SEK

Swedish Export Credit Corporation

Annual and Sustainability Report 2021

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

Contents

How to read SEK's Annual Report

AB Svensk Exportkredit's (SEK's) Annual and Sustainability Report 2021 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 8-134. The Report of the Directors can be found on pages 8-51. 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 2022. Images: Jan Danielsson, Shutterstock, Unsplash and SEK.

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 - to increase production, employ more staff and sell products and services to clients across the world. With lending in some 60 countries, SEK provides companies with competitive advantages when conducting international business by granting access to an entire ecosystem of banks, companies and business partners across the world.

Sustainability is central to operations, and therefore it is a natural step to finance industry's transition to a fossil-free society; a development that also creates new export opportunities. A successful Swedish export industry is one of Sweden's important contributions to the global climate transition.

Financing from SEK assists corporates with maintaining competitiveness while they transition operations to reduce their climate impact. SEK fulfills a well-defined function in companies' total loan portfolios. The company specializes in international export financing with the primary 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 contribute to jobs and growth in Sweden.

Long-term sustainability targets

2045

Net zero carbon dioxide emissions in the balance sheet

2030

50 percent green lending portfolio

The year in brief

Client activity was high throughout the year and resulted in high lending volumes and many new clients. Sweden's export industry posted strong growth despite the continued impact of the pandemic.

77
billion Skr in new lending

291
billion Skr in the total lending portfolio

1,305
million Skr in operating profit

Return
5,1%
on equity

Rating
Standard & Poor's
AA+
Moody's
Aa1

Net interest income
1,907
million Skr

SEK has dedicated employees
Empowerment

77

Empowerment measures motivation, authority and competence.

60

SEK had lending in about 60 countries during 2021.

Competence

98%

of our clients find our staff both competent and knowledgeable.

New premises
In November, SEK moved to new premises at Fleminggatan 20 in Stockholm. The office, which is adapted to modern, flexible ways of working, is on two floors with great views, numerous meeting rooms, social spaces and a welcoming reception.

The Sustainability Survey
Findings from the Swedish Export Credit Corporation's Sustainability Survey show that just under half, 47 percent, of Swedish exporters consistently set sustainability requirements for their customers and suppliers in an export transaction. This is a reduction compared with in the spring when the corresponding figure was 54 percent.

SEK joins Nasdaq Sustainable Bond Network
SEK works together with Nasdaq to make SEK's green bonds available to more investors. Nasdaq's website has a platform, whereby issuers can share information about their bonds with investors.

Export Credit Survey December 2021

Swedish exporters expect the strong economy to continue and are highly optimistic looking forward.

SEK opens office in Malmö
SEK is opening an office in Malmö with the aim of strengthening the international competitiveness of companies in Skåne, in Sweden's south.

Statement by the CEO

Increased focus on sustainable finance

The pandemic together with the major need for investment entailed by the transition to a fossil-free world have shown that SEK's role as a societal actor is today more relevant than ever. The trend over the past year has been a clear increase in demand for financing Swedish and international transition projects with concurrent growth in interest in sustainable finance.

It is with great pleasure that I comment for the first time on SEK's activities in the Annual Report. I took over as CEO on July 16, 2021, and the more I learn about the company, the prouder I am to lead the organization. SEK stands on strong foundations and we will continue building on our established path, with focus on becoming a driving force in the transition and on more Swedish exporters and their customers benefiting from our offerings. Put simply, we will create more value for more people.

The world economy was hard hit by the pandemic in 2020, but the export industry made a relatively quick recovery and Sweden's GDP has recovered to the levels predicted before the crisis. Despite the spread of infection's negative impact on global trade, the World Bank's January 2022 projection forecast global growth of 5.5 percent in 2021.

High demand for transition finance

Over the year, SEK lent Skr 77.0 billion to Swedish exporters and their customers around the world, as compared with lending for 2020 of Skr 125.5 billion when demand for finance was record high. The previous year's high lending volume underlines the benefit generated by SEK in being able to provide the Swedish export industry with finance – even in times of economic turbulence. Since provisions for expected credit losses are lower than last year, we posted a higher net profit for the full year, Skr 1,034 million compared with Skr 968 million last year.

Following limited demand for credits during the first half of the year, lending increased over the last six months. Many exporters have a goal of being climate neutral and are investing in a sustainable green transition. SEK has noted increased demand for financing major transition projects in Sweden and internationally, in particular, within energy, infrastructure, healthcare and water treatment.

Projects that SEK has been part of financing include Björnberget, one of Europe's largest onshore wind farms, in Ånge municipality, and Dogger Bank, the world's largest offshore wind farm, which is located off the east coast of the UK. We have also financed hospitals in Ghana and a railway in Turkey, where several Swedish companies are involved and are supplying products and expertise. SEK's financing of international projects creates new business and export opportunities for Swedish companies.

Global demand for sustainable solutions is very large, and many sectors have a substantial need for investment. This benefits Sweden's export industry, which is world leading in terms of innovative and climate-smart solutions. The main beneficiary is the climate, since we are convinced that a successful Swedish export industry comprises the most decisive contribution Sweden can make to the global climate transition.

The potential of the international export finance system to contribute to the climate transition should be utilized to a greater extent. SEK has intensified work with sustainability topics with the aim of being a strong driver for the export industry's transition. Among other initiatives, we have decided to form a new function, Sustainability, to coordinate sustainability topics, from client contact to the projects we finance. During the year, we prepared two new offerings in sustainable finance – social loans and sustainability-linked loans.

"Sustainable finance will become an equally natural part of SEK's brand as international financing is today."

We have also established a scientific climate council in partnership with the Swedish Export Credit Agency (EKN) to guide our work and ensure the Swedish export finance system is aligned with the 1.5°C target of the Paris Agreement. International guidelines, primarily the UN Global Compact and the global Sustainable Development Goals, show the way forward for our sustainability efforts. The above activities comprise a few of the steps toward the goal of sustainable finance becoming an equally natural part of SEK's brand as international financing is today. Read more about sustainable finance and SEK's targets and strategies for climate transition on page 22.

Structured sales activities for accelerated growth

Despite the effects of the pandemic with limited opportunities for face-to-face meetings with clients, client numbers rose 11 percent. Client growth looks set to continue its positive trend and our ambition is to increase our relevance for Swedish exporters and their international customers. We are opening an office in Malmö in the spring. Skåne is a strong export region with a favorable geographical location in the Öresund region. We want to be local for our existing clients and concurrently broaden our client base and partner with more clients.

Clients want more proactivity, greater ongoing contact and clearer information about SEK's offering. Therefore, we

are also continuing to develop our structured sales activities approach to achieve growth both in the client and in the lending portfolios.

SR Energy became one of SEK's new customers during the year, for which we provided finance to support the company's investments in existing and new wind turbines. Swedish industry is facing a historic situation where existing fossil fuels are being replaced in parallel with society consuming increasing amounts of electricity. Wind power is the fastest-growing form of energy in Sweden and SEK can support the transition to green energy. Read more about SR Energy's operations in the interview with the company's CEO Peter Zachrisson, on page 25.

Net zero emissions by 2045

The Swedish export credit system was among the first in the world to halt export financing for coal mining and transportation. Now we are continuing to lead the way. In accordance with the government's export and investment strategy, SEK will cease export financing for the extraction and exploration of fossil fuels by the year 2022. We will continue to report climate-related risks and opportunities in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Moreover, we will further increase the transparency of the Swedish export credit system as far as possible with due consideration to the bank confidentiality legislation.

In 2021, SEK's Board of Directors adopted a number of climate targets for the operations, which entail that SEK's balance sheet must achieve net zero emissions by 2045, and the proportion of green loans will increase to 50 percent by 2030.

SEK's mission comes to the forefront in a crisis

At SEK, we are very proud of our mission, to ensure access to financial solutions for Swedish exporters on commercial and sustainable terms. For 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. Behind the success are committed and competent employees. SEK shall be a workplace where employees thrive and want to perform. We continuously strive to build a culture, characterized by trust and responsibility with a strong focus on results.

The pandemic has exemplified one of SEK's most important assignments, namely, to act as a tool for the government by providing the Swedish export industry with financing during turbulent periods in the market. At the same time, we have been able to maintain a strong financial position. Our capitalization exceeds the requirements of Finansinspektionen (the Swedish FSA) as well as the company's capital target, and we have continually maintained high liquidity while retaining a maturity-funded balance sheet.

Stockholm 21 February 2022

Magnus Montan
CEO

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 fulfill SEK's mission.

The resources SEK uses

Financial capital
Equity **Skr 20.8 bn**
Borrowing in the capital market
Skr 295.0 bn
Green borrowing **2%**

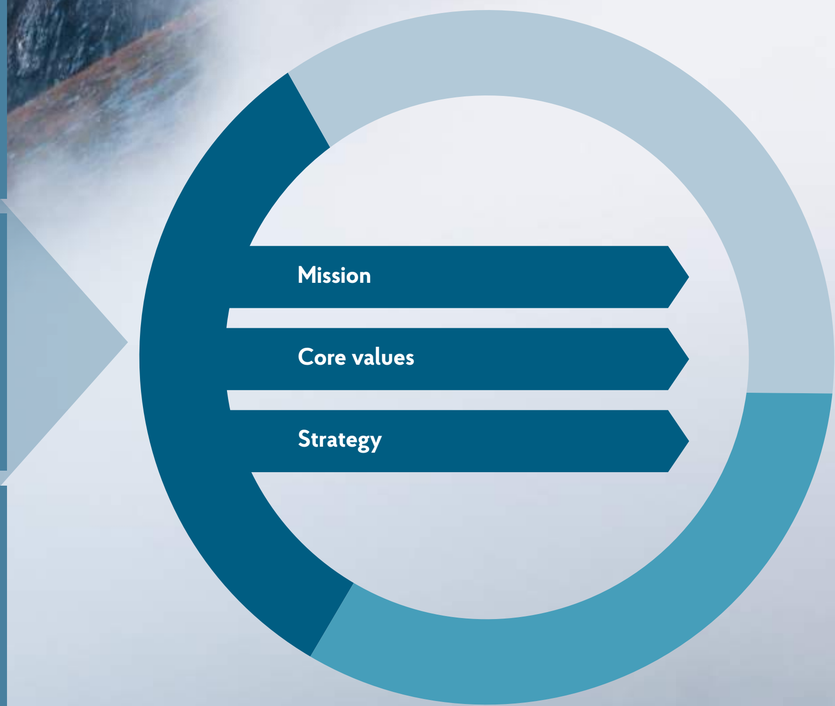
Human capital
Employees **264**
Consultants **73**

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 CO_2e **27**
Business travel
emissions tons CO_2e **45**
Carbon offsetting tons CO_2e **129**

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 113 bn**
– exporters' customers **Skr 178 bn**
Satisfied clients **92%**
Value added by export credits **80%**

Employees

Women/men in management positions **45/55%**
Empowerment **77**
Attractive employer **84**

Society

Indirect contribution to Sweden's GDP **Skr 52 bn**
Indirect contribution to number of job opportunities **65,000**
CIRR loans outstanding **Skr 87.9 bn**
Resolution fee **Skr 88 mn**
Income tax paid **Skr 263 mn**

Lending

Green lending **Skr 18.0 bn**
Sustainability-linked lending **Skr 1.5 bn**
Fossil-fuel related lending **Skr 1.6 bn**
Other lending **Skr 216.1 bn**

Owner

Proposed dividend **Skr 414 mn**
Return on equity was **5.1%**

Business environment factors that impact operations

The global economy is on the road to recovery following the COVID-19 pandemic. Even if macro figures continue to have an impact, other factors such as the threat of a trade war, malfunctioning global supply chains, geopolitical risks and the climate are having an increasing impact on the development of the global economy.

Transition to a sustainable world

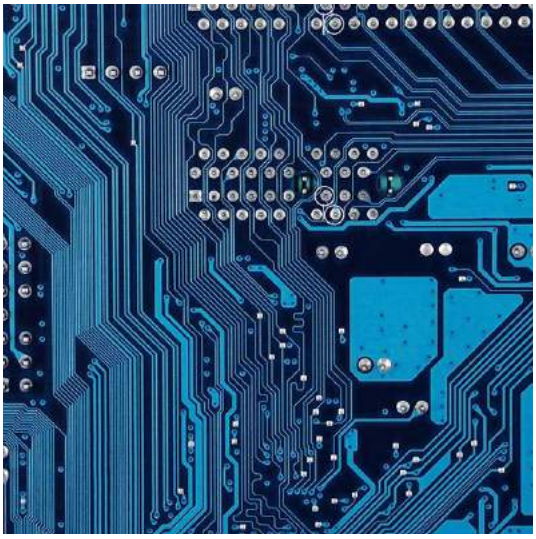
Even if the transition to a sustainable world was already strong prior to the pandemic, the pandemic has further accentuated its development. Investments are being made in the development of new technology, sustainable infrastructure and sustainable energy solutions. Throughout the world, work is in progress to adjust to a sustainable future based on the UN's 17 Sustainable Development Goals (SDGs). A green technology shift is creating opportunities for Sweden to export environmental technology and expertise for such areas as sustainable urban development.

Regional value chains

The impact that disruptions in global value chains has on the global economy and individual companies' production has been underscored during the pandemic. In the wake of the pandemic, many companies are noting a considerable need to create more local and regional supply chains. The new industrial landscape is likely to rely more heavily on local and regional collaboration. This change is likely to take place across a long period of time and goes hand in hand with ambitions concerning sustainable industrial investments, which can contribute to increased long-term competitiveness.

Low interest-rate environment and public stimulus packages

Large sections of the world have been dominated by low policy rates and market interest rates together with large public fiscal stimuli. Clear signs point to rising inflation, partly as a result of insufficient delivery capacity in harbors and for trucks, with a potential gradual system shift away from the low interest-rate environment and major public stimuli. Global economic sensitivity against significant interest-rate makes a gradual adaptation of interest rates a likely scenario.



Digitalization

Digital development is rapid, largely thanks to the pandemic and the increased need for technical and digital aids.

SEK's internal processes are still in many cases based on manual or analogue processes. Efficient client-driven processes are to permeate the company, and increased requirements for information about customers and transactions, in particular in the field of sustainability, are further driving the need for digitalization. For SEK, digitalization also impacts the transition to a more flexible work approach, where digital technology goes some way to support the opportunity of working remotely.

Regulations

The next few years will see the introduction of the EU Taxonomy (covering criteria for the classification of green lending), regulatory information under Pillar 3 concerning ESG risks in the lending portfolio, comprehensive requirements for sustainability reporting, requirements in the framework of risk management of ESG-related risks as well as increased supervision and likely also capital requirements under Pillar 2 for ESG-related risks.

In addition, a considerable amount of the company's processes are being adapted – such as risk measurement, risk management, etc. – in light of the transition to IBOR-based interest rates. Together with the EU's Banking Reform Package, these will have a broad impact on SEK's operations.

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 is 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.

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 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 13.

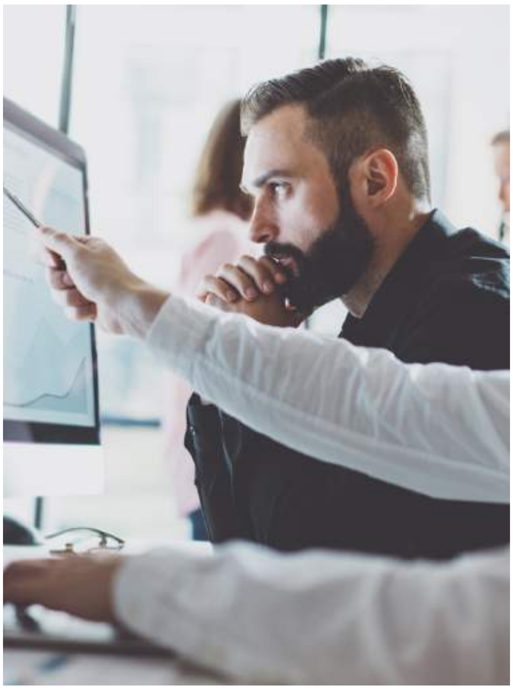
Lending on sustainable terms

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

The most material sustainability topics in conjunction with lending are anti-corruption, environmental and climate impact, labor conditions and human rights. Read more in Sustainability Note 6-8.

As lender, SEK has a responsibility for ensuring that the financed transactions comply with international sustainability guidelines. Read more under Sustainable finance on page 22 and in Sustainability Note 5.

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.



"SEK is part of Team Sweden, which collaborates to create favorable conditions for Swedish companies in international markets."

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.

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 is to contribute to increased Swedish exports, more jobs in Sweden and a more sustainable world. The Swedish export credit system is to be made available to more companies in Sweden, and SEK is to offer more foreign purchasers financing for the purchase of Swedish goods and services. SEK is to take a leading position in the development of sustainable finance. The long-term strategy remains in place. SEK will increase its income base through growth in terms of the number of clients and total client exposures outstanding. SEK will deepen relationships and broaden the scope of business with existing clients. New clients will be attracted by relevant offers, particularly in sustainable finance and proactive processing. Focus will also be placed on being involved in major transition projects in Sweden. New business opportunities will be created through partners and collaboration. SEK will efficiently create more value for more people.

The growth potential is considerable in project financing and export credits. SEK has redirected resources in anticipation of greater business flows from these areas. The transition to a more sustainable world brings with it substantial global investment needs. SEK has continued its strong focus on financing this transition in Sweden and internationally. In this case, SEK can implement its expertise and experience of working with major international projects. Focus is placed on clearly highlighting SEK's value offering in sustainable finance to become an even stronger force in the transition. The objective is for sustainable finance to become an equally natural part of SEK's brand as international financing is today.

SEK's clients value the company's know-how and expertise, and view SEK as a long-term business partner that is easy to collaborate with and that understands their business. Relationships are one of our strengths. 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 latest client survey from 2020 shows that clients are requesting more contact and proactivity from SEK. An important aspect of this strategy is increasing selling power by ensuring proactivity and the right expertise 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 impacts on the corporate culture. SEK's core values are based on employees in their various occupational roles endeavoring to be professional, simplifying difficulties and building sustainable relationships.

"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."

Partners and collaboration

When it comes to client relations, SEK coordinates within Team Sweden, but also with a number of other Swedish and foreign authorities and organizations as well as Swedish and foreign banks. Bank partnerships are crucial internationally for export transactions and regionally for the processing of new clients. In the past few years, further collaboration has taken place in the development of transactions in export credit and project financing in the form of, for example, EPC companies (Equipment Procurement Construction). Bodies such as international non-governmental organizations and local communities impact how we conduct our business and act as stakeholders in the field of sustainability. It is very important to continue to focus on collaboration and partnerships with Swedish and international counterparties and partners to accomplish our 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. A strategy will be developed and implemented to expand this work and reach out to projects in Asia and Latin America. Increasing the share of exports to Asia is an important part of Sweden's export and investment strategy since Asia comprises the largest share of forecast global growth.

To strengthen the Swedish offering, collaboration with other countries where we can complement each other is required. Strategic partnerships with other export credit agencies (ECAs) will be developed to obtain additional exchange for Swedish transactions. A strategic plan will be developed, anchored and carried out where we will collaborate within various industries and project types with ECAs from different countries, taking advantage of their complementary strengths.

Strategy

» Deepen relationships and broaden the scope of business with existing clients

» Attract new clients

» Create new business opportunities through partners and collaboration

» SEK will be a force in the transition to a sustainable world

» Efficient processes will be implemented in the company

» SEK will efficiently create more value for more people

SEK is to take a leading position in the development of sustainable finance. New business opportunities will be created through partners and collaboration, and efficiency processes will be implemented in the company. SEK will efficiently create more value for more people.

Financial solutions for the Swedish export industry

Since 1962, SEK has offered loans that have enabled hundreds of Swedish companies to grow by increasing production, making acquisitions, increasing their employees and selling products and services to customers across the world. SEK lends money to Swedish exporters, their suppliers and foreign customers.

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 world.

SEK wants to set an example and drive development in sustainable business forward. We do this mainly by setting requirements when lending

Sustainable financing from SEK

Interest for sustainable investments and business is growing, and SEK is developing its offering in line with this to meet the needs of clients and investors. The company now offers three loans connected to sustainability: green, social and sustainability-linked. SEK expects these forms of finance to accelerate rapidly given the substantial need to transition, both in Sweden and around the world.

Green loan

Regardless of the type of financing solution a company requires, a loan can be structured as green provided that the aim of the financing meets SEK's green criteria that is based on the loan being in line with the EU Taxonomy for sustainable activities. Financing can be offered to exporters, subcontractors and projects that contribute to reduced climate and environmental impact. The aim is to stimulate green investments that are environmentally sustainable and that contribute to one or more of the six environmental objectives of the EU Taxonomy.

Social loans

Social loans are connected to challenges in, for example, healthcare and medical care, education, basic infrastructure or food safety. When a loan is classed as social, it can provide the borrower with advantageous terms.

Sustainability-linked loans

Sustainability-linked loans concern working capital connected to the borrower's sustainability targets, for example, energy-efficiency enhancements, reduced transportation or reduced number of accidents. Unlike Green loans in which the amount is earmarked for a specific project, this type of loan is connected to the entire company's sustainability targets. Another difference is that sustainability-linked loans can only be obtained as working capital, while Green loans can be applied to all SEK's offers.

SEK's offers

SEK offers the Swedish export industry a number of different financing solutions with short and long maturities. The most common follow below.

Export credits and Small 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 the part of the risk that is not covered by EKN.

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.

Working capital

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

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.

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.

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 Finance

Project finance is an alternative to other forms of financing for export transactions, and is often a key instrument in the sale of projects with a Swedish export element. SEK provides long-term assistance and aims to be part of the project throughout the lending period.

Simple export loan

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

High demand for export credits

Almost two years into the pandemic, Sweden's and the global economy have shown strong resilience. Despite challenges in the form of logistics chain disruptions and shortages of key components, the Swedish export industry has continued to perform well and SEK's clients have full order books and record strong balance sheets.

In 2021, SEK lent Skr 77.0 billion to Swedish exporters and their customers around the world. This represented a decrease of 39 percent compared with the record year 2020. The decline in demand for new credits noted in the last six months of 2020 continued into 2021 as many companies had already secured their financing needs in the early stages of the COVID-19 pandemic. Accordingly, in the first six months of 2021, SEK noted limited demand for working capital finance from Swedish exporters, but activity increased in the third and fourth quarters. Demand has, inter alia, been positively impacted by generally higher acquisition activities as well as a continued positive economic trend. During the year, SEK continued to attract new clients and the number of clients increased about 11 percent during the year. In early 2022, SEK will open a Malmö office to improve support to existing and potential clients in southern Sweden.

In parallel with the decrease in working capital financing to Swedish exporters in 2021, SEK issued more export credits and project financing than ever before. During the last six months of the year, SEK has financed deliveries to the UK, Zambia and the Ivory Coast, among others. The year's largest export credits financed two railway projects in Turkey and Ghana totaling some Skr 10 billion. SEK works actively together with its partners in Team Sweden to ensure Swedish deliveries to major projects around the world, many with positive sustainability effects, which is why the forecast for growth in this area remains favorable.

Interest for sustainable investments and business is growing, and SEK is developing its offering in line with this to meet the needs of clients and investors. SEK is currently able to offer green, social and sustainability-linked financing solutions. Global demand for sustainable solutions has never been greater, which favors Sweden as of the world's most innovative countries. SEK provides green loans for exports that promote a transition to a sustainable economy and to meet the UN SDGs. An increased volume of green loans contributes to increasing exports of Swedish environmental expertise worldwide and is also profitable business for SEK, refer to Sustainability Note 5.

A successful Swedish export industry is Sweden's greatest contribution to the global climate transition. 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

1. Customer contact: In conjunction with an exporter and a buyer negotiating a contract of sale one of the parties contacts a bank to arrange an export credit. The bank and SEK suggest a financing solution, which often includes a guarantee from EKN.

2. Indicative offer: SEK issues an offer to the exporter or the arranging bank. SEK can offer financing at market interest rates or at the commercial interest reference rate (CIRR), which is set by the OECD.

3. Deeper collaboration: If the exporter wins the contract, a deeper analysis is initiated at the bank, EKN and SEK. This analysis includes both a credit and a sustainability analysis of the export transaction and its parties in line with the respective institution's routines.

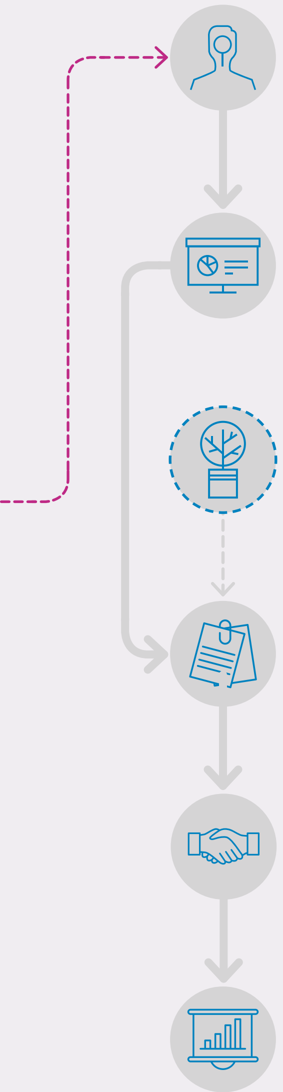
4. Binding offer and contract: Thereafter, the bank or SEK draws up a loan agreement that includes items such as credit periods and sustainability issues.

5. Signing contracts and loan disbursement: When the loan agreement has been signed, the loan is disbursed to the exporter according to the payments schedule agreed by the exporter with the buyer. The buyer then makes capital and interest payments according to the plan set out in the loan agreement, normally on a semi-annual basis.

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.

How SEK works with credit analysis



1. When a business inquiry 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'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.

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 extremely limited. During the year, lending has primarily been to major well-known exporters with good credit quality. Overall, lending growth was slightly weaker in 2021, primarily due to lower demand for corporate lending. A slight increase in the number of forbearance requests, mainly in Leasing and installment plans, had a limited negative impact on 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, declined in 2021, partially due to confirmed credit losses. The importance is constantly increasing of more highly developed credit analysis of new and existing counterparties to leverage business opportunities and meet regulatory requirements. Among other actions, SEK implemented a new default definition process in 2021. In parallel, the company's processes for managing forborne exposures and non-performing exposures were also adjusted and performed well in 2021. In the beginning of 2021, SEK also made certain that the company is compliant with the EBA's new guidelines on loan origination and monitoring, which entered force at the end of June 2021. Moreover, in 2021, SEK further developed a working method to manage the assessment of environmental, social and governance (ESG) factors for the rating of counterparties and which is expected to be fully implemented in the beginning of 2022.

SEK is also a member of the Equator Principles and has 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 9.

Case: Financing connected to ambitious sustainability targets

The industrial group Axel Johnson International, which develops and acquires technical companies in strategic niche markets, chose sustainability-linked working capital financing from SEK.

An increasing number of companies want to link their financing to ambitious sustainability targets. Sustainability-linked loans finance the working capital used to promote the borrower's climate-neutral transitioning of its operations and to achieve important operational social targets.

"Offering sustainability-linked loans is a way for us to guide financing toward tangible and measurable targets, while offering the customer a more advantageous price. This is a win-win for all parties, but particularly the climate," says Jens Hedar, Head of Client Relations at SEK

If the industrial group Axel Johnson International reaches its loan-linked sustainability target, a lower interest rate will apply for the company's loan. The target aims to reduce the operation's climate impact and involves increasing the share of renewable electricity as well as energy-efficiency enhancements in own operations and internal transportation.

Axel Johnson International is a privately owned Swedish industrial group that consists of 150 companies across 30 countries. The company's operations are characterized by an active, long-term ownership with the ambition of promoting renewal and creating growth. Focus is placed on companies active in strategic select niche markets that offer technical components and industrial process solutions.

Facts

Business: Working capital (sustainability-linked loan)
Amount: EUR 55 million
Maturity: 5 years
Borrower: Axel Johnson International

Offering sustainability-linked loans is a way for us to guide financing toward tangible and measurable targets, while offering the customer a more advantageous price. This is a win-win for all parties, but particularly the climate.

Jens Hedar, Head of Client Relationship Management at SEK

Case: Ghana investing in hospitals with Swedish financing

SEK is financing the renovation and new build of two specialist hospitals in Ghana involving several Swedish companies that are supplying products and expertise. The hospitals will improve the lives of millions of people in the region, and women in particular.

The west-African country of Ghana is making one of the largest healthcare investments in many years and is expanding and developing regional healthcare. The investment consists of a brand new, modern hospital and the modernization of an existing hospital, as well as state-of-the-art medical equipment. The hospitals will provide high-quality specialist care that will improve the lives of millions of people in the region. SEK is financing the hospital project with an export credit of EUR 186 million. The transaction is guaranteed by the Swedish Export Credit Agency (EKN) and arranged by Investec Bank Ltd.

The Swedish business facilitator, Elof Hansson Trade, together with the Swedish specialist in supply chain integration, XLIT Finance and Logistics, is assisting Amandi, a leading civil and marine engineering solutions provider with the capabilities to design, build and manage large-scale infrastructure projects, in coordinating the Swedish supply of products and services for the project.

The participation of Swedish companies as suppliers is a prerequisite for SEK and EKN to be able to finance and guarantee infrastructure projects abroad. Swedish companies are supplying products and expertise to the project. This includes everything from ventilation, construction and electrical material, wall and roofing solutions, and medical equipment to project management, purchasing, logistics and installation.

Facts

Business: Export credit (social loan)

Amount: EUR 186 million

Maturity: 13 years

Borrower: Ministry of Finance, Government of Ghana

Buyer: Ministry of Health Ghana

Guarantee: Exportkreditnämnden (EKN)

Organizer: Investec Bank Ltd

> **Our agile and integrated Swedish offering of high-quality products and services facilitates for Amandi to implement this landmark healthcare project in Ghana on time and within budget.**
>
> **Fredrik Agerhem, CEO of Xlit Finance and Logistics**

Sustainable finance

Sustainable finance is an integrated part of SEK's operations and the ambition is to become an equally natural business partner to the Swedish export industry in the area of sustainable finance as in international financing. The transition to a fossil-free society is creating new export opportunities for Sweden.

Targets and strategy for the climate transition

SEK aims to be a positive force in the transition and assist with the transition to a more sustainable world by contributing to increased Swedish exports. That involves placing considerable focus on sustainability issues and dogged work to reach the company's long-term sustainability targets.

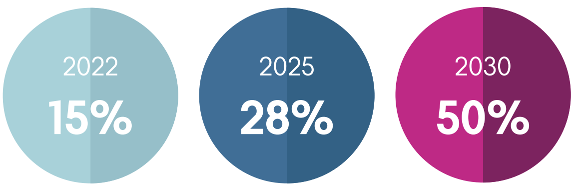
Climate targets

In 2021, SEK's Board of Directors adopted three climate targets for operations.

- SEK's balance sheet is to have net zero carbon dioxide emissions by 2045
- The share of green loans in SEK's lending portfolio shall increase to 50 percent by 2030
- SEK's own operations are to be climate neutral by 2030

In 2022, the aim is also to develop long-term SDGs.

Target for the share of green loans in the lending portfolio



Strategy activities for sustainable finance

SEK has resolved on a number of activities in order to reach its long-term climate targets and to act as a positive force in the export industry's transition to a sustainable economy. The following strategic activities have or will be carried out:

- A new function, Sustainability, will be established. The Head of Sustainability reports directly to the CEO and is part of executive management
- Green, social and sustainability-linked loans are to be clarified in client communication and transactions will receive expanded support from sustainability analysts in client dialogues
- A risk appetite for sustainable finance
- Climate reporting for the Swedish export credit system
- Scientific climate council for the Swedish export credit system
- Internal sustainability training including focus on the SDGs and their significance in operations
- Framework for sustainable bonds

Offering in sustainable finance

SEK has three offerings in sustainable finance: green, social and sustainability-linked loans. The last two are new for 2021. All three offerings contribute to increased sustainability and can provide the borrower with advantageous conditions provided that they meet set requirements.

Green loans can be offered to exporters, subcontractors and projects whose products or operations contribute to reduced climate and environmental impact pursuant to the EU Taxonomy for sustainable activities.

Social loans are designed for social responsibility, often in developing countries. Financing can, for example, be connected to healthcare and medical care, education, basic infrastructure or food safety.

Sustainability-linked loans concern working capital connected to the borrower's sustainability targets, for example, energy-efficiency enhancements, reduced transportation or reduced number of accidents.

Read more about SEK's offering on page 17.

The climate council

During the year, SEK and EKN established a scientific climate council, which is a specialist advisory body with the aim of aligning the Swedish export credit system with the Paris Agreement's goal of limiting global warming to 1.5 °C.

The focus of the climate council's work is the global climate system, and the impact of export financing on global GHG emissions. The climate council has no operational role in EKN's and SEK's decision processes for individual business transactions but rather acts as a knowledge resource and a discussion partner concerning fundamental policy positions.

Examples of issues addressed in the climate council include the role of natural gas in the energy transition in developing countries, which transactions should be assessed as being "green" – meaning that they have the potential to reduce global climate emissions – and where EKN and SEK should prioritize their investments to stimulate Swedish exports.

Sustainable finance policy

In line with the Swedish strategy, SEK has developed a sustainable finance policy that states the company's position on fossil fuels and our ambition to contribute to the climate transition. Sustainability is a central part of our operations and SEK, as a state-owned company, shall serve as a role model for sustainable business. This means that operations must be run with sustainable terms.

Principles and policy positions for sustainable finance

SEK has adopted ten principles and positions for sustainable finance. Read more in the Sustainability notes section on page 120-133. A comprehensive description of SEK's sustainable finance policy is available on SEK's website.

International guidelines

Sustainable terms means that projects and activities financed by SEK comply with local laws as well as international guidelines in the areas of environment, anti-corruption, human rights, labor conditions and business ethics.

The international guidelines that SEK incorporates are:

- The Ten Principles of the UN Global Compact
- The OECD Guidelines for Multinational Enterprises
- The OECD Anti-Bribery Convention and related documents
- The UN Guiding Principles on Business and Human Rights
- The Equator Principles, or the OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence
- The OECD Recommendation on Sustainable Lending Practices and Officially Supported Exports Credits

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.

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.

* 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.

The borrowing volume has declined during the year compared with last year, with 2020 being an exceptional year since borrowing volumes were especially large as a result of the pandemic. In total, SEK completed approximately 300 transactions in eight currencies at a total volume of about Skr 81 billion in long-term borrowing, compared with a total volume of about Skr 123 billion in 2020. SEK continues to maintain high liquidity for new lending and remains well prepared to meet the future financing needs of the Swedish export industry.

In line with SEK's focus on sustainability, the company has issued two new green bonds and issued six new tranches of existing bonds for a total of Skr 6.1 billion during the year. The green format has provided greater opportunities to reach Swedish investors, which, in comparison with many international investors, have had a greater focus on sustainability in their investments.

In 2021, the market was primarily characterized by the ongoing pandemic, even if this declined somewhat over time. Enormous volumes of liquidity were pumped out in systems across the world. Strong stock markets and low credit spreads as a result of high market liquidity have, to an increasing amount, dominated the financial system and provided favorable conditions to issue bonds.

During the year, SEK issued three public benchmark bonds totaling USD 3.75 billion, that were well received. The last of these three was for USD 1.25 billion with a maturity of two years. This was priced against SOFR (Secured Overnight Financing Rate) and issued with the lowest credit spread in over ten years. SOFR is the new reference rate that will replace the USD LIBOR.

SEK has remained active in the Japanese Uridashi market, where it remains one of the largest foreign issuers. In Japan, SEK has issued roughly the same volume in 2021 as in 2020.

Case: Green financing of wind power

The energy company SR Energy, formerly known as Stena Renewable, designs, builds and operates wind farms. It currently has 154 wind turbines in operation and is building 47 more. The company's focus is on the continued expansion of wind power in southern Sweden – where the energy challenges are greatest and the electricity prices are highest.

SEK is one of SR Energy's financiers with the aim of supporting the company's investments in existing and new wind turbines.

Peter Zachrisson, CEO of SR Energy, has been with the company since its formation in 2006 and has witnessed a tremendous expansion of wind power over the last 15 years.

"The rapid development of wind power technology has enabled us to use areas that were previously unusable. In 2006, when we constructed our first wind farm, we were the first in Sweden to build in the forest and prove it feasible. The big turbines are much more efficient and produce three times the energy per turbine compared with the wind turbines we built 15 years ago, the payback being more production and limited intrusion on nature.

Wind power currently accounts for some 17 percent of electricity generation in Sweden and is the fastest growing form of energy. In pace with the technology maturing and the increasing size of turbines, there have also been major changes on the investor side."

"At the very start, it was private individuals wanting to build wind power for ideological reasons. They were risk-tolerant and wanted to develop the technology in a new market. Completely different types of investors have taken over the scene today: entrepreneurs and international institutional funds. Yield requirements have fallen amidst declining concerns about the technology, which has made financiers feel more secure.

"Previously, investing in renewable energy was a risk. Now it's an opportunity."

Society is consuming ever increasing amounts of electricity. To meet climate targets, electrification is needed for large parts of the transport sector, and battery factories and server halls are being constructed. Swedish industry is facing a historic situation where existing fuels have to be replaced.

"If we are unable to produce electricity at the rate we need it, we will be unable to succeed with the transition. Wind power will grow, in percentage terms more than other forms of energy, but how much is difficult to say. In the fifteen years that I've been in the business, one thing that has become more difficult, is getting permits to build wind power facilities.

Construction of large onshore wind farms requires a permit under Sweden's Environmental Code and the approval of the municipality. The permit process can take several years and the assessments take numerous factors into consideration.

"An application process lasting ten years is not uncommon. Court decisions are becoming increasingly unclear and difficult to interpret. The main reasons for rejections are due to municipalities increasingly objecting to establishing wind power and the Species Protection Ordinance as bird life in particular is affected. This means that we need to launch even more projects to meet industry needs.

Sweden has excellent prerequisites for expanding wind power. Large land areas, a long coastline, mountains, a strong electricity grid and low population density provide unique opportunities for competitive energy production. These factors also create great export opportunities," says Peter Zachrisson.

"Favorable access to green, sustainable and cost-efficient energy creates advantages that few other countries can compete with. This is good for Sweden, which produces more green electricity than it can consume. It also creates favorable preconditions for Swedish industry and foreign investors to establish themselves in Sweden. Germany's population of 83 million occupies an area smaller than Sweden, yet Germany generates five times as much wind power. If green energy production is to increase in Sweden, wind power needs to be accepted as part of a modern landscape."

Facts

Business: Working capital (green loan)
Amount: Skr 700 million
Maturity: 3 years
Borrower: SR Energy Vindparker

About SR Energy

SR Energy is an energy company that has established a strong position with wind power projects in the south of Sweden over the past 15 years. The company designs, builds and operates wind farms with a long-term ownership perspective. It currently has 154 wind turbines in operation and is building 47 more. The wind turbines will produce energy corresponding to the city of Stockholm's consumption of household electricity. The company is jointly owned by Stena Adactum, AMF, KLP and Alecta.

A sustainable workplace

SEK's long-term target is to offer a workplace where we perform and are satisfied together.

Work environment, leadership and employeeship

This year, high demands have continued to be placed on leadership and employeeship. Despite the protracted pandemic situation, a coaching approach, openness and mutual responsibility have provided good prerequisites for focusing on SEK's mission and achieving good results. Training to strengthen leadership and employeeship has been carried out during the year. 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, but that many are able to carry out their work despite the prevailing situation. Remote working combined with active change efforts have led to high workloads for many during the year. In conjunction with SEK relocating their new premises during the autumn, a flexible work approach was implemented, which will be developed and evaluated in the coming years.

Employee survey

The follow up of last year's employee survey was completed in October. Participation in the survey was just over 90 percent, which showcases the high commitment of our employees. The results demonstrate a retained high level for the understanding of the work situation and opportunities to impact and develop.

Competence and development

In 2021, SEK continued its strategic work with skills supply. The aim is to be an attractive employer by ensuring that the right competence is in the right place and to clarify development opportunities to realize the potential of SEK's employees. SEK strives for internal recruitment and six employees chose to change position internally during the year.

Diversity

SEK aims to be a workplace where equality and diversity are naturally included. Diversity and an inclusive culture support us in contributing different aspects and experiences in our daily work and for development. 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 43 percent (62) on the Board of Directors, 36 percent (50) in executive management and 45 percent (48) in management positions (including executive management).

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, Customer relations and Risk, as well as a CFO. At the end of the year, SEK had 264 employees. During the year, 32 people began working for SEK.

Procurement of products and services

A well-functioning procurement process is very important if SEK is to conduct cost-efficient operations and to ensure that supplies meet SEK's sustainable business requirements. All of SEK's suppliers must commit to complying with SEK's Code of Conduct for Suppliers or demonstrate that they have an equivalent approach. In 2021, SEK procured products and services to a value of around Skr 400 million. The greatest cost items for procurements are office hire, IT systems, consultancy services, market data and legal counsel. SEK has approximately 740 suppliers, of which 570 are based in Sweden, the remainder of which are predominantly based in Europe or the US.

Sustainability Report

How SEK works with sustainability throughout the value chain

SEK's sustainability information is integrated into the company's 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 the following key to our sustainability activities in 2021 and where the various parts are located.

Business model	Impact in SEK's value chain	Policy	Result of the policy	Material risks and risk management	Performance indicators
SEK is to protect the environment and contribute to the green transition	Lending and Borrowing	Sustainable finance policy, Framework for green loans and bonds	During the year, SEK adopted its "Sustainable finance policy". Green loans have increased with Skr 700 million.	Exposure to climate-related risks connected to SEK's lending	New green loans: Skr 11.5 billion
SEK strive for a sustainable and equal workplace	Own operations	Personnel handbook, Diversity policy	This year's employee survey showed high participation and commitment from employees.	Attract and retain core expertise	Percentage of women in management positions: 45 percent Empowerment: 77
SEK is to act in accordance with universally adopted human rights	Lending	Equator Principles, the UN Guiding Principles on Business and Human Rights	In 2021, SEK worked to further integrate ESG in the risk process.	Exposure to elevated risk of human rights violations connected to SEK's lending	New lending assessed based on human rights: 100 percent
SEK takes active measures to combat corruption	Borrowing, own operations and lending	Equator Principles, The OECD's conventions and guidelines on anti-corruption measures	During the year, SEK has updated its code of conduct, which was communicated through internal training where participation was 100 percent.	Exposure to elevated risk of corruption connected to SEK's lending	New lending assessed based on anti-corruption: 100 percent
Read more on page 8-9	*Sustainability Note 3*	*Sustainability Note 4–9*	*Page 28, Note 26, Sustainability Note 5–10*	*Page 34-39, Note 26, Sustainability Note 4–9*	*Page 28, 33, Sustainability Note 5–10*

Targets and outcomes

Operational targets		2020 outcomes	2021 targets	2021 outcomes
Profitable growth	Growth in the lending portfolio	6.5%	11.0%	2.3%
	RAROC[1] in the lending portfolio	15.4%	14.8%	16.6%
	Client satisfaction	92%[2]	>80%	92%[2]
Swedish export industry's competitiveness	Value added for clients through export credits[3]	80%[2]	>60%	80%[2]
Green financing	Number of green loans	11	30	18
A sustainable workplace	Empowerment[1]	77	>80	77
	Attractive employer[1]	81	>85	84

Financial targets		2020 outcomes	2021 targets	2021 outcomes	Long-term targets[4]
Profitability	Return on equity	4.9%	4.5%	5.1%	>5.0%
Dividend	Dividend	30%	20-40%	40%[5]	20-40%
C/I ratio	Expenses/income excl. NRFT and credit losses	31%	30%	36%	-
Capital	Total capital ratio, margin to FSA's requirement	6.8%	2-4%[6]	5.9%	2-4%
	CET 1 capital ratio, margin to FSA's requirement	12.2%	>4%	11.0%	-

1 See definitions on page 141.
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 The general meeting of shareholders has decided the long-term financial targets for SEK. These were communicated at the 2021 annual general meeting and do not have any time limit.
5 Dividend proposed by the Board to the Annual General Meeting.
6 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

In 2021, the company reported 5.1 percent return on equity, exceeding both the 2021 profitability target of 4.5 percent return on equity and the long-term goal set by the owner of more than 5 percent return. In 2021, together with the owner, SEK completed a target project in which the long-term target for return on equity was changed to more than 5 percent from the previous target of 6 percent. Since the previous target was set, short-term interest rates have sunk significantly and the resolution fee has been introduced. In 2022, the new risk tax will also have a negative impact on SEK's earnings.

SEK did not meet its target for the C/I ratio, following a cost increase for operational regulatory adaptations and the impairment of intangible assets.

SEK has a stronger capital situation than the target indicates. Increased countercyclical buffer requirements have reduced the company's capitalization somewhat during 2021. To achieve the long-term capital target, which states that the total capital ratio is to exceed the Swedish FSA's capital adequacy requirement by 2 to 4 percentage points, the Board has adopted measures such as proposing a maximum dividend as a share of net profit within the determined target range (40 percent). The Swedish FSA introduced limitations to dividend opportunities as a result of the prevailing pandemic, with these limitations in effect until the end of the third quarter of 2021. In 2021, the company developed a strategy to adapt the company's capitalization to meet the capital target.

Growth in the lending portfolio was weaker than expected during the year, primarily due to weaker new lending and a higher than normal volume of loans that were redeemed early. Clients who strengthened their liquidity during the beginning of the pandemic no longer had the same requirement in 2021, and chose in some cases to redeem the loan early.

For the sustainable workplace target area, the company is making further positive strides but has still not reached the ambitious targets of 80 for Empowerment and 85 for Attractive employer. The pandemic and increased remote working has led to many challenges for the efforts for a sustainable workplace, but SEK continues to place great focus on these issues.

In order to be a positive force in the transition, SEK adopted considerably higher targets in 2021 for the number of green loans and loans for the financing of the transition. Although the company has worked actively with financing of the transition, this year's target was not reached. However, SEK is optimistic about the positive strides taken and is further increasing its level of ambition for the coming years.

SEK conducts a comprehensive client survey every other year. In line with this, no client survey was conducted in 2021, which is why the outcomes for Satisfied clients and Value added by export credits remain based on the 2020 client survey.

Review of the year

All amounts in this Report of the Directors relate to the Consolidated Group, unless otherwise stated, see Note 1. As of December 31, 2021, 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 (q).

Business reporting

In 2021, SEK lent a total of Skr 77.0 billion (2020: Skr 125.5 billion). Following limited demand for working capital from Swedish exporters during the first half of the year, lending increased during the second half of the year. Some transactions have been delayed due to component shortages and delivery disruptions. The spread of the COVID-19 pandemic has also limited opportunities to meet clients and business partners. Despite this, the number of clients has increased by 11 percent in 2021. In 2021, SEK prepared two new offerings in sustainable finance: a social loan and a sustainability-linked loan.

After a substantial increase in borrowing requirements in 2020 due to increased customer demand largely driven by the COVID-19 pandemic, SEK's need to raise long-term financing normalized in 2021. Over the course of the year, SEK raised borrowings corresponding to Skr 81.1 billion with maturities of at least one year, compared with Skr 123.2 billion in 2020.

As part of the efforts to adopt to SOFR and replacing LIBOR, SEK also issued a new global bond tranche of USD 350 million of its USD 700 million bond with a SOFR-based floating interest rate, which increased its value outstanding to USD 1.05 billion.

The volume of new structured debt in 2021 remained at the same level as 2020, but increased as a share of total new borrowing from 13 percent in 2020 to 20 percent in 2021.

In line with SEK's focus on sustainability, the company also issued Skr 6.1 billion (2020: Skr 5.1 billion) in green bonds during 2021.

In 2021, credits were granted to 11 (2020: 9) 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 2021, new lending that qualified for classification as green loans amounted to Skr 11.5 billion (2020: Skr 10.8 billion).

New lending

Skr bn	2021	2020
Lending to Swedish exporters[1]	25.1	62.2
Lending to exporters' customers[2]	51.9	63.3
Total	**77.0**	**125.5**
CIRR-loans as percentage of new financial transactions	*15%*	*15%*

1 Of which Skr 2.6 billion (year-end 2020: Skr 1.1 billion) had not been disbursed at period end.
2 Of which Skr 18.6 billion (year-end 2020: Skr 17.9 billion) had not been disbursed at period end.

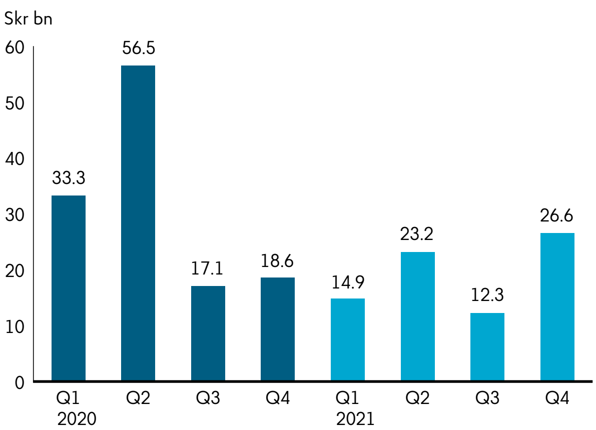
SEK's borrowing

Skr bn	2021	2020
New long-term borrowing	81.1	123.2
Volume of green bonds issued during the period	6.1	5.1
Outstanding senior debt	295.0	287.5
Repurchase and redemption of own debt	1.5	3.0

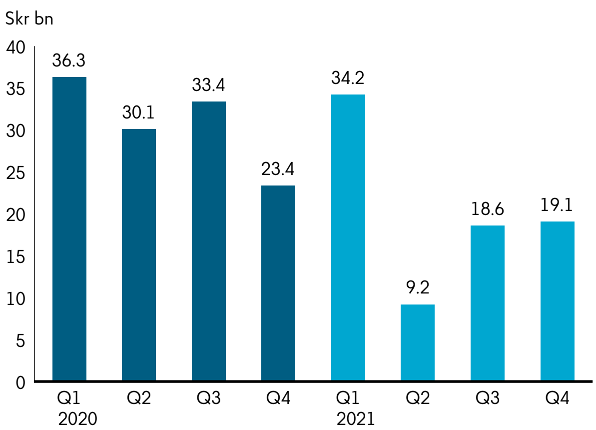
Factors affecting SEK's total comprehensive income

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 determi-

New lending



New borrowing, long-term borrowing



nants 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 levels that are competitive within the market. Another factor affecting net interest income is the size of the resolution fee, a fee which SEK is required to pay to a fund to support the recovery of credit institutions. In 2021, the resolution fee amounted to 0.05 percent of the calculation basis (2020: 0.05 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 1,305 million (2020: Skr 1,238 million). Net profit amounted to Skr 1,034 million (2020: Skr 968 million). The higher net profit compared with the previous year is mainly explained by lower provisions for expected credit losses. The lower provisions are partly attributable to the decrease of the reserve for expected credit losses that had been increased in connection with the COVID-19 pandemic.

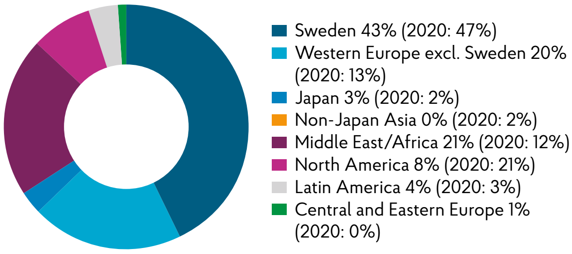
Net interest income

Net interest income amounted to Skr 1,907 million (2020: Skr 1,946 million), a decrease of 2 percent compared to the previous year. The record high lending in 2020 has continued to have a positive impact on the company's net interest income, albeit now decreasing. SEK has noted a stabilization of net interest income at a somewhat lower level. This is due in part to the fact that some short-term working capital financing that was raised at relatively high interest rates at the start of the COVID-19 pandemic has matured.

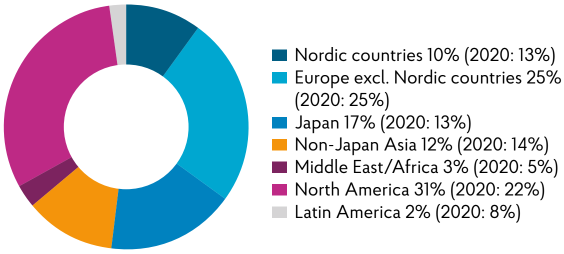
The table below shows average interest-bearing assets and liabilities.

Skr bn, Average	2021	2020	Change
Total loans	234.5	224.6	4%
Liquidity investments	63.5	61.4	3%
Interest-bearing assets	**314.2**	**305.5**	**3%**
Interest-bearing liabilities	**291.2**	**280.2**	**4%**

SEK's markets for new lending 2021, Skr 77.0 billion (2020: Skr 125.5 billion)



SEK's markets for new borrowing, long-term, 2021, Skr 81.1 billion (2020: Skr 123.2 billion)



Commission earned and commission incurred

Commission earned and commission incurred amounted to Skr -29 million (2020: Skr -42 million). Commission earned amounted to Skr 2 million (2020: Skr 1 million). Commission incurred amounted to Skr -31 million (2020: Skr -43 million).

Net results of financial transactions

Net results of financial transactions amounted to Skr 56 million (2020: Skr 83 million) mainly due to early loan redemptions and unrealized value changes in derivatives. Although the volatility in the fixed income market was relatively high during the period, the company's risk hedging strategies have worked well and the volatility in the company's net results of financial transactions has been kept low.

Operating expenses

Skr mn	2021	2020	Change
Personnel expenses	-359	-347	3%
Other administrative expenses	-231	-198	17%
Depreciation and impairment of non-financial assets	-80	-51	57%
Total operating expenses	**-670**	**-596**	**12%**

Operating expenses increased by 12 percent compared to the previous year. The increase in operating expenses is mainly due to write-downs of intangible assets, but also increased costs for regulatory compliance adaption of operations. No provision was made for the individual variable remuneration program (2020: Skr 8 million).

Net credit losses

Net credit losses amounted to Skr 41 million (2020: Skr -153 million). Net credit losses were primarily attributable to decreased provisions for expected credit losses for exposures in stage 1 and stage 2, partly offset by increased provisions for expected credit losses for exposures in stage 3. The decrease in provisions for stage 1 and stage 2 was largely attributable to a gradual decrease of the reserve for expected credit losses that had been increased in connection with the COVID-19 pandemic. In 2021, SEK incurred losses of Skr 52 million on exposures as to which provisions had already largely been taken.

SEK's IFRS 9 model is based on GDP growth projections estimating the impact on the probability of default. SEK's management believes the model underestimates the probability of default within the asset portfolio, see Note 9. Although the recovery has been faster than expected, SEK has made an overall adjustment accordingly.

Loss allowances as of December 31, 2021 amounted to Skr -164 million compared to Skr -249 million as of December 31, 2020, of which exposures in stage 3 amounted to Skr -48 million (year-end 2020: Skr -46 million). The provision ratio amounted to 0.06 percent (year-end 2020: 0.08 percent)

Taxes

Tax costs amounted to Skr -271 million (2020: Skr -270 million), of which Skr -272 million (2020: Skr -266 million) consisted of current tax and Skr 1 million (2020: Skr 0 million) consisted of deferred tax. The effective tax rate amounted to 20.8 percent (2020: 21.8 percent), compared to the nominal tax rate for 2021 of 20.6 percent (2020: 21.4 percent).

Other comprehensive income

Skr mn	2021	2020
Items not to be reclassified to operating profit	0	19
of which own credit risk	*-24*	*18*
of which revaluation of defined benefit plans	*24*	*1*
Other comprehensive income before tax	**0**	**19**

Other comprehensive income before tax amounted to Skr 0 million (2020: Skr 19 million). The outcome is explained by a positive result related to the revaluation of defined benefit plans, which was affected by a higher discount rate and offset by a negative result from changes in own credit risk.

Return on equity

After-tax return on equity amounted to 5.1 percent (2020: 4.9 percent).

Statement of financial position

Total assets and liquidity

Total assets decreased by 1 percent compared to the end of 2020.

Skr bn	2021	2020	Change
Total assets	333.6	335.4	-1%
Liquidity investments	67.9	59.2	15%
Outstanding loans	237.2	231.7	2%
of which loans in the CIRR-system	*87.9*	*69.2*	*27%*

Liabilities and equity

As of December 31, 2021, the aggregate volume of available funds and shareholders' equity exceeded the aggregate volume of loans outstanding and loans committed at all maturities. SEK considers all of its outstanding commitments to be covered through maturity.

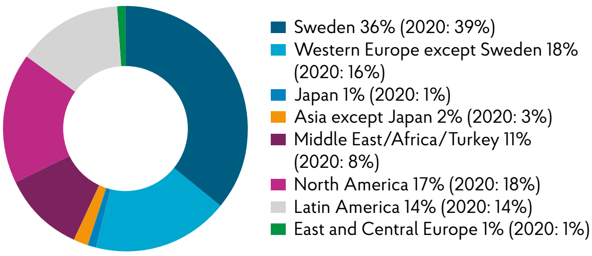
SEK has a credit facility in place with the Swedish National Debt Office of up to Skr 200 billion, of which Skr 10 billion was utilized as of December 31, 2021. The Skr 10 billion draw was made in March of 2020, at the start of the COVID-19 pandemic, to ensure coverage of the increased demand from clients that arose. The credit facility can be utilized when the Swedish export industry's demand for financing is particularly high. Since the more critical phase of the COVID-19 pandemic appears to be behind us, and economic growth is favorable, the credit facility has been revised to Skr 175 billion from January 2022.

Credit risks

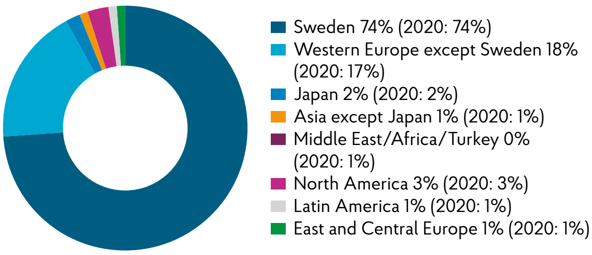
SEK's total net exposures, after risk mitigation, amounted to Skr 372.5 billion on December 31, 2021 (year-end 2020: Skr 359.5 billion). Credit exposures have increased to financial institutions, which is mainly due to the increase in liquidity investment.

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, 2021



Net exposures per region, December 31, 2021



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 unsubordinated 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 valuation 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, 2021, SEK's total own funds amounted to Skr 19.9 billion (year-end 2020: Skr 19.5 billion). The total capital ratio was 21.6 percent (year-end 2020: 21.8 percent), representing a margin of 5.9 percentage points above SEK's estimate of Finansinspektionen's (the Swedish FSA) requirement of 15.7 percent as of December 31, 2021. The corresponding Common Equity Tier 1 capital estimated requirement was 10.6 percent. Given that SEK's own funds are comprised solely of Common Equity Tier 1 capital, this represents a margin of 11.0 percentage points above the requirement. Overall, SEK is strongly capitalized and has healthy liquidity.

Percent	**Dec 31, 2021**	**Dec 31, 2020**
Common Equity Tier 1 capital ratio	21.6	21.8
Tier 1 capital ratio	21.6	21.8
Total capital ratio	21.6	21.8
Leverage ratio[1]	9.3	5.8
Liquidity coverage ratio (LCR)	463	447
Net stable funding ratio (NSFR)	139	135

1 In 2021, SEK changed its methodology for calculating the Leverage ratio to comply with new regulatory requirements (CRRII). Comparative figures have not been recalculated.

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 197 million (2020: Skr 196 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	**2021**	**2020**	**Change**
Results from the CIRR-system	-147	-95	-55%
of which interest differential compensation	*7*	*14*	*-50%*

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 2021 amounted to approximately Skr 3.1 billion, with an average year-end volume of outstanding loans at Skr 24.7 billion. The result for the past five years amounts to Skr -123 million and the average volume of outstanding loans amounts to Skr 70.4 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 2021, 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 2021 amounted to Skr 70 million (2020: Skr 51 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, 2021, 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 414 million (2020: Skr 290 million) at the Annual General Meeting, in accordance with the company's dividend policy of 20-40 percent of the profit for the year. The following proposal regarding distribution of profits relates to the Parent Company.

At the disposal of the Annual General Meeting	16,532
The Board of Directors proposes that the Annual General Meeting dispose of these funds as follows:	
– Dividend to the shareholder of Skr 103.70 per share, amounting to	414
Remaining disposable funds to be carried forward	**16,118**

The own funds for the Group as of December 31, 2021, amounted to Skr 19.9 billion (year-end 2020: Skr 19.5 billion), resulting in a total capital adequacy ratio of 21.6 percent (year-end 2020: 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.

Key performance indicators

Skr mn (unless otherwise indicated)	**2021**	**2020**	**2019**	**2018**	**2017**
Results					
Net interest income	1,907	1,946	1,717	1,442	1,683
Operating profit	1,305	1,238	1,304	852	1,007
Net profit	1,034	968	1,027	648	772
C/I-ratio	36%	31%	35%	41%	36%
After-tax return on equity	5.1%	4.9%	5.5%	3.6%	4.5%
After-tax return on assets	0.3%	0.3%	0.3%	0.2%	0.3%
Earnings per share before and after dilution (Skr)	259	243	257	162	193
Dividend	414	290	-	194	232
Statement of financial position					
Total assets	333,647	335,399	317,296	302,033	264,392
Total liabilities	312,839	315,335	298,214	283,794	246,818
Total equity	20,808	20,064	19,082	18,239	17,574
Lending					
New customer financing	76,988	125,470	74,515	57,015	89,305
of which to Swedish exporters	*25,075*	*62,148*	*24,901*	*18,014*	*21,643*
of which to exporters´ customers	*51,913*	*63,322*	*49,614*	*39,001*	*67,662*
CIRR-loans as a percentage of new lending	*15%*	*15%*	*21%*	*9%*	*41%*
Loans outstanding and undisbursed loans	291,095	288,891	269,744	260,040	268,034
Borrowing					
New borrowing	81,103	123,156	81,053	60,411	82,441
Outstanding senior debt	295,000	287,462	273,017	257,847	224,833
Outstanding subordinated liabilities	-	-	-	-	2,040
Capital and liquidity position					
Common Equity Tier 1 capital	21.6%	21.8%	20.6%	20.1%	20.6%
Tier 1 capital ratio	21.6%	21.8%	20.6%	20.1%	20.6%
Total capital ratio	21.6%	21.8%	20.6%	20.1%	23.0%
Leverage ratio[1]	9.3%	5.8%	5.7%	5.6%	5.9%
Liquidity coverage ratio (LCR)	463%	447%	620%	266%	169%
Net stable funding ratio (NSFR)	139%	135%	120%	144%	140%
Risk exposure amount	92,140	89,202	88,657	87,054	83,831
Sustainability					
New lending green loans	11,530	10,827	3,036	2,044	2,385
Volume of green bonds issued during the period	6,100	5,100	1,000	-	-
Total greenhouse gas emissions from own operations in ton CO_2e	129	165	381	415	440
Allocation of women/men in management positions	45/55	48/52	42/58	41/59	42/58
Percentage of employees who have completed training in SEK's Code of Conduct including anti-corruption	100%	100%	100%	99%	96%

1 In 2021, SEK changed its methodology for calculating the Leverage ratio to comply with new regulatory requirements (CRRII). Comparative figures have not been recalculated.

For definitions, see page 141. For information on Alternative Performance Measures (APM), see www.sek.se.

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 (Pillar 3) Report 2021", available at www.sek.se.

Events in 2021

2021 continued to be dominated by the COVID-19 pandemic but a relatively strong economic recovery was also noted. Economic indicators were at historic highs and in many stock markets indices climbed more than 20 percent. The rapid recovery created capacity constraints and disruptions in company supply chains, and inflation started to rise in the second quarter of 2021. In January 2022, the World Bank lowered its growth forecast for the world economy from the 4.3 percent predicted in the summer to 4.1 percent.

Sweden's economy and exporters have posted a strong recovery. In 2021, SEK had confirmed losses of Skr 52 million on exposures that were already largely included in provisions. In 2021, provisions for expected credit losses were down compared to the preceding year.

SEK's capital adequacy remains strong. At the end of the year, the total capital ratio was 21.6 percent (2020: 21.8 percent), of which the Tier 1 capital ratio and the Common Equity Tier 1 ratio amounted to 21.6 percent (2020: 21.8 percent).

SEK's total exposures have increased since the end of 2020 due to increased lending volumes, with the main increase being net exposures to institutions. The leverage ratio amounted to 9.3 percent (2020: 5.8 percent) at year end. The year-on-year increase in the leverage ratio was attributable to relief provided in the CRR II pertaining to export credits.

SEK's largest financial risks are credit risk in the amount of Skr 6.0 billion (2020: Skr 6.1 billion), market risk in the amount of Skr 1.2 billion (2020: Skr 1.1 billion) and operational risk in the amount of Skr 0.2 billion (2020: Skr 0.2 billion) in line with internally assessed capital adequacy.

The Swedish National Debt Office has updated the minimum requirement for own funds and eligible liabilities (MREL) according to the new MREL regulation. SEK is deemed systemically important to the Swedish financial system and shall also meet part of the requirement using own funds and subordinated eligible instruments. SEK is in compliance with minimum levels as well as target levels set out for 2022. In order to comply with the requirement after the transitional period ending 1 January 2024, SEK needs to issue at least Skr 9 billion in subordinated eligible debt (senior non-preferred) during 2022 and 2023.

The market functioned well in 2021 with good access to liquidity in the system. SEK had good liquidity during the year and the capacity for managing operational and structural liquidity risk has been favorable. This was confirmed, inter alia, by new lending capacity, which amounted to 4 months (2020: 3 months), and by the liquidity coverage ratio (LCR), which was 463 percent (2020: 447 percent) at year end. The net stable funding ratio (NSFR) amounted to 139 percent (2020: 135 percent) at year end.

Capital target

The Company's capital target, which is one of the principal control instruments, is established by the owner at a general meeting of 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 for SEK's total capital ratio shall 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 shall be in total at least four (4) percentage points above the requirement communicated by the Swedish FSA.

As part of the most recent review and evaluation process, as of September 29, 2021, the Swedish FSA informed SEK that in addition to the capital requirement pursuant to Regulation (EU) No. 575/2013 on prudential requirements, SEK should hold additional capital (Pillar 2 guidance) of 1.50 percent of the total risk exposure amount and 0.15 percent of the total exposure measure for the leverage ratio. The risk-based Pillar 2 guidance and the leverage ratio guidance can both only be met with Common Equity Tier 1 capital. Pillar 2 guidance does not comprise a binding requirement.

On December 31, 2021, SEK's total capital ratio requirements including Pillar 2 guidance, and CET1 ratio requirements, including Pillar 2 guidance, amounted to 15.7 percent and 10.6 percent respectively (year-end 2020: 14.9 percent and 9.5 percent respectively). The requirements including Pillar 2 guidance should be compared to a total capital ratio and CET1 ratio that amounted to 21.6 percent on December 31, 2021 (year-end 2020: 21.8 percent).

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. SEK uses derivatives to maintain market risk at a low level and with the aim of ensuring stable net interest income.

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 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.

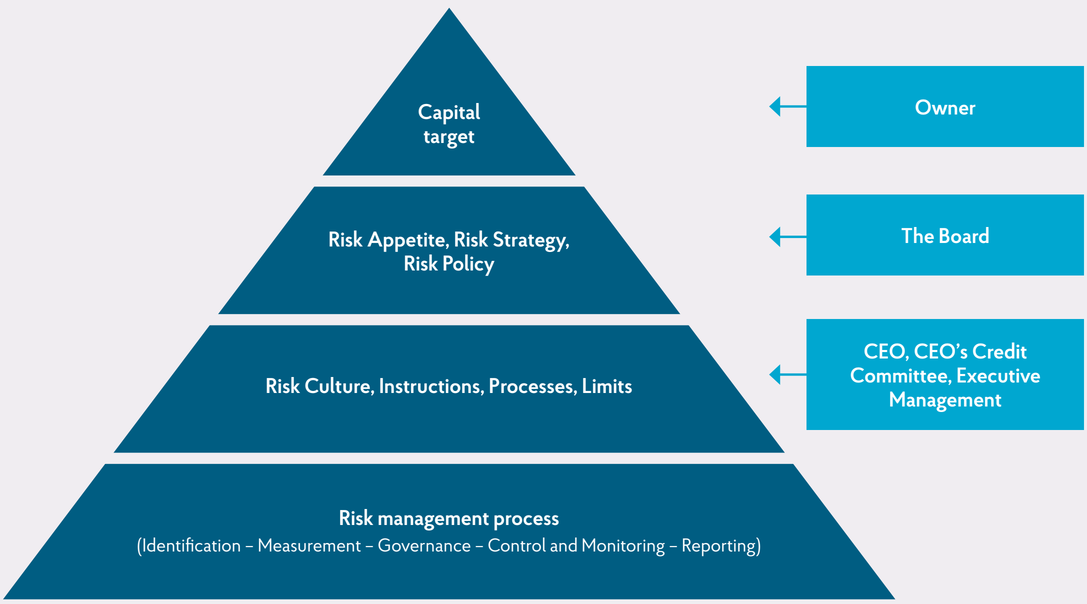
Risk appetite

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 informed about 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 table Detailed risk statement, where the risk appetite by risk class is described in detail.

SEK's risk framework

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



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 policy 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 function, which reviews the control functions; see the illustration 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.

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.

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.

Division of responsibility for risk, liquidity and capital management in SEK

First line of defence

- Business and support operations
- Day-to-day management of risk, capital and liquidity in compliance with risk appetite and strategy
- Credit and sustainability analyses
- Daily control and follow-up of credit, market and liquidity risk

Second line of defence

- Independent risk control and compliance functions
- Identification, quantification, monitoring and control of risks and risk management
- Risk, liquidity and capital reporting
- Maintain an efficient risk management framework and internal control framework
- Compliance monitoring and reporting to the Board

Third line of defence

- Independent internal audit
- Review and evaluation of the efficiency and integrity of risk management
- Performance of audit activities in line with the audit plan confirmed by the Board
- Direct reporting to the Board

Internal capital and liquidity assessment processes
The internal capital adequacy assessment process is an integral part of SEK's strategic planning. 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 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.

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.

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. Refer also to the information about Pillar 2-guidance in the Capital target section on page 34. 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.

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 composition 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. In SEK's assessment, the Company has liquidity that well exceeds liquidity needs during the planning period.

For supplementary and expanded information, refer to the separate risk report, "Capital Adequacy and Risk Management (Pillar 3) Report 2021", 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 default on debt that may arise from a borrower failing to make required payments. A credit risk can be of the following types: *Credit default risk* – The risk of loss arising from a debtor being unlikely to pay its loan obligations in full or the debtor is more than 90 days past due on any material credit obligation. Default risk may impact all credit-sensitive transactions, including loans, securities and derivatives. *Concentration risk* – The risk associated with any single exposure or group of exposures. It may arise in the form of single-name concentration, geography or industry concentration. *Country risk* – The risk of loss arising from a sovereign state freezing foreign currency payments (transfer/conversion risk) or when it defaults on its obligations (sovereign 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.)	64.5%
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 exposures towards market movements, mainly to credit spreads, cross-currency basis spreads, interest rates and foreign exchange rates.	Low	13.3%

Risk class	Risk management	Risk profile	Risk appetite	Proportion of Economic capital
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	2.4%
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.	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

Last year's Chairman's statement focused primarily on the COVID-19 pandemic and its impact on Swedish society and business as well as on SEK and its capacity to discharge its mission of financing Sweden's export industry. 2021 has also been strongly overshadowed by the pandemic and its implications. Sweden chose a path that, comparatively, entailed relatively limited restrictions. In pace with vaccination programs commencing, society and the economy have returned to more normal conditions during the year. However, the pandemic is not over and new waves of infection and virus mutations are giving rise to uncertainty looking forward. Lingering effects, such as disruption to global logistics chains, are affecting large parts of the business sector in different ways.

In light of the above, it is very gratifying to note that the SEK has fulfilled its mission in an excellent manner throughout this difficult period. Despite working remotely with limited possibilities for face-to-face meetings with clients and colleagues, SEK's employees have kept operations at full speed.

In addition to more traditional financing of Sweden's exports, SEK's operations have to an increasing degree focused on providing finance for the transition to a more fossil-frugal society. Work with this transition is being rapidly accelerated by Swedish business, and SEK has a clearly stated objective to not only meet the need for finance that arises as part of this process, but also to act as a driving force. The frameworks that govern SEK's operations provide scope for the company to take an active role in Sweden's transition efforts. This is being implemented through a combination of requirements and incentives. Requirements took the form of strict sustainability-related criteria and measurable effects, whereas incentives comprised competitive terms and conditions for loans. By setting clients high sustainability requirements, SEK helps them to set corresponding requirements for their customers. SEK can thereby actively contribute to exporting sustainability.

Green finance is rapidly gaining shares in the Swedish and international capital markets, where increasingly sophisticated financing techniques, standards and pricing models are being established. SEK makes active use of this growing market for its borrowing, and in 2021, the company issued new green bonds for a total value of Skr 6.1 billion. On the lending side, SEK now offers three sustainability labeled loans: green, social and sustainability-linked. The company has established long-term goals aligned with the EU Taxonomy Regulation and Sweden's national objectives. SEK's balance sheet shall achieve net zero emissions by 2045. In addition, the share of green loans in the portfolio shall increase to 50 percent by 2030.

In 2021, SEK established a climate council in partnership with the Swedish Export Credit Agency (EKN) comprised of scientists who will contribute their expertise and advise the partners in their sustainability efforts. SEK and EKN have also prepared a shared sustainable finance policy with the aim of providing finance and granting credit in a long-term sustainable manner from an economic, social and environmental perspective that promotes sustainable development. At the same time, this means that clients are set the same sustainability requirements.

In July, Catrin Fransson stepped down as CEO after seven successful years of developing SEK and its capacity to accomplish its mission. Catrin has performed an exemplary job and I would like to convey my warm appreciation for a job well done and for a rewarding partnership. Her successor, Magnus Montan, has a broad and for SEK highly relevant background in international banking. With great competence, Magnus has taken on the role with considerable energy.

Finally, I would like to thank all members of staff and my Board colleagues for their dedication and commitment over the past year. The expertise and commitment of the staff and Board form an extremely strong foundation for the continuous development of SEK's capacity to execute on its important mission. After eleven years as Chairman of the Board, it is time to say farewell. It has been a great joy and privilege to have the opportunity to contribute to the development of this fine company.

Corporate Governance Report 2021

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 (hereinafter "ownership policy"), owner instruction, the Swedish Corporate Governance Code (the "Code") 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 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

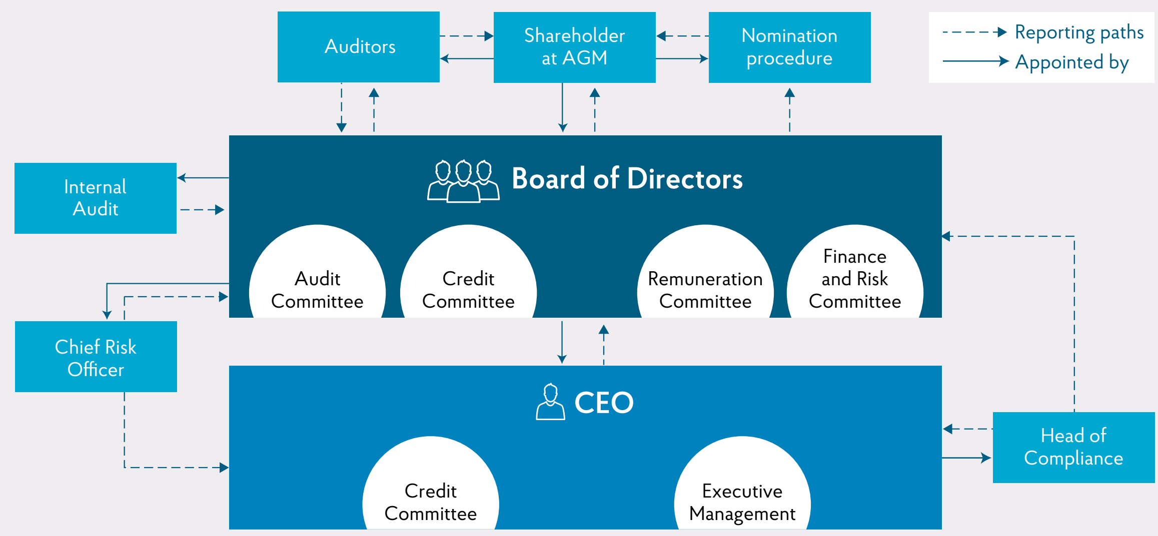
SEK chooses to deviate from the Code in regard to certain aspects, in accordance with the Code's regulations regarding "comply or explain." The reason for such deviations is that SEK is wholly owned by the state and it is not a publicly listed company with diverse ownership. SEK's corporate governance deviated from the requirements of the Code on the following points in the 2021 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 Counsil on Sustainable Lending Practises 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 (AGM) was held on March 24, 2021. External parties were entitled to attend the Meeting. The minutes of the AGM are available at www.sek.se.

The AGM re-elected the following Board members: Lars Linder-Aronson, Anna Brandt, Reinhold Geijer, Hanna Lagercrantz, Hans Larsson and Eva Nilsagård. Lars Linder-Aronson was re-elected Chairman of the Board by the Meeting. Lennart Jacobsen was elected to the Board as a new member.

The AGM adopted the Annual Report 2020 submitted by the Board and the CEO, and discharged the Board and the CEO from liability for the 2020 fiscal year. The AGM also resolved, in line with the Board's proposed appropriation of profits, to pay a dividend of Skr 290 million to the shareholder. The decision was in accordance with SEK's dividend policy. Moreover, and pursuant to the Board's proposal, the AGM resolved on changed guidelines for the remuneration to senior executives. The Board's proposal on guidelines for the remuneration to senior executives corresponds with the government's principles for remuneration and other terms of employment for senior executives in state-owned enterprises according to the ownership policy, see also under Note 5 to the Annual and Sustainability Report.

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 guidelines 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 AGM to serve until the end of the following AGM. The CEO is not a Director. The Board of Directors consists of three women and four 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 page 44 and 48–49. 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 AGM 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 and Head of Compliance.

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 13 occasions in 2021. 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 2021

	Total	Board of Directors	Remuneration Committee	Finance and Risk Committee	Credit Committee	Audit Committee
Number of meetings	52	13	5	7	21	6
Lars Linder-Aronson	46	13	5	7	21	0
Cecilia Ardström[1]	9	5	0	2	0	2
Anna Brandt	30	11	0	0	19	0
Reinhold Geijer[2]	39	13	5	0	21	0
Lennart Jacobsen[3]	13	8	1	0	0	4
Hanna Lagercrantz	25	13	5	7	0	0
Hans Larsson	26	13	0	7	0	6
Eva Nilsagård[4]	39	13	4	0	16	6
Ulla Nilsson[5]	10	5	0	0	3	2

1. Cecilia Ardström stepped down from the Board of Directors, Finance and Risk Committee and the Remuneration Committee on March 24, 2021.
2. Reinhold Geijer was elected as a Chairman of the Credit Committee on March 24, 2021.
3. Lennart Jacobsen was elected as a member of the Board of Directors, as a member of the Remuneration Committee and as a member the Audit Committee on March 24, 2021.
4. Eva Nilsagård was elected as a Chairman of the Audit Committee and as a member of the Credit Committee, and stepped down as a member of the Remuneration Committee on March 24, 2021.
5. Ulla Nilsson stepped down from the Board of Directors, Credit Committee and the Audit Committee on March 24, 2021.

Board's work during the year

During spring 2021, the Board's work focused largely on the adoption of new overall financial targets for the company as well as the recruitment of a new CEO. During the Board's strategy days that were held in the presence of the new CEO, Magnus Montan, much time was devoted to forward-looking questions such as how to design the company's capital strategy, how the company can even more successfully fulfill its mission by doing more for more parties, and determining which long-term sustainability goals should be adopted. These questions have thereafter been addressed recurringly at Board meetings throughout the autumn ahead of the adoption of the business plan for the next three years at the November 2021 meeting.

In addition to more customary Board business, such as the adoption of full-year and interim reports, follow-up of reports from the control functions and of major projects, etc., in 2021, the Board also took decisions on the relocation of SEK's head office, followed up sustainability issues in a couple of individual lending transactions, but also adopted a new sustainable finance policy prepared in consultation with the Swedish Export Credit Agency to ensure that the two bodies essentially set the same requirements.

The COVID-19 pandemic continued to impact not only the work of the company but also of the Board through 2021. A tangible result of this has been that most of the year's meetings had to be held digitally. The Board's annual visits to some of SEK's clients were conducted through digital meetings during 2021, with clients in the telecom, energy and shipping sectors. In 2021, the Board of Directors also held specific training courses. The themes that were brought included capital issues from a broader perspective, the design and function of the recovery plan and a review of the so called 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, Lennart Jacobsen and Hanna Lagercrantz

In addition to regular matters, the Remuneration Committee has during the year during the year devoted considerable time to the recruitment of a new CEO as well as to issues that address skills development and the corporate culture.

- 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), Hanna Lagercrantz and Lars Linder-Aronson

During the year, the Committee has discussed the progress and efficiency of IT projects, partly due to the extensive regulatory changes that have been implemented. Moreover, the Committee discussed credit risk development during the COVID-19 pandemic and the company's model for calculating provisions for expected credit losses.

- 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

Reinhold Geijer (Chairman), Anna Brandt, Lars Linder-Aronson and Eva Nilsagård

The Credit Committee decided in 57 (95) cases over the year. The Committee is the final instance for examining credit matters with the exception of credit decisions that are of fundamental or otherwise of significant importance to the company, which are examined by the Board. One such case arose in 2021. A significant proportion of cases determined by the Committee pertained to transition-related credit proposals. In 2021, the Committee also followed up the increased credit risks in the wake of the COVID-19 pandemic. Furthermore, the Committee has on a quarterly basis decided on credit reservations. The Credit Committee provides important support for operations and contributes to SEK's business by imparting an external perspective and extensive experience when facing decisions on transactions that entail the largest credit and sustainability risks.

- 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

Eva Nilsagård (Chairman), Lennart Jacobsen and Hans Larsson

In 2021, the Audit Committee has, in addition to the ongoing work concerning auditing, focused on analyzing of the credit loss model and the general financial impact that the COVID-19 pandemic has had on the company.

- 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 2021, SEK's Board and committees adopted the following policies and instructions:

Document
The Board's rules of procedure
Code of Conduct
Policy of Sustainable Financing
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
HR Policy (incl. policies for work environment, diversity and remuneration)
Information Security Policy
Credit Instruction
Accounting Instruction
Code of Conduct for Suppliers

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 2021 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 guidelines issued by the EBA.

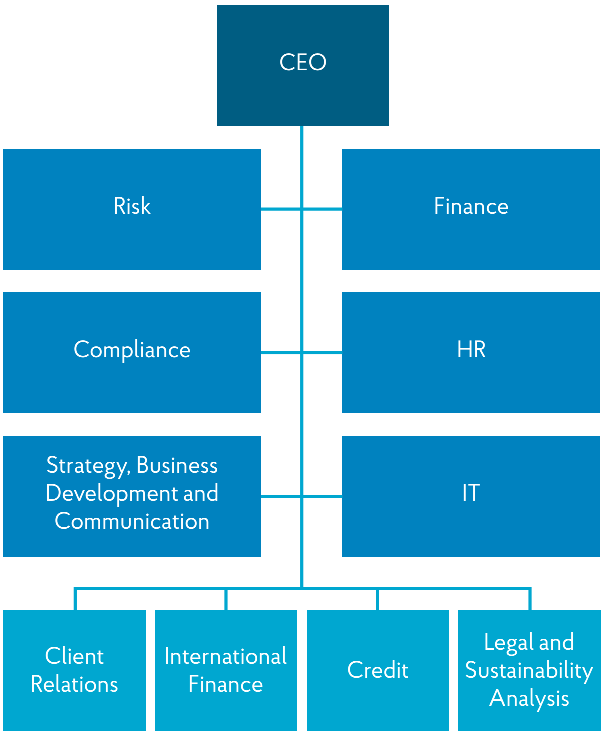
Remuneration of the Board of Directors and senior executives
Information regarding remuneration of the Board, CEO and executive management and the Board's proposals to the AGM are presented in Note 5 of this Annual Report.

Chief Executive Officer
Magnus Montan took up his role as CEO on July 16, 2021. Magnus has previously worked as Nordic Head of Business Banking at Nordea and has held several international senior management roles at HSBC. The Board of Directors has established an instruction for the CEO's work. The CEO is responsible for the day-to-day management of business operations in accordance with the Board's guidelines, established policies and instructions. The executive management is tasked with supporting the CEO in the operational management of the company.

The former Risk and Compliance Committee has at the end of 2021 been discontinued, and its tasks are now essentially included in the assignment of the executive management.

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 Chief Credit Officer 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 unanimous. In the case of disagreement, the case shall be referred to the Board's Credit Committee for decision.

Organization
In the last quarter of 2021, SEK started to implement a new organization aimed at reaching business goals and ensuring increased selling power as per the new business plan for 2022–2024. The new organization is to be fully implemented in 2022. New functions for Strategy, Business Development and Communication have been created, at the same time as the functions for Marketing & Communication and Transformation have been discontinued. The function International Finance has been added and replaces Structured Finance. Business Support has been included in the Client Relations function. Moreover, the Strategic Partnerships and Relations function has been discontinued, and the function's responsibilities allocated between the client organization, International Finance, Sustainability and Finance. The new Sustainability function is being formed and implemented in early 2022. The function will have a Head of Sustainability who reports directly to the CEO and is part of executive management. The objective is to further increase focus on sustainability topics within the company.



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 CEO.

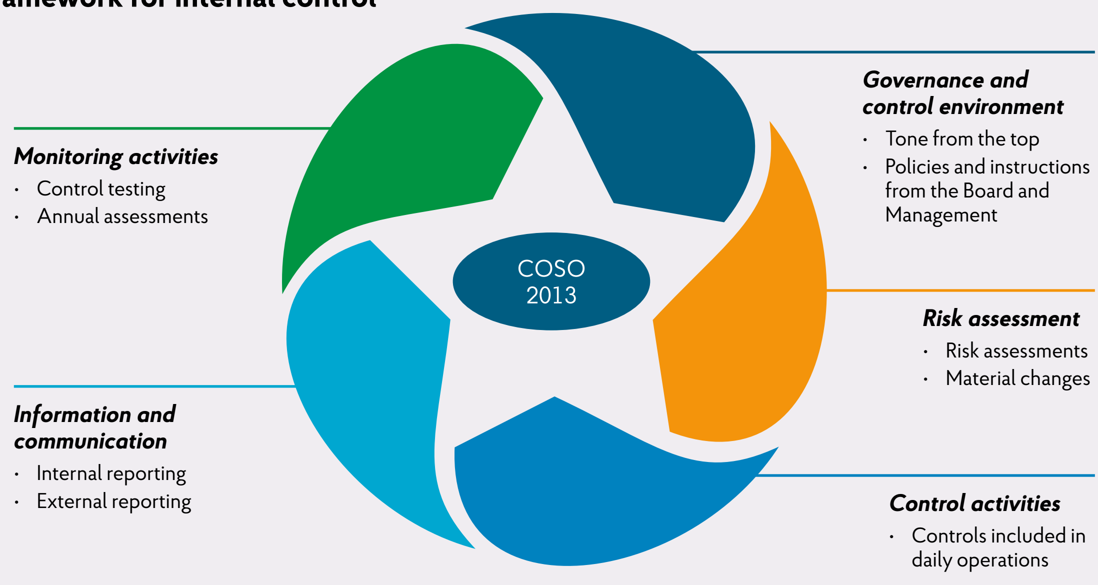
Risk function

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



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 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, 2021, the conclusion was that effective and efficient controls were in place relating to internal control of financial reporting.

Auditors
The 2021 Annual General Meeting elected Öhrlings PricewaterhouseCoopers 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 2021.

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. **Born:** 1953. **Education:** MSc Economics and Business, Stockholm School of Economics. **Elected:** 2011. **Previous positions:** Managing Director of Enskilda Securities AB and Deputy Managing Director Skandinaviska Enskilda Banken AB. **Other appointments:** Chairman of the Board of Strand European Holdings AB, Nordisk Renting AB, Ursvik Entré Holding AB and Ursvik Entré AB. Director of Facility Labs AB and Morco Förvaltning 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 of 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, Irland. **Current position:** Ambassador and permanent representative of Sweden to the OECD and UNESCO, Paris.

Reinhold Geijer

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

Lennart Jacobsen

Director: Member SEK's Remuneration Committee and SEK's Audit Committee. **Born:** 1966. **Education:** Master of Science, Electrical Engineering Telecommunication from KTH (Royal Institute of Technology). **Elected:** 2021. **Previous positions:** Executive Vice President, Country Senior Executive Sweden and Head of Retail Banking of Nordea Bank AB and CEO Nordics of GE Capital Global Banking AB. **Other appointments:** Chairman of the Board of Careium AB, Qliro AB, and Playground Group AB. Board member of Swedbank Robur Fonder AB and Oryx Holding AB.

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 Remuneration Committee and SEK' Finance and Risk 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 of Ministry of Enterprise.

Hans Larsson

Director: Chairman of SEK's Finance and Risk Committee. Member of SEK's Audit 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:** Chairman of the Board of Bank Norwegian ASA. Board member of Norwegian Finans Holding ASA, Nordnet Bank AB and Intrum AB. **Current position:** Founder and CEO of Linderyd Advisory AB and Lunda Advisory AB.

Eva Nilsagård

Director: Chairman of SEK's Audit Committee. Member of SEK's Credit 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 of AddLife AB, Bufab AB, Xbrande Biopharma AB, Hansa Biopharma AB, Nimbus Group AB, Nanexa AB and Irras AB. Chairman of the Board of Spermosens AB and Diagonal Bio AB. Board member of eEducation Albert AB. **Current position:** Founder and CEO at Nilsagård consulting.

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

Management

Magnus Montan
CEO
Born: 1972
Education: BSc. of Economics, London School of Economics
Employed: 2021
Other appointments: Board member of Nordea Hypotek and Majblommans Riksförbund

Per Åkerlind
Deputy CEO
Born: 1962
Education: MSc in Engineering, the Royal Institute of Technology, Stockholm
Employed: 1990
Other appointments: Chairman of Credit Markets Group SFF

Karl Johan Bernerfalk
General Counsel, Head of Legal and Sustainability Analysis
Born: 1972
Education: LLM, Lund University
Employed: 2007
Other appointments: –

Andreas Ericson
Head of International Finance
Born: 1976
Education: Business Studies Program, University of Westminster
Employed: 2010
Other appointments: Director of 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 Client Relationship Management
Born: 1974
Education: Studies at the Stockholm School of Economics
Employed: 2007
Other appointments: –

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

Susanna Rystedt
Head of Strategy, Business Development and Communication
Born: 1964
Education: MSc Economics and Business, Stockholm School of Economics
Employed: 2009
Other appointments: Director of 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 during 2021: With regards to SEK's organizational changes Marketing and Communication is now part of the new function Strategy, Business Development and Communication. Petra Könberg, previously being the manager for Marketing and communication, is no longer part of the Management.

Consolidated Statement of Comprehensive Income

Skr mn	Note	2021	2020	2019
Interest income calculated using effective interest method		4,264	4,960	5,703
Other interest income		-1,545	-852	654
Interest expenses		-812	-2,162	-4,640
Net interest income	**2**	**1,907**	**1,946**	**1,717**
Net fee and commission expense	3	-29	-42	-33
Net results of financial transactions	4	56	83	226
Other operating income		0	-	-
Total operating income		**1,934**	**1,987**	**1,910**
Personnel expenses	5	-359	-347	-333
Other administrative expenses	6	-231	-198	-206
Depreciation and impairment of non-financial assets	7	-80	-51	-57
Total operating expenses		**-670**	**-596**	**-596**
Operating profit before credit losses		**1,264**	**1,391**	**1,314**
Net credit losses	9	41	-153	-10
Operating profit		**1,305**	**1,238**	**1,304**
Tax expenses	10	-271	-270	-277
Net profit[1]		**1,034**	**968**	**1,027**
Other comprehensive income related to:				
Items to be reclassified to profit or loss				
Derivatives in cash-flow hedges		-	-	*-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				
Own credit risk		*-24*	*18*	*24*
Revaluation of defined benefit plans		*24*	*1*	*-4*
Tax on items not to be reclassified to profit or loss	10	0	-5	-4
Net items not to be reclassified to profit or loss		**0**	**14**	**16**
Total other comprehensive income		**0**	**14**	**10**
Total comprehensive income[1]		**1,034**	**982**	**1,037**

Skr		2021	2020	2019
Basic and diluted earnings per share[2]		259	243	257

1 The entire profit is attributable to the shareholder of the Parent Company.
2 The average number of shares in 2021 amounted to 3,990,000 (2020: 3,990,000)

Consolidated Statement of Financial Position

Skr mn	Note	December 31, 2021	December 31, 2020
Assets			
Cash and cash equivalents	11, 12	11,128	3,362
Treasuries/government bonds	11, 12	10,872	22,266
Other interest-bearing securities except loans	11, 12	45,881	33,551
Loans in the form of interest-bearing securities	11, 12	46,578	50,780
Loans to credit institutions	9, 11, 12	20,775	31,315
Loans to the public	8, 9, 11, 12	180,288	171,562
Derivatives	12, 14	8,419	7,563
Tangible and intangible assets	7	331	145
Deferred tax assets	10	11	15
Other assets	16	7,451	12,853
Prepaid expenses and accrued revenues	17	1,913	1,987
Total assets		**333,647**	**335,399**
Liabilities and equity			
Borrowing from credit institutions	12, 18	5,230	3,486
Borrowing from the public	12, 18	10,000	10,000
Debt securities issued	12, 18	279,770	273,976
Derivatives	12, 14	14,729	25,395
Other liabilities	19	1,167	455
Accrued expenses and prepaid revenues	20	1,875	1,924
Provisions	5, 21	68	99
Total liabilities		**312,839**	**315,335**
Share capital		3,990	3,990
Reserves		-129	-129
Retained earnings		16,947	16,203
Total equity	**22**	**20,808**	**20,064**
Total liabilities and equity		**333,647**	**335,399**

Consolidated Statement of Changes in Equity

Skr mn	Equity	Share capital	Reserves: Hedge reserve	Reserves: Own credit risk	Reserves: Defined benefit plans	Retained earnings
2021						
Opening balance of equity Jan 1, 2021	**20,064**	**3,990**	**-**	**-84**	**-45**	**16,203**
Changes in equity:						
Net profit for the year	1,034					1,034
Other comprehensive income related to:						
Items to be reclassified to profit or loss						
Derivatives in cash-flow hedges	-		-			
Tax on items to be reclassified to profit or loss	-		-			
Items not to be reclassified to profit or loss						
Own credit risk	*-24*			*-24*		
Revaluation of defined benefit plans	*24*				*24*	
Tax on items not to be reclassified to profit or loss	0			6	-6	
Total other comprehensive income	**0**	**-**	**-**	**-18**	**18**	**-**
Total comprehensive income	**1,034**	**-**	**-**	**-18**	**18**	**1,034**
Dividend	-290					-290
Closing balance of equity 2021[1,2]	**20,808**	**3,990**	**-**	**-102**	**-27**	**16,947**
2020						
Opening balance of equity Jan 1, 2020	**19,082**	**3,990**	**-**	**-98**	**-45**	**15,235**
Changes in equity:						
Net profit for the year	968					968
Other comprehensive income related to:						
Items to be reclassified to profit or loss						
Derivatives in cash-flow hedges	-		-			
Tax on items to be reclassified to profit or loss	-		-			
Items not to be reclassified to profit or loss						
Own credit risk	*18*			*18*		
Revaluation of defined benefit plans	*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**

Skr mn	Equity	Share capital	Reserves			Retained earnings
			Hedge reserve	*Own credit risk*	*Defined benefit plans*	
2019						
Opening balance of equity Jan 1, 2019	**18,239**	**3,990**	**6**	**-117**	**-42**	**14,402**
Changes in equity:						
Net profit for the year	1,027					1,027
Other comprehensive income related to:						
Items to be reclassified to profit or loss						
Derivatives in cash-flow hedges	*-8*		*-8*			
Tax on items to be reclassified to profit or loss	2		2			
Items not to be reclassified to profit or loss						
Own credit risk	*24*			*24*		
Revaluation of defined benefit plans	*-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**

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	2021	2020	2019
Operating activities			
Operating profit[1]	1,305	1,238	1,304
Adjustments for non-cash items in operating profit			
Provision for credit losses, net	-41	153	10
Depreciation and impairment of non-financial assets	80	51	57
Exchange-rate differences	-2	5	7
Unrealized changes in fair value	-21	-69	-185
Other	53	0	-5
Total adjustments for non-cash items in operating profit	**69**	**140**	**-116**
Income tax paid	-263	-311	-529
Increase (-)/decrease (+) in lending	16,900	-37,824	-2,540
Increase (-)/decrease (+) in bonds and securities held	1,230	4,276	-889
Other changes in assets and liabilities – net	1,334	14,493	1,996
Cash flow from operating activities	**20,575**	**-17,988**	**-774**
Investing activities			
Investments	-242	-35	-40
Cash flow from investing activities	**-242**	**-35**	**-40**
Financing activities			
Senior debt	88,328	153,518	126,412
Repayments of debt	-97,435	-119,143	-112,190
Repurchase and early redemption of own long-term debt	-1,851	-4,915	-18,642
Derivatives	-1,523	-8,651	4,049
Payment of lease liability	-24	-27	-39
Dividend paid	-290	-	-194
Cash flow from financing activities	**-12,795**	**20,782**	**-604**
Net cash flow for the period	**7,538**	**2,759**	**-1,418**
Cash and cash equivalents at beginning of the year	3,362	1,362	2,416
Net cash flow for the period	7,538	2,759	-1,418
Exchange-rate differences on cash and cash equivalents	228	-759	364
Cash and cash equivalents at end of year[2]	**11,128**	**3,362**	**1,362**
of which cash at banks	*427*	*561*	*651*
of which cash equivalents	*10,701*	*2,801*	*711*

1 **Interest payments received and expenses paid**

Interest payments received	2,801	4,329	9,057
Interest expenses paid	862	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	2021	2020
Interest income calculated using effective interest method		4,264	4,960
Other interest income		-1,545	-852
Interest expenses		-812	-2,162
Net interest income	**2**	**1,907**	**1,946**
Net fee and commission expense	3	-29	-42
Net results of financial transactions	4	32	102
Other operating income		0	-
Total operating income		**1,910**	**2,006**
Personnel expenses	5	-360	-347
Other administrative expenses	6	-231	-198
Depreciation and impairment of non-financial assets	7	-80	-51
Total operating expenses		**-671**	**-596**
Operating profit before credit losses		**1,239**	**1,410**
Net credit losses	9	28	-136
Impairment of financial fixed assets[1]		13	-17
Operating profit		**1,280**	**1,257**
Tax expenses	10	-266	-273
Net profit		**1,014**	**984**

1 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	2021	2020
Net profit for the year (after taxes)		**1,014**	**984**
Total other comprehensive income		**-**	**-**
Total comprehensive income		**1,014**	**984**

Parent Company Balance Sheet

Skr mn	Note	December 31, 2021	December 31, 2020
Assets			
Cash and cash equivalents	11, 12	11,128	3,362
Treasuries/government bonds	11, 12	10,872	22,266
Other interest-bearing securities except loans	11, 12	45,881	33,551
Loans in the form of interest-bearing securities	11, 12	46,578	50,780
Loans to credit institutions	9, 11, 12	20,775	31,315
Loans to the public	8, 9, 11, 12	180,288	171,562
Derivatives	12, 14	8,419	7,563
Shares in subsidiaries	15	0	0
Tangible and intangible assets	7	331	145
Deferred tax assets	10	1	-
Other assets	16	7,452	12,853
Prepaid expenses and accrued revenues	17	1,913	1,987
Total assets		**333,638**	**335,384**
Liabilities and equity			
Borrowing from credit institutions	12, 18	5,230	3,486
Borrowing from the public	12, 18	10,000	10,000
Debt securities issued	12, 18	279,770	273,976
Derivatives	12, 14	14,729	25,395
Other liabilities	19	1,167	455
Accrued expenses and prepaid revenues	20	1,875	1,924
Provisions	5, 21	21	26
Total liabilities		**312,792**	**315,262**
Non-distributable capital			
Share capital		3,990	3,990
Legal reserve		198	198
Fund for internally developed software		126	94
Distributable capital			
Retained earnings		15,518	14,856
Net profit for the year		1,014	984
Total equity	**22**	**20,846**	**20,122**
Total liabilities and equity		**333,638**	**335,384**

Parent Company Statement of Changes in Equity

Skr mn	Equity	Share capital	Legal reserve	Fund for internally developed software	Retained earnings
2021					
Opening balance of equity Jan 1, 2021	**20,122**	**3,990**	**198**	**94**	**15,840**
Changes in equity:					
Net profit for the year	1,014				1,014
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	**1,014**	**-**	**-**	**-**	**1,014**
To the net results	-			32	-32
Dividend	-290				-290
Closing balance of equity 2021[1]	**20,846**	**3,990**	**198**	**126**	**16,532**
2020					
Opening balance of equity Jan 1, 2020	**19,138**	**3,990**	**198**	**47**	**14,903**
Changes in equity:					
Net profit for the year	984				984
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	**984**	**-**	**-**	**-**	**984**
To the net results	-			47	-47
Dividend	-				-
Closing balance of equity 2020[1]	**20,122**	**3,990**	**198**	**94**	**15,840**

1 See Note 22.

Statement of Cash Flows in the Parent Company

Skr mn	2021	2020
Operating activities		
Operating profit[1]	1,280	1,257
Adjustments for non-cash items in operating profit		
Provision for credit losses, net	-41	153
Depreciation and impairment of non-financial assets	80	51
Exchange-rate differences	-2	5
Unrealized changes in fair value	3	-87
Other	29	-
Total adjustments for non-cash items in operating profit	**69**	**122**
Income tax paid	-263	-311
Increase (-)/decrease (+) in lending	16,900	-37,824
Increase (-)/decrease (+) in bonds and securities held	1,230	4,276
Other changes in assets and liabilities – net	1,359	14,492
Cash flow from operating activities	**20,575**	**-17,988**
Investing activities		
Capital expenditures	-242	-35
Cash flow from investing activities	**-242**	**-35**
Financing activities		
Senior debt	88,328	153,518
Repayments of debt	-97,435	-119,143
Repurchase and early redemption of own long-term debt	-1,851	-4,915
Derivatives	-1,523	-8,651
Payment of lease liability	-24	-27
Dividend paid	-290	-
Cash flow from financing activities	**-12,795**	**20,782**
Net cash flow for the period	**7,538**	**2,759**
Cash and cash equivalents at beginning of the year	3,362	1,362
Net cash flow for the period	7,538	2,759
Exchange-rate differences on cash and cash equivalents	228	-759
Cash and cash equivalents at end of year[2]	**11,128**	**3,362**
of which cash at banks	*427*	*561*
of which cash equivalents	*10,701*	*2,801*

1 **Interest payments received and expenses paid**

Interest payments received	2,801	4,329
Interest expenses paid	862	2,861

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.

Notes

Note table

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 Fleminggatan 20, P.O. Box 194, SE-112 26 Stockholm, Sweden. The Consolidated Group as of December 31, 2021 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. SEK is a foreign private issuer as defined by US regulations. For the result and related notes for the Consolidated Group two comparison years is provided as required in US reporting.

Certain additional disclosures required by applicable regulations or legislation are included in the notes, or with reference to the Risk and Capital Management section, page 34-39. 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 page 26 and 41-47.

The Consolidated Financial Statements and the Parent Company’s annual report were approved for issuance by SEK’s Board of Directors on February 21, 2022. 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, 2022.

(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.

Note 1, continued

(c) Changes to accounting policies and presentation

In all significant respects, the accounting policies, bases of calculation and presentation are unchanged compared with the 2020 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) Reform for new reference rates – phase 2

The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in "Reform for new reference rates – phase 2" have been applicable since January 1, 2021. Phase 2 of the reform of the reference rates is comprised of three main areas: hedge accounting, modifications and information. The changes clarify that hedge accounting does not have to cease just because the hedged items and hedging instruments were modified as a result of the IBOR reform. Security conditions (and associated documentation) must be changed to reflect the modifications made to the hedged item, the hedging instrument and the hedged risk. Any value adjustments resulting from the changes must be reported as hedging inefficiency. During 2021, SEK has applied the relief under IFRS 9 for changing the hedged risk in existing hedge accounting relationships with GBP LIBOR and JPY LIBOR. The reform of the reference rates further clarifies that modifications required as a direct result of the IBOR reform, when 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 must be adjusted in line with those modified cash flows. SEK has used the accounting relief rule for modifications for a few transactions. SEK's exposure that is directly affected by the reference interest rate reform is mainly its lending contracts to variable interest rates, its lending and borrowing contracts at fixed interest rates that are hedged at variable interest rates and currency swaps at variable interest rates. The exposures to variable interest rates are mainly against USD LIBOR, STIBOR and EURIBOR. GBP LIBOR, CHF LIBOR and JPY LIBOR ceased on December 31, 2021. Exposures against these variable interest rates have been converted. For USD LIBOR, the most common maturities are expected to expire after June 30, 2023. SEK has lending contracts and derivative contracts maturing after June 30, 2023 in USD LIBOR with a nominal amount of USD 1,870 million and USD 19,284 million, respectively. The amendments are not expected to result in a change to SEK's hedging conditions and no significant modification gains or modification losses are expected to be reported. The changes are therefore not expected to have any significant impact on SEK's accounts, capital adequacy or large exposures when first applied.

(ii) Capital Requirements Regulation

To further improve the resilience of credit institutions within the EU, a reform package was adopted in June 2019: Regulation (EU) 2019/876 (CRRII) and Directive (EU) 2019/878 (CRDV) of the European Parliament and of the Council. On June 28, 2021, the Capital Requirements Regulation (CRRII) entered into force. This means that new requirements such as a binding leverage ratio and a binding net stable funding ratio (NSFR) are included in Note 25, Capital adequacy. The information is published in accordance with Finansinspektionen's (the Swedish FSA) Supervisory Regulations FFFS 2014:12 and FFFS 2008:25.

(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. 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.

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"). All revenue and expenses from the CIRR-system are recognized in SEK's profit or loss. 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.

Note 1, continued

(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 financial 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).

Note 1, continued

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 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.

Note 1, continued

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 percent 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 valua-

Note 1, continued

tion 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 models 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 where 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

Note 1, continued

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 percent. The World Bank's forecast forms the base scenario. The weights 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

Note 1, continued

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 intangible 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 is deferred taxes on temporary fiscal differences. Deferred tax is calculated with an expected tax rate of 20.6 percent (2020: 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.

Note 1, continued

(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. Significant factors for the judgement 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 krona and other currencies. 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, 2021, financial assets and liabilities for which valuation models were used, and where market inputs with a significant effect on the recoded fair value are observable (level 2) amounted to Skr 32 billion (2020: Skr 28 billion) and Skr 19 billion (2020: Skr 30 billion), 10 percent (2020: 9 percent) and 6 percent (2020: 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 0 billion (2020: Skr 2 billion) and Skr 35 billion (2020: Skr 43 billion), 0 percent (2020: 0 percent) and 11 percent (2020: 14 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

Note 1, continued

in other fair value estimates on the reporting date. At December 31, 2021, 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 -122 million (2020: Skr -137 million) and Skr 122 million (2020: Skr 137 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 judgment. 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, 2021 if the definition of significant increase in credit risk had been one less step of deterioration the impairments would have been Skr 1 million higher (2020: Skr 4 million), and if the definition had been one more step of deterioration the impairments would have been Skr 0 million lower (2020: Skr 0 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, 2021 if the probability of a downturn scenario, or an upturn scenario, would have been weighted with 100 percent probability the impairments would have been Skr 5 million higher (2020: Skr 12 million) or Skr 5 million lower (2020: Skr 11 million), respectively. On December 31, 2021, SEK's total lending including off-balance sheet exposures amounted to Skr 298 billion (2020: Skr 294 billion) and the related impairment reserve amounted to Skr 164 million (2020: Skr 249 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, 2021 by an additional approximately Skr 16 million (2020: Skr 25 million) and equity at the same date by approximately Skr 13 million (2020: Skr 20 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) Group contributions

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

(iv) 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).

(v) 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

No IFRS or IFRS IC interpretations that are not yet applicable are expected to have a material impact on SEK's Financial Statements, capital adequacy or large exposure ratios.

Note 2. Net interest income

Skr mn	2021	2020	2019
Interest income			
Loans to credit institutions	131	236	546
Loans to the public	3,782	4,210	4,597
Loans in the form of interest-bearing securities	776	897	829
Interest-bearing securities excluding loans in the form of interest-bearing securities	50	242	686
Derivatives	-2,239	-1,708	-538
Administrative remuneration CIRR-system[1]	198	197	194
Other assets	21	34	43
Total interest income	**2,719**	**4,108**	**6,357**
Interest expenses			
Interest expenses excl. resolution fee	-724	-2,076	-4,471
Resolution fee	-88	-86	-169
Total interest expenses	**-812**	**-2,162**	**-4,640**
Net interest income	**1,907**	**1,946**	**1,717**

Skr mn	2021	2020	2019
Interest income were related to:			
Financial assets at fair value through profit or loss	-1,750	-1,070	452
Derivatives used for hedge accounting	-439	-396	-303
Financial assets at amortized cost	4,908	5,574	6,208
Total interest income	**2,719**	**4,108**	**6,357**
Interest expenses were related to:			
Financial liabilities at fair value through profit or loss	530	725	1,158
Financial assets measured at fair value through profit or loss – negative interest on income	-73	-60	-72
Financial assets measured at amortized cost – negative interest income	0	0	-9
Derivatives used for hedge accounting	2,146	1,904	-286
Financial liabilities at amortized cost	-3,415	-4,731	-5,431
Total interest expenses	**-812**	**-2,162**	**-4,640**
Net interest income	**1,907**	**1,946**	**1,717**

Interest income geographical areas

Skr mn	2021	2020	2019
Sweden	863	1,223	1,281
Europe except Sweden	-944	-166	1,340
Countries outside of Europe	2,800	3,051	3,736
Total interest income	**2,719**	**4,108**	**6,357**

Interest income per product group

Skr mn	2021	2020	2019
Lending to Swedish exporters	1,596	1,921	1,954
Lending to exporters' customers[2]	932	1,229	1,784
Liquidity	191	958	2,619
Total interest income	**2,719**	**4,108**	**6,357**

1 Including administrative remuneration for concessionary loans by Skr 1 million (2020: Skr 1 million).
2 In interest income for Lending to exporters' customers, Skr 197 million (2020: Skr 196 million) represents remuneration from the CIRR-system, see Note 24.

Note 3. Net fee and commissions expense

Skr mn	2021	2020	2019
Fee and commissions earned were related to[1]:			
Lending	2	1	1
Total	**2**	**1**	**1**
Commissions incurred were related to[1]:			
Custodian- and bank fees	-9	-10	-8
Brokerage	-2	-4	-5
Other commissions incurred	-20	-29	-21
Total	**-31**	**-43**	**-34**
Net fee and commissions expense	**-29**	**-42**	**-33**

1 Skr -27 million (2020: Skr -37 million) includes financial assets and liabilities not measured at fair value through profit or loss.

Note 4. Net results of financial transactions

	Consolidated Group			Parent Company	
Skr mn	2021	2020	2019	2021	2020
Derecognition of financial instruments not measured at fair value through profit or loss:					
Financial assets at amortized cost	33	14	19	33	14
Financial assets or liabilities at fair value through profit or loss:					
Designated upon initial recognition (FVO)[1]	-569	-488	-5,590	-593	-469
Mandatorily	582	466	5,710	582	466
Financial instruments under fair-value hedge accounting:					
Net results of the hedging instrument	-3,397	1,277	2,846	-3,397	1,277
Net results of the hedged item	3,409	-1,191	-2,761	3,409	-1,191
Currency exchange-rate effects on all assets and liabilities excl. currency exchange-rate effects related to revaluation at fair value	-2	5	2	-2	5
Total net results of financial transactions	**56**	**83**	**226**	**32**	**102**

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

	Consolidated Group			Parent Company	
Skr mn	2021	2020	2019	2021	2020
Salaries and remuneration to the Board of Directors and the CEO	-8	-7	-7	-8	-7
Salaries and remuneration to Senior Executives	-25	-25	-23	-25	-25
Salaries and remuneration to other employees	-173	-168	-161	-173	-168
Pensions	-66	-64	-60	-66	-64
Social insurance	-70	-68	-63	-70	-68
Other personnel expenses	-17	-15	-19	-17	-15
Total personnel expenses	**-359**	**-347**	**-333**	**-359**	**-347**

The combined total of the remuneration to senior executives, excluding the CEO of the Parent Company, amounted to Skr 25 million (2020: Skr 25 million). Of the remuneration to senior executives, Skr 25 million (2020: Skr 25 million) is pensionable. Of the remuneration to the CEO of the Parent Company, Skr 5 million (2020: 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.

Note 5, continued

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

2021 Skr thousand	Fee, includes committee fee	Fixed remu-neration[1]	Other benefits[2]	Pension fee[3]	Total
Chairman of the Board of Directors:					
Lars Linder-Aronson	-609	-	-	-	-609
Other members of the Board of Directors:					
Lennart Jacobsen, from March 24, 2021	-238	-	-	-	-238
Anna Brandt[4]	-	-	-	-	-
Reinhold Geijer	-318	-	-	-	-318
Eva Nilsagård	-334	-	-	-	-334
Hans Larsson	-334	-	-	-	-334
Hanna Lagercrantz[4]	-	-	-	-	-
Cecilia Ardström, resigned March 24, 2021	-83	-	-	-	-83
Ulla Nilsson, resigned March 24, 2021	-84	-	-	-	-84
Senior Executives:					
Catrin Fransson, Chief Executive Officer (CEO)[5], resigned July 15, 2021	-	-3,130	-15	-896	-4,041
Magnus Montan, Chief Executive Officer (CEO)[5], from July 16, 2021	-	-2,459[6]	-8	-837	-3,304
Per Åkerlind, Deputy Chief Executive Officer	-	-3,544	-20	-1,266	-4,830
Karl Johan Bernerfalk, General Counsel, Head of Legal and Sustainability Analysis	-	-1,643	-35	-574	-2,252
Andreas Ericson, Head of International Finance	-	-2,020	-34	-646	-2,700
Stefan Friberg, Chief Financial Officer (CFO)	-	-3,007	-16	-532	-3,555
Teresa Hamilton Burman, Chief Credit Officer (CCO)	-	-2,459	-30	-529	-3,018
Jens Hedar, Head of Client Relationship Management	-	-2,485	-17	-721	-3,223
Petra Könberg, Head of Marketing and Communications, resigned November 30, 2021	-	-1,219	-31	-427	-1,677
Peter Svensén, Chief Risk Officer (CRO)	-	-2,624	-26	-555	-3,205
Sirpa Rusanen, Chief Human Resources Officer (CHRO)	-	-1,749	-24	-687	-2,460
Susanna Rystedt, Head of Strategy, Business Development and Communications	-	-2,552	-16	-804	-3,372
Madeleine Widaeus, Chief Information Officer (CIO)	-	-1,749	-16	-520	-2,285
Total	**-2,000**	**-30,640**	**-288**	**-8,994**	**-41,922**

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 former CEO, Catrin Fransson and the current CEO, Magnus Montan, is 65 years and the pension fee is 30 percent of their respective fixed salary.
6 Employed since June 1, 2021.

Note 5, continued

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

2020 Skr thousand	**Fee, includes committee fee**	**Fixed remu-neration**[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
Eva Nilsagård	-297	-	-	-	-297
Ulla Nilsson	-322	-	-	-	-322
Hans Larsson	-302	-	-	-	-302
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 former CEO, Catrin Fransson, is 65 years and the pension fee is 30 percent of her fixed salary.

Note 5, continued

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

2019 Skr thousand	**Fee, includes committee fee**	**Fixed remu-neration**[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 former CEO, Catrin Fransson, is 65 years and the pension fee is 30 percent of her fixed salary.

Note 5, continued

Total Expenditure on Remuneration

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 2021 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.

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 variable 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 2021.

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 a yearly 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 the lower amount corresponding to 1.5 times the outcome at the main function level or an amount corresponding to EUR 50,000. Accordingly, the maximum outcome for any individual is three months' salary or an amount corresponding to EUR 50,000. 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 the year following the income year to which the remuneration relates, and 20 percent will be disbursed 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 former CEO's, Catrin Fransson's, until and including 15 July, 2021, and the current CEO's, Magnus Montan, from and including 16 July, 2021, terms of employment comply with the Guidelines for Terms of Employment for Senior Executives in State-owned Companies 2020.

SEK pays an old-age and survivors' pension 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 private healthcare insurance under Skandia 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 12 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 implementation 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

Note 5, continued

private health insurance. Other benefits offered by the employer include per diem allowances and household services.

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 of 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	2021	2020	2019
Service cost	-7	-5	-6
Regulation of pension obligations	0	0	0
Interest cost, net	-1	-1	-2
Pension cost for defined benefit pensions, incl. payroll tax	**-8**	**-6**	**-8**
Pension cost for defined contribution pension cost incl. payroll tax	-58	-58	-52
Pension cost recognized in personnel costs	**-66**	**-64**	**-60**
Actuarial gains (+) and losses (-) on defined benefit obligation during period	23	-2	-16
Return above expected return, gains (+) and losses (-) on plan assets	1	3	12
Change in the effect of the asset ceiling excluding interest	-	-	-
Revaluation of defined benefit plans	**24**	**1**	**-4**

Net value of defined benefit pension obligations

Skr mn	2021	2020	2019
Defined benefit obligations	258	277	272
Plan assets	-201	-195	-189
Provision for pensions, net obligation[1]	**57**	**82**	**83**

1 See Note 21.

Development of defined benefit obligations

Skr mn	2021	2020	2019
Defined benefit obligation, opening balance	**277**	**272**	**253**
Service cost	7	6	6
Interest cost	3	5	5
Pension Payments incl. special payroll tax	-7	-9	-8
Actuarial gains (-) and losses (+), effect due to changed demographic assumptions	-2	-	-
Actuarial gains (-) and losses (+), effect due to changed financial assumptions	-24	12	25
Actuarial gains (-) and losses (+), effect due to experience based outcome	4	-9	-9
Defined benefit obligation, closing balance	**258**	**277**	**272**

Development of plan assets related to defined benefit obligation

Skr mn	2021	2020	2019
Fair value of plan assets, opening balance	**195**	**189**	**173**
Expected return on plan assets	2	3	4
Contributions by the employer[1]	9	7	7
Benefits paid[2]	-6	-8	-7
Return on plan assets excluding interest income	1	4	12
Fair value of plan assets, closing balance	**201**	**195**	**189**

1 Expected contribution from the employer in the following year is Skr 6 million (2020: Skr 5 million) excluding payroll tax.
2 Expected compensation paid in the following year is Skr 7 million (2020: Skr 7 million).

Distribution of plan assets related to defined benefit obligation

Skr mn	2021	2020	2019
Domestic equity investments	4	4	4
Foreign equity investments	24	23	17
Domestic government bonds	34	41	49
Domestic corporate bonds	12	18	22
Mortgage bonds	57	53	49
Other Investments	44	33	25
Properties	26	23	23
Total plan assets	**201**	**195**	**189**

Principal actuarial assumptions used end of year

Percent	2021	2020	2019
Discount rate	1.8	1.25	1.7
Assumption of early pension withdrawal	20.0	20.0	20.0
Expected salary increase	2.0	2.0	2.0
Expected inflation	2.0	1.8	2.0
Expected lifetime	DUS21	DUS14	DUS14
Expected turnover	5.0	5.0	5.0

Note 5, continued

Sensitivity analysis of essential assumptions

	Negative outcome			Positive outcome		
Skr mn	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
Discount rate	-1%	-1%	-1%	+1%	+1%	+1%
Defined benefit obligation	329	358	351	206	218	215
Service cost	7	9	8	4	5	5
Interest cost	2	1	2	6	5	6
Expected lifetime	+1 year	+1 year	+1 year	-1 year	–1 year	–1 year
Defined benefit obligation	270	291	286	245	264	260
Service cost	5	7	6	5	7	6
Interest cost	5	4	5	4	3	4

Net reconciliation of pension liabilities

Skr mn	**2021**	**2020**	**2019**
Pension liabilities, opening balance	**82**	**83**	**80**
Net periodic pension cost	8	8	7
Contributions by the employer	-8	-7	-7
Net pension payments	-1	-1	-1
Revaluations recognized in other comprehensive income	-24	-1	4
Pension liabilities, closing balance	**57**	**82**	**83**

Pension cost

	Parent Company	
Skr mn	**2021**	**2020**
Pension commitments provided for in the statement of financial position		
Pension costs for the year, excluding taxes	1	0
Pension commitments provided for through insurance contracts		
Pension costs for the year, excluding taxes	-67	-63
Net cost accounted for pensions, excluding taxes	**-66**	**-63**

Reconciliation of provisions for pensions

	Parent Company	
Skr mn	**2021**	**2020**
Opening balance, January 1	**9**	**10**
Provisions made / provision used	-1	-1
Closing balance, December 31	**8**	**9**

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 2021 for defined benefit pensions amounts to Skr 8 million (2020: Skr 7 million).

As of December 31, 2021, the expected weighted average remaining service time for active employees was 12.80 years (2020: 13.38 years), the expected weighted average duration for the present value was 19.03 years (2020: 20.19 years) and the average salary for active employees was Skr 0.9 million (2020: 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

	2021	**2020**	**2019**
Women	127	123	120
Men	129	125	121
Total average number of employees	**256**	**248**	**241**

Note 5, continued

Number of employees at year-end1

	2021	2020	2019
Women	132	125	123
Men	132	128	121
Total number of employees[2]	**264**	**253**	**244**
of which full-time employees	*259*	*247*	*236*
allocation of women/men	*49/51*	*49/51*	*50/50*
of which part-time employees	*5*	*6*	*8*
allocation of women/men	*80/20*	*83/17*	*75/25*
of which permanent employees	*263*	*253*	*243*
allocation of women/men	*50/50*	*49/51*	*51/49*
of which temporary employees	*1*	*0*	*1*
allocation of women/men	*0/100*	*0/0*	*0/100*
of which managers	*33*	*31*	*31*
of which non-management	*231*	*222*	*213*

1 Information collected from the HR system.
2 In addition to its employees, SEK had 73 consultants (FTEs) (2020: 75 consultants) engaged at year-end 2021.

Employees by age distribution

	2021	2020	2019
Total number of employees	264	253	244
of which under the age of 30 years	*12*	*13*	*12*
of which between 30 and 50 years	*131*	*122*	*127*
of which over 50 years	*121*	*118*	*105*

Employee turnover

	2021	2020	2019
Number of employees who left employment	20	16	30
of which women	*7*	*8*	*16*
of which men	*13*	*8*	*14*
of which under the age of 30 years	*1*	*0*	*2*
of which between 30 and 50 years	*9*	*12*	*22*
of which over 50 years	*10*	*4*	*6*

Health

Percent	2021	2020	2019
Absence due to sickness[1]	3.5	2.1	2.5

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

Equality and diversity

	2021	2020	2019
Allocation of women/men on the Board of Directors	43/57	62/38	62/38
Allocation of women/men in SEK's executive management	36/64	50/50	50/50
Allocation of women/men in management positions	45/55	48/52	42/58
Allocation of women/men at SEK in total	50/50	49/51	50/50

Note 6. Other administrative expenses

Skr mn	2021	2020	2019
Travel expenses and marketing	-3	-3	-7
IT and information system (fees incl.)	-167	-140	-156
Other fees	-44	-38	-34
Premises	-11	-10	-3
Other	-6	-7	-6
Total other administrative expenses	**-231**	**-198**	**-206**

Remuneration to auditors

Skr mn	2021	2020	2019
Öhrlings PricewaterhouseCoopers AB:			
Audit fees[1]	-8	-9	-10
Audit related fees[2]	-	-	0
Tax related fees[3]	-	-	0
Other fees[4]	-3	-3	-2
Total	**-11**	**-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, 2021	Dec 31, 2020	Dec 31, 2019
Net book value			
Tangible assets	40	22	28
Right-of-use assets	152	25	50
Intangible assets[1]	139	98	56
Total net book value	**331**	**145**	**134**
Depreciation and impairment during the year according to the Consolidated Statement of Comprehensive Income	-80	-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.

For disclosures on right-of-use assets see Note 8 Leasing.

Note 5, continued

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 80 million (2020: Skr 77 million) for a period of 3 years.

Right-of-use assets

Skr mn	2021	2020
Opening balance	**25**	**50**
Depreciation	-30	-27
Addition[1]	157	2
Closing balance	**152**	**25**

1 There have been canceled and new leases. During 2021 SEK moved to new premises.

Accounted for in profit or loss

Skr mn	2021	2020
Depreciation charge on right-of-use assets	-30	-27
Interest expenses on lease liability	-1	0
Expenses relating to short-term leases[1]	0	0
Expenses relating to low-value leases[1]	-1	-1
Variable lease fees[1]	-6	-6
Total amount accounted for in profit or loss	**-38**	**-34**

1 Accounted for under Other administrative expenses.

Lease liability

Skr mn	2021	2020
Opening balance	**19**	**44**
Interest expenses accrued	1	0
Payments of lease liability	-24	-27
Addition[1]	157	2
Closing balance	**153**	**19**

1 There have been canceled and new leases. During 2021 SEK moved to new premises.

Contractual flows of lease liability

Skr mn	2021	2020
Within 1 year	21	18
Between 1 and 5 years	122	1
More than 5 years	13	-
Discounting effect	-3	0
Closing balance	**153**	**19**

The total cash outflow for leases in 2021 was Skr 31 million (2020: Skr 34 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. The leases are included in the line item "Loans to the public" in the Statement of Financial Position.

	December 31, 2021		**December 31, 2020**	
Skr mn	**Gross investment**	**Present value of minimum lease payments**	**Gross investment**	**Present value of minimum lease payments**
Within 1 year	111	108	102	99
Between 1 and 5 years	83	74	91	81
More than 5 years	44	34	19	14
Total	**238**	**216**	**212**	**194**
Unearned finance income	-	*21*	-	*17*
Unguaranteed residual value	-	-	-	-

Note 8, continued

Note 9. Impairments

Skr mn	2021	2020	2019
Expected credit losses, stage 1	60	-98	-19
Expected credit losses, stage 2	29	-48	11
Expected credit losses, stage 3	-46	-7	-17
Established credit losses	-52	-20	-25
Reserves applied to cover established credit losses	49	20	40
Recovered credit losses	1	-	-
Net credit losses[1]	**41**	**-153**	**-10**

1 Of which Skr 22 million (2020: Skr -125 million) relates to loans to the public.

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.

	December 31, 2021				December 31, 2020			
Skr mn	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	42,827	3,772	-	46,599	47,095	3,719	-	50,814
Loans to credit institutions	6,948	3,414	-	10,362	8,834	509	-	9,343
Loans to the public	147,137	30,999	2,284	180,420	142,171	28,109	1,482	171,762
Total, loans, before expected credit losses	**196,912**	**38,185**	**2,284**	**237,381**	**198,100**	**32,337**	**1,482**	**231,919**
Off balance, before expected credit losses								
Guarantees	4,767	-	-	4,767	2,463	1,506	-	3,969
Committed undisbursed loans	26,810	28,466	105	55,381	25,893	32,642	-	58,535
Total, off balance, before expected credit losses	**31,577**	**28,466**	**105**	**60,148**	**28,356**	**34,148**	**-**	**62,504**
Total, before expected credit losses	**228,489**	**66,651**	**2,389**	**297,529**	**226,456**	**66,485**	**1,482**	**294,423**
of which guaranteed	*63.7%*	*93.2%*	*95.7%*	*70.3%*	*59.5%*	*84.6%*	*97.6%*	*63.2%*
Loss allowance, loans								
Loans in the form of interest-bearing securities	-14	-7	-	-21	-20	-13	-	-33
Loans to credit institutions	-4	0	-	-4	-6	0	-	-6
Loans to the public	-64	-20	-48	-132	-113	-42	-46	-201
Total, loss allowance, loans	**-82**	**-27**	**-48**	**-157**	**-139**	**-55**	**-46**	**-240**
Loss allowance, off balance[1]								
Guarantees	0	-	-	0	0	0	-	0
Committed undisbursed loans	-6	-1	0	-7	-8	-1	-	-9
Total, loss allowance, off balance	**-6**	**-1**	**0**	**-7**	**-8**	**-1**	**-**	**-9**
Total, loss allowance	**-88**	**-28**	**-48**	**-164**	**-147**	**-56**	**-46**	**-249**
Provision ratio	0.04%	0.04%	2.01%	0.06%	0.06%	0.08%	3.10%	0.08%

1 Recognized under provision in Consolidated Statement of Financial Position.

Note 9, continued

Loans and off balance, before loss allowance

	December 31, 2021				December 31, 2020			
Skr mn	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance	**226,456**	**66,485**	**1,482**	**294,423**	**214,115**	**61,619**	**1,327**	**277,061**
Increase due to origination and acquisition	79,856	7,380	234	87,470	129,830	26,030	815	156,675
Transfer to stage 1	1,240	-1,302	-	-62	683	-872	-	-189
Transfer to stage 2	-4,676	4,223	-	-453	-8,391	7,422	-159	-1,128
Transfer to stage 3	-105	-948	945	-108	-	-42	34	-8
Decrease due to derecognition	-74,282	-9,187	-272	-83,741	-109,781	-27,672	-535	-137,988
Closing balance	**228,489**	**66,651**	**2,389**	**297,529**	**226,456**	**66,485**	**1,482**	**294,423**

Loss allowance

	December 31, 2021				December 31, 2020			
Skr mn	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance	**-147**	**-56**	**-46**	**-249**	**-54**	**-10**	**-64**	**-128**
Increases due to origination and acquisition	-40	0	-25	-65	-84	0	-	-84
Net remeasurement of loss allowance	51	13	-43	21	-23	-48	2	-69
Transfer to stage 1	0	0	-	0	0	0	-	-
Transfer to stage 2	2	-6	-	-4	1	-1	0	0
Transfer to stage 3	0	2	-21	-19	-	1	-10	-9
Decreases due to derecognition	47	20	43	110	8	0	0	8
Decrease in allowance account due to write-offs	-	-	49	49	-	-	20	20
Exchange-rate differences[1]	-1	-1	-5	-7	5	2	6	13
Closing balance	**-88**	**-28**	**-48**	**-164**	**-147**	**-56**	**-46**	**-249**

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, 2021 the latest available forecast was the World Bank's forecast from June 2021. The base scenario has been weighted at between 73 and 80 percent, and the downturn and upturn scenarios weighted equally at between 5 and 19 percent between the different PD-segments.

SEK's IFRS 9 model is based on historical links between GDP growth projections and probability of default (PD). GDP growth forecasts for 2022, expressed as a percentage of the previous year's GDP, are still unusually high, characterized by a recovery from the sharp fall in GDP that occurred in the second quarter of 2020 and therefore may understate the probability of default of the asset portfolio. SEK has made an overall adjustment according to management's overall assessment. This resulted in an increase of expected credit losses, which was calculated pursuant to SEK's IFRS 9 model as of December 31, 2021.

Note 9, continued

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

	December 31, 2021				December 31, 2020			
Skr mn	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
AAA	-	-	-	-	37	-	-	37
AA+ to A-	25,815	-	-	25,815	29,261	-	-	29,261
BBB+ to BBB-	131,514	2,258	-	133,772	130,068	1,166	-	131,234
BB+ to BB-	32,247	25,043	-	57,290	32,275	23,201	-	55,476
B+ to B-	6,697	5,461	-	12,158	5,997	7,053	-	13,050
CCC to D	639	5,423	2,284	8,346	462	917	1,482	2,861
Total, before expected credit losses	**196,912**	**38,185**	**2,284**	**237,381**	**198,100**	**32,337**	**1,482**	**231,919**

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 2021	Consolidated Group 2020	Consolidated Group 2019	Parent Company 2021	Parent Company 2020
Income tax					
Adjustment previous year	0	-4	2	0	-3
Current tax	-272	-266	-570	-267	-270
Deferred tax	1	0	291	1	-
Total income tax	**-271**	**-270**	**-277**	**-266**	**-273**
Income tax related to other comprehensive income					
Tax on items to be reclassified to profit or loss					
Current tax	-	-	*2*	-	-
Tax on items not to be reclassified to profit or loss					
Current tax	*5*	*-4*	*-5*	-	-
Deferred tax	*-5*	*-1*	*1*	-	-
Income tax related to other comprehensive income	**0**	**-5**	**-2**	**-**	**-**
Reconciliation of effective tax rate					
The Swedish corporate tax rate (percent)	20.6	21.4	21.4	20.6	21.4
Profit before taxes	1,305	1,238	1,304	1,280	1,257
National tax based on profit before taxes	-269	-265	-279	-264	-269
Tax effects of:					
Non-taxable income	0	0	9	0	-
Non-deductible expenses	-3	-1	-16	-3	-1
Imputed interest on tax allocation reserve	-	-	-1	-	-
Tax effect of dissolution of untaxed reserves due to changed tax rate	-	-	8	-	-
Tax effect of the tax credit for investments in equipment	1	-	-	1	-
Other	-	-4	2	-	-3
Total tax	**-271**	**-270**	**-277**	**-266**	**-273**
Effective tax expense (percent)	20.8	21.8	21.2	20.8	21.7

Deferred taxes

Skr mn	Consolidated Group 2021	Consolidated Group 2020
Deferred tax assets concerning:		
Temporary differences, related to pensions	10	15
Tax effect of the tax credit for investments in equipment	1	-
Total deferred tax assets	**11**	**15**

No deductible loss carry forwards existed as of December 31, 2021, or December 31, 2020.

Change in deferred taxes

Skr mn	Consolidated Group 2021	Consolidated Group 2020
Opening balance	**15**	**16**
Change through profit or loss	1	0
Change in other comprehensive income	-5	-1
Closing balance	**11**	**15**

In the Parent Company, deferred taxes accounted for Skr 1 million (2020: -) as of December 31, 2021.

Note 11. Loans and liquidity investments

Skr mn	Dec 31, 2021	Dec 31, 2020
Loans:		
Loans in the form of interest-bearing securities	46,578	50,780
Loans to credit institutions	20,775	31,315
Loans to the public	180,288	171,562
Less:		
Cash collateral under the security agreements for derivative contracts[1]	-10,417	-21,979
Total loans	**237,224**	**231,678**
Liquidity investments:		
Cash and cash equivalents	11,128	3,362
Cash collateral under the security agreements for derivative contracts	-	-
Treasuries/government bonds	10,872	22,266
Other interest-bearing securities except loans	45,881	33,551
Total liquidity investments	**67,881**	**59,179**
of which issued by public authorities	*16,584*	*25,262*

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	2021	2020
Sum of amounts exceeding nominal	243	148
Sum of amounts falling below nominal	-9	-10

Volume Development, Lending

			of which the CIRR-system	
Skr mn	2021	2020	2021	2020
Offers of long-term loans accepted	76,988	125,470	11,797	18,350
Undisbursed loans at year-end	53,871	57,213	39,084	51,463
Loans outstanding at year-end[1]	237,224	231,678	87,872	69,163

1 Including concessionary loans in the amount of Skr 315 million (year-end 2020: Skr 382 million).

Outstanding loans as per business area

			of which the CIRR-system	
Skr mn	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Lending to Swedish exporters	109,281	120,050	-	-
Lending to exporters' customers	127,943	111,628	87,872	69,163
Total lending[1]	**237,224**	**231,678**	**87,872**	**69,163**

1 Including concessionary loans in the amount of Skr 315 million (year-end 2020: Skr 382 million).

Note 12. Classification of financial assets and liabilities

Financial assets by accounting category

	December 31, 2021			
	Financial assets at fair value through profit or loss		Amortized cost	Total
Skr mn	Mandatorily	Derivatives used for hedge accounting		
Cash and cash equivalents	-	-	11,128	11,128
Treasuries/government bonds	10,872	-	-	10,872
Other interest-bearing securities except loans	45,881	-	-	45,881
Loans in the form of interest-bearing securities	-	-	46,578	46,578
Loans to credit institutions	-	-	20,775	20,775
Loans to the public	-	-	180,288	180,288
Derivatives	5,764	2,655	-	8,419
Total financial assets	**62,517**	**2,655**	**258,769**	**323,941**

	December 31, 2020			
	Financial assets at fair value through profit or loss		Amortized cost	Total
Skr mn	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**

Financial liabilities by accounting category

	December 31, 2021				
	Financial liabilities at fair value through profit or loss			Amortized cost	Total
Skr mn	Mandatorily	Designated upon initial recognition (FVO)	Derivatives used for hedge accounting		
Borrowing from credit institutions	-	-	-	5,230	5,230
Borrowing from the public	-	-	-	10,000	10,000
Debt securities issued	-	39,316	-	240,454	279,770
Derivatives	11,185	-	3,544	-	14,729
Total financial liabilities	**11,185**	**39,316**	**3,544**	**255,684**	**309,729**

	December 31, 2020				
	Financial liabilities at fair value through profit or loss			Amortized cost	Total
Skr mn	Mandatorily	Designated upon initial recognition (FVO)	Derivatives used for hedge accounting		
Borrowing from credit institutions	-	-	-	3,486	3,486
Borrowing from the public	-	-	-	10,000	10,000
Debt securities issued	-	47,388	-	226,588	273,976
Derivatives	24,921	-	474	-	25,395
Total financial liabilities	**24,921**	**47,388**	**474**	**240,074**	**312,857**

Note 13. Financial assets and liabilities at fair value

Skr mn	December 31, 2021 Book value	Fair value	Surplus value (+) / Deficit value (–)
Cash and cash equivalents	11,128	11,128	-
Treasuries/governments bonds	10,872	10,872	-
Other interest-bearing securities except loans	45,881	45,881	-
Loans in the form of interest-bearing securities	46,578	47,991	1,413
Loans to credit institutions	20,775	20,993	218
Loans to the public	180,288	186,436	6,148
Derivatives	8,419	8,419	-
Total financial assets	**323,941**	**331,720**	**7,779**
Borrowing from credit institutions	5,230	5,230	-
Borrowing from the public	10,000	10,000	-
Debt securities issued	279,770	280,294	524
Derivatives	14,729	14,729	-
Total financial liabilities	**309,729**	**310,253**	**524**

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**

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.

Note 13, continued

Financial assets reported at amortized cost in fair value hierarchy

	December 31, 2021				
Loans and accounts receivable	Fair value				Book value
Skr mn	**Level 1**	**Level 2**	**Level 3**	**Total**	**Total**
Cash and cash equivalents	11,128	-	-	11,128	11,128
Loans in the form of interest-bearing securities	1,970	46,021	-	47,991	46,578
Loans to credit institutions	-	20,993	-	20,993	20,775
Loans to the public	-	186,436	-	186,436	180,288
Total financial assets in fair value hierarchy	**13,098**	**253,450**	**-**	**266,548**	**258,769**

	December 31, 2020				
Loans and accounts receivable	Fair value				Book value
Skr mn	**Level 1**	**Level 2**	**Level 3**	**Total**	**Total**
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**

Financial liabilities reported at amortized cost in fair value hierarchy

	December 31, 2021				
Other financial liabilities	Fair value				Book value
Skr mn	**Level 1**	**Level 2**	**Level 3**	**Total**	**Total**
Borrowing from credit institutions	-	5,230	-	5,230	5,230
Borrowing from the public	-	10,000	-	10,000	10,000
Debt securities issued	-	240,979	-	240,979	240,454
Total financial liabilities in fair value hierarchy	**-**	**256,209**	**-**	**256,209**	**255,684**

	December 31, 2020				
Other financial liabilities	Fair value				Book value
Skr mn	**Level 1**	**Level 2**	**Level 3**	**Total**	**Total**
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**

Financial assets reported at fair value in fair value hierarchy

	December 31, 2021 Financial assets at fair value through profit or loss			
Skr mn	**Level 1**	**Level 2**	**Level 3**	**Total**
Treasuries/governments bonds	5,638	5,234	-	10, 872
Other interest-bearing securities except loans	26,549	19,332	-	45,881
Derivatives	-	7,933	486	8,419
Total financial assets in fair value hierarchy	**32,187**	**32,499**	**486**	**65,172**

	December 31, 2020 Financial assets at fair value through profit or loss			
Skr mn	**Level 1**	**Level 2**	**Level 3**	**Total**
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**

Note 13, continued

Financial liabilities reported at fair value in fair value hierarchy

	December 31, 2021 Financial liabilities at fair value through profit or loss			
Skr mn	Level 1	Level 2	Level 3	Total
Debt securities issued	-	6 ,761	32,555	39,316
Derivatives	-	12,206	2,523	14,729
Total financial liabilities in fair value hierarchy	**-**	**18,967**	**35,078**	**54,045**

	December 31, 2020 Financial liabilities at fair value through profit or loss			
Skr mn	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**

Due to an increased element of subjective assessment of the input in the valuation, a transfer of Skr -1 million for derivatives was made from level 2 to level 3 (year-end 2020: 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 was made and a transfer from level 3 to level 2 of net Skr -1,259 million for derivatives was made).

Financial assets and liabilities at fair value in Level 3

	December 31, 2021								
Skr mn	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	-41,198	-10,372	19,337	-	-	196	-36	-482	-32,555
Derivatives, net	-263	5	-599	-1	-	411	-	-1,590	-2,037
Net assets and liabilities	**-41,461**	**-10,367**	**18,738**	**-1**	**-**	**607**	**-36**	**-2,072**	**-34,592**

	December 31, 2020								
Skr mn	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**

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, 2021, amounted to a Skr 594 million gain (year-end 2020: Skr 36 million gain) and are reported as net results of financial transactions.

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 creditworthiness, 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.

Note 13, continued

Sensitivity analysis – level 3

Assets and liabilities	December 31, 2021					
Skr mn	**Fair Value**	**Unobservable input**	**Range of estimates for unobservable input**	**Valuation method**	**Sensitivity Max**	**Sensitivity Min**
Equity	-892	Correlation	0.12 – (0.12)	Option Model	-3	3
Interest rate	-1	Correlation	0.12 – (0.12)	Option Model	0	0
FX	-1,038	Correlation	0.12 – (0.12)	Option Model	-56	56
Other	-106	Correlation	0.12 – (0.12)	Option Model	0	0
Sum derivatives, net	**-2,037**				**-59**	**59**
Equity	-9,283	Correlation	0.12 – (0.12)	Option Model	3	-3
		Credit spreads	10BP – (10BP)	Discounted cash flow	10	-10
Interest rate	-11,900	Correlation	0.12 – (0.12)	Option Model	0	0
		Credit spreads	10BP – (10BP)	Discounted cash flow	58	-58
FX	-11,235	Correlation	0.12 – (0.12)	Option Model	59	-59
		Credit spreads	10BP – (10BP)	Discounted cash flow	50	-50
Other	-137	Correlation	0.12 – (0.12)	Option Model	0	0
		Credit spreads	10BP – (10BP)	Discounted cash flow	1	-1
Sum debt securities issued	**-32,555**				**181**	**-181**
Total effect on total comprehensive income					**122**	**-122**

Assets and liabilities	December 31, 2020					
Skr mn	**Fair Value**	**Unobservable input**	**Range of estimates for unobservable input**	**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 income					**137**	**-137**

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. 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 +/- 3 million (year-end 2020: +/- 0). The impact from SEK's own credit spread amounts to Skr 119 million (year-end 2020: Skr 137 million) under a maximum scenario and Skr -119 million (year-end 2020: Skr -137 million) under a minimum scenario.

Note 13, continued

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, 2021	**December 31, 2020**	**2021**	**2020**
CVA/DVA, net[1]	-14	-17	3	-5
OCA[2]	-132	-108	-24	18

1 Credit value adjustment (CVA) and Debt value adjustment (DVA) reflect how the counterparties' credit risk as well as SEK's own credit rating affect the fair value of derivatives.
2 Own credit adjustment (OCA) reflects how the changes in SEK's credit rating affect the fair value of financial liabilities measured at fair value through profit and loss.

Note 14. Derivatives and hedge accounting

Derivatives by categories

	December 31, 2021			December 31, 2020		
Skr mn	**Assets Fair value**	**Liabilities Fair value**	**Nominal amounts**	**Assets Fair value**	**Liabilities Fair value**	**Nominal amounts**
Interest rate-related contracts	3,192	9,464	361,160	3,846	11,774	323,664
Currency-related contracts	5,218	3,518	157,362	3,249	11,236	153,838
Equity-related contracts	2	895	9,801	457	620	15,598
Contracts related to commodities, credit risk, etc.	7	852	3,521	11	1,765	7,513
Total derivatives	**8,419**	**14,729**	**531,844**	**7,563**	**25,395**	**500,613**

	December 31, 2021			December 31, 2020		
of which derivatives used for economic hedges, accounted for as held-for-trading under IFRS 9 Skr mn	**Assets Fair value**	**Liabilities Fair value**	**Nominal amounts**	**Assets Fair value**	**Liabilities Fair value**	**Nominal amounts**
Interest rate-related contracts	1,936	7,361	149,875	2,357	12,226	132,228
Currency-related contracts	3,819	2,077	126,460	1,423	10,310	132,029
Equity-related contracts	2	895	9,801	457	620	15,598
Contracts related to commodities, credit risk, etc.	7	852	3,521	11	1,765	7,513
Total derivatives	**5,764**	**11,185**	**289,657**	**4,248**	**24,921**	**287,368**

	December 31, 2021			December 31, 2020		
of which derivatives in fair-value hedges Skr mn	**Assets Fair value**	**Liabilities Fair value**	**Nominal amounts**	**Assets Fair value**	**Liabilities Fair value**	**Nominal amounts**
Interest rate-related contracts	1,256	2,104	211,285	1,489	-453	191,435
Currency-related contracts	1,399	1,440	30,902	1,826	927	21,810
Total derivatives	**2,655**	**3,544**	**242,187**	**3,315**	**474**	**213,245**

1 The nominal amount of the instruments directly affected by the IBOR reform amounts to Skr 105,440 million (year-end 2020: Skr 55,094 million).

Note 14, continued

Maturity analysis of the nominal amounts[1] of hedging instruments

Skr mn	December 31, 2021 < 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	57	229	942	12,070	7,340
Hedge of fixed rate liabilities	12,650	12,650	29,739	131,655	5,306
Currency-related contracts					
Hedge of fixed rate assets	97	205	1,577	2,976	233
Hedge of fixed rate liabilities	16	1,010	5,917	15,669	2,590

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

1 Nominal amounts before set-off.

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

	December 31, 2021		December 31, 2020	
Assets Skr mn	**Book value**	**Fair value hedge adjustments**	**Book value**	**Fair value hedge adjustments**
Loans in the form of interest-bearing securities	11,035	278	9,778	598
Loans to credit institutions	1,019	-23	969	4
Loans to the public	14,869	527	13,032	1,044
Total	**26,923**	**782**	**23,779**	**1,646**

	December 31, 2021		December 31, 2020	
Liabilities Skr mn	**Book value**	**Fair value hedge adjustments**	**Book value**	**Fair value hedge adjustments**
Debt securities issued	216,242	1,183	195,460	5,454
Total	**216,242**	**1,183**	**195,460**	**5,454**

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

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 transactions 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

Note 14, continued

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 December 31, 2021. For USD LIBOR, the most common maturities are expected to no longer be offered after June 30, 2023. 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 enforceable 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, 2021 Derivatives	Dec 31, 2020 Derivatives
Gross amounts of recognized financial assets	10,059	9,912
Amounts offset in the Statement of Financial Position	-1,640	-2,349
Net amounts of financial assets presented in the Statement of Financial Position	**8,419**	**7,563**
Amounts subject to an enforceable master netting arrangement or similar agreement not offset in the Statement of Financial Position related to:		
Financial instruments	-3,262	-2,354
Cash collateral received	-3,500	-2,502
Net amount	**1,657**	**2,707**

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

Skr mn	Dec 31, 2021 Derivatives	Dec 31, 2020 Derivatives
Gross amounts of recognized financial liabilities	16,369	27,744
Amounts offset in the Statement of Financial Position	-1,640	-2,349
Net amounts of financial liabilities presented in the Statement of Financial Position	**14,729**	**25,395**
Amounts subject to an enforceable master netting arrangement or similar agreement not offset in the Statement of Financial Position related to:		
Financial instruments	-3,262	-2,354
Cash collateral paid	-9,528	-20,172
Net amount	**1,939**	**2,869**

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

	December 31, 2021		December 31, 2020	
Skr mn	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, 2021	Dec 31, 2020
Claim against the State for CIRR loans and concessionary loans	7,208	12,359
Cash receivables, funding operations	191	465
Other	52	29
Total	**7,451**	**12,853**

Note 17. Prepaid expenses and accrued revenues

Skr mn	Dec 31, 2021	Dec 31, 2020
Interest income accrued	1,876	1,958
Prepaid expenses and other accrued revenues	37	29
Total	**1,913**	**1,987**

Note 18. Debt

	December 31, 2021		
Skr mn	Total debt excluding debt securities issued	Total debt securities issued	Total
Exchange-rate related contracts	-	25,112	25,112
Interest rate related contracts	15,230	254,298	269,528
Equity related contracts	-	223	223
Contracts related to raw materials, credit risk etc	-	137	137
Total debt outstanding	**15,230**	**279,770**	**295,000**

of which denominated in:	*Skr*	*USD*	*JPY*	*EUR*	*Other currencies*	*Total*
	24,672	*202,158*	*20,852*	*19,841*	*27,477*	***295,000***

	December 31, 2020		
Skr mn	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**

of which denominated in:	*Skr*	*USD*	*JPY*	*EUR*	*Other currencies*	*Total*
	16,547	*202,787*	*27,812*	*19,994*	*20,322*	***287,462***

Note 18, continued

SEK's Borrowing programs

Skr mn	Value outstanding[1] December 31, 2021	December 31, 2020
Medium-term note program:		
Unlimited Euro Medium-Term Note Programme	107,597	96,724
Unlimited SEC-registered U.S. Medium-Term Note Programme	159,393	160,945
Unlimited Swedish Medium-Term Note Programme	429	438
Unlimited MTN/STN AUD Debt Issuance Programme	4,417	4,544
Commercial paper program:		
USD 3,000,000,000 U.S. Commercial Paper Programme	1,806	10,006
USD 4,000,000,000 Euro-Commercial Paper Programme	1,355	-

1 Amortized cost excluding fair value adjustments.

Liabilities in financing activities

		Cash Flow	Non-cash items			
Skr mn	January 1, 2021		Exchange rate difference	Unrealized changes in fair value	Accrued interest	December 31, 2021
Senior debt	287,462	-10,958	22,588	-4,092	-	295,000
Lease liability	19	-24	-	157[1]	1	153
Derivatives – net	17,832	-1,523	-7,589	-2,410	-	6,310
Total liabilities in financing activities	**305,313**	**-12,505**	**14,999**	**-6,345**	**1**	**301,463**

1 Refers to increase in leasing debts due to new leasing agreements.

		Cash Flow	Non-cash items			
Skr mn	January 1, 2020		Exchange rate difference	Unrealized changes in fair value	Accrued interest	December 31, 2020
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**

Note 19. Other liabilities

Skr mn	Dec 31, 2021	Dec 31, 2020
Cash payables, debt purchases	725	194
Other	442	261
Total	**1,167**	**455**

Note 20. Accrued expenses and prepaid revenues

Skr mn	Dec 31, 2021	Dec 31, 2020
Interest expenses accrued	1,793	1,843
Other accrued expenses and prepaid revenues	82	81
Total	**1,875**	**1,924**

Note 21. Provisions

	Consolidated Group		Parent Company	
Skr mn	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Pension liabilities[1]	57	82	8	9
Long term employee benefit	4	8	6	8
Off balance, expected credit losses[2]	7	9	7	9
Total	**68**	**99**	**21**	**26**

1 See note 5.
2 Provisions for expected credit losses for off-balance-sheet exposures, in accordance with IFRS 9. See note 9.

Note 22. Equity

	Consolidated Group		Parent Company	
Skr mn	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Share capital	3,990	3,990	3,990	3,990
Legal reserve	-	-	198	198
Fund for internally developed software	-	-	126	94
Reserves/Fair value reserve				
Own credit risk	*-102*	*-84*	-	-
Defined benefit plans	*-27*	*-45*	-	-
Retained earnings	16,947	16,203	16,532	15,840
Total equity	**20,808**	**20,064**	**20,846**	**20,122**

	Consolidated Group		Parent Company	
Skr mn	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Restricted equity	4,314	4,282	4,314	4,282
Unrestricted equity	16,494	15,782	16,532	15,840
Total equity	**20,808**	**20,064**	**20,846**	**20,122**

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.

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, 2021, 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 414 million (year-end 2020: Skr 290 million), 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	16,532
The Board of Directors proposes that the Annual General Meeting dispose of these funds as follows:	
– dividend to the shareholder of Skr 103.70 per share, amounting to	414
– remaining disposable funds to be carried forward	16,118

Note 23. Pledged assets and contingent liabilities

Skr mn	Dec 31, 2021	Dec 31, 2020
Collateral provided		
Cash collateral under the security agreements for derivative contracts	10,417	21,979
Contingent liabilities		
Guarantee commitments	4,767	3,969
Commitments		
Committed undisbursed loans	53,871	57,213
Binding offers	1,510	1,322

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 is recognized in the CIRR-system as administrative remuneration 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, 2021, concessionary loans outstanding amounted to Skr 315 million (year-end 2020: Skr 382 million) and operating profit for the program amounted to Skr -21 million for the period January-December 2021 (2020: Skr -28 million). SEK´s administrative compensation for administrating the concessionary credit program amounted to Skr 1 million (2020: Skr 1 million).

Statement of comprehensive income for the CIRR-system

Skr mn	2021	2020
Interest income	2,105	2,170
Interest expenses	-2,061	-2,087
Interest compensation	7	14
Foreign exchange effects	-1	4
Profit before compensation to SEK	**50**	**101**
Administrative remuneration to SEK	-197	-196
Operating profit CIRR-system	**-147**	**-95**
Reimbursement to (-) / from (+) the State	147	95

Statement of financial position for the CIRR-system

Skr mn	Dec 31, 2021	Dec 31, 2020
Cash and cash equivalents	8	2
Loans	87,872	69,163
Derivatives	36	-
Other assets	7,359	12,528
Prepaid expenses and accrued revenues	470	407
Total assets	**95,745**	**82,100**
Liabilities	88,092	69,289
Derivatives	7,060	12,232
Accrued expenses and prepaid revenues	593	579
Total liabilities and equity	**95,745**	**82,100**
Commitments		
Committed undisbursed loans	39,084	51,463
Binding offers	1,510	1,322

Note 25. Capital adequacy

Capital Adequacy Analysis

	December 31, 2021	December 31, 2020
Capital ratios	**percent[1]**	**percent[1]**
Common Equity Tier 1 capital ratio	21.6	21.8
Tier 1 capital ratio	21.6	21.8
Total capital ratio	21.6	21.8

1 Capital ratios exclusive 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.

	December 31, 2021		December 31, 2020	
Total risk-based capital requirement	**Skr mn**	**percent[1]**	**Skr mn**	**percent[1]**
Capital base requirement of 8 percent[2]	**7,371**	**8.0**	**7,136**	**8.0**
of which Tier 1 requirement of 6 percent	*5,528*	*6.0*	*5,352*	*6.0*
of which minimum requirement of 4.5 percent	*4,146*	*4.5*	*4,014*	*4.5*
Pillar 2 capital requirements[3]	**3,382**	**3.7**	**3,921**	**4.4**
Common Equity Tier 1 capital available to meet buffer requirements[4]	*9,149*	*9.9*	*12,310*	*13.8*
Capital buffer requirements	**2,333**	**2.5**	**2,259**	**2.5**
of which Capital conservation buffer	*2,303*	*2.5*	*2,230*	*2.5*
of which Countercyclical buffer	*30*	*0.0*	*29*	*0.0*
Pillar 2 guidance[5]	**1,382**	**1.5**	-	-
Total risk-based capital requirement	**14,468**	**15.7**	**13,316**	**14.9**

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.
3 Individual Pillar 2 requirement of 3.67 percent calculated on the total risk exposure amount, according to the decision from the latest Swedish FSA SREP.
4 Common Equity Tier 1 capital available to meet buffer requirement after 8 percent minimum capital requirement (SEK covers all minimum requirements with CET1 capital – i.e., 4.5 percent, 1.5 percent and 2 percent) and after the Pillar 2 requirements (3.67 percent). The Pillar 2 requirement was not deducted in the previous year's figure.
5 The Swedish FSA has on September 29, 2021 notified SEK, within the latest SREP, that in addition to the capital requirements according to Regulation (EU) no 575/2013 on prudential requirements, SEK should hold additional capital (pillar 2 guidance) of 1.50 percent of the total risk-weighted exposure amount. The Pillar 2 guidance is not a binding requirement.

	December 31, 2021	December 31, 2020
Leverage ratio[1]	**Skr mn**	**Skr mn**
On-balance sheet exposures	209,889	297,605
Off-balance sheet exposures	5,309	37,162
Total exposure measure[2]	**215,198**	**334,767**
Leverage ratio[3]	**9.3%**	**5.8%**

1 The leverage ratio reflects the full impact of IFRS 9 as no transitional rules were utilized.
2 In the second quarter of 2021, SEK changed its methodology for calculating the exposure measure in leverage ratio to comply with new regulatory requirements (CRRII), in which certain exposures are no longer included. Comparative figures have not been recalculated.
3 Defined by CRR as the quotient of the Tier 1 capital and an exposure measure.

	December 31, 2021		December 31, 2020	
Total Leverage ratio requirement	**Skr mn**	**percent[1]**	**Skr mn**	**percent[1]**
Capital base requirement of 3 percent	6,456	3.00	-	-
Pillar 2 guidance[2]	323	0.2	-	-
Total capital requirement relating to leverage ratio	**6,779**	**3.2**	-	-

1 Expressed as a percentage of total exposure amount.
2 The Swedish FSA has on September 29, 2021 notified SEK, within the latest SREP, that SEK should hold additional capital (Pillar 2 guidance) of 0.15 percent calculated on the total leverage ratio exposure measure. The Pillar 2 guidance is not a binding requirement.

Note 25, continued

Own funds – adjusting items

	Parent Company	
Skr mn	Dec 31, 2021	Dec 31, 2020
Share capital[1]	3,990	3,990
Retained earnings	15,518	14,856
Accumulated other comprehensive income and other reserves	323	292
Independently reviewed profit net of any foreseeable charge or dividend	601	694
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**20,432**	**19,832**
Additional value adjustments due to prudent valuation	-395	-306
Intangible assets	-99	-98
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	98	77
Negative amounts resulting from the calculation of expected loss amounts	-111	-55
Total regulatory adjustments to Common Equity Tier 1 capital	**-507**	**-382**
Total Common Equity Tier 1 capital	**19,925**	**19,450**
Additional Tier 1 capital	-	-
Total Tier 1 capital	**19,925**	**19,450**
Tier 2-eligible subordinated debt	-	-
Credit risk adjustments[2]	-	-
Total Tier 2 capital	**-**	**-**
Total Own funds	**19,925**	**19,450**

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, 2021, the limitation rule had no effect (year end 2020: no effect).

Minimum capital requirements exclusive of buffers

	Parent Company					
	December 31, 2021			December 31, 2020		
Skr mn	EAD[1]	Risk exposure amount	Min. capital requirement	EAD[1]	Risk exposure amount	Min. capital requirement
Credit risk, standardized approach						
Corporates	2,990	2,990	239	2,238	2,238	179
Default exposures	74	74	6	7	7	1
Total credit risk, standardized approach	**3,064**	**3,064**	**245**	**2,245**	**2,245**	**180**
Credit risk, IRB approach						
Central governments	196,606	9,673	774	192,077	9,684	775
Financial institutions[2]	41,082	8,843	707	30,661	6,764	541
Corporates[3]	115,412	62,988	5,039	117,415	63,766	5,101
Non-credit-obligation assets	372	372	30	163	163	13
Total credit risk IRB approach	**353,472**	**81,876**	**6,550**	**340,316**	**80,377**	**6,430**
Credit valuation adjustment risk	n.a.	2,922	233	n.a.	2,284	183
Foreign exchange risk	n.a.	645	52	n.a.	664	52
Commodity risk	n.a.	11	1	n.a.	7	1
Operational risk	n.a.	3,622	290	n.a.	3,625	290
Total	**356,536**	**92,140**	**7,371**	**342,561**	**89,202**	**7,136**

1 Exposure at default (EAD) shows the size of the outstanding exposure at default.
2 Of which counterparty risk in derivative contracts: EAD Skr 5,975 million (year-end 2020: Skr 5,535 million), Risk exposure amount of Skr 2,000 million (year-end 2020: Skr 1,908 million) and Capital requirement of Skr 160 million (year-end 2020: Skr 153 million).
3 Of which related to Specialized lending: EAD Skr 5,224 million (year-end 2020 Skr 3,847 million), Risk exposure amount of Skr 3,589 million (year-end 2020: Skr 2,739 million) and Capital requirement of Skr 287 million (year-end 2020: Skr 219 million).

Note 25, continued

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, 2021					December 31, 2020				
Skr mn	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 44.36–100%	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%
Central governments										
EAD	191,669	4,587	-	-	-	186,722	5,287	-	68	-
Average PD in %	0.004	0.05	-	-	-	0.004	0.05	-	4.14	-
Average LGD in %	45.0	45.0	-	-	-	45.0	45.0	-	45.0	-
Average risk weight in %	4.6	20.3	-	-	-	4.6	20.0	-	149.5	-

	December 31, 2021					December 31, 2020				
Skr mn	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%
Financial institutions										
EAD	18,176	21,637	1,225	43	-	12,742	15,896	1,984	39	-
Average PD in %	0.04	0.07	0.25	1.16	-	0.04	0.07	0.18	0.76	-
Average LGD in %	35.7	32.8	45.0	45.0	-	36.7	35.7	45.0	45.0	-
Average risk weight in %	17.6	22.0	67.9	129.3	-	17.3	22.1	50.3	131.5	-
Corporates										
EAD	2,562	16,286	67,509	23,810	22	2,302	17,929	69,263	24,063	12
Average PD in %	0.04	0.09	0.24	0.74	89.43	0.03	0.09	0.23	1.02	28.9
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 %	19.2	30.0	49.9	85.4	39.2	19.4	30.6	49.4	86.6	263.7

Credit risks

For risk classification and quantification of credit risk, SEK uses an internal ratings-based (IRB) approach. Specifically, SEK applies the foundation IRB approach. Under the foundation IRB approach, the company determines the probability of default within one year (PD) for each of its counterparties, while the remaining parameters are established in accordance with the CRR. Application of the IRB approach requires the Swedish FSA's permission and is subject to ongoing supervision. 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. In 2020, SEK reviewed its credit risk processes in order to comply with new regulatory requirements, EBA Guidelines EBA/GL/2016/07 and Commission Delegated Regulation (EU) 2018/171, on the definition of default. As a result, SEK established a new internal definition of default, which was subsequently approved by the Swedish FSA and later, on January 1, 2021, implemented in the IRB approach for own funds requirements calculation. Counterparty risk exposure amounts in derivative contracts are calculated in accordance with the standardized approach for counterparty credit risk. SEK has been applying a new standardized approach for counterparty credit risk since June 30, 2021.

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.

Note 25, continued

Capital buffer requirements

SEK meets capital buffer requirements with Common Equity Tier 1 capital as of December 31, 2021 . The Swedish FSA has not classified SEK 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. 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 was made for preventive purposes, in order to counteract credit tightening due to the development and spread of COVID-19 and its effects on the economy. The Swedish FSA decided on September 29, 2021 to increase the countercyclical buffer rate to 1 percent. The new countercyclical buffer rate applies from September 29, 2022. At December 31, 2021, the capital requirement related to credit-risk exposures in Sweden was 68 percent (year-end 2020: 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, 2021 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, 2021, the contribution to SEK's countercyclical capital buffer from buffer rates in other countries was 0.03 percentage points (year-end 2020: 0.03 percentage points).

Leverage ratio

The leverage ratio is a metric introduced in 2015. A capital base requirement of 3 percent, calculated on the total leverage ratio exposure measure, was introduced in June, 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. SEK has a leverage ratio of 9.3 percent as of December 31, 2021 , that well exceeds the requirements.

Pillar 2 guidance

The Pillar 2 guidance refers to what the Swedish FSA believes to be an appropriate level of the institution's own funds. The difference between the believed appropriate level of own funds and the minimum capital requirement, the Pillar 2 capital requirement and the combined capital buffer requirement will be calculated, decided and established by the Swedish FSA in the form of a non-binding recommendation (so-called pillar 2 guidance). The Pillar 2 guidance covers both the risk-based capital requirement and the leverage ratio requirement, and replaces the previous capital planning buffer.

Internally assessed capital adequacy

Skr mn	Dec 31, 2021	Dec 31, 2020
Credit risk	6,038	6,121
Operational risk	225	203
Market risk	1,247	1,140
Other risks	234	183
Capital planning buffer	1,610	2,831
Total	**9,354**	**10,478**

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.

Liquidity coverage

Skr bn, 12 month average	Dec 31, 2021	Dec 31, 2020
Total liquid assets	56.1	49.0
Net liquidity outflows[1]	10.1	10.1
Liquidity outflows	*21.2*	*22.1*
Liquidity inflows	*12.2*	*13.3*
Liquidity Coverage Ratio	**695%**	**604%**

1 Net liquidity outflows is calculated as the net of liquidity outflows and capped liquidity inflows. Capped liquidity inflows is calculated in accordance with article 425 of CRR (EU 575/2013) and article 33 of the Commission Delegated Regulation (EU) 2015/61.

Information on Liquidity Coverage Ratio (LCR) in accordance with article 447 of the CRR (EU 575/2013), calculated in accordance with the Commission Delegated Regulation (EU) 2015/61.

Net stable funding

Skr bn	Dec 31, 2021	Dec 31, 2020
Available stable funding	245.9	242.6
Requiring stable funding	176.4	179.7
Net Stable Funding Ratio	**139%**	**135%**

Information on Net Stable Funding Ratio (NSFR) in accordance with article 447 of the CRR (EU 575/2013), calculated in accordance with the Commission Delegated Regulation (EU) 2015/61.

Note 26. Risk information

Contents

For further information on SEK's risk management, see the Risk and capital management section, on page 34-39.

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 the risk of default on a debt that may arise from a borrower failing to make required payments. A credit risk can be divided into credit default risk, concentration risk, and country risk (see the Risk and capital management section).

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 (h) for more information on the calculation of expected credit losses under IFRS 9.

Note 26, continued

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 EUR 50 million)
- 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. SEK measures the exposures from counterparty risk by using the standardized approach ("SA-CCR") described in the CRR II.

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, "Capital Adequacy and Risk Management (Pillar 3) Report 2021".

Risk information, credit risk

The table on the next page 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.

Note 26, continued

Skr mn	December 31, 2021 Maximum credit-risk exposure Assets at fair value through profit or loss	Amortized costs
Cash and cash equivalents	-	11,128
Treasuries/government bonds	10,884	-
Other interest-bearing securities except loans	45,959	-
Loans in the form of interest-bearing securities	-	46,736
Loans to credit institutions	-	12,891
Loans to the public	-	238,599
Derivatives	8,419	-
Total financial assets	**65,262**	**309,354**

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**

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 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.

	December 31, 2021					
Skr mn	AAA	AA+ till A-	BBB+ till BBB-	BB+till B-	CCC till D	Carrying amount
Cash and cash equivalents	11,128	-	-	-	-	11,128
Treasuries/government bonds	2,493	8,379	-	-	-	10,872
Other interest-bearing securities except loans	23,669	21,412	-	800	-	45,881
Loans in the form of interest-bearing securities	2,982	10,783	3,365	29,448	-	46,578
Loans to credit institutions	4,122	14,573	115	1,965	-	20,775
Loans to the public	101,245	20,206	20,983	37,758	96	180,288
Derivatives	-	7,427	-	992	-	8,419
Total financial assets	**145,639**	**82,780**	**24,463**	**70,963**	**96**	**323,941**
Committed undisbursed loans	*48,633*	*852*	*1,423*	*2,963*	-	*53,871*

	December 31, 2020					
Skr mn	AAA	AA+ till A-	BBB+ till BBB-	BB+till B-	CCC till D	Carrying amount
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**	**74,972**	**25**	**320,399**
Committed undisbursed loans	*52,669*	*1,374*	*1,145*	*2,025*	-	*57,213*

Note 26, continued

The table below illustrates the link between the Statement of Financial Position categories and net exposures according to CRR.

	December 31, 2021							
Skr bn	Carrying amount	Adjustment to carrying amount from exposure	Central govern-ments	Regional govern-ments	Multilateral development banks	Public sector entity	Financial institutions	Corporates
Cash and cash equivalents	11.1	0.1	2.0	0.0	0.0	0.0	9.0	0.0
Treasuries/government bonds	10.9	0.0	10.9	0.0	0.0	0.0	0.0	0.0
Other interest-bearing securities except loans	45.9	4.6	6.7	11.6	2.6	5.4	11.9	3.1
Loans in the form of interest-bearing securities	46.6	-0.1	3.0	0.0	0.0	0.0	0.0	43.7
Loans to credit institutions including cash and cash equivalents[1]	20.8	11.6	3.6	2.4	0.0	0.0	2.5	0.7
Loans to the public	180.3	-1.0	109.9	0.3	0.4	0.0	5.5	65.2
Derivatives	8.4	2.4	0.0	0.0	0.0	0.0	6.0	0.0
Other assets	7.5	7.5	0.0	0.0	0.0	0.0	0.0	0.0
Total financial assets	**331.5**	**25.1**	**136.1**	**14.3**	**3.0**	**5.4**	**34.9**	**112.7**
Contingent liabilities and commitments[2]	60.1	-6.0	49.4	1.0	0,0	0.0	6.3	9.4
Total	**391.6**	**19.1**	**185.5**	**15.3**	**3.0**	**5.4**	**41.2**	**122.1**

	December 31, 2020							
Skr bn	Carrying amount	Adjustment to carrying amount from exposure	Central govern-ments	Regional govern-ments	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**

1 Skr 10.4 billion (2020: Skr 22.0 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 6.0 billion (2020: Skr 5.5 billion). For more information on the counterparty risk in derivative contracts under the CRR, refer to the Risk and capital management section.

Note 26, continued

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, 2021		**Dec 31, 2020**		**Dec 31, 2021**		**Dec 31, 2020**		**Dec 31, 2021**		**Dec 31, 2020**	
Exposure class	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Central governments	136.1	44.4	131.6	45.0	49.4	74.8	53.9	80.0	185.5	49.8	185.5	51.6
Regional governments	14.3	4.7	12.3	4.2	1.0	1.5	-	-	15.3	4.1	12.3	3.4
Multilateral development banks	3.0	1.0	3.5	1.2	-	-	0.0	0.0	3.0	0.8	3.5	1.0
Public sector entity	5.4	1.7	4.2	1.5	-	-	-	-	5.4	1.4	4.2	1.2
Financial institutions	34.9	11.4	24.5	8.4	6.3	9.5	6.4	9.5	41.2	11.1	30.9	8.6
Corporates	112.7	36.8	116.0	39.7	9.4	14.2	7.1	10.5	122.1	32.8	123.1	34.2
Total	**306.4**	**100.0**	**292.1**	**100.0**	**66.1**	**100.0**	**67.4**	**100.0**	**372.5**	**100.0**	**359.5**	**100.0**

Geographical breakdown of credit exposures by exposure class

Geographical breakdown of gross exposures by exposure class

	December 31, 2021									
Skr bn	**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	25.9	3.3	1.9	1.3	-	42.2	6.6	10.1	-	91.3
Regional governments	1.6	-	-	-	-	-	10.4	0.0	-	12.0
Multilateral development banks	-	-	-	-	-	-	-	2.6	-	2.6
Public sector entity	-	-	-	-	-	-	-	5.4	-	5.4
Financial institutions	-	-	2.3	3.9	-	-	17.5	15.3	0.1	39.1
Corporates	13.2	4.4	1.2	56.5	-	8.8	99.8	34.0	4.2	222.1
Total	**40.7**	**7.7**	**5.4**	**61.7**	**-**	**51.0**	**134.3**	**67.4**	**4.3**	**372.5**

	December 31, 2020									
Skr bn	**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**

Note 26, continued

Geographical breakdown of net exposures by exposure class

Skr bn	Middle East/ Africa/ Turkey	Asia excl. Japan	Japan	North America	Oceania	Latin America	Sweden	Western Europe excl. Sweden	Central and Eastern Europe	Total
	December 31, 2021									
Central governments	-	0.4	2.0	2.0	-	-	161.5	17.0	2.6	185.5
Regional governments	-	-	-	-	-	-	15.3	0.0	-	15.3
Multilateral development banks	-	-	-	-	-	-	-	3.0	-	3.0
Public sector entity	-	-	-	-	-	-	-	5.4	-	5.4
Financial institutions	0.0	-	2.4	4.9	-	-	15.1	18.6	0.2	41.2
Corporates	1.4	1.2	3.3	5.7	-	3.3	82.7	23.1	1.4	122.1
Total	**1.4**	**1.6**	**7.7**	**12.6**	**-**	**3.3**	**274.6**	**67.1**	**4.2**	**372.5**

Skr bn	Middle East/ Africa/ Turkey	Asia excl. Japan	Japan	North America	Oceania	Latin America	Sweden	Western Europe excl. Sweden	Central and Eastern Europe	Total
	December 31, 2020									
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**

Note 26, continued

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, 2021							
Skr bn	Central government	Regional governments	Multilateral development banks	Public Sector Entity	Financial institutions	Corporates	Total	*whereof subject to the write-down requirement in IFRS9*[1]
Amounts related to hedges issued by:								
Central governments	70.9	1.6	-	-	-	93.1	165.6	165.6
of which, guarantees issued by the EKN	*70.4*	*1.6*	-	-	-	*82.6*	*154.6*	*154.6*
of which, guarantees issued by other export credit agencies	-	-	-	-	-	*7.5*	*7.5*	*7.5*
of which, other guarantees	*0.5*	-	-	-	-	*3.0*	*3.5*	*3.5*
Regional governments	-	-	-	-	2.4	1.2	3.6	3.6
Multilateral development banks	-	-	-	-	-	0.4	0.4	0.4
Financial institutions	0.1	-	-	-	0.1	5.6	5.8	5.8
of which, credit default swaps	-	-	-	-	-	-	-	-
of which, guarantees	*0.1*	-	-	-	*0.1*	*5.6*	*5.8*	*5.8*
Corporates	0.3	-	-	-	-	4.9	5.2	5.2
of which, credit insurance from insurance companies	-	-	-	-	-	*0.7*	*0.7*	*0.7*
of which, other guarantees	*0.3*	-	-	-	-	*4.2*	*4.5*	*4.5*
Total hedged exposures	**71.3**	**1.6**	**-**	**-**	**2.5**	**105.2**	**180.6**	**180.6**
Unhedged exposures[2]	20.0	10.4	2.6	5.4	36.6	116.9	191.9	124.3
Total	**91.3**	**12.0**	**2.6**	**5.4**	**39.1**	**222.1**	**372.5**	**304.9**

	December 31, 2020							
Skr bn	Central government	Regional governments	Multilateral development banks	Public Sector Entity	Financial institutions	Corporates	Total	*whereof subject to the write-down requirement in IFRS9*[1]
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 22.8 billion (2020: Skr 26.1 billion) for corporates, Skr 0.0 billion (2020: Skr 0.6 billion) for financial institutions and Skr 0.0 billion (2020: Skr 0.1 billion) for central governments.

Note 26, continued

Gross exposures Europe, excluding Sweden, breakdown by exposure class

	December 31, 2021						
Skr bn	Central governments	Regional governments	Multilateral development banks	Public sector entity	Financial institutions	Corporates	Total
Finland	1.0	0.0	-	-	0.3	9.0	10.3
United Kingdom	-	-	-	-	2.0	7.4	9.4
Germany	3.1	-	-	5.2	0.3	0.2	8.8
Norway	-	-	-	-	1.9	4.7	6.6
Austria	4.3	-	-	-	1.8	-	6.1
Denmark	-	-	-	0.2	3.1	1.8	5.1
Spain	-	-	-	-	0.5	4.5	5.0
Netherlands	-	-	-	-	3.3	0.6	3.9
France	-	-	-	-	2.0	1.8	3.8
Luxembourg	0.6	-	2.6	-	-	-	3.2
Poland	-	-	-	-	-	2.8	2.8
Italy	-	-	-	-	0.0	2.4	2.4
Belgium	1.2	-	-	-	-	0.3	1.5
Portugal	-	-	-	-	-	0.9	0.9
Ireland	-	-	-	-	0.1	0.3	0.4
Serbia	-	-	-	-	-	0.4	0.4
Lithuania	-	-	-	-	-	0.3	0.3
Russian Federation	-	-	-	-	-	0.2	0.2
Czech Republic	-	-	-	-	-	0.2	0.2
Estonia	-	-	-	-	-	0.1	0.1
Iceland	-	-	-	-	-	0.1	0.1
Latvia	-	-	-	-	0.1	-	0.1
Slovakia	-	-	-	-	-	0.1	0.1
Total	**10.2**	**0.0**	**2.6**	**5.4**	**15.4**	**38.1**	**71.7**

	December 31, 2020						
Skr bn	Central governments	Regional 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**

Note 26, continued

Net exposures Europe, excluding Sweden, breakdown by exposure class

	December 31, 2021						
Skr bn	Central governments	Regional governments	Multilateral development banks	Public sector entity	Financial institution	Corporates	Total
Germany	3.7	-	-	5.2	1.1	0.3	10.3
Finland	1.5	0.0	-	-	0.4	6.3	8.2
France	4.5	-	-	-	1.9	1.4	7.8
United Kingdom	0,0	-	-	-	3.0	4.0	7.0
Norway	0.6	-	-	-	1.9	4.3	6.8
Austria	4.3	-	-	-	1.7	-	6.0
Denmark	0.2	-	-	0.2	3.2	1.8	5.4
Luxembourg	0.7	-	3.0	-	-	0.6	4.3
Netherlands	0.3	-	-	-	3.4	0.3	4.0
Belgium	1.2	-	-	-	0.8	0.9	2.9
Poland	2.6	-	-	-	-	0.2	2.8
Spain	-	-	-	-	1.3	1.0	2.3
Portugal	-	-	-	-	-	1.0	1.0
Ireland	-	-	-	-	-	0.6	0.6
Serbia	-	-	-	-	-	0.4	0.4
Switzerland	-	-	-	-	0.0	0.4	0.4
Lithuania	-	-	-	-	-	0.3	0.3
Czech Republic	-	-	-	-	-	0.2	0.2
Estonia	-	-	-	-	-	0.1	0.1
Iceland	-	-	-	-	-	0.1	0.1
Italy	-	-	-	-	0.0	0.1	0.1
Latvia	-	-	-	-	0.1	-	0.1
Slovakia	-	-	-	-	-	0.1	0.1
Total	**19.6**	**0.0**	**3.0**	**5.4**	**18.8**	**24.4**	**71.2**

	December 31, 2020						
Skr bn	Central governments	Regional governments	Multilateral development banks	Public sector entity	Financial institution	Corporates	Total
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**

Note 26, continued

Corporate exposures, broken down by industry [1]

	December 31, 2021		December 31, 2020	
Skr bn	Gross exposure	Net exposure	Gross exposure	Net exposure
IT and telecom	76.2	14.8	81.4	15.1
Industrials	44.7	41.6	43.2	42.1
Consumer goods	32.3	27.5	37.9	27.3
Materials	23.4	16.1	25.6	10.7
Finance	21.8	10.1	24.3	19.0
Utilities	19.5	9.2	12.0	4.8
Healthcare	2.8	2.5	4.8	3.8
Energy	1.2	0.1	1.2	0.1
Other	0.2	0.2	0.5	0.2
Total	**222.1**	**122.1**	**230.9**	**123.1**

1 In accordance with the reporting standard (GICS).

Market risk

Market risk is the risk of loss or changes in future earnings 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. SEK's risk appetite for market risk is low, and the strategy for managing market risk aims to ensure a stable net interest income.

SEK conducts no active trading, and the intention is to hold all assets and liabilities to maturity. The Company 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 duration of available funding matches the duration of lending and the maturity profile of liquidity investments is adapted to ensure that funds are available for committed undisbursed loans.

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 towards changes in interest rates, basis spreads and credit spreads. Those risks are managed by having established limits and daily limit monitoring. Interest rate- and currency risk excluding unrealized changes in fair value are kept low by matching assets and liabilities or through the use of derivatives. In addition, accrued gains and losses in foreign currency are regularly converted to Swedish kronor.

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.

Risk measurement

The following describes how SEK measures market risk internally. The government compensates SEK for all interest-rate differentials, borrowing costs and net foreign-exchange losses within the CIRR-system (see note 1). The CIRR-system is therefore reported separately.

Risk to net interest income

The risk to net interest income (NII) pertains to SEK's overall business profile, particularly the balance between interest-bearing assets and liabilities in terms of volume and repricing periods, as well as cases where funding and lending are not matched in terms of currency and where those imbalances are managed by the use of derivatives. The primary way of measuring the risk to NII is by shifting all interest rates 100 basis points and all cross-currency basis spreads 20 basis points over the next 12-month period. At the end of 2021, the risk to NII from changes in interest rates and cross-currency basis spreads amounted to Skr 200 million (year-end 2020: Skr 271 million).

Value-at-Risk and stressed Value-at-Risk

SEK uses stressed Value-at-Risk (sVaR) as the primary market risk metric regarding unrealized value changes. Value-at-Risk (VaR) is a statistical technique used to measure and quantify the level of financial risk over a specific time frame at a predefined confidence level. SEK uses a historical simulation VaR model that applies daily historic market movements from the past two years to current positions and estimates the expected loss for a time horizon of one day. 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, FX, equities and commodity and equity indices. VaR is calculated for SEK's portfolio and separately for the liquidity portfolio for positions on the balance sheet that impact own funds.

Stressed VaR (sVaR) is calculated using the same risk factors and overall methodology as VaR, but where a one-year stressed period is applied instead. Stressed VaR is measured at a 99 percent confidence level. At the end of 2021, sVaR amounted to Skr 124 million (year-end 2020: Skr 100 million), the main risk drivers being basis spreads and interest rates.

Complementary stress tests

SEK regularly conducts stress tests by applying historically observed market movements (historical scenarios) and movements that potentially could occur in the future (hypothetical or forward-looking scenarios). The hypothetical scenarios include interest rate chocks and reversed stress tests. Analyses of this type provide management with insight into the potential impact on SEK from significant movements in market risk factors or broader market scenarios, and continuously ensure that the risk measurement remains effective.

Risk-specific measures

The risk to NII, VaR, sVaR and stress tests are complemented with risk-specific measures, including interest-rate risk measures, spread-risk measures, and currency-risk measures. These are further described in the table on the following page.

Note 26, continued

Market risk, type	Definition	Risk profile
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, as well as rotations of all yield curves.	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.
Credit spread risk in assets	Credit spread risk in assets is calculated as the 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 assets measured at fair value.	The risk is attributable to SEK's liquidity portfolio.
Credit spread risk in own debt	Credit spread risk in own debt is calculated as the potential impact on SEK's equity, in the form of unrealized gains or losses, resulting from a 20 basis points change in SEK's own credit spreads.	The risk is attributable to SEK's structured debt measured at fair value.
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 by 20 basis points.	The risk is attributable to cross-currency basis swaps used by SEK to hedge the currency risk in the portfolio.
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 ten 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 in foreign currency.
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.	The risk is attributable to lending and borrowing with one and six month tenor which is not swapped to three month tenor.
Other risks (equity, commodity and volatility risks)	Equity risk, equity volatility risk, commodity risk, commodity volatility risk, FX volatility risk and interest-rate volatility risk all measures unrealized gains or losses and are calculated by stress tests of underlying indices or volatilities.	SEK's interest-rate volatility risk is mainly attributable to interest rate floors in lending transactions, while equity 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 SEK's own credit spread into account.

Note 26, continued

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 comprehensive 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, "Capital Adequacy and Risk Management (Pillar 3) Report".

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%).

	2021		2020	
Skr mn	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	-268	162	-200	146
Swedish kronor	-109	121	-116	156
Total	**-377**	**283**	**-316**	**302**

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%).

	2021		2020	
Skr mn	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	579	-165	592	-128
Swedish kronor	256	-115	306	-150
Total	**835**	**-280**	**898**	**-278**

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 balance 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.

	December 31, 2021			December 31, 2020		
Currency	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	10.2431	1	-242	10.0181	1	-189
USD	9.0356	0	-50	8.1739	1	-148
JPY	0.0785	0	9	0.0793	0	-89
GBP	12.2119	0	-51	11.1683	0	-68
MXN	0.4408	1	-105	0.4117	1	-123
THB	0.2709	0	-4	0.2727	0	60
Other	-	0	-19	-	0	-12
Total foreign currency position		**2**	**-462**		**3**	**-569**

Note 26, continued

In accordance with SEK's strategy 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 5 million (year-end 2020: Skr -48 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, 2021	December 31, 2020
Total assets	333,647	335,399
of which, denominated in foreign currencies	*262,056*	*194,607*
Total liabilities	312,839	315,335
of which, denominated in foreign currencies	*262,518*	*195,176*

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 managers, senior management, 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 (2020: Skr 200 billion) at the end of 2021. The credit facility may be used for financing the CIRR-system and also for commercial export credits up to Skr 15 billion (2020: Skr 15 billion). The credit facility shall function as a reserve to be used when the funding markets is not available. The credit facility has not been utilized during 2021.

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 Financing- and liquidity Strategy established by the Board's Finance and Risk Committee. The liquidity investments consists of the liquidity reserve and other investments, which together sums up to SEK's liquidity portfolio. The size of the liquidity portfolio is adapted to cover outflows, outside the CIRR-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 large portion of SEK's liquidity investments. The purpose of the liquidity reserve is to safeguard SEK's short-term solvency, and to fulfill the Company's requirement for the lowest liquidity coverage ratio (LCR).

SEK's borrowing strategy is regulated in the Financing- and liquidity Strategy Policy, which is established by the Board's Finance and Risk Committee. 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. With regard to maturity, no refinance risk is allowed.

SEK has a contingency plan for the management of liquidity crises, which is issued by the CFO. 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. SEK also performs regular liquidity stress tests.

Risk monitoring

Liquidity risk is monitored through regular analysis and reporting to the Executive Committee, the Board's Finance and Risk Committee, 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, liquidity 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, "Capital Adequacy and Risk Management (Pillar 3) Report 2021".

Note 26, continued

Liquidity reserve[1]

	December 31, 2021				
Skr bn	**Total**	**SKR**	**EUR**	**USD**	**Other**
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	23.0	4.4	4.8	13.7	0.1
Securities issued or guaranteed by municipalities or other public entities	15.8	8.0	1.6	6.2	-
Covered bonds issued by other institutions	12.9	12.9	-	-	-
Balances with National Debt Office	2.0	2.0	-	-	-
Total Liquidity Reserve	**53.7**	**27.3**	**6.4**	**19.9**	**0.1**

	December 31, 2020				
Skr bn	**Total**	**SKR**	**EUR**	**USD**	**Other**
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	29.9	12.1	6.1	11.1	0.6
Securities issued or guaranteed by municipalities or other public entities	12.1	7.9	0.3	3.9	-
Covered bonds issued by other institutions	7.5	7.5	-	-	-
Balances with National Debt Office	2.5	2.5	-	-	-
Total Liquidity Reserve	**52.0**	**30.0**	**6.4**	**15.0**	**0.6**

1 The liquidity reserve is a part of SEK's liquidity investments.

Liquidity investments by remaining maturity ("M")

	Dec 31, 2021	**Dec 31, 2020**
M ≤ 1 year	84%	86%
1 year < M ≤ 3 years	16%	14%
M > 3 years	-	-

Key figures for liquidity risk

	Dec 31, 2021	**Dec 31, 2020**
LCR under EU Commission's delegated act	463%	447%
NFSR	139%	135%

Liquidity investments by exposure type

Percent	**Dec 31, 2021**	**Dec 31, 2020**
States and multilateral development banks	40	59
Local governments	23	20
Covered bonds	19	13
Financial institutions	15	8
Corporates	3	-

Note 26, continued

Contractual flows

Skr mn	Due ≤1 month	Due 1 month ≤ 3 months	Due 3 months ≤ 1 year	Due 1 year ≤ 3 years	Due 3 years ≤ 5 years	Due > 5 years	Total cash flow	Discount-ing effect	Carrying amount
	December 31, 2021								
Financial assets									
Cash and cash equivalents	11,129	-	-	-	-	-	11,129	-1	11,128
Treasuries/government bonds	1,822	4,131	4,144	785	-	-	10,882	-10	10,872
Other interest-bearing securities except loans	7,647	10,909	17,511	9,913	-	-	45,980	-99	45,881
Loans in the form of interest-bearing securities	77	1,532	7,529	14,427	15,220	11,329	50,114	-3,536	46,578
Loans to credit institutions	11,673	110	2,417	2,581	1,218	3,581	21,580	-805	20,775
Loans to the public	5,182	7,229	37,218	62,116	43,375	50,887	206,007	-25,719	180,288
Derivatives	497	1,336	2,154	2,470	691	2,486	9,634	-1,215	8,419
of which cash inflow in currency derivatives	*912*	*13,274*	*21,973*	*41,766*	*5,075*	*4,071*	*87,071*		
of which cash outflow in currency derivatives	*-896*	*-12,596*	*-20,645*	*-39,925*	*-4,786*	*-3,373*	*-82,221*		
Total	**38,027**	**25,247**	**70,973**	**92,292**	**60,504**	**68,283**	**355,326**	**-31,385**	**323,941**
of which derivatives in hedge relationship	*-7*	*205*	*374*	*688*	*222*	*1,597*	*3,079*	*-418*	*2,661*

Skr mn	Due ≤1 month	Due 1 month ≤ 3 months	Due 3 months ≤ 1 year	Due 1 year ≤ 3 years	Due 3 years ≤ 5 years	Due > 5 years	Total cash flow	Discount-ing effect	Carrying amount
	December 31, 2021								
Financial liabilities									
Borrowings from credit institutions	-5,230	-	-	-	-	-	-5,230	-	-5,230
Borrowings from the public	-	-9,998	-	-	-	-	-9,998	-2	-10,000
Debt securities issued	-13,587	-26,300	-52,343	-128,316	-42,130	-41,864	-304,540	24,770	-279,770
Derivatives	-358	101	-206	-4,139	-1,637	-4,210	-10,449	-4,280	-14,729
of which cash inflow in currency derivatives	*888*	*16,122*	*10,459*	*8,188*	*8,942*	*5,107*	*49,706*		
of which cash outflow in currency derivatives	*-952*	*-17,618*	*-10,981*	*-8,886*	*-8,964*	*-5,454*	*-52,855*		
Total	**-19,175**	**-36,197**	**-52,549**	**-132,455**	**-43,767**	**-46,074**	**-330,217**	**20,488**	**-309,729**
of which derivatives in hedge relationship	*41*	*201*	*-61*	*-1,864*	*-345*	*-830*	-2,858	-688	*-3,546*
Commitments									
Committed undisbursed loans	-238	-1,938	-14,890	-22,498	970	38,594			
Liquidity surplus (+)/ deficit (-)	**18,614**	**-12,888**	**3,534**	**-62,661**	**17,707**	**60,803**	**25,109**		
Accumulated liquidity surplus (+)/deficit (-)	**18,614**	**5,726**	**9,260**	**-53,401**	**-35,694**	**25,109**	**25,109**		

In addition to the instruments in the Statement of Financial Position and committed undisbursed loans, SEK has outstanding binding offers of Skr 1.5 billion as well as additional available funds consisting of a credit facility with the Swedish National Debt Office of Skr 200 billion (2020: Skr 200 billion). The credit facility can be used for the State's export credit support (CIRR) or commercial export financing up to Skr 15 billion (2020: Skr 15 billion). In December, 2021, the credit facility was extended for 2022, and then with Skr 175 billion, of which Skr 13 billion for commercial export financing. With regard to deficit in cash flow with maturity between one to three months and one to three years, SEK has the intention to refinance these through borrowing on the financial market.

Assets with repayments subject to notice are assumed to occur on the maturity date. Derivatives with payments subject to notice are assumed to be repaid at maturity date regardless if SEK or the counterparty has the rights to invoke repayments. Liabilities where only SEK has the right to early repayments are assumed to be repaid at maturity date. Embedded financial derivatives in financial assets and liabilities have been handled in the same way as its host contract. It is unlikely that the applied precautionary principle regarding cash flows on derivatives will be a real outcome. Cash collateral according to collateral agreements for derivative contracts is assumed to mature within the first maturity interval. Differences between book values and future cash flows for financial assets and financial liabilities are reported in

Note 26, continued

the column "Discount effect". 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, 2020								
Skr mn	Due ≤1 month	Due 1 month ≤ 3 months	Due 3 months ≤1 year	Due 1 year ≤ 3 years	Due 3 years ≤ 5 years	Due > 5 years	Total cash flow	Discount-ing 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	6,585	500	-	33,631	-80	33,551
Loans in the form of interest-bearing securities	68	6,053	3,928	17,211	14,307	12,116	53,683	-2,903	50,780
Loans to credit institutions	66	219	3,437	3,556	1,129	1,166	9,573	21,742	31,315
Loans to the public	3,798	8,998	29,475	57,960	44,105	41,094	185,430	-13,868	171,562
Derivatives	84	534	1,276	1,887	1,289	1,919	6,989	574	7,563
of which cash inflow in currency derivatives	*2,635*	*8,812*	*4,987*	*11,682*	*3,799*	*7,478*	*39,393*		
of which cash outflow in currency derivatives	*- 2,470*	*- 8,192*	*-4,377*	*-10,376*	*-3,087*	*-6,582*	*-35,084*		
Total	**8,456**	**32,940**	**66,948**	**88,389**	**61,330**	**56,295**	**314,358**	**6,041**	**320,399**
of which derivatives in hedge relationship	*-6*	*49*	*353*	*813*	*261*	*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 ≤ 3 years	Due 3 years ≤ 5 years	Due > 5 years	Total cash flow	Discount-ing effect	Carrying amount
Financial liabilities									
Borrowings from credit institutions	-58	-147	-518	-851	-300	-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	-125,810	-36,557	-17,447	-280,674	6,698	-273,976
Derivatives	-1,206	-3,333	-4,288	-2,192	-440	-39	-11,498	-13,897	-25,395
of which cash inflow in currency derivatives	*1,105*	*20,400*	*49,648*	*8,472*	*2,802*	*1,842*	*84,269*		
of which cash outflow in currency derivatives	*-1,201*	*-23,333*	*-53,894*	*-9,215*	*-3,302*	*-1,828*	*-92,773*		
Total	**-5,750**	**-34,918**	**-69,748**	**-138,852**	**-37,297**	**-17,554**	**-304,119**	**-8,738**	**-312,857**
of which derivatives in hedge relationship	*-8*	*-26*	*-143*	*-371*	*-196*	*22*	*-722*	*248*	*-474*
Commitments									
Committed undisbursed loans	-4	-2,001	-4,633	-9,897	-13,936	76,724			
Liquidity surplus (+)/ deficit (-)	**2,702**	**-3,979**	**-7,433**	**-60,360**	**10,097**	**115,465**	**56,492**		
Accumulated liquidity surplus (+)/deficit (-)	**2,702**	**-1,277**	**-8,710**	**-69,070**	**-58,973**	**56,492**	**56,492**		

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.

Note 26, continued

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, "Capital Adequacy and Risk Management (Pillar 3) Report 2021".

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 Executive Committee and to the Finance and Risk Committee.

Risk information

For a supplementary of the sustainability risk related information, refer to the separate risk report,"Capital Adequacy and Risk Management (Pillar 3) Report 2021".

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, 44 percent (year-end 2020: 39 percent) of the Company's loans outstanding on December 31, 2021, were guaranteed by the Swedish government. The remuneration to EKN for the guarantees paid by SEK during 2021 amounted to Skr 45 million (2020: Skr 26 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 (f) and Note 24.

SEK has a Skr 200 billion (2020: Skr 200 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 (2020: Skr 15 billion). SEK has utilized Skr 10 billion (2020: Skr 10 billion) of the credit facility by December, 2021. In December, 2021, the credit facility was extended for 2022 with Skr 175 billion which can be used for CIRR or commercial export financing up to Skr 13 billion.

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 (d), 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:

Note 27, continued

Skr mn	2021 The shareholder, the Swedish government Assets/ liabilities	Interest income/ interest expense	Companies and organizations controlled through a common owner, the Swedish government Assets/ liabilities	Interest income/ interest expense	Total Assets/ liabilities	Interest income/ interest expense
Cash	2,000	-	-	-	2,000	-
Treasuries/government bonds	1,250	-7	-	-	1,250	-7
Other interest-bearing securities except loans	-	-	5,175	0	5,175	0
Loans in the form of interestbearing securities	-	-	2,600	33	2,600	33
Loans to credit institutions	-	-	1,719	23	1,719	23
Loans to the public	-	-	1,419	9	1,419	9
Settlement claim against the State[1]	7,209	-	-	-	7,209	-
Total	**10,459**	**-7**	**10,913**	**65**	**21,372**	**58**
Borrowing from the public	10,000	-	-	4	10,000	4
Other liabilities	147	-	-	-	147	-
Total	**10,147**	**-**	**-**	**4**	**10,147**	**4**

Skr mn	2020 The shareholder, the Swedish government Assets/ liabilities	Interest income/ interest expense	Companies and organizations controlled through a common owner, the Swedish government Assets/ liabilities	Interest income/ interest expense	Total 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	-	-	1,000	2	1,000	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	-	-	1,565	27	1,565	27
Settlement claim against the State[1]	12,359	-	-	-	12,359	-
Total	**24,432**	**-21**	**7,273**	**105**	**31,705**	**84**
Borrowing from the public	10,000	-	-	-	10,000	-
Other liabilities	95	-	-	10	95	10
Total	**10,095**	**-**	**-**	**10**	**10,095**	**10**

1 For information about "Settlement claim against State" see Note 16 and Note 24.

Note 28. Events after the reporting period

On January 1, 2022, the Law on risk tax for credit institutions was introduced. SEK's cost is estimated to Skr 109 million for 2022 and Skr 133 million for 2023.

On January 14, 2022, Maria Simonson was recruited as Head of Sustainability at SEK. Maria Simonson will take up her position on April 1, 2022.

On February 2, 2022, it was announced that Lars Linder-Aronson, SEK's current Chairman of the Board, will resign at the Annual General Meeting on March 24, 2022, after eleven years in the post. The Government Offices proposes that Lennart Jacobsen be elected new Chairman of the Board.

Sustainability notes

Contents

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 page 8-9. Sustainability policy and the results of policy can be found in Sustainability Note 4–10, Note 26 and Targets and outcomes, page 28. A description of sustainability risks can be found in the risk section, page 39, Note 26, and in the Sustainability Note 4–9. The result indicators can be found in Targets and outcome, page 28, Key performance indicators, page 33, and in Sustainability Note 5-10.

GRI

SEK's Sustainability Report pertains to the 2021 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 in sustainability note 13. SEK's latest Sustainability Report covered the 2020 calendar year and was published in February 2021.

TCFD

In Sustainability 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 Consolidated 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

SEK has during 2021 worked with mapping and clarifying the reporting principles for the sustainability information. The following material changes have been made in the 2021 Sustainability Report. A new sustainability note, Sustainability labeled loans, has been added. SEK has expanded the number of KPIs for 2021, and the definition for number of green loans has been updated, and now includes guarantees. The update has not been applied to previous years' KPIs. SEK evaluates its balance sheet continuously according to the green bond framework, which can lead to changes to historical KPIs as older loans can be re-classified. SEK has also updated its green bond framework, see Sustainability Note 4.

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 page 8-9.

Stakeholder dialogue 2021

SEK uses various forums for stakeholder dialogue: employee and customer surveys carried out every two years (latest 2020); and meetings with investors and companies regarding green sustainable financing takes place continuously. SEK has in 2021 expanded the dialogue with NGOs regarding the Swedish export credit system's ambition and position for phasing out fossils fuels. The stakeholder dialogue 2021 addressed issues such as long-term and strategic goals for sustainable value creation, climate issues and transparency around current climate and sustainability risks, as well as anti-corruption. Focus has primarily been based on the outcome of COP-26 and how SEK as a financial actor can support in the green transition. SEK has together with agent banks and exporters discussed the issue of clear and predictable sustainability requirements for international financing. SEK has listened to stakeholders, in order to ensure the requirements are reasonable. In addition to this, this year's temperature survey evaluated Covid-19's continued impact on the work situation in 2021. In 2021, master's students at Örebro University analyzed SEK's communication and management of sustainability issues.

In 2021, SEK have in collaboration with EKN established a scientific climate council. The climate council shall function as an advisory function for climate impact and transition of the Swedish export system, and exists a discussion function that provides knowledge in the climate issue.

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 displayed in the table are a considered assessment of stakeholder dialogs conducted in prior years with the addition of the subjects brought up in 2021.

Stakeholders	Dialogue form	Key topics in 2021	General expectations
Swedish government (owner)	Owner policy, mission, owner instruction, Board representation, regular discussions and meetings, and network meetings.	The government have introduced 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 GHG emissions. Climate impact assessment of the loan portfolio is important in the future.	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 be reasonable.	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.
Investors	Meetings, conferences, investor presentations and financial statements.	Increased demand for Green bonds and bonds related to Agenda 2030. Transition towards activities classified as green according to the EU taxonomy for sustainable activities.	Collaboration on sustainability topics. Issue of green bonds and bonds links to the global Sustainable Development Goals and the EU taxonomy.
NGOs and civil society	Meetings, questionnaire on sustainability topics and reports.	Civil society emphazize 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. SEK should set clear demands regarding anti-corruption and human rights in international projects.	Act responsibly and transparently. Clear expectations on exporters to manage sustainability issues in complex regions. Refrain from 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

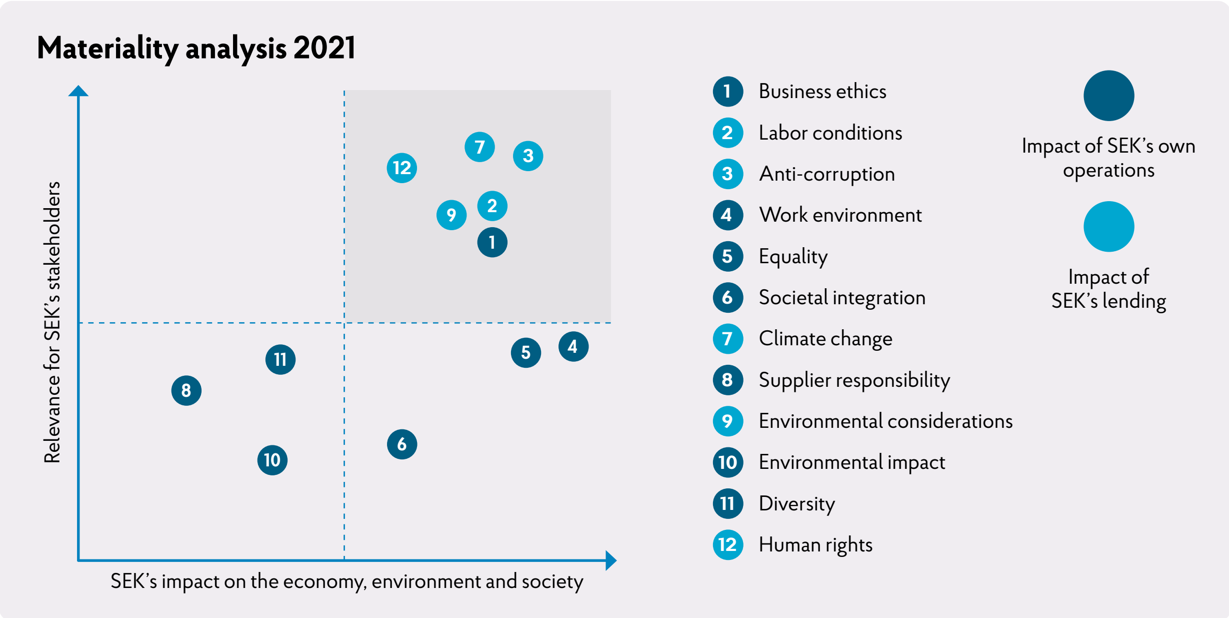
SEK employs a combination of internal and external factors to determine which sustainability topics are most material and what information should therefore be included in the Sustainability Report. These factors include SEK's mission and sustainability-related context, topics highlighted by stakeholders, 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 2021 Sustainability Report, no following changes were made to the materiality analysis.

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 Note 5–9.



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 Counsil 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 sustainability work is conducted at SEK. 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. In late 2021, the Board adopted SEK's "Sustainable finance policy", which stipulates basic principles for SEK's lending. The policy provides clearer and more ambitious guidance for SEK's operations, e.g. by ceasing financing of the exploration of fossil fuels. See the policy in its entirety at www.SEK.se. In addition to the policy, SEK also has during 2021 adopted several long-term goals linked to sustainability, climate and sustainable financing. These are described in more detail in Sustainability Note 6.

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 Counsil on Sustainable Lending Practises and Officially Supported Export Credits.

Organization and division of responsibility

In 2021 SEK has decided and initiated a reorganization which will consolidate the sustainability work, under management of a central function. SEK's organization regarding the company's sustainability work is described in SEK's Corporate Governance Report 2021.

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 34. Instructions for the management of sustainability risk reflect how sustainability risks have been identified and are handled within the organization. In 2021, a policy and risk appetite for sustainable financing has been adopted. In addition, SEK's sustainability loans are classified according to the following frameworks:

- SEK's green bond framework
- SEK's classification of sustainability-linked loans
- SEK's sustainability bond framework

In 2021, SEK's framework for green bonds has been updated for to reflect the EU's taxonomy over green activities.

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 2021

In 2021, SEK has reviewed several governing policies and frameworks, which has led to updates. Among other things, the framework for green bonds has been updated, and the sustainable finance policy was developed and approved by the board.

Note 5. Sustainability labeled loans

SEK offers the following sustainability-labeled loans: green, social and sustainability-linked loans. The table displays SEK's sustainability-labeled loans according to SEK's framework. As many key figures are new, historical information is missing.

Green loans

SEK offers green loans that promote the transition to a climate-smart economy. Green loans are categorized according to the "SEK Sustainability Framework", SEK's framework for green bonds. Green loans are financed via SEK's green bonds. During 2021, SEK adopted several ambitious goals regarding green loans, read further in Sustainability Note 6.

Sustainability-linked loans

Sustainability-linked loans are working capital (loans and bonds including conditional loans such as credit facilities and guarantees) used to promote the borrower's sustainability work, which in turn supports environmentally and socially sustainable economic activities and growth. SEK's sustainability-linked loans must comply with ICMA's standards for sustainability-linked loans.

Social loans

SEK's social loans address social challenges for an identified target group. The requirements for social loans are stated in "SEK Sustainability Bond Framework ".

Management approach and reporting

All frameworks for SEK's sustainability-labeled loans can be found at www.sek.se. In addition to the frameworks and standards SEK use for sustainability labeled loans, there are descriptions of method for classification available for all loans.

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.

Skr mn (unless otherwise indicated)	2021	2020
Green loans		
Total volume[1]	35,106	-
Of which loans in the balance sheet	*17,993*	-
Share of total loans in the balance sheet	*7.5%*	-
New lending	11,530	10,827
Of which agreed but undisbursed	*8,310*	-
Of which guarantees	*150*	-
Number of new loans[2]	18	11
Of which number of guarantees	*3*	-
Number of new projects/businesses	13	-
Volume of green bonds issued during the period	6,100	5,100
Annual CO_2e reductions from green projects (tons CO_2e)	>5,240,000	>5,211,000
Social loans		
Total volume[1]	1,904	-
Of which loans in the balance sheet	*0*	-
Share of total loans in the balance sheet	*0%*	-
New lending	1,904	-
Of which agreed but undisbursed	*1,904*	-
Number of new loans[2]	1	-
Number of new projects/businesses	1	-
Sustainability-linked loans		
Total volume[1]	1,690	-
Of which loans in the balance sheet	*1,546*	-
Share of total loans in the balance sheet	*0.5%*	-
New lending	1,690	-
Of which agreed but undisbursed	*145*	-
Number of new loans[2]	5	-
Number of new projects/businesses	4	-
Total sustainability labeled volume	**38,701**	**-**
Total sustainability labeled loans in the balance sheet	**19,539**	**-**
Share of total loans in the balance sheet	**8%**	**-**
Total loans in the balance sheet	**237,224**	**231,678**

1 Total volume includes loans in the balance sheet, as well as agreed but undisbursed loans and guarantees.
2 Several loans can go to the same project/business.

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). Since SEK applies an impact in and impact out perspective, SEK not only analyzes and presents the financial impact of the climate-related risks on SEK (impact in), but also the impact that SEK's financing activities could have on the climate (impact out).

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. It is primarily in SEK's lending and borrowing transactions that significant climate-related financial and non-financial environmental risks and opportunities arise in SEK's business model. SEK's immediate carbon footprint is essentially limited to business travel and the head office.

The export credit system

SEK is part of the Swedish export credit system and a significant part of SEK's international lending operations are guaranteed by the Swedish Export Credit Agency (EKN). Climate-related issues in SEK's business model are therefore linked to the Swedish export credit system. For Sweden's 2019 export and investment strategy, the government expressed that Sweden must drive international and European regulation for, inter alia, export credits and other public trade finance to contribute to sustainability and the realization of the goals set by the Paris Agreement.

In 2020, EKN was commissioned by the Government to review how the Swedish and international export credit systems will contribute to a clear climate transition and reduce greenhouse gas emissions, in line with the Paris Agreement. On September 4, 2020, EKN – together with the Swedish Export Credit Corporation (SEK) – submitted a report to the government which presents an analysis of how export financing can contribute to the climate transition. The report confirmed that the actions of EKN and SEK could act as catalysts to drive change in international regulations and for the actions taken by other countries and individual companies. The report describes how SEK's credit granting and EKN's guarantees can be adapted to the goals of the Paris Agreement by ceasing to support exports for the extraction of fossil fuels, providing stimuli to transactions that contribute to the climate transition and by considering lock-in effects and transition opportunities in export transactions.

In light of the above, SEK and EKN have begun joint efforts to adapt the export credit system to the Paris Agreement, and as part of these efforts, SEK and EKN have also begun collaborating on a future joint reporting of climate-related risks and opportunities.

Development in the regulatory field

As a result of the "EU Sustainable Finance" initiative, regulation of the environmental, social and governance (ESG) area has increased considerably in 2020 and 2021 to enable institutions to understand, identify monitor and control exposure to ESG risks (impact in) and effectively govern their own climate impact (impact out). In parallel, a number of standards were introduced for the classification of green assets and liabilities (The EU Taxonomy and the EU standard for green bonds) with the aim of establishing a joint base line for how financial instruments are to be evaluated and defined based on a sustainability perspective. All ongoing initiatives aim in part to reorient capital flows and investments toward a more sustainable EU economy, enable/impose a transition in the EU economy through the financial sector and ensure that financial institutions and investors understand and manage the long-term risks that climate change (and the transition thereof) presents in a more efficient manner. In addition, several regulatory initiatives are also being developed for ensuring that financial institutions can identify, measure, analyze, assess and report environmental, social and governance-related risks. Financial institutions must also disclose information in their sustainability reporting and as part of regulatory information (Pillar 3).

SEK works continuously to ensure that the company's sustainability efforts develop in line with the development of the regulatory field.

Core elements of the disclosures

Pursuant to TCFD's recommendations, SEK's climate-related risks and opportunities are presented below in accordance with the following four sections: governance, strategy, risk management and metrics and targets.

Governance

The governance of climate-related issues is a key part of SEK's work to drive positive change related to the transition as well as to manage the company's climate-related risks and opportunities.

The Board of Directors´review of climate-related risks and opportunities

The Board of Directors is ultimately responsible for ensuring that active and forward-looking sustainable development work is conducted within SEK. The Board of Directors decides on both short- and long term climate related goals. The governance of climate-related issues is an integral part of SEK's strategy, business planning and SEK's risk framework and credit decisions.

SEK´s climate targets

To contribute to a clear climate transition and reduce greenhouse gas emissions, in line with the Paris Agreement, SEK's Board of Directors have adopted the following climate-related long-term operating targets:

- SEK's balance sheet shall reach net zero carbon dioxide emissions by 2045.
- The share of green loans in SEK's lending portfolio shall increase to 50 percent by 2030.
- SEK's own operations shall be climate neutral by 2030.

For details about the measurement and follow up of targets, refer to the section Metrics and Targets.

Sustainable finance policy

The Board of Directors resolves the "Sustainable finance policy", which stipulates the basic sustainability-linked principles and positions for credit granting and liquidity investment. Principe 5 in the policy states that SEK shall have a restrictive approach regarding transactions with negative impact on the climate. Principle 7 states that SEK shall integrate ESG-factors in the credit assessment of counterparties, and principle 8 stipulates that SEK must work proactively to enable business es that contributes to the fulfillment of the UN's Sustainable Development Goals, as well as the Paris Agreement. See additional information in Sustainability Note 4.

Risk policy

The Board of Directors also resolves on SEK's "Risk policy", which stipulates the main features of SEK's framework for risk management. The policy defines the guidelines for how the company is to efficiently and appropriately identify, measure, govern, report and exercise control of the material risks (including sustainability risks and climate-related risks) that the company is exposed to or expects to be exposed to.

Risk appetite

Operational governance and the managing of sustainability risks is also governed by the Board's risk appetite concerning sustainability risk, which also includes climate related risks.

Management's role in assessing and managing climate-related risks and opportunities

Management assesses and manages climate-related issues as an integrated part of the company's risk management, business strategy and planning process. The CEO's "Instruction for the management of Sustainability risk" describe the managerial responsibility for assessing and managing climate-related risks and opportunities.

Strategy

SEK has a strategy and roadmap to promote climate transition and reduce greenhouse gas emissions, in line with the Paris Agreement, and to reduce the company's financial climate-related risks and increase climate-related opportunities.

As part of the Swedish and international export credit systems, SEK plays an important role in contributing to the transition. SEK has therefore also a joint roadmap together with EKN to align the export credit system with the goals of the Paris Agreement.

SEK's strategic work to reach its set targets consists of the following main activities:

- Limit lending to fossil fuels.
- Work actively to enable and increase green borrowing and lending, meaning financing such as introducing programs to increase green

products as well as being committed to the climate transition efforts of clients.
- Ensure proper and complete management of ESG factors and sustainability risks in the credit granting process which includes the management of climate-related transition risks and physical climate-related risks in the lending portfolio.
- Increase transparency and comparability through continual reporting of climate-related risks and opportunities and the advances that are made.

The export credit system's joint formulated roadmap consists of:
- A joint position related to limitations in lending to fossil fuels.
- Developing green export credits.
- Establishing a joint scientific climate council.
- Joint engagement with exporters concerning their transition plans.
- Increasing the export credit system's transparency through a joint report on climate-related risks and opportunities.

Climate-related financial and non-financial risks

Climate-related financial risks are split up into two categories: transition risks and physical risks. Transition risks are risks that arise at businesses as the result of, for example, changes to policies, laws and rules, technological changes and changes in the market as the result of adaptations to new climate-related requirements. Physical risks pertain to risks that businesses are exposed to as the result of acute climate-related events, such as extreme weather and chronic changes in climate patterns such as rising sea levels. Examples of how climate-related physical risks could materialize for businesses exposed to physical risk include increased operational costs, impairment losses, difficult or expensive insurance protection, difficult to obtain or expensive financing, disruptions in delivery chains and the transfer of the workforce. If these events impact the counterparty's repayment capacity, transition risks and physical risks result in a financial risk for SEK.

Transition risks are assessed to be the most material short-term risks for the operations that SEK finances. Transition risks are also a considerable risk on a mid- and long-term basis, which is why SEK's scenario analyses to identify risks and stress tests are carried out on a short-, mid- and long-term basis. Physical risks are currently analyzed by SEK to a certain extent on the initiation of a new transaction and through general qualitative scenario analyses. Physical risks are expected to increase on a mid- and long-term basis. SEK's analysis of physical risks will be developed continually in line with the accessibility of new climate data.

Climate-related non-financial risk is the risk of SEK's operations having a negative impact on the climate. This risk primarily arises as the result of lending to fossil fuel assets and fossil fuel related assets and projects. The non-financial climate-related risks are identified and analyzed on a short-, mid- and long-term basis. The impact that a transaction or project has on the environment is analyzed by SEK for the entire lifespan of the transaction.

Climate-related risks can be converted into opportunities by operations providing products and services that contribute to combating climate change. SEK's climate-related opportunities primarily consist of lending to green assets and projects and issuing of green bonds.

Lending to fossil fuel assets and fossil fuel related assets

An important aspect of SEK's strategy to reach set goals and reduce climate-related risks is to limit lending to fossil fuel assets. These limitations are stipulated in SEK's "Sustainable finance policy" and in the Board's Risk appetite.

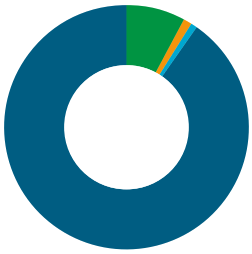
SEK has a method for classifying exposures in its lending portfolio, the details and limitations of this method are outlined below. Fossil fuel assets refers to lending within the coal, oil and gas sectors. SEK has chosen to define assets that are not classed as fossil fuel but that have a direct connection to coal, oil and gas as "fossil fuel related" assets. Fossil fuel assets and fossil fuel related assets carry risks associated with a fast transition and requirements for reduced carbon dioxide emissions. Fossil fuel assets and fossil fuel related assets also carry a non-financial risk for SEK since carbon dioxide emissions have a negative impact on the climate.

SEK's follow up and exposure to fossil fuel and fossil fuel related assets and exposure to sectors exposed to transition risk are presented under Metrics and Targets.

Climate-related opportunities

To increase climate-related financial opportunities and to manage investments toward more sustainable operations thus contributing to the goals of the Paris Agreement, SEK has set targets concerning lending on green assets. The requirements are stipulated in the "SEK Sustainability Bond Framework". SEK also has sustainability linked loans that in some cases can contribute to transition. For further description of green assets, see Sustainability Note 5. The diagram below demonstrate the relative share of SEK's green loans, sustainability-linked loans, and fossil fuel and fossil fuel related loans in relation to the lending portfolio.

Green loans, sustainability-linked loans and fossil fuel and fossil fuel related loans in relation to the lending portfolio.



The resilience of SEK's strategy and business model in a 2°C or lower scenario

SEK carries out climate-related scenario analyses and stress tests to assess how transition risks could impact operations that SEK finances as well as on SEK's financial situation and capital ratio.

This year's scenario analyses and stress tests for transition risk are, in lined with last year, based on two scenarios that have been developed by the International Energy Agency's (IEA) "World Energy Outlook": "Stated Policies Scenario" and the "Sustainable Development Scenario". The Sustainable Development Scenario represents a large and fast transition in the energy sector by the objective of limiting the average global temperature increase to a maximum of approximately 1.8°C. Stress tests are conducted by applying estimated negative or positive changes in companies' credit ratings due to climate-related transition risks identified in respective climate scenarios, and further analyzing the effect of these changes on the lending portfolio's capital ratio. When performing stress tests, SEK has simplified the assessment and assumed that the current lending portfolio will be extended and pre-

Table with the sectors that have the greatest change in rating migration in the scenario for sustainable development:

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	0	0	-1
Paper & Forest	0	-1	-2
Metals & Mining	0	-2	-1

vail over a short-, mid- and long-term basis. Work with scenario analyses and stress tests contribute to increased knowledge about sustainability and are connected to risks and opportunities in own operations.

The outcome of the 2021 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 ten years) on SEK's total capital ratio in absolute percentage terms, if SEK's lending were to remain constant and remain exposed to the two different climate scenarios stated above. Some sectors that are particularly sensitive to long-term transition risks are, for example, "Coal, Oil and Gas", "Electric Utilities," "Independent Power Producers and Traders" and "Metals and Mining".

Potential change in SEK's total capital ratio in a 10 year perspective	2021	2020
Stated Policies Scenario	-1%	-1%
Sustainable Development Scenario	-2%	-2%

Exposure to sectors that are sensitive to physical risk

In the 2021 stress test, SEK has only included climate-related transition risks as these are currently considered to be the most relevant for SEK to analyze due to the need for a rapid transition to meet the goals of the Paris Agreement. Physical climate-related risks, such as a 4°C scenario, are not included, but an initial qualitative analysis of physical climate-related risks was commenced during the year. The approach that SEK initially chose was to identify the sectors believed to be particularly exposed to physical climate-related risks. An expanded analysis of the physical climate-related risks will be carried out moving forward to better understand the impact of these risks on the exposures in SEK's lending portfolio and to meet the coming requirements for ESG information. These coming efforts include an expanded analysis of the exposure of different geographical areas for physical risk.

SEK's and EKN's joint scientific climate council

To raise the level of expertise of the export credit system on climate issues and connect this to scientific findings, SEK and EKN established a joint scientific climate council in 2021 consisting of four climate researchers.

The climate council acts as a specialist advisory body with the aim of aligning the Swedish export credit system, meaning the operations of EKN and SEK, with the Paris Agreement's goal of limiting global warming to 1.5°C. The climate council acts as an advisory strategic support to SEK and EKN to assist aligning the Swedish export credit system with the Paris Agreement's 1.5 °C goal and when it comes to other fundamental strategic policy positions. Examples of topics that could be addressed in the council include the role of natural gas for the energy transition of low- and middle-income countries, how commitments of countries and companies are updated and how the IPCC's reports should impact the direction of the Swedish and international export credit systems. The focus of the climate council's work is the global climate system, and the impact of export financing on global GHG emissions rather than focusing on domestic or consumption-based GHG emissions in Sweden. The climate council has no operational role in the decision process for individual business transactions.

Risk Management

SEK has formalized and systemized processes for identifying, analyzing, assessing and managing climate-related financial and non-financial risks, in line with the management of other risks in the business. Climate-related risks are part of SEK's risk framework in which financial climate-related risks are indirectly included in credit risk while non-financial climate-related risks are analyzed within the framework of sustainability risk.

Financial transition risks are identified through climate-related scenario analyses and stress tests and through analyzing ESG factors in the credit rating process. For a more detailed description of the management of sustainability risk, refer to Sustainability Note 4.

ESG factors in the credit rating process

During the year, SEK started a process of strengthening and clarifying existing methods for the identification, evaluation and assessment of ESG factors (including climate-related financial risks) within SEK's risk classification framework.

In November 2021, SEK reported the updated method including underlying work processes to the Swedish FSA so that ESG factors (including climate-related financial risks) would be more clearly included in the rating process for SEK's corporate counterparties. ESG factors are already taken account of in the rating assessments, but the revised method has clarified and strengthened work processes and structure with the aim of enabling a more efficient and applicable analysis. The aim is for the complementary method to be implemented in 2022.

Processes for identifying, assessing and managing environmental (non-financial) risks

Lending and liquidity transactions are screened by SEK to identify those with a high risk of environmental impact/climate-related risk, which are then subjected to in-depth examination. Transactions with high environmental impact are also assessed by a sustainability analyst to ensure that the transaction is within SEK's risk appetite. The following parameters indicate an increased climate-related risk:

- fossil fuel and fossil fuel related activities;
- other sectors exposed to transition and physical climate-related risk;
- transactions linked to the mining industry and complex markets; and
- projects and project-related finance.

Fossil fuel and fossil fuel related activities include fossil fuel prospecting, extraction and transports of fossil fuel assets. 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

During 2021, SEK has not booked any material costs for climate-related measures. However, the company has started a prioritized IT-project to follow up on ESG-factors in the lending, which will lead to costs during 2022.

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 traveling in some cases may have reduced SEK's costs. No separate calculation of the actual cost reduction has been completed since the amount is not considered material.

Finally, the impact on total Swedish exports from not offering export financing to projects or businesses relating to the extraction and exploration of fossil fuels is assessed to be relatively limited from a national perspective.

Metrics and Targets

In order to reach decided goals, SEK continuously follow up the exposures towards assets that potentially could be exposed to climate-related risks.

Classification of climate-related exposures

The method for classifying exposures in SEK's lending portfolio that are sensitive to climate-related risks is based on the sector term "carbon asset risk framework" developed by the World Resources Institute (WRI) and UNEP Finance Initiative (UNEP-FI). Four different groups related to these sectors are mapped based on the Global Industry Classification Standard (GICS), see table "Carbon asset class". Since SEK notes that there are limitations related to GICS codes and that mapping requires an update to meet the coming regulatory requirements, a review of the codes will need to be conducted in the coming years.

Climate-related exposures

In the table *"Sectors exposed to transition risk and other assets"*, SEK's exposure (gross and net) to assets that are or could be exposed to financial or 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 Skr 1.7 billion (refers to Fossil-fuel asset class 1 in the table "Sectors exposed to transition risk and other assets" and all assets in the table "Other fossil fuel related assets, gross exposure"). In the table *"Sectors sensitive to transition risk"* shows the sectors that SEK, using the TCFD recommendations and the assessment of rating migrations (refer to the table under the strategy section), as being most sensitive to transition risk. The table also includes examples of what drives the risks.

SEK's gross exposure to fossil fuel related assets that are not included in the sector codes classification is presented in table *"Other fossil fuel related assets, gross exposure"*.

Carbon asset class (WRI and UNEP-FI Portfolio Carbon Initiative)	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

Sectors exposed to transition risk and other assets

	2021				2020			
	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	1.2	0.3	0.1	0.0
Other assets that could be exposed to transition risks (Carbon Asset Class 2-4)	55.2	14.8	34.7	9.3	53.4	14.9	34.7	9.7
Assets in other sectors not classified as exposed to transition risks	316.1	84.9	337.7	90.7	304.9	84.8	324.7	90.3

Sectors sensitive to transition risk

Gross exposure	2021	
Sectors	**Skr bn**	**%**
Paper & Forest Products	14.0	3.8
Automobile- & -Flight industry1	14.5	3.9
Electric Utilities & Power Producers	10.0	2.7
Metals & Mining's	6.8	1.8
Oil & Gas, Exploration & Production	1.2	0.3
Construction & Engineering	3.8	1.0
Other sectors sensitive to transmission risk	6.1	1.6
Total	**56.4**	**15.1**

1 Flight industry including Aerospace & Defence

Examples of potential impact for clients in these sectors may include

- 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

Other fossil fuel related assets, gross exposure

	2021		2020	
Fossil fuel related assets (not linked to sectors above)	**Skr bn**	**%**	**Skr bn**	**%**
Natural gas projects & assets	0.2	0.1	0.2	0.1
Oil and petrol assets	0.2	0.1	0.2	0.1
Transportation potentially used in coal mines	0.1	0.0	0.2	0.1

SEK's climate-related operating targets

SEK's operating targets are described in more detail below.

Target 1: SEK's balance sheet shall reach net zero carbon dioxide emissions by 2045.

To reach this target, SEK assesses that the financing of fossil fuel assets initially needs to be limited and subsequently discontinued. In addition, risks and exposure to other sectors exposed to transition risks and physical risk are analyzed in order to, if assessed needed, form strategies that reduces the risk related to these sectors.

Target 2: The share of green loans in SEK:s lending portfolio shall increase to 50 percent by 2030.

The long-term sustainability target concerning green loans in the lending portfolio has been broken down into sub-targets for the coming business plan periods.

The short-term targets for green loans are:
- 15 percent green loans in the lending portfolio as of 2022.
- 20 percent green loans in the lending portfolio as of 2023.
- 25 percent green loans in the lending portfolio as of 2024.

SEK presents the follow up on green loan and bonds in Sustainability Note 5. It is part of SEK's mission to finance important strategic deals for the Swedish state, which do not always meet SEK's criteria for green loans. In the event that the extent of these transactions increases, it may be difficult for SEK to reach the target of a 50 percent green lending portfolio.

Target 3: SEK's own operations shall be climate neutral by 2030.

In table "*SEK's direct climate impact*", SEK presents the follow up on current calculated emissions.

Climate impact of SEK's operations

SEK's direct climate and environmental impact primarily derives from SEK's office in Stockholm and business travel. SEK's direct impact is not classified as a material sustainability topic. The travel policy stipulates that any business travel must be motivated and use the most cost-efficient and sustainable method possible. Transportation should be chosen so as to minimize environmental impact. In 2021, the carbon footprint from business travel further decreased, primarily as the result of COVID-19. Renewable energy sources are used to power SEK's offices and server halls.

Reporting of the direct environmental effects of SEK's operations, in terms of emissions, 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. Climate reporting for SEK's own operations utilizes the number of annual full-time equivalents (FTEs) at the end of the year, which was 264 for 2021. SEK climate compensates for the total GHG emissions included in the scope of reporting. Scope 2 includes electricity and district heating for SEK's offices, and Scope 3 includes business trips, commuting, logistics and office material. For more information on SEK's own emissions, refer to www.sek.se/en.

Environmental and climate impact from SEK's portfolio

Pursuant to the coming regulatory requirements, SEK has commenced efforts to produce a method to report Scope 3 emissions concerning the counter-parties and activities that SEK finances (Category 15: Investments). Given the high level of complexity within the framework of development of SEK's Scope 3 emissions, SEK plans to further develop and implement methods and calculations of Scope 3 emissions moving forward.

SEK's direct climate impact

Climate impact from SEK's operations in tonnes of CO_2e	2021	2020	2019	2018	2017
Total GHG emissions	129	165	381	415	440
Direct GHG emissions scope 1	-	-	0	16	16
Indirect GHG emissions energy usage scope 2[1]	15	9	16	33	25
Other indirect greenhouse gas emissions scope 3	114	156	365	366	400
Emissions per employee	0.51	0.65	1.56	1.74	1.76

1 Calculated with the market-based method.

Note 7. 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. SEK's goal is that all lending transactions shall be 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;
- financing of projects with public buyers in complex markets;
- an exporter who uses agents in underlying transactions in complex markets;
- distributors, EPC companies or exporters who have acted as an intermediary in complex markets;
- 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;
- 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 2021

New transactions were made in the following countries that are classified as complex markets: Ivory coast, Indonesia, Irak, Mexico, Sri Lanka, Thailand, Vietnam and Zambia. 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 percent. SEK's board members have undergone training in anti-corruption during the year. Targeted training have been provided to business- and client facing managers through an external provider.

SEK's Anti-corruption Framework

For additional information about SEK's Anti-Corruption Framework, see www.sek.se

Note 8. Labor standards and human rights in international business

Respect for labor 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;
- operations or exports to operations in areas of conflict;
- telecom operators or telecom equipment in countries under repressive, authoritarian rule;
- gene technology for countries under repressive, authoritarian rule;
- 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 2021

New transactions were implemented in the following countries that are classified as complex markets: Burkina Faso, Irak, Saudi Arabia, Thailand, Turkey and Vietnam. All of these transactions are deemed to comply with international guidelines on human rights.

Note 9. 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 2021

New project-related lending transactions in 2021 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, 3 out of a total of 68 existing projects were reported which were potentially outside SEK's risk appetite. Measures were undertaken, including through the establishment of action plans. In 2021, SEK granted three A-project in the UK, Ghana and Tanzania, as well as eight B-project in Sweden, Chile, Ghana and Angola. For a definition of A/B/C projects and a complete report submitted to the Equator Principles' secretariat, refer to www.sek.se.

	2021	2020	2019	2018	2017
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)	3	4	1	1	2
Loans granted to category B projects (number)	8	5	2	5	4

Note 10. 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.

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	2021	2020	2019	2018	2017
Contribution to Sweden's GDP (Skr mn)	52,000	80,000	51,000	36,000	51,000
Contribution to jobs in Sweden (number)	65,000	87,000	51,000	48,000	65,000

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. SEK have been active in green financing since 2015 and are constantly broadening its sustainable financing offerings. SEK's focus on integrating sustainability risk management into its risk framework helps SEK 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 its business relate to the SDGs. SEK's ambition is to develop concrete business goals connected to the SDGs during 2022. Below outlines new and ongoing activities and cooperation SEK conducts to address selected SDGs.

Sustainability Development Goal and Targets	Activities
11.2 Affordable and sustainable transport systems 11.6 Reduce the environmental impact of cities	• Team Sweden Smart City Working Group • Industry-led partnership between India and Sweden for smart and sustainable cities
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	• Partnering with EKN to align the Swedish export credit system to the Paris agreement • Team Sweden initiative to address large international transition projects • Green bond issuance • Green offerings and green pricing
16.5 Substantially reduce corruption and bribery	• Team Sweden anti-corruption working group • Team Sweden human rights working group
17.17 Encourage effective partnerships	• 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 bonds and loans
- Climate compensation for the own emissions
- Financing strategy to support Fossil Free Sweden's roadmap

Note 13. 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 2021 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 Note 11 and 12.

Standard Disclosure	Content	Page number	UN GC principle
GRI 102: GENERAL DISCLOSURES 2016			
102-1	Name of the organization	Page 61	
102-2	Activities, brands, products and services	Page 16-17	
102-3	Location of headquarter	Page 61	
102-4	Location of operations	Page 61	
102-5	Ownership and legal form	Page 41	
102-6	Markets served	Page 14-18, 31, 109-111	
102-7	Scale of the organization	Page 29-33, 61, 79	
102-8	Information on employees and other workers	Page 26, 79	
102-9	Supply chain	Page 26	
102-10	Significant changes to the organization and its supply chain	No significant changes	
102-11	Precautionary principle or approach	Page 120	
102-12	External initiatives	Page 131	
102-13	Membership of associations	Page 122	
102-14	Statement from senior decision-maker	Page 6–7, 40	
102-15	Key impacts, risks and opportunities	Page 10-11, 28, 38-39, 124-128	
102-16	Values, principles, standards and norms of behavior	Page 47, 122	
102-17	Mechanisms for advice and concerns about ethics	Page 47	
102-18	Governance structure	Page 41-47	
102-32	Highest governance body's role in sustainability reporting	Page 122	
102-40	List of stakeholder groups	Page 120-121	
102-41	Collective bargaining agreements	Page 76	
102-42	Identifying and selecting stakeholders	Page 120-121	
102-43	Approach to stakeholder engagement	Page 120-121	
102-44	Key topics and concerns raised	Page 121	
102-45	Entities included in the consolidated financial statements	Page 61	
102-46	Defining report content and topic boundaries	Page 120-121	
102-47	List of material topics	Page 121	
102-48	Restatements of information	Page 120	
102-49	Changes in reporting	Page 120	
102-50	Reporting period	Page 120	
102-51	Date of most recent report	Page 120	
102-52	Reporting cycle	Page 120	
102-53	Contact point for questions regarding the report	Page 120	

Standard Disclosure	Content	Page number	UN GC principle
102-54	Claims of reporting in accordance with the GRI Standards	Page 120	
102-55	GRI-index	Page 132-133	
102-56	External assurance	Page 120, 140	
MATERIAL TOPICS			
GRI 201: ECONOMIC PERFORMANCE 2016			
103-1,103-2,103-3	Management approach	Page 122, 124-128	
201-1	Direct economic value generated and distributed	Page 56-58, 78-80, 86	
201-2	Financial implications and other risks and opportunities due to climate change	Page 124-128	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016			
103-1,103-2,103-3	Management approach	Page 6, 12-16, 120-122, 129-130	
203-2	Significant indirect economic impacts	Page 9, 12-13, 130	
GRI 205: ANTI-CORRUPTION 2016			
103-1,103-2,103-3	Management approach	Page 33, 47, 118, 122	10
205-1	Operations assessed for risks related to corruption	Page 118, 129-130	10
205-2	Communication and training about anti-corruption policies and procedures	Page 26, 33, 129	10
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
103-1,103-2,103-3	Management approach	Page 26, 42	3
405-1	Diversity of governance bodies and employees	Page 9, 26, 33, 48-51, 79	
GRI 412: HUMAN RIGHTS ASSESSMENT 2016			
103-1,103-2,103-3	Management approach	Page 19, 118, 124, 130	1, 2, 4, 5, 6
412-3	Credit decisions that have been subject to human rights reviews or impact assessments	Page 118, 130	2
GRI G4: SECTOR-SUPPLEMENT FOR FINANCIAL SERVICES			
103-1,103-2,103-3	Management approach	Page 120, 122, 124-128	
FS6	Lending portfolio broken down by region and sector	Page 14–18, 31, 62, 109-111, 118	
FS8	Products with environmental benefits	Page 16, 22-24, 33, 62, 123	

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 21, 2022

Lars Linder-Aronson
Chairman of the Board

Anna Brandt
Board member

Reinhold Geijer
Board member

Lennart Jacobsen
Board member

Hanna Lagercrantz
Board member

Hans Larsson
Chairman of the Board

Eva Nilsagård
Board member

Magnus Montan
Chief Executive Officer

Our audit report on these annual accounts was submitted on February 24, 2022
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 2021 except for the corporate governance statement on pages 41-51. The annual accounts and consolidated accounts of the company are included on pages 8-134 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 2021 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 2021 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 41-51. 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 submitted 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 AB Svensk Exportkredit (publ)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 walk-throughs 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 AB Svensk Exportkredit (publ)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
Valuation of certain Level 2 and Level 3 financial instruments held at fair value 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. Financial instruments held at fair value in level 2 and level 3 utilize 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. Important areas in valuation of financial instruments held at fair value relate to: • 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 • Disclosures of financial instruments Refer to the Annual Report Note 1, Note 13, Note 14 and Note 18	In our audit, we assessed and tested the design and operating effectiveness of the controls relating to financial instrument valuation including: • 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; • model control and governance. 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. 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. We examined whether the disclosures made in the annual report are appropriate.
Impairment of loans to customers 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. SEK makes provisions for expected credit losses (ECL) in accordance with IFRS 9. IFRS 9 categorizes 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. 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. IFRS 9 also allows for expert credit judgment to be applied to loan loss provisioning. SEK's IFRS 9 model is based on GDP growth projections estimating the impact on the probability of default. The COVID-19 pandemic has continued to impact the world, and in order to address the uncertainties in the future environment, which still is not considered to be captured in SEK's model-driven ECL results, management has applied post-model adjustments (management overlays) in accordance with IFRS 9. Refer to the Annual Report Note 1 and Note 9	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. 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. To evaluate data quality, we agreed ECL calculation data points to source systems. To test credit monitoring, we verified the risk ratings for a sample of performing and non-performing loans. 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. We examined whether the disclosures made in the annual report are appropriate.

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, 27, 120-133 and 141-144. 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 Director's 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 Director's 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

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of AB Svensk Exportkredit (publ) for the year 2021 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 Director's 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 Director's 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' 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 organization 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 ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for ABC AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #[checksum] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of AB Svensk Exportkredit (publ) 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for ensuring that the Esef report has been prepared in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The reasonable assurance engagement involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The reasonable assurance engagement also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, statement of financial position, statement of changes in equity and the statement of cash flow.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 41-51 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 the 24 March 2021 and has been the company's auditor since the 22 March 2017.

Stockholm February 24, 2022
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 Group Management of AB Svensk Exportkredit (publ) to undertake an examination of the AB Svensk Exportkredit's (publ) Sustainability Report for 2021. The company has defined the scope of its sustainability report on page 120-133. The statutory sustainability report is defined on page 27.

Responsibilities of the Board and Management

The Board of Directors and Group 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 120-133 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 Group 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 Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm, February 24, 2022
Öhrlings PricewaterhouseCoopers AB

Anneli Granqvist Authorized Public Accountant	Sara Höög Authorized Public Accountant

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 CO_2 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.

RAROC (Risk-Adjusted Return On Capital)
The ratio between expected earnings less expected loss and allocated costs, and claimed own capital.

Risk exposure amount
Assets and other liabilities adjusted for their risk in accordance with EU Regulation 575/2013.

Social loans
Social loans are offered to exporters and suppliers for projects, often in developing countries, whose aim is to improve social conditions. The classification is performed by sustainability analysts at SEK. Social loans are categorized under SEK's Sustainability bond framework.

Sustainability-linked loans
Sustainability-linked loans concern working capital connected to the borrower's sustainability targets, for example, energy-efficiency enhancements, reduced transportation or reduced number of accidents. If the borrower reaches their targets, they are rewarded with a lower interest rate. SEK's sustainability-linked loans must comply with ICMA's standards for sustainability-linked loans.

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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