

PERIODIC INFORMATION CONCERNING LIQUIDITY RISK IN ACCORDANCE WITH FFFS 2010:7



This report provides information about SEK's liquidity position as of September 30, 2016. The contents of this report conform to the Swedish Financial Supervisory Authority's regulation FFFS 2010:7 and must be disclosed four times per year. The figures presented in this report refer to the SEK group. For more information on SEK's liquidity risk management, please see SEK's Annual Report 2015 and Capital Adequacy and risk management report, Pillar 3 2015 (available on www.sek.se).

1 Management and measurement of liquidity risks

Liquidity and funding risk in SEK is the risk of not being able to refinance existing assets or to meet increased demands for liquid funds. It also includes the risk of having to borrow at an unfavorable interest rate or selling assets at unfavorable prices in order to meet payment commitments. SEK has a low tolerance for long term structural liquidity risk and funding must be available for all, disbursed as well as undisbursed, credit commitments for the full maturity period. Consequently, no additional funding is required to manage commitments with regard to existing credits. For CIRR credits, which SEK manages on behalf of the Swedish state, the company includes its loan facility with the Swedish National Debt Office as available funding. The loan facility amounts to Skr 125 billion and is valid through December 31, 2016 and entitles SEK to receive financing over the maturities that the underlying CIRR credits have. SEK has not yet utilized the credit facility.

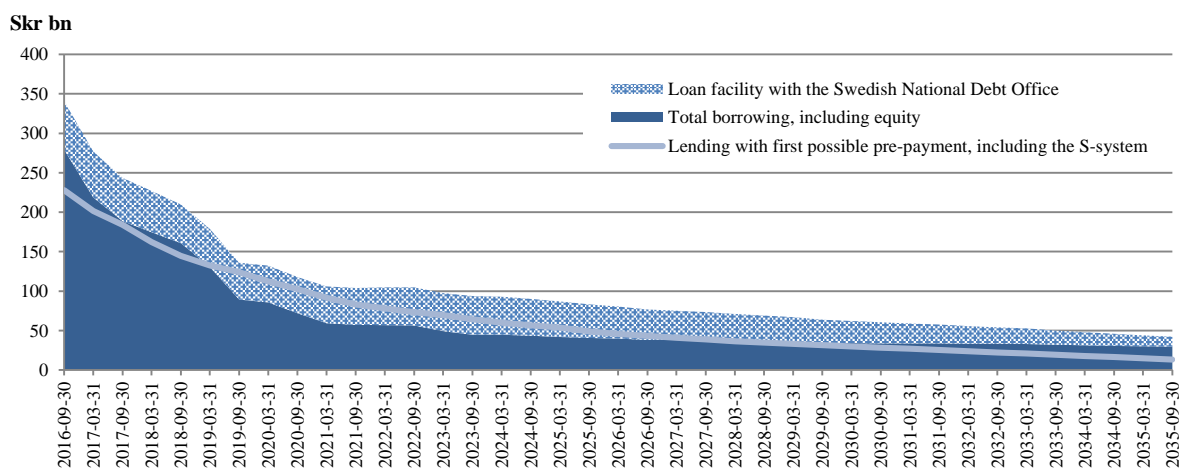
The primary tools to avoid a deficit in the short term are to control the maturity profile of the liquidity portfolio, by adapting the volume of overnight deposits in accordance with current needs and market situation, and to have access to a diversified funding base. The liquidity coverage ratio (LCR) is used to address short term liquidity. LCR measures the available unencumbered high-quality liquid assets (HQLAs) against net cash

outflows arising in the 30 day stress scenario period. Swedish institutions are expected to maintain a LCR of at least 100% for all currencies combined, and for EUR and USD. Liquidity forecasts for a period of up to one year as well as stress tests on cash flows are also produced on a regular basis.

From a long term perspective, no refinancing risk is allowed. For all credit commitments – outstanding credits as well as agreed, but undisbursed credits – there must be funding available for the full maturity period. For CIRR credits, which SEK manages on behalf of the Swedish state, the company counts its credit facility with the Swedish National Debt Office as available funding. This policy is monitored through the reporting of maturity profiles for lending and borrowing. See chart 1 "Development over time of SEK's available funds". Some of SEK's structured long-term borrowing includes early-redemption clauses that will be triggered if certain market conditions are met. Thus, the actual maturity for such contracts is uncertain. Chart 1 assumes that such borrowing is due at the first possible redemption opportunity. This assumption is an expression of the precautionary principle that the company applies concerning liquidity management.

Net stable funding ratio (NSFR) is also used to address long term structural liquidity risk. The NSFR measures the amount of stable funding available to a firm against the required amount of stable funding over a period of one year.

Chart 1: Development over time of SEK's available funds as of September 30, 2016



2 Funding

To secure access to large volumes of funding and to ensure that insufficient liquidity in individual funding sources does not pose an obstacle to operations, SEK issues bonds with different structures, currencies and maturities. In addition, SEK also carries out issues in many different geographic markets. As a general rule, SEK converts the issue proceeds from foreign currency bonds to EUR or USD by using derivatives. To manage and ensure market access at all times, SEK seeks to establish and maintain relationships with its investors. Net total long-term funding taking into account swaps amounts to Skr 251.4 billion at September 30, 2016. Charts 2, 3 and 4 illustrate some of the aspects of the diversification of SEK's funding. For further details on SEK's funding, see Table 1 in section 4 Appendix.

SEK has several funding programs for maturities up to one year. Short-term funding programs include a US Commercial Paper program (UCP) with maturities of up to 9 months, and a European Commercial Paper program (ECP) with maturities of up to one year. The latter of these programs allows borrowing in multiple currencies. The total volume of short-term funding programs was USD 7.0 billion, of which USD 0.5 billion had been utilized as of September 30, 2016. SEK also has a swing line that functions as back-up facility for the commercial paper programs.

Chart 4: Long-term funding as of September 30, 2016 by market

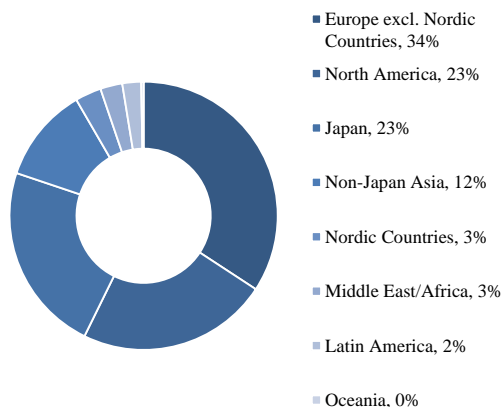


Chart 2: Long-term funding as of September 30, 2016 by issue currency

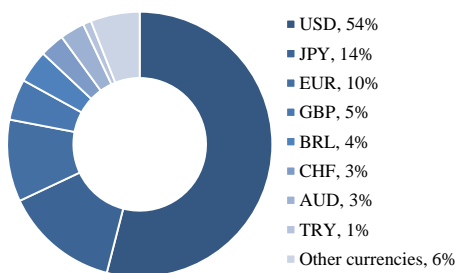
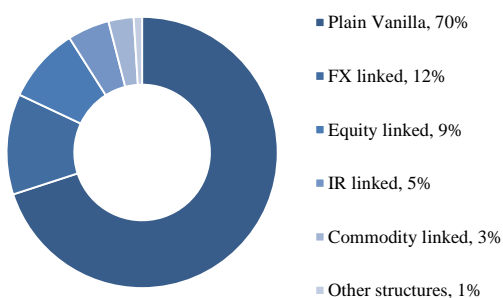


Chart 3: Long-term funding as of September 30, 2016 by structure type



3 Liquidity

A fundamental concept in SEK's liquidity and funding risk management is that the liquidity investments will be held to maturity. Instead of selling assets as funds are needed, the maturity profile of the liquidity investments is matched against funds expected to be paid out. SEK's liquidity investments ensure lending capacity at times of market stress, or if market conditions are deemed disadvantageous. This is an important part of the company's business model and necessary to meet SEK's policy on liquidity and funding risk. To meet the financing requirements for long-term lending, liquid assets surpluses are invested in assets with high credit quality.

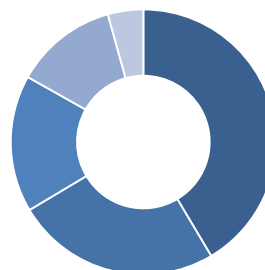
The size of the liquidity portfolio is adapted to cover outflows from agreed but undisbursed credits, collateral agreements with derivative counterparties, outflows arising due to short-term funding transactions and new lending capacity. The aim for the new lending capacity is to provide at least four months' normal new lending besides CIRR credits. SEK regularly performs scenario analyses to ensure that the size of the liquidity portfolio fulfills the company's liquidity needs in times of stress.

The liquidity reserve is a part of SEK's liquidity investments. SEK's liquidity reserve comprises highly liquid assets and overnight deposits in banks. All highly liquid assets are either confirmed or assumed to be eligible as collateral at the Riksbank (the Central Bank of Sweden) and/or confirmed to be eligible as collateral at the ECB. Assets that are assumed to be eligible in the Riksbank are not explicitly listed by the Riksbank but meet its criteria for central bank eligible assets. Chart 5 provides a breakdown of SEK's liquidity reserve by exposure type. For further details on SEK's liquidity investments, see Tables 2, 3 and 4 in section 4 Appendix.

A portion of the liquidity reserve qualifies as high quality assets under the quantitative liquidity ratio, Liquidity Coverage Ratio (LCR), which is binding in Sweden on an aggregate currency level and for euro and US dollars separately. As of September 30, 2016, SEK fulfilled the LCR regulatory requirements by having a LCR ratio at an aggregate level of 653 percent, a ratio for EUR of 6381 percent and a ratio for USD of 177 percent. In addition, the LCR ratio for Skr was 81 percent.

Chart 5: SEK's liquidity reserve as of September 30, 2016 by exposure class/type

Total amount of SEK's liquidity reserve: Skr 32.0 billion, as of September 30, 2016



- Securities issued or guaranteed by municipalities or other public entities, 41%
- Balances with other banks and National Debt Office, overnight, 25%
- Securities issued or guaranteed by sovereigns, central banks or multilateral development banks, 17%
- Covered bonds issued by other institutions, 13%
- Securities issued by non-financial corporates, 4%

4 Appendix

Table 1: Net long-term market funding amount, as of September 30, 2016 by country and structure type

Net total long-term funding taking into account swaps amounts to Skr 251.4 billion at September 30, 2016.

Skr bn Market	No structure	Currency "linked"	Equity "linked"	Interest rate "linked"	Commodity "linked"	Inflation "linked"	Fund "linked"	Hybrid	Total
Europe	74.7	0.1	0.1	10.2	-	0.7	0.2	-	86.0
North America	47.1	-	3.8	0.6	6.4	-	-	-	57.9
Japan	9.1	28.9	18.2	0.4	0.3	-	0.3	0.3	57.6
Non-Japan Asia	26.7	0.4	-	1.8	-	-	-	-	28.8
Nordic countries	6.9	-	0.2	-	-	0.8	0.0	-	7.9
Middle East/Africa	6.7	-	-	-	-	-	-	-	6.7
Latin America	5.4	0.3	-	-	-	-	-	-	5.7
Oceania	0.7	-	-	-	-	-	-	-	0.7
Total	177.2	29.7	22.3	13.1	6.7	1.5	0.6	0.3	251.4

For the long-term market funding, 14 percent (14 percent Q2 2016) of the outstanding volume includes early-redemption clauses as of September 30, 2016.

Table 2: Liquidity reserve¹ as of September 30, 2016

Market values Skr mn	Total	SKR	EUR	USD	Other
Securities issued or guaranteed by municipalities or other public entities	13 253	10 629	-	2 031	593
Balances with other banks and National Debt Office, overnight	7 989	6 827	978	176	8
Securities issued or guaranteed by sovereigns, central banks or multilateral development ba	5 344	701	2 978	1 665	-
Covered bonds issued by other institutions	4 007	-	1 969	687	1 351
Securities issued by non-financial corporates	1 379	702	677	-	-
Total Liquidity Reserve	31 972	18 859	6 602	4 559	1 952

¹ The liquidity reserve is a part of SEK's liquidity placements

Table 3: Liquidity investments as of September 30, 2016 by country and exposure class/type

Net Exposures Skr bn Country	Financial institutions	States	Regional/Local Governments	Covered bonds	CDS covered corporates	Corporates	Multilateral development banks	Total ¹
Sweden	7.7	0.7	12.0	2.7	0.0	2.1	0.0	25.2
Canada	4.7	0.0	0.0	0.0	0.0	0.0	0.0	4.7
Japan	2.9	1.4	0.0	0.0	0.0	0.1	0.0	4.4
Netherlands	4.1	0.0	0.0	0.0	0.0	0.0	0.0	4.1
Luxembourg	0.0	2.0	0.0	0.0	0.0	0.0	1.3	3.3
Denmark	0.2	0.0	1.5	1.4	0.0	0.0	0.0	3.1
Norway	2.2	0.0	0.0	0.0	0.0	0.0	0.0	2.2
Korea, Republic Of	0.0	1.3	0.0	0.0	0.0	0.9	0.0	2.2
United States	1.9	0.0	0.0	0.0	0.0	0.0	0.0	1.9
Germany	1.3	0.3	0.0	0.0	0.0	0.0	0.0	1.6
China	1.5	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Qatar	0.0	0.0	0.0	0.0	0.0	1.3	0.0	1.3
United Arab Emirates	0.0	0.0	0.0	0.0	0.0	1.2	0.0	1.2
United Kingdom	0.9	0.0	0.0	0.0	0.4	0.0	0.0	1.2
Switzerland	1.2	0.0	0.0	0.0	0.0	0.0	0.0	1.2
Finland	0.6	0.0	0.0	0.0	0.0	0.0	0.6	1.1
Singapore	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.9
France	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.7
Australia	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Austria	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.5
Belgium	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Italy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	30.5	6.3	13.5	4.0	1.1	5.7	1.8	62.9

¹ Total amounts in this table exclude collateral deposited.

Table 4: Liquidity investments as of September 30, 2016 by country and rating

Skr bn										
Country	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	Total
Sweden	3.8	7.3	0.9	10.6	1.0	0.4	1.1	-	0.0	25.2
Canada	-	-	-	-	1.7	3.0	-	-	-	4.7
Japan	-	-	-	0.1	1.4	-	2.9	-	-	4.4
Netherlands	-	-	-	1.1	-	1.0	1.9	-	-	4.1
Luxembourg	1.3	2.0	-	-	-	-	-	-	-	3.3
Denmark	1.5	-	-	-	-	1.5	-	-	-	3.1
Norway	-	-	-	-	0.1	2.1	0.0	-	-	2.2
Korea, Republic Of	-	-	-	1.3	-	-	0.9	-	-	2.2
United States	-	-	-	-	1.8	-	0.1	-	-	1.9
Germany	0.3	-	-	-	-	1.3	-	-	-	1.6
China	-	-	-	-	-	1.5	-	-	-	1.5
Qatar	-	-	-	-	1.3	-	-	-	-	1.3
United Arab Emirates	-	-	-	1.2	-	-	-	-	-	1.2
United Kingdom	-	-	-	-	-	-	-	-	1.2	1.2
Switzerland	-	-	-	-	-	-	-	1.2	-	1.2
Finland	0.6	-	-	0.6	-	-	-	-	-	1.1
Singapore	-	-	-	0.9	-	-	-	-	-	0.9
France	-	-	-	-	0.4	0.3	-	-	-	0.7
Australia	-	-	-	0.1	-	-	0.4	-	-	0.5
Austria	-	0.5	-	-	-	-	-	-	-	0.5
Belgium	-	-	-	-	-	-	-	-	-	0.0
Italy	-	-	-	-	-	-	-	-	-	0.0
Total	7.5	9.8	0.9	15.9	7.8	11.2	7.4	1.2	1.2	62.9

¹ Total amounts in this table exclude collateral deposited.