

SVEA BANK ANNUAL REPORT AND SUSTAINABILITY REPORT 2023

*We make it possible
for businesses and
people to grow*

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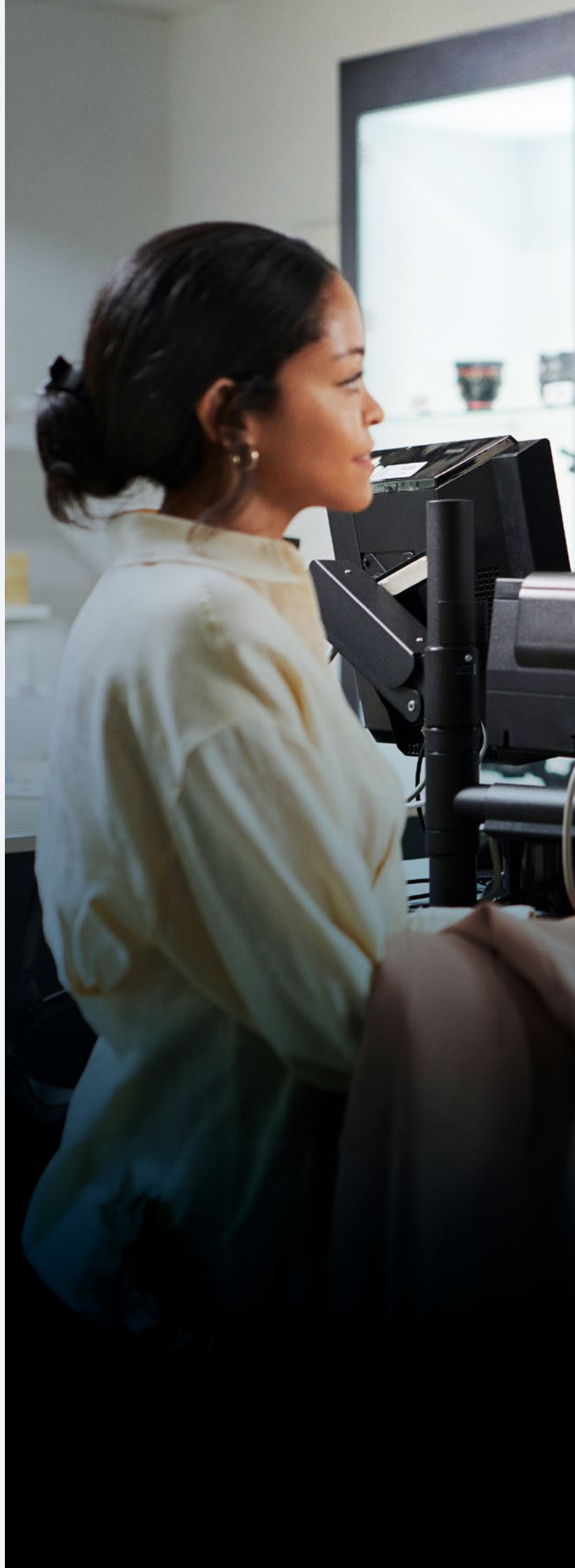
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Svea Bank's formal annual accounts are presented on pages 27-108. Only the formal annual accounts in their original version have been audited by the company's auditors. Regarding the Sustainability Report, the auditors have issued an opinion to the effect that the report has been prepared, see page 123. The Group's remuneration report is published separately on our website www.svea.com





Svea's fundamental concept is simple. That we and our customers shall grow at every opportunity. With more than 40 years' experience, we are a natural choice for entrepreneurs when they need a financing partner.

Through personal service, Svea offers efficient, adapted solutions in the business areas of corporate, private, payment solutions, and debt collection and other administrative services.

With a vision to be a leading financial actor in Europe, Svea has more than 2,000 employees who have one thing in common – we realise ideas we believe in, whether they come from us or our customers.

Svea – the bank for entrepreneurs

Svea is a Group that conducts financial business activities in the Nordic region and parts of Europe. Since 1981, we have grown from offering debt collection and invoice services to become an obvious alternative for entrepreneurs by offering both financial and administrative solutions for companies in all sectors. Our business concept is, by means of personal service, to offer efficient, adapted solutions. On the corporate side, our services include business loans, overdraft facilities, invoice service, factoring, invoice purchasing, leasing, BaaS, other banking services, and debt collection and other administrative services. We also provide payment solutions for e-commerce, mobile and in-store. The Group's services also include loans and savings for private individuals.

“For us, sustainability means being a reliable financial actor, an obvious alternative to the big banks. We make it possible for businesses and people to grow and contribute to a sustainable society through more inclusion.”

Our values

Svea is pervaded by a culture that prioritises competence, health and equal opportunity. We work with a common approach to the way we appear and communicate, both internally and externally, based on our values.

Engagement

We create personal relationships by being accessible, responsive and by focusing on the customer's business.

Competence

We share our experience, knowledge and innovation, and guarantee high quality in our services.

Drive

We act consistently to create value for the customer and are always flexible and solution-oriented.



Key ratios

Operating income

SEK 4,410 million

Operating profit/loss

SEK 772 million

Lending to the public

SEK 29,408 million

Total capital ratio

16.2%

eNPS¹ (Sweden, Finland, Norway)

36

¹) Employee Net Promoter Score

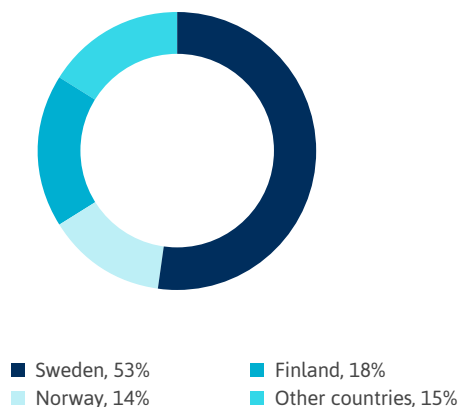
Number of employees

2,221

Our markets

Svea's business activities are mainly focused on the Nordic region, although there are also operations in Central and Eastern Europe. Sweden is Svea's biggest market, followed by Finland and Norway.

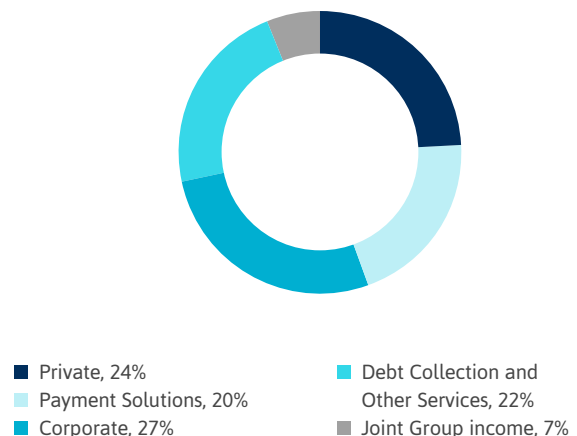
Operating income by geographical region



Four business areas

Svea's business activities include financial and administrative services, the business areas comprising Private, Payment Solutions, Corporate, and Debt Collection and Other Services.

Operating income per business area





“Our business is based on personal service to offer efficient, adapted solutions to help our customers to grow. We are therefore proud to have been able to confirm through surveys that the SVEA brand continued to become stronger during the year.”

Lennart Ågren,
CEO and President

An eventful year with continued growth

2023 was an intensive year, characterised by high inflation and raised interest rate levels that put the resilience of businesses and households to the test. Against the background of this environment, we benefited from our geographical dispersion and diversified business model, in which we saw during the year, for example, strong results from debt collection and portfolio activities in respect of acquired past-due receivables.

The Group's operating income including impairment gains from portfolio activities increased by 6% during the year, and our operating expenses increased by 10%. This meant we were not able to compensate in full for the higher costs through higher prices, and for this reason the operating profit fell by 43% to SEK 772 million. Comprehensive income after tax decreased by 9% to SEK 465 million. The main reason for the poorer profit figure is a major credit loss relating to a Swedish customer in the construction industry.

Focus on profitable growth

During the year, we continued to focus on creating profitable growth in selected areas with attractive potential for Svea. In our Corporate business area, we concluded agreements during the spring to take over factoring operations from Nordea and DnB in Norway, which will strengthen us significantly in the years ahead. During the autumn, we also acquired Intrum Rahoitus OY (name changed to Svea Rahoitus) in Finland, which will have a positive impact on our factoring business in Finland. During the year, we closed down operations in the subsidiary PFC Technology AB, as it had not achieved the expected level of profitability. This is in line

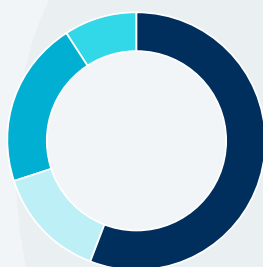
with our focused efforts to identify the areas where we see good opportunities to create organic, profitable growth.

Our business is based on personal service to offer efficient, adapted solutions to help our customers to grow. We are therefore proud to have been able to confirm through surveys that the SVEA brand continued to become stronger during the year, with satisfied customers and employees. Customer influx has been good in all our business areas, creating conditions for continued growth.

Continued development of sustainability work

During 2023, we continued to develop our sustainability work. Our greatest opportunity to have a positive impact lies in the social elements of sustainable development, and this is also clarified in the two sustainability aspects that are key to our business: Reliable financial actor and Attractive employer. We shall be a credible, serious actor in the financial services industry and an obvious alternative to the big banks. We see that we have an important role to fill, as many groups in society do not fall within the scope of the traditional banks. Quite simply, we contribute to a sustainable society that includes more people and companies.

Lending to the public per geographical region



■ Sweden, 56%
■ Finland, 21%
■ Norway, 14%
■ Other countries, 9%

Lending to the public per business area



■ Private, 31%
■ Corporate, 44%
■ Payment Solutions, 25%
■ Debt Collection and Other Services, 0%

The competence and engagement of our employees is crucial for our ability to contribute to sustainable development and create value for our customers. I am therefore delighted about the good result in the employee survey for the year, with an eNPS¹ result of 36. The survey also indicated that Svea has a high proportion of engaged employees and a good organisational and social work environment. I would like to take this opportunity to say a big thank-you to all employees for their tremendous engagement and important contributions during the year.

Events during 2023 in brief

In April, our AT1 bond of SEK 300 million was redeemed and refinanced, and in December a new AT1 bond of SEK 300 million was issued, meaning that we continue to have a strong capital situation.

In November, the Administrative Court annulled the Swedish Financial Supervisory Authority's decision to impose a sanction in respect of information collection in connection with loans to private individuals. We are, however, retaining a provision for the eventual cost relating to this sanction, as the Swedish Financial Supervisory Authority has appealed the decision to the Administrative Court of Appeal.

During the year, the Swedish Financial Supervisory Authority initiated an investigation into the AML procedures at some banks, including Svea.

After the end of the year, the Supreme Court announced that it is quashing the earlier judgement of the Patent and Market Court concerning late payment charges. These charges were neither considered unreasonable according to the Swedish Act on Contractual Terms and Conditions in Consumer Relations nor to be in breach of the mandatory rules in the

Swedish Act on Reimbursement for Debt Collection Expenses. A positive announcement both for us and for the industry.

Expectations of the current year

We are striving to increase deposits in local currencies in order to reduce the need for currency hedges and to counteract currency fluctuations. The aim is to be financed in local currencies as far as possible during 2024.

The challenges we see in our business are linked to the increasing operating expenses and credit losses due to the economic situation and the high level of interest rates, as well as the business operation in Russia, where we are evaluating various alternatives. Since 2010, the business in Russia has consisted of acquiring and managing portfolios of past-due receivables. Svea has not financed any new investments since the war broke out, and the business activity has thus been limited. The portfolio of receivables is being reduced continuously, and the cash flows generated are being collected in bank accounts, but the opportunity to transfer money to Sweden has been severely limited by Russian authorities.

With 2024 now under way, there are indications of falling inflation and interest rates, while we are maintaining a high level of employment. One fundamental precondition for a positive development is of course also that the geopolitical turbulence eases. All in all, we continue to maintain a positive view of the future, as all of our business operations are reporting stable growth, while at the same time our capital situation and profitability are healthy.

Lennart Ågren,
CEO and President

“All in all, we continue to maintain a positive view of the future, as all of our business operations are reporting stable growth, while at the same time our capital situation and profitability are healthy.”

Lennart Ågren,
CEO and President

¹ Employee Net Promoter Score (eNPS): the readiness of employees to recommend their workplace to other people; a result above 20 is considered very good.

Our strengths

Thanks to a well-diversified product range for both businesses and private individuals, in large parts of Europe, Svea has succeeded in delivering a long history of profitable growth. Despite some years when the economic situation was less favourable. In addition to stable, profitable growth, we also strive to achieve a stable capital and liquidity situation, as this is a necessary precondition for continued growth.

Consistent growth in income

10%

By being diversified in terms of both products and geographical coverage, we have been able historically to deliver strong average annual growth in operating income.

Stable growth in lending

15%

Over the last 5 years, we have seen strong annual average growth in lending to the public.

Good capital situation

16%

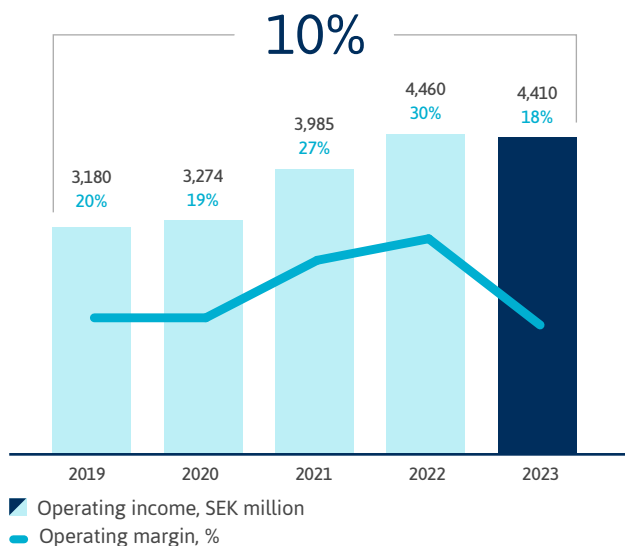
We strive to achieve a stable capital ratio well above total capital requirements.

Strong liquidity situation

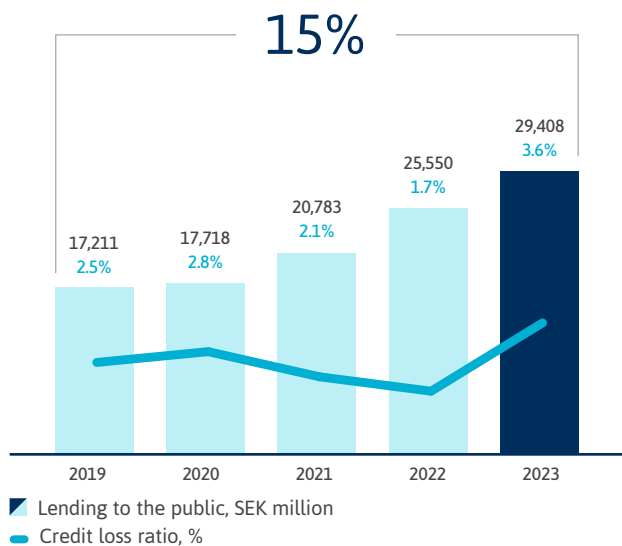
940%¹⁾ 29%²⁾

We have good liquidity preparedness and measure this in the form of the liquidity coverage ratio¹⁾ (LCR) and available liquidity in relation to our deposits from the public²⁾ in the consolidated situation.

Operating income and operating margin, %



Lending to the public and credit loss ratio, %





Our business model and business activities

A responsible financial actor with an important role

Svea performs an important role in society by being a serious, credible and responsible actor that offers financial services to both businesses and private individuals – including groups at risk of falling outside the framework of the traditional range of banking services.

A bank for entrepreneurs and private individuals

Svea helps both businesses and people to achieve better finances. We do this by working closely with our customers to understand their needs, and together identifying optimised solutions for financing or payment and administrative services that develop the purchasing experience for their customers. On the private side, we offer both secure saving with good terms and conditions and adapted loans based on individual needs. We want to make it possible to grow, both at the workplace and in everyday life.

Modern, secure digital services

Svea has a broad product portfolio, and we want to make it easy for our customers to access our full offering. Our payment solutions for e-commerce and physical shops meet both consumers' expectations of a smooth customer experience and retailers needs for a high conversion rate. Efficient product development is a precondition to meet our customers' needs and help them grow and develop their businesses.

At a time when attempted fraud is on the increase and fraudsters are becoming ever smarter, it is extremely important to protect our customers' privacy and to offer modern, safe and secure digital services.

We are of course also involved in the joint banking initiative Scamaware!, in which Swedish banks and the Swedish Bankers' Association have joined forces in order to combat fraud

through organised crime by raising awareness and spreading knowledge in order to prevent more people from falling victim.

Svea has a permit from the Swedish Financial Supervisory Authority to conduct financial activities, which places strict demands on our work. The handling of customers' personal data is protected by banking confidentiality, and data is handled confidentially in accordance with laws and regulations. We comply with GDPR and do not collect any more data than we actually need. In addition, all our employees undergo continuous training in this area, and we make sure that we have adapted processes and procedures.

A responsible financial actor

The financial products and services that Svea offers need to be provided in a way that promotes, or that does not harm, economic welfare, the environment or social well-being in society. We conduct responsible lending, in which the customer's interests are taken in consideration also from an ethical perspective, such as their ability to pay and suitability, before a credit agreement is concluded. The granting of credit also requires representatives to pass our risk assessments and background checks.

Being a responsible financial actor is a position of trust that we earn by acting responsibly and thereby meeting our stakeholders' expectations and requirements in respect of what it means to conduct ethical and sustainable business activities.

“With our roots in the entrepreneurial spirit, we understand your situation as an entrepreneur better than many – it’s great that so many want to join us on this journey”

Lennart Ågren,
CEO and President

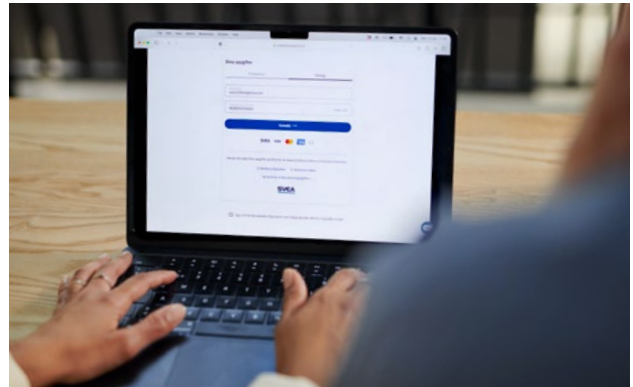
Svea's offering



Corporate

The Corporate business area includes services that release extra operating capital, thereby facilitating continued growth. The services are offered in Sweden, Norway, Finland and Central Europe.

- Factoring and invoice purchasing
- Subscription financing
- Leasing
- Overdraft facilities
- Business and property loans
- Credit and debit cards
- Banking as a Service (BaaS)



Payment Solutions

Payment Solutions includes services for secure payments and technical integration solutions in a company's web shop, app and physical shop. The services are offered in Sweden, Norway and Finland.

- Invoice
- Payment by instalments
- Card payments
- Direct bank payments



Private

The Private business area includes loans and savings for private individuals and the acquisition of past-due receivables. The services are offered in Sweden, Norway, Finland, Central Europe and Eastern Europe.

- Private loans
- Mortgages
- Debt financing
- Savings accounts
- Acquired past-due receivables



Debt Collection and Other Services

Debt Collection is offered in Sweden, Norway, Finland, Central Europe and Eastern Europe. Other Services comprises, among other things, subscription and invoicing systems, as well as VAT recovery, and is offered primarily in Sweden.

- Debt collection
- Billing
- VAT recovery
- Credit information



Sustainability Report

Sustainability at Svea

For us, sustainability means that we are a credible and serious actor in the financial services industry. We want to be an obvious alternative to the bigger banks. We see that we have an important role to fill, as many groups in society do not fall within the scope of the traditional banks. Quite simply, we contribute to a sustainable society that includes more people and companies. By collaborating with our customers and supporting them in their work, we see that together we are heading into a more sustainable future.

A sustainable business model

It might appear that all banks and finance companies operate on the basis of one single business model. Of course, things are not really that simple. Partly because the business involves a number of different areas of activity, partly because skills, offerings and target groups differ between the various actors. At Svea, we base some of our business activities around satisfying target groups that cannot access the service they need from the big banks. We make it possible for businesses and people to grow.

We help both entrepreneurs and private individuals to meet challenges and achieve their dreams through improved liquidity. To achieve this, we have the knowledge, competence and products that contribute in various ways to better cash flow. Entrepreneurs can turn to us for smart solutions for financing

and payments, including corporate credit, business loans, leasing and factoring. We also offer secure payment services in the form of apps and e-commerce solutions, as well as administrative services such as invoice services, ledger management, debt collection services and financial services. For private individuals, we offer savings, mortgages and debt financing. To address sustainable development in society and meet the demand from our customers, we need to continuously develop and adapt our products and services.

Strong corporate culture leads to sustainable behaviour

The business model consists of different layers, two of which are target group and offerings. A third is the competence and culture that characterise the company. For us, it is all about





being quick, flexible and dynamic. Our greatest opportunity to contribute to sustainable development is if we assume a high degree of responsibility for being personally engaged in identifying good solutions for our customers, so that they can develop their businesses and concepts. We see that by acting responsibly and sustainably in everything we do, we can have both a direct and an indirect impact on society. Examples of direct economic impact is in the form our contributions through corporation tax, jobs and making things tougher for criminals. Other direct impacts are reduced paper consumption, recycling and the use of technical solutions to cut down on our travel, which means that we are reducing our environmental impact.

Examples of indirect impacts where Svea can exert an influence are by assuming responsibility for who we lend money to and guaranteeing social inclusion. Sustainability must pervade our work just as much in our granting of credit as when it comes to employees, customers and environmental issues.

The financial services industry in itself has relatively little direct impact on the environment and climate, but has a far greater opportunity to exert an influence from an environmental perspective through the way in which funds are managed within the framework of funding activities. Of course we want to assume responsibility and minimise our climate footprint, from both direct and indirect activities.

Our engagement in sustainability-related issues varies in our different markets and takes place based on local needs and initiatives.

At Svea, we want to offer sustainable banking services that take sustainability-related issues very seriously. It is our ambition as a bank with one-stop solutions to continue to develop goals, key ratios and engagement in this work during 2024.

Whatever a person's role at Svea, or in whichever country work takes place, we all have a shared responsibility for treating each other with respect. Every single individual should play their part in contributing to an inclusive workplace. Equal opportunity, diversity and community are fundamental to our corporate culture.

Clear directives and regular examinations pervade the financial services industry

The financial services industry and Svea operate under the supervision of the Swedish Financial Supervisory Authority, and there are clear rules stating that we and other actors must conduct responsible deposit and lending activities. This affects the whole organisation and all areas of business operations.

We need, for example, secure IT systems, meticulous credit checks, moderate marketing and clear terms and conditions.

The way we run our business affects both customers and employees, and ultimately society at large.



Sustainability organisation

Our business affects society around us in the markets where we operate, and we strive to maximise our positive impact, minimise our negative impact and thereby contribute to a more sustainable society. Policies, guidelines and instructions form part of the framework on which the bank's governance is founded. Follow-up and reporting guarantee compliance with regulations.

Governance and responsibilities

The Board of Directors is ultimately responsible for the administration of Svea, which includes responsibility for sustainability-related issues and the confirmation of policy frameworks. The CEO and the Sustainability Manager are responsible for integrating sustainability work into the business.

Svea's Sustainability Committee

Svea's Sustainability Committee is responsible for coordinating and developing Svea's sustainability work and for guaranteeing progress in sustainability-related activities. The Sustainability Committee has a holistic perspective on sustainability and deals with issues such as anti-corruption, biodiversity, circular economy, energy, climate, environment and human rights. The

committee consists of representatives from different business areas and departments.

To ensure that we make use of our ability and collaborate between departments, additional working parties are appointed, based on different focus areas, which carry out sustainability work as required. This may involve, for example, different business areas that draw up suggestions to find new, sustainable products, or employees who want to engage with certain specific issues.

In addition to this, each business area has a responsibility to ensure that policies and processes are complied with and updated on an ongoing basis.

Our Policy for Sustainability is intended to pervade all business activities throughout the Group. It is evaluated annually and adopted by the Board.

Three lines of defence

Svea uses a governance model in which the responsibility for risk management is clearly divided between the Board of Directors and three lines of defence: the line organisation (1st line of defence); the risk control function and the compliance function (2nd line of defence) and internal audit (3rd line of defence).

Demarcations

The Sustainability Report covers the consolidated situation, in which Svea and its branches account for the majority of business activities. Current policies and ethical rules cover the Group as a whole, with demarcations for local differences in each country.

Responsibility for and an understanding of sustainability-related issues are important both at Group level and in local companies.

Policies

In addition to Svea's general Code of Conduct, we work according to a number of different policies and governing documents, which clarify the company's risks, risk management and the roadmap towards the company's objectives.

The purpose is to clarify how we shall be run in the long term and sustainably moving forwards, in order to create growth and development in the company.

Our policies are easily accessible to all employees on our intranet. Policies are reviewed every year by the Board, and



any changes that have taken place in legislation or in ongoing internal controls are updated as required.

The Policy for Sustainability defines the framework and direction for how Svea shall carry out its sustainability work and how it shall pervade the business. All employees in all the different business operations in all companies, in Sweden and Europe, are covered, no matter what role or which duties the employee has.

The table below presents a selection of different policy documents and guidelines.

A selection of policy documents adopted by the Board

- Group Risk Policy
- Policy for Risk Control Function
- Policy for Financial Reporting
- Policy for Sustainability
- Policy for Group Anti Money Laundering
- Policy for Anti Bribery and Corruption
- Policy for International Financial Sanctions
- Policy for Internal Governance and Control
- Operational Risk Policy
- Policy for Compliance and Compliance Function
- Policy for Model Risk Management
- Policy for Data Protection

Guidelines

- Instruction for Incident Reporting
- Instruction for Process Mapping
- Instruction for Reporting of Events of Material Significance
- Instruction for Self-assessment of Operational Risks
- IT Disaster Recovery Plan

Guidelines/policies for staff

- Code of Conduct
- Policy for Whistleblowing
- Policy for Succession and Diversity of Board of Directors and Staff



Stakeholder dialogue

At Svea, we are responsive to our stakeholders' expectations and receptive to their needs and preferences in the area of sustainability. We therefore work proactively to guarantee the right prioritisations and decisions.

Important focus areas have been identified in the dialogue with our stakeholders. Svea's most important stakeholders from a business perspective are Customers, Employees/Partners and Owners and the Board.

Issues considered significant in sustainability work among our stakeholders are that Svea should act responsibly and

make use of business opportunities that result in sustainable value creation. Our customers feel that responsible granting of credit is important, and also believe that the actual communication on sustainability-related issues is significant.

Governance around sustainability-related issues is also considered fundamental, as is additional development as a more attractive employer with a focus on health, equal opportunity, inclusion and skills development.

Stakeholder group	Important issues
Customers	<ul style="list-style-type: none"> • Responsible, efficient process for granting credit • Informative, clear communication about sustainability-related issues
Employees/partners	<p>Continuous work on sustainability, both internally and externally with a focus on:</p> <ul style="list-style-type: none"> • Equal opportunity • Skills development • A sustainable working life
Owners and the Board	<ul style="list-style-type: none"> • Act responsibly and take advantage of business opportunities that result in sustainable value creation • Social responsibility

Customers

In many respects, it is the trust our customers have in us that determines our opportunity to become better and play a bigger role in sustainable social development. By maintaining close, long-term relationships with our customers, as well as a frequent dialogue, we can support their continued business development.

New laws and rules appear or are amended, affecting how we are able and permitted to handle data about customers. We work on an ongoing basis to meet the requirements of regulatory agencies and the customers themselves.

Information security is an area that is always in focus and is governed by the GDPR and PSD2 regulations.

Even without the aforementioned rules, common sense tells us that we need to exercise caution and judgement when using personal data. It is about how we use information to create personal offers, and also how we ensure that IT operations and systems provide secure storage for information about our customers.

Our business is built on the trust of our customers. We have to manage their money, develop their businesses, help them to achieve their goals and secure their finances. There must never be any doubt that Svea is a serious, responsible actor. If we are to be able to run a sustainable and successful business, our customers need to know that we have the knowledge, the engagement and the competence that is required to offer a good alternative to the traditional banks. In other words, it is crucial for our business that we develop in a sustainable way so that we can continue to be relevant to our customers and clients as we move into the future.

Employees & partners

We like to see both employees and partners contribute to our development. The form is not the most important thing, but the execution is crucial. The corporate culture that has con-

tributed to the company's present size and position is based on entrepreneurial spirit and drive.

The company's history and culture are significant for us to both be an attractive employer and able to attract more customers. Through our business, we want to contribute to growth and jobs in all countries where we operate.

The engagement and well-being of employees is a precondition for the company being able to develop and grow. We want to guarantee that guidelines and principles are observed, and to promote inclusive, equal-opportunity workplaces characterised by diversity.

As an employer, Svea is keen to offer young people the opportunity for work and continued professional development in the Group. This can be initiated through a summer job, or work in one of our customer service areas, after which it is not unusual for an opportunity to arise to progress to a job in another role.

The financial services industry is growing, with many new companies, and there is tough competition for talented, competent people. Recruitments in particular often emphasise digital competence. Holding on to old traditions will not be rewarded or be sustainable. Svea is a company that is constantly changing and never stands still, this is in its genes as an entrepreneurial company. To be able to be relevant in the labour market, you must offer more than an interesting, developmental job. It is becoming increasingly important to be part of a context in which the workplace is contributing to the improvement of society. Our work on sustainability aims to result in more people wanting to belong to and take pride in representing Svea.

Owners and the Board

For Svea's owners and the Board, it is important to act responsibly and take advantage of business opportunities that result in sustainable value creation.



Sustainability work

There are two aspects that are particularly important for our sustainability work. These are that we act and are perceived to be a reliable financial actor and that we are an attractive employer. We understand that we must be highly valued in these two areas if we are to be more successful in our business. If the reverse were to happen, that we were to be inadequate in one of these areas, the business would run the risk of being unsustainable.

Starting with our external environment and the most important issues for our stakeholders, we have conducted an analysis of which sustainability aspects are most significant for Svea. Apart from the issues mentioned above, the general areas of environment, social conditions, HR issues, respect for human rights, anti-corruption and governance issues were all taken into consideration.

Climate change is one of the most pressing challenges facing society. We want to continue work to minimise our direct and indirect climate impact, partly through changes in our premises and behaviour, and partly by helping our customers by means of providing responsible financing. Our assess-

ment of how Svea is affected by climate-related risks in the short term is that the risk is small, as we do not have any major property-related investments. In the longer term, there is naturally uncertainty in the global economy, challenges in changed customer needs and expensive investments in transitions in technology or society. At the same time, there are opportunities in the form of an increased need for financing among our customers in both the private and the business sector.

We want environmental issues to be a clear feature of our day-to-day operations, in which we must have climate-smart, environment-friendly solutions based on various perspectives. We must strive to increase awareness and engagement among our employees in sustainability-related issues through communication, dialogue and skills-enhancing measures.

Different countries may have different laws and regulations, but the Group's employees, partners and Board are expected to embody our values (Engagement, Competence and Drive) and to be familiar with and assume responsibility for following our policies and ethical principles. These are described in our Code of Conduct.

[Read more about our prioritised sustainability aspects on pages 23–25](#)

Sustainability risks

To take advantage of opportunities and combat risks, the company has a clear structure with policies and guidelines. Responsibility for sustainability-related issues rests ultimately with the Board, the CEO and Group management. The Sustainability Manager is responsible for operational sustainability work in the business. Operational risks are defined as risks of losses as a consequence of personnel risk, process risk, IT and security risk, and external risk.

Operational risks exist in all financial operations, such as human errors, changes in demand, the external environment, data security, money laundering, fraud and other types of criminal activity.

Identifying and managing sustainability risks, and also preventing them, is an ongoing task. This work includes providing clear guidelines, system support and training courses, as well as information to ensure that we achieve sustainable development.

Svea conducts business in the Nordic region and parts of the rest of Europe, and debt collection activities in Eastern Europe.

The company applies many different methods to identify and manage operational risks.

[See summary table on page 22.](#)

Focus during 2023

In 2023, work proceeded with the conducting of a materiality analysis in order to better understand Svea's significant impact on the environment and people based on the company's value chain, as well as the risks and opportunities associated with sustainability that may be assumed to have a significant financial impact. As a basis for the materiality analysis, work was also undertaken to more clearly identify and better understand the company's value chain.

Preparations for CSRD

Work during 2023 took as its starting point preparations for the implementation of the EU's Corporate Sustainability Reporting Directive (CSRD) with the associated European Sustainability Reporting Standard (ESRS). In connection with preparations for the new legal requirements, Svea is continuing to develop the Group's general sustainability work, which involves developing our sustainability strategy and plan, with the aim of integrating sustainability more clearly into the business. This work includes updating the company's materiality analysis, which includes a review of how the bank affects society in the areas of Environmental, Social and Governance (ESG). Based on the materiality analysis, there is also an updating of prioritised focus areas and objectives, as well as analyses of risks and opportunities in the area of ESG. Work on preparations for the implementation of CSRD is ongoing and will continue during 2024.

Suppliers

Linked to the materiality analysis, a review is under way of our supply chain in order to draw up key ratios for our suppliers and to do more work on our Code of Conduct. The objective for 2024 is to have completed the mapping process and increase the proportion who have signed our Code of Conduct.

Social engagement and partnership

At Svea, we have continued to be engaged in issues relating to education and private finances. We have both paid visits to and received visits from upper secondary schools, when we provided education about private finances as well as information about Svea as an employer. We took the opportunity to explain what Svea does, what it is like to be an employee and what you should consider when looking for your first job. These visits were very much appreciated by the students. During 2023, Svea welcomed visits from schools including Tibble Gymnasium, Kärrtorps Gymnasium, Thorildsplans Gymnasium and Östra Real in Stockholm and Klara Östra Teoretiska Gymnasium in Gothenburg. We also continued our long-standing partnership with the Ung Företagssamhet (UF)

organisation (Junior Achievement), where we are a silver sponsor, which includes presenting the "Business Plan of the Year". In 2023, Svea also started to sponsor the Unga Aktiesparare association (Young Shareholders).

During the year, Svea took part in the information campaign "Scamaware", a partnership between Swedish banks and the Swedish Bankers' Association aimed at assuming joint responsibility for explaining the importance of protecting yourself against fraud and preventing crime. The campaign will continue in 2024, as will Svea's participation. We have also held seminars at which we explained how companies can work more sustainably, for example "Sustainable business models", which was held in August together with Scandinavian Photo. Other seminars dealt with issues including the housing market and AI. We also collaborated with Breakit to organise the competition "Sustainable e-commerce journey of the year". During 2023, Svea also continued to be engaged in the areas of sport and associations, including support for Sollentuna Fotboll, AIK Fotboll and AIK United.

Training

During the year, Svea held internal training courses in the areas of Information Security, Incident Reporting and Anti Bribery and Corruption. All training courses are mandatory for our employees. A number of teacher-led courses were also held for smaller groups in various areas, such as Anti Money Laundering. Svea's Sustainability Committee and management also attended courses on sustainability, provided by an external partner, as part of preparations ahead of the implementation of CSRD.

Equal opportunity and equality in management/Board/personnel

Svea strives actively to create an open and inclusive climate in which all employees have the same opportunities, rights and obligations in all significant areas at work, with regard to knowledge and expertise, gender, age, ethnic origin, religion, belief, disability, sexual orientation or life situation.

Sustainability risks

Significant aspects	Description of risk	Risks	Governance
Reliable financial actor			
Responsible granting of credit	The risk comprises deficiencies in credit assessment processes and/or inadequate regulatory compliance	High level of debt Increased credit losses	Work actively with good business ethics, moderate marketing Skills development
Data security	Risks with deficiencies in the handling of personal and company information	Information and data leaks, resulting in sanctions or damages and harm to reputation	Improve and develop security in IT Mandatory training courses
Anti-corruption, combating money laundering, terrorism and other crime	The risk is linked to the bank's products that are used for criminal purposes, primarily fraud, money laundering and corruption	Sanctions, loss of permit and reduced trust	Policies, good due diligence, updated systems and training courses
Attractive employer			
Health	The risk is linked to ill health, illness and crisis situations	Sick leave and reduced efficiency	Contribute to healthier individuals through a good work environment and health promotion measures
Training/information	The risk can be linked to poorer base data for decisions and inadequate regulatory compliance	Shortage of skills, effect on quality of work performed	Digital courses, introductory and leaving interviews, individual follow-ups and induction days
Diversity/equal opportunity	The risk is linked primarily to victimisation and social conditions	Retain/attract employees, innovative capacity Reduce risks in respect of dependence on individuals	Open business climate, inclusion, employee appraisals, employee surveys Work with continuous succession planning, especially regarding key individuals
Discrimination	The risk is linked to victimisation	Retain/attract employees	Open-plan offices, accessibility, leadership, zero tolerance
Work environment	The risk is linked to a physical or psychological environment with a negative impact on health	Reduced ability to perform, occupational injury	Stimulating work environment, good opportunities for development Engaged employees Work environment survey
Other aspects			
Environment	The risk is linked to a negative impact in the environment and ecosystem	Customers and suppliers who are not inclined to make the transition to a more sustainable business. Our own business's fossil emissions, etc.	Goals and key ratios for impact on the environment Code of Conduct for customers and suppliers
Social conditions and respect for human rights	Risks linked above all to social conditions as an employer, but also to customers and suppliers	Increased social exclusion Damaged reputation	Policies and codes of conduct, credit processes and good awareness of customers and suppliers
Governance-related issues	The risk is associated with inadequate regulatory compliance and poorer base data for decisions	Inadequate sustainability and quality affected Poorer customer satisfaction Increased credit losses	Policies and governing documents Whistleblower service



SUSTAINABILITY ASPECT

Reliable financial actor

Through clear procedures, systems and good business ethics, our business contributes to sustainable economic development. We work to safeguard human rights and against corruption through compliance with laws and ethical guidelines. In addition to this, we offer skills development for our customers in our business area.

Our objective is to work to include all groups in society, and in this respect we view ourselves as a complement to the big banks. Our opportunity to make a positive impact manifests itself in ways including our debt financing service, in which we help people who find themselves in a difficult financial situation. These are people with records of non-payment, debts with debt collection companies or with the Swedish Enforcement Authority. These people will rarely be offered a loan by any other actor, and when we, in close collaboration with the customer, can combine debts into one loan, this creates better conditions for reduced indebtedness. In the area of debt financing, we work with collateral for our loans, e.g. collateral in the customer's property or tenant-owner rights, instead of considering seizure of assets.

In Svea's sales work, we strive at all times to identify and develop long-term financial solutions that make it possible to make use of the opportunities for continued growth. The

business processes are characterised by a direct, honest dialogue in which everyone feels included and great emphasis is placed on educating customers with the aim of securing a sustainable business arrangement that benefits both parties, in both the short and the long term. Through a well-documented, tried and tested sales process, Svea contributes to more sustainable economic development, while at the same time fulfilling customers' needs and preferences.

Active work with anti-corruption and human rights

Our business is largely concentrated on the Nordic countries, a region that normally has low levels of corruption. Svea respects human rights and fundamental principles concerning working conditions and environmental and climate consideration, and we work actively to combat the financing of terrorism, money laundering and fraud. Wherever in the world we conduct our business. In accordance with the Swedish Act on Measures against Money Laundering and Terrorist Financing, we must conduct good customer due diligence and have good insight into our customers' business arrangements. We risk sanctions and losing our permit to conduct banking operations if the business is not managed in accordance with the laws and directives that regulate actors in the financial services market.

Governance and control to maintain good business ethics

Svea has systems and procedures to discover and report suspected cases of money laundering, terrorist financing or other crime. We also conduct continuous risk assessments of customers, services and products. As a bank, it is important to operate a responsible business, guarantee good governance and control, and prevent risks. Svea is largely dependent on trust from our customers, supervisory authorities and other stakeholders. A reduced level of trust among consumers would pose a risk of deposits being lower, which in turn impairs the opportunity to finance other customers' loans. It is very important that we identify and manage all potential risks. We regularly review our processes for granting credit for both private individuals and companies. The company regularly follows up on all internal policies and governing documents to ensure that they are being followed.

It is important for us that our customers feel trust in us, and also to maintain trust in the market at large. Healthy finances create a stable foundation and opportunities to grow and invest in the long term.

We strive to be simple and clear, with responsible granting of credit. To capture potential and actual incidents that are in breach of the company's business ethics, there is a whistleblower function in which employees can anonymously report internal and external incidents or breaches.

Svea works continuously to develop and improve all kinds of security issues in the area of IT. As information is increasingly being sent electronically, there are stricter requirements for a well-developed security mindset throughout the business. We work proactively on regulatory compliance and security issues in order to assure ourselves that we comply with the regulations and demands imposed on the business. The company has an incident reporting system that enables it

to quickly capture any issues in the scope of the Swedish Work Environment Act and GDPR.

Skills development and business intelligence

At Svea, we consider it our assignment to share competence and business intelligence in our area of activity. We therefore offer a wide range of articles, webinars and podcasts that are produced in collaboration with customers and partners. You will also find plenty of tips and inspiration; a few are listed below, but there is a wealth of interesting material available on our website, www.svea.com.

Industry partnerships

Svea also follows the development of laws, regulations and practice by being involved in the industry associations that are relevant for the business. These include the Swedish Bankers' Association including its Sustainability Committee, the Association of Swedish Finance Houses, the Swedish Debt Collection Association and the Association of Swedish Advertisers, which means that we follow the latest guidelines on dealing with ethical issues.

Webinars

- [Sustainable business models](#)
- [What's happening in the housing market?](#)
- [How to prepare for a profitable exit](#)

Articles

- [How AI affects the future of Swedish entrepreneurs](#)
- [Scan & Pay – the smart payment method that is revolutionising retail](#)
- [10 tips for better liquidity in tougher times](#)



We offer a wide range of articles, webinars and podcasts that are produced in collaboration with customers and partners.

SUSTAINABILITY ASPECT

Attractive employer

It is important for us at Svea to be an attractive employer that provides our employees with a sustainable working life, offering a balance of individual development, learning, value creation and results for customers in an environment characterised by trust and pride.

A focus on values

In 2023, we focused a lot on work with and in accordance with our core values: engagement, competence and drive. Our values were a consistent theme at a joint conference held during the year. It is important to give employees clarity and direction with regard to how we want to act and why. Dialogues and workshops with employees participating from different countries, roles and backgrounds were held in order to further develop reassurance, customer focus and fellowship. Svea's customers were also invited to give their views on how Svea's value-oriented business gives them better services, products and relationships with us for increased value in their businesses.

Strong results in the employee survey

In 2023, Svea in Sweden conducted a customer survey using the Brilliant tool. The employee survey showed that Svea in Sweden has a high proportion of engaged employees with high levels of energy at work. The level for the organisational and social work environment was also perceived to be high, with many sustainable work situations at Svea.

Svea's eNPS (Employee Net Promoter Score) for Sweden, Norway and Finland returns a result of 36. This is a positive result, showing how attractive Svea is perceived to be as an employer, and indicating that employees are highly likely to recommend Svea as an employer to a friend or acquaintance.

Svea's organisational structure and decentralised work method build competence

Svea has an organisational structure and a decentralised work method that is based on trust in the individual. This work method creates participation and gives employees a high level of personal responsibility, for example to make decisions, and an opportunity to have an influence. This builds competence and results in decisions being made close to the business. It also creates an ability to respond quickly to changes in the market and a greater opportunity to take advantage of new business opportunities.

Health

The health initiatives undertaken during 2023 include subsidised fun runs, the production of action plans based on continuous health checks, training for managers in health-related activities and support, generous health insurance cover and an offer for all employees to use a health app in order to promote exercise, a healthy diet, recovery and balance.

Development and support for managers

Svea organises monthly pulse meetings for managers, quarterly managers' breakfasts and an annual managers' forum for the purpose of sharing experience, offering support and keeping track of managerial issues on an ongoing basis. One of the preconditions for continuing to be an attractive employer is strong leadership with presence and engagement in the business.

eNPS – Employee Net Promoter Score

36

“Svea's focus on work with values creates better service, products and relationships with our customers and increases the value of their businesses”

Employee key ratios

Staff turnover	2023	2022	2021
Staff turnover, %	15%	17%	12%
Goal < 14%			

Sick leave	2023	2022	2021
Sick leave, %	5%	5%	3%
Goal < 5%			

Female/male distribution	2023	2022	2021
Women	56%	55%	55%
Men	44%	45%	45%
Goal 50/50			

Age distribution, %	2023	2022	2021
Below 30 years of age	22%	29%	30%
Aged 31–50	54%	49%	53%
Above 51 years of age	24%	22%	17%
Goal: The most even distribution possible between age groups			

Company cars, electric and hybrid	2023	2022	2021
% of company car pool	42%	44%	13%
Goal: By the end of 2024: > 60% electric and hybrid			

Key ratios at suppliers

Work is under way to conduct a review of our supply chain and to follow up on the proportion who have signed our Code of Conduct. The objective is to have completed this review during 2024.

In the Norwegian branch, they have completed the implementation of due diligence for the supply chain, and based on this mapping exercise they have developed processes and procedures to further enhance insight into and follow-up on the supply chain.

One example of this is the sustainability requirement for suppliers that is now in place.

Report of the Board of Directors

The Board of Directors and CEO of Svea Bank AB (publ), Corp. Reg. No. 556158-7634, herewith submit the annual accounts and consolidated accounts for the financial year 2023.

Operations

Svea Bank AB conducts financing activities under a permit from the Swedish Financial Supervisory Authority and in accordance with the provisions of the Banking and Financing Business Act (SFS 2004:297) (LBF). The Group also offers administrative services.

The Group's business concept is to provide the market with personal service and efficient custom solutions within the areas of financial and administrative services and debt collection. Under this business concept we offer the following services: factoring, invoice purchasing, subscription financing, leasing, overdraft facilities, business loans, credit and debit cards, BaaS, private loans, mortgages, debt financing, savings accounts, acquired past-due receivables, debt collection, billing, VAT recovery, credit information and e-commerce solutions for e-commerce, mobile and in-store.

Financial services are offered by the consolidated situation, which comprises Svea Bank AB with the branches Svea Bank AB filial i Norge and Svea Bank AB filial i Finland, and the operating subsidiaries Svea Finance AS, Svea Finans A/S, Svea Finans Nederland BV, Svea Credit BV, Svea Finans AG, Svea Payments OY, MoneyGo AB, FMS Financial Management Solutions GmbH, Svea Investments Inc, Zlantar of Sweden AB, Svea Rahoitus OY, and Svea Ekonomi Cyprus Limited and its subsidiaries in Eastern Europe. The sub-Group in Cyprus conducts portfolio activities (acquisition of past-due receivables and their collection).

Administrative services are offered by the operating Group companies Svea Billing Services AB, Svea VAT Adviser AB, Svea Development OY, Svea Ekonomi DOO Belgrade, PayGround AB, and via the associated company Stidner Complete AB.

Debt collection operations are conducted by the sub-group Svea Inkasso AB with the operating subsidiaries Svea Finans AS, Svea Inkasso A/S, CMS Collection GmbH, Svea Perintä OY with the subsidiary Svea Inkasso OÜ and in Eastern Europe through the sub-group Creditexpress Group BV.

The Group conducts business operations in the Nordic region and in other parts of Europe, and is one of the biggest within financing, administration and debt collection. The Parent Company constitutes a substantial part of the Group, as can be seen in the five-year summary on page 33.

Significant risks and uncertainty factors

Risk exposure is an integral part of all financial operations and means that Svea Bank is exposed to credit, liquidity, market, transaction and operational risks. For more detailed information about risk and capital management, see also Note K40 and the Pillar 3 Report at www.svea.com.

Business activities in Russia have been limited since the outbreak of war. The Group's total exposure in Russia as of 31 December 2023 amounted to SEK 1,035 million (943), of which lending to credit institutions amounted to SEK 598 million (377). Exposure has increased as a consequence of cash flows from the portfolios that were acquired before the out-

break of war. There are very limited opportunities to transfer financial assets out of Russia, and this represents an uncertainty factor.

The item net profit/loss from financial transactions includes the currency effect relating to the rouble of SEK –88 million. Comprehensive income includes a currency effect of SEK –92 million attributable to the rouble. The bank has made a provision of SEK 400 million extra capital in Pillar 2 for currency risk in the consolidated situation.

Even though the situation is uncertain and there is a risk of future impairment needs, the assessment is that the remaining part of the Group is stable and that the effect should not have a significant impact on the business or the capital situation.

Significant events during the year

In April, new AT1 bonds to a total of SEK 300 million were issued with a variable coupon of 3m STIBOR +7.5%. In connection with this, the earlier AT1 bonds from 2018 to a total of SEK 300 million were also redeemed prematurely. To further strengthen the capital base, additional new AT1 bonds were issued in December to a total of SEK 300 million with a variable coupon of 3m STIBOR +7.5%. All AT1 bonds were subscribed by Svea Bank's owners.

In November, the Administrative Court confirmed that Svea Bank AB is in compliance with the Swedish Consumer Credit Act and thereby annulled the Swedish Financial Supervisory Authority's decision to issue Svea Bank with a warning and an administrative penalty. The Administrative Court considers that the data that formed the basis of credit checks was sufficient to be able to assess to a high degree of certainty the consumer's abilities to fulfil their commitments under the credit agreement.

The Swedish Financial Supervisory Authority subsequently appealed the Administrative Court's judgement and the Administrative Court of Appeal has decided to grant leave to appeal. The potential administrative penalty of SEK 45 million has therefore not been reversed, but continues to be reported as a provision.

One single customer in the construction sector in Sweden, with significant individual exposure, was declared bankrupt during the fourth quarter. This resulted in a negative impact on the credit losses for the year of SEK 337 million (1.2% of the level of credit loss for the Group) and on the net profit/loss from financial transactions of SEK 48 million, and thereby on the operating profit of SEK 385 million.

During the year, the Swedish Financial Supervisory Authority initiated an investigation into the AML procedures at some banks, including Svea Bank.

The business's development

In financial business activities, the development of the portfolio business (acquired past-due receivables) continued to be positive during the year. Lending to both private individuals and business saw strong growth during the year.

Debt collection activities saw positive development in both income and operating profit compared with the same period last year, driven above all by the business operations in Sweden, Norway and Poland.

The operating profit was poorer compared with the previous year, mainly as a consequence of increased credit losses, attributable above all to one single large exposure in Sweden in the construction industry.

Credit losses

Credit loss provisions increased in all three stages during the year. In stage 1, this is primarily due to provisions for expected future credit losses attributable to new lending. Provisions in stage 3 have risen as a consequence of an increased propor-

tion of defaults in both private and business lending. Write-offs and to a certain extent also the reserves in stage 3 were negatively affected by the customer in the construction industry that was declared bankrupt during the fourth quarter, to which Svea Bank had one single large exposure. It is our assessment that the stage 3 increase will be stabilised during the first half of 2024 in both private and business lending.

The credit loss level in 2022 was historically low and was also positively affected by a credit loss reserve of SEK 48.5 million attributable to Covid-19 being reversed during the first quarter.

Financial summary

Income

Operating income amounted to SEK 4,409.9 million (459.9) for the Group and SEK 4,036.2 million (3,937.0) for the Parent Company. Part of the item net profit/loss from financial transactions relates to revaluations affecting comparability and capital gains in respect of unlisted shares, which amounted to SEK 113.5 million (297.1) for the Group. Operating income adjusted for items affecting comparability amounted to SEK 4,296.4 million (4,162.8) for the Group.

Part of the item net profit/loss from financial transactions also relates to currency effects and amounted to SEK -140.1 million (15,8) for the Group.

Expenses

Operating expenses amounted to SEK 3,191.8 million (2,896.7) for the Group and SEK 2,629.6 million (2,267.8) for the Parent Company.

Credit losses

Net credit losses amounted to SEK 983.0 million (389.9) for the Group and SEK 889.3 million (249.7) for the Parent Company. The credit loss ratio was 3.6% (1.7%) for the Group and 3.3% (2.0%) for the Parent Company.

The reversal affecting comparability in the previous year for the Covid-19 reserve amounted to SEK 48.5 million for the Group. Net credit losses, adjusted for items affecting comparability, amounted to SEK 983.0 million (438.4) for the Group, and the adjusted credit loss ratio for the previous year to (1.9%).

Impairment gains/losses

Net impairment gains/losses amounted to SEK 536.7 million (185.2) for the Group and to SEK 28.2 million (49.0) for the Parent Company. The item is attributable to portfolios of acquired past-due receivables that have produced a better or worse cash flow than expected. The item is also attributable to revaluations of future expected cash flows in the portfolios.

Profit/loss

The operating profit amounted to SEK 771.8 million (1,358.6) for the Group and SEK 449.0 million (1,276.8) for the Parent Company. The operating profit adjusted for items affecting comparability, revaluations and capital gains in respect of unlisted shares, plus reversal of Covid-19 reserve, amounted to SEK 658.3 million (1,013.0) for the Group.

Other comprehensive income

Other comprehensive income amounted to SEK -63.5 million (-559.6) for the Group and SEK 32.1 million (-652.4) for the Parent Company. Other comprehensive income was affected by value changes and capital gains in respect of listed shares, which amounted to SEK 35.3 million (-654.8) for the Group after tax. Other comprehensive income also includes a negative translation effect for foreign business activities and amounted to SEK -98.8 million (95.2) for the Group.

Comprehensive income

Comprehensive income amounted to SEK 465.4 million (513.6) for the Group and SEK 459.8 million (539.1) for the Parent Company.

Lending

As of 31 December 2023, lending to the public amounted to SEK 29,407.8 million (25,550.1) for the Group and SEK 28,658.6 million (24,807.5) for the Parent Company.

Financing

The Group's lending to the public is financed through deposits from the public, our own operations, other credit institutions and bond loans.

As of 31 December 2023, deposits from the public amounted to SEK 36,168.9 million (30,938.0) for the Group, and SEK 35,882.0 million (30,645.4) for the Parent Company. As of 31 December 2023, liabilities to credit institutions amounted to SEK 265.2 million (1.0) for the Group, and SEK 265.2 million (0.0) for the Parent Company. Liabilities to credit institutions increased significantly as a consequence of positive market values for currency hedges at the year-end.

The subordinated bonds amounted to a nominal value of SEK 1,200.0 million (900.0) for the Group and SEK 1,200.0 million (900.0) for the Parent Company, of which SEK 600 million (300,0) relates to Tier 1 capital instruments classified as shareholders' equity for both the Group and the Parent Company.

The Parent Company is also financed through convertible loans, which amounted to a nominal value of SEK 200.0 million (200.0).

Liquidity

As of 31 December 2023, cash and bank balances plus approved but unutilised credit, amounted to SEK 8,512.3 million (6,164.7) for the Group, and SEK 6,580.8 million (4,483.3) for the Parent

Company. As of 31 December 2023, liquidity including investments at Riksbanken in government securities, listed bonds and other securities amounted to SEK 10,266.5 million (7,735.5) for the Group, and SEK 8,335.0 million (6,054.1) for the Parent Company.

Investments

Investments in tangible and intangible assets for the year amounted to SEK 49.2 million (148.7) for the Group and SEK 866.7 million (691.2) for the Parent Company.

Acquisitions and divestments

The administrative company Nicknamed AB was divested in February. The Turkish financial company Svea Uluslararası Yönetim Danışmanlığı Anonim Şirketi was formed in August. No business activities are being conducted in the company at present, and there are no plans to start any business activity in the immediate future. In September, all of the shares were acquired in the Finnish financial company Intrum Rahoitus OY (name changed to Svea Rahoitus OY). In December, the remaining shares were acquired in the financial company MoneyGo AB.

Personnel

The average number of full-time equivalent employees in the Group amounted to 2,247 (2,195), and in the Parent Company 956 (888). As of 31 December 2023, the number of employees in the Group amounted to 2,221 (2,277), and in the Parent Company 976 (936).

The planning and decision-making process regarding remunerations and benefits for key individuals in executive positions including the Board is described in Note K10.

Related party transactions

The nature and scope of transactions with related parties are described in the annual report. No significant transactions with related parties took place during the period.

Capital adequacy

The European CRR/CRD regulations entail requirements for the highest quality components of the capital base: Common Equity Tier 1 capital and Tier 1 capital. In addition to the minimum capital requirements, there is also a capital conservation buffer of 2.50% and in certain countries there is also a countercyclical buffer.

The Board further resolved that capital ratios should exceed the regulatory requirements by 1.00 percentage point.

The minimum capital requirement for the Common Equity Tier 1 capital ratio is 4.50%, the Tier 1 capital ratio 6.00% and the total capital ratio 8.00%.

In the consolidated situation as of 31 December 2023, the capital requirement for the Common Equity Tier 1 capital ratio including the buffer requirement stood at 9.77%, the Tier 1 capital ratio at 11.57% and the total capital ratio at 13.98%.

As of 31 December 2023, the capital requirement in the Parent Company including the buffer requirement for the Common Equity Tier 1 capital ratio stood at 9.07%, the Tier 1 capital ratio at 10.74% and the total capital ratio at 12.96%.

The capital requirement is calculated in accordance with the statutory minimum requirement according to pillar I for credit risk, market risk, operational risk and creditworthiness adjustment risk, requirement according to pillar II and combined buffer requirements.

In the consolidated situation on 30 June 2021, the Common Equity Tier 1 capital ratio amounted to 13.16% (14.51%), the Tier 1 capital ratio amounted to 14.68% (15.37%) and the total capital ratio to 16.20% (17.07%).

As of 31 December 2023, the Common Equity Tier 1 capital ratio in the Parent Company stood at 12.14% (12.78), the Tier 1 capital ratio at 13.75% (14.68%) and the total capital ratio at 15.37% (16.52%).

For further information on risk management and capital management, see Notes K40 and K41.

Economic outlook

It is believed that the Group will continue to deliver a positive profit and cash flow with a higher operating profit than in 2023. The Group's lending and deposits are expected to increase, albeit not at the same rate as during 2023.

Proposed allocation of profits

The Board of Directors and the CEO of the company propose that unappropriated earnings

Fair value reserve	-70,244,247
Share premium account	59,499,500
Retained earnings	4,402,267,031
Profit/loss for the year	427,724,640
Total	4,819,246,924
be distributed as follows:	
To be paid to shareholders (1,590,800 shares x SEK 31.43 per share)	50,000,000
To be carried forward	4,769,246,924
Total	4,819,246,924

The Board of Directors proposes that SEK 50,000,000 be distributed, equivalent to SEK 31.43 per share. The Board proposes that the Annual General Meeting of 23 April 2024 authorise the Board to decide on a distribution date.

Current regulations for capital adequacy and major exposures stipulate that the company must, at all times, have a capital base corresponding to at least the company's internally assessed capital requirement, i.e. the total capital requirements for credit risks, market risks and operational risks, as well as for additional identified risks in the operations in accordance with the company's internal capital and liquidity adequacy assessment process (ICLAAP). The capital base in the Parent Company after the proposed allocation of profits amounted to SEK 5,701 million and its internally assessed capital requirement amounted to SEK 4,808 million. SEK 3,926 million of non-restricted shareholders' equity, which according to the proposed allocation of profits is to be brought forward, is therefore not available for distribution. There is a specification of the items in Note K41.

The Board of Directors and the CEO consider the proposed dividend to be justifiable with regard to the requirements that the nature, scope and risks of the operations impose on the size of shareholders' equity and the company's solvency requirements, liquidity and position in general.

This statement is to be viewed in the light of the information contained in the annual accounts.

With regard to the Group's and the Parent Company's position and performance in general, refer to the income statements and balance sheets presented below, with their associated supplementary disclosures and notes to the financial statements.

Corporate Governance Report 2023

Svea Bank AB is a limited liability banking company with its registered office in Stockholm. This corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act and provides a summary description of Svea Bank AB's governance during the financial year 2023. Svea Bank uses a governance model in which responsibility is divided between the Board of Directors and three lines of defence: the line organisation (1st line of defence), the Risk Control function and the Compliance function (2nd line of defence) and Internal Audit (3rd line of defence).

Direct or indirect holdings in the company

The company is owned by Lennart Ågren; 95.55% comprises direct ownership and 4.45% indirect ownership via the company SAEVS AB. There are no limitations with regard to how many votes each shareholder can submit at a general meeting of shareholders.

Board of Directors

Members are elected annually at the Annual General Meeting for the period until the end of the first Annual General Meeting that is held after the year in which the Board member was appointed. There are no authorisations given by the Annual General Meeting to the Board to decide that the company shall issue new shares or acquire its own shares. The rules of procedure for the Board have been drawn up in accordance with the requirements of the Swedish Companies Act. The rules of procedure with its annexes comprises a supplement and support for the application of the Swedish Companies Act and the other laws, regulations and recommendations that have to be applied in the company. The rules of procedure are reviewed every year and updated as required. The Board held 40 Board meetings during the year. Materials for the Board are circulated about one week before the date of the meeting and contain background information with comments concerning the matters to be dealt with at the meeting. The invitation to the meeting is accompanied by an agenda, which describes the nature and scope of each matter. Minutes are taken at all meetings and also contain discussions, measures and decisions. The Board as a whole is responsible for matters relating to audits, and an auditor elected by the general meeting attends at least one Board meeting every year.

The Board is ultimately responsible for limiting and following up on the company's and the Group's risks, and for confirming the capital adequacy goals for both the company

(including the branches in Norway and Finland) and the consolidated situation. At Svea Bank, risks are measured and reported according to standardised principles and policies determined and revised annually by the Board. The Board decides on policies for credit, liquidity, market, transaction and operational risks, and the Internal Capital and Liquidity Adequacy Assessment Policy (ICLAAP), which is revised at least annually. The Board monitors risk trends on a continuous basis and sets and supervises limits of risk appetite that may not be exceeded.

Svea Bank has established an efficient framework for risk appetites that includes all of the Group's relevant risks. Risk appetites have been determined by the Board for each risk. Qualitative risk appetites are combined with quantitative risk appetite metrics and tolerance levels. The Board shall continually evaluate the operation's compliance with established risk appetites through monitoring and reports from the Risk Control function. The framework and relevance of the risk appetite levels are evaluated on a continuous basis, for revision or update by the Board as necessary.

Internal governance and control

The company has a major responsibility towards the customers whose money it manages. The large volume of transactions means that even small errors can have major financial consequences. The company's and the consolidated situation's operations must therefore be conducted with good governance and control. There must be a focus on issues of quality and security in all functions. Personnel from all departments are engaged in work to achieve and maintain this standard. Internal governance and control refers to the company's and the Group's organisation and all the procedures that aim to guarantee correct and complete monitoring and reporting, and that the company's and the Group's resources are utilised in accordance with the intentions of the Board and the CEO.

Risk Control

The Risk Control function is an independent control function responsible for ongoing controls that ensure that the company's and the Group's risks are kept within established limits and that the line organisation is identifying and managing the risks in the operation in the intended manner. This also involves reporting relevant risk information to management and the Board. A work plan and prioritisation of the focus of the work are established every year by the Board. The func-

Member	Position	Elected	Born	Attendance at meetings	Independent of the company and company management	Independent of the company's owners
Anders Lidfelt	Chairman	2019	1959	40/40	No	Yes
Lennart Ågren	Member	2016	1951	30/40	No	No
Anders Ingler	Member	2021	1950	33/40	Yes	Yes
Mats Kärsrud	Member	2021	1951	33/40	Yes	Yes
Mats Hellström	Member	2021	1959	34/40	Yes	Yes
Anna Frick	Member	2021	1968	35/40	Yes	Yes
Anders Hedberg	Member	2019	1952	36/40	Yes	Yes

tion is also responsible for validating the company's internal capital and liquidity adequacy assessment process and advising on risk control issues, as well as providing personnel with supplementary training. The function is led by a Head of Risk Control and comprises a network of Risk Officers in the branches and major subsidiaries in the consolidated situation.

Compliance

The Compliance function is an independent function that checks compliance with both external and internal regulations. The function is led by a Head of Compliance and comprises a network of Compliance Officers in the branches and major subsidiaries in the consolidated situation. The main task of this organisation is to provide advice and support to the operation, to conduct audits and mapping exercises, which are reported to the Board and management, and to inform and communicate about new regulations. A work plan and prioritisation of the focus of the work are established every year by the Board.

Internal Audit

Internal Audit is an independent auditing function procured externally. It examines and evaluates internal governance and control in the Parent Company, including branches. The function is independent of business operations and reports directly to the Board of Svea Bank AB. The audit plan and priorities for the focus of the work are established annually by the Board. Reports prepared by the function are submitted to the Board and the unit an audit concerns. The function audits day-to-day operations in the line organisation and the work performed by the 2nd line of defence.

Control environment

The backbone of internal control of financial reporting is built around the company's policies and instructions, together with the responsibility and authorisation structure that has been adapted to the company's and the Group's organisation, in order to create and maintain a satisfactory control environment. Principles of internal control are compiled in the company's governing documents, and guidelines for financial reporting are compiled in the company's instructions. Fundamental to the control environment is the corporate culture that has been established and in which managers and employees all work. The company works actively on communication and training in respect of its core values.

Risk assessment

Risks in respect of financial reporting are evaluated and monitored by the Board. The assessment of what level of risk exists that errors may occur in financial reporting takes place based on a number of criteria. Complex accounting policies might mean, for example, that financial reporting risks being incorrect for those items subject to such policies. The valuation of a certain asset or liability based on different assessment criteria can also constitute a risk. The same applies to complex and/or changed business relationships.

Control activities

The Board of Directors and the management team comprise the company's overarching control bodies. Several control

activities are applied in the ongoing business processes in order to ensure that any errors or deviations in financial reporting are prevented, discovered and corrected. Control activities cover everything from examination of financial results at management meetings to specific account reconciliations and analyses in ongoing financial reporting processes. Company management shall ensure that control activities in the financial processes are appropriate and in accordance with the company's guidelines and instructions. Management shall also make sure that an authorisation structure is set up in such a way that one single person cannot perform an activity and then check the same activity. Control activities in the areas of IT security and maintenance also represent a significant element of the company's internal control of business processes and financial reporting.

Information and communication

Policies and instructions in respect of financial reporting are updated and communicated on an ongoing basis from management to all employees concerned.

Follow-up and monitoring

Ongoing responsibility for follow-up rests with the management team and the Finance Department. In addition, the Internal Audit, Risk Control and Compliance functions perform follow-up and monitoring of operations. The results of evaluation activities are reported to management and the Board.

Miscellaneous

There are no provisions in the articles of association about the appointment and dismissal of Board members. A change to the articles of association requires the approval of the Swedish Financial Supervisory Authority.

Internal capital and liquidity adequacy assessment

The Board regularly examines the consolidated situation's capital supply and capital utilisation in the form of an internal capital and liquidity adequacy assessment process (ICLAAP). The ICLAAP is intended to reflect significant risks faced by the Group and its purpose is to evaluate the Group's ability to maintain a level of capital that is sufficient to deal with the risks to which the Group is exposed.

In addition to the statutory minimum requirement for capital, the capital requirement is calculated for the risks that are considered to be significant for the Group's operations. This means that the Group maintains a large capital buffer so that it is able to meet future operational plans.

The risks identified in the business are in the first instance credit risks, market risks, operational risks, liquidity and financing risks, as well as business risks.

The analysis of the capital requirement is performed using quantitative and qualitative methods and is based on a number of scenarios for each risk driver, e.g. increased competition.

The overall assessment of these risks is that the consolidated situation's capital base in addition to the minimum capital requirement also meets the capital need for these risks.

The ICLAAP is based on the annual operational plan and the capital situation is monitored on an ongoing basis by the Finance function and the Risk Control function.

For further information regarding risks, see Note K40.

Financial statements

Group | Five-year summary (SEK thousands)

Income statement	2023	2022	2021	2020	2019
Net interest income	2,740,813	2,585,592	2,512,030	2,030,804	1,848,800
Dividends received	75,379	92,483	26,212	11,666	35,332
Net commissions	1,492,206	1,436,624	1,271,255	1,170,963	1,193,030
Other operating income	101,465	345,221	175,330	60,232	102,902
Operating income	4,409,863	4,459,920	3,984,828	3,273,664	3,180,065
Operating expenses	-3,191,792	-2,896,662	-2,512,606	-2,163,098	-2,151,311
Profit/loss before credit losses	1,218,071	1,563,258	1,472,222	1,110,567	1,028,754
Credit losses, net	-982,992	-389,923	-396,651	-482,437	-400,090
Impairment gains/losses	536,699	185,218			
Operating profit/loss	771,778	1,358,552	1,075,571	628,129	628,664
Tax on profit/loss for the year	-242,850	-285,418	-190,892	-147,338	-131,794
Profit/loss for the year	528,928	1,073,134	884,679	480,792	496,870
Comprehensive income					
Profit/loss for the year	528,928	1,073,134	884,679	480,792	496,870
Other comprehensive income	-63,518	-559,579	391,589	530,805	-21,499
Comprehensive income for the year	465,410	513,554	1,276,268	1,011,596	475,371
Balance sheet					
Cash and balances with central banks	4,998,416	2,503,401	573,006	176,582	31,757
Treasury bonds etc. acceptable as collateral			50,038	34,018	12,017
Lending to credit institutions	3,091,668	3,239,002	2,895,917	3,195,817	3,584,846
Lending to the public	29,407,817	25,550,058	20,782,655	17,718,064	17,210,614
Other assets	7,534,419	7,488,140	8,002,994	5,996,121	5,151,043
Assets	45,032,320	38,780,601	32,304,610	27,120,602	25,990,277
Liabilities to credit institutions	265,200	1,042	672	384	4
Deposits from the public	36,168,948	30,937,956	25,150,548	20,916,039	20,617,500
Other liabilities	2,347,056	2,175,422	1,914,489	1,882,805	2,320,877
Shareholders' equity	6,251,117	5,666,181	5,238,902	4,321,374	3,051,896
Liabilities and shareholders' equity	45,032,320	38,780,601	32,304,610	27,120,602	25,990,277
Key ratios					
Operating margin, %	17.5	30.5	27.0	19.2	19.8
Return on total assets, %	1.3	3.0	3.0	1.8	2.2
Return on shareholders' equity, %	8.9	19.7	18.5	13.0	17.4
Equity/assets ratio, %	13.9	14.6	16.2	15.9	11.7
Expenses/income	0.7	0.6	0.6	0.7	0.7
Lending/deposits, %	81.3	82.6	82.6	84.7	83.5
Credit loss ratio, %	3.6	1.7	2.1	2.8	2.5
Liquidity, SEK thousands	10,266,478	7,735,482	5,490,115	5,517,740	6,375,043
Cash flow from operating activities, SEK thousands	2,041,412	1,109,583	1,890,412	1,552,481	1,432,605
Average number of full-time equivalent employees	2,247	2,195	2,126	2,091	1,937
Consolidated situation					
Total capital, SEK thousands	6,393,084	5,967,006	5,294,124	4,320,459	3,190,925
Risk-weighted exposures, SEK thousands	39,474,703	34,950,362	29,709,525	23,650,092	21,205,562
Common Equity Tier 1 capital ratio, %	13.2	14.5	14.8	14.5	10.9
Total capital ratio, %	16.2	17.1	17.8	18.3	15.0
Liquidity Coverage Ratio (LCR), %	940.0	664.0	467.2	365.8	400.1
Leverage ratio, %	12.7	13.9	14.6	13.8	10.2
Net stable funding ratio (NSFR), %	143.3	147.1	140.8	-	-

For definitions, see page 124.

Parent Company | Five-year summary (SEK thousands)

Income statement	2023	2022	2021	2020	2019
Net interest income	2,426,367	2,171,457	25,199	25,738	29,638
Dividends received	606,775	755,873			
Net commissions	641,184	540,999	10,195	-4,725	-8,987
Other operating income	361,888	468,687	246	-195	4,930
Operating income	4,036,214	3,937,015	35,640	20,818	25,581
Operating expenses	-2,629,624	-2,267,769	-69,310	-58,623	-58,379
Profit/loss before credit losses	1,406,590	1,669,246	-33,670	-37,804	-32,798
Credit losses, net	-889,261	-249,674	-3,461	-3,582	-1,907
Impairment gains/losses	28,226	48,982			
Impairment charges, financial assets	-96,515	-191,777			
Operating profit/loss	449,040	1,276,778	-37,131	-41,386	-34,705
Appropriations	41,446	21,409	36,500	40,500	34,000
Profit before tax	490,486	1,298,187	-631	-886	-705
Tax on profit/loss for the year	-62,761	-106,717	20	-115	4,897
Profit/loss for the year	427,725	1,191,469	-611	-1,001	4,192
Comprehensive income					
Profit/loss for the year	427,725	1,191,469	-611	-1,001	4,192
Other comprehensive income	32,080	-652,399			
Comprehensive income for the year	459,805	539,071	-611	-1,001	4,192
Balance sheet					
Cash and balances with central banks	4,998,416	2,503,401	438,928	76,079	31,757
Treasury bonds etc. acceptable as collateral	0	0	50,038	34,018	12,017
Lending to credit institutions	1,182,338	1,579,870	509,518	318,227	184,313
Lending to the public	28,658,597	24,807,540	228,195	224,668	180,452
Other assets	8,558,425	8,159,272	16,805	16,267	17,678
Assets	43,397,777	37,050,082	1,243,484	669,259	426,217
Liabilities to credit institutions	265,200	0	20,977	15,495	16,630
Deposits from the public	35,881,952	30,645,365	1,085,303	509,513	299,404
Other liabilities	1,769,109	1,523,758	13,093	19,529	10,460
Shareholders' equity	5,481,516	4,880,958	124,111	124,722	99,723
Liabilities and shareholders' equity	43,397,777	37,050,082	1,243,484	669,259	426,217
Key ratios					
	2023	2022	2021	2020	2019
Operating margin, %	11.1	32.4	neg.	neg.	neg.
Return on total assets, %	1.1	6.2	neg.	neg.	1.0
Return on shareholders' equity, %	8.3	47.6	neg.	neg.	5.5
Equity/assets ratio, %	12.6	13.2	10.0	18.6	23.4
Expenses/income	0.7	0.6	1.9	2.8	2.3
Lending/deposits, %	79.9	81.0	21.0	44.1	60.3
Credit loss ratio, %	3.3	2.0	1.5	1.8	0.9
Liquidity, SEK thousands	8,334,956	6,054,092	1,008,432	438,883	238,908
Cash flow from operating activities, SEK thousands	2,392,336	1,187,746	-33,602	-37,439	-37,643
Average number of full-time equivalent employees	956	888	31	29	27
Total capital, SEK thousands	5,700,614	5,364,489	119,259	119,829	94,826
Risk-weighted exposures, SEK thousands	37,097,902	32,474,390	272,075	257,450	263,289
Common Equity Tier 1 capital ratio, %	12.1	13.8	43.8	46.5	36.0
Total capital ratio, %	15.4	16.5	43.8	46.5	36.0
Liquidity Coverage Ratio (LCR), %	952.8	676.0	368.3	372.0	338.0
Leverage ratio, %	11.4	12.5	9.6	17.9	22.1
Net stable funding ratio (NSFR), %	159.0	159.4	218.9	-	-

Svea Bank AB was a subsidiary in the years 2019-2021. For comparative Parent Company figures for Svea Ekonomi AB, please refer to the financial statements at www.svea.com.

For definitions, see page 124.

Group | Income statement and comprehensive income (SEK thousands)

Income statement	Note	2023	2022
Interest income	K4	3,818,286	3,008,445
Interest expenses	K4	-1,077,473	-422,853
Net interest income		2,740,813	2,585,592
Dividends received	K5	75,379	92,483
Commission income	K6	1,829,672	1,623,463
Commission expenses	K7	-337,466	-186,839
Net profit from financial transactions	K8	-21,613	288,967
Participations in associated company's earnings		-15	-215
Other operating income	K9	123,093	56,470
Operating income		4,409,863	4,459,920
Personnel expenses	K10	-1,393,614	-1,231,580
Other administrative expenses	K11	-1,543,275	-1,460,461
Amortisation/depreciation and impairments of intangible assets and property, plant and equipment, etc.	K13	-225,425	-176,975
Other operating expenses		-29,477	-27,645
Operating expenses		-3,191,792	-2,896,662
Profit/loss before credit losses		1,218,071	1,563,258
Credit losses, net	K14	-982,992	-389,923
Impairment gains/losses	K14	536,699	185,218
Operating profit/loss		771,778	1,358,552
Tax on profit/loss for the year	K15	-242,850	-285,418
Profit/loss for the year		528,928	1,073,134
Of which attributable to Parent Company shareholders		497,253	1,060,387
Of which attributable to holders of Tier 1 capital instruments		34,247	14,582
Of which attributable to holding without a controlling influence		-2,573	-1,835
Comprehensive income			
Profit/loss for the year		528,928	1,073,134
Items for possible reclassification to the income statement:			
Translation of foreign operations		-98,821	95,191
Items that cannot be reclassified to the income statement:			
Fair value via other comprehensive income			
Change in value, listed shares and participations		-131,106	-858,113
Deferred tax on change in value, listed shares and participations		27,008	176,771
Profit from disposal of listed shares and participations		175,569	33,465
Current tax on profit from disposal of listed shares and participations		-36,167	-6,894
Other comprehensive income		-63,518	-559,579
Comprehensive income for the year		465,410	513,554
Of which attributable to Parent Company shareholders		433,776	500,760
Of which attributable to holders of Tier 1 capital instruments		34,247	14,582
Of which attributable to holding without a controlling influence		-2,613	-1,788

Group | Balance sheet (SEK thousands)

Balance sheet	Note	31/12/2023	31/12/2022
Cash and balances with central banks		4,998,416	2,503,401
Lending to credit institutions	K35	3,091,668	3,239,002
Lending to the public	K16, 35	29,407,817	25,550,058
Bonds and other securities	K17	1,754,202	1,570,822
Shares and participations	K18	3,884,723	4,131,778
Other participations	K19	12,484	3,284
Shares and participations in associated companies	K20	547	553
Intangible assets	K21	340,589	435,634
Tangible assets	K22	180,259	185,137
Rights of use	K23	379,244	397,134
Deferred tax assets	K24	243,457	260,371
Derivative instruments	K25	183,606	17,106
Other assets	K26	405,954	394,878
Prepaid expenses and accrued income	K27	149,355	91,442
Assets		45,032,320	38,780,601
Liabilities to credit institutions	K28, 35	265,200	1,042
Deposits from the public	K29, 35	36,168,948	30,937,956
Derivative instruments	K30	32,025	87,722
Lease liabilities	K23	387,324	399,166
Other liabilities	K31	673,281	515,706
Accrued expenses and prepaid income	K32	548,536	452,207
Deferred tax liability	K24	60,096	66,898
Provisions	K33	45,000	55,000
Subordinated liabilities	K34	600,794	598,724
Liabilities		38,781,203	33,114,420
Holder of Tier 1 capital instruments		600,000	300,000
Holding without a controlling influence		5,270	12,116
Share capital		50,501	50,501
Other capital contributed		59,499	59,499
Reserves		-98,444	127,140
Retained earnings and profit/loss for the year		5,634,291	5,116,926
Shareholders' equity		6,251,117	5,666,181
Liabilities and shareholders' equity		45,032,320	38,780,601

Group | Changes in shareholders' equity (SEK thousands)

	Attributable to Parent Company shareholders								Total shareholders' equity
	Capital contributed		Reserves			Total	Tier 1 capital holding	Holding without a controlling influence	
	Share capital	Other capital contributed	Revaluation reserve	Translation reserve	Retained earnings				
Balance as of 1 Jan 2022	9,459	498,541	738,560	-24,829	3,649,325	4,871,056	300,000	67,845	5,238,902
Fair value via other comprehensive Income									
Change in value, listed shares and participations			-858,113			-858,113			-858,113
Deferred tax on change in value, shares and participations			176,771			176,771			176,771
Profit from disposal of listed shares and participations					33,465	33,465			33,465
Current tax on profit from disposal of listed shares and participations					-6,894	-6,894			-6,894
Exchange rate differences				95,143		95,143		47	95,191
Other comprehensive income	0	0	-681,341	95,143	26,572	-559,627	0	47	-559,579
Profit/loss for the year					1,060,387	1,060,387	14,582	-1,835	1,073,134
Comprehensive income for the year	0	0	-681,341	95,143	1,086,958	500,760	14,582	-1,788	513,554
Merger	40,541	-498,541			458,000	0			0
Dividend					-50,000	-50,000			-50,000
New share issue	501	59,499				60,000			60,000
Interest expenses, Tier 1 capital instruments						0	-14,582		-14,582
Capital share					-215	-215			-215
Acquisition of subsidiary						0		1,242	1,242
Acquisition from holding without a controlling influence					-25,713	-25,713		-3,191	-28,904
Divestment of holding without a controlling influence						0		-52,808	-52,808
Divestment to holding without a controlling influence					-41	-41		41	0
Adjustment of previous year's profit/loss			-393		-1,388	-1,782		775	-1,007
Transactions with shareholders and holders of Tier 1 capital	41,042	-439,042	-393	0	380,642	-17,751	-14,582	-53,940	-86,274
Balance as of 31 Dec 2022	50,501	59,499	56,826	70,314	5,116,926	5,354,065	300,000	12,116	5,666,181

Group | Changes in shareholders' equity (SEK thousands), contd.

	Attributable to Parent Company shareholders								Total shareholders' equity
	Capital contributed		Reserves			Total	Tier 1 capital holding	Holding without a controlling influence	
	Share capital	Other capital contributed	Revaluation reserve	Translation reserve	Retained earnings				
Balance as of 1 Jan 2023	50,501	59,499	56,826	70,314	5,116,926	5,354,065	300,000	12,116	5,666,181
<i>Fair value via other comprehensive income</i>									
Change in value, listed shares and participations			-131,106			-131,106			-131,106
Deferred tax on change in value, shares and participations			27,008			27,008			27,008
Profit from disposal of listed shares and participations					175,569	175,569			175,569
Current tax on profit from disposal of listed shares and participations					-36,167	-36,167			-36,167
Exchange rate differences				-98,781		-98,781		-40	-98,821
Other comprehensive income	0	0	-104,098	-98,781	139,401	-63,478	0	-40	-63,518
Profit/loss for the year					497,253	497,253	34,247	-2,573	528,928
Comprehensive income for the year	0	0	-104,098	-98,781	636,655	433,776	34,247	-2,613	465,410
Dividend					-50,000	-50,000			-50,000
Bonus issue	749				-749	0			0
Tier 1 capital instruments, new						0	600,000		600,000
Tier 1 capital instruments, redemptions						0	-300,000		-300,000
Interest expenses, Tier 1 capital instruments						0	-34,247		-34,247
Withdrawal of shares	-749				-74,251	-75,000			-75,000
Reversal in impairment of listed shares			-22,814		22,814	0			0
Divestment of holding without a controlling influence					-17,104	-17,104		-4,233	-21,337
Adjustment of previous year's profit/loss			109			109			109
Transactions with shareholders and holders of Tier 1 capital	0	0	-22,705	0	-119,289	-141,996	265,753	-4,233	119,525
Balance as of 31 Dec 2023	50,501	59,499	-69,977	-28,467	5,634,291	5,645,846	600,000	5,270	6,251,117

The translation reserve includes exchange rate differences from the translation of foreign Group companies and branches.

The Tier 1 capital instrument is a subordinated liability that meets certain conditions for being counted as Tier 1 capital when calculating the size of the capital base. The accounting policy selected means that Tier 1 capital instruments are classified as shareholders' equity and payments to holders of these instruments, such as interest, are reported via shareholders' equity.

Group | Cash flow statement (SEK thousands)

	Note	2023	2022
Profit/loss before credit losses		1,218,071	1,563,258
Of which interest received		3,818,286	3,008,445
Of which interest paid		-1,077,473	-422,853
Of which dividends		75,379	92,483
Items not included in cash flow:			
Capital gains(losses)/change in value, bonds and other securities		7,057	15,761
Capital gains(losses)/changes in value, promissory notes		15,545	28,485
Capital gains, shares in Group companies		-6,750	36,912
Capital gains(losses)/changes in value, unlisted holdings		-227,786	-297,101
Depreciations, etc.		225,425	176,975
Capital gains/losses – retirement, inventories/buildings and land		1,534	-823
Accrued interest		49,160	15,451
Deferred tax			7,442
Exchange rate differences		102,572	-248,987
Change in value of convertible loans		36,319	
Revaluation of acquired stocks of past-due receivables		-75,768	31,947
Provisions		-10,000	55,000
Participations in associated company's earnings			-215
Income taxes paid		-344,089	-313,798
Cash flow from operating activities before changes in operating assets and liabilities		991,292	1,070,307
Lending to the public		-4,929,331	-4,755,889
Bonds and other securities		6,498	-247,164
Shares and participations		470,105	240,107
Derivative instruments			47,774
Other assets		-31,660	-67,699
Liabilities to credit institutions		264,126	370
Deposits from the public		5,586,264	5,787,408
Other liabilities		301,531	193,140
Change in the operation's assets and liabilities		1,667,532	1,198,047
Cash flow from operating activities		2,658,824	2,268,354
Change in bonds and other securities		-206,806	211,286
Acquisition of shares in Group companies		27,349	-46,358
Sale of shares in Group companies		-795	32,006
Acquisition of intangible assets	K21	-21,630	-33,328
Acquisition of tangible assets	K22	-27,564	-115,404
Sale of tangible assets		190	823
Acquisition of deferred tax assets			-2,740
Cash flow from investing activities		-229,257	46,285

Group | Cash flow statement (SEK thousands), contd.

	Note	2023	2022
New share issue			60,000
Subordinated liabilities		2,070	-958
Issued securities, etc.		300,000	
Expenses, Tier 1 capital instruments		-34,247	-14,582
Dividend		-50,000	-50,000
Withdrawal of shares		-75,000	
Repayment of lease liability		-73,794	-90,345
Cash flow from financing activities		69,028	-95,885
Cash flow for the year		2,498,595	2,218,754
Cash and cash equivalents at beginning of year		5,742,403	3,468,923
Currency effect, cash and cash equivalents		-150,913	54,727
Cash and cash equivalents at year-end		8,090,085	5,742,403
Cash and cash equivalents consist of:			
Cash and balances with central banks		4,998,416	2,503,401
Lending to credit institutions		3,091,668	3,239,002
Cash and cash equivalents at year-end		8,090,085	5,742,403
Cash and cash equivalents not available for use	K35	55,664	41,898

Cash and cash equivalents attributable to Russia as of 31 December 2023 amount to SEK 598,253,000 and are reported in the line Lending to credit institutions.

Notes

NOTE K1 General information

Information about Svea Bank

The annual accounts and consolidated accounts were prepared as of 31 December 2023 and refer to Svea Bank AB (publ), which is a Swedish-registered limited liability banking company with its registered office in Stockholm.

The address of the head office is Evenemangsgatan 31, Solna, Sweden.

The Annual Report and consolidated accounts were approved for issue by the Board of Directors on 23 April 2024. The income statements and balance sheets were presented for adoption by the Annual General Meeting on 23 April 2024.

Unless otherwise stated, all amounts in the financial statements are presented in SEK thousands. The Parent Company's functional currency is SEK.

NOTE K2 Accounting policies

Compliance with standards and laws

The Annual Report and consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL/1995:1559). The Swedish Financial Supervisory Authority's regulations and general advice (FFFS 2008:25) and the Swedish Financial Reporting Board's recommendation RFR 1 Complementary Accounting Rules for Groups are also applied. The Group thus applies legally full IFRS.

Subsidiaries that prepare their own annual reports in accordance with the Annual Accounts Act adjust to comply with ÅRKL/1995:1559 in the consolidated accounts, whereby the item net sales is reported as commission income. All companies in the Group apply uniform accounting policies.

The accounting policies have not changed in relation to the previous year.

In accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, the balance sheet is not divided into non-current and current liabilities and current and non-current assets respectively.

New standards applied by the Group

The bank has conducted a review of the accounting policies described in order to only describe significant accounting policies in accordance with the change in IAS 1 that applies as of 1 January 2023. In connection with this, information about accounting policies has been transferred to each note, with the exception of those policies that do not belong to a specific note, which are set out below. No changes in other standards that came into force during the financial year 2023 have any material impact on the financial statements.

Changes in IFRS that have not yet been applied

None of the changes in the accounting regulations that have been issued for application are considered to have a significant impact on Svea Bank's financial statements, capital adequacy or major expo-

ures. The assessment of IFRS 17, Insurance Contracts, is that Svea Bank does not have material contracts that entail having taken on commitments that meet the definition of insurance contracts that fall within the framework of the area of application for IFRS 17. The standards that come into force for financial years beginning after 1 January 2024 have not been applied in the preparation of these financial statements.

Estimates and significant assessments

Preparing the financial statements requires company management to make assessments and estimates as well as make assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses and off-balance-sheet commitments. These estimates and assumptions are based on past experience and other factors that the management considers fair and reasonable. Certain accounting policies are deemed to be of particular importance for the Group's financial position as they are based on complex, subjective assessments and estimates on the part of management, most of which refer to circumstances that are uncertain. These critical assessments and estimates are primarily attributable to impairment testing of shares in Group companies, shares and participations in associated companies, unlisted shares and participations, goodwill and lending.

Assets and liabilities are reported at cost, unless otherwise stated below.

Consolidated accounts

The consolidated accounts have been prepared by applying the rules of acquisition accounting and comprise the Parent Company and all the companies over which the Parent Company, directly or indirectly, has a controlling influence or significant influence, as the case may be. A controlling influence is assumed to exist when ownership amounts to at least 50% of the votes in the subsidiary company. Associated companies are companies in which the share of votes is between 20% and 50% and/or in which there is a significant influence. A significant influence is the right to take part in decisions concerning the company's financial and operational strategies, although it does not provide a controlling influence over these decisions.

Acquisitions from holdings without a controlling influence are reported as a transaction within equity, i.e. between the Parent Company's owner and the holding without controlling influence.

The subsidiaries' and associated companies' accounting policies have been adjusted where necessary to ensure their conformance with the Group's accounting policies. The equity portion of untaxed reserves is reported in shareholders' equity as retained earnings. The tax portion of untaxed reserves is reported as deferred tax liabilities based on the current tax rate in each country.

Associated companies

Associated companies are reported according to the equity method, which means the participation in the associated company is reported at cost on the acquisition date and is subsequently adjusted by the Group's share of the change in the associated company's net assets.

Translation of foreign currencies

The Parent Company's functional currency and the Group's reporting currency is SEK. Foreign subsidiaries and branches are translated

according to the current method. Foreign subsidiaries prepare their accounts in the local functional currency of the country where they do business. For further information about currencies, see the section on Currency risks in Note K40.

Exchange rate differences attributable to the translation of subsidiaries are reported via comprehensive income in the translation reserve under shareholders' equity.

For the measurement of financial assets and liabilities in foreign currency, the fair values of these currencies are obtained from Riksbanken. One exception is the exchange rate for the rouble, which is obtained from Reuters, as Riksbanken has stopped publishing this.

Financial instruments

IFRS 9 Financial instruments concerns classification and valuation, impairment and general hedge accounting.

In simple terms, the standard means that when a credit is disbursed, Svea Bank reports an impairment and estimates the expected credit losses, which requires additional assessments in respect of changed credit risk and forward-looking information. Svea Bank has classified assets and liabilities, and developed models for the calculation of expected credit losses in accordance with this. Notes K14 and K16 describe credit losses and reserves respectively.

The classification of a financial instrument is determined based on the business model of the portfolio in which the instrument is included and whether cash flows only represent payments of principal and interest.

A small number of promissory note loans have contract terms to the effect that cash flows do not only constitute payment of principal and interest and are therefore reported at fair value via the income statement. Measurement takes into account, among other things, the

date when such a payment flow is expected to arrive, the alternative cost of the capital and the likelihood at which the payment flow may be expected to occur.

A choice has been made to report holdings of bonds at fair value via the income statement, as this was considered to best represent how Svea Bank manages the assets. For the bond portfolio, the number of transactions was the item that had the strongest influence on reporting the portfolio at fair value via the income statement. Svea Bank's portfolio of listed shares was not considered to be a portfolio that was held for trading, but to be a more long-term portfolio, and is therefore reported at fair value via other comprehensive income.

The division of financial instruments measured at fair value into three levels is described in Note K39.

There is no classification or distinction between long-term and short-term instruments respectively in the accounts. All assets and liabilities follow a liquidity presentation.

Financial assets and liabilities

Financial assets in the balance sheet include cash and balances with central banks, lending to credit institutions, lending to the public, bonds and other securities, shares and participations, derivative instruments and accounts receivable.

Financial liabilities in the balance sheet include liabilities to credit institutions, deposits from the public, derivative instruments, accounts payable and subordinated liabilities.

Cash flow statement

The cash flow statement is prepared according to the indirect method.

Cash and cash equivalents consist of Cash and balances with central banks and loans to credit institutions.

NOTE K3 Segment reporting

Accounting policies

Operations are followed up based on geographical areas.

An operating segment is a part of the Group that conducts operations from which it can generate revenues and incur expenses and for which independent financial information is available.

The information is used on a continual basis as a control tool for Svea Bank's CEO and Board in order to evaluate operating profit/loss and to enable allocation of resources to the operating segment.

For Svea Bank, the operating segments are divided into the geographical areas Sweden, Norway, Finland, Eastern Europe and Other Countries. Eliminations pertain to transactions between operating segments and are reported separately. Intra-group sales between seg-

ments take place on market terms. Internal transactions between the geographical regions refer to compensation for services performed, primarily in IT and financing.

Information about geographical areas is provided for those countries where the Group receives income or has assets. Each individual country or group of countries that is significant, i.e. constituting more than 10% of the Group, is reported separately. The division into geographical areas is based on where customers are located and includes Sweden, Norway, Finland and Eastern Europe and Other Countries.

Eastern Europe comprises Russia, Cyprus, Poland, Croatia, Ukraine, Romania, Serbia and Turkey. Other Countries comprises Denmark, Estonia, Lithuania, the Netherlands, Switzerland, Austria, Germany and the USA.

Information by geographical area 2023	Sweden	Norway	Finland	Eastern Europe	Other	Elimination	Total
Interest income	1,991,105	464,365	706,708	557,384	225,634	-126,910	3,818,286
Interest expenses	-907,817	-152,239	-140,089	-3,420	-677	126,769	-1,077,473
Commission income	1,078,895	303,180	225,593	149,006	79,987	-6,990	1,829,672
Commission expenses	-174,317	-6,611	-15,771	-142,245	-5,510	6,990	-337,466
Operating income	2,642,479	617,361	815,772	484,974	393,617	-544,341	4,409,863
Percentage	60%	14%	18%	11%	9%	-12%	100%
Operating expenses	-1,961,119	-346,654	-473,851	-393,766	-220,132	203,731	-3,191,792
Percentage	61%	11%	15%	12%	7%	-6%	100%
Profit/loss before credit losses	681,360	270,707	341,921	91,208	173,486	-340,610	1,218,071
Credit losses, net	-733,424	-98,893	-123,655		-27,019		-982,992
Impairment gains/losses	6,171	-200	22,254	513,461	-4,988		536,699
Impairment charges, financial assets	-96,614					96,614	0
Operating profit/loss	-142,507	171,614	240,520	604,669	141,478	-243,996	771,778
Tax on profit/loss for the year	-4,181	-25,578	-44,028	-157,358	-11,704		-242,850
Profit/loss for the year	-146,688	146,036	196,491	447,311	129,774	-243,996	528,928
Percentage	-28%	28%	37%	85%	25%	-46%	100%
<i>No single customer accounts for more than 10% of the Group's operating income.</i>							
Impairment of goodwill			-40,169				-40,169
Balance sheet items							
Lending to credit institutions	1,010,933	803,208	408,232	740,868	128,427		3,091,668
Lending to the public	19,146,998	4,046,960	6,459,381	2,384,721	1,142,135	-3,772,378	29,407,817
Deposits from the public	24,873,004	4,821,814	6,826,294	2,363,128	1,057,002	-3,772,294	36,168,948
Total assets	32,959,156	5,089,314	7,142,306	3,523,874	1,433,151	-5,115,481	45,032,320
Percentage	73%	11%	16%	8%	3%	-11%	100%

In the item Lending to credit institutions, Eastern Europe, SEK 598 million relates to bank balances in Russia. Of total assets, SEK 1,035 million relates to Russia.

NOTE K3 Segment reporting, contd.

Information by geographical area 2022	Sweden	Norway	Finland	Eastern Europe	Other	Elimination	Total
Interest income	1,434,143	379,656	520,742	608,909	163,302	-98,307	3,008,445
Interest expenses	-335,601	-57,316	-42,222	-64,387	-21,636	98,307	-422,853
Commission income	983,097	278,625	187,241	175,666	61,279	-62,444	1,623,463
Commission expenses	-117,078	-17,523	-32,824	-71,394	-9,978	61,958	-186,839
Operating income	3,049,655	591,406	650,583	762,999	229,060	-823,783	4,459,920
Percentage	68%	13%	15%	17%	5%	-18%	100%
Operating expenses	-1,724,823	-371,508	-369,073	-418,605	-165,075	152,422	-2,896,662
Percentage	60%	13%	13%	14%	6%	-5%	100%
Profit/loss before credit losses	1,324,832	219,898	281,510	344,394	63,985	-671,360	1,563,258
Credit losses, net	-279,103	-14,425	-77,975		-18,420		-389,923
Impairment gains/losses	1,098	28,878	19,007	128,857	7,378		185,218
Impairment charges, financial assets	-191,777					191,777	0
Operating profit/loss	855,049	234,351	222,542	473,251	52,943	-479,583	1,358,552
Tax on profit/loss for the year	-37,177	-50,564	-31,651	-158,216	-12,551	4,740	-285,418
Profit/loss for the year	817,871	183,787	190,891	315,035	40,392	-474,842	1,073,134
Percentage	76%	17%	18%	29%	4%	-44%	100%
<i>No single customer accounts for more than 10% of the Group's operating income.</i>							
Impairment of goodwill	-4,446						-4,446
Balance sheet items							
Lending to credit institutions	1,838,072	576,436	261,178	468,471	94,846		3,239,002
Lending to the public	18,782,787	3,956,602	5,504,412	2,171,674	921,820	-5,787,237	25,550,058
Deposits from the public	23,402,448	4,458,655	5,823,504	1,909,317	803,566	-5,459,534	30,937,956
Total assets	30,642,985	4,725,278	6,026,683	2,959,796	1,113,748	-6,687,888	38,780,601
Percentage	79%	12%	16%	8%	3%	-17%	100%

In the item Lending to credit institutions, Eastern Europe, SEK 377 million relates to bank balances in Russia. Of total assets, SEK 943 million relates to Russia.

NOTE K4 Net interest income

Accounting policies

Interest income

Interest income is accrued over the life of the loan according to the effective interest method and deducted in arrears. Interest income attributable to portfolios of acquired past-due receivables is calculated on the basis of the asset's carrying amount at the beginning of the period after the deduction of expected credit losses at the credit-adjusted effective interest rate.

Transaction expenses attributable to the issuing of loans are reported as part of the loan and accrued over the term of the loan in accordance with the effective interest method.

Leasing income is invoiced monthly or quarterly in advance and is accrued on a straight-line basis for the term of the lease. In the consolidated accounts, financial leases are reported as lending to the public, which means that leasing income is reported as interest income and repayments.

Interest expenses

Interest expenses are directly attributable to financial liabilities and measured at accrued cost. Expenses are calculated and reported by applying the effective interest method.

	2023	2022
Interest income		
Lending to credit institutions	103,560	28,807
Lending to the public	3,623,340	2,969,131
Bonds and other securities	91,387	10,506
Total	3,818,286	3,008,445
Interest expenses		
Liabilities to credit institutions	-19,058	-13,828
Deposits from the public	-1,004,116	-371,389
Issued securities, etc.		-492
Subordinated liabilities	-54,300	-37,143
Total	-1,077,473	-422,853
Total ¹⁾	2,740,813	2,585,592

¹⁾ Net interest income for 2023 was impacted negatively by sales commission of SEK 80,822,000 that had previously been classified as administrative expenses. The corresponding figure for 2022 amounted to SEK 45,053,000. Comparative figures have not been re-classified, as the error is not deemed to have a material impact.

NOTE K5 Dividends received

Accounting policies

Dividend income is reported when the right to receive payment is determined while dividends from other shares and participations are reported when payment is received.

	2023	2022
Dividends from shares and participations	75,379	92,483
Total	75,379	92,483

NOTE K6 Commission income

Accounting policies

Commission income

Income for services rendered is reported in the same month in which the assignment is completed or the service is rendered and at the value expected to be invoiced, which is conducted in arrears.

Subscription income is invoiced on an annual basis in advance and is accrued over the life of the subscription. Income from financial services consists of payment transfers, lending services such as those for processing, notifications and reminders. Income from administrative services consists primarily of VAT, billing and other services such as invoice/ledger service, credit information, monthly subscriptions and annual subscriptions. Regarding income from Debt Collection, income comes from debt collection services.

	2023	2022
Payment brokerage	51,563	55,427
Lending commissions	644,792	550,012
VAT service commissions	8,144	8,343
Billing commissions	64,083	78,756
Debt collection commissions	839,854	758,400
Other commissions	221,237	172,524
Total	1,829,672	1,623,463

NOTE K7 Commission expenses

Accounting policies

Commission expenses are transaction-dependent and relate directly to transactions that are reported as income under commission income. These are expenses for services received to the extent that they are not considered interest and consist of loan commissions.

	2023	2022
Payment brokerage	-120,291	-110,561
Information brokerage	-1,191	-233
Other commissions	-215,984	-76,045
Total	-337,466	-186,839

NOTE K8 Net profit/loss from financial transactions**Accounting policies**

Net profit from financial transactions consists of realised and unrealised changes in value of financial instruments such as unlisted shares, bonds, convertible loans and promissory notes. The item also includes interest income from purchased bonds and exchange rate effects on receivables and liabilities in foreign currency as well as currency derivatives.

	2023	2022
Change in value of promissory notes at fair value	-15,545	-28,485
Unrealised changes in value, unlisted shares and participations	227,786	217,715
Capital gains/losses, shares and participations	-114,336	79,386
Changes in value, treasury bonds acceptable as collateral, etc.		-38
Change in value of convertible loans	-36,319	
Interest income, bonds	58,733	19,997
Impairment of bonds	-8,428	-9,827
Change in value, bonds	6,884	-5,504
Capital gains/losses, bonds and other securities	-170	-50
Total	118,604	273,195
Change in fair value of derivatives	151,585	-70,615
Total	151,585	-70,615
Other exchange rate gains/losses ¹⁾	-291,802	86,387
Total	-291,802	86,387
Total	-21,613	288,967

¹⁾ Also includes exchange rate gains/losses arising in connection with a derivative falling due. Exchange rate effects in respect of Russia amount to SEK -88,394,000 (31,563,000).

NOTE K9 Other Operating income**Accounting policies**

The item refers to income not attributable to other income lines and which is normally reported when the transactions have been completed.

	2023	2022
Profit from sales/acquisitions, Group companies	6,765	-36,912
Profit from sales, fixed assets	33	-2,834
Capitalised expenses	10,107	13,366
Rental income		1,472
Miscellaneous	106,188	82,849
Total	123,093	56,470

NOTE K10 Personnel expenses, etc.**Accounting policies****Remuneration to employees**

Remunerations to employees in the form of salaries, paid vacation, paid sick leave, other short-term remuneration and similar, and pensions are reported as they are earned.

Pension commitments

The Group has only defined contribution plans, which means the Group's obligations are limited to the contributions that it has undertaken to pay to an insurance company. The expenses for defined contribution pension plans are reported in the income statement as the benefits are earned, which normally coincides with the dates on which the pension premiums are paid. Expenses for the special employer's contribution are allocated as they arise.

	2023	2022
Wages, salaries and other remunerations		
to the Board and senior executives	-84,953	-80,530
to other employees	-917,353	-823,552
	-1,002,306	-904,082
Social security expenses	-243,719	-208,548
Pension expenses		
to the Board and senior executives	-9,019	-8,299
to other employees	-75,719	-69,602
	-84,738	-77,901
Other personnel expenses	-62,851	-41,049
Total	-1,393,614	-1,231,580

Remuneration of senior executives**Preparation and decision-making processes**

Remuneration of senior executives is decided by the Board and takes place within the framework of the Group's remuneration policy. The remuneration policy has been drawn up in accordance with the Swedish Financial Supervisory Authority's regulations. See also Pillar 3 report at www.svea.com.

Salaries and fees

Only fixed fees are paid to the Chairman and members of the Board as resolved by the Annual General Meeting. Remuneration to the CEO comprises a basic salary. Other senior executives refers to senior executives in the foreign branches and the 17 (17.5) individuals who together with the CEO comprise the Parent Company's management team. Information relating to senior executives is not provided for each country or business area, as this is not possible without the disclosure of personal data.

NOTE K10 Personnel expenses, etc., contd.

Salaries and remuneration to the Board and senior executives, 2023 ¹⁾	Basic salary, benefits and board fees	Variable remuneration	Pension expenses	Total
Board member, Anders Lidfelt	-2,039			-2,039
Board member, Mats Hellström	-550			-550
Board member, Anders Ingler	-550			-550
Board member, Mats Kärsrud	-500			-500
Board member, Anders Hedberg	-550			-550
Board member, Anna Frick	-500			-500
CEO, Lennart Ågren	-8,634			-8,634
Other senior executives (19 people)	-27,748	-9,598	-5,388	-42,734
Total	-41,071	-9,598	-5,388	-56,057

¹⁾ No severance pay or pension commitments other than defined-contribution fees are paid to the Board, CEO or other senior executives. The period of notice for senior executives in Sweden is prescribed by the Swedish Employment Protection Act. Loans to Board members, the CEO or equivalent senior executives in the Group amount to SEK 9,019,000 (10,208,000). Variable remuneration relates to remuneration paid during the year.

Salaries and remuneration to the Board and senior executives, 2022	Basic salary, benefits and board fees	Variable remuneration	Pension expenses	Total
Board member, Anders Lidfelt	-2,085			-2,085
Board member, Mats Hellström	-550			-550
Board member, Anders Ingler	-550			-550
Board member, Mats Kärsrud	-550			-550
Board member, Anders Hedberg	-550			-550
Board member, Anna Frick	-550			-550
Board member, Arne Liljedahl ¹⁾	-550			-550
CEO, Lennart Ågren	-7,401			-7,401
Other senior executives (19.5 people)	-27,478	-10,184	-6,025	-43,687
Total	-40,114	-10,184	-6,025	-56,322

¹⁾ Arne Liljedahl stood down from his position on the Board in connection with the Annual General Meeting for the financial year 2021.

Average number of full-time equivalent employees	Group	
	2023	2022
Women	1,407	1,383
Men	840	812
Total	2,247	2,195

Number of employees	31/12/2023	31/12/2022
Sweden		
Women	379	357
Men	321	329
	700	686
Norway		
Women	101	110
Men	111	134
	212	244
Finland		
Women	167	151
Men	118	105
	285	256
Denmark		
Women	20	18
Men	12	11
	32	29
Estonia		
Women	14	14
Men	4	5
	18	19
Germany		
Women	6	4
Men	8	7
	14	11
Switzerland		
Women	4	5
Men	5	4
	9	9
Netherlands		
Women	16	15
Men	20	17
	36	32
Ukraine		
Women	110	110
Men	38	44
	148	154
Serbia		
Women	43	49
Men	51	52
	94	101
Russia		
Women	331	383
Men	84	88
	415	471
Poland		
Women	66	57
Men	20	20
	86	77
Romania		
Women	88	99
Men	14	18
	102	117
Croatia		
Women	51	48
Men	19	23
	70	71
Total	2,221	2,277

NOTE K10 Personnel expenses, etc., contd.

Number of Board members and in company management	31/12/2023	31/12/2022
Board members		
Women	4	5
Men	27	23
	31	28
Of whom external members	7	7
Company management (senior executive, CEO)		
Women	6	5
Men	24	24
	31	29

Number of Board members and number in company management also include subsidiaries.

NOTE K11 Other administrative expenses

	2023	2022
Rents and other costs of premises	-60,507	-54,524
Purchased services	-301,579	-239,336
Transport expenses	-15,166	-13,332
Travel	-28,604	-17,035
Advertising, PR, marketing	-228,408	-288,464
Telephony, postage	-134,943	-146,917
Debt collection expenses	-118,664	-95,669
IT expenses	-377,340	-312,376
Other administrative expenses	-278,064	-292,809
Total¹⁾	-1,543,275	-1,460,461

¹⁾ Net interest income for 2023 was impacted negatively by sales commission of SEK 80,822,000 that had previously been classified as administrative expenses. The corresponding figure for 2022 amounted to SEK 45,053,000. Comparative figures have not been re-classified, as the error is not deemed to have a material impact.

NOTE K12 Remuneration to auditors

	2023	2022
BDO Mälardalen AB		
Audit assignment	-2,774	-3,569
Audit activities in addition to audit assignment	-659	-140
Tax advice		-21
Other services		-842
	-3,434	-4,573
BDO foreign auditors		
Audit assignment	-3,222	-3,083
Audit activities in addition to audit assignment	-343	-985
Tax advice	-40	-237
Other services	-217	-76
	-3,821	-4,381
Other auditors		
Audit assignment	-2,155	-2,234
Audit activities in addition to audit assignment	-433	-347
Tax advice	-109	-115
Other services	-36	-1,257
	-2,734	-3,954
Total	-9,989	-12,908

NOTE K13 Amortization/impairments etc.**Accounting policies****Impairment of non-financial assets**

Fixed assets are tested for impairment whenever there is an indication of the need for an impairment. In the case of assets representing cash-generating units, impairments are reported by calculating a value in use. This value in use corresponds to the estimated future cash flows discounted by a factor that takes into account risk-free interest and the risk specific to the asset.

The Group's cash-generating units consist of its subsidiaries and associated companies. The cash flows of each company are used when testing goodwill and the planned residual values of other intangible assets attributable to said Group companies. Forecasts have been produced by company management. The two most important assumptions for which the units' recoverable value is most sensitive are the Group's weighted average cost of capital (WACC) and rate of growth.

	2023	2022
Amortisation and impairment of intangible assets		
Impairment of group-related goodwill	-40,169	-4,446
Amortisation of customer contracts	-4,784	-1,601
Amortization of licenses	-2,461	-1,498
Amortisation of capitalised development expenditures, etc.	-37,517	-51,512
Impairment of capitalised development expenditures, etc.	-31,390	-549
Total	-116,322	-59,606
Amortisation and impairment of tangible assets		
Impairment of building		-17,494
Depreciation of building	-184	-470
Depreciation of computer equipment	-15,153	-13,115
Depreciation of other fixtures and fittings	-14,911	-13,305
Total	-30,247	-44,383
Depreciation and impairments of rights of use		
Depreciation of building	-70,745	-65,932
Depreciation of vehicles	-8,111	-7,054
Total	-78,856	-72,986
Total	-225,425	-176,975

Impairment testing resulted in the impairment of Group goodwill of SEK -40,169 million (-4,446), see also Note K21.

NOTE K14 Net credit losses

Accounting policies

The impairment loss requirements are based on a model for expected credit losses. All assets measured at accrued cost, as well as off-balance sheet commitments, including guarantees and credit commitments, are tested for impairment.

The assets to be tested are divided into three categories in accordance with the general method, depending on the development of credit risk from the date of disbursement. Category 1 comprises assets where there has been no substantial increase in credit risk, category 2 comprises assets where there has been a substantial increase in credit risk and category 3 comprises defaulted assets that have been valued individually or in groups.

Whether the counterparty is late in making payment or whether there are other indications that the risk has changed are both used as indicators of a significant increase in credit risk. The definition of default includes significantly late payments or other indications that repayment is less likely, which is also the definition applied in regulatory reporting.

For acquired portfolios of past-due receivables, impairment gains/losses are reported when changes arise in expected cash flows and deviations arise in actual cash flows compared with forecast cash flows.

The methodology for calculating expected credit losses takes place by means of an estimate for each product area of the parameters probability of default, expected loss in event of default and expected exposure in event of default; the result is then calculated at the current value in order to indicate the value of the expected credit loss. Forward-looking information such as the macroeconomic scenario can also affect the expected loss.

In category 1, reserves for expected credit losses are based on the probability of default over the next 12 months, and in category 2 on the probability of default for the full remaining maturity. Exposures in category 3 are classified as defaulted and are thus assigned factor 1 in respect of the probability of default.

	2023	2022
Change in reserves Stage 1	-31,734	-17,092
Change in reserves Stage 2	-22,889	-5,957
Change in reserves Stage 3	-384,010	-109,531
Total change in reserves	-438,633	-132,580
Write-offs	-596,414	-305,482
Recoveries	52,054	48,139
Credit losses, net	-982,992	-389,923
Impairment gains/losses, acquired portfolios of past-due receivables	536,699	185,218
Net expense of credit losses for the year	-446,294	-204,706

The credit losses are entirely attributable to lending to the public. Credit loss provisions increased in all three stages during the year. In stage 1, this is primarily due to provisions for expected future credit losses attributable to new lending. Provisions in stage 3 have risen as a consequence of an increased proportion of defaults in both private and business lending. Write-offs and to a certain extent also the reserves in stage 3 were negatively affected by the customer in the construction industry that was declared bankrupt during the fourth quarter, to which Svea Bank had one single large exposure. It is our assessment that the stage 3 increase will be stabilised during the first half of 2024 in both private and business lending.

The credit loss level in 2022 was historically low and was also positively affected by a credit loss reserve of SEK 48.5 million attributable to Covid-19 being reversed during the first quarter.

NOTE K15 Tax on profit for the year

Accounting policies

The tax expense (income) for the period consists of current tax and deferred tax. Taxes are reported in the income statement, other comprehensive income or shareholders' equity, depending on where the underlying transaction was reported.

Current tax

Current tax to pay on profit when disposing of listed shares and participations is reported via other comprehensive income. The Group's current tax is calculated according to the tax rates prescribed or announced on the closing date.

Deferred tax

Deferred tax is calculated in accordance with the tax rates that are expected to apply for the period when the asset is recovered or the liability is settled.

Deferred tax is calculated for tax loss carryforwards in Group companies insofar as it is probable that the loss carryforwards will be deducted from surpluses at future taxation. Deferred tax is also calculated on temporary differences, such as changes in untaxed reserves and the fair value reserve and on acquired Group-related surpluses.

In the Estonian Group companies, income tax is not paid until dividends are distributed. Since the companies will not pay any dividends in the foreseeable future, no deferred tax expense or liability has been reported.

	2023	2022
Adjustment for current tax on previous years' earnings	-28,435	-38,708
Current tax on net profit for the year	-193,514	-305,542
Current tax expense	-221,949	-344,249
Temporary differences	-25,220	54,572
Utilisation of tax loss carryforwards	1,375	
IFRS16 effect	1,448	-482
Miscellaneous	1,496	4,741
Deferred tax expense	-20,901	58,831
Total	-242,850	-285,418
Profit before tax	771,778	1,358,552
Tax rate of 20.6% (20.6) as per current tax rate for the Parent Company	-264,445	-393,839
Effect of different tax rates in other countries	6,173	5,670
Non tax-deductible impairments of shares in Group/associated companies	-19,882	-39,506
Non tax-deductible expenses	-84,705	-87,256
Tax-exempt dividends from Group companies	110,414	136,658
Tax-exempt income	69,821	73,094
Utilisation of tax loss carryforwards	8,841	-1,312
Miscellaneous	16,434	7,643
Tax on profit for the year recorded in shareholders' equity	-36,167	-6,695
Current tax on previous years' earnings	-28,435	-38,707
Current tax expense	-221,950	-344,251
Temporary differences	-23,089	54,572
Utilisation of tax loss carryforwards	-756	
IFRS16 effect	1,448	-482
Miscellaneous	1,496	4,741
Deferred tax expense	-20,901	58,831
Tax expense	-242,850	-285,418
Reported effective tax rate	31.5%	21.0%

NOTE K16 Lending to the public**Accounting policies**

Lending to the public is classified as financial assets measured at accrued cost. The item includes lending to private individuals and companies, factoring, acquired but non-mature receivables and portfolios of acquired past-due receivables. The carrying amount of portfolios of acquired past-due receivables is the original amount adjusted for repayments and changes in expected future cash flows calculated and discounted in accordance with the effective interest method based on the originally estimated effective interest rate. Changes in expected cash flows and deviations in actual cash flows compared with forecast cash flows are reported in the income statement as impairment gains/losses.

The Group monitors lending as described in Note K40. Impairment testing takes place in accordance with IFRS 9 Financial Instruments.

	31/12/2023	31/12/2022
Lending to the public	29,407,817	25,550,058
Total	29,407,817	25,550,058

Lending to the public, 31/12/2023	Stage 1	Stage 2	Stage 3	Subtotal	Acquired portfolios of past-due receivables	Total
Private individuals	13,522,625	474,687	1,820,195	15,817,506	2,123,946	17,941,453
Companies	10,556,614	749,892	1,180,912	12,487,418		12,487,418
Loan receivables	24,079,239	1,224,579	3,001,106	28,304,924	2,123,946	30,428,871
Private individuals	-185,957	-60,924	-729,176	-976,058		-976,058
Companies	-133,829	-43,417	-548,799	-726,044		-726,044
Impairment gains/losses, private individuals					681,048	681,048
Reserve for expected credit losses	-319,786	-104,341	-1,277,974	-1,702,102	681,048	-1,021,054
Carrying amount of loan receivables, 31/12/2023	23,759,453	1,120,238	1,723,132	26,602,822	2,804,995	29,407,817
Rate of loss provision, private individuals	1.4%	12.8%	40.1%	6.2%		
Rate of loss provision, companies	1.3%	2.8%	46.5%	5.8%		
Impairment gains/losses, private individuals					-32.1%	
Rate of loss provision, total	1.3%	8.5%	42.6%	6.0%	-32.1%	3.4%

Lending to the public, 31/12/2022	Stage 1	Stage 2	Stage 3	Subtotal	Acquired portfolios of past-due receivables	Total
Private individuals	12,374,587	444,340	1,308,448	14,127,375	2,359,046	16,486,421
Companies	8,802,379	669,615	675,209	10,147,204		10,147,204
Loan receivables	21,176,966	1,113,955	1,983,658	24,274,580	2,359,046	26,633,626
Private individuals	-166,980	-57,962	-550,226	-775,168		-775,168
Companies	-116,301	-25,042	-360,234	-501,577		-501,577
Impairment gains/losses, private individuals					193,178	193,178
Reserve for expected credit losses	-283,282	-83,004	-910,460	-1,276,745	193,178	-1,083,567
Carrying amount of loan receivables, 31/12/2022	20,893,685	1,030,952	1,073,198	22,997,834	2,552,224	25,550,058
Rate of loss provision, private individuals	1.3%	13.0%	42.1%	5.5%		
Rate of loss provision, companies	1.3%	3.7%	53.4%	4.9%		
Impairment gains/losses, private individuals					-8.2%	
Rate of loss provision, total	1.3%	7.5%	45.9%	5.3%	-8.2%	4.1%

NOTE K16 Lending to the public, contd.

Change in reserve for expected credit losses	Stage 1	Stage 2	Stage 3	Subtotal	Acquired portfolios of past-due receivables	Total
Reserve for expected credit losses, 31/12/2022	-283,282	-83,004	-910,460	-1,276,746	193,178	-1,083,567
Increase in reserves, new or acquired loan receivables	-155,171	0	0	-155,171		-155,171
Reduction in reserves, written-off loan receivables	89,390	25,688	153,590	268,668		268,668
Change in reserves as a consequence of changes in credit risk	34,046	-48,576	-681,672	-696,202		-696,202
Reduction in reserves, written-off loan receivables			144,072	144,072		144,072
Impairment gains/losses, acquired stocks of past-due receivables					536,699	536,699
Other adjustments	-4,770	1,551	16,495	13,276	-48,828	-35,552
Reserve for expected credit losses, 31/12/2023	-319,787	-104,341	-1,277,974	-1,702,103	681,048	-1,021,054

Other adjustments relate to exchange rate differences.

NOTE K17 Bonds and other securities

Accounting policies

Bonds and other interest-bearing securities

Bonds and other interest-bearing securities are categorised as financial assets measured at fair value in the income statement. This item

includes interest-bearing securities with fixed or determinable payments and fixed maturities.

Share prices are obtained from Svea Bank's partner banks.

	31/12/2023			31/12/2022		
	Cost	Book value	Fair value	Cost	Book value	Fair value
Issued by public bodies						
Swedish municipalities	1,121,754	1,110,474	1,110,474	1,056,153	1,036,021	1,036,021
Total	1,121,754	1,110,474	1,110,474	1,056,153	1,036,021	1,036,021
Issued by other borrowers						
Swedish financial companies	212,973	210,961	210,961	115,360	113,276	113,276
Foreign issuers	429,207	432,767	432,767	423,610	421,525	421,525
Total	642,180	643,727	643,727	538,970	534,801	534,801
Total	1,763,934	1,754,202	1,754,202	1,595,123	1,570,822	1,570,822
Of which, listed securities	1,763,934	1,754,202	1,754,202	1,595,123	1,570,822	1,570,822
Positive difference; book values exceed nominal values		21,711			18,454	
Nominal values		1,732,491			1,552,368	

NOTE K18 Shares and participations**Accounting policies**

Listed shares and participations are categorised as financial assets and measured at fair value via comprehensive income in the revaluation reserve or fair value reserve under shareholders' equity. Share prices are obtained from Nasdaq OMX.

Unlisted shares and participations are categorised as assets reported at fair value and are posted to the income statement. Hold-

ings of unlisted shares are reported at fair value based on a measurement performed by external independent expertise. The measurement is based in the first instance on the most recently completed transaction. In cases where the transaction is more than 12 months old, a measurement is performed based on measurement multiples for comparable companies (relative valuation) or a discounted cash flow (DCF) valuation.

	31/12/2023		31/12/2022	
	Book value	Fair value	Book value	Fair value
Listed shares and participations				
Opening accumulated cost	2,117,144		3,350,533	
Cost	496,835		424,225	
Proceeds	-899,934		-800,471	
Unrealised change in value	-131,106		-857,143	
Closing accumulated cost	1,582,940	1,582,940	2,117,144	2,117,144
Unlisted shares and participations				
Opening accumulated cost	2,014,634		1,548,069	
Cost	163,441		387,214	
Proceeds			-216,974	
Unrealised change in value	123,709		296,325	
Closing accumulated cost	2,301,783	2,301,783	2,014,634	2,014,634
Total	3,884,723	3,884,723	4,131,778	4,131,778

NOTE K19 Other participations

	31/12/2023	31/12/2022
Opening accumulated cost	3,284	3,284
Purchases	9,200	
Closing accumulated cost	12,484	3,284
Total	12,484	3,284
Of which a share in a housing cooperative in Sälen	12,484	3,284

NOTE K20 Shares and participations in associated companies

	31/12/2023	31/12/2022
Opening accumulated cost	6,000	6,000
Closing accumulated cost	6,000	6,000
Opening profit shares	-1,426	-1,211
Correction of share	9	
Profit shares for the year	-15	-215
Closing accumulated profit shares	-1,432	-1,426
Opening accumulated impairment charges	-4,021	-4,021
Closing accumulated impairment charges	-4,021	-4,021
Total	547	553

	Registered office	Corp. Reg. No.	Number of shares	Per-centage	Nominal value	Book value, Group
Stidner Complete AB	Trollhättan	559065-9537	5,000	33.89%	TSEK 25	547
Total						547

All of the participations are unlisted and the associated companies are reported according to the equity method.

In 2022 and 2023 there were no associated companies of significant importance for the Group.

	31/12/2023	31/12/2022
The Group's share in the income statements and balance sheets in individual associated companies of minor significance amounts to:		
Operating income	818	650
Profit/loss for the year	-15	-215
Assets	199	238
Liabilities	-43	-65

NOTE K21 Intangible assets

Accounting policies

Goodwill

When the recoverable amount is determined, the value in use is established measured as the present value of expected cash flows from the cash-generating units to which goodwill has been allocated. The discount rate used is the risk-free interest rate plus a risk factor. Forecasts of future cash flows are based on Svea Bank's best estimates of future income and expenses for the cash-generating units.

The forecast period for each cash-generating unit is five years with a supplement for subsequent cash flow without growth. The cash flows were discounted to a present value by applying the Group's weighted average cost of capital (WACC) estimated at 8.9% (8.9) per annum after tax, corresponding to 10.9–11.2% (10.8–11.2) before tax for this year's tests. Projected average growth rate per year is approx. 0–16.0% (approx. 6.9–69.0), which reflects past experience and/or estimated reasonable future conditions for each cash-generating unit and Group.

Average forecast growth rates per year divided per segment are 3–16% in Sweden, 0–7% in Finland and 15% in the Other segment (Denmark).

The unchanged WACC is attributable to a higher risk-free interest rate and a capital structure with a reduced proportion of shareholders' equity.

The impairment tests for the year resulted in impairments of the Group's carrying amount for goodwill of SEK 40.2 million (4.4).

The Group's carrying amount for goodwill divided per segment amounts to SEK 118.3 million in Sweden, SEK 150.7 million in Finland, SEK 7.0 million in Other and SEK 0 million in Eastern Europe.

Sensitivity analyses were conducted into WACC and the level of annual growth at which an impairment requirement would exist, which showed there to be adequate room for manoeuvre in the calculated values in use.

The least room for manoeuvre in growth rate and/or in WACC exists in one unit in the Sweden segment. A WACC approx. 4% higher or an annual growth rate approx. 3% lower would result in an impairment of goodwill in this unit.

Other intangible assets

Intangible assets are reported at cost less accumulated amortisation according to plan. Amortisation takes place on a straight-line basis over the assets' useful life.

Capitalisation of development expenses takes place on the condition that the expenses meet the requirement for internally developed intangible assets. This requires the asset to be identifiable, Svea Bank to have control over the asset and the future use of the asset to bring economic benefits. It must also be technically feasible for Svea Bank to use the asset, there must be an intention in complete it and there must be sufficient resources to complete the asset. For an identified intangible asset as described above, all attributable expenses incurred to create and complete the asset are capitalised, such as personnel expenses and consultancy expenses.

Goodwill in assets and liabilities is amortised according to plan over 4-5 years.

Customer relations are amortised according to plan over 2-5 years. Licences are amortised according to plan over 2-5 years.

Capitalised expenses for development work are amortised according to plan over 3-5 years.

	31/12/2023	31/12/2022
Goodwill		
Opening accumulated cost	497,645	492,492
Business combinations		4,446
Exchange rate differences	-25	707
Sales/retirements	-2,937	
Closing accumulated cost	494,682	497,645
Opening accumulated impairment charges	-181,670	-176,787
Sales/retirements	2,937	
Exchange rate differences	128	-437
Impairment charges for the year	-40,169	-4,446
Closing accumulated impairment charges	-218,773	-181,670
Closing residual value	275,909	315,975
Customer contracts		
Opening accumulated cost	141,478	125,899
Capitalised expenses	5,733	14,873
Exchange rate differences	-232	707
Closing accumulated cost	146,979	141,478
Opening accumulated depreciations	-125,473	-123,872
Exchange rate differences	142	
Depreciations for the year	-4,784	-1,601
Closing accumulated depreciations	-130,115	-125,473
Closing residual value	16,864	16,005
Licenses		
Opening accumulated cost	8,215	5,204
Capitalised expenses	1,356	3,301
Reclassifications	912	
Exchange rate differences	-921	51
Sales/retirements	-855	-341
Closing accumulated cost	8,707	8,215
Opening accumulated depreciations	-3,610	-2,144
Sales/retirements	855	41
Reclassifications	-49	
Exchange rate differences	579	-9
Depreciations for the year	-2,461	-1,498
Closing accumulated depreciations	-4,686	-3,610
Opening accumulated impairment charges	0	-307
Sales/retirements		301
Exchange rate differences		6
Closing accumulated impairment charges	0	0
Closing residual value	4,021	4,605
Capitalised development expenses, etc.		
Opening accumulated cost	292,730	249,351
Capitalised expenses	14,541	15,153
Business combinations		20,869
Reclassifications	-912	
Exchange rate differences	-437	7,357
Sales/retirements	-1,025	
Closing accumulated cost	304,897	292,730
Opening accumulated depreciations	-190,634	-133,685
Reclassifications	49	
Exchange rate differences	414	-5,436
Depreciations for the year	-37,517	-51,512
Closing accumulated depreciations	-227,212	-190,634

NOTE K21 Intangible assets, contd.

	31/12/2023	31/12/2022
Opening accumulated impairment charges	-3,048	-2,499
Sales/retirements	549	
Impairment charges for the year	-31,390	-549
Closing accumulated impairment charges	-33,889	-3,048
Closing residual value	43,796	99,049
Total	340,589	435,634

NOTE K22 Tangible assets**Accounting policies**

Property, plant and equipment is reported at cost of acquisition less accumulated depreciation according to plan.

Depreciation is on a straight-line basis over the assets' useful lifetimes, with the exception of leased assets.

The following rates of depreciation are applied for property plant and equipment:

Buildings are depreciated according to plan over 50 years.

Computer equipment is depreciated according to plan over 3-5 years.

Other fixtures and fittings are depreciated according to plan over 5-10 years.

Lessor

Leases concluded as lessor are classified in the consolidated accounts as financial and are therefore reported as receivables from the lessee under Lending to the public in an amount equivalent to the net investment according to the lease. The leasing payment is reported as repayment of receivables and as interest income. The income is spread to achieve an even return during each period of reported net investment.

	31/12/2023	31/12/2022
Buildings		
Opening accumulated cost	54,600	169,967
Reclassifications	-38,354	
Purchases	2,337	51,848
Exchange rate differences	17	56
Sales/retirements	-202	-167,271
Closing accumulated cost	18,399	54,600
Opening accumulated depreciations	-744	-22,359
Sales/retirements	202	39,617
Exchange rate differences	-164	-38
Impairment charges for the year		-17,494
Depreciations for the year	-184	-470
Closing accumulated depreciations	-889	-744
Land		
Opening accumulated cost	18,297	45,756
Reclassifications	38,354	
Purchases	179	
Sales/retirements		-27,459
Closing accumulated cost	56,830	18,297
Closing residual value according to plan	74,339	72,153

The tax assessment value of buildings amounts to SEK 10,515,000 (3,684,000). The tax assessment value of land amounts to SEK 15,325,000 (15,325,000).

Impairments are reported when the fair value of the property is less than the book value.

	31/12/2023	31/12/2022
Fixtures and fittings		
Opening accumulated cost	328,477	263,805
Reclassification	-2,156	178
Purchases	25,047	63,556
Business combinations	3,299	
Exchange rate differences	-1,884	6,558
Sales/retirements	-2,768	-5,620
Closing accumulated cost	350,015	328,477
Opening accumulated depreciations	-215,492	-188,843
Reclassification	611	-178
Sales/retirements	2,562	4,612
Business combinations	-3,299	
Exchange rate differences	1,587	-4,663
Depreciations for the year	-30,064	-26,420
Closing accumulated depreciations	-244,095	-215,492
Closing residual value according to plan	105,919	112,985
Total	180,259	185,137

NOTE K23 Leasing

Accounting policies

IFRS 16 is applied in the Group. All leases are reported as an asset (right of use) and as a liability (lease liability) in the balance sheet from the date on which the leased asset is available for use by the Group. The calculation of liability for a leased asset is based on the current value of the remaining lease charges, discounted by the marginal loan rate.

Leases that run for less than twelve months, so-called short-term leases, or leases that involve a low-value lease, are exempted and are not included in the determination of liability or right-of-use asset, but are reported as expenses on a straight-line basis in the income statement. Low-value leases include IT and office equipment.

In the income statement, an expense for depreciation of the leased asset and an interest expense attributable to the lease liability are reported.

Leases relate mainly to office premises and company cars. The expected term of the lease for most premises is 1-10 years and normally includes the facility to extend. Car leases usually of a fixed term of less than 5 years. Residual value guarantees or options to purchase are not normally used. Changes to leases arise in connection with, for example, the term of the lease being adjusted.

Rights of use	31/12/2023	31/12/2022
Buildings		
Opening accumulated cost	524,795	410,850
New contracts	3,906	299,520
Terminated contracts	-4,568	-111,039
Effects of changes to agreements	49,780	-84,912
Exchange rate differences	-9,725	10,376
Closing accumulated cost	564,187	524,795
Opening accumulated depreciations	-139,161	-176,912
Depreciations	-70,745	-65,932
Terminated contracts	4,568	108,884
Exchange rate differences	4,962	-5,201
Closing accumulated depreciations	-200,376	-139,161
Closing book value	363,811	385,634
Vehicles		
Opening accumulated cost	28,803	24,133
New contracts	12,052	7,019
Terminated contracts	-9,698	-4,577
Effects of changes to agreements	1,644	1,590
Exchange rate differences	-109	638
Closing accumulated cost	32,693	28,803
Opening accumulated depreciations	-17,303	-13,548
Terminated contracts	8,148	3,643
Depreciations	-8,111	-7,054
Exchange rate differences	5	-344
Closing accumulated depreciations	-17,261	-17,303
Closing book value	15,433	11,500
Total	379,244	397,134

Lease liabilities	31/12/2023	31/12/2022	
Buildings			
Opening lease liability	388,040	240,408	
New contracts	3,906	299,520	
Terminated contracts	2	-2,425	
Effects of changes to agreements	49,780	-84,912	
Repayment	-81,916	-82,222	
Interest expense	17,186	12,391	
Exchange rate differences	-5,104	5,281	
Closing lease liability	371,893	388,040	
Vehicles			
Opening lease liability	11,126	10,474	
New contracts	12,052	7,019	
Terminated contracts	-1,081	-513	
Effects of changes to agreements	1,644	1,590	
Repayment	-8,859	-8,123	
Interest expense	654	358	
Exchange rate differences	-106	320	
Closing lease liability	15,431	11,126	
Total	387,324	399,166	
Maturities of lease liabilities			
Within one year	87,187	86,521	
Later than one year	300,137	312,645	
Total	387,324	399,166	
2023	Buildings	Vehicles	Total
Payments in current year:	81,916	8,859	90,776
<i>Future payments (non-discounted):</i>			
Within one year	82,282	8,390	90,672
Between one and two years	75,741	5,570	81,311
Between two and five years	180,391	2,612	183,003
Later than five years	88,525		88,525
Total	426,939	16,571	443,510
Number of leases	37	102	139
2022	Buildings	Vehicles	Total
Payments in current year:	82,222	8,123	90,345
<i>Future payments (non-discounted):</i>			
Within one year	80,951	6,653	87,604
Between one and two years	78,476	3,627	82,103
Between two and five years	162,002	1,541	163,544
Later than five years	119,916		119,916
Total	441,345	11,821	453,166
Number of leases	34	94	128
Impact on earnings of IFRS 16	31/12/2023	31/12/2022	
Interest expenses	-17,774	-12,749	
Net interest income	-17,774	-12,749	
Net profit from financial transactions	-68	-18	
Operating income	-17,842	-12,768	
Depreciation/amortisation and impairments of tangible and intangible assets	-78,856	-72,986	
Other administrative expenses	89,529	89,491	
Operating expenses	10,673	16,505	
Operating profit/loss	-7,169	3,737	
Tax on profit for the period	1,448	-482	
Total effect on profit	-5,722	3,256	

NOTE K24 Deferred tax asset/liability**Accounting policies**

Deferred tax assets are reported in the balance sheet in respect of tax loss carryforwards, and all deductible temporary differences to the extent that it is probable that the amounts can be utilised against future taxable surpluses. The carrying value of deferred tax assets is reviewed in connection with the year-end accounts and is reduced to the extent that it is no longer probable that there will be sufficient taxable surpluses available that can be utilised. Deferred tax is calculated in accordance with the tax rates that are expected to apply for the period when the asset is recovered or the liability is settled. Both deferred and current tax assets and liabilities are offset when they are attributable to income tax that is charged by the same tax agency.

	31/12/2023	31/12/2022
Lending to the public ²⁾	137,193	131,619
Shares and participations		23,848
Tangible assets	286	646
Rights of use ¹⁾	4,613	2,933
Other assets/liabilities	4,886	4,731
Tax loss carryforwards	96,478	96,595
Deferred tax assets	243,457	260,371
Lending to the public	-4,896	-3,149
Bonds and other securities	285	
Shares and participations	18,225	-17,482
Intangible assets	-5,634	-7,130
Other assets/liabilities	-68,075	-39,137
Deferred tax liabilities	-60,096	-66,898
Net	183,361	193,473
Lending to the public	21,611	52,174
Bonds and other securities	-317	1,212
Shares and participations		-199
Tangible assets	-12	-19
Intangible assets	1,496	2,603
Rights of use	1,448	845
Other assets/liabilities	-44,436	13,399
Tax loss carryforwards	-690	-11,184
Change reported in income statement	-20,901	58,831
Change, deferred tax fair value fund	27,008	176,771
Exchange rate differences	-17,843	-4,739
Reported directly against shareholders' equity	9,165	172,032
Acquired deferred tax assets	1,631	1,415
Acquired deferred tax liabilities		-4,299
Total changes	-10,105	227,979
Unutilised tax losses	467,626	462,435
Reported deferred tax assets	96,478	97,121

¹⁾ Deferred tax in leasing is reported net in the table above. The gross amounts are:

Deferred tax on rights of use	82,174	84,332
Deferred tax on lease liability	-77,560	-81,399
	4,613	2,933

²⁾ Deferred tax on Lending to the public arises due to temporary differences arising in the valuation in accordance with IFRS 9, see also disclosure in Note K16 Lending to the public.

NOTE K25 Derivative instruments**Accounting policies**

Derivative instruments are classified as financial assets or liabilities measured at fair value in the income statement. Changes in fair value are reported as net profit/loss from financial transactions in the income statement. If the fair value of an individual contract is positive, it is reported as an asset. If the fair value of an individual contract is negative, the derivative instrument is reported as a liability. Svea Bank's derivative instruments consist of currency swaps and constitute hedging of net positions primarily in NOK, EUR and USD.

The fair values of derivative instruments in the form of currency swaps/currency forward contracts are based on market values from an external partner bank. Hedge accounting is not applied.

	31/12/2023	31/12/2022
Derivatives for hedging fair value – not hedge accounted		
Foreign exchange-related contracts		
Swaps	5,853,666	2,799,680
Total	5,853,666	2,799,680
Foreign exchange distribution of market values		
EUR	4,185,055	1,156,947
NOK	791,739	781,599
DKK	53,792	
USD	560,408	782,539
CHF	43,252	11,290
GBP	35,814	50,199
Total	5,670,060	2,782,573
Positive value of foreign exchange-related contracts	183,606	17,106

NOTE K26 Other assets**Accounting policies****Accounts receivable**

Accounts receivable are categorised as financial assets valued at accrued cost and comprise a portion of other assets.

	31/12/2023	31/12/2022
Accounts receivable	98,423	125,968
Current tax assets	122,635	69,158
Deduction, non-payment of funds	38,390	11,765
Receivables from card companies	33,070	14,012
Outlay to authorities	29,098	24,790
Value-added tax	1,221	1,716
Other receivables	83,117	147,470
Total	405,954	394,878

NOTE K27 Prepaid expenses and accrued income

	31/12/2023	31/12/2022
Commission income	19,688	26,063
Rental/subscription expenses	16,628	13,924
Consultancy fees	37,264	
Other expenses	75,776	51,455
Total	149,355	91,442

NOTE K28 Liabilities to credit institutions

Accounting policies

Liabilities to credit institutions are classified as financial liabilities and measured at accrued cost. The item comprises bank loans and loans from other credit institutions.

Liabilities to credit institutions increased as a consequence of positive market values for currency hedges at the year-end.

	31/12/2023	31/12/2022
Granted credit	422,192	423,299
Unutilised credit facilities	-422,192	-422,257
Other (in currency hedging)	265,200	
Total	265,200	1,042

NOTE K29 Deposits from the public

Accounting policies

Deposits from the public are classified as financial liabilities and measured at accrued cost. The item comprises deposits from both private individuals and companies.

	31/12/2023	31/12/2022
Deposits from the public, private individuals	31,620,368	28,167,954
Deposits from the public, companies	4,548,579	2,770,002
Total	36,168,948	30,937,956

NOTE K30 Derivative instruments

Accounting policies

Derivative instruments are classified as financial assets or liabilities measured at fair value in the income statement. Changes in fair value are reported as net profit/loss from financial transactions in the income statement. If the fair value of an individual contract is positive, it is reported as an asset. If the fair value of an individual contract is negative, the derivative instrument is reported as a liability. Svea Bank's derivative instruments consist of currency swaps and constitute hedging of net positions primarily in NOK, EUR, USD, RON and PLN.

The fair values of derivative instruments in the form of currency swaps/currency forward contracts are based on market values from an external partner bank. Hedge accounting is not applied.

	31/12/2023	31/12/2022
Derivatives for hedging fair value – not hedge accounted		
Foreign exchange-related contracts		
Swaps	2,902,740	6,649,663
Total	2,902,740	6,649,663
Foreign exchange distribution of market values		
EUR	1,525,247	5,213,731
NOK	345,686	954,463
DKK	113,581	148,210
USD	265,462	
GBP	12,762	
RON	223,705	
RUB		170,777
PLN	448,322	218,578
CHF		31,627
Total	2,934,765	6,737,385
Negative value of foreign exchange-related contracts	32,025	87,722

NOTE K31 Other liabilities

Accounting policies

Accounts payable

Accounts payable are classified as other financial liabilities and measured at accrued cost. The item forms part of other liabilities.

	31/12/2023	31/12/2022
Accounts payable	177,942	126,700
Tax liability	52,674	130,407
Deduction, non-disbursed funds	21,653	22,636
Retained income taxes	235,382	110,537
Value-added tax	42,888	28,940
Other liabilities	142,743	96,486
Total	673,281	515,706

NOTE K32 Accrued expenses and deferred income

	31/12/2023	31/12/2022
Interest income	102,419	54,977
Leasing income	61,632	49,884
Commission income	5,313	4,362
Commission expenses	14,218	13,168
Personnel expenses	176,853	161,211
Other administrative expenses from authorities	61,941	38,798
Other administrative expenses	126,160	129,807
Total	548,536	452,207

NOTE K33 Provisions**Accounting policies**

Provisions for legal claims are reported when the Group has a legal or informal obligation as a consequence of previous events, it is likely that an outflow of resources will be required to settle the obligation and the amount has been calculated reliably. Provisions for 2022 related to sanctions, of which SEK 10 million was issued by the Swedish Consumer Agency and SEK 45 million by the Swedish Financial Supervisory Authority. Both decisions were appealed, and in 2023 the Administrative Court found in favour of Svea Bank versus the Swedish Consumer Agency, and SEK 10 million was reversed.

	31/12/2023	31/12/2022
Legal claims		
Opening provisions	55,000	
Provisions added		55,000
Reversed provisions	-10,000	
Closing accumulated provisions	45,000	55,000

NOTE K34 Subordinated liabilities**Accounting policies**

Subordinated liabilities are classified as other financial liabilities and valued at accrued cost. This item relates to subordinated Tier 2 bonds that were issued.

	31/12/2023	31/12/2022
Bond loans		
Opening accumulated cost	598,724	899,682
AT1 bond, change of accounting policy ¹⁾		-303,112
Capitalised interest	2,070	2,154
Closing accumulated cost	600,794	598,724
Total	600,794	598,724

¹⁾ AT1 bond is reported in shareholders' equity.

Tier 2 bonds

On 3 September 2020, the Parent Company issued a 10-year subordinated bond loan in the nominal amount of SEK 300,000,000 which will fall due on 10 September 2030. The financial instrument was registered with the Nasdaq OMX Stockholm in October 2020. The bond is subordinate to other debt and can be included in the capital base as supplementary capital according to current regulations. It may not be redeemed before 10 September 2025 and will run with a floating rate note (FRN) of STIBOR 3 months +6.15% per annum. Interest payments will be made on 10 March, 10 June, 10 September and 10 December. The Parent Company may elect to redeem the loan prematurely, but this will require the Swedish Financial Supervisory Authority's approval. Early redemption may also take place if the capital adequacy regulations are changed and no longer permit the inclusion of the bond in the capital base. The Parent Company will repay the nominal amount including accrued interest for all outstanding bonds under the loan on the due date. Interest expenses during the year for the bond loan amounted to SEK 29,215,000 (20,548,000). Other transaction expenses in connection with the issue amounted to SEK 4,000,000 and are accrued until 10 September 2025.

On 20 June 2019, the Parent Company issued a 10-year subordinated bond loan in the nominal amount of SEK 300,000,000 which will fall due on 20 June 2029. The financial instrument was registered with the Nasdaq OMX Stockholm in July 2019. The bond is subordinate to other debt and can be included in the capital base as supplementary capital according to current regulations. It may not be redeemed before 20 June 2024 and will run with a floating rate note (FRN) of STIBOR 3 months +4.25% per annum. Interest payments will be made on 20 March, 20 June, 20 September and 20 December. The Parent Company may elect to redeem the loan prematurely, but this will require the Swedish Financial Supervisory Authority's approval. Early redemption may also take place if the capital adequacy regulations are changed and no longer permit the inclusion of the bond in the capital base. The Parent Company will repay the nominal amount including accrued interest for all outstanding bonds under the loan on the due date. Interest expenses during the year for the bond loan amounted to SEK 23,485,000 (14,996,000). Other transaction expenses in connection with the issue amounted to SEK 4,000,000 and are accrued until 20 June 2024.

NOTE K35 Pledged assets

Accounting policies

Pledged assets

Pledged assets are reported in connection with the signing of contracts. In the case of pledged assets, the book value of the asset pledged as collateral is reported.

Safeguarding receivables

When pledged assets are considered insufficient and there is a manifest risk that a loss might otherwise be incurred, the loan receivable may be protected through acquisition of the counterparty's business (Banking and Financing Business Act, Chapter 7). Acquired property must be disposed of when appropriate with regard to market conditions, however not later than when this can be done without loss.

	31/12/2023	31/12/2022
Pledges and other comparable assets pledged for own liabilities and for liabilities reported as provisions		
Lending to the public	470,280	369,653
Total	470,280	369,653
Other assets pledged and comparable collateral		
Lending to credit institutions	55,664	41,898
Other assets	26,562	9,680
Total	82,226	51,578
Total	552,506	421,231

Pledges and other comparable assets pledged for own liabilities and for liabilities reported as provisions

The subsidiary Svea Finans Nederland BV has pledged its outstanding purchased receivables of SEK 470,280,000 (369,653,000) as collateral for a credit limit granted by ABN Amro Bank in the amount of EUR 2 million (2). The above assets will remain pledged until the credit agreement ceases.

Other assets pledged and comparable collateral

The subsidiaries Svea Finans Nederland BV and Svea Perintä OY pledged cash and cash equivalents as collateral for bank guarantees issued by ABN Amro Bank and Nordea in the amounts of SEK 474,000 (518,000) and SEK 675,000 (677,000) in respect of office space rentals. The above assets will remain pledged until the collaboration agreement or rental agreement expires.

Through Svea Bank AB filial i Finland acting as a credit institution, the Parent Company deposited SEK 54,516,000 (40,703,000) with Finlands Bank in a so-called reserve account. This sum amounts to 1% of the branch's borrowing from the Parent Company in Sweden at the month end two months before the end of the closing day, in respect of a deduction of EUR 100,000. The above assets will remain pledged until the deposit arrangement or the business operation expires.

The Parent Company has deposited USD 2,600,000 (900,000) with MasterCard, corresponding to SEK 26,562,000 (9,680,000), as collateral for commitments associated with Svea Bank's card operations. The above assets will remain pledged until the collaboration agreement ceases.

NOTE K36 Contingencies

Accounting policies

Contingent liabilities

Guarantee commitments are reported off the balance sheet as contingencies. Insofar as it is considered necessary to realize guarantee commitments, they are reported as provisions in the balance sheet and as credit losses in the income statement, as the case may be.

Commitments

Loan commitments are reported off the balance sheet as contingencies. In this context, a loan commitment refers to a unilateral undertaking by Svea Bank to issue a loan on predetermined terms and conditions that allow the borrower to choose whether to raise the loan or not. The normal procedure for Svea Bank is for future payment to be conditional upon the trend forecast regarding the borrower's ability to repay when the contract was signed not deteriorating significantly. Should such a significant deterioration exist, the loan commitment may be revoked. Accordingly, loan commitments are risk-weighted at 0% when calculating capital requirements for Svea Bank and the Financial Companies Group, as said loan commitments are often subject to new credit checks if any disbursement is made in the future. Commitments relating to overdraft facilities and credit cards are, however, risk-weighted at 20%.

	31/12/2023	31/12/2022
Contingent liabilities		
Guarantee commitments, external	11,346	13,129
Total	11,346	13,129
Commitments		
Granted credit	35,230,605	30,783,661
Disbursed credit ¹⁾	-30,428,871	-26,633,626
Total	4,801,734	4,150,035
Total	4,813,080	4,163,164

¹⁾ Refers to lending to the public before provision for expected credit losses.

NOTE K37 Business combinations**Accounting policies**

Subsidiaries are reported according to the acquisition method, which means acquired, identifiable assets, liabilities and contingencies are measured at fair value on the acquisition date.

The surplus that consists of the difference between the cost of the acquired participations and the total fair value of the acquired, identifiable net assets is reported as goodwill. If the cost is less than the fair value of the acquired subsidiary's net assets, the difference (negative goodwill) is reported directly in the income statement as a profit from acquisition at low price in the item Other operating income.

During 2023

Taking possession on 30 September 2023, Svea Bank AB acquired the shares in the company Svea Rahoitus OY (formerly Intrum Rahoitus OY). The company conducts factoring operations in Finland.

According to the acquisition analysis, the total value of the assets and liabilities were as follows:

Svea Rahoitus OY	Carrying amount in Svea Rahoitus OY at acquisition	Adjustments	Fair value reported in Group
Lending to credit institutions	68,185		68,185
Lending to the public	282,307		282,307
Intangible assets, goodwill ¹⁾		-7,029	-7,029
Tangible assets	811		811
Other assets	1,165		1,165
Deferred tax assets	1,750		1,750
Assets	354,217	-7,029	347,188
Deposits from the public	-322,815		-322,815
Other liabilities	-4,723		-4,723
Accrued expenses and prepaid income	-2,972		-2,972
Liabilities	-330,510	0	-330,510
Net assets	23,706	-7,029	16,677
Acquisition expenses ²⁾			889
Transferred reimbursement including acquisition expenses			17,566
Acquired element of lending to credit institutions			68,185
Effect of Group lending to credit institutions			50,618

¹⁾ Acquisition at low price, hence negative goodwill of SEK 7,029,000. The item was posted as income in the income statement.

²⁾ Acquisition expenses were charged to the item Other administrative expenses and thus consolidated operating income during 2023.

Svea Rahoitus OY affected the Group's operating income for the period by SEK 16,515,000 and the operating profit by SEK 12,562,000.

If Svea Rahoitus OY had been owned for the full year 2023, consolidated operating income would have been affected by SEK 48,282,000 and the operating profit by SEK 15,782,000.

During 2022

Taking possession on 1 November 2022, Svea Bank AB acquired the remaining shares in Zlantar of Sweden AB. The company provides an app in which the consumer can collect and manage their private finances, and can also compare and improve their agreements and finances. In connection with this acquisition, values such as an IT platform and tax loss carryforwards were identified. According to the acquisition analysis, the total value of the assets and liabilities were as follows:

Zlantar of Sweden AB	Carrying amount in Zlantar of Sweden AB at acquisition	Adjustments	Fair value reported in Group
Lending to credit institutions	89		89
Intangible assets, IT platform		20,869	20,869
Intangible assets, goodwill		4,446	4,446
Other assets	868		868
Deferred tax assets		1,415	1,415
Assets	957	26,730	27,687
Other liabilities	-2,789		-2,789
Deferred tax liability		-4,299	-4,299
Liabilities	-2,789	-4,299	-7,088
Net assets	-1,832	22,431	20,599
Acquisition expenses ¹⁾			467
Transferred reimbursement including acquisition expenses			21,068
Acquired element of lending to credit institutions			89
Effect of Group lending to credit institutions			-20,977

¹⁾ Acquisition expenses were charged to the item Other administrative expenses and thus consolidated operating income during 2022.

Zlantar of Sweden AB affected the Group's operating income during the period November–December 2022 by SEK 1,324,000 and the operating profit by SEK 2,349,000. If Zlantar of Sweden AB had been owned for the full year 2022, consolidated operating income would have been affected by SEK -508,000 and the operating profit by SEK -9,001,000.

NOTE K38 Financial instruments – classification of financial assets and liabilities

31/12/2023	Fair value via the income statement						
	Accrued cost of acquisition	Mandatory	Derivatives identified as hedging instruments	Fair value via comprehensive income	Non-financial assets/liabilities	Total carrying amount	Fair value
Cash and bank balances with central banks	4,998,416					4,998,416	4,998,416
Lending to credit institutions	3,091,668					3,091,668	3,091,668
Lending to the public	29,382,340	25,477				29,407,817	29,407,817
Bonds and securities		1,754,202				1,754,202	1,754,202
Shares and participations		2,301,783		1,582,940		3,884,723	3,884,723
Derivative instruments			183,606			183,606	183,606
Other assets, accounts receivable	98,423					98,423	98,423
Financial assets	37,570,847	4,081,462	183,606	1,582,940	0	43,418,855	43,418,855
Other participations					12,484	12,484	12,484
Shares and participations in associated companies					547	547	547
Intangible assets					340,589	340,589	340,589
Tangible assets					180,259	180,259	180,259
Rights of use					379,244	379,244	379,244
Deferred tax assets					243,457	243,457	243,457
Other assets					307,531	307,531	307,531
Prepaid expenses/accrued income					149,355	149,355	149,355
Assets	37,570,847	4,081,462	183,606	1,582,940	1,613,465	45,032,320	45,032,320
Liabilities to credit institutions	265,200					265,200	265,200
Deposits from the public	36,168,948					36,168,948	36,168,948
Derivative instruments			32,025			32,025	32,025
Lease liabilities	387,324					387,324	387,324
Other liabilities, accounts payable	177,972					177,942	177,942
Subordinated liabilities	600,794					600,794	598,650
Financial liabilities	37,600,207	0	32,025	0	0	37,632,232	37,630,089
Other liabilities					495,340	495,340	495,340
Accrued expenses/prepaid income					548,536	548,536	548,536
Deferred tax liability					60,096	60,096	60,096
Provisions					45,000	45,000	45,000
Liabilities	37,600,207	0	32,025	0	1,148,971	38,781,203	38,779,061
Shareholders' equity					6,251,117	6,251,117	6,251,117
Total liabilities and shareholders' equity						45,032,320	45,030,178

NOTE K38 Financial instruments – classification of financial assets and liabilities, contd.

31/12/2022	Fair value via the income statement				Non-financial assets/ liabilities	Total carrying amount	Fair value
	Accrued cost of acquisition	Mandatory	Derivatives identified as hedging instruments	Fair value via comprehensive income			
Cash and bank balances with central banks	2,503,401					2,503,401	2,503,401
Lending to credit institutions	3,239,002					3,239,002	3,239,002
Lending to the public	25,533,485	16,573				25,550,058	25,550,058
Bonds and securities		1,570,822				1,570,822	1,570,822
Shares and participations		2,014,633		2,117,145		4,131,778	4,131,778
Derivative instruments			17,106			17,106	17,106
Other assets, accounts receivable	125,968					125,968	125,968
Financial assets	31,401,856	3,602,028	17,106	2,117,145	0	37,138,136	37,138,136
Other participations					3,284	3,284	3,284
Shares and participations in associated companies					553	553	553
Intangible assets					435,634	435,634	435,634
Tangible assets					185,137	185,137	185,137
Rights of use					397,134	397,134	397,134
Deferred tax assets					260,371	260,371	260,371
Other assets					268,910	268,910	268,910
Prepaid expenses/ accrued income					91,442	91,442	91,442
Assets	31,401,856	3,602,028	17,106	2,117,145	1,642,466	38,780,601	38,780,601
Liabilities to credit institutions	1,042					1,042	1,042
Deposits from the public	30,937,956					30,937,956	30,937,956
Derivative instruments			87,722			87,722	87,722
Lease liabilities	399,166					399,166	399,166
Other liabilities, accounts payable	126,700					126,700	126,700
Subordinated liabilities	598,724					598,724	596,400
Financial liabilities	32,063,588	0	87,722	0	0	32,151,310	32,148,986
Other liabilities					389,005	389,005	389,005
Accrued expenses/ prepaid income					452,207	452,207	452,207
Deferred tax liability					66,898	66,898	66,898
Provisions					55,000	55,000	55,000
Liabilities	32,063,588	0	87,722	0	963,110	33,114,420	33,112,096
Shareholders' equity					5,666,181	5,666,181	5,666,181
Total liabilities and shareholders' equity						38,780,601	38,778,277

NOTE K39 Fair value – measurement levels

The tables below provide information on how fair value is determined for the financial instruments measured at fair value in the balance sheet. The financial instruments referred to are lending to the public (part of item, see also below), bonds and other securities, shares and participations, and derivative instruments. For lending and deposits with variable interest rates, which are reported at accrued cost, carrying amount is deemed to correspond with fair value. Subordinated liabilities are reported at accrued cost, fair value amounts to SEK 598,650,000 (596,400,000). Fair value is determined on the basis of the following three levels:

Level 1: according to prices listed in an active market for the same instruments (see also Note 1).

Level 2: according to measurement techniques/models, directly or indirectly based on observable market data, and which are not included in level 1.

Level 3: based on input data not observable in the market. Refers to unlisted shares and participations, as well as promissory notes in which the contract terms may give rise to payment flows that do not fully comprise interest and repayment. These promissory notes are reported in the item Lending to the public. Fair values are deemed to correspond to carrying amounts.

31/12/2023	Level 1	Level 2	Level 3	Total
Lending to the public			25,477	25,477
Bonds and other securities	1,754,202			1,754,202
Shares and participations	1,587,160	46,000	2,251,563	3,884,723
Derivative instruments		183,606		183,606
Financial assets	3,341,361	229,606	2,277,041	5,848,008
Derivative instruments		32,025		32,025
Financial liabilities		32,025		32,025
31/12/2022	Level 1	Level 2	Level 3	Total
Lending to the public			16,573	16,573
Bonds and other securities	1,570,822			1,570,822
Shares and participations	2,120,955	12,123	1,998,700	4,131,778
Derivative instruments		17,106		17,106
Financial assets	3,691,777	29,229	2,015,273	5,736,280
Derivative instruments		87,722		87,722
Financial liabilities		87,722		87,722

Level 3

The fair value of unlisted shares and participations, with just a few exceptions, is reported at fair value based on a measurement performed by external independent expertise. The measurement is based in the first instance on the most recently completed transaction.

In cases where the transaction is more than 12 months old, a measurement is performed based on measurement multiples for comparable companies (relative valuation) or a discounted cash flow (DCF) valuation.

Svea Bank's investments in unlisted shares and participations relate primarily to Sweden and are distributed across different industries, primarily finance and property, but also telecoms and other services.

Svea Bank considers the holdings to be long-term investments and does not intend to dispose of them.

	Lending to the public	Shares and participations	Total
Closing balance 31/12/2021	23,491	1,548,069	1,571,560
Acquisition cost		347,963	347,963
Proceeds		-207,491	-207,491
Exchange rate differences	681	10,339	11,019
Reclassification	35,932	-33,487	2,445
Revaluation	-23,098	333,307	310,209
Repayment	-19,900		-19,900
Confirmed loss	-532		-532
Closing balance 31/12/2022	16,573	1,998,700	2,015,273
Acquisition cost		177,813	177,813
New lending	48,500		48,500
Proceeds		-20	-20
Exchange rate differences	-26	-3,031	-3,057
Reclassification	759		759
Revaluation	-40,328	181,586	141,257
Confirmed loss		-103,484	-103,484
Closing balance 31/12/2023	25,477	2,251,563	2,277,041

NOTE K40 Financial risks**Credit risks**

Credit risk is defined as the risk of loss due to the failure of Svea Bank's counterparty to fulfil its contractual obligations and that any collateral provided will not cover the amount due to Svea Bank. The risk arises primarily through various types of lending to the public (companies and private individuals) and through the issuance of guarantees. Credit is granted based on the counterparty's financial position and ability to pay, and that there is good reason to expect the counterparty will meet its obligations.

Credit risk policy and organisation

Svea Bank's credit risk policy describes such things as the approach, organisation, responsibility and process required for a credit decision and for monitoring credits issued. In this case the Group is divided into credit units where each unit's management is responsible for ensuring that credit processing complies with applicable credit risk regulations. This policy and its associated instructions are based on the assessment that credit decisions require local expertise, and are thus best dealt with in a decentralised organisation. Credit unit operations differ in many respects regarding both their nature and their respective legal environments. Accordingly, a credit unit's management may decide on specific application instructions on the condition that requirements are met. The local units also have support from a central Group credit function.

Credit process

The credit process is initiated when a business manager or customer account manager in a credit unit submits a proposal for a credit decision. After the case has been investigated, the credit rating is determined, following which action may be taken in accordance with the credit decision. Counterparty exposure is continuously monitored by the credit manager in the credit unit concerned and also by the Board in cases of major exposure. The responsibility for credit risk lies with the customer unit concerned. The unit continuously assesses the customer's ability to fulfil their commitments; it identifies deviations from agreed terms and any weaknesses in the customer's financial position. Based on reports of past-due payments and other available information, the unit responsible for the customer account also determines whether the receivable is doubtful, which would indicate that the customer's ability to repay is jeopardised. When it is unlikely that a customer will repay the entire debt (the principal, interest and fees), and if the situation cannot be resolved in a reasonable way, the receivable is considered doubtful. If a customer exposure is deemed weak, the exposure is placed under special monitoring and an action plan is prepared to minimise the potential credit loss.

Individual and collective impairment assessment

Svea Bank continuously examines the quality of the credit portfolio in order to identify potential needs for impairment. Weak and doubtful exposures are monitored and continuously reviewed with respect to current and future ability to make repayments. The impairment loss requirement in IFRS 9 is based on a model for expected credit losses. All assets measured at accrued cost or fair value via other comprehensive income, as well as off-balance sheet commitments, including guarantees and credit commitments, are tested for impairment.

The assets to be tested are divided into three categories in accordance with the general method, based on the development of credit risk from the date of disbursement. Category 1 comprises assets where there has been no substantial increase in credit risk, category 2 comprises assets where there has been a substantial increase in credit risk and category 3 comprises defaulted assets. The assets are measured individually or in groups.

Whether the counterparty is late in making payment or whether there are other indications of an increased risk are both used as indicators of a significant increase in credit risk. The definition of default includes significantly late payments or other indications that repayment is less likely.

For portfolios with acquired past-due receivables, interest and repayments are posted on the basis of expected cash flows. In addition to interest and repayments, impairment gains/losses are posted on the basis of the portfolio's performance compared with expected cash flow, plus any changes in future expected cash flows.

Category 1 includes reserves corresponding to expected credit losses based on the risk of default for the next 12 months. Categories 2 and 3 include reserves corresponding to expected credit losses based on the remaining maturity of the assets. Calculation of expected credit losses takes place by means of estimating the probability of defaults, expected exposure and expected loss in connection with defaults, for each product area. The outcome will then be calculated at the current value in order to estimate the value of the credit loss. Forward-looking information such as the macroeconomic scenario may also affect the expected loss.

Lending and credit risk

Financial assets that can involve an increased credit risk consist of lending to credit institutions, lending to the public, bond holdings, accounts receivable and derivative contracts.

There is not normally considered to be a material credit risk, as lending is spread across different counterparties, sectors and geographical regions.

The Group's lending to credit institutions consists primarily of bank balances with established banks and credit institutions, where the risk of loss is deemed extremely small.

The Group's lending to private individuals consists primarily of unsecured loans. These loans are attributable to a large number of parties liable for payment with relatively low average loan amounts. The risk of losses is managed by credit decisions being preceded by a credit assessment of every single customer. Portions of unsecured loans have co-borrowers and may also be covered by voluntary payment insurance, which provides cover against inability to pay due to involuntary unemployment, illness, accident or death.

As a part of its operations, the Group acquires portfolio of past-due receivables and works with their collection. All rights and risks associated with the receivables are thereby assumed. The receivables are acquired at prices considerably lower than their nominal value. To minimise the risks in these operations, the Group exercises caution when making acquisition decisions. The emphasis lies primarily on small portfolios of receivables of relatively low average amounts, which contributes to the spreading of risk. Acquisitions have been made in the Nordic region and Eastern Europe. The financial assets in Russia and Ukraine represent an uncertainty in view of the prevailing situation. There are very limited opportunities to transfer financial assets out of Russia. As collateral for its lending to companies, the Group uses accounts receivable, cash flows, property mortgage deeds, floating charges, leased assets and guarantees which, following individual assessment, essentially cover total lending on the closing date.

In the case of factoring and invoice purchasing, a certain portion of the credit granted or purchase sum paid may be withheld as security in the form of escrow accounts. These funds may be offset together with deposited accountable funds from transferred receivables and the seller's pledged but non-transferred receivables against receivables from the borrower or seller in a final settlement. These deposits from companies may be offset against loans to companies in the Group to a maximum of SEK 4,403 million (2,770) and SEK 4,140 million (2,497) in the Parent Company.

The Group's accounts receivable are attributable to customers and parties liable for payment, who are active in various industries and who are not concentrated to any particular geographic region. The risk of loss is deemed small.

The credit risk arising from the Parent Company's currency swaps/forward contracts depends on the counterparty; as the latter is a major bank, the risk of loss is extremely small.

The tables below present the maximum credit risk exposure for financial instruments with regard to the collateral available for loan receivables and information regarding the credit quality of said receivables.

NOTE K40 Financial risks, contd.

Credit-risk exposure, gross and net, and specification of collateral for loan receivables

31/12/2023	Total credit risk exposure (before impairment)	Impairment/provision	Carrying amount	Mortgages on properties and tenant-owner apartments	Accounts receivable	Share pledge	Other collateral	Value of collateral for items in balance sheets	Total credit risk exposure after deductions for collateral
Cash and balances with central banks	4,998,416		4,998,416						4,998,416
Lending to credit institutions	3,091,668		3,091,668						3,091,668
Total	8,090,085		8,090,085						8,090,085
Lending to companies	12,487,418	-726,044	11,761,374	490,880	3,027,218	561,922	2,652,386	6,732,406	5,028,968
Lending to households	17,941,453	-295,010	17,646,443	2,313,278			140,176	2,453,454	15,192,989
Total lending to the public	30,428,871	-1,021,054	29,407,817	2,804,158	3,027,218	561,922	2,792,562	9,185,860	20,221,957
Bonds and other securities									
Government securities and similar:									
AAA	320,811		320,811						320,811
AA+	1,050,155		1,050,155						1,050,155
Other issuers:									
AAA	383,236		383,236						383,236
Total bonds and other securities	1,754,202		1,754,202						1,754,202
Derivative instruments	183,606		183,606						183,606
Issued financial guarantees	18,133		18,133				6,787	6,787	11,346
Total	201,739		201,739				6,787	6,787	194,952
Total credit risk exposure and collateral	40,474,896	-1,021,054	39,453,843	2,804,158	3,027,218	561,922	2,799,349	9,192,647	30,261,196

31/12/2022	Total credit risk exposure (before impairment)	Impairment/provision	Carrying amount	Mortgages on properties and tenant-owner apartments	Accounts receivable	Share pledge	Other collateral	Value of collateral for items in balance sheets	Total credit risk exposure after deductions for collateral
Cash and balances with central banks	2,503,401		2,503,401						2,503,401
Lending to credit institutions	3,239,002		3,239,002						3,239,002
Total	5,742,403		5,742,403						5,742,403
Lending to companies	10,147,204	-501,577	9,645,627	628,220	2,874,009	406,668	1,955,932	5,864,829	3,780,798
Lending to households	16,486,421	-581,990	15,904,431	2,115,666			142,816	2,258,482	13,645,949
Total lending to the public	26,633,626	-1,083,567	25,550,058	2,743,886	2,874,009	406,668	2,098,748	8,123,311	17,426,747
Bonds and other securities									
Government securities and similar:									
AAA	425,695		425,695						425,695
AA+	852,694		852,694						852,694
Other issuers:									
AAA	292,433		292,433						292,433
Total bonds and other securities	1,570,822		1,570,822						1,570,822
Derivative instruments	17,106		17,106						17,106
Issued financial guarantees	21,384		21,384				8,255	8,255	13,129
Total	38,490		38,490				8,255	8,255	30,235
Total credit risk exposure and collateral	33,985,341	-1,083,567	32,901,773	2,743,886	2,874,009	406,668	2,107,003	8,131,566	24,770,207

NOTE K40 Financial risks, contd.

Portions of unsecured loans have co-borrowers and may also be covered by voluntary payment insurance, which provides cover against inability to pay.

The rating institutes Moody's and S&P have been used in the tables above to determine the rating of Bonds and other securities.

The above securities can be used at any time as it is unlikely that the borrower will be able to repay their entire debt (capital, interest and fees) via future cash flows.

Credit quality of loan receivables excluding acquired stocks of past-due receivables (POCI)

	31/12/2023	31/12/2022
Private individuals:		
Rate of loss provisions for loan receivables	6.2%	5.5%
Credit loss ratio	3.0%	2.4%
Company:		
Rate of loss provisions for loan receivables	5.8%	4.9%
Credit loss ratio	5.2%	1.1%

Credit Valuation Adjustment (CVA risk)

Svea Bank's receivables in foreign currency have been hedged through currency swaps/forward contracts. Contracts have been signed with a major bank, and Svea Bank uses a credit valuation adjustment calculation to calculate counterparty risk.

In the event of Svea Bank defaulting, the agreements may be netted, which means contracts with negative carrying amounts may be fully offset against contracts with positive carrying amounts, as the counterparty is the same.

Concentration risks

Concentration risks are defined as risks that arise from major individual exposures or concentrations of exposures to certain industries or regions.

To reduce such risks, exposures are spread across many different counterparties, industries and regions.

Market risks

Market risk is defined as the risk of losses due to changes in interest rates, exchange rates and share prices. See below for further information.

Interest rate risks

Lending and borrowing take place largely at variable interest rates, which can be quickly adjusted. To limit the interest rate risk for the proportion of lending that takes place at a fixed interest rate, Svea Bank started to offer fixed-interest savings accounts at the end of 2019.

Disclosures regarding fixed-interest periods for financial assets and liabilities are presented in the following tables and sensitivity analyses. In the table for 2022 and 2023, acquired stocks of past-due receivables have also been classified as fixed-interest lending. This is because cash flows for this lending cannot be affected by changes in the market interest rate.

Credit spread risks

The credit spread risk is calculated in accordance with the standard method in the Swedish Financial Supervisory Authority's method memorandum Pillar 2 method for assessing capital surcharges for market risks in other operations.

The assets that are exposed to credit spread risk refer to bond holdings and are stressed differently, depending on type of issuer and rating.

Interest rate exposure – fixed-interest periods

31/12/2023	Max 1 mon	1 mon – 3 mon	3 mon – 1 year	1 year – 5 years	More than 5 years	No interest	Total
Cash and balances with central banks	4,998,416						4,998,416
Lending to credit institutions	3,091,668						3,091,668
Lending to the public	19,716,452	3,444,723	2,781,372	2,834,925	630,346		29,407,817
Bonds and other securities	240,042	1,253,669	123,749	136,741			1,754,202
Other assets						5,780,217	5,780,217
Total assets	28,046,579	4,698,392	2,905,121	2,971,666	630,346	5,780,217	45,032,320
Liabilities to credit institutions	265,200						265,200
Deposits from the public	30,558,123	1,232,983	2,395,125	884,161		1,098,557	36,168,948
Other liabilities						1,686,167	1,686,167
Deferred tax liability						60,096	60,096
Subordinated liabilities		600,794					600,794
Shareholders' equity	300,000	300,000				5,651,117	6,251,117
Total liabilities and shareholders' equity	31,123,323	2,133,776	2,395,125	884,161	0	8,495,936	45,032,320
Net interest rate exposure	-3,076,744	2,564,616	509,996	2,087,506	630,346		
Cumulative interest rate exposure	-3,076,744	-512,129	-2,132	2,085,373	2,715,719		

NOTE K40 Financial risks, contd.

Interest rate exposure – fixed-interest periods

31/12/2022	Max 1 mon	1 mon – 3 mon	3 mon – 1 year	1 year – 5 years	More than 5 years	No interest	Total
Cash and balances with central banks	2,503,401						2,503,401
Lending to credit institutions	3,239,002						3,239,002
Lending to the public	17,704,639	3,069,133	2,156,072	2,181,545	438,670		25,550,058
Bonds and other securities	144,616	1,183,838	242,368				1,570,822
Other assets						5,917,318	5,917,318
Total assets	23,591,658	4,252,970	2,398,440	2,181,545	438,670	5,917,318	38,780,601
Liabilities to credit institutions	1,042						1,042
Deposits from the public	26,321,613	508,583	1,915,595	1,129,746		1,062,418	30,937,956
Other liabilities						1,509,800	1,509,800
Deferred tax liability						66,898	66,898
Subordinated liabilities		598,724					598,724
Shareholders' equity	300,000					5,366,181	5,666,181
Total liabilities and shareholders' equity	26,622,655	1,107,307	1,915,595	1,129,746	0	8,005,297	38,780,601
Net interest rate exposure	-3,030,997	3,145,663	482,845	1,051,798	438,670		
Cumulative interest rate exposure	-3,030,997	114,666	597,512	1,649,310	2,087,980		

Sensitivity analysis

The impact of a 1 percentage point increase/decrease in interest on net interest income during the future 12-month period amounts to +/- SEK 27,157,000 (20,880,000) for the Group, based on all interest-bearing assets and liabilities existing on the closing date.

Currency risks

Currency risk is the risk that changes in exchange rates will negatively impact the Group's income statement, balance sheet and/or cash flows. The exposure in RUB constitutes the single biggest currency risk. Currency risk can be divided into transaction exposure and translation exposure. Transaction exposure comprises the net of operational and financial currency inflows and outflows. Translation exposure consists primarily of foreign subsidiary equities in foreign currency.

Transaction exposure

Because operations are local, every subsidiary has most of its income and expenses denominated in the local currency, thus currency fluctuations only have a limited effect on Svea Bank's operating profit or loss in local currency. Foreign operations rarely have receivables or liabilities in foreign currencies, with the exception of possible intra-Group loans, and this limits transaction exposure. Because the Parent Company has receivables in foreign currency, major currency exposures primarily in NOK, EUR, DKK, HRK and USD have been hedged through

currency swaps/forward contracts to minimize risk. It was not possible to hedge the Group's currency exposures in Ukraine and Russia.

Translation exposure

Svea Bank does business in several countries. Changes in exchange rates affect the value of net assets in foreign currencies. When the balance sheets of foreign subsidiaries are translated to SEK, balance-sheet exposure arises as a result of said balance sheets' being expressed in other currencies. The subsidiaries' performance and financial position are reported in the currencies of the countries concerned and then translated to SEK prior to inclusion in the consolidated accounts. Consequently, fluctuations in the exchange rates between local currencies and SEK will affect the consolidated income statement and balance sheet. The effect of this exposure is minimised through the limited need for equity and by financing in local currency; refer to the Equity report.

Foreign net assets are not hedged.

Disclosures regarding assets and liabilities specified by underlying currency and the foreign exchange rates applied are presented in the tables and sensitivity analyses below.

The following exchange rates of significant currencies were used in translations of transactions in foreign currencies. Please note that Croatia joined the euro zone as of 1 January 2023.

Code	Country	Local currency	Average exchange rate		Closing day rate	
			2023	2022	31/12/2023	31/12/2022
NOK	Norway	Norwegian crowns	1.0051	1.0536	0.9871	1.0572
EUR	Euroland	Euros	11.4705	10.6235	11.0960	11.1283
USD	USA	United States dollars	10.5984	10.0982	10.0416	10.4371
DKK	Denmark	Danish crowns	1.5396	1.4284	1.4888	1.4965
RUB	Russia	Russian roubles	0.1250	0.1473	0.1128	0.1388
PLN	Poland	Polish zloty	2.5296	2.2677	2.5570	2.3741
RON	Romania	Romanian leu	2.3190	2.1531	2.2262	2.2497
HRK	Croatia	Croatian kuna	–	1.4110	–	1.4770

NOTE K40 Financial risks, contd.**Assets and liabilities in SEK thousands by underlying currency**

31/12/2023	SEK	NOK	EUR	DKK	USD	Other	Total
Cash and balances with central banks	4,943,901		54,516				4,998,416
Lending to credit institutions	919,286	821,358	599,169	17,620	13,900	720,335	3,091,668
Lending to the public	15,454,601	4,026,727	8,030,041	212,578	717,408	966,462	29,407,817
Bonds and other securities	1,493,711	136,741	123,749				1,754,202
Other assets	3,795,467	199,131	1,323,955	28,445	122,480	310,739	5,780,217
Total assets	26,606,964	5,183,957	10,131,431	258,643	853,788	1,997,537	45,032,320
Liabilities to credit institutions	265,200						265,200
Deposits from the public	24,838,908	4,816,346	6,473,063	32,059	3,645	4,927	36,168,948
Deferred tax liability	18,312			4,934		36,850	60,096
Other liabilities	1,086,448	192,701	269,240	25,763	93	111,922	1,686,167
Subordinated liabilities	600,794						600,794
Shareholders' equity	5,420,246	67,236	27,776	64,718	4,954	666,187	6,251,117
Total liabilities and shareholders' equity	32,229,908	5,076,283	6,770,079	127,473	8,692	819,885	45,032,320
Contingent liabilities	11,115		231				11,346
Currency swaps		-186,562	-3,046,962	-166,746	-823,411	-761,749	
Net position	-5,611,828	-78,888	314,621	-35,576	21,685	415,903	

Other currencies consist principally of Polish zloty, Russian roubles and Rumanian lei.

31/12/2022	SEK	NOK	EUR	DKK	USD	Other	Total
Cash and balances with central banks	2,462,698		40,703				2,503,401
Lending to credit institutions	1,756,132	594,860	362,093	24,033	19,002	482,882	3,239,002
Lending to the public	13,203,852	3,957,147	6,164,663	182,314	686,194	1,355,888	25,550,058
Bonds and other securities	1,328,454	133,166	109,202				1,570,822
Other assets	4,371,294	211,748	918,246	18,235	101,966	295,830	5,917,318
Total assets	23,122,430	4,896,921	7,594,907	224,582	807,162	2,134,600	38,780,601
Liabilities to credit institutions						1,042	1,042
Deposits from the public	23,393,138	3,654,626	3,856,684	25,583	3,392	4,534	30,937,956
Deferred tax liability	24,574			3,187		39,137	66,898
Other liabilities	928,565	184,353	191,604	16,486	98	188,694	1,509,800
Subordinated liabilities	598,724						598,724
Shareholders' equity	5,027,221	74,514	41,445	44,493	5,069	473,439	5,666,181
Total liabilities and shareholders' equity	29,972,223	3,913,493	4,089,732	89,749	8,559	706,846	38,780,601
Contingent liabilities	13,014		115				13,129
Currency swaps		-1,011,720	-3,961,675	-148,152	-788,001	-482,628	
Net position	-6,836,779	-28,293	-456,385	-13,319	10,602	945,126	

Other currencies consist principally of Polish zloty, Russian roubles, Croatian kuna and Rumanian lei.

Sensitivity analysis

The sensitivity analysis below is based on translation exposure and refers to exposure in SEK thousands on the closing date.

31/12/2023	NOK	EUR	DKK	USD	Other	Total
Effect of 10% increase in SEK against currency	7,889	-31,462	3,558	-2,169	-41,590	-63,774
31/12/2022	NOK	EUR	DKK	USD	Other	Total
Effect of 10% increase in SEK against currency	2,829	45,639	1,332	-1,060	-94,513	-45,773

NOTE K40 Financial risks, contd.

Share price risks

The aim of asset management is to secure a satisfactory return, while keeping Svea Bank's payment capacity intact. Funds must be allocated to interest-bearing bank accounts, interest-bearing securities and funds, or to listed shares and participations according to Svea Bank's asset management policy. Svea Bank's investments in listed shares and participations do not constitute a trading inventory. Investments are distributed over a number of well-known listed companies in various industries and are thereby deemed to provide a good spread of risks. However, there are price fluctuation risks.

There are also investments in unlisted shares, and these are presented in the tables below. Holdings of unlisted shares are reported at fair value based on a measurement performed by external independent expertise.

Shares and participations specified by geographical market and industry are presented in the tables and sensitivity analyses below.

Geographic distribution of holdings:	31/12/2023	31/12/2022
Sweden	2,960,150	3,354,544
Nordic, other	99,084	169,292
Europe, other	710,607	498,989
Rest of the world	114,883	108,953
Total	3,884,723	4,131,778

Distribution of holdings per industry:	31/12/2023	31/12/2022
Properties	298,590	447,523
Healthcare	173,799	178,369
Industry	66,999	116,606
Technology	769,095	616,451
Consumer services	1,236,347	1,442,391
Consumer goods	58,700	55,389
Energy	29,642	31,905
Telecoms	23,375	25,841
Material	2,354	225,570
Finance	1,225,820	991,733
Total	3,884,723	4,131,778

Sensitivity analysis

	31/12/2023	31/12/2022
The impact on shareholders' equity of a 10% increase/decrease in the share price amounts to +/-	388,472	413,178
or as a percentage of shareholders' equity based on the shares and participations as of the closing date.	6.2%	7.3%

Operational risks

Operational risk is defined as the risk that a direct or indirect loss or damaged reputation will result from shortcomings or errors attributable to internal processes, individuals, systems or external events.

Svea Bank works with development on an ongoing basis in order to optimise internal processes and thereby reduce the risk of operational incidents. This work includes tools and methods to identify, measure, manage and report operational risks as well as staff training. Information security and crime prevention are important aspects in the management of operational risks. The Group continuously evaluates its operations and takes the necessary actions in the event of incidents or quality shortcomings. Process development focuses on the analysis of events linked to potential operational risks and other warning signs.

Commercial risks

Commercial risk is defined as the risk that Svea Bank's income falls and is unable to cover operational expenses. Commercial risk also includes strategic risk and reputational risk.

Strategic risk

Strategic risks are risks that can affect Svea Bank's earnings in the long term due to erroneous or deficient business decisions. Strategic risks are handled by Svea Bank's Board and management at regular Board and management meetings, for example, where strategic issues are dealt with. Svea Bank has also established a continuity plan for the effective management of strategic risks.

Reputational risk

Reputational risk refers to the risk that Svea Bank's name and brand are impacted negatively, with negative effects on operations and earnings. Reputational risk is managed through such processes as Svea Bank's procedures for approving major changes in the organisation or operation.

Liquidity risks

Liquidity risk is defined as the risk of significantly increased expenses for ensuring that the Group's payment obligations can be fulfilled on the due date. The risk of Svea Bank being unable to meet its payment commitments is deemed low.

Liquidity strategy

Svea Bank manages its liquidity to provide satisfactory preparedness for current and non-current payments, and has a contingency plan to manage disruptions that affect liquidity.

Available liquidity

Liquidity risks are managed by means of Svea Bank's Board of Directors having decided that at any time an adequate proportion of deposits from the public must be in the form of available liquidity via a liquidity reserve and other so-called liquidity-creating measures.

The liquidity reserve consists of high-quality assets that can be converted to cash the following banking day and which consist of cash and balances at central banks, government and municipal bonds, cash and balances in banks and secured bonds, and corporate bonds with a high rating (at least AA-) and bonds with valuation haircuts.

Other liquidity-creating measures consist of other assets and sources of liquidity comprising listed shares and participations and unutilised credit facilities.

Otherwise, liquidity-creating measures can be taken by reducing lending and/or the sale of financial assets.

Financing strategy

Svea Bank finances for the long term at as low a cost as possible and with the maximum possible spread of risk.

Such financing consists of deposits from private individuals and companies, borrowing from credit institutions and subordinated bond loans.

Financing consists largely of non fixed-term deposits in SEK covered by the state deposit guarantee from a very large number of private individuals. Despite its being current by definition, this financing is in Svea Bank's opinion non-current in character. This assessment is in line with the thinking of the Basel Committee for the calculation of stable funding. Svea Bank also finances itself partly through subordinated bond loans, both T2 (Tier 2 capital instruments) and AT1 (Tier 1 capital instruments). Tier 1 capital instruments are reported as shareholders' equity. As of 31 December 2023, Svea Bank has four outstanding bond loans with a total nominal value of SEK 1,200 million.

NOTE K40 Financial risks, contd.**Risk tolerance and risk appetite**

Risk tolerance refers to the maximum risk level that Svea Bank will accept based on the assessed existing liquidity risk with regard to the business and its focus. Risk appetite is the level that Svea Bank chooses to apply in practice.

Svea Bank has a low tolerance as regards liquidity risk, which means that an adequate portion of deposits must be in the form of available liquidity at any time. Said portion must be sufficient for business to be conducted on a long-term basis and under various degrees of stress, without any need to change the business model. Risk appetite is at a lower level than risk tolerance, as in relation to deposits, available liquidity exceeds the minimum requirement decided on by the Board.

Measuring and reporting liquidity risk

Liquidity risk is measured and monitored continuously by means of key ratios and stress tests. The stress tests cover various major withdrawal scenarios by savings customers over 30 days, from realistic to less probable, the effect they have on available liquidity and the number of days it takes before liquidity is spent. Liquidity risk is reported to the Board every month.

Publication of information

Information for publication comprises detailed information about the size of the liquidity reserve and its composition, the size and distribution of financing sources and key ratios; refer to the table below for the consolidated situation and also www.svea.com.

Liquidity Coverage Ratio

As of 2015, a short-term liquidity metric – Liquidity Coverage Ratio (LCR) – was introduced as part of the BASEL III standards, which describe how large a liquidity reserve the consolidated situation will need to cover a net cash outflow for 30 days in a stress scenario. LCR is reported monthly and Svea Bank comfortably meets the LCR requirement of 100% that applies as of 1 January 2018.

Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) is a metric that measures the consolidated situation's long-term stable funding in relation to Svea Bank's liquidity profile for assets financed, and for the realisation of off-balance sheet commitments and liabilities. A binding metric of at least 100%, which must be reported to the supervisory authorities, was introduced on 28 June 2021.

Liquidity for the consolidated situation	31/12/2023	31/12/2022
Cash and bank balances with central banks	4,943,901	2,177,875
Treasury bonds etc. acceptable as collateral		
Bonds issued by governments or municipalities	1,370,965	1,278,389
Bonds issued by credit institutions, with state guarantee		
Covered bonds of extremely high quality	356,410	271,963
Assets at level 1	6,671,276	3,728,227
Shares and participations, listed (level 2B)	5,031	12,693
Assets at level 2	5,031	12,693
Liquidity buffer	6,676,307	3,740,920
Lending to credit institutions	2,103,810	2,160,953
Bonds and other securities, etc. (other)	26,827	20,470
Shares and participations, listed (other)	1,577,909	2,104,452
Other liquid assets	3,708,546	4,285,876
Liquidity reserve	10,384,853	8,026,796
Unutilised credit facilities	22,192	22,257
Other liquidity-creating measures	22,192	22,257
Available liquidity	10,407,045	8,049,053
Lending to credit institutions	2,103,810	2,160,953
Lending to the public, external	29,407,817	25,550,058
Lending to the public, Group companies	404,473	454,193
Lending	31,916,100	28,165,205
Liabilities to credit institutions		
Subordinated liabilities	600,794	598,724
Borrowing	600,794	598,724
Deposits from the public, external	36,013,969	30,781,846
Deposits from the public, Group companies	24,507	21,757
Deposits	36,038,476	30,803,603
Borrowing and deposits	36,639,270	31,402,327
Balance sheet total	44,718,487	38,459,301
Key ratios	31/12/2023	31/12/2022
Liquidity buffer/deposits	18.53%	12.14%
Liquidity buffer/balance sheet total	14.93%	9.73%
Liquidity reserve/deposits	28.82%	26.06%
Liquidity reserve/balance sheet total	23.22%	20.87%
Lending/deposits	88.56%	91.43%
Borrowing and deposits/ balance sheet total	81.93%	81.65%
Liquidity Coverage Ratio (SEK thousands)		
High-Quality Liquid Assets (HQLA)	6,676,306	3,740,920
Net cash outflow	710,286	563,419
Liquidity Coverage Ratio (LCR)	940%	664%
Net Stable Funding Ratio		
Total available stable funding	39,520,057	34,915,801
Total stable funding requirement	27,576,948	23,717,127
Net Stable Funding Ratio	143%	147%

NOTE K40 Financial risks, contd.

Liquidity exposure – Group

31/12/2023	Contractual non-discounted cash flows – remaining maturity						Total
	On demand	Max 3 mon	3 mon – 1 year	1 year – 5 years	More than 5 years	No term	
Cash and bank balances with central banks	4,998,416						4,998,416
Lending to credit institutions	3,091,668						3,091,668
Lending to the public		6,705,825	5,987,232	12,585,239	16,225,871		41,504,167
Bonds and securities		42,386	444,935	1,215,386	51,494		1,754,201
Shares and participations						3,897,753	3,897,753
Other assets		283,319	17,988				301,307
Total financial assets – contractual cash flows	8,090,085	7,031,530	6,450,155	13,800,625	16,277,365	3,897,753	55,547,513
Acquired stocks of past-due receivables (POCI) – expected cash flows		320,969	848,410	2,341,064	1,119,097		4,629,540
Total financial assets	8,090,085	7,352,499	7,298,565	16,141,689	17,396,462	3,897,753	60,177,053
Liabilities to credit institutions	265,200						265,200
Deposits from the public	28,989,839	2,848,900	3,469,711	1,185,593			36,494,043
Tier 1 capital instruments						947,640	947,640
Subordinated liabilities		13,884	329,147	322,894			665,925
Other liabilities		620,608	417,632				1,038,239
Total financial liabilities	29,255,039	3,483,392	4,216,489	1,508,487	0	947,640	39,411,048
Issued financial guarantees						-11,346	-11,346
Issued loan commitments						-4,801,734	-4,801,734
Derivatives, received		6,357,152	1,351,457				7,708,609
Derivatives, paid		-6,195,195	-1,361,833				-7,557,028
Total	0	161,957	-10,376	0	0	-4,813,080	-4,661,499
Total difference	-21,164,955	3,707,150	3,092,451	14,633,202	17,396,462		

31/12/2022	Contractual non-discounted cash flows – remaining maturity						Total
	On demand	Max 3 mon	3 mon – 1 year	1 year – 5 years	More than 5 years	No term	
Cash and bank balances with central banks	2,503,401						2,503,401
Lending to credit institutions	3,239,002						3,239,002
Lending to the public		5,945,491	5,303,390	10,779,680	9,499,925		31,528,486
Bonds and securities		229,683	408,897	932,242			1,570,822
Shares and participations						4,135,615	4,135,615
Other assets		325,720	25,740				351,460
Total financial assets – contractual cash flows	5,742,403	6,500,894	5,738,027	11,711,922	9,499,925	4,135,615	43,328,786
Acquired stocks of past-due receivables (POCI) – expected cash flows		306,394	827,753	2,315,295	938,001		4,387,442
Total financial assets	5,742,403	6,807,288	6,565,780	14,027,217	10,437,926	4,135,615	47,716,228
Liabilities to credit institutions	1,042						1,042
Deposits from the public	27,440,312	363,972	2,040,656	1,185,593			31,030,533
Tier 1 capital instruments		6,350	306,350				312,700
Subordinated liabilities		12,016	36,048	675,119			723,183
Other liabilities		385,299	460,236				845,535
Total financial liabilities	27,441,354	767,637	2,843,290	1,860,712	0	0	32,912,992
Issued financial guarantees						-13,129	-13,129
Issued loan commitments						-4,150,035	-4,150,035
Derivatives, received		6,740,786	1,521,455				8,262,241
Derivatives, paid		-6,809,836	-1,523,020				-8,332,856
Total	0	-69,050	-1,565	0	0	-4,163,164	-4,233,779
Total difference	-21,698,951	6,108,701	3,724,056	12,166,505	10,437,926		

NOTE K41 Capital adequacy

The capital adequacy regulations express the legislature's view of the amount of the capital base that a bank is required to have in relation to the level of risk assumed by Svea Bank. The capital base must at a minimum correspond to the total capital requirement for credit risks, market risks, operational risks and credit valuation adjustment risks. When the Board decides on its dividend motion, it takes into account such factors as distributable earnings, market situation and other capital requirements as well as other issues that the Board deems relevant. The operation's capital situation and requirements are determined on a continual basis through Svea Bank's internal capital and liquidity adequacy assessment process (ICLAAP).

The European CRR/CRD regulations entail requirements for the highest quality components of the capital base: Common Equity Tier 1 capital and Tier 1 capital. There is a capital conservation buffer of 2.50% in addition to the minimum capital requirement and a systemic risk buffer for systemically important financial institutions. Applied in accordance with the table below, there is also a contra-cyclic buffer for certain exposures in each country.

Country	Date introduced	31/12/2023	31/12/2022
Sweden	22 Jun 2023	2.00%	1.00%
Norway	31 Mar 2023	2.50%	2.00%
Croatia	31 Dec 2023	1.00%	0.50%
Netherlands	25 May 2023	1.00%	0.00%
Romania	23 Oct 2023	1.00%	0.50%
Estonia	1 Dec 2023	1.50%	1.00%
Denmark	31 Mar 2023	2.50%	2.00%
Germany	1 Feb 2023	0.75%	0.00%
Czech Republic	1 Oct 2023	2.00%	1.50%
Slovenia	31 Dec 2023	0.50%	0.00%
Cyprus	30 Nov 2023	0.50%	0.00%

The Board also resolved that capital ratios should exceed the regulatory requirements by 1.00 percentage point.

The capital conservation buffer is built up in good times with the aim of avoiding a breach of the capital requirement in bad times. The contra-cyclic buffer will vary over the course of an economic cycle with the aim of combating excessive credit growth. The special buffer for systemic risks is not applicable to Svea Bank.

The minimum capital requirement for the Common Equity Tier 1 capital ratio is 4.50%, the Tier 1 capital ratio 6.00% and the total capital ratio 8.00%. The total capital requirement is calculated in accordance with the statutory minimum requirement according to pillar I for credit risk, market risk, operational risk and creditworthiness adjustment risk, requirements according to pillar II and combined buffer requirements.

In the consolidated situation on 31 December 2023, the capital requirement including the buffer requirement for the Common Equity Tier 1 capital ratio stood at 9.77% (9.56), the Tier 1 capital ratio at 11.57% (11.43) and the total capital ratio at 13.98% (13.94).

Capital base

Capital base refers to the total of Common Equity Tier 1 capital, Tier 1 capital and Tier 2 capital, after deductions. Common Equity Tier 1 capital is defined as capital that essentially corresponds to paid capital and certain reserves. Earnings may only be included after deductions for proposed dividends. Net intangible assets, i.e. after deferred tax and deferred tax assets attributable to loss carryforwards are not included in Common Equity Tier 1 capital.

Tier 1 capital consists of an indefinitely subordinated bond loan.

Supplementary capital comprises fixed-term subordinated bond loans, which with a remaining term of less than five years may be taken up to a reduced amount of the nominal value based on the number of days remaining until the date of maturity.

Minimum capital requirement – Pillar 1

The legal requirement for credit risks, market risks, operational risks and credit valuation adjustment risk is found in Pillar 1.

Credit risks – Svea Bank applies the Standard Method for calculating credit risk.

Market risks – Svea Bank uses the standardised model from CRR.

Operational risks – Svea Bank uses the Basic Indicator Method, which requires the capital requirement to be calculated at 15% of an average of operating income in the three most recent years, adjusted for dividend income received from Group companies.

Credit valuation adjustment risk – Svea Bank uses the Standard Method for Credit Valuation Adjustment (CVA).

Capital assessment and risk management – Pillar 2

The Pillar 2 regulations require an institution to have a process for assessing its total capital requirement in relation to its risk profile and a strategy for maintaining capital level, where the Board is responsible for establishing the institution's risk tolerance. The process is known as the internal capital and liquidity adequacy assessment process (ICLAAP). All material risks must be identified, evaluated, measured and tested for stress based on different scenarios. The evaluation must focus in particular on the risks that are not managed under Pillar 1. Certain risks must be covered by capital, which means that institutions are expected to possess a larger capital base than the minimum level within Pillar 1 as specified above. In addition to this there is share price risk, concentration risk, interest rate risk and additional currency risk.

The analysis of the capital requirement is made through quantitative and qualitative methods and is based on a number of scenarios per risk driver. The overall assessment is that in addition to the minimum capital requirement, Svea Bank's capital base also covers these risks.

Publication of information – Pillar 3

Additional information for publication mainly includes more detailed disclosures for the consolidated situation about credit risks, liquidity risks and the data used to calculate the Pillar 1 requirements. This is available at www.svea.com.

For further information on risk management and capital management, see Note K40.

NOTE K41 Capital adequacy, contd.

Capital adequacy for the consolidated situation	31/12/2023	31/12/2022	Capital base for the consolidated situation	31/12/2023	31/12/2022
Common Equity Tier 1 capital	5,194,750	5,070,272	Share capital	50,501	50,501
Tier 1 capital	5,794,750	5,370,272	Share premium account	59,499	59,499
Total capital	6,393,084	5,967,006	Capital instruments and associated share premium reserves	110,000	110,000
Capital requirement, pillar I	3,157,976	2,796,029	Retained earnings	5,202,826	3,943,189
Capital requirement, pillar II	924,531	984,459	Tier 1 capital instruments classified as shareholders' equity	600,000	300,000
Capital conservation buffer	986,857	873,759	Accumulated other comprehensive income (and other reserves)	-79,635	142,032
Contra-cyclic buffer	448,158	218,292	Earnings after predictable expenses and before dividends	550,758	1,273,477
Total capital requirements	5,517,523	4,872,539	Shareholders' equity	6,383,949	5,768,698
Risk-weighted exposures	39,474,703	34,950,362	Minus:		
Common Equity Tier 1 capital ratio, %	13.16	14.51	Expected dividend	-50,000	-50,000
Tier 1 capital ratio, %	14.68	15.37	Intangible assets, net	-216,930	-287,604
Total capital ratio, %	16.20	17.07	Additional value adjustments	-5,855	-5,824
Requirement for Common Equity Tier 1 capital (Pillar I), %	4.50	4.50	Deduction of NPL backstop	-189,785	-51,813
Requirement for Common Equity Tier 1 capital (Pillar II), %	1.64	1.93	Deduction for investments in the financial sector	-124,150	
Capital conservation buffer requirement, %	2.50	2.50	Deduction for Tier 1 capital instruments classified as shareholders' equity	-600,000	-300,000
Contra-cyclic buffer requirement, %	1.14	0.62	Deferred tax asset dependent upon future profitability	-2,478	-3,185
Total Common Equity Tier 1 capital requirement, %	9.77	9.56	Common Equity Tier 1 capital: legislative adjustments and other deductions	-1,189,198	-698,426
Requirement for Tier 1 capital (Pillar I), %	6.00	6.00	Common Equity Tier 1 capital	5,194,750	5,070,273
Requirement for Tier 1 capital (Pillar II), %	1.94	2.31	Subordinated liabilities (AT1)	600,000	300,000
Capital conservation buffer requirement, %	2.50	2.50	Tier 1 capital instruments	600,000	300,000
Contra-cyclic buffer requirement, %	1.14	0.62	Tier 1 capital	5,794,750	5,370,273
Total Tier 1 capital requirement, %	11.57	11.43	Subordinated liabilities	598,333	596,733
Total capital requirement (Pillar I), %	8.00	8.00	Supplementary capital contribution	596,333	596,733
Total capital requirement (Pillar II), %	2.34	2.82	Total capital	6,393,084	5,967,006
Capital conservation buffer requirement, %	2.50	2.50			
Contra-cyclic buffer requirement, %	1.14	0.62	Leverage ratio	31/12/2023	31/12/2022
Total capital requirement, %	13.98	13.94	Tier 1 capital	5,794,750	5,370,272
Common Equity Tier 1 capital available for use as buffer, %	7.02	8.08	Total exposure amount for leverage ratio	45,797,672	38,532,425
			Leverage ratio, %	12.65	13.94

A decision from the Swedish Financial Supervisory Authority has granted Svea Bank approval to include the interim surplus in the capital base. A summary review has been conducted of the interim surplus for the period January-December 2023 and of the capital base as of 31 December 2023.

The consolidated situation during the period consisted of Svea Bank AB with the branches Svea Bank AB filial i Norge and Svea Bank AB filial i Finland, as well as the subsidiaries Svea Finance AS, Svea Finans A/S, Svea Finans Nederland BV, Svea Credit BV, Svea Finans AG, Svea Payments OY, MoneyGo AB, FMS Management Solutions GmbH, PFC Technology AB, Svea Investments Inc, Zlantar of Sweden AB, Svea Uluslararası Yönetim Danışmanlığı Anonim Şirketi, Svea Rahoitus OY as well as Svea Ekonomi Cyprus Limited and its subsidiaries. Also included is Group company Kundgirot AB with its subsidiaries Svea Intressenter 41 AB, Svea Intressenter 42 AB, Svea Intressenter 43 AB and Svea Intressenter 44 AB.

Leverage ratio

The leverage ratio is a metric that aims to limit the risk of increased indebtedness among credit institutions. This metric is reported to the supervisory authorities, and a binding metric of at least 3% was introduced on 28 June 2021. The leverage ratio is calculated as Tier 1 capital divided by the total exposure on and off balance sheet with adjustments for certain items such as derivatives.

NOTE K41 Capital adequacy, contd.

Risk-weighted exposures and minimum capital requirement for the consolidated situation	31/12/2023		31/12/2022	
	Risk-weighted	Minimum capital requirement	Risk-weighted	Minimum capital requirement
Exposures to institutions	557,529	44,602	469,463	37,557
Exposures to companies	7,181,811	574,545	5,754,346	460,348
Exposures to households	11,272,839	901,827	9,749,566	779,965
Exposures secured through property mortgages	899,886	71,991	848,131	67,850
Defaulting exposures	1,711,956	136,956	1,055,489	84,439
Defaulting exposures, acquired stocks of past-due receivables	2,624,799	209,984	2,552,224	204,178
Exposures associated with a particularly high risk	2,069,698	165,576	1,954,669	156,374
Exposures in the form of covered bonds	38,324	3,066	29,243	2,339
Share exposures	4,317,281	345,382	4,656,590	372,527
Other exposures	752,113	60,169	787,345	62,988
Credit risk	31,426,235	2,514,099	27,857,066	2,228,565
Currency risk	1,227,579	98,206	890,204	71,216
Market risk	1,227,579	98,206	890,204	71,216
Operational risk	6,711,771	536,942	6,126,106	490,088
Operational risk	6,711,771	536,942	6,126,106	490,088
Credit valuation adjustment risk	109,118	8,729	76,985	6,159
Credit valuation adjustment risk	109,118	8,729	76,985	6,159
Total	39,474,703	3,157,976	34,950,362	2,796,029

NOTE K42 Reporting per country

Country	Segment	Operating income 2023	Operating income 2022
Sweden	Sweden	3,023,348	3,049,655
Norway	Norway	606,708	591,406
Finland	Finland	797,544	650,583
Denmark	Other	83,438	62,593
Estonia	Other	32,271	29,776
Germany	Other	22,727	14,275
Switzerland	Other	14,035	7,637
Netherlands	Other	191,799	116,767
Cyprus	Eastern Europe	155,734	36,413
Serbia	Eastern Europe	47,138	44,584
Croatia	Eastern Europe	55,711	87,918
Poland	Eastern Europe	87,962	56,322
Ukraine	Eastern Europe	33,794	39,986
Hungary	Eastern Europe		340
Romania	Eastern Europe	49,305	39,356
Russia	Eastern Europe	219,778	458,079
Turkey	Eastern Europe	57	
USA	Other	1,827	-1,989
Eliminations		-1,013,310	-823,783
Total		4,409,863	4,459,920

The tables show information per country where Svea Bank is established, i.e. has a physical presence through a subsidiary, associated company or a branch. The names of subsidiaries and associated companies are provided under Notes M22 and M21. The Parent Company also conducts business in Norway and Finland via the branches Svea Bank AB filial i Norge and Svea Bank AB filial i Finland respectively.

NOTE K43 Related party transactions

Transactions

No Board members or senior executives in the Group have or have had any direct or indirect involvement in any business transactions between themselves and the Group that is or was unusual in its nature with regard to the conditions during the current or previous financial year. Nor has the Group issued loans, lodged guarantees or given surety for any Board members or senior executives of Svea Bank.

Transactions with related parties below refer to transactions with companies that are under the significant influence of a key individual in an executive position. The Parent Company purchases telemarketing services in respect of a call centre, sales and conference bookings that generate other administrative expenses. This item also consists of other consultancy expenses.

The Parent Company purchases telemarketing services in respect of a call centre, sales and conference bookings that generate other administrative expenses. This item also consists of other consultancy expenses.

For information about senior executives, etc., please see Note K10.

Transactions with related parties	31/12/2023	31/12/2022
Income and expenses		
Other administrative expenses	-79,177	-61,786
Total	-79,177	-61,786
Assets		
Total	0	0
Liabilities		
Other liabilities	38	
Total	0	0

No transactions took place between Group companies and associated companies.

NOTE K44 Significant events since the year-end

On 16 February, a decision was received from the Swedish Financial Supervisory Authority's review and evaluation in respect of special capital base requirements and Pillar 2 guidance for the consolidated situation. The Swedish Financial Supervisory Authority decided on a special capital base requirement in respect of the concentration risk for credit risk and for interest rate risks that is in line with the company's internal assessment of capital base requirements for these risks. The Swedish Financial Supervisory Authority also decided on Pillar 2 guidance of 0% of total risk-weighted exposure amount and 0.15% of total exposure amount for the leverage ratio.

Parent Company | Income statement and comprehensive income (SEK thousands)

Income statement	Note	2023	2022
Interest income	M4	2,919,877	2,155,725
Leasing income	M4	572,943	426,937
Interest expenses	M4	-1,066,453	-411,205
Net interest income		2,426,367	2,171,457
Dividends received	M5	606,775	755,873
Commission income	M6	799,951	675,771
Commission expenses	M7	-158,767	-134,773
Net profit from financial transactions	M8	76,591	264,913
Other operating income	M9	285,296	203,775
Operating income		4,036,214	3,937,015
Personnel expenses	M10	-893,561	-787,628
Other administrative expenses	M11	-1,275,168	-1,123,617
Amortisation/depreciation and impairments of intangible assets and property, plant and equipment, etc.	M13	-460,888	-356,524
Other operating expenses		-7	
Operating expenses		-2,629,624	-2,267,769
Profit/loss before credit losses		1,406,590	1,669,246
Credit losses, net	M14	-889,261	-249,674
Impairment gains/losses	M14	28,226	48,982
Impairment charges, financial assets	M15	-96,515	-191,777
Operating profit/loss		449,040	1,276,778
Appropriations	M16	41,446	21,409
Profit before tax		490,486	1,298,187
Tax on profit/loss for the year	M17	-62,761	-106,717
Profit/loss for the year		427,725	1,191,469
Of which attributable to Parent Company shareholders		393,478	1,176,887
Of which attributable to holders of Tier 1 capital instruments		34,247	14,582
Comprehensive income			
Profit/loss for the year		427,725	1,191,469
Items for possible reclassification to the income statement:			
Translation of foreign operations		-3,223	2,372
Items that cannot be reclassified to the income statement:			
Fair value via other comprehensive income			
Change in value, listed shares and participations		-131,106	-858,113
Deferred tax on change in value, listed shares and participations		27,008	176,771
Profit from disposal of listed shares and participations		175,569	33,465
Current tax on profit from disposal of listed shares and participations		-36,167	-6,894
Other comprehensive income		32,080	-652,399
Comprehensive income for the year		459,805	539,071
Of which attributable to Parent Company shareholders		425,558	524,489
Of which attributable to holders of Tier 1 capital instruments		34,247	14,582

Parent Company | Balance sheet (SEK thousands)

Balance sheet (SEK thousands)	Note	31/12/2023	31/12/2022
Cash and balances with central banks		4,998,416	2,503,401
Lending to credit institutions	M38	1,182,338	1,579,870
Lending to the public	M18, 38	28,658,597	24,807,540
Bonds and other securities	M19	1,754,202	1,570,822
Shares and participations	M20	3,793,314	4,051,754
Shares and participations in associated companies	M21		
Shares in Group companies	M22	1,141,652	1,131,702
Intangible assets	M23	24,464	30,780
Tangible assets	M24, 25	1,343,545	1,050,553
Deferred tax assets	M26	1,024	25,646
Derivative instruments	M27	183,606	17,106
Other assets	M28	233,547	205,793
Prepaid expenses and accrued income	M29	83,072	75,116
Assets		43,397,777	37,050,082
Liabilities to credit institutions	M30, 38	265,200	
Deposits from the public	M31, 38	35,881,952	30,645,365
Issued securities, etc.	M32	194,480	191,806
Derivative instruments	M33	32,025	87,722
Other liabilities	M34	470,834	288,335
Accrued expenses and prepaid income	M35	413,260	294,689
Deferred tax liability	M26	12,716	17,482
Provisions	M36	45,000	45,000
Subordinated liabilities	M37	600,794	598,724
Liabilities		37,916,261	32,169,124
Holder of Tier 1 capital instruments		600,000	300,000
Share capital		50,501	50,501
Statutory reserve		4,168	4,168
Reserve for development expenses		7,600	15,200
Fair value reserve		-70,244	56,668
Share premium account		59,499	59,499
Retained earnings		4,402,266	3,203,452
Profit/loss for the year		427,725	1,191,469
Shareholders' equity		5,481,516	4,880,958
Liabilities and shareholders' equity		43,397,777	37,050,082

Parent Company | Changes in shareholders' equity (SEK thousands)

	Restricted shareholders' equity				Non-restricted shareholders' equity			
	Share capital	Statutory reserve	Reserve for development expenses	Tier 1 capital holding	Fair value reserve	Share premium account	Retained earnings	Total shareholders' equity
Balance as of 1 Jan 2022	50,000	4,168	0	0	0	0	69,942	124,111
<i>Fair value via other comprehensive income</i>								
Change in value, listed shares and participations					-858,113			-858,113
Deferred tax on change in value, shares and participations					176,771			176,771
Profit from disposal of listed shares and participations							33,465	33,465
Current tax on profit from disposal of listed shares and participations							-6,894	-6,894
Exchange rate differences							2,372	2,372
Other comprehensive income	0	0	0	0	-681,341	0	28,943	-652,399
Profit/loss for the year							1,191,469	1,191,469
Comprehensive income for the year	0	0	0	0	-681,341	0	1,220,412	539,071
Depreciations			-7,600				7,600	0
Reserve for development expenses	0	0	-7,600	0	0	0	7,600	0
Dividend							-50,000	-50,000
New share issue	501					59,499		60,000
Merger			22,800		738,010		3,152,911	3,913,720
Shareholders' equity component of convertible loans							8,639	8,639
Tier 1 capital instruments				300,000				300,000
Interest expenses, Tier 1 capital instruments							-14,582	-14,582
Transactions with shareholders and holders of Tier 1 capital	501	0	22,800	300,000	738,010	59,499	3,096,968	4,217,777
Balance as of 31 Dec 2022	50,501	4,168	15,200	300,000	56,668	59,499	4,394,922	4,880,958
<i>Fair value via other comprehensive income</i>								
Change in value, listed shares and participations					-131,106			-131,106
Deferred tax on change in value, shares and participations					27,008			27,008
Profit from disposal of listed shares and participations							175,569	175,569
Current tax on profit from disposal of listed shares and participations							-36,167	-36,167
Exchange rate differences							-3,223	-3,223
Other comprehensive income	0	0	0	0	-104,098	0	136,178	32,080
Profit/loss for the year							427,725	427,725
Comprehensive income for the year	0	0	0	0	-104,098	0	563,903	459,805
Depreciations			-7,600				7,600	0
Reserve for development expenses	0	0	-7,600	0	0	0	7,600	0
Dividend							-50,000	-50,000
Withdrawal of shares	-749						-74,251	-75,000
Bonus issue	749						-749	0
Reversal in impairment of listed shares					-22,814		22,814	0
Tier 1 capital instruments, new				600,000				600,000
Tier 1 capital instruments, redemptions				-300,000				-300,000
Interest expenses, Tier 1 capital instruments							-34,247	-34,247
Transactions with shareholders and holders of Tier 1 capital	0	0	0	300,000	-22,814	0	-136,433	140,753
Balance as of 31 Dec 2023	50,501	4,168	7,600	600,000	-70,244	59,499	4,829,991	5,481,516

Share capital consists of 1,590,800 shares with a quote value of SEK 31.745349. Exchange rate differences refer to translation of foreign branches.

The Tier 1 capital instrument is a subordinated liability that meets certain conditions for being counted as Tier 1 capital when calculating the size of the capital base. The accounting policy selected means that Tier 1 capital instruments are classified as shareholders' equity and payments to holders of these instruments, such as interest, are reported via shareholders' equity.

Parent Company | Cash flow statement (SEK thousands)

	Note	2023	2022
Profit/loss before credit losses		1,406,590	1,669,246
Of which interest received		2,919,877	2,155,725
Of which leasing charges received		572,943	426,937
Of which interest paid		-1,066,453	-411,205
Of which dividends		606,775	755,873
Items not included in cash flow:			
Anticipated dividend		-250,000	-285,431
Capital gains/losses, bonds and other securities		7,057	15,761
Capital gains(losses)/changes in value, promissory notes		15,545	28,485
Capital gains, shares in Group companies		-32	47,230
Capital gains(losses)/changes in value, unlisted holdings		-227,786	-297,101
Depreciations, etc.		460,888	356,524
Capital gains/losses – retirement, inventories/buildings and land		-4,952	8,892
Accrued interest		48,631	15,495
Deferred tax			-4,838
Exchange rate differences		4,188	-350,278
Change in value of convertible loans		36,319	
Revaluation of acquired stocks of past-due receivables		-66,333	53,949
Provisions		0	45,000
Income taxes paid		-87,900	-137,138
Cash flow from operating activities before changes in operating assets and liabilities		1,342,216	1,165,796
Treasury bonds etc. acceptable as collateral			
Lending to the public		-2,582,475	-4,978,594
Bonds and other securities		6,498	-247,164
Shares and participations		494,522	249,102
Derivative instruments			47,774
Other assets		14,553	-60,457
Liabilities to credit institutions		270,687	-45
Deposits from the public		3,206,597	6,894,649
Other liabilities		284,757	130,267
Change in the operation's assets and liabilities		1,695,137	2,035,532
Cash flow from operating activities		3,037,353	3,201,328
Change in bonds and other securities		-206,806	211,286
Acquisition of shares in Group companies	M22	-40,365	-46,055
Shareholder contributions/Group contributions		-23,554	-600,968
Sale of shares in Group companies		32	32,006
Acquisition of intangible assets	M23	-5,733	-14,873
Acquisition of tangible assets	M24	-860,944	-676,326
Sale of tangible assets		93,947	105,490
Cash flow from investing activities		-1,043,423	-989,440
New share issue			60,000
Subordinated liabilities		2,070	-958
Issued securities, etc.		300,000	200,000
Expenses, Tier 1 capital instruments		-34,247	-14,582
Withdrawal of shares		-75,000	
Dividend		-50,000	-50,000
Cash flow from financing activities		142,822	194,460
Cash flow for the year		2,136,752	2,406,348
Cash and cash equivalents at beginning of year		4,083,270	948,446
Currency effect, cash and cash equivalents		-39,267	37,445
Cash and cash equivalents from merger		0	691,031
Cash and cash equivalents at year-end		6,180,755	4,083,270
<i>Cash and cash equivalents consist of:</i>			
Cash and balances with central banks		4,998,416	2,503,401
Lending to credit institutions		1,182,338	1,579,870
Cash and cash equivalents at year-end		6,180,755	4,083,270
Cash and cash equivalents not available for use	M38	54,516	40,703

Notes

NOTE M1 General information

Unless otherwise specified, all amounts in the financial statements are presented primarily in SEK thousands. The Parent Company's functional currency is SEK.

NOTE M2 Accounting policies

Compliance with standards and laws

The Parent Company essentially applies the same accounting policies as the Group; any differences between the accounting policies for the Group and the Parent Company are described below and in the various notes. With regard to leasing, the Parent Company reports its leases in accordance with the exemption in RFR 2.

The Annual Report has been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL/1995:1559). The Swedish Financial Supervisory Authority's regulations and general advice (FFFS 2008:25) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities are also applied. The Parent Company thus applies legally restricted IFRS.

The accounting policies have not changed in relation to the previous year.

In accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, the balance sheet is not divided into non-current and current liabilities and current and non-current assets respectively.

New standards applied by the Parent Company

None of the changes in the standards that came into force during the financial year 2024 have any material impact on the financial statements.

Changes in IFRS that have not yet been applied

None of the changes in the accounting regulations that have been issued for application are considered to have a significant impact on Svea Bank's financial statements, capital adequacy or major exposures. The assessment of IFRS 17, Insurance Contracts, is that Svea Bank does not have material contracts that entail having taken on commitments that

meet the definition of insurance contracts that fall within the framework of the area of application for IFRS 17. The standards that come into force for financial years beginning after 1 January 2024 have not been applied in the preparation of these financial statements.

Estimates and significant assessments

Certain accounting policies are deemed to be of particular importance for Svea Bank's financial position as they are based on complex, subjective assessments and estimates on the part of management, most of which refer to circumstances that are uncertain. These critical assessments and estimates are, for the Parent Company, primarily attributable to impairment testing of shares in Group companies, unlisted shares and participations, and lending.

Translation of foreign currencies

Assets and liabilities in foreign currencies are translated at the closing day rate. Exchange rate differences are reported in the income statement under Net profit/loss from financial transactions. To minimise exchange rate differences, net positions primarily in NOK, EUR, DKK, USD, CHF and HRK are hedged through currency swaps/forward contracts as presented in Note K40. Swaps/forward contracts are translated on an ongoing basis at fair value and are reported in the income statement under net profit/loss from financial transactions. Hedge accounting is not applied.

For the measurement of financial assets and liabilities in foreign currency, the fair values of these currencies are obtained from Riksbanken.

Reporting of shareholder contributions

Shareholder contributions are posted directly to shareholders' equity at the recipient and as an increase in the item participations in Group companies at the donor.

NOTE M3 Segment reporting

Information on geographical areas is provided for the country in which Svea Bank AB has its registered office, and for all other countries where Svea Bank receives income or has assets. Each individual country that is significant, i.e. constituting more than 10% of Svea Bank, is reported separately. The division into geographical areas is based on where customers are located and includes Sweden, Norway and Finland.

Information by geographical area 2023	Sweden	Norway	Finland	Elimination	Total
Interest income	1,793,804	460,272	688,170	-22,369	2,919,877
Leasing income	465,476		107,467		572,943
Interest expenses	-782,607	-155,955	-150,260	22,369	-1,066,453
Commission income	534,412	126,049	139,489		799,951
Commission expenses	-143,704	-9,369	-5,694		-158,767
Operating income	2,908,257	438,054	796,588	-106,686	4,036,214
Percentage	72%	11%	20%	-3%	100%
Operating expenses	-1,959,103	-280,569	-496,637	106,686	-2,629,624
Percentage	75%	11%	19%	-4%	100%
Profit/loss before credit losses	949,154	157,485	299,951		1,406,590
Credit losses, net	-666,531	-98,893	-123,836		-889,261
Impairment gains/losses	6,171	-200	22,254		28,226
Impairment charges, financial assets	-96,515				-96,515
Operating profit/loss	192,279	58,392	198,369	0	449,040
Appropriations	41,446				41,446
Tax on profit/loss for the year	-10,291	-12,895	-39,575		-62,761
Profit/loss for the year	223,434	45,497	158,794	0	427,725
Percentage	52%	11%	37%	0%	100%
<i>No single customer accounts for more than 10% of the Group's operating income.</i>					
Balance sheet items					
Lending to credit institutions	270,296	682,821	229,221		1,182,338
Lending to the public	18,795,982	4,046,861	6,221,396	-405,643	28,658,597
Deposits from the public	24,771,014	4,805,128	6,711,452	-405,643	35,881,952
Total assets	32,021,565	4,890,165	6,897,980	-411,933	43,397,777
Percentage	74%	11%	16%	-1%	100%

NOTE M3 Segment reporting, contd.

Information by geographical area 2022	Sweden	Norway	Finland	Elimination	Total
Interest income	1,282,956	377,895	509,574	-14,700	2,155,725
Leasing income	372,472		54,465		426,937
Interest expenses	-328,347	-56,038	-41,521	14,700	-411,205
Commission income	456,505	107,732	111,535		675,771
Commission expenses	-97,821	-16,101	-20,851		-134,773
Operating income	2,966,759	427,445	621,213	-78,401	3,937,015
Percentage	75%	11%	16%	-2%	100%
Operating expenses	-1,720,493	-266,602	-359,074	78,401	-2,267,769
Percentage	76%	12%	16%	-3%	100%
Profit/loss before credit losses	1,246,266	160,842	262,138	0	1,669,246
Credit losses, net	-157,274	-14,425	-77,975		-249,674
Impairment gains/losses	1,098	28,878	19,007		48,982
Impairment charges, financial assets	-191,777				-191,777
Operating profit/loss	898,312	175,295	203,170	0	1,276,778
Appropriations	21,409				21,409
Tax on profit/loss for the year	-35,975	-37,534	-33,209		-106,717
Profit/loss for the year	883,746	137,762	169,962	0	1,191,469
Percentage	74%	12%	14%	0%	100%
<i>No single customer accounts for more than 10% of the Group's operating income.</i>					
Balance sheet items					
Lending to credit institutions	996,712	455,299	127,858		1,579,870
Lending to the public	18,233,485	3,956,602	5,405,010	-2,787,557	24,807,540
Deposits from the public	23,273,844	4,445,314	5,713,765	-2,787,557	30,645,365
Total assets	29,464,648	4,556,565	5,823,259	-2,794,390	37,050,082
Percentage	80%	12%	16%	-8%	100%

NOTE M4 Net interest income

Accounting policies

The Parent Company follows the Group's accounting policies when reporting interest income and interest expenses, see Note K4.

Leasing income

Leasing income is invoiced monthly or quarterly in advance and is accrued on a straight-line basis for the term of the lease.

	2023	2022
Interest income		
Lending to credit institutions	39,098	20,013
Lending to the public, Group	203,934	103,884
Lending to the public, external	2,585,459	2,021,321
Bonds and other securities	91,387	10,506
Total	2,919,877	2,155,725
Net leasing income		
Leasing income	572,943	426,937
Depreciation according to plan, leased assets ¹⁾	-428,303	-331,669
Total	144,641	95,269
Interest expenses		
Liabilities to credit institutions	-252	-106
Deposits from the public, external	-1,009,227	-375,024
Issued securities, etc.	-2,674	1,068
Subordinated liabilities	-54,300	-37,143
Total	-1,066,453	-411,205
Total ²⁾	1,998,065	1,839,788

¹⁾ Depreciation according to plan of leased assets is reported in the item Amortisation/ depreciation and impairments of intangible assets and property, plant and equipment, etc. See also Note M13. All interest income is reported in accordance with the effective interest method.

²⁾ Net interest income for 2023 was impacted negatively by sales commission of SEK 80,822,000 that had previously been classified as administrative expenses. The corresponding figure for 2022 amounted to SEK 45,053,000. Comparative figures have not been re-classified, as the error is not deemed to have a material impact.

NOTE M5 Dividends received

Accounting policies

The Parent Company follows the Group's accounting policies when reporting income from dividends, see Note K5.

An anticipated dividend can be reported in cases where the Parent Company has the right to make a decision alone on the size of the dividend and has ensured that the dividend does not exceed the subsidiaries' dividend capacity.

	2023	2022
Dividends from shares and participations	70,782	92,483
Dividends from Group companies	535,992	663,390
Total	606,775	755,873

NOTE M6 Commission income

Accounting policies

The Parent Company follows the Group's accounting policies when reporting commission income, see Note K6.

	2023	2022
Payment brokerage	21,559	14,156
Lending commissions	557,864	487,280
Other commissions	220,528	174,335
Total	799,951	675,771

NOTE M7 Commission expenses

Accounting policies

The Parent Company follows the Group's accounting policies when reporting commission expenses, see Note K7.

	2023	2022
Payment brokerage	-81,862	-76,351
Information brokerage	-1,191	-233
Other commissions	-75,714	-58,189
Total	-158,767	-134,773

NOTE M8 Net profit/loss from financial transactions

Accounting policies

The Parent Company follows the Group's accounting policies when reporting net profit/loss from financial transactions, see Note K8.

	2023	2022
Change in value, promissory notes	-15,545	-28,485
Unrealised changes in value, unlisted shares and participations	227,786	217,715
Capital gains/losses, shares and participations	-114,336	79,386
Changes in value, treasury bonds acceptable as collateral, etc.		-38
Change in value of convertible loans	-36,319	
Interest income, bonds	58,733	19,997
Impairment of bonds	-8,428	-9,827
Change in value, bonds	6,884	-5,714
Capital gains/losses, bonds and other securities	-170	-50
Total	118,604	272,985
Change in fair value of derivatives	151,585	-70,615
Total	151,585	-70,615
Other exchange rate gains/losses ¹⁾	-193,598	62,543
Total	-193,598	62,543
Total	76,591	264,913

¹⁾ Also includes exchange rate gains/losses arising in connection with a derivative falling due.

NOTE M9 Other operating income**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting other operating income, see Note K9.

	2023	2022
Staffing for Swedish Group companies	130,717	120,588
Re-invoicing of expenses to Group companies	95,489	84,641
Profit from sales, Group companies	32	-47,230
Miscellaneous	59,058	45,776
Total	285,296	203,775

NOTE M10 Personnel expenses etc.**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting remuneration to employees and pension commitments, see Note K10.

	2023	2022
Wages, salaries and other remunerations		
to the Board and senior executives	-37,346	-34,605
to other employees	-573,014	-515,156
	-610,360	-549,761
Social security expenses	-173,581	-155,311
Pension expenses		
to the Board and senior executives	-5,388	-5,657
to other employees	-53,873	-49,555
	-59,261	-55,211
Other personnel expenses	-50,359	-27,345
Total	-893,561	-787,628

Remuneration of senior executives**Preparation and decision-making processes**

Remuneration of senior executives is decided by the Board and takes place within the framework of the Group's remuneration policy. The remuneration policy has been drawn up in accordance with the Swedish Financial Supervisory Authority's regulations. See also Pillar 3 report at www.svea.com.

Salaries and fees

Only fixed fees are paid to the Chairman and members of the Board as resolved by the Annual General Meeting. Remuneration to the CEO comprises a basic salary. Other senior executives refers to senior executives in the foreign branches and the 17 (17.5) individuals who together with the CEO comprise the Parent Company's management team. Information relating to senior executives is not provided for each country or business area, as this is not possible without the disclosure of personal data.

No severance pay or pension commitments other than defined-contribution fees are paid to the Board, CEO or other senior executives. The period of notice for senior executives in Sweden is prescribed by the Swedish Employment Protection Act. Loans to Board members, the CEO or equivalent senior executives in the Group amount to SEK 9,019,000 (10,208,000). Variable remuneration relates to remuneration paid during the year.

Salaries and remuneration to the Board and senior executives, 2023	Basic salary, benefits and board fees	Variable remuneration	Pension expenses	Total
Board member, Anders Lidfeldt	-2,039			-2,039
Board member, Mats Hellström	-550			-550
Board member, Anders Ingler	-550			-550
Board member, Mats Kärsrud	-500			-500
Board member, Anders Hedberg	-550			-550
Board member, Anna Frick	-500			-500
CEO, Lennart Ågren	-8,634			-8,634
Other senior executives (19 people)	-27,748	-9,598	-5,388	-42,734
Total	-41,071	-9,598	-5,388	-56,057

Salaries and remuneration to the Board and senior executives, 2022	Basic salary, benefits and board fees	Variable remuneration	Pension expenses	Total
Board member, Anders Lidfeldt	-2,085			-2,085
Board member, Mats Hellström	-550			-550
Board member, Anders Ingler	-550			-550
Board member, Mats Kärsrud	-500			-500
Board member, Anders Hedberg	-550			-550
Board member, Anna Frick	-500			-500
Board member, Arne Liljedahl ¹⁾	-500			-500
CEO, Lennart Ågren	-7,401			-7,401
Other senior executives (19.5 people)	-27,478	-10,184	-6,025	-43,687
Total	-40,114	-10,184	-6,025	-56,322

¹⁾ Arne Liljedahl stood down from his position on the Board in connection with the Annual General Meeting for the financial year 2021.

Average number of full-time equivalent employees	2023	2022
Women	511	469
Men	445	419
Total	956	888

The average number of permanent employees in the Parent Company also refers to personnel in the branches Svea Bank AB filial i Norge and Svea Bank AB filial i Finland. During the year, personnel were outsourced from the Parent Company to operations in Svea Inkasso AB, Svea Vat Adviser AB and Svea Billing Services AB.

NOTE M10 Personnel expenses etc., contd.

Number of Board members and members of company management	31/12/2023	31/12/2022
Board members		
Women	1	1
Men	6	6
	7	7
Of whom external members	5	5
Company management (senior executive, CEO)		
Women		
Men	3	3
	3	3

The numbers of Board members and members of company management refer to the Parent Company including branches.

NOTE M11 Other administrative expenses

	2023	2022
Rents and other costs of premises	-94,199	-89,872
Purchased services	-213,765	-150,949
Transport expenses	-8,912	-8,831
Travel	-13,395	-9,849
Advertising, PR, marketing	-191,850	-250,762
Telephony, postage	-52,933	-50,518
Debt collection expenses	-12,727	-11,365
IT expenses	-295,777	-249,947
Other administrative expenses	-391,610	-301,522
Total ¹⁾	-1,275,168	-1,123,617

¹⁾ Net interest income for 2023 was impacted negatively by sales commission of SEK 80,822,000 that had previously been classified as administrative expenses. The corresponding figure for 2022 amounted to SEK 45,053,000. Comparative figures have not been re-classified, as the error is not deemed to have a material impact.

NOTE M12 Remuneration to auditors

	2023	2022
BDO Mälardalen AB		
Audit assignment	-2,200	-2,826
Audit activities in addition to audit assignment	-659	-140
Tax advice		-21
Other services		-800
	-2,860	-3,787
BDO foreign auditors		
Audit assignment	-1,195	-1,350
Audit activities in addition to audit assignment	-342	-853
Tax advice	-40	-196
Other services	-101	-41
	-1,677	-2,441
Other auditors		
Other services		-792
	0	-792
Total	-4,537	-7,020

NOTE M13 Amortisation/depreciation and impairments, etc.

Accounting policies

Impairment of non-financial assets

Fixed assets are tested for impairment whenever there is an indication of the need for an impairment.

Depreciation of Parent Company leasing items is reported as anticipated credit losses.

	2023	2022
Amortisation and impairment of intangible assets		
Amortisation of customer contracts	-4,358	
Amortisation of capitalised development expenditures, etc.	-7,600	-7,600
Total	-11,958	-7,600
Amortisation and impairment of tangible assets		
Depreciation of computer equipment	-15,092	-12,419
Depreciation of other fixtures and fittings	-5,534	-4,837
Depreciation of leased assets	-428,303	-331,669
Total	-448,929	-348,924
Total	-460,888	-356,524

NOTE M14 Net credit losses

Accounting policies

The Parent Company follows the Group's accounting policies when reporting credit losses, see Note K14.

	2023	2022
Change in reserves Stage 1	-30,410	68,903
Change in reserves Stage 2	-17,148	-11,485
Change in reserves Stage 3	-332,772	-75,416
Total change in reserves	-380,330	-17,999
Write-offs	-558,399	-275,390
Recoveries	49,468	43,715
Credit losses, net	-889,261	-249,674
Impairment gains/losses, acquired stocks of past-due receivables	28,226	48,982
Net expense of credit losses for the year	-861,035	-200,691

The credit losses are entirely attributable to lending to the public. Write-offs and to a certain extent also the reserves in stage 3 were negatively affected by the customer in the construction industry that was declared bankrupt during the fourth quarter, to which Svea Bank had one single large exposure.

The credit loss level in 2022 was historically low and was also positively affected by a credit loss reserve of SEK 48.5 million attributable to Covid-19 being reversed during the first quarter. See also Note K14.

NOTE M15 Impairment charges, financial assets**Accounting policies**

Shares in Group companies are tested as required in accordance with IAS 36 Impairment of Assets. An analysis is conducted in the test to determine whether the book value of the shares in the Group company is fully recoverable. When the recoverable amount is determined, the value in use is established measured as the present value of expected cash flows from the Group company concerned. The discount rate used is the risk-free interest rate plus a risk factor. Forecasts of future cash flows are based on Svea Bank's best estimates of future income and expenses for the Group company concerned. Impairments for holdings in Group companies that do not conduct cash-generating operations are based on net asset value on the closing date.

	2023	2022
Impairment of shares in Group companies		
Zlantar of Sweden AB		-7,766
Kapitalkredit Sverige AB		-13,750
Nosyap AB (formerly Payson AB)		-7,889
Fastighets AB Brunna 52:1		-19,185
PFC Technology AB	-65,000	-70,000
Svea Credit BV		-73,188
Svea Payments OY	-9,181	
Svea Development OY	-13,914	
RegTech AB Oy	-7,320	
Svea Billing Services AB	-1,100	
Total	-96,515	-191,777

Impairments were performed as a consequence of changed assessments of future cash flows.

NOTE M16 Appropriations**Accounting policies**

Group contributions received or paid are reported as appropriations.

	2023	2022
Group contributions		
Group contributions received	178,202	155,149
Group contributions provided	-136,756	-133,740
Total	41,446	21,409
Total	41,446	21,409

NOTE M17 Tax on profit for the year**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting current and deferred taxes, see Note K15.

	2023	2022
Adjustment for current tax on previous years' earnings		16,757
Current tax on net profit for the year	-16,005	-130,205
Current tax expense	-16,005	-113,448
Temporary differences	-46,756	6,731
Deferred tax expense	-46,756	6,731
Total	-62,761	-106,717
Profit before tax	490,486	1,298,187
Tax rate of 20.6% (20.6) as per current tax rate for the Parent Company	-101,040	-267,426
Effect of different tax rates in other countries	373	-1,235
Non tax-deductible impairments of shares in Group/associated companies	-19,882	-39,506
Non tax-deductible expenses	-55,565	-27,224
Tax-exempt dividends from Group companies	110,414	136,658
Tax-exempt income	69,897	72,428
Utilisation of tax loss carryforwards		-4,803
Miscellaneous	15,965	7,598
Tax on profit for the year recorded in shareholders' equity	-36,167	-6,695
Current tax on previous years' earnings		16,757
Current tax expense	-16,005	-113,448
Temporary differences	-46,756	6,731
Deferred tax expense	-46,756	6,731
Tax expense	-62,761	-106,717
Reported effective tax rate	12.8%	8.2%

NOTE M18 Lending to the public**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting lending to the public, see Note K16.

	31/12/2023	31/12/2022
Lending to the public, external	23,888,508	21,210,959
Lending to the public, Group	4,770,089	3,596,581
Total	28,658,597	24,807,540

NOTE M 18 Lending to the public, contd.

Lending to the public 31/12/2023	Stage 1	Stage 2	Stage 3	Subtotal	Acquired portfolios of past-due receivables	Total
Private individuals	12,042,719	455,960	1,674,416	14,173,096	1,110,027	15,283,123
Companies	13,019,274	690,553	1,033,323	14,743,149		14,743,149
Loan receivables	25,061,993	1,146,513	2,707,739	28,916,245	1,110,027	30,026,272
Private individuals	-141,140	-54,329	-627,099	-822,568		-822,568
Companies	-123,826	-38,074	-458,713	-620,614		-620,614
Impairment gains/losses, private individuals					75,507	75,507
Reserve for expected credit losses	-264,967	-92,403	-1,085,812	-1,443,181	75,507	-1,367,674
Carrying amount of loan receivables, 31/12/2023	24,797,026	1,054,110	1,621,927	27,473,063	1,185,534	28,658,597
Rate of loss provision, private individuals	1.2%	11.9%	37.5%	5.8%		
Rate of loss provision, companies	1.0%	5.5%	44.4%	4.2%		
Impairment gains/losses, private individuals					-6.8%	
Rate of loss provision, total	1.1%	8.1%	40.1%	5.0%	-6.8%	4.6%

Lending to the public 31/12/2022	Stage 1	Stage 2	Stage 3	Subtotal	Acquired portfolios of past-due receivables	Total
Private individuals	11,135,361	435,762	1,219,107	12,790,230	1,095,296	13,885,526
Companies	10,776,925	642,312	550,787	11,970,024		11,970,024
Loan receivables	21,912,286	1,078,074	1,769,894	24,760,254	1,095,296	25,855,550
Private individuals	-132,939	-55,659	-496,940	-685,538		-685,538
Companies	-105,769	-21,989	-284,697	-412,455		-412,455
Impairment gains/losses, private individuals					49,984	49,984
Reserve for expected credit losses	-238,708	-77,648	-781,637	-1,097,993	49,984	-1,048,010
Carrying amount of loan receivables, 31/12/2022	21,673,578	1,000,426	988,256	23,662,261	1,145,280	24,807,540
Rate of loss provision, private individuals	1.2%	12.8%	40.8%	5.4%		
Rate of loss provision, companies	1.0%	3.4%	51.7%	3.2%		
Impairment gains/losses, private individuals					-4.6%	
Rate of loss provision, total	1.1%	7.2%	44.2%	4.4%	-4.6%	4.1%

Intra-Group lending to companies is included in Stage 1.

Change in reserve for expected credit losses	Stage 1	Stage 2	Stage 3	Subtotal	Acquired portfolios of past-due receivables	Total
Reserve for expected credit losses, 31/12/2022	-238,708	-77,648	-781,637	-1,097,993	49,984	-1,048,010
Increase in reserves, new or acquired loan receivables	-135,299	0	0	-135,299		-135,299
Reduction in reserves, written-off loan receivables	77,719	17,078	118,664	213,461		213,461
Change in reserves as a consequence of changes in credit risk	27,170	-34,225	-602,807	-609,861		-609,861
Reduction in reserves, written-off loan receivables			151,371	151,371		151,371
Impairment gains/losses, acquired stocks of past-due receivables					28,225	28,225
Other adjustments	4,151	2,392	28,597	35,140	-2,702	32,438
Reserve for expected credit losses, 31/12/2023	-264,967	-92,403	-1,085,812	-1,443,181	75,507	-1,367,674

Other adjustments relate to exchange rate differences.

NOTE M19 Bonds and other securities**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting bonds and other securities, see Note K17.

	31/12/2023			31/12/2022		
	Cost	Book value	Fair value	Cost	Book value	Fair value
<i>Issued by public bodies</i>						
Swedish municipalities	1,121,754	1,110,474	1,110,474	1,056,153	1,036,021	1,036,021
Total	1,121,754	1,110,474	1,110,474	1,056,153	1,036,021	1,036,021
<i>Issued by other borrowers</i>						
Swedish financial companies	212,973	210,961	210,961	115,360	113,276	113,276
Foreign issuers	429,207	432,467	432,467	423,610	421,525	421,525
Total	642,180	643,727	643,727	538,970	534,801	534,801
Total	1,763,934	1,754,202	1,754,202	1,595,123	1,570,822	1,570,822
Of which, listed securities	1,763,934	1,754,202	1,754,202	1,595,123	1,570,822	1,570,822
Positive difference; book values exceed nominal values		21,711			18,454	
Nominal values		1,732,491			1,552,368	

NOTE M20 Shares and participations**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting shares and participations, see Note K18.

	31/12/2023		31/12/2022	
	Book value	Fair value	Book value	Fair value
<i>Listed shares and participations</i>				
Opening accumulated cost	2,117,115			
Taken over in connection with merger			3,349,137	
Cost	496,835		424,225	
Proceeds	-899,905		-799,102	
Unrealised change in value	-131,106		-857,145	
Closing accumulated cost	1,582,940	1,582,940	2,117,115	2,117,115
<i>Unlisted shares and participations</i>				
Opening accumulated cost	1,934,639			
Taken over in connection with merger			1,479,265	
Cost	163,441		374,325	
Proceeds			-215,275	
Unrealised change in value	112,294		296,325	
Closing accumulated cost	2,210,374	2,210,374	1,934,639	1,934,639
Total	3,793,314	3,793,314	4,051,754	4,051,754

NOTE M21 Shares and participations in associated companies

Accounting policies

The cost of acquisition for associated companies comprises the total fair value of the assets provided, liabilities incurred or assumed, plus expenses – in the Parent Company – directly attributable to the acquisition.

	31/12/2023	31/12/2022
Opening accumulated cost	6,000	6,000
Closing accumulated cost	6,000	6,000
Opening accumulated impairment charges	-6,000	-6,000
Closing accumulated impairment charges	-6,000	-6,000
Total	0	0

	Regis-tered office	Corp. Reg. No.	Number of shares	Per-centage	Nominal value	Book value, Parent Company
Stidner Complete AB	Troll-hättan	559065-9537	5,000	33.89%	TSEK 25	
Total						0

The holding is unlisted.

NOTE M22 Shares in Group companies

Accounting policies

The cost of acquisition for Group companies comprises the total fair value of the assets provided, liabilities incurred or assumed, plus expenses – in the Parent Company – directly attributable to the acquisition.

Shareholder contributions are posted directly to shareholders' equity at the recipient and as an increase in the item participations in Group companies at the donor.

Impairment testing of shares in Group companies

Shares in Group companies are tested as required in accordance with IAS 36 Impairment of Assets. An analysis is conducted in the test to determine whether the book value of the shares in the Group company is fully recoverable. When the recoverable amount is determined, the value in use is established measured as the present value of expected cash flows from the Group company concerned. The discount rate used is the risk-free interest rate plus a risk factor. Forecasts of future cash flows are based on Svea Bank's best estimates of future income and expenses for the Group company concerned. Impairments for holdings in Group companies that do not conduct cash-generating operations are based on net asset value on the closing date.

	31/12/2023	31/12/2022
Opening accumulated cost	1,914,141	
Takeover in connection with merger		1,336,645
Acquisition of Svea Payments OY		16,603
Shareholder contribution, PFC Technology AB	65,000	70,000
Acquisition of Svea Credit B.V.		9,410
Shareholder contribution, Svea Credit B.V.		73,188
Acquisition of Svea Development OY		2,930
Shareholder contribution, Svea Inkasso AB		467,000
Acquisition of Zlantar of Sweden AB		21,066
Shareholder contribution, Zlantar of Sweden AB		2,000
Shareholder contribution, Svea Billing Services AB	1,100	350
Sale of Dunderbackens Fastighets AB		-81,645
Sale of Fastighets AB Brunna 52:1		-2,350
Sale of Guldalsvägens Fastighets AB		-1,050
Acquisition of Svea VAT Adviser AB	1,200	
Acquisition of Svea Rahoitus OY	17,566	
Acquisition of MoneyGo AB	21,000	
Acquisition of Svea Ulluslararasi Yönetim Danismanligi Anonim Sirketi	599	
Exchange rate differences		-5
Closing accumulated cost	2,020,606	1,914,141
Opening accumulated impairment charges	-782,439	0
Merger: accumulated impairments		-609,854
Sale: accumulated impairments		19,193
Impairment charges for the year	-96,515	-191,777
Closing accumulated impairment charges	-878,954	-782,439
Total	1,141,652	1,131,702

NOTE M22 Shares in Group companies, contd.

	Registered office	Corp. Reg. No.	Number of shares	Percentage	Nominal value	31/12/2023	31/12/2022
						Book value	Book value
Kapitalkredit Sverige AB	Stockholm	556761-0315	100,000	100.00%	TSEK 1,549	1,550	1,550
KundGiro AB	Stockholm	556022-9980	50,000	100.00%	TSEK 5,000	1,000	1,000
Svea Intressenter 41 AB	Stockholm	559401-8607	50,000,000	36.30%	TSEK 500	–	–
Svea Intressenter 42 AB	Stockholm	559401-8623	50,000,000	29.28%	TSEK 500	–	–
Svea Intressenter 43 AB	Stockholm	559401-8631	50,000,000	32.66%	TSEK 500	–	–
Svea Intressenter 44 AB	Stockholm	559401-8615	50,000,000	53.50%	TSEK 500	–	–
PFC Technology AB	Stockholm	556851-3112	60,977,729	100.00%	TSEK 1,829	0	0
Zlantar of Sweden AB	Stockholm	559080-6286	1,237,500	100.00%	SEK 74,375	15,300	15,300
MoneyGo AB	Helsingborg	556821-8209	50,000	100.00%	TSEK 5,000	48,194	27,194
Svea Finance AS	Tallinn	11200943	250,000	100.00%	TEUR 25	30	30
Svea Finans A/S	Copenhagen/ Alleröd	27448402	13	100.00%	TDKK 1,201	8,700	8,700
Svea Finans Nederland BV	Reeuwijk	1199263	10,000	100.00%	TEUR 1,000	80,775	80,775
Svea Credit BV	Gouda	70328714	1,000	100.00%	EUR 1000	9,410	9,410
Svea Finans AG	Zürich	1703025543-6	1,000	100.00%	TCHF 1,000	20,000	20,000
Svea Ekonomi Cyprus Limited	Limassol	272182	4,201	100.00%	EUR 4,201	18	18
Svea Finance Belgrade DOO	Belgrade	20725095	–	100.00%	EUR 1,000	–	–
Svea Ekonomi DOO	Zagreb	80750758	–	100.00%	THRK 6,000	–	–
Rhoswen Invest Ukraine Limited	Kiev	37616221	–	100.00%	TUAH 3,421	–	–
Regional Services of Collection LLC	Moscow	1127746618768	1	100.00%	TRUB 10	–	–
Capital Service Company LLC	Moscow	1057747813837	–	100.00%	TRUB 92,085	–	–
Svea Payments OY	Helsinki	2121703-0	28,605,016	100.00%	TEUR 450	165,619	174,800
Svea Investments Inc	Boca Raton	6209614	1,000	100.00%	TUSD 4	31,923	31,923
FMS Financial Management Solutions GmbH	Mainz	HRB 44683	1	70.00%	TEUR 59	3,106	3,106
Svea Uluslararası Yönetim Danışmanlığı Anonim Sirk	Istanbul	475875-5	60,000	100%	TTRL 1,500	599	–
Svea Rahoitus OY	Helsinki	2508690-4	5,000	100%	TEUR 1,200	17,566	–
Total consolidated situation						403,790	373,806

NOTE M22 Shares in Group companies, contd.

	Registered office	Corp. Reg. No.	Number of shares	Percentage	Nominal value	31/12/2023	31/12/2022
						Book value	Book value
Svea Inkasso AB	Stockholm	556214-1423	50,000	100.00%	TSEK 5,000	500,000	500,000
Svea Finans AS	Oslo	980 121 798	1,106,195	100.00%	TNOK 1,106	–	–
Svea Perintä OY	Helsinki	0800502-5	26	100.00%	TEUR 61	–	–
Svea Inkasso OÜ	Tallinn	11455152	1	100.00%	TEUR 3	–	–
Svea Inkasso A/S	Copenhagen/ Alleröd	11038484	100	100.00%	TDKK 510	–	–
CMS Collection GmbH	Mainz	HRB 44577	84,000	70.00%	TEUR 59	–	–
Credit Express Group BV	Amsterdam	18056826	18,151	100.00%	EUR 18,151	–	–
Creditexpress Finance LLC	Moscow	1127747190152	1	100.00%	TRUB 10	–	–
Financial Services of Legal Collections LLC	Moscow	1107746078263	1	100.00%	TRUB 10	–	–
Creditexpress-K Call Center Services LLC	Moscow	5137746070061	1	100.00%	TRUB 20	–	–
Regional Services of Legal Collection LLC	Moscow	1117746152314	1	100.00%	TRUB 10	–	–
Creditexpress Inkasso Poland Sp ZOO	Wroclaw	8992462327	2,000	100.00%	TPLN 1,000	–	–
Kancelaria Prawna Creditexpress Inkasso	Wroclaw	8992507722	1	100.00%	TPLN 50	–	–
CEI Zagreb DOO	Zagreb	80495547	1	100.00%	THRK 30	–	–
Creditexpress Ukraine LLC	Kiev	34981644	1	100.00%	TUAH 1,010	–	–
Debtfort Ukraine LLC	Kiev	40298050	1	100.00%	TUAH 10	–	–
Creditexpress Financial Services SRL	Bucharest	21 939 587	1	100.00%	RON 500,030	–	–
Creditexpress Beograde DOO Serbia	Belgrade	20221143	1	100.00%	TRSD 3,267	–	–
Svea Billing Services AB	Stockholm	556555-4622	10,000	100.00%	TSEK 100	7,677	7,677
Svea Billing Services AS	Oslo	918470735	100,000	100.00%	TNOK 100	–	–
Nicknamed AB	Stockholm	556817-1135	32	61.54%	TSEK 32	–	–
Svea VAT Adviser AB	Stockholm	556567-1327	12,000	100%	TSEK 120	1,200	–
Svea Financial Services AB	Stockholm	556825-4345	50,000	100.00%	TSEK 50	93,500	93,500
Nosyap AB (formerly Payson AB)	Stockholm	556646-2858	209,225	100.00%	TSEK 209	600	600
Kodea Systems AB	Stockholm	559008-4629	100,000	100.00%	TSEK 100	350	350
PayGround AB	Stockholm	556810-1793	24,341	100.00%	TSEK 243	119,337	119,337
Payd Sweden AB	Stockholm	556710-5878	200,000	100.00%	TSEK 200	250	250
Svea Development OY	Helsinki	2483599-3	28,605,016	100.00%	EUR 2500	12,667	26,581
Regtech Ab OY	Vasa	3108096-3	16,000	100.00%	EUR 0	2,276	9,596
Svea Ekonomi DOO Belgrade	Belgrade	21165522	–	100.00%	TDIN 61	5	5
Total, other Group companies						737,861	757,895
Total						1,141,652	1,131,702

All of the Group companies are unlisted. The subsidiary PFC Technology AB is required to maintain a certain capital base, although the business there is being closed down.

There are limited opportunities to transfer financial assets out of Russia. There are no other restrictions to the access or use of the

subsidiaries' assets to settle the Group's liabilities in addition to the assets referred to in Note M38 Pledged assets and the contingent liabilities referred to in Note M39.

NOTE M23 Intangible assets**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting intangible assets, see Note K21.

In connection with the execution of the downstream merger between Svea Bank AB and Svea Ekonomi AB in 2022, the new parent company Svea Bank AB took over the Group's intangible assets that were previously attributable to Svea Bank AB.

	31/12/2023	31/12/2022
Goodwill		
Opening accumulated cost	7,312	0
Takeover in connection with merger		7,312
Closing accumulated cost	7,312	7,312
Opening accumulated impairment charges	-7,312	0
Takeover in connection with merger		-7,312
Closing accumulated impairment charges	-7,312	-7,312
Closing residual value	0	0
Customer contracts		
Opening accumulated cost	42,369	0
Takeover in connection with merger		26,067
Capitalised expenses	5,545	14,873
Exchange rate differences	-71	1,428
Closing accumulated cost	47,843	42,369
Opening accumulated depreciations	-26,789	0
Takeover in connection with merger		-26,067
Exchange rate differences	168	-722
Depreciations for the year	-4,358	
Closing accumulated depreciations	-30,979	-26,789
Closing residual value	16,864	15,580
Capitalised development expenses, etc.		
Opening accumulated cost	64,684	0
Takeover in connection with merger		64,684
Closing accumulated cost	64,684	64,684
Opening accumulated depreciations	-49,484	0
Takeover in connection with merger		-41,884
Depreciations for the year	-7,600	-7,600
Closing accumulated depreciations	-57,084	-49,484
Closing residual value	7,600	15,200
Total	24,464	30,780

NOTE M24 Tangible assets**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting tangible assets, with the exception of leased assets, see Note K22.

Lessor

Svea Bank's leasing operations are reported in the Parent Company as operational leasing. The assets referred to are reported in the balance sheet as tangible assets. Leasing income is reported according to the straight-line method over the term of the lease. Depreciation of leased assets according to plan takes place over the useful life of the asset by applying the annuity method down to agreed residual values. The depreciations are accrued and reported during the term of the lease in the income statement as a depreciation of tangible assets. Residual values are determined in agreement with the lessee based on the leased asset's anticipated useful economic life.

Leased assets for rental are depreciated according to plan over 1-7 years.

Depreciation of the Parent Company's leased assets is reported as anticipated credit losses.

	31/12/2023	31/12/2022
Fixtures and fittings		
Opening accumulated cost	240,759	2,733
Takeover in connection with merger		188,023
Reclassification		178
Purchases	15,949	52,889
Exchange rate differences	-501	500
Sales/retirements	-7	-3,563
Closing accumulated cost	256,201	240,759
Opening accumulated depreciations	-150,061	-2,733
Takeover in connection with merger		-132,643
Reclassification		-178
Sales/retirements		3,196
Exchange rate differences	429	-448
Depreciations for the year	-20,627	-17,256
Closing accumulated depreciations	-170,260	-150,061
Closing residual value according to plan	85,941	90,698
Leased assets as lessor		
Opening accumulated cost	1,600,655	0
Takeover in connection with merger		1,353,044
Purchases	844,995	623,439
Exchange rate differences	-8,730	11,986
Sales/retirements	-325,563	-387,814
Closing accumulated cost	2,111,356	1,600,655
Opening accumulated depreciations	-608,643	0
Takeover in connection with merger		-545,150
Sales/retirements	226,961	273,957
Exchange rate differences	2,057	-5,781
Depreciations for the year	-428,303	-331,669
Closing accumulated depreciations	-807,927	-608,643
Opening accumulated impairment charges	-32,157	0
Takeover in connection with merger		-22,792
Exchange rate differences	1,503	-299
Impairment charges for the year	-15,171	-9,067
Closing accumulated impairment charges	-45,825	-32,157
Closing book value	1,257,604	959,855
Total	1,343,545	1,050,553

The leased asset impairment losses above were reported in the income statement as a credit loss.

NOTE M24 Tangible assets, contd.

Leases and other rental agreements as lessor	31/12/2023		31/12/2022	
Financial leasing				
Gross investment	1,559,267		1,144,820	
Non-earned financial income	-301,664		-184,964	
Net investment in financial leases	1,257,603		959,856	
Less residual values not guaranteed that fall to the lessor	0		0	
Present value of receivables re future minimum leasing charges	1,257,603		959,856	
Reserve for doubtful receivables re minimum leasing charges	45,825		32,157	
Remaining maturity	Gross investment	Net investment	Gross investment	Net investment
Within one year	591,906	454,695	430,508	347,280
Between one and five years	963,283	799,813	700,436	599,743
Later than five years	4,078	3,096	13,875	12,834
Total	1,559,267	1,257,604	1,144,820	959,856
Of which the single largest net investment	10,000		3,937	

	Net investment	
	31/12/2023	31/12/2022
Operational leasing – Present value of future minimum leasing charges		
Within one year	454,695	347,280
Between one and five years	799,813	599,743
Later than five years	3,096	12,834
Total	1,257,604	959,856
Carrying amount of repossessed leased assets	2,926	319

Leased assets comprise primarily IT, telecoms and other communications equipment. Lease income reported for the year amounts to SEK 573,943,000 (427,937,000).

NOTE M25 Leasing

Accounting policies

IFRS 16 is applied in the Group, but not in the Parent Company. In the Parent Company, all fixtures and fittings for own use via leases and for rental are reported as operational leases.

Operational leasing	31/12/2023	31/12/2022
Fixtures and fittings used via leases:		
Costs, operational leasing	26,011	22,479
Of which, newly signed contracts during the year	3,647	4,012
Of which, contracts redeemed during the year	-6,433	-2,294
Leasing expenses during the year	12,103	7,668
Other rental agreements:		
Rental expenses during the year	44,768	24,720
Future leasing and rental payments as lessee		
Within one year	52,722	49,103
Between one and five years	181,499	182,767
Later than five years	75,744	130,148

NOTE M26 Deferred tax asset/liability

Accounting policies

The Parent Company follows the Group's accounting policies when reporting deferred tax assets and liabilities, see Note K24.

	31/12/2023	31/12/2022
Lending to the public	1,024	1,798
Shares and participations		23,848
Deferred tax assets	1,024	25,646
Bonds and other securities	285	
Shares and participations	18,225	-17,482
Other assets/liabilities	-31,226	
Deferred tax liabilities	-12,716	-17,482
Net	-11,691	8,165
Lending to the public	-666	714
Bonds and other securities	-317	1,212
Shares and participations		-199
Intangible assets		-1,353
Other assets/liabilities	-45,772	11,160
Tax loss carryforwards		-4,802
Change reported in income statement	-46,756	6,731
Change, deferred tax fair value fund	27,008	176,771
Exchange rate differences	-104	31
Reported directly against shareholders' equity	26,904	176,802
Total changes	-19,852	183,533

NOTE M27 Derivative instruments**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting derivative instruments, see Note K25.

The Parent Company's derivative instruments consist of currency swaps. This item refers to hedging contracts in which the fair value, i.e. the market value, exceeds the forward rate on the closing date.

	31/12/2023	31/12/2022
Derivatives for hedging fair value – not hedge accounted		
Foreign exchange-related contracts		
Swaps	5,853,666	2,799,680
Total	5,853,666	2,799,680
Foreign exchange distribution of market values		
EUR	4,185,055	1,156,947
NOK	791,739	781,599
DKK	53,792	
USD	560,408	782,539
CHF	43,252	11,290
GBP	35,814	50,199
Total	5,670,060	2,782,573
Positive value of foreign exchange-related contracts	183,606	17,106

NOTE M28 Other assets

	31/12/2023	31/12/2022
Accounts receivable	5,632	5,215
Current tax assets	110,782	62,778
Receivables from Group companies	22,051	27,667
Deduction, non-payment of funds	38,390	9,695
Receivables from card companies	29,452	12,065
Value-added tax		764
Other receivables	27,240	87,610
Total	233,547	205,793

NOTE M29 Prepaid expenses and accrued income

	31/12/2023	31/12/2022
Commission income	13,508	17,327
Commissions, intra-group	754	2,056
Rental/subscription expenses	15,532	12,988
Other expenses	53,278	42,745
Total	83,072	75,116

NOTE M30 Liabilities to credit institutions**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting liabilities to credit institutions, see Note K28.

Liabilities to credit institutions increased as a consequence of positive market values for currency hedges at the year-end.

	31/12/2023	31/12/2022
Granted credit	422,192	400,000
Unutilised credit facilities	-422,192	-400,000
Other (in currency hedging)	265,200	
Total	265,200	0

NOTE M31 Deposits from the public**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting deposits from the public, see Note K29.

	31/12/2023	31/12/2022
Deposits from the public, private individuals	31,499,236	28,008,819
Deposits from the public, companies	4,253,192	2,497,483
Deposits from the public, Group	129,525	139,063
Total	35,881,952	30,645,365

NOTE M32 Issued securities, etc.

Accounting policies

Issued securities, etc. are classified as financial liabilities and measured at accrued cost. Items refer to certificates and convertible debt instruments.

Combined financial instruments

Convertible debt instruments are reported as combined financial instruments, i.e. debt instruments with an option to convert the debt to shares. The debt instrument and the shareholders' equity component are therefore reported separately in the statement of financial position. The fair value of the debt instrument consists of the present value of future payments of interest and repayments attributable to the debt instrument. The discount rate consists of the market rate at the time of issue of comparable debt instruments but without conversion options. The equity instrument consists of a built-in option to convert the debt instrument to shares.

	31/12/2023	31/12/2022
Convertible debt instruments		
Issued, nominal value	200,000	200,000
Shareholders' equity component in issued debt instrument	-8,639	-8,639
Capitalised interest	3,119	445
Total	194,480	191,806
Issued securities	194,480	191,806

On 1 November 2022, the Parent Company issued intra-Group convertible debt instruments with a nominal value of SEK 200,000,000 in total. The debt instruments fall due on 31 December 2025 at their nominal values or can be converted to new shares at the request of the holders at a price of SEK 3,598 per share, 55,585 shares in total. The debt instruments carry an annual interest rate of 6%. The interest expense of the convertible debt instruments for the year amounted to SEK 12,000,000 in total.

The fair value of the liability component of the convertible at the time of the issue has been discounted to a present value with the application of a market interest rate of 7.50%. The discounted liability component (SEK 191,361,000) consisted of the sum of the present values of the nominal loan amount (SEK 158,553,000) and the coupon rates (SEK 32,808,000).

NOTE M33 Derivative instruments

Accounting policies

The Parent Company follows the Group's accounting policies when reporting derivative instruments, see Note K30.

The Parent Company's derivative instruments consist of currency swaps. This item refers to hedging contracts in which the fair value, i.e. the market value, falls below the forward rate on the closing date.

	31/12/2023	31/12/2022
Derivatives for hedging fair value – not hedge accounted		
Foreign exchange-related contracts		
Swaps	2,902,740	6,649,663
Total	2,902,740	6,649,663
Foreign exchange distribution of market values		
EUR	1,525,247	5,213,731
NOK	345,686	954,463
DKK	113,581	148,210
USD	265,462	
RON	223,705	
RUB		170,777
PLN	448,322	218,578
CHF	12,762	31,627
Total	2,934,765	6,737,385
Negative value of foreign exchange-related contracts	32,025	87,722

NOTE M34 Other liabilities

	31/12/2023	31/12/2022
Accounts payable	164,526	109,782
Tax liability	12,010	38,341
Deduction, non-disbursed funds	21,653	22,636
Retained income taxes	228,067	105,047
Value-added tax	19,525	7,100
Other liabilities	25,053	5,429
Total	470,834	288,335

NOTE M35 Accrued expenses and deferred income

	31/12/2023	31/12/2022
Interest income	102,103	54,717
Leasing income	61,632	49,884
Commission income	1,432	1,478
Commission expenses	1,341	908
Personnel expenses	125,013	120,758
Other administrative expenses	112,311	60,674
Other consolidated internal administrative expenses	9,427	6,271
Total	413,260	294,689

NOTE M36 Provisions**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting provisions, see Note K33.

	31/12/2023	31/12/2022
Legal claims		
Opening provisions	45,000	
Provisions added		45,000
Closing accumulated provisions	45,000	45,000

In June 2022, the Swedish Financial Supervisory Authority decided to impose an administrative penalty of SEK 45 million on the Parent Company.

No payment has been made to counterparties while a final ruling is awaited.

NOTE M37 Subordinated liabilities**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting subordinated liabilities, see Note K34.

	31/12/2023	31/12/2022
Bond loans		
Opening accumulated cost	598,724	899,682
AT1 bond, change of accounting policy ¹⁾		-303,112
Capitalised interest	2,070	2,154
Closing accumulated cost	600,794	598,724
Total	600,794	598,724

¹⁾ AT1 bond is reported in shareholders' equity.

Tier 2 bonds

On 3 September 2020, the Parent Company issued a 10-year subordinated bond loan in the nominal amount of SEK 300,000,000 which will fall due on 10 September 2030. On 20 June 2019, the Parent Company issued a 10-year subordinated bond loan in the nominal amount of SEK 300,000,000 which will fall due on 20 June 2029. See Note K34 for additional information.

NOTE M38 Pledged assets**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting pledged assets, see Note K35.

	31/12/2023	31/12/2022
Other assets pledged and comparable collateral		
Lending to credit institutions	54,516	40,703
Other assets	26,562	9,680
Total	81,078	50,383

Other assets pledged and comparable collateral

Through Svea Bank AB filial i Finland acting as a credit institution, the Parent Company deposited SEK 54,516,000 (40,703,000) with Finlands Bank in a so-called reserve account. This sum amounts to 1% of the branch's borrowing from the Parent Company in Sweden at the month-end two months before the end of the closing day, in respect of a deduction of EUR 100,000. The above assets will remain pledged until the deposit arrangement or the business operation expires.

The Parent Company has deposited USD 2,600,000 (900,000) with MasterCard, corresponding to SEK 26,562,000 (9,680,000), as collateral for commitments associated with Svea Bank's card operations. The asset will remain pledged until the collaboration agreement ceases.

NOTE M39 Contingencies**Accounting policies**

The Parent Company follows the Group's accounting policies when reporting contingencies, see Note K36.

	31/12/2023	31/12/2022
Contingent liabilities		
Guarantee commitments, external	11,346	13,129
Guarantee commitments, Group	4,245	12,792
Total	15,591	25,920
Commitments		
Granted credit	35,431,092	30,569,709
Disbursed credit ¹⁾	-30,026,272	-25,855,550
Total	5,404,820	4,714,159
Total	5,420,411	4,740,080

¹⁾ Refers to lending to the public before provision for expected credit losses.

NOTE M40 Business combinations**During 2023**

Taking possession on 30 September 2023, Svea Bank AB acquired the shares in the company Svea Rahoitus OY (formerly Intrum Rahoitus OY). The company conducts factoring operations in Finland. See Note K37 for the Group for an acquisition analysis.

During 2022

Taking possession on 1 November 2022, Svea Bank AB acquired the remaining shares in Zlantar of Sweden AB. The company provides an app in which the consumer can collect and manage their private finances, and can also compare and improve their agreements and finances. See Note K37 for the Group for an acquisition analysis.

NOTE M41 Financial instruments – classification of financial assets and liabilities

31/12/2023	Fair value via the income statement				Non-financial assets/ liabilities	Total carrying amount	Fair value
	Accrued cost of acquisition	Mandatory	Derivatives identified as hedging instruments	Fair value via comprehensive income			
Cash and bank balances with central banks	4,998,416					4,998,416	4,998,416
Lending to credit institutions	1,182,338					1,182,338	1,182,338
Lending to the public	28,633,120	25,477				28,658,597	28,658,597
Bonds and securities		1,754,202				1,754,202	1,754,202
Shares and participations		2,210,374		1,582,940		3,793,314	3,793,314
Derivative instruments			183,606			183,606	183,606
Other assets, accounts receivable	5,632					5,632	5,632
Financial assets	34,819,507	3,990,053	183,606	1,582,940	0	40,576,106	40,576,106
Shares and participations in associated companies					1,141,652	1,141,652	1,141,652
Intangible assets					24,464	24,464	24,464
Tangible assets					1,343,545	1,343,545	1,343,545
Deferred tax assets					1,024	1,024	1,024
Other assets					227,915	227,915	227,915
Prepaid expenses/ accrued income					83,072	83,072	83,072
Assets	34,819,507	3,990,053	183,606	1,582,940	2,821,671	43,397,777	43,397,777
Liabilities to credit institutions	265,200					265,200	265,200
Deposits from the public	35,881,952					35,881,952	35,881,952
Issued securities, etc.	194,480					194,480	194,480
Derivative instruments			32,025			32,025	32,025
Other liabilities, accounts payable	164,526					164,526	164,526
Subordinated liabilities	600,794					600,794	598,650
Financial liabilities	37,106,953	0	32,025	0	0	37,138,978	37,136,833
Other liabilities					306,308	306,308	306,308
Accrued expenses/ prepaid income					413,260	413,260	413,260
Deferred tax liability					12,716	12,716	12,716
Provisions					45,000	45,000	45,000
Total liabilities	37,106,953	0	32,025	0	777,283	37,916,261	37,914,117
Shareholders' equity					5,481,516	5,481,516	5,481,516
Total liabilities and shareholders' equity						43,397,777	43,395,633

NOTE 41 Financial instruments – classification of financial assets and liabilities, contd.

31/12/2022	Fair value via the income statement				Non-financial assets/ liabilities	Total carrying amount	Fair value
	Accrued cost of acquisition	Mandatory	Derivatives identified as hedging instruments	Fair value via comprehensive income			
Cash and bank balances with central banks	2,503,401					2,503,401	2,503,401
Lending to credit institutions	1,579,870					1,579,870	1,579,870
Lending to the public	24,790,967	16,573				24,807,540	24,807,540
Bonds and securities		1,570,822				1,570,822	1,570,822
Shares and participations		1,934,639		2,117,115		4,051,754	4,051,754
Derivative instruments			17,106			17,106	17,106
Other assets, accounts receivable	5,215					5,215	5,215
Financial assets	28,879,451	3,522,035	17,106	2,117,115	0	34,535,708	34,535,708
Shares and participations in associated companies					1,131,702	1,131,702	1,131,702
Intangible assets					30,780	30,780	30,780
Tangible assets					1,050,553	1,050,553	1,050,553
Deferred tax assets					25,646	25,646	25,646
Other assets					200,579	200,579	200,579
Prepaid expenses/ accrued income					75,116	75,116	75,116
Assets	28,879,451	3,522,035	17,106	2,117,115	2,514,375	37,050,082	37,050,082
Deposits from the public	30,645,365					30,645,365	30,645,365
Issued securities, etc.	191,806					191,806	191,806
Derivative instruments			87,722			87,722	87,722
Other liabilities, accounts payable	109,782					109,782	109,782
Subordinated liabilities	598,724					598,724	596,400
Financial liabilities	31,545,678	0	87,722	0	0	31,633,400	31,631,075
Other liabilities					178,553	178,553	178,553
Accrued expenses/ prepaid income					294,689	294,689	294,689
Deferred tax liability					17,482	17,482	17,482
Provisions					45,000	45,000	45,000
Liabilities	31,545,678	0	87,722	0	535,724	32,169,124	32,166,799
Shareholders' equity					4,880,958	4,880,958	4,880,958
Total liabilities and shareholders' equity						37,050,082	37,047,757

NOTE M42 Fair value – measurement levels

The tables below provide information on how fair value is determined for the financial instruments measured at fair value in the balance sheet. The financial instruments referred to are lending to the public (part of item, see also below), bonds and other securities, shares and participations, and derivative instruments. For lending and deposits with variable interest rates, which are reported at accrued cost, carrying amount is deemed to correspond with fair value. Subordinated liabilities are reported at accrued cost, fair value amounts to SEK 598,650,000 (596,400,000). Fair value is determined on the basis of the following three levels:

Level 1: according to prices listed in an active market for the same instruments (see also Note 1).

Level 2: according to measurement techniques/models, directly or indirectly based on observable market data, and which are not included in level 1.

Level 3: based on input data not observable in the market. Refers to unlisted shares and participations, as well as promissory notes in which the contract terms may give rise to payment flows that do not fully comprise interest and repayment. These promissory notes are reported in the item Lending to the public. Fair values are deemed to correspond to carrying amounts.

NOTE M42 Fair value – measurement levels, contd.

31/12/2023	Level 1	Level 2	Level 3	Total
Lending to the public			25,477	25,477
Bonds and other securities	1,754,202			1,754,202
Shares and participations	1,587,160	46,000	2,160,154	3,793,314
Derivative instruments		183,606		183,606
Financial assets	3,341,361	229,606	2,185,631	5,756,599
Derivative instruments		32,025		32,025
Financial liabilities		32,025		32,025
31/12/2022	Level 1	Level 2	Level 3	Total
Lending to the public			16,573	16,573
Bonds and other securities	1,570,822			1,570,822
Shares and participations	2,120,925	12,123	1,918,706	4,051,754
Derivative instruments		17,106		17,106
Financial assets	3,691,747	29,229	1,935,279	5,656,256
Derivative instruments		87,722		87,722
Financial liabilities		87,722		87,722

Level 3

The fair value of unlisted shares and participations is reported at fair value based on a measurement performed by external independent expertise. The measurement is based in the first instance on the most recently completed transaction.

In cases where the transaction is more than 12 months old, a measurement is performed based on measurement multiples for comparable companies (relative valuation) or a discounted cash flow (DCF) valuation.

Svea Bank's investments in unlisted shares and participations relate primarily to Sweden and are distributed across different industries, primarily finance and property, but also telecoms and other services.

Svea Bank considers the holdings to be long-term investments and does not intend to dispose of them.

	Lending to the public	Shares and participations	Total
Closing balance 31/12/2021	0	0	0
Takeover in connection with merger	23,491	1,479,265	1,502,755
Acquisition cost		345,413	345,413
Proceeds		-205,791	-205,791
Exchange rate differences	681		681
Reclassification	35,932	-33,487	2,445
Revaluation	-23,098	333,307	310,209
Repayment	-19,900		-19,900
Confirmed loss	-532		-532
Closing balance 31/12/2022	16,573	1,918,706	1,935,279
Acquisition cost		163,366	163,366
New lending	48,500		48,500
Proceeds		-20	-20
Exchange rate differences	-26		-26
Reclassification	759		759
Revaluation	-40,328	181,586	141,257
Confirmed loss		-103,484	-103,484
Closing balance 31/12/2023	25,477	2,160,154	2,185,631

NOTE M43 Financial risks

See Note K40 Financial risks for a description of the financial risks.

The tables below present the maximum credit risk exposure for financial instruments with regard to the collateral available for loan

receivables and information regarding the credit quality of said receivables.

Credit-risk exposure, gross and net, and specification of collateral for loan receivables

31/12/2023	Total credit risk exposure (before impairment)	Impairment/provision	Carrying amount	Mortgage on properties and tenant-owner apartments	Accounts receivable	Share pledge	Other collateral	Value of collateral for items in balance sheets	Total credit risk exposure after deductions for collateral
Cash and balances with central banks	4,998,416		4,998,416						4,998,416
Lending to credit institutions	1,182,338		1,182,338						1,182,338
Total	6,180,755		6,180,755						6,180,755
Lending to companies	14,743,149	-620,614	14,122,535	490,880	2,920,402	561,922	1,411,436	5,384,640	8,737,895
Lending to households	15,283,123	-747,061	14,536,062	2,313,278			140,176	2,453,454	12,082,608
Total lending to the public	30,026,272	-1,367,674	28,658,597	2,804,158	2,920,402	561,922	1,551,612	7,838,094	20,820,503
Bonds and other securities									
Government securities and similar:									
AAA	320,811		320,811						320,811
AA+	1,050,155		1,050,155						1,050,155
Other issuers:									
AAA	383,236		383,236						383,236
Total bonds and other securities	1,754,202		1,754,202						1,754,202
Derivative instruments	183,606		183,606						183,606
Issued financial guarantees	18,133		18,133				6,787	6,787	11,346
Total	201,739		201,739				6,787	6,787	194,952
Total credit risk exposure and collateral	38,162,967	-1,367,674	36,795,293	2,804,158	2,920,402	561,922	1,558,399	7,844,881	28,950,412

NOTE M43 Financial risks, contd.

Credit-risk exposure, gross and net, and specification of collateral for loan receivables

31/12/2022	Total credit risk exposure (before impairment)	Impairment/provision	Carrying amount	Mortgage on properties and tenant-owner apartments	Accounts receivable	Share pledge	Other collateral	Value of collateral for items in balance sheets	Total credit risk exposure after deductions for collateral
Cash and balances with central banks	2,503,401		2,503,401						2,503,401
Lending to credit institutions	1,579,870		1,579,870						1,579,870
Total	4,083,270		4,083,270						4,083,270
Lending to companies	11,970,024	-412,455	11,557,569	628,220	2,756,869	406,668	992,503	4,784,260	6,773,309
Lending to households	13,885,526	-635,554	13,249,972	2,115,666			142,816	2,258,482	10,991,490
Total lending to the public	25,855,550	-1,048,010	24,807,540	2,743,886	2,756,869	406,668	1,135,319	7,042,742	17,764,798
Bonds and other securities									
Government securities and similar:									
AAA	425,695		425,695						425,695
AA+	852,694		852,694						852,694
Other issuers:									
AAA	292,433		292,433						292,433
Total bonds and other securities	1,570,822		1,570,822						1,570,822
Derivative instruments	17,106		17,106						17,106
Issued financial guarantees	34,175		34,175				8,255	8,255	25,920
Total	51,281		51,281				8,255	8,255	43,026
Total credit risk exposure and collateral	31,560,923	-1,048,010	30,512,914	2,743,886	2,756,869	406,668	1,143,574	7,050,997	23,461,917

Portions of unsecured loans have co-borrowers and may also be covered by voluntary payment insurance, which provides cover against inability to pay.

The rating institutes Moody's and S&P have been used in the tables above to determine the rating of Bonds and other securities.

The above securities can be used at any time as it is unlikely that the borrower will be able to repay their entire debt (capital, interest and fees) via future cash flows.

Credit quality of loan receivables excluding acquired stocks of past-due receivables (POCI)

	31/12/2023	31/12/2022
Private individuals:		
Rate of loss provisions for loan receivables	5.8%	5.4%
Credit loss ratio	2.7%	2.1%
Company:		
Rate of loss provisions for loan receivables	4.2%	3.4%
Credit loss ratio	4.2%	0.2%

In the table for 2022 and 2023, acquired stocks of past-due receivables have also been classified as fixed-interest lending. This is because cash flows for this lending cannot be affected by changes in the market interest rate.

NOTE M43 Financial risks, contd.**Interest rate exposure – fixed-interest periods**

31/12/2023	Max 1 mon	1 mon– 3 mon	3 mon– 1 year	1 year– 5 years	More than 5 years	No interest	Total
Cash and balances with central banks	4,998,416						4,998,416
Lending to credit institutions	1,182,338						1,182,338
Lending to the public	21,030,513	2,713,666	2,231,341	2,132,876	550,201		28,658,597
Bonds and other securities	240,042	1,253,669	123,749	136,741			1,754,202
Other assets						6,804,223	6,804,223
Total assets	27,451,310	3,967,335	2,355,091	2,269,617	550,201	6,804,223	43,397,777
Liabilities to credit institutions	270,687						270,687
Deposits from the public	31,510,563	340,024	2,441,528	716,638		867,713	35,876,465
Other liabilities				194,480		961,119	1,155,600
Deferred tax liability						12,716	12,716
Subordinated liabilities		600,794					600,794
Shareholders' equity	300,000	300,000				4,881,516	5,481,516
Total liabilities and shareholders' equity	32,081,250	1,240,818	2,441,528	911,118	0	6,723,064	43,397,777
Net interest rate exposure	-4,629,940	2,726,517	-86,437	1,358,499	550,201		
Cumulative interest rate exposure	-4,629,940	-1,903,423	-1,989,860	-631,361	-81,160		

Interest rate exposure, fixed-interest terms for the Parent Company

31/12/2022	Max 1 mon	1 mon– 3 mon	3 mon– 1 year	1 year– 5 years	More than 5 years	No interest	Total
Cash and balances with central banks	2,503,401						2,503,401
Lending to credit institutions	1,579,870						1,579,870
Lending to the public	18,687,337	2,488,335	1,665,659	1,607,199	359,009		24,807,540
Bonds and other securities	144,616	1,183,838	242,368				1,570,822
Other assets						6,588,450	6,588,450
Total assets	22,915,224	3,672,173	1,908,028	1,607,199	359,009	6,588,450	37,050,082
Deposits from the public	26,336,356	478,926	2,004,909	1,005,616		819,557	30,645,365
Other liabilities				191,806		715,746	907,553
Deferred tax liability						17,482	17,482
Subordinated liabilities		598,724					598,724
Shareholders' equity	300,000					4,580,958	4,880,958
Total liabilities and shareholders' equity	26,636,356	1,077,650	2,004,909	1,197,423	0	6,133,743	37,050,082
Net interest rate exposure	-3,721,133	2,594,523	-96,882	409,776	359,009		
Cumulative interest rate exposure	-3,721,133	-1,126,610	-1,223,492	-813,715	-454,706		

Sensitivity analysis

The impact of a 1 percentage point increase/decrease in interest on net interest income during the future 12-month period amounts to +/- SEK 812,000 (4,547,000) for the Parent Company, based on all interest-bearing assets and liabilities existing on the closing date.

Currency risks

Currency risk is the risk that changes in exchange rates will negatively impact the Parent Company's income statement, balance sheet and/or cash flows. Currency risk can be divided into transaction exposure and translation exposure. Transaction exposure comprises the net of operational and financial currency inflows and outflows. Translation exposure consists primarily of foreign branches' equities in foreign currency.

NOTE M43 Financial risks, contd.

Assets and liabilities in SEK thousands by underlying currency

31/12/2023	SEK	NOK	EUR	DKK	USD	Other	Total
Cash and balances with central banks	4,943,901		54,516				4,998,416
Lending to credit institutions	178,788	698,856	295,378	4,851	1,803	2,663	1,182,338
Lending to the public	15,095,243	4,026,727	8,489,008	112,761	776,015	158,843	28,658,597
Bonds and other securities	1,493,711	136,741	123,749				1,754,202
Other assets	5,307,617	120,471	1,288,548		31,071	56,517	6,804,223
Total assets	27,019,259	4,982,795	10,251,199	117,612	808,889	218,023	43,397,777
Deposits from the public	24,731,484	4,799,593	6,340,036	1,589	3,644	119	35,876,465
Deferred tax liability	12,716						12,716
Other liabilities	1,184,135	79,884	162,267				1,426,286
Subordinated liabilities	600,794						600,794
Shareholders' equity	5,454,762	2,173	24,581				5,481,516
Total liabilities and shareholders' equity	31,983,890	4,881,651	6,526,884	1,589	3,644	119	43,397,777
Contingent liabilities	11,115	4,245	231				15,591
Currency swaps		-186,562	-3,046,962	-166,746	-823,411	-761,749	
Net position	-4,953,515	-81,173	677,584	-50,722	-18,167	-543,845	
Net position excluding shareholders' equity	501,247	-79,000	702,165	-50,722	-18,167	-543,845	

Other currencies consist primarily of GBP and CHF.

31/12/2022	SEK	NOK	EUR	DKK	USD	Other	Total
Cash and balances with central banks	2,462,698		40,703				2,503,401
Lending to credit institutions	913,319	471,684	174,912	1,015	15,446	3,494	1,579,870
Lending to the public	12,982,268	3,957,147	6,973,007	117,376	730,131	47,611	24,807,540
Bonds and other securities	1,328,454	133,166	109,202				1,570,822
Other assets	5,551,777	164,172	795,668		21,972	54,860	6,588,450
Total assets	23,238,515	4,726,169	8,093,492	118,392	767,549	105,965	37,050,082
Deposits from the public	23,264,580	3,641,318	3,735,935	40	3,392	100	30,645,365
Deferred tax liability	17,482						17,482
Other liabilities	698,866	98,747	109,940				907,553
Subordinated liabilities	598,724						598,724
Shareholders' equity	4,871,782	9,177					4,880,958
Total liabilities and shareholders' equity	29,451,433	3,749,241	3,845,875	40	3,392	100	37,050,082
Contingent liabilities	13,014	7,800	115				20,929
Currency swaps		-1,011,720	-3,961,675	-148,152	-788,001	-482,628	
Net position	-6,199,905	-26,992	286,057	-29,801	-23,844	-376,763	
Net position excluding shareholders' equity	-1,328,123	-17,816	286,057	-29,801	-23,844	-376,763	

Other currencies consist primarily of GBP and CHF.

Sensitivity analysis

The sensitivity analysis below is based on translation exposure and refers to exposure in SEK thousands on the closing date.

31/12/2023	NOK	EUR	DKK	USD	Other	Total
Effect of 10% increase in SEK against currency	8,117	-67,758	5,072	1,817	54,385	1,632
31/12/2022	NOK	EUR	DKK	USD	Other	Total
Effect of 10% increase in SEK against currency	2,699	-28,606	2,980	2,384	37,676	17,134

NOTE M43 Financial risks, contd.**Share price risks**

Shares and participations specified by geographical market and industry are presented in the tables and sensitivity analyses below.

Geographic distribution of holdings:	31/12/2023	31/12/2022
Sweden	2,960,150	3,354,544
Nordic, other	99,084	169,292
Europe, other	710,607	498,989
Rest of the world	23,747	28,959
Total	3,793,314	4,051,754

Distribution of holdings per industry:	31/12/2023	31/12/2022
Properties	298,590	447,523
Healthcare	173,799	178,369
Industry	66,999	116,606
Technology	769,095	616,451
Consumer services	1,144,938	1,362,367
Consumer goods	58,700	55,389
Energy	29,642	31,905
Telecoms	23,375	25,841
Material	2,354	225,570
Finance	1,225,820	991,733
Total	3,793,314	4,051,754

Sensitivity analysis

	31/12/2023	31/12/2022
The impact on shareholders' equity of a 10% increase/decrease in the share price amounts to +/-	379,331	405,175
or as a percentage of shareholders' equity based on the shares and participations as of the closing date.	6.9%	7.2%

Liquidity exposure

31/12/2023	Contractual non-discounted cash flows – terms remaining						Total
	On demand	Max 3 mon	3 mon– 1 year	1 year– 5 years	More than 5 years	No term	
Cash and bank balances with central banks	4,998,416						4,998,416
Lending to credit institutions	1,182,338						1,182,338
Lending to the public		5,890,900	5,592,184	11,633,092	15,100,801		38,216,977
Bonds and securities		42,386	444,935	1,215,386	51,494		1,754,201
Shares and participations						4,934,965	4,934,965
Other assets		100,714	11,808				112,522
Total financial assets – contractual cash flows	6,180,755	6,034,000	6,048,927	12,848,478	15,152,295	4,934,965	51,199,420
Acquired stocks of past-due receivables (POCI) – expected cash flows		80,516	238,544	897,306	684,521		1,900,887
Total financial assets	6,180,755	6,114,516	6,287,471	13,745,784	15,836,816	4,934,965	53,100,307
Liabilities to credit institutions	270,687						270,687
Deposits from the public	28,821,487	2,848,900	3,469,711	736,367			35,876,465
Tier 1 capital instruments						947,640	947,640
Subordinated liabilities		13,884	341,147	322,894			677,925
Other liabilities		458,824	261,335	212,000			932,159
Total financial liabilities	29,092,174	3,321,609	4,072,192	1,271,261		947,640	38,704,876
Issued financial guarantees						-23,290	-23,290
Issued loan commitments						-5,404,820	-5,404,820
Derivatives, paid		6,357,152	1,351,457				7,708,609
Derivatives, received		-6,195,195	-1,361,833				-7,557,028
Lease agreements as lessee		-13,181	-39,542	-181,499	-75,744		-309,965
Lease agreements as lessor		236,520	709,561	1,678,130	7,254		2,631,465
Total		385,297	659,643	1,496,631	-68,490	-5,428,110	-2,955,029
Total difference	-22,911,419	2,407,610	1,555,636	10,977,892	15,905,306		

NOTE M43 Financial risks, contd.

31/12/2022	Contractual non-discounted cash flows – terms remaining						Total
	On demand	Max 3 mon	3 mon– 1 year	1 year– 5 years	More than 5 years	No term	
Cash and bank balances with central banks	2,503,401						2,503,401
Lending to credit institutions	1,579,870						1,579,870
Lending to the public		5,421,395	4,708,044	10,132,956	9,570,142		29,832,537
Bonds and securities		229,683	408,897	932,242			1,570,822
Shares and participations						5,183,456	5,183,456
Other assets		115,349	17,004				132,353
Total financial assets – contractual cash flows	4,083,270	5,766,427	5,133,945	11,065,198	9,570,142	5,183,456	40,802,438
Acquired stocks of past-due receivables (POCI) – expected cash flows		90,878	252,152	923,596	552,775		1,819,401
Total financial assets	4,083,270	5,857,305	5,386,097	11,988,794	10,122,917	5,183,456	42,621,839
Deposits from the public	27,271,851	363,972	2,040,656	1,039,123			30,715,601
Tier 1 capital instruments		6,350	306,350				312,700
Subordinated liabilities		12,016	36,048	675,119			723,183
Other liabilities		249,994	231,773	224,000			705,767
Total financial liabilities	27,271,851	632,332	2,614,827	1,938,242	0	0	32,457,251
Issued financial guarantees						-25,920	-25,920
Issued loan commitments						-9,721,869	-9,721,869
Derivatives, paid		6,740,786	1,521,455				8,262,241
Derivatives, received		-6,809,836	-1,523,020				-8,332,856
Lease agreements as lessee		-12,276	-36,827	-182,767			-231,870
Lease agreements as lessor		88,653	265,958	622,659	3,309		980,579
Total	0	7,327	227,566	439,892	3,309	-9,747,789	-9,069,695
Total difference	-23,188,581	5,217,647	2,543,705	9,610,660	10,119,608		

NOTE M44 Capital adequacy**Capital base**

Capital base refers to the total of Common Equity Tier 1 capital, Tier 1 capital and Tier 2 capital, after deductions. Common Equity Tier 1 capital is defined as capital that essentially corresponds to paid capital and certain reserves. Earnings may only be included after deductions for proposed dividends. Net intangible assets, i.e. after deferred tax and deferred tax assets attributable to loss carryforwards are not included in Common Equity Tier 1 capital.

Capital adequacy	31/12/2023	31/12/2022
Common Equity Tier 1 capital	4,502,281	4,467,756
Tier 1 capital	5,102,281	4,767,756
Total capital	5,700,614	5,364,489
Capital requirement, pillar I	2,967,832	2,597,951
Capital requirement, pillar II	476,995	539,150
Capital conservation buffer	927,448	811,860
Contra-cyclic buffer	435,488	230,120
Total capital requirements	4,807,763	4,179,081
Capital surplus		
Risk-weighted exposures	37,097,902	32,474,390
Common Equity Tier 1 capital ratio, %	12.14	13.76
Tier 1 capital ratio, %	13.75	14.68
Total capital ratio, %	15.37	16.52
Requirement for Common Equity Tier 1 capital (Pillar I), %	4.50	4.50
Requirement for Common Equity Tier 1 capital (Pillar II), %	0.90	1.14
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	1.17	0.71
Total Common Equity Tier 1 capital requirement, %	9.07	8.85
Requirement for Tier 1 capital (Pillar I), %	6.00	6.00
Requirement for Tier 1 capital (Pillar II), %	1.07	1.36
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	1.17	0.71
Total Tier 1 capital requirement, %	10.74	10.57
Total capital requirement (Pillar I), %	8.00	8.00
Total capital requirement (Pillar II), %	1.29	1.66
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	1.17	0.71
Total capital requirement, %	12.96	12.87
Common Equity Tier 1 capital available for use as buffer, %	6.74	8.12

A decision from the Swedish Financial Supervisory Authority has granted Svea Bank approval to include the interim surplus in the capital base. A summary review has been conducted of the interim surplus for the period January-December 2023 and of the capital base as of 31 December 2023.

Capital base	31/12/2023	31/12/2022
Share capital	50,501	50,501
Share premium account	59,499	59,499
Capital instruments and associated share premium reserves	110,000	110,000
Retained earnings (incl. capital portion of untaxed reserves)	4,402,267	3,203,452
Tier 1 capital instruments classified as shareholders' equity	600,000	300,000
Accumulated other comprehensive income (and other reserves)	-58,476	76,037
Earnings after predictable expenses	427,725	1,191,469
Equity (including the capital portion of untaxed reserves)	5,481,516	4,880,958
Minus:		
Expected dividend	-50,000	-50,000
Intangible assets, net	-24,464	-30,780
Additional value adjustments	-5,764	-5,744
Deduction of NPL backstop	-84,536	-26,679
Deduction for investments in the financial sector	-214,472	
Deduction for Tier 1 capital instruments classified as shareholders' equity	-600,000	-300,000
Common Equity Tier 1 capital: legislative adjustments and other deductions	-979,235	-413,203
Common Equity Tier 1 capital	4,502,281	4,467,756
Substantial investments in the financial sector		
Subordinated liabilities (AT1)	600,000	300,000
Tier 1 capital instruments	600,000	300,000
Tier 1 capital	5,102,281	4,767,756
Subordinated liabilities	598,333	596,733
Supplementary capital contribution	598,333	596,733
Total capital	5,700,614	5,364,488

Leverage ratio	31/12/2023	31/12/2022
Tier 1 capital	5,102,281	4,767,756
Total exposure amount for leverage ratio	44,808,855	38,106,032
Leverage ratio, %	11.39	12.51

Leverage ratio

The leverage ratio is a metric that aims to limit the risk of increased indebtedness among credit institutions. The metric is reported to the supervisory authorities and was introduced on 28 June 2021. The leverage ratio is calculated as Tier 1 capital divided by the total exposure on and off balance sheet with adjustments for certain items such as derivatives.

NOTE M44 Capital adequacy, contd.

	31/12/2023		31/12/2022	
	Risk-weighted	Minimum capital requirement	Risk-weighted	Minimum capital requirement
Risk-weighted exposures and minimum capital requirement				
Exposures to institutions	382,293	30,583	389,597	31,168
Exposures to companies	8,197,044	655,764	6,478,401	518,272
Exposures to households	9,910,190	792,815	8,633,616	690,689
Exposures secured through property mortgages	899,409	71,953	847,242	67,779
Defaulting exposures	1,608,583	128,687	988,256	79,061
Defaulting exposures, acquired stocks of past-due receivables	1,114,342	89,147	1,145,280	91,622
Exposures associated with a particularly high risk	1,932,584	154,607	1,834,679	146,774
Exposures in the form of covered bonds	38,324	3,066	29,243	2,339
Share exposures	4,719,521	377,562	5,027,616	402,209
Other exposures	1,549,381	123,951	1,268,684	101,495
Credit risk	30,351,672	2,428,134	26,642,615	2,131,409
Currency risk	718,139	57,451	459,938	36,795
Market risk	718,139	57,451	459,938	36,795
Operational risk	5,918,973	473,518	5,294,852	379,572
Operational risk	5,918,973	473,518	5,294,852	379,572
Credit valuation adjustment risk	109,118	8,729	76,985	6,159
Credit valuation adjustment risk	109,118	8,729	76,985	6,159
Total	37,097,902	2,967,832	32,474,390	2,553,935

NOTE M45 Related party transactions**Accounting policies****Relationships**

The Parent Company finances the Group companies, which generate interest income, receive dividends and lease personnel to Group companies. The Parent Company's directly owned subsidiaries are reported in Note M22, Participations in Group companies and associated companies in Note M21, Shares and participations in associated companies. Information about Board members and Group management, as well as remuneration to these persons, is reported in Note M10, Personnel expenses, etc.

Transactions

No Board members or senior executives in the Group have or have had any direct or indirect involvement in any business transactions between themselves and the Group that is or was unusual in its nature with regard to the conditions during the current or previous financial year. Nor has the Group issued loans, lodged guarantees or given surety for any Board members or senior executives of Svea Bank. Further information about senior executives may be found in Note M10.

The Parent Company purchases telemarketing services in respect of a call centre, sales and conference bookings that generate other administrative expenses. This item also consists of other consultancy expenses.

	31/12/2023	31/12/2022
Income and expenses		
Interest income, Group companies	203,934	103,884
Interest expenses, Group companies	-12,122	-4,024
Dividends received, Group companies	535,992	663,390
Commission income, Group companies	16,197	16,818
Commission expenses, Group companies	-11,666	-13,473
Other operating income, Group companies	226,206	205,229
Other administrative expenses, Group companies	-152,310	-104,663
Other administration expenses, company under significant influence of key individual in executive position	-79,177	-61,786
Total	727,055	805,375
Assets		
Lending to the public, Group companies	4,770,089	3,596,581
Other liabilities, Group companies	22,051	27,666
Prepaid expenses and accrued income, Group companies	754	2,056
Total	4,792,894	3,626,303
Liabilities		
Deposits from the public, Group companies	129,524	139,063
Other liabilities, Group companies	24,010	18,787
Other liabilities, company under significant influence of key individual in executive position	38	
Accrued expenses and deferred income, Group companies	9,427	6,271
Total	163,000	164,121
Contingencies		
Guarantees, Group companies	11,944	12,792

NOTE M46 Significant events since the year-end

In 2020, the Swedish Consumer Agency, acting via the Consumer Ombudsman, sued Svea Bank AB at the Patent and Market Court because Svea Bank levies a late payment charge on consumers if payment is either late or not made. The Consumer Ombudsman believed that the charge cannot be levied according to the rules of the Swedish Debt Collection Act. Svea Bank appealed to the Patent and Market Court of Appeal, but the judgement sided with the Consumer Ombudsman. Svea Bank then appealed to the Supreme Court.

Since the year-end, the Supreme Court has announced that it is quashing the judgement of the Patent and Market Court, with the exception of the issue of confidentiality. The late payment charge to which the case relates is not in breach of the mandatory rules in the Swedish Act on Reimbursement for Debt Collection Expenses, etc., and the condition concerning a late payment charge in the credit agreement with consumers, to which the case relates, is therefore not unreasonable according to the Swedish Act on Contractual Terms and Conditions in Consumer Relations.

The announcement is good news for both Svea Bank and the industry. The late payment charge is considered to be a fair approach in which those who are prudent avoid funding the cost that late payers cause to providers of credit. It is also a welcome clarification of legislation.

No other significant events have occurred since year-end.

NOTE M47 Proposed allocation of profits

According to Svea Bank AB's balance sheet, the following is at the disposal of the Annual General Meeting:

Fair value reserve	-70,244,247
Share premium account	59,499,500
Retained earnings	4,402,267,031
Profit/loss for the year	427,724,640
Total	4,819,246,924

The Board of Directors proposes that the earnings be distributed as follows:

To be paid to shareholders (1,590,800 shares x SEK 31.43 per share)	50,000,000
To be carried forward	4,769,246,924
Total	4,819,246,924

Signatures

The Board of Directors and CEO hereby certify that these financial statements have been prepared in accordance with the IFRS adopted by the EU and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL/1995:1559), applying the Swedish Financial Supervisory Authority's regulations (FFFS 2008:25) and the Swedish Financial Reporting Board's recommendations, and provide a true

and fair view of the Group's and the Parent Company's financial position and earnings and that the Report of the Board of Directors provides a true and fair overview of the performance of the Group's and Parent Company's operations, financial position and earnings and describes the significant risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Stockholm, date as per electronic signature

Anders Lidefeldt
Member of the Board
Chairman

Member of the Board

Lennart Ågren
CEO

Mats Kärsrud
Member of the Board

Mats Hellström
Member of the Board

Anders Hedberg
Member of the Board

Anna Frick
Member of the Board

Anders Ingler
Member of the Board

Our audit report from the independent auditor was submitted on the date stated in our electronic signature.
BDO Mälardalen AB

Per Fridolin
Authorised Public Accountant

Audit Report

To the general meeting of shareholders in Svea Bank AB (publ), Corp. Reg. No. 556158-7634

Report on the annual accounts and the consolidated accounts

Opinion

We have audited the annual accounts and consolidated accounts of Svea Bank AB (publ) for 2023, with the exception of the corporate governance report on pages 30-31. The company's annual accounts and consolidated accounts are presented on pages 27-108 in this document.

In our opinion the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and in all material respects present a fair view of the parent company's financial position as of 31 December 2023 and of its financial performance and cash flow for the year in compliance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and in all material respects present a fair view of the Group's financial position as of 31 December 2023 and its financial performance and cash flows for the year in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. Our opinion does not cover the corporate governance report on pages 30-31. The Report of the Board of Directors is consistent with the other sections of the annual accounts and the consolidated accounts.

We therefore recommend that the general meeting of shareholders adopt the income statement and balance sheet for the parent company and the Group.

Our statement in this report on the annual accounts and the consolidated accounts is compatible with the content of the supplementary report that was submitted to the Parent Company's Board of Directors in accordance with Article 11 of the Auditors' Ordinance (537/2014).

Basis for opinion

We have conducted the audit in accordance with International Standards on Auditing (ISA) and auditing standards generally accepted in Sweden. Our responsibilities under those standards are described in more detail in the section on auditor's responsibility. We are independent of the Parent Company and the Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibility under these requirements. This includes that, based on our best knowledge and conviction, no forbidden services as described in Article 5.1 of the Auditors' Ordinance (537/2014) have been provided to the audited company or, where relevant, its Parent Company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our opinion.

Particularly important areas

Particularly important areas for the audit are those which, in our professional judgement, were the most significant for the audit of the annual accounts and the consolidated accounts for the period concerned. While these areas were addressed within the framework of the audit of the annual accounts and consolidated accounts as a whole and our position toward them, we do not provide separate opinions on these areas.

Reserve for expected credit losses

Information on this area is provided in the annual report – Note K2 Accounting policies, Note K14 Credit losses, net, Note K16 Lending to the public, Note M2 Accounting policies, Note M14 Credit losses, net and Note M18 Lending to the public.

As of 31 December 2023, Lending to the public in the Group amounts to SEK 29,407,817,000 (25,550,058,000) and in the Parent Company to SEK 28,658,597,000 (24,807,540,000), which corresponds to 65% (66) and 66% (67) respectively of the total assets of the Group and the Parent Company respectively. The reserve for expected credit losses amounts to SEK 1,021,054,000 (1,083,567,000) in the Group and SEK 1,367,674,000 (1,048,010,000) in the Parent Company.

Description of the area

According to IFRS 9, loan receivables are divided into three stages based on the level of credit risk or the change in the credit risk: stage 1 for loans with no significant worsening of credit risk, with losses estimated for expected defaults within 12 months, stage 2 for loans with a significant worsening of credit risk and stage 3 for loans in default with losses estimated for occurred and expected defaults during the remaining term of the loan.

Expected credit loss is calculated as a function of the probability of default, exposure in the event of default, losses in the event of default and the timing of default. The reserve is based on previous events, current conditions and forecasts of future economic conditions. IFRS 9 allows estimated credit losses to be adjusted with reference to professional assessments.

Management performs assessments of and assumptions about, among other things, criteria in order to identify a significant worsening of the credit risk and methods for calculating expected defaults. The complexity of the calculations, the element of assessments and assumptions, and the significance of the balance sheet item mean that the reserve for expected credit losses is considered to be a particularly important area.

How the area was considered in the audit

Our audit consisted of a combination of an examination of internal control and substantive testing. The audit comprised activities including the following:

We tested the structure and effectiveness of key checks in the credit process and the identification of credits in defaults, as well as checks in respect of the importing of model data and general IT checks for relevant systems. We also examined

the completeness and correctness of data from underlying systems.

We assessed models used including assumptions and parameters, and checked the effectiveness of the models, and we also examined the probability of defaults, losses in connection with defaults, exposure in connection with defaults and the material increase in credit risk in accordance with IFRS 9. We assessed the value of underlying collateral for credits that are subject to individual assessments, as well as initial and current credit ratings on a random sample basis. We also examined the disclosures relating to expected credit losses.

Valuation of goodwill/shares in Group companies

Information about this area is shown in the annual report – Note K2 Accounting policies, Note K21 Intangible assets, Note M2 Accounting policies and Note M22 Shares in Group companies.

As of 31 December 2023, Goodwill in the Group amounts to SEK 275,909,000 (315,975,000) and Shares in Group companies to SEK 1,141,652,000 (1,131,702,000).

Description of the area

According to IFRS, an impairment test must be performed on the balance sheet item *goodwill*. In addition, developments in individual subsidiaries may involve the need for the parent company to perform an impairment test of shares in Group companies. The balance sheet items come to substantial amounts and the valuations are complex and dependent on management’s assessments of growth and discount rates in particular and are therefore deemed to be an important area.

How the area was considered in the audit

Our audit consisted of a combination of evaluation and substantive testing.

The audit included a review of the calculation model, annual growth rates used during the forecast period, the discount rate used and a statement from a valuation expert. The growth rates used in forecasts of future cash flows were reviewed against previous experiences. The audit also included an examination of the sensitivity analyses regarding the growth rates and discount rates used. We have also examined the disclosures relating to the impairment testing of Goodwill.

The Board of Directors’ and Chief Executive Officer’s responsibility

It is the Board and the CEO who are responsible for ensuring that the annual accounts and the consolidated accounts are prepared and that they give a true and fair view in accordance with the Swedish Accounts Act for Credit Institutions and Securities Companies and, in the case of consolidated accounts, in accordance with IFRS as adopted by the EU. The Board and the CEO are also responsible for the internal control they deem necessary to prepare annual accounts and consolidated accounts that do not contain material misstatements, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board and the CEO are responsible for assessing the ability of the company and the Group to continue as a going concern. They inform, as appropriate, on the conditions that can affect the ability to continue as a going concern and to use the going

concern assumption. The going concern assumption does not apply if the Board and the CEO intend to liquidate the company, to cease trading, or have no realistic alternative but to liquidate the company or to cease trading.

Information other than the annual accounts and the consolidated accounts

This document also contains information other than the annual accounts and the consolidated accounts, and this may be found on pages 1-26 and 114-122. The Board and the CEO are responsible for this other information. Our opinion in respect of the annual accounts and the consolidated accounts does not cover this information and we do not express any form of assurance regarding this other information.

In connection with our audit of the annual accounts and the consolidated accounts, it is our responsibility to read the information identified above and to consider whether the information is materially incompatible with the annual accounts and the consolidated accounts. In this review, we also consider the knowledge we acquired otherwise during the audit and assess whether the information in general appears to contain material misstatements.

If we draw the conclusion, based on the work performed concerning this information, that the other information contains a material misstatement, we are obliged to report this. We have nothing to report in this respect.

The auditor’s responsibility

Our goal is to achieve a reasonable degree of certainty as to whether the annual accounts and consolidated accounts as a whole do not contain any material misstatement, whether due to fraud or error, and to submit an audit report that contains our statements. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and other auditing standards generally accepted in Sweden will always detect a material misstatement should such be present. Inaccuracies may occur due to fraud or error, and they are considered to be material where they, individually or jointly, can reasonably be expected to affect the economic decisions that users make on the basis of the annual accounts and the consolidated accounts.

As part of an audit under ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. Furthermore, we:

- identify and assess the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error, and draw up and perform audit procedures, inter alia on the basis of these risks and obtain audit evidence that is sufficient and appropriate for providing a basis for our opinions. The risk of failing to detect a material misstatement due to irregularities is greater than for a material misstatement due to errors, because the irregularities may involve collusion, falsification, deliberate omissions, incorrect information or disregard of internal controls.
- gain an understanding of the part of the company’s internal controls relevant to our audit in order to draw up audit procedures that are appropriate in the circumstances, but not in order to express an opinion on the effectiveness of internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Board and CEO in the accounts together with associated information.
- draw a conclusion on the appropriateness of the use of the going concern assumption by the Board and CEO when preparing the annual accounts and the consolidated accounts. We also draw a conclusion based on the audit evidence obtained, as to whether there is any material uncertainty relating to events or conditions that can lead to significant doubt about the company's and the Group's ability to continue as a going concern. If we conclude that there is a material uncertainty factor, we must draw attention in the audit report to the information contained in the annual accounts and the consolidated accounts for the material uncertainty or, if such information is insufficient, modify our opinion on the annual accounts and the consolidated accounts. Our conclusions are based on the audit evidence obtained up until the date of the audit report. Future events or conditions may, however, mean that a company and a group are no longer able to continue operations.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and the consolidated accounts reflect the underlying transactions and events in a way that gives a true and fair view.
- obtain sufficient and appropriate audit evidence with regard to the financial information for the units or business activities within the Group to provide an opinion in respect of the consolidated accounts. We are responsible for the control, supervision and execution of the Group audit. We are solely responsible for our statements.

Among other things, we have to inform the Board about the planned scope, direction and timing of the audit. We must also inform about significant findings made during the audit, including any serious weaknesses in internal control that we identify.

We must also provide the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to affect our independence, and where applicable, measures that have been taken to eliminate threats or safeguards that have been taken.

From the matters communicated with the Board of Directors, we determine which of such matters were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and which therefore constitute areas of special significance for the audit. We describe these matters in the auditor's report, unless law or regulation precludes disclosure about the matter.

Report on other statutory and regulatory requirements

The auditor's examination of the administration and the proposed appropriation of the company's profit or loss

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board and the CEO of Svea Ekonomi AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend that the general meeting of shareholders appropriate the company's retained earnings as proposed in the Report of the Board of Directors and grant freedom from liability to the members of the Board and the Chief Executive Officer in respect of the financial year.

Basis for opinion

We have conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibility in this regard is described in more detail in the section entitled Auditor's responsibility. We are independent of the parent company and the Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibility under these requirements.

We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our opinion.

The Board of Directors' and Chief Executive Officer's responsibility

The Board is responsible for the proposal for appropriations of the company's profit or loss. The dividend proposal includes, among other things, an assessment of whether the dividends are justified with regard to the requirements that the company's and Group's business nature, scope and risks place on the size of the parent company's and the Group's equity, need to strengthen the balance sheet, liquidity and general position.

The Board is responsible for the company's organisation and the administration of its affairs. This includes continuously monitoring the company's and Group's financial situations and ensuring that the company is organised so that accounting, asset management and the company's financial affairs are otherwise controlled in a reassuring manner. The CEO must manage day-to-day administration under the Board's guidelines and instructions, and also take the necessary measures to ensure that the company's accounts are kept in compliance with the law and that asset management will be carried out in a reassuring manner.

The auditor's responsibility

Our objective concerning the audit of the administration, and thus our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board or the CEO in any material respect

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Swedish Companies Act, the Swedish Banking and Finance Business Act, the Swedish Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thus our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Swedish Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement based on risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operation and where deviations and violations would have particular importance for the company's situation. We examine and test decisions taken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board's proposal for appropriation of the company's profit or loss, we have examined the Board's reasoned opinion and a sample of the evidence for the same in order to be able to determine whether the proposal is consistent with the Swedish Companies Act.

Auditor's review of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also conducted a review of whether the Board of Directors and the CEO have produced the annual accounts and consolidated accounts in a format that enables unified electronic reporting (the ESEF report) in accordance with Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Svea Bank AB (publ) for the year 2023.

Our review and our opinion relate solely to the statutory requirement.

In our view, the ESEF report has been prepared in a format that essentially allows uniform electronic reporting.

Basis for opinion

We conducted our review in accordance with FAR recommendation RevR 18 Auditor's Review of the ESEF Report. Our

responsibility in accordance with this recommendation is described in more detail in the section entitled The auditor's responsibility. We are independent of Svea Bank AB (publ) in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibility under these requirements.

We believe that the evidence we have obtained is sufficient and adequate as a basis for our opinion.

The Board of Directors' and Chief Executive Officer's responsibility

The Board of Directors and the CEO are responsible for ensuring that the ESEF report has been prepared in accordance with Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and that such internal control exists that the Board of Directors and the CEO deem necessary in order to produce the ESEF report without material misstatements, whether these are due to fraud or error.

The auditor's responsibility

It is our task to issue an opinion with a reasonable level of assurance on whether the ESEF report has been produced in a format that meets the requirements set out in Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) on the basis of our review.

RevR 18 requires that we plan and perform our audit procedures to obtain reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but is not a guarantee that a review conducted in accordance with RevR 18 and other auditing standards generally accepted in Sweden will always detect a material misstatement should such be present. Inaccuracies may occur due to fraud or error, and they are considered to be material where they, individually or jointly, can reasonably be expected to affect the economic decisions that users make on the basis of the ESEF report.

The audit firm applies the International Standard on Quality Management 1, which requires that the company designs, implements and manages a quality control system including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The review involves carrying out various measures to obtain evidence that the ESEF report has been prepared in a format that enables unified electronic reporting of the annual accounts and the consolidated accounts. The auditor chooses which measures are to be carried out, by such means as assessing the risks of material misstatements in the report, whether these are due to fraud or error. In making this risk assessment, the auditor considers those parts of the internal control that are relevant to the Board's and the CEO's preparation of the evidence in order to design review procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. The review also includes evaluating the appropriateness and reasonableness of the assumptions made by the Board of Directors and the CEO.

The review measures primarily involve a validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation to confirm that the ESEF report corresponds with the audited annual accounts and consolidated accounts.

Furthermore, the review also includes assessing whether the Group's income statement, balance sheet, statement of changes in equity and cash flow statement and notes in the ESEF report have been tagged with iXBRL in accordance with what is set out in the ESEF Regulation.

The auditor's examination of the corporate governance report

The Board of Directors is responsible for the corporate governance report on pages 30-31 and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act.

Our examination has been conducted in accordance with FAR's recommendation RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance report has a different focus and is of a significantly smaller scope compared with the focus and scope of an audit in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. We consider that this examination provides us with sufficient grounds for our opinion.

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, Section 6, paragraph two, items 2-6 of the Swedish Annual Accounts Act and Chapter 7, Section 31, paragraph two of the same Act are compatible with the other parts of the annual accounts and the consolidated accounts, and are in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies.

BDO Mälardalen AB, Sveavägen 53, SE-102 35 Stockholm, was appointed as Svea Bank AB (publ)'s auditor at the general meeting of shareholders 27 April 2023 and has been the company's auditor since 2017.

Stockholm, date as per electronic signature
BDO Mälardalen AB

Per Fridolin
Authorised Public Accountant

Reporting in accordance with the EU taxonomy

Svea Bank is subject to the EU’s Taxonomy Regulation (EU taxonomy), a classification system that defines criteria for when an economic activity shall be deemed to be environmentally sustainable. In their statutory sustainability report, financial institutions shall report the proportion of assets that are exposed to economic activities that are aligned with the taxonomy.

In respect of the financial year 2023, financial institutions shall calculate and report the Green Asset Ratio (GAR). This metric corresponds to the proportion of assets covered (denominator) that finance economic activities that meet the criteria contained in the EU taxonomy (numerator). It is therefore the first time that the proportion of assets that meet the taxonomy’s technical examination criteria for the two first environmental goals, climate change and climate adaptation, are reported in the prescribed templates.

The report has been extended this year to include information about Svea Bank’s customers and counterparties’ assets and financial guarantees linked to environmentally sustainable economic activities, i.e. activities that are taxonomy-aligned. Taxonomy reporting is based on the consolidated situation in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions.

The EU regulation is at an early stage of its implementation, which means that there is still a lack of interpretations and established practice in many issues. In December 2023, the EU published new guidance (FAQ) on the interpretation and clarifications of reporting requirements and definitions. As this guidance was issued so late in the year, Svea Bank has therefore not fully implemented new changes in this year’s report.

The proportion of sustainable assets for Svea Bank is based on its counterparties’ reported figures for the first two envi-

ronmental goals for the previous financial year (2022). Non-financial companies were not then obligated to report the proportion eligible under the taxonomy broken down by environmental goal, only the totals. Non-financial companies with an obligation to report in accordance with the NFRD shall report to what extent their activities are eligible under the taxonomy and meet the taxonomy’s requirements, both as a proportion of net sales and as a proportion of capital expenditure. Both of these figures shall be used in the calculation of financial company, which is why the proportion of sustainable assets is calculated and reported twice, once for each key ratio.

Exposure amounts for general financing are multiplied by counterparties’ reported key ratios. When no figures are available, exposures are only included in the denominator when calculating the green asset ratio.

Household exposures with the property as collateral are assessed on the basis of applicable criteria in the taxonomy; other types of household financing are not deemed to be eligible under the taxonomy and are only included in the denominator under other assets.

No estimates are permitted in mandatory reporting, and for this reason exposures to companies that are not obliged to report cannot be assessed based on the taxonomy and are only included in the denominator.

The taxonomy report for assets in the balance sheet and financial guarantees is produced using data from Svea Bank’s internal systems. The absence of a central external database, combined with challenges concerning the quality of external data, make it difficult to collect relevant information. Activities that are taxonomy-eligible are collected manually from published annual reports.

Economic activities in the areas of gas and nuclear power are reported in a separate table.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets Msek	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	9.0	0.0%	0.0%	86.1%	80.1%	13.9%

		Total environmentally sustainable activities Msek	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	0.0	0.0%	0.0%	77.6%	75.4%	22.3%
	Trading book*						
	Financial guarantees	0.0					
	Assets under management						
	Fees and commissions income**						

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR
 ** Fees and commissions income from services other than lending and AuM Institutions shall disclose forward-looking information for these KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.
 *** % of assets covered by the KPI over banks’ total assets
 **** based on the Turnover KPI of the counterparty
 ***** based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

1. Assets for the calculation of GAR, Revenue

Msek	31/12/2023											
	Total [gross] carrying amount	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which environmentally sustainable (Taxonomy-aligned)				
		Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling		
GAR - Covered assets in both numerator and denominator												
1 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	2,762	2,009	9						2,009	9		
2 Financial undertakings	103	43	0						43	0		
3 Credit institutions	103	43	0						43	0		
4 Loans and advances												
5 Debt securities, including UoP	101	43	0						43	0		
6 Equity instruments	2	0	0						0	0		
7 Other financial corporations												
8 of which investment firms												
9 Loans and advances												
10 Debt securities, including UoP												
11 Equity instruments												
12 of which management companies												
13 Loans and advances												
14 Debt securities, including UoP												
15 Equity instruments												
16 of which insurance undertakings												
17 Loans and advances												
18 Debt securities, including UoP												
19 Equity instruments												
20 Non-financial undertakings	715	23	9						23	9		
21 Loans and advances	24	17	7						17	7		
22 Debt securities, including UoP												
23 Equity instruments	691	6	2						6	2		
24 Households	1,944	1,944	0						1,944	0		
25 of which loans collateralised by residential immovable property	1,944	1,944	0						1,944	0		
26 of which building renovation loans												
27 of which motor vehicle loans												
28 Local governments financing												
29 Housing financing												
30 Other local government financing												
31 Collateral obtained by taking possession: residential and commercial immovable properties												
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	36,764											
33 Financial and Non-financial undertakings	13,942											
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	11,374											
35 Loans and advances	8,310											
36 of which loans collateralised by commercial immovable property	464											
37 of which building renovation loans												
38 Debt securities	181											
39 Equity instruments	2,883											
40 Non-EU country counterparties not subject to NFRD disclosure obligations	2,568											
41 Loans and advances	2,159											
42 Debt securities	101											
43 Equity instruments	308											
44 Derivatives	184											
45 On demand interbank loans	2,104											
46 Cash and cash-related assets	0											
47 Other categories of assets (e.g. Goodwill, commodities etc.)	20,535											
48 Total GAR assets	39,527	2,009	9						2,009	9		
49 Assets not covered for GAR calculation	6,369											
50 Central governments and Supranational issuers	1,371											
51 Central banks exposure	4,998											
52 Trading book												
53 Total assets	45,896	2,009	9						2,009	9		
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations												
54 Financial guarantees	11	0	0									
55 Assets under management												
56 Of which debt securities												
57 Of which equity instruments												

1.Assets for the calculation of GAR, CapEx

Msek	31/12/2023															
	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which environmentally sustainable (Taxonomy-aligned)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling					
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	2,762	2,012	6							2,012	6				
2	Financial undertakings	103	43	0							43	0				
3	Credit institutions	103	43	0							43	0				
4	Loans and advances										0	0				
5	Debt securities, including UoP	101	43	0							43	0				
6	Equity instruments	2	0	0							0	0				
7	Other financial corporations															
8	of which investment firms															
9	Loans and advances															
10	Debt securities, including UoP															
11	Equity instruments															
12	of which management companies															
13	Loans and advances															
14	Debt securities, including UoP															
15	Equity instruments															
16	of which insurance undertakings															
17	Loans and advances															
18	Debt securities, including UoP															
19	Equity instruments															
20	Non-financial undertakings	715	25	6							25	6				
21	Loans and advances	24	19	5							19	5				
22	Debt securities, including UoP										0	0				
23	Equity instruments	691	6	1							6	1				
24	Households	1,944	1,944	0							1,944	0				
25	of which loans collateralised by residential immovable property	1,944	1,944	0							1,944	0				
26	of which building renovation loans															
27	of which motor vehicle loans															
28	Local governments financing															
29	Housing financing															
30	Other local government financing															
31	Collateral obtained by taking possession: residential and commercial immovable properties															
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	36,764														
33	Financial and Non-financial undertakings	13,942														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	11,374														
35	Loans and advances	8,310														
36	of which loans collateralised by commercial immovable property	464														
37	of which building renovation loans	0														
38	Debt securities	181														
39	Equity instruments	2,883														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	2,568														
41	Loans and advances	2,159														
42	Debt securities	101														
43	Equity instruments	308														
44	Derivatives	184														
45	On demand interbank loans	2,104														
46	Cash and cash-related assets	0														
47	Other categories of assets (e.g. Goodwill, commodities etc.)	20,535														
48	Total GAR assets	39,527	2,012	6	0	0	0	0	0	0	2,012	6	0	0	0	
49	Assets not covered for GAR calculation	6,369														
50	Central governments and Supranational issuers	1,371														
51	Central banks exposure	4,998														
52	Trading book	0														
53	Total assets	45,896	2,012	6	0	0	0	0	0	0	2,012	6	0	0	0	
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																
54	Financial guarantees	11	0	0												
55	Assets under management															
56	Of which debt securities															
57	Of which equity instruments															

2. GAR sector information, Revenue

Breakdown by sector – NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Msek	Of which environmentally sustainable (CCM)	Msek	Of which environmentally sustainable (CCM)	Msek	Of which environmentally sustainable (CCA)	Msek	Of which environmentally sustainable (CCA)	Msek	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Msek	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	17.12	0.5	0.0							0.5	0.0	
2	24.10	0.2	0.2							0.2	0.2	
3	25.62	19.4	6.0							19.4	6.0	
4	25.72	1.5	0.0							1.5	0.0	
5	27.11	0.0	0.0							0.0	0.0	
6	29.10	0.0	0.0							0.0	0.0	
7	30.30	0.1	0.0							0.1	0.0	
8	42.11	0.4	0.0							0.4	0.0	
9	43.21	0.0	0.0							0.0	0.0	
10	45.11	0.2	0.0							0.2	0.0	
11	55.10	0.1	0.0							0.1	0.0	
12	61.10	7.7	2.2							7.7	2.2	
13	61.90	0.7	0.2							0.7	0.2	
14	62.02	0.4	0.0							0.4	0.0	
15	71.12	0.0	0.0							0.0	0.0	
16	81.21	0.2	0.0							0.2	0.0	
...												

2. GAR sector information, CapEx

Breakdown by sector – NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Msek	Of which environmentally sustainable (CCM)	Msek	Of which environmentally sustainable (CCM)	Msek	Of which environmentally sustainable (CCA)	Msek	Of which environmentally sustainable (CCA)	Msek	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Msek	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	17.12	0.5	0.0							0.5	0.0	
2	24.10	0.2	0.1							0.2	0.1	
3	25.62	19.4	3.3							19.4	3.3	
4	25.72	1.5	0.0							1.5	0.0	
5	27.11	0.0	0.0							0.0	0.0	
6	29.10	0.0	0.0							0.0	0.0	
7	30.30	0.1	0.0							0.1	0.0	
8	42.11	0.4	0.0							0.4	0.0	
9	43.21	0.0	0.0							0.0	0.0	
10	45.11	0.2	0.1							0.2	0.1	
11	55.10	0.1	0.0							0.1	0.0	
12	61.10	7.7	0.7							7.7	0.7	
13	61.90	0.7	0.2							0.7	0.2	
14	62.02	0.4	0.0							0.4	0.0	
15	71.12	0.0	0.0							0.0	0.0	
16	81.21	0.2	0.0							0.2	0.0	
17												

3. GAR KPI stock, Revenue

		31/12/2023												
		Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered	
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
% (compared to total covered assets in the denominator)		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional		Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	72.7%	0.3%					72.7%	0.3%					6.0%
2	Financial undertakings	41.4%	0.0%					41.4%	0.0%					0.2%
3	Credit institutions	41.4%	0.0%					41.4%	0.0%					0.2%
4	Loans and advances													
5	Debt securities, including UoP	42.4%	0.0%					42.4%	0.0%					0.2%
6	Equity instruments	0.0%	0.0%					0.0%	0.0%					0.0%
7	Other financial corporations													
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including UoP													
11	Equity instruments													
12	of which management companies													
13	Loans and advances													
14	Debt securities, including UoP													
15	Equity instruments													
16	of which insurance undertakings													
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments													
20	Non-financial undertakings	3.2%	1.2%					3.2%	1.2%					1.6%
21	Loans and advances	71.4%	27.4%					71.4%	27.4%					0.1%
22	Debt securities, including UoP													
23	Equity instruments	0.8%	0.3%					0.8%	0.3%					1.5%
24	Households	100.0%	0.0%					100.0%	0.0%					4.2%
25	of which loans collateralised by residential immovable property	100.0%	0.0%					100.0%	0.0%					4.2%
26	of which building renovation loans													
27	of which motor vehicle loans													
28	Local governments financing													
29	Housing financing													
30	Other local government financing													
31	Collateral obtained by taking possession: residential and commercial immovable properties													
32	Total GAR assets	5.1%	0.0%					5.1%	0.0%					86.1%

3. GAR KPI stock, CapEx

		31/12/2023													
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total assets covered	
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling					
% (compared to total covered assets in the denominator)															
GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	72.8%	0.2%												6.0%
2	Financial undertakings	41.8%	0.0%												0.2%
3	Credit institutions	41.8%	0.0%												0.2%
4	Loans and advances														
5	Debt securities, including UoP	42.4%	0.0%												0.2%
6	Equity instruments	18.0%	0.0%												0.0%
7	Other financial corporations														
8	of which investment firms														
9	Loans and advances														
10	Debt securities, including UoP														
11	Equity instruments														
12	of which management companies														
13	Loans and advances														
14	Debt securities, including UoP														
15	Equity instruments														
16	of which insurance undertakings														
17	Loans and advances														
18	Debt securities, including UoP														
19	Equity instruments														
20	Non-financial undertakings	3.5%	0.8%												1.6%
21	Loans and advances	78.4%	21.6%												0.1%
22	Debt securities, including UoP														
23	Equity instruments	0.9%	0.1%												1.5%
24	Households	100.0%	0.0%												4.2%
25	of which loans collateralised by residential immovable property	100.0%	0.0%												4.2%
26	of which building renovation loans														
27	of which motor vehicle loans														
28	Local governments financing														
29	Housing financing														
30	Other local government financing														
31	Collateral obtained by taking possession: residential and commercial immovable properties														
32	Total GAR assets	5.1%	0.0%												86.1%

4. GAR KPI flow, Revenue

		31/12/2023													
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total assets covered	
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling					
% (compared to flow of total eligible assets)															
GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	97.4%	0.0%							97.4%	0.0%				2.2%
2	Financial undertakings	37.0%	0.0%							37.0%	0.0%				0.1%
3	Credit institutions	37.0%	0.0%							37.0%	0.0%				0.1%
4	Loans and advances														
5	Debt securities, including UoP	37.0%	0.0%							37.0%	0.0%				0.1%
6	Equity instruments														
7	Other financial corporations														
8	of which investment firms														
9	Loans and advances														
10	Debt securities, including UoP														
11	Equity instruments														
12	of which management companies														
13	Loans and advances														
14	Debt securities, including UoP														
15	Equity instruments														
16	of which insurance undertakings														
17	Loans and advances														
18	Debt securities, including UoP														
19	Equity instruments														
20	Non-financial undertakings	21.2%	18.2%							21.2%	18.2%				0.0%
21	Loans and advances	21.2%	18.2%							21.2%	18.2%				0.0%
22	Debt securities, including UoP														
23	Equity instruments														
24	Households	100.0%	0.0%							100.0%	0.0%				2.1%
25	of which loans collateralised by residential immovable property														
26	of which building renovation loans														
27	of which motor vehicle loans														
28	Local governments financing														
29	Housing financing														
30	Other local government financing														
31	Collateral obtained by taking possession: residential and commercial immovable properties														
32	Total GAR assets	2.7%	0.0%							2.7%	0.0%				77.6%

4. GAR KPI flow, CapEx

		31/12/2023												
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
%(compared to flow of total eligible assets)		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling		
GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	97.4%	0.0%							97.4%	0.0%			2.1%
2	Financial undertakings	37.0%	0.0%							37.0%	0.0%			0.0%
3	Credit institutions	37.0%	0.0%							37.0%	0.0%			0.0%
4	Loans and advances													
5	Debt securities, including UoP	37.0%	0.0%							37.0%	0.0%			0.0%
6	Equity instruments													
7	Other financial corporations													
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including UoP													
11	Equity instruments													
12	of which management companies													
13	Loans and advances													
14	Debt securities, including UoP													
15	Equity instruments													
16	of which insurance undertakings													
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments													
20	Non-financial undertakings	25.5%	18.5%							25.5%	18.5%			0.0%
21	Loans and advances	25.5%	18.5%							25.5%	18.5%			0.0%
22	Debt securities, including UoP													
23	Equity instruments													
24	Households	100.0%	0.0%							100.0%	0.0%			2.1%
25	of which loans collateralised by residential immovable property													
26	of which building renovation loans													
27	of which motor vehicle loans													
28	Local governments financing													
29	Housing financing													
30	Other local government financing													
31	Collateral obtained by taking possession: residential and commercial immovable properties													
32	Total GAR assets	2.7%	0.0%							2.7%	0.0%			77.6%

5. KPI off-balance sheet exposures, Revenue

		31/12/2023										
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling			
1	Financial guarantees (FinGuar KPI)											
2	Assets under management (AuM KPI)											

5. KPI off-balance sheet exposures, CapEx

		31/12/2023										
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling			
1	Financial guarantees (FinGuar KPI)											
2	Assets under management (AuM KPI)											

Nuclear energy-related activities		Fossil gas-related activities	
Svea Bank carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No	Svea Bank carries out, funds or has exposures to the construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
Svea Bank carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No	Svea Bank undertakes, funds or is exposed to the construction, refurbishment and operation of combined heat/cool and power generation facilities that produce electricity using fossil gaseous fuels.	No
Svea Bank carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No	Svea Bank carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

The auditor's opinion in respect of the statutory sustainability report

To the general meeting of shareholders in Svea Bank AB (publ),
Corp. Reg. No. 556158-7634

Assignment and delegation of responsibility

The Board of Directors is responsible for the sustainability report for 2023 on pages 114-122 and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act.

Focus and scope of the examination

Our examination has been conducted in accordance with FAR's recommendation RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the sustainability report has a different focus and is of a significantly smaller scope compared with the focus and scope of an audit in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. We consider that this examination provides us with sufficient grounds for our opinion.

Opinion

A sustainability report has been prepared.

Stockholm, date as per electronic signature
BDO Mälardalen AB

Per Fridolin
Authorised Public Accountant

Definitions

The financial statements contain key ratios that the Bank believes will provide valuable information to readers, as they are used by the Group for internal governance and follow-up on results, and also for comparisons between reporting periods. Most of the key ratios may be considered to be generally accepted and convey a picture of financial results, profitability and financial position. These do not need to be comparable with similar key ratios that are presented by other companies.

Alternative key ratios

Net interest income

In the Group: Interest income minus interest expenses.

In the Parent Company: Interest income minus interest expenses plus leasing income before planned depreciation of leased assets.

Net commissions

Commission income minus commission expenses.

Operating margin

Operating profit divided by operating income.

Return on total assets

Profit for the period divided by average total assets.

Return on shareholders' equity

In the Group: Profit for the period divided by average shareholders' equity.

In the Parent Company: Profit for the period divided by average shareholders' equity plus equity portion of untaxed reserves.

Equity/assets ratio

In the Group: Shareholders' equity divided by total assets at year end.

In the Parent Company: Shareholders' equity plus Equity portion of untaxed reserves divided by total assets at year-end.

Expenses/income

Operating expenses divided by operating income.

Lending/deposits

Lending to the public divided by deposits from the public at year-end.

Credit loss ratio

Credit losses, net divided by average lending to the public.

Liquidity

Cash and bank balances plus unutilised credit, treasury bonds accepted as collateral and bonds.

Cash flow from operating activities

Cash flow from operating activities before changes in operating assets and liabilities.

Average number of full-time equivalent employees

Average of number of employees at beginning and end of year respectively.

Key ratios in accordance with the EU's Capital Requirements Regulation No. 575/2013 (CRR)

Total capital

Capital base equals the total of Common Equity Tier 1 capital, Tier 1 capital addition and Tier 2 capital.

Risk-weighted exposures

Total of risk-weighted exposures on and off the balance sheet, in respect of credit risk, market risk, operational risk and credit-worthiness adjustment risk.

Common Equity Tier 1 capital ratio

Common Equity Tier 1 capital divided by total risk-weighted exposures.

Total capital ratio

Total capital divided by total risk-weighted exposures.

Liquidity Coverage Ratio (LCR)

High-quality liquid assets (HQLA) divided by a stressed net cash outflow over 30 days.

Leverage ratio

Tier 1 capital divided by total assets excluding derivatives and deductions from the capital base, plus weighted off-balance assets and the exposure amount for counterparty risk.

Net stable funding ratio (NSFR)

Stable funding available divided by the need for stable funding. This goal was introduced in 2021.

Other information



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AUG

Half-year Report
January–June 2024

FEB
2025

Year-end Report 2024
Full year 2024

Financial information is published on an ongoing basis at svea.com

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*We make it possible for businesses
and people to grow*