



Swedish Export Credit Corporation

Annual and Sustainability Report 2022



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

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How to read SEK's Annual Report

AB Svensk Exportkredit's (SEK's) Annual and Sustainability Report 2022 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 6-133. The Report of the Directors can be found on pages 6-47. 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 2023. Images: Jan Danielsson, Shutterstock, Unsplash and SEK.

While care has been taken in the translation of this Annual and Sustainability Report, readers are reminded that the official Annual and Sustainability Report, signed by the Board of Directors, is in Swedish and in European Single Electronic Format (ESEF). The Annual and Sustainability Report in ESEF is available on SEK's website, www.sek.se.

This is SEK

Since 1962, SEK has offered loans that have enabled Swedish companies to grow by increasing production, employing more staff and selling products and services to clients across the globe. With lending in some 60 countries, SEK provides companies with competitive advantages even when conducting business internationally by granting access to an entire ecosystem of banks, companies and business partners across the globe.

Swedish companies are at the forefront of innovation, technology and digitalization for sustainable solutions. This creates new export opportunities as many countries transition to a fossil-free society. SEK's mission is to strengthen companies' competitiveness by offering competitive financing, both in Sweden and abroad. A successful Swedish export industry with innovative solutions for sustainable development is one of Sweden's greatest contributions to the global climate transition.

SEK fulfills a well-defined function in companies' total lending 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.

Mission

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

Vision

A sustainable world through increased Swedish exports.

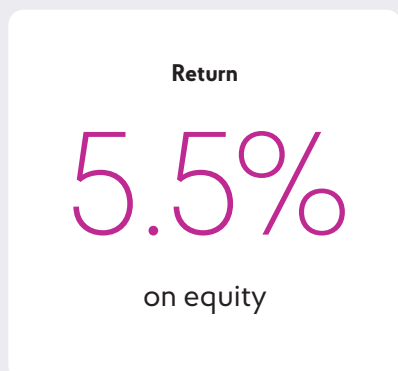
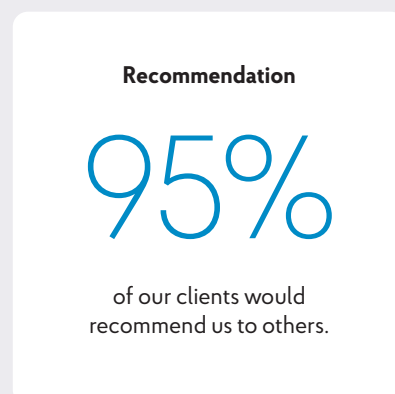
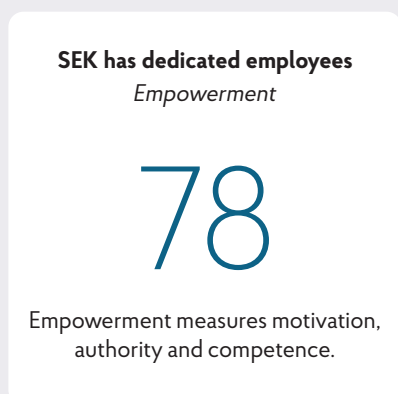
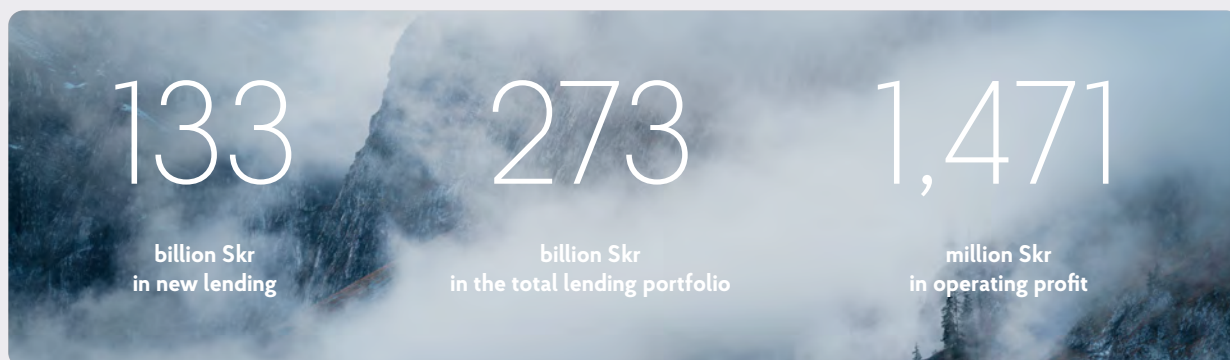
Core values

- Be professional
- Simplify difficulties
- Building relationships



The year in brief

SEK has maintained a strong growth and the new lending volume was the highest ever in the company's history. The year has been characterized by Russia's war in Ukraine, geopolitical concern, high inflation and a volatile capital market. As is often the case in turbulent times, demand for financing from SEK increased, leading to high activity both in lending and in borrowing operations.



Statement by the CEO

SEK creating value for more customers

Another eventful year is behind us. SEK has turned 60, achieved record new lending and growth in its client base, made its first public green transaction in EUR and taken additional important steps to deepen relationships with existing customers.

In January, we were still in an economic upturn. The recovery following the pandemic was rapid, demand was high and many companies experienced considerably larger demand than their production capacity could meet.

However, Russia's invasion of Ukraine changed this situation radically. The war has not only led to streams of refugees, geopolitical concern and substantial human suffering. The war and the remaining effects from the COVID-19 pandemic has also resulted in deteriorated conditions for the Swedish export industry with increased transportation and fuel prices, supply disruptions, high inflation and a resultant contraction in risk appetite in the capital market. At the same time, the companies' transition needs remain. The pace of economic growth is wearing off and we will likely enter a downturn scenario in 2023.

In accordance with the Export Credit Trends Survey's autumn survey, every fourth exporter expects their financing needs to increase in the year ahead despite this. At the same time, the majority of exporters believe that it will be more difficult to obtain financing, both through the capital market and through the bank market, in the same period.

At the end of the year, SEK achieved a new lending volume of Skr 133 billion, a year-on-year increase of 73 percent and the highest in the history of the company. We also increased our customer base by 14 percent during the year.

An increasing amount of customers invest to reduce greenhouse gas emissions and increase their energy efficiency. SEK's ambition is to be a positive force in the climate transition taking place in Sweden and internationally. SEK has, inter alia, financed Preem's transition of the oil refinery in Lysekil with the aim of increasing its share of renewable fuel. Another example is the financing of the mineral fertilizer company Cinis Fertilizer's first production plant for circular and fossil-free Sulfate of Potash (SOP). Year-on-year we have increased our green assets in the loan portfolio from 7.5 percent to 9.5 percent. We continue to develop our offerings, skills and working methods to increase the share of green assets.

”SEK's ambition is to be a positive force in the climate transition taking place in Sweden and internationally.”

One of our targets is to become an equally natural partner in the area of sustainable finance as in international financing. We have, inter alia, established a function for Sustainability and deepened our partnership with EKN toward a mutual understanding concerning transactions that are complex from a sustainability perspective. International guidelines, primarily the UN Global Compact and the UN Sustainable Development Goals, show the way forward for our sustainability efforts.



Magnus Montan, CEO at SEK

Despite a turbulent market we have carried out several successful borrowing transactions. Our good reputation in the global capital markets coupled with us being ranked as one of the world's safest banks provides us with healthy preconditions to raise financing to support Swedish exports, even when faced with trying times. In June, we issued a EUR 700 million green bond connected to our new framework for sustainable bonds. This was SEK's first EUR-denominated public issue since 2013. In autumn, we completed another major EUR-denominated transaction. This is a strategic investment from our side to diversify borrowing and broaden the investor base.

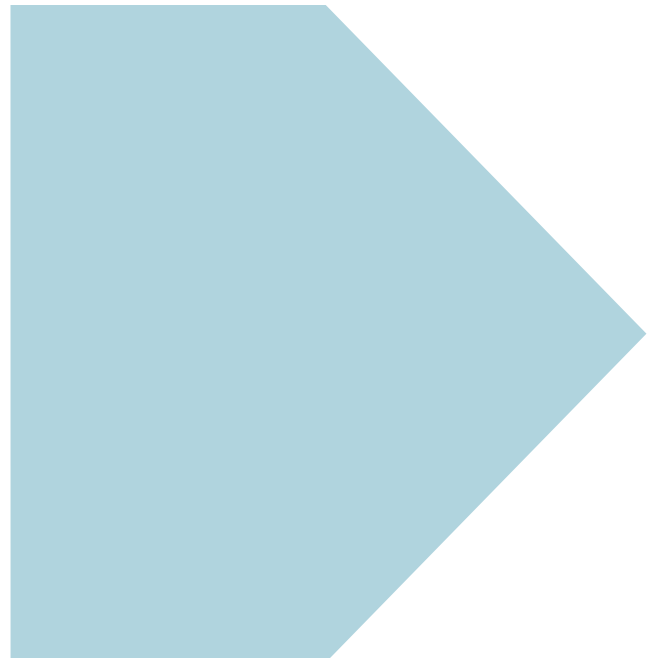
With a focus on making SEK's offers available to more clients, we have intensified efforts to reach medium-sized customers and addressed new industries. We have developed our banking strategy, strengthened our international financing team and produced a new offering, Revolving Credit Facilities. At the same time, a new CIO, Head of HR, Head of Sustainability and Head of International Finance have been recruited to executive management.

This year, SEK turned 60, and the mission to provide financing to the Swedish export industry on commercial and sustainable terms is more important than ever. SEK is to strengthen the competitiveness of the Swedish export industry and create employment and sustainable growth in Sweden.

Value creation for a sustainable world – through increased Swedish exports

SEK uses different forms of capital and resources to create value for different stakeholders and to fulfill SEK's mission.

Resources SEK uses



Financial capital
Equity **Skr 21.6 bn**
Borrowing in the capital market **Skr 326.3 bn**
of which green borrowing **6%**



Human capital
Employees **283**
Consultants **72**

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
Negligible Risk



Sustainability capital
Direct emissions (Scope 1) ton CO₂e **0**
Indirect emissions (Scope 2, 3) ton CO₂e **325**
Climate compensation ton CO₂e **326**

Value SEK creates

Sweden and the world

SEK sets requirements and contributes with expertise to develop operations, society and countries in conjunction with the financing of Swedish exports, the climate transition in Sweden and in the world and sustainable projects.

Indirect contribution to Sweden's GDP **Skr 93 bn**

Indirect contribution to number of job opportunities **111,000**

Green, social and sustainability-linked lending **Skr 32.6 bn**



Employees

SEK is to be an attractive employer with employees that are passionate about our mission and who have the power and means to make a difference.

Empowerment **78**

Attractive employer **84**



Swedish export industry

SEK creates value by contributing to the completion of more sustainable export transactions. The increasing number of customers and end customers and the growing number of Swedish companies delivering to international projects is proof that SEK is making a difference.

New lending **Skr 133 bn**

Increase in customer base **14%**

Satisfied clients **91%**



Owner

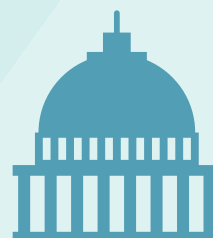
SEK's owner, the Swedish government, is to receive a dividend and a return in line with set targets. With the public policy assignment to administer the CIRR system, added value is created for Swedish exporters. SEK is also to be a tool for the state when the market cannot fully provide the export industry with financing.

Proposed dividend **Skr 233 mn**

Return on equity **5.5%**

Value added by export credits **72%**

Tax and resolution fee **Skr 502 mn**



Business environment factors that impact operations

Global trends and events impact SEK and SEK's clients in the short and medium term. Society's sustainable transition and digitalization is continuing in parallel with major geopolitical and macroeconomic changes.

Economic downturn

Major changes took place in the business environment in 2022 that have impacted SEK and its clients. Russia's invasion of Ukraine, high energy and food prices, elevated interest rates, supply disruptions, the slowdown in China, reduced purchasing power and considerable uncertainty are all depressing growth. A weak Swedish krona is increasing uncertainty and inflation even if it provides Swedish exports with traction. The recovery after the pandemic has been replaced by a decline in growth. Business environment factors impacting companies' risks and opportunities are also impacting SEK and demand for SEK's offering.

Transition to a sustainable world

In many countries, transitional work is in progress to adjust to a sustainable future based on the UN's 17 Sustainable Development Goals (SDGs). Investments are being directed to the development of new technology, sustainable infrastructure and renewable energy solutions. Swedish companies are often at the forefront of the development of sustainable solutions. A green technology shift is thereby creating opportunities for Swedish companies to export and contribute to the transition outside of Sweden's borders. The climate transition requires capital and the investment horizon is often very long. SEK is one of the players contributing with financing to investments both in Sweden and internationally where deliveries from Swedish companies form part of the solution.

Digitalization

Digital development is moving rapidly and received an extra boost from the pandemic. The opportunity of partially working remotely is now standard for SEK's employees as well as for employees in many other companies. Increased requirements for information about customers and transactions, in particular in the field of sustainability, are driving the need for the digitalization of SEK's processes. New reporting requirements are an underlying driving force for this, but also the need to understand new risks and opportunities. Processes that in many cases are still based on manual management need to be developed to efficiently manage an increasing amount of data.

Regulations

The introduction of the EU Taxonomy for the classification of what can be classed as green is ongoing. For financial companies, this will involve information requirements under Pillar 3 concerning ESG risks in the lending portfolio, comprehensive requirements for sustainability reporting under the CSRD, requirements in the framework of risk management of ESG-related risks as well as increased supervision. The introduction of new capital requirement regulations named Basel IV is ongoing in the EU and impacting SEK.

Follow-up of the public policy assignment

SEK administers the state supported export credit system, CIRR system, which is a specially commissioned public policy assignment by the Swedish parliament. The CIRR (Commercial Interest Reference Rate) allows exporters' customers to receive financing at a fixed interest rate for the entire credit period. The CIRR complies with the OECD's guidelines to ensure that individual countries do not unfairly favor their own export industry.

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 component) 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. Parts of the survey conducted in autumn 2022 are presented below. Since the target groups who responded to questions concerning export credits is not comparable to the responders in the 2020 survey, there are no comparative figures.

- 1.** *"Have SEK's export credits helped execute clients' export transactions?"*
53 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.
- 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 attractive offers with the ability to tailor solutions. They also appreciate the high level of expertise, a holistic business outlook and a flexible working approach. Other reasons that have been given include access to the export credit system and SEK being a stable and long-standing partner.
- 3.** *"Did the collaboration match the client's expectations?"*
73 percent of clients stated that the collaboration exceeded their expectations. 27 percent responded that the collaboration significantly exceeded their expectations.
- 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.
- 5.** *"How the clients perceived the Swedish export credit system compared with corresponding systems in key competing countries"*
91 percent of the client companies consider the Swedish export credit system to be better than the systems in key competitor countries.

A strategy that benefits many

For 60 years, SEK has successfully been developing and adapting operations for new requirements and conditions with the aim of creating the most possible benefit for the Swedish export industry. SEK is continuing to develop with the starting point being the mission from its owner.

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 financing the climate transition in Sweden and contributing to more Swedish companies raising their competitiveness with access to sustainable infrastructure and the development of new green technology.

SEK is developing in pace with market needs

SEK is to secure sustainable finance of the Swedish export industry regardless of the future format of the export industry. To manage this, SEK must work close to its clients and adapt its offering based on their needs. SEK's clients value the company's know-how and expertise. SEK's clients view the company as a long-term business partner that understands their business and is easy to collaborate with. Relationships are one of our many strengths. SEK is a relationship bank in both lending and borrowing.

SEK's growth is primarily to originate from export and project financing, but working capital finance remains important as a gateway for new customers and for long-term customer relationships. It is also a prerequisite for being able to act as a tool for the state if faced with a crisis. SEK places the customer and their benefits in focus and does not shy away from difficult transactions and complex markets that require a high level of expertise.

Through investing in partnerships with Equipment, Procurement and Construction (EPC) companies, SEK is also able to help smaller companies to export through deliveries in international projects in which SEK takes part in the financing. SEK will leverage the new opportunities of technology to efficiently serve its clients. Our capacity for continuous change will increase.

A driving force in the transition

The transition to a climate-neutral economy in line with the 1.5°C goal of the Paris Agreement brings with it major investment requirements in Sweden and globally. SEK has the expertise and experience of working with major international projects that can be converted to climate transition projects in Sweden. The objective is for sustainable finance to become an equally natural part of SEK's brand as international financing is today.

The transition involves both major business opportunities and risks. Different countries have varying levels of set targets for when and how climate neutrality will be achieved. SEK operates in many markets and must therefore relate to shifting requirements and maturity. Companies that find it difficult to make the transition will face high risks and find it difficult to attract investments. SEK must understand and manage these risks.



SEK has the expertise and experience of working with major international projects that can be converted to climate transition projects in Sweden. The objective is for sustainable finance to become an equally natural part of SEK's brand as international financing is today.

Employee knowledge in sustainable finance is continually developing and adding value for customers. SEK will evaluate and comprehend opportunities and risks in new industries and companies, finance the transition in Sweden and, as a result, assist Swedish technology and innovation to reach out globally.

To succeed, SEK will increase its outreach to industries that are important for the climate transition, prioritize clients with high potential to reduce GHG emissions and collaborate with our customers in working toward the climate transition.

Together we can achieve more

When it comes to client relations, SEK coordinates within Team Sweden, with other Swedish and foreign organizations as well as Swedish and foreign banks. Bank partnerships are crucial internationally for export transactions and regionally for reaching new clients. International non-governmental organizations and civil society impact how SEK conducts its business and act as stakeholders in the field of sustainability. To accomplish this strategy, SEK needs to continue the development of collaborations with Swedish and international partners.

Culture is the most important facilitator

SEK's core values are a prerequisite for succeeding with the strategy. The mission to promote Swedish exports and finance the transition is engaging, provides energy and contributes to a positive corporate culture. The core values are based on employees in their occupational roles endeavoring to be professional, simplifying difficulties and building sustainable relationships. By living by our core values, we create a culture in which employees are content and perform well.



Strategy

- SEK will develop in pace with customer needs to benefit an increasing number of people
- By actively work with risks and opportunities. SEK is to be a driving force in the transition
- Industries that are important for the climate transition and clients with high potential to reduce GHG emissions are a priority.
- Create new business opportunities through partners and collaboration
- Employee expertise will be continually developed for added value.



SEK's growth is primarily to originate from export and project financing, but working capital finance remains important as a gateway for new customers and for long-term customer relationships.

SEK's offerings

SEK lends money to Swedish exporters, their suppliers and foreign customers. 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.

Through SEK's global lending, often in complex markets, SEK has built up significant expertise in the evaluation of risks and opportunities connected to sustainability. 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 expects these forms of finance to accelerate

rapidly given the substantial need to transition, both in Sweden and around the world. SEK offers Swedish exporters and the exporters' foreign customers a number of different financing solutions with short and long maturities. Some of the more standard offerings are presented below.

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. SEK offers export credits at both fixed (CIRR) and floating interest rates. SEK can also finance major infrastructure projects abroad provided that the Swedish company delivers to the project. These can, for example, be export goods and skills linked with railway projects, solar and wind farms or hospitals.



Working capital finance

Working capital finance is aimed at exporting companies such as those that need to invest in a new facility, increase production, broaden their financial base or require capital for input goods.



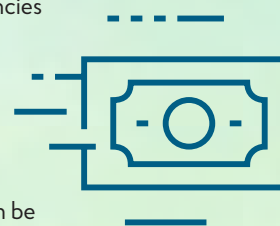
Project finance

Project finance is often a key instrument in the sale of projects with a Swedish export element. Project finance is also used for financing of, for example, renewable energy or other infrastructure projects in Sweden. SEK provides long-term assistance and aims to be part of the project throughout the lending period.



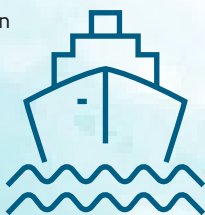
Loans in local currencies

SEK offers financing in more currencies than most of its fellow market participants. The loan can be provided 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.



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

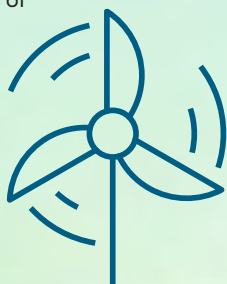
Factoring services is an effective solution for companies who want to grow but need to release capital. The companies can sell their invoices to SEK, receive payment directly and improve their key performance indicators when accounts receivable are exchanged for cash on the balance sheet. Factoring services 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.



Offerings in sustainable financing

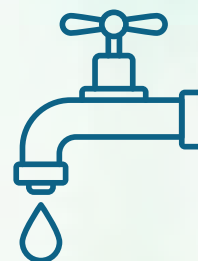
Green loans

Regardless of the type of financing solution a company requires, a loan can be green provided that the aim of the financing meets SEK's green criteria, namely that the loan meets the eligibility criteria of the EU Taxonomy for environmentally sustainable economic 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 investments in, for example, healthcare and medical care, education, basic infrastructure or food safety.



Sustainability-linked loans

Sustainability-linked loans concern working capital finance linked to the borrower's own sustainability targets, for example, energy-efficiency enhancements, reduced transportation or improved work environment. Unlike green loans in which the amount is earmarked for a specific project, this loan is connected to the entire company's sustainability targets.



Record high growth in clients and new lending

SEK’s mission to provide finance for Sweden’s export industry becomes increasingly important in times of great uncertainty. Demand increased for several of the company’s offers and new lending set a new record for the year.

In 2022, SEK lent Skr 133 billion to Swedish exporters and their customers abroad. This corresponded to a year-on-year increase of 73 percent and is the highest new lending volume in the history of the company and is only comparable with the levels noted in 2009 (financial crisis) and 2020 (COVID-19 pandemic). The high level of new lending mainly stems from high demand for working capital finance as well as from two major export credits. Growth was noted for almost all of SEK’s offers to mid and large corporates. In terms of sectors, demand for financing from the defense industry posted a sharp rise.

Among other transactions in Sweden, SEK co-financed the Klvallen wind farm comprising 60 wind turbines located in Ljusdal Municipality. The company has also co-financed the mineral fertilizer company Cinis Fertilizer’s first production plant for circular and fossil-free Sulfate of Potash (SOP). Internationally, SEK has financed a major maternity clinic at a hospital in Ghana’s capital Accra. The financing is a result of the investments for Engineering, Procurement and Construction (EPC) transactions conducted by Team Sweden and has led to numerous Swedish exporters being contracted. Another EPC transaction comprised the Water for All program in the Ivory Coast entailing the provision of a working infrastructure for water. The project was financed with a social loan from SEK. SEK estimate that demand for export credits, project financing and financing for the climate transition will increase in the next few years.

The ambition of increasing the client portfolio and offering more companies access to Sweden’s export credit system has been highly successful. The number of clients increased 14 percent, which exceeded the company’s goal of 10 percent.

In a client survey in autumn 2022, SEK’s clients gave very high ratings in terms of trust, the competence of employees and for SEK as a long-term business partner. Overall, the company received a customer satisfaction index score of 91 percent. However, customers would like SEK to be even more proactive and provide information about all of the company’s offers.

SEK has implemented structural changes on the business side aimed at increasing efficiency and growth. Soliciting of mid corporates has increased, which is where the majority of new clients can be found. In March, SEK opened a new office in Malm with the aim of increasing its regional presence in south-west Sweden. Furthermore, a new Head of International Finance has been recruited.

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

Responsible credit granting means running checks when credit granting in order to combat money laundering and other financial crime. SEK sets requirements for our exporters and borrowers to ensure that the financed transactions comply with international sustainability guidelines.

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. For more information, see page 19.

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 extremely 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 as well as through insurance companies, known as PRI. SEK also collaborates with the Swedish National Debt Office, whose offer includes green guarantees and the European Investment Fund (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.

The effects of the pandemic and Russia's war with Ukraine have had limited impact on the SEK's credit quality. During the year, lending has primarily been to major well-known exporters with good credit quality who work actively with managing the negative impact of supply chain disruptions, inflation and higher interest rates. The growth in lending volume was higher than in 2021, which was primarily attributable to higher demand for working capital finance and export credits.

The organization has successfully worked with detailed follow-ups of clients, which has kept credit losses and the need for provisions low. There is a continually increasing importance for more highly developed credit analysis of new and existing counterparties to leverage business opportunities and to meet constantly increasing regulatory requirements for which development is advancing rapidly in the ESG area.

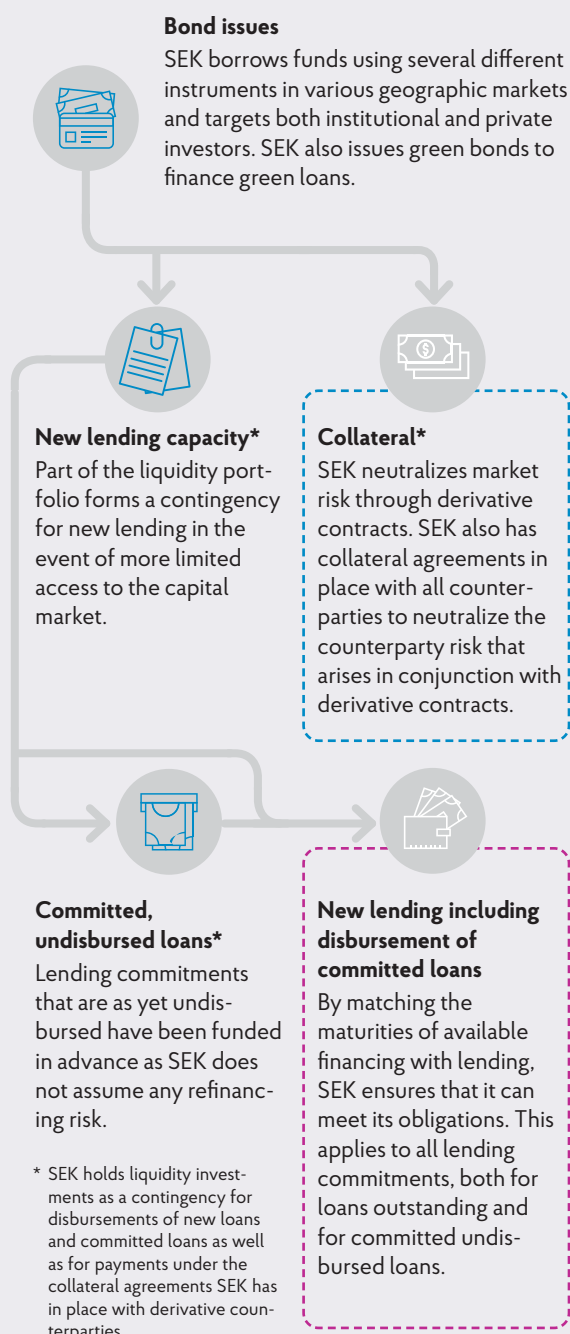
In 2022, SEK implemented a working method to manage the assessment of environmental, social and governance (ESG) factors for the rating of counterparties.

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 10.

Borrowing and liquidity

The year has been dominated by financial turbulence, which has showcased SEK's capacity to finance Swedish exports in a challenging market. Success factors included diversified borrowing, high liquidity and a good reputation. SEK strives continuously to maintain the company's solid credit rating and the favorable reputation that it has earned through its longstanding experience and presence in the global financial markets.

Borrowing and liquidity



Since Russia invaded Ukraine in February, uncertainty has dominated the operating environment. The lingering effects from the COVID-19 pandemic in the form of supply chain disruptions were replaced by sharp hikes in energy prices, high inflation and rising interest rates, which have contributed to a decline in risk appetite and liquidity in international capital markets. In parallel, demand for financing from SEK is increasing as a result of these circumstances.

The volume of borrowing increased year-on-year as a result of increased lending. In total, SEK has raised long-term borrowings of Skr 88.5 billion, compared with Skr 81.1 billion in 2021. In the short-term borrowing market, SEK has been a regular issuer during the year and has significantly increased the short-term borrowing volume compared with the previous year to meet the increase in lending.

During the year, SEK conducted two public benchmark issues in the euro market as part of strategic efforts to diversify borrowing and broaden the investor base. In June, a EUR 700 million five-year fixed-rate bond was issued under the company's new sustainability bond framework, which is an umbrella framework for green, social and sustainability bonds linked to the UN Sustainable Development Goals. This is the largest green bond issue by SEK to date. A second EUR-denominated bond was issued in November, this time for EUR 1 billion and with a maturity of just over five years. These are the first EUR-denominated public issues by SEK since 2013.

Over the year, SEK's focus on sustainable finance also encompassed the issue of two Skr-denominated green bonds of Skr 1.5 billion. The green format has provided SEK with greater opportunities to reach Swedish investors, which, in comparison with many international investors, have had a greater focus on sustainability in their investments.

The company also issued four public USD-denominated bonds totaling USD 4.8 billion.

SEK has been less active in the Japanese Uridashi market than previously as a result of adjustments to new regulations.

SEK continues to maintain high liquidity for new lending and is well prepared to continue meeting the future financing needs of Sweden's export industry, even during highly uncertain times with highly volatile financial markets.

Case

New infrastructure securing access to water in the Ivory Coast

Swedish companies will play a role and deliver to the Water for All program initiated by the Ivory Coast's government for the provision of a working infrastructure for water to the country's population.

The program was launched in 2016 by the country's President and Ministry of Economic Infrastructure and is one of the largest investments in the water sector in the Ivory Coast. The overriding goal is to provide drinking water to at least 95 percent of the population and to bridge existing gaps in water access between the country's regions, particularly in the areas in which inhabitants need to walk several kilometers to the nearest well to fetch water.

The project was financed by SEK together with the German bank KfW IPEX-Bank with a loan of EUR 196 million. The export credit (social loan) from SEK encompasses, inter alia, 1,000 solar electricity driven water wells in the Ivorian country-side. The Swedish Export Credit Agency (EKN) is guaranteeing the transaction.

The participation of Swedish suppliers is a prerequisite for SEK and EKN to be able to finance and guarantee infrastructure projects abroad. Swedish exports comprise construction services from Serneke and subcontracts from a number of



Swedish exporters that are coordinated and contracted by the Elof Hansson trading company.

Facts

Offering: Social loans (Export credits)

Amount: EUR 196 million and EUR 13.5 million in commercial loan

Maturity: Construction time (4 years) + 12 years for the export credit, 1+4 years for the commercial loan

Borrower: Ministry of Finance, the Ivory Coast

Green loan to Preem to increase share of renewable fuel

SEK is financing Preem's investment in the transition of the oil refinery in Lysekil with a credit facility of Skr 3 billion with a green guarantee of 80 percent from the Swedish National Debt Office. The aim is to promote green industrial investments and increase the share of renewable fuel.

The loan from SEK will go to Preem's redevelopment of a facility to be able to produce diesel based on renewable raw materials. This will contribute to Sweden's target of meeting its reduction obligation and reduce Sweden's import dependency of renewable fuel. When the redevelopment is complete, 40 percent of raw materials are estimated to be renewable rather than fossil.

The total cost of Preem's investment is Skr 3,525 million and the company is receiving a green loan of Skr 3 billion. The loan is guaranteed by the Swedish National Debt Office with a green credit guarantee that covers 80 percent of the loan amount. This is the first guarantee that the Swedish National Debt Office has issued within the framework of the government's green guarantee program that was launched in 2021.

Preem's investment meets SEK's green criteria with the investment meeting the eligibility criteria of the EU Taxonomy for environmentally sustainable economic activities and is clearly connected to the transition in and for Sweden.



Facts

Offering: Green loan

Amount: Skr 3 billion

Maturity: The loan maturity is 7 years and is guaranteed by the National Debt Office with a green credit guarantee that covers 80 percent of the loan amount

Borrower: Preem

Sustainable value creation through SEK's transactions

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

SEK aims to be a positive force in the transition of the industry. The ambition is to be an equally natural partner in the area of sustainable finance as in international financing. Being a driving force in the climate transition means that SEK is focusing on increasing the share of new lending to:

- Companies with ambitious and credible plans to reduce their emissions in line with science-based climate targets.
- Activities classed as green in accordance with SEK's framework for sustainable bond.

Financing activities in the transition

In light of SEK's mission and desire to benefit more companies, it is important to finance operations that are under transition, but that have not yet achieved the criteria to constitute a green loan.

Transportation, food, waste management and the energy sector account for a considerable share of global GHG emissions. Companies in these industries being granted access to financing to transition their operations and reduce climate emissions is an important aspect of limiting global warming.

Collaboration is a key to success

Through dialogue with its clients, SEK believes that the need for financing the transition has increased. Some clients need to review their logistics chains, others need to exchange suppliers or make investments in their production to reduce emissions. The exchange of knowledge and collaboration with customers, banks and partners is an important component for finding solutions.

This is partly about understanding and meeting customer climate transition needs, and partly about collaborating with the aim of being able to benefit more companies. SEK has experience and expertise of risk assessments and managing climate-transition projects that benefit Swedish exporters and their customers abroad.

Climate targets

SEK wants to be an active business partner and financier of a transition in line with the Paris Agreement and has adopted ambitious and long-term climate goals. This means that SEK's balance sheet will achieve net zero greenhouse gas emissions by 2045 at the latest and that the share of green loans in the company's lending portfolio will increase to 50 percent by 2030 at the latest. SEK's own operations are also to achieve net zero emissions by 2030 at the latest.

Activities during the year

SEK works continually on developing its operations to support clients and society with financing for a sustainable transition in line with the Paris Agreement and the UN SDGs. Central to SEK's work with achieving the climate goals are the transactions that SEK conducts with its clients, both the management of its existing portfolio and the evaluation of new business opportunities.

During the year, SEK has carried out a number of activities to create the conditions for increased sustainable value creation and to act as a positive force in the export industry's climate transition. Examples of activities completed during the year:

- Seminars with the mining industry on the theme of sustainability risks and opportunities together with EKN.
- Four climate council meetings together with EKN (read more below).
- Methodological development to measure financed greenhouse gas emissions in SEK's balance sheet.
- Participated in COP27 and other international events with the aim of driving discussions about sustainable finance and the export credit system's opportunities of contributing to the climate transition.
- Resolved to become a full member of the International Council of Swedish Industry (NIR).

Listen to the science

In 2021, Swedish Export Credit Corporation and EKN established a scientific climate council consisting of professors, docents and researchers from Swedish colleges, universities and research institutes. The climate council has no operational role, but rather acts as a knowledge resource and a discussion partner concerning fundamental policy positions.

Examples of topics covered in the climate council in 2022 include the role of methane gas in the climate transition with a particular focus on sectors that are relevant for the Swedish export industry such as mining operations, agriculture, forestry and power production. The climate council has also discussed how methane gas emissions could impact SEK's and EKN's operations and climate targets.

Another issue discussed is how a realistic and credible transition plan, in line with the 1.5°C goal of the Paris Agreement, would work for existing operations with high GHG emissions such as oil refineries and fossil-based power plants.

Sustainability risks

SEK defines sustainability risk as the risk that the company's lending or liquidity investments have a negative direct or indirect effect on their environment in the areas of ethics, anti-corruption, environment and climate, human rights or labor conditions. High sustainability risks may be present when, for example, financing major projects or activities in countries with high risk of corruption or human rights violations. High sustainability risks may also be present in transactions that SEK finances in Sweden, which impacts the assessment. SEK's process for managing sustainability risks consists of an initial screening, in-depth analysis of sustainability risks, decisions and follow-up of deals. Read more about SEK's process for managing sustainability risks in Sustainability Note 4.

Sustainable finance policy

SEK has developed a sustainable finance policy that states SEK'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.

SEK also has an anti-corruption policy in place. The policy declares that SEK does not accept corruption in the transactions that the company finances. International guidelines are salient in efforts to tackle corruption.

International guidelines SEK follows:

- » 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

A sustainable workplace

SEK continually strives to be an attractive workplace. Corporate culture is to be characterized by implementation capacity and focus on results through an inclusive culture built on trust and responsibility.

An engaging and inclusive culture

During the year, SEK has adopted strategic initiatives to develop a corporate culture with the target of being an attractive workplace characterized by implementation capacity and a focus on earnings. The entire organization has worked actively to define and implement a culture, in part through workshops. Leadership is critical and an important factor for accomplishing change. SEK continues to develop the culture and leadership partly through a newly started Leadership Forum and continued leadership development in 2023. Diversity and an inclusive culture support us in contributing different aspects and experiences in our daily work and for development. An inclusive culture is decisive for achieving the company's ambitious target of helping more companies to grow their exports.

Competence and development

The strategic work with skills supply continued in 2022 with a focus on establishing distinct position descriptions that clarify responsibility, targets and expertise, which drive and support the company's strategy. Meeting the future with the right expertise is a strategic issue. Skills supply involves ensuring that the right expertise is in place to reach operational targets and to address needs in both the short and the long term. SEK's ability to attract, recruit, retain and develop expertise is a critical success factor. SEK has focused on strategic skills supply, increased selling power and clarifying development opportunities as well as maximizing the potential of SEK's employees. In 2022, the third edition of the Swedish Export Academy also commenced, which is a training program for employees within several of Team Sweden's organizations. The program runs for over six months and aims to increase knowledge and develop and strengthen collaboration between our organizations to promote Swedish exports.

Health and work environment

SEK's long-term ambition is to be a workplace that promotes good health where employees are satisfied and can perform well. Employees enjoy a number of perks, including well-ness contribution, private medical and health insurance, and domestic services.

In conjunction with SEK relocating to new premises in autumn 2021, a flexible work approach was implemented, which included the opportunity for employees to work remotely up to two days a week. The office is a meeting place for collaboration and partnership that stretches across borders; a flexible and vibrant office with a functional work environment based on the different needs of operations. An evaluation of this flexible work approach has been conducted, showing that it takes time to change approaches to work and that clarity, leadership and receptiveness are important factors.

Employee survey

In October, an employee survey was conducted. Participation in the survey was 90 percent. The results show that commitment is high and that the factors with the greatest impact on commitment are work content, remuneration and executive management. The areas that are most appreciated are contact with immediate supervisors, collaboration, work content and reputation.

Recruitment







At the end of the year, SEK had 283 employees. In total, 56 full-time employees have been externally recruited by SEK, primarily where needs have been greatest, in the fields of IT, Finance, Risk, Customer relationships and International Financing. In addition, ten employees have chosen to change position internally. Executive management has received four new members in conjunction with SEK having recruited a new Head of Sustainability, Head of HR, Chief Information Officer and Head of International Finance.



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 summary of our sustainability activities in 2022 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 transitionz	Lending and borrowing	Sustainable finance policy, Framework for green loans and bonds	Sustainability labeled loans in the balance sheet have increased by Skr 13 billion.	Exposure to climate-related risks connected to SEK's lending	New green lending: Skr 7.4 billion
SEK strives 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: 78
SEK is to act in accordance with universally adopted human rights	Lending	Equator Principles, the UN Guiding Principles on Business and Human Rights	In 2022, SEK worked to further integrate ESG in the risk process.	Exposure to elevated risk of human rights violations connected to SEK's lending	More information can be found in Sustainability Note 4 and 9.
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 98 percent.	Exposure to elevated risk of corruption connected to SEK's lending	More information can be found in Sustainability Note 8.
<i>Read more on page 6-8</i>	<i>Sustainability Note 3</i>	<i>Sustainability Note 4-9</i>	<i>Page 22-24, Note 26, Sustainability Note 5-11</i>	<i>Page 31-36, Note 26, Sustainability Note 4-9</i>	<i>Page 22-24, 30, Sustainability Note 5-10</i>

Targets and outcomes

Four operational targets perspectives define and guide toward a successful and sustainable value generating SEK.

CLIENT >>>

Profitable growth and increased client benefit

Number of clients

Year	Number of clients
2021	167
2022	190

Lending portfolio, Skr bn

Year	Lending portfolio, Skr bn
2021	237
2022	273

Client satisfaction

Year	Client satisfaction
2020	92
2021	92
2022	91

Value added by export credits

Year	Value added by export credits
2022	72

Targets

Growth in the client portfolio: 10%
Growth in the lending portfolio: 5%

Why?

SEK is to contribute to increased Swedish exports, more jobs and a 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 Swedish goods and services.

Outcome

SEK's focus on increasing the client portfolio and offering more companies access to Sweden's export credit system has been highly successful. The number of clients increased 14 percent during the year and the lending portfolio grew 15 percent, exceeding the company's ambitious targets.

Targets

Client satisfaction: >90
Value added by export credits: >80

Why?

Administration of the CIRR system is a specially commissioned public policy assignment by the Swedish parliament to SEK. The benefit to the national economy of the specially commissioned public policy assignment's implementation should be evaluated by measurement of the added value that SEK creates in terms of export credits.

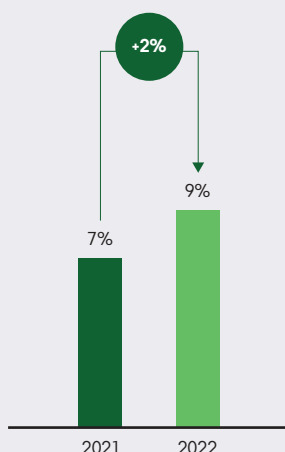
Outcome

SEK's clients remain very satisfied and the company achieved a client satisfaction index (CSI) score of 91, well above the industry average. Value added by export credits is measured through the client survey. For 2022, the target groups who responded to questions concerning export credits were not comparable to the responders in surveys from previous years, and accordingly, there are no comparative figures. The score for the year of 72 means that the target of >80 was not reached.

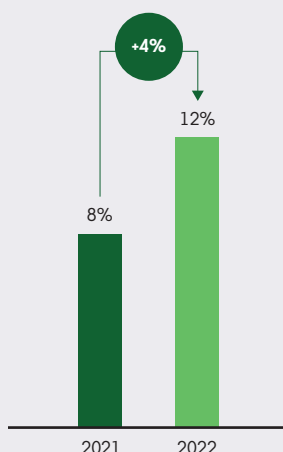
SUSTAINABILITY 

SEK acts and prioritize sustainable

Green lending



Sustainable lending



Targets

Share of green lending: 11%
Share of sustainable lending: 13%

Why?

Global warming is one of the challenges of our time. SEK has an important duty of enabling capital flows to more sustainable investments. Over the year, the company continued efforts to enable a climate transition in line with the Paris Agreement's 1.5°C target and to help meet the UN SDGs in Agenda 2030.

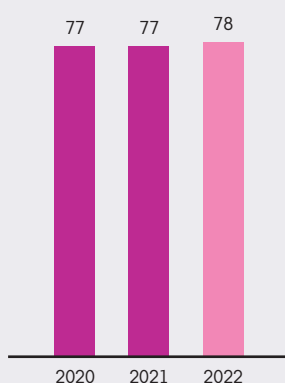
Outcome

SEK increased the share of both green and sustainable lending during the year, but has not reached the level of new green lending the company intended. The targets for the share of green and sustainable lending were recalibrated during the year to better reflect the longer disbursement periods of the loans.

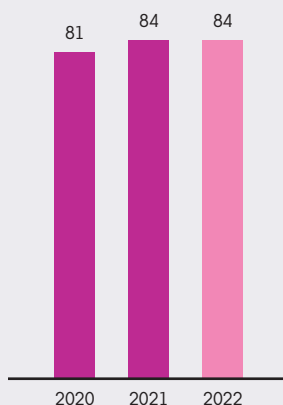
EMPLOYEES 

A workplace where employees thrive and perform

Empowerment



Attractive employer



Targets

Empowerment: 80
Attractive employer: 85

Why?

For SEK to continue to be successful and benefit our clients, it is important that we are an attractive employer that attracts, retains and develops the skills of our employees. Moreover, we need to have a healthy work environment with clear expectations and a culture that promotes performance for our employees to perform.

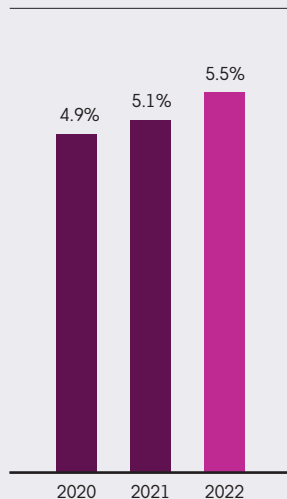
Outcome

During autumn 2022, SEK conducted a large employee survey, which found increases both in employees' experience of being able to control their work, Empowerment, and in the company's position in the labor market, Attractive employer.

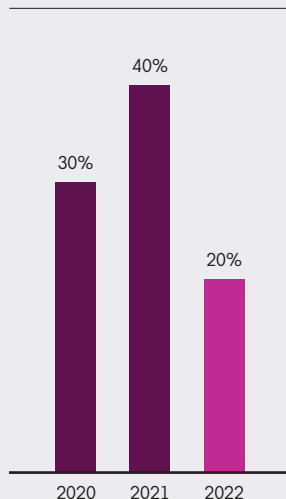
FINANCIAL 

Focus on profitability in everything the company does

Profitability



Dividend



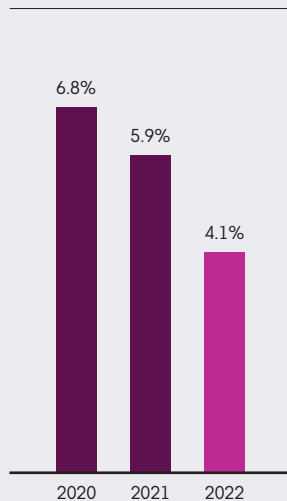
Targets

Profitability: >5%
 Dividend: 20-40%
 Capital margin: 2-4%
 Cost/income: 0.40

Why?

SEK is a state-owned company, for which financial targets are set typically over a business cycle. The targets are set within three categories: capital structure, profitability and dividend policy. The total capital ratio is defined pursuant to the Swedish FSA's capital regulations. Return on equity is defined as profit after tax divided by average equity. Decisions on annual dividends take into account the company's existing and future capital needs, the capital target decided by the owner and the implementation of the company's strategy. The dividend policy is to be seen as a tool to manage the long-term capitalization and profitability of the company. In addition to the three financial targets set by the owner, the Board has set a target for the C/I ratio.

Capital margin



Cost/income



Outcome

SEK achieved a 5.5 percent return on equity for the year, mainly driven by a strong underlying business and rising interest rates, and thus achieved the target of >5 percent. Capitalization remains strong with the capital target for the total capital ratio of 2-4 percentage points above the requirement of the Swedish FSA marginally exceeded. The Board has decided to propose that the dividend be kept at the lower level of the target range, 20 percent, in order to enable the continued ability to finance high growth of the Swedish export industry. SEK is increasing its income more rapidly than its costs, and is well above the target for the ratio of costs to income, the C/I ratio.

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, 2022, 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

SEK has maintained a strong business flow during the year. New lending amounted to Skr 133.2 billion for the full year, which was the highest ever new lending volume in the space of one year.

Global uncertainty dominated the year. Russia’s war in Ukraine showed no signs of coming to an end. Capital market volumes remained at lower levels than usual and demand for SEK’s financial solutions was unusually high. SEK’s mission to provide financing to Sweden’s export industry becomes increasingly important in times of great uncertainty. This was particularly noticeable during the year as demand increased for a number of the company’s offerings compared to the preceding year.

The high uncertainty in international capital markets continued throughout the year. Russia’s war in Ukraine, the remaining effects from the COVID-19 pandemic in the form of deficient supply chains, sharply rising energy prices and historically high inflation across much of the world are elements of concern that have led to the risk appetite in international capital markets remaining lower than usual. SEK is highly regarded in the global markets and increased its borrowing volume in challenging market conditions. SEK has therefore been able to meet the increased demand for financing and remain a stable and secure financing partner for Sweden’s export industry.

In 2022, credits were granted to 12 (2021: 11) 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 2022, new lending that qualified for classification as green loans amounted to Skr 7.4 billion (2021: Skr 11.5 billion).

New lending

Skr bn	2022	2021
Lending to Swedish exporters ¹	50.3	25.1
Lending to exporters’ customers ²	82.9	51.9
Total	133.2	77.0
<i>of which green lending</i>	<i>6%</i>	<i>15%</i>
<i>of which CIRR loans</i>	<i>22%</i>	<i>15%</i>

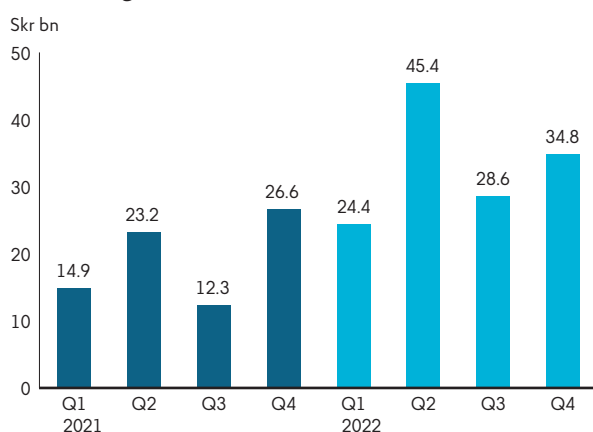
1 Of which Skr 6.2 billion (year-end 2021: Skr 2.6 billion) had not been disbursed at period end.

2 Of which Skr 28.6 billion (year-end 2021: Skr 18.6 billion) had not been disbursed at period end.

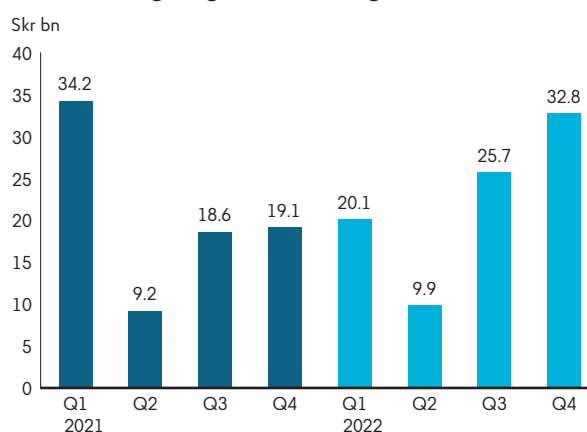
SEK’s borrowing

Skr bn	2022	2021
New long-term borrowing	88.5	81.1
New short-term borrowing	71.3	6.4
New green borrowing	9.0	6.1
Outstanding senior debt	326.3	295.0
Repurchase and redemption of own debt	8.9	1.5

New lending



New borrowing, long-term borrowing



Factors affecting SEK's total comprehensive income

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

SEK issues debt instruments with terms that may be fixed, floating or linked to various indices. SEK's strategy is to economically hedge these terms at floating rates with the aim of matching the terms of its debt-financed assets. The quality of SEK's operating profit, its relatively stable credit ratings and SEK's public role have enabled SEK to achieve borrowing at levels that are competitive within the market. Other factors affecting net interest income is the size of the resolution fee and the risk tax. The resolution fee is a fee which SEK is required to pay to a fund to support the recovery of credit institutions. In 2022, the resolution fee amounted to 0.05 percent of the calculation basis (2021: 0.05 percent), which essentially corresponds to SEK's debt financed assets less the CIRR loans. On January 1, 2022, a new risk tax on credit institutions was introduced in Sweden.

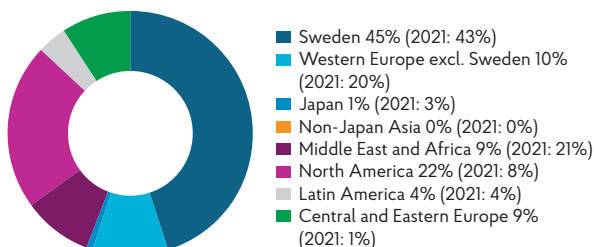
In addition to net interest income, another key influence on SEK's operating earnings has been changes in the fair value of certain assets, liabilities and derivatives. The factors that mainly impacts unrealized changes in fair value is short interest rates, credit spreads and cross-currency basis spreads. 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, and value changes on derivatives in cash flow hedges. Actuarial profits and losses on SEK's defined benefit plans also affect other comprehensive income.

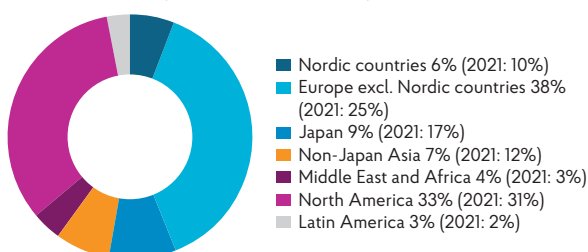
Operating profit

Operating profit amounted to Skr 1,471 million (2021: Skr 1,305 million). Net profit amounted to Skr 1,166 million (2021: Skr 1,034 million). The higher net profit compared to the previous year was primarily the result of a Skr 272 million higher net interest income. The difference between the years was reduced by increased expenses and increased provisions for expected credit losses in 2022.

SEK's markets for new lending 2022, Skr 133.2 billion (2021: Skr 77.0 billion)



SEK's markets for new borrowing, long-term, 2022, Skr 88.5 billion (2021: Skr 81.1 billion)



Net interest income

Net interest income amounted to Skr 2,179 million (2021: Skr 1,907 million), representing an increase of 14 percent compared to the previous year. During the year, a high new lending rate, rising interest rates in Swedish kronor and a weaker Swedish krona contributed to higher interest income. On January 1, 2022, a new risk tax on credit institutions was introduced in Sweden. Net interest income was negatively affected by the risk tax amounting to Skr 109 million.

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

Skr bn, average	2022	2021	Change
Total lending portfolio	255.3	234.5	9%
Liquidity investments	72.1	63.5	14%
Interest-bearing assets	338.0	314.2	8%
Interest-bearing liabilities	310.6	291.2	7%

Commission earned and commission incurred

Commission earned and commission incurred amounted to Skr -31 million (2021: Skr -29 million). Commission earned amounted to Skr 3 million (2021: Skr 2 million). Commission incurred amounted to Skr -34 million (2021: Skr -31 million).

Net results of financial transactions

Net results of financial transactions amounted to Skr 69 million (2021: Skr 56 million). During the year, net results of financial transactions have shown high volatility as an effect of very high volatility in the price of financial instruments. The company uses derivatives to hedge the financial result. These derivatives are, to the greatest extent, sensitive to movements in interest rates, cross-currency basis spreads and credit spreads. Furthermore, the Company's liquidity portfolio is sensitive to movements in credit spreads. Volatility in the net results of financial transactions is driven almost exclusively by unrealized value changes. As the Company holds all derivatives and bonds until maturity, the effect is neutral over time.

Operating expenses

Skr mn	2022	2021	Change
Personnel expenses	-402	-359	12%
Other administrative expenses	-216	-231	-6%
Depreciation and impairment of non-financial assets	-94	-80	18%
Total operating expenses	-712	-670	6%

Operating expenses increased by 6 percent compared to the previous year. The increase in operating expenses is mainly due to increased personnel and depreciation costs. A provision of Skr 7 million was made for the individual variable remuneration program (2021: -).

Net credit losses

Net credit losses amounted to Skr -34 million (2021: Skr 41 million). Net credit losses were mainly attributable to increased provisions for expected credit losses for exposures in stage 1 and stage 3, offset by recovered credit losses, as well as decreased provisions for expected credit losses for exposures in stage 2.

SEK's IFRS 9 model is based on a business cycle parameter. The business cycle parameter reflects the general risk of default in each probability of default (PD) segment and should reflect the general risk of default in the economy. Due to the current macroeconomic uncertainty, SEK has made an overall adjustment according to management's assessment, see Note 4.

Loss allowances as of December 31, 2022, amounted to Skr -223 million compared to Skr -164 million as of December 31, 2021, of which exposures in stage 3 amounted to Skr -70 million (year-end 2021: Skr -48 million). The provision ratio amounted to 0.06 percent (year-end 2021: 0.06 percent).

Taxes

Tax costs amounted to Skr -305 million (2021: Skr -271 million), of which Skr -304 million (2021: Skr -272 million) consisted of current tax and Skr -1 million (2021: Skr 1 million) consisted of deferred tax. The effective tax rate amounted to 20.7 percent (2021: 20.8 percent), compared to the nominal tax rate for 2022 of 20.6 percent (2021: 20.6 percent).

Other comprehensive income

Skr mn	2022	2021
Items to be reclassified to operating profit	-122	-
<i>of which derivatives in cash flow hedges</i>	-122	-
Items not to be reclassified to operating profit	142	0
<i>of which own credit risk</i>	99	-24
<i>of which revaluation of defined benefit plans</i>	43	24
Other comprehensive income before tax	20	0

Other comprehensive income before tax amounted to Skr 20 million (2021: Skr 0 million). The outcome is explained by a positive result related to the changes in own credit risk due to increased credit spreads, as well as a positive result related to the revaluation of defined benefit plans that were affected by a higher discount rate, offset in part by unrealized losses incurred from derivatives in cash flow hedging due to rising interest rates.

Return on equity

After-tax return on equity amounted to 5.5 percent (2021: 5.1 percent).

Statement of financial position

Total assets and liquidity

Total assets increased by 13 percent compared to the end of 2021. The company's increased customer lending, together with a weaker Swedish krona, drove the increase in the company's assets.

Skr bn	2022	2021	Change
Total assets	375.5	333.6	13%
Liquidity investments	76.3	67.9	12%
Total lending portfolio	273.4	237.2	15%
<i>of which green lending</i>	25.9	18.0	44%
<i>of which loans in the CIRR-system</i>	94.2	87.9	9%

Liabilities and equity

As of December 31, 2022, 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.

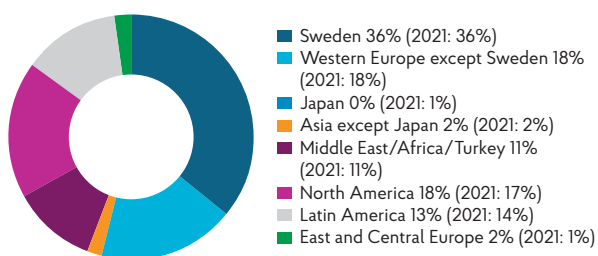
SEK has a credit facility in place with the Swedish National Debt Office of up to Skr 175 billion. The credit facility can be utilized when the Swedish export industry's demand for financing is particularly high.

Credit risks

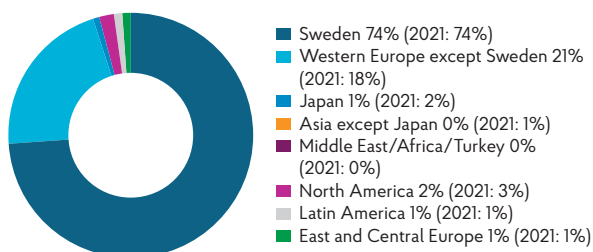
SEK's total net exposures, after risk mitigation, amounted to Skr 438.2 billion on December 31, 2022 (year-end 2021: Skr 372.5 billion). Credit exposures have increased to central governments and corporates, which is mainly due to new lending in the form of larger export credits that are guaranteed by EKN as well as increased lending to Swedish exporters.

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, 2022



Net exposures per region, December 31, 2022



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, 2022, SEK's total own funds amounted to Skr 20.8 billion (year-end 2021: Skr 19.9 billion). The total capital ratio was 20.6 percent (year-end 2021: 21.6 percent), representing a margin of 4.1 percentage points above SEK's estimate of Finansinspektionen's (the Swedish FSA) requirement of 16.5 percent as of December 31, 2022. The corresponding Common Equity Tier 1 capital estimated requirement was 11.4 percent. Given that SEK's own funds are comprised solely of Common Equity Tier 1 capital, this represents a margin of 9.2 percentage points above the requirement. Overall, SEK is strongly capitalized and has healthy liquidity.

Percent	Dec 31, 2022	Dec 31, 2021
Common Equity Tier 1 capital ratio	20.6	21.6
Tier 1 capital ratio	20.6	21.6
Total capital ratio	20.6	21.6
Leverage ratio	8.4	9.3
Liquidity coverage ratio (LCR)	311	463
Net stable funding ratio (NSFR)	119	139

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 236 million (2021: Skr 197 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	2022	2021	Change
Results from the CIRR-system	-12	-147	92%
<i>of which interest differential compensation</i>	2	7	-71%

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.

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.

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, 2022, 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 20 percent of the year's profit, corresponding to Skr 233 million (2021: Skr 414 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.

Skr mn	
At the disposal of the Annual General Meeting	17,278
The Board of Directors proposes that the Annual General Meeting dispose of these funds as follows:	
– dividend to the shareholder of Skr 58.45 per share	233
Remaining disposable funds to be carried forward	17,045

The own funds for the Group as of December 31, 2022, amounted to Skr 20.8 billion (year-end 2021: Skr 19.9 billion), resulting in a total capital adequacy ratio of 20.6 percent (year-end 2021: 21.6 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)	2022	2021	2020	2019	2018
Results					
Net interest income	2,179	1,907	1,946	1,717	1,442
Operating profit	1,471	1,305	1,238	1,304	852
Net profit	1,166	1,034	968	1,027	648
C/I-ratio	33%	36%	31%	35%	41%
After-tax return on equity	5.5%	5.1%	4.9%	5.5%	3.6%
After-tax return on assets	0.3%	0.3%	0.3%	0.3%	0.2%
Earnings per share before and after dilution (Skr)	292	259	243	257	162
Dividend	233	414	290	–	194
Statement of financial position					
Total assets	375,474	333,647	335,399	317,296	302,033
Total liabilities	353,899	312,839	315,335	298,214	283,794
Total equity	21,575	20,808	20,064	19,082	18,239
Lending					
New lending	133,181	76,988	125,470	74,515	57,015
<i>of which to Swedish exporters</i>	50,307	25,075	62,148	24,901	18,014
<i>of which to exporters' customers</i>	82,874	51,913	63,322	49,614	39,001
<i>of which green as a percentage of new lending¹</i>	6%	15%	9%	–	–
<i>of which CIRR-loans as a percentage of new lending</i>	22%	15%	15%	21%	9%
Loans, outstanding and undisbursed	348,817	291,095	288,891	269,744	260,040
Client growth ¹	14%	11%	–	–	–
Borrowing					
New long-term borrowings	88,472	81,103	123,156	81,053	60,411
New short-term borrowings	71,338	6,409	27,550	31,909	23,359
New green borrowings	9,001	6,100	5,100	1,000	–
Outstanding senior debt	326,270	295,000	287,462	273,017	257,847
Capital adequacy					
Common Equity Tier 1 capital	20.6%	21.6%	21.8%	20.6%	20.1%
Tier 1 capital ratio	20.6%	21.6%	21.8%	20.6%	20.1%
Total capital ratio	20.6%	21.6%	21.8%	20.6%	20.1%
Leverage ratio ²	8.4%	9.3%	5.8%	5.7%	5.6%
Liquidity coverage ratio (LCR)	311%	463%	447%	620%	266%
Net stable funding ratio (NSFR)	119%	139%	135%	120%	144%
Risk exposure amount	100,926	92,140	89,202	88,657	87,054
Sustainability					
Total greenhouse gas emissions in ton CO ₂ e	325	129	165	381	415

¹ New key performance indicators to which there is no comparative historical information.

² 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 140. 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 2022", available at www.sek.se.

Events in 2022

Market developments in 2022 were dominated by Russia's invasion of Ukraine, rising inflation and increased interest rates. The Swedish Krona weakened sharply against the USD and EUR. Broad index declines in stock markets indicated poorer times ahead. In Sweden, the economic indicators showed that the economy was moving towards a worsening trajectory. In January 2023, the World Bank lowered its growth forecast for the world economy from the 3.0 percent predicted in the summer to 1.7 percent.

In 2022, SEK recorded no confirmed credit losses. In 2022, provisions for expected credit losses were up year-on-year due to the prevailing macroeconomic uncertainty.

At the end of the year, the total capital ratio was 20.6 percent (2021: 21.6 percent), of which the Tier 1 capital ratio and the Common Equity Tier 1 ratio amounted to 20.6 percent (2021: 21.6 percent). The decline in the capital ratio primarily pertained to increased lending and a weaker Swedish krona.

The leverage ratio amounted to 8.4 percent (2021: 9.3 percent) at year-end. The year-on-year decrease in the leverage ratio was attributable to high lending.

SEK's total net exposures, after credit risk mitigation, have increased since the end of 2021 due to increased lending volumes, with the main increase being net exposures to central governments.

SEK's largest financial risks are credit risk in the amount of Skr 7.2 billion (2021: Skr 6.0 billion), market risk in the amount of Skr 1.5 billion (2021: Skr 1.2 billion) and operational risk in the amount of Skr 0.3 billion (2021: Skr 0.2 billion), in line with internally assessed capital requirements.

The Swedish National Debt Office has updated the minimum requirement for own funds and eligible liabilities (MREL). 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 2023. In order to comply with the requirement after the transitional period ending on January 1, 2024, SEK needs to issue about Skr 12 billion in subordinated eligible debt (senior non-preferred) during 2023.

The market was volatile in 2022 with periods of limited access to liquidity in the system. Despite the above, SEK had healthy liquidity throughout the year with good capacity to manage operational and structural liquidity risk. New lending capacity amounted to 96 days (2021: 125 days), the liquidity coverage ratio (LCR) was 311 percent (2021: 463 percent) at year-end. The net stable funding ratio (NSFR) amounted to 119 percent (2021: 139 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 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 1.5 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 is not a binding requirement.

On December 31, 2022, SEK's total capital ratio requirements, including Pillar 2 guidance, and CET1 ratio requirements, including Pillar 2 guidance, amounted to 16.5 percent and 11.4 percent, respectively (year-end 2021: 15.7 percent and 10.6 percent respectively). The requirements, including Pillar 2 guidance, should be compared to a total capital ratio and CET1 ratio that amounted to 20.6 percent on December 31, 2022 (year-end 2021: 21.6 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 under 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 requires 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 common 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.

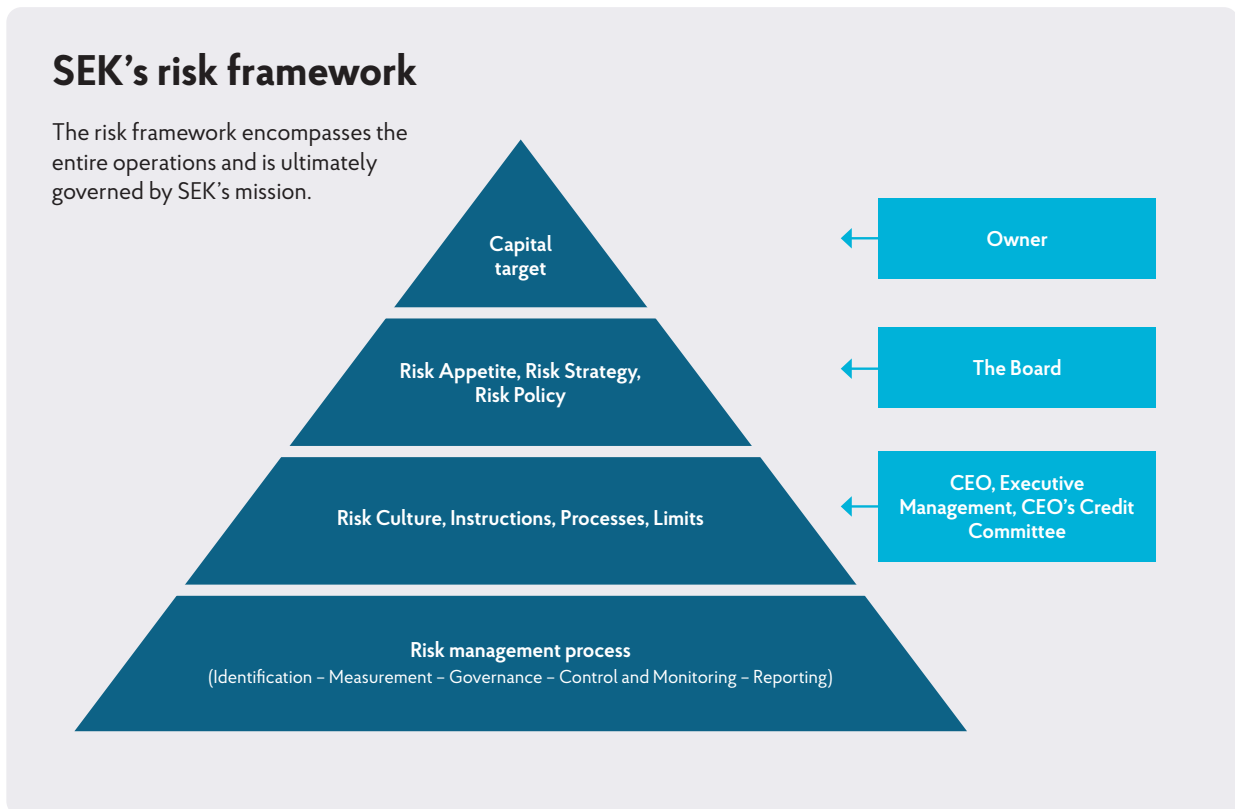
Risk appetite

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.

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 making 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.

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 Swed-

ish 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 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 31. 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 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 2022", available at www.sek.se.



Detailed risk statement

Risk class	Risk management	Risk profile	Risk appetite	Proportion of Economic capital
Credit risk				
<p>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:</p> <p><i>Credit default risk</i> – 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.</p> <p><i>Concentration risk</i> – 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.</p> <p><i>Country risk</i> – 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).</p>	<p>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, credit insurance, netting agreements 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.</p>	<p>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.</p>	<p>Moderate (SEK's risk appetite for credit risk is higher than other risks.)</p>	60.6%
Liquidity risk				
<p>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.</p>	<p>SEK shall 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.</p>	<p>SEK has secured its 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 its funding for all its credit commitments, the remaining term to maturity for available funding is longer than the remaining term to maturity for lending.</p>	Low	–
Market risk				
<p>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.</p>	<p>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.</p>	<p>SEK's business model leads to exposures towards market movements, mainly to interest rates, basis spreads, credit spreads and foreign exchange rates.</p>	Low	12.3%

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	2.6%
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.	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				
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. 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.	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 and ESG factors				
<i>Sustainability risk</i> 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's rights perspective; labor conditions encompasses gender equality and diversity; and ethics includes tax transparency. <i>ESG factors</i> are environmental, social and governance-related factors that could potentially have a positive or negative effect on the financial position or solvency of SEK's counterparties and, ultimately, SEK's financial risks.	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. ESG factors have been integrated into SEK's assessment of counterparties' creditworthiness and the Company will also start work to review the potential impact of the ESG factors on other types of risks.	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	-

Corporate Governance Report 2022

SEK is a Swedish credit market institution, with its seat in Stockholm, Sweden. SEK is wholly owned by the Swedish state and during 2022 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, 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 the 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 2022 fiscal year:

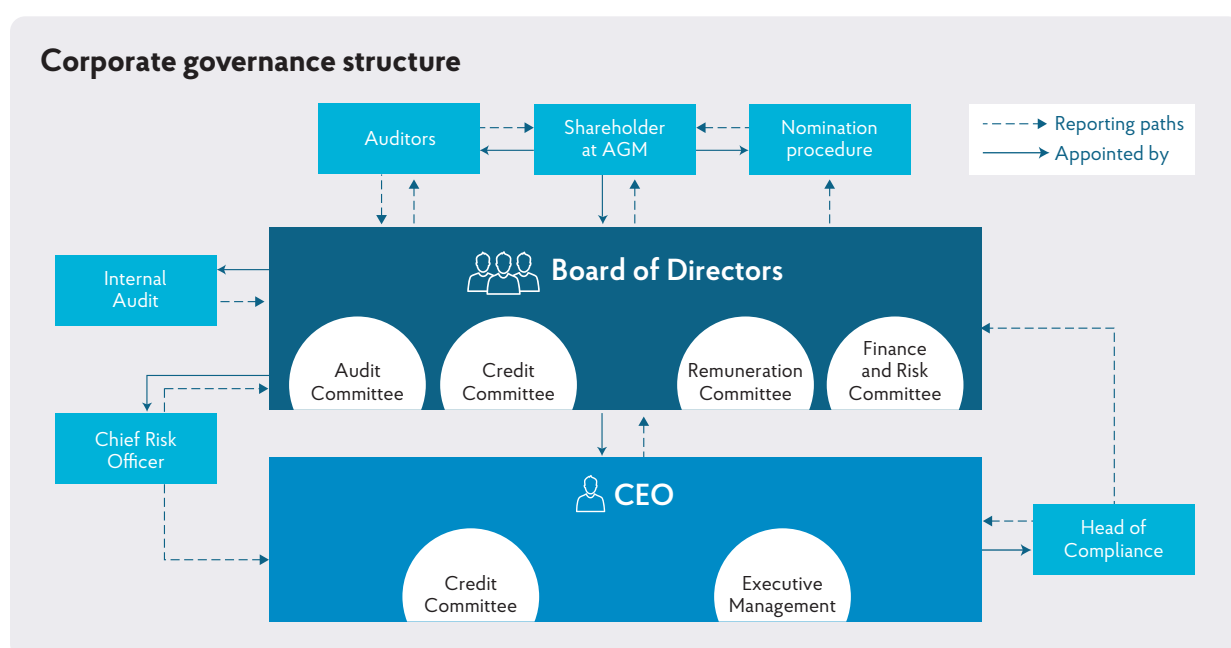
Nomination Committee. The nomination process for Directors and auditors adheres to the principles described in the state's ownership policy.

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.

Owner instruction

SEK decided at the Annual General Meeting on March 24, 2022 to adopt the shareholder's proposal for ownership instructions. The owner instruction states, that within the



framework of the objective in the Articles of Association, SEK is to have a complementary role to the market that entails: (a) conducting lending operations on commercial and sustainable terms with the aim of promoting the Swedish export industry by offering financing solutions, including long-term financing solutions, that directly or indirectly promote Swedish exports. SEK is to act responsibly and to actively comply with and promote compliance with international guidelines pertaining to environmental and climate considerations, 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 Principles and Guidelines to Promote Sustainable Lending in the Provision of Official Export Credits to Low Income Countries.; (b) providing export credits, including officially supported credits (CIRR loans); (c) constituting a tool whereby the government can take separate measures to ensure that such financing can be provided in periods when the market cannot satisfactorily provide financing to the Swedish export industry. This entails SEK ensuring it has the administrative capacity to meet significant increases in demand for financing, if the Swedish government simultaneously secures the necessary capital and/or liquidity.

The owner instruction sets further requirements for the reporting and follow-up of SEK's administration of the CIRR system as it is a specially commissioned public policy assignment by the Swedish parliament to SEK. The benefit to the national economy of the specially commissioned public policy assignment's implementation should be evaluated by: (a) measurement of the added value that SEK creates in terms of export credits (of which CIRRs comprise a part) and (b) 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, 2022. External parties were entitled to attend the Meeting. The minutes of the AGM are available at www.sek.se.

The AGM re-elected the Board members Anna Brandt, Reinhold Geijer, Lennart Jacobsen, Hanna Lagercrantz and Eva Nilsagård. Lars Linder-Aronson was re-elected Chairman of the Board by the Meeting, and resigned in direct connection to the AGM. Lennart Jacobsen was elected as the new Chairman of the Board. Hans Larsson resigned as a Board member of SEK, and Håkan Berg, Paula da Silva and Katarina Ljungqvist were elected as new Board members.

The AGM adopted the Annual Report 2021 submitted by the Board and the CEO, and discharged the Board and the CEO from liability for the 2021 fiscal year. The AGM also resolved, in line with the Board's proposed appropriation of profits, to pay a dividend of Skr 414 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. In connection with the turn of the year 2022-2023, this responsibility falls within the Ministry of Finance. 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 five women and three men. The names, ages, and main education of the Directors, and the number of Board and Committee meetings held during the year are presented on page 44 and 48-49. None of the Directors or the CEO hold shares or financial instruments issued by SEK. The Board is responsible for establishing board committees that are relevant for the Board's work and that members of the committees are appointed by the Board from among the Board members.

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. During 2022, the evaluation has been carried out by an external part together with SEK's HR function. 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 educational plan is decided at the constituent board meeting. Sustainability is a recurring topic among the topics discussed.

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. Information about the sustainability work is provided at the board meetings. Follow-up of target fulfillment of sustainability goals takes place quarterly in the CFO communication and continuously in the CEO's report. 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 11 occasions in 2022. 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 2022

	Total	Board of Directors	Remuneration Committee	Finance and Risk Committee	Credit Committee	Audit Committee
Number of meetings	44	11	3	8	16	6
Lennart Jacobsen ¹	29	11	3	0	13	2
Håkan Berg ²	17	7	0	6	0	4
Anna Brandt ³	18	11	0	0	3	4
Paula da Silva ⁴	18	8	0	3	7	0
Reinhold Geijer	29	11	3	0	15	0
Hanna Lagercrantz	22	11	3	8	0	0
Hans Larsson ⁵	7	3	0	2	0	2
Lars Linder-Aronson ⁶	10	3	2	2	3	0
Katarina Ljungqvist ⁷	26	7	0	6	13	0
Eva Nilsagård ⁸	20	11	0	0	3	6

1 Lennart Jacobsen was elected as the Chairman of the Board of Directors, and as the Chairman of the Remuneration Committee, and stepped down as a member of the Audit Committee on March 24, 2022.

2 Håkan Berg was elected as a member of the Board of Directors, and as a Chairman of the Finance- and Risk Committee and as a member of the Audit Committee on March 24, 2022.

3 Anna Brandt was elected as a member of the Audit Committee and stepped down as a member of the Credit Committee on March 24, 2022.

4 Paula da Silva was elected member of the Board of Directors, as member of the Finance- and Risk Committee and Credit Committee on March 24, 2022.

5 Hans Larsson stepped down from the Board of Directors, Finance- and Risk Committee and the Audit Committee on March 24, 2022.

6 Lars Linder-Aronson stepped down from the Board of Directors, Remuneration Committee, Finance- and Risk Committee and Audit Committee on March 24, 2022.

7 Katarina Ljungqvist was elected member of the Board of Directors, member of Finance- and Risk Committee and member of Credit Committee on March 24, 2022.

8 Eva Nilsagård stepped down as a member of Credit Committee March 24, 2022.

Board's work during the year

The Board's work during 2022 was greatly impacted by the global situation as a result of the war in Ukraine, global inflation, increasing energy prices, interest rate increases and volatile currency movements. The volatile capital markets resulted in the Board paying extra attention to the management of borrowing and capital issues. The new global security situation, arisen as a result of the war in Ukraine, also placed focus on security issues, particularly cybersecurity, and SEK's efforts to strengthen security are continually followed up on by the Board. During the year, the Board resolved a number of credit decisions, which were escalated to include the entire Board

since they were assessed to be of significant importance or otherwise major importance for the company. This year's strategy meeting was primarily focused on the long-term plan until 2030. At the end of the year, the Board resolved to appoint Jan Hoppe as the new Chief Risk Officer.

In 2022, the Board continued to place a heavy focus on culture and sustainability topics. The company's work to establish a clear and strong performance culture has been discussed by the Board, both in terms of defining what it means, but also following up on the activities undertaken with the aim of changing the culture. In terms of sustainability work, the Board and executive management teams of EKN and SEK

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

Lennart Jacobsen (Chairman), Reinhold Geijer and Hanna Lagercrantz



In addition to regular matters, the Remuneration Committee has during the year spent a lot of time on topics related to culture evolution within the company.

- 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

Håkan Berg (Chairman), Paula da Silva, Hanna Lagercrantz and Katarina Ljungqvist



The Finance and Risk Committee's discussions have been characterized by the challenging economic effects arising from the war in Ukraine and the remaining effects of the COVID-19 pandemic. Given the global situation, the focus has also been on topic related to cyber and continuity.

- 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), Paula da Silva, Lennart Jacobsen, and Katarina Ljungqvist



The Credit Committee decided in 102 (57) 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. Three such cases arose in 2022. A significant proportion of cases determined by the Committee pertained to transition-related credit proposals. 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), Håkan Berg and Anna Brandt



In 2022, the Audit Committee has, in addition to the ongoing work concerning auditing, discussed the effects of the war in Ukraine and the remaining effect from the COVID-19 pandemic. The committee has also focused on the company's work with green lending and sustainability linked loans, as well as the reporting thereof.

- 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.

held joint meetings during the year to discuss collaboration, with a focus on trying to establish common ground for how sustainability topics should be addressed. During the year, SEK's Board of Directors issued a new anti-corruption policy. Much of the Board training that was completed in 2022 has been focused on sustainability issues.

In 2022, the Board made two trips, one of which was previously postponed as a result of the COVID-19 pandemic. In the spring, the Board visited customers, banks and other business partners in New York. At the end of the autumn, the Board visited customers in southeast Sweden.

Policy documents

In 2022, SEK's Board and committees adopted the following policies and instructions:

- Document**
- The Board's rules of procedure
 - Instruction for the CEO
 - Instruction for the Internal Audit function
 - Instruction for the Compliance function
 - Instruction for the Chief Risk Officer, CRO
 - Risk Policy
 - Credit Policy
 - Credit Instruction
 - Anti-corruption Policy
 - Policy of Sustainable Financing
 - Information Security Policy
 - Accounting Instruction
 - HR Policy (incl. policies for work environment, diversity and remuneration)
 - Code of Conduct
 - 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 2022 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.

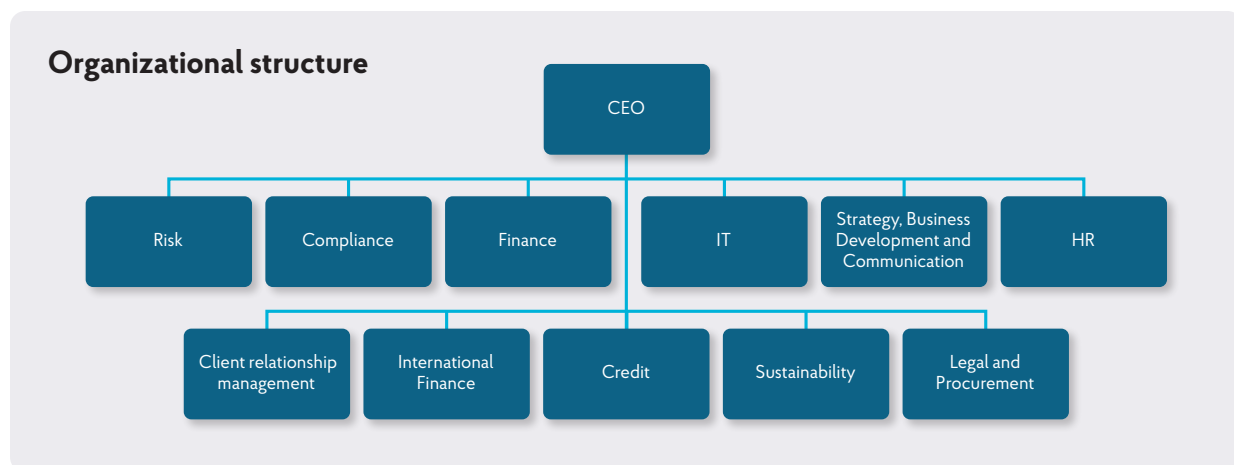
Chief Executive Officer

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.

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

SEK has during 2022 completed the implementation of the new organization aimed at reaching the goals set out in the business plan for 2022-2024. During 2022, SEK has appointed a Head of Sustainability with overall responsibility for sustainability matters. Sustainability has become its own function, where the Head of Sustainability reports directly to the CEO. SEK has also transferred the procurement responsibility under the Legal function, which is why the function is has changed its name to Legal and Procurement. Additionally, a new Chief Information Officer, Head of HR and Head of International Finance have taken office. A new Chief Risk Officer has taken office in January 2023.



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. Furthermore, the function shall verify that new products etc. follows the rules that apply to the company’s authorization-required operations. 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 and Board of Directors.

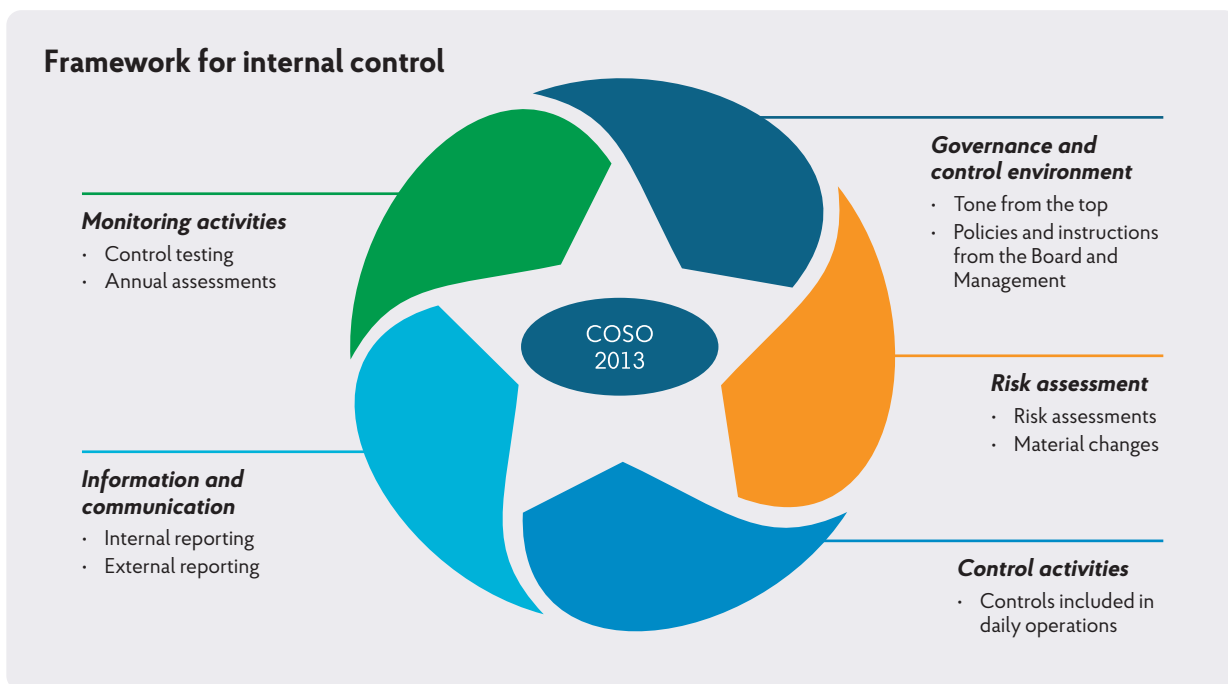
Risk function

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

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

Internal audit

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



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. SEK's code of conduct includes management of conflicts of interest, which stipulates how these are to be avoided and handled. SEK has established processes for how conflicts of interest are identified, handled and followed up. 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 whistleblower system, which is managed by a third party. SEK's Code of Conduct is available for both internal and external parties at www.sek.se. During the year, no matters were reported in SEK's whistleblower system. The Board of Directors are informed through quarterly Compliance report. In the event of a severe incident the Finance and Risk Committee will be informed SEK's code of conduct includes management of conflicts of interest, which stipulates how these are to be avoided and handled.

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 autho-

rizations, 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. 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, 2022, the conclusion was that effective and efficient controls were in place relating to internal control of financial reporting. Additionally, SEK has no cases of non-compliance with laws and regulations to report.

Auditors

The 2022 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 2022.

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



Lennart Jacobsen

Chairman of the Board: Chairman of SEK's Remuneration Committee. Member of SEK's Credit Committee. **Born:** 1966. **Education:** Master of Science, Electrical Engineering Tele-communication 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 at Careium AB and Playground Group AB. Board member at Swedbank Robur Fonder AB and Oryx Holding AB. In addition he is currently engaged with consulting and investments.



Håkan Berg

Director: Chairman of Finance and Risk Committee. Member of SEK's Audit Committee **Born:** 1955. **Education:** Master of Laws from Uppsala University. **Elected:** 2022. **Previous positions:** Member of Swedbank's Group Executive Committee. Head of Stockholm Region, deputy of Retail Banking, head of Baltic Banking, Chief Audit Executive and Group Chief Risk Officer. **Other appointments:** Chairman of the Board at Lexly AB. Board member at ICA Banken AB and AK Nordic AB.



Anna Brandt

Director: Member of SEK's Audit 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, Ireland. **Current position:** Ambassador and permanent representative of Sweden to the OECD and UNESCO, Paris.



Paula da Silva

Director: member of SEK's Finance and Risk Committee and SEK's Credit Committee. **Born:** 1960. **Education:** Stockholm School of Economics. **Elected:** 2022. **Previous positions:** CEO SEB Strategic Investments, Global Head of Transaction Banking at SEB and has also held several leading position for the bank in Latin America and USA. **Other appointments:** Chairman of the Board at Bankgirot AB. **Current position:** CEO at P27 Nordic Payments Platform 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.



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:** CEO of the Royal Bank of Scotland, Nordic Branch. CEO of Nordisk Renting AB. CEO of Föreningssparbanken (Swedbank). Executive Vice President of Telia AB. Earlier employments in Ericsson Radio Systems AB, SSAB Swedish Steel and Weyerhaeuser Integrated Forest Company, USA. **Other appointments:** Board member of BTS Group AB, Eterna Invest AB with associated companies and Livförsäkringsaktiebolaget Skandia ömsesidigt.



Hanna Lagercrantz

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



Katarina Ljungqvist

Director: Member of SEK's Finance and Risk Committee and SEK's Credit Committee.
Born: 1965. **Education:** Economics and law from the School of Business, Economics and Law at the University of Gothenburg. **Elected:** 2022. **Previous positions:** Head of Handelsbanken Digital and Head of Business Development Sweden and Executive Vice President and Head of Regional Bank Western Sweden Handelsbanken. **Other appointments:** Chairman of the Board at Ecster AB. Board member at Hufvudstaden AB.



Eva Nilsagård

Director: Chairman of SEK's Audit Committee. **Born:** 1964. **Education:** M.Sc. 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 Group. Director 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 at 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 at eEducation Albert AB and Ernströmgruppen. **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 Majblommans Riksförbund



Karl Johan Bernerfalk
General Counsel, Head of Legal and Procurement
Born: 1972
Education: LL.M., Lund University
Employed: 2007
Other appointments: –



Pontus Davidsson
Head of International Finance
Born: 1970
Education: MSc in Business Administration at Gothenburg School of Economics.
Employed: 2022
Other appointments: Board member in IFK Lidingö Skid och Orienteringsklubb (non-profit association)



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: –



Jenny Lilja Lagercrantz
Chief Human Resources Officer

Born: 1972

Education: B.Sc. in Human Resource Development and Labour Relations from Stockholm University

Employed: 2022

Other appointments: -



Tomas Nygård
Chief Information Officer

Born: 1969

Education: MSc in Engineering/Industrial Management from Luleå Tekniska universitet

Employed: 2022

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



Maria Simonson
Chief Sustainability Officer

Born: 1975

Education: Master of Laws (LLM) from Uppsala University

Employed: 2022

Other appointments: -

Changes during 2022: Maria Simonson, new Chief Sustainability Officer April 1, 2022. Tomas Nygård, new Chief Information Officer May 1, 2022. Jenny Lilja Lagercrantz, new Chief Human Resources Officer September 1, 2022. Pontus Davidsson, new Head of International Finance September 8, 2022. Peter Svensén, Chief Risk Officer stepped down December 9, 2022. Anna-Lena Söderlund, Deputy Chief Risk Officer until January 12, 2023. Jan Hoppe, new Chief Risk Officer, January 12, 2023.

Consolidated Statement of Comprehensive Income

Skr mn	Note	2022	2021	2020
Interest income calculated using effective interest method		6,563	4,264	4,960
Other interest income		166	-1,545	-852
Interest expenses		-4,550	-812	-2,162
Net interest income	2	2,179	1,907	1,946
Net fee and commission expense	3	-31	-29	-42
Net results of financial transactions	4	69	56	83
Total operating income		2,217	1,934	1,987
Personnel expenses	5	-402	-359	-347
Other administrative expenses	6	-216	-231	-198
Depreciation and impairment of non-financial assets	7	-94	-80	-51
Total operating expenses		-712	-670	-596
Operating profit before credit losses		1,505	1,264	1,391
Net credit losses	9	-34	41	-153
Operating profit		1,471	1,305	1,238
Tax expenses	10	-305	-271	-270
Net profit¹		1,166	1,034	968
Other comprehensive income related to:				
Items to be reclassified to profit or loss				
<i>Derivatives in cash flow hedges</i>		-122	-	-
Tax on items to be reclassified to profit or loss	10	25	-	-
Net items to be reclassified to profit or loss		-97	-	-
Items not to be reclassified to profit or loss				
<i>Own credit risk</i>		99	-24	18
<i>Revaluation of defined benefit plans</i>		43	24	1
Tax on items not to be reclassified to profit or loss	10	-30	0	-5
Net items not to be reclassified to profit or loss		112	0	14
Total other comprehensive income		15	0	14
Total comprehensive income¹		1,181	1,034	982
Skr				
Basic and diluted earnings per share ²		292	259	243

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

2 The average number of shares in 2022 amounted to 3,990,000 (2021: 3,990,000).

Consolidated Statement of Financial Position

Skr mn	Note	December 31, 2022	December 31, 2021
Assets			
Cash and cash equivalents	11, 12	4,060	11,128
Treasuries/government bonds	11, 12	15,048	10,872
Other interest-bearing securities except loans	11, 12	57,144	45,881
Loans in the form of interest-bearing securities	9, 11, 12	54,257	46,578
Loans to credit institutions	9, 11, 12	22,145	20,775
Loans to the public	8, 9, 11, 12	207,737	180,288
Derivatives	12, 14	10,304	8,419
Tangible and intangible assets	7	307	331
Deferred tax assets	10	25	11
Other assets	16	285	7,451
Prepaid expenses and accrued revenues	17	4,162	1,913
Total assets		375,474	333,647
Liabilities and equity			
Borrowing from credit institutions	12, 18	7,153	5,230
Borrowing from the public	12, 18	-	10,000
Debt securities issued	12, 18	319,117	279,770
Derivatives	12, 14	13,187	14,729
Other liabilities	19	10,242	1,167
Accrued expenses and prepaid revenues	20	4,172	1,875
Provisions	5, 21	28	68
Total liabilities		353,899	312,839
Share capital		3,990	3,990
Reserves		-114	-129
Retained earnings		17,699	16,947
Total equity	22	21,575	20,808
Total liabilities and equity		375,474	333,647

Consolidated Statement of Changes in Equity

Skr mn	Equity	Share capital	Reserves			Retained earnings
			Hedge reserve	Own credit risk	Defined benefit plans	
2022						
Opening balance of equity Jan 1, 2022	20,808	3,990	-	-102	-27	16,947
Changes in equity:						
Net profit for the year	1,166					1,166
Other comprehensive income related to:						
Items to be reclassified to profit or loss						
<i>Derivatives in cash flow hedges</i>	-122		-122			
Tax on items to be reclassified to profit or loss	25		25			
Items not to be reclassified to profit or loss						
<i>Own credit risk</i>	99			99		
<i>Revaluation of defined benefit plans</i>	43				43	
Tax on items not to be reclassified to profit or loss	-30			-20	-10	
Total other comprehensive income	15	-	-97	79	33	-
Total comprehensive income	1,181	-	-97	79	33	1,166
Dividend	-414					-414
Closing balance of equity Dec 31, 2022¹	21,575	3,990	-97	-23	6	17,699
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						
<i>Derivatives in cash flow hedges</i>	-		-			
Tax on items to be reclassified to profit or loss	-		-			
Items not to be reclassified to profit or loss						
<i>Own credit risk</i>	-24			-24		
<i>Revaluation of defined benefit plans</i>	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 Dec 31, 2021¹	20,808	3,990	-	-102	-27	16,947

Skr mn	Equity	Share capital	Reserves		Retained earnings	
			Hedge reserve	Own credit risk		
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						
<i>Derivatives in cash flow hedges</i>	-		-			
Tax on items to be reclassified to profit or loss	-		-			
Items not to be reclassified to profit or loss						
<i>Own credit risk</i>	18			18		
<i>Revaluation of defined benefit plans</i>	1				1	
Tax on items not to be reclassified to profit or loss	-5			-4	-1	
Total other comprehensive income	14	-	-	14	0	-
Total comprehensive income	982	-	-	14	0	968
Dividend	-					-
Closing balance of equity Dec 31, 2020¹	20,064	3,990	-	-84	-45	16,203

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

Statement of Cash Flows in the Consolidated Group

Skr mn	2022	2021	2020
Operating activities			
Operating profit ¹	1,471	1,305	1,238
Adjustments for non-cash items in operating profit	329	69	140
<i>of which provision for credit losses, net</i>	34	-41	153
<i>of which depreciation and impairment of non-financial assets</i>	94	80	51
<i>of which exchange-rate differences</i>	7	-2	5
<i>of which unrealized changes in fair value</i>	-24	-21	-69
<i>of which other²</i>	218	53	0
Income tax paid	-420	-263	-311
Increase (-)/decrease (+) in lending	-17,970	16,900	-37,824
Increase (-)/decrease (+) in bonds and securities held	-12,027	1,230	4,276
Other changes in assets and liabilities – net	380	1,334	14,493
Cash flow from operating activities	-28,237	20,575	-17,988
Investing activities			
Investments	-70	-242	-35
Cash flow from investing activities	-70	-242	-35
Financing activities			
Senior debt	169,473	88,328	153,518
Repayments of debt	-149,831	-97,435	-119,143
Repurchase and early redemption of own long-term debt	-8,849	-1,851	-4,915
Derivatives	9,770	-1,523	-8,651
Dividend paid	-414	-290	-
Payment of lease liability	-23	-24	-27
Cash flow from financing activities	20,126	-12,795	20,782
Net cash flow for the period	-8,181	7,538	2,759
Cash and cash equivalents at beginning of the year	11,128	3,362	1,362
Net cash flow for the period	-8,181	7,538	2,759
Exchange-rate differences on cash and cash equivalents	1,113	228	-759
Cash and cash equivalents at end of year³	4,060	11,128	3,362
<i>of which cash at banks</i>	255	427	561
<i>of which cash equivalents</i>	3,805	10,701	2,801
1 Interest payments received and expenses paid			
Interest payments received	4,485	2,801	4,329
Interest expenses paid	2,233	862	2,861

2 Of which other includes accrued interest, taxes not paid and changes in other comprehensive income.

3 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	2022	2021
Interest income calculated using effective interest method		6,563	4,264
Other interest income		166	-1,545
Interest expenses		-4,550	-812
Net interest income	2	2,179	1,907
Net fee and commission expense	3	-31	-29
Net results of financial transactions	4	169	32
Total operating income		2,317	1,910
Personnel expenses	5	-406	-360
Other administrative expenses	6	-216	-231
Depreciation and impairment of non-financial assets	7	-94	-80
Total operating expenses		-716	-671
Operating profit before credit losses		1,601	1,239
Net credit losses	9	-29	28
Impairment of financial fixed assets ¹		-5	13
Operating profit		1,567	1,280
Tax expenses	10	-325	-266
Net profit		1,242	1,014

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	2022	2021
Net profit for the year (after taxes)		1,242	1,014
Other comprehensive income related to:			
Items to be reclassified to profit or loss			
<i>Derivatives in cash flow hedges</i>		-122	-
Tax on items to be reclassified to profit or loss	10	25	-
Net items to be reclassified to profit or loss		-97	-
Total other comprehensive income		-97	-
Total comprehensive income		1,145	1,014

Parent Company Balance Sheet

Skr mn	Note	December 31, 2022	December 31, 2021
Assets			
Cash and cash equivalents	11, 12	4,060	11,128
Treasuries/government bonds	11, 12	15,048	10,872
Other interest-bearing securities except loans	11, 12	57,144	45,881
Loans in the form of interest-bearing securities	9, 11, 12	54,257	46,578
Loans to credit institutions	9, 11, 12	22,145	20,775
Loans to the public	8, 9, 11, 12	207,737	180,288
Derivatives	12, 14	10,304	8,419
Shares in subsidiaries	15	0	0
Tangible and intangible assets	7	307	331
Deferred tax assets	10	25	1
Other assets	16	285	7,452
Prepaid expenses and accrued revenues	17	4,162	1,913
Total assets		375,474	333,638
Liabilities and equity			
Borrowing from credit institutions	12, 18	7,153	5,230
Borrowing from the public	12, 18	–	10,000
Debt securities issued	12, 18	319,117	279,770
Derivatives	12, 14	13,187	14,729
Other liabilities	19	10,242	1,167
Accrued expenses and prepaid revenues	20	4,172	1,875
Provisions	5, 21	26	21
Total liabilities		353,897	312,792
Restricted equity			
Share capital		3,990	3,990
Legal reserve		198	198
Fund for internally developed software		111	126
Unrestricted equity			
Fair value reserve		-97	–
Retained earnings		16,133	15,518
Net profit for the year		1,242	1,014
Total equity	22	21,577	20,846
Total liabilities and equity		375,474	333,638

Parent Company Statement of Changes in Equity

Skr mn	Equity	Restricted equity			Unrestricted equity	
		Share capital	Legal reserve	Fund for internally developed software	Hedge reserve	Retained earnings
2022						
Opening balance of equity Jan 1, 2022	20,846	3,990	198	126	-	16,532
Changes in equity:						
Net profit for the year	1,242					1,242
Other comprehensive income related to:						
Items to be reclassified to profit or loss						
<i>Derivatives in cash flow hedges</i>	-122				-122	
Tax on items to be reclassified to profit or loss	25				25	
Total other comprehensive income	-97	-	-	-	-97	-
Total comprehensive income	1,145	-	-	-	-97	1,242
To the net results	-			-15		15
Dividend	-414					-414
Closing balance of equity Dec 31, 2022	21,577	3,990	198	111	-97	17,375
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
Other comprehensive income related to:						
Items to be reclassified to profit or loss						
<i>Derivatives in cash flow hedges</i>	-				-	
Tax on items to be reclassified to profit or loss	-				-	
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income	1,014	-	-	-	-	1,014
To the net results	-			32		-32
Dividend	-290					-290
Closing balance of equity Dec 31, 2021	20,846	3,990	198	126	-	16,532

Statement of Cash Flows in the Parent Company

Skr mn	2022	2021
Operating activities		
Operating profit ¹	1,567	1,280
Adjustments for non-cash items in operating profit	186	69
<i>of which provision for credit losses, net</i>	34	-41
<i>of which depreciation and impairment of non-financial assets</i>	94	80
<i>of which exchange-rate differences</i>	7	-2
<i>of which unrealized changes in fair value</i>	-124	3
<i>of which other²</i>	175	29
Income tax paid	-420	-263
Increase (-)/decrease (+) in lending	-17,970	16,900
Increase (-)/decrease (+) in bonds and securities held	-12,027	1,230
Other changes in assets and liabilities – net	427	1,359
Cash flow from operating activities	-28,237	20,575
Investing activities		
Capital expenditures	-70	-242
Cash flow from investing activities	-70	-242
Financing activities		
Senior debt	169,473	88,328
Repayments of debt	-149,831	-97,435
Repurchase and early redemption of own long-term debt	-8,849	-1,851
Derivatives	9,770	-1,523
Dividend paid	-414	-290
Payment of lease liability	-23	-24
Cash flow from financing activities	20,126	-12,795
Net cash flow for the period	-8,181	7,538
Cash and cash equivalents at beginning of the year	11,128	3,362
Net cash flow for the period	-8,181	7,538
Exchange-rate differences on cash and cash equivalents	1,113	228
Cash and cash equivalents at end of year³	4,060	11,128
<i>of which cash at banks</i>	255	427
<i>of which cash equivalents</i>	3,805	10,701
1 Interest payments received and expenses paid		
Interest payments received	4,485	2,801
Interest expenses paid	2,233	862

2 Of which other includes accrued interest, taxes not paid and changes in other comprehensive income.

3 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

Corporate information

Svensk Exportkredit (SEK) is a state-owned company that finances Swedish exporters, their subsidiaries, and their foreign customers. AB Svensk Exportkredit (publ) is the parent company of the group. The parent company is a Swedish limited liability company with its regis-

tered office in Stockholm, Sweden. The consolidated accounts for the financial year 2022 were approved for publication by the Board of Directors on February 21, 2023, and will be presented for adoption at the 2023 Annual General Meeting on March 27, 2023.

Mandatory information

Name of reporting entity	AB Svensk Exportkredit (publ)
Legal form of entity	Public limited company
Share capital	3,990,000 shares / par value Skr 1,000
Organizational number	556084-0315
Domicile of entity	Sweden
Country of incorporation	Sweden
Address of entity's registered office	Fleminggatan 20, 112 26 Stockholm, Sweden
Principal place of business	Sweden
Nature of the entity's operations and principal activities	Credit market company, financing of exports

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Note 1. Significant accounting policies

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

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(a) Reporting entity

AB Svensk Exportkredit (the "Parent Company", the "Company" or "SEK") is domiciled in Sweden. The address of the Company's registered office is Fleminggatan 20, P.O. Box 194, SE-112 26 Stockholm, Sweden. The Consolidated Group as of December 31, 2022 consists of SEK and its wholly owned, inactive subsidiary, SEKETT AB. These are jointly referred to as the "Consolidated Group" or the "Group".

Note 1, continued

(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 Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Statement of Cash Flows in the Consolidated Group, and the statements related notes 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 31-36. 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 20 and 37-43.

The Consolidated Financial Statements and the Parent Company's annual report were approved for issuance by SEK's Board of Directors on February 21, 2023. 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 27, 2023.

(ii) Basis of measurement

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

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

(iii) Functional and presentation currency

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

(iv) Going concern

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

(c) Changes to accounting policies and presentation

In all significant respects, the accounting policies, bases of calculation and presentation are unchanged compared with the 2021 annual and sustainability report. 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.

(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). Guarantee commissions that are comparable to interest are a part

Note 1, continued

of the effective interest rate. 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 (as defined below). In addition to interest income and interest expense, net interest income, where these are recognized as interest expense, includes the resolution fee and the risk tax.

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.

(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 and cash flow 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 and fair value through profit or loss.

Financial assets at amortized cost. 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.

Note 1, continued

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.

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

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

Financial assets measured at fair value through profit or loss. Derivatives are measured at fair value. 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 through profit or loss and, accordingly, they are included in a portfolio, where the business model entails measurement at fair value. 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.

Financial assets measured at fair value through profit or 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.

Financial liabilities measured at fair value through profit or loss. 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 (fair value option) 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 using the fair value option. Derivatives are measured at fair value through profit or loss. 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 the fair value option. 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. 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 in accordance with the fair value option, 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 in accordance with the fair value option, 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.

Note 1, continued

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 23 are measured as the undiscounted future cash flows concerning loan disbursements related to loans committed but not yet disbursed at the reporting period end date, as well as binding offers.

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

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

(vii) Hedge accounting

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

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; the hedge ratio of the hedging relationship is the same as that actually used in the economic hedge.

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 assess-

ment 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 due to 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;
- a significant change in the credit risk of either party to the hedge relationship; and
- the effects of the reforms to reference rates, as this might have a different impact on the hedged item and the hedging instrument.

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 the portion of changes in fair value in the hedging instrument, determined to be an effective hedge, is recognized in other comprehensive income and accumulated in the cash flow hedge reserve in equity. The ineffective portion of the gain or loss on the hedging instrument is recognized in the profit or loss under net result of financial transactions. 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, when the interest income and interest expense is recognized. 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). The hypothetical derivative method is used

Note 1, continued

when measuring the effectiveness of cash flow hedges, meaning that the change in a perfect hypothetical swap is used as a proxy for the present value of the cumulative change in expected future cash flows from the hedged transaction. The possible sources of ineffectiveness for cash flow hedges are generally the same as for those for fair value hedges described above. If a cash flow hedge relationship no longer fulfills the requirements for hedge accounting, and accumulated gains or losses related to the hedge have been recorded in equity, such gains or losses remain in equity and are amortized through other comprehensive income to net interest income over the remaining tenor of the hedged item.

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

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

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: valuation models for which all inputs with a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

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

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

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

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

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

For transactions that cannot be valued based on observable market data, the use of non-observable market data is necessary. Examples of non-observable market data are discount curves created using observable market data that are then extrapolated to calculate non-observable interest rates, correlations between different underlying market parameters and volatilities at long maturities. Correlations that are non-observable market data are calculated from time series of observable market data. The valuation models applied by SEK comply with accepted methods for pricing financial instruments. Fair value adjustments are applied by SEK when there are additional factors that market participants take into account and that are not captured by the valuation model. The independent risk function assesses the level of fair value adjustments to reflect counterparty risk. SEK's own credit rating and other non-observable parameters, where relevant.

Models for the valuation of financial instruments are approved by the Chief Financial Officer. 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 an approval thereafter. 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 mod-

Note 1, continued

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

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

Significant increase in credit risk. A significant increase in credit risk is a relative assessment, whereby the credit quality at the reporting date is compared with the initial credit quality when the exposure was recognized. The starting point when assessing what should be included as criteria for the assessment of credit risk is the existing process for following up credit risk and credit risk management within SEK. All counterparties are given a risk rating, which means that risk classification forms the basis for follow-up should a significant increase in credit risk occur. 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, 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 most important data sources for PD models are Standard & Poor's, Federal Reserve and the Organization for Economic Co-operation and Development (OECD), 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 geographic level; North America, Europe and Rest of the world. 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 weights are prepared quarterly by a cross-functional group at SEK, and are then adopted by the CEO. 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 segments are used for preparing the LGD are Large corporates, Medium Enterprises, and Bank and Financial companies. Due to the low historic rate of default in SEK's lend-

Note 1, continued

ing, the LGD is modeled by using default data from Global Credit Data (GCD), with the exception of the Sovereign segment, where LGD is prepared based on a qualitative assessment.

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

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

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

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

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

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

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

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

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

(i) Tangible assets

Items of tangible assets are measured at cost, less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Tangible assets are depreciated using the straight-line method over their estimated useful lives. The right-of-use assets according to IFRS 16 Leases are accounted for as tangible assets when the underlying assets are tangible assets. SEK accounts for 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 BTPI 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 period 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

Note 1, continued

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 (2021: 20.6 percent). Deferred tax is calculated on all taxable temporary differences, regardless of whether a given temporary difference is recognized in profit or loss, or through other comprehensive income. A temporary difference is the difference between the recognized and fiscal values of an asset or a liability.

(n) Earnings per share

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

(o) Statement of Cash Flows

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

(p) Critical accounting policies, assumptions and estimates

When adopting and applying the Group's accounting policies, in certain cases, 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 judgment 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 an approval thereafter. 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

Note 1, continued

quality. The models use directly observable market parameters if such are available.

As of December 31, 2022, financial assets and liabilities for which valuation models were used, and where market inputs with a significant effect on the recorded fair value were observable (level 2) amounted to Skr 59 billion (2021: Skr 32 billion) and Skr 11 billion (2021: Skr 19 billion), 16 percent (2021: 10 percent) and 3 percent (2021: 6 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 (2021: Skr 0 billion) and Skr 31 billion (2021: Skr 35 billion), 0 percent (2021: 0 percent) and 9 percent (2021: 11 percent) of total financial assets and total financial liabilities respectively. The assessment of non-observable parameters included in models for assessing market value are associated with subjectivity and uncertainty, which can impact the results recognized for specific positions. Despite SEK using appropriate valuation models which are consistent with those used in the market, other models and assumptions for determining the fair value of financial instruments could result in other fair value estimates on the reporting date. At December 31, 2022, 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 -155 million (2021: Skr -122 million) and Skr 155 million (2021: Skr 122 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, 2022 if the definition of significant increase in credit risk had been one less step of deterioration, the impairments would have been Skr 15 million higher (2021: Skr 1 million), and if the definition had been one more step of deterioration, the impairments would have been Skr 0 million lower (2021: 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, 2022 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 42 million higher (2021: Skr 5 million) or Skr 79 million lower (2021: Skr 5 million), respectively. On December 31, 2022, SEK's total lending including off-balance sheet exposures amounted to Skr 354 billion (2021: Skr 298 billion) and the related impairment reserve amounted to Skr 223 million (2021: Skr 164 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, 2022 by an additional approximately Skr 22 million (2021: Skr 16 million) and equity at the same date by approximately Skr 18 million (2021: Skr 13 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; fair value reserve; retained earnings; and net profit for the year. The fair value 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	2022	2021	2020
Interest income			
Loans to credit institutions	506	131	236
Loans to the public	5,106	3,782	4,210
Loans in the form of interest-bearing securities	1,114	776	897
Interest-bearing securities excluding loans in the form of interest-bearing securities	535	50	242
Derivatives	-797	-2,239	-1,708
Administrative remuneration CIRR-system ¹	237	198	197
Other assets	28	21	34
Total interest income	6,729	2,719	4,108
Interest expenses			
Interest expenses excl. resolution fee	-4,353	-724	-2,076
Resolution fee	-88	-88	-86
Risk tax	-109	-	-
Total interest expenses	-4,550	-812	-2,162
Net interest income	2,179	1,907	1,946

¹ Including administrative remuneration for concessionary loans by Skr 1 million (2021: Skr 1 million).

Skr mn	2022	2021	2020
Interest income were related to:			
Financial assets at fair value through profit or loss	-32	-1,750	-1,070
Derivatives used for hedge accounting	-183	-439	-396
Financial assets at amortized cost	6,944	4,908	5,574
Total interest income	6,729	2,719	4,108
Interest expenses were related to:			
Financial liabilities at fair value through profit or loss	1,346	530	725
Financial assets measured at fair value through profit or loss – negative interest on income	-37	-73	-60
Financial assets measured at amortized cost – negative interest income	0	0	0
Derivatives used for hedge accounting	-1,405	2,146	1,904
Financial liabilities at amortized cost	-4,454	-3,415	-4,731
Total interest expenses	-4,550	-812	-2,162
Net interest income	2,179	1,907	1,946

Interest income geographical areas

Skr mn	2022	2021	2020
Sweden	1,907	863	1,223
Europe except Sweden	1,071	-944	-166
Countries outside of Europe	3,751	2,800	3,051
Total interest income	6,729	2,719	4,108

Interest income per product group

Skr mn	2022	2021	2020
Lending to Swedish exporters	2,714	1,596	1,921
Lending to exporters' customers ¹	1,782	932	1,229
Liquidity	2,233	191	958
Total interest income	6,729	2,719	4,108

¹ In interest income for Lending to exporters' customers, Skr 236 million (2021: Skr 197 million) represents remuneration from the CIRR-system, see Note 24.

Note 3. Net fee and commissions expense

Skr mn	2022	2021	2020
Fee and commissions earned were related to:			
Lending	3	2	1
Total	3	2	1
Commissions incurred were related to:			
Custodian- and bank fees	-10	-9	-10
Brokerage	-2	-2	-4
Other commissions incurred	-22	-20	-29
Total	-34	-31	-43
Net fee and commissions expense¹	-31	-29	-42

¹ Skr -29 million (2021: Skr -27 million) includes financial assets and liabilities not measured at fair value through profit or loss.

Note 4. Net results of financial transactions

Skr mn	Consolidated Group			Parent Company	
	2022	2021	2020	2022	2021
Derecognition of financial instruments not measured at fair value through profit or loss:					
Financial assets at amortized cost	9	33	14	9	33
Financial assets or liabilities at fair value through profit or loss:					
Designated upon initial recognition (FVO) ¹	2,004	-569	-488	2,104	-593
Mandatorily	-2,023	582	466	-2,023	582
Financial instruments under fair value hedge accounting:					
Net results of the hedging instrument	-7,976	-3,397	1,277	-7,976	-3,397
Net results of the hedged item	8,064	3,409	-1,191	8,064	3,409
Currency exchange-rate effects on all assets and liabilities excl. currency exchange-rate effects related to revaluation at fair value	-9	-2	5	-9	-2
Total net results of financial transactions	69	56	83	169	32

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

Note 5. Personnel expenses

Skr mn	Consolidated Group			Parent Company	
	2022	2021	2020	2022	2021
Salaries and remuneration to the Board of Directors and the CEO	-8	-8	-7	-8	-8
Salaries and remuneration to Senior Executives	-24	-25	-25	-24	-25
Salaries and remuneration to other employees	-201	-173	-168	-201	-173
Pensions	-72	-66	-64	-76	-66
Social insurance	-78	-70	-68	-78	-70
Other personnel expenses	-19	-17	-15	-19	-17
Total personnel expenses	-402	-359	-347	-406	-359

The combined total of the remuneration excluding benefits to senior executives, excluding the CEO of the Parent Company, amounted to Skr 23 million (2021: Skr 25 million). Of the remuneration to senior executives, Skr 24 million (2021: Skr 25 million) is pensionable. Of the remuneration to the CEO of the Parent Company, Skr 5 million (2021:

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. The salary ratio of CEO to median employee is 8.75 (2021: 8.75). The percentage increase of the salary ratio of CEO to median employee is 0.

Note 5, continued

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

2022 Skr thousand	Fee, includes committee fee	Fixed remuneration ¹	Other benefits ²	Pension fee ³	Total
Chairman of the Board of Directors:					
Lennart Jacobsen ⁴ , from March 24, 2022	-470	-	-	-	-470
Lars Linder-Aronson, resigned March 24, 2022	-154	-	-	-	-154
Other members of the Board of Directors:					
Lennart Jacobsen ⁴ ,	-79	-	-	-	-79
Anna Brandt ⁵	-	-	-	-	-
Reinhold Geijer	-348	-	-	-	-348
Eva Nilsagård	-335	-	-	-	-335
Hans Larsson, resigned March 24, 2022	-85	-	-	-	-85
Hanna Lagercrantz ⁵	-	-	-	-	-
Håkan Berg, from March 24, 2022	-276	-	-	-	-276
Paula da Silva, from March 24, 2022	-266	-	-	-	-266
Katarina Ljungqvist, from March 24, 2022	-266	-	-	-	-266
Senior Executives:					
Magnus Montan, Chief Executive Officer (CEO) ⁶	-	-5,434	-19	-1,668	-7,121
Per Åkerlind, Deputy Chief Executive Officer, resigned June 30, 2022	-	-1,772	-17	-652	-2,441
Karl Johan Bernerfalk, General Counsel, Head of Legal and Procurement	-	-1,802	-34	-668	-2,504
Andreas Ericson, Head of International Finance, resigned March 31, 2022	-	-509	-9	-175	-693
Pontus Davidsson, Head of International Finance, from September 8, 2022	-	-981	-5	-196	-1,182
Stefan Friberg, Chief Financial Officer (CFO)	-	-3,018	-17	-608	-3,643
Teresa Hamilton Burman, Chief Credit Officer (CCO)	-	-2,465	-37	-604	-3,106
Jens Hedar, Head of Client Relationship Management	-	-2,454	-18	-803	-3,275
Peter Svensén, Chief Risk Officer (CRO), resigned December 11, 2022	-	-2,525	-30	-593	-3,148
Anna-Lena Söderlund, Chief Risk Officer (CRO), from December 12, 2022	-	-89	-1	-38	-128
Sirpa Rusanen, Chief Human Resources Officer (CHRO), resigned September 15, 2022	-	-1,254	-17	-479	-1,750
Jenny Lilja Lagercrantz, Chief Human Resources Officer (CHRO), from September 16, 2022	-	-613	-4	-169	-786
Susanna Rystedt, Head of Strategy, Business Development and Communications	-	-2,532	-28	-839	-3,399
Maria Simonson, Chief Sustainability Officer (CSO), from April 1, 2022	-	-1,575	-12	-433	-2,020
Madeleine Widæus, Chief Information Officer (CIO), resigned January 31, 2022	-	-144	-1	-54	-199
Pia Melke, Chief Information Officer (CIO), from February 1, 2022, resigned April 30, 2022	-	-310	-3	-93	-406
Tomas Nygård, Chief Information Officer (CIO), from May 1, 2022	-	-1,272	-11	-348	-1,631
Total	-2,279	-28,749	-263	-8,420	-39,711

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 benefits for prolonged illness and other public risk insurance as a result of collective pension agreements.

4 Lennart Jacobsen was a member of the Board until March 23, 2022 and Chairman from March 24, 2022.

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

6 The retirement age of the CEO, Magnus Montan, is 65 years and the pension fee is 30 percent of his fixed salary.

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 remuneration 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 benefits 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 remuneration ¹	Other benefits ²	Pension fee ³	Total
Chairman of the Board of Directors:					
Lars Linder-Aronson	-588	-	-	-	-588
Other members of the Board of Directors:					
Cecilia Ardström	-322	-	-	-	-322
Anna Brandt ⁴	-	-	-	-	-
Reinhold Geijer	-288	-	-	-	-288
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 Widæus, 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 benefits 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 team, 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 met three times in 2022.

The Company only has one variable remuneration system, individual variable compensation ("IRE"). Within this system, permanent staff who 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.

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 subject to 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 CEO's, Magnus Montan, 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 pension plan between the Swedish Banking Institutions and the Financial Sector Union of Sweden ("BTP") 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. In 2021, parties to the Banking Institutions Employers' Organization (BAO) agreement area agreed to strengthen the provision for occupational pensions under the BTP plan. The expanded provision means that the employer will make an additional contribution of 2 percent to the occupational pension. This is enabled by exchanging a holiday pay supplement of 1.45 percent for a higher pension premium. SEK began to apply the enhanced pension on January 1, 2022.

Note 5, continued

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

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	2022	2021	2020
Service cost	-5	-7	-5
Regulation of pension obligations	0	0	0
Interest cost, net	-1	-1	-1
Pension cost for defined benefit pensions, incl. payroll tax	-6	-8	-6
Pension cost for defined contribution pension cost incl. payroll tax	-66	-58	-58
Pension cost recognized in personnel costs	-72	-66	-64
Actuarial gains (+) and losses (-) on defined benefit obligation during period	92	23	-2
Return above expected return, gains (+) and losses (-) on plan assets	-28	1	3
Change in the effect of the asset ceiling excluding interest	-21	-	-
Revaluation of defined benefit plans	43	24	1

Net value of defined benefit pension obligations

Skr mn	2022	2021	2020
Defined benefit obligations	167	258	277
Plan assets	-180	-201	-195
Restriction due to the asset ceiling	21	-	-
Provision for pensions, net obligation¹	8	57	82

¹ See Note 21.

Development of defined benefit obligations

Skr mn	2022	2021	2020
Defined benefit obligation, opening balance	258	277	272
Service cost	5	7	6
Interest cost	4	3	5
Pension Payments incl. special payroll tax	-8	-7	-9
Actuarial gains (-) and losses (+), effect due to changed demographic assumptions	-	-2	-
Actuarial gains (-) and losses (+), effect due to changed financial assumptions	-98	-24	12
Actuarial gains (-) and losses (+), effect due to experience based outcome	6	4	-9
Defined benefit obligation, closing balance	167	258	277

Development of plan assets related to defined benefit obligation

Skr mn	2022	2021	2020
Fair value of plan assets, opening balance	201	195	189
Expected return on plan assets	4	2	3
Contributions by the employer ¹	10	9	7
Benefits paid ²	-7	-6	-8
Return on plan assets excluding interest income	-28	1	4
Fair value of plan assets, closing balance	180	201	195

¹ Expected contribution from the employer in the following year is Skr 6 million (2021: Skr 6 million), excluding payroll tax.

² Expected compensation paid in the following year is Skr 8 million (2021: Skr 7 million).

Distribution of plan assets related to defined benefit obligation

Skr mn	2022	2021	2020
Domestic equity investments	4	4	4
Foreign equity investments	22	24	23
Domestic government bonds	29	34	41
Domestic corporate bonds	9	12	18
Mortgage bonds	39	57	53
Other Investments	48	44	33
Properties	29	26	23
Total plan assets	180	201	195

Principal actuarial assumptions used end of year

Percent	2022	2021	2020
Discount rate	4.0	1.8	1.25
Assumption of early pension withdrawal	20.0	20.0	20.0
Expected salary increase	2.0	2.0	2.0
Expected inflation	2.0	2.0	1.8
Expected lifetime	DUS21	DUS21	DUS14
Expected turnover	5.0	5.0	5.0

Sensitivity analysis of essential assumptions

Skr mn	Negative outcome			Positive outcome		
	2022	2021	2020	2022	2021	2020
Discount rate	-1%	-1%	-1%	+1%	+1%	+1%
Defined benefit obligation	227	329	358	151	206	218
Service cost	4	7	9	3	4	5
Interest cost	6	2	1	7	6	5
Expected lifetime	+1 year	+1 year	+1 year	-1 year	-1 year	-1 year
Defined benefit obligation	193	270	291	176	245	264
Service cost	3	5	7	3	5	7
Interest cost	7	5	4	6	4	3

Net reconciliation of pension liabilities

Skr mn	2022	2021	2020
Pension liabilities, opening balance	57	82	83
Net periodic pension cost	6	8	8
Contributions by the employer	-10	-8	-7
Net pension payments	-2	-1	-1
Revaluations recognized in other comprehensive income	-43	-24	-1
Pension liabilities, closing balance	8	57	82

Pension cost

Skr mn	Parent Company	
	2022	2021
Pension commitments provided for in the statement of financial position		
Pension costs for the year, excluding taxes	1	1
Pension commitments provided for through insurance contracts		
Pension costs for the year, excluding taxes	-75	-67
Net cost accounted for pensions, excluding taxes	-74	-66

Reconciliation of provisions for pensions

Skr mn	Parent Company	
	2022	2021
Opening balance, January 1	8	9
Provisions made / provision used	-1	-1
Closing balance, December 31	7	8

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 2022 for defined benefit pensions amounts to Skr 6 million (2021: Skr 8 million).

As of December 31, 2022, the expected weighted average remaining service time for active employees was 11.68 years (2021: 12.80 years), the expected weighted average duration for the present value was 15.75 years (2021: 19.03 years) and the average salary for active employees was Skr 0.9 million (2021: 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 of the long-term salary increase rate in SEK.

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

	2022	2021	2020
Women	132	127	123
Men	134	129	125
Total average number of employees	266	256	248

Note 5, continued

Employees at year-end¹

Number	2022	2021	2020
Women	137	132	125
Men	146	132	128
Total employees²	283	264	253
of which full-time employees	267	259	247
allocation of women/men	48/52	49/51	49/51
of which part-time employees	5	5	6
allocation of women/men	80/20	80/20	83/17
of which permanent employees	281	263	253
allocation of women/men	48/52	50/50	49/51
of which temporary employees	2	1	0
allocation of women/men	50/50	0/100	0/0
of which hourly employees ³	11	-	-
allocation of women/men	55/45	-	-
of which managers	31	33	31
of which non-management	252	231	222

1 Information collected from the HR system.

2 In addition to its employees, SEK had 72 consultants (2021: 73 consultants) engaged at year-end 2022, of which the majority work with IT-related projects.

3 Hourly employees were excluded in previous years.

Employees by age distribution

Number	2022	2021	2020
Total employees	283	264	253
of which under the age of 30 years	9%	4%	5%
of which between ages 30 and 50 years	45%	50%	48%
of which over the age of 50 years	46%	46%	47%

Employee turnover

Number	2022	2021	2020
Employees who left employment	38	20	16
of which women	19	7	8
of which men	19	13	8
of which under the age of 30 years	2	1	0
of which between 30 and 50 years	19	9	12
of which over 50 years	17	10	4

Health

Percent	2022	2021	2020
Absence due to sickness ¹	2.9	3.5	2.1

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

Equality and diversity

	2022	2021	2020
Allocation of women/men on the Board of Directors	63/37	43/57	62/38
Allocation of women/men in SEK's executive management	45/55	36/64	50/50
Allocation of women/men in management positions	52/48	45/55	48/52
Allocation of women/men at SEK in total	48/52	50/50	49/51

Note 6. Other administrative expenses

Skr mn	2022	2021	2020
Travel expenses and marketing	-9	-3	-3
IT and information system (fees incl.)	-163	-167	-140
Other fees	-33	-44	-38
Premises	-7	-11	-10
Other	-4	-6	-7
Total other administrative expenses	-216	-231	-198

Remuneration to auditors

Skr mn	2022	2021	2020
Öhrlings PricewaterhouseCoopers AB:			
Audit fees ¹	-9	-8	-9
Audit related fees ²	-	-	-
Tax related fees ³	-	-	-
Other fees ⁴	-2	-3	-3
Total	-11	-11	-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, 2022	Dec 31, 2021	Dec 31, 2020
Net book value			
Tangible assets	42	40	22
Right-of-use assets	144	152	25
Intangible assets ¹	121	139	98
Total net book value	307	331	145
Depreciation and impairment during the year according to the Consolidated Statement of Comprehensive Income	-94	-80	-51

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.

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

Right-of-use assets

Skr mn	2022	2021
Opening balance	152	25
Depreciation	-24	-30
Addition ¹	16	157
Closing balance	144	152

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

Accounted for in profit or loss

Skr mn	2022	2021
Depreciation charge on right-of-use assets	-24	-30
Interest expenses on lease liability	-1	-1
Expenses relating to short-term leases ¹	0	0
Expenses relating to low-value leases ¹	-1	-1
Variable lease fees ¹	-3	-6
Total amount accounted for in profit or loss	-29	-38

1 Accounted for under Other administrative expenses.

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

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 88 million (2021: Skr 80 million) for a period of 3 years.

Lease liability

Skr mn	2022	2021
Opening balance	153	19
Interest expenses accrued	1	1
Payments of lease liability	-23	-24
Addition ¹	16	157
Closing balance	147	153

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

Contractual flows of lease liability

Skr mn	2022	2021
Within 1 year	28	21
Between 1 and 5 years	122	122
More than 5 years	-	13
Discounting effect	-3	-3
Closing balance	147	153

The total cash outflow for leases in 2022 was Skr 27 million (2021: Skr 31 million).

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.

Skr mn	December 31, 2022		December 31, 2021	
	Gross investment	Present value of minimum lease payments	Gross investment	Present value of minimum lease payments
Within 1 year	109	106	111	108
Between 1 and 5 years	118	104	83	74
More than 5 years	60	46	44	34
Total	287	256	238	216
<i>Unearned finance income</i>	-	32	-	21

Note 9. Impairments

Skr mn	Loans in the form of interest- bearing securities	Loans to credit institutions	Loans to the public	Off-balance	Total
2022					
Expected credit losses, stage 1	-9	1	-26	-4	-38
Expected credit losses, stage 2	4	0	3	-1	6
Expected credit losses, stage 3	-	-	-15	0	-15
Established credit losses	-	-	-	-	-
Reserves applied to cover established credit losses	-	-	-	-	-
Recovered credit losses	-	-	12	1	13
Net credit losses	-5	1	-26	-4	-34
2021					
Expected credit losses, stage 1	7	2	50	1	60
Expected credit losses, stage 2	6	0	23	0	29
Expected credit losses, stage 3	-	-	-46	0	-46
Established credit losses	-	-	-52	-	-52
Reserves applied to cover established credit losses	-	-	49	-	49
Recovered credit losses	-	-	1	-	1
Net credit losses	13	2	25	1	41
2020					
Expected credit losses, stage 1	-6	-6	-81	-5	-98
Expected credit losses, stage 2	-11	0	-37	0	-48
Expected credit losses, stage 3	-	-	-7	0	-7
Established credit losses	-	-	-20	-	-20
Reserves applied to cover established credit losses	-	-	20	-	20
Recovered credit losses	-	-	-	-	-
Net credit losses	-17	-6	-125	-5	-153

Note 9, continued

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 OECD, which explains the low provision ratio.

Skr mn	December 31, 2022				December 31, 2021			
	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	51,401	2,882	–	54,283	42,827	3,772	–	46,599
Loans to credit institutions	11,147	310	–	11,457	6,948	3,414	–	10,362
Loans to the public	167,354	33,851	6,713	207,918	147,137	30,999	2,284	180,420
Total, loans, before expected credit losses	229,902	37,043	6,713	273,658	196,912	38,185	2,284	237,381
Off balance, before expected credit losses								
Guarantees	3,902	900	–	4,802	4,767	–	–	4,767
Committed undisbursed loans	49,492	20,620	5,257	75,369	26,810	28,466	105	55,381
Total, off balance, before expected credit losses	53,394	21,520	5,257	80,171	31,577	28,466	105	60,148
Total, before expected credit losses	283,296	58,563	11,970	353,829	228,489	66,651	2,389	297,529
<i>of which guaranteed (percent)</i>	<i>62.9</i>	<i>92.6</i>	<i>98.7</i>	<i>68.9</i>	<i>63.7</i>	<i>93.2</i>	<i>95.7</i>	<i>70.3</i>
Loss allowance, loans								
Loans in the form of interest-bearing securities	-23	-3	–	-26	-14	-7	–	-21
Loans to credit institutions	-2	0	–	-2	-4	0	–	-4
Loans to the public	-93	-19	-70	-182	-64	-20	-48	-132
Total, loss allowance, loans	-118	-22	-70	-210	-82	-27	-48	-157
Loss allowance, off balance¹								
Guarantees	0	0	–	0	0	–	–	0
Committed undisbursed loans	-12	-1	0	-13	-6	-1	0	-7
Total, loss allowance, off balance	-12	-1	0	-13	-6	-1	0	-7
Total, loss allowance	-130	-23	-70	-223	-88	-28	-48	-164
<i>Provision ratio (percent)</i>	<i>0.05</i>	<i>0.04</i>	<i>0.58</i>	<i>0.06</i>	<i>0.04</i>	<i>0.04</i>	<i>2.01</i>	<i>0.06</i>

1 Recognized under provision in the Consolidated Statement of Financial Position.

Loans and off balance, before loss allowance

Skr mn	December 31, 2022				December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	228,489	66,651	2,389	297,529	226,456	66,485	1,482	294,423
Increase due to origination and acquisition	125,243	5,451	2,453	133,147	79,856	7,380	234	87,470
Transfer to stage 1	5,788	-7,798	–	-2,010	1,240	-1,302	–	-62
Transfer to stage 2	-4,447	3,845	–	-602	-4,676	4,223	–	-453
Transfer to stage 3	-7,980	-725	7,502	-1,203	-105	-948	945	-108
Decrease due to derecognition	-63,797	-8,861	-374	-73,032	-74,282	-9,187	-272	-83,741
Closing balance	283,296	58,563	11,970	353,829	228,489	66,651	2,389	297,529

Note 9, continued

Loss allowance

Skr mn	December 31, 2022				December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	-88	-28	-48	-164	-147	-56	-46	-249
Increases due to origination and acquisition	-67	-3	0	-70	-40	0	-25	-65
Net remeasurement of loss allowance	5	9	9	23	51	13	-43	21
Transfer to stage 1	-1	7	-	6	0	0	-	0
Transfer to stage 2	1	-12	-	-11	2	-6	-	-4
Transfer to stage 3	1	3	-23	-19	0	2	-21	-19
Decreases due to derecognition	22	2	0	24	47	20	43	110
Decrease in allowance account due to write-offs	-	-	-	-	-	-	49	49
Exchange-rate differences ¹	-3	-1	-8	-12	-1	-1	-5	-7
Closing balance	-130	-23	-70	-223	-88	-28	-48	-164

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

Provisions for 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: a base scenario, a downturn scenario, and an upturn scenario, where the scenarios are expressed in a business cycle parameter. The business cycle parameter reflects the general risk of default in each geographic

segment. The parameter is standard, normally distributed where zero indicates a neutral economy where the economy has been on average, historically. The business cycle parameters for the base scenario are between -0.8 and -0.2 for the various probability of default (PD) segments. The base scenarios have been weighted at between 40 and 90 percent, the downturn scenarios have been weighted at between 10 and 60 percent, and the upturn scenarios have been weighted at zero percent between the different PD-segments. An improvement of the PD model took place during the first quarter of 2022, which means, among other things, that the difference between the base and downturn/upturn scenarios has increased and that new data sources are used.

Due to the current macroeconomic uncertainty, 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, 2022.

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

Skr mn	December 31, 2022				December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
AAA	-	-	-	-	-	-	-	-
AA+ to A-	28,382	-	-	28,382	25,815	-	-	25,815
BBB+ to BBB-	150,441	3,085	-	153,526	131,514	2,258	-	133,772
BB+ to BB-	38,523	25,309	-	63,832	32,247	25,043	-	57,290
B+ to B-	12,396	6,663	-	19,059	6,697	5,461	-	12,158
CCC to D	160	1,986	6,713	8,859	639	5,423	2,284	8,346
Total, before expected credit losses	229,902	37,043	6,713	273,658	196,912	38,185	2,284	237,381

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

Note 10. Taxes

Skr mn	Consolidated Group			Parent Company	
	2022	2021	2020	2022	2021
Income tax					
Adjustment previous year	0	0	-4	0	0
Current tax	-304	-272	-266	-324	-267
Deferred tax	-1	1	0	-1	1
Total income tax	-305	-271	-270	-325	-266
Income tax related to other comprehensive income					
Tax on items to be reclassified to profit or loss					
<i>Current tax</i>	-	-	-	-	-
<i>Deferred tax</i>	25	-	-	25	-
Tax on items not to be reclassified to profit or loss					
<i>Current tax</i>	-20	5	-4	-	-
<i>Deferred tax</i>	-10	-5	-1	-	-
Income tax related to other comprehensive income	-5	0	-5	25	-
Reconciliation of effective tax rate					
The Swedish corporate tax rate (percent)	20.6	20.6	21.4	20.6	20.6
Profit before taxes	1,471	1,305	1,238	1,567	1,280
National tax based on profit before taxes	-303	-269	-265	-323	-264
Tax effects of:					
Non-taxable income	0	0	0	0	0
Non-deductible expenses	-2	-3	-1	-2	-3
Tax effect of the tax credit for investments in equipment	-	1	-	-	1
Other	-	-	-4	-	-
Total tax	-305	-271	-270	-325	-266
Effective tax expense (percent)	20.7	20.8	21.8	20.7	20.8

Deferred taxes

Skr mn	Consolidated Group	
	2022	2021
Deferred tax assets concerning:		
Temporary differences, related to pensions	0	10
Tax effect of the tax credit for investments in equipment	-	1
Temporary differences, related to cash flow hedges	25	-
Total deferred tax assets	25	11

No deductible loss carry forwards existed as of December 31, 2022, or December 31, 2021.

Change in deferred taxes

Skr mn	Consolidated Group	
	2022	2021
Opening balance	11	15
Change through profit or loss	-1	1
Change in other comprehensive income	15	-5
Closing balance	25	11

In the Parent Company, deferred taxes accounted for Skr 25 million (year-end 2021: Skr 1 million) as of December 31, 2022.

Note 11. Loans and liquidity investments

Skr mn	Dec 31, 2022	Dec 31, 2021
Loans:		
Loans in the form of interest-bearing securities	54,257	46,578
Loans to credit institutions	22,145	20,775
Loans to the public	207,737	180,288
Less:		
Cash collateral under the security agreements for derivative contracts ¹	-10,691	-10,417
Total lending portfolio	273,448	237,224
Liquidity investments:		
Cash and cash equivalents	4,060	11,128
Treasuries/government bonds	15,048	10,872
Other interest-bearing securities except loans	57,144	45,881
Total liquidity investments	76,252	67,881
<i>of which issued by public authorities</i>	<i>19,014</i>	<i>16,584</i>

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

Skr mn	2022	2021
Sum of amounts exceeding nominal	87	243
Sum of amounts falling below nominal	-479	-9

Volume Development, Lending

Skr mn	2022	2021	of which the CIRR-system	
			2022	2021
Offers of long-term loans accepted	133,181	76,988	29,481	11,797
Undisbursed loans at year-end	75,369	53,871	56,265	39,084
Loans outstanding at year-end ¹	273,448	237,224	94,241	87,872

¹ Including concessionary loans in the amount of Skr 361 million (year-end 2021: Skr 315 million).

Outstanding loans as per business area

Skr mn	Dec 31, 2022	Dec 31, 2021	of which the CIRR-system	
			Dec 31, 2022	Dec 31, 2021
Lending to Swedish exporters	128,399	109,281	-	-
Lending to exporters' customers	145,049	127,943	94,241	87,872
Total lending portfolio¹	273,448	237,224	94,241	87,872

¹ Including concessionary loans in the amount of Skr 361 million (year-end 2021: Skr 315 million).

Note 12. Classification of financial assets and liabilities

Financial assets by accounting category

Skr mn	December 31, 2022			
	Financial assets at fair value		Amortized cost	Total
	Mandatorily	Derivatives used for hedge accounting		
Cash and cash equivalents	-	-	4,060	4,060
Treasuries/government bonds	15,048	-	-	15,048
Other interest-bearing securities except loans	57,144	-	-	57,144
Loans in the form of interest-bearing securities	-	-	54,257	54,257
Loans to credit institutions	-	-	22,145	22,145
Loans to the public	-	-	207,737	207,737
Derivatives	8,718	1,586	-	10,304
Total financial assets	80,910	1,586	288,199	370,695

Skr mn	December 31, 2021			
	Financial assets at fair value		Amortized cost	Total
	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

Financial liabilities by accounting category

Skr mn	December 31, 2022				
	Financial liabilities at fair value		Amortized cost	Total	
	Mandatorily	Designated upon initial recognition (FVO)	Derivatives used for hedge accounting		
Borrowing from credit institutions	-	-	-	7,153	7,153
Borrowing from the public	-	-	-	-	-
Debt securities issued	0	28,788	-	290,329	319,117
Derivatives	953	-	12,234	-	13,187
Total financial liabilities	953	28,788	12,234	297,482	339,457

Skr mn	December 31, 2021				
	Financial liabilities at fair value		Amortized cost	Total	
	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

Note 13. Financial assets and liabilities at fair value

Skr mn	December 31, 2022		
	Book value	Fair value	Surplus value (+) / Deficit value (-)
Cash and cash equivalents	4,060	4,060	-
Treasuries/governments bonds	15,048	15,048	-
Other interest-bearing securities except loans	57,144	57,144	-
Loans in the form of interest-bearing securities	54,257	54,877	620
Loans to credit institutions	22,145	21,747	-398
Loans to the public	207,737	204,543	-3,194
Derivatives	10,304	10,304	-
Total financial assets	370,695	367,723	-2,972
Borrowing from credit institutions	7,153	7,153	-
Borrowing from the public	-	-	-
Debt securities issued	319,117	318,900	-217
Derivatives	13,187	13,187	-
Total financial liabilities	339,457	339,240	-217

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

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 following tables 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

Loans and accounts receivable Skr mn	December 31, 2022				Book value
	Fair value				
	Level 1	Level 2	Level 3	Total	Total
Cash and cash equivalents	4,060	-	-	4,060	4,060
Loans in the form of interest-bearing securities	1,446	53,431	-	54,877	54,257
Loans to credit institutions	-	21,747	-	21,747	22,145
Loans to the public	-	204,543	-	204,543	207,737
Total financial assets in fair value hierarchy	5,506	279,721	-	285,227	288,199

Loans and accounts receivable Skr mn	December 31, 2021				Book value
	Fair value				
	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

Financial liabilities reported at amortized cost in fair value hierarchy

Other financial liabilities Skr mn	December 31, 2022				Book value
	Fair value				
	Level 1	Level 2	Level 3	Total	Total
Borrowing from credit institutions	-	7,153	-	7,153	7,153
Borrowing from the public	-	-	-	-	-
Debt securities issued	-	290,112	-	290,112	290,329
Total financial liabilities in fair value hierarchy	-	297,265	-	297,265	297,482

Other financial liabilities Skr mn	December 31, 2021				Book value
	Fair value				
	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

Financial assets reported at fair value in fair value hierarchy

Skr mn	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Treasuries/governments bonds	2,366	12,682	-	15,048
Other interest-bearing securities except loans	21,342	35,802	-	57,144
Derivatives	-	10,201	103	10,304
Total financial assets in fair value hierarchy	23,708	58,685	103	82,496

Skr mn	December 31, 2021			
	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

Note 13, continued

Financial liabilities reported at fair value in fair value hierarchy

Skr mn	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Debt securities issued	-	2,252	26,536	28,788
Derivatives	-	8,568	4,619	13,187
Total financial liabilities in fair value hierarchy	-	10,820	31,155	41,975

Skr mn	December 31, 2021			
	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

There were no transfers between levels during the period (year-end 2021: a transfer of Skr -1 million for derivatives was made from level 2 to level 3, due to an increased element of subjective assessment of the input in the valuation).

Financial assets and liabilities at fair value in Level 3

Skr mn	December 31, 2022								
	Jan 1, 2022	Purchases	Settle-ments & sales	Transfers to Level 3	Transfers from Level 3	Gains (+) and losses (-) through profit or loss ¹	Gains (+) and losses (-) through other comprehensive income	Currency exchange-rate effects	Dec 31, 2022
Debt securities issued	-32,555	-4,267	10,255	-	-	2,641	-52	-2,558	-26,536
Derivatives, net	-2,037	0	221	-	-	-616	-	-2,084	-4,516
Net assets and liabilities	-34,592	-4,267	10,476	-	-	2,025	-52	-4,642	-31,052

Skr mn	December 31, 2021								
	Jan 1, 2021	Purchases	Settle-ments & sales	Transfers to Level 3	Transfers from Level 3	Gains (+) and losses (-) through profit or loss ¹	Gains (+) and losses (-) through other comprehensive income	Currency exchange-rate effects	Dec 31, 2021
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

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, 2022, amounted to a Skr 2,024 million gain (year-end 2021: Skr 594 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 valua-

tion 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, 2022				
Skr mn	Fair value	Unobservable input	Range of estimates for unobservable input	Valuation method	Sensitivity Max	Sensitivity Min
Equity	-2,890	Correlation	0.12 – (0.12)	Option Model	-13	13
Interest rate	13	Correlation	0.12 – (0.12)	Option Model	-	-
FX	-1,528	Correlation	0.12 – (0.12)	Option Model	-34	34
Other	-111	Correlation	0.12 – (0.12)	Option Model	-	-
Sum derivatives, net	-4,516				-47	47
Equity	-10,797	Correlation	0.12 – (0.12)	Option Model	13	-13
		Credit spreads	10BP – (10BP)	Discounted cash flow	14	-14
Interest rate	-8,817	Correlation	0.12 – (0.12)	Option Model	-	-
		Credit spreads	10BP – (10BP)	Discounted cash flow	102	-102
FX	-6,750	Correlation	0.12 – (0.12)	Option Model	36	-36
		Credit spreads	10BP – (10BP)	Discounted cash flow	36	-36
Other	-172	Correlation	0.12 – (0.12)	Option Model	-	-
		Credit spreads	10BP – (10BP)	Discounted cash flow	1	-1
Sum debt securities issued	-26,536				202	-202
Total effect on total comprehensive income					155	-155

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

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.

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, 2022	December 31, 2021	2022	2021
CVA/DVA, net ¹	-51	-14	-37	3
OCA ²	-32	-132	100	-24

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**

Skr mn	December 31, 2022			December 31, 2021		
	Assets Fair value	Liabilities Fair value	Nominal amounts ¹	Assets Fair value	Liabilities Fair value	Nominal amounts ¹
Interest rate-related contracts	2,396	2,119	423,124	3,192	9,464	361,160
<i>of which in fair value hedges</i>	560	8,282	247,039	1,256	2,104	211,285
<i>of which in cash flow hedges</i>	-	123	5,000	-	-	-
Currency-related contracts	7,897	8,056	189,323	5,218	3,518	157,362
<i>of which in fair value hedges</i>	1,026	3,829	29,479	1,399	1,440	30,902
Equity-related contracts	11	2,901	12,022	2	895	9,801
Contracts related to commodities, credit risk, etc.	-	111	3,330	7	852	3,521
Total derivatives²	10,304	13,187	627,799	8,419	14,729	531,844

1 Nominal amounts before set-off.

2 All derivatives are used for economic hedging purposes.

Maturity analysis of the nominal amounts of hedging instruments

Skr mn	December 31, 2022			
	< 1 year	1 year < 5 years	> 5 years	Nominal amounts
Interest rate-related contracts				
Hedge of fixed rate assets	1	111	921	1,033
Hedge of fixed rate liabilities	88,652	136,730	20,624	246,006
Hedge of floating rate assets	-	5,000	-	5,000
Currency-related contracts				
Hedge of fixed rate assets	3,824	4,442	558	8,824
Hedge of fixed rate liabilities	5,160	12,908	2,587	20,655

Skr mn	December 31, 2021			
	< 1 year	1 year < 5 years	> 5 years	Nominal amounts
Interest rate-related contracts				
Hedge of fixed rate assets	1,228	12,070	7,340	20,638
Hedge of fixed rate liabilities	55,039	131,655	5,306	192,000
Hedge of floating rate assets	-	-	-	-
Currency-related contracts				
Hedge of fixed rate assets	1,879	2,976	233	5,088
Hedge of fixed rate liabilities	6,943	15,669	2,590	25,202

Note 14, continued

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

Assets Skr mn	December 31, 2022		December 31, 2021	
	Book value	Fair value hedge adjustments	Book value	Fair value hedge adjustments
Loans in the form of interest-bearing securities	12,757	-1,089	11,035	278
Loans to credit institutions	988	-45	1,019	-23
Loans to the public	14,371	-514	14,869	527
Total	28,116	-1,648	26,923	782

Liabilities Skr mn	December 31, 2022		December 31, 2021	
	Book value	Fair value hedge adjustments	Book value	Fair value hedge adjustments
Debt securities issued	235,370	-9,312	216,242	1,183
Total	235,370	-9,312	216,242	1,183

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

Cash flow hedge effectiveness

Skr mn	2022	2021
Changes in fair value of hedging instruments	-122	-
Changes in value of hedged items uses as a basis for recognizing hedge ineffectiveness	126	-
Hedge ineffectiveness recognized in profit or loss ¹	-	-
Hedging gain or losses recognized in other comprehensive income	-122	-

1 Recognized in the line item "Net result of financial transactions".

Cash flow hedge reserve

Skr mn	2022	2021
Opening balance January 1	-	-
Valuation gains and losses	-137	-
Tax on valuation gains and losses	28	-
Transferred to the income statement	15	-
Tax on transfers to the income statement	-3	-
Other comprehensive income, net of tax	-97	-
Total comprehensive income	-97	-
Closing balance December 31	-97	-
<i>of which relates to continuing hedges for which hedge accounting is applied</i>	<i>-97</i>	<i>-</i>
<i>of which relates to hedging relationships for which hedge accounting is no longer applied</i>	<i>-</i>	<i>-</i>

Note 14, continued

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.

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 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's derivative transactions 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, 2022	Dec 31, 2021
Gross amounts of recognized financial assets	19,557	10,059
Amounts offset in the Statement of Financial Position	-9,253	-1,640
Net amounts of financial assets presented in the Statement of Financial Position	10,304	8,419
Amounts subject to an enforceable master netting arrangement or similar agreement not offset in the Statement of Financial Position related to:		
Financial instruments	-3,749	-3,262
Cash collateral received	-6,539	-3,500
Net amount	16	1,657

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

Skr mn	Dec 31, 2022	Dec 31, 2021
Gross amounts of recognized financial liabilities	22,440	16,369
Amounts offset in the Statement of Financial Position	-9,253	-1,640
Net amounts of financial liabilities presented in the Statement of Financial Position	13,187	14,729
Amounts subject to an enforceable master netting arrangement or similar agreement not offset in the Statement of Financial Position related to:		
Financial instruments	-3,749	-3,262
Cash collateral paid	-9,186	-9,528
Net amount	252	1,939

Note 15. Shares

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

Shares in subsidiaries

Skr mn	December 31, 2022		December 31, 2021	
	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, 2022	Dec 31, 2021
Claim against the State for CIRR-loans and concessionary loans	17	7,208
Cash receivables, funding operations	201	191
Other	67	52
Total	285	7,451

Note 17. Prepaid expenses and accrued revenues

Skr mn	Dec 31, 2022	Dec 31, 2021
Interest income accrued	4,121	1,876
Prepaid expenses and other accrued revenues	41	37
Total	4,162	1,913

Note 18. Debt

Skr mn	December 31, 2022			Total
	Debt excl. debt securities issued	Debt securities issued		
Exchange-rate related contracts	-	8,714		8,714
Interest rate related contracts	7,153	299,240		306,393
Equity related contracts	-	10,797		10,797
Contracts related to raw materials, credit risk etc.	-	366		366
Total debt outstanding	7,153	319,117		326,270

<i>of which denominated in:</i>	<i>Skr</i>	<i>USD</i>	<i>JPY</i>	<i>EUR</i>	<i>Other currencies</i>	<i>Total</i>
	13,656	238,055	17,596	32,664	24,299	326,270

Skr mn	December 31, 2021			Total
	Debt excl. debt securities issued	Debt securities issued		
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

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

Note 18, continued

SEK's Borrowing programs, value outstanding¹

Skr mn	December 31, 2022	December 31, 2021
Medium-term note program:		
Unlimited Euro Medium-Term Note Program	96,474	107,597
Unlimited SEC-registered U.S. Medium-Term Note Program	186,138	159,393
Unlimited Swedish Medium-Term Note Program	452	429
Unlimited MTN/STN AUD Debt Issuance Program	4,297	4,417
Commercial paper program:		
USD 3,000,000,000 U.S. Commercial Paper Program	19,412	1,806
USD 4,000,000,000 Euro-Commercial Paper Program	6,283	1,355

1 Amortized cost excluding fair value adjustments.

Liabilities in financing activities

Skr mn	Cash Flow		Non-cash items			December 31, 2022
	January 1, 2022		Exchange rate difference	Unrealized changes in fair value	Accrued interest	
Senior debt	295,000	10,793	33,075	-12,598	-	326,270
Lease liability	153	-23	0	16 ¹	1	147
Derivatives, net	6,310	9,770	-7,591	-5,606	-	2,883
Total liabilities in financing activities	301,463	20,540	25,484	-18,188	1	329,300

Skr mn	Cash Flow		Non-cash items			December 31, 2021
	January 1, 2021		Exchange rate difference	Unrealized changes in fair value	Accrued interest	
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 Attributable to an increase in leasing debts due to new leasing agreements.

Note 19. Other liabilities

Skr mn	Dec 31, 2022	Dec 31, 2021
Liability against the State for CIRR loans and concessionary loans	8,509	-
Cash payables, debt purchases	982	725
Other	751	442
Total	10,242	1,167

Note 20. Accrued expenses and prepaid revenues

Skr mn	Dec 31, 2022	Dec 31, 2021
Interest expenses accrued	4,110	1,793
Other accrued expenses and prepaid revenues	62	82
Total	4,172	1,875

Note 21. Provisions

Skr mn	Consolidated Group		Parent Company	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Pension liabilities ¹	8	57	7	8
Long term employee benefit	7	4	6	6
Off balance, expected credit losses ²	13	7	13	7
Total	28	68	26	21

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

The total number of shares is 3,990,000 with a par 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).

The fair value reserve consists of the hedge reserve (value changes on derivatives in cash flow hedges).

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

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

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, 2022, 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 20 percent of the year's profit, corresponding to Skr 233 million (year-end 2021: Skr 414 million), in accordance with the Company's dividend policy of 20-40 percent. The following proposal regarding distribution of profits relates to the Parent Company.

Skr mn	Skr mn
At the disposal of the Annual General Meeting	17,278
The Board of Directors proposes that the Annual General Meeting dispose of these funds as follows:	
– dividend to the shareholder of Skr 58.45 per share, amounting to	233
Remaining disposable funds to be carried forward	17,045

Note 23. Pledged assets and contingent liabilities

Skr mn	Dec 31, 2022	Dec 31, 2021
Collateral provided		
Cash collateral under the security agreements for derivative contracts	10,691	10,417
Contingent liabilities		
Guarantee commitments	4,802	4,767
Commitments		
Committed undisbursed loans	75,369	53,871
Binding offers	–	1,510

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, 2022, concessionary loans outstanding amounted to Skr 361 million (year-end 2021: Skr 315 million) and operating profit for the program amounted to Skr -19 million for the period January-December 2022 (2021: Skr -21 million). SEK's administrative compensation for administering the concessionary credit program amounted to Skr 1 million (2021: Skr 1 million).

Statement of comprehensive income for the CIRR-system

Skr mn	2022	2021
Interest income	2,231	2,105
Interest expenses	-2,012	-2,061
Interest compensation	2	7
Foreign exchange effects	3	-1
Profit before compensation to SEK	224	50
Administrative remuneration to SEK	-236	-197
Operating profit CIRR-system	-12	-147
Reimbursement to (-) / from (+) the State	12	147

Statement of financial position for the CIRR-system

Skr mn	Dec 31, 2022	Dec 31, 2021
Cash and cash equivalents	1	8
Loans	94,241	87,872
Derivatives	8,571	36
Other assets	218	7,359
Prepaid expenses and accrued revenues	1,597	470
Total assets	104,628	95,745
Liabilities	103,336	88,092
Derivatives	-	7,060
Accrued expenses and prepaid revenues	1,292	593
Total liabilities and equity	104,628	95,745
Commitments		
Committed undisbursed loans	56,265	39,084
Binding offers	-	1,510

Note 25. Capital adequacy

Capital Adequacy Analysis

Capital ratios	December 31, 2022		December 31, 2021	
		percent ¹		percent ¹
Common Equity Tier 1 capital ratio		20.6		21.6
Tier 1 capital ratio		20.6		21.6
Total capital ratio		20.6		21.6

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 buffers.

Total risk-based capital requirement	December 31, 2022		December 31, 2021	
	Skr mn	percent ¹	Skr mn	percent ¹
Capital base requirement of 8 percent²	8,074	8.0	7,371	8.0
<i>of which Tier 1 requirement</i>				
<i>of 6 percent</i>	6,056	6.0	5,528	6.0
<i>of which minimum requirement</i>				
<i>of 4.5 percent</i>	4,542	4.5	4,146	4.5
Pillar 2 capital requirements³	3,704	3.7	3,382	3.7
<i>Common Equity Tier 1 capital available to meet buffer requirements⁴</i>	9,013	8.9	9,149	9.9
Capital buffer requirements	3,330	3.3	2,333	2.5
<i>of which Capital conservation buffer</i>	2,523	2.5	2,303	2.5
<i>of which Countercyclical buffer</i>	807	0.8	30	0.0
Pillar 2 guidance⁵	1,514	1.5	1,382	1.5
Total risk-based capital requirement including Pillar 2 guidance	16,622	16.5	14,468	15.7

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 firm).

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 – that is 4.5 percent, 1.5 percent and 2 percent) and after the Pillar 2 requirements (3.67 percent).

5 On September 29, 2021, the Swedish FSA 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.

Leverage ratio ¹	December 31, 2022		December 31, 2021	
		Skr mn		Skr mn
On-balance sheet exposures		241,239		209,889
Off-balance sheet exposures		7,357		5,309
Total exposure measure		248,596		215,198
Leverage ratio²		8.4%		9.3%

1 The leverage ratio reflects the full impact of IFRS 9 as no transitional rules were utilized.

2 Defined by CRR as the quotient of the Tier 1 capital and an exposure measure.

Total Leverage ratio requirement	December 31, 2022		December 31, 2021	
	Skr mn	percent ¹	Skr mn	percent ¹
Capital base requirement of 3 percent	7,458	3.0	6,456	3.0
Pillar 2 guidance ²	373	0.2	323	0.2
Total capital requirement relating to leverage ratio	7,831	3.2	6,779	3.2

1 Expressed as a percentage of total exposure amount.

2 On September 29, 2021, the Swedish FSA 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

Skr mn	Parent Company	
	Dec 31, 2022	Dec 31, 2021
Share capital ¹	3,990	3,990
Retained earnings	16,133	15,518
Accumulated other comprehensive income and other reserves	212	323
Independently reviewed profit net of any foreseeable charge or dividend	1,009	601
Common Equity Tier 1 (CET1) capital before regulatory adjustments	21,344	20,432
Additional value adjustments due to prudent valuation	-474	-395
Intangible assets	-44	-99
Fair value reserves related to gains or losses on cash flow hedges	97	-
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	9	98
Negative amounts resulting from the calculation of expected loss amounts	-94	-111
Total regulatory adjustments to Common Equity Tier 1 capital	-506	-507
Total Common Equity Tier 1 capital	20,838	19,925
Total Own funds	20,838	19,925

1 For a detailed description of the instruments constituting share capital, see Note 22.

Minimum capital requirements exclusive of buffers

Skr mn	Parent Company					
	December 31, 2022			December 31, 2021		
	EAD ¹	Risk exposure amount	Min. capital requirement	EAD ¹	Risk exposure amount	Min. capital requirement
Credit risk, standardized approach						
Corporates	3,012	2,987	239	2,990	2,990	239
Default exposures	102	102	8	74	74	6
Total credit risk, standardized approach	3,114	3,089	247	3,064	3,064	245
Credit risk, IRB approach						
Central governments	242,609	11,018	882	196,606	9,673	774
Financial institutions ²	33,299	6,356	508	41,082	8,843	707
Corporates ³	136,849	72,779	5,822	115,412	62,988	5,039
Non-credit-obligation assets	351	351	28	372	372	30
Total credit risk IRB approach	413,108	90,504	7,240	353,472	81,876	6,550
Credit valuation adjustment risk	n.a.	2,565	205	n.a.	2,922	233
Foreign exchange risk	n.a.	800	64	n.a.	645	52
Commodity risk	n.a.	19	2	n.a.	11	1
Operational risk	n.a.	3,949	316	n.a.	3,622	290
Total	416,222	100,926	8,074	356,536	92,140	7,371

1 Exposure at default (EAD) shows the size of the outstanding exposure at default.

2 Of which counterparty risk in derivative contracts: EAD Skr 6,355 million (year-end 2021: Skr 5,975 million), Risk exposure amount of Skr 2,022 million (year-end 2021: Skr 2,000 million) and Capital requirement of Skr 162 million (year-end 2021: Skr 160 million).

3 Of which related to Specialized lending: EAD Skr 6,112 million (year-end 2021: Skr 5,224 million), Risk exposure amount of Skr 4,412 million (year-end 2021: Skr 3,589 million) and Capital requirement of Skr 353 million (year-end 2021: Skr 287 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.

Skr mn	December 31, 2022					December 31, 2021				
	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC to D	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC to D
	0.003%- 0.01%	0.02- 0.06%	0.10- 0.27%	0.45- 7.69%	38.28- 100%	0.003%- 0.01%	0.02- 0.07%	0.12- 0.32%	0.54- 6.80%	44.36- 100%
Central governments										
EAD	238,038	4,556	-	15	-	191,669	4,587	-	-	-
Average PD in %	0.003	0.04	-	2.0	-	0.004	0.05	-	-	-
Average LGD in %	45.0	45.0	-	45.0	-	45.0	45.0	-	-	-
Average risk weight in %	4.3	17.4	-	122.5	-	4.6	20.3	-	-	-
Financial institutions										
EAD	12,662	19,471	1,089	77	-	18,176	21,637	1,225	43	-
Average PD in %	0.04	0.07	0.27	1.18	-	0.04	0.07	0.25	1.16	-
Average LGD in %	34.9	30.8	45.0	45.0	-	35.7	32.8	45.0	45.0	-
Average risk weight in %	17.2	19.8	71.1	130.4	-	17.6	22.0	67.9	129.3	-
Corporates										
EAD	3,374	25,955	71,615	29,774	18	2,562	16,286	67,509	23,810	22
Average PD in %	0.03	0.09	0.24	0.74	88.4	0.04	0.09	0.24	0.74	89.43
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 %	13.2	25.8	50.4	84.3	42.9	19.2	30.0	49.9	85.4	39.2

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. Counterparty risk exposure amounts in derivative contracts are calculated in accordance with the standardized approach for counterparty credit risk.

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 met capital buffer requirements with Common Equity Tier 1 capital as of December 31, 2022. 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 increased from 0 percent to 1 percent as of September 29, 2022. At December 31, 2022, the capital requirement related to credit risk exposures in Sweden was 71 percent (year-end 2021: 68 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. On June 21, 2022, the Swedish FSA decided to further increase the countercyclical buffer rate to 2 percent, which will take effect on June 22, 2023. 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, 2022, the contribution to SEK's countercyclical capital buffer from buffer rates in other countries was 0.09 percentage points (year-end 2021: 0.03 percentage points).

Leverage ratio

The leverage ratio is a metric that was introduced in 2015. A capital base requirement amounts to 3 percent and is calculated on the total leverage ratio exposure measure. 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 8.4 percent as of December 31, 2022, 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 is 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, 2022	Dec 31, 2021
Credit risk	7,202	6,038
Operational risk	311	225
Market risk	1,466	1,247
Other risks	205	234
Capital planning buffer	2,697	1,610
Total	11,881	9,354

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, 2022	Dec 31, 2021
Total liquid assets	58.4	56.1
Net liquidity outflows ¹	10.9	10.1
Liquidity outflows	25.0	21.2
Liquidity inflows	15.7	12.2
Liquidity Coverage Ratio	784%	695%

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, 2022	Dec 31, 2021
Available stable funding	235.2	245.9
Requiring stable funding	198.2	176.4
Net Stable Funding Ratio	119%	139%

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

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Sustainability risk	114

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

Consolidation of SEK pursuant to the supervisory regulations differs from consolidation 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 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 before the 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, credit insurance, netting agreements and collateral.

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 in 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. SEK's risk appetite for credit risk is low to moderate, but higher than for other risks. 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 are 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, credit insurance and other forms of collateral.

The guarantors, particularly with regard to lending to exporters' customers, are predominantly government export credit agencies in the OECD, of which the EKN is the largest. Since 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 entered into by SEK always take 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 a 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.

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. ESG factors are integrated into the assessment of the counterparty's creditworthiness.

Note 26, continued

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; and
- 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. Additionally, SEK is monitoring the new initial margin requirements for non-centrally cleared transactions according to the European Markets Infrastructure Regulation (EMIR). Furthermore, interest derivative contracts are cleared with a central counterpart according to EMIR. SEK measures the exposures from counterparty risk by using the standardized approach (SA-CCR) described in the CRR.

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, 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 2022".

Risk information, credit risk

The following table 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, 2022	
	Maximum credit risk exposure	
	Assets at fair value through profit or loss	Amortized costs
Cash and cash equivalents	-	4,060
Treasuries/government bonds	15,049	-
Other interest-bearing securities except loans	57,226	-
Loans in the form of interest-bearing securities	-	54,528
Loans to credit institutions	-	20,374
Loans to the public	-	280,620
Derivatives	10,304	-
Total financial assets	82,579	359,582

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

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. The credit quality of financial assets is assessed using internal and external ratings.

Skr mn	December 31, 2022					
	AAA	AA+ to A-	BBB+ to BBB-	BB+ to B-	CCC to D	Carrying amount
Cash and cash equivalents	3,000	1,060	-	-	-	4,060
Treasuries/government bonds	1,106	13,942	-	-	-	15,048
Other interest-bearing securities except loans	29,922	27,222	-	-	-	57,144
Loans in the form of interest-bearing securities	3,031	16,949	30,238	4,039	-	54,257
Loans to credit institutions	6,434	13,115	2,480	116	-	22,145
Loans to the public	113,495	27,062	39,597	27,468	115	207,737
Derivatives	-	10,257	47	-	-	10,304
Total financial assets	156,988	109,607	72,362	31,623	115	370,695
<i>Committed undisbursed loans</i>	<i>66,058</i>	<i>1,389</i>	<i>5,284</i>	<i>2,638</i>	<i>-</i>	<i>75,369</i>

Skr mn	December 31, 2021					
	AAA	AA+ to A-	BBB+ to BBB-	BB+ to B-	CCC to 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
<i>Committed undisbursed loans</i>	<i>48,633</i>	<i>852</i>	<i>1,423</i>	<i>2,963</i>	<i>-</i>	<i>53,871</i>

Note 26, continued

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

Skr bn	December 31, 2022							
	Carrying amount	Adjustment to carrying amount from exposure	Central governments	Regional governments	Multilateral development banks	Public sector entity	Financial institutions	Corporates
Cash and cash equivalents	4.1	-	3.0	-	-	-	1.1	0.0
Treasuries/government bonds	15.0	-	15.0	-	-	-	-	-
Other interest-bearing securities except loans	57.1	-0.1	15.0	20.2	5.3	2.1	14.6	-
Loans in the form of interest-bearing securities	54.3	-0.2	3.0	-	-	-	-	51.5
Loans to credit institutions including cash and cash equivalents ¹	22.1	10.7	5.9	1.5	-	-	3.3	0.7
Loans to the public	207.7	-1.3	120.2	0.7	0.8	-	7.1	80.2
Derivatives	10.3	3.9	-	-	-	-	6.4	0.0
Other assets	0.3	0.3	-	-	-	-	-	-
Total financial assets	370.9	13.3	162.1	22.4	6.1	2.1	32.5	132.4
Contingent liabilities and commitments ²	80.3	-0.3	65.2	0.9	0.4	-	1.1	13.0
Total	451.2	13.0	227.3	23.3	6.5	2.1	33.6	145.4

Skr bn	December 31, 2021							
	Carrying amount	Adjustment to carrying amount from exposure	Central governments	Regional governments	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

1 Skr 10.7 billion (2021: Skr 10.4 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 6.4 billion (2021: Skr 6.0 billion).

Note 26, continued

Total credit exposures in the Group

Net exposures are recognized after taking the impact of credit risk hedges into account. Gross exposures are recognized without taking the impact of credit risk hedges into account. According to the internal risk follow-up, the amounts coincide 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, 2022		Dec 31, 2021		Dec 31, 2022		Dec 31, 2021		Dec 31, 2022		Dec 31, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Central governments	162.3	46.2	136.1	44.4	65.0	75.0	49.4	74.8	227.3	51.9	185.5	49.8
Regional governments	22.5	6.4	14.3	4.7	0.8	0.9	1.0	1.5	23.3	5.3	15.3	4.1
Multilateral development banks	6.1	1.7	3.0	1.0	0.4	0.5	-	-	6.5	1.5	3.0	0.8
Public sector entity	2.1	0.6	5.4	1.7	-	-	-	-	2.1	0.5	5.4	1.4
Financial institutions	26.1	7.4	34.9	11.4	7.5	8.6	6.3	9.5	33.6	7.6	41.2	11.1
Corporates	132.4	37.7	112.7	36.8	13.0	15.0	9.4	14.2	145.4	33.2	122.1	32.8
Total	351.5	100.0	306.4	100.0	86.7	100.0	66.1	100.0	438.2	100.0	372.5	100.0

Geographical breakdown of credit exposures**Geographical breakdown of gross exposures by exposure class**

Skr bn	December 31, 2022									
	Middle East/ Africa/ Turkey	Asia excl. Japan	Japan	North America	Latin America	Sweden	Western Europe excl. Sweden	Central and Eastern Europe	Total	
Central governments	27.7	3.2	2.4	-	42.5	6.7	24.2	-	106.7	
Regional governments	1.5	-	-	-	-	16.3	4.1	-	21.9	
Multilateral development banks	-	0.3	-	1.1	-	-	3.9	-	5.3	
Public sector entity	-	-	-	-	-	-	2.1	-	2.1	
Financial institutions	-	-	0.0	0.8	-	16.4	10.0	6.8	34.0	
Corporates	18.2	3.9	-	75.8	12.5	118.4	35.8	3.6	268.2	
Total	47.4	7.4	2.4	77.7	55.0	157.8	80.1	10.4	438.2	

Skr bn	December 31, 2021									
	Middle East/ Africa/ Turkey	Asia excl. Japan	Japan	North America	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	

Note 26, continued

Geographical breakdown of net exposures by exposure class

Skr bn	December 31, 2022								
	Middle East/ Africa/ Turkey	Asia excl. Japan	Japan	North America	Latin America	Sweden	Western Europe excl. Sweden	Central and Eastern Europe	Total
Central governments	0.0	0.3	2.4	0.8	-	191.3	30.3	2.2	227.3
Regional governments	-	-	-	-	-	19.2	4.1	-	23.3
Multilateral develop- ment banks	-	0.3	-	1.1	-	-	5.1	-	6.5
Public sector entity	-	-	-	-	-	-	2.1	-	2.1
Financial institutions	0.1	-	0.2	1.3	-	16.0	15.9	0.1	33.6
Corporates	0.2	1.0	1.3	6.5	3.8	97.0	34.4	1.2	145.4
Total	0.3	1.6	3.9	9.7	3.8	323.5	91.9	3.5	438.2

Skr bn	December 31, 2021								
	Middle East/ Africa/ Turkey	Asia excl. Japan	Japan	North America	Latin America	Sweden	Western Europe excl. Sweden	Central and Eastern Europe	Total
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 develop- ment 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

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 that are included in the capital adequacy calculations. Credit insurance issued by insurance companies is thus counted as a guaran-

tee. 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**

Skr bn	December 31, 2022							whereof subject to the write-down requirement in IFRS9 ¹
	Central government	Regional governments	Multilateral development banks	Public Sector Entity	Financial institutions	Corporates	Total	
Amounts related to hedges issued by:								
Central governments	72.7	1.5	-	-	8.2	113.1	195.5	195.5
<i>of which, guarantees issued by the EKN</i>	72.3	1.5	-	-	6.7	101.3	181.8	181.8
<i>of which, guarantees issued by other export credit agencies</i>	0.4	-	-	-	-	6.8	7.2	7.2
<i>of which, other guarantees</i>	-	-	-	-	1.5	5.0	6.5	6.5
Regional governments	-	-	-	-	-	1.3	1.3	1.3
Multilateral development banks	-	-	-	-	-	1.2	1.2	1.2
Financial institutions	0.1	-	-	-	-	7.7	7.8	7.8
<i>of which, credit default swaps</i>	-	-	-	-	-	-	-	-
<i>of which, guarantees</i>	0.1	-	-	-	-	7.7	7.8	7.8
Corporates	0.6	-	-	-	-	14.3	14.9	14.9
<i>of which, credit insurance from insurance companies</i>	0.6	-	-	-	-	11.5	12.1	12.1
<i>of which, other guarantees</i>	-	-	-	-	-	2.8	2.8	2.8
Total hedged exposures	73.4	1.5	-	-	8.2	137.6	220.7	220.7
Unhedged exposures ²	33.3	20.4	5.3	2.1	25.8	130.6	217.5	145.3
Total	106.7	21.9	5.3	2.1	34.0	268.2	438.2	366.0

Skr bn	December 31, 2021							whereof subject to the write-down requirement in IFRS9 ¹
	Central government	Regional governments	Multilateral development banks	Public Sector Entity	Financial institutions	Corporates	Total	
Amounts related to hedges issued by:								
Central governments	70.9	1.6	-	-	-	93.1	165.6	165.6
<i>of which, guarantees issued by the EKN</i>	70.4	1.6	-	-	-	82.6	154.6	154.6
<i>of which, guarantees issued by other export credit agencies</i>	-	-	-	-	-	7.5	7.5	7.5
<i>of which, other guarantees</i>	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
<i>of which, credit default swaps</i>	-	-	-	-	-	-	-	-
<i>of which, guarantees</i>	0.1	-	-	-	0.1	5.6	5.8	5.8
Corporates	0.3	-	-	-	-	4.9	5.2	5.2
<i>of which, credit insurance from insurance companies</i>	-	-	-	-	-	0.7	0.7	0.7
<i>of which, other guarantees</i>	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

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 24.5 billion (2021: Skr 22.8 billion) for corporates, Skr 0.0 billion (2021: Skr 0.0 billion) for financial institutions and Skr 0.0 billion (2021: Skr 0.0 billion) for central governments.

Note 26, continued

Gross exposures Europe, excluding Sweden, breakdown by exposure class

Skr bn	December 31, 2022							Total
	Central governments	Regional governments	Multilateral development banks	Public sector entity	Financial institutions	Corporates		
Finland	0.0	4.1	-	-	0.2	9.3	13.6	
United Kingdom	4.1	-	-	-	0.2	8.0	12.3	
Germany	7.3	-	-	2.1	0.6	0.1	10.1	
France	5.6	-	-	-	2.5	1.9	10.0	
Poland	-	-	-	-	6.7	2.4	9.1	
Norway	-	-	-	-	0.1	6.6	6.7	
Austria	5.9	-	-	-	-	-	5.9	
Denmark	0.6	-	-	-	2.6	2.1	5.3	
Spain	-	-	-	-	0.8	3.3	4.1	
Netherlands	0.6	-	-	-	2.8	0.6	4.0	
Luxembourg	-	-	3.8	-	0.0	-	3.8	
Italy	-	-	-	-	-	2.0	2.0	
Portugal	-	-	-	-	-	1.0	1.0	
Ireland	-	-	-	-	0.3	0.3	0.6	
Serbia	-	-	-	-	-	0.5	0.5	
Belgium	-	-	-	-	-	0.5	0.5	
Lithuania	-	-	-	-	-	0.2	0.2	
Czech Republic	-	-	-	-	-	0.2	0.2	
Russian Federation	-	-	-	-	-	0.1	0.1	
Estonia	-	-	-	-	-	0.1	0.1	
Latvia	-	-	-	-	0.1	-	0.1	
Iceland	-	-	-	-	-	0.1	0.1	
Slovakia	-	-	-	-	-	0.1	0.1	
Total	24.1	4.1	3.8	2.1	16.9	39.4	90.4	

Skr bn	December 31, 2021							Total
	Central governments	Regional governments	Multilateral development banks	Public sector entity	Financial institutions	Corporates		
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	

Note 26, continued

Net exposures Europe, excluding Sweden, breakdown by exposure class

Skr bn	December 31, 2022							Total
	Central governments	Regional governments	Multilateral development banks	Public sector entity	Financial institution	Corporates		
France	8.9	-	-	-	3.4	3.9	16.2	
Germany	7.9	-	-	2.1	1.8	1.3	13.1	
Finland	0.7	4.1	-	-	0.3	6.5	11.6	
Luxembourg	-	-	5.1	-	0.0	5.5	10.6	
United Kingdom	4.1	-	-	-	2.0	4.4	10.5	
Austria	5.9	-	-	-	-	-	5.9	
Denmark	1.4	-	-	-	2.6	1.6	5.6	
Norway	0.6	-	-	-	0.1	4.7	5.4	
Netherlands	0.8	-	-	-	2.9	0.3	4.0	
Belgium	-	-	-	-	0.9	2.3	3.2	
Poland	2.2	-	-	-	-	0.1	2.3	
Spain	-	-	-	-	1.6	0.7	2.3	
Ireland	-	-	-	-	0.1	1.4	1.5	
Portugal	-	-	-	-	-	1.0	1.0	
Switzerland	-	-	-	-	0.1	0.5	0.6	
Serbia	-	-	-	-	-	0.5	0.5	
Lithuania	-	-	-	-	-	0.2	0.2	
Italy	-	-	-	-	-	0.2	0.2	
Czech Republic	-	-	-	-	-	0.2	0.2	
Estonia	-	-	-	-	-	0.1	0.1	
Latvia	-	-	-	-	0.1	-	0.1	
Iceland	-	-	-	-	-	0.1	0.1	
Slovakia	-	-	-	-	-	0.1	0.1	
Total	32.5	4.1	5.1	2.1	15.9	35.6	95.3	

Skr bn	December 31, 2021							Total
	Central governments	Regional governments	Multilateral development banks	Public sector entity	Financial institution	Corporates		
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	

Note 26, continued

Corporate exposures, broken down by industry¹

Skr bn	December 31, 2022		December 31, 2021	
	Gross exposure	Net exposure	Gross exposure	Net exposure
IT and telecom	94.6	16.6	76.2	14.8
Industrials	62.4	49.6	44.7	41.6
Consumer goods	32.7	26.4	32.3	27.5
Utilities	30.7	14.7	19.5	9.2
Materials	27.4	15.8	23.4	16.1
Finance	13.3	19.1	21.8	10.1
Energy	4.1	0.7	1.2	0.1
Healthcare	2.8	2.3	2.8	2.5
Other	0.2	0.2	0.2	0.2
Total	268.2	145.4	222.1	122.1

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. Market risk is managed operationally by the Treasury function. 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 are 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 to 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 2022, the risk to NII from changes in interest rates and cross-currency basis spreads amounted to Skr 201 million (year-end 2021: Skr 200 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, 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 2022, sVaR for positions affecting own funds amounted to Skr 83 million (year-end 2021: Skr 124 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 following table.

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 tenors which are not swapped to three month tenors.
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 2022".

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 percent).

Skr mn	2022		2021	
	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	-101	167	-268	162
Swedish kronor	-351	18	-109	121
Total	-452	185	-377	283

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 percent).

Skr mn	2022		2021	
	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	129	-179	579	-165
Swedish kronor	437	-15	256	-115
Total	566	-194	835	-280

Assets, liabilities and derivatives denominated in foreign currency

Assets, liabilities and derivatives denominated in foreign currency (meaning currencies other than Swedish kronor) have been translated to Swedish kronor using the exchange rates applying at year-end between the currency concerned and Swedish kronor.

The relevant exchange rates for the currencies representing the largest shares in the Group's net assets and net liabilities in the bal-

ance sheet were as shown in the table below (expressed in Swedish kronor per unit of the particular foreign currency). Share at year end is the share of the total volume of assets and liabilities denominated in foreign currency. Currency positions at year-end are the net for each currency of all assets and liabilities in the balance sheet. The figures shown are carrying amounts.

Currency	December 31, 2022			December 31, 2021		
	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	11.1122	1	-178	10.2431	1	-242
USD	10.4055	1	-133	9.0356	0	-50
JPY	0.0788	0	24	0.0785	0	9
GBP	12.5567	0	-63	12.2119	0	-51
MXN	0.5360	1	-121	0.4408	1	-105
THB	0.3011	0	3	0.2709	0	-4
Other	-	0	107	-	0	-19
Total foreign currency position		3	-361		2	-462

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 13 million (year-end 2021: Skr 5 million) at year end. Assets and liabilities denominated in foreign currency are included in the total volumes of assets and liabilities in the following amounts.

Skr mn	December 31, 2022	December 31, 2021
Total assets	375,474	333,647
of which, denominated in foreign currencies	291,952	262,056
Total liabilities	353,899	312,839
of which, denominated in foreign currencies	292,313	262,518

Liquidity risk and financing 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.

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's risk appetite for both operational and structural liquidity risk is low and SEK's overall strategy is to reduce the liquidity risks arising from SEK's business strategy.

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. For information on the credit facility, see Note 27.

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 amount to SEK's liquidity portfolio. The size of the liquidity portfolio is adapted to cover outflows, outside the CIR-system, attributable to: 1) committed undisbursed loans, 2) CSAs with derivative counterparties, 3) outflows attributable to short-term borrowing transactions and 4) budgeted new lending. The target for SEK's new lending capacity is to facilitate at least 60 days 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 refinancing risk is allowed.

SEK has a contingency plan for the management of liquidity crises, which is issued by the CEO. 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 for 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 2022".

Note 26, continued

Liquidity reserve¹

Skr bn	December 31, 2022				
	Total	SKR	EUR	USD	Other
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	30.1	4.7	7.2	18.1	0.1
Securities issued or guaranteed by municipalities or other public entities	27.9	10.1	1.6	16.2	-
Covered bonds issued by other institutions	12.0	12.0	-	-	-
Balances with National Debt Office	3.0	3.0	-	-	-
Total liquidity reserve	73.0	29.8	8.8	34.3	0.1

Skr bn	December 31, 2021				
	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

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

Liquidity investments by remaining maturity ("M")

Percent	Dec 31, 2022	Dec 31, 2021
M ≤ 1 year	90	84
1 year < M ≤ 3 years	10	16
M > 3 years	-	-

Key figures for liquidity risk

Percent	Dec 31, 2022	Dec 31, 2021
LCR under EU Commission's delegated act	311	463
NFSR	119	139

Liquidity investments by exposure type

Percent	Dec 31, 2022	Dec 31, 2021
States and multilateral development banks	46	40
Local governments	37	23
Covered bonds	16	19
Financial institutions	1	15
Corporates	-	3

Note 26, continued

Contractual flows

Skr mn	December 31, 2022						Total cash flow	Discounting effect	Carrying amount
	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			
Financial assets									
Cash and cash equivalents	4,053	-	-	-	-	-	4,053	7	4,060
Treasuries/government bonds	4,149	8,749	2,223	-	-	-	15,121	-73	15,048
Other interest-bearing securities except loans	12,983	17,791	19,706	7,685	-	-	58,165	-1,021	57,144
Loans in the form of interest-bearing securities	368	317	9,257	22,498	14,449	17,893	64,782	-10,525	54,257
Loans to credit institutions	10,824	271	2,485	2,389	1,970	5,285	23,224	-1,079	22,145
Loans to the public	6,020	12,350	34,214	84,867	45,683	52,149	235,283	-27,546	207,737
Derivatives	1,035	2,700	3,485	1,066	1,065	2,682	12,033	-1,729	10,304
<i>of which cash inflow in currency derivatives</i>	5,461	17,826	43,773	14,767	6,076	6,012	93,915		
<i>of which cash outflow in currency derivatives</i>	-4,544	-15,538	-40,380	-14,257	-5,250	-5,288	-85,257		
Total	39,432	42,178	71,370	118,505	63,167	78,009	412,661	-41,966	370,695
<i>of which derivatives in hedge relationship</i>	-16	59	130	257	608	1,079	2,117	-531	1,586
December 31, 2022									
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	Discounting effect	Carrying amount
Financial liabilities									
Borrowings from credit institutions	-7,153	-	-	-	-	-	-7,153	0	-7,153
Borrowings from the public	-	-	-	-	-	-	-	-	-
Debt securities issued	-12,894	-31,803	-105,290	-121,741	-42,690	-49,181	-363,599	44,482	-319,117
Derivatives	-1,398	-3,467	-4,440	-3,407	632	673	-11,407	-1,781	-13,187
<i>of which cash inflow in currency derivatives</i>	881	10,948	15,660	25,532	4,782	3,793	61,596		
<i>of which cash outflow in currency derivatives</i>	-1,064	-13,306	-17,293	-28,734	-5,069	-4,582	-70,048		
Total	-21,445	-35,270	-109,730	-125,148	-42,058	-48,508	-382,159	42,701	-339,457
<i>of which derivatives in hedge relationship</i>	-426	-967	-5,642	-5,083	-546	-513	-13,177	943	-12,234
Commitments									
Committed undisbursed loans	-4,871	-860	-26,663	-16,224	201	48,415			
Liquidity surplus (+)/ deficit (-)	13,116	6,048	-65,023	-22,867	21,310	77,916	30,500		
Accumulated liquidity surplus (+)/deficit (-)	13,116	19,164	-45,859	-68,726	-47,416	30,500	30,500		

In addition to the instruments in the Statement of Financial Position and committed undisbursed loans, SEK has outstanding binding offers of Skr 0.2 billion (year-end 2021: Skr 1.5 billion) as well as additional available funds consisting of a credit facility with the Swedish National Debt Office, see Note 27. With regard to deficits in cash flow with maturities between one and three months and one and three years, SEK intends 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 on the maturity date regardless of whether SEK or the counterparty has the right to invoke repayments. Liabilities where only SEK has the right to early repayments are assumed to be repaid on the 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 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.

Note 26, continued

Skr mn	December 31, 2021							Total cash flow	Discounting effect	Carrying amount
	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				
<i>Financial assets</i>										
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	
<i>of which cash inflow in currency derivatives</i>	912	13,274	21,973	41,766	5,075	4,071	87,071			
<i>of which cash outflow in currency derivatives</i>	-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	
<i>of which derivatives in hedge relationship</i>	-7	205	374	688	222	1,597	3,079	-418	2,661	
December 31, 2021										
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	Discounting effect	Carrying amount	
<i>Financial liabilities</i>										
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	
<i>of which cash inflow in currency derivatives</i>	888	16,122	10,459	8,188	8,942	5,107	49,706			
<i>of which cash outflow in currency derivatives</i>	-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	
<i>of which derivatives in hedge relationship</i>	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			

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 risk appetite for operational risk is low, which means that SEK does not accept any severe operational risks in its business. Active work is carried out to avoid and reduce operational risks to a level where they neither hinder nor prevent the implementation of SEK's strategy and business plan. Costs associated with reducing operational risks must be reasonable and in proportion to the intended effects and the expected results of the mitigating actions. Managers of each of the

various SEK functions are responsible for the effective management of operational risk within their own function. To support operational risk management, SEK works in compliance with internal 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 function reports to executive management and to the Board's Finance and Risk Committee.

Risk measurement

SEK measures and reports operational risk levels at least every quarter. The risk level is based on an assessment of expected loss from risks with high ratings, the scope of loss due to incidents, key risk indicators

Note 26, continued

and whether any breaches of rules related to 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 of each reported risk event 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 it is unable to manage.

All functions within SEK perform regular self-assessments of their operations in order to identify and reduce major risks. These assessments include identification of ICT and cyber security 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 2022".

Sustainability risk

Sustainability risk is defined in the Risk policy as 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 include rights from the child's perspective and 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.

ESG factors are environmental, social and governance-related factors that could potentially have a positive or negative effect on the financial position or solvency of SEK's counterparties and, ultimately, SEK's financial risks. ESG factors have been integrated into SEK's assessment of counterparties' creditworthiness and the Company will also start work to review the potential impact of the ESG factors on other types of risks.

Risk management

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. These principles also form the basis of the company's risk appetite for sustainability risk. SEK shall fulfill the risk appetite for sustainability risk by working preventive, detective and perform follow-up procedures. SEK uses a risk based approach for managing sustainability risks. This means that the SEK performs more and deeper analysis for transactions with a higher risk. SEK only engages in transactions for which SEK has conducted procedures for gaining understanding of the company and its business relations (know your customer activities) in accordance with current regulations. The international sustainability guidelines that govern SEK's operations are described in Sustainability Note 4 and Sustainability Note 10. SEK's process for managing sustainability risks is a part of the regular credit process, which is further described on pages 35-36 and 98-99. More detailed information regarding SEK's process for managing sustainability risk can be found in Sustainability Note 4.

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 ownership checks 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 potentially have a 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 operation in a non-transparent tax jurisdiction.

For a more detailed description of SEK's process for handling sustainability risk "impact-out" see Sustainability Note 4. For a more detailed description of the process for handling sustainability risk "impact-in" see Sustainability Note 6.

Risk monitoring

Sustainability risk is monitored through regular analysis of elevated risks, follow-up of the Company's risk appetite 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 2022".

Note 27. Transactions with related parties

SEK defines related parties to the Parent Company and the Consolidated 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, 43 percent (year-end 2021: 44 percent) of the Company's loans outstanding on December 31, 2022, were guaranteed by the Swedish government. The remuneration to EKN for the guarantees paid by SEK during 2022 amounted to Skr 46 million (2021: Skr 45 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 175 billion (2021: Skr 200 billion) credit facility with the Swedish National Debt Office. The credit facility can be used for loans covered by the CIRR-system up to Skr 162 billion (2021: Skr 185

Note 27, continued

billion), and for commercial export financing up to Skr 13 billion (2021: Skr 15 billion). During the first quarter of 2022, SEK repaid the draw-down of Skr 10 billion that was made from the credit facility during the first quarter of 2020. In December, 2022, the credit facility was extended with Skr 175 billion through 2023, of which Skr 35 billion can be used for commercial export financing.

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.

Skr mn	2022					
	The shareholder, the Swedish government		Companies and organizations controlled through a common owner, the Swedish government		Total	
	Assets/ liabilities	Interest income/ interest expense	Assets/ liabilities	Interest income/ interest expense	Assets/ liabilities	Interest income/ interest expense
Cash	3,000	20	-	-	3,000	20
Treasuries/government bonds	-	2	-	-	-	2
Other interest-bearing securities except loans	3,499	24	2,185	11	5,684	35
Loans in the form of interest-bearing securities	-	-	5,349	64	5,349	64
Loans to credit institutions	-	-	2,417	54	2,417	54
Loans to the public	-	-	691	24	691	24
Settlement claim against the State ¹	17	-	-	-	17	-
Total	6,516	46	10,642	153	17,158	199
Borrowing from the public	-	-	-	-	-	-
Other liabilities	-	2	-	-	-	2
Settlement debt against the State ¹	8,509	-	-	-	8,509	-
Total	8,509	2	-	-	8,509	2
Skr mn	2021					
	The shareholder, the Swedish government		Companies and organizations controlled through a common owner, the Swedish government		Total	
	Assets/ liabilities	Interest income/ interest expense	Assets/ liabilities	Interest income/ interest expense	Assets/ liabilities	Interest income/ interest expense
Cash	2,000	-	-	-	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 interest-bearing 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	-
Settlement debt against the State ¹	-	-	-	-	-	-
Total	10,147	-	-	4	10,147	4

¹ For information about settlement claim or debt against the State, see Note 16, Note 19 and Note 24.

Note 28. Reference interest rate reform

Since the 2010s, there has been 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 swaps to floating interest rates. The main floating interest rate exposures relate to USD LIBOR, STIBOR and EURIBOR. LIBOR is the group of benchmark interest rates that currently has a timed settlement plan. GBP LIBOR, CHF LIBOR, EUR LIBOR, JPY LIBOR and USD LIBOR 1W and USD LIBOR 2M ceased on December 31, 2021. For USD LIBOR, the rest of the maturities will expire after June 30, 2023. For EURIBOR and STIBOR, no such end date has been communicated, but the general opinion is that these will continue to exist for the next few years. Outstanding exposures with a reference interest rate of USD LIBOR and a maturity after June 2023 will be converted during the period up to June 30, 2023. Change of reference interest rate during the reform will be carried out with the intention that the change shall be financially neutral for each party. SEK has lending contracts and derivative contracts maturing after June 30, 2023 in USD LIBOR with a nominal amount of USD 1,682 million (year-end 2021: Skr 1,870 million) and USD 19,063 million (year-end 2021: Skr 19,284 million), respectively. The nominal amount of the hedging instruments directly affected by the IBOR reform amounts to Skr 81,590 million (year-end 2021: Skr 105,440 million).

SEK has adhered to the 2020 ISDA Fallback Protocol, which sets a market standard for handling the conversion of derivatives to a new reference interest rate between counterparties during the reference interest rate reform. For lending contracts, conversion is handled by agreement. SEK has applied the relief under IFRS 9 Reform for new reference rates.

SEK has been working since 2018 to prepare the company for the reference interest rate reform. The work includes changes in systems, processes, agreements, pricing and risk models to manage the new risk-free reference rates (RFRs) that replace LIBOR. 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 the uncertainty regarding future reference interest rates will remain until the hedging instruments are converted.

Note 29. Events after the reporting period

No events with significant impact on the information in this report have occurred after the end of the reporting period.

Sustainability notes

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Note 1. Information about the Sustainability Report

Sustainability Report in accordance with the Swedish Annual Accounts Act

SEK's Sustainability Report is integrated into the company's annual report. The sustainability information is integrated together with other information in the Report of the Directors, Financial Statements and Notes and Sustainability Notes.

For a description of the business model, see page 6-7. The Sustainability policy and the results of policy can be found under Targets and outcomes on page 22-24, in Note 26 and Sustainability Note 4-10. Sustainability risks are described in the Risk and capital management section, see pages 35-36, in Note 26 and in Sustainability Note 4-9. Performance indicators are reported under Targets and outcomes on pages 22-24, under Key performance indicators on page 30, and in Sustainability Note 5-10.

GRI

SEK's Sustainability Report pertains to the 2022 calendar year and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. 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 2021 calendar year and was published in February 2022. This report regarding 2022 was made public on February 28, 2023.

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 the year worked with mapping and clarifying the reporting principles for the sustainability information, which have been explained under Sustainability Note 12. In addition, SEK have worked further with the integration between financial- and sustainability reporting. The following material changes have been made in the 2022 Sustainability Report. A new sustainability note, financial crime prevention, has been added. In addition to this, SEK's process for managing sustainability risks in the lending process have been clarified, and updated due to GRI 2021 have been implemented.

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 6-7.

Stakeholder dialogue 2022

SEK uses various forums for stakeholder dialogue: employee and customer surveys carried out every two years (latest 2022); and meetings with investors and companies regarding green and sustainable financing takes place continuously. During the year, SEK has conducted dialogue in various formats, including a customer and employee survey.

In addition to this, SEK engaged in dialogue with several investors during the issuing under SEK Sustainability Bond where sustainability was a central point and issues such as data needs, impact measurement and management of sustainability risks were raised.

A large share of the work SEK has conducted during 2022 has been preparing for coming regulatory requirements for sustainability reporting. The structured stakeholder dialogue which is conducted to provide input for the materiality assessment has however been postponed. SEK is planning to conduct an in depth stakeholder dialogue under the implementation of CSRD.

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 2022.

Stakeholders	Dialogue form	Key topics in 2022	General expectations
Swedish government (owner)	Owner policy, mission, owner instruction, Board representation, regular discussions and meetings, and network meetings.	The government has imposed on the export credit system, restrictions in terms of financing the exploration and extraction of fossil fuels and wishes to review how the Swedish and international export credit systems will contribute to a clear transition and sharply reduced greenhouse gas emissions. Moving forward, it is considered important to perform a climate calculation of the lending portfolio. The Swedish government, through the Ministry for Foreign Affairs, has joined the Export Finance for Future (E3F) coalition to promote and support a shift in investment patterns toward climate-neutral and climate-resilient export projects.	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	Client dialogues, meetings and surveys, export and sustainability topics, network meetings and delegations.	Proactive financing solutions for international and domestic transition projects. Restrictions for the financing of fossil fuels are based on regulatory requirements.	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 the UN Sustainable Development Goals in Agenda 2030. Transition towards activities classified as green according to the EU taxonomy for sustainable activities.	Collaboration on sustainability topics. Transparency and integrity of sustainability criteria. Issue green, social and sustainability-linked bonds as well as bonds linked to the global Sustainable Development Goals and the EU taxonomy.
NGOs and civil society	Meetings, round table discussions, questionnaire on sustainability topics and reports.	Civil society emphasize that restrictions for the financing of fossil-based operations should be introduced. They also believe that export credits can play a vital role in promoting the energy transition in countries with limited resources. 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-related power generation.
Employees	Discussions, meetings, employee survey and workplace dialogues with trade unions.	Adjusting to a flexible way of working, i.e. the hybrid workplace (office and remote). Focus has been on working flexibly and finding a balance between work and leisure time.	A responsible employer who promotes sustainability, offers a good working environment and ensures good conditions to do good work, including good development opportunities.

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.

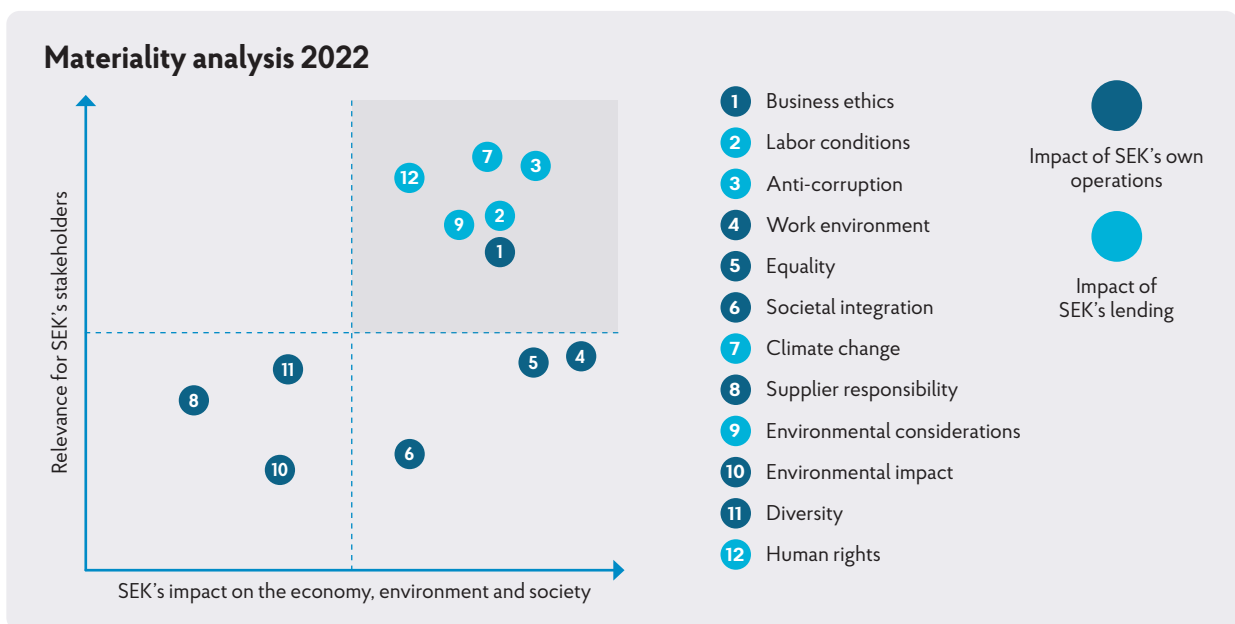
Method

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 sus-

tainability 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 2022 Sustainability Report, no 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 5–11.



Note 4. Management approach

Owner

The owner's governance of sustainability is executed through the state's ownership policy and owner instruction, and through the Articles of Association, the general meeting of shareholders, the Board and the CEO.

As set out in the State's ownership policy, as a state-owned company, SEK is to set a positive example for sustainable business, which primarily means that SEK is to:

- work strategically, integrate the topics in its business strategy and adopt strategic sustainability targets
- work transparently in matters concerning material risks and opportunities and maintain an active dialog with the company's stakeholders in society
- work together with other companies and relevant organizations
- comply with international guidelines in the area of sustainability

According to the owner instruction, SEK shall:

"...promote compliance with international guidelines within the area of sustainable business relating to the environment, anti-corruption, human rights, labor conditions and business ethics. Where relevant when making credit assessments, comply with international frameworks, such as the OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence or the Equator Principles, and observe the OECD's Recommendation of the Council on Sustainable Lending Practices 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 that has been calibrated in 2022. These are described in more detail in Sustainability Note 6.

Organization and division of responsibility

In 2022 SEK has implemented a reorganization which consolidated the structure of sustainability efforts under management of a central function. SEK's organization regarding the company's sustainability work is described in SEK's Corporate Governance Report 2022.

International sustainable business guidelines

The international sustainability guidelines that govern SEK's operations are the following: The Equator Principles, the Ten Principles in the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the UN Convention on the Rights of the Child, the OECD Guidelines for Multinational Enterprises, the OECD's Conventions and Guidelines within Anti-corruption, the OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence, and the OECD's Recommendation of the Council on Sustainable Lending Practices and Officially Supported Export Credits. SEK stands behind the UN Sustainable development goals and works to contribute to the goals through SEK's financing. In addition, SEK is also working to reduce potential negative impacts on the targets.

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
- ICC Sweden's CSR reference group
- UN Global Compact's Swedish network
- Enact, sustainability reporting network

In 2016, SEK joined the Fossil Free Sweden initiative, which aims to showcase participants that, through their operations, contribute to solving climate issues and to reaching the goal of a fossil-free society. SEK's activities to contribute to the initiative includes among other things, financing of transition projects and a financing strategy to support Fossil Free Sweden's roadmap.

Policy documents

SEK's policy documents lay the foundation for the company's work to accelerate the transition and to ensure sustainability aspects are included and considered in the operations. SEK's Sustainability finance policy sets out the fundamental principles for SEK's credit granting and liquidity investments. The business plan lays the foundation and sets the direction for SEK's sustainability work, and towards the agenda of being a force in the transition. These policies stipulate a long term direction for SEK towards a more sustainable business and portfolio, and limits activities or businesses that is not in, or deemed to be able to transition into being in accordance to SEK's policies and mission. Sustainability risks are an integral part of SEK's risk policy and related documents, see page 35-36. SEK's risk appetite and risk policy sets out the conditions for whether SEK can, or cannot, enter deals based on a risk perspective. Included in this is requirements on good governance and social issues such as human rights and working conditions. The instruction for managing sustainability risk stipulates how sustainability risks are identified and managed within the organization. SEK's most central part of the business is the credit granting, however SEK also sets requirements for sustainability aspects in the purchasing process as well as in the own operations. These are included in the code of conduct, supplier code of conduct, and personnel policy.

SEK's policy documents are central to the business, and is implemented through internal rules, method statements and statements of procedures, to ensure that the policies are implemented in the operations. The board of directors are ultimately responsible for approving the policies.

Activities in 2022

During 2022, SEK has worked with continuous evaluation of the long-term targets that was set in 2021. The focus has been on definitions and methods to measure progress, as well as to continuously ensure that SEK's ambitions and definitions within sustainability are up to date, taking into account a quickly developing outside world. In addition to this, SEK has worked on preparing the organization for the regulatory changes and additions within sustainability and ESG, read more under sustainability note 6 for more information regarding this.

Managing sustainability risks in SEK's lending

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.

SEK's process for managing sustainability risks is a part of the regular credit analysis process, which is further described on page 35-36 and 114. The efforts are dynamic and based on risk, for example a higher degree of risks identified would trigger a deeper analysis. The process is described further on the next page.

Managing sustainability risks in SEK's procurement process

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 2022, SEK procured products and services to a value of around Skr 373 million. The greatest cost items for procurements are office hire, IT systems, consultancy services, market data and legal counsel. SEK has approximately 780 suppliers, of which 600 are based in Sweden, the remainder of which are predominantly based in Europe or the US.

SEK's process for managing sustainability risks

Initial screening

When a business enquiry is received, any potential sustainability risks are identified using the compiled information about the transaction. Such information includes, inter alia, the purpose of the financial and commercial transaction, the parties to the transaction as well as their location, the payment flows linked to the transaction, the goods or services being exported, and the end use of the goods or services, including said end use's geographical locations. SEK must gradually cease financing fossil fuels and does not finance coal mines, coal power, coal transport or new oil power plants.



In-depth analysis of sustainability risk and capacity

Potential sustainability risks are identified and assessed based on levels for the country, counterparty or transaction. Countries are assessed according to the risk of corruption, negative impact on human rights and the risk of money laundering, terrorist financing and tax jurisdiction. 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 sustainability-related incidents that could indicate a deficient capacity to manage sustainability risks. If the assessment identifies an elevated sustainability risk, an in-depth assessment is conducted by a sustainability analyst. This entails assessment of the parties' capacity to manage identified sustainability risks, whether said sustainability risks are within SEK's risk appetite for sustainability risks and recommends the setting of required actions will enable sustainability risks to be managed pursuant to SEK's risk appetite for sustainability risks during the term of the credit.

Decision point

Based on analysis of whether or not SEK should participate in the transaction



Outcome 2022

In 2022, 1,049 transactions have undergone initial screening and increased sustainability risk has been identified in 87 cases. In-depth corruption analysis has been carried out for 31 transactions in the countries of Angola, Brazil, DR Congo, Ivory Coast, Indonesia, Mexico, Thailand and Vietnam. In-depth human rights analysis has been carried out for 44 transactions in the countries Angola, DR Congo, Ivory Coast, Mexico, Poland, Saudi Arabia, Slovakia, Thailand, Turkey and Vietnam. During the year, in-depth analysis took place for 12 A and B projects in the countries Angola, Brazil, the Ivory Coast, Finland, Ghana, Iraq, China, Sweden and Turkey. In accordance with guidelines for project-related financing, sustainability requirements have been included in the credit agreement, read more under sustainability note 10, project-related financing.



How are transactions followed up?

Category A and B projects are reported, whereby sustainability analysts follow up management of the sustainability clauses in the credit agreement during the term of the loan agreement. Non-compliance with the agreed conditions results in the initiation of a dialogue with and requirements being set for the borrower by preparing an action plan to manage risks and deviations, which are monitored on an ongoing basis. Other non-project-related transactions are continually monitored through Adverse media searching as well as in the event of an occurrence that entails invoking covenants in the loan agreement.

Decision point

Decision on whether SEK should continue the transaction or not



Board evaluation

Each quarter, SEK assesses and reports risk levels for sustainability risk to the Board. The functions for compliance, risk and internal audit monitor the management of operational risk pursuant to SEK's risk appetite, compliance with policy documents, and that preventative and investigative controls function for the purpose of managing identified risks.

Note 5. Sustainability labeled loans

SEK's offer in sustainable financing is: green, social and sustainability-linked loans. The table displays SEK's sustainability-labeled loans according to SEK's framework. Financing comprises the foundation of SEK's operations and is the aspect where SEK exerts the greatest opportunity to influence. SEK has adopted several long-term goals with the aim of being a force for transition in the area of credit granting. These are described in more detail in Sustainability Note 6.

Green loans

SEK offers green loans that promote the transition to a climate-smart economy. Green loans are categorized according to the "SEK Sustainability Bond Framework" and "SEK Green Bond Framework", SEK's framework for green bonds. Green loans are financed via SEK's green bonds. SEK has targets regarding green loans, read more in Sustainability Note 6.

Sustainability-linked loans

Sustainability-linked loans are working capital 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 are based on 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.

SEK measures the indirect environmental impact of green loans, in terms of greenhouse gas emissions, based on the method stated in the International Financial Institution Framework for a Harmonized Approach to Greenhouse Gas Accounting, November 2015 and in accordance with "SEK Sustainability Bond Framework" and "SEK Green Bond Framework". The estimated reduction in reported greenhouse gas 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)	2022	2021
Green loans		
Total volume ¹	29,483	35,106
<i>of which loans in the balance sheet</i>	25,900	17,993
<i>share of total loans in the balance sheet</i>	9.5%	7.5%
New lending	7,350	11,530
<i>of which committed but undisbursed</i>	2,858	8,310
<i>of which guarantees</i>	725	150
New green borrowing	9,001	6,100
Outstanding green borrowing	19,109	12,032
Annual CO ₂ e reductions from green projects (tons CO ₂ e)	>5,750,605	>5,240,000
Social loans		
Total volume ¹	3,206	1,904
<i>of which loans in the balance sheet</i>	1,095	0
<i>share of total loans in the balance sheet</i>	0.4%	0%
New lending	3,800	1,904
<i>of which committed but undisbursed</i>	2,111	1,904
Sustainability-linked loans		
Total volume ¹	5,654	1,690
<i>of which loans in the balance sheet</i>	5,654	1,546
<i>share of total loans in the balance sheet</i>	2.1%	0.5%
New lending	3,265	1,690
<i>of which committed but undisbursed</i>	-	145
Total sustainability labeled volume	38,343	38,701
Total sustainability labeled loans in the balance sheet	32,649	19,539
Share of total loans in the balance sheet	12%	8%
Total loans in the balance sheet	273,448	237,224

¹ Total volume includes loans in the balance sheet, as well as committed but undisbursed loans and guarantees.

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). 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 risks and opportunities arise in SEK's business model. SEK's direct carbon footprint is essentially limited to business travel and the head office. By analyzing and presenting the financial impact of climate-related risks on SEK (impact-in) as well as the impact that SEK through its operations has on the climate (impact-out), SEK applies a double materiality perspective to climate-related risks, which is also a central element of this note.

Climate-related financial and non-financial risks

Different climate-related factors can have a positive or negative financial impact on companies, countries or individuals.

Climate-related financial risks are divided into two categories: transition risks and physical risks. Transition risks are risks that arise in businesses for example as the result of, changes to policies, laws and regulations, technological changes and behavioral changes. Physical risks pertain to risks that businesses are exposed to as the result of acute climate-related factors/events, such as extreme weather and chronic changes in climate patterns such as rising sea levels.

The causal chains that explain how climate-related factors and risks impact companies like SEK through their counterparties are called transmission channels. Transmission channels for example include: lower profitability, higher costs for regulatory compliance, increased legal costs, lower household purchasing power, increased operational costs, impairment losses, difficult or expensive insurance cover, difficult to obtain or expensive financing, supply chain disruptions and the displacement of labor.

Transmission channels can affect SEK's traditional risks, that is credit risk, market risk, operational risk, concentration risk, strategic risk and reputational risk. Currently, SEK identifies, analyzes and manages climate-related financial risks primarily through the company's credit process.

SEK defines climate-related non-financial risk (impact-out) as the risk of SEK's activities directly or indirectly have 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 as well as to other activities with high levels of emissions. SEK adheres to the Equator Principles and the OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence, which are based on the sustainability standards of the International Finance Corporation (IFC) and which include thresholds for greenhouse gas emissions for project-related financing.

Development in the regulatory environment

Several new regulations have been implemented to integrate climate-related risks, and opportunities, in the regulations governing the financial sector. Additional regulations are being developed and will be implemented further on. The Supervisory Framework (Guidelines for the Supervisory Review and Evaluation Process) and the regulations on internal governance have been updated, and further guidelines and best practice interpretations of the regulations are in pipeline. In short, management of climate-related risks and opportunities must be integrated into existing business practices and risk frameworks, reported and disclosed.

SEK has developed internal rules and processes to integrate climate-related risks and opportunities. The work is still ongoing and includes integration into the business strategy, products, reporting, risk classification, systems and disclosure routines. In addition to the information contained in these sustainability notes there is information on climate-related risks in SEK's pillar 3 report.

The export credit system

The export credit system, together with private banks and investors, plays a key role in enabling climate investments in domestic production and renewable energy systems as well as in financing Sweden's export offering to major global transition projects.

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 can contribute to a clear climate transition and reduce greenhouse gas emissions, in line with the Paris Agreement. In the same year, EKN – together with the Swedish Export Credit Corporation (SEK) – submitted a report to the government which presented 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 the actions taken by other countries and individual companies. It also described 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, by stimulating 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. As part of these efforts and in the form of the Swedish export credit system, SEK and EKN have also begun collaborating on preparing a joint climate report.

SEK's and EKN's joint scientific climate council

To raise the level of expertise of the export credit system on climate issues and to 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 guiding the Swedish export credit system, meaning EKN and SEK's operations. More specifically, 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 have been addressed in the climate council include the role of natural gas for the energy transition of low- and middle-income countries, and how the updating of countries' and companies' undertakings, including 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 company's decision processes for individual business transactions. For more information, refer to www.sek.se.

Governance of climate-related risks and opportunities

SEK's climate-related work is integrated into the company's overall corporate governance procedures. The company's sustainability work, which includes climate-related elements, is primarily governed by the state's ownership policy and guidelines for state-owned companies, as well as the owner's instructions. Guiding the company's sustainability work where climate-related elements are included are international rules and guidelines.

The State's ownership policy

As set out in the State's ownership policy, as a state-owned company, SEK shall set a positive example for sustainable business, which primarily means that the company is to:

- work strategically, integrate the topics in our 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; and
- comply with international guidelines in the area of sustainability.

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 con-

ducted within SEK. The governance of climate-related issues is an integral part of SEK's strategy and business planning, and of SEK's risk framework and credit decisions. Ultimately, the Board of Directors decides strategy and goals as well as policy documents such as the Sustainable Finance Policy, Risk Policy and Credit Policy.

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 greenhouse gas emissions by 2045;
- The share of green loans in SEK's lending portfolio shall increase to 50 percent by 2030; and
- 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 below.

Sustainable finance policy

The Board of Directors resolves on the "Sustainable finance policy", which stipulates the basic sustainability-linked principles and positions for credit granting and liquidity investment. Principle 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 businesses 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

SEK's Risk Policy 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.

Credit Policy

The Credit Policy sets the preconditions for SEK's lending transactions and credit risk management and is based on the Risk Policy issued by the Board. The Credit Policy sets out that credit granting must also be aligned with SEK's mission based on its owner instruction. SEK exercises overall control of its credit risks pursuant to a number of fundamental principles, including SEK's risk appetite for sustainability and its Sustainable Finance Policy. The Credit Policy states specifically that credit granting must be on sustainable terms and based on in-depth knowledge of SEK's counterparties and business transactions. Compliance and sustainability risks that include climate-related components must be identified, analyzed and managed prior to granting credit.

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.

Control, monitoring and reporting

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 and that risk management is effective and appropriate.

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. Climate-related com-

ponents, as part of the work with credit granting and sustainability, are included in these processes.

Strategy for climate-related risks and opportunities

SEK has integrated the management of climate-related factors into its business model, strategy and financial planning. Moreover, SEK has extended the horizon for its strategic planning to at least ten years so as to ensure that the company identifies climate-related risks that often materialize in the long term. SEK's strategic work to reach its set targets and to manage climate-related risks and opportunities consists of the following main activities:

- Limit and cease lending to fossil fuels;
- Engage the operations in clients' transitions; and
- Increase the share of green lending.

Limit and cease lending to fossil fuels

An important component of SEK's climate-related strategy to reduce GHG emissions, and to thereby reduce financial and non-financial climate-related risks, is to limit and then cease lending to fossil fuel assets. These limitations are stipulated in SEK's "Sustainable Finance Policy" and in the Board's Risk appetite. Pursuant to this policy, SEK will gradually phase out fossil fuel financing. SEK does not finance coal mining, coal-fired power, coal transportation or new oil-fired power plants. After December 31, 2022, oil and gas exploration or production is no longer financed. New gas-fired power plants are only financed in exceptional cases during a transitional period. SEK may finance projects and activities with high GHG emissions where fossil-free alternatives have not yet been developed, such as fossil fuels for industrial use, provided the project is expected to make a positive contribution to the transition over time. When financing projects or activities with high GHG emissions, for example the activity's total life-cycle GHG emissions, lock-in effects and transition plans in line with the 1.5°C goal of the Paris Agreement are taken into account.

Engage the operations in clients' climate transitions

To be a driving force in the transition, SEK must continuously improve its understanding and management of climate risks as well as work actively on solutions for high-emitting assets. SEK works strategically to increase its outreach to key industries for the climate transition and prioritizes clients with high potential to reduce GHG emissions.

By offering financing solutions to companies that are realigning their operations based on science-based climate targets, SEK can help enable the transition and reduce climate-related risks. To this end, SEK offers, inter alia, sustainability-linked loans aimed at contributing positively to adapting a company's entire operations to the climate transition.

Increase the share of green lending

To direct investments toward more sustainable operations and thus contribute to the goals of the Paris Agreement, SEK has set targets concerning lending on green assets. The requirements for classification as a green asset are set out in the "SEK Sustainability Bond Framework," which adheres to the EU Taxonomy for environmentally sustainable economic activities. Green assets are described in more detail in Sustainability Note 5.

The export credit system's shared strategy for promoting the climate transition

SEK has also prepared a shared strategy and action plan, together with EKN, to align the export credit system with the goals of the Paris Agreement. The shared climate commitment of the export credit system forms the basis for these efforts to align the system with the Paris Agreement. The export credit system's joint formulated strategy consists of:

- A shared position related to cease financing and granting guarantees for fossil fuels (collaboration with exporters/clients);
- Incentivize export transactions that promote the climate transition (collaboration with exporters/clients);
- Finance the green transition in Sweden;
- Establish a joint scientific climate council;
- Increase international collaboration; and
- Increase the export credit system's transparency through a joint climate report.

One of the action plan's key components entails increasing transparency with the aim of providing the export credit system's principals, the export industry, the general public and other stakeholders with insight into how the system's credits and guarantees impact the climate, both positively and negatively, as well as the shared actions being worked on to strengthen the competitiveness of the export industry and drive the climate transition forward.

Risk Management

SEK's processes for identifying, analyzing, assessing and managing climate-related financial and non-financial risks are integrated with the management of other operational risks. Climate-related risks are part of SEK's risk framework in which financial climate-related risks are indirectly included in credit risk (impact-in) while non-financial climate-related risks are analyzed within the framework of sustainability risk (impact-out).

Method for identifying financial climate-related risks

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.

In accordance with future regulatory requirements, SEK has also started development of a method for calculating and reporting the company's scope 3 emissions, that is the company's financed GHG emissions. This is crucial for SEK's ability to measure and follow up on climate-related targets. The method being analyzed for this purpose is known as the portfolio adjustment method and, when fully developed, will enable SEK to continuously monitor how aligned the portfolio exposures are with emissions-related targets.

Analysis of exposures sensitive to climate-related risks

At least once each quarter, SEK's risk function follows up exposures that are exposed/sensitive to climate-related risks and reports on these to management and the Board. The method used for this purpose will be developed in the coming years. Refer to the table of exposures exposed/sensitive to climate-related risks in the Metrics and Targets section below.

ESG factors in the credit rating process

SEK has a process for the identification, evaluation and assessment of ESG factors (including climate-related financial risks) within the framework of SEK's rating process. In November 2021, SEK reported the updated method including underlying work processes to the Swedish FSA so that ESG factors (including climate-related transitional and physical financial risks) would be more clearly included in the credit rating process for SEK's corporate counterparties. The revised methodology, work processes and structure were implemented during the year and have enabled more efficient and appropriate analysis. The ambition is to further develop this work in the coming years.

The resilience of SEK's strategy and business model in different scenario analyses

Climate-related scenario analyses and stress tests are conducted to identify transition risks and to assess how these risks could impact the operations that SEK finances as well as SEK's financial position and capital ratio.

This year's scenario analyses and stress tests for transition risk are based on two scenarios that have been developed by the International Energy Agency's (IEA) "World Energy Outlook": "Stated Policies Scenario" and the "Net Zero by 2050 Scenario." The Net Zero Scenario represents a large and fast transition in the energy sector with the objective of limiting the average global temperature increase to a maximum of 1.5°C. Stress tests are conducted by applying estimated negative or positive changes in companies' credit ratings (rating), 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. See the table of sectors with the greatest change in rating below. When performing stress tests, SEK has made a simplified assumption that the current lending portfolio will be extended and prevail over a short-, mid- and long-term basis. Work with scenario analyses and stress tests contribute to increased knowledge about sustainability and the connection to risks and opportunities in own operations. The analyses also help SEK understand how a combination of climate-related risks can affect the company's transactions, strategies and financial position over time.

The outcome of the year's stress tests shows limited impact on SEK's financial position due to climate-related transition risks. The table below shows 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. Some sectors such as "Coal, Oil and Gas," "Electric Utilities," "Independent Power Producers and Traders" and "Metals and Mining" are assessed as particularly sensitive to long-term transition risks.

Potential change in SEK's total capital ratio in a 10 year perspective	2022	2021
Stated Policies Scenario	-0%	-1%
Net Zero Scenario	-2%	n.a.

Table with the sectors that have the greatest change in rating migration in the Net Zero scenario:

Time aspect	Medium term		
	Short term (< 3 years)	(3-10 years)	Long term (> 10 years)
Oil, Gas & Consumable Fuels	-1	-3	-5
Electric utilities, Independent Power producers & Entry traders	-1	-2	-2
Automobiles	-3	-2	-1
Construction & Engineering	0	-1	0
Paper & Forest	0	-1	-2
Metals & Mining	0	-2	-1
Shipping	0	-2	-1

Exposure to sectors that are sensitive to physical risks

Increasing global warming means that companies financed by SEK are and will most likely be exposed to physical climate risks, such as increased temperatures, floods, water shortages and other disruptions, which may impact on the companies' repayment capacity and thus entail a financial risk for SEK.

In the 2022 stress test, SEK has chosen to only include transition risks since 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. Accordingly, physical climate-related risks, such as a 4°C scenario, are not included. Instead, physical risk analysis has been further developed during the year with the aim of identifying exposures in SEK's lending portfolio that may potentially be exposed to physical climate-related risks (as well as to be able to report pursuant to updated Pillar 3 requirements). The work has involved mapping the exposure of geographical areas to physical risks and any potential impact this could have on SEK's exposures. Acute and chronic factors have both been taken into account and have resulted in a comprehensive methodology to identify those countries significantly at risk of being affected by climate-related events, and thus also having a potential financial impact on SEK. As qualitative data becomes more available, this methodology will be refined in future years. For further information, please refer to SEK's Pillar 3 report.

Process of identifying, assessing and managing climate-related (impact-out) risks

Lending and liquidity transactions are screened by SEK to identify those with a high risk of climate impact. A more in-depth analysis is conducted for those transactions where a high risk of negative climate impact is identified. These transactions are also assessed by a sustainability analyst to ensure that the transaction is within SEK's risk appetite. The following parameters indicate increased climate-related risk:

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

Fossil fuel and fossil fuel related activities include fossil fuel prospecting, extraction, and transport of fossil fuels. 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

In 2022, SEK drove forward a prioritized IT project to follow up ESG factors in lending, which led to increased costs in 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

The metrics and targets used to assess and manage relevant climate-related risks and opportunities are disclosed below.

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 greenhouse gas emissions by 2045.

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

SEK has started a work to analyze a method for calculating financed greenhouse gas emissions (scope-3). The work will be developed in the coming years. The final purpose of the work is to be able to analyze how well aligned SEK's exposures are with the goals of the Paris Agreement. The work will also form the basis for SEK's continued strategic efforts

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

SEK's long-term target is to significantly increase the share of green loans in the lending portfolio, and during the year SEK continued evaluation of the development of the company's lending portfolio as well as of the availability of activities and projects that can be classified as green in real economic terms. Moreover, SEK faces potentially conflicting targets, as SEK's mission includes financing strategic business important to the Swedish government, which does not always meet SEK's green lending criteria. An increase in the volume of these transactions may make it more difficult for SEK to achieve the target of a 50 percent green lending portfolio. Furthermore, in the real economy, it is often not necessarily the actors with green activities that are most in need of financing, but actors with credible transition plans to sustainable business models. In light of the projections for new lending and availability of green loans, SEK has recalibrated interim targets for 2022 and 2023, while the targets for 2024 remain firm.

The short-term targets for green loans are:

- 11 percent green loans in the lending portfolio as of 2022.
- 17 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 of green loans and bonds in Sustainability Note 5. SEK's mission includes financing strategic business important to the Swedish government, which does not always meet SEK's green

lending criteria. An increase in the volume of these transactions may make it more difficult for SEK to achieve the target of a 50 percent green lending portfolio.

Target 3: SEK's own operations shall be net zero by 2030.

The table "SEK's climate impact" presents SEK's follow-up of the company's calculated greenhouse gas emissions.

Classification of climate-related exposures

To achieve set targets, SEK follows up the company's exposure to assets that could be exposed to climate-related risks. SEK's 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). The framework comprises four different groups of fossil-dependent assets and a description of which sectors relate to the respective groups. SEK has mapped exposures within these sectors based on the Global Industry Classification Standard (GICS). See table "Carbon asset class" below. SEK has chosen to present assets that are not classed as fossil fuel but that have a direct connection to coal, oil and gas in a separate table.

Carbon asset class

(WRI and UNEP-FI Portfolio Carbon Initiative)

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

Climate-related exposures

To ensure that the operations comply with the limits set out in SEK's "Sustainable Finance Policy" and in the Board's "Risk appetite", exposures that could be exposed to climate-related risks are monitored and reported. A compilation of current exposures is presented in the following tables.

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 pursuant to the WRI's allocation to key sectors and SEK's internal classification described above. Non-financial climate-related risk refers only to assets linked to the fossil assets: coal; oil and gas. In total, gross exposures to these assets amount to Skr 4.3 billion (refers to Fossil-fuel asset class 1 in the table "Sectors exposed to transition risk" and all

Sectors exposed to transition risk and other assets

	2022				2021			
	Gross exposure		Net exposure		Gross exposure		Net exposure	
	Skr bn	%	Skr bn	%	Skr bn	%	Skr bn	%
Fossil fuel assets (linked to sectors)								
Fossil fuel assets (Carbon Asset Class 1)	4.0	0.9	0.7	0.2	1.2	0.3	0.1	0.0
Other assets that could be exposed to transition risks (Carbon Asset Class 2-4)	74.2	16.9	40.9	9.3	55.2	14.8	34.7	9.3
Assets in other sectors not classified as exposed to transition risks	360.0	82.2	396.6	90.5	316.1	84.9	337.7	90.7

Sectors sensitive to transition risk, gross exposure

Sectors	2022		2021	
	Skr bn	%	Skr bn	%
Paper & Forest Products	16.0	3.7	14.0	3.8
Automobile- & -Flight industry ¹	11.5	2.6	14.5	3.9
Electric Utilities & Power Producers	18.9	4.3	10.0	2.7
Metals & Mining's	9.0	2.0	6.8	1.8
Oil & Gas, Exploration & Production	4.0	0.9	1.2	0.3
Construction & Engineering	11.4	2.6	3.8	1.0
Other sectors sensitive to transition risk	7.4	1.7	6.1	1.6
Total	78.2	17.8	56.4	15.1

¹ Flight industry including Aerospace & Defence

Other fossil fuel related assets, gross exposure

Fossil fuel related assets (not linked to sectors above)	2022		2021	
	Skr bn	%	Skr bn	%
Natural gas projects & assets	0.1	0.0	0.2	0.1
Oil and petrol assets	0.1	0.0	0.2	0.1
Transportation potentially used in coal mines	0.1	0.0	0.1	0.0

assets in the table "Other fossil fuel related assets"). Gross exposures increased during the year as a result of SEK participating in the finance of one project that, in the long term, is expected to positively contribute to the transition. The aim of the finance is to promote green industrial investments and increase the share of renewable fuel.

The table "Sectors sensitive to transition risk, gross exposure" is based on the TCFD recommendations and internal assessment of rating migrations (refer to the table under the strategy section). The table illustrates which sectors, in addition to the fossil sectors of coal, oil and gas, are deemed most sensitive to transition risk. Examples of possible risk drivers include increased pricing of greenhouse gas emissions, changing customer behavior, costs on transition to lower emission technology or unsuccessful investments in new technologies. The volumes show SEK's exposure in these sectors but do not necessarily illustrate the risk of the underlying business/transaction.

SEK's gross exposure to fossil fuel related assets that are not included in the sector codes coal, oil and gas are presented in the table "Other fossil fuel related assets, gross exposure.

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

SEK's direct climate impact

Climate impact from SEK's operations in tonnes of CO ₂ e	2022	2021	2020	2019	2018
Total GHG emissions	325	129	165	381	415
Direct GHG emissions scope 1	-	-	-	0	16
Indirect GHG emissions energy usage scope 2 ¹	7	15	9	16	33
Other indirect greenhouse gas emissions scope 3	318	114	156	365	366
Emissions per employee	1.23	0.51	0.65	1.56	1.74

¹ Calculated with the market-based method.

be chosen so as to minimize environmental impact. In 2022 most of the COVID-19 restrictions were lifted across the globe. This has a direct impact on SEK's travel emissions which has increased during the year. SEK strives to reduce its environmental footprint and has set the target that SEK's own operations shall have net zero emissions by 2030.

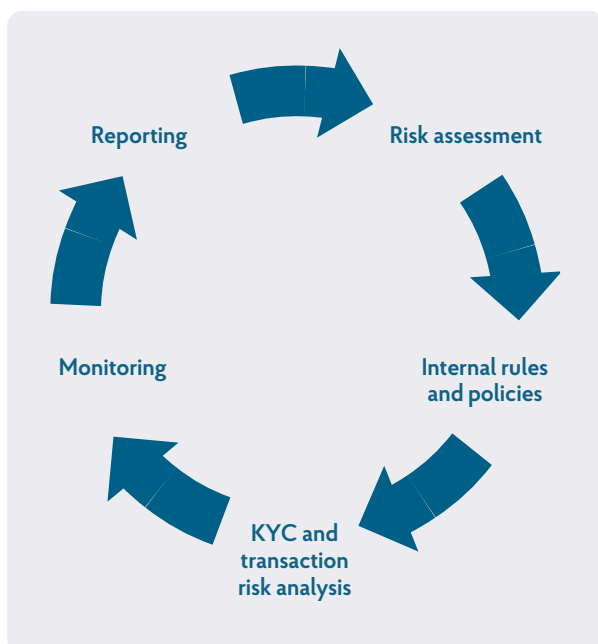
Reporting of the direct environmental effects of SEK's operations, in terms of emissions, are measured according to the GHG Protocol. The method states how the various emissions should be categorized and ranked based on SEK's share of the emission source. The GHG Protocol categorizes emissions according 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 283 for 2022. 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

SEK has started work to in accordance with upcoming regulatory requirements develop a method for calculating and report scope 3 emissions regarding the counterparties and activities that SEK finances (so-called "Category 15: investments"). Given the high complexity, the work and implementation of a methodology for calculations of scope 3 emissions will be developed further in coming years.

Note 7. Financial crime prevention

SEK's systematic efforts to combat financial crime, which include money laundering and terrorist financing, is based on the Act on Measures against Money Laundering and Terrorist Financing Act on Measures against Money Laundering and the Swedish FSA's regulations. SEK works within the areas:



Risk assessment

SEK conducts a general risk assessment each year that includes an assessment based on the type of financial products and services offered, the customers and distribution channels used and the countries to which SEK lends. The general risk assessment forms the basis for SEK's procedures, guidelines and other measures to combat money laundering and terrorist financing, and is continuously updated when the risk outlook changes, for example when new products are offered to SEK's clients.

Internal rules and policies

SEK has an anti-corruption policy in place that is issued by the Board of Directors as well as an instruction issued by the CEO that governs efforts to prevent financial crime. All employees, consultants and others, who similarly perform tasks relevant to preventing the operations being used for money laundering or terrorist financing, receive regular training and information on regulatory changes and on new trends and patterns as well as on methods that can be used for money laundering and terrorist financing.

Know your customer (KYC) and transaction risk analysis

When a business enquiry is received, SEK 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 terrorist financing. These include checks of representatives, the actual beneficial owner, ownership structure, sanctions and negative developments. The KYC process includes setting a client risk class pursuant to a risk-based approach based on the general risk assessment. A transaction risk analysis of the financial transaction is conducted to assess the risk of financial crime and, in the event of high risk, more stringent measures are applied to manage the risk.

Monitoring

Ongoing monitoring is conducted through continuously analyzing the information gathered in the KYC process, assessing whether it is sufficient and up to date, and whether the client's assessed risk class has changed. Moreover, the client's transactions are also checked to see if the client's behavior meets expectations or whether any discrepancies exist.

The functions for compliance, risk and internal audit monitor that risks in SEK's operations are managed, policy documents adhered to, and that SEK's preventative and investigative controls function for the purpose of managing identified risks.

Reporting

SEK's executive management and Board receive quarterly reports containing a description of risk management and any identified shortcomings.

SEK has a reporting process for suspected money laundering to the Swedish FSA and the Financial Intelligence Unit of the Swedish Police. Suspected irregularities can be reported through SEK's whistleblower system. Read more about SEK's whistleblower system on page 43.

Note 8. 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

In 2022, the board adopted a new anti-corruption policy to further clarify SEK's position in the area and provide guidelines in the work against corruption. SEK's anti-corruption policy complies with Swedish bribery legislation as well as national and international initiatives aimed to fight corruption and other financial crime. SEK operates its lending globally and complies with anti-corruption legislation in the countries and jurisdictions where the company operates. The guidelines for SEK's work are the Institute against Bribery (IMM) Code against corruption in business, the OECD's convention against corruption with related documents and the OECD's guidelines for multinational companies. SEK's policy against corruption makes clear a number of positions that the company acts according to: SEK does not accept that anyone within SEK, or anyone who in one way or another represents SEK, is involved in any form of corruption or bribery that could affect SEK's decision, process or handling of a case. No employee or representative of SEK may, directly or indirectly, offer, promise, give, ask for or accept a bribe. Business decisions must be made on business grounds and no gift or representation, which can be perceived as improper or which includes any form of expected consideration, may be given or received. SEK does not accept that corruption occurs in the deals that SEK finances. SEK takes a stand against nepotism and is not involved in sponsorship or donations to political parties. SEK's measures to counter corruption and other financial crime include issuing and communicating codes of conduct, conducting overall risk assessment to identify the risk of corruption and taking risk-based measures to prevent risks from materializing, performing risk-based assessments in customer and supplier relationships, ensure that SEK provides an opportunity to anonymously report suspected corruption, regularly train employees and follow up and control compliance.

According to SEK's risk appetite for corruption risks when lending in complex markets, which are countries with a high degree of corruption or other financial crime, means that the exporter or other actor for whom the financing is intended must have the capacity to handle corruption risks in accordance with international guidelines. See also Sustainability Note 4.

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 have been carried out in the following countries which are assessed as complex markets: Angola, Brazil, DR Congo, Ivory Coast, Indonesia, Mexico, Thailand and Vietnam. All of these transactions are assessed to comply with international anti-corruption guidelines after in-depth analyses by sustainability analysts and lawyers.

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 98 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.

For further information on SEK's work against corruption see www.sek.se

Note 9. 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.

Note 10. 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.

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.
- Defense equipment.

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 with increased risk where in-depth analysis has been carried out in the following countries: Angola, DR Congo, Ivory Coast, Mexico, Poland, Saudi Arabia, Slovakia, Thailand, Turkey and Vietnam. All of these transactions are judged to comply with international guidelines for human rights.

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 2022

New project-related lending transactions in 2021 are deemed to comply with the Equator Principles or the OECD's guidelines for social and environmental considerations in state-supported export credits.

During 2022, SEK granted six A projects in: Brazil, Ivory Coast, Finland, Ghana and Sweden and six B projects in: Angola, Finland, Ghana, Iraq, China and Turkey and one C project in: the USA. For a definition of the A/B/C project and a full report submitted to the Equator Principles Association, see www.sek.se.

During the year, 4 out of a total of 77 projects were identified as potentially falling outside SEK's risk appetite. Actions were taken by establishing action plans, among other things.

	2022	2021	2020	2019	2018
Loans granted to category A projects (number)	6	3	4	1	1
Loans granted to category B projects (number)	6	8	5	2	5

Note 11. 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. During 2022, new lending has increased, see further note 5, which explains the differences in indirect impact between 2021 and 2022. 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	2022	2021	2020	2019	2018
Contribution to Sweden's GDP (Skr mn)	93,000	52,000	80,000	51,000	36,000
Contribution to jobs in Sweden (number)	111,000	65,000	87,000	51,000	48,000

Note 12. Reporting principles

Since 2007, SEK has reported in accordance with the GRI standards on the basis of the topics identified as material for SEK's operations. SEK has focused on integrating sustainability reporting into its financial reporting during the year. The systems used and the accounting policies applied for sustainability reporting are set out below. Information with reference to the Swedish Annual Accounts Act, GRI, TCFD, scope and boundaries as well as any changes in the sustainability report can be found in Sustainability Note 1.

Sustainability Note 5:

The information in this section is taken from SEK's system for financial reporting. SEK's sustainability labeled loans are reported using SEK's accounting policies for financial reporting. 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 2015 and in accordance with the "SEK Sustainability Bond Framework" and "SEK Green Bond Framework." The estimated reduction in reported greenhouse gas 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.

Sustainability Note 6:

SEK's climate-related risks and opportunities according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In this note, SEK reports the company's GHG emissions pursuant to the TCFD's recommendations and the GHG Protocol. Refer to the 2022 Climate Report for information about the consolidation method, system boundaries, delimitations and assumptions related to SEK's emissions.

Sustainability Note 7:

The information in this section is taken from SEK's policies and methodological working papers linked to financial crime.

Sustainability Note 8:

The information in this section is taken from SEK's system for financial reporting and internal risk reports.

Sustainability Note 9:

The information in this section is taken from SEK's system for financial reporting and internal risk reports.

Sustainability Note 10:

The information in this section is taken from SEK's system for financial reporting and internal risk reports. The note includes the number of new projects with a risk class of A or B that have had a settlement date during the fiscal year.

Sustainability Note 11:

The information is based on SEK's new lending as well as on factors obtained from Statistics Sweden.

Through SEK's lending, an indirect impact is created in Sweden among other things through export business contributing to GDP growth and job opportunities. The indirect impact of SEK's new lending on Sweden's GDP and employment is calculated by multipliers developed by Statistics Sweden at industry level according to SNI 2007. The model calculates the Swedish content of an export order or an investment. SEK finances many different things types of business and not all of them necessarily fit the model with accuracy. The calculations can therefore only be made on an overall level and the results should be interpreted cautiously.

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 2022 below.

Standard Disclosure	Content	Page number	UN GC principle
GRI 1: Foundation			
Statement of use	SEK has reported in accordance with the GRI standards for the period 1 January 2022 – 31 December 2022		
GRI 1 used	GRI 1: Foundation 2021		
Applicable GRI sector standards	None currently available		
GRI 2: General Disclosures			
2-1	Organizational details	57	
2-2	Entities included in the organization's sustainability reporting	657	
2-3	Reporting period, frequency and contact point	117	
2-4	Restatements of information	117	
2-5	External assurance	117, 139	
2-6	Activities, value chain, and other business relationships	10-16, 28, 105-107, 119	
2-7	Employees	20, 23, 75	
2-8	Workers who are not employees	20, 23, 75	
2-9	Governance structure and composition	37-41, 44-45	
2-10	Nomination and selection of the highest governance body	38	
2-11	Chair of the highest governance body	44-57	
2-12	Role of the highest governance body in overseeing the management of impacts	40, 119-120	
2-13	Delegation of responsibility for managing impacts	41	
2-14	Role of the highest governance body in sustainability reporting	40, 117	
2-15	Conflicts of interest	42-57	
2-16	Communication of critical concerns	43	
2-17	Collective knowledge of the highest governance body	38	
2-18	Evaluation of the performance of the highest governance body	38	
2-19	Remuneration policies	68-74	
2-20	Process to determine remuneration	68-74	
2-21	Annual total compensation ratio	68	
2-22	Statement on sustainable development strategy	3-6	
2-23	Policy commitments	19, 117, 119-120, 131	
2-24	Embedding policy commitments	119-120, 128-129	

Standard Disclosure	Content	Page number	UN GC principle
2-25	Processes to remediate negative impacts	43, 114, 119-120, 127	
2-26	Mechanisms for seeking advice and raising concerns	42-43	
2-27	Compliance with laws and regulations	42-43	
2-28	Membership associations	119	
2-29	Approach to stakeholder engagement	117-119	
2-30	Collective bargaining agreements	75	
GRI 3: Material Topics			
3-1	Process to determine material topics	117-118	
3-2	List of material topics	121	
3-3	Management of material topics	See each material topic	
GRI 201: ECONOMIC PERFORMANCE 2016			
3-3	Management of material topic	119, 122-126	
201-1	Direct economic value generated and distributed	52-54, 74-76, 82	
201-2	Financial implications and other risks and opportunities due to climate change	122-126	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016			
3-3	Management of material topic	6, 8-13, 117-120, 128-130	
203-2	Significant indirect economic impacts	7-9, 14-15, 17, 129	
GRI 205: ANTI-CORRUPTION 2016			
3-3	Management of material topic	19, 21, 36, 117-119, 127-128	10
205-1	Operations assessed for risks related to corruption	120, 127-128	10
205-2	Communication and training about anti-corruption policies and procedures	20-21, 127-128	10
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
3-3	Management of material topic	20-21, 36-38, 41, 114, 119	3
405-1	Diversity of governance bodies and employees	21, 44-45, 75	
GRI G4: SECTOR-SUPPLEMENT FOR FINANCIAL SERVICES			
3-3	Management of material topic	117, 119, 122-126	
FS6	Lending portfolio broken down by region and sector	10-14, 28, 58, 105-107, 114	
FS8	Products with environmental benefits	12-13, 17-18, 23, 30, 58, 121	

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, 2023

Lennart Jacobsen
Chairman of the Board

Håkan Berg
Board member

Anna Brandt
Board member

Paula da Silva
Board member

Reinhold Geijer
Board member

Hanna Lagercrantz
Board member

Katarina Ljungqvist
Board member

Eva Nilsagård
Board member

Magnus Montan
Chief Executive Officer

Our audit report on these annual accounts was submitted on February 28, 2023
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 2022 except for the corporate governance statement on pages 37-47. The annual accounts and consolidated accounts of the company are included on pages 6-133 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 2022 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 2022 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 37-47. 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 judgements; 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 judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p>Valuation of certain Level 2 and Level 3 financial instruments held at fair value</p> <p>Valuation of certain financial instruments in level 2 and level 3 was an area of audit focus due to their significance in presenting both financial position and performance in the financial statements. The majority of SEK's assets and liabilities measured at fair value in level 2 and level 3 are held to manage the risks related to SEK's structured funding.</p> <p>Financial instruments held at fair value in level 2 and level 3 utilise to a large extent unobservable inputs for recurring fair value measurements, which often involve the exercise of judgment by management and the use of estimates, valuation models and assumptions that are not observable by third parties.</p> <p>Important areas in valuation of financial instruments held at fair value relate to:</p> <ul style="list-style-type: none"> • Framework and policies relating to models and valuation; • Internal controls relating to fair value hierarchy, fair value adjustments, price testing and model control & governance; and • Disclosures of financial instruments <p>Refer to the Annual Report Note 1, Note 13, Note 14 and Note 18.</p>	<p>In our audit, we assessed and tested the design and operating effectiveness of the controls relating to financial instrument valuation including:</p> <ul style="list-style-type: none"> • the Company's governance and reporting processes and controls; • the identification, measurement and oversight of valuation of financial instruments; • fair value hierarchy, fair value adjustments and price verification; • data feeds and inputs to valuation; • model control and governance. <p>For the valuations dependent on unobservable inputs or which involve a higher degree of judgment, we assessed the assumptions, methodologies and models used by the Company.</p> <p>We used our valuation specialists to perform independent testing of a selection of complex model-dependent valuations to assess the appropriateness of models used and evaluate management's valuation.</p> <p>We examined whether the disclosures made in the annual report are appropriate.</p>
<p>Impairment of loans to customers</p> <p>Accounting for impairment of loans to customers requires management's judgment over timing of recognition of impairment and the size of any such impairment allowance.</p> <p>SEK makes provisions for expected credit losses (ECL) in accordance with IFRS 9. IFRS 9 categorises loans into three stages depending on the level of credit risk or changes in credit risk for each individual loan. Stage 1 representing a probable 12 month ECL applies to all loans unless there is a significant increase in credit risk since initial recognition. For loans where there is a significant increase in credit risk, stage 2, or loans in default, stage 3, a lifetime ECL is calculated.</p> <p>The ECL is calculated as a function of the probability of default, the exposure at default and the loss given default, as well as the timing of the loss.</p> <p>IFRS 9 also allows for expert credit judgment to be applied to loan loss provisioning.</p> <p>SEK's IFRS 9 model is based on data from external parties in order to estimate the impact on the probability of default. Several negative trends in the current macro environment continue to impact the world, and in order to address the uncertainties in the future environment, SEK has applied post-model adjustments (management overlays) in accordance with IFRS 9.</p> <p>Refer to the Annual Report Note 1 and Note 9.</p>	<p>In our audit, we assessed and tested the design and operating effectiveness of the controls relating to the impairment of loans. The testing of internal controls included procedures relating to the governance structure, segregation of duties and key controls in the lending processes.</p> <p>Our credit modelling experts have performed recalculations for a sample of loans and model outputs in order for us to obtain comfort over the calculated ECL.</p> <p>To evaluate data quality, we agreed ECL calculation data points to source systems.</p> <p>To test credit monitoring, we verified the risk ratings for a sample of performing and non-performing loans.</p> <p>We have also audited adjustments related to expert credit judgments, developed as a result of the negative trends in the current macro environment. We have assessed that rationale exists to account for the adjustments at year-end and we have reviewed minutes of meetings to ensure that the correct governance procedures have been performed.</p> <p>We examined whether the disclosures made in the annual report are appropriate.</p>

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-5, 21, 117-132 and 140-143. 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/revisorsansvar. 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 2022 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/revisorsansvar. 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 AB Svensk Exportkredit (publ) for the financial year 2022.

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

In our opinion, the Esef report 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 the preparation of the Esef report 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 Direc-

tors 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 examination 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 and consolidated 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 examination 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 that the Esef report has been prepared in a valid XHTML format 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 consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 37-47 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 para-

graph 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 2022 and has been the company's auditor since the 22 March 2017..

Stockholm February 28, 2023
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 AB Svensk Exportkredit's (publ) Sustainability Report for 2022. The company has defined the scope of its sustainability report on page 117-132. The statutory sustainability report is defined on page 21.

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 117-132 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 (revised) 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 ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical require-

ments, 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 the 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 28, 2023
Öhrlings PricewaterhouseCoopers AB

Anneli Granqvist
Authorized
Public Accountant

Moa Gomersson
Expert Member
of FAR

Definitions

A, B and C projects

Projects and project-related financing are classified based on OECD's Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence. Category A projects entail material risks of potential environmental and societal impacts. Category B projects potentially have some impact, and category C projects have little or no potential impact.

After-tax return on equity

Net profit, expressed as a percentage per annum of the current year's average equity (calculated using the opening and closing balances for the report period).

After-tax return on assets

Net profit, expressed as a percentage per annum of the current year's average total assets (calculated using the opening and closing balances for the report period).

Annual greenhouse gas emissions reductions from green projects

Calculated as an annual CO₂e reduction for a normal year when the project is up and running, for more details refer to the calculation principles in Sustainability Note 5.

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. 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 24).

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 22). 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.

Total lending portfolio

This item includes loans in the form of interest-bearing securities, loans to credit institutions and loans to the public. Deduction is made for cash collateral under the security agreements for derivative contracts and deposits with time to maturity exceeding three months. 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.

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.

SEK

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