

SEK

Investor presentation May 2021

Mission

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

Vision

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

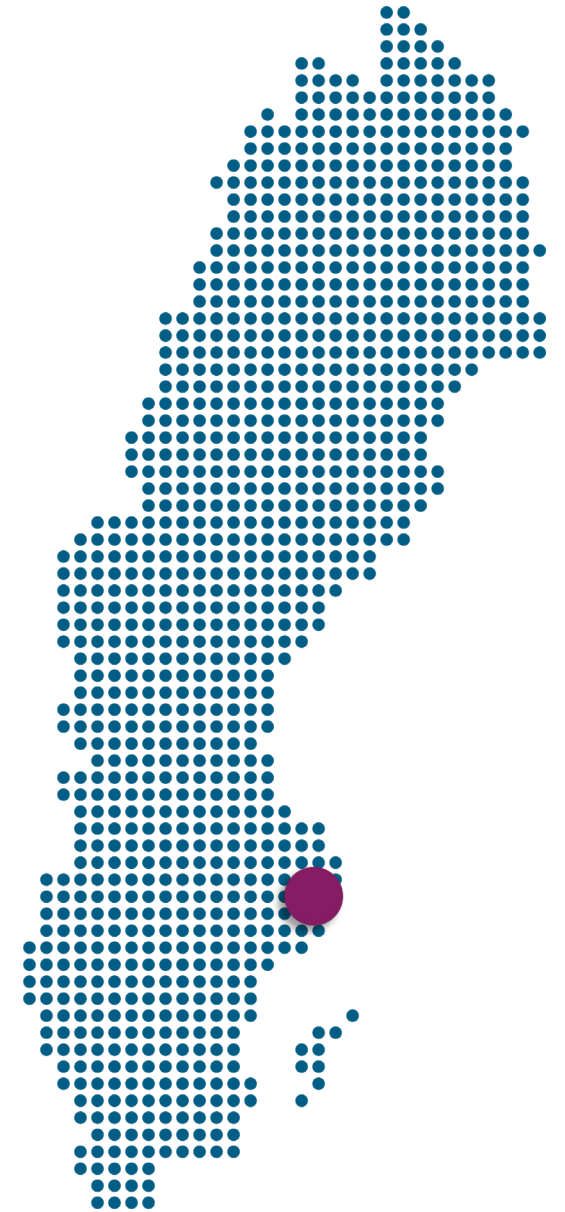
A scenic landscape featuring a calm lake in the foreground, a dense forest of trees in the middle ground, and a small town or village with houses visible through the trees. The sky is a clear, deep blue, suggesting a bright day. The overall scene is peaceful and natural.

100%

Owned by the Swedish Government

Kingdom of Sweden

Population	10 million
Surface	450 000 km ²
Capital	Stockholm
Language	Swedish, English widely spoken
Political system	Parliamentary democracy
European status	Inside EU, outside Euro
Currency	Swedish Krona



Economy of Sweden

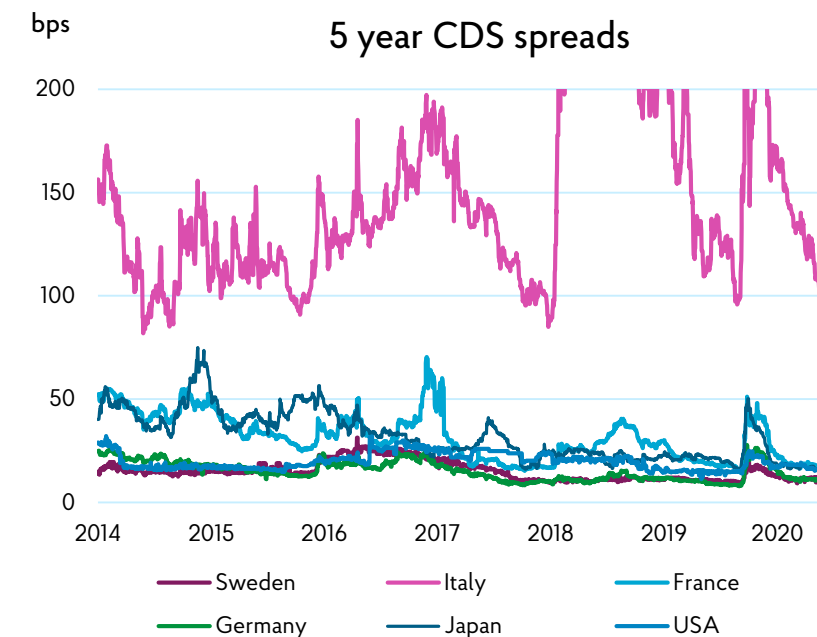
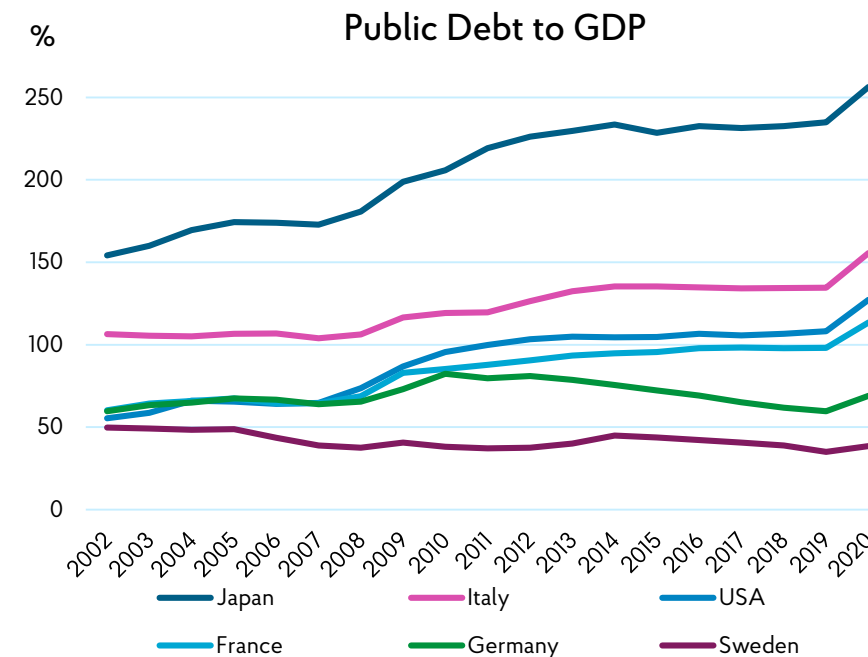
Rating	AAA/Aaa/Aaa
GDP Growth Q4 2020 (QoQ/YoY)	-0.2% / -2.2%
GDP Growth 2020	-2.8%
GDP 2020 USD	538 bn*
GDP per capita 2020	USD 51 950*
Unemployment March 2021	9.5%**
CPI/CPIF*** March 2021 (YoY)	1.7% / 1.9%
Repo Rate April 2021	0%

* USD/SEK average 2020, 9.20

** Seasonally adjusted, % of labour force

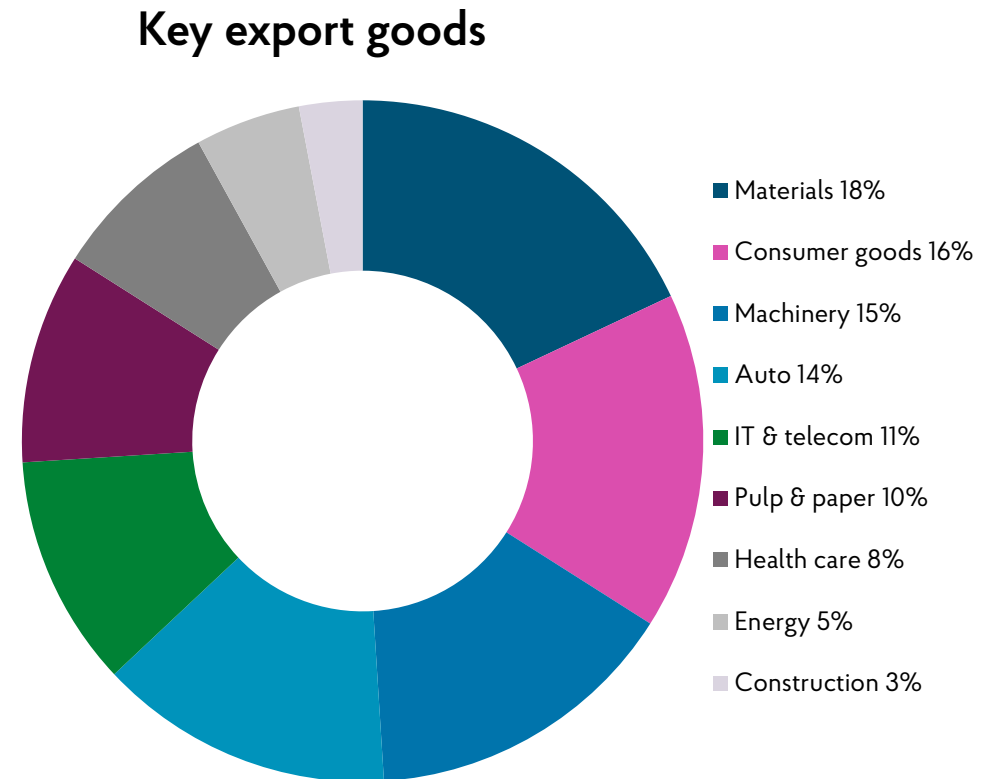
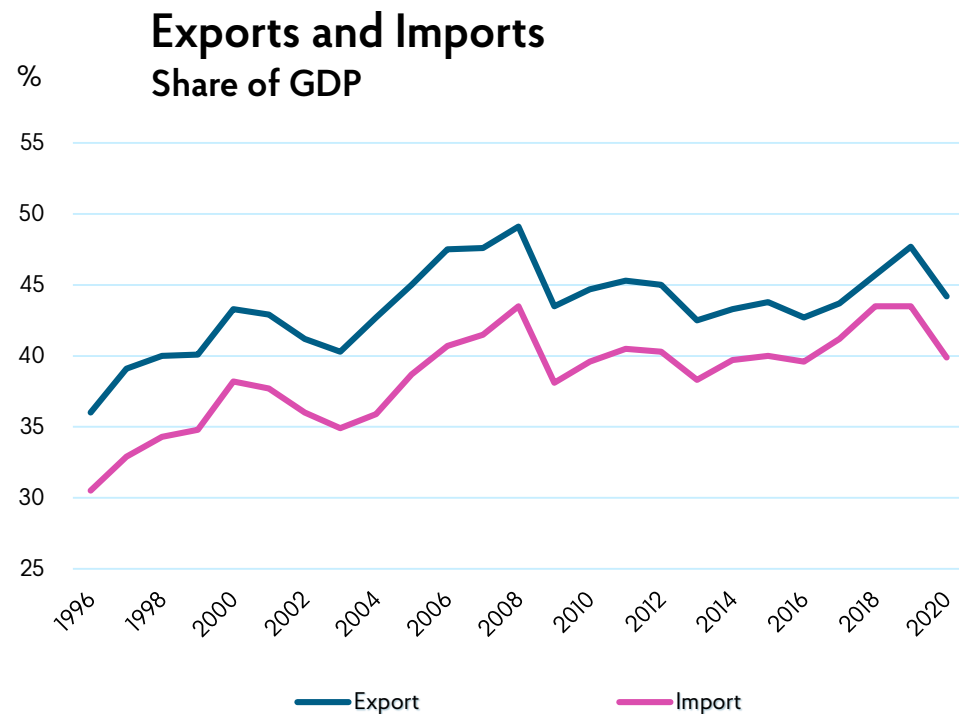
*** CPIF = CPI with fixed mortgage rates

Source: Bloomberg, IMF, SCB



Swedish Exports

Large part of GDP and well diversified



Source: SCB as of December 31, 2020

Swedish exporters



SEK has a complementary role in the market

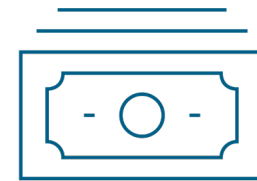
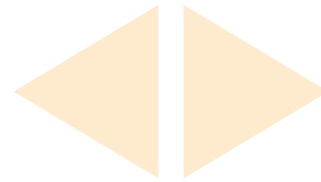
- Our offering provides a complement to bank and capital market finance for exporters that want a range of different financing sources.
- SEK creates client value on market terms through its strong international network, extensive experience and expertise in export finance.



Bank & capital market



Customer



SEK

Our offering

- Export Finance
- Project Finance
- Trade Finance
- Customer Finance
- Small Ticket Finance
- On-lending
- Corporate Lending and Capital Market Products
- Our offer is available in **all major currencies** and **selected emerging market currencies**.

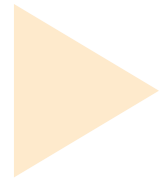


The Swedish Export Credit System



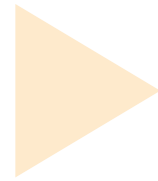
Exporter

negotiates
with buyer



Bank

arranges



EKN

guarantees



SEK

finances

Ratings



“Strong asset quality, benefitting from guarantees and insurance”

“Moody's assesses government support to be very high for all SEK's debt classes”

“The commitment as an owner and the proven support by the Swedish government to SEK result in our assessment of a very high probability of government support for SEK's senior, junior senior (often referred to as senior non-preferred) and subordinated debt classes”

“Moody's expects that that the Government of Sweden would inject capital - if needed - well ahead of any potential breach of SEK's minimum regulatory requirements, significantly reducing the risk of loss to all creditor classes”

January 19, 2021

MOODY'S
Aa1 (stable)

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

“Its elevated capital ratios reflect its high-quality loan book and associated guarantees, highly rated exposures in its liquidity portfolio, and superior capital base consisting solely of core capital.”

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

January 29, 2021

STANDARD
& POOR'S
AA+ (stable)

Sustainability framework



Owner instruction
Sustainability reporting
Sustainability targets and strategies



OECD Common Approaches
OECD Convention on Combating Bribery



Equator Principles



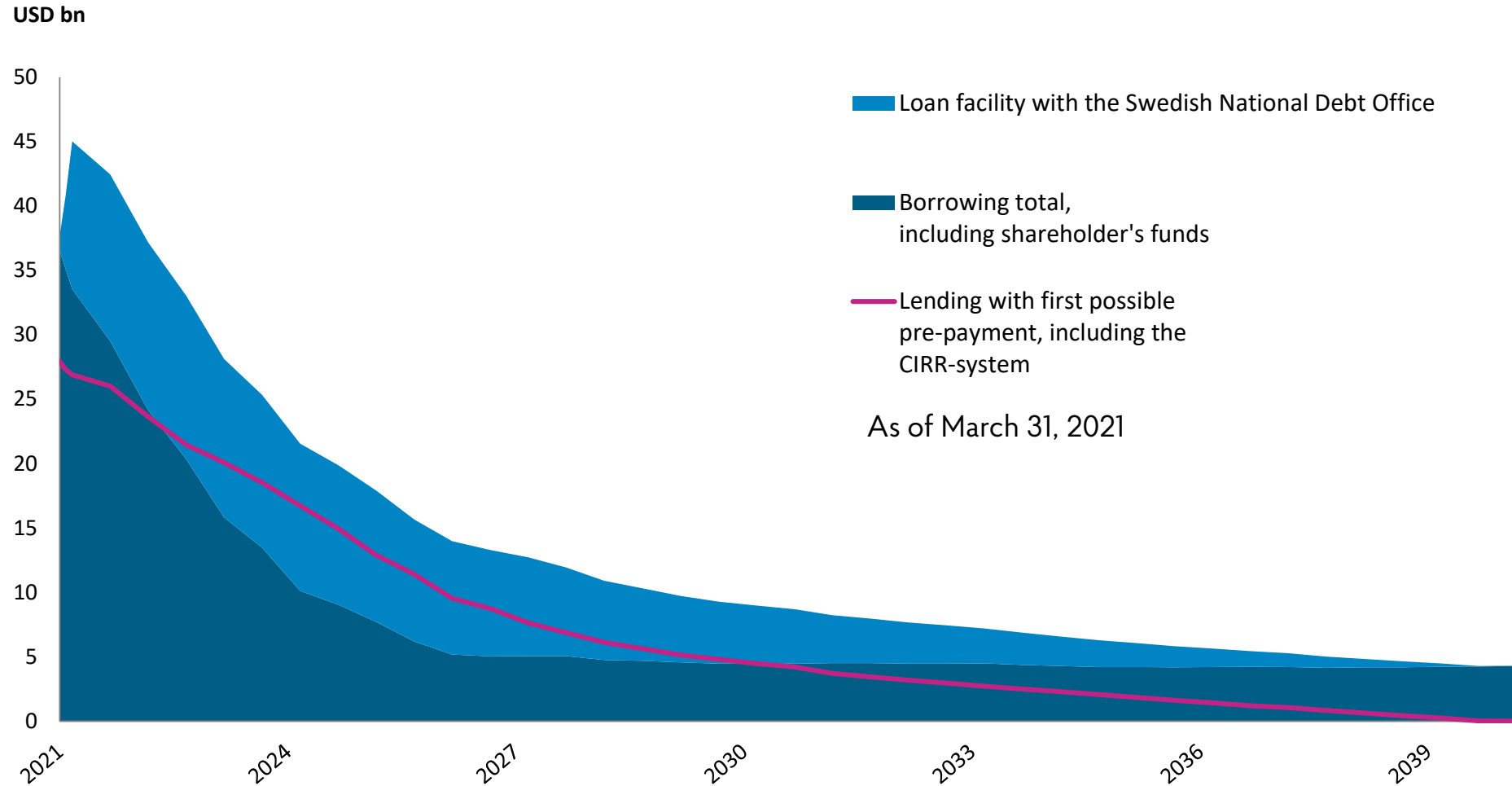
IFC Performance Standards



UN Global Compact
UN Guidelines on Business and Human Rights

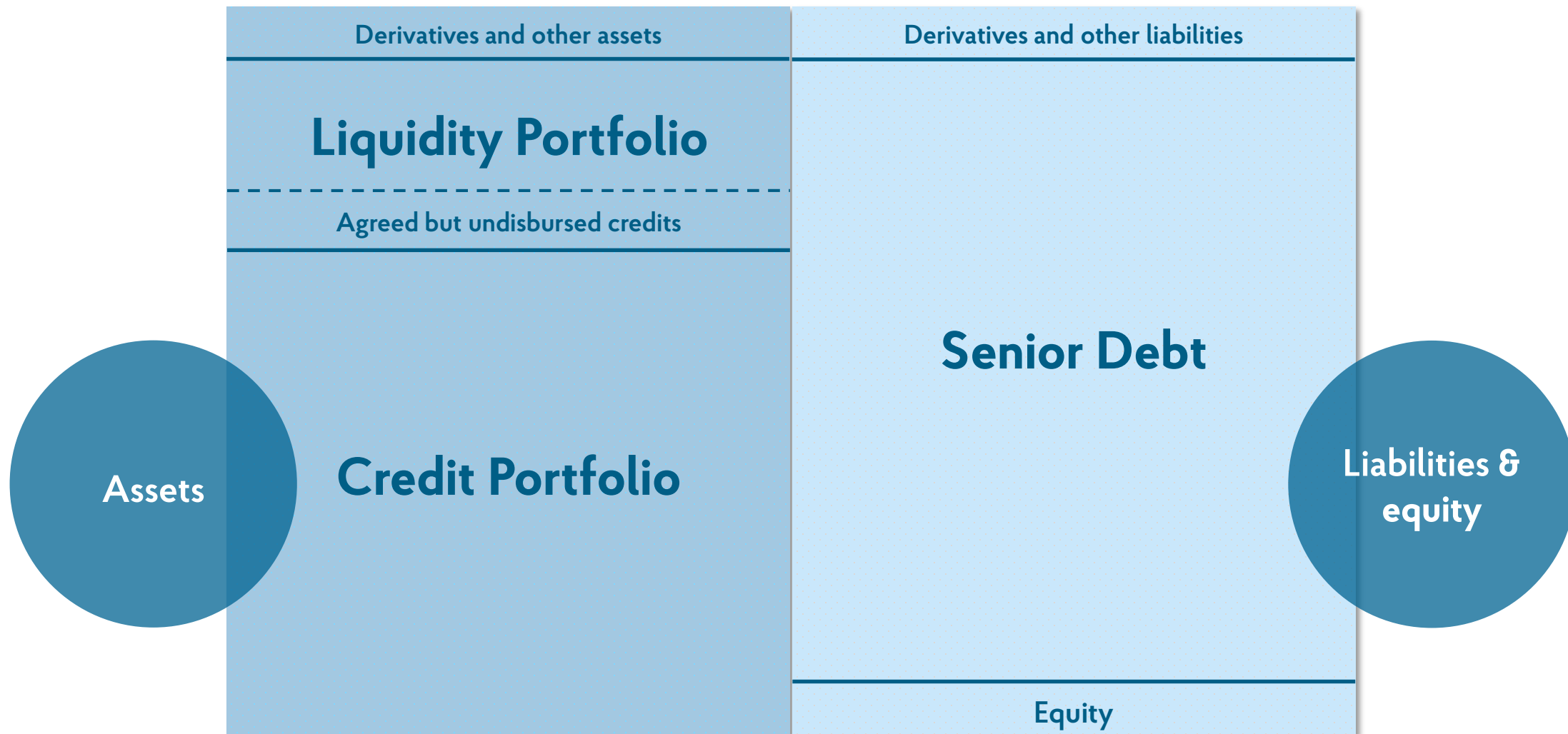


Funding and liquidity: No refinancing risk



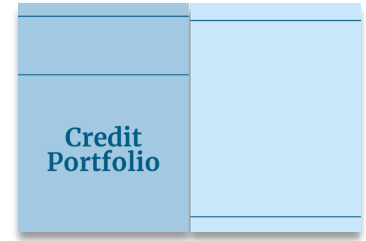
Not to scale

Total USD 39.6 bn

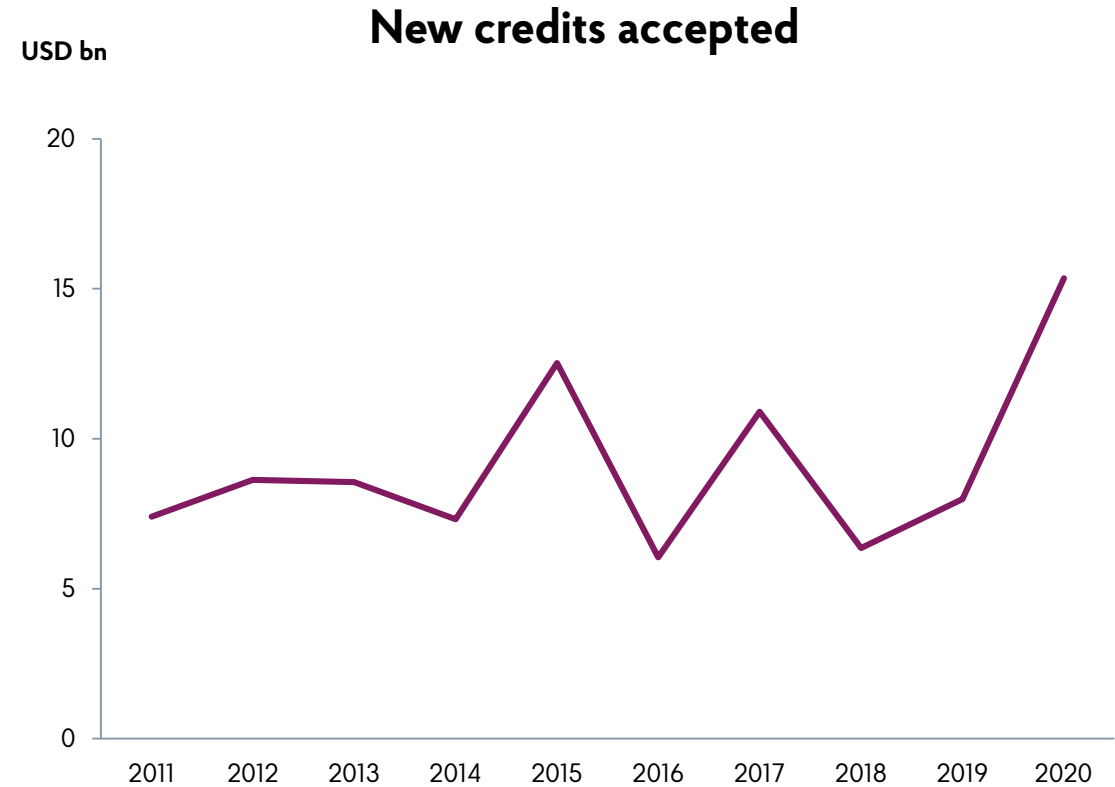


As of March 31, 2021

Credit Portfolio

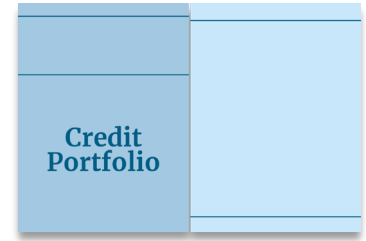


- Demand for financing from the Swedish export industry increased dramatically during the financial crisis 2008/2009
- The Swedish government heavily increased SEK's lending capacity during the financial crisis 2008/2009
- Further measures were introduced during Q1 2020 due to the COVID-19 pandemic
- SEK secured access to financing for the Swedish exporters
- New credits accepted Q1 2021: Skr 14.9 bn

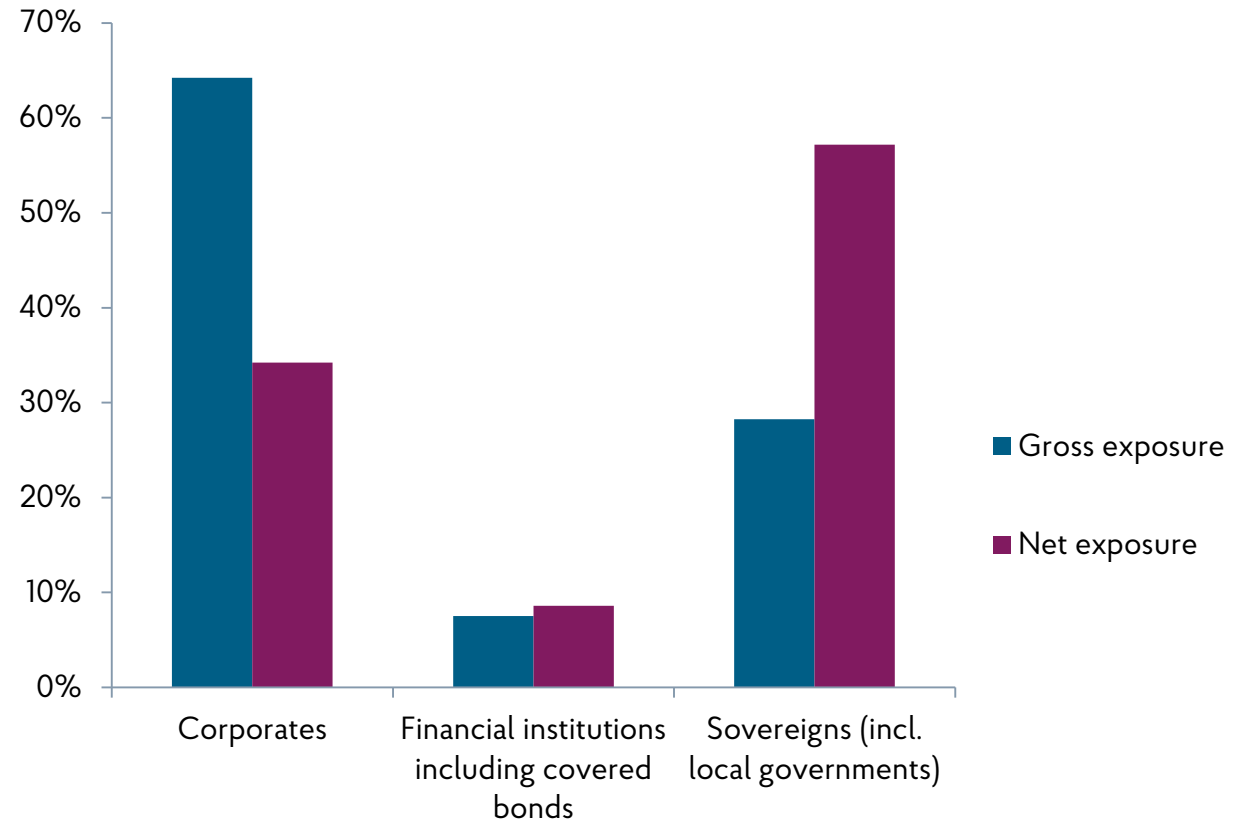


As of March 31, 2021

Counterparty exposures & risk mitigation

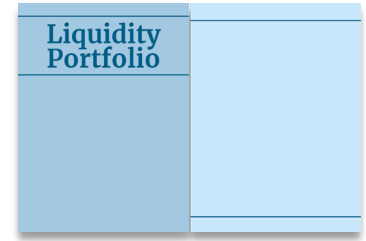


- Export credit agency guarantees
- Bank guarantees
- Credit derivatives
- Collateral agreements
- Insurance company guarantees



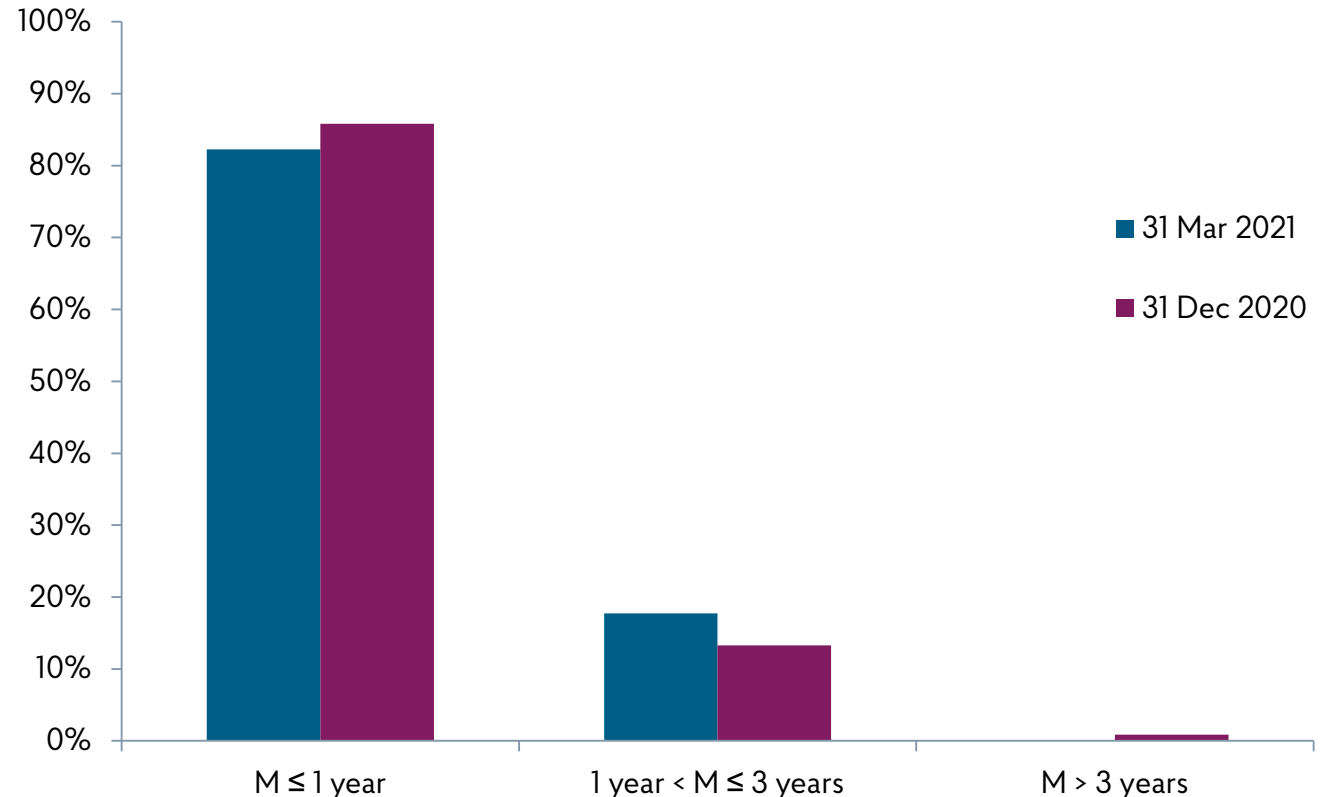
As of March 31, 2021

Liquidity Portfolio



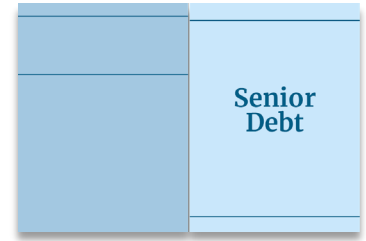
Investment profile

- Average duration of new investments: **8 months**
- Maximum maturity: **Generally 24 months, with some exceptions**
- Minimum rating: **Generally A-, with some exceptions**



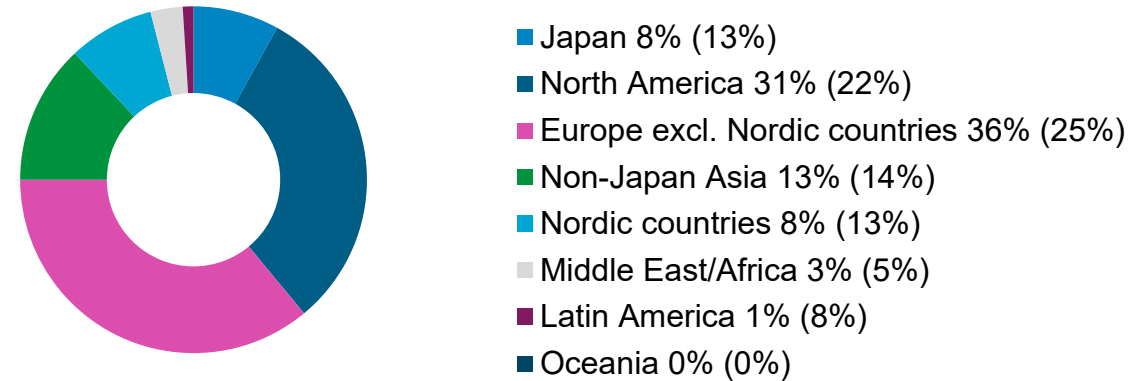
As of March 31, 2021

Funding: Flexible and diversified



- Multiple funding programs in all major currencies
- Funding in local currencies
- Responsive to investor needs
- An experienced benchmark issuer

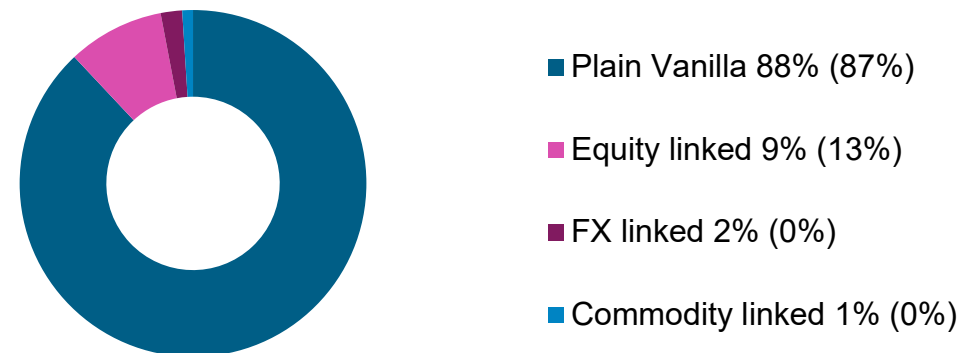
New funding by region, as of March 31, 2021 (2020, whole year)



Risk Management policy

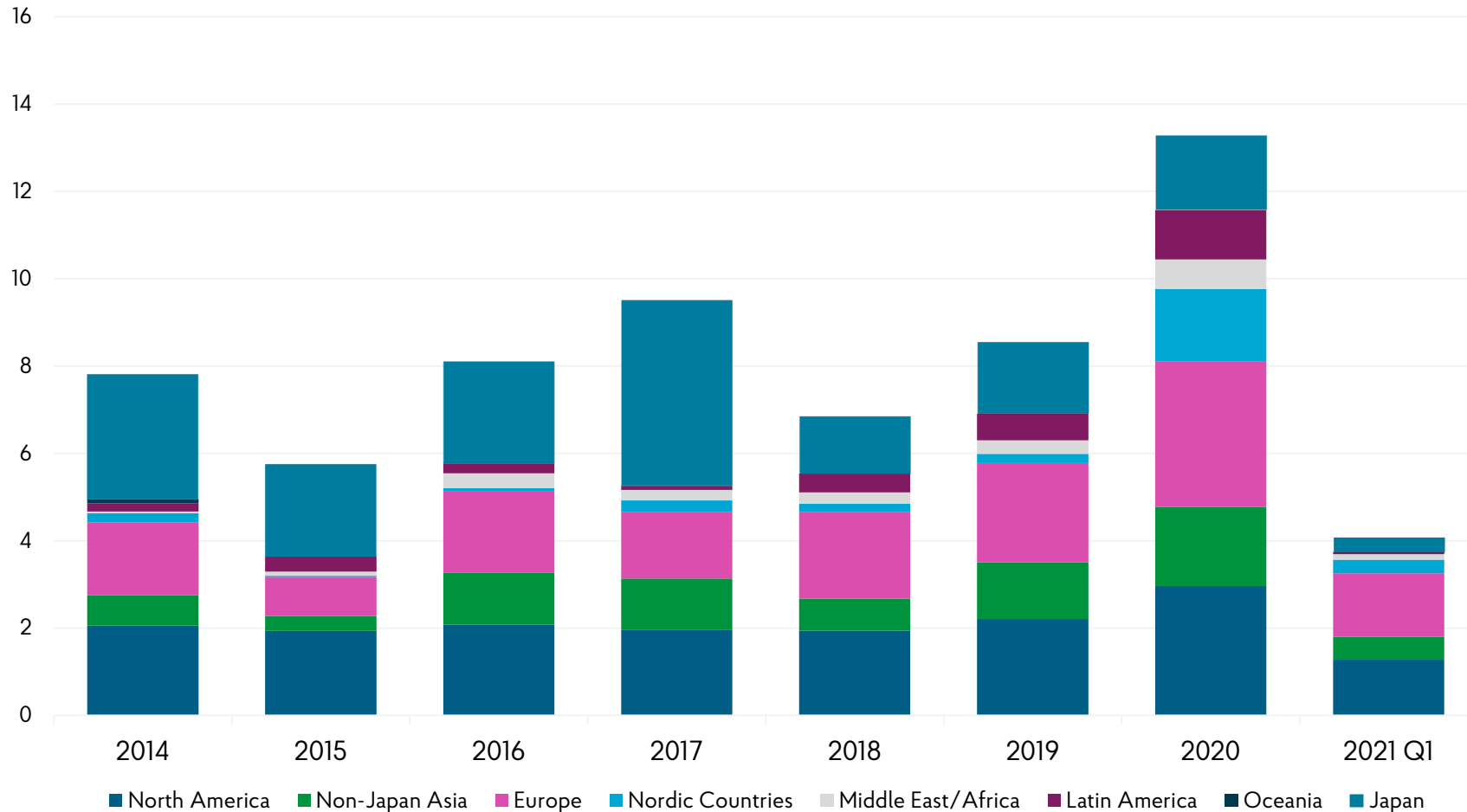
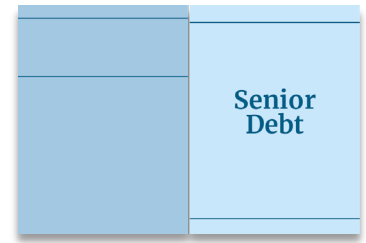
- No currency risk
- Very limited interest rate risk
- All structured notes are hedged

New funding by structure, as of March 31, 2021 (2020, whole year)



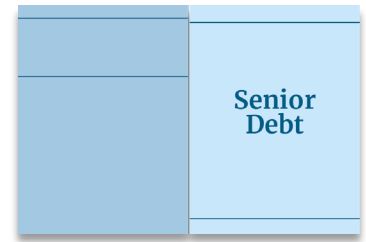
As of March 31, 2021

Diversified funding, by region

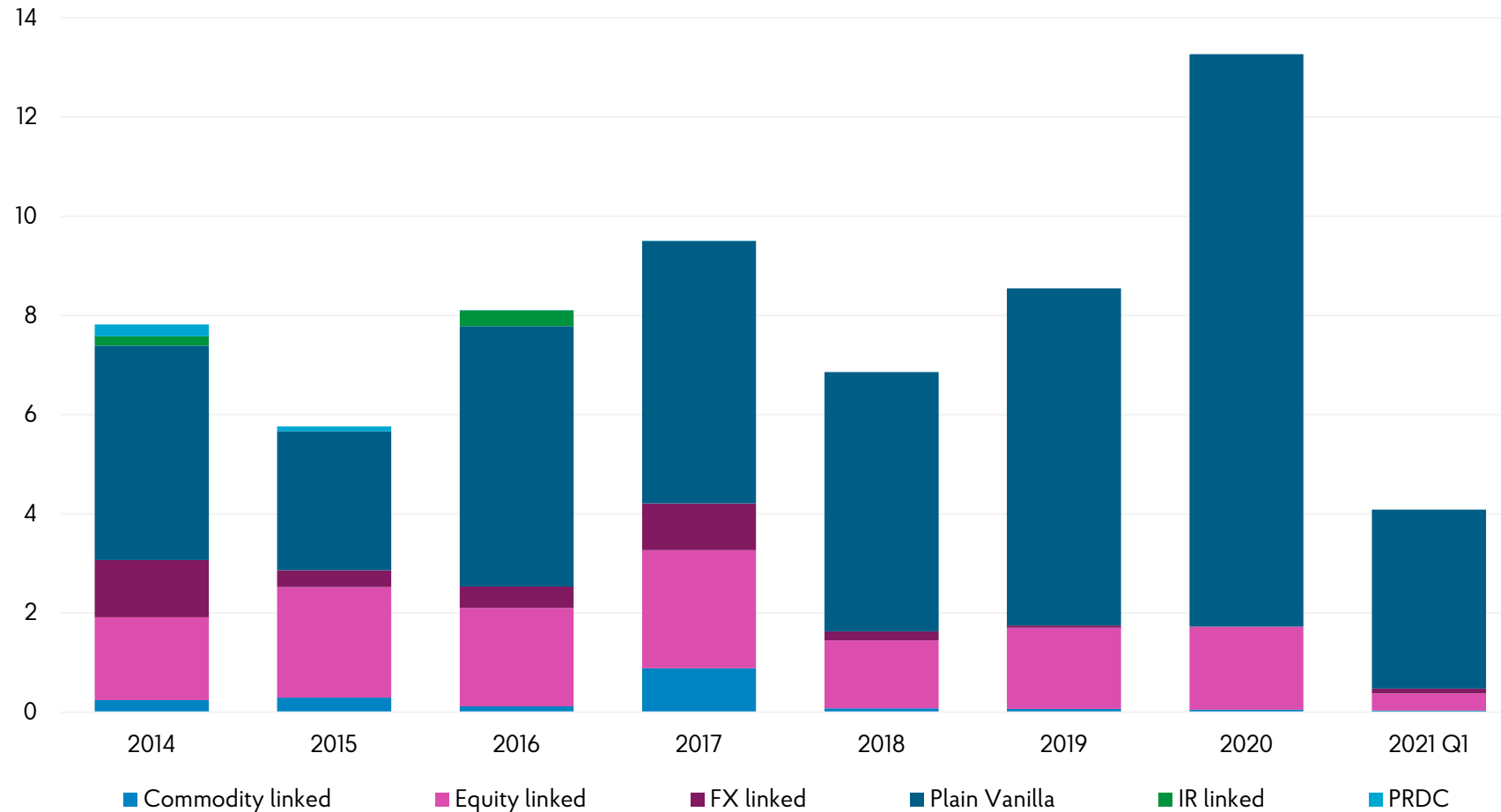


As of March 31, 2021

Diversified funding, by structure



USD bn



As of March 31, 2021

Awards



W I N N E R

SSA Issuer of the Decade



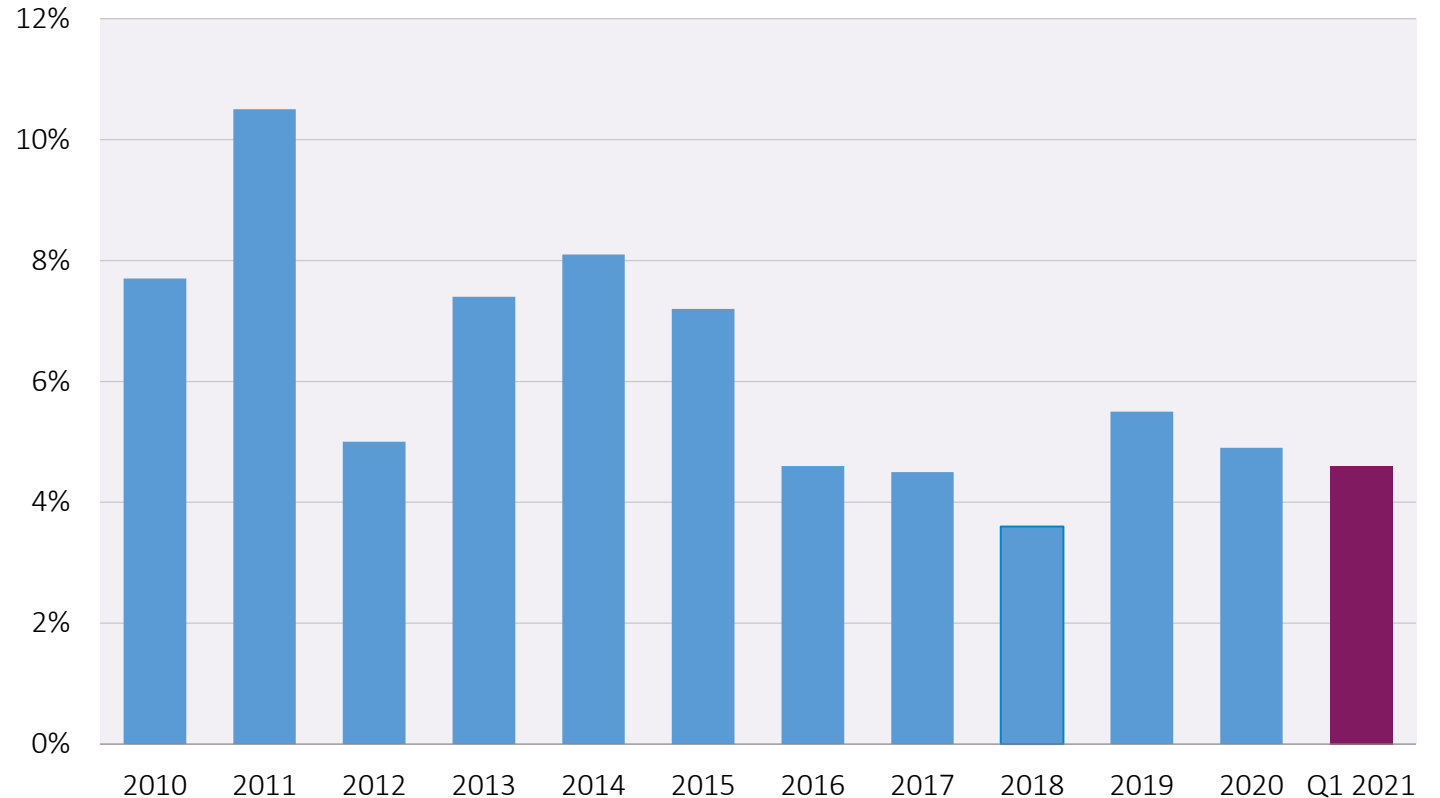
W I N N E R

Issuer of the Year

Capitalization and Profitability

- Common Equity Tier 1 capital ratio of 21.8% as of March 31, 2021
- Leverage ratio of 5.4% as of March 31, 2021
- Dividend policy: 20-40% of profit after tax to our owner
- Return on equity: 4.6% (target: 5%)

Return on equity (IFRS)



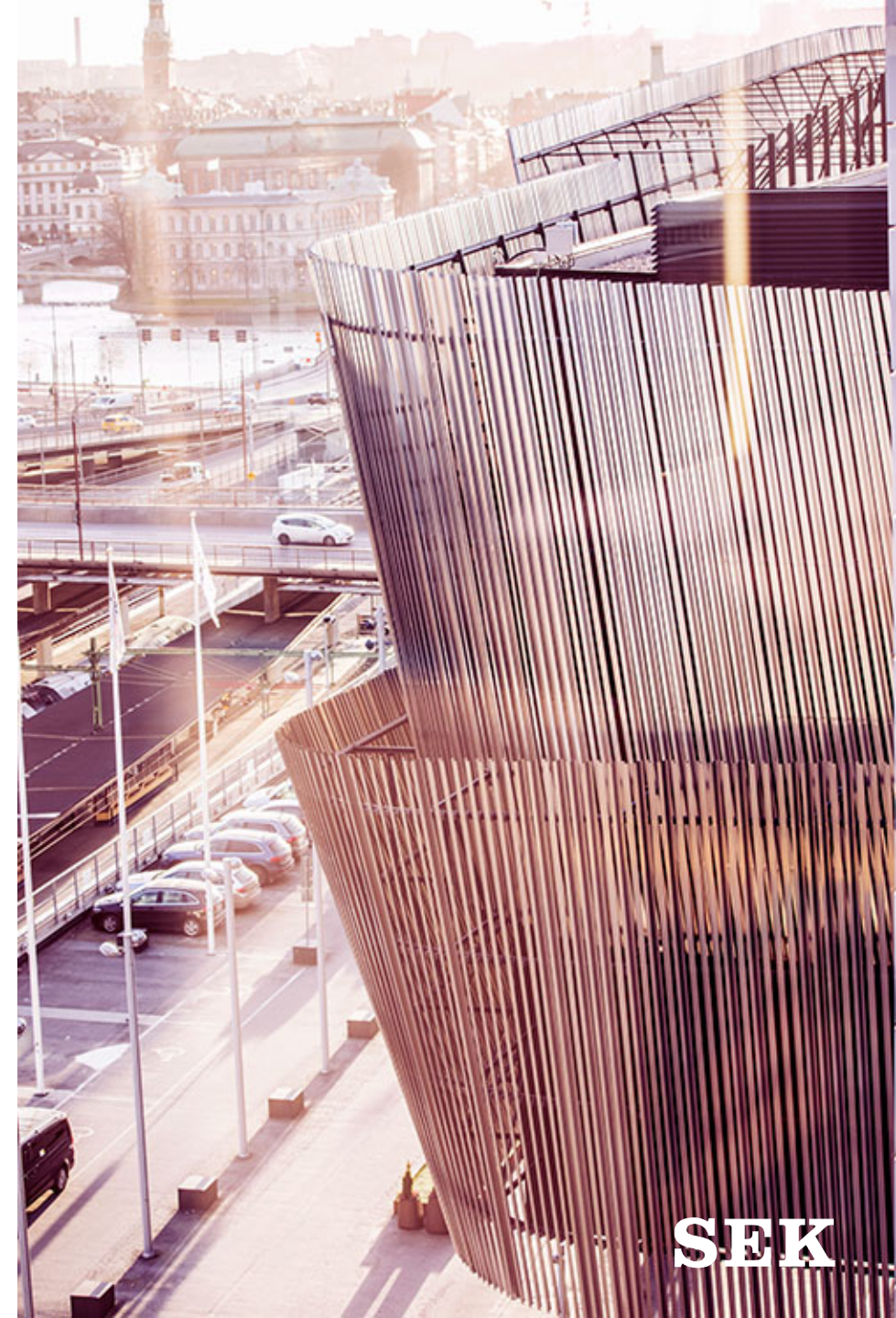
As of March 31, 2021

About SEK

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

Financial information as of March 31, 2021

Total assets	USD 39.6 bn
Lending	USD 27.1 bn
Common Equity Tier 1 capital ratio	21.8%
After-tax return on equity	4.6%





MREL

SEK is a systemically important export vehicle

As a credit institution SEK is subject to financial regulation, although 100% owned by the Kingdom of Sweden

SEK is deemed systemically important for the Swedish financial system and is therefore subject to MREL

Minimum Requirement for own funds and Eligible Liabilities (MREL) is the European equivalent to TLAC and applies to each country's systemically important banks and financial institutions

Already in compliance with MREL with own funds and bail-inable senior unsecured bonds

After January 1, 2024, the requirements have to be met with own funds and senior subordinated debt (senior non-preferred bonds – SNP)

SEK's requirements

MREL requirement is 7.0% (SEK 24 bn – around USD 2.7 bn) based on Total Liabilities and Own Funds

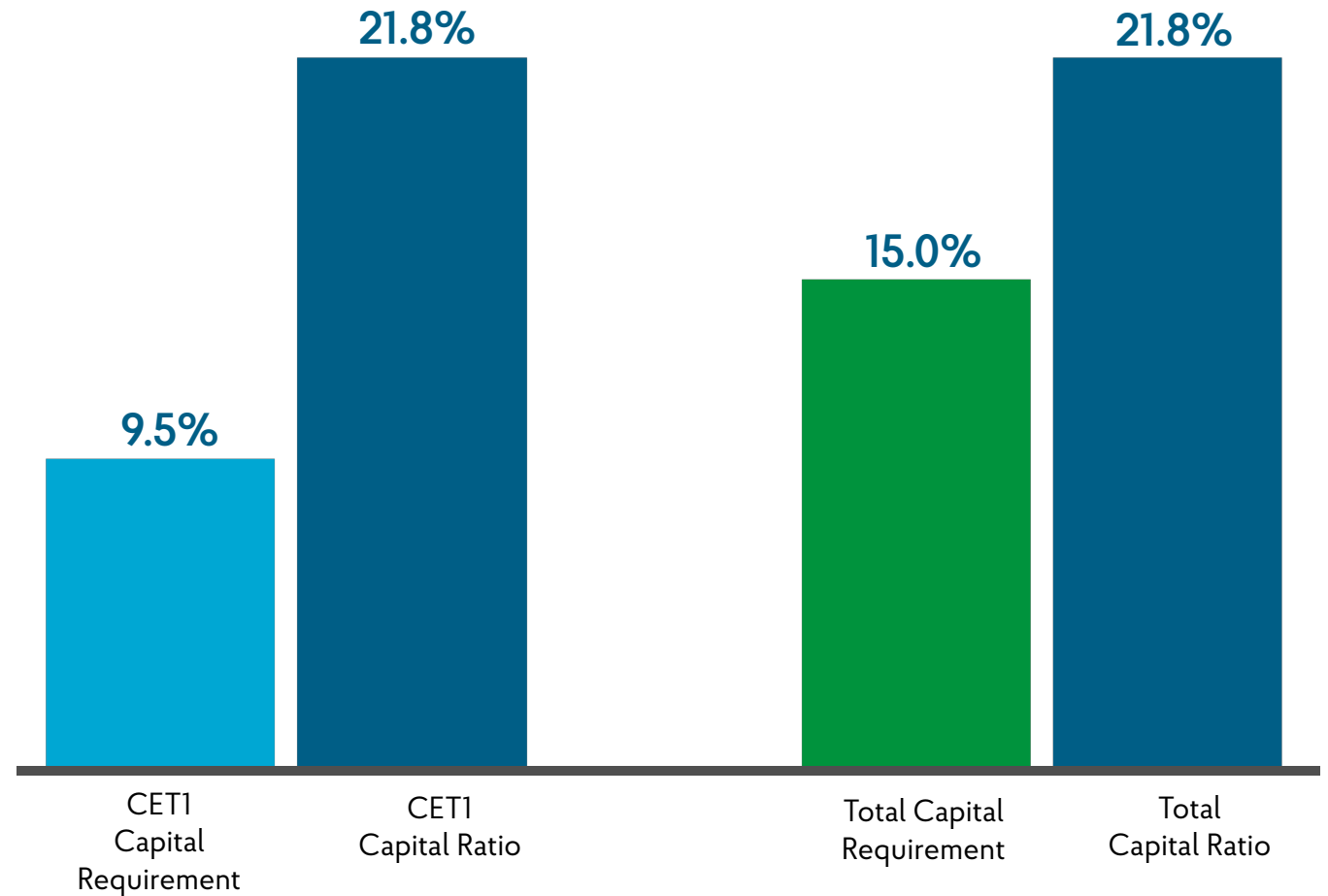
Of this SEK 24 bn, SEK 11 bn (around USD 1.3 bn) has to be met with senior non-preferred bonds as of January, 1, 2024.¹

1. BRRD2 is expected to be implemented into Swedish law as of July 1st, 2021. We expect the NDO to update the requirements during H2 2021.

Strong capital position

SEK's own funds provide a significant buffer for investors

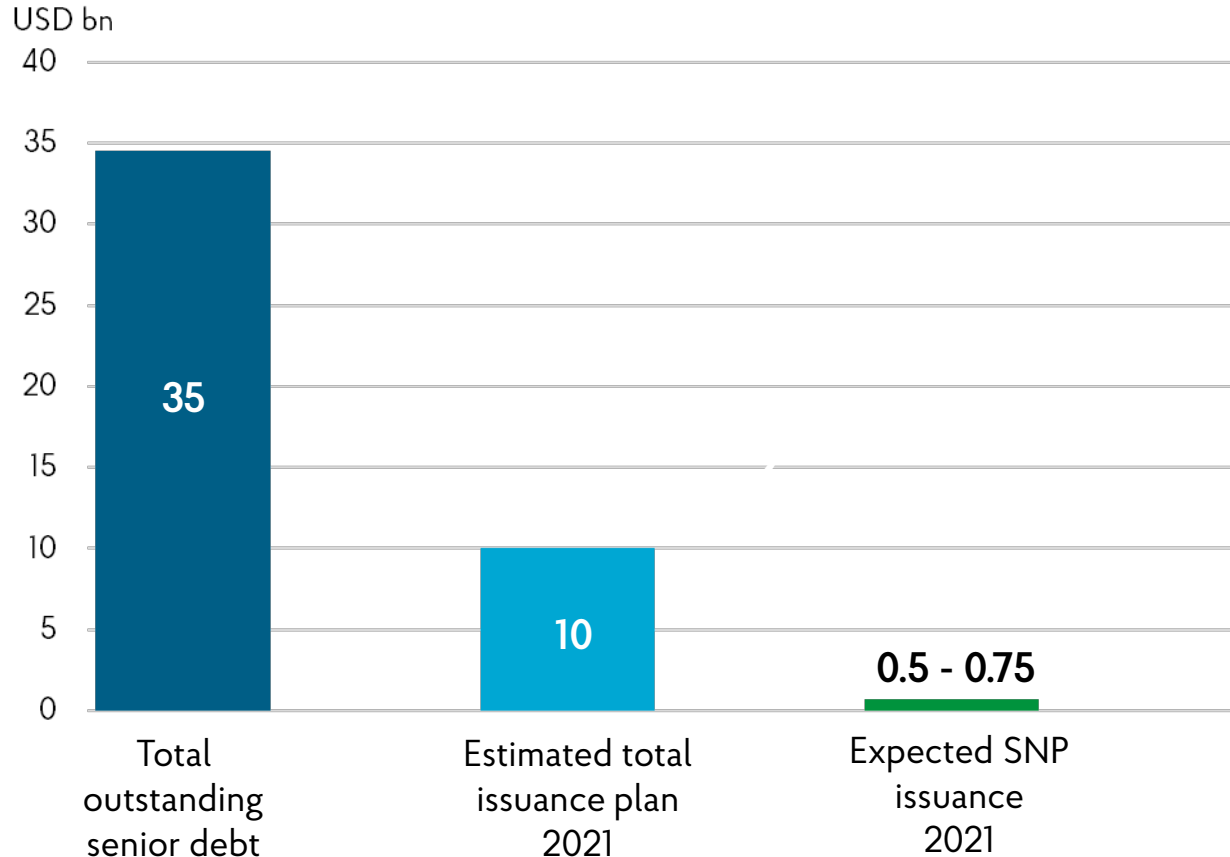
- Substantial own funds: SEK 19.6 bn (around USD 2.2 bn)
- Actual buffer against CET1-requirement: 12.3%
- Actual buffer against total capital requirement: 6.8% (in excess of SEK's management buffer: 2-4%)
- Potential to further increase Total Capital Ratio by 5.5% to 27.3% by issuing AT1 and T2 capital



As of March 31, 2020

Risk exposure amount: SEK 90 bn (USD 10 bn)

SNP issuance plan – small part of total issuance and outstanding debt



Senior unsecured redemptions USD 7 bn 2021 – far larger than SNP issuance plan

SEK expects SNP issuance of at least USD 1.3 bn, starting with USD 500 mn to 750 mn during 2021¹

No net additional issuance needs, SNP will substitute part of senior unsecured issuance


1. We expect the NDO to update the requirements during H2 2021 due to implementation of BRRD2 into Swedish law, which may lead to a revised SNP issuance plan.

Rare opportunity to invest in SSA senior non-preferred bonds

Few SSA's issuing SNP

Strong ownership with a public mission

- 100% owned by the Kingdom of Sweden, all Board Members are appointed by the owner
- SEK is a part of the Swedish government's export strategy and has an explicit public policy mandate to promote Swedish exports
- During periods when the market cannot satisfactorily supply financing to the Swedish export industry, the company is to constitute a tool whereby the government can take separate measures to ensure that such financing can be provided, like they did in 2009 to ensure financing to the export industry.
- This procedure is used again in the COVID-19 crisis, demonstrated by an increased borrowing facility with the Swedish National Debt Office to Skr 200 billion from previous Skr 125 billion that in addition to state-supported export credits also can be used for commercial lending.



Senior non-preferred bonds will carry a yield pickup compared to senior unsecured bonds

Contact

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SEK