

INVESTOR PRESENTATION

January 2020

SEK

SEK's mission and vision

SEK's mission is to ensure access to sustainable financial solutions for the Swedish export industry on commercial terms.

SEK's vision is to strengthen the competitiveness of Swedish exporters and help create employment and sustainable growth in Sweden.

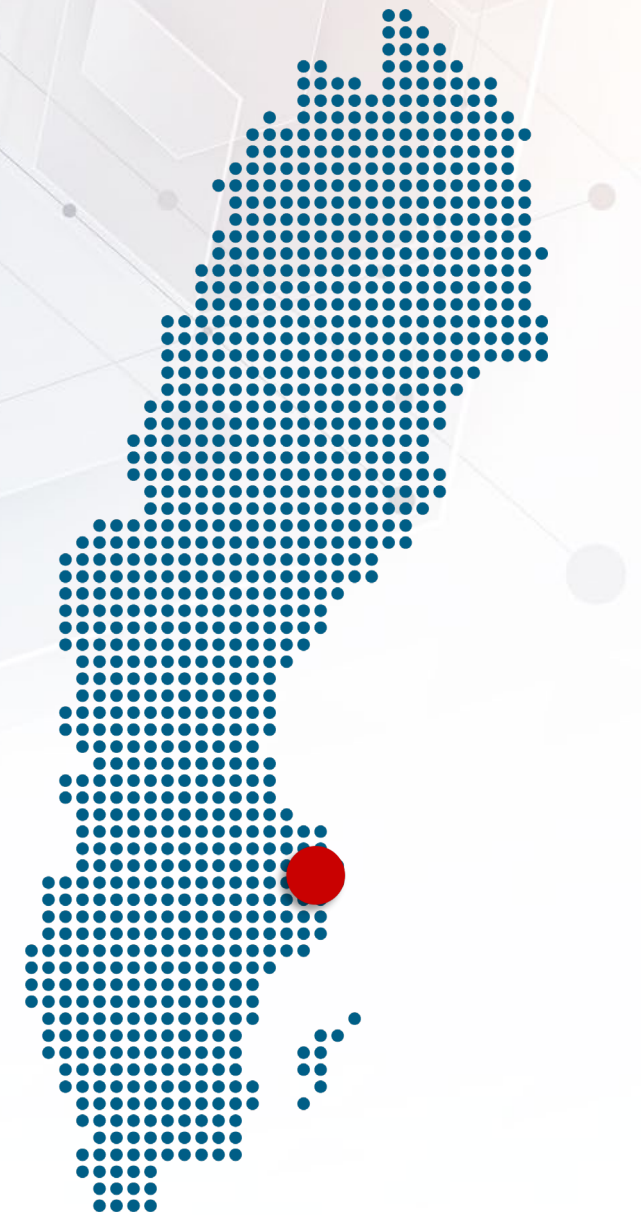
SEK is **100% owned** by the Swedish Government.

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

GDP Growth Q3 2019 (QoQ/YoY)

GDP Growth 2018

GDP 2018

GDP per capita 2018

Unemployment December 2019

CPI/CPIF*** December 2019 (YoY)

Repo Rate December 2019

AAA/Aaa/Aaa

0.3% / 1.6%

2.3%

USD 551bn*

USD 54 100*

6.6%**

1.8% / 1.7%

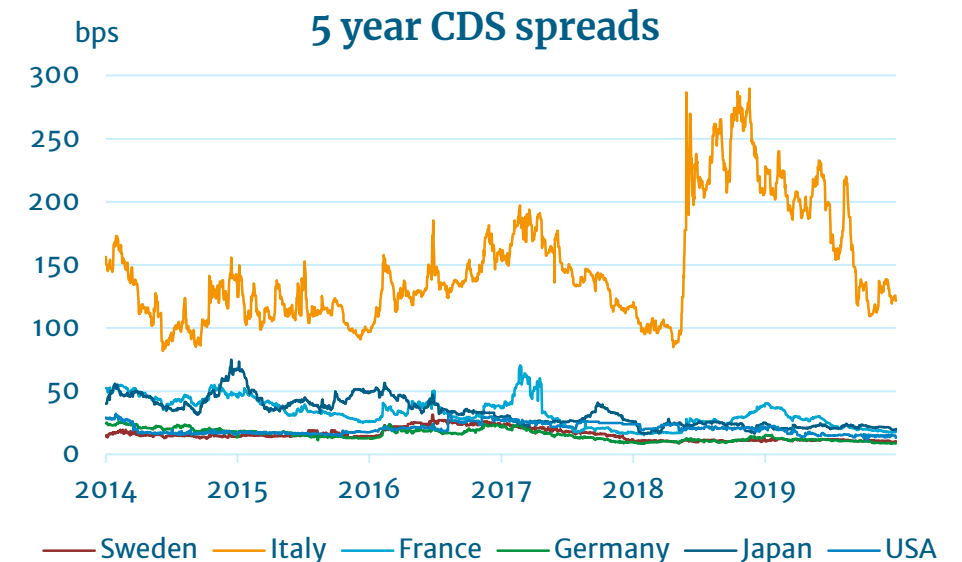
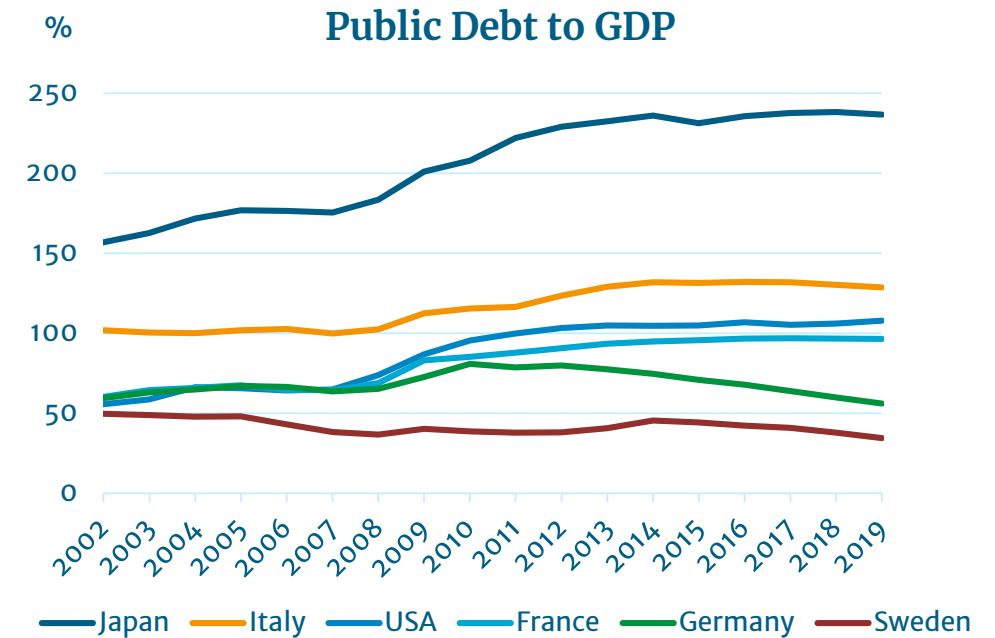
0%

* USD/SEK average 2018, 8.70

** Seasonally adjusted, % of labour force

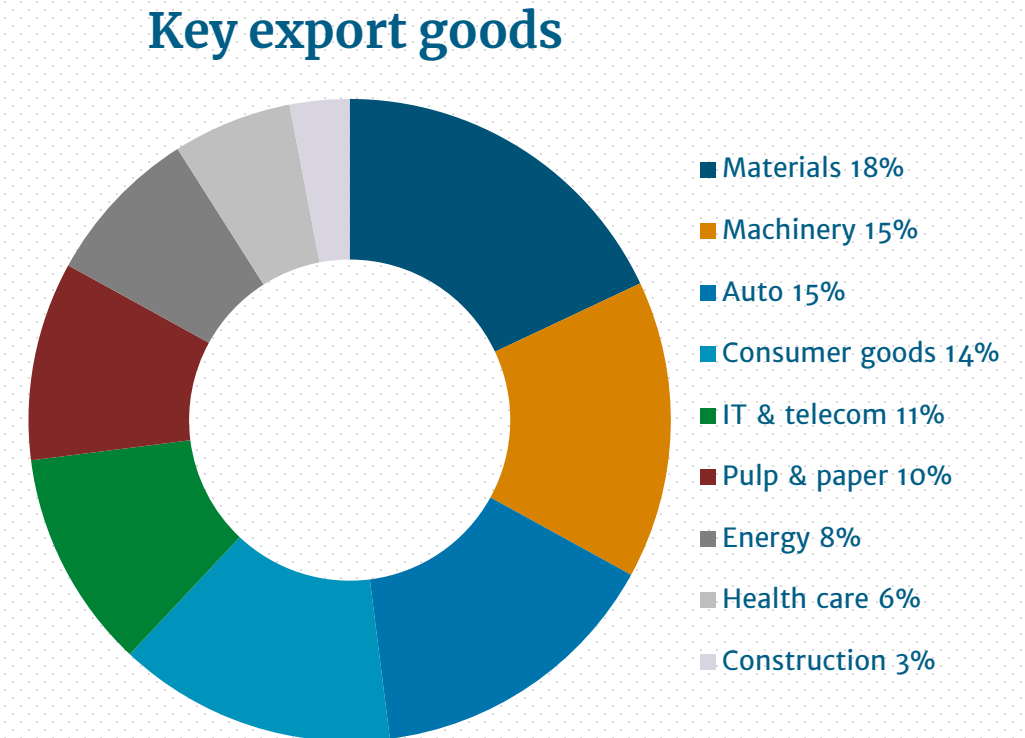
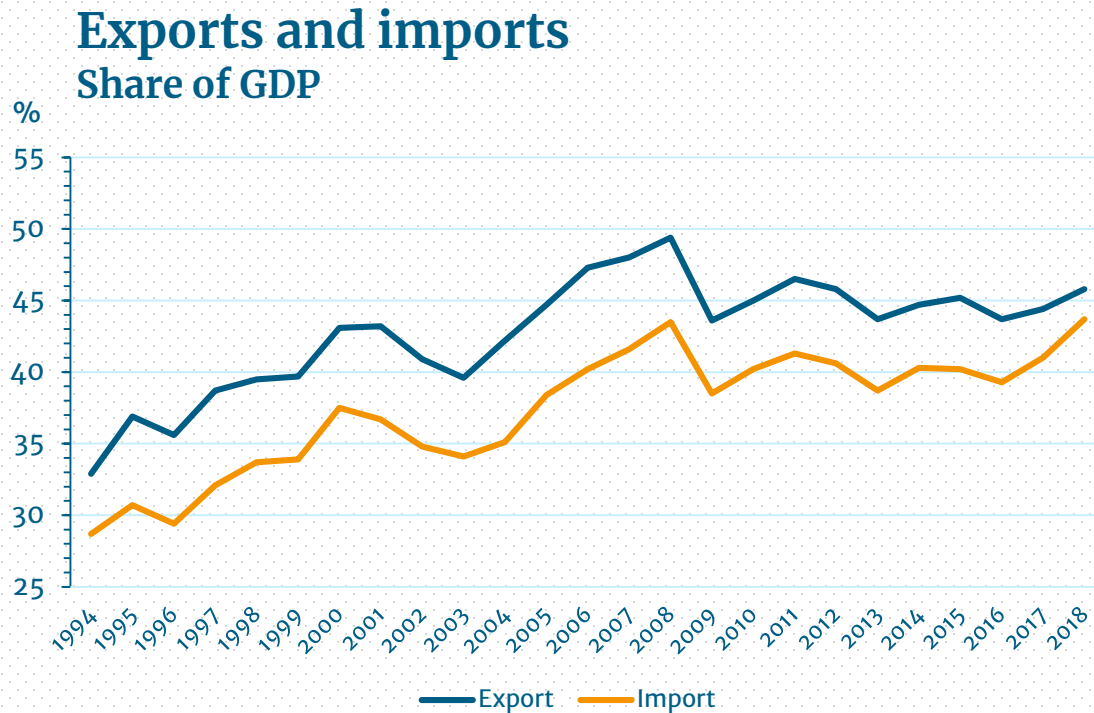
*** CPIF = CPI with fixed mortgage rates

Source: Bloomberg, IMF, SCB



Swedish Exports

Large part of GDP and well diversified



Source: SCB as of December 31, 2018

Well-known 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.

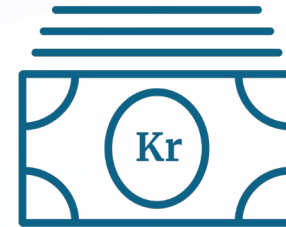
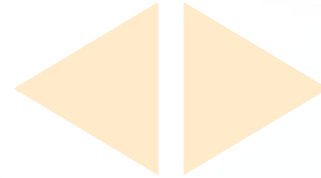
SEK creates client value on market terms through its strong international network, extensive experience and expertise in export finance.



Bank and capital market



Customer



SEK

Our offering

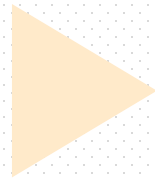
- Export Finance
- Project Finance
- Trade Finance
- Customer Finance
- Small Ticket Finance
- On-lending
- Corporate Lending and Capital Market Products

Our offer is available in **all major and selected emerging market currencies.**

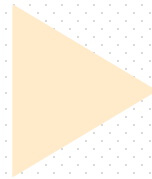
The Swedish Export Credit System



Exporter
negotiates
with buyer



Bank
arranges



EKN
guarantees



SEK
finances

Ratings



"SEK's senior debt instruments continue to benefit from high government support given its strong linkages with the sovereign due to both its government ownership, as well as the special mandate the bank has to promote Swedish exports and manage the CIR system."

"Solid capital and stronger-than-peers leverage"

"This [leverage ratio] places SEK in a stronger position compared to Nordic public sector peers..."

January 21, 2019

MOODY'S
Aa1 (stable)

"...that there is an extremely high likelihood of timely support to SEK from the Swedish government..."

"Its elevated capital ratios reflect its high-quality loan book and associated guarantees, highly rated exposures in its liquidity portfolio, and superior capital base consisting solely of core capital."

"In our view SEK will remain an important pillar of Swedish exporters' success owing to its strong relationships with Sweden's largest exporters."

December 6, 2019

STANDARD
& POOR'S
AA+ (stable)

SEK's sustainability framework



Owner instruction
Sustainability reporting
Sustainability targets and strategies



OECD Common Approaches
OECD Convention on Combating Bribery



Equator Principles



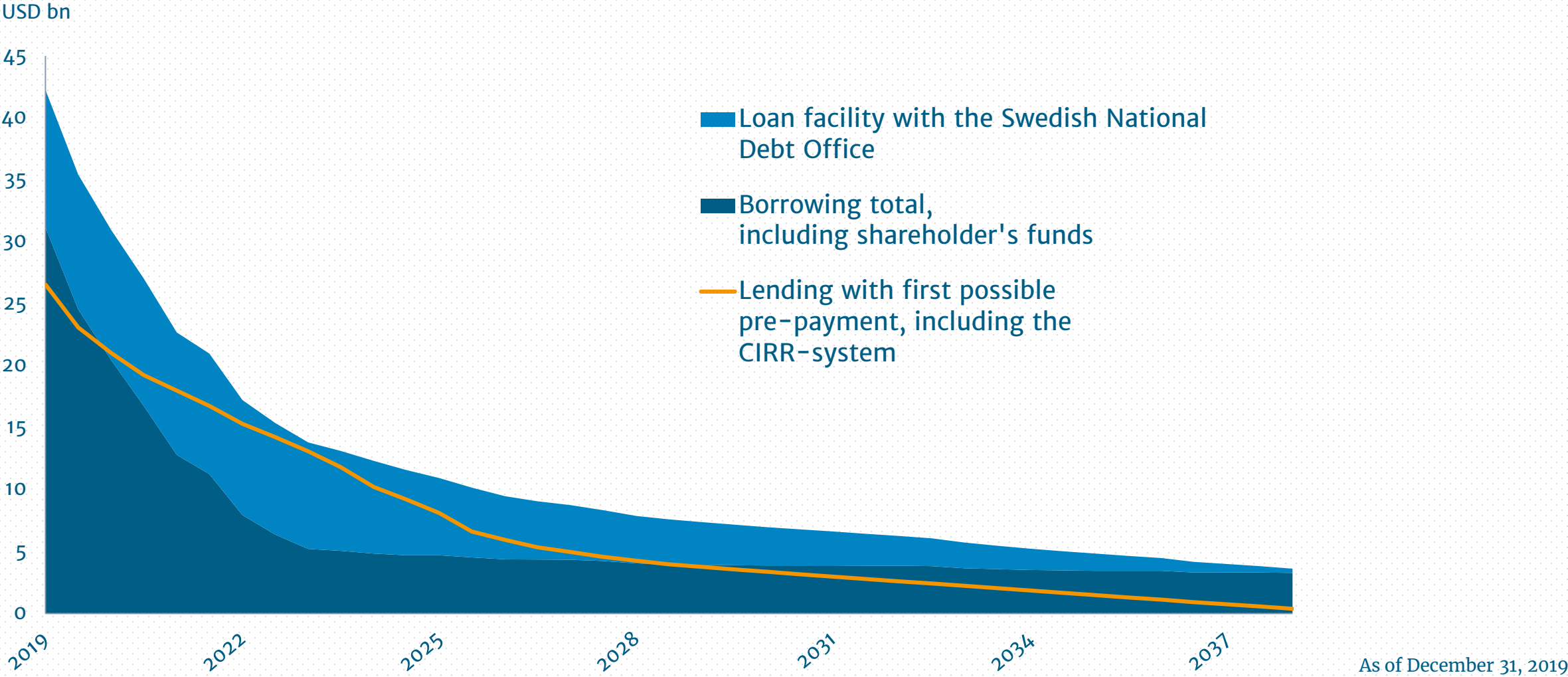
IFC Performance Standards



UN Global Compact
UN Guidelines on Business and Human Rights

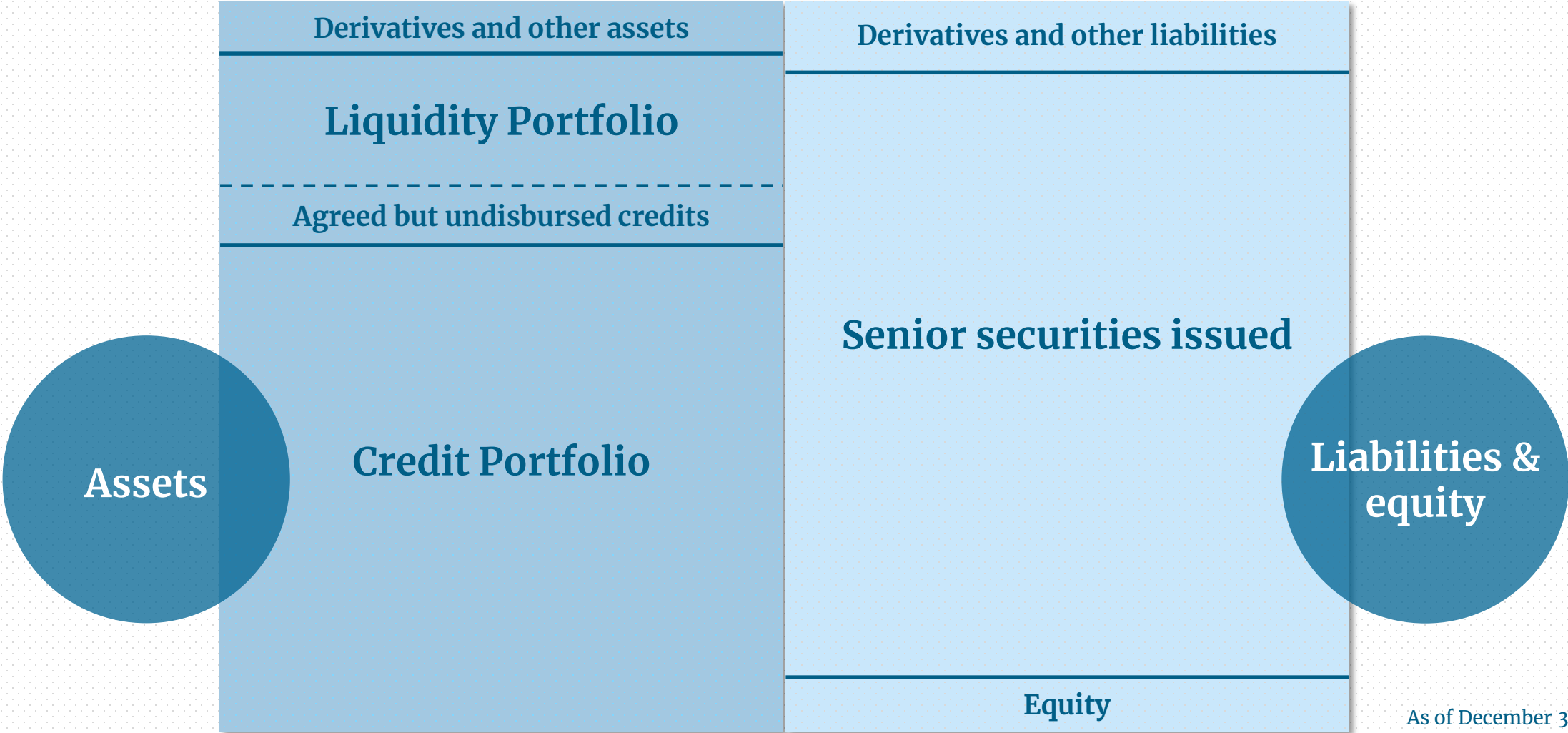


Funding and liquidity: No refinancing risk



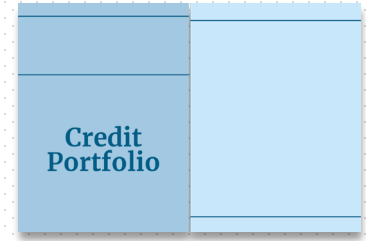
Not to scale

Total USD 34.0 bn

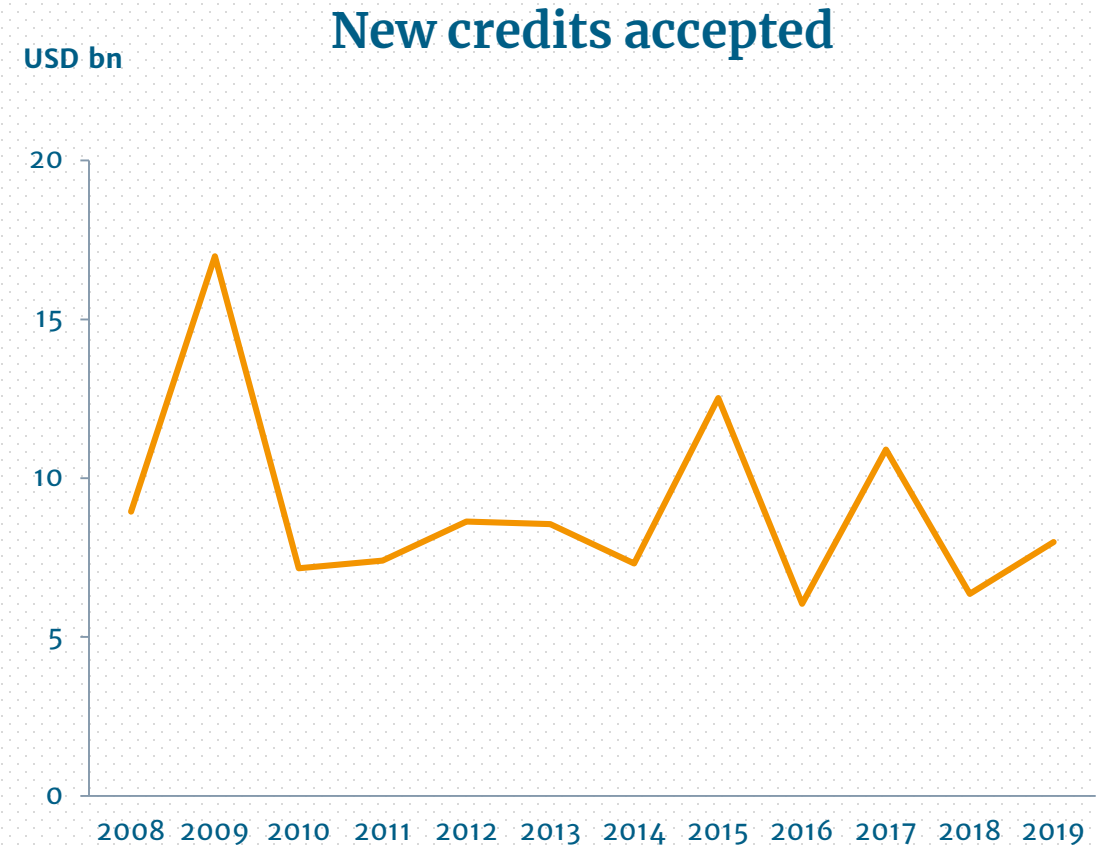


As of December 31, 2019

Credit Portfolio

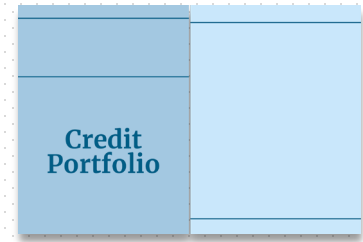


- Demand for financing from the Swedish export industry increased dramatically during the financial crisis
- The Swedish government heavily increased SEK's lending capacity during the financial crisis
- SEK secured access to financing for the Swedish exporters

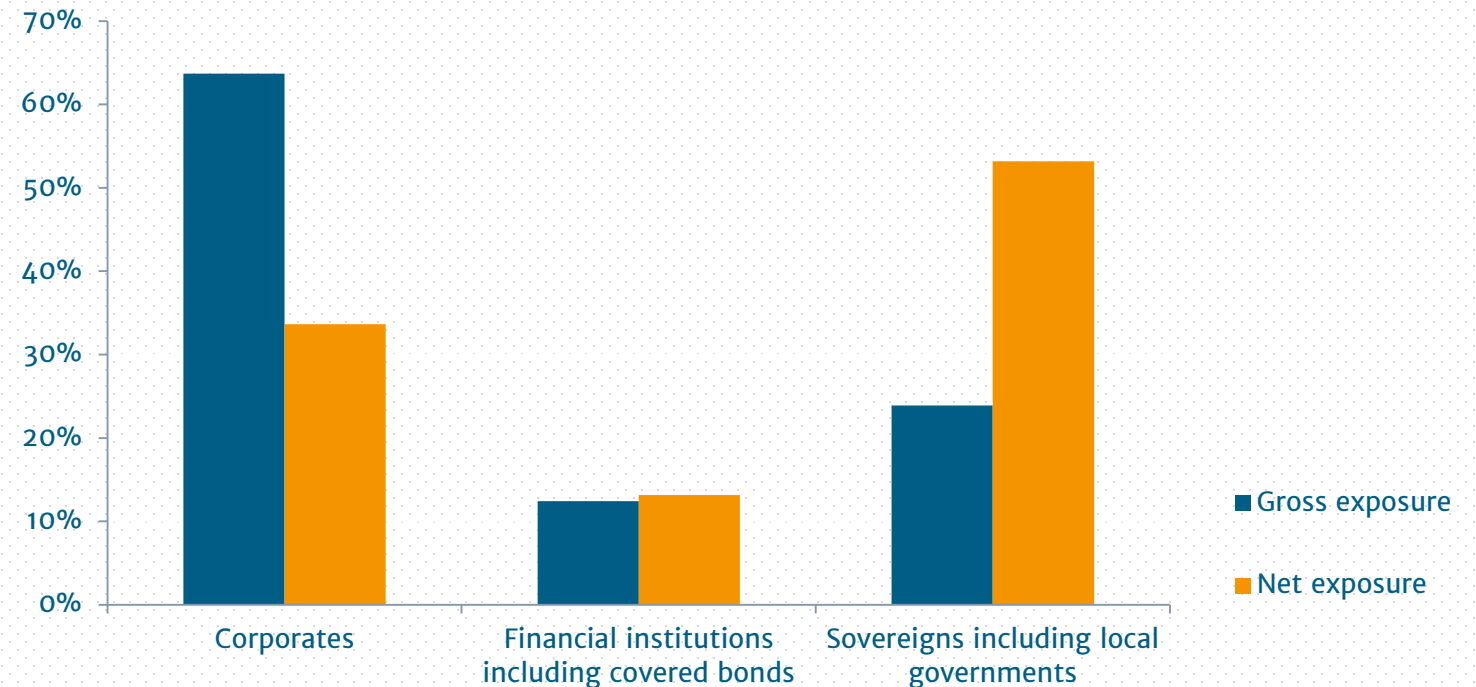


As of December 31, 2019

Counterparty exposures & risk mitigation

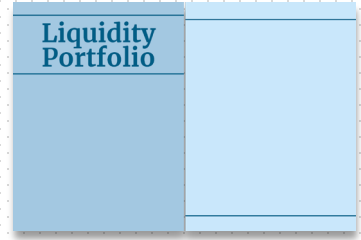


- Export credit agency guarantees
- Bank guarantees
- Credit derivatives
- Collateral agreements
- Insurance company guarantees



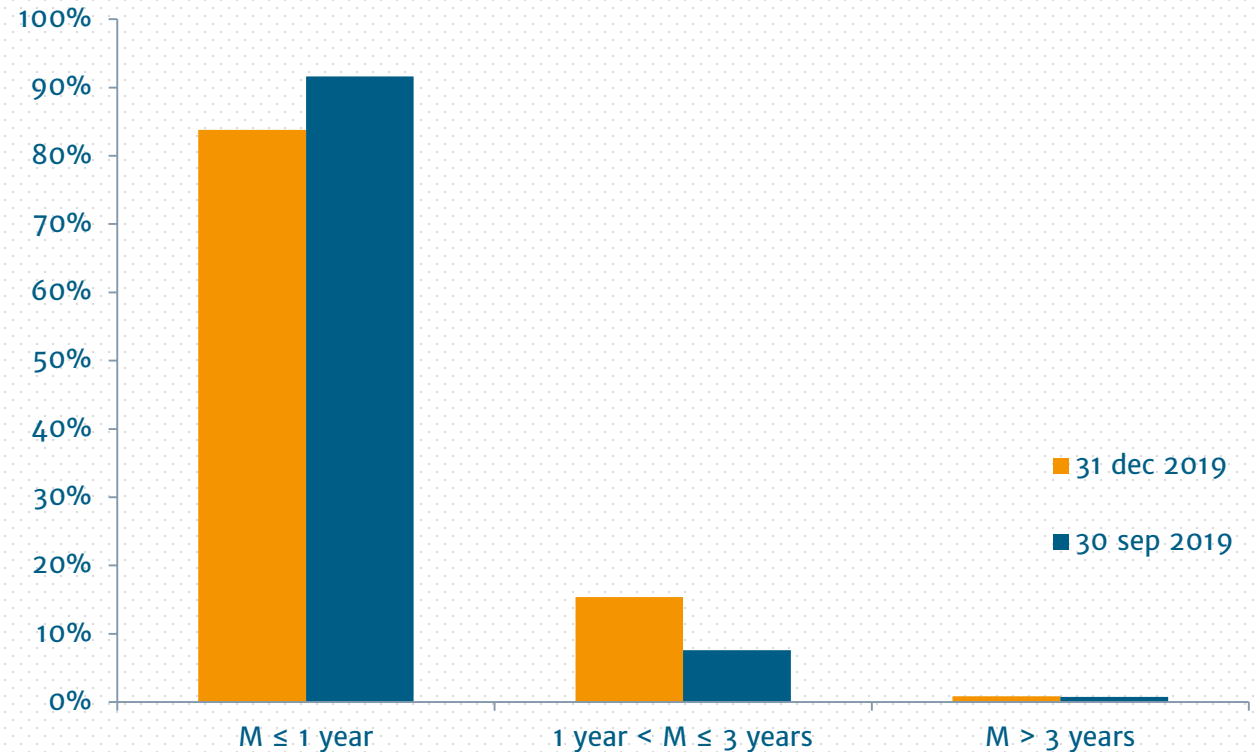
As of December 31, 2019

Liquidity Portfolio



Investment profile

- Average duration of new investments: **7 months**
- Maximum maturity: **Generally 24 months, with some exceptions**
- Minimum rating: **Generally A-, with some exceptions**



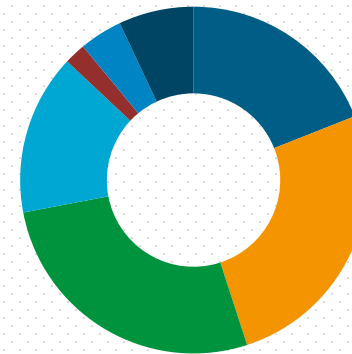
As of December 31, 2019

Funding: Flexible and diversified



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

New funding by region, as of December 31, 2019
(2018, whole year)

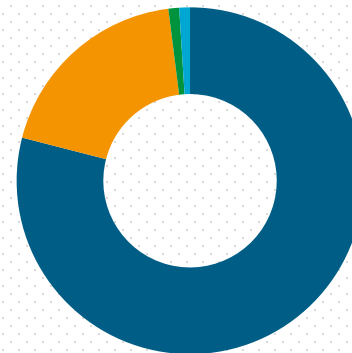


■ Japan	19% (19%)
■ North America	26% (28%)
■ Europe excl. Nordic countries	27% (29%)
■ Non-Japan Asia	15% (11%)
■ Nordic countries	2% (3%)
■ Middle East/Africa	4% (4%)
■ Latin America	7% (6%)
■ Oceania	0% (0%)

Risk Management policy

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

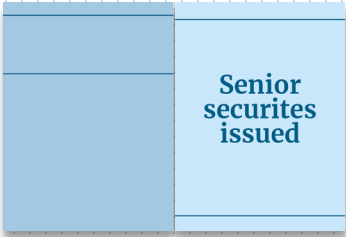
New funding by structure, as of December 31, 2019
(2018, whole year)



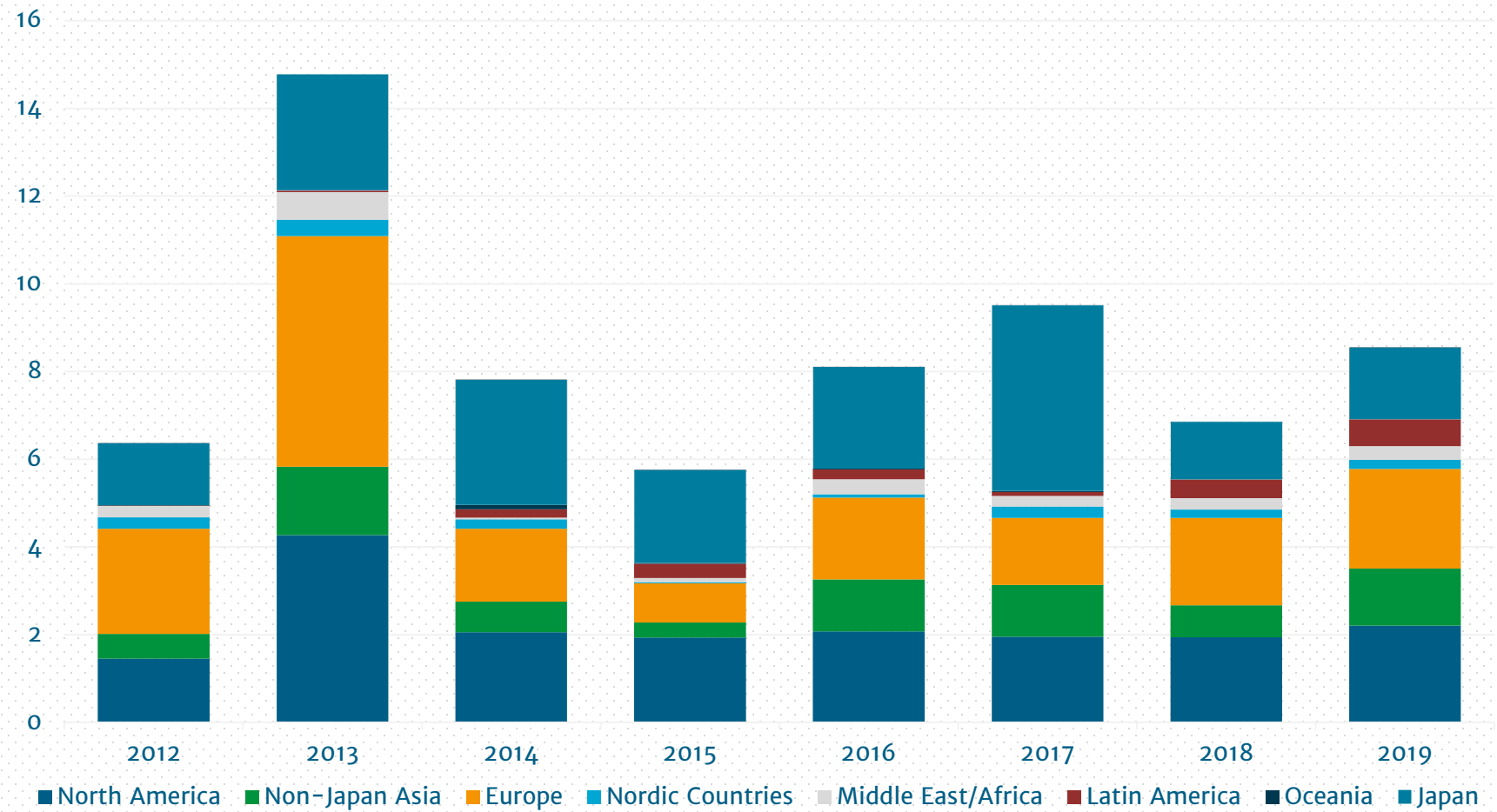
■ Plain Vanilla	79% (76%)
■ Equity linked	19% (20%)
■ FX linked	1% (3%)
■ Commodity linked	1% (1%)

As of December 31, 2019

Diversified funding, by region



USD bn

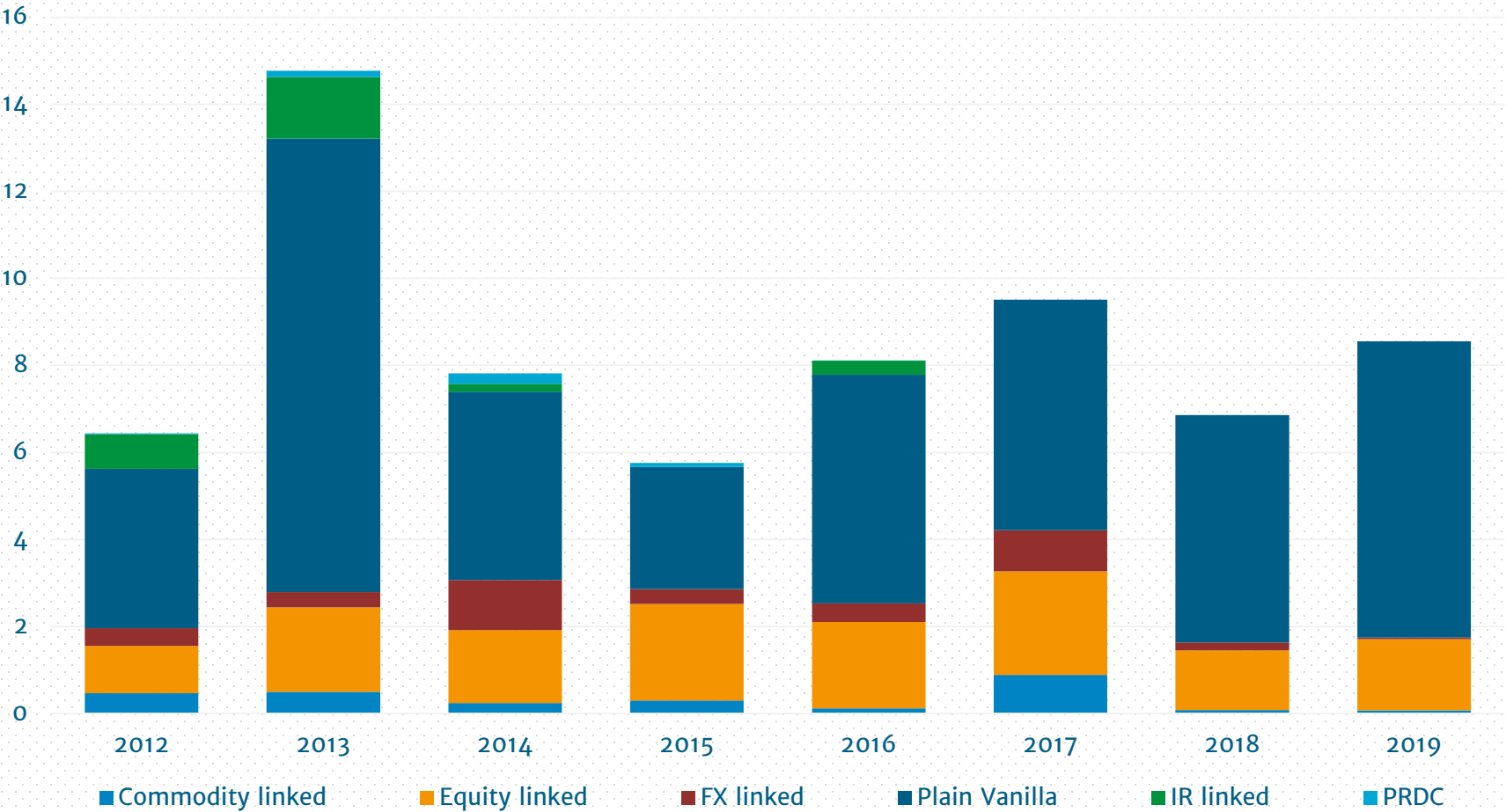


As of December 31, 2019

Diversified funding, by structure



USD bn



As of December 31, 2019

Awards



W I N N E R

SSA Issuer of the Decade



W I N N E R

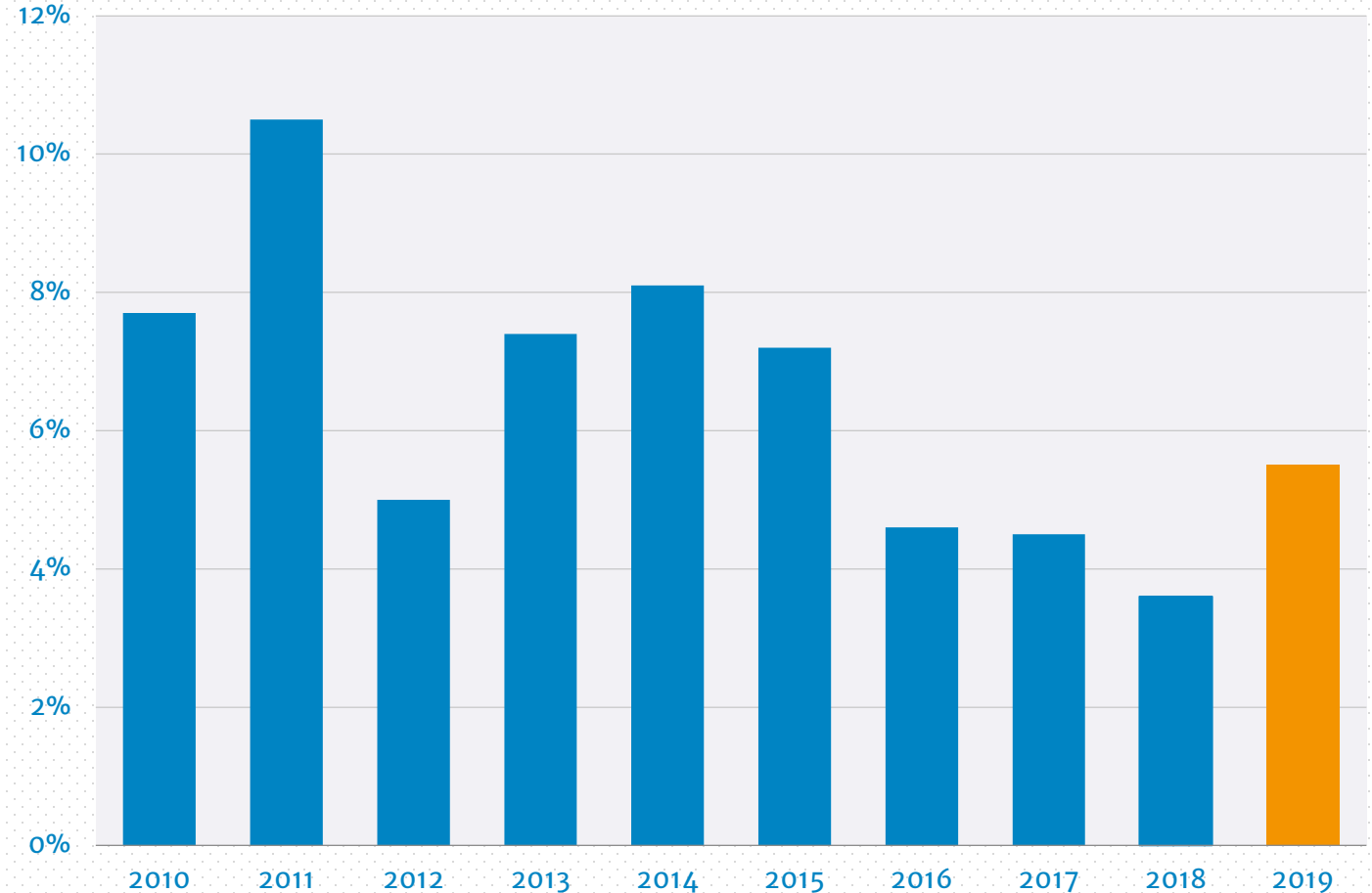
Issuer of the Year

Capitalization and Profitability

- Common Equity Tier 1 capital ratio of 20.6% as of December 31, 2019
- Leverage ratio of 5.6% as of December 31, 2019
- Dividend policy: 30% of profit after tax to our owner
- Return on equity: 5.5% (target: 6%)

As of December 31, 2019

Return on equity (IFRS)



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 December 31, 2019

Total assets	USD 34.0 bn
Lending	USD 23.3 bn
Common Equity Tier 1 capital ratio	20.6%
After-tax return on equity	5.5%

As of December 31, 2019



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

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

Minimum Requirement for own funds and Eligible Liabilities (MREL) is the European equivalence to TLAC and affects each countries' systemically important banks and financial institutions

Already in compliance with MREL with own funds and bail-inable senior unsecured bonds

After January 1, 2022, the requirements have to be met with own funds and a second layer of senior bail-inable debt, senior non-preferred bonds¹ (SNP)

SEK's requirements

MREL requirement is 7.2% (SEK 23 bn – around USD 2.4 bn) based on Total Liabilities and Own Funds

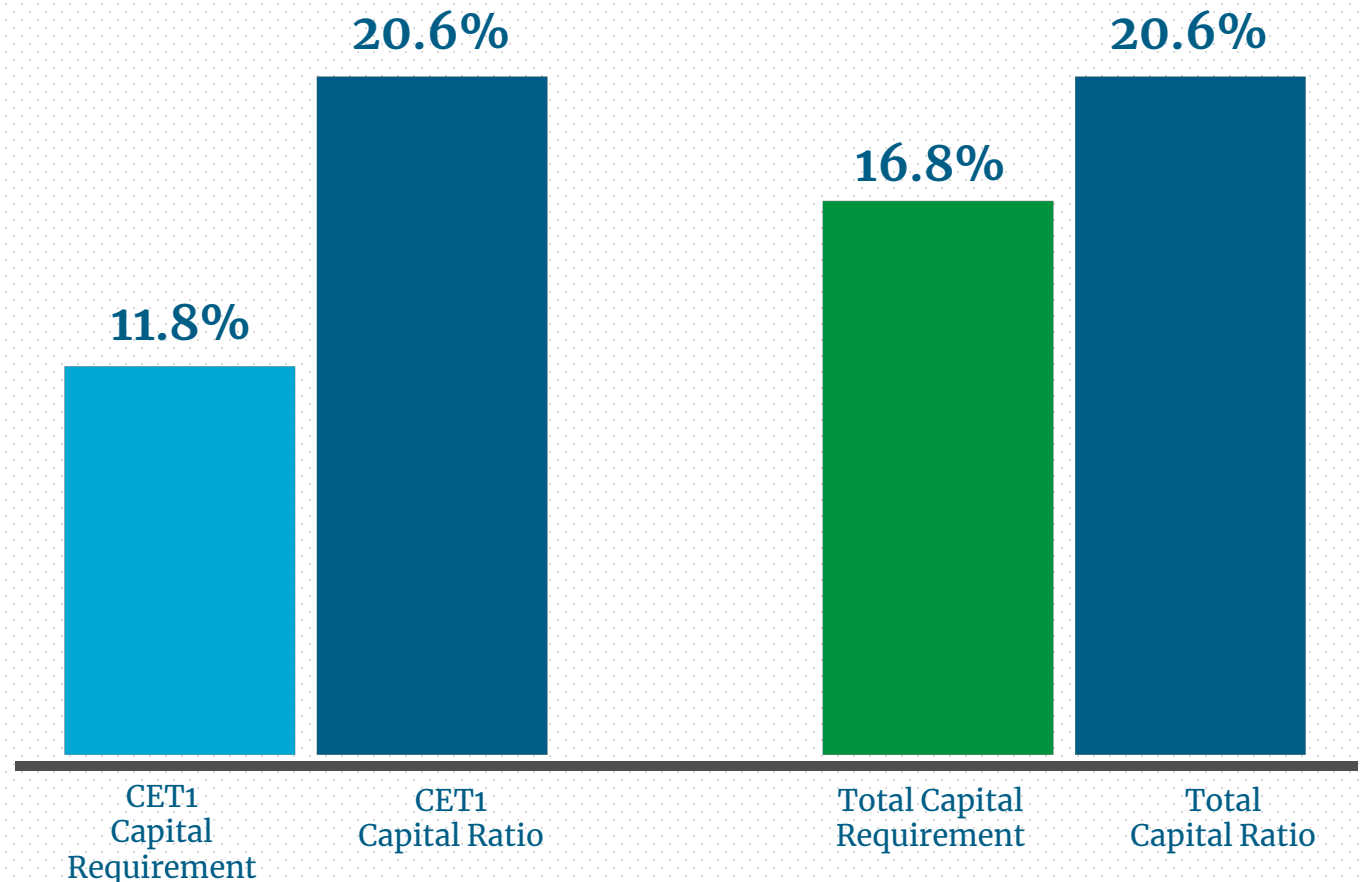
Of this SEK 23 bn, 11 bn (around USD 1.2 bn) has to be met with senior non-preferred bonds

Strong capital position

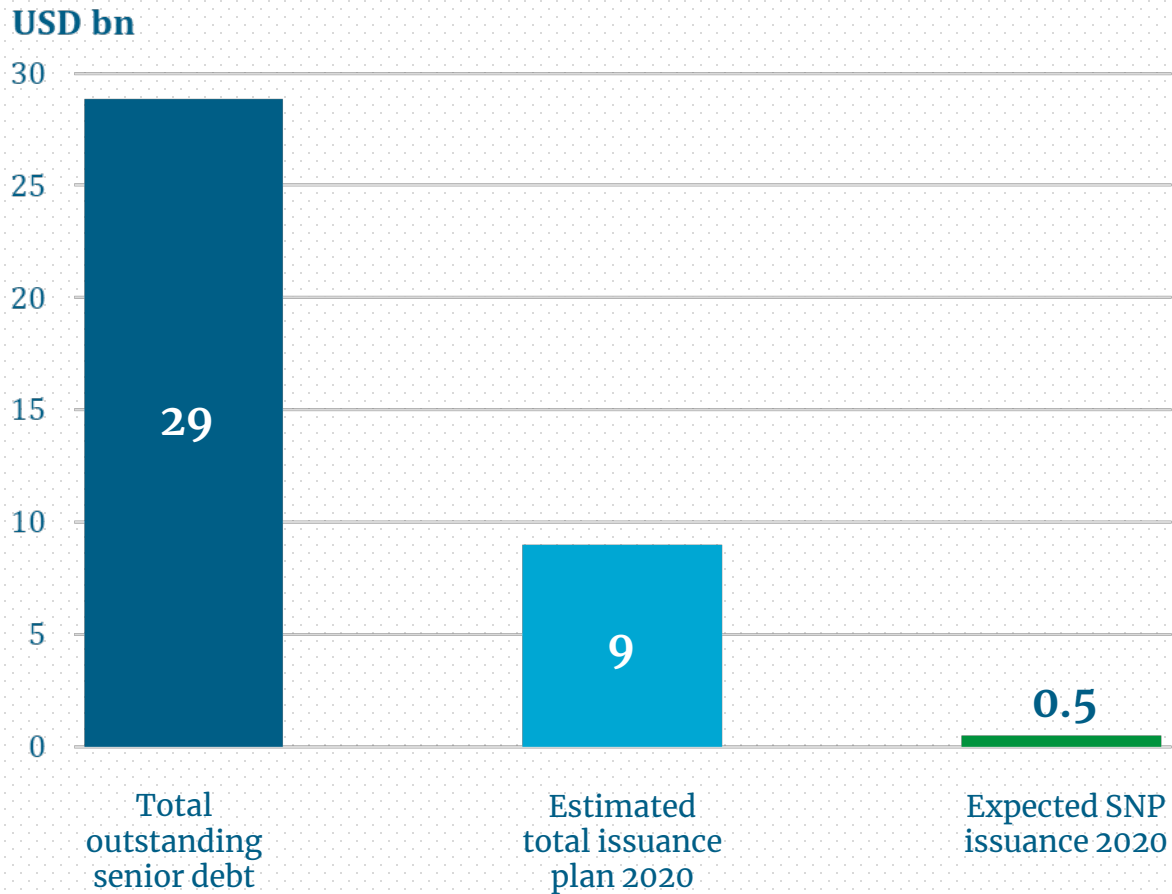
SEK's substantial own funds provide a significant buffer for investors

- Substantial own funds: SEK 18.3 bn (around USD 2.0 bn)
- Actual buffer against CET1-requirement: 8.9%
- Actual buffer against total capital requirement: 3.9% (within SEK's management buffer: 2-4%)
- Potential to further increase Total Capital Ratio by 5.0% to 25.6% by issuing AT1 and T2 capital

As of December 31, 2019



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



- Upcoming senior unsecured redemptions (USD 9 bn 2020) far larger than SNP issuance plan
- SEK expects SNP issuance of at least USD 1.2 bn, starting with USD 0.5 bn 2020
- No net additional issuance needs, SNP will substitute part of senior unsecured issuance

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 in 2009

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

Contact

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