MOODY'S INVESTORS SERVICE

CREDIT OPINION
30 August 2021

Update

Rate this Research

RATINGS

**Swedish Export Credit Corporation**

| | |
|---|---|
| Domicile | Sweden |
| Long Term CRR | Aa1 |
| Type | LT Counterparty Risk Rating - Fgn Curr |
| Outlook | Not Assigned |
| Long Term Debt | Aa1 |
| Type | Senior Unsecured - Fgn Curr |
| Outlook | Stable |
| Long Term Deposit | Not Assigned |

*Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.*


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# Swedish Export Credit Corporation

Update to credit analysis

## Summary

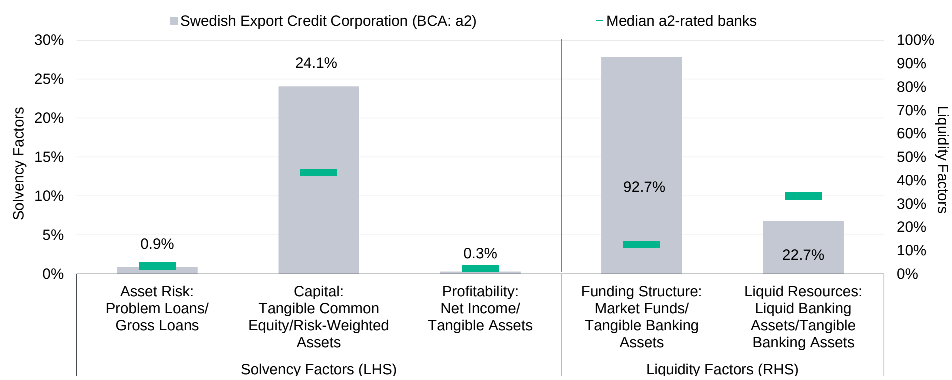

We consider Swedish Export Credit Corporation (SEK) to be a government related entity as it is fully owned by the Government of Sweden (Aaa, stable) and has a public policy mandate to support the Swedish export industry.

SEK's a2 Baseline Credit Assessment (BCA) is supported by its public policy mandate to act as Sweden's export credit agency, strong asset quality and robust capital, balanced against its moderate profitability and high reliance on market funding.

SEK's long-term senior unsecured ratings of Aa1, with a stable outlook, benefit from a two-notch uplift from its a2 BCA based on our Advanced Loss Given Failure (LGF) analysis, given the sizeable buffer of loss-absorbing liabilities. Following the owner's additional commitment to SEK during the coronavirus outbreak, we assess government support to be very high for all debt classes. This results into a two notches additional uplift to SEK's senior unsecured ratings.


Exhibit 1

**Rating Scorecard — Key financial ratios**




These represent our Banks methodology scorecard ratios, whereby asset risk and profitability reflect the weaker of either the three-year average or the latest annual figure. The capital ratio is the latest reported figure. Funding structure and liquid resource ratios reflect the latest fiscal year-end figures.
*Source: Moody's Investors Service*

## Credit strengths

» A government owned entity with a public policy mandate to support the Swedish export industry

» Strong asset quality, benefiting from guarantees and insurance

» Robust capital

## Credit challenges

» Moderate profitability

» High reliance on wholesale funding, although largely match-funded

## Outlook

The outlook on SEK's senior unsecured debt ratings is stable, reflecting our expectation that the export credit agency's public policy role will be maintained along with an unchanged willingness to support from Swedish government.

## Factors that could lead to an upgrade

» Increased support from the Government of Sweden in the form of a direct and unconditional guarantee could result in upward rating pressure.

## Factors that could lead to a downgrade

» Significant downward pressure on SEK's BCA triggered by a dilution of its policy mandate to act as Sweden's export credit agency, or a lowering of Moody's assessment of likely government support could potentially put downward pressure on the ratings.

## Key indicators

Exhibit 2

**Swedish Export Credit Corporation (Consolidated Financials) [1]**

| | 06-21[2] | 12-20[2] | 12-19[2] | 12-18[2] | 12-17[2] | CAGR/Avg.[3] |
|---|---|---|---|---|---|---|
| Total Assets (SEK Million) | 313,566.9 | 310,371.0 | 295,274.0 | 280,367.0 | 247,864.0 | 6.9[4] |
| Total Assets (USD Million) | 36,665.3 | 37,792.3 | 31,542.8 | 31,623.3 | 30,273.5 | 5.6[4] |
| Tangible Common Equity (SEK Million) | 20,364.0 | 20,050.0 | 19,124.0 | 18,307.0 | 17,924.8 | 3.7[4] |
| Tangible Common Equity (USD Million) | 2,381.2 | 2,441.4 | 2,042.9 | 2,064.9 | 2,189.3 | 2.4[4] |
| Problem Loans / Gross Loans (%) | 0.9 | 0.7 | 0.6 | 0.7 | 0.3 | 0.6[5] |
| Tangible Common Equity / Risk Weighted Assets (%) | 24.1 | 22.5 | 21.6 | 21.0 | 21.4 | 22.1[6] |
| Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%) | 9.0 | 7.3 | 6.8 | 7.7 | 2.8 | 6.7[5] |
| Net Interest Margin (%) | 0.6 | 0.6 | 0.6 | 0.5 | 0.6 | 0.6[5] |
| PPI / Average RWA (%) | 1.4 | 1.5 | 1.5 | 1.0 | 1.4 | 1.3[6] |
| Net Income / Tangible Assets (%) | 0.3 | 0.3 | 0.4 | 0.2 | 0.4 | 0.3[5] |
| Cost / Income Ratio (%) | 35.1 | 29.9 | 31.1 | 41.1 | 34.1 | 34.3[5] |
| Market Funds / Tangible Banking Assets (%) | 92.7 | 92.7 | 91.8 | 92.0 | 90.5 | 92.0[5] |
| Liquid Banking Assets / Tangible Banking Assets (%) | 28.1 | 22.7 | 25.3 | 26.5 | 24.0 | 25.3[5] |

[-] Further to the publication of our revised methodology in July 2021, for issuers that have "high trigger" additional Tier 1 instruments outstanding, not all ratios included in this report reflect the change in treatment of these instruments. [1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

*Sources: Moody's Investors Service and company filings*

## Profile

Swedish Export Credit Corporation (SEK) is a credit institution that provides long-term financial solutions to the Swedish export sector. As of 30 June 2021, SEK reported total consolidated assets of SEK319.8 billion (€31.5 billion).

SEK has a public policy mandate from the Swedish government to support the Swedish export industry. The institution delivers on this mandate by lending to Swedish companies that export their products and services. In addition, it lends to foreign buyers of Swedish exports (end-customer financing), supporting Swedish companies and the economy.

SEK was established in 1962, under the joint ownership of the state and Swedish commercial banks, with a mandate of providing long-term credit solutions to Swedish exporters and their customers. SEK is wholly owned by the Swedish government managed through the Ministry of Enterprise and Innovation.

For more information, please see Swedish Export Credit Corporation's Issuer Profile — Key Facts and Statistics — Q1 March 2020, published on 18 June 2020.

## Recent developments

Disparities in controlling the COVID-19 pandemic and in levels of policy support are resulting in an asynchronous global economic recovery. Although we expect significantly stronger global economic activity this year than last year, the recovery is multispeed and diverging across and within advanced and emerging market countries.

Our outlook for the Swedish banking system remains stable. We expect the operating environment in Sweden to remain weak in 2021, following the pandemic-induced disruption in 2020. Although support measures by authorities designed to counterbalance the slowdown have mitigated the immediate economic and financial restrictions, we expect a rise in business closures and unemployment, as some measures come to an end. We expect asset quality to decline in 2021, although from a strong starting point and despite the likely recovery in economic growth.

## Detailed credit considerations

### A government owned entity with a public policy mandate to support the Swedish export industry

SEK is a wholly owned agency by the Swedish government with the mission to support the country's export industry by providing both Swedish exporters and their foreign customers with corporate and export lending, structured financing, project financing, trade financing and leasing solutions. SEK does not take deposits and funds these loans by actively borrowing in the global wholesale markets.

SEK has a public policy mandate as it manages the export credit system on behalf of the government — and in line with the Organisation for Economic Co-Operation and Development's (OECD) rules on state support — and collaborates extensively with Exportkreditnamnden, a Swedish government agency that guaranteed around 39% of SEK's lending as of year-end 2020.

The Swedish government has generally supported its fully owned companies in the past, and SEK in particular. During the global financial crisis, SEK received a capital injection of SEK5.4 billion and a credit facility at the Swedish National Debt Office (SNDO), and during the pandemic in spring 2020, the credit facility at the SNDO was increased to SEK200 billion (see liquidity section). 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.

As a company established with an explicit public policy mandate, SEK benefits from an entrenched franchise in a niche market. These conditions provide stability to all aspects of SEK's operations, and results in a low risk profile. This feature is reflected in a qualitative positive adjustment of one notch for Business Diversification in our scorecard.

### SEK's BCA is supported by Sweden's sound operating environment

We assess that SEK's Macro Profile reflects the average Macro Profile of the countries in which the institution has its net exposures (after taking guarantees and credit derivatives into consideration). SEK's combined Strong+ Macro Profile is in line with that of Sweden (see Sweden's Macro Profile: Strong+, published on 19 November 2020), where the institution had around 76% of its net exposures at the end of June 2021. The remaining exposures are mostly towards other European countries for which the combined Macro Profile is Strong.

### Good asset quality, benefiting from guarantees and insurance despite the difficult economic environment

SEK's problem loan ratio has been consistently low, which reflects the credit institution's good asset quality, underwriting standards and guarantees. The ratio weakened to 0.88% as of end June 2021, up from 0.67% as of year-end 2020. Management also added an overlay to loan loss provisions in the second quarter of 2021 as the IFRS9 model was assessed to underestimate the probability of default.

Demand for lending normalised during the first half of 2021, compared to the sharp increase in the first half of 2020, and SEK's outstanding loans decreased by 4% to SEK222 billion as of end-June 2021 (compared to SEK232 billion as of year-end 2020), of which 48% were to exporters and 52% to end-customers. 28% of the new lending originated during the first half of 2021 was provided to Swedish exporters, while 72% was granted directly to end-customers.

SEK underwrites loans at prevailing fixed or floating market interest rates (67% of its book as of end June 2021), as well as loans under the State Support System (the S-system, a state-support credit system, including CIRR, which accounts for the remaining 33% of the book), which is administered on behalf of the state in return for a fixed compensation. As of end June 2021, 24% of SEK's net credit exposure was outside Sweden, including relatively small exposures in weaker countries such as Italy, Spain and Portugal.

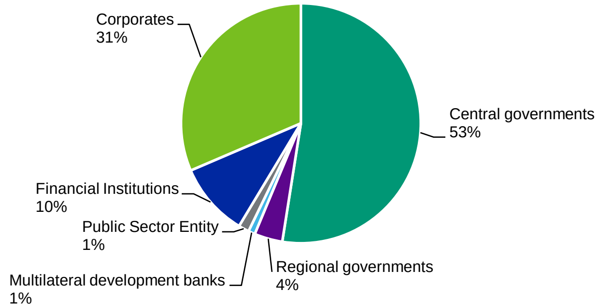
Because of the nature of its lending, SEK has significant single name concentration, also after taking the guarantees into account.

SEK uses various mechanisms to mitigate credit risk under its operations: most importantly, the agency transfers a sizeable part of its private-sector credit risk by collaborating with export credit agencies. This results in a high exposure to governments, which consequently represented 53% of SEK's net exposure as of end June 2021 (see Exhibit 3). Additionally, SEK uses credit default swaps (CDS) to mitigate credit risk. This effectively transfers credit risk to the CDS counterparties whose creditworthiness could deteriorate. To minimise this credit counterparty risk, SEK has signed Internal Swaps and Derivatives Association (ISDA) agreements and credit support annexes with all counterparties with whom it enters into derivatives contracts. In addition, SEK is working with private insurance companies to mitigate credit risk.

Exhibit 3

**SEK's net exposures as of end June 2021**

**A significant proportion of SEK's net exposures is to central and regional governments**




*Source: Company reports*

Our assigned a1 Asset Risk score reflects SEK's low problem loan ratio and its guarantees, as well as its high single name concentration.

### Strong capital with significant headroom

Our assigned Capital score of aa2 reflects SEK's strong capital position. Large volumes of capital above regulatory limits enable the bank to increase its balance sheet considerably. Considering the agency's role as a promoter of Swedish exports, we would expect its balance sheet to grow during the current crisis, ensuring that Swedish exporters have continued access to credit.

SEK reported Common Equity Tier 1 (CET1) capital and total capital ratios of 23.3% as of end June 2021, higher than 21.8% as of year-end 2020, because of retained earnings. The CET1 and total capital ratio requirements as of end June 2021 were 9.8% and 15.3%, respectively, leading to a solid headroom of 13.5 percentage points for the CET1 ratio and 8.0 percentage points for the total capital ratio. SEK's capital target is to exceed the CET1 requirement by four percentage points and the total capital requirement by two to four percentage points. We expect that SEK's capital ratios will decline a couple of percentage points because of volume growth over the short- to medium-term.

SEK's tangible common equity to risk-weighted assets ratio increased to 24.1% as of end June 2021 (22.5% as of year-end 2020). SEK's dividend policy changed to a 20-40% ordinary payment of its annual profit from 30% the previous year. Although the dividend for 2019 was canceled in accordance with the supervisor's guidance because of the pandemic, the bank distributed a dividend of 30% for 2020 amounting to SEK290 million during the first quarter of 2021.

SEK reported a 9.3% Tier 1 leverage ratio as of end June 2021, equivalent to Moody's-adjusted tangible common equity/tangible assets of 6.5% as of the same date.

### Lower profitability despite increased lending volumes

SEK reported an operating profit of SEK603 million for the first half of 2021, up from SEK290 million in the year-earlier period. The increase was driven by higher net interest income, a significant decrease in the provision for expected credit losses and lower unrealised losses due to changes in market values. As a result, the reported return on equity (ROE) improved to 4.8% for the first half of 2021, up from 2.3% the year earlier period. SEK targets a long-term above 5% ROE.

Net interest income (NII) was SEK953 million for the first half of 2021, a 9% increase year-on-year. Lower borrowing cost offset lower returns from liquid assets, which bore near zero interest rates, and was supported by higher lending volumes in 2020.

During the first half of 2021 SEK took loan loss reversals of SEK1 million, supported by the improving operating environment. Loan loss provisions for stage 3, which amounted to SEK57 million, were offset by reversals for stages 1 and 2.

Although net results of financial transactions improved, the bank reported losses of SEK8 million in the first half of 2021 (SEK91 million losses in H12020), because of unrealised value changes in derivatives and early loan redemptions.

SEK's Moody's adjusted cost-to-income ratio was 35.1% for the first half of 2021, up from 29.9% for the full year of 2020. Operating expenses increased to SEK326 million for the first half of 2021, compared to SEK301 million for the same period one year earlier, mainly related to increased costs for regulatory compliance.

Our assigned ba2 Profitability score captures SEK's stable — driven by its mandate and stable business model — although moderate, profitability.

### Fully reliant on market funding but with strong name recognition

SEK's assigned funding score of baa2 reflects SEK's full reliance on wholesale funding markets, although refinancing risks are mitigated by its broadly matched funding, funding diversification, strong name recognition and market access along with a large liquidity portfolio. SEK's risk appetite ensures a diversified funding profile to fund all credit commitments through maturity, and sizeable liquidity to be able to support new lending even during times of financial stress.

As of end June 2021, SEK reported outstanding debt (including borrowing from credit institutions) of SEK281 billion or 90% of its balance sheet. This reliance on confidence-sensitive funding is slightly mitigated by funding diversification (virtually all long-term funding is issued in foreign currencies, with about 74% in US dollars and 10% in Japanese yen as of year-end 2020) and a strong track record of market access. Refinancing risks are limited as assets and liabilities are matched both by maturity and in terms of currencies, directly or through the use of derivatives.

Although SEK is a registered credit institution, formally subject to the EU's Bank Recovery and Resolution Directive (BRRD), Moody's expects 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.

SEK is considered a systemically important financial institution by the SNDO and, therefore, needs to fulfill the recapitalisation amount of the minimum requirement of own funds and eligible liabilities (MREL) with subordination requirements fulfilled by 1 January 2024. The current MREL requirement would imply a senior non-preferred issuance needs of around SEK12 billion. However, the SNDO's proposal from 2 July suggest that the Swedish implementation of the updated EU Bank Resolution and Recovery Directive (BRRD2) may reduce SEK's senior non-preferred issuance volumes.

### SEK holds a large liquidity portfolio

SEK reported liquidity investments of SEK66.7 billion as of end June 2021, compared to SEK59.2 billion at year-end 2020. The lender reported an LCR of 637% as of end June 2021, up from 604% at year-end 2020. SEK's LCR tend to show important fluctuations during the year because of variations in funding maturities.

Whereas SEK does not have direct access to the Riksbank, SEK benefits from a SEK200 billion credit facility with the SNDO, which SEK can use to finance the state-supported export financing system, the Commercial Interest Rate Reference (CIRR) System. The CIRR system allows exporters' clients to obtaining financing at fixed interest rates and are governed by the OECD's Arrangement on Officially Supported Export Credits. The credit facility was increased to SEK200 billion from SEK125 billion during the first quarter of 2020. As of end-June 2021 SEK10 billion was utilised.

Our baa1 Liquidity score reflects SEK's large liquidity portfolio.

## Environmental, social and governance considerations

In line with our general view for the banking sector, SEK has a low exposure to environmental risks and a moderate exposure to social risks. Furthermore, as a government-owned entity, SEK has strict guidance relating to environmental issues, for example, it does not permit lending to coal-fired power generators. SEK's policy is to refrain from participating in transactions for which the environmental impact is deemed unacceptable and inconsistent with international guidelines. See our environmental and social risk heat maps for further information.

Within their current mandate to support the export industry SEK will also contribute to the transition to a more sustainable world, in particular to restart the economy and to reach the Swedish climate goals outlined in the Paris Agreement. SEK has experience of financing renewable energy and sustainable infrastructure internationally, and has identified four priority areas in need of transition including transportation, energy, shipping and smart cities.

The most relevant social risks for banks arise from the way they interact with their customers. Social risks are particularly high in the area of data security and customer privacy, which are mitigated by sizeable technology investments and banks' long track record of handling sensitive client data. Fines and reputational damage because of product mis-selling or other types of misconduct are a further social risk. SEK conducts separate sustainability reviews for project-related financing in line with OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence based on the sustainability standards of the International Finance Corporation as well as the Equator Principles. Other social risks in terms of customer relations or change in consumer preferences, which are generally relevant for the banking industry, are less important for SEK, given that the bank does not engage in retail activities. We also regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. Overall, we believe banks, including SEK, face moderate social risks.

Governance is highly relevant for SEK, as it is for all participants in the banking industry. Corporate governance weaknesses can lead to a deterioration in a company's credit quality, while governance strengths can benefit its credit profile. Governance risks are largely internal rather than externally driven. Although we do not have any particular concern around SEK's corporate governance, which is regulated by law and influenced by its public ownership structure, it remains a key credit consideration and requires ongoing monitoring.

## Source of facts and figures cited in this report

Unless noted otherwise, the bank-specific figures originate from bank's reports and Moody's Banking Financial Metrics. All figures are based on our own chart of accounts and may be adjusted for analytical purposes. Please refer to the document Financial Statement Adjustments in the Analysis of Financial Institutions, published on 9 August 2018.

## Support and structural considerations

### Loss Given Failure (LGF) analysis

We apply our Advanced LGF analysis for SEK as the institution — as a registered credit institution — is subject to the EU BRRD, which we consider an Operational Resolution Regime. For this analysis, we assume that equity and losses stand at 3% and 8%, respectively, of tangible banking assets in a failure scenario.

Our Advanced LGF analysis indicates a very low Loss Given Failure for senior unsecured creditors, resulting in a two-notch uplift of the relevant ratings, from the bank's a2 Adjusted BCA. SEK's junior senior and subordinated (P) ratings are positioned one LGF notch below the bank's Adjusted BCA as per our LGF analysis.

### Government support considerations

Moody's assesses government support to be very high for all SEK's debt classes. This is based on the 100% ownership by the Swedish government, its public policy mandate to support the country's export industry (including managing the CIRR system) along with the owner's demonstrated support in terms of capital injections and credit facilities in the past.

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 and subordinated debt classes, which results in a two notches uplift to SEK's senior unsecured obligations, resulting in Aa1 ratings, a four notches uplift to the (P) junior senior, resulting in (P)Aa2 ratings and a three notches uplift to the subordinated ratings, resulting in (P)Aa3 ratings. The rating differential to junior senior unsecured ratings reflects the structural subordination of the subordinated debt class, as well as the small residual risk that the holders' capital instruments might be treated differently in the case of stress.

### Counterparty Risk Ratings (CRRs)

**The CRRs of SEK are Aa1/Prime-1**

SEK's CRRs are three notches above its Adjusted BCA of a2, reflecting extremely low Loss Given Failure from the high volume of instruments that are subordinated to CRR liabilities. In addition, a very high probability of government support results in a further one notch uplift.

### Counterparty Risk (CR) Assessment

**The CR Assessment of SEK is Aa1(cr)/Prime-1(cr)**

The CR Assessment is three notches above the a2 BCA, based on the buffer against default provided by senior unsecured and subordinated debt, along with one notch of government support.

## Methodology and scorecard

### About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

## Rating methodology and scorecard factors

Exhibit 4

**Swedish Export Credit Corporation**

| Macro Factors | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Weighted Macro Profile** | **Strong +** | **100%** | | | | | |

| Factor | Historic Ratio | Initial Score | Expected Trend | Assigned Score | Key driver #1 | Key driver #2 |
|---|---|---|---|---|---|---|
| Solvency | | | | | | |
| Asset Risk | | | | | | |
| Problem Loans / Gross Loans | 0.9% | aa2 | ↔ | a1 | Quality of assets | Single name concentration |
| Capital | | | | | | |
| Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in) | 24.1% | aa1 | ↔ | aa2 | Expected trend | |
| Profitability | | | | | | |
| Net Income / Tangible Assets | 0.3% | ba2 | ↔ | ba2 | Earnings quality | |
| Combined Solvency Score | | a1 | | a2 | | |
| Liquidity | | | | | | |
| Funding Structure | | | | | | |
| Market Funds / Tangible Banking Assets | 92.7% | caa3 | ↔ | baa2 | Term structure | Market funding quality |
| Liquid Resources | | | | | | |
| Liquid Banking Assets / Tangible Banking Assets | 22.7% | baa1 | ↔ | baa1 | Stock of liquid assets | |
| Combined Liquidity Score | | b1 | | baa2 | | |
| Financial Profile | | | | a3 | | |
| Qualitative Adjustments | | | | Adjustment | | |
| Business Diversification | | | | 1 | | |
| Opacity and Complexity | | | | 0 | | |
| Corporate Behavior | | | | 0 | | |
| Total Qualitative Adjustments | | | | 1 | | |
| Sovereign or Affiliate constraint | | | | Aaa | | |
| BCA Scorecard-indicated Outcome - Range | | | | a1 - a3 | | |
| Assigned BCA | | | | a2 | | |
| Affiliate Support notching | | | | 0 | | |
| Adjusted BCA | | | | a2 | | |

| Balance Sheet | in-scope (SEK Million) | % in-scope | at-failure (SEK Million) | % at-failure |
|---|---|---|---|---|
| Other liabilities | 35,827 | 11.4% | 35,827 | 11.4% |
| Senior unsecured bank debt | 268,333 | 85.6% | 268,333 | 85.6% |
| Equity | 9,407 | 3.0% | 9,407 | 3.0% |
| Total Tangible Banking Assets | 313,567 | 100.0% | 313,567 | 100.0% |

| Debt Class | De Jure waterfall | | De Facto waterfall | | Notching | | LGF Notching Guidance vs. Adjusted BCA | Assigned LGF notching | Additional Notching | Preliminary Rating Assessment |
|---|---|---|---|---|---|---|---|---|---|---|
| | Instrument volume + subordination | Sub-ordination | Instrument volume + subordination | Sub-ordination | De Jure | De Facto | | | | |
| Counterparty Risk Rating | 88.6% | 88.6% | 88.6% | 88.6% | 3 | 3 | 3 | 3 | 0 | aa2 |
| Counterparty Risk Assessment | 88.6% | 88.6% | 88.6% | 88.6% | 3 | 3 | 3 | 3 | 0 | aa2 (cr) |
| Senior unsecured bank debt | 88.6% | 3.0% | 88.6% | 3.0% | 2 | 2 | 2 | 2 | 0 | aa3 |
| Junior senior unsecured bank debt | 3.0% | 3.0% | 3.0% | 3.0% | -1 | -1 | -1 | -1 | 0 | a3 |
| Dated subordinated bank debt | 3.0% | 3.0% | 3.0% | 3.0% | -1 | -1 | -1 | -1 | 0 | a3 |

| Instrument Class | Loss Given Failure notching | Additional notching | Preliminary Rating Assessment | Government Support notching | Local Currency Rating | Foreign Currency Rating |
|---|---|---|---|---|---|---|
| Counterparty Risk Rating | 3 | 0 | aa2 | 1 | Aa1 | Aa1 |
| Counterparty Risk Assessment | 3 | 0 | aa2 (cr) | 1 | Aa1(cr) | |
| Senior unsecured bank debt | 2 | 0 | aa3 | 2 | Aa1 | Aa1 |
| Junior senior unsecured bank debt | -1 | 0 | a3 | 4 | (P)Aa2 | (P)Aa2 |
| Dated subordinated bank debt | -1 | 0 | a3 | 3 | (P)Aa3 | (P)Aa3 |

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
*Source: Moody's Investors Service*

## Ratings

Exhibit 5

| Category | Moody's Rating |
|---|---|
| **SWEDISH EXPORT CREDIT CORPORATION** | |
| Outlook | Stable |
| Counterparty Risk Rating | Aa1/P-1 |
| Baseline Credit Assessment | a2 |
| Adjusted Baseline Credit Assessment | a2 |
| Counterparty Risk Assessment | Aa1(cr)/P-1(cr) |
| Issuer Rating | Aa1 |
| Senior Unsecured | Aa1 |
| Junior Senior Unsecured MTN | (P)Aa2 |
| Subordinate MTN | (P)Aa3 |
| Commercial Paper | P-1 |
| Other Short Term | (P)P-1 |

*Source: Moody's Investors Service*

REPORT NUMBER 1298421

## CLIENT SERVICES


| | |
|---|---|
| Americas | 1-212-553-1653 |
| Asia Pacific | 852-3551-3077 |
| Japan | 81-3-5408-4100 |
| EMEA | 44-20-7772-5454 |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