserve was dissolved in 2019.

Note 11. Loans and liquidity investments

Skr mn	Dec 31, 2020	Dec 31, 2019
Loans:		
Loans in the form of interest-bearing securities	50,780	43,627
Loans to credit institutions	31,315	27,010
Loans to the public	171,562	163,848
Less:		
Cash collateral under the security agreements for derivative contracts ¹	-21,979	-16,891
Total loans	231,678	217,594
Liquidity investments:		
Cash and cash equivalents	3,362	1,362
Cash collateral under the security agreements for derivative contracts	-	-
Treasuries/government bonds	22,266	8,344
Other interest-bearing securities except loans	33,551	53,906
Total liquidity investments	59,179	63,612
<i>of which issued by public authorities</i>	<i>25,262</i>	<i>13,452</i>

Difference between book value amount and amount contractually required to be paid at maturity for interest-bearing securities not carried at fair value

Skr mn	2020	2019
Sum of amounts exceeding nominal	148	350
Sum of amounts falling below nominal	-10	-39

Volume Development, Lending

Skr mn	2020	2019	of which the CIRR-system	
			2020	2019
Offers of long-term loans accepted	125,470	74,515	18,350	15,500
Undisbursed loans at year-end	57,213	52,150	51,463	47,868
Loans outstanding at year-end ¹	231,678	217,594	69,163	76,120

1 Including concessionary loans in the amount of Skr 382 million (year-end 2019: Skr 547 million).

Outstanding loans as per business area

Skr mn	Dec 31, 2020	Dec 31, 2019	of which the CIRR-system	
			Dec 31, 2020	Dec 31, 2019
Lending to Swedish exporters	120,050	96,429	-	-
Lending to exporters' customers	111,628	121,165	69,163	76,120
Total lending¹	231,678	217,594	69,163	76,120

1 Including concessionary loans in the amount of Skr 382 million (year-end 2019: Skr 547 million).

Note 12. Classification of financial assets and liabilities

Financial assets by accounting category

Skr mn	December 31, 2020			
	Financial assets at fair value through profit or loss		Amortized cost	Total
	Mandatorily	Derivatives used for hedge accounting		
Cash and cash equivalents	-	-	3,362	3,362
Treasuries/government bonds	22,266	-	-	22,266
Other interest-bearing securities except loans	33,551	-	-	33,551
Loans in the form of interest-bearing securities	-	-	50,780	50,780
Loans to credit institutions	-	-	31,315	31,315
Loans to the public	-	-	171,562	171,562
Derivatives	4,248	3,315	-	7,563
Total financial assets	60,065	3,315	257,019	320,399

Skr mn	December 31, 2019			
	Financial assets at fair value through profit or loss		Amortized cost	Total
	Mandatorily	Derivatives used for hedge accounting		
Cash and cash equivalents	-	-	1,362	1,362
Treasuries/government bonds	8,344	-	-	8,344
Other interest-bearing securities except loans	53,906	-	-	53,906
Loans in the form of interest-bearing securities	-	-	43,627	43,627
Loans to credit institutions	-	-	27,010	27,010
Loans to the public	-	-	163,848	163,848
Derivatives	4,380	2,588	-	6,968
Total financial assets	66,630	2,588	235,847	305,065

Financial liabilities by accounting category

Skr mn	December 31, 2020			
	Financial liabilities at fair value through profit or loss		Amortized cost	Total
	Mandatorily	Designated upon initial recognition (FVO)	Derivatives used for hedge accounting	
Borrowing from credit institutions	-	-	-	3,486
Borrowing from the public	-	-	-	10,000
Debt securities issued	-	47,388	-	226,588
Derivatives	24,921	-	474	-
Total financial liabilities	24,921	47,388	474	240,074

Skr mn	December 31, 2019			
	Financial liabilities at fair value through profit or loss		Amortized cost	Total
	Mandatorily	Designated upon initial recognition (FVO)	Derivatives used for hedge accounting	
Borrowing from credit institutions	-	-	-	3,678
Borrowing from the public	-	-	-	-
Debt securities issued	-	56,705	-	212,634
Derivatives	16,954	-	3,102	-
Total financial liabilities	16,954	56,705	3,102	216,312

Note 13. Financial assets and liabilities at fair value

Skr mn	December 31, 2020		
	Book value	Fair value	Surplus value (+) / Deficit value (-)
Cash and cash equivalents	3,362	3,362	-
Treasuries/governments bonds	22,266	22,266	-
Other interest-bearing securities except loans	33,551	33,551	-
Loans in the form of interest-bearing securities	50,780	52,091	1,311
Loans to credit institutions	31,315	31,424	109
Loans to the public	171,562	180,453	8,891
Derivatives	7,563	7,563	-
Total financial assets	320,399	330,710	10,311
Borrowing from credit institutions	3,486	3,486	-
Borrowing from the public	10,000	10,000	-
Debt securities issued	273,976	274,552	576
Derivatives	25,395	25,395	-
Total financial liabilities	312,857	313,433	576

Skr mn	December 31, 2019		
	Book value	Fair value	Surplus value (+) / Deficit value (-)
Cash and cash equivalents	1,362	1,362	-
Treasuries/governments bonds	8,344	8,344	-
Other interest-bearing securities except loans	53,906	53,906	-
Loans in the form of interest-bearing securities	43,627	45,054	1,427
Loans to credit institutions	27,010	27,133	123
Loans to the public	163,848	169,612	5,764
Derivatives	6,968	6,968	-
Total financial assets	305,065	312,379	7,314
Borrowing from credit institutions	3,678	3,678	-
Debt securities issued	269,339	271,549	2,210
Derivatives	20,056	20,056	-
Total financial liabilities	293,073	295,283	2,210

The majority of financial liabilities and some of the financial assets in the Statement of Financial Position are accounted for at full fair value or at a value that represents fair value for the components hedged in a hedging relationship. Lending and borrowing not classified as hedge accounting or FVO are accounted for at amortized cost.

Determining fair value of financial instruments

The best evidence of fair value is quoted prices in an active market. The majority of SEK's financial instruments are not publicly traded, and quoted market values are not readily available.

Fair value measurements are categorized using a fair value hierarchy. The financial instruments have been categorized under the three levels of the IFRS fair value hierarchy that reflects the significance of inputs. The categorization of these instruments is based on the lowest level of input that is significant to the fair value measurement in its entirety.

SEK uses the following hierarchy for determining and disclosing the fair value of financial instruments based on valuation techniques:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For more information on determining the fair value of financial transactions, see note 1.

In the process of estimating or deriving fair values for items accounted for at amortized cost, certain assumptions have been made. In those cases where quoted market values for the relevant items are available, such market values have been used.

The tables below show the fair values of the items carried at amortized cost or fair value. They are distributed according to the fair value hierarchy.

Financial assets reported at amortized cost in fair value hierarchy

Loans and accounts receivable	December 31, 2020				
	Fair value				Book value
	Level 1	Level 2	Level 3	Total	Total
Skr mn					
Cash and cash equivalents	3,362	-	-	3,362	3,362
Loans in the form of interest-bearing securities	306	51,785	-	52,091	50,780
Loans to credit institutions	-	31,424	-	31,424	31,315
Loans to the public	-	180,453	-	180,453	171,562
Total financial assets in fair value hierarchy	3,668	263,662	-	267,330	257,019

Loans and accounts receivable	December 31, 2019				
	Fair value				Book value
	Level 1	Level 2	Level 3	Total	Total
Skr mn					
Cash and cash equivalents	1,362	-	-	1,362	1,362
Loans in the form of interest-bearing securities	321	44,733	-	45,054	43,627
Loans to credit institutions	-	27,133	-	27,133	27,010
Loans to the public	-	169,584	-	169,584	163,848
Total financial assets in fair value hierarchy	1,683	241,450	-	243,133	235,847

Financial liabilities reported at amortized cost in fair value hierarchy

Other financial liabilities	December 31, 2020				
	Fair value				Book value
	Level 1	Level 2	Level 3	Total	Total
Skr mn					
Borrowing from credit institutions	-	3,486	-	3,486	3,486
Borrowing from the public	-	10,000	-	10,000	10,000
Debt securities issued	-	227,164	-	227,164	226,588
Total financial liabilities in fair value hierarchy	-	240,650	-	240,650	240,074

Other financial liabilities	December 31, 2019				
	Fair value				Book value
	Level 1	Level 2	Level 3	Total	Total
Skr mn					
Borrowing from credit institutions	-	3,669	-	3,669	3,678
Borrowing from the public	-	-	-	-	-
Debt securities issued	-	213,654	-	213,654	212,634
Total financial liabilities in fair value hierarchy	-	217,323	-	217,323	216,312

Financial assets reported at fair value in fair value hierarchy

	December 31, 2020			
	Financial assets at fair value through profit or loss			
	Level 1	Level 2	Level 3	Total
Skr mn				
Treasuries/governments bonds	14,169	8,097	-	22,266
Other interest-bearing securities except loans	19,413	14,138	-	33,551
Derivatives	-	5,985	1,578	7,563
Total financial assets in fair value hierarchy	33,582	28,220	1,578	63,380

	December 31, 2019			
	Financial assets at fair value through profit or loss			
	Level 1	Level 2	Level 3	Total
Skr mn				
Treasuries/governments bonds	7,041	1,303	-	8,344
Other interest-bearing securities except loans	27,409	26,497	-	53,906
Derivatives	-	4,483	2,485	6,968
Total financial assets in fair value hierarchy	34,450	32,283	2,485	69,218

Financial liabilities reported at fair value in fair value hierarchy

Skr mn	December 31, 2020			
	Financial liabilities at fair value through profit or loss			
	Level 1	Level 2	Level 3	Total
Debt securities issued	-	6,190	41,198	47,388
Derivatives	-	23,554	1,841	25,395
Total financial liabilities in fair value hierarchy	-	29,744	43,039	72,783

Skr mn	December 31, 2019			
	Financial liabilities at fair value through profit or loss			
	Level 1	Level 2	Level 3	Total
Debt securities issued	-	12,953	43,752	56,705
Derivatives	-	17,593	2,463	20,056
Total financial liabilities in fair value hierarchy	-	30,546	46,215	76,761

For the liquidity portfolio, the closing levels are the same as the opening levels (year-end 2019: transfer from level 2 to level 1 of Skr 21,461 million). Due to an increased element of subjective assessment of the input in the valuation, a transfer of Skr -10,649 million for debt securities issued was made from level 2 to level 3. A transfer from level 3 to level 2 of Skr 6,534 million for debt securities issued and a trans-

fer from level 3 to level 2 of net Skr -1,259 million for derivatives was made since these instruments are not significantly affected by non-observable market data (year-end 2019: transfer from level 3 to level 2 of Skr 1,040 million for debt securities issued and transfer from level 3 to level 2 of net Skr -30 million for derivatives).

Financial assets and liabilities at fair value in Level 3

Skr mn	December 31, 2020								
	Jan 1, 2020	Purchases	Settlements & sales	Transfers to Level 3	Transfers from Level 3	Gains (+) and losses (-) through profit or loss ¹	Gains (+) and losses (-) through other comprehensive income	Cur. exchange-rate effects	Dec 31, 2020
Debt securities issued	-43,752	-10,584	16,285	-10,649	6,534	-1,345	44	2,269	-41,198
Derivatives, net	22	7	-400	-	-1,259	-1,597	-	2,964	-263
Net assets and liabilities	-43,730	-10,577	15,885	-10,649	5,275	-2,942	44	5,233	-41,461

Financial assets and liabilities at fair value in Level 3

Skr mn	December 31, 2019								
	Jan 1, 2019	Purchases	Settlements & sales	Transfers to Level 3	Transfers from Level 3	Gains (+) and losses (-) through profit or loss ¹	Gains (+) and losses (-) through other comprehensive income	Cur. exchange-rate effects	Dec 31, 2019
Debt securities issued	-47,898	-10,702	21,314	-	1,040	-3,408	-43	-4,055	-43,752
Derivatives, net	-4,587	-5	-299	1	-31	3,181	-	1,762	22
Net assets and liabilities	-52,485	-10,707	21,015	1	1,009	-227	-43	-2,293	-43,730

1 Gains and losses through profit or loss, including the impact of exchange-rates, are reported as net interest income and net results of financial transactions. The unrealized fair value changes for assets and liabilities, including the impact of exchange rates, held as of December 31, 2020, amounted to a Skr 36 million gain (year-end 2019: Skr 69 million loss) and are reported as net results of financial transaction.

Uncertainty of valuation of Level 3-instruments

As the estimation of parameters included in the models used to calculate the market value of Level 3 instruments is associated with subjectivity and uncertainty, SEK has conducted an analysis of the difference in fair value of Level 3 instruments using other established parameter values. Option models and discounted cash flows are used to value the Level 3 instruments. For the Level 3 instruments that are significantly affected by different types of correlations, which are not based on observable market data, a revaluation has been made by shifting the correlations. The correlation is expressed as a value between 1 and -1, where 0 indicates no relationship, 1 indicates a maximum positive relationship and -1 indicates a maximum negative relationship. The

maximum correlation in the range of unobservable inputs can thus be from 1 to -1. In the analysis, the correlations have been adjusted by +/- 0.12, which represents the level SEK uses within its prudent valuation framework. For level 3 instruments that are significantly affected by non-observable market data in the form of SEK's own credit-worthiness, a revaluation has been made by shifting the credit curve. The revaluation is made by shifting the credit spreads by +/- 10 basis points, which has been assessed as a reasonable change in SEK's credit spread. The analysis shows the impact of the non-observable market data on the market value. In addition, the market value will be affected by observable market data. The result of the analysis corresponds

with SEK's business model where issued securities are linked with a matched hedging derivative. The underlying market data is used to evaluate the issued security as well as to evaluate the fair value in the

derivative. This means that a change in fair value of the issued security, excluding SEK's own credit spread, is offset by an equally large change in fair value in the derivative.

Sensitivity analysis – level 3

Assets and liabilities		December 31, 2020				
Skr mn	Fair Value ¹	Unobservable input	Range of estimates for unobservable input ²	Valuation method	Sensitivity Max	Sensitivity Min
Equity	-144	Correlation	0.12-(0.12)	Option Model	-6	6
Interest rate	4	Correlation	0.12-(0.12)	Option Model	0	0
FX	9	Correlation	0.12-(0.12)	Option Model	-53	53
Other	-132	Correlation	0.12-(0.12)	Option Model	0	0
Sum derivatives, net	-263				-59	59
Equity	-14,836	Correlation	0.12-(0.12)	Option Model	6	-6
		Credit spreads	10BP - (10BP)	Discounted cash flow	8	-8
Interest rate	-13,181	Correlation	0.12-(0.12)	Option Model	0	0
		Credit spreads	10BP - (10BP)	Discounted cash flow	65	-65
FX	-13,070	Correlation	0.12-(0.12)	Option Model	53	-53
		Credit spreads	10BP - (10BP)	Discounted cash flow	63	-63
Other	-111	Correlation	0.12-(0.12)	Option Model	0	0
		Credit spreads	10BP - (10BP)	Discounted cash flow	1	-1
Sum debt securities issued	-41,198				196	-196
Total effect on total comprehensive income³					137	-137

Sensitivity analysis – level 3

Assets and liabilities		December 31, 2019				
Skr mn	Fair Value ¹	Unobservable input	Range of estimates for unobservable input ²	Valuation method	Sensitivity Max	Sensitivity Min
Equity	-345	Correlation	0.73-0.02	Option Model	1	-1
Interest rate	1,249	Correlation	0.16-(0.08)	Option Model	-64	63
FX	-711	Correlation	0.80-0.10	Option Model	19	-16
Other	-171	Correlation	0.53-(0.03)	Option Model	0	0
Sum derivatives, net	22				-44	46
Equity	-524	Correlation	0.73-0.02	Option Model	-1	1
		Credit spreads	10BP - (10BP)	Discounted cash flow	14	-14
Interest rate	-43,083	Correlation	0.16-(0.08)	Option Model	65	-64
		Credit spreads	10BP - (10BP)	Discounted cash flow	70	-68
FX	-39	Correlation	0.80-0.10	Option Model	-20	17
		Credit spreads	10BP - (10BP)	Discounted cash flow	88	-87
Other	-106	Correlation	0.53-(0.03)	Option Model	0	0
		Credit spreads	10BP - (10BP)	Discounted cash flow	3	-3
Sum debt securities issued	-43,752				219	-218
Total effect on total comprehensive income³					175	-172

1 As per June 30, 2020, SEK has improved its methods to categorize derivatives and issued debt securities.

2 The sensitivity analysis shows the effect that a shift in correlations or SEK's own credit spread has on Level 3 instruments. The table presents maximum positive and negative change in fair value when correlations or SEK's own credit spread is shifted by +/- 0.12 and +/- 10 basis points, respectively.

3 When determining the total maximum/minimum effect on total comprehensive income the most adverse/favorable shift is chosen, considering the net exposure arising from the issued securities and the derivatives, for each correlation. The resulting effect related to correlation sensitivity is Skr +/- 0 million. The impact from SEK's own credit spread amounts to Skr 137 million (year-end 2019: Skr 174 million) under a maximum scenario and Skr -137 million (year-end 2019: Skr -173 million) under a minimum scenario.

Fair value related to credit risk

Skr mn	Fair value originating from credit risk (- liabilities increase/ + liabilities decrease)		The period's change in fair value origination from credit risk (+ income/ - loss)	
	December 31, 2020	December 31, 2019	2020	2019
CVA/DVA, net ¹	-17	-12	-5	17
OCA ²	-108	-126	18	24

1 Credit value adjustment (CVA) and Debt value adjustment (DVA) reflects how the counterparties' credit risk as well as SEK's own credit rating affects the fair value of derivatives.

2 Own credit adjustment (OCA) reflects how the changes in SEK's credit rating affects the fair value of financial liabilities measured at fair value through profit and loss.

Note 14. Derivatives and hedge accounting

Derivatives by categories

Skr mn	December 31, 2020			December 31, 2019		
	Assets Fair value	Liabilities Fair value	Nominal amounts	Assets Fair value	Liabilities Fair value	Nominal amounts
Interest rate-related contracts	3,846	11,774	323,664	3,998	12,367	304,242
Currency-related contracts	3,249	11,236	153,838	2,734	6,933	182,668
Equity-related contracts	457	620	15,598	236	584	16,387
Contracts related to commodities, credit risk, etc.	11	1,765	7,513	-	172	1,997
Total derivatives	7,563	25,395	500,613	6,968	20,056	505,294

of which derivatives used for economic hedges, accounted for as held-for-trading under IFRS 9 Skr mn	December 31, 2020			December 31, 2019		
	Assets Fair value	Liabilities Fair value	Nominal amounts	Assets Fair value	Liabilities Fair value	Nominal amounts
Interest rate-related contracts	2,357	12,226	132,228	2,568	11,455	140,829
Currency-related contracts	1,423	10,310	132,029	1,544	4,708	153,707
Equity-related contracts	457	620	15,598	236	584	16,387
Contracts related to commodities, credit risk, etc.	11	1,765	7,513	0	172	1,997
Total derivatives	4,248	24,921	287,368	4,348	16,919	312,920

of which derivatives in fair-value hedges Skr mn	December 31, 2020			December 31, 2019		
	Assets Fair value	Liabilities Fair value	Nominal amounts	Assets Fair value	Liabilities Fair value	Nominal amounts
Interest rate-related contracts	1,489	-453	191,435	1,430	912	163,413
Currency-related contracts	1,826	927	21,810	1,190	2,225	28,961
Total derivatives	3,315	474	213,245	2,620	3,137	192,374

1 The nominal amount of the instruments directly affected by the IBOR reform amounts to Skr 81,581 million (year-end 2019: Skr 87,915 million).

Maturity analysis of the nominal amounts¹ of hedging instruments

Skr mn	December 31, 2020				
	< 1 month	1 month < 3 months	3 months < 1 year	1 year < 5 years	> 5 years
Interest rate-related contracts					
Hedge of fixed rate assets	4	17	146	7,042	11,089
Hedge of fixed rate liabilities	-	9,809	34,739	126,023	2,607
Currency-related contracts					
Hedge of fixed rate assets	41	61	427	3,240	633
Hedge of fixed rate liabilities	-	425	1,920	11,066	4,491

Skr mn	December 31, 2019				
	< 1 month	1 month < 3 months	3 months < 1 year	1 year < 5 years	> 5 years
Interest rate-related contracts					
Hedge of fixed rate assets	116	225	2,254	4,960	9,296
Hedge of fixed rate liabilities	-	-	38,724	103,823	3,776
Currency-related contracts					
Hedge of fixed rate assets	6	26	644	2,030	430
Hedge of fixed rate liabilities	-	421	7,920	12,876	4,882

1 Nominal amounts before off-set.

The carrying amount of hedged items in fair value hedge relationships, and the accumulated amount of fair value hedge adjustments included in these carrying amounts

Assets Skr mn	December 31, 2020		December 31, 2019	
	Book value	Fair value hedge adjustments	Book value	Fair value hedge adjustments
Loans in the form of interest-bearing securities	9,778	598	6,716	547
Loans to credit institutions	969	4	332	5
Loans to the public	13,032	1,044	14,353	930
Total	23,779	1,646	21,401	1,482

Liabilities Skr mn	December 31, 2020		December 31, 2019	
	Book value	Fair value hedge adjustments	Book value	Fair value hedge adjustments
Debt securities issued	195,460	5,454	174,477	4,102
Total	195,460	5,454	174,477	4,102

For disclosure on hedge ineffectiveness see Note 4 Net results of financial transactions.

Cash flow hedges reclassified to profit or loss during the year

Skr mn	2020	2019
Interest income	-	8
Interest expense	-	-
Total¹	-	8

1 Relates to previously terminated cash flow hedges where comprehensive income is allocated over the previously hedged item's remaining maturity.

It is SEK's risk management strategy and objective to identify its material foreign currency and interest rate exposures and to manage those exposures with appropriate derivative instruments or non-derivative alternatives. SEK has the intention to, as much as possible, achieve fair value hedge accounting for transactions entered into for economic hedging purposes.

SEK primarily sets interest rate terms based on the various needs and preferences of customers and counterparties. Consequently, assets and liabilities can to some extent have different fixed interest periods, which leads to interest rate risk. Using different derivatives, the original interest rate risk in assets and liabilities are normally transformed from fixed to floating interest terms in currencies with well-functioning markets. EUR, USD and Skr are preferably used. It is SEK's objective to mitigate the risk of changes in fair value of the underlying hedged item due to changes in benchmark interest rates, i.e., to convert a fixed interest rate in a financial asset or liability into a floating rate. For that SEK uses interest rate swaps, or a proportion of interest rate swaps, swapping fixed to floating interest rates.

SEK's granting of credits and a large portion of its borrowing can take place in the currency of the borrower's and investor's choice. It is therefore seldom that borrowing and lending are made in the same currency and therefore directly balance each other. Differences in exposures to individual currencies that exist between different trans-

actions are fully matched with the aid of various derivatives, primarily currency swaps. It is SEK's objective to mitigate the risk of changes in fair value due to changes in FX- and interest rates. For example, converting a fixed interest rate in a financial asset or liability into a variable rate financial asset or liability denominated in SEK's functional currency Skr. For that, SEK uses cross currency interest rate swap or a proportion of these swaps, swapping fixed to floating interest rates in Skr.

Since the 2010s, there is an ongoing reform to replace or amend benchmark interest rates such as LIBOR and other interbank offered rates ("IBOR"). SEK's exposure that is directly affected by the reference interest rate reform is primarily its lending contracts with floating interest rates, its lending and borrowing contracts at fixed interest rates that are hedged to floating interest rates as well as currency swaps to floating interest rates. The main floating interest rate exposures relate to USD LIBOR, STIBOR and EURIBOR. GBP LIBOR, CHF LIBOR and JPY LIBOR are not expected to be offered after 2021-12-31. For USD LIBOR, the most common maturities are expected to no longer be offered after 2023-06-30. However, agencies encourage banks to cease entering into new contracts that use USD LIBOR as a reference rate as soon as possible and in any event by December 31, 2021. For EURIBOR and STIBOR, no such end date has been communicated, but the general opinion is that these will continue to exist in the next few years.

SEK currently has financial contracts referencing USD LIBOR, EURIBOR and STIBOR which extend beyond June 2023. SEK has been working since 2018 to prepare the company for the reference interest rate reform. The work is conducted in project form and includes changes in systems, processes, agreements, pricing and risk models. SEK continues to monitor the development of new market standards and relevant interest groups to ensure an orderly transition to the new reference rates. In applying the amendments to IFRS 9, SEK has made the assumption in assessing the financial relationship between hedged items and hedging instruments that no fallback clauses will be triggered by the reference interest rate reform.

For more disclosures regarding SEK's hedge accounting, see the section Risk and Capital Management, Consolidated Statement of Changes in Equity, note 1 Significant accounting policies, and note 4 Net results of financial transactions.

In accordance with SEK's policies with regard to counterparty, interest rate, currency exchange-rate, and other exposures, SEK uses, and is a party to, different kinds of derivative instruments, mostly various interest rate-related and currency exchange-rate-related contracts. These contracts are carried at fair value in the statements of financial position on a contract-by-contract basis.

SEK uses derivatives to hedge risk exposure inherent in financial assets and liabilities. Derivatives are measured at fair value by using market quoted rates where available. If market quotes are not available, valuation models are used. SEK uses models to adjust the net exposure fair value for changes in counter-parties' credit quality. The models used include both directly observable and non-observable market parameters.

The majority of SEK's derivative contracts are what are known as OTC (over the counter) derivatives, i.e., derivative contracts that are not transacted on an exchange. SEK's derivative transactions that are not transacted on an exchange are entered into under ISDA Master Netting Agreements. In general, under such agreements the amounts owed by each counterparty in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs and all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions. SEK endeavors to only enter into derivatives transactions with counterparties in jurisdictions where such netting is enforceable when such events occur.

The above ISDA arrangements do not meet the criteria for offsetting in the Statement of Financial Position. This is because such agreements create a right of set-off of recognized amounts that is enforce-

able only following an event of default, insolvency or bankruptcy of SEK or the counterparties. In addition, SEK and its counterparties do not intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

The ISDA Master Netting Agreements are complemented by supplementary agreements providing for the collateralization of counterparty exposure. SEK receives and accepts collateral in the form of cash. Such collateral is subject to the standard industry terms of an ISDA Credit Support Annex (CSA).

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that cover similar financial instruments. SEK only enters into derivative transactions that are subject to enforceable master netting agreements or similar agreements. Derivative assets and derivative liabilities in relation to central clearing counterparties are offset in the Statement of Financial Position.

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

Skr mn	Dec 31, 2020 Derivatives	Dec 31, 2019 Derivatives
Gross amounts of recognized financial assets	9,912	7,948
Amounts offset in the Statement of Financial Position	-2,349	-980
Net amounts of financial assets presented in the Statement of Financial Position	7,563	6,968
Amounts subject to an enforceable master netting arrangement or similar agreement not offset in the Statement of Financial Position related to:		
Financial instruments	-2,354	-3,799
Cash collateral received	-2,502	-2,352
Net amount	2,707	817

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

Skr mn	Dec 31, 2020 Derivatives	Dec 31, 2019 Derivatives
Gross amounts of recognized financial liabilities	27,744	21,036
Amounts offset in the Statement of Financial Position	-2,349	-980
Net amounts of financial liabilities presented in the Statement of Financial Position	25,395	20,056
Amounts subject to an enforceable master netting arrangement or similar agreement not offset in the Statement of Financial Position related to:		
Financial instruments	-2,354	-3,799
Cash collateral paid	-20,172	-15,871
Net amount	2,869	386

Note 15. Shares

Since March 2018 SEKETT AB is a wholly owned, non-active, subsidiary to AB Svensk Exportkredit with a share capital of Skr 50 thousand.

Shares in subsidiaries

Skr mn	December 31, 2020		December 31, 2019	
	Book value	Number of shares	Book value	Number of shares
SEKETT AB (reg. no 559132-9668)	0	50	0	50

Note 16. Other assets

Skr mn	Dec 31, 2020	Dec 31, 2019
Claim against the State for CIRR loans and concessionary loans	12,359	9,124
Cash receivables, funding operations	465	181
Other	29	29
Total	12,853	9,334

Note 17. Prepaid expenses and accrued revenues

Skr mn	Dec 31, 2020	Dec 31, 2019
Interest income accrued	1,958	2,747
Prepaid expenses and other accrued revenues	29	0
Total	1,987	2,747

Note 18. Debt

Skr mn	December 31, 2020		
	Total debt excluding debt securities issued	Total debt securities issued	Total
Exchange-rate related contracts	-	19,207	19,207
Interest rate related contracts	13,486	254,377	267,863
Equity related contracts	-	281	281
Contracts related to raw materials, credit risk etc	-	111	111
Total debt outstanding	13,486	273,976	287,462
<i>of which denominated in:</i>			
Skr	16,547		
USD	202,787		
JPY	27,812		
EUR	19,994		
Other currencies	20,322		
	287,462		

Skr mn	December 31, 2019		
	Total debt excluding debt securities issued	Total debt securities issued	Total
Exchange-rate related contracts	-	28,215	28,215
Interest rate related contracts	3,678	240,389	244,067
Equity related contracts	-	629	629
Contracts related to raw materials, credit risk etc	-	106	106
Total debt outstanding	3,678	269,339	273,017
<i>of which denominated in:</i>			
Skr	2,737		
USD	186,021		
JPY	32,509		
EUR	19,813		
Other currencies	31,937		
	273,017		

SEK's Borrowing programs

Skr mn	Value outstanding ¹	
	December 31, 2020	December 31, 2019
Medium-term note program:		
Unlimited Euro Medium-Term Note Programme	96,724	96,930
Unlimited SEC-registered U.S. Medium-Term Note Programme	160,945	151,750
Unlimited Swedish Medium-Term Note Programme	438	424
Unlimited MTN/STN AUD Debt Issuance Programme	4,544	4,598
Commercial paper program:		
USD 3,000,000,000 U.S. Commercial Paper Programme	10,006	10,644
USD 4,000,000,000 Euro-Commercial Paper Programme	-	-

1. Amortized cost excluding fair value adjustments.

Liabilities in financing activities

Skr mn	Cash Flow		Non-cash items			December 31, 2020
	January 1, 2020		Exchange-rate difference	Unrealized changes in fair value	Accrued interest	
Senior debt	273,017	29,460	-17,004	1,989	-	287,462
Lease liability	44	-27	-	2 ¹	-	19
Derivatives - net	13,088	-8,651	11,819	1,576	-	17,832
Total liabilities in financing activities	286,149	20,782	-5,185	3,567	-	305,313

1. Refers to a changed estimate of the lease liability, see note 8.

Skr mn	Cash Flow		Non-cash items			December 31, 2019
	January 1, 2019		Exchange-rate difference	Unrealized changes in fair value	Accrued interest	
Senior debt	257,847	-4,420	10,580	9,010	-	273,017
Lease liability	95 ¹	-39	-	-12 ²	-	44
Derivatives - net	15,405	4,049	-2,629	-3,737	-	13,088
Total liabilities in financing activities	273,347	-410	7,951	5,261	-	286,149

1. Refers to the opening balance of the lease liability, see note 1.

2. Refers to a changed estimate of the lease liability, see note 8.

Note 19. Other liabilities

Skr mn	Dec 31, 2020	Dec 31, 2019
Cash payables, debt purchases	194	2,011
Other	261	455
Total	455	2,466

Note 20. Accrued expenses and prepaid revenues

Skr mn	Dec 31, 2020	Dec 31, 2019
Interest expenses accrued	1,843	2,541
Other accrued expenses and prepaid revenues	81	41
Total	1,924	2,582

Note 21. Provisions

Skr mn	Consolidated Group		Parent Company	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Pension liabilities ¹	82	83	9	10
Long term employee benefit	8	6	8	6
Off balance, expected credit losses ²	9	4	9	4
Total	99	93	26	20

1 See note 5.

2 Provisions for expected credit losses are on the off-balance-sheet, in accordance with IFRS 9. See note 9.

Note 22. Equity

Skr mn	Consolidated Group		Parent Company	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Share capital	3,990	3,990	3,990	3,990
Legal reserve	-	-	198	198
Fund for internally developed software	-	-	94	47
Reserves/Fair value reserve				
<i>Own credit risk</i>	-84	-98	-	-
<i>Defined benefit plans</i>	-45	-45	-	-
Retained earnings	16,203	15,235	15,840	14,903
Total equity	20,064	19,082	20,122	19,138

The total number of shares is 3,990,000 with a quota value of Skr 1,000.

Own credit risk consists of gains and losses that arise from changes in SEK's own credit risk on liabilities designated at fair value. These are recognized in Other comprehensive income under the reserve for own credit risk and are not reclassified to profit or loss in the financial statements of the Group. In the financial statement for the Parent Company, these gains and losses are recognized under Net results of financial transactions.

Defined benefit plans consists of gains and losses that arises from changes in the value of defined benefit plans. These are presented in other comprehensive income in the reserve for defined benefit plans in accordance with IAS 19. In the parent company, these benefit plans are not reported as defined benefit, see note 1 (q).

Fund for internally developed software represents expenses that are directly attributable to large investments in the development of IT systems.

The entire equity is attributable to the shareholder of the Parent Company.

Skr mn	Consolidated Group		Parent Company	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Restricted equity	4,282	4,235	4,282	4,235
Unrestricted equity	15,782	14,847	15,840	14,903
Total equity	20,064	19,082	20,122	19,138

The Legal reserve reported in the Parent Company represents previous demands for statutory provision to non-distributable capital. The requirement was abolished January 1, 2006, and prior provisions remain.

For information on the objectives, policies and processes for managing capital, see the Report of the directors and the section on Risk and Capital Management.

Proposal for the distribution of profits

The results of the Consolidated Group's and the Parent Company's operations during the year and its financial position at December 31, 2020, can be seen in the Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows for the Consolidated Group as well as the income statement, balance sheet and statement of cash flows for the Parent Company and related notes. The Board has decided to propose to the Annual General Meeting the payment of a dividend of Skr 290 million (year-end 2019: -), in accordance with the company's dividend policy. The following proposal regarding distribution of profits relates to the Parent Company.

At the disposal of the Annual General Meeting	15,840
The Board of Directors proposes that the Annual General Meeting dispose of these funds as follows:	
– dividend to the shareholder of Skr 72.78 per share, amounting to	290
– remaining disposable funds to be carried forward	15,550

Note 23. Pledged assets and contingent liabilities

Skr mn	Dec 31, 2020	Dec 31, 2019
Collateral provided		
Cash collateral under the security agreements for derivative contracts	21,979	16,891
Contingent liabilities		
Guarantee commitments	3,969	4,393
Commitments		
Committed undisbursed loans	57,213	52,150
Binding offers	1,322	2,800

Note 24. CIRR-system

Pursuant to the Company's assignment as stated in its owner instruction issued by the Swedish government, SEK administers credit granting in the Swedish system for officially supported export credits (CIRR-system). SEK receives compensation from the Swedish government in the form of an administrative compensation, which is calculated based on the principal amount outstanding.

The administrative compensation paid by the state to SEK as compensation is recognized in the CIRR-system as administrative compensation to SEK. Refer to the following tables of the statement of comprehensive income and statement of financial positions for the CIRR-system, presented as reported to the owner. Interest expenses includes interest expenses for loans between SEK and the CIRR-system which reflects the borrowing cost for the CIRR-system. Interest expenses for derivatives hedging CIRR-loans are also recognized as interest expenses, which differs from SEK's accounting principles. Arrangement fees to SEK are recognized together with other arrangement fees as interest expenses.

In addition to the CIRR-system, SEK administers the Swedish government's previous concessionary credit program according to the same principles as the CIRR-system. No new lending is being offered under the concessionary credit program. As of December 31, 2020, concessionary loans outstanding amounted to Skr 382 million (year-end 2019: Skr 547 million) and operating profit for the program amounted to Skr -28 million for the period January-December 2020 (2019: Skr -36 million). SEK's administrative compensation for administering the concessionary credit program amounted to Skr 1 million (2019: Skr 2 million).

Statement of financial position for the CIRR-system

Skr mn	Dec 31, 2020	Dec 31, 2019
Cash and cash equivalents	2	0
Loans	69,163	76,120
Derivatives	-	26
Other assets	12,528	9,307
Prepaid expenses and accrued revenues	407	569
Total assets	82,100	86,022
Liabilities	69,289	76,257
Derivatives	12,232	9,117
Accrued expenses and prepaid revenues	579	648
Total liabilities and equity	82,100	86,022
Commitments		
Committed undisbursed loans	51,463	47,868
Binding offers	1,322	37

Statement of comprehensive income for the CIRR-system

Skr mn	2020	2019
Interest income	2,170	2,074
Interest expenses	-2,087	-1,912
Interest compensation	14	1
Foreign exchange effects	4	5
Profit before compensation to SEK	101	168
Administrative remuneration to SEK	-196	-192
Operating profit CIRR-system	-95	-24
Reimbursement to (-) / from (+) the State	95	24

Note 25. Capital adequacy

Capital Adequacy Analysis

Capital ratios	December 31, 2020		December 31, 2019	
		percent ¹		percent ¹
Common Equity Tier 1 capital ratio		21.8		20.6
Tier 1 capital ratio		21.8		20.6
Total capital ratio		21.8		20.6

1 Capital ratios excl. of buffer requirements are the quotients of the relevant capital measure and the total risk exposure amount. See tables Own funds - adjusting items and Minimum capital requirements exclusive of buffer.

Buffers requirement	December 31, 2020		December 31, 2019	
	Skr mn	percent ¹	Skr mn	percent ¹
Institution specific Common Equity Tier 1 capital requirement incl. of buffers	6,271	7.0	7,890	8.9
<i>of which minimum Common Equity Tier 1 requirements²</i>	4,014	4.5	3,990	4.5
<i>of which Capital conservation buffer</i>	2,230	2.5	2,216	2.5
<i>of which Countercyclical buffer</i>	27	0.0	1,684	1.9
<i>of which Systemic risk buffer</i>	-	-	-	-
Common Equity Tier 1 capital available as a buffer³	12,310	13.8	11,171	12.6

1 Expressed as a percentage of total risk exposure amount.

2 The minimum requirements according to CRR (Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012) have fully come into force in Sweden without regard to the transitional period. The minimum requirements are 4.5 percent, 6.0 percent and 8.0 percent related to Common Equity Tier 1 capital, Tier 1 capital and total Own Funds respectively.

3 Common Equity Tier 1 capital ratio as reported less the minimum requirement of 4.5 percent and less 3.5 percent, consisting of Common Equity Tier 1 capital used to meet the Tier 1 and Tier 2 requirements, since SEK do not have any Additional Tier 1 or Tier 2 capital.

Total capital requirement including buffers	December 31, 2020		December 31, 2019	
	Skr mn	percent ¹	Skr mn	percent ¹
Total CRR capital requirement ²	9,393	10.5	10,993	12.4
Total FSA capital requirement ³	13,773	14.7	15,606	16.4

1 Expressed as a percentage of total risk exposure amount.

2 The requirement includes the minimum requirement of 8 percent, the capital conservation buffer and the countercyclical buffer. Expressed as a percentage of total risk exposure amount.

3 The requirement includes the minimum requirement of 8 percent, the capital conservation buffer and the countercyclical buffer and an additional capital requirement according to the Swedish FSA. See the additional capital requirement in the table below. Figures are calculated with one quarter lag.

Additional Capital requirement according to Swedish FSA ²	December 31, 2020		December 31, 2019	
	Skr mn	percent ¹	Skr mn	percent ¹
Credit-related concentration risk	2,089	2.2	2,089	2.2
Interest rate risk in the banking book	844	0.9	844	0.9
Pension risk	11	0.0	11	0.0
Other Pillar 2 capital requirements	936	1.0	936	1.0
Capital planning buffer	-	-	-	-
Total Additional Capital requirement according to Swedish FSA	3,880	4.1	3,880	4.1

1 Expressed as a percentage of total risk exposure amount.

2 Figures are calculated with one quarter lag.

Own funds – adjusting items

Skr mn	Parent Company	
	Dec 31, 2020	Dec 31, 2019
Share capital ¹	3,990	3,990
Retained earnings	14,856	12,829
Accumulated other comprehensive income and other reserves	292	245
Independently reviewed profit net of any foreseeable charge or dividend	694	1,766
Common Equity Tier 1 (CET1) capital before regulatory adjustments	19,832	18,830
Additional value adjustments due to prudent valuation	-306	-445
Intangible assets	-98	-56
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	77	93
Negative amounts resulting from the calculation of expected loss amounts	-55	-115
Total regulatory adjustments to Common Equity Tier 1 capital	-382	-523
Total Common Equity Tier 1 capital	19,450	18,307
Additional Tier 1 capital	-	-
Total Tier 1 capital	19,450	18,307
Tier 2-eligible subordinated debt	-	-
Credit risk adjustments ²	-	-
Total Tier 2 capital	-	-
Total Own funds	19,450	18,307

1 For a detailed description of the instruments constituting share capital, see note 22.

2 The expected loss amount calculated under the IRB approach is a gross deduction from own funds. The gross deduction is decreased by impairment related to exposures for which expected loss is calculated. Excess amounts of such impairment will increase own funds. This increase is limited to 0.6 percent of SEK's risk exposure amount under the IRB approach related to exposures to central governments, corporates and financial institutions. As of December 31, 2020, the limitation rule had no effect (year end 2019: no effect).

Minimum capital requirements exclusive of buffers

Skr mn	Parent Company					
	December 31, 2020			December 31, 2019		
	EAD ¹	Risk exposure amount	Min. capital requirement	EAD ¹	Risk exposure amount	Min. capital requirement
Credit risk, standardized approach						
Corporates	2,245	2,245	180	2,367	2,367	189
Total credit risk, standardized approach	2,245	2,245	180	2,367	2,367	189
Credit risk, IRB approach						
Central governments	192,077	9,684	775	172,148	8,816	705
Financial institutions ²	30,661	6,764	541	45,437	10,802	864
Corporates ³	117,415	63,766	5,101	110,592	60,068	4,806
Non-credit-obligation assets	163	163	13	152	152	12
Total credit risk IRB approach	340,316	80,377	6,430	328,329	79,838	6,387
Credit valuation adjustment risk	n.a.	2,284	183	n.a.	2,534	203
Foreign exchange risk	n.a.	664	52	n.a.	695	56
Commodity risk	n.a.	7	1	n.a.	9	1
Operational risk	n.a.	3,625	290	n.a.	3,214	257
Total	342,561	89,202	7,136	330,696	88,657	7,093

1 Exposure at default (EAD) shows the size of the outstanding exposure at default.

2 Of which counterparty risk in derivative contracts: EAD Skr 5,535million (year-end 2019: Skr 5,613 million), Risk exposure amount of Skr 1,908 million (year-end 2019: Skr 1,980 million) and Capital requirement of Skr 153 million (year-end 2019: Skr 158 million).

3 Of which related to Specialized lending: EAD Skr 3,847 million (year-end 2019: Skr 3,646 million), Risk exposure amount of Skr 2,739 million (year-end 2019: Skr 2,352 million) and Capital requirement of Skr 219 million (year-end 2019: Skr 188 million).

Credit risk by PD grade

The tables illustrate the exposure at default (EAD), the portion of the exposure that will be lost in the event of a default (LGD) and the probability of default or cancellation of payments by a counterparty (PD) for the exposure classes where PD is estimated internally. Average PD is calculated without consideration of PD floors. Average PD and LGD are weighted by EAD, the average risk weight is the quotient of risk exposure amount and EAD.

	December 31, 2020					December 31, 2019				
	AAA to AA- 0.003%-0.01%	A+ to A- 0.02-0.07%	BBB+ to BBB- 0.12-0.32%	BB+ to B- 0.54-6.80%	CCC to D 27.27-100%	AAA to AA- 0.003%-0.01%	A+ to A- 0.02-0.07%	BBB+ to BBB- 0.12-0.32%	BB+ to B- 0.54-6.80%	CCC to D 27.27-100%
Skr mn										
Central governments										
EAD	186,722	5,287	-	68	-	166,286	5,862	-	-	-
Average PD in %	0.004	0.05	-	4.14	-	0.004	0.05	-	-	-
Average LGD in %	45.0	45.0	-	45.0	-	45.0	45.0	-	-	-
Average risk weight in %	4.6	20.0	-	149.5	-	4.6	19.8	-	-	-
	December 31, 2020					December 31, 2019				
	AAA to AA- 0.01%-0.04%	A+ to A- 0.06-0.11%	BBB+ to BBB- 0.16-0.32%	BB+ to B- 0.50-8.27%	CCC to D 28.91-100%	AAA to AA- 0.01%-0.04%	A+ to A- 0.06-0.11%	BBB+ to BBB- 0.16-0.32%	BB+ to B- 0.50-8.27%	CCC to D 28.91-100%
Skr mn										
Financial institutions										
EAD	12,742	15,896	1,984	39	-	16,403	27,651	1,382	1	-
Average PD in %	0.04	0.07	0.18	0.76	-	0.04	0.08	0.22	0.54	-
Average LGD in %	36.7	35.7	45.0	45.0	-	35.3	37.1	45.0	45.0	-
Average risk weight in %	17.3	22.1	50.3	131.5	-	17.1	25.7	64.6	99.9	-
Corporates										
EAD	2,302	17,929	69,263	24,063	12	5,995	19,438	58,945	22,548	20
Average PD in %	0.03	0.09	0.23	1.02	28.9	0.04	0.10	0.25	0.83	28.6
Average LGD in %	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0
Average risk weight in %	19.4	30.6	49.4	86.6	263.7	19.7	33.1	51.7	86.8	263.7

Credit risks

For risk classification and quantification of credit risk, SEK uses an internal ratings-based (IRB) approach. The Swedish FSA has approved SEK's IRB approach. Specifically, SEK applies the foundation IRB approach. Under the foundation IRB approach, the company determines the PD within one year for each of its counterparties, while the remaining parameters are established in accordance with the CRR. Certain exposures are, by permission from the Swedish FSA, exempted from application of the IRB approach and, instead, the standardized approach is applied for calculating the capital requirement. For further information regarding these exposures see the Risk measurement section in note 26. Counterparty risk exposure amounts in derivative contracts are calculated in accordance with the mark-to-market approach.

Credit valuation adjustment risk

A capital requirement for credit valuation adjustment risk is calculated for all OTC derivatives, except for credit derivatives used as credit-risk hedges and transactions with a qualifying central counterparty. SEK calculates this capital requirement using the standardized approach.

Foreign exchange risk

Foreign exchange risk is calculated with the standardized approach, whereas the scenario approach is used for calculating the gamma and volatility risks.

Commodity risk

Own funds requirements for commodity risk are calculated using the simplified approach under the standardized approach, and where the scenario approach is used for calculating the gamma and volatility risks.

Operational risk

The capital requirement for operational risk is calculated with the standardized approach, whereby the company's operations are divided into business areas as defined in the CRR. The capital requirement for each area is calculated by multiplying a factor, depending on the business area, by an income indicator. The factors applicable for SEK are 15 percent and 18 percent. The income indicators consist of the average operating income for the past three fiscal years for each business area.

Transitional rules

SEK does not apply IFRS9 transitional rules for expected losses. The capital adequacy ratios already reflect the full impact of IFRS 9 with regard to expected loss.

Capital buffer requirements

SEK is to meet capital buffer requirements with Common Equity Tier 1 capital. SEK has not been classified as a systemically important institution. Accordingly, the capital buffer requirements for systemically important institutions that entered into force on January 1, 2016 do not apply to SEK. There is no systemic risk buffer applicable for SEK that is active at the moment. The mandatory capital conservation buffer is 2.5 percent. The countercyclical buffer rate that is applied to exposures located in Sweden was lowered from 2.5 percent to 0 percent as of March 16, 2020. The reduction is made for preventive purposes, in order to counteract credit tightening due to the recent development and spread of COVID-19 and its effects on the economy. At December 31, 2020, the capital requirement related to credit-risk exposures in Sweden was 70 percent (year-end 2019: 70 percent) of the total capital requirement regardless of location, this fraction is also the weight applied to the Swedish buffer rate when calculating SEK's countercyclical capital buffer. The countercyclical capital buffer as of December 31, 2020 for Sweden has been dissolved due to the reduction of the countercyclical buffer value to 0 percent. Buffer rates activated in other countries may impact SEK, but as most capital requirements from relevant credit exposures are related to Sweden, the potential effect is limited. At December 31, 2020, the contribution to SEK's countercyclical capital buffer from buffer rates in other countries was 0.03 percentage points (year-end 2019: 0.1 percentage points).

Leverage ratio

Skr mn	Dec 31, 2020	Dec 31, 2019
Exposure measure for the leverage ratio		
On-balance-sheet exposures	297,605	288,146
Off-balance-sheet exposures	37,162	35,856
Total exposure measure	334,767	324,002
Leverage ratio	5.8%	5.7%

The leverage ratio is a metric introduced in 2015. Currently, SEK is not subject to a minimum leverage ratio requirement. However, a leverage ratio requirement of 3% will enter into force on June 27, 2021. The leverage ratio is defined in the CRR as the quotient of the Tier 1 capital and an exposure measure. The exposure measure consists of assets, with special treatment of derivatives among other items, and off-balance-sheet credit-risk exposures that have been weighted with a factor depending on the type of exposure. SEK does not apply IFRS9 transitional rules for expected losses. The leverage ratio already reflects the full impact of IFRS 9 with regard to expected loss.

Internally assessed capital adequacy

Skr mn	Dec 31, 2020	Dec 31, 2019
Credit risk	6,121	7,337
Operational risk	203	183
Market risk	1,140	1,109
Other risks	183	203
Capital planning buffer	2,831	992
Total	10,478	9,824

SEK regularly conducts an internal capital adequacy assessment process (ICAAP), during which the company determines how much capital is needed to cover its risks. The result of SEK's capital adequacy assessment is presented above. For more information regarding the ICAAP and its methods, please see the Risk and capital management section.

Note 26. Risk information

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For further information on SEK's risk management, see the Risk and capital management section, on pages 38-43.

Consolidation of SEK pursuant to the supervisory regulations differs from in the consolidated financial statements, where no consolidation pursuant to the supervisory regulation was conducted, since the wholly owned subsidiary, SEKETT AB, which is the only company in the Group aside from the Parent Company, is not a financial company. Since no subsidiary is an institute pursuant to the CRR definition, subsidiaries are not subject to the supervisory regulations on an individual basis. The table of credit quality as per category in the Statement of Financial Position and the table illustrating the link between the Statement of Financial Position categories and exposures under the CRR contain carrying amounts. Other tables show amounts in accordance with the capital requirements calculations, however before application of conversion factors.

Credit risk

Credit risk is defined as the risk of losses due to the failure of a credit or an arrangement similar to that of a credit to be fulfilled. Credit risk is divided into issuer risk, counterparty risk, concentration risk, settlement risk and country risk (including transfer risk).

SEK's credit risks are limited using a risk-based selection of counterparties and are further mitigated by the use of guarantees, netting agreements and collateral. SEK's appetite for credit risk is significantly greater than its appetite for other risks.

Risk management

The Risk policy and the Credit Policy

The Risk Policy and the Credit Policy issued by the Board, and the Credit Instruction issued by the Board's Credit Committee are the foundations upon which SEK's credit risk management is based. These policy documents constitute the framework for the level of credit risk that SEK can accept and describe the decision-making structure and credit-decision mandate as well as the credit norm. The underlying methodological working papers clarify the credit process, fundamental principles for credit limits and the management of problem loans.

The credit norm is a core concept for SEK's credit granting and clarifies expectations in terms of credit quality. For a business transaction to be considered to fall within the credit norm, it is necessary for the proposition to satisfy the requirements for the following areas: norm for the risk level and norm for the lending terms.

The Company's Board establishes an overall framework for SEK's risk management in the form of policies, risk appetite, capital targets (decided at the annual general meeting) and limits. For credit risk, a number of measures are defined for risk appetite. The Board also decides on the Company's policy for sustainable business. All credit decisions are to be made in line with the decision-making mandate structure established by the Board for delegated decision-making. SEK's credit-decision structure and established mandates is built on a decision-making structure based on the duality principle, thus ensuring thorough analysis and assessment of all credit propositions.

Risk reduction

Credit risk is reduced through the use of various credit-risk hedges, in the form of guarantees, netting agreements and other forms of collateral.

The guarantors, particularly with regard to end-customer financing, are predominantly government export credit agencies in the OECD, of which the Swedish Export Credits Guarantee Board (EKN) is the largest. Since the credit risk is allocated to a guarantor, SEK's guaranteed credit-risk exposure in reports of its net credit risk exposure largely consists of exposure to government counterparties. Guarantees are also received from financial institutions and, to a lesser extent, non-financial corporations and insurance companies.

The counterparty risk associated with derivative contracts is always documented using ISDA Master Agreements, which also entail a netting agreement, with the support of collateral agreements in the form of a CSA. Approved collateral under the CSAs signed by SEK always takes the form of liquid assets.

SEK also uses various types of collateral to reduce credit risks pertaining to certain types of credit granting. While collateral is significant for individual transactions, it has limited impact on the total lending portfolio.

Limit setting

SEK utilizes limits to restrict credit risks to a specified level. Limits express the highest permissible exposure to a counterparty for specific tenors and for various types of exposures, such as corporate lending, guarantees, counterparty risk in derivative contracts or liquidity investments. Exposures must be encompassed within the limits that have been decided for the particular counterparties. The overall limits are set by the Board. All limits are reviewed at least once annually.

Testing provisions

SEK applies IFRS 9 for the impairment of financial instruments. Impairment is based on the model for expected credit losses (ECL). The assets being impairment tested are divided into three stages: Stage 1, Stage 2 and Stage 3. Initially, all exposures are in Stage 1. Exposures where there is a significant increase in credit risk are placed in Stage 2 and Stage 3 encompasses exposures in default. Stage 3 impairments are calculated through individual testing based on an expert assessment. Individual testing provisions are made when objective conditions exist that indicate a possible need for the financial asset to be impaired according to Stage 3. The Credit Committee prepares provision proposals from the account managers and credit analysts, which are thereafter determined by the Board's Credit Committee. The Board adopts the accounts and thereby the provisions. Refer to note 1 for more information on the calculation of expected credit losses under IFRS 9.

Risk measurement

With the exception of a few counterparties, SEK uses, and has permission to use, the Foundation IRB approach for measuring the credit risk inherent in exposures to a majority of SEK's counterparties. This means that for these exposures SEK uses its own estimates of the probability of default (PD) risk parameter which, per counterparty, reflects the

assigned internal rating. Other risk parameters, including loss given default (LGD) and credit conversion factors (CCF), are determined by the Capital Requirements Regulation (CRR). All of SEK's counterparties are assigned internal ratings.

SEK's permission from the Swedish FSA to use the Foundation IRB approach encompasses exposures to central governments, regional governments, county councils, multilateral development banks, and companies, including insurance companies and financial institutions. The Swedish FSA has granted SEK permission to apply exceptions from the IRB approach for certain exposures. For these exposures, SEK uses the Standardized approach and external ratings when calculating risk exposure amounts (when no external rating is available, the exposure is assigned a risk weight of 100 percent).

The exempted exposures, for which the Standardized approach are used, are as follows (the permissions are valid as long as these exposures are of minor importance in terms of scope and risk profile):

- Exposures to small and medium-sized companies (with an annual turnover not exceeding 50 million euro)
- Exposures in the Customer Finance business area
- Guarantees for the benefit of small and medium-sized enterprises

In the assessment of capital adequacy, those counterparties using external ratings are assigned an internal rating under IFRS 9.

Counterparty risk in derivative contracts

Counterparty risk in derivative contracts – which is a type of credit risk – arises when derivatives are used to manage risks. To limit this risk, SEK enters into such transactions solely with counterparties with strong credit ratings. Risk is further reduced by SEK's entering into ISDA Master Agreements (ISDAs), together with associated CSAs, with its counterparties before entering into derivative contracts. These bilateral CSAs define the maximum permissible risk levels in form of threshold amounts. ISDA and CSA agreements are reviewed continuously to be able to renegotiate the terms as necessary. For counterparty exposures that exceed the threshold amounts under the relevant CSAs due to market value changes, settlement is demanded so that the counterparty exposure is reduced to the pre-agreed level. All interest derivative contracts are subject to central clearing according to the EU's regulation on OTC derivatives, central clearing counterparties and trade repositories (EMIR) since the end of 2016.

Risk monitoring

SEK's exposures are analyzed, reported and followed up regularly in respect of credit portfolio risk concentration and the credit quality of individual debtors. The analysis encompasses, among other things, (i) the size of individual commitments, (ii) domicile and (iii) sector. The analysis refers to both direct exposure and indirect exposure. The concentration risks mentioned above are reflected in SEK's calculation of economic capital for credit risks, which leads to a higher capital requirement compared with the minimum capital requirement. When calculating capital requirements, the minimum capital requirement does not take concentration risks into account. For the purpose of monitoring and checking large exposures, SEK has defined internal limits, which impose further limitations on the size of such exposures in addition to those stated in the CRR.

Exposures assessed as problem loans, meaning those for which SEK assesses that there is a high probability that the undertaking according to the original agreement will not be fulfilled, are analyzed in greater detail and more frequently. The term "problem loans" encompasses forborne exposures, non-performing receivables, non-performing exposures and defaulted exposures. The intention is to identify, at an early stage, credits with an elevated risk. This is to adapt the exposure, reduce credit losses and ensure that the risk rating reflects the actual risk associated with the particular counterparty.

The credit portfolio is subject to regular stress tests. The results of the scenario analyses and stress tests are reported to the Board and the Finance and Risk Committee on a regular basis. The Company's risk and product rating, and risk estimates, comprise a central feature of the reporting of credit risk to the Board, the Board's Finance and

Risk Committee, the Management and the Credit Committee. The CEO and the Chief Risk Officer inform the Board and the Board's Finance and Risk Committee of all significant changes concerning SEK's IRB system. SEK's IRB system is validated by the independent risk function at least once annually.

Risk information

For a supplementary and expanded account of the credit risk-related information, refer to the separate risk report, "SEK – Capital Adequacy and Risk Management Report – Pillar 3".

Risk information, credit risk

The table below shows the maximum credit exposure. Nominal amounts are shown, apart from cash and cash equivalents and derivatives, which are recognized at the carrying amount. Maximum credit-risk exposure for loans to credit institutions and loans to the public includes committed but undisbursed loans at year end, which are recognized in nominal amounts.

Skr mn	December 31, 2020 Maximum credit-risk exposure	
	Assets at fair value through profit or loss	Amortized costs
Cash and cash equivalents	-	3,362
Treasuries/government bonds	22,275	-
Other interest-bearing securities except loans	33,663	-
Loans in the form of interest-bearing securities	-	50,947
Loans to credit institutions	-	16,326
Loans to the public	-	227,075
Derivatives	7,563	-
Total financial assets	63,501	297,710

Skr mn	December 31, 2019 Maximum credit-risk exposure	
	Assets at fair value through profit or loss	Amortized costs
Cash and cash equivalents	-	1,362
Treasuries/government bonds	8,370	-
Other interest-bearing securities except loans	54,132	-
Loans in the form of interest-bearing securities	-	43,793
Loans to credit institutions	-	11,235
Loans to the public	-	222,814
Derivatives	6,968	-
Total financial assets	69,470	279,204

The table below shows the credit quality following risk mitigation (net) per row in the Statement of Financial Position. The figures pertain to carrying amounts. SEK uses guarantees, CDSs and insurance policies

as credit-risk hedges; see also the Risk and capital management section. The credit quality of financial assets is assessed using internal and external ratings.

Skr mn	December 31, 2020					Carrying amount
	AAA	AA+ till A-	BBB+ till BBB-	BB+till B-	CCC till D	
Cash and cash equivalents	3,362	-	-	-	-	3,362
Treasuries/government bonds	11,380	10,886	-	-	-	22,266
Other interest-bearing securities except loans	16,919	16,632	-	-	-	33,551
Loans in the form of interest-bearing securities	2,937	11,938	6,305	29,600	-	50,780
Loans to credit institutions	1,886	27,245	78	2,106	-	31,315
Loans to the public	90,244	21,682	18,062	41,549	25	171,562
Derivatives	-	5,846	-	1,717	-	7,563
Total financial assets	126,728	94,229	24,445	74,942	25	320,399
<i>Committed undisbursed loans</i>	<i>52,669</i>	<i>1,374</i>	<i>1,145</i>	<i>2,025</i>	<i>-</i>	<i>57,213</i>

Skr mn	December 31, 2019					Carrying amount
	AAA	AA+ till A-	BBB+ till BBB-	BB+till B-	CCC till D	
Cash and cash equivalents	711	651	-	-	-	1,362
Treasuries/government bonds	2,191	6,153	-	-	-	8,344
Other interest-bearing securities except loans	20,092	33,284	530	-	-	53,906
Loans in the form of interest-bearing securities	-	9,785	29,622	4,220	-	43,627
Loans to credit institutions	2,285	23,455	1,205	65	-	27,010
Loans to the public	85,619	28,503	31,327	18,399	-	163,848
Derivatives	-	5,822	1,146	-	-	6,968
Total financial assets	110,898	107,653	63,830	22,684	-	305,065
<i>Committed undisbursed loans</i>	<i>48,246</i>	<i>1,307</i>	<i>807</i>	<i>1,790</i>	<i>-</i>	<i>52,150</i>

The table below illustrates the link between the Statement of Financial Position categories and net exposures according to CRR.

Skr bn	December 31, 2020							
	Carrying amount	Adjustment to carrying amount from exposure	Central government	Regional government	Multilateral development banks	Public sector entity	Financial institutions	Corporates
Cash and cash equivalents	3.4	0.1	2.5	-	-	-	0.8	-
Treasuries/government bonds	22.3	0.0	22.3	-	-	-	-	-
Other interest-bearing securities except loans	33.6	-0.2	3.2	7.9	3.2	4.2	13.2	2.1
Loans in the form of interest-bearing securities	50.8	0.0	2.9	-	-	-	0.5	47.4
Loans to credit institutions including cash and cash equivalents ¹	31.3	21.9	1.1	4.1	-	-	3.4	0.8
Loans to the public	171.6	-1.6	99.7	0.3	0.3	-	6.6	66.3
Derivatives	7.6	2.1	-	-	-	-	5.5	-
Other assets	12.9	12.9	-	-	-	-	-	-
Total financial assets	333.5	35.2	131.7	12.3	3.5	4.2	30.0	116.6
Contingent liabilities and commitments ²	62.5	1.3	53.8	-	-	-	0.9	6.5
Total	396.0	36.5	185.5	12.3	3.5	4.2	30.9	123.1

Skr bn	December 31, 2019							
	Carrying amount	Adjustment to carrying amount from exposure	Central government	Regional government	Multilateral development banks	Public sector entity	Financial institutions	Corporates
Cash and cash equivalents	1.4	-0.1	-	-	-	-	1.5	-
Treasuries/government bonds	8.3	-0.1	8.4	-	-	-	-	-
Other interest-bearing securities except loans	53.9	0.0	3.3	10.6	2.8	4.0	26.7	6.5
Loans in the form of interest-bearing securities	43.6	-0.2	-	-	-	-	0.9	42.9
Loans to credit institutions including cash and cash equivalents ¹	27.0	16.9	0.9	5.1	-	-	4.0	0.1
Loans to the public	163.8	-1.0	97.8	0.8	0.3	-	5.8	60.1
Derivatives	7.0	1.4	-	-	-	-	5.6	0.0
Other assets	9.3	9.3	-	-	-	-	-	-
Total financial assets	314.3	26.2	110.4	16.5	3.1	4.0	44.5	109.6
Contingent liabilities and commitments ²	59.3	0.0	50.8	-	-	-	1.2	7.3
Total	373.6	26.2	161.3	16.5	3.1	4.0	45.7	116.9

1 Skr 22.0 billion (2019: Skr 16.9 billion) of the book value for Loans to credit institutions is cash collateral under the CSAs for derivative contracts.

2 Contingent liabilities and commitments, except cash collateral.

Derivative exposure after netting under current ISDA Master Agreements in accordance with the CRR's management of the counterparty risk in derivative contracts amounts to Skr 5.5 billion (2019: SEK 5.6 billion). For more information on the counterparty risk in derivative contracts under the CRR, refer to the Risk and capital management section.

Total credit exposures in the Group

Net exposures are recognized after taking the impact of guarantees and credit derivatives into account. Gross exposures are recognized without taking the impact of guarantees and credit derivatives into account. According to the internal risk follow-up, the amounts agree

with the capital requirements calculations, although without the application of conversion factors. In tables showing the geographical breakdown of exposures, North America is shown excluding Central America.

Total net exposures

Skr bn	Interest-bearing securities and lending				Committed undisbursed loans, derivatives, etc.				Total			
	Dec 31, 2020		Dec 31, 2019		Dec 31, 2020		Dec 31, 2019		Dec 31, 2020		Dec 31, 2019	
Exposure class	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Central governments	131.6	45.0	110.4	39.1	53.9	80.0	50.9	78.3	185.5	51.6	161.3	46.4
Regional governments	12.3	4.2	16.5	5.8	-	-	-	-	12.3	3.4	16.5	4.7
Multilateral development banks	3.5	1.2	3.1	1.1	0.0	0.0	-	-	3.5	1.0	3.1	0.9
Public sector entity	4.2	1.5	4.0	1.4	-	-	-	-	4.2	1.2	4.0	1.2
Financial institutions	24.5	8.4	38.9	13.8	6.4	9.5	6.8	10.5	30.9	8.6	45.7	13.2
Corporates	116.0	39.7	109.6	38.8	7.1	10.5	7.3	11.2	123.1	34.2	116.9	33.6
Total	292.1	100.0	282.5	100.0	67.4	100.0	65.0	100.0	359.5	100.0	347.5	100.0

Geographical breakdown of credit exposures by exposure class

Geographical breakdown of gross exposures by exposure class

Skr bn	December 31, 2020									
	Middle East/ Africa/ Turkey	Asia excl. Japan	Japan	North America	Oceania	Latin America	Sweden	Western Europe excl. Sweden	Central and Eastern Europe	Total
Central governments	11.3	3.6	2.4	0.8	-	42.0	12.1	12.7	-	84.9
Regional governments	1.4	-	-	-	-	-	7.9	0.0	-	9.3
Multilateral development banks	-	-	-	-	-	-	-	3.1	-	3.1
Public sector entity	-	-	-	-	-	-	-	4.3	-	4.3
Financial institutions	-	1.2	0.1	1.0	0.8	-	13.3	10.4	0.2	27.0
Corporates	14.1	5.0	1.7	64.0	-	8.0	105.1	28.3	4.7	230.9
Total	26.8	9.8	4.2	65.8	0.8	50.0	138.4	58.8	4.9	359.5

Skr bn	December 31, 2019									
	Middle East/ Africa/ Turkey	Asia excl. Japan	Japan	North America	Oceania	Latin America	Sweden	Western Europe excl. Sweden	Central and Eastern Europe	Total
Central governments	4.2	4.8	2.8	1.3	-	42.2	3.0	5.6	-	63.9
Regional governments	1.7	-	-	-	-	-	10.5	0.1	-	12.3
Multilateral development banks	-	-	-	-	-	-	-	2.8	-	2.8
Public sector entity	-	-	-	-	-	-	-	4.0	-	4.0
Financial institutions	-	2.7	0.6	5.7	0.9	-	19.7	13.4	0.2	43.2
Corporates	21.1	8.6	1.4	65.1	-	7.6	82.6	31.3	3.6	221.3
Total	27.0	16.1	4.8	72.1	0.9	49.8	115.8	57.2	3.8	347.5

Geographical breakdown of net exposures by exposure class

Skr bn	December 31, 2020									
	Middle East/ Africa/ Turkey	Asia excl. Japan	Japan	North America	Oceania	Latin America	Sweden	Western Europe excl. Sweden	Central and Eastern Europe	Total
Central governments	0.1	0.4	2.4	1.6	-	-	159.2	19.0	2.8	185.5
Regional governments	-	-	-	-	-	-	12.2	0.1	-	12.3
Multilateral development banks	-	-	-	-	-	-	-	3.5	-	3.5
Public sector entity	-	-	-	-	-	-	-	4.2	-	4.2
Financial institutions	0.0	1.2	0.6	1.7	0.8	-	11.4	15.0	0.2	30.9
Corporates	2.6	1.1	3.9	5.7	-	3.3	85.2	20.9	0.4	123.1
Total	2.7	2.7	6.9	9.0	0.8	3.3	268.0	62.7	3.4	359.5

Skr bn	December 31, 2019									
	Middle East/ Africa/ Turkey	Asia excl. Japan	Japan	North America	Oceania	Latin America	Sweden	Western Europe excl. Sweden	Central and Eastern Europe	Total
Central governments	-	0.6	2.8	2.8	-	-	138.1	13.9	3.1	161.3
Regional governments	-	-	-	-	-	-	16.3	0.2	-	16.5
Multilateral development banks	-	-	-	-	-	-	-	3.1	-	3.1
Public sector entity	-	-	-	-	-	-	-	4.0	-	4.0
Financial institutions	-	2.7	0.9	6.6	0.9	-	16.7	17.7	0.2	45.7
Corporates	4.5	1.7	3.8	4.0	-	2.8	80.1	19.9	0.1	116.9
Total	4.5	5.0	7.5	13.4	0.9	2.8	251.2	58.8	3.4	347.5

Impact of credit-risk hedges by exposure class and hedge type

The table below shows, on the basis of gross exposure class, a breakdown based on whether or not the amounts are covered by credit-risk hedges in the form of guarantees or credit derivatives that are included in the capital adequacy calculations. Credit insurance issued by insurance companies is thus counted as guarantees. Hedged amounts have been divided in accordance with the hedge issuer's exposure class and type of hedge. Accordingly, the tables show the hedge types that convert gross exposures to net exposures.

Impact of credit-risk hedges**Gross exposures by exposure class**

	December 31, 2020							whereof subject to the write- down require- ment in IFRS ⁹
Skr bn	Central govern- ment	Regional govern- ments	Multilateral development banks	Public Sector Entity	Financial institutions	Corpo- rates	Total	
Amounts related to hedges issued by:								
Central governments	56.8	1.4	-	-	-	98.9	157.1	157.1
of which, guarantees issued by the EKN	56.1	1.4	-	-	-	89.1	146.6	146.6
of which, guarantees issued by other export credit agencies	0.7	-	-	-	-	6.8	7.5	7.5
of which, other guarantees	-	-	-	-	-	3.0	3.0	3.0
Regional governments	-	-	-	-	4.0	0.3	4.3	4.3
Multilateral development banks	-	-	-	-	-	0.4	0.4	0.4
Financial institutions	0.0	-	-	-	-	7.9	7.9	7.9
of which, credit default swaps	-	-	-	-	-	-	-	-
of which, guarantees	0.0	-	-	-	-	7.9	7.9	7.9
Corporates	-	-	-	-	-	3.5	3.5	3.5
of which, credit insurance from insurance companies	-	-	-	-	-	0.6	0.6	0.6
of which, other guarantees	-	-	-	-	-	2.9	2.9	2.9
Total hedged exposures	56.8	1.4	-	-	4.0	111.0	173.2	173.2
Unhedged exposures ²	28.1	7.9	3.1	4.3	23.0	119.9	186.3	130.5
Total	84.9	9.3	3.1	4.3	27.0	230.9	359.5	303.7

1 Assets valued at accrued acquisition value, which are subject to the write-down requirements in IFRS 9.

2 Exposures whereby the hedge issuer belongs to the same group as the counterparty in the unhedged exposure have been reported as "Unhedged exposures." The amounts for these were Skr 26.1 billion for corporates, Skr 0.6 billion for financial institutions and Skr 0.1 billion for central governments.

	December 31, 2019							
Skr bn	Central government	Regional governments	Multilateral development banks	Public Sector Entity	Financial institutions	Corporates	Total	whereof subject to the write-down requirement in IFRS ⁹ ¹
Amounts related to hedges issued by:								
Central governments	51.3	1.7	-	-	0.0	95.7	148.7	148.7
<i>of which, guarantees issued by the EKN</i>	50.4	1.7	-	-	0.0	83.0	135.1	135.1
<i>of which, guarantees issued by other export credit agencies</i>	0.9	-	-	-	-	9.5	10.4	10.4
<i>of which, other guarantees</i>	-	-	-	-	-	3.2	3.2	3.2
Regional governments	-	-	-	-	5.1	0.7	5.8	5.8
Multilateral development banks	-	-	-	-	-	0.3	0.3	0.3
Financial institutions	0.0	-	-	-	0.0	7.7	7.7	7.7
<i>of which, credit default swaps</i>	-	-	-	-	- ⁹	-	-	-
<i>of which, guarantees</i>	0.0	-	-	-	0.0	7.7	7.7	7.7
Corporates	-	-	-	-	-	3.1	3.1	3.1
<i>of which, credit insurance from insurance companies</i>	-	-	-	-	-	1.6	1.6	1.6
<i>of which, other guarantees</i>	-	-	-	-	-	1.5	1.5	1.5
Total hedged exposures	51.3	1.7	-	-	5.1	107.5	165.6	165.6
Unhedged exposures ²	12.6	10.6	2.8	4.0	38.1	113.8	181.9	119.3
Total	63.9	12.3	2.8	4.0	43.2	221.3	347.5	284.9

1 Assets valued at accrued acquisition value, which are subject to the write-down requirements in IFRS 9.

2 Exposures whereby the hedge issuer belongs to the same group as the counterparty in the unhedged exposure have been reported as "Unhedged exposures." The amounts for these were Skr 23.5 billion for corporates, Skr 4.2 billion for financial institutions and Skr 0.1 billion for central governments.

Gross exposures Europe, excluding Sweden, breakdown by exposure class

Skr bn	December 31, 2020						
	Central govern-ments	Reginal governments	Multilateral development banks	Public sector entity	Financial institutions	Corporates	Total
Finland	2.4	0.0	0.3	-	0.1	6.2	9.0
Germany	2.2	-	-	4.3	0.3	-	6.8
Spain	-	-	-	-	0.4	5.7	6.1
Austria	4.1	-	-	-	1.6	-	5.7
United Kingdom	-	-	-	-	2.2	2.7	4.9
Norway	-	-	-	-	0.1	4.6	4.7
Denmark	0.8	-	-	-	2.0	1.7	4.5
Luxembourg	1.0	-	2.8	-	-	-	3.8
France	-	-	-	-	2.1	1.4	3.5
Netherlands	1.0	-	-	-	1.5	0.5	3.0
Italy	-	-	-	-	-	2.9	2.9
Poland	-	-	-	-	-	2.9	2.9
Belgium	1.2	-	-	-	0.0	0.2	1.4
Belarus	-	-	-	-	-	1.3	1.3
Switzerland	-	-	-	-	-	1.2	1.2
Portugal	-	-	-	-	-	0.7	0.7
Ireland	-	-	-	-	0.1	0.3	0.4
Serbia	-	-	-	-	-	0.3	0.3
Russian Federation	-	-	-	-	-	0.2	0.2
Latvia	-	-	-	-	0.2	-	0.2
Iceland	-	-	-	-	-	0.1	0.1
Estonia	-	-	-	-	0.0	0.1	0.1
Ukraine	-	-	-	-	-	0.0	0.0
Total	12.7	0.0	3.1	4.3	10.6	33.0	63.7

Skr bn	December 31, 2019						
	Central govern-ments	Reginal governments	Multilateral development banks	Public sector entity	Financial institutions	Corporates	Total
Spain	-	-	-	-	0.5	8.1	8.6
Germany	2.8	-	-	4.0	0.5	-	7.3
Norway	-	-	-	-	2.0	5.1	7.1
Finland	0.6	0.1	-	-	0.1	6.2	7.0
United Kingdom	-	-	-	-	2.4	2.6	5.0
Italy	-	-	-	-	-	3.6	3.6
France	-	-	-	-	2.0	1.5	3.5
The Netherlands	-	-	-	-	3.2	0.2	3.4
Luxembourg	0.6	-	2.8	-	-	-	3.4
Poland	-	-	-	-	-	3.1	3.1
Denmark	-	-	-	-	0.9	1.4	2.3
Belgium	1.6	-	-	-	0.0	0.2	1.8
Austria	-	-	-	-	1.7	-	1.7
Switzerland	-	-	-	-	-	1.5	1.5
Portugal	-	-	-	-	-	0.6	0.6
Russian Federation	-	-	-	-	-	0.4	0.4
Ireland	-	-	-	-	-	0.3	0.3
Latvia	-	-	-	-	0.2	-	0.2
Iceland	-	-	-	-	-	0.1	0.1
Estonia	-	-	-	-	0.1	0.0	0.1
Ukraine	-	-	-	-	-	0.0	0.0
Total	5.6	0.1	2.8	4.0	13.6	34.9	61.0

Net exposures Europe, excluding Sweden, breakdown by exposure class

Skr bn	December 31, 2020						Total
	Central governments	Regional governments	Multilateral development banks	Public sector entity	Financial institution	Corporates	
Finland	2.5	0.1	0.3	-	0.2	5.8	8.9
Germany	3.0	-	-	4.2	1.0	0.4	8.6
France	4.8	-	-	-	2.6	0.6	8.0
United Kingdom	0.0	-	-	-	3.2	3.8	7.0
Austria	4.1	-	-	-	1.6	-	5.7
Denmark	1.0	-	-	-	2.5	1.7	5.2
Norway	0.2	-	-	-	0.2	4.4	4.8
Luxembourg	1.0	-	3.2	-	-	0.4	4.6
Netherlands	1.3	-	-	-	1.6	0.3	3.2
Poland	2.9	-	-	-	-	0.0	2.9
Belgium	1.1	-	-	-	0.7	0.7	2.5
Spain	-	-	-	-	1.3	0.6	1.9
Switzerland	-	-	-	-	0.1	0.7	0.8
Portugal	-	-	-	-	-	0.7	0.7
Ireland	-	-	-	-	-	0.6	0.6
Serbia	-	-	-	-	-	0.3	0.3
Latvia	-	-	-	-	0.2	-	0.2
Iceland	-	-	-	-	-	0.1	0.1
Italy	-	-	-	-	-	0.1	0.1
Estonia	-	-	-	-	0.0	0.1	0.1
Total	21.9	0.1	3.5	4.2	15.2	21.3	66.2

Skr bn	December 31, 2019						Total
	Central governments	Regional governments	Multilateral development banks	Public sector entity	Financial institution	Corporates	
Germany	3.7	-	-	4.0	1.0	0.4	9.1
France	6.3	-	-	-	1.6	0.1	8.0
United Kingdom	0.1	-	-	-	3.4	4.5	8.0
Norway	0.4	-	-	-	2.0	4.9	7.3
Finland	0.8	0.2	-	-	0.2	5.6	6.8
Luxembourg	0.5	-	3.1	-	-	0.8	4.4
The Netherlands	0.3	-	-	-	3.4	0.2	3.9
Denmark	0.2	-	-	-	1.8	1.3	3.3
Poland	3.1	-	-	-	-	0.0	3.1
Belgium	1.6	-	-	-	0.6	0.2	2.4
Spain	-	-	-	-	1.7	0.4	2.1
Austria	-	-	-	-	1.7	-	1.7
Switzerland	-	-	-	-	0.2	0.5	0.7
Portugal	-	-	-	-	-	0.6	0.6
Ireland	-	-	-	-	-	0.3	0.3
Latvia	-	-	-	-	0.2	-	0.2
Iceland	-	-	-	-	-	0.1	0.1
Italy	-	-	-	-	-	0.1	0.1
Estonia	-	-	-	-	0.1	0.0	0.1
Total	17.0	0.2	3.1	4.0	17.9	20.0	62.2

Corporate exposures, broken down by industry¹

Skr bn	December 31, 2020		December 31, 2019	
	Gross exposure	Net exposure	Gross exposure	Net exposure
IT and telecom	81.4	15.1	84.6	13.6
Industrials	43.2	42.1	46.6	40.7
Consumer goods	37.9	27.3	23.3	12.8
Financials	25.6	10.7	21.2	16.6
Materials	24.3	19.0	25.1	23.8
Utilities	12.0	4.8	13.7	4.4
Healthcare	4.8	3.8	4.8	4.6
Energy	1.2	0.1	1.8	0.2
Other	0.5	0.2	0.2	0.2
Total	230.9	123.1	221.3	116.9

1 In accordance with the reporting standard (GICS).

Market risk

Market risk is the risk of loss or changes in future NII due to changes in, for example, interest rates, exchange rates, commodity prices or share prices. A distinction is made between market risk of non-market valued assets and liabilities and fair valued assets and liabilities. Market risk includes price risk in connection with sales of assets or the closing of exposures.

Risk management

SEK's Board establishes SEK's appetite and strategy for market risk, which clearly define and limit the permissible exposure to market risk. In addition, instructions established by the CEO regulate SEK's management of market risks. The Chief Risk Officer decides on the method for measuring market risks and proposes changes in limit structures in connection with reviews of risk appetite and limits. Market risk exposures are measured and reported on a daily basis to the CEO, and the Board's Finance and Risk Committee at scheduled meetings. Cases where limits are exceeded are escalated without delay to the CEO, and the Board's Finance and Risk Committee.

SEK borrows funds by issuing bonds or other debt instruments which, regardless of the market risk exposures in the bonds, are hedged by being swapped via derivatives to a floating interest rate. Borrowed funds are used either immediately for lending, mainly at floating interest rates, or alternatively through derivatives at a floating rate, or to ensure that SEK has adequate liquidity in the form of liquidity investments and liquidity reserves. The intention is to hold assets and liabilities to maturity.

The duration of available funding matches that of lending and the maturity profile of liquidity investments is adapted to ensure that funds are available for all accepted but as yet undisbursed lending.

Unrealized changes in fair value affect the value of SEK's assets and liabilities and impact both earnings and SEK's own funds. SEK's largest net exposures are to changes in spreads, mainly to credit spreads associated with assets and liabilities and to cross-currency basis spreads. Spread risks are managed by having established limits and daily limit monitoring. Currency risk excluding unrealized changes in fair value is kept low by matching assets and liabilities in terms of currencies or through the use of derivatives. In addition, accrued gains and losses in foreign currency are regularly converted to Swedish kronor. The Company's risk appetite for market risk resulting from unmatched cash flows is low.

Risk measurement

The following describes how SEK calculates and limits market risk internally. The government compensates SEK for all interest-rate differentials, borrowing costs and net foreign-exchange losses within the CIRRS-system (see note 1). The CIRRS-system is therefore reported separately.

Value at Risk and stressed Value at Risk

SEK's primary market risk metrics are stressed Value at Risk (sVaR) and Value at Risk (VaR). VaR is a statistical market risk metric which is based on two years of daily market movements and estimates the potential loss over a one-day horizon with a confidence level of 99 percent. Historical simulations are applied to current holdings to simulate possible outcomes of value changes. Market parameters used as risk factors are interest rates, cross-currency basis spreads, credit spreads, FX rates, equities, commodity and equity indices as well as volatilities of swaptions, caps/floors, equities, commodity and equity indices and currencies. VaR is calculated for SEK's portfolio and separately for the liquidity portfolio for positions on the balance sheet that impact own funds. At year-end, VaR for own funds amounted to Skr 26 million (year-end 2019: Skr 18 million) and for the liquidity portfolio VaR was Skr 13 million (year-end 2019: Skr 10 million). The increase in VaR for own funds can be explained by increased market volatility during the beginning of the COVID-19 pandemic.

The calculation of sVaR is done according to the VaR methodology, where the worst historical one-year period for the company is chosen. By the end of 2020 the calculation was based on the period July 2008 to June 2009 and amounted to Skr 100 million (123).

Aggregated risk measure and stress tests

SEK conducts regular stress tests by applying movements in market factors that have been historically observed in the market (historical scenarios) and movements that could happen in the future (hypothetical or forward-looking scenarios).

The aggregated risk measure is based on analyses of historical scenarios with a monthly risk horizon since 2007. The aggregated risk measure estimates the impact on SEK's own funds by applying historically observed movements in interest rates, cross-currency basis spreads, FX rates and credit spreads in assets. The exposure is based on the worst case scenario and calculation is done by full revaluation. At year-end 2020, the worst scenario was market movements from October 2008. The risk at year-end 2020 amounted to Skr 445 million (year-end 2019: Skr 452 million).

The forward-looking scenarios include interest rate shocks and reversed stress tests. Analyses of this type provide management with insight into the potential impact on SEK's operations of significant movements in risk factors, or of broader market scenarios, and also continuously ensure that the risk measurement is effective.

Risk-specific measures

The VaR, sVaR, aggregated risk measure and stress tests are complemented with risk-specific measures, including interest-rate risk measures, spread-risk measures, and currency-risk measures.

Market risk, type	Definition	Risk profile
Total risk: Value at Risk (VaR), stressed VaR (sVaR)	VaR measures a potential negative impact on SEK's own funds, in the form of unrealized gains or losses.	The risk factors that primarily drive VaR are cross-currency basis spreads and interest rates. In SEK's liquidity portfolio, the primary driver is the bond portfolio credit spread risk. At year-end 2020 VaR for SEK and the liquidity portfolio amounted to Skr 26 million (year-end 2019: Skr 18 million) and Skr 13 million (year-end 2019: Skr 10 million), and sVaR to Skr 100 million (year-end 2019: Skr 123 million).
Total risk: Aggregated risk measure	The Aggregated risk measure measures a potential negative impact on SEK's own funds as a result of unrealized value changes from historical market movements. Monthly market movements dating back as far as 2007 are applied to current holdings to simulate possible outcomes. The worst outcome is reported as the Aggregated risk measure.	The risk factors primarily driving the Aggregated risk measure are credit spreads and interest rates. Since the Aggregated risk measure is based on historical market data from 2007, the measure is comparable with stressed VaR (see above), although with another horizon. At the end of 2020, the Aggregated risk measure amounted to Skr 445 million (year-end 2019: Skr 452 million).
Interest-rate risk regarding changes in the economic value of SEK's portfolio (EVE)	The interest-rate risk regarding changes in economic value is calculated by means of a 100 basis-point parallel shift in all yield curves. Positive and negative exposures are measured separately and whichever is largest, in absolute terms, comprises the exposure.	The risk pertains to SEK's overall business profile, particularly the balance between interest-bearing assets and liabilities in terms of volume and fixed interest terms. The risk measurement captures the long-term impact of changes in interest rates. At the end of 2020, the risk amounted to Skr 334 million (year-end 2019: Skr 252 million).
Interest-rate risk regarding changes in future net interest income (NII)	The net interest income risk is calculated as the impact on net interest income for the coming year if interest-rate fixings, new financing and investment must take place following a positive interest-rate shift of 100 basis points. The risk per currency is totaled in absolute terms.	The risk pertains to SEK's overall business profile, particularly the balance between interest-bearing assets and liabilities in terms of volume and fixed interest terms for the next year. The risk measurement captures the short-term impact of changes in interest rates. At the end of 2020, the combined exposure for NII risk including risk to NII from cross-currency basis spreads was Skr 271 million (year-end 2019: Skr 255 million).
Risk to NII from cross-currency basis spreads	The 12-month risk to NII from cross-currency basis spreads is measured as the impact on SEK's future earnings resulting from an assumed cost increase for transfers between currencies for which cross-currency basis swaps are used. The risk per currency is totaled in absolute terms.	The risk is attributable to cases where funding and lending are not matched in terms of currency and, therefore, the future cost of converting funding to the desired currency is dependent on cross-currency basis spreads.
Credit spread risk in assets	Credit spread risk in assets is calculated as a potential impact on SEK's own funds, in the form of unrealized gains or losses, as a result of a 100 basis-point shift in the credit spreads for those assets measured at fair value.	The risk is attributable to SEK's liquidity portfolio. At the end of 2020, the credit spread risk in assets was Skr 290 million (year-end 2019: Skr 357 million).
Credit spread risk in own debt	Credit spread risk in own debt can have a potential impact on SEK's equity, in the form of unrealized gains or losses, as a result of changes in present value after all of SEK's credit spreads have been shifted by 20 basis points.	The risk is attributable to SEK's structured debt measured at fair value. At year-end 2020, the credit spread risk in own debt amounted to Skr 312 million (year-end 2019: Skr 456 million).
Cross-currency basis spread risk.	The cross-currency basis spread risk measures the potential impact on SEK's own funds, in the form of unrealized gains or losses, as a result of changes in cross-currency basis spreads.	The risk is attributable to cross-currency basis swaps used by SEK to hedge the currency risk in the portfolio. At year-end 2020, the cross-currency basis spread risk amounted to Skr 233 million (year-end 2019: Skr 278 million).
Currency risk	The risk is calculated as the change in value of all foreign currency positions excluding unrealized changes in fair value at an assumed 10 percentage-point change in the exchange rate between the respective currency and the Swedish krona.	The foreign exchange position mainly arises on an ongoing basis due to differences between revenues and costs (net interest margins) in foreign currency. At the end of 2020, the risk amounted to Skr 3 million (year-end 2019: Skr 4 million).
Interest-rate volatility risk	The risk is measured through a number of positive and negative shifts. The risk per underlying volatility is the most negative outcome of these shifts. The risk per underlying is totaled in absolute terms.	The risk is attributable to SEK's structured debt measured at fair value and interest rate floors in lending transactions. At the end of 2020, the risk amounted to Skr 79 million (year-end 2019: Skr 50 million).
Tenor basis spread risk	Tenor basis spread risk measures the potential impact on SEK's economic value, in the form of unrealized gains or losses, as a result of ten basis point shifts of interest rate curves of different tenors. Positive and negative exposures are measured separately and whichever is largest, in absolute terms, comprises the exposure.	The risk is attributable to lending and borrowing with one and six month tenor which is not swapped to three month tenor. At the end of 2020, the total risk amounted to Skr 94 million (year-end 2019: Skr 87 million).
Other risks (equities, commodity and volatility risks)	Measures unrealized gains or losses and are calculated with the aid of stress tests of underlying indices or volatilities.	SEK's equities and commodity risks, as well as FX volatility risks, only arise from structured borrowing. Although all structured cash flows are matched through a hedging swap, there could be an impact on SEK's result. These risks are low, and arise because valuation of the bond, but not the swap, takes account of SEK's own credit spread.

Risk monitoring

Market risks are measured, analyzed and reported to senior management on a daily basis. Cases where limits are exceeded are escalated without delay and managed pursuant to documented instructions. A more exhaustive analysis is conducted each month of how markets and risks have developed during the period. This is complemented with stress tests.

Risk information

For a supplementary and expanded account of the market risk-related information, refer to the separate risk report, "SEK – Capital Adequacy and Risk Management Report – Pillar 3."

Change in value should the market interest rate rise by one percentage point

Impact on the value of assets and liabilities, including derivatives, should the market interest rate rise by one percentage point (+1%).

Skr mn	2020		2019	
	Total	of which, financial instruments measured at fair value through profit or loss	Total	of which, financial instruments measured at fair value through profit or loss
Foreign currency	-200	146	-87	167
Swedish kronor	-116	156	-140	128
Total	-316	302	-227	295

Change in value should the market interest rate decline by one percentage point

Impact on the value of assets and liabilities, including derivatives, should the market interest rate decline by one percentage point (-1%).

Skr mn	2020		2019	
	Total	of which, financial instruments measured at fair value through profit or loss	Total	of which, financial instruments measured at fair value through profit or loss
Foreign currency	592	-128	304	-157
Swedish kronor	306	-150	265	-124
Total	898	-278	569	-281

Assets, liabilities and derivatives denominated in foreign currency

Assets, liabilities and derivatives denominated in foreign currency (meaning currencies other than Swedish kronor) have been translated to Swedish kronor using the exchange rates applying at year-end between the currency concerned and Swedish kronor.

The relevant exchange rates for the currencies representing the largest shares in the Group's net assets and net liabilities in the bal-

ance sheet were as shown in the table below (expressed in Swedish kronor per unit of the particular foreign currency). Share at year end is the share of the total volume of assets and liabilities denominated in foreign currency. Currency positions at year-end are the net for each currency of all assets and liabilities in the balance sheet. The figures shown are carrying amounts.

Currency	December 31, 2020			December 31, 2019		
	Exchange rate	Share at year end, %	Currency positions at year end (Skr mn)	Exchange rate	Share at year end, %	Currency positions at year end (Skr mn)
EUR	10.0181	1	-189	10.4474	1	-160
USD	8.1739	1	-148	9.3283	2	318
JPY	0.0793	0	-89	0.0857	1	-115
GBP	11.1683	0	-68	12.2457	0	-87
MXN	0.4117	1	-123	0.4947	0	-86
THB	0.2727	0	60	0.3118	1	-109
Other	-	0	-12	-	0	-16
Total foreign currency position		3	-569		5	-255

Currency risk is limited to accrued net income and is hedged regularly. In accordance with SEK's rules for risk management, currency positions attributable to unrealized changes in fair value are not hedged. Currency positions excluding unrealized changes in fair value amounted to Skr -48 million (year-end 2019: Skr 5 million) at year end. Assets and liabilities denominated in foreign currency are included in the total volumes of assets and liabilities in the following amounts (in millions of Swedish kronor).

Skr mn	December 31, 2020	December 31, 2019
Total assets,	335,399	317,296
<i>of which, denominated in foreign currencies</i>	194,607	204,840
Total liabilities,	315,335	298,214
<i>of which, denominated in foreign currencies</i>	195,176	205,117

Liquidity risk and refinancing risk

Liquidity and refinancing risk is defined as the risk of SEK not being able to refinance its outstanding loans and committed undisbursed loans, or being unable to meet increased liquidity requirements. Liquidity risk also includes the risk of having to borrow funds at unfavorable interest rates or needing to sell assets at unfavorable prices in order to meet payment commitments.

Risk management

SEK's Board has overall responsibility for liquidity and refinancing risks and establishes policy documents for liquidity risk management; in addition, the CEO establishes instructions for operational management. Liquidity risk is managed operationally by the Treasury function. Liquidity and refinancing risk is measured and reported regularly to the relevant manager, the Risk and Compliance Committee, the CEO, and the Board and its committees.

SEK has low tolerance for long-term structural liquidity risk and financing must be available throughout the maturity for all credit commitments, pertaining to both outstanding and committed undisbursed loans. The Company includes the credit facility with the Swedish National Debt Office as available borrowing. The credit facility, granted by the government through the Swedish National Debt Office, amounted to Skr 200 billion (2019: Skr 125 billion) at the end of 2020. The credit facility may be used for financing the CIR-system and also for commercial export credits up to Skr 15 billion (2019: -). The credit facility shall function as a reserve to be used when the funding markets is not available. During the first quarter 2020, the credit facility was utilized for an amount of Skr 10 billion (2019: -).

Borrowed funds not yet used to finance credits must be invested in interest-bearing securities, also known as liquidity investments. The management of liquidity investments is regulated in the Liquidity Strategy established by the Board's Finance and Risk Committee. The size of the liquidity portfolio is adapted to cover outflows, outside the CIR-system, attributable to: 1) committed undisbursed loans, 2) CSAs with derivative counterparties, 3) outflows attributable to short-term borrowing transactions and 4) budgeted new lending. The target for SEK's new lending capacity is to facilitate at least two months of new lending, in line with SEK's estimated new lending requirements.

The maturity profile of liquidity investments is matched against the net of borrowing and lending. Investments must be made in assets of good credit quality. Such investments should take into account the liquidity of the investment under normal market conditions and the investment's currency must comply with established guidelines. SEK intends to hold these assets to maturity and only divest them should circumstances so demand. The liquidity reserve, in which only securities regarded as highly liquid are included, accounts for a portion of SEK's liquidity investments. The purpose of the liquidity reserve is

to safeguard SEK's short-term solvency, and to fulfil the Company's requirement for the lowest liquidity coverage ratio (LCR).

SEK's borrowing strategy is regulated in the Financing Strategy Policy, which is established by the Board's Finance and Risk Committee. The aims of the Financing Strategy include ensuring that SEK's borrowing is well-diversified in terms of markets, investors, counterparties and currencies. With regard to maturity, no refinancing risk is allowed. For the purpose of ensuring access to short-term funding, SEK has revolving borrowing programs for maturities of less than one year, including a US Commercial Paper Program (UCP) and a European Commercial Paper program (ECP). SEK also has a swingline facility that functions as a back-up facility for SEK's revolving borrowing program for maturities of less than one year. To secure access to substantial volumes of non-current borrowing, and to ensure that insufficient liquidity or investment appetite among individual borrowing sources does not constitute an obstacle to operations, SEK issues bonds with different structures, currencies and maturities. SEK also issues bonds in many different geographic markets.

SEK has a contingency plan for the management of liquidity crises, which is issued by the Head of Treasury & Capital Management. The plan describes what constitutes a liquidity crisis according to SEK and what actions SEK intends to take if such a crisis is deemed to have occurred. The plan also describes the decision-making structure during a liquidity crisis. An internal and external communication plan is also included. The contingency plan is also closely linked to the results of the scenario analyses that are performed regularly, whereby various actions are taken to increase the release of cash and cash equivalents that have been analyzed with a preventive purpose.

Risk measurement

In the short term, liquidity risk is monitored mainly through measurement of the liquidity coverage ratio (LCR), which shows SEK's highly liquid assets in relation to its net cash outflows for the next 30 calendar days. Cash-flow forecasts of up to one year are prepared regularly according to various scenarios. SEK's policy for long-term structural liquidity risk is not to accept refinancing risk. Forecasts are made of the relationship between borrowing, including equity, and lending over time. A net stable funding ratio (NSFR) is also estimated. The NSFR measures the volume of available stable funding in relation to the need of stable funding within a period of 1 year. SEK also performs regular liquidity stress tests.

Risk monitoring

Liquidity risk is monitored through regular analysis and reporting to the Board of Directors and the Treasury function. Reports are submitted to the Board on a regular basis and cover monitoring of LCR, NSFR, internal metrics, portfolio composition and liquidity stress tests.

Risk information

For a supplementary and expanded account of the liquidity and refinancing risk-related information, refer to the separate risk report, "SEK-Capital Adequacy and Risk Management Report-Pillar 3".

Liquidity reserve¹

Skr bn	December 31, 2020				
	Total	SKR	EUR	USD	Other
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	35.8	17.7	6.5	11.0	0.6
Securities issued or guaranteed by municipalities or other public entities	8.7	4.8	-	3.9	-
Covered bonds issued by other institutions	7.5	7.5	-	-	-
Balances with other banks and National Debt Office, overnight	-	-	-	-	-
Total Liquidity Reserve	52.0	30.0	6.5	14.9	0.6

Skr bn	December 31, 2019				
	Total	SKR	EUR	USD	Other
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	18.0	4.7	4.8	7.1	1.4
Securities issued or guaranteed by municipalities or other public entities	13.3	11.9	0.8	0.6	-
Covered bonds issued by other institutions	11.1	11.1	-	-	-
Balances with other banks and National Debt Office, overnight	-	-	-	-	-
Total Liquidity Reserve	42.4	27.7	5.6	7.7	1.4

1 The liquidity reserve is a part of SEK's liquidity investments.

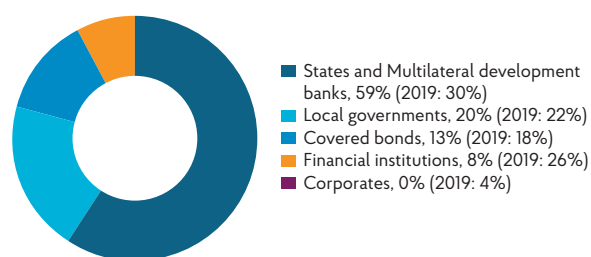
Liquidity investments by remaining maturity ("M")

	Dec 31, 2020	Dec 31, 2019
M ≤ 1 year	86%	84%
1 year < M ≤ 3 years	14%	16%
M > 3 years	0%	0%

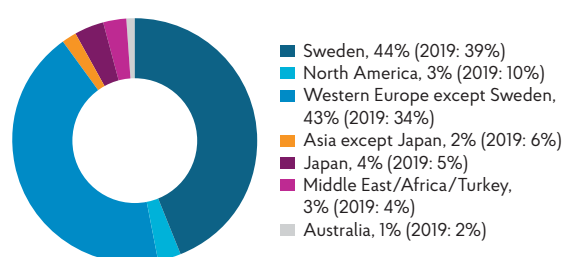
Key figures for liquidity risk

	Dec 31, 2020	Dec 31, 2019
LCR under EU Commission's delegated act	447%	620%
NFSR	135%	120%

Liquidity investments by exposure type as of December 31, 2020



Liquidity investment by region at December 31, 2020



Contractual flows

	December 31, 2020							
Skr mn	Due ≤ 1 month	Due 1 month ≤ 3 months	Due 3 months ≤ 1 year	Due 1 year ≤ 5 years	Due > 5 years	Total cash flow	Discounting effect	Carrying amount
Financial assets								
Cash and cash equivalents	2,801	-	-	-	-	2,801	561	3,362
Treasuries/government bonds	-	10,204	10,857	1,190	-	22,251	15	22,266
Other interest-bearing securities except loans	1,639	6,932	17,975	7,085	-	33,631	-80	33,551
Loans in the form of interest- bearing securities	68	6,053	3,928	31,518	12,116	53,683	-2,903	50,780
Loans to credit institutions	66	219	3,437	4,685	1,166	9,573	21,742	31,315
Loans to the public	3,798	8,998	29,475	102,065	41,094	185,430	-13,868	171,562
Derivatives	84	534	1,276	3,176	1,919	6,989	574	7,563
Total	8,456	32,940	66,948	149,719	56,295	314,358	6,041	320,399
of which derivatives in hedge relationship	-6	49	353	1,074	632	2,102	1,213	3,315
	December 31, 2020							
Skr mn	Due ≤ 1 month	Due 1 month ≤ 3 months	Due 3 months ≤ 1 year	Due 1 year ≤ 5 years	Due > 5 years	Total cash flow	Discounting effect	Carrying amount
Financial liabilities								
Borrowings from credit institutions	-58	-147	-518	-1,151	-68	-1,942	-1,544	-3,486
Borrowings from the public	-	-2	-4	-9,999	-	-10,005	5	-10,000
Debt securities issued	-4,486	-31,436	-64,938	-162,367	-17,447	-280,674	6,698	-273,976
Derivatives	-1,206	-3,333	-4,288	-2,632	-39	-11,498	-13,897	-25,395
Total	-5,750	-34,918	-69,748	-176,149	-17,554	-304,119	-8,738	-312,857
of which derivatives in hedge relationship	-8	-26	-143	-567	22	-722	248	-474
Obligations								
Committed undisbursed loans	-4	-2,001	-4,633	-23,833	76,724			
Liquidity surplus (+)/ deficit (-)	2,702	-3,979	-7,433	-50,263	115,465	56,492		
Accumulated liquidity surplus (+)/deficit (-)	2,702	-1,277	-8,710	-58,973	56,492	56,492		

In addition to the instruments in the Statement of Financial Position and committed undisbursed loans, SEK has outstanding binding offers of Skr 1.3 billion as well as additional available funds consisting of a credit facility with the Swedish National Debt Office of Skr 200 billion (2019: Skr 125 billion). The credit facility can be used for the State's export credit support (CIRR) or commercial export financing up to Skr 15 billion (2019: -). In February 2021, the credit facility was extended for 2021. With regard to deficit in cash flow with maturity between three months and five years, SEK has the intention to refinance these through borrowing on the financial market.

Repayments subject to notice for liabilities and hedging derivatives are treated as if notice were to be given immediately, whether it is SEK or the counterparty that has the right to demand early redemption. Assets with repayments subject to notice are assumed to occur on the maturity date. "Subordinated liabilities" which consists of a dated subordinated instrument, were assumed to be repaid at the time of the first redemption date. Embedded derivatives in financial assets and liabilities have been excluded. Forward prices are used for contracts with variable interest rate structure, except for contracts that have reached the fixing date in which case the interest rate is used.

For a contract with a fixed-interest rate structure, the interest rate has been applied for the entire tenor. When a contract has been structured and uses an interest-rate formula, a plain vanilla setup has been adopted and forward rates applied. The conservative scenario using the prudence concept for cash flows for liabilities and hedging derivatives is not likely to be the real outcome. Differences between book values and future cash flows for financial assets and financial liabilities are reported in the column "Discount effect".

Cash flows for cash collateral under derivatives' CSAs are assumed to have the same cash flows as the related derivatives.

The following items other than financial instruments have an approximate expected recovery time of less than 12 months: other assets; prepaid expenses; accrued revenue; other liabilities; accrued expenses and prepaid revenue. All other balance-sheet items other than financial instruments have an approximate expected recovery time of 12 months or more.

The amounts above include interest, except for committed undisbursed loans.

December 31, 2019								
Skr mn	Due ≤ 1 month	Due 1 month ≤ 3 months	Due 3 months ≤ 1 year	Due 1 year ≤ 5 years	Due > 5 years	Total cash flow	Discounting effect	Carrying amount
<i>Financial assets</i>								
Cash and cash equivalents	651	-	-	-	-	651	711	1,362
Treasuries/government bonds	1,697	1,044	4,289	1,329	-	8,359	-15	8,344
Other interest-bearing securities except loans	6,581	12,417	26,399	8,903	-	54,300	-394	53,906
Loans in the form of interest- bearing securities	332	1,379	6,106	26,369	12,478	46,664	-3,037	43,627
Loans to credit institutions	486	17,204	1,928	6,334	1,592	27,544	-534	27,010
Loans to the public	4,583	10,054	33,443	86,241	44,376	178,697	-14,849	163,848
Derivatives	109	566	1,214	2,344	2,122	6,355	613	6,968
Total	14,439	42,664	73,379	131,520	60,568	322,570	-17,505	305,065
<i>of which derivatives in hedge relationship</i>	-8	21	432	372	633	1,450	1,171	2,621
December 31, 2019								
Skr mn	Due ≤ 1 month	Due 1 month ≤ 3 months	Due 3 months ≤ 1 year	Due 1 year ≤ 5 years	Due > 5 years	Total cash flow	Discounting effect	Carrying amount
<i>Financial liabilities</i>								
Borrowings from credit institutions	-10	-3,680	-	-	-	-3,690	12	-3,678
Debt securities issued	-6,284	-27,985	-72,297	-155,386	-21,909	-283,861	14,522	-269,339
Derivatives	-978	-1,517	-1,492	-3,106	40	-7,053	-13,003	-20,056
Total	-7,272	-33,182	-73,789	-158,492	-21,869	-294,604	1,531	-293,073
<i>of which derivatives in hedge relationship</i>	-8	30	-747	-1,096	-139	-1,960	-1,177	-3,137
Obligations								
Committed undisbursed loans	-7,094	-1,944	-13,733	-4,652	27,424			
Liquidity surplus (+)/ deficit (-)	73	7,538	-14,143	-31,624	66,123	27,967		
Accumulated liquidity surplus (+)/deficit (-)	73	7,611	-6,532	-38,156	27,967	27,967		

Operational risk

Operational risk is the risk of losses resulting from inadequate or faulty internal processes or systems, human error, or from external events. Operational risk also includes legal risk and IT and security risk.

Risk management

Operational risk exists in potentially all functions within SEK. The managers of all the various SEK functions have a responsibility for effective management of operational risk within their own function. To support operational risk management, SEK works in compliance with policy documents in accordance with SEK's risk framework. The risk function is responsible for monitoring, analyzing and reporting aggregated risk levels, and for monitoring the appropriateness and efficiency of the company's operational risk management. The Risk and Compliance Committee is responsible for monitoring operational risk. The Risk function reports to the Risk and Compliance Committee and to the Board's Finance and Risk Committee.

Risk measurement

SEK measures and reports operational risk levels at least each quarter. The risk level is based on an assessment of expected loss from risks with a high rating, the scope of losses due to incidents, key risk indicators and whether any breaches of rules related to the operations requiring permits have occurred. SEK uses the standardized approach in calculating the capital requirement for operational risk.

Risk monitoring

SEK's work on operational risk is conducted at all levels of the organization to ensure that the company is able to identify and reduce risk. All risk-related events are registered in an IT-based incident-reporting system. The fundamental cause is analyzed and actions are then taken to prevent a recurrence. By means of the new product approval process (NPAP), SEK prevents the company from unknowingly taking on risks that the company is unable to manage. The functions perform regular self-assessments of the operations in order to identify and reduce major risks. The self-assessments and the subsequent analysis are coordinated with business planning and the internal capital assessment. The Risk function carries out aggregated monitoring and analysis of the risks and action plans, as well as of significant operational risk events.

Risk information

For a supplementary and expanded account of the operational risk related information, refer to the separate risk report, "SEK-Capital Adequacy and Risk Management Report-Pillar 3."

Sustainability risk

Sustainability risk is the risk that SEK's operations directly or indirectly impact their surroundings negatively in respect of ethics, corruption, climate and the environment, human rights and labor conditions. Human rights includes the child rights perspective, labor conditions encompasses gender equality and diversity. Ethics is included in tax transparency.

Sustainability risk means that SEK's risk concept is broadened to also include how the environment, including the climate is affected by SEK's operations. Sustainability risk can also affect other types of risk, such as credit risk and is both a non-financial and financial risk for the company.

Risk management

Sustainability risks are managed according to a risk-based approach and SEK only engages in transactions for which SEK has conducted know your customer activities. SEK's measures to manage sustainability risks are subject to national and international regulations and guidelines, along with the state's ownership policy and guidelines for state-owned companies, SEK's owner instruction, pertaining to anti-corruption, climate and environmental consideration, human rights and labor conditions. Based on international sustainability guidelines, SEK sets requirements on the operations and projects the company finances in order to mitigate negative environmental and societal impacts.

The international guidelines pursued by SEK are described in sustainability notes.

Risk measurement

SEK measures and reports the risk level for sustainability risk at least quarterly. Potential sustainability risks are identified and assessed in conjunction with a new business opportunity, potential sustainability risks are identified and assessed at country, counterparty, and or business transaction level.

- Country – Countries are classified according to the risk of corruption, negative impact on human rights including labor conditions and the risk of money laundering, financing of terrorism and non-transparent tax jurisdiction.
- Counterparty – Checks are conducted as part of know your customer, including checks of ownership and checks against international sanction lists, as well as whether the counterparty has been involved in significant sustainability-related incidents.
- Business transaction level – i) Projects and project-related financing are classified based on their potential societal and environmental impact according to the OECD's framework for export credits or the Equator Principles. Category A projects have a potentially material impact, category B projects potentially have some impact, and category C projects have little or no potential impact. ii) Other business transactions are analyzed to assess the risk of corruption, negative environmental or climate impact, negative effects on human rights and labor conditions and the risk of money laundering, financing of terrorism and non-transparent tax jurisdiction.

Risk monitoring

Sustainability risk is monitored through regular analysis and reporting to the Board of Directors. Project or project-related funding with an identified elevated sustainability risk is monitored via continuous checks of compliance with the agreement's sustainability clauses.

SEK performs stress tests for climate-related transitions risk annually. The results of the scenario analyses and stress tests are reported to the Board or the Risk Committee

Risk information

For a supplementary of the sustainability risk related information, refer to the separate risk report, "SEK-Capital Adequacy and Risk Management Report-Pillar 3".

Note 27. Transactions with related parties

SEK defines related parties to the Parent Company and the Group as:

- the shareholder, i.e., the Swedish government
- companies and organizations that are controlled through a common owner, the Swedish government
- subsidiaries
- key management personnel
- other related parties

The Swedish government owns 100 percent of the Company's share capital. By means of direct guarantees extended by the Swedish Export Credits Guarantee Board, EKN, 39 percent (Year-end 2019: 38 percent) of the Company's loans outstanding on December 31, 2020 were guaranteed by the Swedish government. The remuneration to EKN for the guarantees paid by SEK during 2020 amounted to Skr 26 million (2019: Skr 0 million). SEK administers, in return for compensation, the Swedish system for officially supported export credits (CIRR system), and the government's previous concessionary credits system, refer to Note 1 and Note 24.

SEK has a Skr 200 billion (2019: Skr 125 billion) credit facility with the Swedish National Debt Office, which can be used for State's export credit support (CIRR) or commercial export financing up to Skr 15 billion (2019: -). In February 2021, the credit facility was extended for 2021. SEK has utilized Skr 10 billion (2019: -) of the credit facility by December 2020.

SEK enters into transactions in the ordinary course of business with entities that are partially or wholly owned or controlled by the State. SEK also extends export credits, in the form of direct or pass-through loans, to entities related to the State. Transactions with such counterparties are conducted on the same terms, including interest rates and repayment schedules, as transactions with unrelated parties. The Group's and the Parent Company's transactions do not differ significantly. There are no internal transactions between the Parent Company and the subsidiary. For further information see Note 1 (b), Basis of consolidation and Note 15.

Key management personnel include the following positions:

- The Board of Directors
- The Chief Executive Officer
- Other executive directors

For information about remuneration and other benefits to key management personnel see note 5, Personnel expenses.

Other related parties include close family members of key management personnel as well as companies which are controlled by key management personnel of SEK or controlled by close family members to key management personnel. The following tables further summarize the Group's transactions with its related parties:

2020						
Skr mn	The shareholder, the Swedish government		Companies and organizations controlled through a common owner, the Swedish government		Total	
	Assets/ liabilities	Interest income/ interest expense	Assets/ liabilities	Interest income/ interest expense	Assets/ liabilities	Interest income/ interest expense
Cash	2,500	-	-	-	2,500	-
Treasuries/government bonds	9,573	-21	-	0	9,573	-21
Other interest-bearing securities except loans	-	-	-	2	-	2
Loans in the form of interestbearing securities	-	-	2,600	31	2,600	31
Loans to credit institutions	-	-	2,108	45	2,108	45
Loans to the public	-	-	1,025	27	1,025	27
Settlement claim against the State ¹	12,359	-	-	-	12,359	-
Total	24,432	-21	5,733	105	30,165	84
Borrowing from the public	10,000	-	-	-	10,000	10
Other liabilities	95	-	-	10	95	-
Total	10,095	-	-	10	10,095	10

2019						
Skr mn	The shareholder, the Swedish government		Companies and organizations controlled through a common owner, the Swedish government		Total	
	Assets/ liabilities	Interest income/ interest expense	Assets/ liabilities	Interest income/ interest expense	Assets/ liabilities	Interest income/ interest expense
Cash	-	-	-	-	-	-
Treasuries/government bonds	2,191	16	-	-	2,191	16
Other interest-bearing securities except loans	-	-	600	-4	600	-4
Loans in the form of interestbearing securities	-	-	1,699	21	1,699	21
Loans to credit institutions	-	-	2,665	87	2,665	87
Loans to the public	-	-	2,056	53	2,056	53
Settlement claim against the State ¹	9,124	-	-	-	9,124	-
Total	11,315	16	7,020	157	18,335	173
Borrowing from the public	-	-	-	-	-	-
Other liabilities	24	-	-	-	24	-
Total	24	-	-	-	24	-

1 For information about "Settlement claim against State" see note 16 and note 24.

Note 28. Events after the reporting period

Catrin Fransson has informed the Board of her intention to resign as CEO at SEK, which the Board accepted at January 15, 2021. She has a six month notice period, and will continue working in her present position until further notice.

In February 2021, the Swedish parliament decided to extend the credit facility of Skr 200 billion, that SEK has in place with the Swedish National Debt Office, for 2021.

Sustainability notes

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Note 1. Information about the Sustainability Report

Sustainability Report in accordance with the Swedish Annual Accounts Act

SEK's Sustainability Report is integrated into the company's annual report. The sustainability information is integrated together with other information in the Report of the Directors, financial statements and notes and sustainability notes. For a description of the business model, see pages 16-17. Sustainability policy and the results of policy can be found in sustainability notes 4-8, note 26 and Targets and outcomes, page 14. A description of sustainability risks can be found in the risk section, pages 36-41, note 26, and in the sustainability notes 5-8. The result indicators can be found in Targets and outcome, page 14, Key performance indicators, page 31, and in the sustainability notes 5 and 9.

GRI

SEK's Sustainability Report pertains to the 2020 calendar year and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The report also applies the relevant sections of the GRI Sector Supplement for Financial Services. The complete GRI index with selected indicators for material topics is provided on pages 128-129. SEK's latest Sustainability Report for SEK covered the 2019 calendar year and was published in February 2020.

TCFD

In note 6, SEK presents information on SEK climate-related risks and opportunities in accordance to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Scope and boundaries of the Sustainability Report

SEK's Sustainability Report comprises the entire Group. SEK reports on its governance and management of social and environmental risks in its lending in accordance with the GRI's Sector Supplement for Financial Services. Accounting policies pertaining to individual indicators are stated in conjunction with the reporting of the respective indicator. For more information, please contact SEK's Head of Sustainability.

The Swedish Banking and Financing Business Act regulates the reporting of information relating to individual transactions. SEK plays an active part in the development of increased transparency in the banking sector regarding sustainability topics. SEK applies international guidelines for transparency regarding lending. The guidelines that are mainly relevant to SEK are the Equator Principles and TCFD for transparency regarding project-related financing and climate-related risks in lending.

Precautionary principle

SEK follows the precautionary principle with sustainability risks comprising a risk type within the Group's risk framework.

Changes in the Sustainability Report

The following material changes have been made in the 2020 Sustainability Report. Reporting on management approach has expanded. In Sustainability Note 6, the definition of fossil assets has been expanded to also include assets in sectors that are not classed as fossil assets but that have a connection to oil, gas and coal, for example, transportation. Otherwise, no significant changes were made for the reporting period regarding material sustainability topics contained in the report.

Policy for external assurance

In accordance with the owner policy, external assurance is provided by the company's auditors.

Note 2. Stakeholders

Stakeholders are the groups or individuals who affect or are affected by SEK's operations. SEK's most central stakeholder groups are identified by SEK's Management together with the establishment of SEK's materiality analysis according to GRI. The stakeholder groups represent the various forms of capital that are important for and which are affected by SEK's business model. See pages 16-17.

Stakeholder dialogue 2020

The stakeholder dialogue 2020 primarily encompassed climate issues related to the Swedish Export Credit Agency's (EKN) assignment by the government to review how the Swedish and international export finance systems will contribute to a clear transition and sharply reduced greenhouse gas emissions. (See Ref. No. UD2020/03704/FH). Work on the assignment took place in working groups with expert advisers from EKN and SEK. The working groups collected opinions from related participants, including related companies, authorities, trade and industry organizations, other stakeholder organizations and scientists.

In conclusion, the stakeholders highlighted the following areas:

- EKN and SEK should assume a role as catalysts for the financing of international and domestic transition projects.
- Civil organizations argue for restrictions for export credits for the financing of fossil-based operations.
- Export companies highlight the need for improved conditions for international and domestic transition projects.

The assignment was re-submitted to the government in September 2020 (Ref. No. D20/03463). The stakeholder dialogue 2020 also included pulse surveys which were continually conducted with SEK personnel to capture new requirements as a result of COVID-19. Furthermore, during autumn 2020, masters students at Örebro University analyzed SEK's communication and governance of sustainability topics.

Stakeholder analysis

The table shows the stakeholders identified by the management as the most significant, how the dialogue with them is conducted and what topics they highlighted as important for SEK to prioritize. The general expectations recorded in the table are a considered assessment of stakeholder dialogs conducted in prior years with the addition of the subjects brought up in 2020.

Stakeholders	Dialogue form	Key topics in 2020	General expectations
Swedish government (owner)	Owner policy, mission, owner instruction, Board representation, regular discussions and meetings, and network meetings.	The government introduces restrictions to finance for the exploration and extraction of fossil fuels and wishes to review how the Swedish and international export finance systems will contribute to a clear transition and sharply reduced greenhouse gas emissions.	Behave responsibly and leverage business opportunities leading to generate sustainable value. Collaborate with other government actors within "Team Sweden". Adapt the export credit system over time to the Paris Agreement.
Swedish exporters	Customer meetings, client survey, sustainability topics questionnaire and delegations.	Proactive financing solutions for international and domestic transition projects. Restrictions for the financing of fossil fuels should primarily be driven in the OECD.	Distinct and reasonable sustainability requirements. Proactive financing of transition projects. Restrictions in sustainability areas should primarily be driven in the OECD to achieve equal conditions with exporters in other countries.
Investors	Meetings, conferences, investor presentations and financial statements.	Green bonds and bonds related to Agenda 2030.	Collaboration on sustainability topics. Issue of green bonds and bonds links to the global Sustainable Development Goals.
NGOs and civil society	Meetings, questionnaire on sustainability topics and reports.	Civil society emphasize that restrictions for the financing of fossil-based operations should be introduced. They also believe that export credits can play a vital role in promoting the energy transition in countries with limited resources.	Act responsibly and transparently. Clear expectations on exporters to manage sustainability issues in complex regions. Refrain from financing coal related projects and phase out financing of fossil extraction and power generation.
Employees	Discussions, meetings, employee survey and workplace dialogues with trade unions.	COVID-19 has impacted the work environment. Issues such as maintaining a better work-life balance have become more important to manage.	Good work environment, development opportunities, engaging duties and responsible behavior.

Note 3. Materiality analysis

SEK employs a combination of internal and external factors to determine which sustainability topics are most material and what information should therefore be included in the Sustainability Report. These factors include SEK's mission and sustainability-related context, topics highlighted by stakeholders, societal expectations and SEK's influence on suppliers and clients.

Method

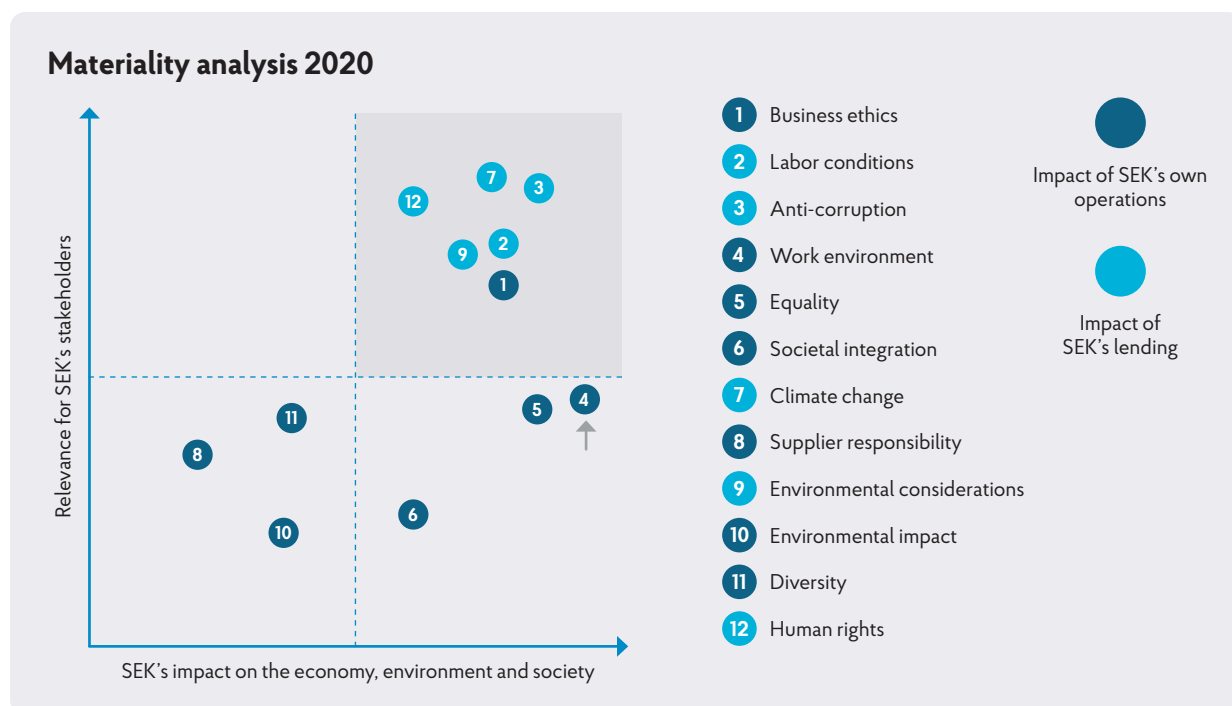
SEK defines potential sustainability topics based on the circumstances under which SEK operates and on the stakeholder dialogue. SEK's management then determines and assigns priority to the material sustainability topics. This prioritization is agreed on the basis of what is

deemed reasonable based on SEK's impact on the economy, environment and society, the stakeholders' expectations, as well as SEK's ability to act. SEK reports the results of sustainability work on the material topics based on the Global Reporting Initiative's (GRI) guidelines.

In the 2020 Sustainability Report, the following changes were made to the materiality analysis:

- Sustainability topic 4 "work environment" was deemed to have become increasingly important due to the COVID-19 pandemic.

The diagram below illustrates SEK's most material sustainability topics and their relationship with each other. For a description of the material sustainability topics, see sustainability notes 5–8.



Note 4. Management approach

Owner

The owner's governance of sustainability is executed through the state's ownership policy and owner instruction, and through the Articles of Association, the general meeting of shareholders, the Board and the CEO.

As set out in the state's ownership policy, as a state-owned company, SEK is to set a positive example for sustainable business, which primarily means that SEK is to:

- work strategically, integrate the topics in its business strategy and adopt strategic sustainability targets
- work transparently in matters concerning material risks and opportunities and maintain an active dialog with the company's stakeholders in society
- work together with other companies and relevant organizations
- comply with international guidelines in the area of sustainability

According to the owner instruction, SEK shall:

"...promote compliance with international guidelines within the area of sustainable business relating to the environment, anti-corruption, human rights, labor conditions and business ethics. Where relevant when making credit assessments, comply with international frameworks, such as the OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence or the Equator Principles, and observe the OECD's Recommendation of the Council on Sustainable Lending Practises and Officially Supported Export Credits."

The Board of Directors

The Board of Directors is ultimately responsible for ensuring that active and forward-looking sustainable development work is conducted within the company. The Board resolves on a sustainability strategy and goals in conjunction with the business plan and risk strategy, which include addressing sustainability risks. The Board continuously monitors and evaluates SEK's sustainability work.

International sustainable business guidelines

The international sustainability guidelines that govern SEK's operations are the following: The Equator Principles, the Ten Principles in the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the UN Convention on the Rights of the Child, the OECD Guidelines for Multinational Enterprises, the OECD's Conventions and Guidelines within Anti-corruption, the OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence, and the OECD's Recommendation of the Council on Sustainable Lending Practises and Officially Supported Export Credits.

Organization and division of responsibility

The executive management controls and decides on priorities and strategic choices relating to sustainability work in accordance with the approved business strategy.

Networks in sustainable business

Through collaboration with different organizations, SEK can share experience and discuss challenges and solutions for various sustainability-related issues. SEK participates in the following networks:

- Sustainable business network for state-owned companies
- The Equator Principles
- The OECD's working groups for Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence.
- Transparency International Business Group
- ICC Sweden's CSR reference group
- UN Global Compact's Swedish network
- Enact, sustainability reporting network

Policy documents

SEK has a Sustainable Business Policy. This includes, for example, SEK's material topics; anti-corruption and business ethics, environmental and climate impact, as well as labor standards and human rights, see each respective note. Sustainability risks are integrated in SEK risk policy and related documents, see risk section on page 38. Instructions for the management of sustainability risk reflect how sustainability risks have been identified and are handled within the organization.

Managing sustainability risks

Sustainability risk is defined in SEK's Risk Policy as the risk that SEK's operations directly or indirectly impact their environment negatively with respect to business ethics, corruption, climate and the environment, human rights and labor conditions. Human rights includes the child rights perspective; labor conditions encompasses gender equality and diversity; and ethics includes tax transparency. SEK's managing of sustainability risks is governed by the Board's risk appetite concerning sustainability risk and the CEO's instructions for the management of sustainability risks as described below

SEK manages sustainability risks for its lending, using a risk based approach, by the following steps:

- identifying sustainability risks in the financial transaction and in the underlying business;
- carrying out assessments of the capacity of the parties to manage identified sustainability risks;
- assessing whether or not sustainability risks are within SEK's risk appetite for sustainability risks;
- carrying out an in-depth sustainability review for elevated sustainability risks (see respective note); and
- setting requirements and monitoring to ensure that sustainability risks are managed pursuant to SEK's risk appetite for sustainability risks during the loan's tenor.

For new lending transactions, the following information is normally obtained:

- the purpose of the financial and commercial transaction;
- parties of the financial and commercial transaction and the location of the parties;
- cash flows of the financial and commercial transaction;
- the good or service that is being exported and the end user of the good or service;
- whether or not the commercial transaction comprises projects or project-related financing in accordance with OECD's Common Approaches and the Equator Principles;
- the geographical location of the end user of the good or service;
- whether or not the borrower is a public institution in a country classified by the IMF/World Bank as a low-income country (an IDA eligible country); and
- if the commercial transaction concerns fossil energy extraction or is a fossil fuel project.

An in-depth sustainability review is carried out of:

- projects and project-related financing for category A and B projects; and
- elevated risks for human rights violations or corruption risks

Activities in 2020

A major revision of the CEO's instruction for managing sustainability risks was carried out with the primary aim of clarifying the management of sustainability risks.

Note 5. Anti-corruption and business ethics

Active anti-corruption work and business ethics in international trade and export financing are important components in preventing economic crimes and creating conditions for sustainable growth in the world. As a government financier, SEK has a key role to play in placing demands and ensuring that international guidelines, see sustainability note 4, are followed by companies using export financing and by its own employees. All lending transactions is evaluated regarding corruption risks. Risk situations are undergoing in depth-analysis.

Policy and risk appetite

SEK complies with Swedish bribery legislation and international initiatives that aim to fight corruption and other financial crime and comply with anti-corruption legislation in the countries and jurisdictions in which the company operates. SEK follows the Code to Prevent Corruption in Business as compiled by the Swedish Anti-corruption Institute.

Business decisions are to be made on business grounds and no gift or representation is to be provided that could be perceived as improper or entailing some form of expected service in return.

No form of extortion or bribery, including improper offers of payments to or from employees, organizations or public officials is tolerated. Any such behavior may lead to legal action as well as the termination of employment, assignment or business relationship.

For lending in complex markets, the exporters or other market participants covered by the financing must have the capacity to manage corruption risks in line with international guidelines.

Elevated risk

An elevated risk of corruption is present if any of the following risk indicators are present:

- lending to defense and construction industries in complex markets; or
- financing of projects with public buyers in complex markets; or
- an exporter who uses agents in underlying transactions in complex markets; or
- distributors, EPC companies or exporters who have acted as an intermediary in complex markets; or
- suspicion about the transaction chain as a result of figures/quantities changing in different sections for which SEK could operate lending in a part of a larger transaction chain; or
- transactions with a connection to countries with particularly high risk of corruption.

A complex market is used to describe countries with a high risk of corruption or high risk of human rights violations.

Transactions with elevated corruption risk in 2020

New transactions were made in the following countries that are classified as complex markets: Angola, Ivory coast, Indonesia, China, Democratic Republic of the Congo, Mexico, Sri Lanka, Thailand and Vietnam. All of these transactions are evaluated to comply with international anti-corruption guidelines.

Training

SEK has carried out an update of the company's code of conduct, which has been communicated to all employees, managers and management, as well as to hired staff and consultants through annual internal training where participation was 100%. SEK's board members have undergone training in anti-corruption in previous years but not in 2020.

SEK's Anti-Corruption Framework



For additional information about SEK's Anti-Corruption Framework, see www.sek.se

Note 6. Climate-related risks and opportunities

In this note, SEK discloses information about climate-related risks and opportunities according to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the EU Non-Financial Reporting Directive ("NFRD"), including the Supplement on reporting climate-related information (2019/C 209/01), which should be read together with relevant national legislation, in which the directive 2014/95/EU (NFRD) is incorporated, and if needed, the directive.

This is SEK's second climate-related disclosure pursuant to the TCFD with the ambition to continuously improve the understanding of the climate-related financial risks and opportunities as well as the potential impact that SEK's business activities have on the environment.

According to the NFRD, a company is required to disclose information on environmental issues, social responsibility and employee matters, respect for human rights, and bribery and anti-corruption, to the extent that such information is necessary to obtain an understanding of the company's development, performance and position as well as the impact of its activities. Climate-related information can be considered to fall into the category of environmental matters.

In practice the NFRD has a double materiality perspective: The reference to the company's "development, performance and position" indicates financial materiality, in the broad sense of affecting the value of the company. Climate-related information should be reported if it is necessary for the understanding of the company's financial development, result and position. The reference to "impact of the company's activities" indicates environmental and social (i.e. non-financial) materiality. Climate-related information should be reported if it is necessary for obtaining an understanding of the external impacts of the company.

SEK has defined climate change as a material topic in accordance with the GRI guidelines (see materiality analysis in Sustainability Note 3). Further, SEK adheres to the UN's Sustainable Development Goals and one of the goals that SEK has decided to focus on is Goal 13, Climate action (see further description in Sustainability Note 11).

Context and materiality

As a credit institution, SEK is exposed to climate-related risks and opportunities through its lending and other financial intermediary activities as well as through its own operations. However, it is mainly from lending and funding activities that climate-related risks and opportunities emerge as material in SEK's business model, both from a financial and non-financial i.e. environmental perspective. Direct environmental impacts from SEK's own operations are limited and mainly related to business travel and to the head office in Stockholm.

SEK is a state-owned credit institution and part of the Swedish export financing system. A major part of SEK's international lending activities are guaranteed by the Export Credit Guarantee Board (EKN). Therefore, climate-related issues in SEK's business model are interconnected with the Swedish export credit system. In the Swedish Exports and Investment Strategy 2019, the Swedish government contends that Sweden should push to ensure that the international and European regulatory frameworks for e.g. export credits and other public financing of trade contribute to sustainability and the fulfilment of the Paris Agreement. Further, the Government has commissioned the Swedish Export Credit Agency (EKN) to review, in consultation with the Swedish Export Credit Corporation (SEK), how the Swedish and international system for export financing can contribute to a clear transition and strong decrease in emissions of greenhouse gases. Based on the above EKN and SEK have jointly developed a shared plan for the Swedish Export Credit System to contribute to the climate transition (see further description in the Strategy section).

Core elements of the disclosures

In this note, SEK follows the TCFD recommendations using the following four core elements:

- **Governance**, discloses SEK's governance pertaining to climate-related risks and opportunities;
- **Strategy**, presents the actual and potential impacts of climate-related risks and opportunities on the business, strategy, and financial planning, where such information is material;
- **Risk management**, discloses the processes used to identify, assess and manage climate-related risks; and
- **Metrics and Targets**, report the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.

Throughout these core elements, climate-related information is disclosed from a double materiality perspective.

Governance

The governance of climate-related issues (which is included in SEK's overall sustainability policy) is integrated into SEK's strategy, business planning and business objectives as well as into the risk framework and the credit process. SEK's policies and guidelines for climate-related risks are expressed as a risk appetite and handled in the CEO's "Instructions for managing sustainability risks", see Sustainability Note 4 "Management approach". Climate-related opportunities are addressed in the business plan.

SEK's policy in regards to climate-related risks and opportunities

- SEK shall refrain from participating in transactions where the environmental or climate impact is deemed unacceptable and inconsistent with international guidelines;
- SEK shall contribute to the transition to a low-carbon economy by striving to increase lending on products and services that lead to sustainable development;
- SEK shall strive to reduce the direct environmental impact of its own operations;
- SEK expects that suppliers to the company and the projects and transactions that SEK finances are conducted in an environmentally sustainable way.

SEK risk appetite for climate-related risks stipulates that:

- lending to coal-fired power plants is not permitted;
- lending to fossil energy generation must not exceed 5 percent of SEK's total lending;
- environmental and climate-related risks in project-related financing must be aligned with international guidelines.

SEK has also decided to stop the financing of:

- extraction, exploration, combustion and transportation of coal and unconventional methods for the extraction of oil and natural gas from 1 January 2021; and
- extraction and exploration of oil and natural gas from 1 January 2022.

SEK's Board's oversight of climate-related risks and opportunities

The Board of Directors continuously monitors and evaluates SEK's climate-related work. The following reporting is performed by the Company and evaluated by the Board:

- the effect of climate-related transition risks (SEK loan portfolio) on SEK's financial position;
- sustainability risks (including climate-related risks) of SEK's project-related financing;
- transactions outside of SEK risk appetite concerning climate-related risks.

Furthermore, SEK's "Sustainable Business Policy" and "Risk Policy" (which includes the risk appetite for climate-related risks) are updated and adopted at least on an annual basis.

Management's role in assessing and managing climate-related risks and opportunities

SEK's management assesses and manages climate-related issues as an integral part of SEK risk management framework, business strategy and planning process.

SEK's "Instruction for sustainability risks", outlines management's responsibility for assessing and managing climate-related risks.

SEK's committees have the following responsibilities regarding climate-related risks:

- lending and investment transactions with high climate-related risks (see the section on Risk management) have to be approved by SEK's credit committee (the Head of Sustainability has to participate as member of the committee);
- all transaction with the risk of being outside of SEK's risk appetite must be approved by the Board's credit committee; and
- decisions on green lending are taken by SEK's Head of Sustainability together with either the CEO's Credit Committee or SEK's Vice President.

Strategy

The purpose of SEK's climate-related strategy is to limit climate-related risks and to work with the climate-related opportunities which can contribute to the global transition but also to the financial development of the Company.

Climate-related financial risk consists of two categories: transition risk and physical risk. Transition risks, relates to the adjustment to a low emission economy for example through policy, legal, technology, and market changes. Physical risk relates to the physical impact of climate change including event-driven acute physical risk for example extreme weather and longer-term shifts in climate patterns, such as rising sea levels. Climate-related non-financial risk in SEK's business emerges mainly from lending to fossil fuel assets and projects.

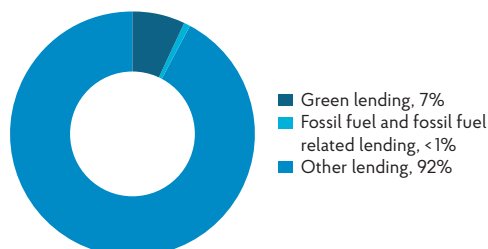
Climate-related risk can be converted into opportunities by companies offering products and services that contribute to climate change mitigation or adaptation. SEK's climate-related opportunities consist of lending to green projects and assets and through issuing green bonds.

Lending to fossil fuel assets, fossil fuel related assets and green assets

SEK has a method for classifying exposures in the Company's loan portfolio, see details under the section "Metrics and Targets". Fossil fuel assets are assets within the coal, oil and gas sector. These assets have a potential material risk of becoming stranded as a result of the energy transition. Assets which are not classified as fossil fuel assets but which have a direct link to the coal, oil and gas sector are classified by SEK as fossil fuel related assets. Both fossil fuel assets and fossil fuel related assets carry risks associated with an abrupt adjustment to a low-carbon economy, either due to changing policy or consumer preferences. Green assets are green loans, which have been classified as green according to SEK's framework for green bonds.

The following chart describes the relative proportion of SEK's lending to fossil fuel and fossil fuel related assets and green lending in relation to other lending (for more details and definitions see the Metrics and Target section below).

Fossil fuel lending, fossil fuel related lending and green lending in relation to other lending.



Exposure to sectors sensitive to transition risks

In addition to fossil fuel and fossil fuel related assets, the sectors in the table below are assessed by SEK, using the TCFD recommendations, as being most sensitive to transition risk. The impact at client level could depend on factors such as geography, operational factors and business strategy. If the client has relevant climate-related mitigation

strategies in place, there are also climate-related opportunities within these sectors.

Impact of climate-related risks and opportunities on SEK's business model and strategy

Climate change entails risks and opportunities for Swedish exports and export financing. Changes in international demand patterns due to the transition to a climate neutral world economy could create medium-term risks but also opportunities if the interest for Swedish solutions and technology in large international projects increases. The transition to a low carbon export industry and climate neutral infrastructure in Sweden will become important factors for the future success of the Swedish export industry (as identified in the Swedish Export and trade strategy 2019).

Seen from an international perspective, the share of fossil fuel transactions pertaining to the extraction of coal and oil is low in SEK's lending portfolio. Export finance to operations and projects for the extraction of natural gas is also limited, albeit relatively larger.

Overall, SEK has identified the following potential climate-related issues as important for the Company's mission and long-term business strategy:

- managing climate transition risks in the lending portfolio;
- limiting exposure to fossil fuel assets and fossil fuel related assets; and
- expanding green loans and bonds.

In SEK's business plan for 2021-2023, the transition to a climate neutral economy is one of five focus areas. In the plan, the management has expanded the focus on climate-related business opportunities for example increased issues of green loans and green bonds to meet demand related to climate transition from the export industry. In regard to financing international transition projects, SEK has identified and prioritized four areas in Sweden where the demand and business potentials are expected to increase. These areas are:

Transportation	Smart cities	Energy	Shipping
• Transportation industry	• The recycling industry	• Renewable	• Swedish and foreign ship-owners
• Rolling stock/public transportation	• Digitalization	• Smart systems	
		• Mining and minerals	
		• Petroleum and biofuels	

Resilience of SEK's strategy and business model in a 2°C or lower scenario

SEK conducts climate-related stress tests in order to identify potential negative changes in SEK's financial situation and capital ratio due to climate transition risks not managed by corporates in the current loan portfolio. When performing the stress test, SEK assumed that the current loan portfolio will be extended and prevail over a 10-15-year time period.

The stress tests are based on two scenarios developed by the International Energy Agency's (IEA's), "World Energy Outlook": the "Stated Policies Scenario" and the "Sustainable Development Scenario". The Sustainable Development Scenario represents an energy path determined by the objective of limiting the average global temperature increase to a maximum of approximately 1.8 °C. In the 2020 stress test, SEK only includes climate-related transition risks, as these

Sectors sensitive to transition risk

Gross exposure			Examples of potential impact for clients in these sectors may include
Sectors	Skr bn	%	
Paper & Forest Products	11.7	3.3	<ul style="list-style-type: none"> • Increased pricing of GHG emissions • Changing customer behavior • Mandates on and regulations of existing products and services • Stigmatization of sector • Increased stakeholder concern on negative stakeholder feedback • Costs on transition to lower emission technology • Substitution of existing products and services with lower emission options • Unsuccessful investments in new technologies
Automobiles & Airlines	10.0	2.8	
Electric Utilities & Power Producers	9.8	2.7	
Metals & Mining's	9.6	2.7	
Other sectors sensitive to transition risk	13.5	3.8	
Total	54.6	15.3	

are currently assessed to be most relevant for SEK's business. Physical climate risk (for example in the form of a 4 °C scenario) is not included. The outcome of the 2020 stress test shows limited impact on SEK's financial situation due to climate-related transition risk. The tables below show the estimated long-term negative impact (more than 10 years) on SEK's total capital relation in absolute percentage terms, if SEK's lending were to remain constant and remain exposed to the two different climate scenarios stated below. Some sectors that are particularly sensitive to long-term transition risks are, for example, "Oil, Gas and Consumable Fuels", "Electric Utilities", "Independent Power Producers and Energy Traders" and "Metals and Mining".

Stated Policies Scenario	2020	2019
Potential change in SEK's total capital ratio in a 10 year perspective	-1%	-1%
Sustainable Development Scenario (approximately 1,8 degrees Celsius)	2020	2019
Potential change in SEK's total capital ratio in a 10 year perspective	-2%	-2%

The Swedish Export Credit System's proposed strategy for an Export Credit System which contributes to the climate transition

In 2020, EKN and SEK presented the report "An export finance system that contributes to the climate transition" (Ref. No. D20/03463). The report outlines a common strategy and the following eight proposals to (over time) align the Swedish export credit system with the Paris Agreement.

1. EKN's and SEK's approach for transactions with operations with high greenhouse gas "GHG" emissions, asides from operations that conduct the extraction and exploration of fossil fuels, will place more importance on projects and operations that are in line with the Paris agreement's 1.5 °C goal.
2. The Swedish export finance system should, as a minimum requirement, be able to match other export credit institutions within the EU when it concerns transactions that contribute to the climate transition to make it possible for competition to occur on equal terms.
3. EKN will examine the possibility of providing guarantees to environmental and climate investments in Sweden that can contribute to the climate transition in those cases where there exists a direct or indirect connection to Swedish exports
4. EKN will, primarily in collaboration with the Swedish Energy Agency and Almi Business Sweden, but also other relevant bodies, develop information for Swedish SMEs whose products and services have high export potential and can contribute to the global climate transition.
5. EKN and SEK will further develop their reporting and strengthen the analysis of climate-related risks and opportunities in their respective operations.
6. EKN and SEK have commenced efforts to further increase the transparency of the Swedish export finance system on business, sector and portfolio levels primarily concerning the sustainability and climate areas.
7. EKN and Sida should be tasked with a joint assignment to, in consultation with SEK, Swedfund and Business Sweden as well as other relevant companies, prepare tangible proposals to increasingly leverage existing potential synergies between the export finance system and the Swedish development collaboration based on current goals.
8. EKN and SEK will establish a joint climate council. The council will operate as a general knowledge resource for EKN and SEK and assist with expertise in issues that, for example, concern climate research and the development of international regulations and reporting standards connected to the goals of the Paris Agreement.

Risk Management

This section describes the risk management processes for identifying, assessing and managing climate-related risks. Risks encompass both the risk of a negative impact on SEK from a financial perspective and the risk of a negative impact on the climate (double materiality). Financial risk is here limited to credit risk.

Processes for identifying, assessing and managing climate-related credit risk

Climate-related financial risks are identified, assessed and managed by SEK. Stress test are conducted by applying estimated negative or positive changes in credit ratings due to climate-related transition risks to SEK's credit portfolio. The effect of climate-related transition risk is calculated on the credit performance of the loan portfolio based on different climate scenarios as stated in the Strategy section above. The table shows the relative change in rating scores in the Sustainable Development Scenario (approximately 1,8 °C).

Time aspect	Short term (< 3 years)	Medium term (3-10 years)	Long term (> 10 years)
Oil, Gas & Consumable Fuels	-1	-3	-5
Electric utilities, Independent Power producers & Entry traders	0	-2	-2
Automobiles	-3	-2	-1
Construction & Engineering	1	1	0
Paper & Forest	1	-1	-2

ESG factors in the credit rating process

During 2020, SEK has piloted a process for ESG factors (including climate-related financial risks) to be integrated in the credit rating procedure of each individual counterparty. The ambition is to implement the process during 2021.

Processes for identifying, assessing and managing environmental risks

Lending and liquidity investment transactions are screened by SEK to identify those with high risk for environmental impact/climate-related risk, which are then subjected to in-depth examination. Transactions with high environmental impacts are also assessed by a sustainability analyst to ensure that the transaction is within the SEK risk appetite (see Sustainability Note 4). The following parameters indicate an increased climate-related risk:

- fossil fuel and fossil fuel related activities;
- sectors with significant climate-related risk;
- transactions linked to the mining industry in complex markets; and
- projects and project-related finance.

Fossil fuel and fossil fuel related activities include fossil fuel prospecting, extraction, transports and energy generation. Fossil energy generation encompasses coal fired power plants and industrial activities based on coal fired power and other energy generation from fossil fuel. Fossil fuels means energy from coal, oil natural gas and oil shale.

Costs for climate-related measures

Currently SEK has not booked any increased costs but acknowledges that this can change as the climate-related requirements constantly increases.

In terms of the measures taken to reduce the company's direct climate impact, the saving of resources for example in terms of reduced use of paper and reduced travelling in some cases may have reduced SEK's costs.

Finally, the impact on the total Swedish export from not offering export financing to projects or businesses that refers to the extraction and exploration of fossil fuels, is assessed to be relatively limited from a national perspective.

Metrics and Targets

To increase transparency and comparability, SEK discloses relevant metrics and targets.

Climate-related exposures

The underlying method for classifying exposures in SEK's lending portfolio that are sensitive to climate-related risks is based on the

sector term "carbon asset risks" developed by the World Resources Institute (WRI) and UNEP Finance Initiative (UNEP-FI). Four different carbon asset risks relate to the Global Industry Classification Standard (mapped to GICS codes within SEK).

Carbon asset class

(WRI and UNEP-FI Portfolio Carbon Initiative)

Carbon asset class	Key sectors
1. Fossil fuel assets	Coal & Consumable fuels Integrated Oil & Gas Oil & Gas Exploration & Production Other Oil and & Gas
2. Fossil fuel dependent infrastructure	Highways & Railtracks Utilities
3. High-carbon assets facing shift to low-carbon technologies	Airplanes, Aerospace & Defence Automobile Manufacturers Electrical Equipment Marine Paper & Forest Products
4. High-carbon assets without low carbon competitors	Construction & Engineering Construction Materials Metals & Mining

In the table below, SEK's exposure (gross and net) to assets that are or could be exposed to financial and non-financial climate-related risk is disclosed. Non-financial climate-related risk refers only to assets within the sectors coal, oil and gas. In total, gross exposures to these

assets amount to SEK 2.1 billion (refers to Fossil-fuel asset class 1 in the table "Sectors exposed to transition risk" and all assets in the table "Other fossil fuel-related assets")

Assets exposed to climate related transition risk and other assets

	2020				2019			
	Gross exposure		Net exposure		Gross exposure		Net exposure	
Fossil fuel assets (linked to sectors)	Skr bn	%	Skr bn	%	Skr bn	%	Skr bn	%
Fossil fuel assets (Carbon Asset Class 1)	1.2	0.3	0.1	0.0	1.8	0.5	0.2	0.1
Other assets that could be exposed to transition risks Carbon Asset Class 2-4)	53.4	14.9	34.7	9.7	51.7	14.9	31.1	8.9
Assets in other sectors not classified as exposed to transition risks	304.9	84.8	324.7	90.3	294.0	84.6	316.2	91.0

SEK's gross exposure to fossil fuel related assets that are not included in the sector codes classification above is presented below. In these assets the financing concerns another sector such as transportation or states with an indirect link to fossil fuel assets as specified below.

Fossil fuel related assets

	2020	
	Gross exposure	
	Skr bn	%
Natural gas projects & assets	0.2	0.1
Oil and petrol assets	0.2	0.1
Transportation potentially used in coal mines	0.2	0.1

Green loans and bonds

SEK offers green loans that promote the transition to a low-carbon economy. Green loans are categorized according to SEK's framework for green bonds and financed using SEK's green bonds. The reduction in carbon dioxide emissions is estimated for the green loans.

SEK's framework for green bonds contains eight categories with certain further limitations. SEK's framework for green bonds can be found at www.sek.se.

SEK measures the indirect environmental impact of green loans, in terms of emissions, based on the method stated in the International Financial Institution Framework for a Harmonized Approach to Greenhouse Gas Accounting, November 2012 and in accordance with SEK's

Framework for Green Bonds, September 2014. The estimated reduction in reported carbon dioxide emissions is based on calculations received by SEK from project owners, exporters or from environmental reports prepared in connection with the project. The estimates are prepared on a project basis, using the year when the project was completed, and are reported in proportion to SEK's share of the total project financing.

The following table shows the outcome of SEK's new lending of green loans, green bonds and yearly carbon dioxide reduction from the underlying green projects.

New green assets, green bonds and annual carbon dioxide reduction

Skr mn	2020	2019	2018	2017	2016
New lending green loans	10,827	3,063	2,044	2,385	3,334
Volume of green bonds issued during the year	5,100	1,000	-	-	-
Annual carbon dioxide reductions from green projects (tons CO ₂ e)	>5,211,000	>4,615,000	>4,615,000	>4,615,000	>4,638,000

SEK has set specific targets in the business plan 2021-2023 to increase the number of new green loans in accordance to the description below.

Target green loans

Skr mn	2023	2022	2021	2020	2019	2018
Target for new green loans	45	35	30	12	10	-
Actual number of new green loans	-	-	-	11	9	14

Climate impact of SEK's operations

SEK's direct climate and environmental impact primarily derives from SEK's office in Stockholm and business travel. Based on the materiality analysis, SEK's direct impact is not classified as a material sustainability topic. SEK works actively with environmental issues in the procurement of products and services. The travel policy stipulates that any business travel must be motivated and use the most cost-efficient and eco-friendly method possible. Transportation should be chosen so as to minimize environmental impact. Where possible, only The Swan (Nordic ecolabel) hotels are used in Sweden. In 2020, the carbon footprint from business travel decreased. Renewable energy sources are used to heat SEK's offices, and all paper products have the "EU Ecolabel" or Swan ecolabel. The emissions from heat consumption has decreased by around 63 percent since 2008, when SEK started to measure the climate impact of its own operations.

Direct environmental and climate impact reporting in terms of emissions from SEK's operations, are measured according to the GHG

Protocol. The method states how the various emissions should be categorized and ranked based on SEK's share of the emission source. The GHG Protocol categorizes emissions according to three scopes with control declining as scope increases.

Emission data for Company cars has been gathered by reporting mileages; for electricity and district heating from meter readings; and for couriers through statistics on deliveries. Data for business travel has been received from travel agents and standard values have been applied for supplies and commuting. Climate reporting for SEK's own operations utilizes the number of annual full-time equivalents (FTEs) at the end of the year, which was 253 for 2020. SEK climate compensates for the total emissions related to office space and travel.

For additional information regarding the calculation of the climate impact, please see the Tricorona Climate calculation Report on www.sek.se.

SEK's direct climate impact

Climate impact from our operations in tonnes of CO ₂ e	2020	2019	2018	2017	2016
Total GHG emissions	165	381	415	440	402
Direct GHG emissions scope 1	-	0	16	16	15
Indirect GHG emissions energy usage scope 2 ¹	9	16	33	25	25
Other indirect greenhouse gas emissions scope 3	156	365	366	400	363
Emissions per employee	0.65	1.56	1.74	1.76	1.57

1 Calculated with the market-based method.

Note 7. Labor standards and human rights in international business

Respect for labour standards and human rights in international business is a requirement for sustainable growth in the world. As a government financier, SEK has a key role in setting requirements vis-à-vis exporters' compliance with the UN Guidelines for Companies and Human Rights, the OECD Guidelines for Multinational Enterprises and, for projects in project-related financing, OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence or the Equator Principles.

Policy and risk appetite

SEK applies the UN Guiding Principles on Business and Human Rights, including the ILO Core Conventions. When doing business in areas of conflict and countries and industries at particularly high risk of breaches of human rights, these are given particular attention. In such instances, SEK can demand that companies conduct a consequence analysis regarding human rights. Particular consideration is needed when there is a risk of the violation of children's rights.

SEK refrains from any transactions where a considerable risk exists that human rights will not be respected, and where SEK assesses that the risks will not be managed in line with the UN Guiding Principles on Business and Human Rights.

For lending in complex markets, the exporters or other market participants covered by the financing must have the capacity to manage human rights risks in line with international guidelines. For more, see Sustainability Note 4.

Elevated risk.

An elevated sustainability risk for labor conditions and human rights is believed to be present if any of the following risk indicators are present:

- major projects (refer to project-related financing, Sustainability Note 8).
- mining operations in complex markets; or
- operations or exports to operations in areas of conflict; or
- telecom operators or telecom equipment in countries under repressive, authoritarian rule; or
- gene technology for countries under repressive, authoritarian rule; or
- operations or export to countries in which human rights violations are at particularly high risk.

A complex market is used to describe countries with a high risk of corruption or high risk of human rights violations.

Transactions with elevated risk in 2020

New transactions were implemented in the following countries that are classified as complex markets: Angola, India, China, Democratic Republic of the Congo, Saudi Arabia, Tanzania, Thailand, Turkey and Vietnam. All of these transactions are deemed to comply with international guidelines on human rights.

Note 8. Environmental and social considerations in project-related financing

In the financing of international projects, risk situations can arise in all material sustainability topics.

Policy and risk appetite

SEK applies the Equator Principles to manage sustainability risks in conjunction with project-related financing or the OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence.

The Equator Principles and the OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence are based on the sustainability standards of the International Finance Corporation (IFC), which must have been met or are expected to be met for project-related financing.

SEK is a member of and participates in the development work on the Equator Principles.

In accordance with SEK's risk appetite, in project-related financing, the company must comply with the Equator Principles or the OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence.

In projects or project-related financing in accordance with OECD's Common Approaches and the Equator Principles, terms and conditions should be included concerning the management of environmental and social risks. Monitoring of sustainability risks for relevant contracted transactions is conducted provided SEK has exposure outstanding for these.

For existing transactions that no longer align with SEK's risk appetite, SEK will based on the opportunities available take measures to influence and to report deviations to the Board.

Elevated risk

Elevated project-related sustainability risk is believed to be present in the event of the following risk indicators:

- Projects and project-related financing for category A projects; or
- category B projects

Projects are categorized according to the definition found in the Equator Principles or OECD Common Approaches.

Project related financing 2020

New project-related lending transactions in 2020 are deemed to comply with the Equator Principles or the OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence.

During the year, 5 out of a total of 60 existing projects were reported which were potentially outside SEK's risk appetite. Measures were undertaken, including through the establishment of action plans. In 2020, SEK granted four A-project in the UK, Democratic Republic of the Congo, Chile and Sweden, as well as five B-project in the Ivory coast, Sweden and Denmark. For a definition of A/B/C projects and a complete report submitted to the Equator Principles' secretariat, refer to www.sek.se.

	2020	2019	2018	2017	2016
Percentage of all new lending subjected to environmental and societal review, including human rights, labor conditions and anti-corruption	100%	100%	100%	100%	100%
Loans granted to category A projects (number)	4	1	1	2	1
Loans granted to category B projects (number)	5	2	5	4	5

Note 9. Economic and societal effects of SEK's lending in Sweden

SEK's lending has indirect impacts in Sweden, including GDP growth and jobs created by export transactions. The increased indirect impact calculated in 2020 was due to increased lending volumes.

Method

The indirect impact of SEK's new lending on Sweden's GDP and employment is calculated using sector-based multipliers developed

by Statistics Sweden, according to the SNI 2007 standard. The multipliers on which the calculations are based data from 2017. This model calculates the Swedish content in an export order or in an investment. SEK finances many different types of transactions and not all of them necessarily fit this model precisely. These calculations can therefore only be made at a general level and the results should be interpreted with caution.

Indirect impact	2020	2019	2018	2017	2016
Contribution to Sweden's GDP (Skr mn)	80,000	51,000	36,000	51,000	33,000
Contribution to jobs in Sweden (number)	87,000	51,000	48,000	65,000	44,000

Note 10. GRI content index






Standards and disclosures that SEK reports in its Annual and Sustainability Report in accordance with the Global Reporting Initiative standards and Sector Supplement for Financial Services, are listed below. As part of SEK's participation in the UN Global Compact (UNGC) SEK is submitting its Communication on Progress for 2020 below. In addition to reporting in line with the GRI Standards and the UNGC, reports on activities within the framework of the UN's Sustainable Development Goals and the Fossil Free Sweden initiative. See sustainability notes 11 and 12.

Standard Disclosure	Content	Page number	UN GC principle
GRI 102: GENERAL DISCLOSURES 2016			
102-1	Name of the organization	Page 64	
102-2	Activities, brands, products and services	Pages 22-23	
102-3	Location of headquarter	Page 64	
102-4	Location of operations	Page 64	
102-5	Ownership and legal form	Page 45	
102-6	Markets served	Pages 20-23, 26-27, 111, 113	
102-7	Scale of the organization	Pages 34-37, 64, 81	
102-8	Information on employees and other workers	Page 10-11, 31, 81	
102-9	Supply chain	Page 31	
102-10	Significant changes to the organization and its supply chain	No significant changes	
102-11	Precautionary principle or approach	Page 122	
102-12	External initiatives	Page 45	
102-13	Membership of associations	Page 124	
102-14	Statement from senior decision-maker	Pages 6-7, 44	
102-15	Key impacts, risks and opportunities	Pages 8-9, 16, 42-43, 126-130	
102-16	Values, principles, standards and norms of behavior	Page 51, 124	
102-17	Mechanisms for advice and concerns about ethics	Page 51	
102-18	Governance structure	Pages 45-51	
102-32	Highest governance body's role in sustainability reporting	Page 124	
102-40	List of stakeholder groups	Page 122-123	
102-41	Collective bargaining agreements	Page 79	
102-42	Identifying and selecting stakeholders	Page 122-123	
102-43	Approach to stakeholder engagement	Page 122-123	
102-44	Key topics and concerns raised	Page 123	
102-45	Entities included in the consolidated financial statements	Page 64	
102-46	Defining report content and topic boundaries	Page 122-123	
102-47	List of material topics	Page 123	
102-48	Restatements of information	Page 122	
102-49	Changes in reporting	Page 122	
102-50	Reporting period	Page 122	
102-51	Date of most recent report	Page 122	
102-52	Reporting cycle	Page 122	
102-53	Contact point for questions regarding the report	Page 122	
102-54	Claims of reporting in accordance with the GRI Standards	Page 122	
102-55	GRI-index	Page 132-133	
102-56	External assurance	Pages 122, 139	

Standard Disclosure	Content	Page number	UN GC principle
MATERIAL TOPICS			
GRI 201: ECONOMIC PERFORMANCE 2016			
103-1,103-2,103-3	Management approach	Page 124, 126-128	
201-1	Costs for climate-related measures	Page 128	
201-2	Financial implications and other risks and opportunities due to climate change	Page 127-128	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016			
103-1,103-2,103-3	Management approach	Page 6, 12-14, 122-124, 132	
203-2	Significant indirect economic impacts	Page 12, 17, 19, 131	
GRI 205: ANTI-CORRUPTION 2016			
103-1,103-2,103-3	Management approach	Pages 120, 124	10
205-1	Operations assessed for risks related to corruption	Pages 120, 124-125	10
205-2	Communication and training about anti-corruption policies and procedures	Page 31, 33, 125	10
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
103-1,103-2,103-3	Management approach	Pages 31, 46	3
405-1	Diversity of governance bodies and employees	Pages 19, 31, 33, 81	
GRI 412: HUMAN RIGHTS ASSESSMENT 2016			
103-1,103-2,103-3	Management approach	Pages 29, 120, 124, 130	1, 2, 4, 5, 6
412-3	Credit decisions that have been subject to human rights reviews or impact assessments	Pages 120, 130	2
GRI G4: SECTOR-SUPPLEMENT FOR FINANCIAL SERVICES			
103-1,103-2,103-3	Management approach	Pages 124, 126-130	
FS6	Lending portfolio broken down by region and sector	Pages 26-27, 65, 111-113, 120	
FS8	Products with environmental benefits	Pages 23, 30, 33, 65, 130	

Note 11. The UN's Sustainable Development Goals

SEK adheres to the Sustainable Development Goals. SEK does so in various ways both as an export finance institution and as an employer. We have been active in green financing since 2015 and are constantly broadening our sustainable financing offerings. Our focus on integrating sustainability risk management into our risk framework helps us to reduce potential negative impacts that certain business activities might have on the realization of the SDGs. This SDG report is a first step for SEK to disclose how our business relate to the SDGs. Here we outline new and ongoing activities and cooperation during 2019 SEK conducts to address selected SDGs.

Sustainability Development Goal and Targets	Activities 2020
 <p>11.2 Affordable and sustainable transport systems 11.6 Reduce the environmental impact of cities</p>	<ul style="list-style-type: none"> • Team Sweden Smart City Working Group • Industry-led partnership between India and Sweden for smart and sustainable cities • SEK & EKN loan commitment USD 2 billion for sustainable cities in India
 <p>7.2 Increase global percentage of renewable energy 7.A Promote access to investments in clean energy 7.B Expand and upgrade energy services for developing countries</p>	<ul style="list-style-type: none"> • Commitment 2019 to support the transition to a climate neutral economy in Sweden • Team Sweden initiative to address large international transition projects • Green bond issuance • Green offerings and green pricing introduced in 2019
	
 <p>16:5 Substantially reduce corruption and bribery</p>	<ul style="list-style-type: none"> • Team Sweden anti-corruption working group • Team Sweden human rights working group
 <p>17:17 Encourage effective partnerships</p>	<ul style="list-style-type: none"> • Equator principles and OECD's common approaches for environmental and social due diligence • Member in Transparency Business Group • Projects for improved sustainability information, a cooperation between academia, government agencies, business and the financial sector

Note 12. The Fossil Free Sweden initiative

The Fossil Free Sweden initiative aims to showcase participants that, through their operations, contribute to solving climate issues and to reaching the goal of a fossil-free society. In 2016, SEK joined the Fossil Free Sweden initiative and participated in network meetings during the year. The following activities support the initiative.



SEK's activities

- Green loans
- Green bonds
- Own fossil free operations through carbon offsetting

The Board of Directors' signatures

The Board of the Directors and the Chief Executive Officer confirm that the consolidated financial statements and the Parent Company financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS, as issued by the International Accounting Standard Board (IASB) and endorsed by the European Parliament and Council Regulation (EC) No 1606/2002 dated July 19, 2002 and generally accepted accounting principles in Sweden,

respectively, and give a true and fair view of the Group's and the Parent Company's financial position and results of operations. The Report of the Directors for the Group and the Parent Company provides a true and fair overview of the Group's and the Parent Company's business activities, financial position and results of operations as well as the significant risks and uncertainties to which the Parent Company and its subsidiaries are exposed.

Stockholm, February 18, 2021

Lars Linder-Aronson
Chairman of the Board

Cecilia Ardström
Board member

Anna Brandt
Board member

Reinhold Geijer
Board member

Hanna Lagercrantz
Board member

Hans Larsson
Board member

Eva Nilsagård
Board member

Ulla Nilsson
Board member

Catrin Fransson
Chief Executive Officer

Our audit report on these annual accounts was submitted on February 18, 2021
Öhrlings PricewaterhouseCoopers AB

Anneli Granqvist
Authorized Public Accountant
Principal auditor

Peter Sott
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of AB Svensk Exportkredit (publ),
corporate identity number 556084-0315

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of AB Svensk Exportkredit (publ) for the year 2020 except for the corporate governance statement on pages 45-51. The annual accounts and consolidated accounts of the company are included on pages 8-135 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the parent company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the consolidated statement of financial position of the group as of 31 December 2020 and their consolidated statement of comprehensive income and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the corporate governance statement on pages 45-51. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been presented to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration

of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

As part of our audit we place reliance on internal controls for the applications/systems and related platforms that supports SEK's accounting and financial reporting. Therefore, we perform audit procedures to determine that systems and processes are designed, maintained, operated and kept secure in such a way as to provide assurance that the risk of error is minimized. The audit procedures include walkthroughs of processes and evaluation of design and test of effectiveness of controls. Substantive testing has also been performed. Where possible we have relied on management's own evaluation activities. Our audit is carried out continuously during the year with special attention at each quarter end. In connection with SEK's issuance of interim reports, we report our observations to the Audit Committee and issue interim review reports. At the end of the year, we also report our main observations to the Board of Directors.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p>Valuation of certain Level 2 and Level 3 financial instruments held at fair value</p> <p>Valuation of certain financial instruments in level 2 and level 3 was an area of audit focus due to their significance in presenting both financial position and performance in the financial statements. The majority of SEK's assets and liabilities measured at fair value in level 2 and level 3 are held to manage the risks related to SEK's structured funding.</p> <p>Financial instruments held at fair value in level 2 and level 3 utilise to a large extent unobservable inputs for recurring fair value measurements, which often involve the exercise of judgment by management and the use of estimates, valuation models and assumptions that are not observable by third parties. The observability of these inputs changed during the year given the impact of COVID-19 on financial markets.</p> <p>Important areas in valuation of financial instruments held at fair value relate to:</p> <ul style="list-style-type: none"> • Framework and policies relating to models and valuation; • Internal controls relating to fair value hierarchy, fair value adjustments, price testing and model control & governance; and • Levelling and disclosures of financial instruments <p>Refer to the Annual Report Note 1, Note 13, Note 14 and Note 18</p>	<p>In our audit, we assessed and tested the design and operating effectiveness of the controls relating to financial instrument valuation including:</p> <ul style="list-style-type: none"> • the Company's governance and reporting processes and controls; • the identification, measurement and oversight of valuation of financial instruments; • fair value hierarchy, fair value adjustments and price verification; • data feeds and inputs to valuation; • collateral management; and • model control and governance. <p>For the valuations dependent on unobservable inputs or which involve a higher degree of judgment, we assessed the assumptions, methodologies and models used by the company.</p> <p>We used our valuation specialists to perform independent testing of a selection of complex model-dependent valuations to assess the appropriateness of models used and evaluate management's valuation.</p> <p>We examined whether the disclosures made in the annual report are appropriate.</p>
<p>Impairment of loans to customers</p> <p>Accounting for impairment of loans to customers requires management's judgment over timing of recognition of impairment and the size of any such impairment allowance.</p> <p>SEK makes provisions for expected credit losses (ECL) in accordance with IFRS 9. IFRS 9 categorises loans into three stages depending on the level of credit risk or changes in credit risk for each individual loan. Stage 1 representing a probable 12 month ECL applies to all loans unless there is a significant increase in credit risk since initial recognition. For loans where there is a significant increase in credit risk, stage 2, or loans in default, stage 3, a lifetime ECL is calculated.</p> <p>The ECL is calculated as a function of the probability of default, the exposure at default and the loss given default, as well as the timing of the loss.</p> <p>IFRS 9 also allows for expert credit judgment to be applied to loan loss provisioning.</p> <p>The COVID-19 global pandemic has impacted management's determination of ECL. SEK's IFRS 9 model is based on GDP growth projections estimating the impact on the probability of default. To address uncertainties in the current and future environment, not initially captured in SEK's model-driven ECL results, management has applied post-model adjustments (management overlays) in accordance with IFRS 9.</p> <p>Refer to the Annual Report Note 1 and Note 9</p>	<p>In our audit, we assessed and tested the design and operating effectiveness of the controls relating to the impairment of loans. The testing of internal controls included procedures relating to the governance structure, segregation of duties and key controls in the lending processes.</p> <p>Our credit modelling experts have performed recalculations for a sample of loans and model outputs in order for us to obtain comfort over the calculated ECL.</p> <p>To evaluate data quality, we agreed ECL calculation data points to source systems.</p> <p>To test credit monitoring, we verified the risk ratings for a sample of performing and non-performing loans.</p> <p>We have also audited adjustments related to expert credit judgments, developed as a result of the COVID-19 global pandemic. We have assessed that rationale exists to account for the adjustments at year-end and we have reviewed minutes of meetings to ensure that the correct governance procedures have been performed.</p> <p>We examined whether the disclosures made in the annual report are appropriate.</p>

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-7, 32, 122-134 and 140-144. The other information also consists of the company's remuneration report, which we obtained before the date of this audit report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU and the Annual Accounts Act for Credit Institutions and Securities Companies. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of AB Svensk Exportkredit (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's orga-

nization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Banking and Financing Business Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 45-51 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16. The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act and the Annual Accounts Act for Credit Institutions and Securities Companies.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of AB Svensk Exportkredit (publ) by the general meeting of the shareholders on 26 March 2020 and has been the company's auditor since 22 March 2017.

Stockholm, February 18, 2021
Öhrlings PricewaterhouseCoopers AB

Anneli Granqvist
Authorized Public Accountant
Auditor in charge

Peter Sott
Authorized Public Accountant

Auditor's Reasonable Assurance Report on the Sustainability Report and statement on the statutory sustainability report

To the annual general meeting of AB Svensk Exportkredit
(publ), corporate identity number 556084-0315

Introduction

We have been engaged by the Board and Management of AB Svensk Exportkredit (publ) to undertake an examination of the company's Sustainability Report for 2020. The company has defined the scope of its sustainability report on page 122-134. The statutory sustainability report is defined on page 32.

Responsibilities of the Board and Management

The Board of Directors and Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act. The criteria are described on page 122-134 of the Sustainability Report, and consists of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that AB Svensk Exportkredit (publ) has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the procedures we have performed, and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information, nor other TCFD related information in note 6.

We conducted our engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The engagement includes a reasonable assurance engagement on the complete Sustainability Report. The objective of an audit is to obtain reasonable assurance that the information is free of material misstatements. A reasonable assurance engagement includes examining, on a test basis, evidence supporting the quantitative and qualitative information in the Sustainability Report. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report. An examination according to RevR 12 has a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The audit firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory

requirements. We are independent in relation to AB Svensk Exportkredit (publ) according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The stated conclusion based on an examination in accordance with RevR 12, therefore does not have the security that the conclusion of our reasonable assurance procedures.

Our procedures are based on the criteria defined by the Board of Directors and Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

In our opinion the Sustainability Report which has been subject to our reasonable assurance procedures have, in all material respects, been prepared in accordance with the criteria defined by the Board of Directors and Management.

A Statutory Sustainability Report has been prepared.

Stockholm, February 18, 2021
Öhrlings PricewaterhouseCoopers AB

Anneli Granqvist
Authorised Public Accountant

Åsa Ekberg
Specialist Member of FAR

Definitions

A, B and C projects

Projects and project-related financing are classified based on OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence. Category A projects entail material risks of potential environmental and societal impacts. Category B projects potentially have some impact, and category C projects have little or no potential impact.

After-tax return on equity

Net profit, expressed as a percentage per annum of the current year's average equity (calculated using the opening and closing balances for the report period).

After-tax return on assets

Net profit, expressed as a percentage per annum of the current year's average total assets (calculated using the opening and closing balances for the report period).

Annual carbon dioxide reductions from green projects

Calculated as an annual CO₂ reduction for a normal year when the project is up and running, for more details refer to the calculation principles on page 126.

Attractive employer

Attractive employer is measured using an index scoring from 0–100 covering the following areas: leadership, workload, stimulating work, development opportunities, equality and freedom from discrimination, bullying and sexual harassment.

Average interest-bearing assets

This item includes cash and cash equivalents, treasuries/government bonds, other interest-bearing securities except loans, loans in the form of interest-bearing securities, loans to credit institutions and loans to the public, and is calculated using the opening and closing balances for the report period.

Average interest-bearing liabilities

This item includes outstanding senior debt and subordinated liabilities and is calculated using the opening and closing balances for the report period.

Basic and diluted earnings per share (Skr)

Net profit divided by the average number of shares, which amounted to 3,990,000 for each period.

C/I ratio

Total operating expenses in relation to net interest income, and net fee and commission expense.

CIRR loans as percentage of new lending

The shares of new lending comprised by officially supported export credits.

CIRR-system

The CIRR-system is the Swedish system for officially supported export credits (CIRR loans).

Common Equity Tier 1 capital ratio

The capital ratio is the quotient of Common Equity Tier 1 capital and the total risk exposure amount.

Climate risk

Climate change leads to climate risks, which can affect physical assets when average global temperatures continue to rise resulting in gradually rising sea levels and increased average rainfall.

Empowerment

Empowerment is measured using an index scoring from 0–100 based on how employees score their ability to contribute to the business on the following points: motivation, willingness, authority and competence.

The Equator Principles

A risk management framework adopted by financial institutions for determining, assessing and managing environmental and societal risk in projects.

Green lending and green loans

SEK's green lending comprises green loans that promote the transition to a low-carbon economy. The classification is performed by sustainability analysts at SEK. The effects that the loan will give rise to, such as reduced emissions of greenhouse gases, are monitored and reported. The term green project is assigned the same meaning as the term green loan. Green loans are categorized under SEK's framework for green bonds and green loans finance products or services that lead to significant and demonstrable progress toward the goal of sustainable development.

Indirect impact on GDP growth and jobs in Sweden

SEK's lending has indirect impacts in Sweden, including the GDP growth and jobs created by export transactions. The indirect impact of SEK's new lending on Sweden's GDP and employment is calculated using sector-based multipliers developed by Statistics Sweden, according to the SNI 2007 standard. This model calculates the Swedish content in an export order or in an investment. SEK finances many different types of transactions and not all of them necessarily fit this model precisely. These calculations can therefore only be made at a general level and the results should be interpreted with caution.

Large companies

Companies with annual sales of more than Skr 5 billion.

Leverage ratio

Tier 1 capital expressed as a percentage of the exposure measured under CRR (refer to Note 26).

Liquidity coverage ratio

The liquidity coverage ratio (LCR) is a liquidity metric that shows SEK's highly liquid assets in relation to the company's

net cash outflows for the next 30 calendar days. An LCR of 100 percent means that the company's liquidity reserve is of sufficient size to enable the company to manage stressed liquidity outflows over a period of 30 days. Unlike the Swedish FSA's rules, the EU rules take into account the outflows that correspond to the need to pledge collateral for derivatives that would arise as a result of the effects of a negative market scenario.

Loans, outstanding and undisbursed

Lending pertains to all credit facilities provided in the form of interest-bearing securities, and credit facilities granted by traditional documentation. These amounts comprise SEK's real lending. SEK considers these amounts to be useful measurements of SEK's lending volumes. Accordingly, comments on lending volumes in this report pertain to amounts based on this definition (see the Statement of Financial Position and Note 11).

Medium-sized companies

Companies with annual sales of between Skr 500 million and Skr 5 billion, inclusive.

Net stable funding ratio

This ratio measures stable funding in relation to the company's illiquid assets over a one-year, stressed scenario in accordance with Basel III.

New long-term borrowing

New borrowings with maturities exceeding one year, for which the amounts are based on the trade date. In the Consolidated Statement of Cash Flows, amounts are shown based on settlement dates. Differences can occur between these amounts, since trade dates and settlement dates can differ and occur in different reporting periods.

New lending

New lending includes all new committed loans, irrespective of tenor. Not all new lending is reported in the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows since certain portions comprise committed undisbursed loans (see Note 23). The amounts reported for committed undisbursed loans may change when

presented in the Consolidated Statement of Financial Position due to changes in exchange rates, for example.

Outstanding senior debt

The total of borrowing from credit institutions, borrowing from the public and debt securities issued.

Swedish exporters

Companies that export from Sweden or suppliers of these companies.

System export

Export which entail multi-supplier solution.

Sustainable terms

SEK's mission is to ensure access to financial solutions for the Swedish export industry on commercial and sustainable terms. Sustainable terms is defined as conducting operations in a manner that benefits sustainable development. This means acting responsibly and minimizing the risk of negative impact, and of leveraging opportunities for sustainable value creation.

Tier 1 capital ratio

The capital ratio is the quotient of Tier 1 capital and the total risk exposure amount.

Total capital ratio

The capital ratio is the quotient of total own funds and the total risk exposure amount.

Unless otherwise stated, amounts in this report are in millions (mn) of Swedish kronor (Skr), abbreviated “Skr mn” and relate to the Consolidated Group consisting of the Parent Company and its subsidiaries. The international code for the Swedish currency (SEK) is not used in this report to avoid confusion with the same three-letter abbreviation that has been used to denote AB Svensk Exportkredit since the company was founded in 1962.

AB Svensk Exportkredit (SEK), Swedish corporate identity number 556084-0315, with its registered office in Stockholm, Sweden is a public limited liability company as defined under the Swedish Companies Act. In some instances, a public company is obliged to add “(publ)” to its company name.



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