

SEK

Green Bond Presentation June 2022

Mission

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

Vision

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



100%

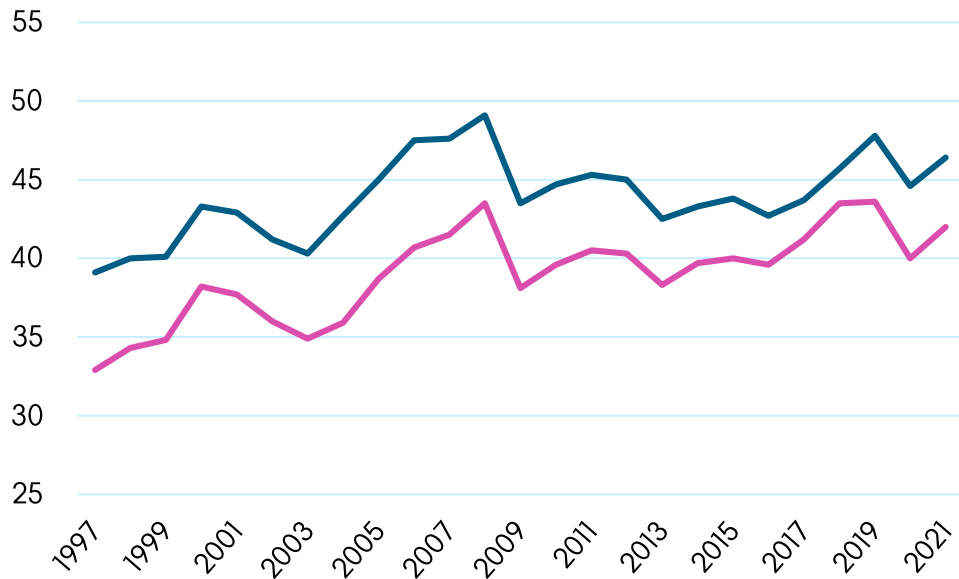
Owned by the Swedish Government

Swedish Exports

Large part of GDP and well diversified

Exports and Imports

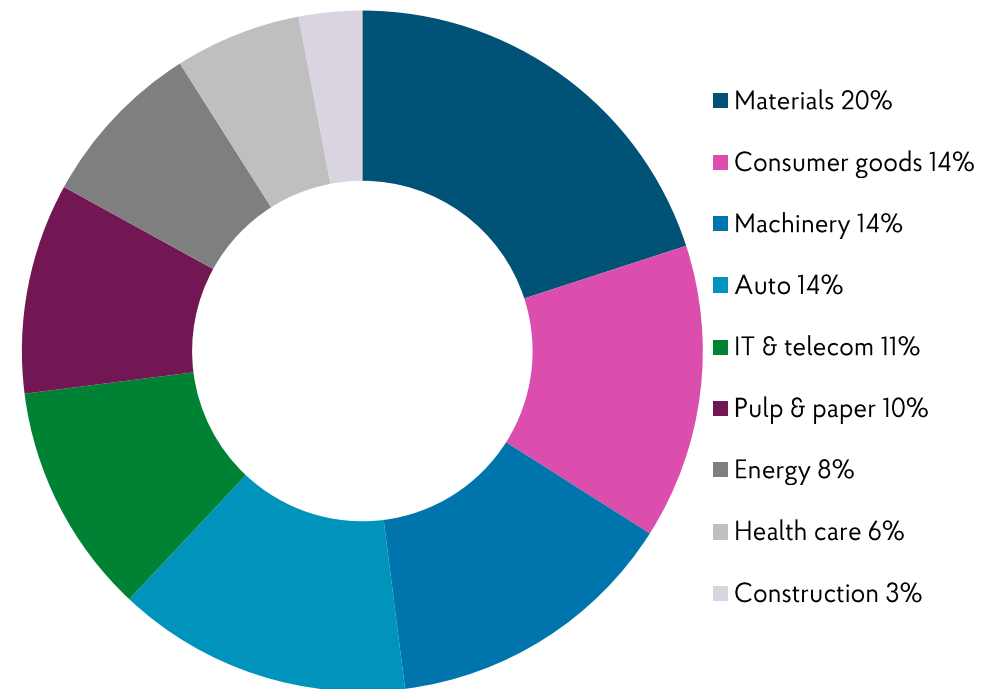
Share of GDP



Source: SCB

— Export — Import

Key export goods 2021



Swedish exporters



Ratings



“Strong asset quality, benefitting from guarantees and insurance”

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

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

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

January 19, 2021

MOODY'S
Aa1 (stable)

“... that there is an extremely high likelihood the Swedish government would provide timely and sufficient support ...”

”SEK is expected to remain well-capitalized due to in part its high-quality loan book and associated guarantees.”

“... SEK is anticipated to remain an important pillar of Swedish exporters' success owing to its strong relationships with the country's largest exporters.”

May 25, 2022

STANDARD
& POOR'S
AA+ (stable)

SEK

ESG rating by Sustainalytics

Swedish Export Credit Corp.

Industry Group: **Banks**

Country/Region: **Sweden**

Identifier: -

ESG Risk Rating

COMPREHENSIVE



9.3

Negligible
Risk



Ranking

Industry Group (1st = lowest risk)

Banks **30** out of 996

Universe

Global Universe **143** out of 14756

Last Update: **Mar 15, 2022**

ESG governance & commitments



- Owner instruction
- Sustainability reporting
- Sustainability targets and strategies
- Sustainable Finance Policy



- OECD Common Approaches
- OECD Convention on Combating Bribery



- UN Global Compact
- UN Guidelines on Business and Human Rights



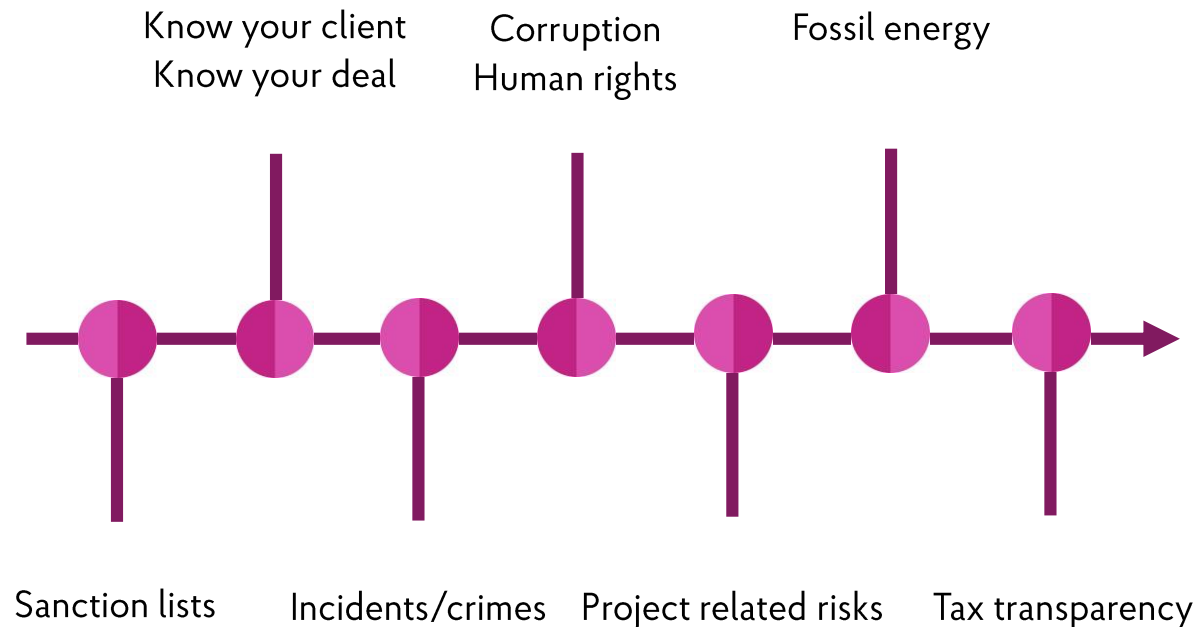
- Equator Principles



- IFC Performance Standards

ESG risk management in lending process

KYC and ESG risk management are integrated in SEK risk management framework and risk appetite



Offerings in sustainable finance

- Green loans
- Social loans
- Sustainability linked loans

SEK climate targets

Lending

- Net zero emission at the latest 2045
- 50% green lending at the latest 2030

Operations

- Net zero emissions from our own operations at the latest 2030

A roadmap for Swedish Export Credit System to contribute to the climate transition

- Restrictions on fossil fuel lending
- Projects evaluated against the Paris Agreement's 1.5 °C goal, considering lock-in effects as well as transition opportunities.
- Financial products for exports to contribute to climate transition.
- Task Force on Climate-related Financial Disclosures
- Increased transparency
- Scientific climate council



Rationale of issuance of Green and Social Bonds

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



Sustainability Bond Framework

- An umbrella framework for green, social and sustainability bonds with reference to the Global Sustainable Developments Goals.
- Green categories will be aligned with the EU Taxonomy, on a best effort basis.



Sustainability Bond Framework

- Green Bond Principles compliant
- Social Bond Principles compliant
- Aligned with the Sustainability Bond Guidelines
- Second opinion by CICERO
- References to Global Sustainable Development Goals
- Audited Allocation of Proceeds
- Homepage and Annual newsletter

SEK

Sustainability Bond Framework

November 2021

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

Swedish Export Credit Corporation

Eligible categories

Green categories

- Renewable energy
- Green buildings
- Energy efficiency
- Clean transportation
- Waste management
- Water and wastewater management
- Sustainable land use/environmental management
- Climate change adaptation

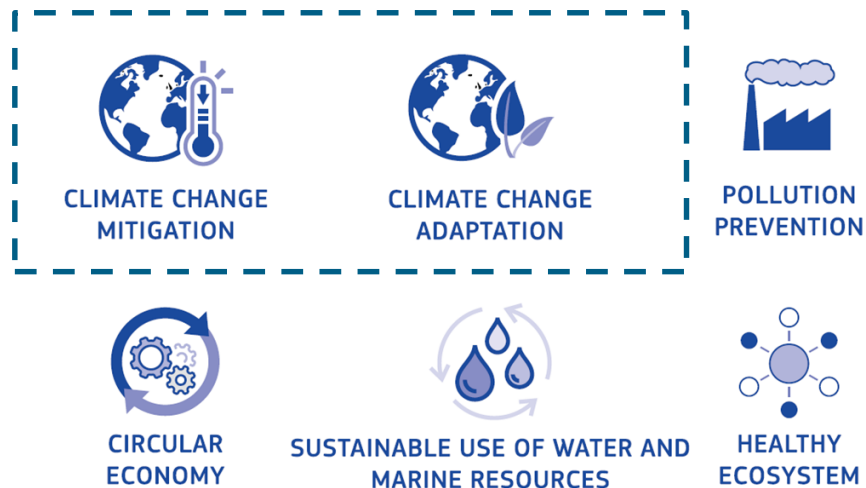
Social categories

- Affordable basic infrastructure
- Access to essential services
- Food security



Eligible green assets

- Economic green activities according to the EU Taxonomy Regulation applicable at the time.
- Assets in countries outside EU, in line with the ambitions and spirit of the EU taxonomy.
- Do no significant harm and safeguard policies.



Eligible social assets

- Addresses social challenges such as healthcare, education, access to basic infrastructure and food security primarily for target population(s).
- The definition of target population can vary depending on the local context.
- Do no significant harm and safeguard policies.



Case: Renewable energy

Facts

Business: Project financing

Currency: GBP

Lender: Doggerbank Offshore

Wind Farm Project

Financial advisor: BNP Paribas

Wind power in UK Dogger Bank

Case: Renewable energy

Solar power in Angola

Facts

Business: Export credit CIRR

Amount: EUR 560 million

Maturity: 18 years

Borrower: The state of Angola

Lender: ING Bank Netherlands

Guarantee: EKN



Sustainability Bond Framework

Project Evaluation and Selection

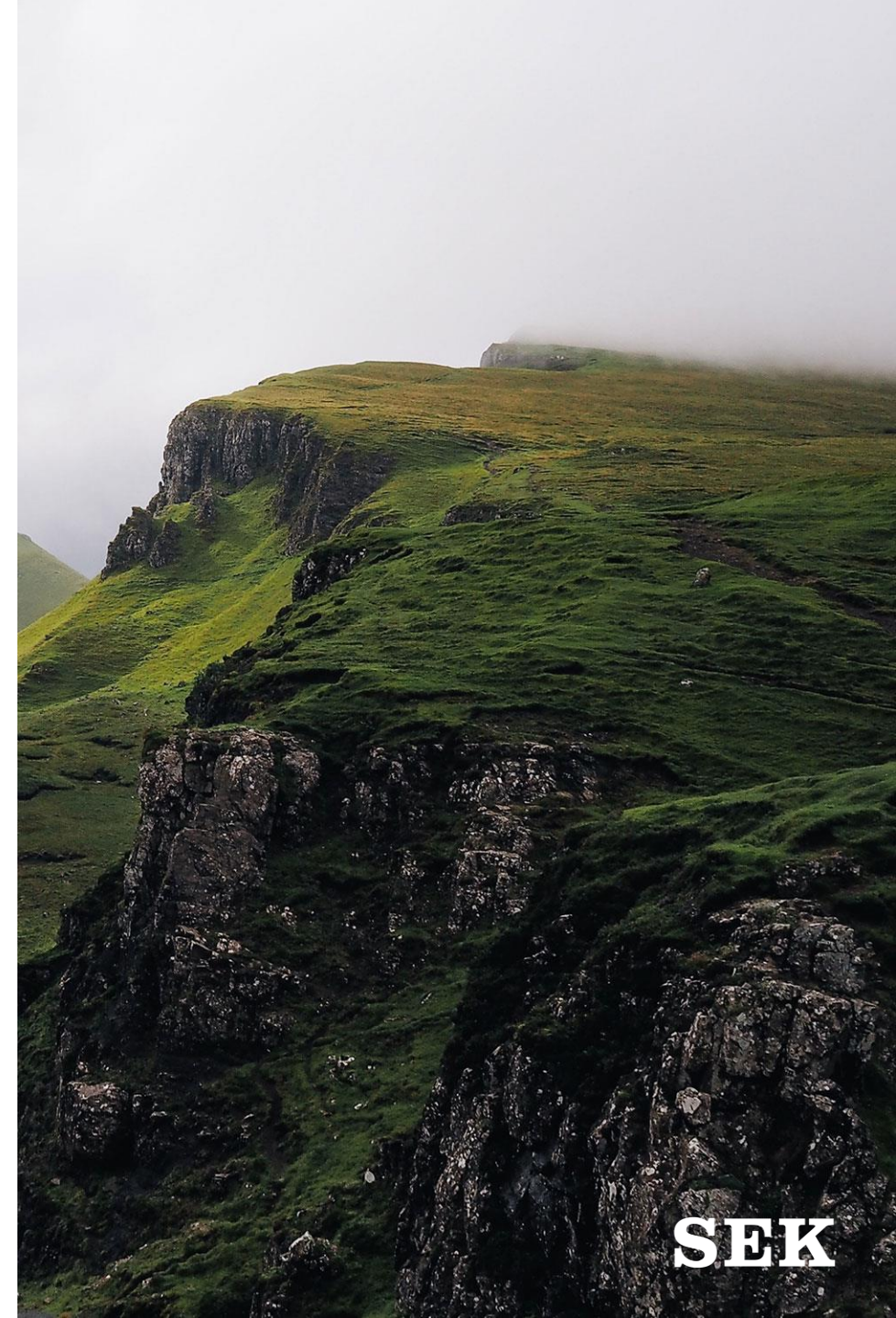
Eligible Projects are evaluated and selected through the best of SEK's capabilities and knowledge and selected as follows:

- 1) The Client Relationship Management team identifies and proposes possible Eligible Projects.
- 2) Independent sustainability analysts assess if a project qualifies as an Eligible Project.
- 3) Final decision is taken by SEK's Sustainability department.
- 4) Eligible Projects are identified and flagged in either the SEK Green Portfolio or the SEK Social Portfolio.



Sustainability Bond Framework

- The net proceeds of any SEK Green, Social or Sustainability Bonds issued under the Framework will be managed by the Finance department on a portfolio basis.
- Until disbursement to Eligible Projects, the balance will be placed in the liquidity reserve and managed accordingly.
- Pending the allocation of an amount equivalent to the net proceeds of SEK Bonds to the Eligible Projects, the balance of the net proceeds will be held in cash, other Green, Social or Sustainability bonds, or municipality and/or government risk with a minimum credit rating of AA-.



Sustainability Bond Framework

Second opinion



"SEK has created a broad and forward-looking sustainability bond framework, which creates opportunities for promising new technologies to be financed. By aligning itself with the EU Taxonomy, it commits its lending to a relevant process which other partners may join or analyze easily."

SEK is committed to increasing disclosure on climate risk and has committed to full TCFD alignment from 2022 onward. Since 2015, SEK has calculated financial climate related risks and have reported on these to its board, using scenario analyses based on IEA/WEO outlooks. The organisation has recently set goals on emissions and decarbonisation trajectories. We encourage SEK to continue to be ambitious and focus its attention on reporting and reducing exposure to Scope 3 emissions from the lending portfolio.

Based on the overall assessment of the green and social project types in this framework, and governance and transparency considerations, SEK's sustainability bond framework receives a **CICERO Medium Green** shading for green bond issuances. CICERO Green does not assign an overall shading for social bond issuances. The CICERO Green shading for combined issuances will depend on the relative weight of the relevant green and social project categories for the issuance. The Sustainability Framework receives a governance score of **Excellent**.

SUSTAINABILITY BOND GUIDELINES

Based on this review, the framework is found to be in alignment with the green bond principles, the social bond principles and the sustainability bond guidelines.

Included in the overall shading is an assessment of the governance structure of the sustainable bond framework. CICERO Shades of Green and IISD find the governance procedures in SEK's framework to be **Excellent**



SOCIAL ASSESSMENT

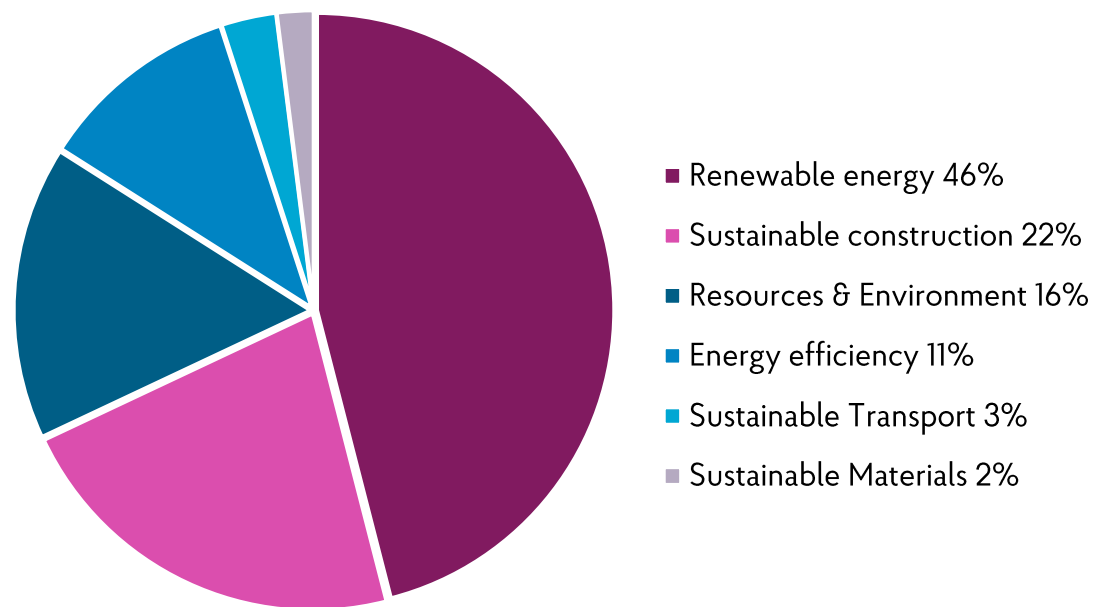
Based on our review, the eligible social projects credibly aim for enabling sustainable development in target countries, although a lack of key project ownership and flexibility in target population definitions introduce elements of uncertainty.

SHADES OF GREEN

Based on our review, we rate SEK's green bond issuances under this framework as **CICERO Medium Green**. CICERO Green does not assign an overall shading for social bond issuances.

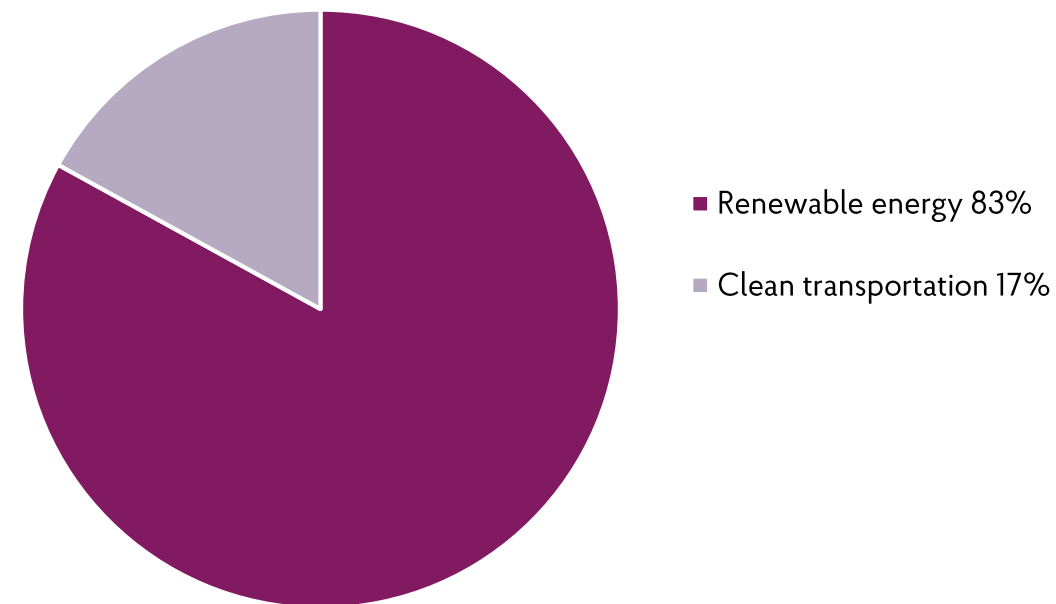
Eligible Projects

Eligible Projects 2015 Green Bond Framework
Disbursed amounts 2021-12-31



Facility amount: USD 1.77 bn
Disbursed amount USD 1.36 bn

Eligible Projects 2021 Sustainability Bond Framework
Disbursed amounts 2022-05-31

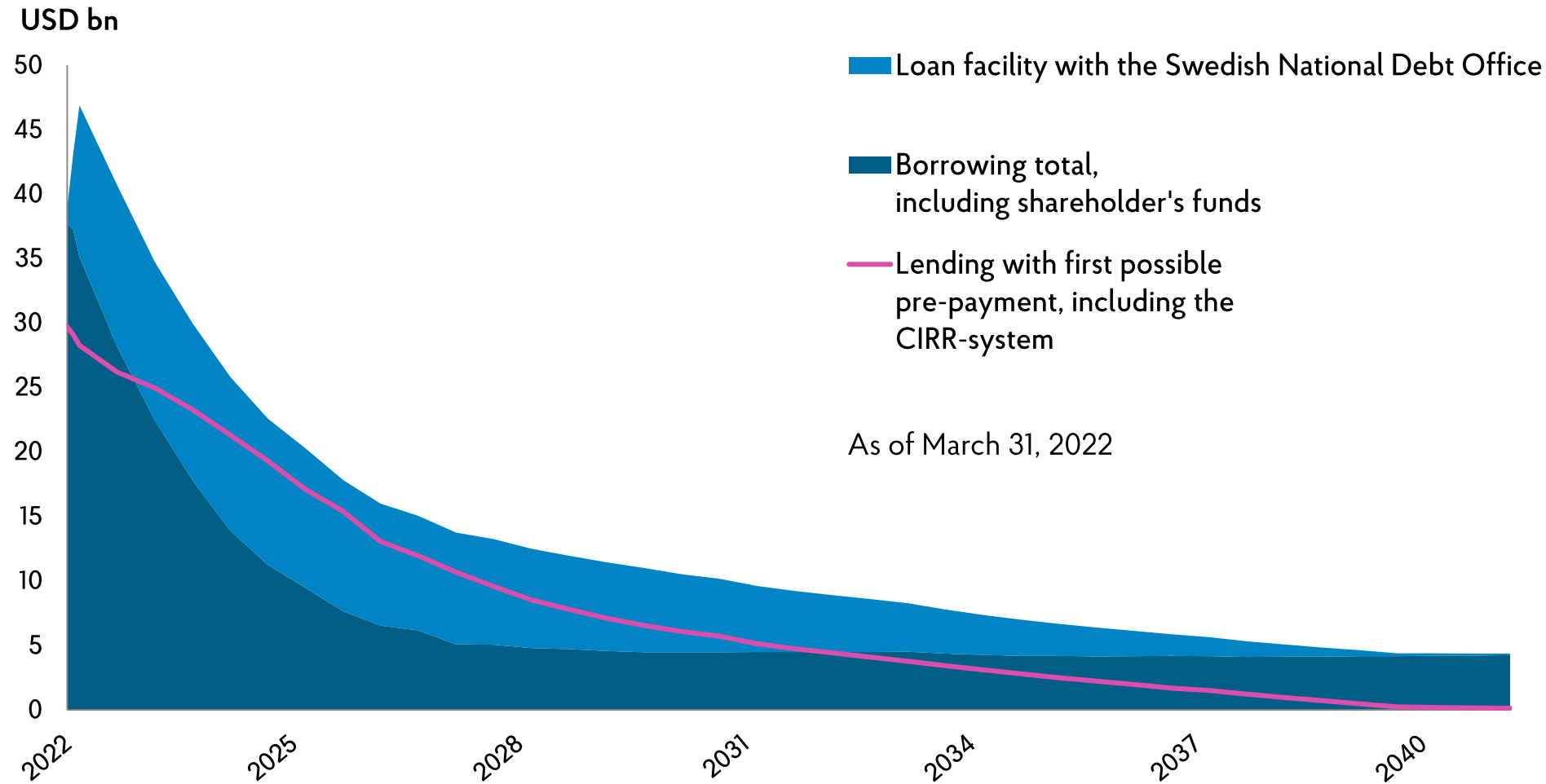


Facility amount: USD 2.19 bn
Disbursed amount USD 0.76 bn



About SEK

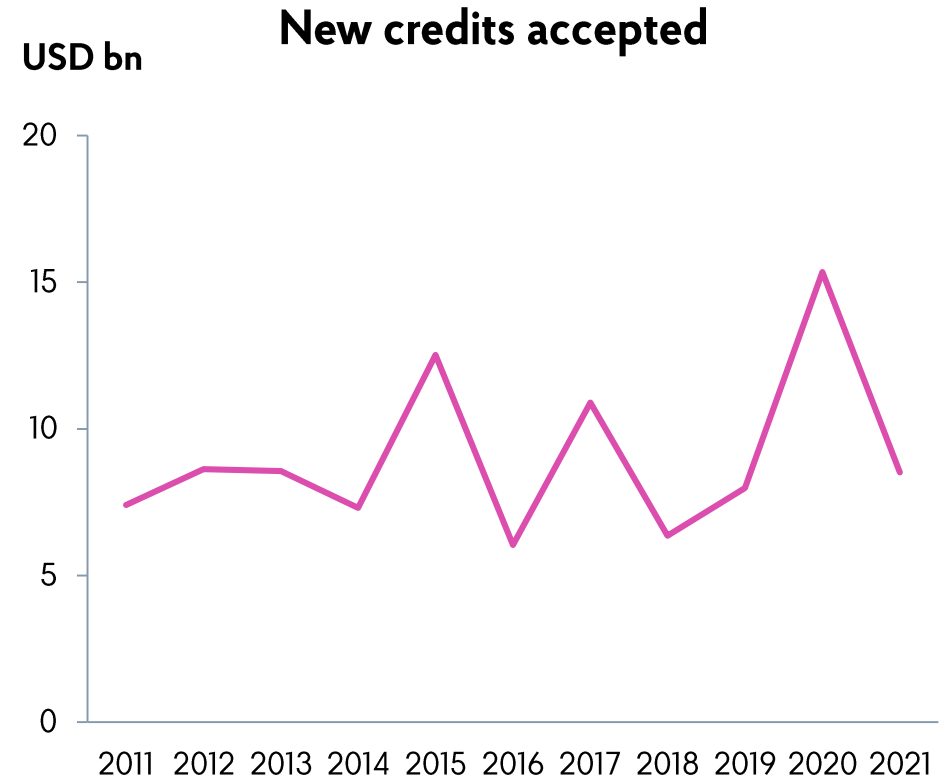
Funding and liquidity: No refinancing risk



Credit Portfolio



- Demand for financing from the Swedish export industry increased dramatically during the financial crisis 2008/2009
- The Swedish government heavily increased SEK's lending capacity during the financial crisis 2008/2009
- Further measures were introduced during Q1 2020 due to the COVID-19 pandemic
- SEK secured access to financing for the Swedish exporters
- New credits accepted Q1 2022: Skr 24.4 bn

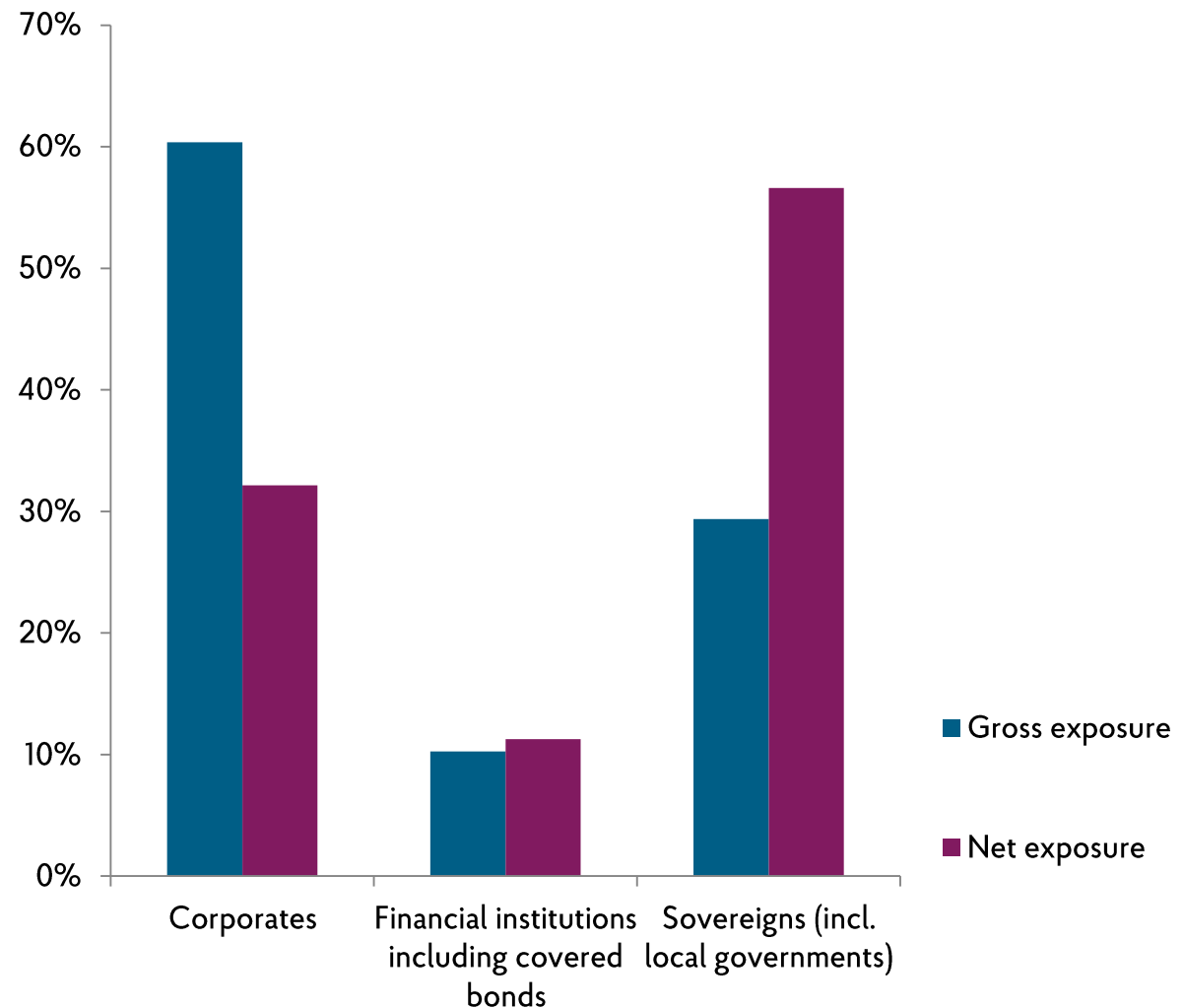


As of March 31, 2022

Counterparty exposures & risk mitigation



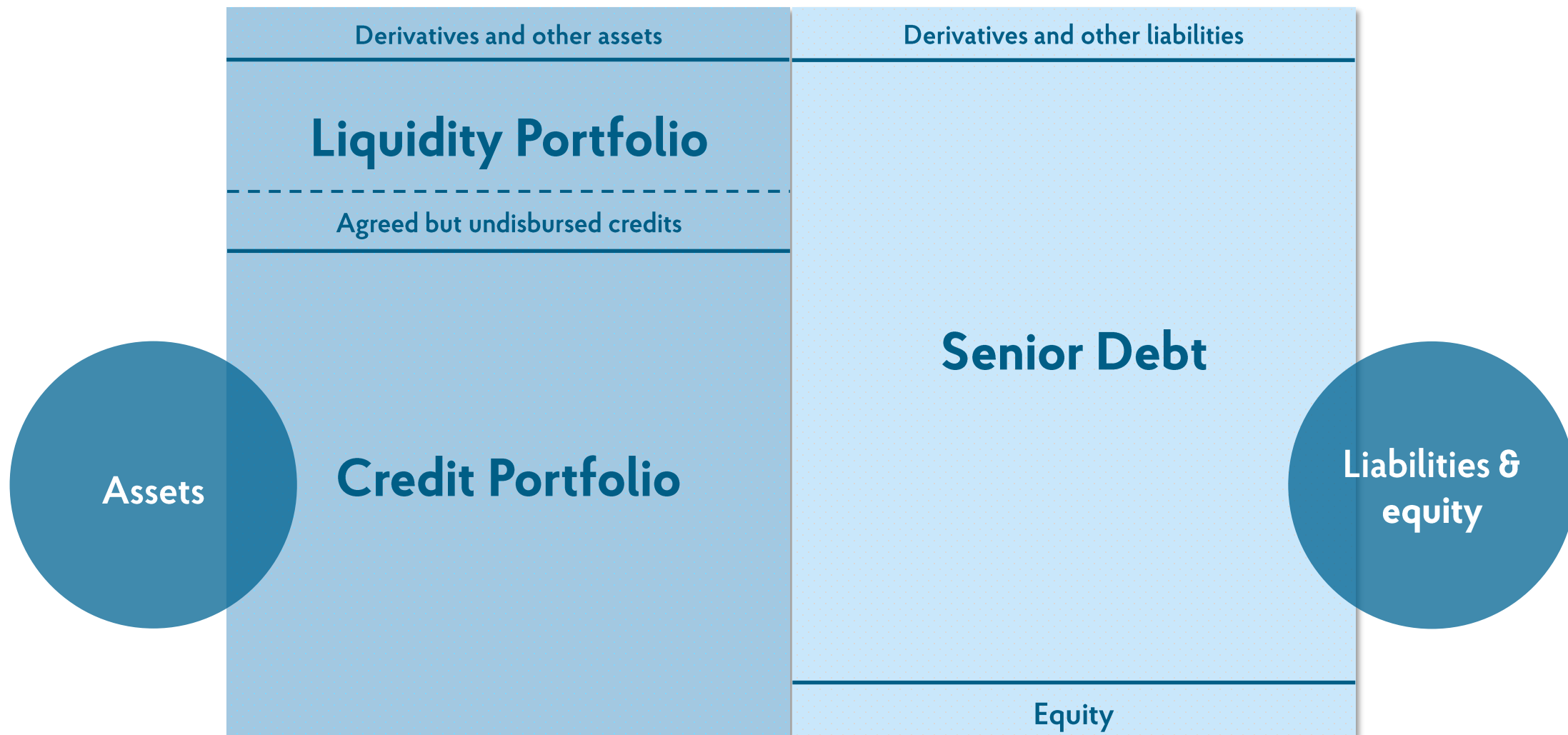
- Export credit agency guarantees
- Bank guarantees
- Credit derivatives
- Collateral agreements
- Insurance company guarantees



As of March 31, 2022

Not to scale

Total USD 35.6 bn



As of March 31, 2022

About SEK

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

Financial information as of March 31, 2022

Total assets	USD 35.6 bn
Lending	USD 26.4 bn
Common Equity Tier 1 capital ratio	21.2%
After-tax return on equity	2.3%

As of March 31, 2022



Awards



W I N N E R

SSA Issuer of the Decade



W I N N E R

Issuer of the Year

SEK