Swedish SEC registrant
XBRL project 2011 – 2014

Abu Dhabi, March 20th 2012
Agenda

- Client challenge
- Deloitte approach
- Project phases
- What’s ahead
- Conclusions
Client challenge
Client profile

- Swedish Export Credit Corporation
- Experts in international financing
- Provides customized financial solutions to the Swedish export industry
- Wholly owned by the Swedish Government
- Foreign Private Issuer – SEC filer
- IFRS company
- Deloitte BPS @ client for 4 years
Which accounting principles are used?

US GAAP

What is the public float?

> $ 5bn
> $ 700mn
Smaller

Phase 1

Phase 2

Phase 3

June 2009

June 2010

June 2011

June 2010

June 2011

June 2012

June 2011

June 2012

June 2013

Block tagging; grace period

Detail tagging; grace period

Fully liable; no grace period

SEC XBRL mandate – initial planning
SEC XBRL mandate – current status

Which accounting principles are used?

US GAAP

What is the public float?

> $ 5bn
> $ 700mn
Smaller

Phase 1
June 2009
June 2010
June 2011

Phase 2
June 2010
June 2011
June 2012

Phase 3a
June 2011
June 2012
June 2013

Phase 3b
2012?
2013?
2014?

Block tagging; grace period
Detail tagging; grace period
Fully liable; no grace period
Deloitte approach
Initial process

February 2011
- Opportunity identified at client (the EMEA Program)

March 2011
- Client meeting with Deloitte Partner and Manager to discuss XBRL and SEC mandate

May-June 2011
- Setting up initial project team with representation from both client and Deloitte
- XBRL knowledge acquirement
  - Initiating cooperation Deloitte SE/NL
  - Internal workshop/training at Deloitte SE
  - Workshop with client/Deloitte in June
Deloitte team

The team consists of people that are involved with the client for years. They know the financial reporting system, the chart of accounts, and the processes. The Deloitte EMEA XBRL program delivers the XBRL knowledge.

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Client XBRL roadmap

- Client filing dates and SEC mandate identified
- Periods with heavy workload identified
- Critical steps in the process identified
- Initial roadmap drawn up based on the clients specific conditions
## SEC XBRL mandate

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Description as in SEC XBRL final rule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face financial statements</td>
<td>✔️</td>
<td>✔️</td>
<td>The line item descriptions and amounts presented on the face of the financial statements in the traditional format filing be the same as in the interactive data format.</td>
</tr>
<tr>
<td>Level 1</td>
<td>✔️</td>
<td>✔️</td>
<td>Each complete footnote tagged as a single block of text;</td>
</tr>
<tr>
<td>Level 2</td>
<td></td>
<td>✔️</td>
<td>Each significant accounting policy within the significant accounting policies footnote tagged as a single block of text</td>
</tr>
<tr>
<td>Level 3</td>
<td></td>
<td>✔️</td>
<td>Each table within each footnote tagged as a separate block of text</td>
</tr>
<tr>
<td>Level 4</td>
<td></td>
<td>✔️</td>
<td>Within each footnote, each amount (i.e., monetary value, percentage, and number) separately tagged</td>
</tr>
</tbody>
</table>
### Face financial statements – 1st & 2nd year

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest revenues</td>
<td></td>
<td>12,183.1</td>
<td>13,306.4</td>
</tr>
<tr>
<td>Interest expenses</td>
<td></td>
<td>-10,284.6</td>
<td>-11,312.1</td>
</tr>
<tr>
<td>Net interest revenues</td>
<td>2</td>
<td>1,898.5</td>
<td>1,994.3</td>
</tr>
<tr>
<td>Commissions earned</td>
<td>3</td>
<td>19.7</td>
<td>26.2</td>
</tr>
<tr>
<td>Commissions incurred</td>
<td>3</td>
<td>-19.9</td>
<td>-26.4</td>
</tr>
<tr>
<td>Net results of financial transactions</td>
<td>4</td>
<td>2,497.6</td>
<td>1,103.1</td>
</tr>
<tr>
<td>Operating income</td>
<td></td>
<td>4,395.9</td>
<td>3,097.2</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>5</td>
<td>-259.4</td>
<td>-312.2</td>
</tr>
<tr>
<td>Other expenses</td>
<td>6</td>
<td>-191.9</td>
<td>-159.0</td>
</tr>
<tr>
<td>Depreciations and amortizations of non-financial assets</td>
<td>7</td>
<td>-13.1</td>
<td>-11.1</td>
</tr>
<tr>
<td>Net credit losses</td>
<td>9</td>
<td>8.2</td>
<td>-246.3</td>
</tr>
<tr>
<td>Operating profit</td>
<td></td>
<td>3,939.7</td>
<td>2,368.6</td>
</tr>
<tr>
<td>Taxes</td>
<td>10</td>
<td>-1,048.0</td>
<td>-641.3</td>
</tr>
<tr>
<td>Net profit for the year (after taxes)</td>
<td></td>
<td>2,891.7</td>
<td>1,727.3</td>
</tr>
</tbody>
</table>

#### Changes in fair value

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available-for-sale securities</td>
<td>-1,652.1</td>
<td>1,784.5</td>
</tr>
<tr>
<td>Derivatives in cash flow hedges</td>
<td>-205.6</td>
<td>25.0</td>
</tr>
<tr>
<td>Tax on other comprehensive income</td>
<td>488.6</td>
<td>-475.9</td>
</tr>
<tr>
<td>Total other comprehensive income</td>
<td>-1,369.1</td>
<td>1,333.6</td>
</tr>
<tr>
<td>Total comprehensive income¹</td>
<td>1,522.6</td>
<td>3,060.9</td>
</tr>
</tbody>
</table>

¹ The entire profit goes to the shareholder of the parent company.
Significant accounting policies

1st & 2nd year (level 1)

2nd year (level 2)
Disclosure – example

<table>
<thead>
<tr>
<th>Note 4. Net results of financial transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated Group</strong></td>
</tr>
<tr>
<td><strong>Parent Company</strong></td>
</tr>
<tr>
<td><strong>2010</strong></td>
</tr>
<tr>
<td>Skr mn</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>Currency exchange effects on assets and liabilities excluding assets and liabilities valued at fair value</td>
</tr>
<tr>
<td>Realized results on settled assets and repurchased debt</td>
</tr>
<tr>
<td>Total net results of financial transactions, before certain fair value changes</td>
</tr>
<tr>
<td>Changes in fair value related to financial assets, financial liabilities and related derivatives</td>
</tr>
<tr>
<td>Total net results of financial transactions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Changes in fair value related to financial assets, financial liabilities and related derivatives, for categories of financial instruments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated Group</strong></td>
</tr>
<tr>
<td><strong>Parent Company</strong></td>
</tr>
<tr>
<td><strong>2010</strong></td>
</tr>
<tr>
<td>Skr mn</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>Financial assets or liabilities at fair value through profit or loss on initial recognition as one to be measured at fair value (FVO):</td>
</tr>
<tr>
<td>of which derivatives</td>
</tr>
<tr>
<td>of which other financial assets and liabilities</td>
</tr>
<tr>
<td>Financial assets available-for-sale</td>
</tr>
<tr>
<td>Loans and receivables</td>
</tr>
<tr>
<td>Other financial liabilities</td>
</tr>
<tr>
<td>Ineffectiveness of cash flow hedges that have been reported in the profit or loss</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>of which total amount of the change in fair value estimated using valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument recognized in profit or loss during the period</td>
</tr>
</tbody>
</table>

1st & 2nd year (level 1)
2nd year (level 3)
2nd year (level 4)
Project phases
Project activities July 2011 – April 2012

1. Reporting scenario
2. Project plan
3. Set up project team
4. Software vendor evaluation
5. Taxonomy design
6. Training
7. Tagging process
8. Validation
9. AUP
10. Filing – April 19, 2012
1) Reporting scenario

External

Outsource to third party
– Most commonly used in the 1st year of filing
– Outsourcer still responsible for accuracy of filing and related compliance

Internal – short term solution

XBRL at the end of the reporting process
– Lower cost alternative for the 1st year
– Increased complexity 2nd and 3rd year

Internal – long term solution

Integration of XBRL into the financial reporting process
– Will require enhancement of existing processes to seamlessly integrate XBRL into financial processes
– More efficient, but also more complex
The value of data in the reporting supply chain

- Database / ERP output: High value
- XBRL: High value
- Spreadsheet handling: Low value
- Paper-based reporting: Low value
- Traditional reporting: Low value
- Interfaced data: Low value
- Worst case: re-keying: Low value

Reporting supply chain:
- Source
- Report
- Analyst / Shareholder / Regulator
2) Client project plan

Year 1 filing

<table>
<thead>
<tr>
<th>ACTION</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start Up meeting</td>
<td>110912</td>
</tr>
<tr>
<td>Schedule coming SEK project team-meetings</td>
<td>110916</td>
</tr>
<tr>
<td>Schedule coming XBRL team-meetings</td>
<td>110916</td>
</tr>
<tr>
<td>Engagement letter</td>
<td>110923</td>
</tr>
<tr>
<td>Vendor evaluation</td>
<td>110930</td>
</tr>
<tr>
<td>Bas provides SEK-team with detailed Vendor list</td>
<td>110916</td>
</tr>
<tr>
<td>Create a most preferred Vendor list</td>
<td>110916</td>
</tr>
<tr>
<td>Book meetings with selected vendors</td>
<td>110923</td>
</tr>
<tr>
<td>Vendor presentation</td>
<td>110923</td>
</tr>
<tr>
<td>Selection: Vendor/Software</td>
<td>110923</td>
</tr>
<tr>
<td>Identify and document deadlines</td>
<td>110923</td>
</tr>
<tr>
<td>Document 20 F process (sources, workflow, people, schedule)</td>
<td>111223</td>
</tr>
<tr>
<td>Define (and secure) XBRL-reporting process</td>
<td>120113</td>
</tr>
<tr>
<td>Software-Installation</td>
<td>120113</td>
</tr>
<tr>
<td>Taxonomy-design (IFRS+extensions)</td>
<td>120113</td>
</tr>
<tr>
<td>Training</td>
<td>111223</td>
</tr>
<tr>
<td>Preparations mapping</td>
<td>110323</td>
</tr>
<tr>
<td>Preparations tagging</td>
<td>110323</td>
</tr>
<tr>
<td>Final tagging</td>
<td>110406</td>
</tr>
<tr>
<td>Validation</td>
<td>110416</td>
</tr>
<tr>
<td>AUP</td>
<td>Bas</td>
</tr>
<tr>
<td>Filings</td>
<td>110419</td>
</tr>
</tbody>
</table>

Create strategy & plan

Taxonomy mapping to FS

Software selection
3) Client project team

- Head of Financial Control
- IT Director
- IT Architect
- Controller
- IFRS Accountant

& Deloitte team:

Expertise required
- XBRL
- IFRS & IFRS taxonomy
- SEC filing & regulation
- Client’s finance
- Project management!
4) Software Vendor Evaluation

Vendor requirements evaluated

✓ Cost Structure – pricing?
✓ Products – stand alone or plug-in?
✓ Representation – Europe office?
✓ Installation – provided by vendor?
✓ Training – provided by vendor?
✓ Support – English speaking?
✓ Technical – Excel version?
✓ Security – web based?
✓ Re-usability for long-term strategy?
✓ Market representation?
✓ Other

After evaluation and choice of software vendor…

Test license installed

Software installation
February 1, 2012
5) Taxonomy design

- Mapping in Excel
  - based on last year’s filing document
  - create dummy

- IFRS taxonomy
  - review and mapping of the dummy to the IFRS taxonomy

- Gap analysis
  - identifying client specific needs for extension
5) Taxonomy design

- IFRS XBRL SEC filers’ programme
- Review of extension taxonomy and mapping – free of charge
- Advises against dimensional approach for first year filers
- Comments received to client case - overall good quality
6) Training

Deloitte EMEA XBRL Program provides training to both Deloitte teams and clients:

- Periodic XBRL training sessions
- Specific client sessions on SEC XBRL mandate, SEC taxonomy extensions, etc.
7) Tagging

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Consolidated statement of financial position</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Skr mn</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>ASSETS</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Cash and cash equivalents</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Treasuries/government bonds</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Other interest-bearing securities except loans</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Loans in the form of interest-bearing securities</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Loans to credit institutions</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Loans to the public</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Derivatives</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Shares and participation</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Property, plant, equipment and intangible assets</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Other assets</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Prepaid expenses and accrued revenues</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Total assets</td>
<td>339,687,600,000.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>371,588,000,000.0</td>
</tr>
</tbody>
</table>
Other steps

8) Validation of the SEC filing is performed by the selected software tool; additional validations are considered.

9) Agreed-upon Procedures is regarded as an important part of SEC XBRL filing, but will not be considered for year 1

10) Filing: April 19, 2012
What’s ahead
SEC XBRL mandate – current status

Which accounting principles are used?

US GAAP

What is the public float?

IFRS

- > $ 5bn
  - Phase 1: June 2009
  - Phase 2: June 2010
  - Phase 3a: June 2011

- > $ 700mn
  - Phase 1: June 2009
  - Phase 2: June 2010
  - Phase 3a: June 2011

- Smaller
  - Phase 1: June 2009
  - Phase 2: June 2010
  - Phase 3a: June 2011

Phase 3b

- 2012?
- 2013?
- 2014?
  - Block tagging; grace period
  - Detail tagging; grace period
  - Fully liable; no grace period
What’s ahead

• Re-model SEC filing to better fit XBRL mandate

• Plan for long-term XBRL system implementation project

• Identify other XBRL reporting requirements / opportunities
  • National / international (eg. Swedish Bolagsverket)
  • Finance reporting / non-financial reporting (eg. sustainability reporting)
  • Data exchange with clients / partners
  • Internal use of XBRL (transaction / consolidation)
Conclusions
Challenges

- Client has no XBRL experience
- Establish project plan as soon as possible and present to the key parties in the project in order for them to prioritize
- SEC uncertainties when it comes to approval of the IFRS Taxonomy
- Software vendors do not meet this client’s requirements
- Gap analysis and creating extensions
SEC First Filers’ Pitfalls

Operational issues

- Creation of unnecessary extension elements
- Avoid selecting too broad or too narrow extensions
- Inconsistency in extensions elements
- Effort to make rendered version “look like” traditional statements
- Calculation inconsistencies
- Inappropriately tagging debits as credits (or credits as debits)
Key learnings

XBRL-projects

- Familiarize yourselves with XBRL terminology (study the taxonomy, IFRS)
- Preparations, most of the work can be prepared in advance
- Get acquainted with the tagging software beforehand – ask for test licenses
- Obtain sufficient knowledge about XBRL, mandates, filing manuals, updates etc.
- Establish a sustainable and repeatable process
- Take last-minute changes into consideration
- Review, review, review!
- Contact IFRS Foundation for support (regarding IFRS filings)
- Investigate the presence of national XBRL associations
- Contact XBRL experts within Deloitte – we are happy to help
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