

ANNUAL REPORT

Strong Swedish exports

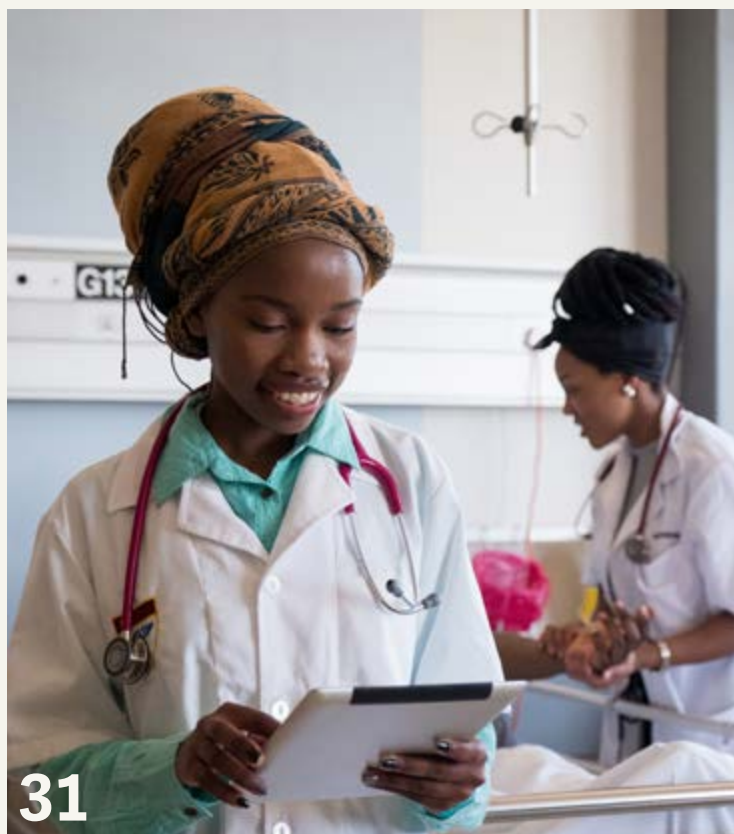
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The year in brief

The total volume of guarantees amounted to SEK 83.9 billion. The volume of regular guarantees amounted to a historically high SEK 77.1 billion. The need for the temporary crisis solution with working capital guarantees for large corporates has slowed down and amounted to SEK 6.8 billion.

77.1

The volume of regular guarantees amounted to SEK 77.1 billion, of which 2.0 billion was to small and medium-sized enterprises (64.7, SMEs 2.9).

6.8

The guarantee volume of the temporary working capital credit guarantee for large corporates was SEK 6.8 billion (54.4). The number of transactions was 7 (34), and the number of customers 23 (24). Of these, 7 (7) had both regular guarantees and the temporary working capital credit guarantee.¹

139

The exports that EKN guaranteed went to 139 countries (138). At year-end, EKN had guarantees outstanding for transactions in 146 countries.

20.8

This year's guarantees for exports to Africa was a record high SEK 20.8 billion.

1,781

During the year, EKN guaranteed 1,781² new transactions, of which 498 for SMEs (1,896 new transactions, SMEs 611).

480

There were 480 customers, of which 326 were small and medium-sized enterprises (494 customers, of which 349 SMEs).

0.8

Claims payments decreased, and amounted to SEK 0.8 billion (1.6 billion).

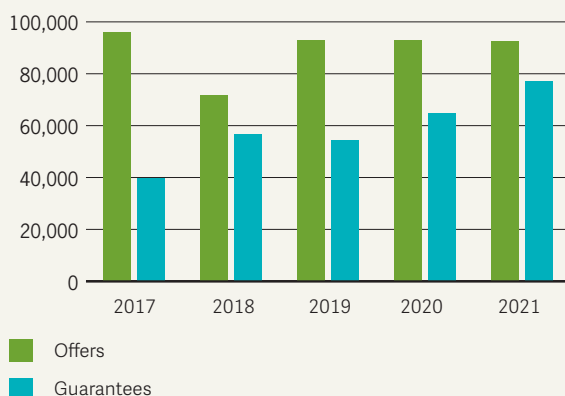
1.8

The profit amounted to SEK 1.8 billion (SEK 0.2 billion). EKN continues to have a stable financial position.

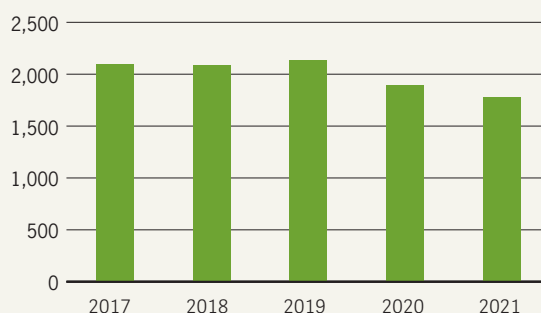
¹ Only this item relates to the temporary working capital credit guarantee. All other items on this page relates to the regular guarantees issued.

² The number of transactions decreases partly due to simplified processing of certain guarantee products.

1.1 NEW OFFERS AND GUARANTEES (SEK MILLION)



1.2 NUMBER OF NEW TRANSACTIONS



1.3 NUMBER OF CLIENTS

	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
Number of clients	480	494	445	419	393

1.4 NEW OFFERS, GUARANTEES AND PROFIT/LOSS (SEK MILLION)

	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
New offers	92,589	92,781	93,116	71,890	96,023
New guarantees	77,125	64,691	54,231	56,816	39,914
Earned premiums	2,083	1,080	1,729	1,384	2,121
Claims paid	-799	-1,637	-1,861	-1,738	-1,410
Profit/Loss	1,776	194	1,067	1,004	1,418

1.5 OUTSTANDING EXPOSURE AND ACCUMULATED EARNINGS (SEK MILLION)

	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
Offers outstanding	140,954	136,344	118,848	94,769	92,443
Guarantees outstanding	223,955	184,330	195,862	193,295	181,485
Provisions*	10,246	9,058	8,137	9,031	10,085
Outstanding claims, nominal*	13,855	13,012	12,595	11,429	9,925
Outstanding claims, calculated net value*	1,873	1,703	1,814	1,727	1,576
Equity*	26,232	24,712	24,930	23,863	22,860

The figures above do not include working capital credit guarantess for large corporates, if not stated.

* In those balance sheet items the working capital credit guarantess for large corporates are included.

Strong exports and guarantees at record highs

Swedish exports are performing well, despite the ongoing pandemic and challenges in global value chains. Swedish companies are offering innovative, climate-smart solutions that the world needs. Contributing to customer's financing, offers a strong competitive advantage and demand for guarantees is higher than ever before.

For exporting companies, 2021 involved extensive risks and challenges, however, Swedish exports are rising again after the downturn in 2020. The combination of risks and challenges as well as opportunities, meant that EKN concluded a historic year. Only on one previous occasion, which entailed a very large sovereign risk, has EKN had such a large guarantee volume.

The world has gradually learned to live with the pandemic, which has contributed to economic recovery. However, global value chains have stagnated, leading to delivery delays from suppliers. Despite these disruptions, Swedish exports generally performed well in 2021. It is reassuring that the need for EKN's crisis solutions abated during the first half of 2021, while demand for regular guarantees posted record highs. The annual guarantee volume of SEK 77.1 billion is the second highest ever.

Increased exposure in the highest risk classes

Many Swedish companies are succeeding in emerging markets in countries that need to expand infrastructure, electricity supply, health-care, etc. This involves transactions in countries with uncertain business environments, political instability and sometimes higher indebtedness, leading to increased risk. For these transactions, EKN is in particularly high demand. Year-on-year, EKN's exposure to transactions in the high-

“

Sweden and EKN have continued to promote climate initiatives in both EU and the OECD

est country risk categories, 6 and 7, has increased to SEK 17.6 billion from SEK 8.9 billion, the level of volumes seen annually over the past five-years. Most of this exposure pertains to African sub-Saharan countries where Swedish companies and EKN are internationally recognised for their major commitments to sustainability projects. These include new railways through Tanzania, major solar power facilities in Angola and public transport in Burkina Faso, Ghana and Ivory Coast.

Telecoms, renewable energy and social development

As in previous years, guarantees issued were dominated by major telecom transactions, the largest of which were to high-income countries in the OECD. Guarantees from EKN also reflect a strong demand for Swedish deliveries to global initiatives for solar power, wind power and sustainable transport solutions. The financing of several projects EKN has guaranteed are classed as social loans by participating banks due to the projects' contribution to sustainable development, while concurrently managing environmental and social risks in a responsible manner.

Swedish companies of all sizes offer green solutions and are also transitioning their home production. In the autumn, EKN launched a green guarantee with advantageous conditions.

EKN is available countrywide

Small and medium-sized enterprises (SMEs) account for some 40 per cent of Sweden's exports

of goods. As a result, the economy has been positively impacted by the sharp upturn for many of Sweden's exporting SMEs, following the crisis triggered by the pandemic. One in three SMEs increased its exports during the pandemic and confidence in the future is strong, with two thirds anticipating increased exports in 2022, according to our latest survey.

In October 2021, EKN opened a new office in Luleå, sharing premises with Almi North, which, together with offices in Sundsvall, Stockholm, Gothenburg and Malmö, offers access to EKN across the whole country. This enables us, together with our experienced local finance advisers, to support companies and banks' corporate advisors and coordinate with other export promoting organisations.

COP26 in Glasgow

Many of the issues raised at the UN COP26 Climate Change Conference in Glasgow concerned financing for climate transition. This highlighted the important role of officially supported export credits. I was invited by the host nation, the UK, to a panel discussion about the road ahead. EKN's standpoint is that conditions should be especially advantageous for transition projects, whilst guarantees should be restrictive for the financing of fossil energy extraction. EKN is at the forefront in terms of this position. It is satisfying to see the rising international interest in this path and how quickly even more countries are now adapting their policies in the same direction. This will be the true stimulant for change, with officially supported export credit guarantees acting as catalysts.

Renewed regulation necessary

Sweden and EKN have continued to promote climate initiatives in both the EU and the OECD, driving the issue of renewed regulation. The OECD's Sector Understandings for improved conditions on projects that contribute to climate transition, may be updated in 2022. This is important to further facilitate investments in climate transition which are enhancing opportunities for Swedish exports.

Strongly positioned for the needs ahead

EKN has a strong financial position, that was further enhanced during a year with no major claims. EKN continues to have substantial ca-



Director General Anna-Karin Jatko visiting enterprises in the north of Sweden.

capacity to meet the needs, and tackle the challenges of, exporting companies and banks.

To meet the increased demand and complexity of transactions, EKN has recruited additional experienced staff. This year, a scientific climate council has been established together with the Swedish Export Credit Corporation (SEK), providing guidance and support on complex scientific deliberations, such as the role of natural gas and hydrogen in climate transition.

I would like to convey my gratitude to export companies and banks for their confidence in us and to the export promoting organisations in Team Sweden for our successful collaboration. Thank you also to our team at EKN for their valuable contribution in achieving such excellent results. I look forward to continuing a successful collaboration in 2022.

Anna-Karin Jatko,
Director General EKN

Mission, delivery and costs

When Swedish goods and services reach out into the world, and when buyers ask for financing – that is when EKN is needed. Our mission is to promote Swedish exports by insuring the payment risk of companies and banks. Our activities are entirely financed from the insurance premiums.

EKN's task is to offer and issue guarantees, manage the outstanding exposure, indemnify when guarantee holders are not paid and recover claims that arise. For some customers, extensive consultancy is included in the guarantee process.

Offers

With each application, EKN makes an assessment of the risk of non-payment and the possibility of recovery if payment is not made. EKN also assesses any sustainability issues in the transaction. The assessment results in a decision. If the decision is to guarantee the transaction, there is then a decision on the premium and the issue of an offer. Some offers issued during the year have not been used. They may be taken up next year, but some transactions are never done or are completed without EKN's guarantee. See page 19 for offers issued during the year.

Transactions

When the company goes through with the transaction or the bank extends a loan, EKN issues a guarantee. Some of the year's guaranteed transactions arise from offers in the same year, others from offers in previous years. For some transactions only one guarantee is issued. Other transactions may have several guarantees issued. See page 19 for transactions guaranteed during the year.

Claim payments

Claim payments are made both in known problem transactions, where earlier payments under the repayment plan have failed, and in transactions where problems have arisen during the year. EKN expects recurrent non-payment to occur in a certain number of transactions and claims provisions are made for these.

Guarantees outstanding

Guarantees outstanding mainly consist of transactions that follow their amortisation repayment plan, but there are also transactions that require loss prevention work.

Outstanding claims and recovery

When EKN indemnifies, EKN takes over the guaranteed claim and then works to recover all or part of the unpaid amounts. The claims are closed with repayment or write-off.

Cost of claims

Most of the premium for the indemnified transactions is retained as provisions to cover any claims. When the guaranteed transaction runs without problems EKN liquefies the reserve. The premium paid for the many transactions that run as planned covers claim payments to the guarantee holders that have not received payment from their customers.

Cost of operations

The operating cost of new transactions may differ greatly depending on how time consuming it is to assess credit risk and sustainability risk.

The cost of managing outstanding guarantees is affected by risk level and size. It is also affected by the number of transactions to be monitored regarding sustainability requirements and the number of transactions with a need for damage prevention measures.

2.1 CLAIMS PAID IN RELATION TO OUTSTANDING GUARANTEES (MSEK)

	2021	2020	2019	2018	2017
Claims paid	799	1,637	1,861	1,738	1,410
Guarantees outstanding	223,955	184,330	195,862	193,295	181,485
Claims paid/Guarantees outstanding	0.36%	0.89%	0.95%	0.89%	0.78%

2.2 OPERATING COSTS IN RELATION TO RECEIVED PREMIUMS, NEW TRANSACTIONS AND EXPOSURE (MSEK)

	2021	2020	2019	2018	2017
Operating costs (MSEK)	277	251	257	240	227
Received premiums (MSEK)	4,527	1,926	1,411	1,433	1,356
Costs as a percentage of received premiums	6%	13%	18%	17%	17%
Number of new transactions	1,781	1,896	2,135	2,082	2,093
Operating cost per transaction	156,084	132,312	120,539	115,194	108,689
Exposure (non-binding and binding) (MSEK)	364,909	320,675	314,709	288,064	273,928
Operating cost per million of exposure	758	783	817	833	830

2.3 PREMIUM BASED OPERATIONS, ADMINISTRATIVE RESERVE (SEK THOUSAND)

Guarantees	+/- tom 2019	Result 2020	Income 2021	Costs 2021	Result 2021	Administrative reserve acc. 31/12/2021
Guarantee operations, administration	324,268	-313,636	607,845	-288,405	319,438	330,070
Guarantee operations, risk based	24,605,737	95,312	2,214,479	-758,415	1,456,064	26,157,113
Total	24,930,006	-218,325	2,822,324	-1,046,820	1,775,503	26,487,183

High guarantee volumes in 2021 have resulted in both very high administrative and risk-related revenues, totalling SEK 2,822,324 thousand. Revenues for risk-related and administrative guarantee fees were higher than projected. No new, major claims for losses have arisen in 2021 and the payments on claims are in line with provisions, which means that insurance claims are lower than projected. Operating costs of the business operations (which are slightly lower than projected) are included in administrative costs, were SEK 288,405 thousand. The financial items are higher than projected. The surplus for the period amounted to SEK 1,775,503 thousand was higher than projected. The accumulated administrative surplus amounts to SEK 330,072 thousand as at 31/12/2021. Of the surplus, SEK 255,070 thousand will be transferred to the Swedish State in 2022. In 2020, EKN transferred SEK 412,000 in accumulated administrative surplus to the Swedish State.

Guarantees	+/- tom 2019	Result 2020	Income 2021	Costs 2021	Result 2021	Administrative reserve acc. 31/12/2021
Working capital guarantees large corporates						
Guarantee operations, administration	0	18,585	55,495	-1,237	54,258	72,844
Guarantee operations, risk based	0	139,505	312,782	-26,458	286,322	425,828
Total	0	158,090	368,278	-27,695	340,582	498,672

The accumulated surpluses relating to the Working Capital Credit Guarantees for large companies are recognised in the Balance Sheet as a liability to the Swedish State; the accumulated surpluses will be paid to the State with the final reporting of the guarantees.

The administrative profit/loss is presented in Note 22.

Reporting back on the letter of appropriation

The EKN Regulation with Instructions (2007:1217), consists of the primary tasks for the agency. The letter of appropriation, is annually assigned by the Swedish government and includes the objectives, reporting requirements and specific assignments for the organization. The results are stated in the tables below.

THE REGULATION

Primary tasks	Results 2021 (target amounts in parentheses)
EKN shall promote Swedish exports and the internationalisation and competitiveness of Swedish industry by offering guarantees.	1. Number of new transactions guaranteed by EKN: 1,781 (2,050). ¹ 2. Guarantee volume (SEK billions): 77.1 (65). 3. Number of customers 496 (425).
The guarantee business operations must be self-sustaining over time.	Periods of surplus should carry periods where the costs to settle claims are higher than premium revenues. See p. 45.
Integrate a sustainability perspective., guided by the UN's Global Sustainable Development Goals.	EKN's guarantees can finance sustainable development in poor countries. We describe this on pages 25–29.
The activities are to be conducted in accordance with the UN Guiding Principles on Business and Human Rights, the recommendations in the OECD Guidelines for Multinational Enterprises, and the principles of sustainable business in the United Nations Global Compact.	EKN assesses how sustainability risks are managed. Presentation of sustainability risks in this year's transactions, pages 26–27.

LETTER OF APPROPRIATION

Objectives	Indicator of target achievements during 2021 (target value in parentheses)
Contribute to the implementation of Sweden's export and investment strategy:	
• Increased Swedish exports, both in absolute terms and as a share of GDP.	Value added in guaranteed exports, SEK billion: 42 (35).
• Increased number of exporting SME.	Number of SME customers: 326 (310).
• A leading role in promoting sustainable and fair international free trade.	Taking a leading role in advocating changes in international regulations: A report on the advocacy work on p. 28.
Contribute to the economic recovery following the COVID-19 outbreak.	Support measures are described on p 23.
Increase awareness of its services among SMEs.	Of exporting SMEs in need of financing and/or offering credit, 83% are familiar with EKN. (65%).
Have a regional presence and participate in regional export centres.	Regional offices and facilitators, as well as activities within regional export cooperation. EKN's regional presence is outlined on page 21.
The activities should be adapted to be in line with the Paris Agreement and to avoid creating lock-ins to fossil fuel dependency.	The Sustainability Policy in line with the objectives. EKN's Sustainability Policy is presented on page 28.

¹ Target level not adjusted to administrative changes in the extension of framework guarantees.

In addition to what is stated above, the following are reported according to the requirements set out in the annual Letter of Appropriation.

Reporting requirements	Page
Total number of guaranteed transactions and guarantee volume, broken down by region and industry.	15
The number of new customers among small and medium-sized companies.	21
How guarantees for exports to operations with high greenhouse gas emissions are in line with the Paris Agreement 1.5°C temperature limit, contribute to the transition and avoid lock-in effects. For such guarantees, there is intended to be a reported potential for transition in the project by 2030 and compatibility with net zero emissions by 2050. Together with SEK (the Swedish Export Credit Corporation) reporting on how the policy affect the competitiveness of Swedish companies and the financing of Swedish export companies and banks.	25
Analysis of climate-related risks and possibilities.	28
Measures taken to increase the transparency of business operations. including public information.	27
How the Scientific Advisory Board on Climate Change, established by EKN, has contributed with factual expertise.	30
Co-operate with other relevant parties engaged in export promotion activities.	21
EKN's reinsurance on the private market.	33
The activities that EKN has conducted to contribute to broader and more self-sustaining relations between Sweden and partner countries in development cooperation.	29
How EKN during the year, within its field of activity, contributed to the implementation of the Government of Sweden's feminist trade policy.	28
Measures taken to maintain effective information security.	38

Assignments	Page
International activities Represent Sweden in the working groups in the EU and OECD and other forums where regulatory issues regarding export credits are addressed, in dialogue with the Ministry for Foreign Affairs.	29
Climate transition products EKN shall (by 2022) develop guarantees that contribute to the transition to fossil free industry, together with SEK (the Swedish Export Credit Corporation). The assignment will be reported in EKN's Annual Report for 2022.	21, 30
Assignments regarding <i>Information and product development for the Climate Change Adaptation and Environmental and climate investments that can contribute to climate transition</i> have been reported separately to the Government of Sweden.	



Global outlook

This section describes the conditions for Swedish exports in the context of global trade and the global economy.

The growth of the world economy defies the pandemic

Two countries – the US and China – account for a large share of the world economy, and the economy in these countries has grown. Problems in global value chains have contributed to rising inflation. Expansionary policies have also contributed. Now the stimulus measures are being reduced.

Now into the second year of the pandemic, the world's countries are seeking and finding ways to manage and mitigate its impacts. Close to half of the world's population is fully vaccinated. However, the past year has shown that vaccines alone are unlikely to put an end to the pandemic, as new variants emerge. But adaptation and flexibility are hallmarks of how companies, governments, and individuals respond to situations such as what the world is now facing. This contributed to the strong global economic recovery in 2021.

The world economy was forecast by the International Monetary Fund to have grown by 5.9 percent in 2021. Producers and consumers have adapted to the changed circumstances brought about by the pandemic. Infection control measures have been better targeted and less damaging to economic activity than was the case at the beginning of the pandemic.

Two strong and dominant economies

The United States and China account for just over 40 percent of the world's total economy. The strong growth in these two countries has been crucial to global development this year. By mid-year, the US economy had recovered from the 2020 slump. China's economy did not contract in 2020, but rather grew by more than two percent. The positive trend has continued in 2021, with growth expected to be around eight percent.

Inflation

The strong and rapid economic recovery has led to bottlenecks in transport and in production stages. The global value chains have been strained, which has led to delivery delays from sub-suppliers in e.g. Asia to Swedish companies. Production and supply disruptions, labour shortages in certain industries, increased demand for energy and continued expansionary monetary and fiscal policies, led to rising inflation rates in the second half of the year. Centralbanks, starting with the US, are gradually reducing their purchases of sovereign bonds and other interest-bearing assets in order to gradually curb inflationary pressures. The goal of ensuring stability in the capital markets is central. Low risk margins in bond markets have also prevailed in 2021, especially for borrowers with good creditworthiness.

International trade increased

International trade in goods and services is expected to increase by 9.7 percent in 2021, according to the International Monetary Fund. The World Trade Organisation's (WTO) forecast for the development of trade in goods points to an increase of close to eleven percent. The entire 5.3 percent drop in goods trade in 2020 was recovered by the summer. The companies thus showed that they continue to generate increased world trade, even though the protectionist voices are now and then loud. The possibility to be able to choose subcontractors/sub-suppliers from where in the world it is most suitable based on price and quality is the basis for cost-efficient production. The trading in inputs and finished products drives growing global trade over time.



Issuing of guarantees

This section reports on guarantees issued by industry.

EKN has a special mission concerning small and medium-sized enterprises' exports and regional presence. This is also reported in this section.

4.1 NEW GUARANTEES, SEK MILLION, BY INDUSTRY

INDUSTRY	2021		2020		2019	
Telecom	21,963	28%	32,696	51%	17,779	33%
Transport	17,237	22%	12,615	19%	10,752	20%
Power	15,891	21%	1,549	2%	5,877	11%
Machinery	8,960	12%	7,462	12%	8,728	16%
Paper and pulp	5,905	8%	4,925	8%	4,582	8%
Mining and steel	3,249	4%	2,592	4%	4,152	8%
Others	3,919	5%	2,853	4%	2,361	4%

4.2 NUMBER OF NEW TRANSACTIONS, BY INDUSTRY

INDUSTRY	2021	2020	2019
Telecom	75	63	53
Transport	136	185	226
Power	11	13	11
Machinery	539	509	602
Paper and pulp	587	657	746
Mining and steel	142	134	174
Others	291	335	323

4.3 NEW OFFERS DURING THE YEAR

	2021		2020		2019	
	MSEK	Number	MSEK	Number	MSEK	Number
Guarantee for loss on claim for exporters	32,727	1,912	28,039	1,664	28,697	1,831
Loss on production and loss on claim	899	20	3,858	23	1,409	18
Guarantee for loss on claim for lenders	43,239	21	52,798	38	56,683	28
Guarantee for unfair calling	212	1	1,046	5	0	0
Counter guarantee	11,426	223	2,003	179	3,109	268
Letter of credit guarantee	3,361	166	3,858	232	2,438	250
Bill of exchange guarantee	31	7	3	1	0	0
Investment guarantee	0	0	0	0	0	0
Working capital credit guarantee for SME	694	113	1,177	207	781	223
TOTAL	92,589	2,463	92,781	2,349	93,116	2,618

4.4 NEW GUARANTEES DURING THE YEAR

	2021		2020		2019	
	MSEK	Number	MSEK	Number	MSEK	Number
Guarantee for loss on claim for exporters	27,116	12,657	23,205	8,780	26,428	7,225
Loss on production and loss on claim	69	15	176	18	69	9
Guarantee for loss on claim for lenders	45,311	41	34,533	39	22,413	47
Guarantee for unfair calling	0	0	498	4	0	0
Counter guarantee	493	238	1,438	198	2,081	271
Letter of credit guarantee	3,388	166	3,839	231	2,467	250
Bill of exchange guarantee	2	1	0	0	0	0
Investment guarantee	0	0	0	0	0	0
Working capital credit guarantee for SME	747	129	1,002	191	773	221
TOTAL	77,125	13,247	64,691	9,461	54,231	8,023

High-income countries plus Africa dominate

More than a quarter of the guarantees related to exports to sub-Saharan Africa. At the same time, large transactions to high-income countries continues to make up a large proportion. Demand for the Middle East has returned.

Increased economic activity has boosted world trade and this has benefited Swedish export companies. The need for imports increased in Sweden's largest export markets in Europe and North America. For example, Swedish exports of goods to EU countries increased by 16 percent. On the other hand, there were not the same strong developments for exports to Asia, Africa and MENA (Middle East and North Africa).

The information on Swedish exports refers to January to October. Growth forecasts are from the International Monetary Fund (IMF).

Record level of guarantees for Africa

The low spread of infection contributed to the fact that by mid-2021, sub-Saharan Africa had already recovered its fall in GDP in 2020 of 1.7 percent. Growth in 2021 is forecast at 3.7 percent. Many countries are commodity exporters and the high prices of metals, for example, have strengthened export earnings and economic activity. Financial support from the International Monetary Fund and temporary easing of the repayment of foreign debt have also helped many countries. At the same time, the government in several countries has become increasingly indebted over a number of years, increasing the risk of debt restructuring.

Swedish exports to Africa increased by two percent, mainly to South Africa, which accounts for almost 60 percent.

This year's guarantees issued to Africa has increased by 219 percent, to a record high of SEK 20.8 billion. The increase is explained primarily by infrastructure transactions in Angola and Ghana, with Swedish deliveries for several years to come.

Exports to Ghana, Angola and Tanzania accounted for two-thirds of the guarantees issued.

Guarantees issued to high-income countries

The guarantees issued to the OECD's high-income countries continued at a high level. In total, it amounted to SEK 33.4 billion, a decrease of two percent. The three largest countries, the United States, the United Kingdom and Japan accounted for 83 percent of the guarantees issued to OECD high-income countries. Major infrastructure investments and large amounts per investment are partial explanations for the need for export credit guarantees in high-income countries.

Reduced exports to China

The restrictions imposed at periods to limit the spread of infection have had a dampening effect on the economic activity in Asia, especially in South-east Asia. Notwithstanding this, the forecast points to economic growth of 7.2 percent in 2021 in Asia's emerging and developing economies. China's zero tolerance for COVID-19 outbreaks has had limited consequences on their economy. The country has experienced a growth of 8 percent. India has seen strong economic development and has recovered its big drop in 2020.

Swedish exports to several of the largest export markets in Asia increased during the first ten months of the year. Among the countries to which exports grew are India, Indonesia and Singapore. But China is the largest market and accounts for more than 40 percent of Swedish exports to Asia. And Swedish exports to China fell by 18 percent. Swedish exports to all of Asia decreased by four percent. The issuance of guarantees to the Asian region also decreased during 2021, by 28 percent to SEK 28 billion. More than 60 percent of the guarantees issued concerned China, Indonesia and the Philippines.

Increased guarantees for the Middle East

The oil exporting countries have seen an increase in export revenues thanks to higher oil prices. In

addition, the Gulf countries have had the resources for a rapid vaccination programme of the entire population, which has further benefited these economies. The poorer and less developed countries in the region have not had the same possibilities and therefore have lower vaccination rates. However, for the region as a whole, economic growth of around 4 percent is expected in 2021. The GDP contraction of 3.2 percent in 2020 has thus recovered. Swedish exports fell by four percent. Exports to the two largest markets went in different directions. Exports of goods to Saudi Arabia increased by three percent, while to the United Arab Emirates they decreased by 35 percent. The need for risk coverage increased strongly and the guarantees issued amounted to SEK 4.3 billion, an increase of 92 percent since 2020 and close to the levels that prevailed between 2017 and 2019. Of the guarantees issued, 81 percent were for the United Arab Emirates, Saudi Arabia and Iraq.

Stronger growth in Latin America than expected

Latin America lost seven percent of its GDP in the first year of the coronavirus pandemic and growth forecasts in spring 2021 were subdued. But as the year progressed, forecasts were revised upwards and the latest one indicates a growth of 6.3 percent.

Contributing to the upward revision is the better-than-expected performance of the region's two largest economies, Brazil and Mexico. The success of the vaccination programmes has contributed.

The economic expansion has left its mark on the growth of Swedish exports. By October, the exports of goods had increased by nine percent. To Brazil and Mexico, the two largest export markets, exports grew by four and twelve percent respectively. After a high level of guarantees issued in 2020, in 2021 it decreased by 16 percent to SEK 6.9 billion. Exports to Mexico, Chile and Ecuador were the countries seeing the largest amount of the guarantees, accounting for 48 percent.

Increased issuance of guarantees to the CIS region

Guarantees issued for exports to the Balkan region consists almost exclusively of transactions to Turkey, which decreased by eleven percent to SEK 3.5 billion. Swedish exports to Turkey decreased by two percent. Economic growth has been robust during the year; the forecast is nine percent, but high levels of inflation and a depreciating currency are factors contributing to the need for risk mitigation.

In the CIS region, Russia is the dominating country for the issuance of guarantees. Of the total amount of SEK 2.1 billion, which was an increase of 31 percent, Russia accounted for 53 percent and Ukraine for 35 percent of the guarantees issued. Swedish exports to Russia increased by 19 percent; for Ukraine, this was an increase of 49%. Despite the widespread contagion of the coronavirus throughout the pandemic, Russia's economy has shown healthy growth during the year. The prognosis points to GDP growth of 4.7 percent.

4.5 ISSUING OF GUARANTEES AND NUMBER OF TRANSACTIONS BY REGION (SEK MILLION)

	2021		2020		2019		2018		2017	
	Number	MSEK	Number	MSEK	Number	MSEK	Number	MSEK	Number	MSEK
Asia	204	4,921	293	6,834	252	6,858	227	4,457	191	3,925
Latin America	379	6,876	395	8,203	521	8,030	525	5,686	533	4,254
CIS	100	2,060	85	1,576	134	2,638	146	3,258	105	6,023
Balkans	111	3,482	93	3,924	101	3,957	54	1,452	67	2,933
Africa	374	20,791	431	6,512	421	5,012	428	5,934	381	6,626
Middle East	104	4,299	100	2,239	158	6,258	166	5,754	279	7,301
OECD high-income	166	33,414	132	33,999	54	19,727	105	29,037	128	7,215
Sweden	334	1,241	363	1,397	488	1,667	429	1,182	405	1,602
Other countries	9	42	3	6	6	84	2	56	4	35
TOTAL	1,781	77,125	1,896	64,691	2,135	54,231	2,082	56,816	2,093	39,914

Israel, Japan and South Korea are included in the OECD's high-income countries (not Asia or Middle East). Kazakhstan and Uzbekistan are included in CIS (not in Asia). Turkey is included in the Balkans (not in Asia). Sweden is reported separately (not included in the OECD's high-income countries).

Guarantee volumes at record levels

The largest guarantees were dominated by renewable energy, infrastructure projects and telecoms, with a record for exports to Africa. Issued guarantees included some major transactions both in high-risk countries and in high-income countries as well as mid-size and small transactions.

Swedish goods and services are in demand for energy and infrastructure projects and for telecoms operators' expansion of mobile networks, particularly 5G. The global economy is recovering but the pandemic continues to cause concern for subdued economic growth and financial instability. Overall, this contributed to record regular guarantee volumes of SEK 77.1 billion in 2021 compared with SEK 64.7 billion in 2020. EKN guaranteed 1,781 transactions, down from the preceding year's 1,896 due to banks experiencing less need to share their risks in letters of credit and working capital financing.

Renewable energy

The world is increasingly transitioning to renewable energy and there is substantial demand for Swedish goods and services for such projects. More Swedish export companies are manufacturing equipment that is indispensable in many projects involving renewable energy. When the projects buy Swedish, the opportunity presents itself to secure financing with guarantees from EKN. Everything indicates that these kinds of projects will continue to be carried out and that demand for Swedish goods and services for the projects will remain high. As such, EKN's engagement with these industries is expected to increase.

The two largest renewable energy projects that EKN has been involved with during the year are Angola Solar Power Projects and Dogger Bank Wind Farm Projects.

Solar Angola

Angola Solar Power Projects consists of seven solar power projects in various regions of Angola. All projects are scheduled to commence operations in 2022 and, together, these will generate an installed capacity of 370 MW. The Swedish deliveries pertain to transmission stations and transmission lines as well as deliveries from several small and mid-sized companies, which are coordinated by a Swedish contractor. The credit period amounts to 18 years.

Wind power in the North Sea

EKN is continuing to contribute financing to the offshore wind power project Dogger Bank, which is expected to become the largest in the world. The wind farm is being constructed in the North Sea, off the east coast of England. During the year, EKN issued guarantees for the financing of purchases of high voltage direct current (HVDC) converter stations and subsea cables for the first two projects. EKN also issued offers for the financing of exports to the third and final project, also with converter stations and cables from Sweden. When the entire project is complete, it will provide 6 million British households with electricity. The first of the three projects is expected to commence in 2023 and the entire wind farm is expected to be operational in 2026.

Infrastructure in developing countries

In Team Sweden, EKN is working together with SEK, Business Sweden and Sweden's embassies to stimulate Swedish exports to projects in developing countries.

The aim of the collaboration in Team Sweden is to reach EPC contractors with responsibility for complex projects in developing countries and offer Swedish financing for purchases of Swedish equipment. Work in Team Sweden is now generating results. During the year, several guarantees for investments in sustainable transportation have been issued. Bus Rapid Transit (BRT) and rail-

ways have dominated this, particularly in Africa sub-Sahara. EKN has issued guarantees including investments in BRT systems in Abidjan, Côte d'Ivoire and railway investments in Tanzania and Ghana. Guarantees for these projects led to record guarantee volumes for exports to Africa.

These projects all involve several Swedish companies delivering products and services and EKN collaborating with other export credit institutions to ensure that the projects meet international standards concerning social and environmental requirements.

Telecoms 5G

Sweden holds a unique, strong position in telecoms. In the past few years, the world's high-income countries have invested comprehensively in expanding mobile networks, particularly 5G. This has been reflected in EKN's guarantee volumes, where telecoms has been the largest industry for several years. This was also the case in 2021. EKN issued guarantees for exports of 5G equipment to operators in countries such as the US and Japan. The considerable scale of the transactions means mobile operators wish to diversify their financing sources. With EKN's guarantees, export companies can offer competitive financing and can therefore secure deliveries.

During the year, EKN also guaranteed several telecoms transactions to the Middle East, including one transaction that was structured in accordance with Islamic financing.

The shipping industry – new for EKN

During the year, EKN guaranteed rental revenue for two ro-ro ferries to a shipping company in France, a new industry for EKN. Maritime transportation was hit hard by the pandemic, which contributed to the need of guarantees from EKN. Unlike other guarantees, the risk of foregone rental revenue is insured. The vessels are designed to be market leading in fuel efficiency in their size class. They can be driven by liquefied natural

EKN's guarantees

EKN offers guarantees for the entire transaction process, from sales and negotiation to manufacture and delivery and up until the customer's last payment.



A guarantee for loss on claim for

exporting companies protects the company against the risk of not receiving payment in accordance with the purchase agreement. Insuring receivables facilitates financing.

For lenders, the loss on claim guarantee gives

protection against the risk of not being paid by the borrower. The guarantee makes it easier for buyers of Swedish exports to finance their purchases.

The loss on production guarantee, which is given in combination with the loss on claim guarantee, protects against losses if the buyer cancels the agreement during the manufacturing period and the costs incurred cannot be invoiced.

A guarantee for unfair calling for exporting companies protects against the risk that the customer unfairly claims a contract guarantee.

With a counter guarantee, the bank issuing the contract guarantee shares the recourse risk on the exporting company with EKN, should the contract guarantee be claimed.

With a bill of exchange guarantee, EKN insures the bank against the payment risk in discounted bills of exchange. The guarantee improves the exporting company's liquidity when the bank takes over bills of exchange and pays the company.

The letter of credit guarantee shares the bank's risk in confirmed letters of credit. The guarantee makes it possible for the company to get more letters of credit confirmed by the bank.

An investment guarantee gives a company that has invested abroad compensation if it cannot dispose of the investment or the repayment of the investment loan is not made, due to government intervention in the investment country.

The working capital credit guarantees and **the investment capital credit guarantees** share the bank's risk in working capital credits or investment credits to small and medium-sized enterprises.

Working capital credit guarantees for large corporates, a temporary solution for large corporates' financing opportunities.

gas (LNG) instead of diesel and can even control port arrival and departure using battery power to minimise negative environmental impact in port environments.

Few problems and claims

Claims payments are at an unexpectedly low level and considerably lower than the previous years. Some major claims were settled during the year and no new claims arose, despite the challenges of a partially locked-down world.

One support measure that has been in high demand has been EKN's ability to accept that export companies and banks have granted payment deferrals, when the purchaser's liquidity and ability to pay has been affected by the pandemic. EKN has granted deferrals in 340 transactions with 240 debtors. Most deferrals have now expired and claims adjustments with lower amounts after the deferral period concluded have only taken place in a few cases.

EKN's GDP contribution

The transactions guaranteed during the year by EKN helped generate about 39,500 jobs in Sweden (35,500 in the preceding year) and over SEK 38 billion in GDP for Sweden (SEK 38 billion in the preceding year). This calculation is based on EKN's guarantee volume for the year pursuant to

a model based on the Swedish content of guaranteed exports and sectoral multipliers from Statistics Sweden for added value and employment. Different industries contribute to different amounts depending on the share of imported capital goods and work intensity.

The model used to calculate the public benefits of EKN's regular operations is not applicable to the temporary crisis solution with working capital credit guarantees for large companies. It is a reasonable assumption that the in-demand solution, which is used by companies with major significance for Sweden, has had a positive impact on GDP and jobs as well as having combated the negative effects of the pandemic.

Exports to more difficult markets

For exports to countries with EKN's highest country risk categories of 5, 6 and 7, EKN is of considerable significance. For the period from October 2020 to September 2021, Swedish exports of goods to these countries amounted to SEK 61 billion (SEK 56 billion in the preceding year). Guarantee volumes for these countries during the period amounted to just over SEK 22 billion (SEK 16 billion in the preceding year). This corresponds to 36 per cent (28) of Swedish exports of goods to these countries. EKN's share of total Swedish exports for this period was 4 per cent (4.5).



Swedish BRT systems – smooth solutions for public transport – are in demand in major African cities.

Regional support for SMEs

Small and medium-sized enterprises account for some 40 percent of Swedish exports of goods. EKN has increased the number of regional offices and financing facilitators so that companies with financing needs will be closer to EKN.

At year-end, 326 SMEs were customers of EKN, compared with 349 in the previous year. Guarantees issued totalled SEK 2,0 billion, compared with SEK 2,9 billion.

EKN gained 107 new customers during the year, of these 98 were SMEs.

Strong recovery

Many small and medium-sized enterprises were immediately affected by the impact of the pandemic in spring 2020. But they have been quick to adapt to both customers and suppliers who have been forced to shut down as well as to logistic problems. Access to finance has generally been good, according to surveys conducted by EKN. Almi and EKN have made special arrangements for companies that needed support. EKN's surveys show that one-third of exporting SMEs are exporting more today than prior to March 2020. The recovery primarily took place in 2021.

The number of bankruptcies in Sweden decreased by 12 percent compared with 2020. The very low level of bankruptcy and the banks' low level of credit losses increased the banks' appetite for risk and thus EKN saw better access to bank financing and risk capital for SMEs. The need for support from EKN decreased in 2021 compared to 2020. The banks' chose to share risk with EKN to a lesser extent regarding some of their financially strong SMEs. As a result, the number of new EKN customers slightly decreased during 2021.

The strategic importance of being regional

Through strong local presence, EKN builds long-term relationships with exporting enterprises,

bank branches and other local partners. During the year, EKN continued its efforts to facilitate access by SMEs to information and local advice on possible solutions for financing and risk coverage.

In October 2021 EKN opened a new office in Luleå, located at the same premises as Almi Nord. With this office, along with offices in Sundsvall, Stockholm, Gothenburg and Malmö, supplemented with experienced financing advisors with large networks in Karlstad, Borlänge, Köping, Växjö, Halmstad and Karlskrona, companies and the banks' business advisors can promptly meet with EKN and it is possible to coordinate support from other relevant parties regarding promoting exports.

EKN has presence and actively promotes its guarantees throughout Sweden.

Through telephone surveys, EKN annually measures SMEs' knowledge of EKN. The proportion of exporting SMEs familiar with EKN increased to 61 percent in 2020 and remained at that level in the measurement in 2021. Eighty-three percent of companies that offer credit and/or need financing are aware of EKN, up from 77 percent in 2020.

Green guarantee for transition projects to promote climate investments

EKN meets many companies that offer innovative solutions for their customers' green investments. EKN also encounters companies that want to make a green transition through their own operations. The Green Guarantee launched by EKN in autumn 2021 to promote climate investments gives the bank 80 percent risk coverage when lending to Swedish export companies and their subcontractors for green exports and for investments that contribute to the fossil free transition.

The Green Guarantee is applicable for loans up to SEK 500 million; larger loans are guaranteed by the Swedish National Debt Office. As a result, EKN's guarantee is expected to be relevant primarily for SMEs.

Regional export collaboration

Through the Regional Export Cooperation (REC), EKN, banks, Almi, Business Sweden, Swedish Export Credit Corporation, Swedish Agency for Economic and Regional Growth, Enterprise Europe Network (EEN) and other relevant parties can meet with companies on their home ground both digitally and physically. REC is currently established in all 21 counties in Sweden. During the year, for example, EKN participated in the Minister for Trade's digital visit under the motto "All Sweden Exports," in "export boosters" in Jönköping County, at the Bünsow Business Growth Forum Sundsvall and at Uppsala International Business Week.

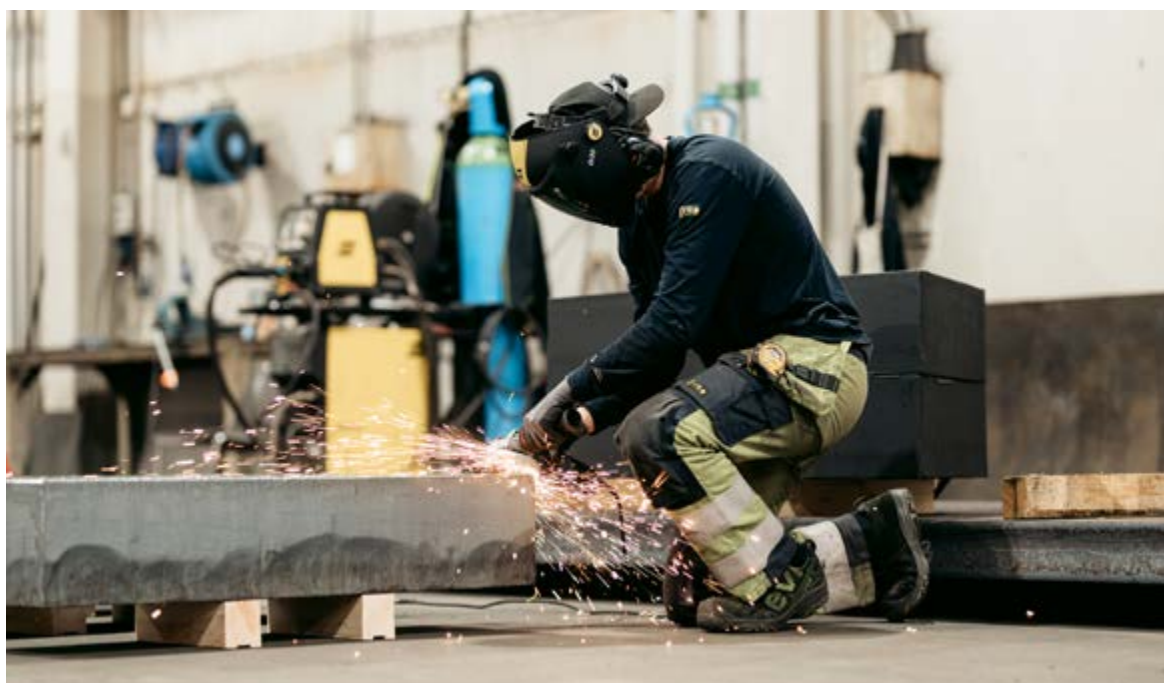
Losses

Transactions where decisions have been made on claims payments amounted to SEK 37 million, slightly below the outcome for 2020 (SEK

39 million), a low level taking into account how challenging the impact of the pandemic has been for many companies. It has also been more difficult to undertake loss prevention measures and recovery work, due to travel restrictions and in some situations even courts being closed.

The contribution to GDP by guaranteed SME transactions

SMEs account for about 40 percent of Sweden's exports and create new jobs via entrepreneurship and innovation. For several years they have increased their share of Swedish exports, and EKN's issuing of guarantees for these companies has also increased. The guarantee volume for the year for their transactions was SEK 2.0 billion (2.9 billion). The transactions contribution to GDP is estimated at SEK 1.1 billion (1.46 billion) and 1,352 jobs (1,854).



Companies with fewer than 250 employees stand for a substantial part of Swedish exports.

4.6 SME'S AWARENESS OF EKN

	2021	2020	2019	2018	2017
Exporting SMEs	61 %	61 %	48 %	48 %	39 %
Exporting SMEs that offer credit and/or need financing	83 %	77 %	56 %	53 %	45 %

Working capital guarantees for large corporates

The crisis solution offering of working capital credit guarantees for large corporates was discontinued at the end of June. Demand was considerable in 2020, but abated during the start of 2021.

During the first half of the year, EKN continued to offer working capital credit guarantees for large companies, however, demand was down considerably on the preceding year. Initially, the offer ran until September 2020 and was then extended until the end of the year before being extended until 30 June 2021. From March 2020 to June 2021, the period in which the guarantees were offered, a total of 41 guarantees amounting to SEK 61 billion in aggregate were issued on behalf of 27 exporters.

Separate income statement

Working capital credit guarantees for large corporates are reported separately unless otherwise stated. A separate income statement for these guarantees can be found on page 48, but they are included in the balance sheet.

The reason for the separate reporting is that this operation, unlike regular guarantees, has a planned conclusion. If claims arise during the term of the guarantees, which extend for a maximum of five years, settlement will take place when the receivable is extinguished. If no claims arise, operations will conclude when the final guarantee outstanding expires.

In conjunction with the 2008 financial crisis, EKN issued working capital credit guarantees for

large corporates in 2009 and 2010. No claims arose and the concluded operations generated positive earnings that were paid to the state.

Pricing

When EKN takes out premiums that are above the expected loss of regular guarantees, the surplus is paid to the state. However, for this temporary crisis solution, any potential surplus is paid to the state. Therefore, no analysis of what is considered to be above the expected loss needs to be completed.

Revenue

Accumulated revenue from premiums amounted to SEK 504 million, of which SEK 489 million pertained to risk and SEK 82 million to administrative guarantee operations. Expenses for risk guarantee operations amounted to SEK 63 million. The accumulated administrative cost amounted to SEK 9 million. Accumulated earnings amounted to SEK 499 million. Refer also to Table 2.3, page 9. Accumulated earnings are recognised as liabilities to the state (Note 23). Potential accumulated positive earnings will be paid to the state when guarantees are finally accounted for.

Reduced need of other crisis measures

SMEs always have access to working capital credit guarantees from EKN. As a crisis measure, EKN increased its cover. EKN returned to a cover of 50 per cent as of 1 July.

A temporary change in EU regulations made it possible for EKN to temporarily guarantee short credit risks in supplier credits to high-income countries. The change in regulations has been extended and EKN's offering now applies until 31 March 2022.

One support measure that has been in high demand has been EKN's ability to accept that export companies and banks have granted payment deferrals. EKN has concluded that this measure is needed.

4.7 THE ISSUING OF GUARANTEES RELATED TO THE TEMPORARY WORKING CAPITAL CREDIT GUARANTEES FOR LARGE CORPORATES

	2021		2020	
	MSEK	Number	MSEK	Number
Offers	0	0	146,457	78
Guarantees	6,838	7	54,385	34



Sustainability

EKN's business operations are conducted in accordance with international guiding principles on human rights, working conditions, the environment, and combatting corruption. This section reports on assessment and conditions in this year's transactions.

Sustainability assessment in this year's transactions

During the year, EKN's guarantees contributed to the financing of solar and windpower projects, rail and bus systems, and other projects. Of this year's issued guarantees, 65 transactions have included risks of significant impact. This includes export transactions to major projects, where EKN together with the lending bank has met demands in accordance with international regulations.

As part of EKN's core assignment to promote Swedish exports, EKN also contributes to global development and transmission. This is partly because EKN's guarantees make it easier for companies and public buyers to access funding for development projects. This is also achieved when EKN, together with the lending bank, uses its leverage to influence the management of sustainability risks in large transactions.

Contribution to sustainable development goals

Every year, EKN's guarantees investments that contribute to the UN's sustainable development goals. During 2021 three projects have been classified by the financing bank as social projects and the loans as social loans, due to their contribution to sustainable development while environmental and social risks have been managed responsibly.

Development projects and responsible risk management often facilitate the situation of women, in line with Swedish feminist foreign policy.

Sustainability risks

The guaranteed transactions include exports to operations ranging from extensive sustainability risks to little or no sustainability risks.

Risks can arise in all types of operations, including those that contribute to sustainable development goals. For example, during the past year EKN

has issued guarantees for exports to several projects within the field of the production of renewable energy, in particular solar and wind power. These transactions are subject to the same environmental, human rights and corruption risk assessment and requirements as all other transactions.

Risk-based approach

EKN, unlike many other export credit agencies, has for many years been analysing and classifying sustainability risks regardless of the size and length of the guarantee, and thus applies a risk-based approach. The analysis, measures and the final assessment are adapted and more detailed for transactions with a high sustainability risk.

EKN classifies environmental and social risks prior to a decision on issuing of a guarantee is made. Category A means a potential significant risk or impact, Category B a potential limited risk or impact and Category C little or no impact. The classification primarily refers to sustainability risks in the business operation where the goods or service will be used.

EKN does not classify transactions in A, B or C when EKN shares the bank's risk in working capital guarantees to Swedish export companies, and the guarantee does not apply to a specific export transaction. EKN also does not classify short letter of credit guarantees, where the risk object is a bank. In the export of military equipment, EKN follows the Swedish state agency ISP's assessment and does not make a classification.

Risk areas

The tables on page 27 describe new guaranteed risk-rated transactions during the year. An offer may have been issued in previous years. The guarantee volume may be higher or lower than offered. The guarantee period varies from a few months up to 18 years.

When unacceptable

EKN does not issue guarantees for transactions to operations with significant impact or risks for im-

pact on people and the environment, where there are no plans for responsible risk management and where EKN's requirements are not considered.

In these cases, the application is usually withdrawn during EKN's review process but in some cases, transactions are subject to formal rejection by EKN's board. EKN regularly holds dialogues with export companies concerning sustainability risks in the transactions the companies are considering bidding on or submitting tenders for.

For example, EKN refrained from guaranteeing financing for export to a hydropower project and an infrastructure project, as the projects involved large impact on indigenous peoples, while plans for managing the environmental and social risks in according to international standards were non-existent or had not been implemented. EKN also declined to issue guarantees for financing of exports to a refinery project and a power project, due to large greenhouse gas emissions in the end-users' business operations and the absence of a climate transition plan. EKN has also refrained from participating in guaranteeing the finance of export of equipment to a new quarry in a protected area, but where there were no plans for biodiversity management in accordance with to international standard.

EKN withdrew offers for guarantees for financing of equipment to two projects in Belarus

where EKN concluded that they were lacking the necessary prerequisites to meet human rights requirements in compliance with international regulations.

In cases where EKN chooses not to provide a guarantee due to, for example, large climate impact, EKN attempts to leverage other export credit agencies and international frameworks to follow suit, in order to create a level playing field.

Follow-up in guaranteed transactions

During past year EKN monitored 12 major projects where EKN set special guarantee conditions for responsible management of risks and impacts. Setting conditions and monitoring is carried out in collaboration with other export credit agencies and financiers in order to maximise opportunities for leverage.

Major A-projects and B-projects

When EKN receives applications for guarantees for the financing of exports to A- and B-classified activities where:

- the guarantee amount exceeds SEK 100 million
 - the credit term exceeds two years
 - the activities which the export goes to are projects or major expansion of existing activities
- EKN conducts a risk assessment in accordance with the OECD's common approaches.



Risks must be managed responsibly, including in the transition to renewable energy.

EKN publishes information on environmental and social risks at least 30 days prior to a decision. In order to increase the opportunities for stakeholders to contribute with additional information before a decision, EKN disseminates information via social media when a new A-classified project is being considered. Following the issuance of a guarantee, EKN reports its assessment of environmental and social risks to the OECD, and shares further information on the project – exporter, banks, principal risks, and the offered volume – on EKN's website, ekn.se.

In 2021, EKN has issued export finance guarantees to the following A- and B-classified projects, which are described on ekn.se.

A-Projects

The projects concern a railway project in Tanzania, an offshore wind farm in the UK, a railway project in Ghana, and a mining project in DR Congo. The offered volume amounted to approximately SEK 20 billion.

B-Projects

The projects include upgrading of road networks in Ghana, solar farms in Angola, bus systems in Côte d'Ivoire, tissue paper plants in Turkey and Russia, and a dairy processing plant in the United Arab Emirates. The offered volume amounted to approximately SEK 10 billion.

5.1 NUMBER OF NEW TRANSACTIONS AND OFFERED GUARANTEE VOLUME IN THESE TRANSACTIONS

	2021		2020	
	Number	MSEK	Number	MSEK
Category A transactions	65	23,010	66	3,042
Category B transactions	1,013	29,340	952	28,461
Category C transactions	455	11,373	511	21,842
Non-classified transactions	245	3,679	367	5,438

5.2 NEW A TRANSACTIONS, BY RISK AREAS

MAIN RISK AREAS	EKN'S ASSESSMENT AND ACTION	TRANS-ACTIONS	GUARANTEE VOLUME, MSEK
Health and safety of local communities. Minor relocation of people. Impact on water. Working environment and work conditions.	No indications of unacceptable environmental impact or risk of violation of human rights. Mitigating measures have been taken.	4	7,890
Emission of greenhouse gases from combustion of the extracted raw materials or steel production.	Greenhouse gases are produced when the fossil raw material is combusted or from steel production. EKN cannot mitigate the climate impact.	3	129
Personal integrity and freedom of expression. Telephone and internet surveillance.	Assessment of the buyer's proximity to the state and how enquiries from the state are handled. Mitigating measures have been taken.	2	1,678
General environmental and social risks from mining.	No indications of unacceptable environmental impact or risk of violation of human rights. Mitigating measures have been taken.	38	2,604
Risks of illegal detention and civilian victims in the military's anti-terrorist campaigns in two countries.	No indications of unacceptable negative impact or risk of violation of human rights.	11	5
Impact on the biodiversity.	No indications of unacceptable environmental impact. Mitigating measures have been taken.	7	10,704

Impact of state-backed guarantees

EKN's issuing of guarantees has been highlighted in international contexts during the year as an example of how state-backed export credit guarantees can finance development in poor countries and also limit financing for activities with large greenhouse gas emissions.

The potential of government export credit guarantees for transition and development has been in focus. In recent years EKN has, together with a few other countries, tried to introduce favourable conditions for climate friendly projects and restrict investments in fossil energy and extraction. During the year, more countries have followed suit and initiatives have been taken, internationally and at EKN, to increasingly direct financing towards investments that contribute to the global sustainable development goals and the climate transition.

COP26 – 2021 UN Climate Change Conference in Glasgow

Together with a handful of countries, EKN is in the front regarding development and application of climate policy. As a result, EKN's Director General was invited to a seminar by the host nation the United Kingdom, during the UN COP26 climate change conference. The seminar highlighted the funding flow that government export credits create can be directed to what the world needs, namely the transition away from fossil fuels and the development of the world's poorest countries.

Financing was generally in focus throughout the climate change conference – the financing that is necessary for both public and private companies to transition to the net zero target. The International Chamber of Commerce (ICC)

released a report in the run-up to the conference, pointing out that export credit guarantees, are an overlooked part of the solution, and needs to be used more systematically. EKN participated in a UN's conference a few days before the COP26 climate change conference and shared examples from EKN's activities for how a powerful export credit guarantees can be, particularly for financing in developing countries.

Restrictions on greenhouse gas emissions

EKN's sustainability policy sets out restrictions for the issuance of guarantees regarding exports to activities with large greenhouse gas emissions. When EKN assesses whether or not an export credit guarantee can be issued, EKN bases its decision on alignment with the Paris Agreement's 1.5-degrees target and takes into account, for example, lock-in effects and transition plans. During the year, EKN has specified where the limits are regarding the issuance of guarantees for the power production, in accordance with the implementation of the policy in recent years.

EKN and Sweden have continued to play a leading role in the efforts concerning responses to climate change mitigation, within both the EU and the OECD. During the year, the OECD agreed on further restrictions on official export financing support for coal-based power production. Sweden would have welcomed going further in the banning of all coal related exports, but it is positive that the framework has been somewhat tightened. Within the EU, Sweden is joined by Denmark, France, Germany, the Netherlands and Spain, which, within the E3F (Export Finance for the Future) cooperation, have committed to end guarantees for fossil energy. EKN participated in a ministerial conference within the framework of the cooperation. In addition, 35 countries, including Sweden, have signed a petition with the UK

as the initiator, with the same aim – to discourage the financing of fossil energy.

Incentivising financing for the green transition

Sweden is pushing for OECD's Sector Understanding on Enhanced Terms and Conditions for Projects Contributing to Climate Change Mitigation to be updated in 2022. This is important in order to further facilitate investments that contribute to the climate change mitigation.

The EU has been pushing for the modernisation of the Arrangement for a long time. In 2021, the EU has started to take a more comprehensive approach to pricing. One of the aims is to increase flexibility for long credit periods, which can benefit both green business and other.

Efforts to combat corruption

Corruption undermines the UN's global sustainable development goals. During the year, EKN participated in work-shops to share and exchange experiences, arranged by the OECD Working Group on Export Credits. During the year, EKN also participated in a digital roadshow together with the Swedish Ministry for Foreign Affairs, the Swedish Anti-Corruption Institute (IMM) and other Team Sweden parties with the aim of raising capacity and expertise in combatting corruption arising among small and medium-sized companies in Sweden.

Programmes to accelerate sustainable development

EKN works with Business Sweden, Swedish Export Credit Corporation, the Swedish Institute, Swedfund, the International Council of Business and Industry (NIR) and the Swedish International Development Cooperation Agency to broaden Sweden's relationships with countries where the development has moved from Swedish aid to reciprocal trade. During the year, EKN has been

involved in a Sustainability Impact Accelerator's work for capacity-enhancing efforts in projects with a sustainability connection, where EKN has guaranteed funding for Swedish exports. In October, the Swedish Government commissioned the Swedish International Development Cooperation Agency, Swedish National Board of Trade, Swedish Institute, Business Sweden and EKN to produce a proposal for how cooperation between the relevant parties within the framework of the Government of Sweden's Sustainable Transition through Economic Partnership (STEP) initiative can be developed.

Cooperation on risk assessments

EKN and its Canadian counterpart Export Development Canada (EDC), together with the export credit agencies of Finland, Norway and the United Kingdom and the Export Credit Secretariat of the OECD, have been working together on a common methodology for identifying and managing risks related to privacy, freedom of expression and surveillance in telecoms transactions based on the UN Guiding Principles on Business and Human Rights (UNGPs). The aim is to update the OECD's framework in this area in the coming years.

FACTS

Within the OECD, government export credit institutions have common agreements on terms and conditions, such as premium, repayment, maximum official support, local costs and other rules. The purpose is to ensure level playing field. The guidelines are called The Arrangement on Officially Supported Export Credits.

In the Participants to the Arrangement, the OECD countries' export credit institutions negotiate changes to the Arrangement.

Climate change assignment

A Scientific Climate Council has been established. A "green guarantee," with attractive risk coverage has been launched.

In 2020, EKN, together with the Swedish Export Credit Agency (SEK), was commissioned by the Government to develop proposals on how the Swedish and international export financing system can be adapted to the objectives of the Paris Agreement. During the year, EKN and the Swedish Export Credit Corporation worked to implement the proposals.

Scientific Climate Council

EKN and the Swedish Export Credit Corporation established a Scientific Climate Council. The Council is the first of its kind in the world and has generated interest from other export credit agencies, companies and banks. The focus of the Council is the impact of export finance on global greenhouse gas emissions. The Council is a strategic knowledge and discussion partner to EKN and the Swedish Export Credit Corporation when it comes to principled strategic policy positions.

During the year, the Council discussed the role of natural gas and hydrogen in global climate transition. The notes from the meetings are available on EKN's website.

Green guarantee facility for investments in Sweden

With the objective of making it easier for companies to make the transition to more sustainable business, EKN has launched a green guarantee facility. It covers up to 80 percent of the bank's risk when the bank provides loans for climate friendly projects. It can also be used as working capital in green activities. The green definition has been developed in consultation with the Swedish National Debt Office and the Swedish Export Credit Corporation, and is based on the EU's taxonomy for sustainable activities.

The guarantee is aimed at exporting companies and subcontractors/subsuppliers to exporting companies, in loans up to SEK 500 million. For

larger amounts, the Swedish National Debt Office provides green guarantees.

Small and medium-sized enterprises in climate transition

With innovative solutions for transition and sustainability, many Swedish small and medium-sized enterprises have favourable opportunities internationally. EKN has launched the new Green Guarantee, which is expected to be of benefit primarily to small and medium-sized enterprises.

EKN has also informed companies and advisors at the local bank branches on how EKN's entire range of guarantees can strengthen business enterprises. EKN reaches out primarily through local presence in its own and Almi's offices, and also in partnership with Almi, local chambers of commerce and universities.

Climate-related financial risks

EKN has started to analyse and report climate-related financial risks and opportunities. From 2022, the reporting shall be public and in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

EKN has an impact on the global climate, in that the guarantees issued contribute to the financing of projects and activities. The guarantees issued have both a negative climate impact when activities involve greenhouse gas emissions and a positive climate impact when the projects and activities are part of climate transition. At the same time, both climate change and the climate transition have an impact on EKN's financial position. Using the TCFD's recommendations, both climate change impacts and financial climate risks are analysed.

As a pilot project, EKN has developed a TCFD report for 2021. This work has been done in close cooperation with the Swedish Export Credit Corporation. The analysis shows that EKN's exposure to fossil-fuel dependent industries with a high transition risk is limited. Analysis of selected projects shows that individual guarantee commitments are vulnerable to climate-related transition risks and physical risks.



Risk developments

The issuing of guarantees generates a risk exposure in the form of outstanding guarantees and claims. This section describes the exposure and how it has changed compared to the previous year.

Larger exposure in high-risk countries

Extensive issuing of guarantees resulted in a larger exposure. Increased exposure in high-risk countries is balanced by low-risk countries and low claims levels.

At the end of 2021, EKN had outstanding guarantees in 146 countries and territories, one more than at the end of 2020. Outstanding guarantees increased to SEK 224,0 billion, from SEK 184,3 billion at the end of previous year. This is mainly explained by increased issuing of guarantees during the year and also by a weakened Swedish krona against the US dollar and the euro.

The outstanding guarantees presented do not include the temporary solution of working capital credit guarantees for large corporates. This solution was offered from the beginning of the pandemic until 30 June 2021. Nor are they included in the basis for reporting provisions and concentration for countries and industries but are described separately.

Slightly lower risk level

For each guarantee, EKN calculates the expected loss and makes provisions. The risk analysis of outstanding guarantees on which the calculation is based is made every four months, which contributes to readiness to take action in the event of significant risk increase so as to reduce the risk of losses. The report summarises "Provision for unearned premiums and unexpired risks (gross of reinsurance)" and "Provision for claims (gross of reinsurance)" for the expected loss. Provisions in relation to exposure amounted to 4.2 per cent at year-end, which was 0.2 percentage points lower compared to the previous year-end. The av-

erage expected loss has decreased year by year, a trend that continued in 2021. Increased exposure in Angola and Ghana is balanced against a high issuing of guarantees with lower risk profiles and a lower provision for claims.

Continued lower proportion of problems and claims

Provision for claims is made for guarantees where non-payment has occurred or where there is an increased risk for that. In both cases, a specific assessment of the risk is made. Provisions for claims amounted to SEK 1.2 billion (SEK 1.3 billion). As a percentage of exposure, the provision for claims corresponds to 0.6 per cent (0.7 per cent). The decrease is explained by a larger exposure while the provisions only showed a minor increase.

Large transactions over many years

Exposure is largely concentrated in a few countries and industries. USA represented the largest risk concentration among countries, mainly due to large transactions in the telecom sector. Brazil was the second largest country, with a large proportion relating to SAAB's exports of Gripen. The five largest countries accounted for 66 per cent of outstanding guarantees and the 15 largest countries 85 per cent. Exposure in the 15 largest countries increased to SEK 191.4 billion, from SEK 157.0 billion. Issuing of guarantees have been high in the USA, Great Britain and Japan, among others, but the weaker krona against USD and EUR has also contributed to a higher guarantee amount in SEK.

The largest industries were defence and telecommunications. As a result of the long credit terms of guarantees in these industries, they will continue

to be large in the coming years. The defence transactions share of outstanding offers and guarantees was 33 per cent, one percentage point less than in 2020. Telecommunications represented 28 per cent of offers and guarantees, which is one percentage points lower than in 2020. The counterparty exposure was dominated by foreign companies, which accounted for 62 per cent of the outstanding offers and guarantees.

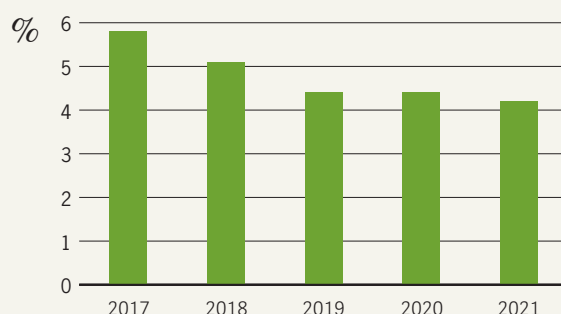
No new private reinsurance

In order to reduce the concentration risks in EKN's portfolio, some guarantees are reinsured on the private reinsurance market. In 2021, no new private reinsurance policies were taken out. At year-end, the reinsurance policies in the private market comprised SEK 9.9 billion, compared with SEK 12.9 billion one year later. This decrease is attributable to an amount that matured under the guarantee commitments, which are reinsured. The reinsured guarantee commitment pertained to loss on claim guarantees. The measure that EKN uses to calculate risk concentration is unexpected loss. In total, reinsurance contributed to a reduction in unexpected loss of SEK 1,758 million, compared with SEK 1,760 million in 2020.

Outstanding claims

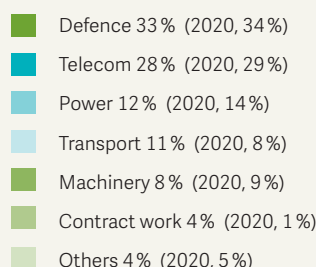
Total outstanding claims amounted to SEK 14.0 billion on 31 December 2021, which is an increase from the previous year-end when it amounted to SEK 13.0 billion. Of this, the commercial claims were SEK 8.4 billion and political claims SEK 5.6 billion. The increase

6.1 PROVISIONS FOR ANTICIPATED LOSS AS A PERCENTAGE OF EKN'S EXPOSURE



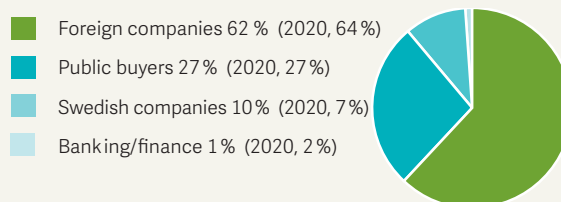
6.2 OUTSTANDING OFFERS AND GUARANTEES BY INDUSTRY

2021



6.3 OUTSTANDING OFFERS AND GUARANTEES BY COUNTERPARTY

2021



The figures above do not include working capital credit guarantees for large corporates.

in claims is mainly explained by continued indemnifications in guarantees for transactions to Armenia, India, Spain and the United Arab Emirates.

New indemnifications for commercial claims during 2021 amounted to SEK 679 million, which is SEK 927 million lower than previous year. Recoveries from commercial claims decreased and amounted to SEK 168 million compared to SEK 224 million in 2020. The largest amounts were recovered from debtors in Chile, Qatar, Saudi Arabia and Honduras.

At the end of 2020, EKN had outstanding political claims in 13 countries. Eight countries repaid under agreements. The majority of the recovered amount of SEK 197 million came from Zambia, Iraq, Serbia and Indonesia.

Claims payments for political claims only pertained to Zambia.

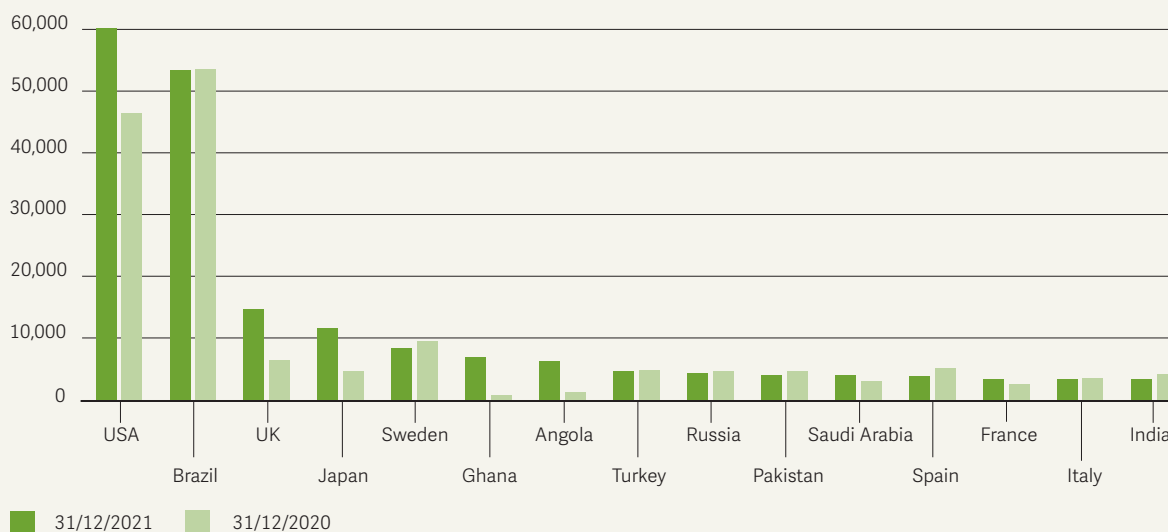
The financial difficulties into which the pandemic has put many poor, indebted countries prompted the G20 countries and Paris club members to offer these countries a temporary deferral of payments.

For Sweden and EKN, the claim on Pakistan was affected, for which reason no recoveries were made during the year. The two largest political claims were in North Korea, SEK 2,835 million (3,215 including guarantee holders' excess) and Cuba, SEK 1,780 million (2,182 including guarantee holders' excess).

Outstanding working capital credit guarantees

In spring 2020, EKN launched working capital credit guarantees for large corporates, as a temporary measure to mitigate the effects of the pandemic. Normally, EKN only offers working capital credit guarantees to small and medium sized companies. This temporary measure ended on 30 June 2021. During the first six months 2021, EKN issued seven guarantees amounting to SEK 6.8 billion. At the end of 2021, the guarantee exposure amounted to SEK 42.4 billion compared with SEK 54.2 billion in 2020. The expected loss in this exposure amounted to SEK 1.1 billion at year-end and the unexpected loss due to risk concentration amounted to SEK 409 million.

6.4 THE 15 LARGEST COUNTRIES – OUTSTANDING GUARANTEES (SEK MILLION)



The figures above do not include working capital credit guarantees for large corporates.

6.5 RECOVERIES, CLAIMS PAID, OUTSTANDING CLAIMS (SEK MILLION)

	RECOVERIES		PAYMENT OF CLAIMS		OUTSTANDING CLAIMS	
	2021	2020	2021	2020	31/12/2021	31/12/2020
Political	197	70	101	7	5,579	5,391
Commercial	168	224	679	1,606	8,435	7,633
TOTAL	365	295	779	1,613	14,014	13,024

6.6 OUTSTANDING OFFERS

	31/12/2021		31/12/2020		31/12/2019	
	MSEK	Number	MSEK	Number	MSEK	Number
Guarantee for loss on claim for exporters	29,800	2,149	28,043	2,286	24,154	1,738
Loss on production and loss on claim guarantee	4,664	21	3,856	19	1,520	16
Guarantee for loss on claim for lenders	78,443	57	91,159	70	78,388	53
Unfair calling guarantee	764	2	627	2	88	1
Counter guarantee	26,815	56	11,828	58	12,363	54
Letter of credit guarantee	43	1	39	1	0	0
Bill of exchange guarantee	60	8	281	3	290	2
Working capital credit guarantee for SME	365	63	375	69	371	55
Investment guarantee	0	0	136	1	1,673	2
TOTAL	140,954	2,357	136,344	2,509	118,848	1,921

6.7 OUTSTANDING GUARANTEES

	31/12/2021		31/12/2020		31/12/2019	
	MSEK	Number	MSEK	Number	MSEK	Number
Guarantee for loss on claim for exporters	18,214	6,589	14,959	6,113	17,703	5,363
Loss on production and loss on claim guarantee	419	41	498	32	492	20
Guarantee for loss on claim for lenders	186,024	295	151,946	292	153,497	296
Unfair calling guarantee	491	4	562	5	230	4
Counter guarantee	15,698	315	12,962	294	20,511	352
Letter of credit guarantee	1,735	113	1,801	119	1,323	109
Bill of exchange guarantee	2	3	3	3	6	2
Working capital credit guarantee for SME	1,731	283	1,349	301	769	232
Investment guarantee	0	0	251	1	1,333	2
TOTAL	223,955	7,643	184,331	7,160	195,862	6,380

6.8 OUTSTANDING OFFERS AND GUARANTEES RELATED TO THE TEMPORARY WORKING CAPITAL CREDIT GUARANTEES FOR LARGE CORPORATES

	31/12/2021		31/12/2020	
	MSEK	Number	MSEK	Number
Offers	0	0	89,544	45
Guarantees	42,375	30	54,225	34



Human resources

The section reports on EKN's competence supply and the development work done for customer benefit, efficiency and quality assurance.

High level of engagement

EKN has increased its number of employees and accelerated the onboarding of new employees. The valuable commitment and engagement of our employees remains at high levels.

In order to respond to historically high demand, EKN has increased the number of employees from 141 (full-time equivalents) in 2020 to 146 (full-time equivalents) in 2021. The increase has been a prerequisite for managing a doubling of regular issuing of guarantees over the past five years, special crisis solutions and increased complexity and regulatory issues in the transactions.

Commitment is an important resource

A high level of employee commitment gives EKN access to employees' knowledge and vast experience. Much of the efforts in developing work environment, HR management and leadership aims to strengthen the engagement and commitment, which is measured continuously. Not being able to meet in daily work due to the pandemic has been challenging. Commitment remains high, with the commitment index standing at 76 (on a 100-point scale) in the latest commitment survey conducted in October.

EKN is actively working on long-term supply of skills with a focus on age structure and rejuvenation. Staff turnover was 8 percent (7 percent in 2020) and the average age was 46 (47 in 2020 and 48 in 2019).

Improved onboarding

In order to ensure that new employees immediately become well-versed in their new assignment, EKN has highlighted and developed the onboarding. The goal is a uniform and efficient process.

A modern and flexible workplace

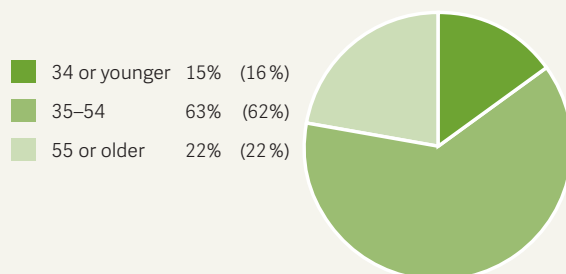
New ways of working have been developed to meet the expectations of a modern employer to be offered a flexible working day with work both on-site in offices and remotely. EKN has a new lease agreement for the Stockholm office from 1 October. The space has been reduced and the design and equipment have been adapted to promote jointly working together and collaborations.

EKN's employees and managers have been continuously involved in the design of the new office and new ways of working.

The working environment and health

Over 80 percent of the work has been conducted remotely during the time that EKN was tasked with working from home, due to the pandemic. During the year, EKN's employees received a grant of SEK 1,800 to equip their office/working space at home. The wellness allowance, keep-fit reimbursement was utilised by 83 percent of the employees. During the spring, exercise sessions were offered online twice a week. An inspirational training on digital meetings was conducted, which resulted in common agreements on the design of the meetings.

7.1 AGE DISTRIBUTION OF PERSONNEL



7.2 GENDER DISTRIBUTION OF PERSONNEL

NUMBER OF EMPLOYEES:

153 (155)

GENDER DISTRIBUTION:

Women: 54 % Men: 46 %

7.3 SICKNESS ABSENCE AS A PERCENTAGE OF DAYS WORKED

	2021	2020	2019
29 years or younger *	*		
30-49 years	0.66 %	2.94 %	1.2 %
50 years or older	3.10 %	1.78 %	1.4 %
Women	2.29 %	2.71 %	2.7 %
Men	1.23 %	2.04 %	0.7 %
TOTAL SICKNESS ABSENCE	1.82 %	2.41 %	1.9 %
Long-term sickness absence** as a proportion of total absence	60.17 %	68.56 %	51.4 %

* Sickness absence is not reported separately when the group is less than 10 people.

** Long-term absence refers to 60 days or more.

Business development

EKN actively works with the development of its business operations based on its customers' needs. Priority areas include streamlining and automation of systems and processes. The development of EKN's guarantee products continues with a focus on simplification and increased usability.

The increased level guarantees places stringent demands on streamlining the business operations. During the year, processes and systems have been developed in order to support simplified management and digitalisation has increased.

A new way of working on IT development has been introduced and a business development group was established in 2021. These initiatives provide good support for prioritising development work, both ongoing and strategic, always with the customer's perspective in focus.

Digitalised business process

More than 80 percent of customers' guarantee applications enter through the digital customer portal EKN Online. The share of online applications increased by more than 10 percentage points in 2021.

It makes it easier for customers to apply for a guarantee via the customer portal. The customer

can follow the status of the application and the processing becomes more efficient. The further development of the customer portal continues with the goal that customers will be able to apply for any of EKN's guarantees in the portal.

More effective with new issues of sustainability

EKN analyses sustainability risks, regardless of the size and length of the guarantee. During the year, EKN has updated the questions in the guarantee application that customers fill out, as well as developed an automated process for dealing with the information collected in the application. Guarantee applications to operations with increased sustainability risk are thus effectively sorted out for deeper review.

Further automation is feasible

EKN has analysed processes that can be automated. A number of areas have been identified, and for some areas automation has already been implemented or initiated. Automation will improve the quality in the management of transactions and reduce the amount of monotonous work tasks

Security

EKN has implemented several measures during the year to strengthen security. The employees risk awareness has increased via training and phishing tests. An exercise in the management team in dealing with crises has been conducted.

Financial reports

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Statutory limit utilisation

Refers to guarantee amounts in SEK million

EXPORT CREDIT GUARANTEES	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
Maximum amount of liability permitted by Swedish parliament	500,000	500,000	450,000	450,000	450,000
Authorisation given to EKN by Swedish government	500,000	500,000	450,000	450,000	450,000
Outstanding guarantee exposure (guarantees and offers)	351,911	373,145	272,014	254,001	250,380
Distributed as follows:					
Binding offers, regular issuing of guarantees	30,208	43,928	37,795	30,358	48,502
Binding offers, working capital guarantees for large corporates	0	0			
Non-binding offers, regular issuing of guarantees	110,746	92,280	79,379	62,999	42,390
Non-binding offers, working capital guarantees for large corporates	0	89,544			
Offset by 50 %	-55,373	-90,912	-39,690	-31,500	-21,195
Guarantees, regular issuing of guarantees	223,955	184,080	194,529	192,143	180,683
Guarantees, working capital guarantees for large corporates	42,375	54,225			
INVESTMENT GUARANTEES					
Maximum amount of liability permitted by Swedish parliament	10,000	10,000	10,000	10,000	10,000
Authorisation given to EKN by Swedish government	10,000	10,000	10,000	10,000	10,000
Outstanding guarantee exposure (guarantees and offers)	0	387	3,007	2,563	2,158
Distributed as follows:					
Binding offers	0	136	1673	1,411	1162
Non-binding offers	0	0	0	0	389
Offset by 50 %	0	0	0	0	-195
Guarantees	0	251	1,333	1,152	802

The Swedish parliament decides on the maximum amount to which EKN may commit the Swedish government in guarantees. The full amount of guarantees and binding offers is offset against the statutory limits, while 50 per cent of the amount of non-binding offers is offset. An offer becomes binding for EKN when the guarantee holder signs an agreement with the respective counterparties.

At the end of 2021, EKN had utilised SEK 352 billion of the statutory export credit guarantee limit. Statutory limit utilisation was SEK 373

billion at the same time last year. The share of the statutory limit utilisation comprising guarantees and binding offers totalled SEK 97 billion and the share comprising non-binding offers was SEK 111 billion. The statutory export credit guarantee limit for 2021 was SEK 500 billion.

A statutory limit of SEK 10 billion is granted by the Swedish parliament for investment guarantees. Statutory limit utilisation was not used at all at the end of 2021, compared to SEK 0.4 billion in 2020.

Financial reporting principles

EKN complies with the Annual Reports and Budget Documentation Ordinance (2000:605) (FÅB), as well as the Ordinance on the Bookkeeping of Government Agencies (2000:606). EKN has opted for convergence with the policies of IFRS and insurance accounting. The layout is based on the Annual Accounts Act for Insurance Companies (1995:1560).

In order to do this, EKN has been granted an exemption from the National Financial Management Authority (ESV) with respect to the layout of income statements, balance sheets and cash flow statements as stipulated in FÅB. Unless otherwise specified, all amounts are reported in SEK thousands. The product, working capital credit guarantee for large corporates, is reported on a separate income statement. The product is included on the balance sheet, pages 49-50.

Premiums

The premiums shall cover the expected losses and operating costs over time. Income from guarantees is entered when a guarantee is issued and liability is incurred. Liability is incurred when the insurance period has begun or the guarantee premium has fallen due for payment. At the same time as the income is recognised, a provision is made for unearned premiums which relate to the part of the premium that accrues after the year-end closure. The premium is earned during the guarantee period and adjustments are made for changes in the unexpired risk.

EKN's premiums reflect the expected loss in each guarantee, in accordance with the Ordinance on Lending and Guarantees. With controls against international rules, the premium may deviate from the expected loss based premium. One case

arises when EKN's established premium is below the minimum premium in international agreements and EU's state aid rules. The premium is adjusted to be at the level of the minimum premium and exceeds the expected loss based premium. Earned excess premiums are reported as debt to the Swedish state. The second case is when EKN, in the context of the EU's regulations for export credit guarantees, takes a lower premium than the expected loss based premium, due to matching of other countries Export Credit Agencies premiums. This is reported as claim to the Swedish state. In accordance with its instruction, EKN has the right to use each year's estimated deficit because of matching against the corresponding surplus. A deduction for deficits may only be used in the year a surplus arises. EKN reports separately the parts of premiums that are higher or lower than the expected loss. As a guarantee is earned over several years and may be liquidated early during the maturity period, each year's earnings from the premiums that are not expected loss based and the year's cost of matched premiums are calculated and the net amount is reported as a liability to the government. The next year the liability to the government is regulated in accordance with EKN's instruction.

Reinsurance costs and reinsurer's share of unearned premiums and unexpired risks are separately reported. Administrative revenue is not accrued because accrual of administrative expenses and revenue would have difficulty providing a truer and fairer image in light of the operations of the agency. The reason is that a large portion of the work is spent on the offer process, i.e. before a guarantee is issued, while the term of an individual guarantee can be very long. In order to give a more accurate picture of the organisation's results, from 2020 EKN reports changes in provisions due to changes in base rate (discount rate) in the financial items; they were previously reported as guarantee premiums.

	31/12/2021	31/8/2021	30/4/2021	31/12/2020	31/12/2019
USD	8.7991	8.5169	8.4203	8.6834	9.6526
EUR	10.1372	10.1691	10.1278	10.3143	10.6668
CHF	9.5404	9.3502	9.2565	9.5699	9.7388
JPY	0.0780	0.0775	0.0789	0.0829	0.0891

The rates are attached to each period's reports. In the table, rates have been rounded to four decimal points.

Valuation of exposure

EKN's outstanding exposure consists of outstanding guarantees, recently overdue amounts in problem transactions and reported delays. Provisions for the outstanding risk exposure are divided up into two parts for accounting purposes on the income statement and balance sheet. One part refers to provisions for unearned premiums and unexpired risks, the other refers to provisions for future claims.

EKN values all outstanding guarantees every tertiary on the basis of the risk assessment applicable at the time for transactions with equivalent remaining terms. Provisions for unearned premiums and unexpired risks refers to on-going guarantees that retain their original value, or where a minor value adjustment has been made. These are guarantees that EKN could enter into again at the time of valuation. After they are entered into, transactions can be valued at a lower risk than was the case when the guarantee was issued as the result of an improvement in the underlying risk. In these cases, this results in a positive effect on profit for the period. However, the premature redemption of a guarantee assessed at a lower value would result in a corresponding lower repayment of the remaining premium. As a result, prepayments reflect the new lower value. If the guarantee assessed at a lower value remains in EKN's exposure, the premium paid also remains in EKN's provision.

Provisions for claims are provisions for guarantees with such a risk that EKN could not have agreed to issue a new guarantee at the time of valuation. Given that the time is long from the indication that claims payment is highly likely to the point when indemnification is actually made, this provision is required. Amounts are deducted from provisions for the portion of the premium that, according to calculation, corresponds to the

administration costs. In cases where reinsurance has been taken out, the risk associated with the reinsurer is calculated in the same way as for other exposures.

Valuation of indemnified claims

In the event of claims payment, EKN takes over the claim from the guarantee holder. Claims increase as a result of stipulated capitalized interest, past due unpaid interest and accrued interest not yet due according to new repayment agreements. Claims decrease as interest is paid and repayments are made or when written off. A decision in favour of a write-off is made when the possibilities of recovery are considered exhausted, in EKN's opinion, or when the debtor is granted debt relief. The value of the claims reflects the expected recoveries. All claims exceeding SEK 10 million are valued every tertials. The claims are valued at incremental five per cent levels. The basis for assessing sovereign risks is the country's debt, its income level and how well it has honoured its debt payments. This assessment is supplemented with information about the general risk situation in the country, and how long the remaining term is on EKN's claim. Other additional information that is used may include the ability to dispose of assets, realise collateral or the prospects of debt reduction.

Foreign exchange management

Currency effects on the asset and liability sides are recognised under financial items. EKN balances assets and liabilities in all guarantee currencies every quarter. This is to reduce the effect of exchange rate changes on profit/loss. Assets and liabilities in foreign currencies have been measured at the bid price on the balance sheet date at the Riksbank.

Concentration risks

A large portion of EKN's exposure is concentrated on a limited number of countries and counter parties. Claims in respect of these risks can have a significantly more negative outcome than normally expected, resulting in unexpected losses. Indemnified claims are also concentrated to a limited number of countries. EKN uses an in-house developed simulation model to calculate both the expected and unexpected loss in order to analyse, assess and report the cumulative risk of loss associated with the portfolio. EKN simulates a large number (600,000) of potential future outcomes to obtain a loss distribution curve which can be used to see how much provisions and buffer equity EKN needs to keep its operations self-sustaining over time for a given level of confidence. In accordance with the adopted portfolio risk policy, EKN's provisions and equity shall be equivalent to a level of confidence of at least 95 per cent for the horizon of the entire portfolio's term, which was defined as 20 years. This means that 95 per cent of all simulated scenarios meet the requirement that the premiums are to cover the costs of EKN's operations, which has been deemed a satisfactory level of confidence.

The unexpected loss in the exposure and claim portfolio is included in equity and recognised separately as a Note under the equity line item in the balance sheet.

Miscellaneous

Other assets and liabilities have been valued and other revenue and expenses have been accrued under the rules of the FÅB and generally accepted accounting practices. Operating costs in excess of SEK 50,000 are accrued over the period to which the cost relates. Fixed assets include purchases in excess of SEK 20,000. Computers and other IT equipment are depreciated over three years.

Other office equipment is depreciated over five years. EKN capitalises costs for intangible assets and these are depreciated over five years. EKN's financial assets, in the form of investments with the Swedish National Debt Office (Riksgälden) and bonds in foreign currency are planned to be held to maturity.

Calculation of limit utilisation

The full amount of guarantees and binding offers and half of the amount of non-binding offers are offset in the calculation of the utilisation of the guarantee limits adopted by the Swedish parliament. Binding offers are offers for which unconditional agreements have been reported between the exporter and the buyer, but where no guarantee agreement has been issued between EKN and the guarantee holder. Non-binding offers arise when EKN decides to issue an offer. However, no underlying agreement between exporter and buyer has been reported for a non-binding offer, nor has a guarantee agreement been issued by EKN.

Working capital credit guarantees, large corporates

Working capital credit guarantees for large corporates deviate from EKN's normal product range and are considered as a separate guarantee portfolio and are not included in the ongoing accounts. Payment to the state takes place when all transactions are completed and reported. In connection with the final accounts, accumulated surpluses (if any) are paid to the treasury and do not affect EKN's financial results. Should the cumulative result be negative during any period during the term of the guarantees, EKN intends to recognise this in the period in which the deficit arises. See also separate accounting in the section on Accounting for working capital credit guarantees (page 48).

Profit analysis

EKN had a profit of SEK 1,776 million (SEK 194 million). Increased volumes led to increased premium income and increased provision for unearned premiums and unexpired risks. Claims payments decreased and amounted to SEK 779 (SEK 1,613 million).

EKN's profit for the year was significantly higher than previous year, which is mainly explained by higher earned premiums and lower provisions for claims. The financial results increased during the year, as an effect of higher discount rates, which consequently led to higher interest income. The profit from financial items amounted in total to SEK 386 million (SEK -60 million). In the profit analysis, credit guarantees for large companies are excluded, which is commented in the separate income statement, page 48.

Premiums

Income from premiums during the year amounted to SEK 2,083 million, which is higher than the previous year's SEK 1,080 million. Guarantee income amounted to SEK 3,977 million, which is significantly higher than the previous year's SEK 1,226 million. The higher guarantee income is attributable to a few larger transactions, some of which run for a longer period of time and refers to countries with the highest risk classes. In some transactions the premiums deviate from the expected loss based premium. Thereby, the premiums can either become higher or lower. The year's earnings from premiums over expectation amounted to SEK 120 million and the years expenses for matched premiums amounted to SEK 6 million. The proportion of premiums that do not meet the expected loss-based premium is

recorded as a payment to the Swedish Department of Treasury. SEK 114 million will be paid to the government in 2022 in respect of 2021. The provision for unearned premiums and unexpired risks increased by SEK 1,413 million, compared with previous year increase of SEK 120 million.

Other revenues

Other revenues amounted to SEK 2 million, same level as the previous year. Of other income, Sida accounted for SEK 0.3 million.

Claims incurred

Claims incurred amounted to SEK 419 million. They were SEK 577 million the previous year. Claims paid amounted to SEK 779 million, compared with previous year's SEK 1,613 million. Indemnified claims amounted to nominal SEK 13,855 million at year end and was valued at SEK 1,873 million.

Lower claims paid

Net claims payments amounted to SEK 799 million, a decrease from SEK 1,637 million the previous year. The largest payments referred to transactions to Armenia, India, Spain and Zambia. During the year, no new major claims occurred, and the claims payments are in line with earlier provisions. Net recoveries of claims amounted to SEK 324 million. This is an increase from SEK 295 million in 2020. Payments from Chile, Iraq, Zambia and Qatar accounted for most of the year's recoveries.

Reinsurance

During the year, EKN signed no new reinsurance contract. The cost of reinsurance amounted to SEK 528 million, compared with SEK 25 million the previous year. A correction of calculations of reinsurance costs for prepaid premiums was

made during the year. This entailed a decrease of SEK 69 million in the reinsurance cost for the year. The reinsurance share of the change in unearned premiums and unexpired risks amounted to SEK –71 million, compared with SEK –140 million the previous year. The reinsurance share of the changes in claims provisions amounted to SEK 0 million, compared with SEK –3 million the previous year.

Increased operating costs

Operating costs amounted to SEK 277 million, which is SEK 26 million above the previous year's level. The majority of EKN's operating costs refer to personnel costs which, like the previous year, account for almost two thirds of total operating costs. They amounted to SEK 173 million and thus increased by SEK 13 million. The increase in personnel costs is due to an increase in full-time equivalents.

Travel expenses amounted to SEK 1.1 million, which is on a par with the previous year. Since the start of Covid-19, travel expenses have reduced significantly. Premises costs amounted to SEK 22 million, somewhat higher than the previous year. In 2021, the premises contract for the Stockholm office was renegotiated. Operation of offices amounted to SEK 2 million, somewhat higher than the previous year. Costs of IT operations have increased from SEK 15 million in 2020 to SEK 18 million in 2021. Consultancy costs amounted to SEK 51 million, which is SEK 10 million higher than the previous year. Consultancy costs mainly refer to the upgrade of the case management system and IT development projects. EKN has taken internal claims prevention costs against the risk provision in accordance with the Lending and Guarantee Ordinance (2011:211). These costs amounted to SEK 14 million, compared with the previous year's SEK 16 million.

Administrative result

EKN's administrative result for 2021 was SEK 319 million, compared with the previous year's SEK 98 million (see note 22). An accumulated surplus of SEK 132 million related to administrative costs were paid to the government during the year. During 2022 an accumulated surplus of SEK 255 million related to administrative costs will be paid to the government.

Financial management

EKN's financial assets at year-end amounted to SEK 31,034 million, which is an increase from SEK 27,584 million at the end of 2020. Of the financial assets, SEK 23,075 million were investments in Swedish kronor. EKN has no investments in foreign currency. Income from financial management was SEK 176 million, which is a decrease from the previous year's SEK 196 million. The reduced value in the investment portfolio led to lower revenues. The higher discount rate during 2021 resulted in increased total interest income. The foreign currency result was positive and amounted to SEK 10 million, an increase from the previous year's SEK –47 million. Most of the foreign currency result is unrealised exchange rate fluctuations. The total result from financial management was SEK 386 million, compared with the previous year's SEK –60 million.

Financial position

EKN's mission is long term, and the agency must be self-sustaining over time. This means that after many years with lower claims costs than income, years with higher claims costs can be sustained. At the end of 2021, EKN had a strong financial position and good financial results. EKN's equity increased during the year to SEK 26,232 million, from SEK 24,712 million.

Income statement

excluding working capital guarantees for large corporates

Amounts in SEK thousand

OPERATING INCOME AND EXPENSES		2021	2020
EARNED PREMIUMS (NET OF REINSURANCE)			
Gross premium income	Note 1	3,976,588	1,226,447
Premiums paid for reinsurance		-528,476	-24,993
Change in provision for unearned premiums and unexpired risks	Note 2	-1,412,907	-119,915
Reinsurer's share of unearned premiums and unexpired risks	Note 2	-71,344	-140,235
Earnings for the year, over expectation premiums	Note 17	119,595	139,044
TOTAL EARNED PREMIUMS (NET OF REINSURANCE)		2,083,456	1,080,348
OTHER REVENUE			
Other revenue	Note 3	2,055	1,718
TOTAL		2,055	1,718
CLAIMS INCURRED			
Claims incurred (gross of reinsurance)	Note 4	-420,481	-1,289,653
Reinsurer's share of change in paid claims incurred	Note 5	-717	275,672
TOTAL CLAIMS INCURRED		-421,199	-1,013,981
CHANGE IN PROVISIONS FOR CLAIMS (GROSS OF REINSURANCE)			
Change in provisions for claims gross of reinsurance	Note 2	121,438	578,979
Reinsurer's share of change in provisions for claims incurred	Note 2	0	-3,000
TOTAL CHANGE IN PROVISIONS FOR CLAIMS (GROSS OF REINSURANCE)		121,438	575,979
YEAR'S COSTS FOR MATCHED PREMIUMS			
Year's costs for matched premiums	Note 6	-5,870	-7,195
TOTAL YEAR'S COSTS FOR MATCHED PREMIUMS		-5,870	-7,195
COST OF SUBMISSION OF BELOW EXPECTED LOSS BASED PREMIUMS			
Cost of submission of below expectation premiums	Note 17	-113,726	-131,850
TOTAL COST OF SUBMISSION OF BELOW EXPECTED LOSS BASED PREMIUMS		-113,726	-131,850
TOTAL CLAIMS INCURRED (NET OF REINSURANCE)		-419,356	-577,046

Amounts in SEK thousand

		2021	2020
OPERATING COSTS	Note 7	-276,748	-250,864
OPERATING PROFIT/LOSS		1,389,407	254,156
INTEREST INCOME AND OTHER FINANCIAL INCOME	Note 8		
Return – treasury management		176,049	196,467
Other interest income		550,375	245,344
Other financial income		147	3,878
TOTAL INTEREST INCOME AND OTHER FINANCIAL INCOME		726,571	445,690
INTEREST EXPENSES AND OTHER FINANCIAL COSTS	Note 9		
Interest expenses loans		-3,885	-7,706
Expenses – treasury management		-78	-69
Other interest expenses		-346,757	-451,411
TOTAL INTEREST AND OTHER FINANCIAL COSTS		-350,721	-459,186
EXCHANGE RATES DIFFERENCIES	Note 2, 10, 13		
Realised exchange rate gains		578,945	335,046
Unrealised exchange rate gains		1,982,822	2,086,089
Realised exchange rate losses		-312,049	-653,814
Unrealised exchange rate losses		-2,239,473	-1,814,263
TOTAL EXCHANGE RATES DIFFERENCIES		10,245	-46,942
TOTAL FINANCIAL ITEMS		386,095	-60,438
PROFIT/LOSS FOR THE PERIOD		1,775,503	193,718

Income statement

for working capital guarantees for large corporates

Amounts in thousand SEK

OPERATING INCOME AND EXPENSES	2021	2020
PREMIUMS EARNED (after outward reinsurance)		
Premium income	48,277	1,605,334
Change in provisions for unearned premiums and unexpired risks	288,923	-1,438,094
TOTAL PREMIUMS EARNED (after outward reinsurance)	337,200	167,240
TOTAL OPERATING COSTS	-1,237	-8,050
OPERATING PROFIT	335,963	159,190
INTEREST INCOME AND OTHER FINANCIAL INCOME		
Other interest income	21,201	35,168
TOTAL INTEREST INCOME AND OTHER FINANCIAL INCOME	21,201	35,168
INTEREST EXPENSES AND OTHER FINANCIAL EXPENSES		
Other interest expenses	-16,415	-36,235
TOTAL INTEREST EXPENSES AND OTHER FINANCIAL EXPENSES	-16,415	-36,235
EXCHANGE RATE DIFFERENCES		
Unrealised exchange rate gains	9,877	747
Unrealised exchange rate losses	-10,043	-781
TOTAL EXCHANGE RATE DIFFERENCES	-167	-34
FINANCIAL ITEMS	4,620	-1,100
PROFIT/LOSS FOR THE PERIOD	340,582	158,090

EKN's temporary working capital credit guarantee for large corporates is offered from March 2020 to June 2021. The term of the guarantees is a maximum of five years. The financial statements are separated from EKN's other guarantees and any surplus is paid to the state when the guarantees are finally reported. If an accumulated deficit

arises during the period, EKN intends to recognise it during the period.

Revenues for the period from premiums amounted to SEK 167 million and operating costs to SEK 8 million. Financial items amounted to SEK 1 million and profit to SEK 158 million. The result is reported as a debt to the state (note 23).

Balance sheet

Amounts in SEK thousand

ASSETS		31/12/2021	31/12/2020
INTANGIBLE AND TANGIBLE FIXED ASSETS			
Intangible fixed assets	Note 11	40	432
Tangible fixed assets	Note 12	3,818	1,489
TOTAL INTANGIBLE AND TANGIBLE FIXED ASSETS		3,857	1,920
FINANCIAL FIXED ASSETS			
Other non-current securities holdings		23,075,000	20,075,000
Stocks and shares	Note 14	15,237	15,507
Premium receivables	Note 16	4,929,492	5,429,210
Reinsurer's share of net worth of indemnified claims	Note 13	1,917,793	1,743,395
Pension assets	Note 13	-44,874	-40,452
TOTAL FINANCIAL FIXED ASSETS		29,892,648	27,222,660
REINSURER'S SHARE OF ACTUARIALLY-CALCULATED PROVISIONS			
Reinsurer's share of unearned premiums and unexpired risks	Note 2	335,055	403,124
TOTAL REINSURER'S SHARE OF ACTUARIALLY-CALCULATED PROVISIONS		335,055	403,124
RECEIVABLES			
Account receivables		6,816	4,074
Under expectation premium share	Note 17	10,893	16,072
Other receivables		20	0
TOTAL RECEIVABLES		17,730	20,146
ACCRUALS AND DEFERRALS			
	Note 18		
Prepaid expenses		9,120	8,426
Accrued income		62,459	69,396
TOTAL ACCRUALS AND DEFERRALS		71,579	77,822
CASH AND BANK BALANCES			
National Debt Office	Note 19	7,956,122	7,507,667
Cash and cash equivalents	Note 20	2,509	1,196
TOTAL CASH AND BANK BALANCES		7,958,631	7,508,863
TOTAL ASSETS		38,279,501	35,234,536

BALANCE SHEET

Amounts in SEK thousand

EQUITY AND LIABILITIES		2021-12-31	2020-12-31
EQUITY	Note 21		
Retained earnings	Note 22	24,456,611	24,517,963
Profit/loss for the period		1,775,503	193,718
TOTAL EQUITY		26,232,113	24,711,681
LIABILITIES TO THE STATE	Note 23		
Liabilities to the state		867,468	289,939
TOTAL LIABILITIES TO THE STATE		867,468	289,939
PROVISIONS			
Provision for unearned premiums and unexpired risks gross of reinsurance	Note 14	14,210	15,507
Provision for claims gross of reinsurance	Note 2	9,338,707	8,182,465
Provisions for pension liabilities	Note 2	1,242,507	1,278,793
TOTAL PROVISIONS		10,595,424	9,476,765
LIABILITIES			
Borrowings for fixed assets, National Debt Office	Note 24	3,857	1,920
Over expected loss based premium share	Note 17	278,618	306,572
Trade payables		18,246	9,165
Liabilities to guarantee holders		14,312	3,935
Other current liabilities	Note 25	250,248	370,283
TOTAL LIABILITIES		565,282	691,875
ACCRUALS AND DEFERRALS	Note 26		
Accrued costs		19,214	19,227
Prepaid income		0	45,049
TOTAL ACCRUALS AND DEFERRALS		19,214	64,275
TOTAL EQUITY AND LIABILITIES		38,279,501	35,234,536

Statement of appropriations

Amounts in thousand SEK

REVENUE HEADING	ESTIMATED AMOUNT	REVENUE
2127 001 Surplus transfer from the Swedish Export Credits Guarantee Board	—	131,850
2811 Other revenue	—	—

Financing analysis

Amounts in thousand SEK

OPERATIONS FOR THE YEAR		2021	2020
Profit/loss for the year		1,775,503	193,718
Depreciation charged against earnings	Note 11,12	951	2,709
Disposals	Note 12	-1,922	-1,772
Change in current receivables		8,660	75,723
Change in current liabilities		-173,592	-189,702
Payment to government		-131,850	-572,518
Change below expectation premiums	Note 23	113,726	131,850
Working capital credit guarantees large corporates	Note 23	340,582	158,090
Cash flow from operations for the year		1,932,058	-201,903
INVESTMENTS			
Investment in fixed assets	Note 12	-2,946	-1,098
Disposals	Note 12	1,981	1,785
Change in actuarially calculated net worth of indemnified claims	Note 13	-169,976	110,650
Change in premium receivables		499,718	-931,485
Change in pension assets	Note 14	270	-838
Change in other non-current securities holdings		-3,000,000	700,000
TOTAL INVESTMENTS		-2,670,954	-120,986
Remainder after net investments		-738,896	-322,889
FINANCING ETC.			
Change in provisions for actuarially-calculated risk of exposure	Note 2	1,188,025	921,460
Change in provisions for pension liabilities	Note 14	-1,298	829
Change in borrowings for fixed assets, National Debt Office*	Note 24	1,937	-5,593
TOTAL FINANCING etc.		1,188,664	916,696
CHANGE IN CASH AND CASH EQUIVALENTS		449,768	593,806
Cash and cash equivalents at start of year		7,508,863	6,915,057
Cash and cash equivalents at end of year		7,958,631	7,508,863

Cash and cash equivalents are defined as short-term investments, and as cash and bank balances.

* Proforma 2020.

Notes to the income statement and balance sheet

Amounts in thousand SEK

NOTE 1. GROSS PREMIUM INCOME

	2021	2020
Premium income – risk-based share *	3,572,649	1,490,526
Premium income – administrative share *	605,794	350,822
Premium repayments/refunds	–36,830	–48,451
Change in premiums in arrears and counter guarantees	–121,853	–568,523
Over expected loss based premium share	–63,145	2,073
Over expected loss based premium share	19,974	0
TOTAL PREMIUM INCOME	3,976,588	1,226,447

Premium payments are divided into a share for risk-based operations and an administrative share. EKN's guarantee holder can redeem the premium for the remaining risk period if the guarantee holder terminates the insurance before everything has been paid.

Income from total premiums for premiums in arrears is recognised when the guarantee enters into force. Payments of premiums in arrears are recognised as premium payments when they are paid on an ongoing basis during the period of validity of the guarantee. The change in premiums in arrears covers all new revenue from premiums in arrears (present value and risk-adjusted) less the premiums in arrears due for payment during the period and decreases premium receivables.

Premiums can be both below or exceeding expected loss. A share of premiums exceeding expected loss reduces gross premium income, because EKN is not entitled to retain this share and it is recognised as a latent liability. They are paid to the treasury under EKN's revenue heading each year after the premium shares have been earned and a surplus has been accumulated.

* Proforma 2020.

NOTE 2. CHANGE IN PROVISION FOR UNEARNED PREMIUMS AND UNEXPIRED RISKS

ASSETS	Closing balance 31/12/20	Change	Working capital guarantees for large corporates	Exchange rate changes	Closing balance 31/12/21
Reinsured share of unearned premiums and unexpired risks	403,124	–71,344	0	3,275	335,055
Reinsured share of provisions for claims incurred	0	0	0	0	0
TOTAL REINSURED SHARE OF PROVISIONS	403,124	–71,344	0	3,275	335,055
LIABILITIES					
Provision for unearned premiums	–7,585,466	–328,828	–1,166,668	229,906	–8,851,056
Provision for unexpired risks	–597,000	49,823	32,766	26,760	–487,651
TOTAL PROVISION PREMIUMS AND UNEXPIRED RISKS	–8,182,465	–279,005	–1,133,902	256,666	–9,338,707
Provision for claims gross of reinsurance	–1,278,793	121,438	0	–85,153	–1,242,507
TOTAL CHANGE IN PROVISION FOR UNEARNED PREMIUMS AND UNEXPIRED RISKS	–9,058,134	–228,911	–1,133,902	174,788	–10,246,159

NOTE 3. OTHER REVENUE

	2021	2020
Administration income within government	349	710
Administrative income outside of government *	1,706	1,008
TOTAL OTHER REVENUE	2,055	1,718

* Refers to consultation on export credit insurance issues provided to EKN's counterpart in New Zealand and constitutes EKN's service exports.

NOTE 4. CLAIMS INCURRED (GROSS OF REINSURANCE)

	2021	2020
Recoveries net *	323,686	294,746
Claims paid net *	-799,013	-1,637,170
Change in indemnified claims	395,923	1,078,910
Change in provision for expected loss indemnified claims	-341,077	-1,026,139
TOTAL CLAIMS INCURRED (GROSS OF REINSURANCE)	-420,481	-1,289,653

* Costs of recovery and claim prevention measures are included in the amounts.

NOTE 5. REINSURER'S SHARE OF CLAIMS INCURRED

	2021	2020
Recoveries net	-316	-6 113
Change in indemnified claims	-619	-785
Change in provision for expected loss indemnified claims	217	169
Claims payment, compensation from reinsurers	0	282,401
TOTAL REINSURER'S SHARE OF CLAIMS INCURRED	-717	275,672

NOTE 6. COSTS FOR MATCHED PREMIUM

	2021	2020
Change in the year's cost matched premiums	-5,870	-7,195
TOTAL, YEAR'S COST MATCHED GUARANTEE PREMIUMS	-5,870	-7,195

EKN's premiums are set to correspond to the anticipated loss in each guarantee in accordance with EKN's mandate. There are exceptions to the main rule. Where, in the framework of the EU rules, EKN charges a lower premium than the expected loss based premium, so-called matching of premiums, a provision is made for the expected loss and the transaction is entered with a loss. The year's cost for the matched premiums, 5,870 (7,195), reduce transfer to the government, not expected loss based premiums, see also note 23.

NOTE 7. OPERATING COSTS

	2021	2020
Payroll expenses (excluding employer's contributions, pension premiums and other charges according to law and agreement)	-92,645	-82,930
Of which, payroll expenses non-employed personnel	-2,520	-1,577
Social costs	-33,384	-35,357
Other costs for personnel	-46,872	-41,653
Premises costs	-22,533	-21,041
Other operating costs	-80,363	-67,173
Depreciation	-951	-2,709
TOTAL OPERATING COSTS	-276,748	-250,864

SEK 63,450 was paid to the chair of the board Hans Lindberg (until June 2021), SEK 71,600 was paid to the chair of the board Sven-Eric Söder (from July 2021).

Director General Anna-Karin Jatko was paid salary of SEK 1,529,576 including luncheon voucher benefits. No remuneration was paid for the office of Board Member of EKN.

Peter Yngwe, Vice Chair, received SEK 101,725.

Åke Nordlander, Stefan Sjöquist and Jan Wäreby received SEK 67,475 kronor each. Camilla Mellander received SEK 43,540 and Elisabeth Nilsson received SEK 43,928. Dag Juhlin Dannefelt received SEK 23,933. Carina Lundberg Markow and Anna Lundmark Lundbergh received SEK 23,833 kronor each.

Camilla Mellander and Elisabeth Nilsson left the board on 31 August 2021. Dag Juhlin Dannefelt, Carina Lundberg Markow and Anna Lundmark Lundbergh joined on 1 September 2021.

No other benefits or future obligations have been agreed for EKN's Board of Directors and Director General.

Information about the board's other offices as board members of other Swedish government agencies or board positions in limited companies is presented, in accordance with chapter 7 section 2 of the Annual Reports and Budget Documentation Ordinance, in the section of the annual report on the board and management.

NOTE 8. INTEREST INCOME AND OTHER FINANCIAL INCOME

	2021	2020
Return on treasury management *	176,049	196,467
Other interest income **	550,375	245,344
Other financial income	147	3,878
TOTAL INTEREST INCOME AND OTHER FINANCIAL INCOME	726,571	445,690

* Interest income from financial management amounts to SEK 17,049 thousand and interest income relating to the Swedish National Debt Office interest account amounts to SEK 0 thousand.

** Other interest income is mainly related to provisions

NOTE 9. INTEREST EXPENSES AND OTHER FINANCIAL COSTS

	2021	2020
Expenses – treasury management	-78	-69
Interest expenses loans	-3,885	-7,706
Other interest expenses *	-346,757	-451,411
TOTAL INTEREST EXPENSES AND OTHER FINANCIAL COSTS	-350,721	-459,186

* Other interest expenses is mainly related to provisions

NOTE 10. EXCHANGE RATE DIFFERENCES

	2021	2020
Realised exchange rate gains	578,945	335,046
Realised exchange rate losses	-312,049	-653,814
Unrealised exchange rate gains	1,982,822	2,086,089
Unrealised exchange rate losses	-2,239,473	-1,814,263
TOTAL EXCHANGE RATE DIFFERENCES	10,245	-46,942

Unrealised exchange rate gains and losses is mainly related to engagement in foreign currency.

NOTE 11. INTANGIBLE FIXED ASSETS

	2021-12-31	2020-12-31
Opening balance cumulative acquisition value	16,232	16,232
Closing balance cumulative acquisition value	16,232	16,232
Opening balance cumulative depreciations	-15,800	-13,999
Depreciation for the year	-392	-1,801
Closing balance cumulative depreciations	-16,192	-15,800
TOTAL INTANGIBLE ASSETS	40	432

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

	2021-12-31	2020-12-31
Opening balance cumulative acquisition value	11,647	12,334
Acquisitions for the year	2,946	1,098
Discarded	-1,981	-1,785
Closing balance cumulative acquisition value	12,612	11,647
Opening balance cumulative depreciations	-10,158	-11,022
Depreciation for the year	-559	-907
Discarded	1,922	1,772
Closing balance cumulative depreciations	-8,794	-10,158
TOTAL PROPERTY, PLANT AND EQUIPMENT	3,818	1,489

NOTE 13. ACTUARIALLY CALCULATED NET WORTH OF INDEMNIFIED CLAIMS

	Closing balance 31/12/20	Change	Exchange rate changes	Closing balance 31/12/21
Gross value of outstanding claims	13,120,453	395,923	453,295	13,969,671
Provision for expected loss, gross	-11,377,058	-341,077	-333,743	-12,051,878
Actuarially calculated net worth of indemnified claims	1,743,395	54,846	119,552	1,917,793
Reinsurer's share of net worth of indemnified claims	-108,079	-619	-5,743	-114,442
Provision for expected loss – reinsurer's share	67,627	217	1,723	69,568
Reinsurer's share of net worth of indemnified claims	-40,452	-402	-4,020	-44,874
TOTAL ACTUARIALLY CALCULATED NET WORTH OF INDEMNIFIED CLAIMS	1,702,943	54,444	115,532	1,872,919

NOTE 14. PENSION ASSETS AND PROVISION FOR PENSION LIABILITY

Pension assets of KSEK 15,237 (15,507) have been funded by the National Debt Office for future pension payments. Pensions debts amount to KSEK 14 210 (15 507). Pension liabilities refer to the former employees who received an occupational pension as per 31 December 2003.

NOTE 15. OTHER SECURITIES HELD AS NON-CURRENT ASSETS

Provisions and accumulated earnings from EKN's operations are invested with the National Debt Office to balance the market risk in the balance sheet. Total investments in Swedish kronor at the National Debt Office amounted to SEK 23,075 million at year-end 2021, compared with SEK 20,075 million in 2020.

NOTE 16. PREMIUM RECEIVABLES

	31/12/2021	31/12/2020
Receivables related to premiums charged	58,399	115,571
Receivables related to premiums for counter guarantees and investment guarantees	0	0
TOTAL RECEIVABLES FOR ADVANCE PREMIUMS	58,399	115,571
Receivables related to premiums in arrears, nominal	5,185,541	5,597,816
Receivables related to premiums in arrears, present value adjusted	-82,424	-9,053
Receivables related to premiums in arrears, risk adjustment	-232,023	-275,124
Receivables related to premiums in arrears, net	4,871,094	5,313,639
TOTAL PREMIUM RECEIVABLES	4,929,492	5,429,210

Receivables relating to premiums in arrears relate almost entirely to JAS Gripen Brazil.

NOTE 17. NOT EXPECTED LOSS BASED PREMIUMS

	Closing balance 31/12/2020	Change during the year	Of which non- disposable premiums earned during the year	Exchange rate change	Closing balance 31/12/2021
Asset – Share of premiums below expected loss based premium	16,072	248	–5,870	442	10,893
Liability – Share of premiums exceeding expected loss based premium	–272,064	–75,165	106,277	–16,240	–257,191
Liability – Share of premiums exceeding expected loss based premium (matrix)	–34,509	0	13,318	–237	–21,428
Total liabilities to government – share of premiums exceeding expected loss based premium	–306,572	–75,165	119,595	–16,477	–278,618
TOTAL LIABILITIES TO GOVERNMENT – SHARE OF PREMIUMS EXCEEDING EXPECTED LOSS BASED PREMIUM			113,726		

NOTE 18. ACCRUALS AND DEFERRALS

PREPAID EXPENSES AND ACCRUED INCOME	31/12/2021	31/12/2020
Prepaid rent first quarter of next year	4,439	4,691
Other prepaid expenses, annual fees	4,681	3,735
TOTAL PREPAID EXPENSES	9,120	8,426
Accrued interest income	62,459	69,396
Accrued premiums	0	0
TOTAL ACCRUED INCOME	62,459	69,396
TOTAL ACCRUALS AND DEFERRALS	71,579	77,822

NOTE 19. NATIONAL DEBT OFFICE

	31/12/2021		31/12/2020	
Currency	Amount in foreign currency	Equivalent value SEK	Amount in foreign currency	Equivalent value SEK
SEK	3,019,261	3,019,261	4,505,401	4,505,401
USD	240,240	2,172,289	241,325	1,975,157
EUR	175,901	1,798,942	79,706	799,708
GBP	50,869	619,234	0	0
CHF	265	2,611	360	3,324
JPY	4,379,086	343,787	2,828,818	224,078
TOTAL NATIONAL DEBT OFFICE		7,956,122		7,507,667

As of 31/12/2021, EKN's cash and cash equivalents in the form of bank balances consisted of SEK 3,019,261 (4,505,401) thousand, of which SEK 834,218 (2,640,019) thousand was invested in an interest bearing account with the National Debt Office and SEK 2,185,043 (1,865,382) thousand was invested in Swedish commercial banks.

Bank deposits in currency amounted to an equivalent value of SEK 4,936,861 (3,002,266) thousand.

NOTE 20. LIQUID ASSETS

Currency	31/12/2021		31/12/2020	
	Amount in foreign currency	Equivalent value SEK	Amount in foreign currency	Equivalent value SEK
SEK	964	964	235	235
USD	110	995	51	421
EUR	54	550	54	540
CHF	0	0	0	0
JPY	0	0	0	0
TOTAL LIQUID ASSETS		2,509		1,196

Liquid assets are invested in Swedish commercial banks.

NOTE 21. RETAINED EARNINGS

	Change in equity	Equity – administrative reserve	Equity for concentration risks in exposure	Equity for concentration risks in indemnified claims	Equity for concentration risks in reinsurance	Profit/Loss for the period	Total
Closing balance 2020	11,301,332	10,631	14,941,000	21,000	-1,756,000	193,718	24,711,681
A Opening balance 2021	11,301,332	10,631	14,941,000	21,000	-1,756,000	193,718	24,711,681
Change in equity last year	193,71					-193,718	0
Change current year	-1,722,721	64,369	1,600,000	-1,000	-2,000	0	193,718
Revenue heading 2811	0	0	0	0	0	0	0
Change in equity this year	0	0	0	0	0	1,775,503	1,775,503
B Total change this year	-1,722,721	64,369	1,600,000	-1,000	-2,000	1,581,785	1,775,503
C Closing balance 2021	9,578,611	75,000	16,541,000	20,000	-1,758,000	1,775,503	26,232,113

NOTE 22. EKN'S ADMINISTRATIVE AND RISK BASED INCOME AND EXPENSES

ADMINISTRATIVE INCOME	2021	2020
Administrative share of premium	605,794	350,822
Administrative remuneration Sida, other government	349	710
Administrative remuneration of service exports	0	63
Other administrative income	1,701	945
TOTAL	607,844	352,540
CLAIMS INCURRED		
Costs of claim prevention	-3,919	-120
Administrative expenses for recovery of claims	-7,738	-3,178
TOTAL	-11,657	-3,298
OPERATING COSTS		
Salaries	-92,645	-82,930
Other personnel costs	-80,256	-77,010
Premises costs	-22,533	-21,041
Other operating costs	-80,363	-67,173
Depreciation	-951	-2,709
TOTAL	-276,748	-250,864
Accumulated shortfall/surplus of operating profit/loss	319,439	98,379
Interest on accumulated administrative surplus	0	-16
RESULTS OF OPERATIONS, ADMINISTRATIVE	319,439	98,363
Accumulated administrative surplus	330,070	10,631
Liability to the Swedish state	255,070	412,000
Administrative reserve, share of equity	75,000	10,631
EKN'S RISK-BASED OPERATIONS		
Operating profit/loss, risk-based	1,069,968	155,778
Financial items, risk-based	386,095	-60,423
Results of operations, risk-based	1,456,064	95,355
SHARE OF EQUITY FOR RISK-BASED OPERATIONS	26,157,113	24,701,050

NOTE 23. SUBMITTED TO THE GOVERNMENT

	31/12/2021	31/12/2020
Undisposed premiums to report against revenue heading *	-113,726	-131,850
Accumulated administrative surplus	-255,070	0
Working capital credit guarantees large corporates **	-498,672	-158,090
TOTAL SUBMITTED TO THE GOVERNMENT	-867,468	-289,939

* Not expected loss based premiums to report against revenue heading are paid to the treasury the following year; refers to premiums above expected loss based and matched premiums.

** Working capital credit guarantees, large corporates to report against income title when the guarantee portfolio is finally reported.

NOTE 24. BORROWINGS FOR FIXED ASSETS, NATIONAL DEBT OFFICE

EKN's loan limit for fixed assets was SEK 11,000 (12,000) thousand at 31 December 2021 *.

	31/12/2021	31/12/2020
Undisposed premiums to report against revenue heading	1,920	7,513
Profit settlements relating to working capital credit guarantees to large companies	2,946	1,098
Total submitted to the government	-1,009	-6,691
TOTAL LOAN FOR FIXED ASSETS, THE NATIONAL DEBT OFFICE	3,857	1,920

* See notes 11–12 for specification of the assets.

NOTE 25. OTHER CURRENT LIABILITIES

	31/12/2021	31/12/2020
Liabilities Swedish Tax Agency	2,822	2,771
Employee taxes	2,949	2,942
Other pension debts	52	-8
Liabilities to reinsurers *	241,704	348,460
Liabilities to reinsurers (present value-adjusted)	-1,884	-282
Future premium repayments	502	14,063
Reserve for staff turnover	1,742	1,434
Other current liabilities	2,362	904
TOTAL OTHER CURRENT LIABILITIES	250,248	370,283

* Liabilities to reinsurers consist of premiums for purchased reinsurance not yet paid, because the premiums are due annually.

NOTE 26. ACCRUALS AND DEFERRALS

Accrued expenses and deferred income consisted of:	31/12/2021	31/12/2020
Accrued holiday and overtime pay	13,494	13,864
Other accrued costs	5,720	5,363
TOTAL ACCRUED COSTS	19,214	19,227
Prepaid premiums	0	45,049
TOTAL PREPAID INCOME	0	45,049
TOTAL ACCRUALS AND DEFERRALS	19,214	64,275

Summary of key information

PURSUANT TO CHAPTER 2 SECTION 4 OF THE ANNUAL REPORTS AND BUDGET DOCUMENTATION ORDINANCE

(SEK million)	2021	2020	2019	2018	2017
Credit with the National Debt Office for indemnifications, <u>granted</u>	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Credit with the National Debt Office for indemnifications, <u>utilised</u>	0	0	0	0	0
Loan limit with the National Debt Office for fixed assets, <u>granted</u>	11.0	11.0	12.0	13.0	13.0
Loan limit with the National Debt Office for fixed assets, <u>utilised</u>	3.9	1.9	7.5	7.5	7.8
Income from appropriated revenue	1,966	943	1,558	1,223	1,997
Income from unappropriated revenue *	114	132	160	135	65
Profit/loss for the year	1,776	194	1,067	1,004	1,418
Retained earnings	24,457	24,518	23,863	22,860	21,441
Number of employees, Full Time Equivalents ***	146	141	131	133	135
Average number employees	157	149	142	146	140
Operating costs per Full Time Equivalent, SEK thousand***	1,779	1,779	1,964	1,803	1,680

* Proforma 2019

** Revenues from premiums not disposed relate to the annual net earnings from premiums divergent from expected loss, under and over, respectively. During the years 2014 to 2016, an adjustment was made to revenue relating to the working capital credit guarantees that were issued during the financial crisis, which meant that the risk premiums for these were recognised as a transfer to the Treasury. In addition, during 2014 the administrative reserve was adjusted downwards to a level that corresponded to the receivable as of December 31, 2007.

*** The calculation of annual workforce 2019 has been changed due to system change, pro forma 2018.

Stockholm, 15 February 2022

We affirm that the annual report provides a true and fair view of the agency's results of operations, expenses, revenues and financial position.

Sven-Eric Söder

Anna-Karin Jatko

Dag Juhlin-Dannfelt

Carina Lundberg Markow

Anna Lundmark Lundbergh

Åke Nordlander

Stefan Sjöquist

Jan Wäreby

Peter Yngwe

Board of Directors



Sven-Eric Söder, Chairman

Director-General the Folke Bernadotte Academy (FBA). Former state secretary Ministry for Foreign Affairs and Ministry of Enterprise.

Chairman since 2021.

Other assignment: Chairman of the Swedish National Council on Medical Ethics.



Peter Yngwe, Vice Chairman

Former CEO and President, AB Svensk Exportkredit. Board member since 2014.



Anna-Karin Jatko

Director General EKN. Board member and Director General since 2016.



Carina Lundberg Markow

Former executive director and chief strategist in responsible asset management, Folksam.

Board member since 2021.

Other board memberships: Member of the Nordic Museum Foundation's board, member of the Board of Trustees WWF World Wide Fund for Nature, member of the The Swedish Anti-Corruption Institutes Ethics Committee.



Åke Nordlander

Budget Director, Ministry of Finance. Board member since 2015.



Stefan Sjöquist

Head of Research Department, IF Metall. Board member since 2020.

Other board memberships: Board member of the University of Skövde.



Dag Juhlin-Dannfelt

Ambassador and Deputy Director-General, Head of Department for Trade Promotion, Nation Branding and CSR, Ministry for Foreign Affairs.



Anna Lundmark Lundbergh

CEO, Almi Företagspartner Värmland AB. Board member since 2021.



Jan Wäreby

Former Senior Vice President at Ericsson. Chairman and Senior advisor, Obelixus AB. Board member since 2019.

Other board memberships: Chairman RISE, Research Institutes of Sweden AB, board member Tobii AB, Kebni AB, Imsys AB, Defentry AB, Wineally AB and Agapi Boating AB



**Philip Bergling,
personalrepresentant**

Quantitative Analyst. Employed at EKN since 2016 and has been a staff representative on the board since 2019.

Executive Management



Front row: **Marie Aglert**, Director of business area for large corporates, **Anna-Karin Jatko**, Director General, **Carl-Johan Karlsson**, Director of business area for small and medium-sized companies and midcorp.

Rear row: **Peter Tuving**, Chief Credit Officer, **Beatrice Arnesson**, Director of Communications, **Carina Nordström**, Director of business development and operational support, **Lovisa Onn**, Director of HR, **Johan Damell**, General Counsel.

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The Swedish Export Credit Agency

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