



Interim Report

January – April

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Swedish exporting companies are using EKN's guarantees in an increasing number of transactions.

The period in brief

The number of transactions continues to increase. There were 759 new transactions during the period, compared to 629 over the same period in 2016.

The volume of guarantees amounted to SEK 9.6 billion (SEK 9.8 billion).

The volume of guarantees for small and medium-sized enterprises was SEK 0.55 billion (SEK 0.51 billion).

Claims payments continue in the major claims transactions reported previously. No new major claims for compensation have been filed.

The numbers in brackets refer to the corresponding values for the same period last year.

Transactions for the period	January – April 2017	January – April 2016
Number of offers	724	717
Volume of offers, SEK million	18,917	19,259
Number of guaranteed transactions	759	629
Guarantee volume, SEK million	9,622	9,782
Claims paid	387	211

EKN has transitioned to tertiary reporting, from quarterly reporting. The two items below from the income statement are therefore reported based on a full year, as data for the precisely corresponding period is not readily available.

	January – April 2017	January – Dec 2016
Premium income (SEK million)	889	1,534
Profit/loss for the period (SEK million)	735	-1,057

Outstanding exposure and accumulated earnings (SEK million)	30/04/2017	31/12/2016
Offers outstanding	59,145	63,672
Guarantees outstanding	192,902	201,502
Provision for risk exposure	10,798	11,623
Equity	22 169	21,434

More guaranteed transactions

The number of applications, offers, and guaranteed transactions has increased significantly compared with the same period last year. The largest increase in the number of applications and offers are for trading houses and companies that export mining equipment.

The liquidity in the market has increased. EKN is receiving fewer applications for letter of credit guarantees, working capital credit guarantees and counter guarantees. Banks can finance more export transactions on their own.

GUARANTEE VOLUME ON THE SAME LEVEL

The number of new guaranteed transactions is increasing, but the total guarantee volume is slightly lower than last year; SEK 9.6 billion compared to SEK 9.8 billion. The trend that companies are insuring risks in more and smaller transactions continues, as compared with both 2015 and 2016. Telecom transactions often constitute the largest share of the guarantee volume, but in this period it is transactions in the transport sector that represent the largest share. The guarantee volume for small and medium-sized enterprises was at the same level as the previous year, SEK 0.5 billion.

The largest portion of the guarantee volume consisted of guarantees for transactions to Africa; SEK 1.8 billion. The Middle East was the second largest region for guarantee volume, and the volume increased compared with the previous year. Asia and the Balkans, the third and fourth largest regions, increased significantly compared with the previous year. Last year, a few large transactions were conducted to OECD's high-income countries,

making it the largest region, but that region's share of the guarantee volume was low during this four-month period.

CONTINUED CLAIMS PAYMENTS

In 2016, claims for compensation increased due to claims in a few large transactions. Large reserves were made for future claims payments in these transactions. During the period, EKN has continued to pay out compensation for claims for these transactions. Over the first four months of the financial year, the amount of claims payments totalled SEK 387 million.

CSR TRANSACTIONS

Of the 759 transactions guaranteed by EKN during this four-month period in 2017, four were category A transactions and 322 were category B transactions. Category A means a significant risk of environmental and social impact. EKN has conducted an impact assessment in these transactions and determined how the risk should be managed in order to ensure compliance with the policies and guidelines for corporate responsibility in the guarantee business. Category A and B transactions represented SEK 12.2 billion of the period's guarantee volume which amounted to a total of SEK 18.9 billion.

Decreased overall volume in outstanding exposure

EKN's guarantee portfolio decreased in 2017, from SEK 201.5 billion to SEK 192.9 billion. The lower levels contributed to EKN being able to reduce its reserves by SEK 0.8 billion, to SEK 10.8 billion.

EKN continues to retain a financial surplus so as to be able to adequately deal with any new potential claims in the portfolio.

CONDENSED INCOME STATEMENT

EKN has transitioned to tertiary reporting, from quarterly reporting. The items in the income statement are therefore reported for the full year, as data for the corresponding period is not readily available.

Amounts in SEK millions	January – April 2017	January – Dec 2016
Premium income	889	1,534
Other income	0	2
Claims incurred (net of reinsurance)	-172	-3,198
Operating costs	-72	-244
Operating profit/loss	645	-1,905
Financial items	90	848
PROFIT/LOSS FOR THE PERIOD	735	-1,057

CONDENSED BALANCE SHEET

Amounts in SEK millions	31/12/2017	31/12/2016
Cash and financial securities	27,470	27,965
Net amount of outstanding claims	1,506	1,523
Premium receivables	4,617	4,631
Other assets	207	198
Provisions	-10,798	-11,623
Deferred liability to the public treasury	-297	-335
Other liabilities	-536	-925
EQUITY	22,169	21,434

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.

The logo for EKN, consisting of the lowercase letters 'ekn' in a bold, white, sans-serif font.

The Swedish Export Credit Agency

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