

Interim Report.23

JANUARY-APRIL



The Period at a glance

- EKN issued guarantee offers worth SEK 91.0 billion (SEK 21.2 billion) – the highest level ever for a single tertial.
- EKN issued guarantees worth SEK 48.3 billion (SEK 28.0 billion) – the highest volume ever during a first tertial.
- The number of new transactions guaranteed by EKN was lower than the previous year. EKN issued guarantees in 502 new transactions (601 new transactions).
- Claims payments amounted to SEK 292 million (SEK 322 million), a historically low level.
- Recoveries amounted to SEK 300 million (SEK 378 million), a high level but lower than the previous year when a large amount pertained to one single transaction.
- EKN has partially dissolved the claims provisions made at year-end related to the State of Ghana. EKN still has significant provisions for the exposure.
- The result for the period amounted to SEK 1,460 million (SEK -54 million). The significant dissolution of claims provisions contributed to a positive result.

The amount in brackets refer to the corresponding period of the previous year.

New transactions and profit/loss	January–April 2023	January–April 2022
Guarantee offers, SEK million	91,017	21,158
Guarantee offers, number	486	516
New transactions, volume of guarantees, SEK million	48,346	28,013
New transactions, number	502	601
Claims payments, SEK million	292	322
Profit/loss, SEK million	1,460	-54*

Outstanding exposure and accumulated profit/loss	30 Apr 2023	31 Dec 2022
Outstanding guarantee offers, SEK million	194,322	155,058
Outstanding guarantees, SEK million	269,403	248,989
Equity, SEK million	26,272	25,267

*) Pro forma, accrual of administrative income

Large transactions resulted in historically high guarantee volume

The period has been exceptional, in terms of both the volume of issued guarantees and the volume of guarantee offers, with a higher number of large transactions than usual.

The rollout of 5G continues in the US and Asia. Operators in the markets are consolidating and carry out extensive investments. Telecom transactions largely account for the high volume of issued guarantees and guarantee offers.

A railway project in Türkiye, where several Swedish companies participate, is among the period's other large transactions

FRAMEWORK GUARANTEES FOR TRADE RECEIVABLES

The number of new transactions varies regularly from year to year depending on extensions of framework guarantees for trade receivables which are issued every two years. This variation largely explains the lower number of new transactions during the period.

WORKING CAPITAL CREDIT GUARANTEE FOR SCALE-UP COMPANIES

Of the period's new transactions, 119 were for SMEs, compared to 150 previous year. EKN had 259 customers, compared to 301 in the previous year. SMEs are taking a more cautious approach

and banks are being somewhat more restrictive, which contribute to the lower level of guarantees for SME's transactions.

At the end of last year, EKN launched a working capital credit guarantee for scale-up companies. The purpose was to facilitate their rapid export development. During the period, three companies received this guarantee, called the Export Leap.

TRANSACTIONS WITH RISKS OF ENVIRONMENTAL AND SOCIAL IMPACT

EKN classifies environmental and human rights risks prior to a decision on issuing a guarantee. A means a significant sustainability risk, B means a certain risk and C means little or no risk. During the period, EKN guaranteed 14 new A transactions, 154 B transactions and 202 C transactions. The offered guarantee volume was SEK 7.5 billion for A transactions, SEK 6.7 billion for B transactions and SEK 25.2 billion for C transactions. The final guarantee volume may differ when deliveries are made and loans are disbursed.

Lower claims provisions

Significant dissolution of claims provisions and no large new claims provisions positively affected the result. Claims payments were still on a low level.

A new major claim incurred, on the state of Ghana. There was no impact on the result of the period as a large claims provision for this exposure was made previous year.

At the end of 2022, Ghana suspended its payments and EKN set aside large claims provisions. This produced a negative annual result. Some

of the guarantee holder's scheduled loan disbursements were not carried out, which reduced EKN's risk exposure on the state. In the beginning of 2023 EKN dissolved some of the provisions, giving a positive result for the period.

Recoveries amounted to SEK 300 million, primarily from buyers in Cuba.

Result and financial position

The period resulted in a profit of SEK 1,460 million, compared to a loss of SEK 54 million in the first tertial previous year.

Revenues from premiums¹ amounted to SEK 530 million (SEK 633 million). Claims incurred for the period² amounted to SEK 999 million (minus SEK 1,327 million).

The result for financial items amounted to SEK 31 million (SEK 699 million). The lower financial

result is explained by lower discount rates which increase provision requirements for all currencies.

EKN has a strong financial position. The frame utilization leaves a scope of SEK 64 billion. EKN has good capacity to support future exports

-
- 1 Revenues from premiums consist of premium income, changes in provisions for unearned premiums and unexpired risks, and the effects of reinsurance. .
 - 2 Claims incurred comprises the estimated final cost to EKN after taking into account provisions, payments and recoveries

Condensed Profit and Loss Statement and Balance Sheet

CONDENSED PROFIT AND LOSS

Amount in SEK million	January–April 2023	January–April 2022
Revenues from premiums	530	699
Other revenues	0	0
Claims incurred (after issued reinsurance)	999	-1,327
Operating expenses	-101	-90
Operating profit/loss	1,429	-718
Financial items	31	699
PROFIT/LOSS FOR THE PERIOD	1,460	-54*

CONDENSED BALANCE SHEET

Amount in SEK million	30 April 2023	31 Dec 2022
Intangible and tangible fixed assets	8	9
Financial fixed assets	29,334	29,444
Reinsurer share of actuarially-calculated provisions	1,910	2,475
Other receivables and accrued items	133	82
Cash and bank balances	10,261	9,187
TOTAL ASSETS	41,646	41,196

Equity	26,727	25,267
Liabilities to the State	890	923
Provisions	13,385	14,266
Other liabilities and accrued items	643	744
TOTAL EQUITY AND LIABILITIES	41,646	41,196

*) Pro forma, accrual of administrative income

EKN – Creating confidence in your exports

EKN is a government agency that supports Swedish exports and the internationalisation of Swedish industry. We offer exporting companies and banks guarantees for payment and financing, together with advice on business structure and risk management. Our services provide an additional level of confidence, increased competitiveness and more opportunities for successful export transactions.