

## **ANNUAL REPORT 2020**

The Board of Directors and CEO of Svea Ekonomi AB (publ), Co. Reg. No. 556489-2924, herewith submit the Annual Report and Consolidated Accounts for the 2020 financial year.

### **REPORT OF THE BOARD OF DIRECTORS**

#### **Operations**

Svea Ekonomi 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 Administrative and Financial Services (AFS) and Debt Collection. Under this business concept we offer the following:

Invoice services - business financing - factoring - invoice purchasing - debt collection - deposits - unsecured loans - mortgages - business loans - VAT recovery - billing - legal services - credit reports - training - payment transfers - payment solutions for e-commerce, mobile and in-store.

Financial services are offered by the consolidated situation, which comprises Svea Ekonomi AB with the branches Svea Finans NUF and Svea Ekonomi AB branch in Finland, and the operating subsidiaries Svea Finance AS, Svea Finans A/S, Svea Finans Nederland BV, Svea Credit BV, Svea Finans AG, Payson AB, Kapitalkredit Sverige AB, Svea Payments OY, Svea Bank AB, MoneyGo AB, FMS Financial Management Solutions GmbH and Svea Ekonomi Cyprus Limited and its subsidiaries. The Group company Svea Intressenter 3 AB is also included.

Administrative services are offered by the operating Group companies Svea Billing Services AB, Svea VAT Adviser AB, Svea Development OY and RegTech Ab OY. Also 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, which can be seen in the five-year summaries on pages 5 and 6.

#### **Significant events during the year**

Financial operations saw a positive development compared with the previous year, with the exception of lower volumes in factoring and invoice purchasing, as well as higher credit losses in corporate lending. The investment in overdue accounts receivable in Eastern and Central Europe performed better than in the previous year, even including negative currency effects.

Debt collection operations performed better than in the previous year, driven primarily by a positive trend in Sweden, Norway and Russia.

The inflow of new customers was higher compared with the previous year.

In January, a withdrawal of shares was carried out for repayment to shareholders of SEK 40 million. In March, the Group's equity was bolstered by a new issue of 98,000 shares. This means that both shareholders' equity and the capital base have been bolstered by SEK 300 million.

In September, a subordinated bond loan was issued with a nominal value of SEK 300 million. The bond loan of SEK 200 million that was originally issued in November 2015 was redeemed in November. In December, a subordinated loan totalling SEK 100 million was repaid.

#### **Covid-19**

The focus remained on the Covid-19 pandemic during the second half of the year. Its development and the directives are being followed closely while operations are still functioning. Approximately 75% of the workforce has been working from home since the start of the pandemic.

In the second quarter, a cost-saving programme was initiated to reduce costs by SEK 100 million on an annual basis. The extra credit loss provision made in the first quarter of SEK 43 million has been adjusted and amounted to SEK 46 million at the turn of the year.

All in all, it has not been possible to confirm any significant negative changes in the likelihood of defaults in the portfolio as a whole as a consequence of Covid-19. Negative effects can only be attributed to specific commitments. The Group has a well-diversified lending portfolio aimed at both private individuals and companies. There is limited exposure to those industries that have been affected very negatively, such as the hotel, restaurant and travel industries.

## Financial summary

### Income

Operating income amounted to SEK 3,255.3 million (3,162.3) for the Group and SEK 2,501.6 million (2,448.0) for the Parent Company.

### Expenses

Operating expenses amounted to SEK 2,163.1 million (2,151.3) for the Group and SEK 1,613.0 million (1,515.8) for the Parent Company.

### Credit losses

Net credit losses amounted to SEK 482.4 million (400.1) for the Group and SEK 483.2 million (381.4) for the Parent Company. The credit loss ratio was 2.8% (2.5%) in the Group and 2.9% (2.5%) in the Parent Company, including Covid-19 reserve. Excluding the Covid-19 reserve, the credit loss ratio was 2.5% in the Group and 2.6% in the Parent Company.

### Profit

The operating profit amounted to SEK 609.8 million (610.9) for the Group and SEK 382.0 million (545.2) for the Parent Company.

### Comprehensive income

Comprehensive income amounted to SEK 993.3 million (457.6) for the Group and SEK 871.0 million (739.7) for the Parent Company.

The difference between comprehensive income and operating profit can be attributed to the positive value trend in the share portfolio.

### Lending

As of 31 December 2020, external lending to the public amounted to SEK 17,718.1 million (17,210.6) for the Group and SEK 16,998.4 million (16,678.4) 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, convertible loans, certificates, subordinated loans and bond loans.

As of 31 December 2020, deposits from the public amounted to SEK 20,916.0 million (20,617.5) for the Group, and SEK 20,042.3 million (19,888.1) for the Parent Company.

As of 31 December 2020, liabilities to credit institutions amounted to SEK 0.4 million (0.04) for the Group, and SEK 236.5 million (109.0) for the Parent Company. The convertible loan amounted to a nominal SEK 100 million (100.0), certificates to a nominal value of SEK 0.0 million (545.9), subordinated loans to SEK 0.0 million (100.0) and the subordinated bonds to a nominal value of SEK 900.0 million (800.0).

### Liquidity

As of 31 December 2020, cash and bank balances plus approved but unutilised credit, amounted to SEK 3,792.5 million (4,059.0) for the Group, and SEK 2,943.0 million (3,276.6) for the Parent Company. As of 31 December 2020, liquidity including investments in government securities, listed bonds and other securities amounted to SEK 5,517.7 million (6,375.0) for the Group, and SEK 4,634.2 million (5,580.6) for the Parent Company.

### Investments

Investments in tangible and intangible assets for the year amounted to SEK 50.7 million (241.6) for the Group and SEK 446.4 million (367.6) for the Parent Company.

### Acquisitions and divestments

In January, two administrative companies were acquired: Kodea Systems AB and RegTech Ab OY.

In April, 75% of the financial company MoneyGo AB was acquired.

In July, the two German companies FMS Financial Management Solutions GmbH (FMS) and CMS Collection GmbH (CMS) were acquired. FMS is a financial company and is owned by Svea Ekonomi AB. CMS is debt collection company and is owned by Svea Inkasso AB. The ownership in each company is 70%.

### Personnel

The average number of employees in the Group amounted to 2,091 (1,937), and in the Parent Company 733 (659). As of 31 December 2020, the number of employees in the Group amounted to 2,138 (2,036), and in the Parent Company 768 (697).

The planning and decision-making process regarding remunerations and benefits for key individuals in executive positions including the Board is described in Note 12.

### 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/CRDIV (Basel III) regulations entail more stringent 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 a capital conservation buffer of 2.50 per cent. Applied in accordance with the table below, there is also a contra-cyclic buffer for certain exposures in each country.

Country	Date introduced	Buffer requirement
Sweden	16 March 2020	0.00%
Norway	13 March 2020	1.00%
Czech Republic	1 July 2020	0.50%
Slovakia	1 August 2020	1.00%
Denmark	12 March 2020	0.00%
UK	11 March 2020	0.00%

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 per cent, the Tier 1 capital ratio 6.00 per cent and the total capital ratio 8.00 per cent.

In the consolidated situation on 31 December 2020, the capital requirement for the Common Equity Tier 1 capital ratio including the buffer requirement stood at 7.94 per cent, the Tier 1 capital ratio at 9.62 per cent and the total capital ratio at 11.85 per cent.

On 31 December 2020, the capital requirement in the Parent Company including the buffer requirement for the Common Equity Tier 1 capital ratio stood at 7.97 per cent, the Tier 1 capital ratio at 9.65 per cent and the total capital ratio at 11.89 per cent.

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 31 December 2020, the Common Equity Tier 1 capital ratio amounted to 14.5% (10.94%), the Tier 1 capital ratio amounted to 15.76% (12.36%) and the total capital ratio to 18.27% (15.05%).

On 31 December 2020, the Common Equity Tier 1 capital ratio in the Parent Company stood at 16.51% (12.78), the Tier 1 capital ratio at 17.9% (14.32%) and the total capital ratio at 20.65% (17.24%).

For further information on risk management and capital management, refer to page 5 and Notes 48 and 49.

### Economic outlook

It is believed that the Group will continue to deliver a positive profit and cash flow with a slightly higher operating profit than in the previous year. The Group's lending to and deposits from the public are expected to increase.

### Proposed allocation of profits

The Board of Directors and the CEO propose that unappropriated earnings be placed at the disposal of the Annual General Meeting:

Fair value reserve	616,295,682
Share premium account	398,792,433
Retained earnings	2,431,193,398
Profit/loss for the year	304,515,651
<b>Total</b>	<b>3,750,797,164</b>

To be distributed as follows:

To be carried forward	3,750,797,164
<b>Total</b>	<b>3,750,797,164</b>

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.

## Internal governance and control

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 of Directors and the CEO.

Svea Ekonomi uses a governance model in which the responsibility for risk management 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).

### *Board of Directors*

Svea Ekonomi AB's Board of Directors bears ultimate responsibility for limiting and following up the company's and the Group's risks and also establishing the Group's capital adequacy target. At Svea Ekonomi, risks are measured and reported according to standardized principles and policies determined 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 (IKLU), 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 Ekonomi has established an efficient framework for risk appetites that includes all of the Group's relevant risks. Risk appetites have been defined for every single risk. Qualitative risk appetites are combined with quantitative risk appetite metrics and tolerance levels. The Board continually evaluates 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.

### *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 function 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*

This function 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. It is independent of business operations and reports directly to the Board of Svea Ekonomi 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.

## 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 (IKLU). The IKLU 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 that have been identified for the operation are credit risk, exchange rate risk, operational risk, liquidity and financing risk, concentration risk, interest rate risk, earning risk, strategic risk, reputation risk and compensation risk.

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 IKLU is based on the annual operational plan and the capital situation is monitored on an ongoing basis by the functions for risk control, compliance and internal audit, and is adopted annually by the Board.

For further information regarding risks, see Note 48.

## Corporate Governance Report

The Corporate Governance Report has been drawn up as a separate report and is available on the Svea Ekonomi website, [www.svea.com](http://www.svea.com).

## Sustainability Report

The Sustainability Report has been drawn up as a separate report and is available on the Svea Ekonomi website, [www.svea.com](http://www.svea.com).

**FIVE-YEAR SUMMARY, GROUP (SEK thousands)**

<b>Income statements</b>		<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Net interest income	1)	2,012,465	1,831,065	1,506,540	1,160,387	885,689
Net commissions	2)	1,170,963	1,193,030	1,174,315	1,066,170	1,015,163
Other operating income		71,898	138,234	39,644	110,056	89,953
<b>Operating income</b>		<b>3,255,326</b>	<b>3,162,329</b>	<b>2,720,499</b>	<b>2,336,613</b>	<b>1,990,805</b>
Operating expenses		-2,163,098	-2,151,311	-1,955,880	-1,458,571	-1,386,118
<b>Profit/loss before credit losses</b>		<b>1,092,228</b>	<b>1,011,018</b>	<b>764,619</b>	<b>878,042</b>	<b>604,687</b>
Credit losses, net		-482,437	-400,090	-324,200	-92,449	-138,946
<b>Operating profit/loss</b>		<b>609,790</b>	<b>610,928</b>	<b>440,419</b>	<b>785,593</b>	<b>465,741</b>
Tax on profit/loss for the year		-147,338	-131,794	-95,888	-135,143	-114,642
<b>Profit/loss for the year</b>		<b>462,453</b>	<b>479,134</b>	<b>344,531</b>	<b>650,450</b>	<b>351,099</b>
<b>Comprehensive income</b>						
<b>Profit/loss for the year</b>		<b>462,453</b>	<b>479,134</b>	<b>344,531</b>	<b>650,450</b>	<b>351,099</b>
Other comprehensive income		530,805	-21,499	-8,370	-16,575	44,079
<b>Comprehensive income for the year</b>		<b>993,257</b>	<b>457,635</b>	<b>336,162</b>	<b>633,875</b>	<b>395,178</b>
<b>Balance sheets</b>						
Treasury bonds etc. acceptable as collateral		34,018	12,017	12,032	11,041	10,000
Lending to credit institutions	3)	3,372,399	3,616,603	1,867,901	1,688,428	1,969,596
Lending to the public		17,718,064	17,210,614	14,839,741	11,375,227	8,585,904
Other assets		5,996,121	5,151,043	3,093,397	2,649,743	1,904,123
<b>Assets</b>		<b>27,120,602</b>	<b>25,990,277</b>	<b>19,813,071</b>	<b>15,724,439</b>	<b>12,469,623</b>
Liabilities to credit institutions		384	4	4,215	64,704	7,869
Deposits from the public		20,916,039	20,617,500	15,226,942	12,554,571	9,920,075
Other liabilities		2,182,805	2,620,877	2,237,662	942,960	875,926
Shareholders' equity		4,021,374	2,751,896	2,344,252	2,162,204	1,665,753
<b>Liabilities and shareholders' equity</b>		<b>27,120,602</b>	<b>25,990,277</b>	<b>19,813,071</b>	<b>15,724,439</b>	<b>12,469,623</b>
<b>Key ratios</b>						
Operating margin, %	4)	18.7	19.3	16.2	33.6	23.4
Return on total assets, %	5)	1.7	2.1	1.9	4.6	3.2
Return on shareholders' equity, %	6)	13.7	18.8	15.3	34.0	23.0
Equity/assets ratio, %	7)	14.8	10.6	11.8	13.8	13.4
Expenses/income	8)	0.7	0.7	0.7	0.6	0.7
Lending/deposits, %	9)	84.7	83.5	97.5	90.6	86.6
Credit loss ratio, %	10)	2.8	2.5	2.5	0.9	1.9
Liquidity, SEK thousands	11)	5,517,740	6,375,043	3,005,200	3,286,100	2,843,200
Cash flow from operating activities, SEK thousands	12)	1,552,481	1,432,605	1,115,657	883,358	795,329
Average number permanent employees	13)	2,091	1,937	1,900	1,033	980
<b>Consolidated situation</b>						
Total capital, SEK thousands	14)	4,320,459	3,190,925	2,541,968	2,275,652	1,786,707
Risk weighted exposures, SEK thousands	15)	23,650,092	21,205,562	18,506,396	14,706,339	11,863,151
Common Equity Tier 1 capital ratio, %	16)	14.5	10.9	10.7	13.5	13.1
Total capital ratio, %	17)	18.3	15.0	13.7	15.5	15.1
Liquidity Coverage Ratio (LCR), %	18)	365.8	400.1	166.6	347.5	126.4

Comparative figures for 2019 include an IFRS 16 effect.

- 1) Interest income minus interest expenses.
- 2) Commission income minus commission expenses.
- 3) Including cash and bank balances with central banks.
- 4) Operating profit divided by operating income.
- 5) Profit for the year divided by average total assets.
- 6) Profit for the year divided by average shareholders' equity.
- 7) Shareholders' equity divided by total assets at year end.
- 8) Operating expenses divided by operating income.
- 9) Lending to the public divided by deposits from the public at year end.
- 10) Credit losses, net divided by average lending to the public.
- 11) Cash and bank balances plus unutilised credit, treasury bonds accepted as collateral and bonds.
- 12) Cash flow from operating activities before changes in operating assets and liabilities.
- 13) Average of number of employees at beginning and end of year respectively.
- 14) Capital base equals the total of Common Equity Tier 1 capital, Tier 1 capital and Tier 2 capital.
- 15) Total of risk weighted exposures on and off the balance sheet, in respect of credit risk, market risk, operational risk and creditworthiness adjustment risk.
- 16) Common Equity Tier 1 capital divided by total of risk weighted exposures.
- 17) Total capital divided by total of risk weighted exposures.
- 18) High-quality liquid assets (HQLA) divided by a stressed net cash outflow over 30 days.

**FIVE-YEAR SUMMARY, PARENT COMPANY (SEK thousands)**

Income statements		2020	2019	2018	2017	2016
Net interest income	1)	1,786,318	1,673,230	1,402,223	1,155,608	935,926
Dividends received		11,666	90,088	126,707	223,914	62,337
Net commissions	2)	425,111	405,742	408,443	365,161	311,012
Other operating income		278,534	278,989	189,668	233,696	250,028
<b>Operating income</b>		<b>2,501,629</b>	<b>2,448,049</b>	<b>2,127,041</b>	<b>1,978,379</b>	<b>1,559,303</b>
Operating expenses		-1,613,038	-1,515,793	-1,359,803	-1,110,509	-943,201
<b>Profit/loss before credit losses</b>		<b>888,590</b>	<b>932,256</b>	<b>767,238</b>	<b>867,870</b>	<b>616,102</b>
Credit losses, net		-483,198	-381,379	-310,543	-75,357	-128,172
Impairment charges, financial assets		-23,370	-5,650	-46,300	-244,219	-10,073
<b>Operating profit/loss</b>		<b>382,022</b>	<b>545,227</b>	<b>410,395</b>	<b>548,294</b>	<b>477,857</b>
Appropriations		36,574	409,303	-25,177	-119,380	-91,253
<b>Profit before tax</b>		<b>418,595</b>	<b>954,530</b>	<b>385,218</b>	<b>428,914</b>	<b>386,604</b>
Tax on profit/loss for the year		-114,080	-187,115	-64,145	-88,234	-80,042
<b>Profit/loss for the year</b>		<b>304,516</b>	<b>767,415</b>	<b>321,073</b>	<b>340,680</b>	<b>306,562</b>
<b>Comprehensive income</b>						
<b>Profit/loss for the year</b>		<b>304,516</b>	<b>767,415</b>	<b>321,073</b>	<b>340,680</b>	<b>306,562</b>
Other comprehensive income		566,506	-27,680	-8,444	-18,322	46,481
<b>Comprehensive income for the year</b>		<b>871,022</b>	<b>739,735</b>	<b>312,629</b>	<b>322,358</b>	<b>353,043</b>
<b>Balance sheets</b>						
Lending to credit institutions		2,542,951	2,876,601	1,224,512	1,085,499	1,387,640
Lending to the public		16,998,436	16,678,393	14,255,353	10,643,867	8,032,074
Other assets		6,315,902	5,252,465	3,524,191	3,294,349	2,453,964
<b>Assets</b>		<b>25,857,290</b>	<b>24,807,459</b>	<b>19,004,056</b>	<b>15,023,715</b>	<b>11,873,678</b>
Liabilities to credit institutions		236,500	109,000	0	56,499	0
Deposits from the public		20,042,297	19,888,133	14,622,499	12,090,812	9,439,003
Other liabilities		1,786,488	2,148,479	2,019,445	781,236	692,405
Untaxed reserves		0	0	390,000	310,000	146,000
Shareholders' equity		3,792,005	2,661,847	1,972,112	1,785,168	1,596,270
<b>Liabilities and shareholders' equity</b>		<b>25,857,290</b>	<b>24,807,459</b>	<b>19,004,056</b>	<b>15,023,715</b>	<b>11,873,678</b>
<b>Key ratios</b>						
Operating margin, %	3)	15.3	22.3	19.3	27.7	30.6
Return on total assets, %	4)	1.2	3.5	1.9	2.5	2.9
Return on shareholders' equity, %	5)	9.4	31.1	14.9	18.2	19.8
Equity/assets ratio, %	6)	14.7	10.7	12.0	13.5	14.4
Expenses/income	7)	0.6	0.6	0.6	0.6	0.6
Lending/deposits, %	8)	84.8	83.9	97.5	88.0	85.1
Credit loss ratio, %	9)	2.9	2.5	2.5	0.8	1.9
Liquidity, SEK thousands	10)	4,634,177	5,580,586	2,309,400	2,643,600	2,221,800
Cash flow from operating activities, SEK thousands	11)	1,356,308	1,282,877	1,061,187	1,016,248	744,208
Average number permanent employees	12)	733	659	595	553	504
Total capital, SEK thousands	13)	4,448,852	3,363,847	2,462,301	2,086,280	1,655,410
Risk weighted exposures, SEK thousands	14)	21,538,995	19,511,277	17,542,430	13,958,326	11,078,594
Common Equity Tier 1 capital ratio, %	15)	16.5	12.8	11.8	13.5	13.9
Total capital ratio, %	16)	20.7	17.2	14.0	14.9	14.9
Liquidity Coverage Ratio (LCR), %	17)	366.5	408.6	166.2	344.6	116.8

Comparative figures for 2019 include an IFRS 16 effect.

- 1) Interest income minus interest expenses plus leasing income before planned depreciation of lease objects.
- 2) Commission income minus commission expenses.
- 3) Operating profit divided by operating income.
- 4) Profit for the year divided by average total assets.
- 5) Profit for the year divided by average shareholders' equity plus equity portion of untaxed reserves.
- 6) Shareholders' equity + Equity portion of untaxed reserves divided by total assets at year end.
- 7) Operating expenses divided by operating income.
- 8) Lending to the public divided by deposits from the public at year end.
- 9) Credit losses, net divided by average lending to the public.
- 10) Cash and bank balances plus unutilised credit, treasury bonds accepted as collateral and bonds.
- 11) Cash flow from operating activities before changes in operating assets and liabilities.
- 12) Average of number of employees at beginning and end of year respectively. Of which some personnel hired out to Swedish Group companies.
- 13) Capital base equals the total of Common Equity Tier 1 capital, Tier 1 capital and Tier 2 capital.
- 14) Total of risk weighted exposures on and off the balance sheet, in respect of credit risk, market risk, operational risk and creditworthiness adjustment risk.
- 15) Common Equity Tier 1 capital divided by total of risk weighted exposures.
- 16) Total capital divided by total of risk weighted exposures.
- 17) High-quality liquid assets (HQLA) divided by a stressed net cash outflow over 30 days.

INCOME STATEMENTS (SEK thousands)	Note	Group		Parent Company	
		2020	2019	2020	2019
Interest income	3, 5	2,313,182	2,076,738	1,773,902	1,627,097
Leasing income	5	0	0	302,841	281,529
Interest expenses	5	-300,717	-245,673	-290,425	-235,396
<b>Net interest income</b>		<b>2,012,465</b>	<b>1,831,065</b>	<b>1,786,318</b>	<b>1,673,230</b>
Dividends received	6	11,666	35,332	11,666	90,088
Commission income	3, 7	1,285,101	1,300,304	485,756	458,844
Commission expenses	8	-114,139	-107,274	-60,645	-53,102
Net profit from financial transactions	9	-6,238	48,810	33,083	42,474
Participations in associated company's earnings	10	-36	-519	0	0
Other operating income	3, 11	66,506	54,611	245,451	236,515
<b>Operating income</b>		<b>3,255,326</b>	<b>3,162,329</b>	<b>2,501,629</b>	<b>2,448,049</b>
Personnel expenses	12	-985,654	-889,889	-609,172	-523,727
Other administrative expenses	4	-1,027,111	-1,089,108	-742,931	-749,504
Amortization/depreciation of intangible assets and property, plant and equipment, etc.	14	-130,239	-160,035	-260,936	-242,539
Other operating expenses		-20,095	-12,279	0	-23
<b>Operating expenses</b>		<b>-2,163,098</b>	<b>-2,151,311</b>	<b>-1,613,038</b>	<b>-1,515,793</b>
<b>Profit/loss before credit losses</b>		<b>1,092,228</b>	<b>1,011,018</b>	<b>888,590</b>	<b>932,256</b>
Credit losses, net	15	-482,437	-400,090	-483,198	-381,379
Impairment charges, financial assets	16	-	-	-23,370	-5,650
<b>Operating profit/loss</b>		<b>609,790</b>	<b>610,928</b>	<b>382,022</b>	<b>545,227</b>
Appropriations	17	-	-	36,574	409,303
<b>Profit before tax</b>		<b>609,790</b>	<b>610,928</b>	<b>418,595</b>	<b>954,530</b>
Tax on profit/loss for the year	18	-147,338	-131,794	-114,080	-187,115
<b>Profit/loss for the year</b>	2	<b>462,453</b>	<b>479,134</b>	<b>304,516</b>	<b>767,415</b>
Of which attributable to holding without a controlling influence		-5,629	-4,349		
Of which attributable to Parent Company shareholders		468,082	483,483		

#### STATEMENT OF COMPREHENSIVE INCOME (SEK thousands)

Profit/loss for the year	462,453	479,134	304,516	767,415
<i>Items for possible reclassification and transfer to the income statement:</i>				
Translation of foreign operations	-113,634	30,991	-77,933	24,810
<i>Items that cannot be reclassified to the income statement:</i>				
Change in value, listed shares and participations	733,205	-66,295	733,205	-66,295
Deferred tax on change in value, listed shares and participations	-150,696	14,187	-150,696	14,187
Profit from disposal of listed shares and participations	78,791	-486	78,791	-486
Current tax on profit from disposal of listed shares and participations	-16,861	104	-16,861	104
Other comprehensive income	530,805	-21,499	566,506	-27,680
<b>Comprehensive income for the year</b>	<b>993,257</b>	<b>457,635</b>	<b>871,022</b>	<b>739,735</b>
Of which attributable to holding without a controlling influence	-5,565	-4,635		
Of which attributable to Parent Company shareholders	998,822	462,270		

BALANCE SHEETS (SEK thousands)	Note	Group		Parent Company	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019
Cash and balances with central banks		176,582	31,757	100,503	0
Treasury bonds etc. acceptable as collateral	19	34,018	12,017	0	0
Lending to credit institutions	42	3,195,817	3,584,846	2,442,448	2,876,601
Lending to the public	20, 42	17,718,064	17,210,614	16,998,436	16,678,393
Bonds and other securities	21	1,691,225	2,303,985	1,691,225	2,303,985
Shares and participations	22	2,762,097	1,311,671	2,762,070	1,311,643
Other participations	23	3,284	3,284	0	0
Shares and participations in associated companies	24	944	1,012	0	6,000
Shares in Group companies	25	0	0	790,338	729,109
Intangible assets	26	405,436	375,101	30,400	38,000
Tangible assets	27	192,912	200,342	684,221	603,256
Rights of use	28	264,208	358,654	-	-
Deferred tax assets	29	130,796	116,378	6,974	9,061
Derivative instruments	30	41,099	36,330	41,099	36,330
Other assets	31	395,907	299,293	237,222	145,198
Prepaid expenses and accrued income	32	83,643	120,661	72,353	69,883
Assets held for sale	33	24,569	24,333	-	-
<b>Assets</b>		<b>27,120,602</b>	<b>25,990,277</b>	<b>25,857,290</b>	<b>24,807,459</b>
Liabilities to credit institutions	34, 42	384	4	236,500	109,000
Deposits from the public	35, 42	20,916,039	20,617,500	20,042,297	19,888,133
Issued securities, etc.	36	0	544,804	100,000	642,958
Derivative instruments	37	2,949	8,399	2,949	8,399
Lease liabilities	38	265,456	353,478	-	-
Other liabilities	39	513,253	448,449	380,994	322,825
Accrued expenses and deferred income	40	329,957	321,867	238,467	249,745
Deferred tax liability	29	171,749	41,798	166,777	25,635
Subordinated liabilities	41	897,301	898,917	897,301	898,917
Liabilities held for sale	33	2,140	3,165	-	-
<b>Liabilities</b>		<b>23,099,228</b>	<b>23,238,381</b>	<b>22,065,285</b>	<b>22,145,612</b>
Share capital		9,208	8,655	9,208	8,655
Other capital contributed		398,792	99,345	-	-
Statutory reserve		-	-	1,600	1,600
Fair value reserve		-	-	616,296	33,787
Reserves		534,787	65,924	-	-
Share premium account		-	-	398,792	99,345
Profit brought forward		2,580,266	2,074,228	2,461,594	1,751,045
Profit/loss for the year		468,082	483,483	304,516	767,415
Attributable to Parent Company shareholders		3,991,134	2,731,635	3,792,005	2,661,847
Holding without a controlling influence		30,240	20,261	-	-
<b>Shareholders' equity</b>		<b>4,021,374</b>	<b>2,751,896</b>	<b>3,792,005</b>	<b>2,661,847</b>
<b>Liabilities and shareholders' equity</b>		<b>27,120,602</b>	<b>25,990,277</b>	<b>25,857,290</b>	<b>24,807,459</b>



**CONSOLIDATED REPORT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Attributable to Parent Company shareholders							Holding without a controlling influence	Total shareholders' equity
	Capital contributed		Reserves			Total			
	Share capital	Other capital contributed	Revaluation reserve	Translation reserve	Profit brought forward				
<b>Shareholders' equity 31/12/2018</b>	<b>8,655</b>	<b>99,345</b>	<b>85,895</b>	<b>860</b>	<b>2,124,610</b>	<b>2,319,365</b>	<b>24,887</b>	<b>2,344,252</b>	
<i>Fair value via other comprehensive income</i>									
Change in value, listed shares and participations			-66,295			-66,295		-66,295	
Deferred tax on change in value, shares and participations			14,187			14,187		14,187	
Profit from disposal of listed shares and participations					-486	-486		-486	
Current tax on profit from disposal of listed shares and participations					104	104		104	
Exchange rate differences				31,277		31,277	-286	30,991	
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-52,108</b>	<b>31,277</b>	<b>-382</b>	<b>-21,213</b>	<b>-286</b>	<b>-21,499</b>	
Profit/loss for the year					483,483	483,483	-4,349	479,134	
<b>Comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>-52,108</b>	<b>31,277</b>	<b>483,101</b>	<b>462,270</b>	<b>-4,635</b>	<b>457,635</b>	
Dividend					-50,000	-50,000		-50,000	
Capital contributions to subsidiaries from holding without a controlling influence							10	10	
<b>Transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-50,000</b>	<b>-50,000</b>	<b>10</b>	<b>-49,990</b>	
<b>Shareholders' equity 31/12/2019</b>	<b>8,655</b>	<b>99,345</b>	<b>33,787</b>	<b>32,137</b>	<b>2,557,711</b>	<b>2,731,635</b>	<b>20,262</b>	<b>2,751,898</b>	
<i>Fair value via other comprehensive income</i>									
Change in value, listed shares and participations			733,205			733,205		733,205	
Deferred tax on change in value, shares and participations			-150,696			-150,696		-150,696	
Profit from disposal of listed shares and participations					78,791	78,791		78,791	
Current tax on profit from disposal of listed shares and participations					-16,861	-16,861		-16,861	
Exchange rate differences				-113,698		-113,698	64	-113,634	
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>582,509</b>	<b>-113,698</b>	<b>61,930</b>	<b>530,741</b>	<b>64</b>	<b>530,805</b>	
Profit/loss for the year					468,082	468,082	-5,629	462,453	
<b>Comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>582,509</b>	<b>-113,698</b>	<b>530,012</b>	<b>998,822</b>	<b>-5,565</b>	<b>993,257</b>	
New share issue	552	299,448				300,000		300,000	
Bonus issue	90				-90	0		0	
Withdrawal of shares	-90				-39,910	-40,000		-40,000	
Acquisition of subsidiary with holding without a controlling influence						0	15,589	15,589	
Capital share					-31	-31		-31	
Adjustment of previous year's profit/loss				52	1,495	1,547	-46	1,501	
Deferred tax posted directly to shareholders' equity					-839	-839		-839	
<b>Transactions with shareholders</b>	<b>552</b>	<b>299,448</b>	<b>0</b>	<b>52</b>	<b>-39,375</b>	<b>260,677</b>	<b>15,543</b>	<b>276,220</b>	
<b>Shareholders' equity 31/12/2020</b>	<b>9,208</b>	<b>398,793</b>	<b>616,296</b>	<b>-81,509</b>	<b>3,048,348</b>	<b>3,991,134</b>	<b>30,240</b>	<b>4,021,374</b>	

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

The Parent Company's statutory reserve of SEK 1.6 million arose from the transfer of retained earnings and does not constitute contributed capital.

**REPORT OF CHANGES IN SHAREHOLDERS' EQUITY – PARENT COMPANY**

	Restricted shareholders' equity			Non-restricted shareholders' equity			Total shareholders' equity
	Share capital	Statutory reserve	Reserve for development expenses	Fair value reserve	Share premium account	Profit brought forward	
<b>Shareholders' equity 31/12/2018</b>	<b>8,655</b>	<b>1,600</b>	<b>0</b>	<b>85,895</b>	<b>99,345</b>	<b>1,776,617</b>	<b>1,972,112</b>
<i>Fair value via other comprehensive income</i>							
Change in value, listed shares and participations				-66,295			-66,295
Deferred tax on change in value, listed shares and participations				14,187			14,187
Profit from disposal of listed shares and participations						-486	-486
Current tax on profit from disposal of listed shares and participations						104	104
Exchange rate differences						24,810	24,810
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-52,108</b>	<b>0</b>	<b>24,428</b>	<b>-27,680</b>
Profit/loss for the year						767,415	767,415
<b>Comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-52,108</b>	<b>0</b>	<b>791,843</b>	<b>739,735</b>
Additional capitalisation			38,000			-38,000	0
<b>Reserve for development expenses</b>	<b>0</b>	<b>0</b>	<b>38,000</b>	<b>0</b>	<b>0</b>	<b>-38,000</b>	<b>0</b>
Dividend						-50,000	-50,000
<b>Transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-50,000</b>	<b>-50,000</b>
<b>Shareholders' equity 31/12/2019</b>	<b>8,655</b>	<b>1,600</b>	<b>38,000</b>	<b>33,787</b>	<b>99,345</b>	<b>2,480,460</b>	<b>2,661,847</b>
<i>Fair value via other comprehensive income</i>							
Change in value, listed shares and participations				733,205			733,205
Deferred tax on change in value, listed shares and participations				-150,696			-150,696
Profit from disposal of listed shares and participations						78,791	78,791
Current tax on profit from disposal of listed shares and participations						-16,861	-16,861
Exchange rate differences						-77,933	-77,933
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>582,509</b>	<b>0</b>	<b>-16,003</b>	<b>566,506</b>
Profit/loss for the year						304,516	304,516
<b>Comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>582,509</b>	<b>0</b>	<b>288,513</b>	<b>871,022</b>
Depreciations			-7,600			7,600	0
<b>Reserve for development expenses</b>	<b>0</b>	<b>0</b>	<b>-7,600</b>	<b>0</b>	<b>0</b>	<b>7,600</b>	<b>0</b>
Adjustment of previous year's profit/loss						-24	-24
Deferred tax posted directly to shareholders' equity						-839	-839
New share issue	552				299,448		300,000
Bonus issue	90					-90	0
Withdrawal of shares	-90					-39,910	-40,000
<b>Transactions with shareholders</b>	<b>552</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>299,448</b>	<b>-40,863</b>	<b>259,136</b>
<b>Shareholders' equity 31/12/2020</b>	<b>9,208</b>	<b>1,600</b>	<b>30,400</b>	<b>616,296</b>	<b>398,792</b>	<b>2,735,710</b>	<b>3,792,005</b>

Share capital consists of 1,634,000 shares with a quote value of SEK 5.6349857.

Exchange rate differences refer to translation of foreign branches.

CASH FLOW STATEMENT (SEK thousands)	Note	Group		Parent Company	
		2020	2019	2020	2019
Profit/loss before credit losses		1,092,228	1,011,018	888,590	932,256
Of which interest received		2,313,182	2,076,738	1,773,902	1,627,097
Of which leasing charges received		0	0	302,841	281,529
Of which interest paid		-300,717	-245,673	-290,425	-235,396
Of which dividends		11,666	35,332	11,666	90,088
<i>Items not included in cash flow:</i>					
Anticipated dividend		0	0	0	-1,550
Capital gains/losses, bonds and other securities		-6,686	7,884	-6,686	7,884
Capital gains, shares in Group companies		0	0	0	-95
Capital gains(losses)/value change, unlisted holdings		-37,367	-41,843	-37,367	-41,843
Depreciations, etc.		130,239	160,035	260,936	242,539
Capital gains/losses – retirement, inventories/buildings and land		-63	-219	-203	4,633
Deferred tax		151,777	436	154,042	-1,454
Exchange rate differences		-97,672	15,135	-26,221	14,978
Revaluation of acquired past-due stocks of receivables		469,950	399,014	230,552	207,588
Participations in associated company's earnings		36	519	0	0
Income taxes paid		-149,961	-119,374	-107,335	-82,059
<b>Cash flow from operating activities before changes in operating assets and liabilities.</b>		<b>1,552,481</b>	<b>1,432,605</b>	<b>1,356,308</b>	<b>1,282,877</b>
Treasury bonds etc. acceptable as collateral		-22,001	15		
Lending to the public		-1,482,499	-3,158,098	-958,581	-2,948,612
Bonds and other securities		91,876	-51,696	91,876	-51,696
Shares and participations		-830,550	-50,713	-830,551	-50,712
Derivative instruments		-10,219	80,117	-10,219	80,117
Other assets		-59,596	41,858	-94,494	-44,741
Liabilities to credit institutions		380	-4,211	127,500	0
Deposits from the public		298,539	5,390,558	113,227	5,340,634
Other liabilities		72,894	59,418	46,891	66,881
<b>Change in the operation's assets and liabilities</b>		<b>-1,941,176</b>	<b>2,307,248</b>	<b>-1,514,351</b>	<b>2,391,871</b>
<b>Cash flow from operating activities</b>		<b>-388,695</b>	<b>3,739,853</b>	<b>-158,043</b>	<b>3,674,748</b>
Change in bonds and other securities		527,569	-1,575,269	527,569	-1,575,269
Change of shares and participations in associated companies		32	1,383		0
Acquisition of shares in Group companies	24.44	0	0	-55,100	-8,964
Shareholder contributions		0	0	-23,500	-27,903
Liquidation, Group company		0	0	0	222
Sale of shares in Group companies		0	0	0	5,514
Acquisition of intangible assets		-8,505	-44,816	0	-38,000
Sale of intangible assets		-42,225	0	0	0
Acquisition of tangible assets		171	-196,485	-446,449	-329,555
Sale of tangible assets		0	2,554	106,447	62,784
Acquisition of deferred tax assets	44	0	0	0	0
<b>Cash flow from investing activities</b>		<b>477,042</b>	<b>-1,812,633</b>	<b>108,967</b>	<b>-1,911,171</b>
New share issue		300,000	0	300,000	0
Subordinated liabilities		-1,616	300,000	-1,616	300,000
Issued securities, etc.		-544,804	-361,488	-542,958	-361,488
Dividend		0	-50,000	0	-50,000
Withdrawal of shares		-40,000	0	-40,000	0
Holding without a controlling influence		15,544	10	0	0
Repayment of lease liability		-61,675	-67,040	0	0
<b>Cash flow from financing activities</b>		<b>-332,551</b>	<b>-178,518</b>	<b>-284,574</b>	<b>-111,488</b>
<b>Cash flow for the year</b>		<b>-244,204</b>	<b>1,748,702</b>	<b>-333,650</b>	<b>1,652,089</b>
Cash and cash equivalents at beginning of year		3,616,603	1,867,901	2,876,601	1,224,512
<b>Cash and cash equivalents at year-end</b>		<b>3,372,399</b>	<b>3,616,603</b>	<b>2,542,951</b>	<b>2,876,601</b>
<i>Cash and cash equivalents consist of:</i>					
Cash and balances with central banks		176,582	31,757	100,503	0
Lending to credit institutions		3,195,817	3,584,846	2,442,448	2,876,601
<b>Cash and cash equivalents at year-end</b>		<b>3,372,399</b>	<b>3,616,603</b>	<b>2,542,951</b>	<b>2,876,601</b>
Cash and cash equivalents not available for use	42	27,457	31,370	26,417	30,260

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**Note 1 Accounting policies and valuation principles**

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**Information about the company**

The Annual Report and consolidated accounts were prepared on 31 December 2020 and refer to Svea Ekonomi AB (publ), which is a credit institution registered in Sweden, whose registered office is in Solna, Stockholm.

The head office address is Evenemangsgatan 31, Solna.

**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 (ARKL/1995:1559). The Swedish Financial Supervisory Authority's regulations and general advice (FFFS 2008:25) and the Swedish Financial Reporting Board's recommendations RFR 1 Supplementary Accounting Rules for Groups and RFR 2 Accounting for Legal Entities are also applied. Accordingly, the company fully applies IFRS to the Group and legally restricted IFRS to the Parent Company.

The Annual Report and consolidated accounts were approved for issue by the Board of Directors on 22 April 2021. The income statements and balance sheets were presented for adoption by the Annual General Meeting on 22 April 2021.

**General conditions for the preparation of the company's financial statements**

Subsidiaries that prepare their own annual reports in accordance with the Annual Accounts Act adjust to comply with ARKL/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.

IAS 33 Earnings per share is only applied by companies whose shares are subject to public trading. IAS 33 is therefore not applied by Svea Ekonomi, as the Group only has listed debt instruments.

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

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

All amounts in the financial statements of the Group and Parent Company are presented in SEK thousands unless otherwise expressly stated. The Parent Company's functional currency is SEK.

In accordance with industry practice for financial 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**

None of the changes in the standards that came into force during the financial year 2020 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 Ekonomi's financial statements, capital adequacy or major exposures. The standards that come into force for financial years beginning after 1 January 2021 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.

During the year, the model for measuring promissory note loans was reviewed, resulting in a change to estimates. Some of the assumptions made in connection with measurement have been changed, resulting in a revaluation and an impairment. The net outcome of the two items has been an insignificant positive effect on the profit for both the Parent Company and the Group. The revision of the estimates made is reported for the future and has thus affected the current period, but not previous periods.

*Impairment test for 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 Ekonomi's best estimates of future income and expenses for the Group company concerned. Refer also to the section below entitled Impairment testing of fixed assets.

*Impairment testing of goodwill*

Goodwill is tested every year in accordance with IAS 36 Impairment of Assets. An analysis is conducted in the test to determine whether the book value of the goodwill 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 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 Ekonomi's best estimates of future income and expenses for the cash-generating units. Refer also to the section below entitled Impairment testing of fixed assets.

*Impairment testing of lending*

Impairment testing of loan receivables takes place in accordance with IFRS 9 Financial Instruments, see also the section entitled Financial Instruments below. Notes 15 and 20 describe credit losses and reserves respectively.

#### 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 per cent of the votes in the subsidiary company. A significant influence is assumed to exist when ownership amounts to at least 20 per cent of the votes in the associated company. Interest can also be attained by means other than share ownership.

Group companies and associated companies are included in the consolidated accounts from the date on which the controlling or significant influence was obtained and are excluded from the consolidated accounts from the date on which the controlling or significant influence ceases. Only shareholders' equity earned after the acquisition is reported in consolidated shareholders' equity.

Internal transactions with subsidiaries and associated companies, and outstanding accounts with subsidiaries are eliminated in the consolidated accounts. 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 profit brought forward. The tax portion of untaxed reserves is reported as deferred tax liabilities based on the current tax rate in each country.

#### Group companies, subsidiaries

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 is reported directly in the income statement as a profit from acquisition at low price in the item Other operating income.

#### 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.

The cost of acquisition of Group and 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.

Foreign Group companies and branches are translated according to the current method; see below for further information.

#### Segment reporting

In segment reporting, income and expenses and assets and liabilities are reported separately for each operating segment. An operating segment is a part of the Group that conducts operations that generate revenues and expenses for which independent information is available. Information about the operating segment is used and monitored on an ongoing basis by Group management. See Note 2 for further information.

#### Translation of foreign currencies

##### Group

Assets and liabilities in foreign currencies are translated at the closing day rate, while items in the income statement are translated at the average exchange rate for the year. Foreign subsidiaries prepare their accounts in the local functional currency of the country where they do business. Exchange rate differences arise in the translation of the subsidiaries' annual accounts partly because the closing day rate changes between accounting year-ends and also because the average rate deviates from the closing day rate.

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

##### Parent Company

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 48. 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.

#### 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, the company reports an impairment and estimates the expected credit losses, which requires additional assessments in respect of changed credit risk and forward-looking information. Svea Ekonomi has classified assets and liabilities, and developed models for the calculation of expected credit losses in accordance with this. Notes 15 and 20 describe credit losses and reserves respectively.

##### Classification of financial assets and liabilities

A financial instrument is defined as every type of agreement that gives rise to a financial asset in a company and a financial liability or equity instrument with the counterparty.

Every financial instrument is classified in one of the following categories and forms the basis for how such instruments are valued in the balance sheet and how the change in the value of the instruments is reported; refer also to Notes 45 and 46.

#### Financial assets

- Financial assets measured at fair value via the income statement
- Accrued cost of acquisition
- Financial assets measured at fair value via other comprehensive income

#### Financial liabilities

- Financial liabilities measured at fair value via the income statement
- Accrued cost of acquisition

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.

A choice has been made to report bonds at fair value via the income statement, as this was considered to best represent how the company 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. The company'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.

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.

##### 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 amortizations 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.

#### *Impairments*

The impairment loss requirements are 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, 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.

Alternative methods are used for parts of assets to calculate impairment requirement. There is the simplified method used for assets with a short maturity, such as invoice purchases, and an alternative method used for portfolios of acquired overdue receivables.

In category 1, the reserves correspond to the credit losses anticipated for the next 12 months. In categories 2 and 3, and assets using the simplified method, the reserves correspond to the credit losses anticipated for the full remaining maturity. 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 defaults 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 also affects the expected loss.

#### **Methods for measuring fair value**

##### **Financial assets quoted on an active market**

A financial instrument is considered quoted on an active market if quoted prices are readily available on an exchange, from a trader, broker, banks, etc. and that such prices represent actual and regularly occurring market transactions on commercial conditions. Share prices are obtained from Nasdaq OMX. Instruments quoted on an active market are reported in the balance sheet under Shares and participations, and Bonds and other securities.

##### **Miscellaneous**

The fair values of derivative instruments in the form of currency swaps/currency forward contracts are obtained from external commercial banks, and currency exchange rates from Reuters. Holdings of unlisted shares are reported at fair value based on a measurement performed by external independent expertise. For the measurement of financial assets and liabilities in foreign currency, the fair values of these currencies are obtained from Reuters. These balance-sheet items are reported at accrued cost.

For promissory notes in which the contract terms can give rise to payment flows that do not fully comprise interest and repayment, these are measured at fair value. 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.

The division of financial instruments measured at fair value into three levels is described in Note 47.

##### **Financial assets and liabilities**

Financial assets in the balance sheet include cash and balances with central banks, treasury bonds etc. acceptable as collateral, lending to credit institutions, lending to the public, bonds and other interest-bearing securities, listed and unlisted shares and participations, other assets, accounts receivable and derivative instruments.

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

##### *Cash and balances with central banks*

Cash and balances with central banks are categorised as financial assets measured at accrued cost and consist of balances at Sveriges Riksbank.

##### *Treasury bonds etc. acceptable as collateral*

Treasury bonds, etc. acceptable as collateral are categorised as financial assets measured at fair value in the income statement. This item includes interest-bearing government securities with fixed or determinable payments and fixed maturities.

##### *Lending to credit institutions*

Lending to credit institutions is categorised as financial assets at accrued cost and consists of bank balances and short-term liquid investments.

##### *Lending to the public*

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 acquired stocks of past-due receivables. Acquired stocks of past-due receivables of minor value are amortized over their assessed lives up to 18 months and matched against receipts. High-value acquired past-due receivables with long estimated payment terms are matched against receipts and amortized through the use of effective interest rate models.

The Group monitors lending as described in Note 48. A need for impairment is recognised in loans attributable to individual customers or groups of customers if there is objective evidence of an impairment and if an impairment test indicates a loss. See below for further information.

##### *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.

##### *Shares and participations*

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

##### *Accounts receivable*

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

##### *Derivative instruments*

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 Ekonomi's derivative instruments consist of currency swaps and constitute hedging of net positions primarily in NOK, EUR, DKK, USD and HRK.

##### *Liabilities to credit institutions*

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.

##### *Deposits from the public*

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

*Issued securities, etc.*

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

*Accounts payable*

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

*Subordinated liabilities*

Subordinated liabilities are classified as other financial liabilities and valued at accrued cost. The item refers to subordinated loans from private individuals and bond loans from companies.

*Shares and participations in associated companies Shares in Group companies*

Shares in Group companies and participations in associated companies are classified as financial assets and reported in the Parent Company at cost less any impairment charges.

**Property, plant and equipment**

Property, plant and equipment is reported at cost of acquisition less accumulated depreciation according to plan. Depreciation has been calculated based on original cost. 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.

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

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

**Leasing**

The new standard IFRS 16 Leases came into force on 1 January 2019, replacing IAS 17. All leases (with the exception of short-term leases and leases of low value) are reported as an asset (right of use) and as a liability (lease liability) in the balance sheet. In the income statement, an expense for depreciation of the leased asset and an interest expense attributable to the lease liability are reported. IFRS 16 is applied in the Group, but not in the Parent Company or in individual subsidiaries. In the Parent Company, all fixtures and fittings for own use via leasing contracts and for rental are reported as operational leases.

*Lessee*

Every lease payment is distributed between debt and financing expense. A right of use asset is depreciated on a straight-line basis over the asset's estimated useful life. The main impact on the Group's accounts originates from the reporting of rental contracts in respect of premises. The comparative figures have therefore not been restated. See Notes 28 and 38 for further information.

*Lessor*

Svea Ekonomi'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 life of the leasing agreement; see Note 27. Depreciations of leased assets according to plan take place over the useful life of the asset by applying the annuity method down to the agreed residual values. The depreciations are accrued and reported during the lease agreement's term in the income statement as a depreciation of tangible assets. Residual values are determined in agreement with the lessee based on the leasing object's anticipated useful economic life.

In the consolidated accounts, these leasing agreements are classified 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 leasing agreement. 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.

**Intangible assets**

Intangible assets excluding goodwill are reported at cost of acquisition less accumulated amortisation according to plan. Amortisation has been calculated based on original cost. Amortisation takes place on a straight-line basis over the assets' useful life.

The following rates of amortisation are applied for intangible assets:

Goodwill is not amortised, impairment testing takes place annually and if there is any indication of an impairment requirement.

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 (5).

Tenancy rights are amortised according to plan over 5 years.

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

*Capitalisation*

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, the company to have control over the asset and the future use of the asset to bring economic benefits. It must also be technically feasible for the company to use the asset, there must be an intention to 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.

**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. Impairments for holdings in Group companies that do not conduct cash-generating operations are based on net asset value at the closing date.

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 and shares in Group companies held by the Parent Company. 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.

**Fixed assets held for sale**

Fixed assets held for sale are reported when a company is available for sale and active work is under way to sell it. A sale is normally expected to be executed within one year.

A fixed asset classified as being held for sale is reported at the lower of the fair value and carrying amount. No depreciation relating to these assets is reported in the Group.

#### **Income recognition**

##### *Interest income*

Interest income is accrued over the life of the loan according to the effective interest method and deducted in arrears. Income attributable to acquired past-due receivables is reported when payment is received and matched against amortisations expensed either by calculating accrued cost (major portfolios) or a straight-line basis according to plan (minor portfolios).

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*

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

##### *Dividend income*

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

##### *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. Note 7 Commission income describes the division into categories of income. Income from financial services in the AFS business area consists of payment transfers, lending services such as those for processing, notifications, reminders, and foreign currency exchange. Income from administrative services in the AFS business area consists primarily of VAT, billing and other services such as invoice/ledger service, credit information, monthly subscriptions and annual subscriptions. Within the Debt collection business area there is also income from debt collection services.

##### *Net profit from financial transactions*

Net profit from financial transactions consists of realised and unrealised value changes of financial instruments such as unlisted shares and other securities, receivables and liabilities in foreign currency as well as currency derivatives.

##### *Other operating income*

Other operating income in the Parent Company refers primarily to staffing and re-invoicing of other expenses to other Group companies. The item also refers to income not attributable to other income lines and which is normally reported when the transactions have been completed.

#### **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.

#### **Taxes**

##### *Current tax*

Current tax refers to income tax payable on the current year's taxable income. Current tax to pay on profit when disposing of listed shares and participations is reported via other comprehensive income.

##### *Deferred tax*

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.

#### **Pledged assets and contingent liabilities**

Pledged assets and contingent liabilities 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. For contingent liabilities, the guaranteed amount is reported with a deduction for securities received and the amount granted.

##### *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. The provision is calculated as the discounted best estimate of the amount required to settle the guarantee in question.

##### *Commitments*

Loan commitments are reported off the balance sheet as contingencies. In this context a loan commitment refers to a unilateral undertaking by the company 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 the company is for future payment to be on condition that the trend forecast regarding the borrower's ability to repay when the contract was signed does not deteriorate significantly. Should such a significant deterioration exist, the loan commitment may be revoked. Accordingly, loan commitments are risk-weighted at zero per cent when calculating capital requirements for the company 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%.

#### **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, although no later than when this can be done without loss.

#### **Cash flow statement**

The cash flow statement is prepared according to the indirect method. Reported cash flow only includes transactions that involve incoming and outgoing payments. Cash transactions are classified in the categories of operating activities, investing activities and financing activities.

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



**Note 2 Segment reporting**

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 the company's chief executive officer in order to evaluate operating profit/loss and to enable allocation of resources to the operating segment.

Svea Ekonomi's operating segments are divided into the operating areas Administration and Financial Services (AFS) and Debt Collection, which also follows the legal classification. Eliminations pertain to transactions between operating segments and are reported separately. Intra-group sales between segments take place on market terms. Internal transactions between operating areas refers to remunerations for the work carried out within credit management and debt collection of the Group's receivables.

The AFS operating area provides administrative and financial services to companies and private individuals in the Nordic region and parts of the rest of Europe. Financial services provided to companies consist of factoring, invoice purchasing and company financing. Financial services to private individuals consist of lending, deposits and payment transfers. The operation is regulated by EU directives under the supervision of the Swedish Financial Supervisory Authority. Administrative services to companies consist of invoice and ledger services, credit information, training, VAT recovery and billing.

The debt collection operating area provides debt collection services, the administration of inspection fees and legal services to companies in the Nordic region and parts of the rest of Europe.

Information per business area	AFS	Debt collection	Elimination	Total
<i>Group 2020</i>				
Interest income	2,282,392	1,140	29,650	2,313,182
Interest expenses	-297,221	-3,496	0	-300,717
Dividends received	11,666	0	0	11,666
Commission income	647,644	687,037	-49,580	1,285,101
Commission expenses	-113,651	-20,418	19,930	-114,139
Net profit from financial transactions	-5,842	-395	0	-6,238
Participations in associated company's earnings	-36	0	0	-36
Other operating income	224,996	70,687	-229,177	66,506
<b>Operating income</b>	<b>2,749,947</b>	<b>734,555</b>	<b>-229,177</b>	<b>3,255,326</b>
Of which external	2,605,169	650,157		
Personnel expenses	-788,565	-297,838	100,749	-985,654
Other administrative expenses	-875,769	-279,770	128,428	-1,027,111
Amortization/depreciation of intangible assets and property, plant and equipment, etc.	-105,217	-25,022	0	-130,239
Other operating expenses	-18,120	-1,975	0	-20,095
<b>Operating expenses</b>	<b>-1,787,671</b>	<b>-604,604</b>	<b>229,177</b>	<b>-2,163,098</b>
<b>Profit/loss before credit losses</b>	<b>962,276</b>	<b>129,951</b>	<b>0</b>	<b>1,092,228</b>
Credit losses, net	-482,437			-482,437
<b>Operating profit/loss</b>	<b>479,839</b>	<b>129,951</b>	<b>0</b>	<b>609,790</b>
Tax on profit/loss for the year	-139,921	-7,416		-147,338
<b>Profit/loss for the year</b>	<b>339,918</b>	<b>122,535</b>	<b>0</b>	<b>462,453</b>
No single customer represents more than 10 per cent of the Group's operating income.				
Significant items not included in cash flow in addition to depreciations:				
Revaluation of acquired past-due stocks of receivables		-469,950		-469,950
Impairment of goodwill	0			0
Impairment loss, shares and participations in associated companies	0			0
<b>Balance sheet items</b>				
Lending to credit institutions, of which client funds recovered		95,176		95,176
Lending to the public	17,718,064			17,718,064
Bonds and other securities	1,691,225			1,691,225
Shares and participations	2,762,097			2,762,097
Shares and participations in associated companies	944			944
Intangible assets	397,115	8,321		405,436
Tangible assets	408,773	48,347		457,120
Deferred tax assets	129,354	1,442		130,796
Deposits from the public	20,820,863	95,176		20,916,039

**Note 2 Segment reporting, continued**

<b>Information per business area</b>	<b>AFS</b>	<b>Debt collection</b>	<b>Elimination</b>	<b>Total</b>
<i>Group 2019</i>				
Interest income	2,046,406	1,326	29,006	2,076,738
Interest expenses	-243,133	-2,959	419	-245,673
Dividends received	75,332	4	-40,004	35,332
Commission income	606,337	791,893	-97,926	1,300,304
Commission expenses	-100,781	-6,493	0	-107,274
Net profit from financial transactions	49,296	316	-802	48,810
Participations in associated company's earnings	-519	0	0	-519
Other operating income	214,776	27,595	-187,760	54,611
<b>Operating income</b>	<b>2,647,714</b>	<b>811,682</b>	<b>-297,067</b>	<b>3,162,329</b>
Of which external	2,446,059	716,270		
Personnel expenses	-684,020	-297,765	91,896	-889,889
Other administrative expenses	-884,456	-328,866	124,214	-1,089,108
Amortization/depreciation of intangible assets and property, plant and equipment, etc.	-134,897	-19,105	-6,033	-160,035
Other operating expenses	-12,279	0	0	-12,279
<b>Operating expenses</b>	<b>-1,715,652</b>	<b>-645,736</b>	<b>210,077</b>	<b>-2,151,311</b>
<b>Profit/loss before credit losses</b>	<b>932,062</b>	<b>165,946</b>	<b>-86,990</b>	<b>1,011,018</b>
Credit losses, net	-400,090			-400,090
<b>Operating profit/loss</b>	<b>531,972</b>	<b>165,946</b>	<b>-86,990</b>	<b>610,928</b>
Tax on profit/loss for the year	-122,806	-19,480	10,492	-131,794
<b>Profit/loss for the year</b>	<b>409,166</b>	<b>146,466</b>	<b>-76,498</b>	<b>479,134</b>
No single customer represents more than 10 per cent of the Group's operating income.				
Significant items not included in cash flow in addition to depreciations:				
Revaluation of acquired past-due stocks of receivables	-399,014			-399,014
Impairment of goodwill	-17,402			-17,402
Impairment loss, shares and participations in associated companies	0			0
<b>Balance sheet items</b>				
Lending to credit institutions, of which client funds recovered		124,777		124,777
Lending to the public	17,210,614			17,210,614
Bonds and other securities	2,303,985			2,303,985
Shares and participations	1,311,671			1,311,671
Shares and participations in associated companies	1,012			1,012
Intangible assets	366,853	8,248		375,101
Tangible assets	478,056	80,940		558,996
Deferred tax assets	114,970	1,408		116,378
Deposits from the public	20,492,723	124,777		20,617,500

**Note 2 Segment reporting, continued**

Information on geographical areas is provided for the country in which a company has its registered office and for all other countries where the company received revenues or has assets. Each significant specific country, i.e. constituting more than 10 per cent of the Group, is reported separately. The division into geographical areas is based on where customers are located and includes Sweden, Norway, Finland and other countries. Other countries include Denmark, Estonia, Latvia, the Netherlands, Switzerland, Austria, Germany, Russia, Romania, Serbia, Ukraine, Croatia, Slovakia, Hungary, Slovenia, the Czech Republic, Poland and Macedonia.

<b>Information by geographical area</b>	Sweden	Norway	Finland	Other	Elimination	Total
<i>Group 2020</i>						
Interest income	1,116,522	377,712	425,620	476,630	-83,301	2,313,182
Interest expenses	-219,873	-55,884	-37,314	-70,945	83,298	-300,717
Dividends received	40,437	0	0	14,847	-43,617	11,666
Commission income	769,326	241,761	165,032	222,752	-113,770	1,285,101
Commission expenses	-65,462	-9,003	-29,094	-76,875	66,296	-114,139
Net profit from financial transactions	31,294	-385	-327	-36,819	0	-6,238
Participations in associated company's earnings	-36	0	0	0	0	-36
Other operating income	112,176	5,238	8,155	74,383	-133,447	66,506
<b>Operating income</b>	<b>1,784,383</b>	<b>559,439</b>	<b>532,073</b>	<b>603,972</b>	<b>-224,541</b>	<b>3,255,326</b>
Percentage	55%	17%	16%	19%	-7%	100%
<b>Balance sheet items</b>						
Lending to the public	11,286,469	2,769,346	3,642,407	1,577,154	-1,557,312	17,718,064
Intangible assets	31,153	0	15,579	24,641	334,063	405,436
Tangible assets	361,482	40,664	4,666	50,308	0	457,120
Deferred tax assets	11,677	2,064	59	16,935	100,060	130,796
<i>Group 2019</i>						
Interest income	1,126,859	356,818	388,250	388,260	-183,449	2,076,738
Interest expenses	-229,936	-84,679	-67,795	-45,897	182,634	-245,673
Dividends received	116,752	0	0	-4	-81,416	35,332
Commission income	688,886	257,123	214,593	137,164	2,538	1,300,304
Commission expenses	-53,485	-8,954	-25,661	-17,889	-1,285	-107,274
Net profit from financial transactions	43,291	-475	-495	6,511	-22	48,810
Participations in associated company's earnings	0	0	0	0	-519	-519
Other operating income	324,774	18,372	26,622	32,635	-347,792	54,611
<b>Operating income</b>	<b>2,017,141</b>	<b>538,205</b>	<b>535,514</b>	<b>500,780</b>	<b>-429,311</b>	<b>3,162,329</b>
Percentage	64%	17%	17%	16%	-14%	100%
<b>Balance sheet items</b>						
Lending to the public	12,155,036	2,981,093	4,084,657	1,336,474	-3,346,646	17,210,614
Intangible assets	42,221	0	41,892	6,911	284,077	375,101
Tangible assets	397,178	15,198	1,292	54,780	90,548	558,996
Deferred tax assets	12,886	5,446	6	2,595	95,445	116,378

**Note 2 Segment reporting, continued**

Information on geographical areas is provided for the country in which a company has its registered office and for all other countries where the company received revenues or has assets. Each significant specific country, i.e. constituting more than 10 per cent of the Group, 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	Sweden	Norway	Finland	Other	Elimination	Total
<i>Parent Company 2020</i>						
Interest income	989,937	377,289	421,064	0	-14,389	1,773,902
Leasing income	281,051	0	21,790	0	0	302,841
Interest expenses	-214,618	-53,600	-36,595	0	14,389	-290,425
Dividends received	11,666	0	0	0	0	11,666
Commission income	325,031	72,040	88,685	0	0	485,756
Commission expenses	-39,040	-7,936	-13,670	0	0	-60,645
Net profit from financial transactions	33,796	-385	-327	0	0	33,083
Other operating income	284,939	14,663	5,470	0	-59,621	245,451
<b>Operating income</b>	<b>1,672,762</b>	<b>402,071</b>	<b>486,416</b>	<b>0</b>	<b>-59,621</b>	<b>2,501,629</b>
Percentage	67%	16%	19%	0%	-2%	100%
<b>Balance sheet items</b>						
Lending to the public	10,697,768	2,769,259	3,611,812	0	-80,402	16,998,436
Intangible assets	30,400	0	0	0	0	30,400
Tangible assets	652,058	1,251	30,912	0	0	684,221
Deferred tax assets	6,118	855	0	0	0	6,974

*Parent Company 2019*

Interest income	1,009,731	355,805	384,595	0	-123,034	1,627,097
Leasing income	263,127	0	18,402	0	0	281,529
Interest expenses	-206,862	-84,107	-67,293	0	122,866	-235,396
Dividends received	90,088	0	0	0	0	90,088
Commission income	278,924	85,092	94,828	0	0	458,844
Commission expenses	-31,730	-8,001	-13,371	0	0	-53,102
Net profit from financial transactions	43,221	-475	-465	0	193	42,474
Other operating income	274,438	12,323	6,833	0	-57,079	236,515
<b>Operating income</b>	<b>1,720,937</b>	<b>360,637</b>	<b>423,529</b>	<b>0</b>	<b>-57,054</b>	<b>2,448,049</b>
Percentage	70%	15%	17%	0%	-2%	100%
<b>Balance sheet items</b>						
Lending to the public	11,227,717	2,981,093	4,056,490	0	-1,586,907	16,678,393
Intangible assets	38,000	0	0	0	0	38,000
Tangible assets	576,043	1,834	25,379	0	0	603,256
Deferred tax assets	6,355	4,919	0	0	-2,213	9,061

Note 3 Expenses and income between Group companies	Parent Company	
	2020	2019
Expenses	-94,628	-50,667
Income	419,836	261,734

Note 4 Other administrative expenses	Group		Parent Company	
	2020	2019	2020	2019
Rents and other costs of premises	-42,248	-50,390	-73,237	-73,056
Purchased services	-204,757	-203,530	-118,272	-114,992
Transport expenses	-12,117	-11,154	-8,371	-7,725
Travel	-8,393	-19,763	-3,875	-10,115
Advertising, PR, marketing	-164,187	-167,518	-129,252	-148,952
Telephony, postage	-122,404	-129,451	-42,935	-46,299
Debt collection expenses	-104,369	-118,932	-9,285	-8,425
IT expenses	-233,846	-230,894	-181,179	-168,343
Other administrative expenses	-134,789	-157,475	-176,525	-171,597
<b>Total</b>	<b>-1,027,111</b>	<b>-1,089,108</b>	<b>-742,931</b>	<b>-749,504</b>

Note 5 Net interest income	Group		Parent Company	
	2020	2019	2020	2019
<i>Interest income</i>				
Lending to credit institutions	9,919	13,942	8,960	12,658
Lending to the public, Group	0	0	74,822	54,243
Lending to the public, external	2,298,655	2,059,510	1,685,512	1,556,910
Bonds and other securities	4,608	3,286	4,608	3,286
<b>Total</b>	<b>2,313,182</b>	<b>2,076,738</b>	<b>1,773,902</b>	<b>1,627,097</b>
<i>Net leasing income</i>				
Leasing income			302,841	281,529
Depreciation according to plan, leased assets			-240,418	-224,632
<b>Total</b>	<b>0</b>	<b>0</b>	<b>62,423</b>	<b>56,897</b>
<i>Interest expenses</i>				
Liabilities to credit institutions	-12,166	-13,214	-835	-2,280
Deposits from the public, Group	0	0	-301	-292
Deposits from the public, external	-230,171	-183,666	-234,063	-177,219
Issued securities, etc.	-1,259	-3,867	1,895	-10,679
Subordinated liabilities	-57,121	-44,926	-57,121	-44,926
<b>Total</b>	<b>-300,717</b>	<b>-245,673</b>	<b>-290,425</b>	<b>-235,396</b>
<b>Total</b>	<b>2,012,465</b>	<b>1,831,065</b>	<b>1,545,900</b>	<b>1,448,598</b>

All interest income is reported in accordance with the effective interest method.

Note 6 Dividends received	Group		Parent Company	
	2020	2019	2020	2019
Dividends from shares and participations	11,666	35,332	11,666	35,332
Dividends from Group companies	0	0	0	54,756
<b>Total</b>	<b>11,666</b>	<b>35,332</b>	<b>11,666</b>	<b>90,088</b>

Note 7 Commission income	Group		Parent Company	
	2020	2019	2020	2019
Payment brokerage	46,325	57,506		
Lending commissions	429,942	419,109	397,628	404,149
VAT service commissions	12,084	9,620		
Billing commissions	56,909	53,835		
Debt collection commissions	654,359	693,967		
Other commissions	85,482	66,267	88,127	54,695
<b>Total</b>	<b>1,285,101</b>	<b>1,300,304</b>	<b>485,756</b>	<b>458,844</b>

Debt collection commissions can be attributed in full to the Debt Collection segment. Other categories of commission income are attributable to the AFS segment, see also Note 2.

Note 8 Commission expenses	Group		Parent Company	
	2020	2019	2020	2019
Payment brokerage	-53,569	-70,746	-28,880	-23,838
Information brokerage	-328	-400	-328	-400
Other commissions	-60,242	-36,128	-31,437	-28,864
<b>Total</b>	<b>-114,139</b>	<b>-107,274</b>	<b>-60,645</b>	<b>-53,102</b>

Note 9 Net profit/loss from financial transactions	Group		Parent Company	
	2020	2019	2020	2019
Change in value, promissory notes	-61,159	0	-61,159	0
Unrealised changes in value, unlisted shares and participations	55,643	41,843	55,643	41,843
Capital gains/losses, shares and participations	-18,276	0	-18,276	0
Changes in value, treasury bonds acceptable as collateral, etc.	-39	0	0	0
Change in value, bonds	4,842	-7,984	4,842	-7,984
Capital gains/losses, bonds and other securities	1,844	100	1,844	100
<b>Total</b>	<b>-17,146</b>	<b>33,959</b>	<b>-17,107</b>	<b>33,959</b>
Change in fair value of derivatives	171,961	-234,266	171,961	-234,266
Change in fair value of hedged items in foreign currencies	-122,596	245,523	-122,596	245,523
<b>Total</b>	<b>49,366</b>	<b>11,257</b>	<b>49,366</b>	<b>11,257</b>
Other exchange rate gains/losses	-38,458	3,594	824	-2,741
<b>Total</b>	<b>-38,458</b>	<b>3,594</b>	<b>824</b>	<b>-2,741</b>
<b>Total</b>	<b>-6,238</b>	<b>48,810</b>	<b>33,083</b>	<b>42,474</b>

Note 10 Participations in associated company's profit/loss	Group	
	2020	2019
Credex AB		-167
Stidner Complete AB	-36	-352
<b>Total</b>	<b>-36</b>	<b>-519</b>

Note 11 Other operating income	Group		Parent Company	
	2020	2019	2020	2019
Staffing for Swedish Group companies	0	0	114,182	103,340
Re-invoicing of expenses to Group companies	0	0	104,770	105,879
Profit from sales, Group companies	2,188	0	0	95
Profit from sales, associated companies	0	110	0	0
Rental income	18,278	18,382	0	0
Miscellaneous	46,040	36,119	26,499	27,201
<b>Total</b>	<b>66,506</b>	<b>54,611</b>	<b>245,451</b>	<b>236,515</b>

Note 12 Personnel expenses etc.	Group		Parent Company	
	2020	2019	2020	2019
<i>Wages, salaries and other remunerations</i>				
to the board and senior executives	-82,844	-71,244	-44,417	-36,121
to other employees	-658,792	-584,633	-390,645	-329,116
	<b>-741,636</b>	<b>-655,877</b>	<b>-435,062</b>	<b>-365,237</b>
<i>Social security expenses</i>	-160,309	-157,896	-116,979	-102,901
<i>Pension expenses</i>				
to the board and senior executives	-5,335	-4,157	-3,527	-2,990
to other employees	-48,865	-40,120	-35,297	-30,387
	<b>-54,200</b>	<b>-44,277</b>	<b>-38,824</b>	<b>-33,377</b>
<i>Other personnel expenses</i>	-29,509	-31,839	-18,308	-22,212
<b>Total</b>	<b>-985,654</b>	<b>-889,889</b>	<b>-609,172</b>	<b>-523,727</b>

**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 report entitled "Ersättningsystem" ("Remuneration Systems") on Svea Ekonomi's website, 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, vice CEO and senior executives in the foreign branches comprises basic salary and pension. Other senior executives refers also to the 16 (16) individuals who together with the CEO and vice CEO comprise the management team in Sweden.

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.

Salaries and remuneration to the Board and senior executives of the Parent Company, 2020	Basic salary, benefits and board fees	Variable remuneration*	Pension expenses	Total
Chairman of the Board, Arne Lijedahl	600			600
Board member, Mats Hellström	400			400
Board member, Anders Ingler	400			400
Board member, Mats Kärsrud	400			400
Board member Anders Hedberg	400			400
Board member Anna Frick	400			400
CEO, Lennart Ågren	16,033			16,033
Board member, Anders Lidfeldt	1,240			1,240
Other senior executives (16 people)	26,816		3,669	30,485
<b>Total</b>	<b>46,689</b>	<b>0</b>	<b>3,669</b>	<b>50,358</b>

\* Variable remuneration relates to remuneration expensed during the year. No variable remuneration was paid during 2020.

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 6,629,000 (9,557,000). Variable remuneration relates to remuneration paid during the year.

Salaries and remuneration to the board and senior executives of the Parent Company, 2019	Basic salary, benefits and board fees	Variable remuneration*	Pension expenses	Total
Chairman of the Board, Arne Lijedahl	500			500
Board member, Mats Hellström	300			300
Board member, Anders Ingler	300			300
Board member, Mats Kärsrud	300			300
Board member Anders Hedberg	300			300
Board member Anna Frick	300			300
CEO, Lennart Ågren	6,300			6,300
Vice CEO, Board member, Anders Lidfeldt**	2,238	40	165	2,443
Other senior executives (15 people)	21,962	5,788	2,825	30,575
<b>Total</b>	<b>32,500</b>	<b>5,828</b>	<b>2,990</b>	<b>41,318</b>

\* Variable remuneration relates to remuneration expensed during the year. Variable remuneration is paid in cash.

\*\* Anders Lidfeldt was active as Vice CEO during the first half of the year and as a Board member during the second half.

A severance payment of approximately SEK 300,000 was made during 2019 to one person.

Average number permanent employees	Group		Parent Company	
	2020	2019	2020	2019
Women	1,340	1,235	389	354
Men	751	702	344	305
<b>Total</b>	<b>2,091</b>	<b>1,937</b>	<b>733</b>	<b>659</b>

The average number of permanent employees in the Parent Company also refers to personnel in the branch Svea Finans NUF and the Svea Ekonomi AB branch in 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.

Average number of employees in the Group	31/12/2020	31/12/2019
Sweden		
Women	308	287
Men	270	251
	578	538
Norway		
Women	89	88
Men	97	101
	186	189
Finland		
Women	143	123
Men	89	83
	232	206
Denmark		
Women	19	16
Men	9	10
	28	26
Estonia		
Women	14	13
Men	5	5
	19	18
Germany		
Women	6	0
Men	9	0
	15	0
Switzerland		
Women	4	4
Men	5	4
	9	8
Netherlands		
Women	14	13
Men	18	14
	32	27
Ukraine		
Women	167	147
Men	63	62
	230	209
Serbia		
Women	36	34
Men	44	43
	80	77
Hungary		
Women	2	14
Men	1	7
	3	21
Czech Republic		
Women	0	18
Men	0	9
	0	27
Russia		
Women	396	401
Men	85	87
	481	488
Poland		
Women	55	54
Men	32	30
	87	84
Romania		
Women	78	49
Men	23	16
	101	65
Croatia		
Women	42	42
Men	15	11
	57	53
<b>Total</b>	<b>2,138</b>	<b>2,036</b>



Number of Board members and company management	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Board members				
Women			1	1
Men			7	7
	<b>0</b>	<b>0</b>	<b>8</b>	<b>8</b>
Of whom external members			6	6
Company management				
Women	6	4	0	0
Men	22	25	3	3
	<b>28</b>	<b>29</b>	<b>3</b>	<b>3</b>

Note 13 Remuneration to auditors	Group		Parent Company	
	2020	2019	2020	2019
<i>BDO Mälardalen AB</i>				
Audit assignment	4,216	6,340	2,684	3,624
Audit activities in addition to audit assignment	271	41	220	0
Tax advice	0	14	0	0
	<b>4,486</b>	<b>6,394</b>	<b>2,904</b>	<b>3,624</b>
<i>BDO foreign auditors</i>				
Audit assignment	1,984	2,275	771	734
Audit activities in addition to audit assignment	504	674	428	607
Tax advice	0	8	0	0
Other services	65	92	0	0
	<b>2,554</b>	<b>3,049</b>	<b>1,199</b>	<b>1,341</b>
<i>Other auditors</i>				
Audit assignment	1,578	1,223	0	0
Audit activities in addition to audit assignment	90	706	0	0
Tax advice	76	1,103	0	0
Other services	293	0	0	0
	<b>2,038</b>	<b>3,033</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>9,078</b>	<b>12,476</b>	<b>4,103</b>	<b>4,965</b>

Note 14 Amortizations/depreciations etc.	Group		Parent Company	
	2020	2019	2020	2019
<i>Amortisation and impairment of intangible assets</i>				
Impairment of group-related goodwill		-17,402		
Amortisation of customer contracts	-4,378	-3,197		
Amortization of licenses	-354			
Impairment of licences	-330			
Amortisation of capitalised development expenditures, etc.	-24,486	-13,568	-7,600	
Impairment of capitalised development expenditures, etc.	-2,499			
<b>Total</b>	<b>-32,047</b>	<b>-34,167</b>	<b>-7,600</b>	<b>0</b>
<i>Amortisation and impairment of tangible assets</i>				
Impairment of building	-2,041	-25,026		
Revaluation of building	1,147			
Depreciation of building	-3,720	-3,385		
Depreciation of computer equipment	-11,767	-12,201	-9,049	-9,201
Depreciation of other fixtures and fittings	-8,063	-17,143	-3,869	-8,706
Depreciation of leased assets			-240,418	-224,632
<b>Total</b>	<b>-24,444</b>	<b>-57,755</b>	<b>-253,336</b>	<b>-242,539</b>
<i>Depreciation and impairments of rights of use</i>				
Depreciation of buildings	-66,840	-62,550		
Depreciation of vehicles	-6,907	-5,562		
<b>Total</b>	<b>-73,747</b>	<b>-68,112</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>-130,239</b>	<b>-160,035</b>	<b>-260,936</b>	<b>-242,539</b>

Impairment testing resulted in the impairment of Group goodwill of SEK 0 million (17.4), see also Note 26.

Note 15 Net credit losses	Group		Parent Company	
	2020	2019	2020	2019
Change in reserves Stage 1	-55,849	-37,003	-95,738	-35,045
Change in reserves Stage 2	-43,397	18,983	-41,547	16,552
Change in reserves Stage 3	-118,166	-167,457	-95,137	-163,150
<b>Total change in reserves</b>	<b>-217,412</b>	<b>-185,477</b>	<b>-232,422</b>	<b>-181,643</b>
Write-offs	-299,760	-243,163	-279,025	-225,973
Recoveries	34,735	28,550	28,249	26,237
<b>Net expense of credit losses for the year</b>	<b>-182,437</b>	<b>-400,090</b>	<b>-483,198</b>	<b>-381,379</b>

The credit losses are entirely attributable to lending to the public. As a consequence of Covid-19, an extra credit loss provision of SEK 46 million was posted to the income statement. This provision corresponds to an expected increase in PD (probability of default) of approximately 10% of performing corporate lending in the Group.

Note 16 Impairment charges, financial assets	Group		Parent Company	
	2020	2019	2020	2019
<i>Impairment of shares in Group companies</i>				
Svea Financial Services			-6,500	
Xederc AB			-1,130	
Nicknamed AB			-4,000	
Kodea Systems AB			-3,400	
Svea Rahoitus Suomi OY				-4,900
Svea Exchange AB				-750
Kapitalkredit Sverige AB			-2,340	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-17,370</b>	<b>-5,650</b>
<i>Impairment of shares in associated companies</i>				
Stidner Complete AB			-6,000	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-6,000</b>	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-23,370</b>	<b>-5,650</b>

Some impairment charges were made as a result of impairment tests and strategic decisions, some to net asset value.

Note 17 Appropriations	Parent Company	
	2020	2019
<i>Group contributions</i>		
Group contributions received	90,751	77,258
Group contributions provided	-54,177	-57,955
<b>Total</b>	<b>36,574</b>	<b>19,303</b>
Reversal from tax allocation reserve		357,000
Change in accelerated depreciations		33,000
<b>Total</b>	<b>36,574</b>	<b>409,303</b>

Note 18 Tax on profit for the year	Group		Parent Company	
	2020	2019	2020	2019
Adjustment for current tax on previous years' earnings	-4,910	-13,269	-4,312	-11,865
Current tax on net profit for the year	-179,981	-235,162	-120,581	-193,674
<b>Current tax expense</b>	<b>0</b>	<b>-184,891</b>	<b>-124,893</b>	<b>-205,539</b>
Temporary differences	27,079	105,978	10,813	18,424
Utilization of loss carryforward	-3,643	-342	0	0
IFRS16 effect	1,309	0	0	0
Miscellaneous	12,808	11,001	0	0
<b>Deferred tax expense</b>	<b>37,553</b>	<b>116,637</b>	<b>10,813</b>	<b>18,424</b>
<b>Total</b>	<b>-147,338</b>	<b>-131,794</b>	<b>-114,080</b>	<b>-187,115</b>
Profit before tax	609,790	610,928	418,595	954,530
IFRS 9 effect	0	-18,998	0	-10,060
Tax rate of 21.4 per cent (21.4) as per current tax rate for the Parent Company	-160,555	-155,701	-102,599	-202,117
Effect of different tax rates in other countries	11,192	5,062	2,405	1,416
Non tax-deductible impairments of shares in Group and associated companies	-5,001	-2,288	-5,001	-1,209
Non tax-deductible expenses	-28,866	-121,845	-7,214	-23,211
Tax-exempt dividends from Group companies	6,157	11,724	0	11,718
Tax-exempt income	-4,799	18,495	6	16,750
Utilization of loss carryforward	6,623	5,444	0	0
Temporary differences	1	0	0	0
Joint taxation	-4,213	6,792	-8,132	5,765
Miscellaneous	16,341	-2,949	16,815	-2,890
Tax on profit for the year recorded in shareholders' equity	-16,861	104	-16,861	104
Current tax on previous years' earnings	-4,910	-13,269	-4,312	-11,865
<b>Current tax expense</b>	<b>-184,891</b>	<b>-248,431</b>	<b>-124,893</b>	<b>-205,539</b>
Temporary differences	27,079	105,978	10,813	18,424
Utilization of loss carryforward	-3,643	-342	0	0
IFRS16 effect	1,309	0	0	0
Miscellaneous	12,808	11,001	0	0
Deferred tax expense	37,553	116,637	10,813	18,424
<b>Tax expense</b>	<b>-147,338</b>	<b>-131,794</b>	<b>-114,080</b>	<b>-187,115</b>
Reported effective tax rate	24.2%	21.6%	27.3%	19.6%

Note 19 Treasury bonds etc. acceptable as collateral	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Government securities acceptable as collateral	34,018	12,017	0	0
<b>Total</b>	<b>34,018</b>	<b>12,017</b>	<b>0</b>	<b>0</b>

Note 20 Lending to the public – Group	31/12/2020	31/12/2019
Lending to the public	17,718,064	17,210,614
<b>Total</b>	<b>17,718,064</b>	<b>17,210,614</b>

Lending to the public 31/12/2020 – Group	Stage 1	Stage 2	Stage 3	Subtotal	Acquired past- due stocks of receivables	Total
Private individuals	8,743,640	318,912	995,221	10,057,772	1,784,873	11,842,645
Company	6,275,872	205,908	432,832	6,914,611		6,914,611
<b>Loan receivables</b>	<b>15,019,511</b>	<b>524,819</b>	<b>1,428,053</b>	<b>16,972,383</b>	<b>1,784,873</b>	<b>18,757,256</b>
Private individuals	-111,294	-35,483	-427,723	-574,501		-574,501
Company	-118,772	-48,687	-297,232	-464,692		-464,692
<b>Reserve for expected credit losses</b>	<b>-230,066</b>	<b>-84,171</b>	<b>-724,955</b>	<b>-1,039,192</b>		<b>-1,039,192</b>
<b>Carrying amount of loan receivables, 31/12/2020</b>	<b>14,789,445</b>	<b>440,649</b>	<b>703,097</b>	<b>15,933,191</b>	<b>1,784,873</b>	<b>17,718,064</b>
Rate of loss provision, private individuals	1.3%	11.1%	43.0%	5.7%		
Rate of loss provision, companies	1.9%	23.6%	68.7%	6.7%		
<b>Rate of loss provision, total</b>	<b>1.5%</b>	<b>16.0%</b>	<b>50.8%</b>	<b>6.1%</b>		

Covid-19 provision of SEK 46 million is included in Stage 1 provision for expected credit losses for companies.

Lending to the public 31/12/2019 – Group	Stage 1	Stage 2	Stage 3	Subtotal	Acquired past- due stocks of receivables	Total
Private individuals	7,704,458	334,357	883,169	8,921,984	2,070,348	10,992,332
Company	6,479,591	118,201	465,571	7,063,363		7,063,363
<b>Loan receivables</b>	<b>14,184,049</b>	<b>452,558</b>	<b>1,348,739</b>	<b>15,985,346</b>	<b>2,070,348</b>	<b>18,055,695</b>
Private individuals	-105,336	-24,774	-385,117	-515,227		-515,227
Company	-67,188	-16,092	-246,574	-329,854		-329,854
<b>Reserve for expected credit losses</b>	<b>-172,524</b>	<b>-40,866</b>	<b>-631,691</b>	<b>-845,081</b>		<b>-845,081</b>
<b>Carrying amount of loan receivables, 31/12/2019</b>	<b>14,011,525</b>	<b>411,692</b>	<b>717,048</b>	<b>15,140,265</b>	<b>2,070,348</b>	<b>17,210,614</b>
Rate of loss provision, private individuals	1.4%	7.4%	43.6%	5.8%		
Rate of loss provision, companies	1.0%	13.6%	53.0%	4.7%		
<b>Rate of loss provision, total</b>	<b>1.2%</b>	<b>9.0%</b>	<b>46.8%</b>	<b>5.3%</b>		

Change in reserve for expected credit losses – Group	Stage 1	Stage 2	Stage 3	Total
<b>Reserve for expected credit losses, 31/12/2019</b>	<b>-172,524</b>	<b>-40,866</b>	<b>-631,691</b>	<b>-845,081</b>
Increase in reserves, new or acquired loan receivables	-88,559	0	0	-88,559
Reduction in reserves, removed loan receivables	51,114	17,368	21,322	89,804
Change in reserves as a consequence of changes in credit risk	-39,662	-51,786	-282,647	-374,095
Change in reserves as a consequence of changed methodology	9,688	-8,979	-9,029	-8,320
Reduction in reserves, written-off loan receivables	0	0	152,188	152,188
Other adjustments	9,878	92	24,902	34,871
<b>Reserve for expected credit losses, 31/12/2020</b>	<b>-230,066</b>	<b>-84,171</b>	<b>-724,956</b>	<b>-1,039,192</b>

Other adjustments relate to exchange rate differences.

The item Increase in reserves, new or acquired loan receivables includes reserves of SEK -11,570,000 attributable to the acquisition of MoneyGo AB.

Lending to the public, the Parent Company	31/12/2020	31/12/2019
Lending to the public, external	14,792,443	15,072,797
Lending to the public, Group	2,205,994	1,605,596
<b>Total</b>	<b>16,998,436</b>	<b>16,678,393</b>

Lending to the public, external 31/12/2020 – Parent Company	Stage 1	Stage 2	Stage 3	Subtotal	Acquired past-due stocks of receivables	Total
Private individuals	7,856,158	303,009	979,829	9,138,996	1,109,607	10,248,603
Company	7,236,315	162,833	333,581	7,732,729		7,732,729
<b>Loan receivables</b>	<b>15,092,472</b>	<b>465,842</b>	<b>1,313,410</b>	<b>16,871,725</b>	<b>1,109,607</b>	<b>17,981,332</b>
Private individuals	-96,443	-31,491	-416,568	-544,502		-544,502
Company	-154,462	-45,835	-238,096	-438,393		-438,393
<b>Reserve for expected credit losses</b>	<b>-250,905</b>	<b>-77,326</b>	<b>-654,664</b>	<b>-982,895</b>	<b>0</b>	<b>-982,895</b>
<b>Carrying amount of loan receivables, 31/12/2020</b>	<b>14,841,567</b>	<b>388,517</b>	<b>658,746</b>	<b>15,888,830</b>	<b>1,109,607</b>	<b>16,998,436</b>
Rate of loss provision, private individuals	1.2%	10.4%	42.5%	6.0%		
Rate of loss provision, companies	2.1%	28.1%	71.4%	5.7%		
<b>Rate of loss provision, total</b>	<b>1.7%</b>	<b>16.6%</b>	<b>49.8%</b>	<b>5.8%</b>		

Covid-19 provision of SEK 46 million is included in Stage 1 provision for expected credit losses for companies. Intra-Group lending to companies is included in Stage 1.

Lending to the public, external 31/12/2019 – Parent Company	Stage 1	Stage 2	Stage 3	Subtotal	Acquired past-due stocks of receivables	Total
Private individuals	7,658,035	334,034	874,504	8,866,573	1,294,285	10,160,858
Company	6,816,330	85,050	403,246	7,304,626		7,304,626
<b>Loan receivables</b>	<b>14,474,365</b>	<b>419,084</b>	<b>1,277,750</b>	<b>16,171,199</b>	<b>1,294,285</b>	<b>17,465,484</b>
Private individuals	-104,899	-24,773	-377,107	-506,779		-506,779
Company	-57,835	-13,128	-209,349	-280,312		-280,312
<b>Reserve for expected credit losses</b>	<b>-162,735</b>	<b>-37,901</b>	<b>-586,456</b>	<b>-787,092</b>		<b>-787,092</b>
<b>Carrying amount of loan receivables, 31/12/2019</b>	<b>14,311,631</b>	<b>381,183</b>	<b>691,294</b>	<b>15,384,108</b>	<b>1,294,285</b>	<b>16,678,393</b>
Rate of loss provision, private individuals	1.4%	7.4%	43.1%	5.7%		
Rate of loss provision, companies	0.8%	15.4%	51.9%	3.8%		
<b>Rate of loss provision, total</b>	<b>1.1%</b>	<b>9.0%</b>	<b>45.9%</b>	<b>4.9%</b>		

Change in reserve for expected credit losses – Parent Company	Stage 1	Stage 2	Stage 3	Total
<b>Reserve for expected credit losses, 31/12/2019</b>	<b>-162,735</b>	<b>-37,901</b>	<b>-586,456</b>	<b>-787,092</b>
Increase in reserves, new or acquired loan receivables	-69,428			-69,428
Reduction in reserves, removed loan receivables	49,214	18,862	35,179	103,255
Change in reserves as a consequence of changes in credit risk	-85,211	-51,430	-258,692	-395,333
Change in reserves as a consequence of changed methodology	9,688	-8,979	-9,029	-8,321
Reduction in reserves, written-off loan receivables			137,406	137,406
Other adjustments	7,568	2,122	26,930	36,620
<b>Reserve for expected credit losses, 31/12/2020</b>	<b>-250,905</b>	<b>-77,326</b>	<b>-654,664</b>	<b>-982,895</b>

Other adjustments relate to exchange rate differences.

Note 21 Bonds and other securities	Group 31/12/2020			Group 31/12/2019		
	Cost	Book value	Fair value	Cost	Book value	Fair value
<i>Issued by public bodies</i>						
Swedish municipalities	1,270,115	1,272,791	1,272,791	1,754,868	1,753,867	1,753,867
<b>Total</b>	<b>1,270,115</b>	<b>1,272,791</b>	<b>1,272,791</b>	<b>1,754,868</b>	<b>1,753,867</b>	<b>1,753,867</b>
<i>Issued by other borrowers</i>						
Swedish non-financial companies	13,300	5,985	5,985	28,300	20,982	20,982
Swedish financial companies	112,111	112,493	112,493	351,879	352,894	352,894
Foreign issuers	299,296	299,957	299,957	175,650	176,242	176,242
<b>Total</b>	<b>424,707</b>	<b>418,435</b>	<b>418,435</b>	<b>555,829</b>	<b>550,118</b>	<b>550,118</b>
<b>Total</b>	<b>1,694,822</b>	<b>1,691,225</b>	<b>1,691,225</b>	<b>2,310,697</b>	<b>2,303,985</b>	<b>2,303,985</b>
Of which, listed securities	1,694,822	1,691,225	1,691,225	2,310,697	2,303,985	2,303,985
Positive difference; book values exceed nominal values		41,119			52,020	
Negative difference; book values fall below nominal values		-7,315			-7,335	
<b>Nominal values</b>		<b>1,657,421</b>			<b>2,259,300</b>	

	Parent Company 31/12/2020			Parent Company 31/12/2019		
	Cost	Book value	Fair value	Cost	Book value	Fair value
<i>Issued by public bodies</i>						
Swedish municipalities	1,270,115	1,272,791	1,272,791	1,754,868	1,753,867	1,753,867
<b>Total</b>	<b>1,270,115</b>	<b>1,272,791</b>	<b>1,272,791</b>	<b>1,754,868</b>	<b>1,753,867</b>	<b>1,753,867</b>
<i>Issued by other borrowers</i>						
Swedish non-financial companies	13,300	5,985	5,985	28,300	20,982	20,982
Swedish financial companies	112,111	112,493	112,493	351,879	352,894	352,894
Foreign issuers	299,296	299,957	299,957	175,650	176,242	176,242
<b>Total</b>	<b>424,707</b>	<b>418,435</b>	<b>418,435</b>	<b>555,829</b>	<b>550,118</b>	<b>550,118</b>
<b>Total</b>	<b>1,694,822</b>	<b>1,691,225</b>	<b>1,691,225</b>	<b>2,310,697</b>	<b>2,303,985</b>	<b>2,303,985</b>
Of which, listed securities	1,694,822	1,691,225	1,691,225	2,310,697	2,303,985	2,303,985
Positive difference; book values exceed nominal values		41,119			52,020	
Negative difference; book values fall below nominal values		-7,315			-7,335	
<b>Nominal values</b>		<b>1,657,421</b>			<b>2,259,300</b>	

Note 22 Shares and participations	Group 31/12/2020		Group 31/12/2019	
	Book value	Fair value	Book value	Fair value
<i>Listed shares and participations</i>				
Opening accumulated cost	905,571		1,018,795	
Cost	911,095		788,016	
Proceeds	-365,273		-834,945	
Reclassification	28		0	
Unrealized change in value	733,204		-66,295	
<b>Closing accumulated cost</b>	<b>2,184,625</b>	<b>2,184,625</b>	<b>905,571</b>	<b>905,571</b>
<i>Unlisted shares and participations</i>				
Opening accumulated cost	406,100		252,810	
Cost	145,178		115,947	
Proceeds	-29,420		-4,500	
Reclassification	-28		0	
Unrealized change in value	55,643		41,842	
Exchange rate differences	0		1	
<b>Closing accumulated cost</b>	<b>577,472</b>	<b>577,472</b>	<b>406,100</b>	<b>406,100</b>
<b>Total</b>	<b>2,762,097</b>	<b>2,762,097</b>	<b>1,311,671</b>	<b>1,311,671</b>

Note 22 Shares and participations, continued	Parent Company 31/12/2020		Parent Company 31/12/2019	
	Book value	Fair value	Book value	Fair value
<i>Listed shares and participations</i>				
Opening accumulated cost	905,571		1,018,795	
Cost	911,095		-46,929	
Proceeds	-365,273			
Unrealized change in value	733,205		-66,295	
<b>Closing accumulated cost</b>	<b>2,184,598</b>	<b>2,184,598</b>	<b>905,571</b>	<b>905,571</b>
<i>Unlisted shares and participations</i>				
Opening accumulated cost	406,072		252,783	
Cost	145,178		115,947	
Proceeds	-29,420		-4,500	
Unrealized change in value	55,643		41,842	
<b>Closing accumulated cost</b>	<b>577,472</b>	<b>577,472</b>	<b>406,072</b>	<b>406,072</b>
<b>Total</b>	<b>2,762,070</b>	<b>2,762,070</b>	<b>1,311,643</b>	<b>1,311,643</b>

Note 23 Other participations	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Opening accumulated cost	3,284	3,284		
Purchases/sales	0	0		
<b>Closing accumulated cost</b>	<b>3,284</b>	<b>3,284</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>3,284</b>	<b>3,284</b>	<b>0</b>	<b>0</b>
Of which a share in a housing cooperative in Sälen.	3,284	3,284		

Note 24 Shares and participations in associated companies	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Opening accumulated cost	6,000	6,930	6,000	6,930
Sales for the year		-930		-930
<b>Closing accumulated cost</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
Opening accumulated profit shares	-967	-516		
Sales for the year		111		
Correction of profit shares	-31	-43		
Profit shares for the year	-36	-519		
<b>Closing accumulated profit shares</b>	<b>-1,035</b>	<b>-967</b>	<b>0</b>	<b>0</b>
Opening accumulated impairment charges	-4,021	0	0	
Impairment for the year		-4,021		-6,000
<b>Closing accumulated impairment charges</b>	<b>-4,021</b>	<b>-4,021</b>	<b>-6,000</b>	<b>0</b>
<b>Total</b>	<b>944</b>	<b>1,012</b>	<b>0</b>	<b>6,000</b>

	Registered office	Co. reg. no.	Number of shares	Percentage	Nominal value	Book value, Group	Book value, Parent Company
Stidner Complete AB	Trollhättan	559065-9537	5,000	33.33%	SEK 25,000	944	0
<b>Total</b>						<b>944</b>	<b>0</b>

All of the participations are unlisted and the associated companies are reported according to the equity method.  
In October 2019, the remaining 70% of the shares in Credex AB were acquired. Following this acquisition, Svea Ekonomi AB holds all the shares.  
In 2019 and 2020 there were no associated companies of significant importance for the Group.  
Impairment testing in connection with the half-yearly accounts resulted in an impairment for the Parent Company.

Note 24 Shares and participations in associated companies, continued	Group	
	31/12/2020	31/12/2019
The Group's share in the income statements and balance sheets in individual associated companies of minor significance amounts to:		
Operating income	379	496
Profit/loss for the year	-36	-519
Assets	1,027	1,110
Liabilities	-84	-98

  

Note 25 Shares in Group companies	Parent Company	
	31/12/2020	31/12/2019
Opening accumulated cost	1,115,797	1,154,335
Liquidation of Svea Rahoitus Suomi OY	0	-70,795
Liquidation of Svea Finans SIA	0	-27
Acquisition of Credex AB	0	4,430
Repayment of shareholder contribution, Credex AB	-3,000	0
Shareholder contributions, Svea Payments OY	0	2,134
Shareholder contributions, Dunderbackens Fastighets AB	0	22,469
Shareholder contributions, Fastighets AB Brunna 52:1	0	2,300
Shareholder contributions, Guldalsvägens Fastighets AB	0	1,000
Sale of Fastighets AB Harneskakaren 1	0	-50
Shareholder contributions, Svea Bank AB	26,000	0
Shareholder contribution, Svea Billing Services AB	500	0
Acquisition of Kodea Systems AB	3,750	0
Acquisition of Regtech Ab OY	3,219	0
New share issue, Regtech Ab OY	3,174	0
Shareholder contribution, Regtech Ab OY	3,202	0
Acquisition of MoneyGo AB	27,194	0
Acquisition of FMS Financial Management Solutions GmbH	14,561	0
Exchange rate differences	-1	1
<b>Closing accumulated cost</b>	<b>1,194,396</b>	<b>1,115,797</b>
Opening accumulated impairment charges	-386,688	-451,733
Liquidation of accumulated impairment charges	0	65,795
Impairment charges for the year	-17,370	-750
<b>Closing accumulated impairment charges</b>	<b>-404,058</b>	<b>-386,688</b>
<b>Total</b>	<b>790,338</b>	<b>729,109</b>



Note 25 Shares in Group companies, continued	Parent Company						
						31/12/2020	31/12/2019
	Registered office	Co. reg. no.	Number of shares	Percentage	Nominal value	Book value	Book value
Payson AB	Stockholm	556646-2858	209,225	100.00%	SEK 209,000	45,656	45,656
Kapitalkredit Sverige AB	Stockholm	556761-0315	100,000	100.00%	SEK 1,549,000	15,300	17,640
Svea Bank AB	Stockholm	556158-7634	250,000	100.00%	SEK 50,000,000	172,701	146,701
MoneyGo AB	Helsingborg	556821-8209	37,500	75.00%	SEK 3,750,000	27,194	-
Svea Finance AS	Tallinn	11200943	250,000	100.00%	EUR 25,000	27	28
Svea Finans A/S	Copenhagen/Allerød	27448402	13	100.00%	DKK 1,201,000	8,700	8,700
Svea Finans Nederland BV	Reeuwijk	1199263	10,000	100.00%	EUR 1,000,000	80,775	80,775
Svea Credit BV	Gouda	70328714	700	70.00%	EUR 700	7	7
Svea Finans AG	Zürich	1703025543-6	1,000	100.00%	CHF 1,000,000	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%	HRK 6,000,000	-	-
Rhoswen Invest Ukraine Limited	Kiev	37616221	-	100.00%	UAH 3,421,000	-	-
Svea Finance Czech Republic SRO	Prague	1483773	-	100.00%	CZK 200,000	-	-
Svea Finance Zrt.	Budapest	01-10-048218	1,178	100.00%	HUF 48,640,000	-	-
Regional Services of Collection LLC	Moscow	1127746618768	1	100.00%	RUB 10,000	-	-
Capital Service Company LLC	Moscow	1057747813837	-	100.00%	RUB 92,085,000	-	-
Svea Payments OY	Helsinki	2121703-0	28,605,016	90.00%	EUR 405,000	205,361	205,361
FMS Financial Management Solutions GmbH	Mainz	HRB 44683	1	70.00%	EUR 59,000	14,560	-
<b>Total consolidated situation</b>						<b>590,299</b>	<b>524,886</b>
KundGiro AB	Stockholm	556022-9980	50,000	100.00%	SEK 5,000,000	1,000	1,000
Svea Vat Adviser AB	Stockholm	556567-1327	-	100.00%	SEK 1,200,000	-	-
Svea Inkasso AB	Stockholm	556214-1423	50,000	100.00%	SEK 5,000,000	33,000	33,000
Svea Finans AS	Oslo	980,121,798	1,106,195	100.00%	NOK 1,106,000	-	-
Svea Perintä OY	Helsinki	0800502-5	26	100.00%	EUR 61,000	-	-
Svea Inkasso OÜ	Tallinn	11455152	1	100.00%	EUR 3,000	-	-
Svea Inkasso A/S	Copenhagen/Allerød	11038484	100	100.00%	DKK 510,000	-	-
CMS Collection GmbH	Mainz	HRB 44577	84,000	70.00%	EUR 59,000	-	-
Credit Express Group BV	Amsterdam	18056826	18,151	100.00%	EUR 18,151	-	-
Creditexpress Finance LLC	Moscow	1127747190152	1	100.00%	RUB 10,000	-	-
Financial Services of Legal Collections LLC	Moscow	1107746078263	1	100.00%	RUB 10,000	-	-
Creditexpress-K Call Center Services LLC	Moscow	5137746070061	1	100.00%	RUB 20,000	-	-
Regional Services of Legal Collection LLC	Moscow	1117746152314	1	100.00%	RUB 10,000	-	-
Creditexpress Inkasso Poland Sp ZOO	Wroclaw	8992462327	2,000	100.00%	PLN 1,000,000	-	-
Kancelaria Prawna Creditexpress Inkasso	Wroclaw	8992507722	1	100.00%	PLN 50,000	-	-
CEI Zagreb DOO	Zagreb	80495547	1	100.00%	HRK 30,000	-	-
Creditexpress Ukraine LLC	Kiev	34981644	1	100.00%	UAH 1,010,000	-	-
Debtfort Ukraine LLC	Kiev	40298050	1	100.00%	UAH 10,000	-	-
Creditexpress Financial Services SRL	Bucharest	21,939,587	1	100.00%	RON 500,030	-	-
Creditexpress Beograd DOO Serbia	Belgrade	20221143	1	100.00%	RSD 3,267,000	-	-
Svea Billing Services AB	Stockholm	556555-4622	10,000	100.00%	SEK 100,000	7,177	6,677
Svea Billing Services AS	Oslo	918,470,735	100,000	100.00%	NOK 1 100 000	-	-
Nicknamed AB	Stockholm	556817-1135	32	61.54%	SEK 32,000	-	4,000
Svea Financial Services AB	Stockholm	556825-4345	50,000	100.00%	SEK 50,000	93,500	100,000
Xederc AB	Stockholm	556937-6204	100,000	100.00%	SEK 100,000	300	4,430
Kodea Systems AB	Stockholm	559008-4629	100,000	100.00%	SEK 100,000	350	-
Svea Development OY	Helsinki	2483599-3	28,605,016	90.00%	EUR 2250	28,942	28,941
Regtech Ab OY	Vasa	3108096-3	16,000	100.00%	EUR 0	9,596	-
Svea Exchange AB	Stockholm	556710-5878	200,000	100.00%	SEK 200,000	250	250
Daylet Limited	Nicosia	227024	1,500	100.00%	EUR 1,500	1	1
Fastighets AB Brunna 52:1	Stockholm	559183-9146	50,000	100.00%	SEK 50,000	2,350	2,350
Dunderbackens Fastighets AB	Stockholm	559183-9120	50,000	100.00%	SEK 50,000	22,519	22,519
Gulldalsvägens Fastighets AB	Stockholm	559183-9195	50,000	100.00%	SEK 50,000	1,050	1,050
Svea Ekonomi DOO Belgrade	Belgrade	21165522	-	100.00%	DIN 61,000	5	5
<b>Total, other Group companies</b>						<b>200,039</b>	<b>204,223</b>
<b>Total</b>						<b>790,338</b>	<b>729,109</b>

All of the Group companies are unlisted. The subsidiaries Svea Bank AB and Payson AB are required to maintain a certain capital base.

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 42 Pledged assets and Contingent liabilities referred to in Note 43.

**Note 26 Intangible assets**

*Goodwill*

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 7.4 per cent (6.7) per annum after tax, corresponding to 8.5-10.0 per cent (8.0-12.0) before tax for this year's tests. Projected average growth rate per year is approx. 0-50 per cent (approx. 0-42), which reflects past experience and/or estimated reasonable future conditions with due consideration of Covid-19 for each cash-generating unit and Group/associated company.

Average growth rates per annum in the AFS business area are approx. 15-39 per cent in Sweden, 35 per cent in Germany and approx. 0-50 per cent in Finland. Average growth rates in the Debt Collection area in Denmark are approx. 12 per cent.

The increase in WACC is attributable to a higher risk premium in the market. The change in growth rates reflects previous experiences for factoring/invoice purchasing operations in Sweden and Finland, and payment transfer operations in Sweden in the AFS area, and partly debt collection operations in Denmark in the debt collection area.

The impairment tests for the year did not result in any impairment of the Group's carrying amount for goodwill. The impairment of SEK 17.4 million in the previous year was fully attributable to the AFS business area.

The Group's carrying amount for goodwill is distributed across the AFS business area in Sweden (SEK 47 million), Finland (SEK 261 million) and Germany (SEK 5 million), and in debt collection operations in Denmark (SEK 7 million).

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 is present in one unit in the AFS area in Finland and one unit in debt collection in Denmark. A WACC approx. 1% or approx. 55% higher respectively or an annual growth rate approx. 7% or approx. 4% lower would result in an impairment of goodwill in these respective units.

Note 26 Intangible assets	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<i>Goodwill</i>				
Opening accumulated cost	341,854	341,854		
Acquisition	26,437			
Exchange rate differences	-356			
<b>Closing accumulated cost</b>	<b>367,935</b>	<b>341,854</b>	<b>0</b>	<b>0</b>
Opening accumulated impairment charges	-48,058	-34,677		
Sales/retirements		4,021		
Impairment charges for the year		-17,402		
<b>Closing accumulated impairment charges</b>	<b>-48,058</b>	<b>-48,058</b>	<b>0</b>	<b>0</b>
<b>Closing residual value according to plan</b>	<b>319,877</b>	<b>293,796</b>	<b>0</b>	<b>0</b>
<i>Customer contracts</i>				
Opening accumulated cost	121,095	121,095	10,298	10,152
Acquisition	4,804			
Exchange rate differences			-359	146
<b>Closing accumulated cost</b>	<b>125,899</b>	<b>121,095</b>	<b>9,939</b>	<b>10,298</b>
Opening accumulated depreciations	-115,233	-112,036	-10,298	-10,152
Exchange rate differences			359	-146
Depreciations for the year	-4,378	-3,197		
<b>Closing accumulated depreciations</b>	<b>-119,611</b>	<b>-115,233</b>	<b>-9,939</b>	<b>-10,298</b>
<b>Closing residual value according to plan</b>	<b>6,288</b>	<b>5,862</b>	<b>0</b>	<b>0</b>
<i>Licenses</i>				
Opening accumulated cost	0	3,000		3,000
Capitalised expenses	2,097			
Acquisition	81			
Reclassifications	2,463			
Exchange rate differences	-247			
Sales/retirements	-400	-3,000		-3,000
<b>Closing accumulated cost</b>	<b>3,994</b>	<b>0</b>	<b>0</b>	<b>0</b>
Opening accumulated depreciations	0	-3,000		-3,000
Sales/retirements	247	3,000		3,000
Acquisition	-81			
Reclassifications	-1,601			
Exchange rate differences	126			
Depreciations for the year	-354			
<b>Closing accumulated depreciations</b>	<b>-1,665</b>	<b>0</b>	<b>0</b>	<b>0</b>
Opening accumulated impairment charges	0			
Impairment charges for the year	-330			
Exchange rate differences	23			
<b>Closing accumulated impairment charges</b>	<b>-306</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing residual value according to plan</b>	<b>2,023</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note 26 Intangible assets, continued	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<i>Capitalized development expenditures, etc.</i>				
Opening accumulated cost	132,731	88,268	38,000	
Capitalised expenses	7,480			
Acquisition	4,326	44,816		38,000
Reclassifications	22,450			
Exchange rate differences	-3,938	2,208		
Sales/retirements	-776	-2,561		
<b>Closing accumulated cost</b>	<b>162,273</b>	<b>132,731</b>	<b>38,000</b>	<b>38,000</b>
Opening accumulated depreciations	-57,288	-45,415		
Sales/retirements	657	3,208		
Reclassifications	-3,540			
Exchange rate differences	2,131	-1,513		
Depreciations for the year	-24,486	-13,568	-7,600	
<b>Closing accumulated depreciations</b>	<b>-82,526</b>	<b>-57,288</b>	<b>-7,600</b>	<b>0</b>
Opening accumulated impairment charges				
Impairment charges for the year	-2,499			
<b>Closing accumulated impairment charges</b>	<b>-2,499</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing residual value according to plan</b>	<b>77,248</b>	<b>75,443</b>	<b>30,400</b>	<b>38,000</b>
<i>Tenancy rights</i>				
Opening accumulated cost	0	3,163		
Sales/retirements		-3,163		
<b>Closing accumulated cost</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Opening accumulated depreciations	0	-3,163		
Sales/retirements		3,163		
<b>Closing accumulated depreciations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing residual value according to plan</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>405,436</b>	<b>375,101</b>	<b>30,400</b>	<b>38,000</b>

Note 27 Tangible assets	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<i>Buildings</i>				
Opening accumulated cost	118,910	0		
Reclassifications	508			
Purchases	8,499	128,062		
Exchange rate differences	-56			
Sales/retirements		-9,152		
<b>Closing accumulated cost</b>	<b>127,861</b>	<b>118,910</b>	<b>0</b>	<b>0</b>
Opening accumulated depreciations	-23,702	0		
Reclassifications	-72			
Sales/retirements	0	4,709		
Exchange rate differences	26			
Revaluations/impairments for the year	-894	-25,026		
Depreciations for the year	-3,720	-3,385		
<b>Closing accumulated depreciations</b>	<b>-28,362</b>	<b>-23,702</b>	<b>0</b>	<b>0</b>
<i>Land</i>				
Opening accumulated cost	27,459	1,650		1,650
Purchases	18,297	30,117		
Sales/retirements		-4,308		-1,650
<b>Closing accumulated cost</b>	<b>45,756</b>	<b>27,459</b>	<b>0</b>	<b>0</b>
Assets held for sale	-23,522	-20,421		
<b>Closing residual value according to plan</b>	<b>121,733</b>	<b>102,246</b>	<b>0</b>	<b>0</b>

Buildings at the year end relate to three properties taken over in order to protect a receivable. See also Note 33.

The tax assessment value of buildings amounts to SEK 96,703,000 (96,703,000). The tax assessment value for land amounts to SEK 29,961,000 (29,961,000).

Revaluations and impairments have been reported as a consequence of updated valuations of the properties.

Note 27 Tangible assets, continued	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<i>Fixtures and fittings</i>				
Opening accumulated cost	256,183	227,816	166,434	149,973
Reclassification	-25,423	-27		
Purchases	15,429	38,306	6,143	16,273
Via business combination	40	0		
Exchange rate differences	-5,536	950	-811	307
Sales/retirements	-1,736	-10,862		-119
<b>Closing accumulated cost</b>	<b>238,957</b>	<b>256,183</b>	<b>171,766</b>	<b>166,434</b>
Opening accumulated depreciations	-158,088	-138,895	-107,278	-89,114
Reclassification	5,212			
Sales/retirements	1,502	9,816		
Via business combination	-146			
Exchange rate differences	3,572	336	634	-257
Depreciations for the year	-19,830	-29,344	-12,918	-17,907
<b>Closing accumulated depreciations</b>	<b>-167,778</b>	<b>-158,087</b>	<b>-119,562</b>	<b>-107,278</b>
<b>Closing residual value according to plan</b>	<b>71,179</b>	<b>98,096</b>	<b>52,204</b>	<b>59,156</b>
<i>Leased assets as lessor</i>				
Opening accumulated cost			958,914	867,239
Purchases			440,306	313,282
Exchange rate differences			-3,380	1,056
Sales/retirements			-308,240	-222,663
<b>Closing accumulated cost</b>	<b>0</b>	<b>0</b>	<b>1,087,600</b>	<b>958,914</b>
Opening accumulated depreciations			-403,064	-335,113
Sales/retirements			201,996	157,015
Exchange rate differences			1,949	-334
Depreciations for the year			-240,418	-224,632
<b>Closing accumulated depreciations</b>	<b>0</b>	<b>0</b>	<b>-439,537</b>	<b>-403,064</b>
Opening accumulated impairment charges			-11,750	-12,758
Exchange rate differences			86	384
Impairment charges for the year			-4,381	624
<b>Closing accumulated impairment charges</b>	<b>0</b>	<b>0</b>	<b>-16,046</b>	<b>-11,750</b>
<b>Closing book value</b>			<b>632,017</b>	<b>544,100</b>
<b>Total</b>	<b>192,912</b>	<b>200,342</b>	<b>684,221</b>	<b>603,256</b>

The leasing object impairment loss above was reported in the income statement as a credit loss.  
In the Group, the above leases have been classified as financial and are included in the item Lending to the public.

Leasing contracts and other rental agreements as lessor	Parent Company		Parent Company	
	31/12/2020		31/12/2019	
<i>Financial leasing</i>				
Gross investment		725,735		615,995
Non-earned financial income		-86,581		-71,896
Net investment in financial leasing agreements		639,154		544,099
Less residual values not guaranteed that fall to the lessor		0		0
Present value of receivables re future minimum leasing charges		639,154		544,099
Reserve for doubtful receivables re minimum leasing charges		16,046		11,750
<i>Remaining maturity</i>				
	Gross investment	Net investment	Gross investment	Net investment
Within one year	277,047	237,219	252,855	218,197
Between one and five years	447,972	401,280	362,618	325,454
Later than five years	716	655	523	448
<b>Total</b>	<b>725,735</b>	<b>639,154</b>	<b>615,996</b>	<b>544,099</b>
Of which the single largest net investment		3,038		12,502

Leasing contracts and other rental agreements as lessor, continued	Parent Company	
	31/12/2020	31/12/2019
<i>Operational leasing – Present value of future minimum leasing charges</i>	Net investment	Net investment
Within one year	237,219	218,197
Between one and five years	401,280	325,454
Later than five years	655	448
<b>Total</b>	<b>639,154</b>	<b>544,099</b>
Carrying amount of repossessed leased assets	900	950
Residual values guaranteed by suppliers	0	0

Leased assets comprise primarily IT, telecoms and other communications equipment.  
Lease income reported for the year amounts to SEK 303,000 (282,000)

Note 28 Rights of use	Group	
	31/12/2020	31/12/2019
<i>Buildings</i>		
Opening accumulated cost	411,707	305,184
New contracts	27,726	107,574
Terminated contracts	-28,858	
Effects of changes to agreements	-31,022	-838
Exchange rate differences	-12,709	-213
<b>Closing accumulated cost</b>	<b>366,844</b>	<b>411,707</b>
Opening accumulated depreciations	-62,527	0
Depreciations	-66,840	-62,550
Terminated contracts	14,329	
Exchange rate differences	3,590	23
<b>Closing accumulated depreciations</b>	<b>-111,448</b>	<b>-62,527</b>
<b>Closing book value</b>	<b>255,396</b>	<b>349,180</b>
<i>Vehicles</i>		
Opening accumulated cost	14,593	7,589
New contracts	6,894	7,801
Terminated contracts	-3,957	
Effects of changes to agreements	546	-774
Exchange rate differences	-268	-23
<b>Closing accumulated cost</b>	<b>17,809</b>	<b>14,593</b>
Opening accumulated depreciations	-5,119	0
Terminated contracts	2,903	436
Depreciations	-6,907	-5,562
Exchange rate differences	127	7
<b>Closing accumulated depreciations</b>	<b>-8,996</b>	<b>-5,119</b>
<b>Closing book value</b>	<b>8,812</b>	<b>9,474</b>
<b>Total</b>	<b>264,208</b>	<b>358,654</b>

Operational leasing	Parent Company	
	31/12/2020	31/12/2019
<i>Fixtures and fittings used via leasing contracts:</i>		
Cost, operational leasing	13,991	15,320
Of which, newly signed contracts during the year	4,159	7,432
Of which, contracts redeemed during the year	-2,115	-1,927
Leasing expenses during the year	6,238	7,361
<i>Other rental agreements:</i>		
Rental expenses during the year	36,603	35,574
<i>Future leasing and rental payments as lessee</i>		
Within one year	40,476	42,024
Between one and five years	77,064	75,707
Later than five years	1,179	1,328

IFRS 16 is not applied in the Parent Company, so the above leases are classified as operational.

Note 29 Deferred tax assets/tax liability	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Lending to the public	21,317	3,406	855	2,488
Shares and participations	6,118	6,355	6,118	6,355
Tangible assets	570	1,651	0	218
Rights of use	2,506	0	0	0
Other assets/liabilities	212	517	0	0
Loss carryforwards	100,073	104,449	0	0
<b>Deferred tax assets</b>	<b>130,796</b>	<b>116,378</b>	<b>6,974</b>	<b>9,061</b>
Lending to the public	-1,639	-14,613	0	-12,511
Bonds and other securities	977	2,052	977	2,052
Shares and participations	-159,895	-9,199	-159,895	-9,199
Tangible assets	-126	0	0	0
Intangible assets	-3,102	-3,493	0	0
Other assets/liabilities	-7,964	-16,545	-7,859	-5,977
<b>Deferred tax liabilities</b>	<b>-171,749</b>	<b>-41,798</b>	<b>-166,777</b>	<b>-25,635</b>
<b>Net</b>	<b>-10,953</b>	<b>74,580</b>	<b>-159,803</b>	<b>-16,574</b>
Lending to the public	28,823	-1,603	13,335	0
Bonds and other securities	-1,074	1,709	-1,074	1,709
Shares and participations	-238	0	-238	0
Tangible assets	896	1,229	0	-29
Intangible assets	2,347	12,295	0	0
Rights of use	1,308	0	0	0
Other assets/liabilities	9,251	17,211	-1,210	16,744
Loss carryforwards	-3,758	-4	0	0
Untaxed reserves	0	85,800	0	0
<b>Change reported in income statement</b>	<b>37,554</b>	<b>116,637</b>	<b>10,813</b>	<b>18,424</b>
Acquired lending to the public	0	13,185	0	13,185
Change, deferred tax fair value fund	-150,696	14,187	-150,696	14,187
Exchange rate differences	0	427	0	342
<b>Reported directly against shareholders' equity</b>	<b>-150,696</b>	<b>27,799</b>	<b>-150,696</b>	<b>27,714</b>
<b>Total changes</b>	<b>-113,143</b>	<b>144,436</b>	<b>-139,883</b>	<b>46,138</b>
Unutilized tax losses	488,327	481,998	0	0
Reported deferred tax assets	100,852	104,449	0	0
Other unutilised tax losses	26,429	52,483	0	0
Unreported deferred tax assets	5,286	7,889	0	0

Note 30 Derivative instruments	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<i>Derivatives for hedging fair value not hedge accounted</i>				
Foreign exchange-related contracts				
Swaps	2,693,138	3,632,349	2,693,138	3,632,349
<b>Total</b>	<b>2,693,138</b>	<b>3,632,349</b>	<b>2,693,138</b>	<b>3,632,349</b>
Foreign exchange distribution of market values				
EUR	1,582,210	2,663,417	1,582,210	2,663,417
NOK	142,755	0	142,755	0
DKK	137,431	170,946	137,431	170,946
USD	458,823	477,689	458,823	477,689
RON	0	119,575	0	119,575
HRK	69,598	0	69,598	0
CHF	34,613	4,821	34,613	4,821
PLN	78,612	39,988	78,612	39,988
RUB	147,997	119,583	147,997	119,583
<b>Total</b>	<b>2,652,039</b>	<b>3,596,019</b>	<b>2,652,039</b>	<b>3,596,019</b>
<b>Positive value of foreign exchange-related contracts</b>	<b>41,099</b>	<b>36,330</b>	<b>41,099</b>	<b>36,330</b>

Refers to hedging contracts in which the forward rate exceeds the market value on the closing date.

Note 31 Other assets	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Accounts receivable	84,404	97,619	12,601	13,420
Current tax assets	123,029	72,909	122,332	68,834
Deduction, non-payment of funds	30,331	62,542	30,302	62,519
Receivable, credit card companies and agent, Giroservice	10,670	8,630	0	0
Outlay to authorities	21,905	21,850	0	0
Value-added tax	3,168	2,501	0	0
Other receivables	122,400	33,242	71,987	425
<b>Total</b>	<b>395,907</b>	<b>299,293</b>	<b>237,222</b>	<b>145,198</b>

Note 32 Prepaid expenses and accrued income	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Commission income	21,014	74,381	14,243	19,728
Commissions, intra-group	0	0	3,170	4,724
Rental/subscription expenses	19,907	8,433	19,189	17,030
Other expenses	42,722	37,847	35,751	28,401
<b>Total</b>	<b>83,643</b>	<b>120,661</b>	<b>72,353</b>	<b>69,883</b>

Not 33 Assets and liabilities held for sale	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Lending to credit institutions	925	3,820		
Tangible assets	23,522	20,421		
Other assets	15	29		
Prepaid expenses and accrued income	107	63		
<b>Total assets held for sale</b>	<b>24,569</b>	<b>24,333</b>	<b>0</b>	<b>0</b>
Other liabilities	1,499	2,493		
Accrued expenses and deferred income	641	672		
<b>Total liabilities held for sale</b>	<b>2,140</b>	<b>3,165</b>	<b>0</b>	<b>0</b>

Assets and liabilities held for sale as of 31 December 2020 relate to the two subsidiaries Gulldalsvägens Fastighets AB and Fastighets AB Brunna 52:1. The companies are available for sale and active work is under way to sell them. The companies were originally formed to protect a loan receivable, and in connection with this they acquired the counterparty's properties. The two companies belong to the AFS segment (see Note 2) but do not constitute part of the consolidated situation.

Note 34 Liabilities to credit institutions	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Granted credit facilities	420,481	440,342	636,500	509,000
Unutilized credit facilities	-420,097	-440,338	-400,000	-400,000
<b>Total</b>	<b>384</b>	<b>4</b>	<b>236,500</b>	<b>109,000</b>

Note 35 Deposits from the public	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Deposits from the public, private individuals	19,547,553	19,129,958	19,357,759	18,938,896
Deposits from the public, companies	1,368,486	1,487,542	683,039	949,237
Deposits from the public, Group	0	0	1,500	0
<b>Total</b>	<b>20,916,039</b>	<b>20,617,500</b>	<b>20,042,297</b>	<b>19,888,133</b>

	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<b>Note 36 Issued securities, etc.</b>				
<i>Convertible debt instruments</i>				
Opening accumulated cost			98,154	96,342
Capitalized interest			1,846	1,812
<b>Total</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>98,154</b>
<i>Certificates</i>				
Commercial papers – EUR		543,911		543,911
Capitalized interest		893		893
<b>Total</b>	<b>0</b>	<b>544,804</b>	<b>0</b>	<b>544,804</b>
<b>Issued securities</b>	<b>0</b>	<b>544,804</b>	<b>100,000</b>	<b>642,958</b>

In February 2018, a commercial paper scheme was adopted with the right to issue commercial papers to the amount of SEK 3,000 million or the equivalent amount in EUR. No commercial papers have been issued as of 31 December 2020.

On 1 November 2017, Svea Ekonomi AB issued an intra-group convertible debt instrument with a nominal value of SEK 100,000,000. The due date of the debt instrument was originally 31 December 2020, but this was extended during the year to 31 December 2021 because of the prevailing Covid-19 situation and the Swedish Financial Supervisory Authority's warning to companies in the financial sector to stop measures that might reduce the capital base, such as the issuing and redemption of shares. The debt instrument can be converted to new shares at the request of the bearer at a price of SEK 2,278 per share for a total of 43,898 shares. The debt instrument carries an annual interest of 5 per cent. The interest expense of the convertible debt instrument for the year amounted to SEK 6,846,000 (6,812,000).

The fair value of the liability element 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 7.00 per cent. The discounted liability element (SEK 94,271,000) consisted of the total of the present values of the nominal loan amount (SEK 80,472,000) and the coupon rates (SEK 13,799,000).

	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<b>Note 37 Derivative instruments</b>				
<i>Derivatives for hedging fair value not hedge accounted</i>				
Foreign exchange-related contracts				
Swaps	588,156	692,475	588,156	692,475
<b>Total</b>	<b>588,156</b>	<b>692,475</b>	<b>588,156</b>	<b>692,475</b>
Foreign exchange distribution of market values				
NOK	390,678	534,084	390,678	534,084
DKK	0	5,604	0	5,604
HRK	0	115,270	0	115,270
RON	150,060	0	150,060	0
CHF	0	5,789	0	5,789
GBP	50,367	40,127	50,367	40,127
<b>Total</b>	<b>591,105</b>	<b>700,874</b>	<b>591,105</b>	<b>700,874</b>
<b>Negative value of foreign exchange-related contracts</b>	<b>2,949</b>	<b>8,399</b>	<b>2,949</b>	<b>8,399</b>

Refers to hedging contracts in which the forward rate is below the market value on the closing date.



Note 38 Lease liabilities	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<i>Buildings</i>				
Opening lease liability	344,183	305,184		
New contracts	27,630	97,269		
Terminated contracts	-17,956	0		
Effects of changes to agreements	-31,022	-838		
Repayment	-67,495	-67,605		
Interest expense	9,854	10,583		
Exchange rate differences	-8,828	-410		
<b>Closing lease liability</b>	<b>256,366</b>	<b>344,183</b>	<b>0</b>	<b>0</b>
<i>Vehicles</i>				
Opening lease liability	9,295	8,060		
New contracts	6,894	7,019		
Terminated contracts	-1,234	-344		
Effects of changes to agreements	546	0		
Repayment	-6,607	-5,732		
Interest expense	343	303		
Exchange rate differences	-148	-11		
<b>Closing lease liability</b>	<b>9,090</b>	<b>9,295</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>265,456</b>	<b>353,478</b>	<b>0</b>	<b>0</b>

**Maturities of lease liabilities**

<i>Group 2020</i>	
Within one year	60,689
Later than one year	204,766
<b>Total</b>	<b>265,456</b>

<i>Group 2020</i>	Buildings	Vehicles	Total
Payments in current year:	67,495	6,607	74,102
Future payments (non-discounted):			
Within one year	63,027	5,711	68,737
Between one and two years	56,818	2,909	59,727
Between two and five years	134,661	923	135,584
Later than five years	24,299		24,299
<b>Total</b>	<b>278,805</b>	<b>9,543</b>	<b>288,347</b>

Number of leases	40	96	136
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**Impact on earnings of IFRS 16**

Interest expenses	-10,197
<b>Net interest income</b>	<b>-10,197</b>
Net profit from financial transactions	-459
<b>Operating income</b>	<b>-10,656</b>
Depreciation/amortisation and impairments of tangible and intangible assets	-73,747
Other administrative expenses	78,296
<b>Operating expenses</b>	<b>4,549</b>
<b>Operating profit/loss</b>	<b>-6,107</b>
Tax on profit for the year	1,309
<b>Total effect on profit</b>	<b>-4,798</b>

Note 39 Other liabilities	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Accounts payable	84,054	108,655	76,089	74,577
Tax liability	269,588	184,538	233,978	162,922
Deduction, non-disbursed funds	22,235	23,134	16,490	19,791
Retained income taxes	59,470	57,250	47,794	48,847
Value-added tax	24,519	31,885	6,129	16,587
Other liabilities	53,387	42,987	514	101
<b>Total</b>	<b>513,253</b>	<b>448,449</b>	<b>380,994</b>	<b>322,825</b>

Note 40 Accrued expenses and deferred income	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Interest income	48,669	61,878	48,534	61,736
Leasing income	42,566	41,868	42,566	41,868
Interest expenses	38	0	0	0
Commission income	5,038	13,235	1,889	1,567
Commission expenses	10,067	970	993	970
Personnel expenses	131,028	101,828	96,451	72,427
Other administration expenses from authorities	20,507	21,864	0	0
Other administrative expenses	72,043	80,224	44,533	53,952
Other consolidated internal administrative expenses	0	0	3,500	17,225
<b>Total</b>	<b>329,957</b>	<b>321,867</b>	<b>238,467</b>	<b>249,745</b>

Note 41 Subordinated liabilities	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<i>Subordinated loans</i>				
Opening accumulated cost	100,000	100,000	100,000	100,000
Repayment of subordinated loan	-100,000	0	-100,000	0
<b>Closing accumulated cost</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>
<i>Bond loans</i>				
Opening accumulated cost	798,917	500,238	798,917	500,238
T2 bond, nominal value	300,000	300,000	300,000	300,000
T2 bond redemptions	-200,000	0	-200,000	0
Capitalized interest	-1,616	-1,321	-1,616	-1,321
<b>Closing accumulated cost</b>	<b>897,301</b>	<b>798,917</b>	<b>897,301</b>	<b>798,917</b>
<b>Total</b>	<b>897,301</b>	<b>898,917</b>	<b>897,301</b>	<b>898,917</b>

*Subordinated loans*

On 30 June 2014, the Parent Company raised a six-year subordinated loan in the nominal amount of SEK 75,000,000. The subordinated loan is subordinate to other debt and can be included in the capital base as supplementary capital according to current regulations. The subordinated loan will run at a fixed annual interest rate of 6 per cent. Interest payments will be made on 31 March, 30 June, 30 September and 31 December. On 1 December 2017, the subordinated loan was increased to a nominal amount of SEK 100,000,000. The subordinated loan runs as of 1 December 2017 at a fixed annual interest rate of 8.5 per cent. The interest expense for the subordinated loan for the year amounted to SEK 8,303,000 (8,500,000). The subordinated loan was repaid in full in December 2020.

*Bond loans*

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 at a variable interest rate (FRN, Floating Rate Note) 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 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 for the year for the bond loan amounted to SEK 5,701,000. 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 cent 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 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 for the bond loan for the year amounted to SEK 13,223,000 (6,809,000). Other transaction expenses in connection with the issue amounted to SEK 4,000,000 and are accrued until 20 June 2024.

On 3 April 2018, the Parent Company issued a bond loan in the nominal amount of SEK 300,000,000. The bonds comprise indefinite obligations and have no fixed redemption date. The financial instrument was registered with the Nasdaq OMX Stockholm in September 2018. The bond loan is subordinate to other debt and can be included in the capital base as Tier 1 capital according to current regulations. The bond loan will run at a variable interest rate of STIBOR 3 months + 5.65 per cent per annum. Interest will be paid every year on 3 April, 3 July, 3 October and 3 January. The Parent Company may elect to redeem the loan prematurely, but this will require 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 for the bond loan for the year amounted to SEK 17,589,000 (16,985,000). Other transaction expenses in connection with the issue amounted to SEK 3,750,000.

On 24 November 2015, the Parent Company issued a 10-year subordinated bond loan in the nominal amount of SEK 200,000,000 which will fall due on 24 November 2025. The financial instrument was registered with the Nasdaq OMX Stockholm in April 2016. 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 24 November 2020 and will run at a variable interest rate (FRN, Floating Rate Note) of STIBOR 3 months + 5.25 per cent per annum. Interest payments will be made on 24 February, 24 May, 24 August and 24 November. The bond loan was redeemed on 24 November 2020. Interest expenses for the bond loan for the year amounted to SEK 9,799,000 (10,661,000). Other transaction expenses in connection with the issue amounted to SEK 3,768,000 and are accrued until 24 November 2020.

Note 42 Pledged assets	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<i>Pledges and other comparable assets pledged for own liabilities and for liabilities reported as provisions</i>				
Lending to the public	197,934	200,702	0	0
<b>Total</b>	<b>197,934</b>	<b>200,702</b>	<b>0</b>	<b>0</b>
<i>Other assets pledged and comparable collateral</i>				
Lending to credit institutions	27,457	34,708	26,417	33,622
Other assets	7,614	8,633	0	0
<b>Total</b>	<b>35,071</b>	<b>43,341</b>	<b>26,417</b>	<b>33,622</b>
<b>Total</b>	<b>233,005</b>	<b>244,043</b>	<b>26,417</b>	<b>33,622</b>

*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 197,934,000 (200,702,000) as security 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 security for bank guarantees issued by ABN Amro Bank and Nordea in the amounts of SEK 429,000 (448,000) and SEK 611,000 (638,000) in respect of office space rentals. The above assets will remain pledged until the collaboration agreement or rental agreement expires.

Through Svea Ekonomi AB branch in Finland acting as a credit institution, the Parent Company deposited SEK 26,417,000 (33,622,000) with Finlands Bank in a so-called reserve account. This sum amounts to 1 per cent 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 such time as the borrowing or operation ceases or regulations concerning reserve accounts are changed.

The subsidiary Svea Bank AB has deposited USD 900,000 with MasterCard, corresponding to SEK 7,614,000 (8,633,000), as security for commitments associated with the bank's card operations. The above assets will remain pledged until the collaboration agreement ceases.

Note 43 Contingencies	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<i>Contingent liabilities</i>				
Guarantee commitments, external	4,188	12,176	4,188	4,688
Guarantee commitments, Group	0	0	19,304	19,726
<b>Total</b>	<b>4,188</b>	<b>12,176</b>	<b>23,492</b>	<b>24,414</b>
<i>Commitments</i>				
Granted credit	20,949,150	19,606,413	20,464,689	19,242,677
Disbursed credit	1) -18,757,256	-18,055,695	-17,981,332	-17,465,484
<b>Total</b>	<b>2,191,894</b>	<b>1,550,718</b>	<b>2,483,357</b>	<b>1,777,193</b>
<b>Total</b>	<b>2,196,082</b>	<b>1,562,894</b>	<b>2,506,849</b>	<b>1,801,607</b>

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

**Note 44 Business combinations**

Taking possession on 1 July 2020, Svea Ekonomi AB acquired 70% of the shares in the German financial company FMS Financial Management Solutions GmbH. The company is part of the consolidated situation and its business operations include lending. With the same date of taking possession, on 1 July 2020, Svea Inkasso AB acquired 70% of the German debt collection company CMS Collection GmbH. These acquisitions have not had any material impact on the Group's financial statements.

Taking possession on 8 April 2020, Svea Ekonomi AB acquired 75% of the shares in MoneyGo AB, which offers financial services such as lending, unsecured loans and services in the field of invoice administration such as, for example, invoicing and ledger service. The company is part of the consolidated situation. In connection with the acquisition, values such as projects in progress, customer relations, IT platforms/software, synergy effects, markets, management and personnel were identified.

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

<i>MoneyGo AB</i>	Carrying amount in MoneyGo AB at acquisition	Adjustments	Fair value reported in Group
Lending to credit institutions	1,637		1,637
Lending to the public	379,018		379,018
Intangible assets, goodwill		18,197	18,197
Intangible assets, customer contracts		4,803	4,803
Other assets	2,983		2,983
Prepaid expenses and accrued income	15,020		15,020
<b>Assets</b>	<b>398,657</b>	<b>23,000</b>	<b>421,657</b>
Liabilities to credit institutions	-333,112		-333,112
Deposits from the public	-49,183		-49,183
Other liabilities	-3,335		-3,335
Deferred tax liability	0	-1,028	-1,028
<b>Liabilities</b>	<b>-385,630</b>	<b>-1,028</b>	<b>-386,657</b>
<b>Net assets</b>	<b>13,027</b>	<b>21,973</b>	<b>35,000</b>
Holding without a controlling influence			-8,750
Acquisition expenses 1)			-944
<b>Transferred cash reimbursement including acquisition costs</b>			<b>27,194</b>
Acquired element of lending to credit institutions			1,228
<b>Effect of Group lending to credit institutions</b>			<b>-25,966</b>

1) Acquisition costs were charged to the item Other administrative expenses and thus consolidated operating income during 2020.

MoneyGo AB affected the Group's operating income during the period April-December 2020 by SEK 42,180,000 and the operating profit by SEK -2,696,000. If MoneyGo AB had been owned for the full year 2020, consolidated operating income would have been affected by SEK 52,286,000 and operating profit by SEK -788,000.

Taking possession on 7 and 17 January respectively, all of the shares were acquired in the two administrative companies RegTech OY and Kodea Systems AB. The two companies belong to the AFS segment.

These acquisitions have not had any material impact on the Group's financial statements.

Taking possession on 21 October 2019, Svea Ekonomi AB acquired the remaining 70% of the shares in Xederc AB (formerly Credex AB). Xederc AB was previously an associated company that was 30% owned, so after the acquisition Svea Ekonomi AB holds all the shares. This acquisition has not had any material impact on the Group's financial statements.

**Note 45 Financial instruments – classification of financial assets and liabilities**

Group 31/12/2020	Fair value via the income statement			Fair value via comprehensive income	Non-financial assets/liabilities	Assets/liabilities held for sale	Total carrying amount
	Accrued cost of acquisition	Mandatory	Derivative instruments				
Cash and balances with central banks	176,582						176,582
Treasury bonds etc. acceptable as collateral		34,018					34,018
Lending to credit institutions	3,195,817						3,195,817
Lending to the public	17,645,655	72,409					17,718,064
Bonds and securities		1,691,225					1,691,225
Shares and participations		577,472		2,184,625			2,762,097
Derivative instruments			41,099				41,099
Other assets, accounts receivable	84,404						84,404
<b>Financial assets</b>	<b>21,102,457</b>	<b>2,375,125</b>	<b>41,099</b>	<b>2,184,625</b>	<b>0</b>	<b>0</b>	<b>25,703,306</b>
Other participations					3,284		3,284
Shares and participations in associated companies					944		944
Intangible assets					405,436		405,436
Tangible assets					192,912		192,912
Rights of use					264,208		264,208
Deferred tax assets					130,796		130,796
Other assets					311,503		311,503
Prepaid expenses and accrued income					83,643		83,643
Assets held for sale						24,569	24,569
<b>Assets</b>	<b>21,102,457</b>	<b>2,375,125</b>	<b>41,099</b>	<b>2,184,625</b>	<b>1,392,727</b>	<b>24,569</b>	<b>27,120,602</b>
Liabilities to credit institutions	384						384
Deposits from the public	20,916,039						20,916,039
Issued securities, etc.	0						0
Derivative instruments			2,949				2,949
Lease liabilities	265,456						265,456
Other liabilities, accounts payable	84,054						84,054
Subordinated liabilities	897,301						897,301
<b>Financial liabilities</b>	<b>22,163,234</b>	<b>0</b>	<b>2,949</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,166,183</b>
Other liabilities					429,200		429,200
Accrued expenses/ deferred income					329,957		329,957
Deferred tax liability					171,749		171,749
Liabilities held for sale						2,140	2,140
<b>Liabilities</b>	<b>22,163,234</b>	<b>0</b>	<b>2,949</b>	<b>0</b>	<b>930,906</b>	<b>2,140</b>	<b>23,099,228</b>
Shareholders' equity					4,021,374		4,021,374
<b>Total liabilities and shareholders' equity</b>							<b>27,120,602</b>

Group 31/12/2019	Fair value via the income statement			Fair value via comprehensive income	Non-financial assets/liabilities	Assets/liabilities held for sale	Total carrying amount
	Accrued cost of acquisition	Mandatory	Derivative instruments				
Cash and balances with central banks	31,757						31,757
Treasury bonds etc. acceptable as collateral		12,017					12,017
Lending to credit institutions	3,584,846						3,584,846
Lending to the public	17,210,614						17,210,614
Bonds and securities		2,303,985					2,303,985
Shares and participations		406,100		905,571			1,311,671
Derivative instruments			36,330				36,330
Other assets, accounts receivable	97,619						97,619
<b>Financial assets</b>	<b>20,924,836</b>	<b>2,722,102</b>	<b>36,330</b>	<b>905,571</b>	<b>0</b>	<b>0</b>	<b>24,588,839</b>
Other participations					3,284		3,284
Shares and participations in associated companies					1,012		1,012
Intangible assets					375,101		375,101
Tangible assets					200,342		200,342
Rights of use					358,654		358,654
Deferred tax assets					116,378		116,378
Other assets					201,674		201,674
Prepaid expenses and accrued income					120,661		120,661
Assets held for sale						24,333	24,333
<b>Assets</b>	<b>20,924,836</b>	<b>2,722,102</b>	<b>36,330</b>	<b>905,571</b>	<b>1,377,105</b>	<b>24,333</b>	<b>25,990,277</b>
Liabilities to credit institutions	4						4
Deposits from the public	20,617,500						20,617,500
Issued securities, etc.	544,804						544,804
Derivative instruments			8,399				8,399
Lease liabilities	353,478						353,478
Other liabilities, accounts payable	108,655						108,655
Subordinated liabilities	898,917						898,917
<b>Financial liabilities</b>	<b>22,523,358</b>	<b>0</b>	<b>8,399</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,531,757</b>
Other liabilities					339,794		339,794
Accrued expenses/ deferred income					321,867		321,867
Deferred tax liability					41,798		41,798
Liabilities held for sale						3,165	3,165
<b>Liabilities</b>	<b>22,523,358</b>	<b>0</b>	<b>8,399</b>	<b>0</b>	<b>703,459</b>	<b>3,165</b>	<b>23,238,381</b>
Shareholders' equity					2,751,896		2,751,896
<b>Total liabilities and shareholders' equity</b>							<b>25,990,277</b>

**Note 45 Financial instruments – classification of financial assets and liabilities, continued**

	Fair value via the income statement			Fair value via comprehensive income	Non-financial assets/liabilities	Total carrying amount
	Accrued cost of acquisition	Mandatory	Derivative instruments			
<i>Parent Company 31/12/2020</i>						
Cash and balances with central banks	100,503					100,503
Lending to credit institutions	2,442,448					2,442,448
Lending to the public	16,926,028	72,409				16,998,436
Bonds and securities		1,691,225				1,691,225
Shares and participations		577,472		2,184,598		2,762,070
Derivative instruments			41,099			41,099
Other assets, accounts receivable	12,601					12,601
<b>Financial assets</b>	<b>19,481,580</b>	<b>2,341,106</b>	<b>41,099</b>	<b>2,184,598</b>	<b>0</b>	<b>24,048,383</b>
Shares and participations in Group companies					790,338	790,338
Intangible assets					30,400	30,400
Tangible assets					684,221	684,221
Deferred tax assets					6,974	6,974
Other assets					224,621	224,621
Prepaid expenses and accrued income					72,353	72,353
<b>Assets</b>	<b>19,481,580</b>	<b>2,341,106</b>	<b>41,099</b>	<b>2,184,598</b>	<b>1,808,906</b>	<b>25,857,290</b>
Liabilities to credit institutions	236,500					236,500
Deposits from the public	20,042,297					20,042,297
Issued securities, etc.	100,000					100,000
Derivative instruments			2,949			2,949
Other liabilities, accounts payable	76,089					76,089
Subordinated liabilities	897,301					897,301
<b>Financial liabilities</b>	<b>21,352,188</b>	<b>0</b>	<b>2,949</b>	<b>0</b>	<b>0</b>	<b>21,355,137</b>
Other liabilities					304,905	304,905
Accrued expenses/deferred income					238,467	238,467
Deferred tax liability					166,777	166,777
<b>Total liabilities</b>	<b>21,352,188</b>	<b>0</b>	<b>2,949</b>	<b>0</b>	<b>710,148</b>	<b>22,065,285</b>
Shareholders' equity					3,792,005	3,792,005
<b>Total liabilities and shareholders' equity</b>						<b>25,857,290</b>

	Fair value via the income statement			Fair value via comprehensive income	Non-financial assets/liabilities	Total carrying amount
	Accrued cost of acquisition	Mandatory	Derivative instruments			
<i>Parent Company 31/12/2019</i>						
Lending to credit institutions	2,876,601					2,876,601
Lending to the public	16,678,393					16,678,393
Bonds and securities		2,303,985				2,303,985
Shares and participations		406,072		905,571		1,311,643
Derivative instruments			36,330			36,330
Other assets, accounts receivable	13,420					13,420
<b>Financial assets</b>	<b>19,568,414</b>	<b>2,710,057</b>	<b>36,330</b>	<b>905,571</b>	<b>0</b>	<b>23,220,372</b>
Shares and participations in associated companies					6,000	6,000
Shares and participations in Group companies					729,109	729,109
Intangible assets					38,000	38,000
Tangible assets					603,256	603,256
Deferred tax assets					9,061	9,061
Other assets					131,778	131,778
Prepaid expenses and accrued income					69,883	69,883
<b>Assets</b>	<b>19,568,414</b>	<b>2,710,057</b>	<b>36,330</b>	<b>905,571</b>	<b>1,587,087</b>	<b>24,807,459</b>
Liabilities to credit institutions	109,000					109,000
Deposits from the public	19,888,133					19,888,133
Issued securities, etc.	642,958					642,958
Derivative instruments			8,399			8,399
Other liabilities, accounts payable	74,577					74,577
Subordinated liabilities	898,917					898,917
<b>Financial liabilities</b>	<b>21,613,585</b>	<b>0</b>	<b>8,399</b>	<b>0</b>	<b>0</b>	<b>21,621,984</b>
Other liabilities					248,248	248,248
Accrued expenses/deferred income					249,745	249,745
Deferred tax liability					25,635	25,635
<b>Total liabilities</b>	<b>21,613,585</b>	<b>0</b>	<b>8,399</b>	<b>0</b>	<b>523,628</b>	<b>22,145,612</b>
Shareholders' equity					2,661,847	2,661,847
<b>Total liabilities and shareholders' equity</b>						<b>24,807,459</b>

Note 46 Financial instruments measured at fair value	31/12/2020		31/12/2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>Group</i>				
Cash and balances with central banks	176,582	176,582	31,757	31,757
Treasury bonds etc. acceptable as collateral	34,018	34,018	12,017	12,017
Lending to credit institutions	3,195,817	3,195,817	3,584,846	3,584,846
Lending to the public	17,718,064	17,718,064	17,210,614	17,210,614
Bonds and securities	1,691,225	1,691,225	2,303,985	2,303,985
Shares and participations	2,762,097	2,762,097	1,311,671	1,311,671
Derivative instruments	41,099	41,099	36,330	36,330
Other assets, accounts receivable	84,404	84,404	97,619	97,619
<b>Financial assets</b>	<b>25,703,306</b>	<b>25,703,306</b>	<b>24,588,839</b>	<b>24,588,839</b>
<b>Non-financial assets</b>	<b>1,417,296</b>	<b>1,417,296</b>	<b>1,401,438</b>	<b>1,401,438</b>
<b>Assets</b>	<b>27,120,602</b>	<b>27,120,602</b>	<b>25,990,277</b>	<b>25,990,277</b>
Liabilities to credit institutions	384	384	4	4
Deposits from the public	20,916,039	20,916,039	20,617,500	20,617,500
Issued securities	0	0	544,804	544,804
Derivative instruments	2,949	2,949	8,399	8,399
Lease liabilities	265,456	265,456	353,478	353,478
Other liabilities, accounts payable	84,054	84,054	108,655	108,655
Subordinated liabilities	897,301	881,625	898,917	918,301
<b>Financial liabilities</b>	<b>22,166,183</b>	<b>22,150,506</b>	<b>22,531,757</b>	<b>22,551,141</b>
<b>Non-financial liabilities</b>	<b>933,046</b>	<b>933,046</b>	<b>706,624</b>	<b>706,624</b>
<b>Liabilities</b>	<b>23,099,228</b>	<b>23,083,552</b>	<b>23,238,381</b>	<b>23,257,765</b>

1) Including assets/liabilities held for sale

<i>Parent Company</i>	Carrying amount		Fair value	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and balances with central banks	100,503	100,503		
Lending to credit institutions	2,442,448	2,442,448	2,876,601	2,876,601
Lending to the public	16,998,436	16,998,436	16,678,393	16,678,393
Bonds and securities	1,691,225	1,691,225	2,303,985	2,303,985
Shares and participations	2,762,070	2,762,070	1,311,643	1,311,643
Derivative instruments	41,099	41,099	36,330	36,330
Other assets, accounts receivable	12,601	12,601	13,420	13,420
<b>Financial assets</b>	<b>24,048,383</b>	<b>24,048,383</b>	<b>23,220,372</b>	<b>23,220,372</b>
<b>Non-financial assets</b>	<b>1,808,906</b>	<b>1,808,906</b>	<b>1,587,087</b>	<b>1,587,087</b>
<b>Assets</b>	<b>25,857,290</b>	<b>25,857,290</b>	<b>24,807,459</b>	<b>24,807,459</b>
Liabilities to credit institutions	236,500	236,500	0	0
Deposits from the public	20,042,297	20,042,297	19,997,133	19,997,133
Issued securities, etc.	100,000	100,000	642,958	642,958
Derivative instruments	2,949	2,949	8,399	8,399
Other liabilities, accounts payable	76,089	76,089	74,577	74,577
Subordinated liabilities	897,301	881,625	898,917	918,301
<b>Financial liabilities</b>	<b>21,355,137</b>	<b>21,339,460</b>	<b>21,621,984</b>	<b>21,641,368</b>
<b>Non-financial liabilities</b>	<b>710,148</b>	<b>710,148</b>	<b>523,628</b>	<b>523,628</b>
<b>Liabilities and untaxed reserves</b>	<b>22,065,285</b>	<b>22,049,608</b>	<b>22,145,612</b>	<b>22,164,996</b>

The fair value of current financial assets and liabilities is considered to correspond to the carrying amount. The carrying amount is a reasonable estimate of fair value, taking into account the limited credit risk and short term. Where it was not possible to assess the fair value of financial assets and liabilities, these items were reported at their carrying amounts in the tables above.

These assets are assessed as belonging to Level III.

**Note 47 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 treasury bonds etc. acceptable as collateral, lending to the public (part of item, see also below), bonds and other securities, shares and participations, and derivative instruments. 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.

<i>Group 31/12/2020</i>	Level 1	Level 2	Level 3	Total
Treasury bonds etc. acceptable as collateral	34,018			34,018
Lending to the public			72,409	72,409
Bonds and other securities	1,691,225			1,691,225
Shares and participations	2,184,625		577,472	2,762,097
Derivative instruments		41,099		41,099
<b>Financial assets</b>	<b>3,909,869</b>	<b>41,099</b>	<b>649,881</b>	<b>4,600,849</b>
Derivative instruments		2,949		2,949
<b>Financial liabilities</b>	<b>0</b>	<b>2,949</b>	<b>0</b>	<b>2,949</b>

<i>Group 31/12/2019</i>	Level 1	Level 2	Level 3	Total
Treasury bonds etc. acceptable as collateral	12,017			12,017
Bonds and other securities	2,303,985			2,303,985
Shares and participations	905,571		406,100	1,311,671
Derivative instruments		36,330		36,330
<b>Financial assets</b>	<b>3,221,573</b>	<b>36,330</b>	<b>406,100</b>	<b>3,664,003</b>
Derivative instruments		8,399		8,399
<b>Financial liabilities</b>	<b>0</b>	<b>8,399</b>	<b>0</b>	<b>8,399</b>

<i>Parent Company 31/12/2020</i>	Level 1	Level 2	Level 3	Total
Lending to the public			72,409	72,409
Bonds and other securities	1,691,225			1,691,225
Shares and participations	2,184,598		577,472	2,762,070
Derivative instruments		41,099		41,099
<b>Financial assets</b>	<b>3,875,823</b>	<b>41,099</b>	<b>649,881</b>	<b>4,566,803</b>
Derivative instruments		2,949		2,949
<b>Financial liabilities</b>	<b>0</b>	<b>2,949</b>	<b>0</b>	<b>2,949</b>

<i>Parent Company 31/12/2019</i>	Level 1	Level 2	Level 3	Total
Bonds and other securities	2,303,985			2,303,985
Shares and participations	905,571		406,072	1,311,643
Derivative instruments		36,330		36,330
<b>Financial assets</b>	<b>3,209,556</b>	<b>36,330</b>	<b>406,072</b>	<b>3,651,958</b>
Derivative instruments		8,399		8,399
<b>Financial liabilities</b>	<b>0</b>	<b>8,399</b>	<b>0</b>	<b>8,399</b>



Note 47 Fair value – Level 3	Lending to the public	Shares and participations	Total
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The fair value of unlisted shares and participations is reported at fair value based on a measurement performed by external independent expertise. The measurement rate used is based primarily on discounted cash flows, multiple measurement and net asset valuation. To measure a growth company that is at an early stage of its development, measurement methods are adapted, for example to also include other parameters such as customer flows and, if relevant, share issue prices.

The company'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. The company considers the holdings to be long-term investments and does not intend to dispose of them.

Significant new investments were made during the year, above all in Coloreel Group AB, Tryggkredit Stockholm AB, Flyttsmart Sverige AB and Matera Retail Group AB to a total amount of SEK 102,448,000.

*Group*

<b>Closing balance 31/12/2018</b>	<b>0</b>	<b>252,810</b>	<b>252,810</b>
Acquisition cost		115,947	115,947
Proceeds		-4,500	-4,500
Exchange rate differences		1	1
Revaluation		41,842	41,842
<b>Closing balance 31/12/2019</b>	<b>0</b>	<b>406,100</b>	<b>406,100</b>
Acquisition cost		145,178	145,178
Proceeds		-29,420	-29,420
Exchange rate differences	195		195
Reclassification	133,373	-28	133,345
Revaluation	-61,159	55,642	-5,517
<b>Closing balance 31/12/2020</b>	<b>72,409</b>	<b>577,472</b>	<b>649,881</b>

During the year, the model for measuring promissory note loans was reviewed, resulting in a change to estimates. This change caused a reclassification, as shown in the table above.

*Parent Company*

<b>Closing balance 31/12/2018</b>	<b>0</b>	<b>252,783</b>	<b>252,783</b>
Acquisition cost		115,947	115,947
Proceeds		-4,500	-4,500
Revaluation		41,841	41,841
<b>Closing balance 31/12/2019</b>	<b>0</b>	<b>406,072</b>	<b>406,072</b>
Acquisition cost		145,178	145,178
Proceeds		-29,420	-29,420
Exchange rate differences	195		195
Reclassification	133,373		133,373
Revaluation	-61,159	55,642	-5,517
<b>Closing balance 31/12/2020</b>	<b>72,409</b>	<b>577,472</b>	<b>649,881</b>

During the year, the model for measuring promissory note loans was reviewed, resulting in a change to estimates. This change caused a reclassification, as shown in the table above.

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**Note 48 Financial risks**

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**Credit risks**

Credit risk is defined as the risk of loss due to a counterparty's failure to fulfil its contractual obligations and that any collateral provided will not cover the amount due to Svea Ekonomi. 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 organization*

Svea Ekonomi'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 decentralized organization. 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 his 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, or if anything indicates that the customer's ability to repay is jeopardized. 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 minimize the potential credit loss.

*Individual and collective impairment assessment*

The company continuously examines the quality of its credit portfolio to identify any need for impairments. Weak and doubtful exposures are monitored and continuously reviewed with respect to current and future ability to make repayments.

The need to recognise impairment in IFRS 9 is based on a model for expected credit losses in contrast to the previous IAS 39 model of incurred credit losses. Furthermore, the requirements are more comprehensive and specify that all assets measured at accrued cost or fair value via comprehensive income, as well as off-balance sheet commitments, including guarantees and credit commitments, must be 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. This definition will apply for the whole Group and will also be the definition that is applied in regulatory reporting, in order to achieve comparability and simplicity in work moving forwards.

An alternative method of calculating impairment requirements is used for portfolios of acquired overdue receivables.

In category 1, the reserves must correspond to the credit losses anticipated for the next 12 months. In categories 2 and 3, the reserves will correspond to the credit losses anticipated for the full remaining maturity. 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 defaults and expected exposure in event of default; the result will then be calculated at the current value in order to indicate the value of the expected credit loss. Forward-looking information such as the macroeconomic scenario will also affect the expected loss.

*Lending and credit risk*

Financial assets that can expose the Group to credit risks consist of lending to credit institutions, lending to the public, accounts receivable and derivative contracts.

In general, significant concentrations of credit risks are considered not to exist as lending is spread across different counterparties, business 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. Because credit is granted after rigorous credit scoring of each individual customer, the risk of losses is deemed minimized. 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 stocks of past-due receivables and works with their collection. All rights and risks associated with the receivables are thereby assumed. The stocks of receivables are acquired at prices considerably lower than their nominal value. To minimize risk in these operations, the Group exercises caution when making acquisition decisions. Emphasis lies on small stocks of receivables of relatively low average amounts, which contributes to risk spreading. The acquisitions were made in the Nordic region and eastern Europe. Alongside exchange rate risks in local currencies, there are heightened risks chiefly in exposure in Ukraine.

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 1,368 million (1,488) and SEK 683 million (949) 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.

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

	Total credit risk exposure (before impairment)	Impairment/provision	Carrying amount	Value of collateral for items in balance sheets	Total credit risk exposure after deductions for collateral
<i>Group 2020</i>					
Cash and balances with central banks	176,582		176,582		176,582
Treasury bonds etc. acceptable as collateral	34,018		34,018		34,018
Lending to credit institutions	3,195,817		3,195,817		3,195,817
Lending to the public					
<i>Lending against collateral in:</i>					
Mortgages on properties	1,674,912	-37,436	1,637,476	1,637,476	0
Tenant-owner rights	290,989	-4,737	286,252	286,252	0
Accounts receivable	1,680,026	-41,807	1,638,219	1,638,219	0
Floating charges	489,779	-44,393	445,386	445,386	0
Guarantees	673,769	-90,404	583,365	583,365	0
Miscellaneous	813,527	-35,626	777,902	777,902	0
<b>Total lending against collateral</b>	<b>5,623,002</b>	<b>-254,403</b>	<b>5,368,600</b>	<b>5,368,600</b>	<b>0</b>
<i>Unsecured lending:</i>					
Lending, external	13,134,254	-784,790	12,349,464		12,349,464
Lending, Group	0		0		0
<b>Total unsecured lending</b>	<b>13,134,254</b>	<b>-784,790</b>	<b>12,349,464</b>		<b>12,349,464</b>
<b>Total lending to the public</b>	<b>18,757,256</b>	<b>-1,039,192</b>	<b>17,718,064</b>	<b>5,368,600</b>	<b>12,349,464</b>
<i>Bonds and other securities</i>					
<i>Government securities and similar:</i>					
AAA	650,444		650,444		650,444
AA+	740,745		740,745		740,745
<i>Other issuers:</i>					
AAA	284,043		284,043		284,043
With no rating	23,309	-7,315	15,994		15,994
<b>Total bonds and other securities</b>	<b>1,698,540</b>		<b>1,691,225</b>		<b>1,691,225</b>
Derivative instruments	41,099		41,099		41,099
Issued financial guarantees	5,099		5,099	911	4,188
<b>Total</b>	<b>23,908,411</b>	<b>-1,039,192</b>	<b>22,861,904</b>	<b>5,369,511</b>	<b>17,492,393</b>

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 above to determine the rating of bonds and other securities.

Specification of collateral for loan receivables	Lending to private individuals	Lending to companies	Value of collateral
<i>Group 2020</i>			
Mortgages on properties	979,351	658,125	1,637,476
Tenant-owner rights	263,252	23,000	286,252
Accounts receivable	0	1,638,219	1,638,219
Floating charges	0	445,386	445,386
Guarantees	45	583,320	583,365
Miscellaneous	33,375	744,527	777,902
<b>Loan receivables</b>	<b>1,276,023</b>	<b>4,092,577</b>	<b>5,368,600</b>

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

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

Group 2019	Total credit risk exposure (before impairment)	Impairment/provision	Carrying amount	Value of collateral for items in balance sheets	Total credit risk exposure after deductions for collateral
Treasury bonds etc. acceptable as collateral	12,017		12,017		12,017
Lending to credit institutions	3,584,846		3,584,846		3,584,846
Lending to the public					
<i>Lending against collateral in:</i>					
Mortgages on properties	1,208,031	-17,683	1,190,348	1,190,348	0
Mortgages on tenant-owner rights	244,313	-4,729	239,584	239,584	0
Accounts receivable	2,198,961	-9,448	2,189,513	2,189,513	0
Floating charges	246,117	-26,759	219,358	219,358	0
Guarantees	893,805	-55,391	838,414	838,414	0
Miscellaneous	673,080	-28,779	644,301	644,301	0
<b>Total lending against collateral</b>	<b>5,464,307</b>	<b>-142,789</b>	<b>5,321,518</b>	<b>5,321,518</b>	<b>0</b>
<i>Unsecured lending:</i>					
Lending, external	12,591,388	-702,292	11,889,096		11,889,096
<b>Total unsecured lending</b>	<b>12,591,388</b>	<b>-702,292</b>	<b>11,889,096</b>		<b>11,889,096</b>
<b>Total lending to the public</b>	<b>18,055,695</b>	<b>-845,081</b>	<b>17,210,614</b>	<b>5,321,518</b>	<b>11,889,096</b>
Bonds and other securities					
<i>Government securities and similar:</i>					
AAA	769,740		769,740		769,740
AA+	984,127		984,127		984,127
<i>Other issuers:</i>					
AAA	416,528		416,528		416,528
AA-	30,314		30,314		30,314
A-	14,997		14,997		14,997
With no rating	88,279		88,279		88,279
<b>Total bonds and other securities</b>	<b>2,303,985</b>		<b>2,303,985</b>		<b>2,303,985</b>
Derivative instruments	36,330		36,330		36,330
Issued financial guarantees	12,176		12,176		12,176
<b>Total</b>	<b>24,005,049</b>	<b>-845,081</b>	<b>23,159,968</b>	<b>5,321,518</b>	<b>17,838,450</b>

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 above to determine the rating of bonds and other securities.

Specification of collateral for loan receivables Group 2019	Lending to private individuals	Lending to companies	Value of collateral
Mortgages on properties	844,188	346,160	1,190,348
Mortgages on tenant-owner rights	175,334	64,250	239,584
Accounts receivable	0	2,189,513	2,189,513
Floating charges	0	219,358	219,358
Guarantees	182,953	655,461	838,414
Miscellaneous	11,932	632,369	644,301
<b>Loan receivables</b>	<b>1,214,407</b>	<b>4,107,111</b>	<b>5,321,518</b>

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

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

	Total credit risk exposure (before impairment)	Impairment/provision	Carrying amount	Value of collateral for items in balance sheets	Total credit risk exposure after deductions for collateral
<i>Parent Company 2020</i>					
Cash and balances with central banks	100,503		100,503		100,503
Lending to credit institutions	2,442,448		2,442,448		2,442,448
Lending to the public					
<i>Lending against collateral in:</i>					
Mortgages on properties	1,664,311	-36,567	1,627,744	1,627,744	0
Tenant-owner rights	290,989	-4,737	286,252	286,252	0
Accounts receivable	1,587,590	-35,051	1,552,539	1,552,539	0
Floating charges	445,672	-43,054	402,618	402,618	0
Guarantees	622,809	-89,654	533,155	533,155	0
Miscellaneous	179,604	-19,580	160,024	160,024	0
<b>Total lending against collateral</b>	<b>4,790,975</b>	<b>-228,643</b>	<b>4,562,332</b>	<b>4,562,332</b>	<b>0</b>
<i>Unsecured lending:</i>					
Lending, external	10,937,311	-707,199	10,230,112		10,230,112
Lending, Group	2,253,046	-47,053	2,205,993		2,205,993
<b>Total unsecured lending</b>	<b>13,190,357</b>	<b>-754,252</b>	<b>12,436,105</b>		<b>12,436,105</b>
<b>Total lending to the public</b>	<b>17,981,331</b>	<b>-982,895</b>	<b>16,998,436</b>	<b>4,562,332</b>	<b>12,436,104</b>
<i>Bonds and other securities</i>					
<i>Government securities and similar:</i>					
AAA	650,444		650,444		650,444
AA+	740,745		740,745		740,745
<i>Other issuers:</i>					
AAA	284,043		284,043		284,043
With no rating	23,309	-7,315	15,994		15,994
<b>Total bonds and other securities</b>	<b>1,698,540</b>		<b>1,691,225</b>		<b>1,691,225</b>
Derivative instruments	41,099		41,099		41,099
Issued financial guarantees	23,592		23,592	100	23,492
<b>Total</b>	<b>22,287,513</b>	<b>-982,895</b>	<b>21,297,303</b>	<b>4,562,432</b>	<b>16,734,871</b>

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 above to determine the rating of bonds and other securities.

Specification of collateral for loan receivables	Lending to private individuals	Lending to companies	Value of collateral
<i>Parent Company 2020</i>			
Mortgages on properties	979,351	648,393	1,627,744
Tenant-owner rights	263,252	23,000	286,252
Accounts receivable	0	1,552,539	1,552,539
Floating charges	0	402,618	402,618
Guarantees	44	533,111	533,155
Miscellaneous	33,375	126,649	160,024
<b>Loan receivables</b>	<b>1,276,022</b>	<b>3,286,310</b>	<b>4,562,332</b>

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

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

<i>Parent Company 2019</i>	Total credit risk exposure (before impairment/provision)		Carrying amount	Value of collateral for items in balance sheets	Total credit risk exposure after deductions for collateral
Lending to credit institutions	2,876,601		2,876,601		2,876,601
Lending to the public					
<i>Lending against collateral in:</i>					
Mortgages on properties	1,194,982	-17,657	1,177,325	1,177,325	0
Mortgages on tenant-owner rights	244,313	-4,729	239,584	239,584	0
Accounts receivable	2,084,234	-4,143	2,080,091	2,080,091	0
Floating charges	217,983	-26,223	191,760	191,760	0
Guarantees	851,200	-53,282	797,918	797,918	0
Miscellaneous	107,330	-17,028	90,302	90,302	0
<b>Total lending against collateral</b>	<b>4,700,042</b>	<b>-123,062</b>	<b>4,576,980</b>	<b>4,576,980</b>	<b>0</b>
<i>Unsecured lending:</i>					
Lending, external	11,159,847	-664,030	10,495,817		10,495,817
Lending, Group	1,606,631	-1,035	1,605,596		1,605,596
<b>Total unsecured lending</b>	<b>12,766,478</b>	<b>-665,065</b>	<b>12,101,413</b>		<b>12,101,413</b>
<b>Total lending to the public</b>	<b>17,466,520</b>	<b>-788,127</b>	<b>16,678,393</b>	<b>4,576,980</b>	<b>12,101,413</b>
Bonds and other securities					
<i>Government securities and similar:</i>					
AAA	769,740		769,740		769,740
AA+	984,127		984,127		984,127
<i>Other issuers:</i>					
AAA	416,528		416,528		416,528
AA-	30,314		30,314		30,314
A-	14,997		14,997		14,997
With no rating	88,279		88,279		88,279
<b>Total bonds and other securities</b>	<b>2,303,985</b>		<b>2,303,985</b>		<b>2,303,985</b>
Derivative instruments	36,330		36,330		36,330
Issued financial guarantees	12,176		12,176		12,176
<b>Total</b>	<b>22,695,612</b>	<b>-788,127</b>	<b>21,907,485</b>	<b>4,576,980</b>	<b>17,330,505</b>

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 above to determine the rating of bonds and other securities.

<b>Specification of collateral for loan receivables</b>	Lending to private individuals	Lending to companies	Value of collateral
<i>Parent Company 2019</i>			
Mortgages on properties	844,188	333,136	1,177,324
Mortgages on tenant-owner rights	175,334	64,250	239,584
Accounts receivable	0	2,080,091	2,080,091
Floating charges	0	191,760	191,760
Guarantees	182,953	614,966	797,919
Miscellaneous	11,918	78,384	90,302
<b>Loan receivables</b>	<b>1,214,393</b>	<b>3,362,587</b>	<b>4,576,980</b>

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

Credit quality of loan receivables	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Private individuals:				
Rate of loss provisions for loan receivables	4.9%	4.7%	5.3%	5.0%
Credit loss ratio	1.9%	2.3%	1.9%	2.4%
Companies:				
Rate of loss provisions for loan receivables	6.7%	4.7%	5.7%	4.9%
Credit loss ratio	4.2%	2.8%	4.7%	3.2%

#### Credit Valuation Adjustment (CVA risk)

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

In the event of a bank default, 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. Svea Ekonomi has limited market risks; 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, the company 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 2020, acquired past-due stocks of receivables have also been classified as fixed-interest lending. This is because interest income for this lending cannot be affected by changes in the market interest rate.

#### Interest rate exposure, fixed-interest terms for the Group

Group 2020	Max 1 month	1 mo.–3 mo.	3 mo.–1 yr	1 yr–5 yrs	More than 5 yrs	No interest	Total
Cash and balances							
with central banks	176,582						176,582
Treasury bonds acceptable as collateral	34,018						34,018
Lending to credit institutions	3,195,817						3,195,817
Lending to the public	7,471,727	6,085,367	1,502,875	2,388,176	269,919		17,718,064
Bonds and other securities	334,832	1,017,251	138,605	200,537			1,691,225
Other assets						4,304,896	4,304,896
<b>Total assets</b>	<b>11,212,976</b>	<b>7,102,618</b>	<b>1,641,480</b>	<b>2,588,713</b>	<b>269,919</b>	<b>4,304,896</b>	<b>27,120,602</b>
Liabilities to credit institutions	384						384
Deposits from the public	15,943,004		80,845	3,523,704		1,368,486	20,916,039
Issued securities, etc.							0
Other liabilities						1,113,755	1,113,755
Deferred tax liability						171,749	171,749
Subordinated liabilities	302,364	594,938					897,301
Shareholders' equity						4,021,374	4,021,374
<b>Total liabilities and shareholders' equity</b>	<b>16,245,752</b>	<b>594,938</b>	<b>80,845</b>	<b>3,523,704</b>	<b>0</b>	<b>6,675,364</b>	<b>27,120,602</b>
Net interest rate exposure	-5,032,776	6,507,680	1,560,635	-934,991	269,919		
Cumulative interest rate exposure	-5,032,776	1,474,905	3,035,540	2,100,549	2,370,468		
<b>Group 2019</b>	<b>Max 1 month</b>	<b>1 mo.–3 mo.</b>	<b>3 mo.–1 yr</b>	<b>1 yr–5 yrs</b>	<b>More than 5 yrs</b>	<b>No interest</b>	<b>Total</b>
Cash and balances							
with central banks	31,757						31,757
Treasury bonds acceptable as collateral	12,017						12,017
Lending to credit institutions	3,584,846						3,584,846
Lending to the public	16,363,288	32,838	193,873	499,689		120,926	17,210,614
Bonds and other securities	458,240	1,381,853	190,631	273,261			2,303,985
Other assets						2,847,058	2,847,058
<b>Total assets</b>	<b>20,450,148</b>	<b>1,414,691</b>	<b>384,504</b>	<b>772,950</b>	<b>0</b>	<b>2,967,984</b>	<b>25,990,277</b>
Liabilities to credit institutions	4						4
Deposits from the public	17,969,154		100,000	1,413,938		1,134,408	20,617,500
Issued securities, etc.	158,144		386,660				544,804
Other liabilities						1,135,358	1,135,358
Deferred tax liability						41,798	41,798
Subordinated liabilities	301,682	497,235		100,000			898,917
Shareholders' equity						2,751,896	2,751,896
<b>Total liabilities and shareholders' equity</b>	<b>18,428,984</b>	<b>497,235</b>	<b>486,660</b>	<b>1,513,938</b>	<b>0</b>	<b>5,063,460</b>	<b>25,990,277</b>
Net interest rate exposure	2,021,164	917,456	-102,156	-740,988	0		
Cumulative interest rate exposure	2,021,164	2,938,620	2,836,464	2,095,476	2,095,476		

#### 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 21,939,000 (20,637,000) for the Group, based on all interest-bearing assets and liabilities existing on the closing date.

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

<i>Parent Company 2020</i>	Max 1 month	1 mo.–3 mo.	3 mo.–1 yr	1 yr–5 yrs	More than 5 yrs	No interest	Total
Cash and balances with central banks	100,503						100,503
Lending to credit institutions	2,442,448						2,442,448
Lending to the public	7,797,521	5,568,540	1,248,777	2,119,285	264,313		16,998,436
Bonds and other securities	334,832	1,017,251	138,605	200,537			1,691,225
Other assets						4,624,678	4,624,678
<b>Total assets</b>	<b>10,675,304</b>	<b>6,585,791</b>	<b>1,387,382</b>	<b>2,319,822</b>	<b>264,313</b>	<b>4,624,678</b>	<b>25,857,290</b>
Liabilities to credit institutions	236,500						236,500
Deposits from the public	15,835,554			3,523,704		683,039	20,042,297
Issued securities, etc.			100,000				100,000
Other liabilities						622,410	622,410
Deferred tax liability						166,777	166,777
Subordinated liabilities	302,364	594,938					897,301
Shareholders' equity						3,792,005	3,792,005
<b>Total liabilities and shareholders' equity</b>	<b>16,374,418</b>	<b>594,938</b>	<b>100,000</b>	<b>3,523,704</b>	<b>0</b>	<b>5,264,231</b>	<b>25,857,290</b>
Net interest rate exposure	-5,699,114	5,990,853	1,287,382	-1,203,882	264,313		
Cumulative interest rate exposure	-5,699,114	291,740	1,579,122	375,240	639,553		
<i>Parent Company 2019</i>	Max 1 month	1 mo.–3 mo.	3 mo.–1 yr	1 yr–5 yrs	More than 5 yrs	No interest	Total
Lending to credit institutions	2,876,601						2,876,601
Lending to the public	15,833,579	32,838	193,873	499,327		118,776	16,678,393
Bonds and other securities	458,240	1,381,853	190,631	273,261			2,303,985
Other assets						2,948,480	2,948,480
<b>Total assets</b>	<b>19,168,420</b>	<b>1,414,691</b>	<b>384,504</b>	<b>772,588</b>	<b>0</b>	<b>3,067,256</b>	<b>24,807,459</b>
Deposits from the public	17,767,915			1,413,938		815,280	19,997,133
Issued securities, etc.	158,144		484,814				642,958
Other liabilities						580,969	580,969
Deferred tax liability						25,635	25,635
Subordinated liabilities	301,682	497,235		100,000			898,917
Shareholders' equity						2,661,847	2,661,847
<b>Total liabilities and shareholders' equity</b>	<b>18,227,741</b>	<b>497,235</b>	<b>484,814</b>	<b>1,513,938</b>	<b>0</b>	<b>4,083,731</b>	<b>24,807,459</b>
Net interest rate exposure	940,679	917,456	-100,310	-741,350	0		
Cumulative interest rate exposure	940,679	1,858,135	1,757,825	1,016,475	1,016,475		

**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 5,391,000 (10,016,000) 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 Group'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 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 the company's operating profit or loss in local currency. Foreign operations seldom have receivables or liabilities in other currencies, and this limits transaction exposure. Because the Parent Company has receivables in foreign currency, major currency exposures primarily in NOK, EUR, DKK, USD and HRK have been hedged through currency swaps/forward contracts to minimize risk. It was not possible to hedge the Group's currency exposure in Ukraine.

**Translation exposure**

Svea Ekonomi does business in many 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 minimized 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:

Code	Country	Local currency	Average exchange rate		Closing day rate	
			2020	2019	31/12/2020	31/12/2019
NOK	Norway	Norwegian crowns	0.9782	1.0746	0.9590	1.0664
EUR	Euroland	Euros	10.4856	10.5793	10.0503	10.4984
USD	USA	United States dollars	9.1894	9.4597	8.2279	9.3605
DKK	Denmark	Danish crowns	1.4065	1.4169	1.3504	1.4053
RUB	Russia	Russian roubles	0.1268	0.1458	0.1112	0.1512
UAH	Ukraine	Ukrainian hryvnia	0.3412	0.3671	0.2904	0.3951
HRK	Croatia	Croatian kuna	1.3914	1.4259	1.3316	1.4105



**Assets and liabilities in SEK thousands by underlying currency – Group**

Group 31/12/2020	SEK	NOK	EUR	DKK	USD	Other	Total
Cash and balances with central banks	76,079	0	100,503	0	0	0	176,582
Treasury bonds etc. acceptable as collateral	34,018	0	0	0	0	0	34,018
Lending to credit institutions	1,862,447	643,116	503,384	17,335	6,208	163,327	3,195,817
Lending to the public	9,548,401	2,834,405	4,033,087	155,770	511,400	635,001	17,718,064
Assets held for sale	24,569						24,569
Other assets	5,423,182	235,995	168,040	11,677	18,704	113,954	5,971,552
<b>Total assets</b>	<b>16,968,697</b>	<b>3,713,515</b>	<b>4,805,014</b>	<b>184,781</b>	<b>536,312</b>	<b>912,283</b>	<b>27,120,602</b>
Liabilities to credit institutions	0	0	4	0	0	380	384
Deposits from the public	14,801,015	2,937,148	3,151,059	22,321	290	4,206	20,916,039
Issued securities, etc.	0	0	0	0	0	0	0
Other liabilities	733,393	155,398	163,886	13,449	47	45,442	1,111,615
Deferred tax liability	169,074	0	0	1,677	973	25	171,749
Subordinated liabilities	897,301	0	0	0	0	0	897,301
Liabilities held for sale	2,140						2,140
Shareholders' equity	2,844,794	497,713	665,261	12,383	564	659	4,021,374
<b>Total liabilities and shareholders' equity</b>	<b>19,447,717</b>	<b>3,590,259</b>	<b>3,980,210</b>	<b>49,830</b>	<b>1,874</b>	<b>50,712</b>	<b>27,120,602</b>
Contingent liabilities	4,188						4,188
Currency swaps		-531,355	-1,599,907	-138,991	-475,729	-535,312	
<b>Net position</b>	<b>-2,474,832</b>	<b>-408,098</b>	<b>-775,103</b>	<b>-4,040</b>	<b>58,709</b>	<b>326,259</b>	

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

Group 31/12/2019	SEK	NOK	EUR	DKK	USD	Other	Total
Cash and balances with central banks	31,757	0	0	0	0	0	31,757
Treasury bonds etc. acceptable as collateral	12,017	0	0	0	0	0	12,017
Lending to credit institutions	2,343,174	410,053	721,745	13,900	12,646	83,328	3,584,846
Lending to the public	8,309,648	2,987,456	4,510,827	185,099	484,161	733,423	17,210,614
Other assets	4,826,247	90,129	148,091	18,953	8,633	58,990	5,151,043
<b>Total assets</b>	<b>15,522,843</b>	<b>3,487,638</b>	<b>5,380,663</b>	<b>217,952</b>	<b>505,440</b>	<b>875,741</b>	<b>25,990,277</b>
Liabilities to credit institutions	0	0	4	0	0	0	4
Deposits from the public	15,553,058	2,762,717	2,275,266	18,562	2,765	5,132	20,617,500
Issued securities, etc.	0	0	544,804	0	0	0	544,804
Other liabilities	811,068	108,652	188,288	6,628	5	20,717	1,135,358
Deferred tax liability	16,698	0	22,997	1,243	0	860	41,798
Subordinated liabilities	898,917	0	0	0	0	0	898,917
Shareholders' equity	1,476,283	453,678	794,668	13,241	753	13,273	2,751,896
<b>Total liabilities and shareholders' equity</b>	<b>18,756,024</b>	<b>3,325,047</b>	<b>3,826,027</b>	<b>39,674</b>	<b>3,523</b>	<b>39,982</b>	<b>25,990,277</b>
Contingent liabilities	12,176						12,176
Currency swaps		-525,906	-2,686,017	-178,033	-489,054	-445,814	
<b>Net position</b>	<b>-3,221,005</b>	<b>-363,315</b>	<b>-1,131,381</b>	<b>245</b>	<b>12,863</b>	<b>389,945</b>	

Other currencies consist principally of Croatian kuna, Russian roubles 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.

Group 2020	NOK	EUR	DKK	USD	Other	Total
Effect of 10% increase in SEK against currency	40,810	77,510	404	-5,871	-32,626	<b>80,227</b>
Group 2019	NOK	EUR	DKK	USD	Other	Total
Effect of 10% increase in SEK against currency	36,332	113,138	-25	-1,286	-38,994	<b>109,164</b>

**Assets and liabilities in SEK thousands by underlying currency – Parent Company**

<i>Parent Company 31/12/2020</i>	SEK	NOK	EUR	DKK	USD	Other	Total
Cash and balances with central banks			100,503				100,503
Lending to credit institutions	1,571,341	559,922	290,925	1,760	4,296	14,204	2,442,448
Lending to the public	9,041,344	2,776,913	4,463,698	119,540	518,478	78,464	16,998,436
Other assets	5,983,594	183,622	91,600	0	18,727	38,359	6,315,902
<b>Total assets</b>	<b>16,596,279</b>	<b>3,520,456</b>	<b>4,946,726</b>	<b>121,300</b>	<b>541,501</b>	<b>131,027</b>	<b>25,857,290</b>
Liabilities to credit institutions	236,500	0	0	0	0		236,500
Deposits from the public	14,073,196	2,923,945	3,044,326	281	285	264	20,042,297
Issued securities, etc.	100,000	0	0	0	0		100,000
Other liabilities	441,138	73,533	107,739	0	0		622,410
Deferred tax liability	165,803	0	0	0	973		166,777
Subordinated liabilities	897,301	0	0	0	0		897,301
Shareholders' equity	2,564,167	462,282	765,556	0	0		3,792,005
<b>Total liabilities and shareholders' equity</b>	<b>18,478,105</b>	<b>3,459,761</b>	<b>3,917,621</b>	<b>281</b>	<b>1,259</b>	<b>264</b>	<b>25,857,290</b>
Contingent liabilities	11,461	11,604	427				23,492
Currency swaps		-531,355	-1,599,907	-138,991	-475,729	-535,312	
<b>Net position</b>	<b>-1,870,365</b>	<b>-459,055</b>	<b>-570,375</b>	<b>-17,971</b>	<b>64,513</b>	<b>-404,548</b>	
<b>Net position excluding shareholders' equity</b>	<b>693,802</b>	<b>3,227</b>	<b>195,181</b>	<b>-17,971</b>	<b>64,513</b>	<b>-404,548</b>	

Other currencies consist primarily of Croatian kuna.

<i>Parent Company 31/12/2019</i>	SEK	NOK	EUR	DKK	USD	Other	Total
Lending to credit institutions	2,063,178	319,971	464,206	2,437	8,131	18,678	2,876,601
Lending to the public	7,924,226	2,987,456	4,994,549	170,214	486,695	115,252	16,678,392
Other assets	5,071,823	88,192	61,899	0	0	30,552	5,252,466
<b>Total assets</b>	<b>15,059,227</b>	<b>3,395,619</b>	<b>5,520,654</b>	<b>172,651</b>	<b>494,826</b>	<b>164,482</b>	<b>24,807,459</b>
Deposits from the public	15,138,865	2,741,906	2,113,952	129	2,148	133	19,997,133
Issued securities, etc.	98,154	0	544,804	0	0	0	642,958
Other liabilities	416,918	59,068	104,983	0	0	0	580,969
Deferred tax liability	13,124	0	12,511	0	0	0	25,635
Subordinated liabilities	898,917	0	0	0	0	0	898,917
Untaxed reserves	0	0	0	0	0	0	0
Shareholders' equity	1,583,385	419,839	658,623	0	0	0	2,661,847
<b>Total liabilities and shareholders' equity</b>	<b>18,149,363</b>	<b>3,220,813</b>	<b>3,434,873</b>	<b>129</b>	<b>2,148</b>	<b>133</b>	<b>24,807,459</b>
Contingent liabilities	11,311	12,904	199	0	0	0	24,414
Currency swaps		-525,906	-2,686,017	-178,033	-489,054	-445,814	
<b>Net position</b>	<b>-3,078,825</b>	<b>-338,196</b>	<b>-600,037</b>	<b>-5,511</b>	<b>3,624</b>	<b>-281,465</b>	
<b>Net position excluding shareholders' equity</b>	<b>-1,495,440</b>	<b>81,643</b>	<b>58,586</b>	<b>-5,511</b>	<b>3,624</b>	<b>-281,465</b>	

Other currencies consist primarily of Croatian kuna.

**Sensitivity analysis**

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

<i>Parent Company 2020</i>	NOK	EUR	DKK	USD	Other	Total
Effect of 10% increase in SEK against currency	45,906	57,038	1,797	-6,451	40,455	138,744
<i>Parent Company 2019</i>	NOK	EUR	DKK	USD	Other	Total
Effect of 10% increase in SEK against currency	33,820	60,004	551	-362	28,147	122,158

**Share price risks**

The aim of asset management is to secure a satisfactory return, while keeping the company's payment capacity intact. Available funds must be allocated to interest-bearing bank accounts, interest-bearing securities and funds, or to listed shares and participations according to the company's asset management policy. The company'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.

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

Geographic distribution of holdings:	Group		Parent Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Sweden	2,593,069	1,188,727	2,593,069	1,188,727
Nordic, other	66,407	64,267	66,407	64,267
Europe, other	76,669	50,242	76,642	50,214
Rest of the world	25,952	8,435	25,952	8,435
<b>Total</b>	<b>2,762,097</b>	<b>1,311,671</b>	<b>2,762,070</b>	<b>1,311,643</b>

Distribution of holdings per industry:	Group		Parent Company	
	31/12/2021	31/12/2019	31/12/2021	31/12/2019
Properties	442,485	283,776	442,485	283,776
Healthcare	292,403	174,398	292,403	174,398
Industry	163,453	53,673	163,453	53,673
Technology	186,271	104,272	186,271	104,272
Commodities	153,789	67,778	153,789	67,778
Communication	102,987	103,186	102,987	103,186
Consumer, cyclical	1,184,049	362,789	1,184,049	362,789
Energy	10,763	14,838	10,763	14,838
Finance	225,899	146,964	225,872	146,936
<b>Total</b>	<b>2,762,097</b>	<b>1,311,671</b>	<b>2,762,070</b>	<b>1,311,643</b>

**Sensitivity analysis**

The impact on shareholders' equity of an increase/decrease in the share price of 10 per cent amounts to +/- SEK	276,210	131,167	276,207	131,164
or a percentage of shareholders' equity based on the shares and participations existing on the closing date.	6.9%	4.8%	7.3%	4.9%

**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. The company 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 the company's revenues fall and are unable to cover operational expenses. Commercial risk also includes strategic risk and reputational risk.

*Strategic risk*

Strategic risks are risks that can affect the company's earnings in the long term due to erroneous or deficient business decisions. Strategic risks are handled by Svea Ekonomi's Board and management through e.g. regular board and management meetings where strategic issues are taken up. The company has also established a continuity plan for the effective management of strategic risks.

*Reputational risk*

Reputational risk refers to the risk that the company's name and brand is impacted negatively, with negative effects on operations and earnings. Reputational risk is managed through such processes as the company's procedures for approving major changes in the organization 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 Ekonomi being unable to meet its payment commitments is deemed low.

*Liquidity strategy*

Svea Ekonomi 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 according to a Board decision stipulating 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 cash equivalents, government securities, bank balances, secured bonds and corporate bonds with high ratings (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 Ekonomi 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 issued securities 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 the opinion of the company non-current in character. This assessment is in line with Basel Committee thinking for the calculation of so-called Stable Funding.

Svea Ekonomi's long-term liquidity risk was minimised by the Parent Company's issuance in September 2020 of a subordinated bond loan with a nominal value of SEK 300 million. A bond loan of SEK 200 million that was originally issued in November 2015 was redeemed in November. A subordinated loan of SEK 100 million was also repaid in December. Svea Ekonomi had previously also issued bond loans with a nominal value of SEK 600 million and convertible loans with a nominal value of SEK 100 million. Otherwise, the Group has loan facilities with credit institutions in Switzerland of CHF 0 million (2) and in the Netherlands of EUR 2 million (2).

*Risk tolerance and risk appetite*

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

Svea Ekonomi 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](http://www.svea.com).

	31/12/2020	31/12/2019
<b>Liquidity for the consolidated situation</b>		
Cash and balances with central banks	176,582	29,084
Treasury bonds etc. acceptable as collateral	34,018	12,017
Bonds issued by governments or municipalities	1,220,552	1,532,099
Bonds issued by credit institutions, with state guarantee	169,801	219,778
Covered bonds of extremely high quality	263,877	216,767
<b>Assets at level 1</b>	<b>1,864,831</b>	<b>2,009,745</b>
Covered bonds of high quality (level 2A)	0	155,288
Shares and participations, listed (level 2B)	69,054	100,541
<b>Assets at level 2</b>	<b>69,054</b>	<b>255,829</b>
<b>Liquidity buffer</b>	<b>1,933,885</b>	<b>2,265,574</b>
Lending to credit institutions	2,869,052	3,243,710
Bonds and other securities, etc. (other)	39,401	167,327
Shares and participations, listed (other)	2,115,571	805,030
<b>Other liquid assets</b>	<b>5,024,024</b>	<b>4,216,067</b>
<b>Liquidity reserve</b>	<b>6,957,909</b>	<b>6,481,641</b>
Unutilized credit facilities	20,097	40,338
<b>Other liquidity-creating measures</b>	<b>20,097</b>	<b>40,338</b>
<b>Available liquidity</b>	<b>6,978,006</b>	<b>6,521,979</b>
Lending to credit institutions	2,869,052	3,241,037
Lending to the public, external	17,718,064	17,210,614
Lending to the public, Group companies	297,942	334,370
<b>Lending</b>	<b>20,885,057</b>	<b>20,786,021</b>
Liabilities to credit institutions	4	4
Subordinated liabilities	897,301	898,917
Issued securities, etc.	0	544,804
<b>Borrowing</b>	<b>897,305</b>	<b>1,443,725</b>
Deposits from the public, external	20,820,863	20,492,723
Deposits from the public, Group companies	19,711	17,721
<b>Deposits</b>	<b>20,840,574</b>	<b>20,510,444</b>
<b>Borrowing and deposits</b>	<b>21,737,879</b>	<b>21,954,169</b>
<b>Balance sheet total</b>	<b>26,824,930</b>	<b>25,662,722</b>
<b>Key ratios</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Liquidity buffer/deposits	9.28%	11.05%
Liquidity buffer/balance sheet total	7.21%	8.83%
Liquidity reserve/deposits	33.39%	31.60%
Liquidity reserve/balance sheet total	25.94%	25.26%
Lending/deposits	100.21%	101.34%
Borrowing and deposits/balance sheet total	81.04%	85.55%
<b>Liquidity Coverage Ratio (SEK thousands)</b>		
High Quality Liquid Assets (HQLA)	1,933,885	2,265,574
Net cash outflow	528,729	566,301
Liquidity Coverage Ratio (LCR)	366%	400%

**Liquidity Coverage Ratio**

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

**Net Stable Funding Ratio**

Net Stable Funding Ratio (NSFR) is a metric that aims to measure the amount of the company's non-current stable sources of finance in relation to its 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, will be introduced on 28 June 2021.

**Leverage ratio**

The leverage ratio is a metric that aims to limit the risk for increased indebtedness among credit institutions. This metric is reported to the supervisory authorities, and a binding metric of at least 3% will be 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.

Information about non-discounted cash flows during contractual terms remaining for financial assets and liabilities is presented in the tables below. The tables also show contingent liquidity defined as available liquidity (at fair values) in relation to deposits from the public.

Liquidity exposure – Group							
Contractual non-discounted cash flows – terms remaining							
Group 2020	On demand	Max 3 months	3 mo.–1 yr	1 yr–5 yrs	More than 5 yrs	No term	Total
Cash and balances with central banks	176,582						176,582
Treasury bonds acceptable as collateral		29,013	5,005				34,018
Lending to credit institutions	3,195,817						3,195,817
Lending to the public		4,709,504	4,787,340	11,099,434	7,249,547		27,845,825
Bonds and securities		0	144,589	1,361,915	184,721		1,691,225
Shares and participations						2,762,097	2,762,097
Derivative instruments		41,099					41,099
Other assets	71,643	113,596	122,176			1,165,612	1,473,027
<b>Total assets</b>	<b>3,444,042</b>	<b>4,893,212</b>	<b>5,059,110</b>	<b>12,461,349</b>	<b>7,434,268</b>	<b>3,927,709</b>	<b>37,219,690</b>
Liabilities to credit institutions		384					384
Deposits from the public	16,096,110	1,276,379	794,586	2,748,964			20,916,039
Issued securities							0
Subordinated liabilities		12,100	36,299	193,729	1,070,003		1,312,131
Derivative instruments		2,949					2,949
Lease liabilities		15,189	45,566	163,758	40,939		265,453
Other liabilities		516,202				501,706	1,017,908
Shareholders' equity						4,021,374	4,021,374
<b>Total liabilities and shareholders' equity</b>	<b>16,096,110</b>	<b>1,823,203</b>	<b>876,452</b>	<b>3,106,451</b>	<b>1,110,942</b>	<b>4,523,080</b>	<b>27,536,238</b>
Issued financial guarantees						4,188	4,188
Issued loan commitments						2,191,894	2,191,894
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,196,082</b>	<b>2,196,082</b>
<b>Total difference</b>	<b>-12,652,068</b>	<b>3,070,009</b>	<b>4,182,658</b>	<b>9,354,898</b>	<b>6,323,326</b>		

Contractual non-discounted cash flows – terms remaining							
Group 2019	On demand	Max 3 months	3 mo.–1 yr	1 yr–5 yrs	More than 5 yrs	No term	Total
Cash and balances with central banks	31,757						31,757
Treasury bonds acceptable as collateral	12,017						12,017
Lending to credit institutions	3,550,138		34,708				3,584,846
Lending to the public		10,169,376	2,770,080	5,936,752	3,424,022		22,300,231
Bonds and securities		96,352	223,960	1,869,223	141,873		2,331,409
Shares and participations						1,311,671	1,311,671
Derivative instruments		36,330					36,330
Other assets		100,120	72,909			1,326,029	1,499,058
<b>Total assets</b>	<b>3,593,912</b>	<b>10,402,179</b>	<b>3,101,657</b>	<b>7,805,976</b>	<b>3,565,895</b>	<b>2,637,700</b>	<b>31,107,319</b>
Liabilities to credit institutions		4					4
Deposits from the public	17,824,362	1,471,988	86,620	1,413,938			20,796,908
Issued securities		158,144	386,660				544,804
Subordinated liabilities		12,591	37,772	289,232	927,123		1,266,717
Derivative instruments		8,399					8,399
Lease liabilities		18,908	56,724	240,712	68,210		384,554
Other liabilities		197,790	184,538			432,951	815,279
Shareholders' equity						2,751,896	2,751,896
<b>Total liabilities and shareholders' equity</b>	<b>17,824,362</b>	<b>1,867,824</b>	<b>752,313</b>	<b>1,943,882</b>	<b>995,333</b>	<b>3,184,847</b>	<b>26,568,560</b>
Issued financial guarantees						12,176	12,176
Issued loan commitments						1,550,718	1,550,718
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,562,894</b>	<b>1,562,894</b>
<b>Total difference</b>	<b>-14,230,450</b>	<b>8,534,355</b>	<b>2,349,344</b>	<b>5,862,094</b>	<b>2,570,562</b>		

Liquidity exposure – Parent Company

Parent Company 2020	Contractual non-discounted cash flows – terms remaining						
	On demand	Max 3 months	3 mo.–1 yr	1 yr–5 yrs	More than 5 yrs	No term	Total
Cash and balances							
with central banks	100,503						100,503
Lending to credit institutions	2,442,448						2,442,448
Lending to the public	1,387,810	3,987,131	4,786,892	9,814,164	7,066,106		27,042,103
Bonds and securities			144,589	1,361,915	184,721		1,691,225
Shares and participations						3,552,435	3,552,435
Derivative instruments		41,099					41,099
Other assets	71,643	77,505	122,176			759,846	1,031,170
<b>Total assets</b>	<b>3,901,901</b>	<b>4,105,735</b>	<b>5,053,657</b>	<b>11,176,079</b>	<b>7,250,827</b>	<b>4,312,281</b>	<b>35,900,983</b>
Liabilities to credit institutions		236,500					236,500
Deposits from the public	16,020,645	1,276,379	794,586	2,748,964			20,840,574
Issued securities, etc.			105,000				105,000
Subordinated liabilities		12,100	36,299	193,729	1,070,003		1,312,131
Derivative instruments		2,949					2,949
Other liabilities		163,188				625,999	789,187
Shareholders' equity						3,792,005	3,792,005
<b>Total liabilities and shareholders' equity</b>	<b>16,020,645</b>	<b>1,691,116</b>	<b>935,885</b>	<b>2,942,693</b>	<b>1,070,003</b>	<b>4,418,004</b>	<b>27,078,346</b>
Issued financial guarantees						23,492	23,492
Issued loan commitments						2,483,357	2,483,357
Lease agreements as lessee		10,119	30,356	77,064	1,179		118,718
Lease agreements as lessor		-69,262	-207,785	-447,972	-716		-725,735
<b>Total</b>	<b>0</b>	<b>-59,143</b>	<b>-177,429</b>	<b>-370,908</b>	<b>463</b>	<b>2,506,849</b>	<b>1,899,832</b>
<b>Total difference</b>	<b>-12,118,744</b>	<b>2,473,762</b>	<b>4,295,201</b>	<b>8,604,294</b>	<b>6,180,361</b>		

Parent Company 2019	Contractual non-discounted cash flows – terms remaining						
	On demand	Max 3 months	3 mo.–1 yr	1 yr–5 yrs	More than 5 yrs	No term	Total
Lending to credit institutions	2,842,979		33,622				2,876,601
Lending to the public		10,693,305	2,227,003	4,809,851	3,245,857		20,976,017
Bonds and securities		96,352	223,960	1,869,223	141,873		2,331,409
Shares and participations						2,040,752	2,040,752
Derivative instruments		36,330					36,330
Other assets		13,420	68,834			789,144	871,398
<b>Total assets</b>	<b>2,842,979</b>	<b>10,839,407</b>	<b>2,553,419</b>	<b>6,679,075</b>	<b>3,387,730</b>	<b>2,829,896</b>	<b>29,132,507</b>
Deposits from the public	17,524,958	1,058,237		1,413,938			19,997,133
Issued securities, etc.		158,144	589,814				747,958
Subordinated liabilities		12,591	37,772	289,232	927,123		1,266,717
Derivative instruments		8,399					8,399
Other liabilities		140,011	162,922			295,272	598,205
Shareholders' equity						2,661,847	2,661,847
<b>Total liabilities and shareholders' equity</b>	<b>17,524,958</b>	<b>1,377,382</b>	<b>790,508</b>	<b>1,703,170</b>	<b>927,123</b>	<b>2,957,119</b>	<b>25,280,259</b>
Issued financial guarantees						24,414	24,414
Issued loan commitments						1,777,193	1,777,193
Lease agreements as lessee		10,506	31,518	75,707	1,328		119,059
Lease agreements as lessor		-63,214	-189,641	-362,618	-523		-615,996
<b>Total</b>	<b>0</b>	<b>-52,708</b>	<b>-158,123</b>	<b>-286,911</b>	<b>805</b>	<b>1,801,607</b>	<b>1,304,670</b>
<b>Total difference</b>	<b>-14,681,979</b>	<b>9,514,733</b>	<b>1,921,035</b>	<b>5,262,816</b>	<b>2,459,803</b>		

#### Note 49 Capital adequacy

The capital adequacy regulations express the legislature's view of the amount of the capital base that a credit-market company is required to have in relation to the level of risk assumed by said company. 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 the company's internal capital and liquidity adequacy assessment process (ICAAP).

The European CRR/CRDIV (Basel III) regulations entail more stringent 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 per cent 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	Buffer requirement
Sweden	16 March 2020	0.00%
Norway	13 March 2020	1.00%
Denmark	12 March 2020	0.00%
Slovakia	1 August 2020	1.00%
Czech Republic	1 July 2020	0.50%
UK	11 March 2020	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 the company.

The minimum capital requirement for the Common Equity Tier 1 capital ratio is 4.50 per cent, the Tier 1 capital ratio 6.00 per cent and the total capital ratio 8.00 per cent. 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, requirement according to pillar II and combined buffer requirements.

On 31 December 2020, the capital requirement in the Parent Company including the buffer requirement for the Common Equity Tier 1 capital ratio stood at 7.97 per cent (9.49), the Tier 1 capital ratio at 9.65 per cent (11.13) and the total capital ratio at 11.89 per cent (13.32).

In the consolidated situation on 31 December 2020, the capital requirement including the buffer requirement for the Common Equity Tier 1 capital ratio stood at 7.94 per cent (9.43), the Tier 1 capital ratio at 9.62 per cent (11.08) and the total capital ratio at 11.85 per cent (13.29).

#### 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 Ekonomi applies the Standard Method for calculating credit risk.

Market risks: Svea Ekonomi uses the Swedish Financial Supervisory Authority's standardized model.

Operational risks: Svea Ekonomi applies the Basic Indicator Method, which requires the capital requirement to be calculated at 15 per cent 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 Ekonomi uses a Credit Valuation Adjustment (CVA) model.

#### 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 (ICAAP). 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 the company's capital base also covers these risks.

#### Publication of information – Pillar 3

As of 30 March 2021, Svea Ekonomi has, with the permission of the Swedish Financial Supervisory Authority, revoked its decision to apply IFRS9 transitional arrangement pursuant to Article 473a in Regulation (EU) 575/2013 prudential requirements for credit institutions and investment firms. 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](http://www.svea.com).

For further information on risk management and capital management, refer to page 5 and Note 48.



Capital adequacy for the consolidated situation	31/12/2020	31/12/2019
<b>Common Equity Tier 1 capital</b>	<b>3,428,613</b>	<b>2,320,925</b>
<b>Tier 1 capital</b>	<b>3,726,926</b>	<b>2,620,925</b>
<b>Total capital</b>	<b>4,320,459</b>	<b>3,190,925</b>
Capital requirement, pillar I	1,892,007	1,696,445
Capital requirement, pillar II	291,308	226,762
Capital conservation buffer	591,252	530,139
Contra-cyclic buffer	28,756	364,522
<b>Total capital requirements</b>	<b>2,803,324</b>	<b>2,817,868</b>
<b>Risk weighted exposures</b>	<b>23,650,092</b>	<b>21,205,562</b>
<b>Common Equity Tier 1 capital ratio, %</b>	<b>14.50</b>	<b>10.94</b>
<b>Tier 1 capital ratio, %</b>	<b>15.76</b>	<b>12.36</b>
<b>Total capital ratio, %</b>	<b>18.27</b>	<b>15.05</b>
Requirement for Common Equity Tier 1 capital (Pillar I), %	4.50	4.50
Requirement for Common Equity Tier 1 capital (Pillar II), %	0.82	0.71
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	0.12	1.72
<b>Total Common Equity Tier 1 capital requirement, %</b>	<b>7.94</b>	<b>9.43</b>
Requirement for Tier 1 capital (Pillar I), %	6.00	6.00
Requirement for Tier 1 capital (Pillar II), %	1.00	0.87
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	0.12	1.72
<b>Total Tier 1 capital requirement, %</b>	<b>9.62</b>	<b>11.08</b>
Total capital requirement (Pillar I), %	8.00	8.00
Total capital requirement (Pillar II), %	1.23	1.07
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	0.12	1.72
<b>Total capital requirement, %</b>	<b>11.85</b>	<b>13.29</b>
Common Equity Tier 1 capital available for use as buffer, %	9.18	5.73

A decision from the Swedish Financial Supervisory Authority has granted Svea Ekonomi 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 2020 and of the capital base as of 31 December 2020.

In March 2020, the Common Equity Tier 1 capital and thereby total capital was bolstered by a new share issue to a value of SEK 300 million.

The consolidated situation during the period consisted of Svea Ekonomi AB with the branches Svea Finans NUF and Svea Ekonomi AB branch in Finland, and the subsidiaries Svea Finance AS, Svea Finans A/S, Svea Finans Nederland BV, Svea Credit BV, Svea Finans AG, Payson AB, Kapitalkredit Sverige AB, Svea Payments OY, Svea Bank AB, MoneyGo AB, FMS Management Solutions GmbH and Svea Ekonomi Cyprus Limited and its subsidiaries. The Group company Svea Intressenter 3 AB is also included.

Leverage ratio	31/12/2020	31/12/2019
Tier 1 capital	3,726,926	2,620,925
Total exposure amount for leverage ratio	26,986,679	25,586,489
Leverage ratio, %	13.81	10.24

Capital base for the consolidated situation	31/12/2020	31/12/2019
Share capital	9,208	8,655
Share premium account	398,792	99,345
<b>Capital instruments and associated share premium reserves</b>	<b>408,000</b>	<b>108,000</b>
Retained earnings	2,613,919	2,065,599
Accumulated other comprehensive income (and other reserves)	563,695	79,574
Earnings before predictable expenses	416,771	527,450
<b>Shareholders' equity</b>	<b>4,002,385</b>	<b>2,780,623</b>
Proposed dividends	-100,000	-50,000
Proposed withdrawal of shares	-100,000	-80,000
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>3,802,385</b>	<b>2,650,623</b>
Intangible assets, net	-349,860	-323,102
Additional value adjustment	-4,708	
Deferred tax asset dependent upon future profitability	-19,204	-6,597
<b>Common Equity Tier 1 capital: regulatory adjustments</b>	<b>-373,772</b>	<b>-329,699</b>
<b>Common Equity Tier 1 capital</b>	<b>3,428,613</b>	<b>2,320,925</b>
Subordinated liabilities	298,313	300,000
<b>Tier 1 capital addition</b>	<b>298,313</b>	<b>300,000</b>
<b>Tier 1 capital</b>	<b>3,726,926</b>	<b>2,620,925</b>
Subordinated liabilities	593,533	570,000
<b>Tier 2 capital before regulatory adjustments</b>	<b>593,533</b>	<b>570,000</b>
<b>Tier 2 capital</b>	<b>593,533</b>	<b>570,000</b>
<b>Total capital</b>	<b>4,320,459</b>	<b>3,190,925</b>

During Q3, a T2 bond loan was issued with a nominal amount of SEK 300 million and during Q4, a T2 subordinated loan and a T2 bond loan were redeemed with a nominal amount of SEK 100 million and SEK 200 million respectively.

These transactions meant that the Tier 2 capital that can be included in the capital base increased by approximately SEK 50 million as of 31/12/2020.

Risk weighted exposures and minimum capital requirement for the consolidated situation	Risk weighted	Minimum capital requirement	Risk weighted	Minimum capital requirement
Exposures to institutions	590,594	47,248	686,645	54,932
Exposures to companies	3,830,229	306,418	3,546,804	283,744
Exposures to households	6,899,776	551,982	6,396,330	511,706
Exposures secured through property mortgages	1,047,353	83,788	742,657	59,413
Defaulting exposures	703,097	56,248	717,049	57,364
Defaulting exposures, acquired past-due stocks of receivables	1,916,573	153,326	2,422,431	193,794
Exposures in the form of covered bonds	28,404	2,272	41,653	3,332
Share exposures	2,962,136	236,971	1,521,894	121,752
Other exposures	522,830	41,826	553,717	44,297
<b>Credit risk</b>	<b>18,500,992</b>	<b>1,480,079</b>	<b>16,629,179</b>	<b>1,330,334</b>
Currency risk	588,310	47,065	501,825	40,146
<b>Market risk</b>	<b>588,310</b>	<b>47,065</b>	<b>501,825</b>	<b>40,146</b>
Operational risk	4,545,928	363,674	4,058,516	324,681
<b>Operational risk</b>	<b>4,545,928</b>	<b>363,674</b>	<b>4,058,516</b>	<b>324,681</b>
Credit valuation adjustment risk	14,863	1,189	16,042	1,283
<b>Credit valuation adjustment risk</b>	<b>14,863</b>	<b>1,189</b>	<b>16,042</b>	<b>1,283</b>
<b>Total</b>	<b>23,650,092</b>	<b>1,892,007</b>	<b>21,205,562</b>	<b>1,696,445</b>

Capital adequacy for the Parent Company	31/12/2020	31/12/2019
<b>Common Equity Tier 1 capital</b>	<b>3,557,007</b>	<b>2,493,847</b>
<b>Tier 1 capital</b>	<b>3,855,319</b>	<b>2,793,847</b>
<b>Total capital</b>	<b>4,448,852</b>	<b>3,363,847</b>
Capital requirement, pillar I	1,723,120	1,560,902
Capital requirement, pillar II	271,600	191,302
Capital conservation buffer	538,475	487,782
Contra-cyclic buffer	28,829	358,763
<b>Total capital requirements</b>	<b>2,562,024</b>	<b>2,598,749</b>
<b>Risk weighted exposures</b>	<b>21,538,995</b>	<b>19,511,277</b>
<b>Common Equity Tier 1 capital ratio, %</b>	<b>16.51</b>	<b>12.78</b>
<b>Tier 1 capital ratio, %</b>	<b>17.90</b>	<b>14.32</b>
<b>Total capital ratio, %</b>	<b>20.65</b>	<b>17.24</b>
Requirement for Common Equity Tier 1 capital (Pillar I), %	4.50	4.50
Requirement for Common Equity Tier 1 capital (Pillar II), %	0.84	0.65
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	0.13	1.84
<b>Total Common Equity Tier 1 capital requirement, %</b>	<b>7.97</b>	<b>9.49</b>
Requirement for Tier 1 capital (Pillar I), %	6.00	6.00
Requirement for Tier 1 capital (Pillar II), %	1.02	0.79
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	0.13	1.84
<b>Total Tier 1 capital requirement, %</b>	<b>9.65</b>	<b>11.13</b>
Total capital requirement (Pillar I), %	8.00	8.00
Total capital requirement (Pillar II), %	1.26	0.98
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	0.13	1.84
<b>Total capital requirement, %</b>	<b>11.89</b>	<b>13.32</b>
Common Equity Tier 1 capital available for use as buffer, %	11.17	7.63

A decision from the Swedish Financial Supervisory Authority has granted Svea Ekonomi 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 2020 and of the capital base as of 31 December 2020.

In March 2020, the Common Equity Tier 1 capital and thereby total capital was bolstered by a new share issue to a value of SEK 300 million.

Leverage ratio	31/12/2020	31/12/2019
Tier 1 capital	3,855,319	2,793,847
Total exposure amount for leverage ratio	26,394,674	25,044,246
Leverage ratio, %	14.61	11.16

Capital base, Parent Company	31/12/2020	31/12/2019
Share capital	9,208	8,655
Share premium account	398,792	99,345
<b>Capital instruments and associated share premium reserves</b>	<b>408,000</b>	<b>108,000</b>
Retained earnings (incl. capital portion of untaxed reserves)	2,463,193	1,752,645
Accumulated other comprehensive income (and other reserves)	616,296	33,787
Earnings before predictable expenses	304,516	767,415
<b>Equity (including the capital portion of untaxed reserves)</b>	<b>3,792,005</b>	<b>2,661,847</b>
Proposed dividends	-100,000	-50,000
Proposed withdrawal of shares	-100,000	-80,000
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>3,592,005</b>	<b>2,531,847</b>
Intangible assets, net	-30,400	-38,000
Substantial investments in the financial sector	-4,598	0
<b>Common Equity Tier 1 capital: regulatory adjustments</b>	<b>-34,998</b>	<b>-38,000</b>
<b>Common Equity Tier 1 capital</b>	<b>3,557,007</b>	<b>2,493,847</b>
Subordinated liabilities	298,313	300,000
<b>Tier 1 capital addition: regulatory adjustments</b>	<b>298,313</b>	<b>300,000</b>
<b>Tier 1 capital</b>	<b>3,855,320</b>	<b>2,793,847</b>
Subordinated liabilities	593,533	570,000
<b>Tier 2 capital before regulatory adjustments</b>	<b>593,533</b>	<b>570,000</b>
<b>Tier 2 capital</b>	<b>593,533</b>	<b>570,000</b>
<b>Total capital</b>	<b>4,448,853</b>	<b>3,363,847</b>

During Q3, a T2 bond loan was issued with a nominal amount of SEK 300 million and during Q4, a T2 subordinated loan and a T2 bond loan were redeemed with a nominal value of SEK 100 million and SEK 200 million respectively.

These transactions meant that the Tier 2 capital that can be included in the capital base increased by approximately SEK 50 million as of 31/12/2020.

Risk weighted exposures and minimum capital requirement for the Parent Company	Risk weighted	Minimum capital requirement	Risk weighted	Minimum capital requirement
Exposures to institutions	503,656	40,292	613,757	49,101
Exposures to companies	2,832,883	226,631	3,076,052	246,084
Exposures to households	6,085,008	486,801	5,934,792	474,783
Exposures secured through property mortgages	1,040,853	83,268	730,092	58,407
Defaulting exposures	658,746	52,700	691,294	55,304
Defaulting exposures, acquired past-due stocks of receivables	1,130,603	90,448	1,462,937	117,035
Exposures in the form of covered bonds	28,404	2,272	41,653	3,332
Share exposures	3,552,408	284,193	2,046,752	163,740
Other exposures	868,430	69,474	746,919	59,754
<b>Credit risk</b>	<b>16,700,991</b>	<b>1,336,079</b>	<b>15,344,249</b>	<b>1,227,540</b>
Currency risk	501,010	40,081	288,803	23,104
<b>Market risk</b>	<b>501,010</b>	<b>40,081</b>	<b>288,803</b>	<b>23,104</b>
Operational risk	4,322,130	345,770	3,862,184	308,975
<b>Operational risk</b>	<b>4,322,130</b>	<b>345,770</b>	<b>3,862,184</b>	<b>308,975</b>
Credit valuation adjustment risk	14,863	1,189	16,042	1,283
<b>Credit valuation adjustment risk</b>	<b>14,863</b>	<b>1,189</b>	<b>16,042</b>	<b>1,283</b>
<b>Total</b>	<b>21,538,995</b>	<b>1,723,120</b>	<b>19,511,277</b>	<b>1,560,902</b>

Note 50 Reporting per country

Group 2020 Country	Geographical area	Operation <sup>3)</sup>	Operating income	Operating profit	Tax on profit/loss for the year	Average number permanent employees
Sweden	SE, DE, NL, AT <sup>1)</sup>	FIN, COL, ADM	1,784,383	222,634	-64,816	558
Norway	Norway	FIN, COL	559,439	160,566	-39,860	188
Finland	Finland	FIN, COL	532,073	170,231	-26,128	219
Denmark	Denmark	FIN, COL	52,200	10,348	-1,473	27
Estonia	Estonia	FIN, COL	22,060	984	29	19
Germany	Germany	FIN, COL	7,506	-1,955	110	8
Switzerland	Switzerland	FIN	9,355	-3,952	6	9
Netherlands	Netherlands	FIN	73,173	-2,276	-4,889	30
Cyprus	CYP, RUS, ROM, SLO, CZE, POL <sup>2)</sup>	FIN, COL	179,912	91,997	-15,084	80
Serbia	Serbia	FIN, ADM	38,870	6,460	-498	79
Croatia	Croatia	FIN	26,309	-2,799	-446	55
Czech Republic	Czech Republic	FIN	11,365	-2,108	243	21
Poland	Poland	FIN	34,799	9,689	-1,879	86
Ukraine	Ukraine	FIN, COL	27,898	-3,076	-541	220
Hungary	Hungary	FIN	8,832	-3,005	33	12
Russia	Russia	FIN	111,692	18,004	-4,993	485
Eliminations			-224,541	-61,952	12,845	
<b>Total</b>			<b>3,255,326</b>	<b>609,790</b>	<b>-147,338</b>	<b>2,091</b>

Group 2019 Country	Geographical area	Operation <sup>3)</sup>	Operating income	Operating profit	Tax on profit/loss for the year	Average number permanent employees
Sweden	SE, DE, NL, AT <sup>1)</sup>	FIN, COL, ADM	2,017,141	350,011	-51,304	516
Norway	Norway	FIN, COL	538,205	138,347	-30,607	183
Finland	Finland	FIN, COL	535,514	146,320	-34,252	204
Denmark	Denmark	FIN, COL	51,212	7,418	-1,745	27
Estonia	Estonia	FIN, COL	16,889	1,004	-60	18
Switzerland	Switzerland	FIN	13,807	-1,548	-76	10
Netherlands	Netherlands	FIN	68,359	15,058	-6,327	23
Cyprus	CYP, RUS, ROM, SLO, CZE, POL <sup>2)</sup>	FIN, COL	179,294	-46,165	5,285	71
Serbia	Serbia	FIN, ADM	31,964	7,207	-353	72
Croatia	Croatia	FIN	50,202	36,243	-5,132	50
Czech Republic	Czech Republic	FIN	502	-118	-112	42
Poland	Poland	FIN	0	-103	0	81
Ukraine	Ukraine	FIN, COL	14,319	7,367	-155	191
Hungary	Hungary	FIN	16,336	5,754	-279	26
Russia	Russia	FIN	57,896	44,132	-8,956	427
Eliminations			-429,311	-99,999	2,279	
<b>Total</b>			<b>3,162,329</b>	<b>610,928</b>	<b>-131,794</b>	<b>1,937</b>

The tables show information per country where Svea Ekonomi 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 24 and 25. The Parent Company also conducts business in Norway and Finland via the branches Svea Finans NUF and Svea Ekonomi AB respectively.

1) Geographical area refers to Sweden, Germany, the Netherlands and Austria.

2) Geographical area refers to Cyprus, Russia, Romania, Slovakia, the Czech Republic and Poland.

3) Operations comprise FIN = Financial services, COL = Debt collection services, ADM = Administrative services. FIN and ADM together constitute the AFS operational area.

Note 51 Related party transactions	Parent Company	
	31/12/2020	31/12/2019
<b>Income and expenses</b>		
Interest income, Group companies	74,822	54,243
Dividends received, Group companies	0	54,756
Commission income, Group companies	14,587	-1,728
Commission expenses, Group companies	-2,708	0
Other operating income, Group companies	333,134	209,252
Other administrative expenses, Group companies	-94,327	-50,110
Other administration expenses, company under significant influence of key individual in executive position	-55,700	-44,485
<b>Total</b>	<b>269,809</b>	<b>221,928</b>
<b>Assets</b>		
Lending to the public, Group companies	2,205,994	1,605,596
Prepaid expenses and accrued income, Group companies	3,170	4,724
<b>Total</b>	<b>2,209,164</b>	<b>1,610,320</b>
<b>Liabilities</b>		
Deposits from the public, Group companies	236,500	109,000
Other liabilities, company under significant influence of key individual in executive position	295	942
Accrued expenses and deferred income, Group companies	3,500	17,225
<b>Total</b>	<b>240,295</b>	<b>127,167</b>
<b>Pledged assets</b>		
For Group companies	0	0
For associated companies	0	0
For companies under significant influence of key individual in executive position	0	0
<b>Contingencies</b>		
Guarantees, Group companies	19,304	19,726
Guarantees, associated companies	0	0
Guarantees, companies under significant influence of key individual in executive position	0	0

**Group companies and associated companies**

The Parent Company finances the Group companies, which generate interest income, receive dividends and lease personnel to Group companies.

**Companies under significant influence of key individual in executive position**

The Parent Company purchases telemarketing services in respect of a call centre, sales and conference bookings that generate other administration expenses.

**Senior executives, etc.**

Disclosures are provided in Note 11

**Note 52 Significant events since year-end**

In January, a credit portfolio was acquired from BlueStep Bank with a value of SEK 730 million.

In January, a dividend of SEK 100 million was paid, following a decision at an extraordinary general meeting.

No other significant events have occurred since year-end.

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**Note 53 Proposed allocation of profits**

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

Fair value reserve	616,295,682
Share premium account	398,792,433
Retained earnings	2,431,193,398
Profit/loss for the year	304,515,651
<b>Total</b>	<b>3,750,797,164</b>

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

To be carried forward	3,750,797,164
<b>Total</b>	<b>3,750,797,164</b>

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The Board of Directors and CEO hereby certify that the Annual Report and the consolidated accounts 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 Board of Directors' Report 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, 22 April 2021

Arne Liljedahl  
Member of the board  
Chairman

Lennart Ågren  
Member of the board  
CEO

Anders Lidfeldt  
Member of the board

Mats Kärsrud  
Member of the board

Mats Hellström  
Member of the board

Anna Frick  
Member of the board

Anders Ingler  
Member of the board

Anders Hedberg  
Member of the board

Our audit report was submitted on the date stated in our electronic signature.

BDO Mälardalen AB

Johan Pharmanson  
Authorised Public Accountant

## AUDIT REPORT

To the general meeting of shareholders in  
Svea Ekonomi AB (publ), Co. reg. no.  
556489-2924

### Report on the annual accounts and the consolidated accounts

#### Opinion

We have audited the annual accounts and consolidated accounts of Svea Ekonomi AB (publ) for 2020.

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 2020 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 2020 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. 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 auditing ethics 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 the area is provided in the annual report - Note 1 *Accounting policies and valuation principles*, Note 15 *Credit losses, net* and Note 20 *Lending to the public*.

As of 31 December 2020, Lending to the public in the Group amounts to SEK 17,718,064,000 (17,210,614,000) and in the Parent Company SEK 16,998,436,000 (16,678,393,000), 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 1,039,192,000 (845,081,000) in the Group and SEK 982,895,000 (787,092,000) in the Parent Company.

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 to 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 we considered the particularly important area in our audit*

Our audit consisted of a combination of evaluation and substantive testing.

We have evaluated on the one hand control in the loan process, and on the other hand whether assessments made of the probability of default, exposure in the event of default and loss in the event of default (expected credit loss) as well as significant increase in credit risk are in accordance with IFRS 9.



In our substantive testing, we tested to make sure that data from underlying systems used in the reserve model are complete and correct, and also examined and assessed the model used, including assumptions and parameters, and also assessed the reasonableness of the manual adjustments made.

#### *Valuation of goodwill/shares in Group companies*

Information about the area is shown in the annual report - Note 1 *Accounting policies and valuation principles*, Note 26 *Intangible assets* and Note 25 *Shares in Group companies*.

As of 31 December 2020, Goodwill in the Group amounts to SEK 319,877,000 (293,796,000) and Shares in Group companies to SEK 790,338,000 (729,109,000).

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 we considered the particularly important area in our 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.

#### **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 of Directors 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, related safeguards.

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

### 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 2020 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 Directors 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 auditing ethics 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 of 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 organization and the administration of its affairs. This includes continuously monitoring the company's and Group's financial situations and ensuring that the company is organized 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 of Directors' proposed appropriations of the company's profit or loss, we have examined whether the proposal is in accordance with the Companies Act.

BDO Mälardalen AB, Sveavägen 53, SE-102 35 Stockholm, was appointed as Svea Ekonomi AB (publ)'s auditor at the general meeting of shareholders 2020 and has been the company's auditor since 2018.

Stockholm, 22 April 2021

BDO Mälardalen AB

Johan Pharmanson  
Authorised Public Accountant