

SEK

Investor presentation May 2023

Mission

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

Vision

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

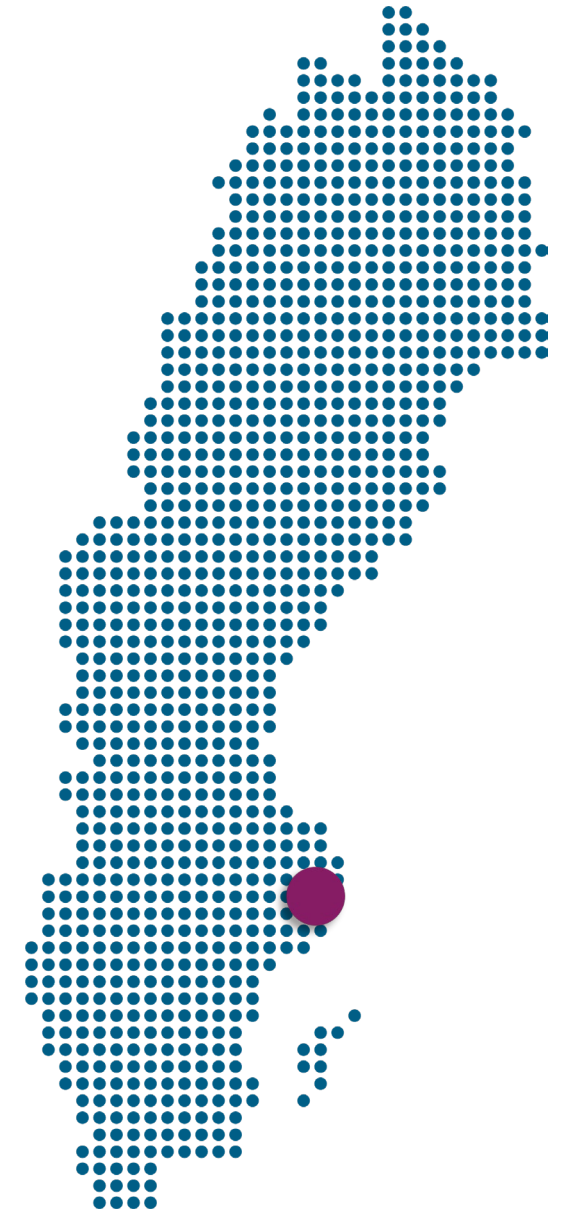


100%

Owned by the Swedish Government

Kingdom of Sweden

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

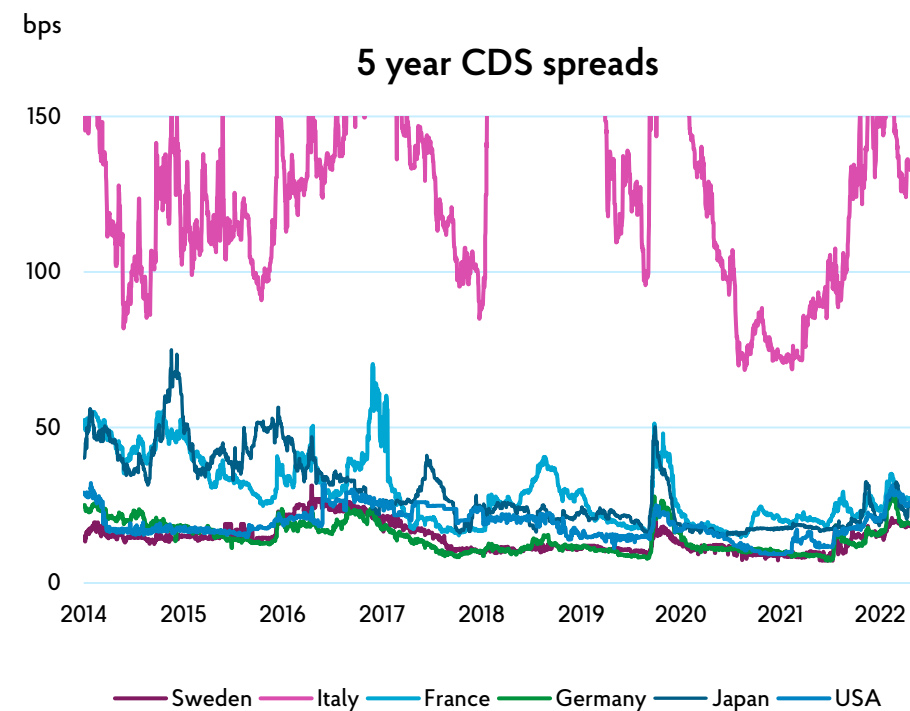
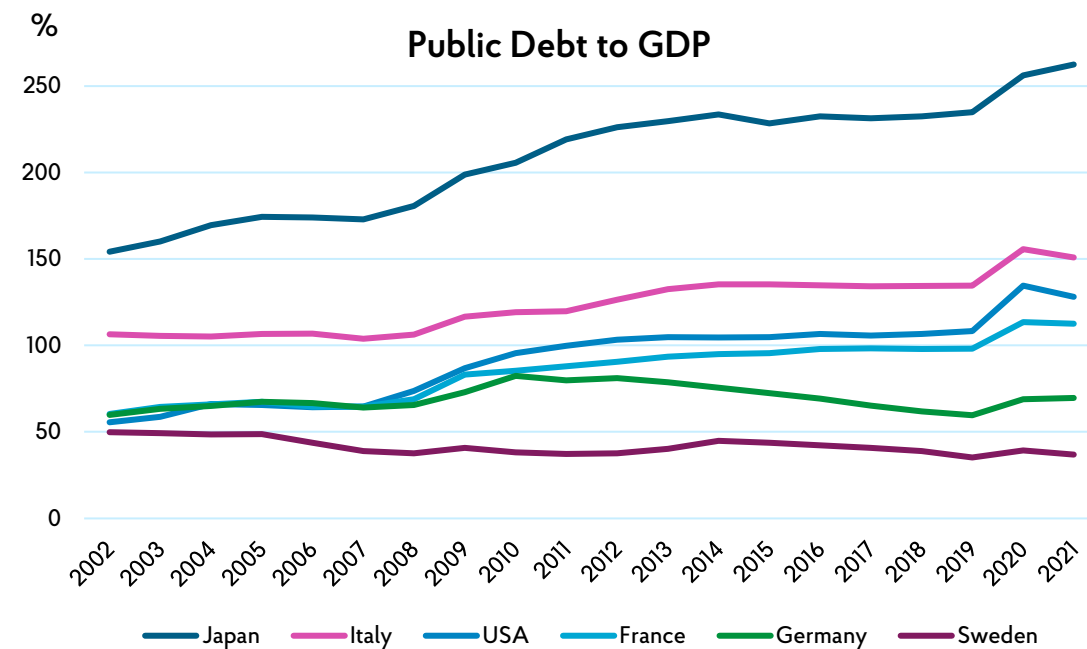


Economy of Sweden

Rating	AAA/Aaa/Aaa
GDP Growth Q4 2022 (QoQ/YoY)	-0.9% / -0.9%
GDP Growth 2022	2.4%
GDP 2022	USD 586 bn*
GDP per capita 2022	USD 55 731*
Unemployment March 2023	7.2%**
CPI/CPIF*** March 2023 (YoY)	10.6% / 8.0%
Repo Rate May 2023	3.50%

* USD/SEK average 2022, 10.12
 ** Seasonally adjusted, % of labour force
 *** CPIF = CPI with fixed mortgage rates

Source: Bloomberg, IMF, SCB

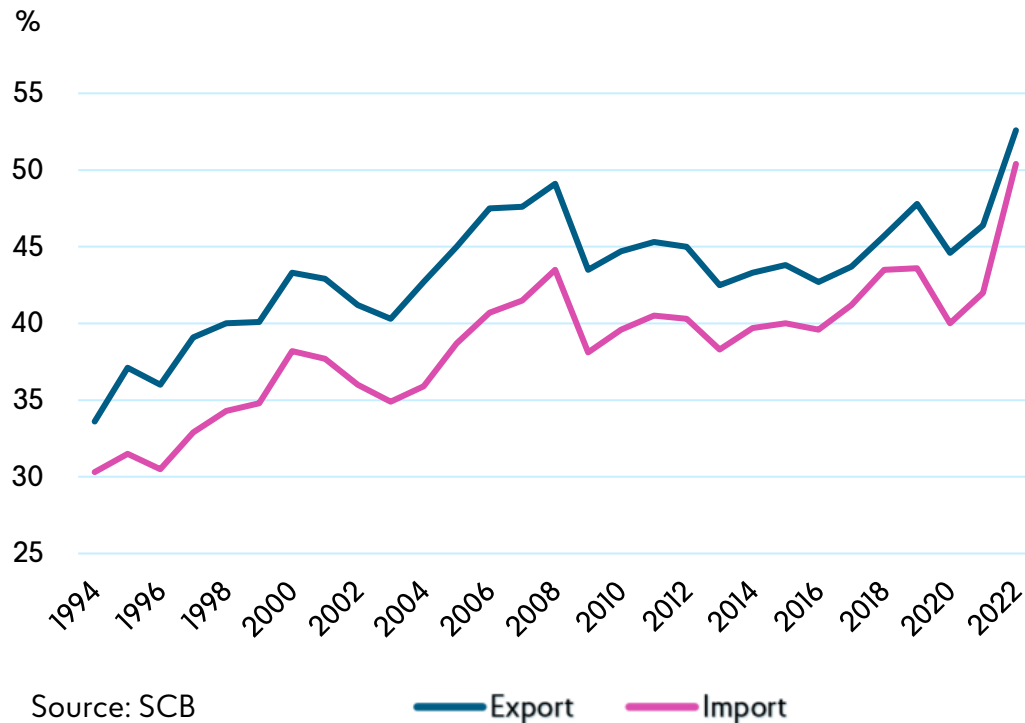


Swedish Exports

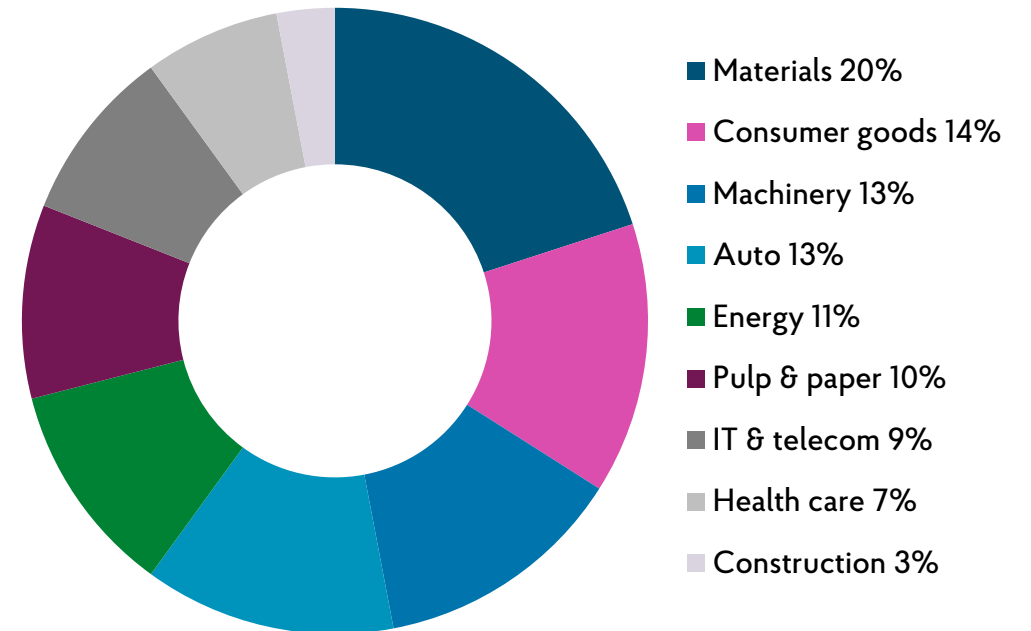
Large part of GDP and well diversified

Exports and Imports

Share of GDP



Key export goods 2022

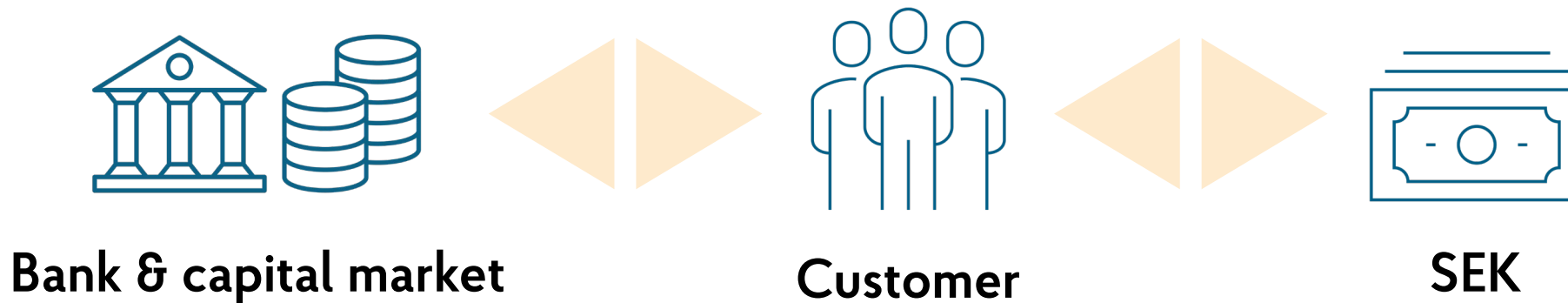


Swedish exporters



SEK has a complementary role in the market

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



Our offering

- Export Finance
- Project Finance
- Trade Finance
- Leasing & Installment credits
- On-lending
- Corporate Lending and Capital Market Products
- Our offer is available in **all major currencies** and **selected emerging market currencies**.

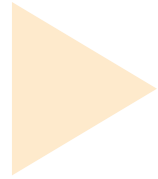


The Swedish Export Credit System



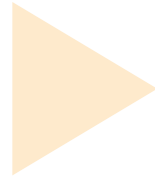
Exporter

negotiates
with buyer



Bank

arranges



EKN

guarantees



SEK

finances

Ratings



“Strong asset quality, benefitting from guarantees and insurance”

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

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

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

September 15, 2022

MOODY'S
Aa1 (stable)

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

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

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

May 25, 2022

STANDARD
& POOR'S
AA+ (stable)

SEK

Sustainability framework



Owner instruction
Sustainability reporting
Sustainability targets and strategies



OECD Common Approaches
OECD Convention on Combating Bribery



Equator Principles



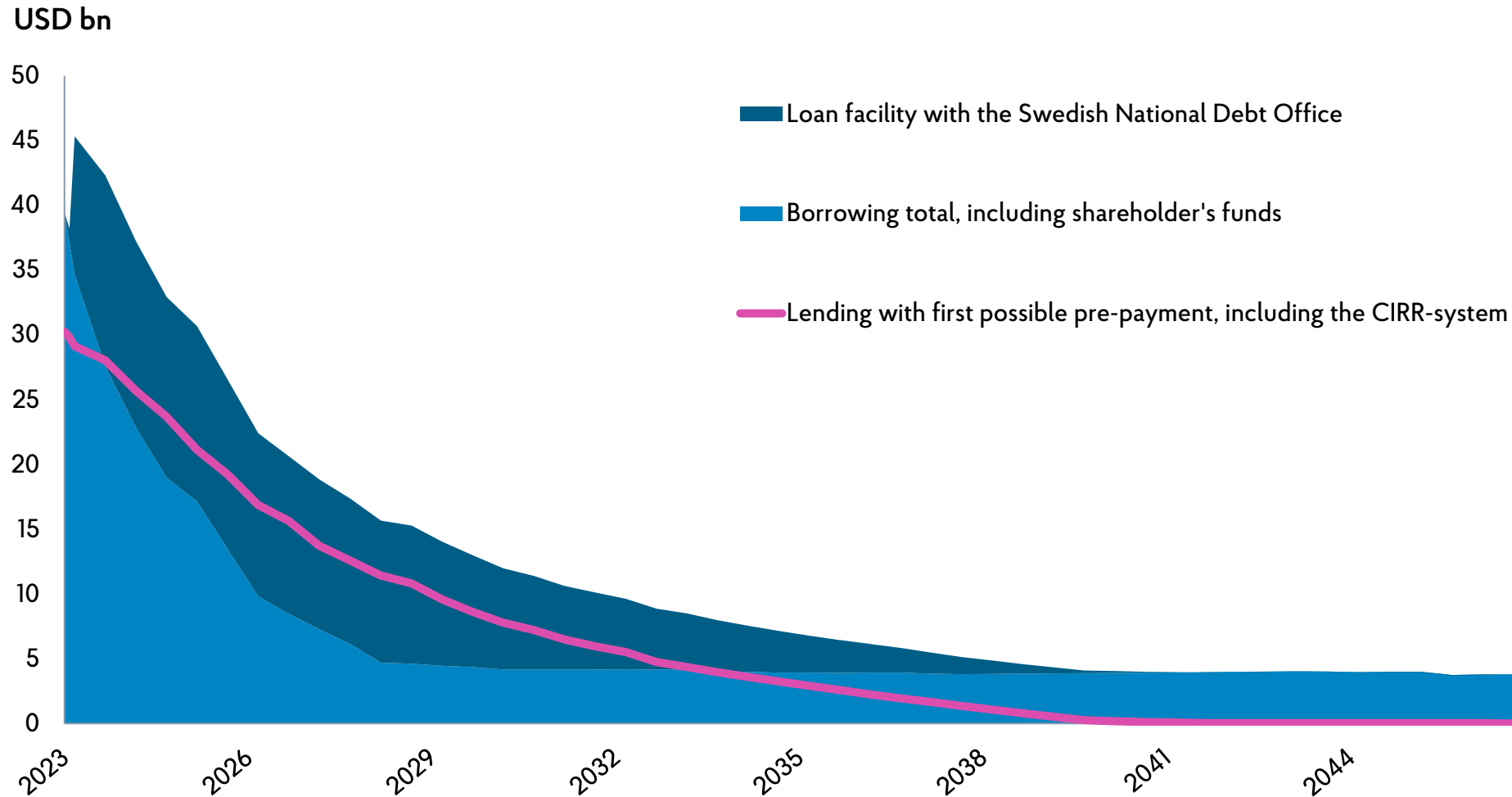
IFC Performance Standards



UN Global Compact
UN Guidelines on Business and Human Rights

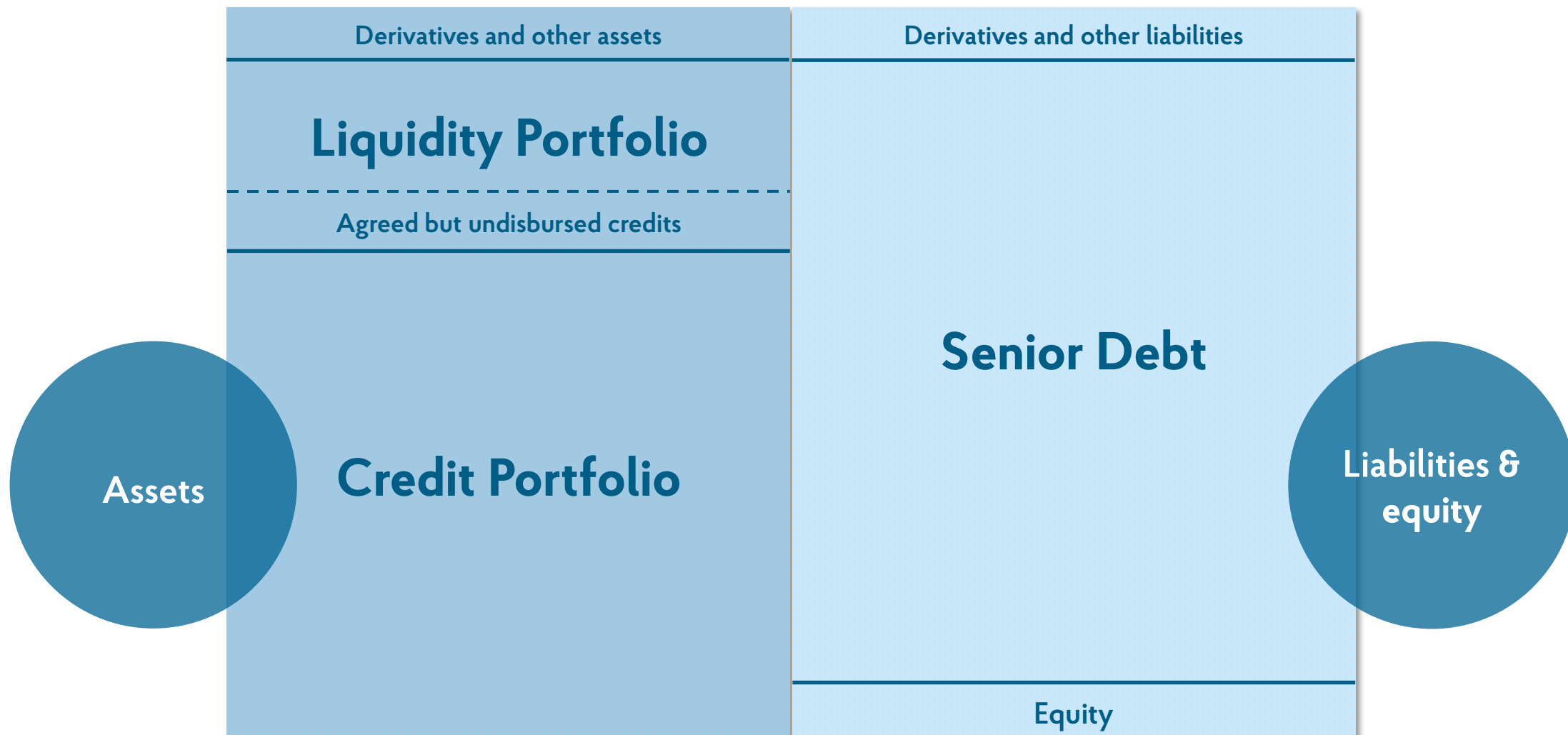


Funding and liquidity: No refinancing risk



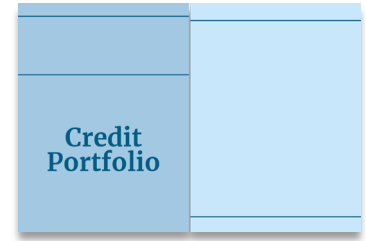
Not to scale

Total USD 37.9 bn

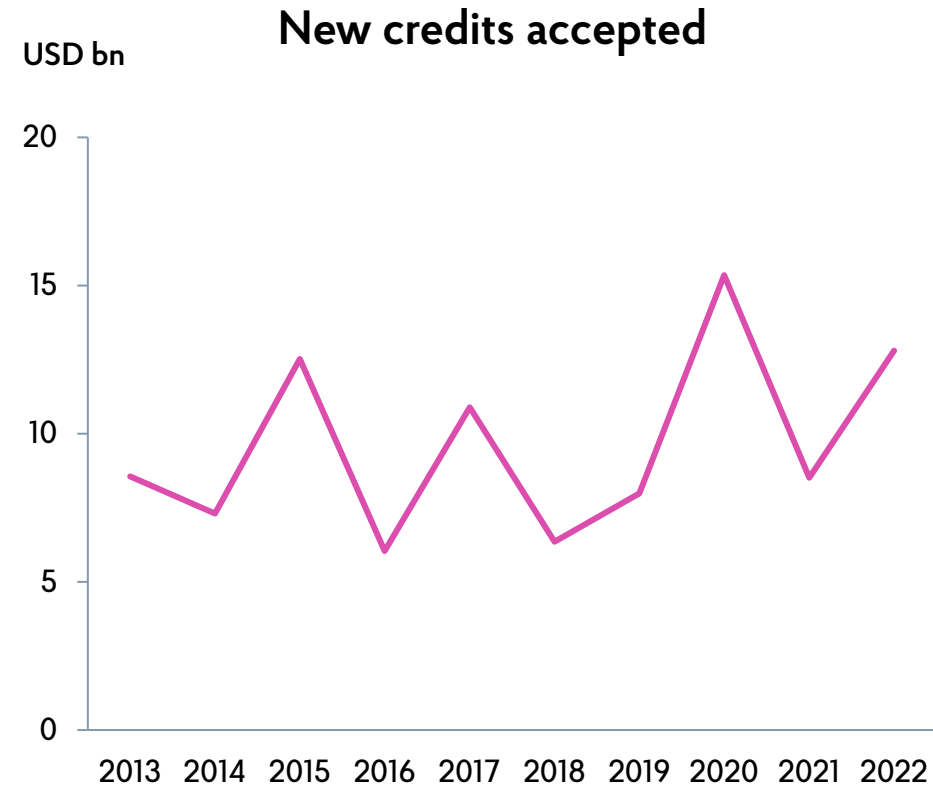


As of March 31, 2023

Credit Portfolio

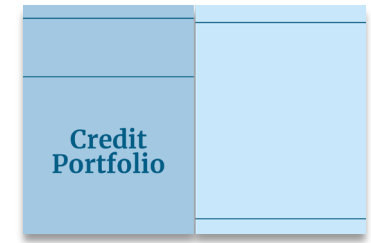


- Demand for financing from the Swedish export industry increased dramatically during the financial crisis 2008/2009
- The Swedish government heavily increased SEK's lending capacity during the financial crisis 2008/2009
- Further measures were introduced during Q1 2020 due to the COVID-19 pandemic
- SEK secured access to financing for the Swedish exporters
- New credits accepted Q1 2023: Skr 13.8 bn



As of March 31, 2023

Counterparty exposures & risk mitigation

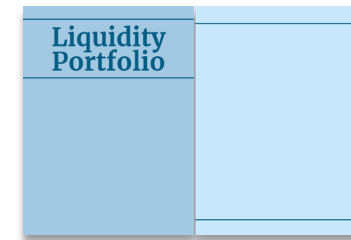


- Export credit agency guarantees
- Bank guarantees
- Credit derivatives
- Collateral agreements
- Insurance company guarantees



As of March 31, 2023

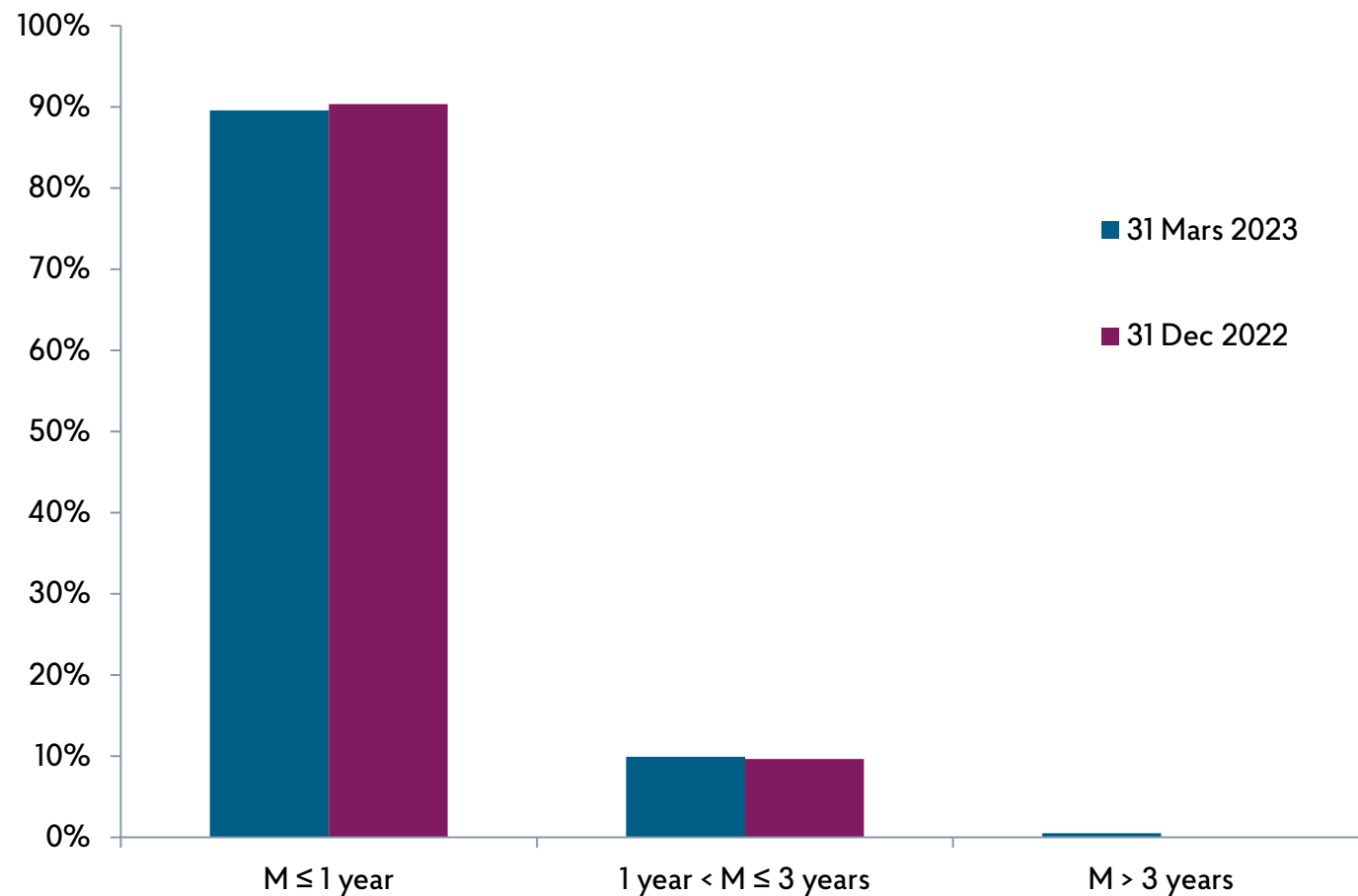
Liquidity Portfolio



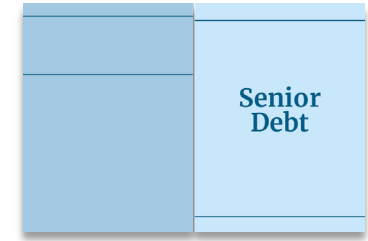
Investment profile

- Average duration of new investments: **6 months**
- Maximum maturity: **Generally 24 months, with some exceptions**
- Minimum rating: **Generally A-, with some exceptions**

As of March 31, 2023



Funding: Flexible and diversified

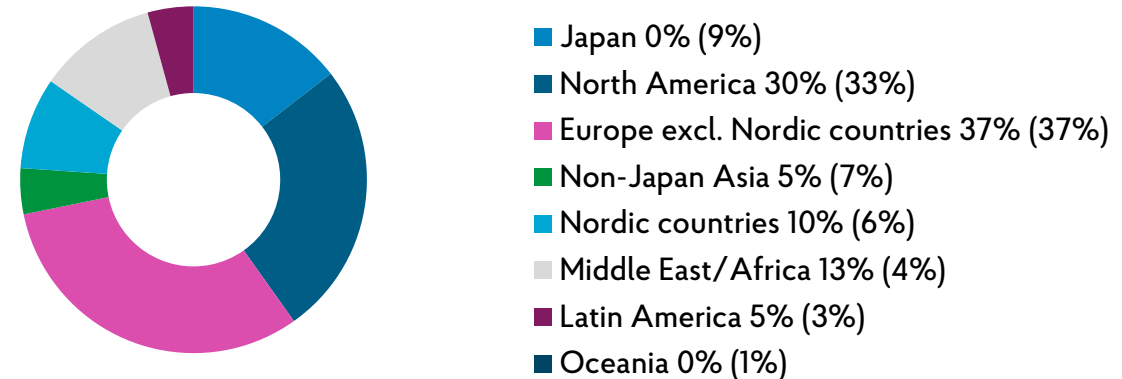


- Multiple funding programs in all major currencies
- Funding in local currencies
- Responsive to investor needs
- An experienced benchmark issuer

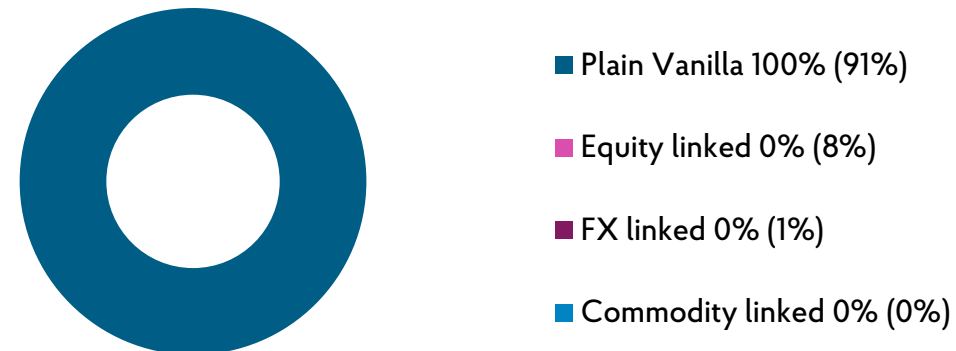
Risk Management policy

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

New funding by region, as of March 31, 2023 (2022, whole year)

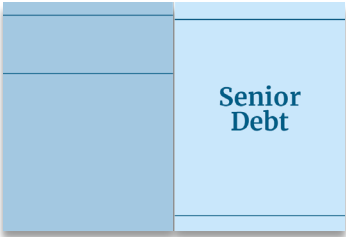


New funding by structure, as of March 31, 2023 (2022, whole year)

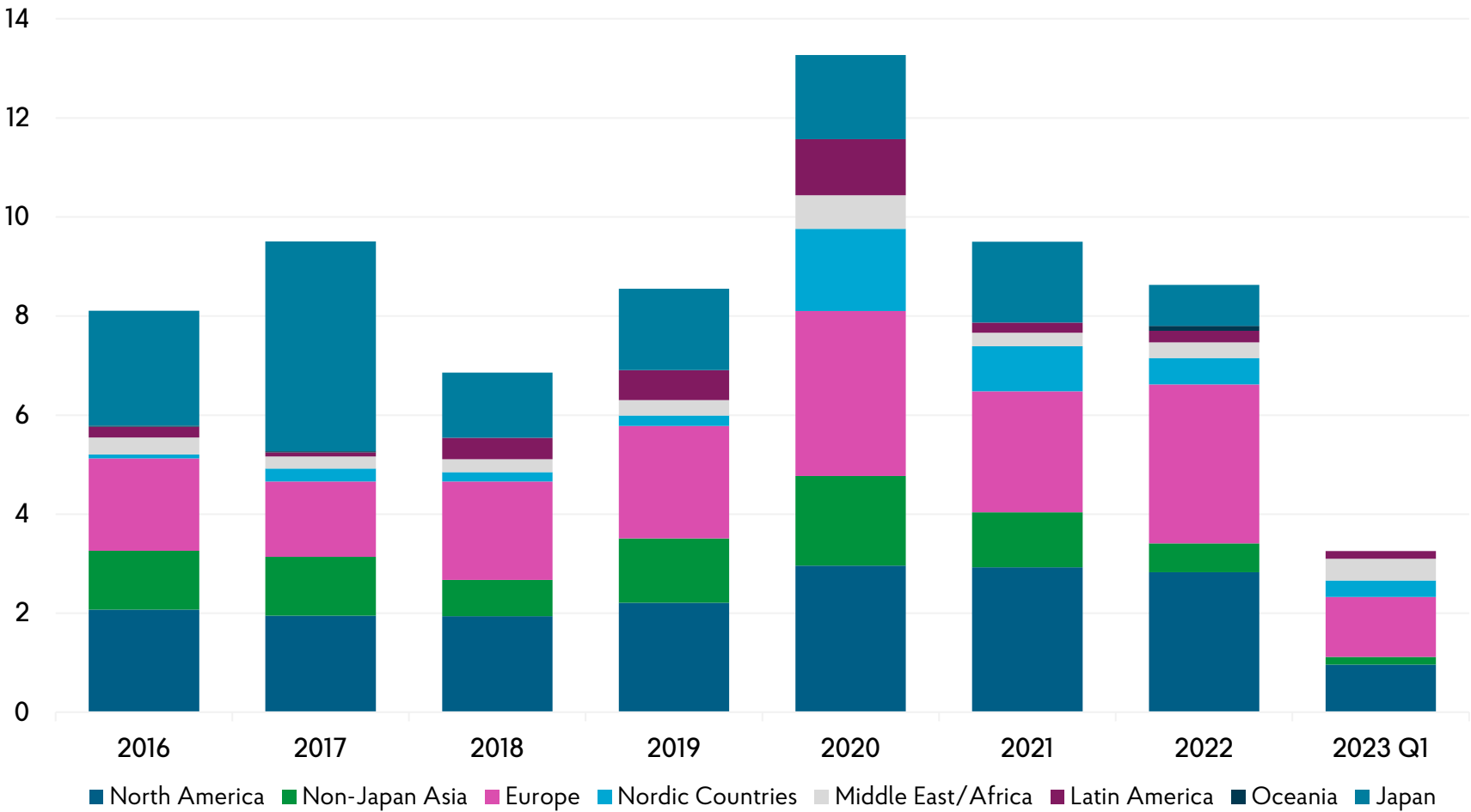


As of March 31, 2023

Diversified funding, by region



USD bn

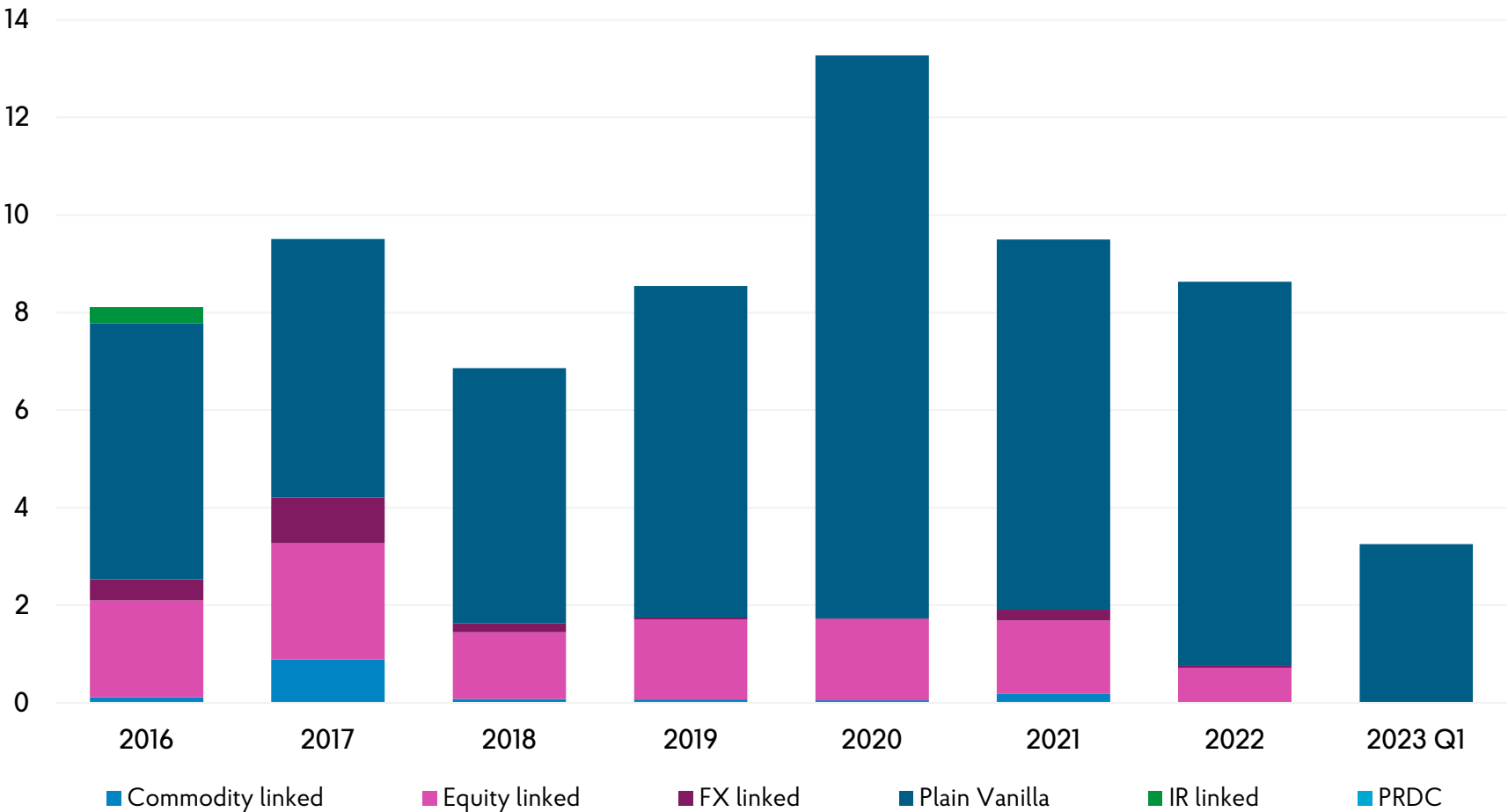


As of March 31, 2023

Diversified funding, by structure



USD bn



As of March 31, 2023

Awards



W I N N E R

SSA Issuer of the Decade



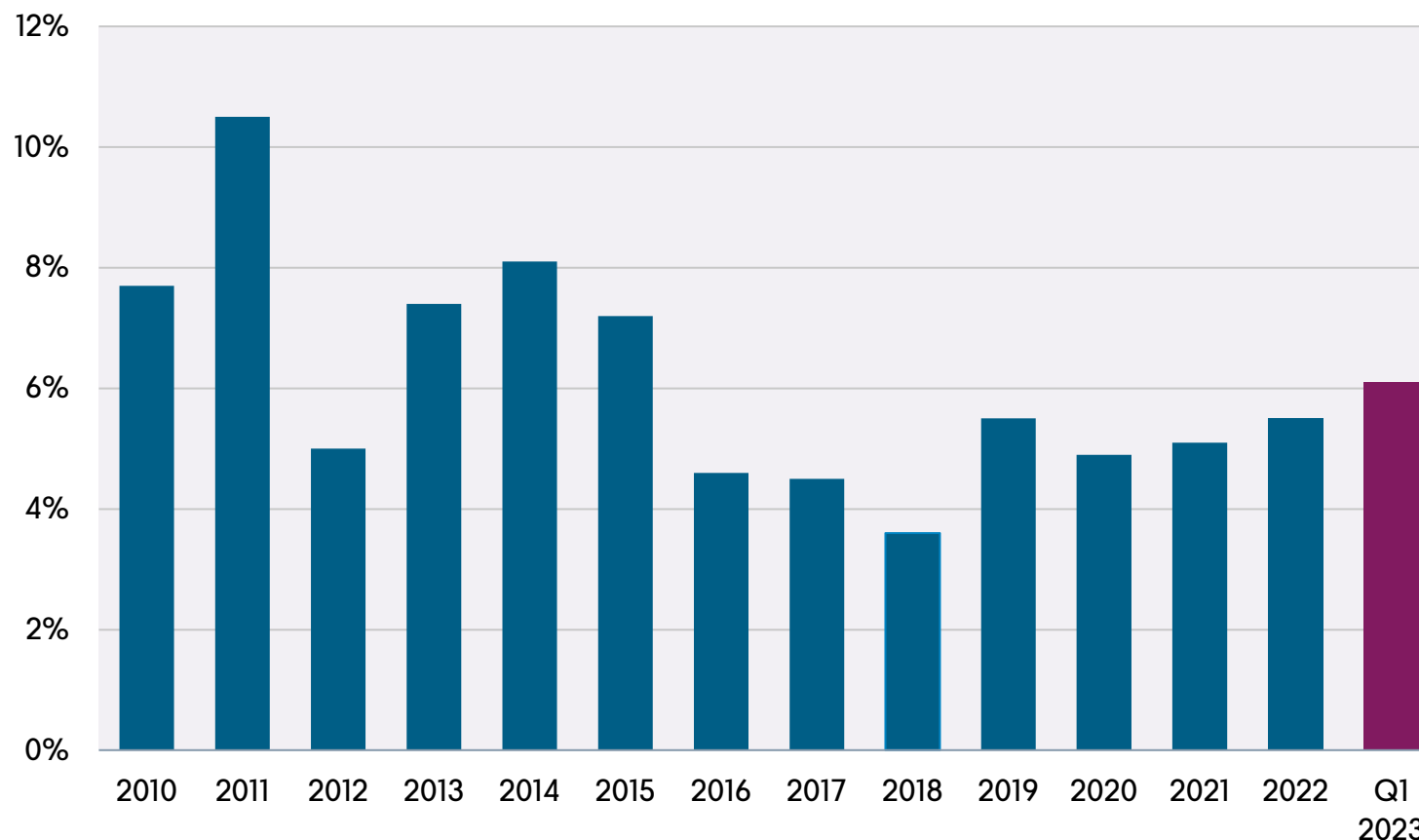
W I N N E R

Issuer of the Year

Capitalization and Profitability

- Common Equity Tier 1 capital ratio of 19.7% as of March 31, 2023
- Leverage ratio of 8.1% as of March 31, 2023
- Dividend policy: 20-40% of profit after tax to our owner
- Return on equity: 6.1% (target: 5%)

Return on equity (IFRS)



As of March 31, 2023

About SEK

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

Financial information as of March 31, 2023

Total assets	USD 37.9 bn
Lending	USD 27.4 bn
Common Equity Tier 1 capital ratio	19.7%
After-tax return on equity	6.1%

As of March 31, 2023





MREL

SEK is a systemically important export vehicle

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

MREL (Minimum Requirement for own funds and Eligible Liabilities) is the European equivalent to TLAC and applies to all systemically important banks as well as financial institutions.

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

Part of the MREL requirement must be met with own funds* and subordinated eligible liabilities - senior non-preferred debt (SNP).

*Excluding the CET1 capital used to meet the combined buffer requirements.

SEK's requirements

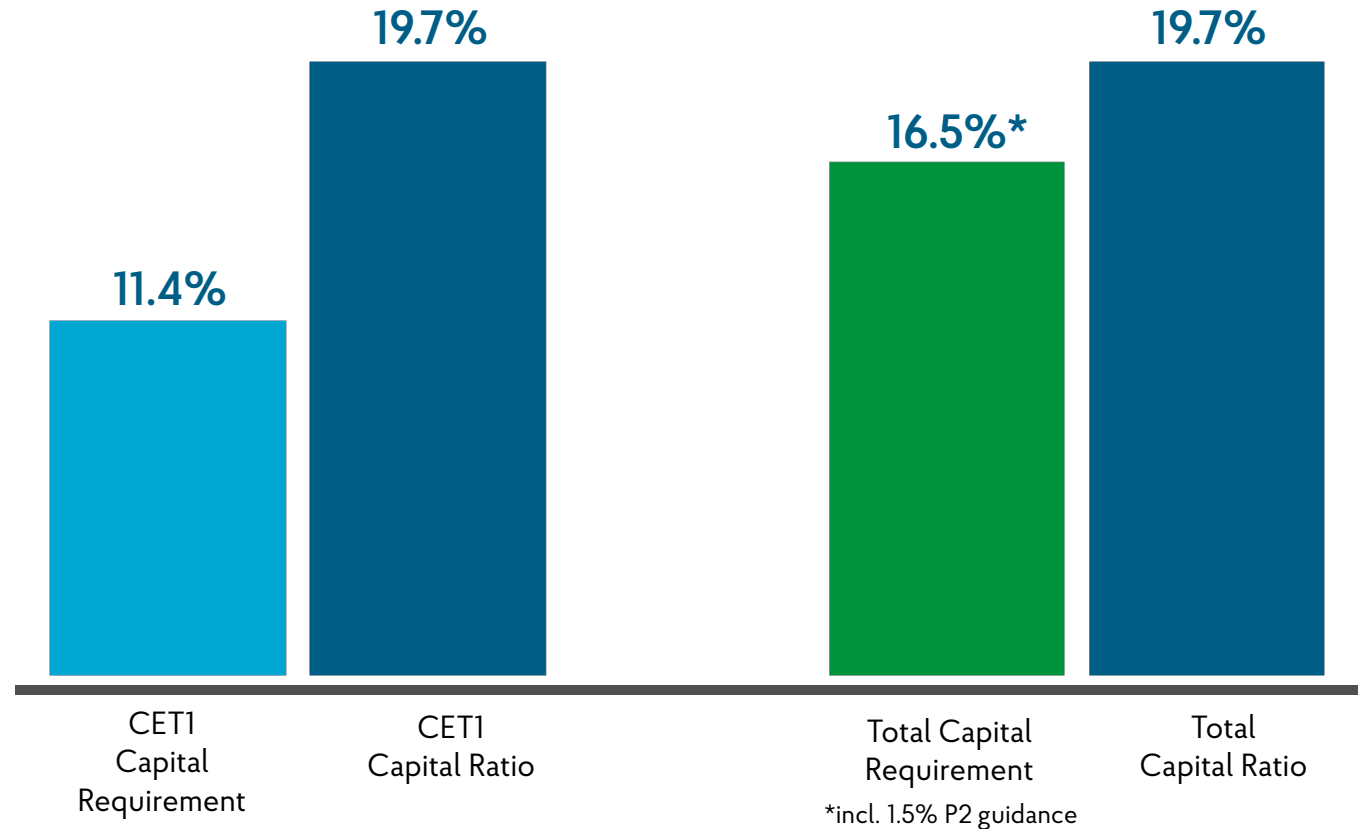
The fully phased-in requirement as of January 1, 2024 currently amounts to Skr 32 bn (around USD 3.1 bn) of which at least Skr 27 bn (around USD 2.6 bn) should be met using own funds and SNP debt.

Already in compliance with minimum and target levels for 2023 using own funds and eligible senior unsecured bonds.

Strong capital position

SEK's own funds provide a significant buffer for investors

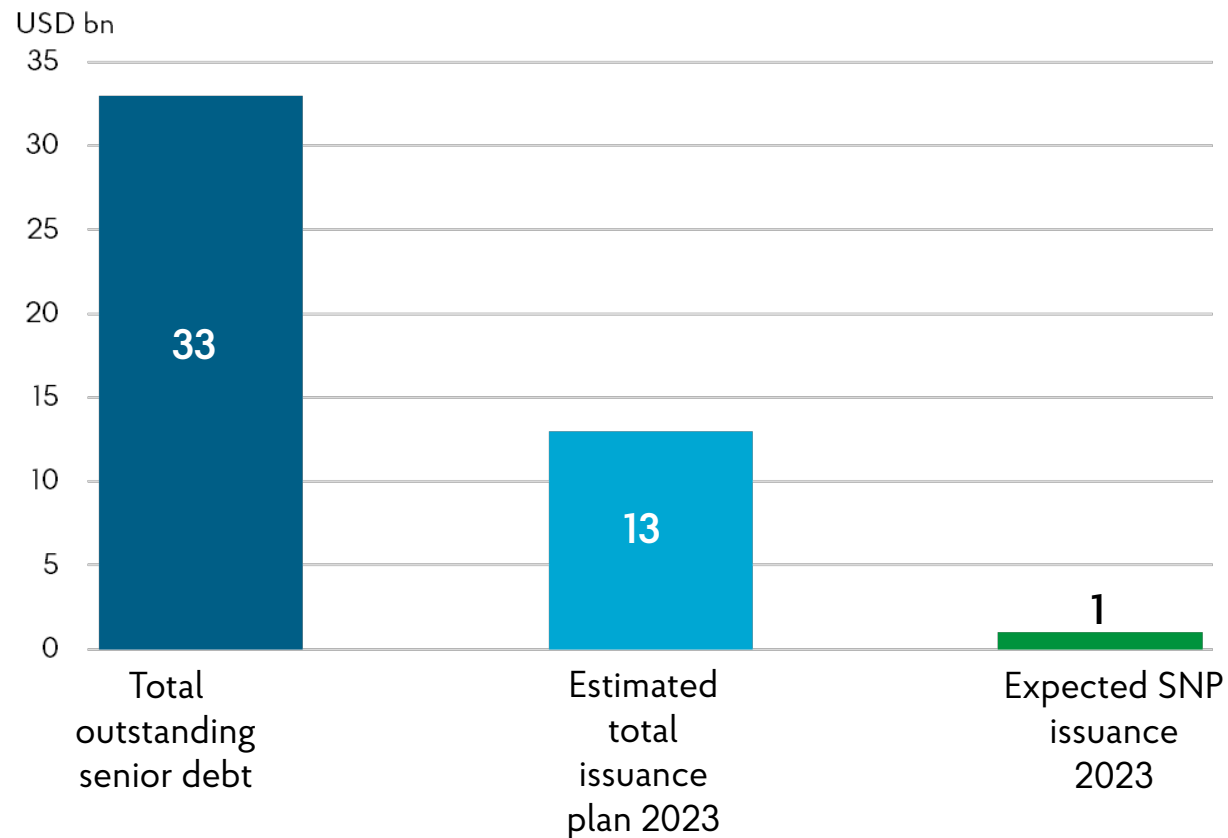
- Substantial own funds: SEK 21.3 bn (around USD 2.1 bn)
- Actual buffer against CET1-requirement: 8.3%
- Actual buffer against total capital requirement: 3.2% (SEK's management buffer: 2-4%)
- Potential to further increase Total Capital Ratio by 5.1% to 24.8% by issuing AT1 and T2 capital



As of March 31, 2023

Risk exposure amount: SEK 108 bn (USD 10.4 bn)

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



SEK expects SNP issuance of around USD 1 bn before 2024

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


Senior unsecured redemptions USD 12 bn 2023, far larger than SNP issuance plan

Rare opportunity to invest in SSA senior non-preferred bonds

Few SSA's issuing SNP

Strong ownership with a public mission

- 100% owned by the Kingdom of Sweden, all Board Members are appointed by the owner
- SEK is a part of the Swedish government's export strategy and has an explicit public policy mandate to promote Swedish exports
- During periods when the market cannot satisfactorily supply financing to the Swedish export industry, the company is to constitute a tool whereby the government can take separate measures to ensure that such financing can be provided, like they did in 2009 to ensure financing to the export industry.
- This procedure was used again in the covid-19 crisis, demonstrated by an increased borrowing facility with the Swedish National Debt Office. The borrowing facility is today Skr 175 billion that in addition to state-supported export credits also in part can be used for commercial lending.



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

Contact

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SEK