

ANNUAL REPORT 2019

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 2019 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 (formerly Maksuturva Group OY), Svea Ekonomi Cyprus Limited and its subsidiaries, and Svea Bank AB.

Administrative services are offered by the operating Group companies Svea Billing Services AB, Svea VAT Adviser AB, Svea Development OY (formerly Maksuturva ICT Services OY) and Credex AB. 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, Svea Perintä OY with the subsidiary Svea Inkasso OU and in Eastern Europe through the sub-group Crediteexpress 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 6 and 7.

Significant events during the year

The year was characterised by expansions and an increase in loans and deposits, resulting in an increase in net interest and commission.

The Group has seen credit losses in respect of lending to private individuals and companies increase, mainly as a consequence of increased lending.

All in all, financial operations performed better than in the previous year. Financial operations did, however, perform less well than planned, with the exceptions of Finland and Denmark, which performed according to plan. The investment in overdue accounts receivable in Eastern and Central Europe performed much better than planned during the year.

All in all, debt collection operations performed better than in the previous year. Debt collection operations performed according to plan or worse during the year, with the exception of Sweden, which performed much better than planned. Eastern Europe operations performed according to plan.

In June 2019, the Parent Company issued a subordinated bond loan with a nominal value of SEK 300 million. This has strengthened the supplementary capital and total capital. The subordinated bond loan was registered at Nasdaq Stockholm.

In July and October 2019, individual investments were made in acquisitions of overdue accounts receivable in Finland to a value of around SEK 190 million and SEK 50 million respectively. In October 2019, a loan portfolio was acquired in Finland of around SEK 530 million.

Deposits from private individuals during the period started successfully in Finland and increased significantly in Norway. Deposits are covered by the state deposit guarantee.

Financial summary

Income

Operating income amounted to SEK 3,162.3 million (2,720.5) for the Group and SEK 2,448.0 million (2,127.0) for the Parent Company.

Expenses

Operating expenses amounted to SEK 2,151.3 million (1,955.9) for the Group and SEK 1,515.8 million (1,359.8) for the Parent Company.

Credit losses

Net credit losses amounted to SEK 400.1 million (324.2) for the Group and SEK 381.4 million (310.5) for the Parent Company. The level of credit loss amounted to 2.5% (2.5%) for the Group and 2.5% (2.5%) for the Parent Company.

Profit

The operating profit amounted to SEK 610.9 million (440.4) for the Group and SEK 545.2 million (410.4) for the Parent Company.

Comprehensive income

Comprehensive income amounted to SEK 457.6 million (336.2) for the Group and SEK 739.7 million (312.6) for the Parent Company.

Lending

As of 31 December 2019, external lending to the public amounted to SEK 17,210.6 million (14,839.7) for the Group and SEK 16,678.4 million (14,255.4) 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 2019, deposits from the public amounted to SEK 20,617.5 million (15,227.0) for the Group, and SEK 19,997.1 million (14,622.5) for the Parent Company.

As of 31 December 2019, liabilities to credit institutions amounted to SEK 0.4 million (4.2) for the Group, and SEK 0.0 million (0.0) for the Parent Company. The convertible loan amounted to a nominal SEK 100 million (100.0), certificates to a nominal value of SEK 545.9 million (907.5), subordinated loans to SEK 100.0 million (100.0) and the subordinated bonds to a nominal value of SEK 800.0 million (500.0).

Liquidity

As of 31 December 2019, cash and bank balances plus approved but unutilised credit, amounted to SEK 4,059 million (2,308.3) for the Group, and SEK 3,276.6 million (1,624.5) for the Parent Company. As of 31 December 2019, liquidity including investments in government securities, listed bonds and other securities amounted to SEK 6,375.0 million (3,005.2) for the Group, and SEK 5,580.6 million (2,309.4) for the Parent Company.

Investments

Investments in tangible and intangible assets for the year amounted to SEK 241.6 million (288.5) for the Group and SEK 367.6 million (326.4) for the Parent Company.

Acquisitions and divestments

In April 2019, the Russian subsidiary Regional Services of Collection LLC was sold through an internal Group restructuring by Creditexpress Group BV to Svea Ekonomi Cyprus Limited.

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 November 2019, all the shares were divested in Fastighets AB Harneskmakaren 10.

Personnel

The average number of employees in the Group amounted to 1,937 (1,900), and in the Parent Company 659 (595). As of 31 December 2019, the number of employees in the Group amounted to 2,036 (1,838), and in the Parent Company 697 (621).

The planning and decision-making process regarding remunerations and benefits for key individuals in executive positions including the Board is described in Note 11.

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 – core primary capital and primary 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	19 September 2019	2.50%
Norway	31 December 2019	2.50%
Czech Republic	1 July 2019	1.50%
Slovakia	1 August 2019	1.50%
Denmark	30 September 2019	1.00%
UK	28 November 2018	1.00%

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

The minimum capital requirement for the core primary capital ratio is 4.50 per cent, the primary capital ratio 6.00 per cent and the total capital ratio 8.00 per cent.

In the consolidated situation on 31 December 2019, the capital requirement for the core primary capital ratio including the buffer requirement stood at 9.43 per cent, the primary capital ratio at 11.08 per cent and the total capital ratio at 13.29 per cent.

On 31 December 2019, the capital requirement in the Parent Company including the buffer requirement for the core primary capital ratio stood at 9.49 per cent, the primary capital ratio at 11.13 per cent and the total capital ratio at 13.32 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 2019, the core primary capital ratio amounted to 10.94 per cent (10.67), the primary capital ratio amounted to 12.36 per cent (12.17) and the total capital ratio to 15.05 per cent (13.74).

On 31 December 2019, the core primary capital ratio in the Parent Company stood at 12.78 per cent (11.76), the primary capital ratio at 14.32 per cent (13.26) and the total capital ratio at 17.24 per cent (14.04).

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

Economic outlook

The Group's operating income for 2020 is expected to increase slightly compared to 2019, with positive earnings and cash flow. The Group's lending to the public, its credit losses and deposits from the public are anticipated to increase during 2020.

Covid-19 will have a negative financial impact for Svea Ekonomi, as for society and the economy as a whole. It is difficult to predict the scale of this impact, but the assessment is that Svea Ekonomi has the funds required to be able to offset the impact or at least parts of it, depending on how long and deep the crisis is. Some of our customers will be hit by falling sales, at least temporarily, and unemployment may rise.

During April–June 2020, reserves for credit losses relating to the crisis will be charged to the consolidated profit.

To offset the impact of an assumed increase in credit losses and possibly a loss of income because of the crisis, the company's equity has been strengthened by a new share issue in March 2020 to the order of SEK 300 million.

See Note 52 for further information.

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	33,786,887
Share premium account	99,344,662
Retained earnings	1,751,045,224
Profit/loss for the year	767,415,292
Total	2,651,592,065

To be distributed as follows:

To be carried forward	2,651,592,065
Total	2,651,592,065

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.

Risk management and capital management

Risk exposure is an integral part of all financial operations and means that Svea Ekonomi is exposed to credit, liquidity, market, transaction and operational risks. Therefore, the business requires an effective governance and control environment with a well-defined organization and clear division of responsibilities, as well as efficient processes for each area of risk.

Risk management organization

Svea Ekonomi uses a control model in which the responsibility for risk management is divided between the Board and *three lines of defence*: the line organization (1st line of defence); risk control and compliance (2nd line of defence) and internal auditing (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 guidelines for credit, liquidity, market, transaction and operational risks, and the Internal capital and liquidity adequacy assessment processes (ICAAP and ILAAP), which are 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 company's relevant risks. Ambition, approach and qualitative standpoints are established for each individual 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 follow-up and reports by the independent risk control function. The framework and relevance of risk appetite levels are evaluated on a continuous basis, for revision or update by the Board as necessary.

Line organization

The risk originates in the line organization, which has thus formal responsibility for risks and risk management processes. Guidelines and instructions form the basis of sound risk management, i.e. continuously identifying, measuring, controlling and following up the operation's risks.

Risk-control function

The Risk-control function is an independent control function responsible for ongoing controls that ensure risk exposure is kept within established limits and that the line organization controls operations in the intended manner. This also involves reporting relevant risk information to management and the Board. The function is also responsible for coordinating 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, which is led by the Risk Control Officer, comprises a network of risk controllers in the major foreign subsidiaries and branches.

Compliance

Compliance refers to abidance of external regulations. Svea Ekonomi has an independent compliance function led by a Group Compliance Officer and a network of local compliance managers in the major foreign subsidiaries and branches. The organization's principal task is to assure the quality of the operation and prevent any problems by ensuring that changes in legislation and regulations are implemented and complied with by the operation. This also involves reporting relevant information to management and the Board.

Internal audit

The internal audit is an independent auditing function procured externally. It examines and evaluates risk-control and governance processes in the Group. 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 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 organization and the work performed by the 2nd line of defence while also acting as an advisor to business operations.

For further information regarding risks, see Note 48.

Corporate Governance Report

The Corporate Governance Report has been drawn up as a separate document and is available on the Svea Ekonomi website, www.svea.se.

Sustainability Report

The Sustainability Report has been drawn up as a separate document and is available on the Svea Ekonomi website, www.svea.se.

FIVE-YEAR SUMMARY, GROUP (SEK thousands)

Income statements		2019	2018	2017	2016	2015
Net interest income	1)	1,831,065	1,506,540	1,160,387	885,689	778,302
Net commissions	2)	1,193,030	1,174,315	1,066,170	1,015,163	930,729
Other operating income		138,234	39,644	110,056	89,953	99,887
Operating income		3,162,329	2,720,499	2,336,613	1,990,805	1,808,918
Operating expenses		-2,151,311	-1,955,880	-1,458,571	-1,386,118	-1,260,418
Profit/loss before credit losses		1,011,018	764,619	878,042	604,687	548,500
Credit losses, net		-400,090	-324,200	-92,449	-138,946	-162,967
Impairment charges, financial assets		0	0	0	0	-466
Operating profit/loss		610,928	440,419	785,593	465,741	385,067
Tax on profit/loss for the year		-131,794	-95,888	-135,143	-114,642	-109,968
Profit/loss for the year		479,134	344,531	650,450	351,099	275,099
Comprehensive income						
Profit for the year		479,134	344,531	650,450	351,099	275,099
Other comprehensive income		-21,499	-8,370	-16,575	44,079	90,918
Comprehensive income for the year		457,635	336,162	633,875	395,178	366,017
Balance sheets						
Treasury bonds etc. acceptable as collateral		12,017	12,032	11,041	10,000	0
Lending to credit institutions	3)	3,616,603	1,867,901	1,688,428	1,969,596	1,367,998
Lending to the public		17,210,614	14,839,741	11,375,227	8,585,904	6,006,656
Other assets		5,151,043	3,093,397	2,649,743	1,904,123	2,393,894
Assets		25,990,277	19,813,071	15,724,439	12,469,623	9,768,548
Liabilities to credit institutions		4	4,215	64,704	7,869	14,816
Deposits from the public		20,617,500	15,226,942	12,554,571	9,920,075	7,641,412
Other liabilities		2,620,877	2,237,662	942,960	875,926	726,206
Shareholders' equity		2,751,896	2,344,252	2,162,204	1,665,753	1,386,114
Liabilities and shareholders' equity		25,990,277	19,813,071	15,724,439	12,469,623	9,768,548
Key ratios						
Operating margin, %	4)	19.3	16.2	33.6	23.4	21.3
Return on total assets, %	5)	2.1	1.9	4.6	3.2	2.9
Return on shareholders' equity, %	6)	18.8	15.3	34.0	23.0	22.1
Equity/assets ratio, %	7)	10.6	11.8	13.8	13.4	14.2
Expenses/income	8)	0.7	0.7	0.6	0.7	0.7
Lending/deposits, %	9)	83.5	97.5	90.6	86.6	78.6
Credit loss ratio, %	10)	2.5	2.5	0.9	1.9	2.9
Liquidity, SEK thousands	11)	6,375,043	3,005,200	3,286,100	2,843,200	2,286,600
Cash flow from operating activities, SEK thousands	12)	1,432,605	1,115,657	883,358	795,329	703,254
Average number permanent employees	13)	1,937	1,900	1,033	980	916
Consolidated situation						
Total capital, SEK thousands	14)	3,190,925	2,541,968	2,275,652	1,786,707	1,468,418
Risk weighted exposures, SEK thousands	15)	21,205,562	18,506,396	14,706,339	11,863,151	9,627,042
Core primary capital ratio, %	16)	10.9	10.7	13.5	13.1	13.3
Total capital ratio, %	17)	15.0	13.7	15.5	15.1	15.3
Liquidity Coverage Ratio (LCR), %	18)	400.1	166.6	347.5	126.4	147.7

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 as a percentage of 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 core primary, primary and supplementary 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) Core primary 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		2019	2018	2017	2016	2015
Net interest income	1)	1,673,230	1,402,223	1,155,608	935,926	787,982
Dividends received		90,088	126,707	223,914	62,337	37,769
Net commissions	2)	405,742	408,443	365,161	311,012	273,699
Other operating income		278,989	189,668	233,696	250,028	285,179
Operating income		2,448,049	2,127,041	1,978,379	1,559,303	1,384,629
Operating expenses		-1,515,793	-1,359,803	-1,110,509	-943,201	-796,164
Profit/loss before credit losses		932,256	767,238	867,870	616,102	588,465
Credit losses, net		-381,379	-310,543	-75,357	-128,172	-111,228
Impairment charges, financial assets		-5,650	-46,300	-244,219	-10,073	-50,220
Operating profit/loss		545,227	410,395	548,294	477,857	427,017
Appropriations		409,303	-25,177	-119,380	-91,253	-3,384
Profit before tax		954,530	385,218	428,914	386,604	423,633
Tax on profit/loss for the year		-187,115	-64,145	-88,234	-80,042	-100,743
Profit/loss for the year		767,415	321,073	340,680	306,562	322,890
Comprehensive income						
Profit/loss for the year		767,415	321,073	340,680	306,562	322,890
Other comprehensive income		-27,680	-8,444	-18,322	46,481	100,931
Comprehensive income for the year		739,735	312,629	322,358	353,043	423,821
Balance sheets						
Lending to credit institutions		2,876,601	1,224,512	1,085,499	1,387,640	931,706
Lending to the public		16,678,393	14,255,353	10,643,867	8,032,074	5,669,469
Other assets		5,252,465	3,524,191	3,294,349	2,453,964	2,793,679
Assets		24,807,459	19,004,056	15,023,715	11,873,678	9,394,854
Liabilities to credit institutions		0	0	56,499	0	0
Deposits from the public		19,997,133	14,622,499	12,090,812	9,439,003	7,376,427
Other liabilities		2,148,479	2,019,445	781,236	692,405	626,200
Untaxed reserves		0	390,000	310,000	146,000	34,000
Shareholders' equity		2,661,847	1,972,112	1,785,168	1,596,270	1,358,227
Liabilities and shareholders' equity		24,807,459	19,004,056	15,023,715	11,873,678	9,394,854
Key ratios						
Operating margin, %	3)	22.3	19.3	27.7	30.6	30.8
Return on total assets, %	4)	3.5	1.9	2.5	2.9	3.5
Return on shareholders' equity, %	5)	31.1	14.9	18.2	19.8	26.6
Equity/assets ratio, %	6)	10.7	12.0	13.5	14.4	14.7
Expenses/income	7)	0.6	0.6	0.6	0.6	0.6
Lending/deposits, %	8)	83.4	97.5	88.0	85.1	76.9
Credit loss ratio, %	9)	2.5	2.5	0.8	1.9	2.1
Liquidity, SEK thousands	10)	5,580,586	2,309,400	2,643,600	2,221,800	1,834,500
Cash flow from operating activities, SEK thousands	11)	1,282,877	1,061,187	1,016,248	744,208	658,397
Average number permanent employees	12)	659	595	553	504	455
Total capital, SEK thousands	13)	3,363,847	2,462,301	2,086,280	1,655,410	1,410,697
Risk weighted exposures, SEK thousands	14)	19,511,277	17,542,430	13,958,326	11,078,594	9,135,562
Core primary capital ratio, %	15)	12.8	11.8	13.5	13.9	14.0
Total capital ratio, %	16)	17.2	14.0	14.9	14.9	15.4
Liquidity Coverage Ratio (LCR), %	17)	408.6	166.2	344.6	116.8	118.3

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 as a percentage of 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 core primary, primary and supplementary 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) Core primary 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	
		2019	2018	2019	2018
Interest income	3,4	2,076,738	1,674,037	1,627,097	1,314,584
Leasing income	4	0	0	281,529	255,478
Interest expenses	4	-245,673	-167,497	-235,396	-167,839
Net interest income		1,831,065	1,506,540	1,673,230	1,402,223
Dividends received	5	35,332	20,151	90,088	126,707
Commission income	3,6	1,300,304	1,246,974	458,844	450,079
Commission expenses	7	-107,274	-72,659	-53,102	-41,636
Net profit from financial transactions	8	48,810	-55,834	42,474	-54,217
Participations in associated company's earnings	9	-519	-698	0	0
Other operating income	3,10	54,611	76,025	236,515	243,885
Operating income		3,162,329	2,720,499	2,448,049	2,127,041
Personnel expenses	11	-889,889	-851,933	-523,727	-484,916
Other administrative expenses	3,12	-1,089,108	-1,061,154	-749,504	-652,617
Amortization/depreciation of intangible assets and property, plant and equipment	13	-160,035	-42,783	-242,539	-222,270
Other operating expenses		-12,279	-10	-23	0
Operating expenses		-2,151,311	-1,955,880	-1,515,793	-1,359,803
Profit/loss before credit losses		1,011,018	764,619	932,256	767,238
Credit losses, net	14	-400,090	-324,200	-381,379	-310,543
Impairment charges, financial assets	15	-	0	-5,650	-46,300
Operating profit/loss		610,928	440,419	545,227	410,395
Appropriations	16	-	0	409,303	-25,177
Profit before tax		610,928	440,419	954,530	385,218
Tax on profit/loss for the year	17	-131,794	-95,888	-187,115	-64,145
Profit for the year	2	479,134	344,531	767,415	321,073
Of which attributable to holding without a controlling influence		-4,349	-1,416		
Of which attributable to Parent Company shareholders		483,483	345,947		

STATEMENT OF COMPREHENSIVE INCOME (SEK thousands)

Profit for the year		479,134	344,531	767,415	321,073
<i>Items that may be reclassified to the income statement:</i>					
Translation of foreign operations		30,991	15,204	24,810	15,130
<i>Items that may not be reclassified to the income statement:</i>					
Change in value, listed shares and participations		-66,295	-151,648	-66,295	-151,648
Deferred tax on change in value, listed shares and participations		14,187	34,018	14,187	34,018
Profit from disposal of listed shares and participations		-486	120,585	-486	120,585
Current tax on profit from disposal of listed shares and participations		104	-26,529	104	-26,529
Other comprehensive income		-21,499	-8,370	-27,680	-8,444
Comprehensive income for the year		457,635	336,162	739,735	312,629
Of which attributable to holding without a controlling influence		-4,635	-988		
Of which attributable to Parent Company shareholders		462,270	337,150		

BALANCE SHEETS (SEK thousands)	Note	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
Cash and balances with central banks		31,757	33,772	0	0
Treasury bonds etc. acceptable as collateral	18	12,017	12,032	0	0
Lending to credit institutions	42	3,584,846	1,834,129	2,876,601	1,224,512
Lending to the public	19, 42	17,210,614	14,839,741	16,678,393	14,255,353
Bonds and other securities	20	2,303,985	684,904	2,303,985	684,904
Shares and participations	21	1,311,671	1,271,605	1,311,643	1,271,578
Other participations	22	3,284	3,284	0	0
Shares and participations in associated companies	23	1,012	6,414	6,000	6,930
Shares in Group companies	24	0	0	729,109	702,602
Intangible assets	25	375,101	359,089	38,000	0
Tangible assets	26	200,342	90,571	603,256	581,877
Rights of use	27	358,654	0	-	-
Deferred tax assets	28	116,378	117,505	9,061	9,713
Derivative instruments	29	36,330	108,474	36,330	108,474
Other assets	30	299,293	285,380	145,198	102,240
Prepaid expenses and accrued income	31	120,661	166,171	69,883	55,873
Assets held for sale	32	24,333	0	-	-
Assets		25,990,277	19,813,071	24,807,459	19,004,056
Liabilities to credit institutions	33, 42	4	4,215	0	0
Deposits from the public	34, 42	20,617,500	15,226,942	19,997,133	14,622,499
Issued securities, etc.	35	544,804	906,292	642,958	1,002,634
Derivative instruments	36	8,399	426	8,399	426
Lease liabilities	37	353,478	0	-	-
Other liabilities	38	448,449	303,552	322,825	186,896
Accrued expenses and deferred income	39	321,867	268,028	249,745	183,086
Deferred tax liability	28	41,798	159,126	25,635	46,165
Subordinated liabilities	40	898,917	600,238	898,917	600,238
Liabilities held for sale	32	3,165	0	-	-
Liabilities		23,238,381	17,468,819	22,145,612	16,641,944
Untaxed reserves	41			0	390,000
Share capital		8,655	8,655	8,655	8,655
Other capital contributed		99,345	99,345		
Statutory reserve				1,600	1,600
Fair value reserve				33,787	85,895
Reserves		65,924	86,755		
Share premium account				99,345	99,345
Profit brought forward		2,074,228	1,778,663	1,751,045	1,455,544
Profit/loss for the year		483,483	345,947	767,415	321,073
Attributable to Parent Company shareholders		2,731,635	2,319,365	2,661,847	1,972,112
Holding without a controlling influence		20,261	24,887	-	-
Shareholders' equity		2,751,896	2,344,252	2,661,847	1,972,112
Liabilities and shareholders' equity		25,990,277	19,813,071	24,807,459	19,004,056

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				
Shareholders' equity 01/01/2018	8,655	99,345	203,525	-13,917	1,800,727	2,098,335	50,251	2,148,586	
<i>Fair value via other comprehensive income</i>									
Change in value, listed shares and participations			-151,648			-151,648		-151,648	
Deferred tax on change in value, shares and participations			34,018			34,018		34,018	
Profit from disposal of listed shares and participations					120,585	120,585		120,585	
Current tax on profit from disposal of listed shares and participations					-26,529	-26,529		-26,529	
Exchange rate differences				14,777		14,777	428	15,204	
Other comprehensive income			-117,630	14,777	94,056	-8,797	428	-8,370	
Profit/loss for the year					345,947	345,947	-1,416	344,531	
Comprehensive income for the year			-117,630	14,777	440,003	337,150	-988	336,161	
Dividend					-75,000	-75,000		-75,000	
Bonus issue	89				-89	0		0	
Withdrawal of shares	-89				-39,911	-40,000		-40,000	
Acquisition of participations in subsidiaries from holding without a controlling influence							24,802	24,802	
Distribution in subsidiaries with holdings without a controlling influence							-49,362	-49,362	
Acquisition of participations in subsidiaries from holding without a controlling influence					-1,120	-1,120	139	-981	
Capital contributions to subsidiaries from holding without a controlling influence							45	45	
Transactions with shareholders	0				-116,120	-116,120	-24,376	-140,496	
Shareholders' equity 31/12/2018	8,655	99,345	85,895	860	2,124,610	2,319,365	24,887	2,344,252	
<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	
Other comprehensive income			-52,108	31,277	-382	-21,213	-286	-21,499	
Profit/loss for the year					483,483	483,483	-4,349	479,134	
Comprehensive income for the year			-52,108	31,277	483,101	462,270	-4,635	457,635	
Dividend					-50,000	-50,000		-50,000	
Capital contributions to subsidiaries from holding without a controlling influence							10	10	
Transactions with shareholders	0				-50,000	-50,000	10	-49,990	
Shareholders' equity 31/12/2019	8,655	99,345	33,787	32,137	2,557,711	2,731,635	20,262	2,751,898	

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	Fair value reserve	Share premium account	Profit brought forward	
Shareholders' equity 01/01/2018	8,655	1,600	203,525	99,345	1,461,358	1,774,483
<i>Fair value via other comprehensive income</i>						
Change in value, listed shares and participations			-151,648			-151,648
Deferred tax on change in value, listed shares and participations			34,018			34,018
Profit from disposal of listed shares and participations					120,585	120,585
Current tax on profit from disposal of listed shares and participations					-26,529	-26,529
Exchange rate differences					15,130	15,130
Other comprehensive income			-117,630		109,186	-8,444
Profit for the year					321,073	321,073
Comprehensive income for the year			-117,630		430,259	312,629
Dividend					-75,000	-75,000
Bonus issue	89				-89	0
Withdrawal of shares	-89				-39,911	-40,000
Transactions with shareholders	0				-115,000	-115,000
Shareholders' equity 31/12/2018	8,655	1,600	85,895	99,345	1,776,617	1,972,112
<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
Other comprehensive income			-52,108		24,428	-27,680
Profit for the year					767,415	767,415
Comprehensive income for the year			-52,108		791,843	739,735
Dividend					-50,000	-50,000
Transactions with shareholders	0				-50,000	-50,000
Shareholders' equity 31/12/2019	8,655	1,600	33,787	99,345	2,518,460	2,661,847

Share capital consists of 1,552,000 shares with a quote value of SEK 5.5769.
Exchange rate differences refer to translation of foreign branches.

CASH FLOW STATEMENT (SEK thousands)	Note	Group		Parent Company	
		2019	2018	2019	2018
Profit/loss before credit losses		1,011,018	764,618	932,256	767,238
Of which interest received		2,076,738	1,674,037	1,627,097	1,314,584
Of which leasing charges received		0	0	281,529	255,478
Of which interest paid		-245,673	-167,497	-235,396	-167,839
Of which dividends		35,332	20,151	90,088	126,707
<i>Items not included in cash flow:</i>					
Anticipated dividend				-1,550	-44,000
Capital gains/losses, bonds and other securities		7,884	721	7,884	721
Capital gains/losses – impairment charges, shares and participations		0	-342	0	-342
Capital gains, shares in Group companies		0	-380	-95	-18,647
Capital gains(losses)/value change, unlisted holdings		-41,843	-56,895	-41,843	-56,895
Depreciations, etc.		160,035	42,783	242,539	222,270
Capital gains/losses – retirement, inventories/buildings and land		-219	88	4,633	302
Deferred tax		436	-6,238	-1,454	-36,760
Exchange rate differences		15,135	125,580	14,978	125,286
Revaluation of acquired past-due stocks of receivables		399,014	310,075	207,588	140,342
Adjustment, present value of convertible loan				0	1,778
Participations in associated company's earnings		519	698	0	0
Income taxes paid		-119,374	-65,051	-82,059	-40,106
Cash flow from operating activities before changes in operating assets and liabilities		1,432,605	1,115,657	1,282,877	1,061,187
Treasury bonds etc. acceptable as collateral		15	-991		
Lending to the public		-3,158,098	-4,224,757	-2,948,612	-4,055,635
Bonds and other securities		-51,696	479,303	-51,696	479,303
Shares and participations		-50,713	-358,857	-50,712	-358,856
Derivative instruments		80,117	-102,252	80,117	-102,252
Other assets		41,858	-264,603	-44,741	-92,491
Liabilities to credit institutions		-4,211	-60,489	0	-56,499
Deposits from the public		5,390,558	2,672,387	5,340,634	2,507,912
Other liabilities		59,418	74,261	66,881	53,436
Change in the operation's assets and liabilities		2,307,248	-1,785,998	2,391,871	-1,625,082
Cash flow from operating activities		3,739,853	-670,341	3,674,748	-563,895
Change in bonds and other securities		-1,575,269	49,712	-1,575,269	49,712
Change of shares and participations in associated companies		1,383	13,738	0	53,522
Acquisition of shares in Group companies	24, 44			-8,964	-232,368
Shareholder contributions				-27,903	-15,000
Liquidation, Group company				222	0
Sale of shares in Group companies				5,514	18,690
Acquisition of intangible assets		-44,816	-259,947	-38,000	0
Sale of intangible assets		0	251	0	0
Acquisition of tangible assets		-196,485	-28,577	-329,555	-326,378
Sale of tangible assets		2,554	7,420	62,784	62,081
Acquisition of deferred tax assets	44	0	1,200	0	0
Cash flow from investing activities		-1,812,633	-216,203	-1,911,171	-389,741
Subordinated liabilities		300,000	301,357	300,000	301,357
Issued securities, etc.		-361,488	906,292	-361,488	906,292
Dividend		-50,000	-75,000	-50,000	-75,000
Withdrawal of shares		0	-40,000	0	-40,000
Holding without a controlling influence		10	-26,632		
Repayment of lease liability		-67,040	0		
Cash flow from financing activities		-178,518	1,066,017	-111,488	1,092,649
Cash flow for the year		1,748,702	179,473	1,652,089	139,013
Cash and cash equivalents at beginning of year		1,867,901	1,688,428	1,224,512	1,085,499
Cash and cash equivalents at year-end		3,616,603	1,867,901	2,876,601	1,224,512
<i>Cash and cash equivalents consist of:</i>					
Cash and balances with central banks		31,757	33,772	0	0
Lending to credit institutions		3,584,846	1,834,129	2,876,601	1,224,512
Cash and cash equivalents at year-end		3,616,603	1,867,901	2,876,601	1,224,512
Cash and cash equivalents not available for use	42	31,370	26,579	30,260	25,288

Note 1 Accounting policies and valuation principles

Information about the company

The Annual Report and consolidated accounts were prepared on 31 December 2019 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 (ÅRKL/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 2020. The income statements and balance sheets were presented for adoption by the Annual General Meeting on 30 April 2020.

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 ÅRKL/1995:1559 in the consolidated accounts, whereby the item net sales is reported as commission income. All companies in the Group apply uniform accounting policies.

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, with the exception of the fact that IFRS 16 has now come into force.

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.

IFRS 9 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 14 and 19 describe credit losses and reserves respectively.

Classification and valuation

Financial assets must be classified as, and measured at, accrued cost, fair value via the income statement or fair value via other comprehensive income. 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. No significant reclassifications were made between accrued cost of acquisition and fair value. A small number of promissory note loans did, however, have contract terms which meant that fair value was considered more appropriate. A choice has been made to report bonds at fair value via the income statement, as this is considered to best represent how the company manages the assets; for the bond portfolio, the number of transactions has been the item that carried most weight in 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 will therefore be reported at fair value via total other comprehensive income. There is no classification or distinction between long-term and short-term instruments respectively in the accounts.

Impairment loss

The impairment loss requirements in IFRS 9 are based on a model for expected credit losses. The requirements are 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 applies 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.

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.

New standards applied by the Group

The new standard IFRS 16 Leases came into force on 1 January 2019, replacing IAS 17. The biggest change that the new standard involves is that 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 lessee's balance sheet. In the income statement, the linear operational lease expense has been replaced by an expense for depreciation of the leased asset and an interest expense attributable to the lease liability. IFRS 16 is applied in the Group, but not in the Parent Company or in individual subsidiaries.

In connection with the transition to IFRS 16 as of 1 January 2019, the asset in the Group amounted to SEK 313 million and the lease liability to SEK 313 million. Opening retained earnings were not affected by an initial effect in connection with the transition, as Svea Ekonomi applied the alternative on the first date of application of reporting all rights of use at an amount that corresponds to the lease liability, adjusted for any prepaid or accrued lease charges relating to the lease.

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. Svea Ekonomi applied the modified retrospective method when implementing the standard. The comparative figures have therefore not been restated. See Notes 27 and 37 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 periodized 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.

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 2019 have therefore not been applied in the preparation of these financial statements.

Critical assessments and important sources of uncertainty in estimates

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.

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 as described above. Notes 14 and 19 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 as well as inter-company balances with subsidiaries are eliminated in the consolidated accounts. Where necessary, the accounting policies of subsidiaries and associated companies have been changed in order to achieve conformity 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.

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 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.

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 but non-mature receivables is allocated up to the date of payment. Income attributable to acquired past-due receivables is reported when payment is received and against amortizations expensed either by calculating accrued cost (major portfolios) or a straight-line basis according to plan (minorportfolios).

Leasing income

Leasing income is invoiced monthly or quarterly in advance and is periodized 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 periodized over the life of the subscription. Note 6 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. As of the transition to IFRS 9 on 1 January 2018, value changes of unlisted shares are reported via other comprehensive income.

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.

Financial instruments – classification of financial assets and liabilities

IFRS 9 Financial instruments classifies financial assets and liabilities. A financial instrument is defined as any 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 Note 45.

Financial assets

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

Financial liabilities

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

There is no classification or distinction between long-term and short-term instruments respectively in the accounts.

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.

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. This item has been reclassified in 2019 from having been categorised in 2018 as assets measured at fair value in the income statement.

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 advances in the manner described in the separate section on risk and capital management. 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 estimated 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 in the income statement based on an independent external valuation, which is performed quarterly.

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.

Contingencies

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.

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 cost when it is not possible to reliably determine fair values. 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.

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

Impairment of financial instruments

The impairment loss requirements in IFRS 9 are based on a model for expected credit losses. The requirements are comprehensive and specify that all assets measured at accrued cost, as well as off-balance sheet commitments, in respect of guarantees and loan commitments issued, 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, which is also the definition applied in regulatory reporting.

In category 1, the reserves must correspond to the credit losses anticipated for the next 12 months. In categories 2 and 3, the reserves must 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.

Safeguarding receivables

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

Fixed assets

Fixed assets excluding goodwill are reported at cost less accumulated depreciations 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. In the Parent Company, all fixtures and fittings for own use via leasing contracts and for rental are reported as operational leases. Leased assets for rental are depreciated over the useful life of the asset by applying the annuity method down to the agreed residual values. In the Group, all leasing agreements in which the Group is lessor are reported as financial and as lending to the public.

Intangible assets

Goodwill is not depreciated.

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

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

Tenancy rights are amortised according to plan over 5 years.

Capitalized expenditures for development work are amortized according to plan over 3-5 years.

Tangible assets

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.
Leasing items for rental are depreciated according to plan over 1-7 years.
Depreciation of Parent Company leasing items is reported as anticipated credit losses.

Financial assets

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.

Impairment testing of fixed 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.

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.

Pledged assets and contingencies

Pledged assets and contingencies 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.

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 administration 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 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		-107,274
Net profit from financial transactions	49,296	316	-802	48,810
Participations in associated company's earnings	-519			-519
Other operating income	214,776	27,595	-187,760	54,611
Operating income	2,647,714	811,682	-297,067	3,162,329
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	-134,897	-19,105	-6,033	-160,035
Other operating expenses	-12,279			-12,279
Operating expenses	-1,715,652	-645,736	210,077	-2,151,311
Profit/loss before credit losses	932,062	165,946	-86,990	1,011,018
Credit losses, net	-400,090			-400,090
Operating profit/loss	531,972	165,946	-86,990	610,928
Tax on profit/loss for the year	-122,806	-19,480	10,492	-131,794
Profit for the year	409,166	146,466	-76,498	479,134
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	0	0	-17,402
Impairment loss, shares and participations in associated companies	0	0	0	0
Balance sheet items				
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 per business area	AFS	Debt collection	Elimination	Total
<i>Group 2018</i>				
Interest income	1,593,236	920	79,881	1,674,037
Interest expenses	-167,327	-2,090	1,920	-167,497
Dividends received	50,151	0	-30,000	20,151
Commission income	592,530	713,574	-59,130	1,246,974
Commission expenses	-66,870	-5,789	0	-72,659
Net profit from financial transactions	-55,834	0	0	-55,834
Participations in associated company's earnings	-698	0	0	-698
Other operating income	190,619	18,556	-133,150	76,025
Operating income	2,135,807	725,171	-140,479	2,720,499
Of which external	2,010,947	709,552		
Personnel expenses	-641,497	-299,036	88,600	-851,933
Other administrative expenses	-798,205	-323,972	61,023	-1,061,154
Amortization/depreciation of intangible assets and property, plant and equipment	-37,925	-4,858	0	-42,783
Other operating expenses	0	-10	0	-10
Operating expenses	-1,477,627	-627,876	149,623	-1,955,880
Profit/loss before credit losses	658,180	97,295	9,144	764,619
Credit losses, net	-324,200	0		-324,200
Impairment charges, financial assets	0	0		0
Operating profit/loss	333,980	97,295	9,144	440,419
Tax on profit/loss for the year	-94,121	-8,825	7,058	-95,888
Profit for the year	239,859	88,470	16,202	344,531
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	-310,075			-310,075
Impairment of goodwill	0	0	0	0
Impairment loss, shares and participations in associated companies	0	0	0	0
Balance sheet items				
Lending to credit institutions, of which client funds recovered	0	101,782		101,782
Lending to the public	14,839,741	0		14,839,741
Bonds and other securities	684,904	0		684,904
Shares and participations	1,271,605	0		1,271,605
Shares and participations in associated companies	6,414	0		6,414
Intangible assets	348,770	10,319		359,089
Tangible assets	85,904	0		85,904
Deferred tax assets	116,138	1,367		117,505
Deposits from the public	15,125,160	101,782		15,226,942

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.

Information by geographical area	Sweden	Norway	Finland	Other	Elimination	Total
<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
Operating income	2,017,141	538,205	535,514	500,780	-429,311	3,162,329
Percentage	64%	17%	17%	16%	-14%	100%
Balance sheet items						
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
<i>Group 2018</i>						
Interest income	935,186	308,078	306,363	269,616	-145,206	1,674,037
Interest expenses	-177,235	-62,507	-46,281	-27,755	146,282	-167,496
Dividends received	161,602	0	0	-2,719	-138,732	20,151
Commission income	664,848	262,000	192,064	121,180	6,882	1,246,974
Commission expenses	-43,699	-6,268	-21,611	-5,912	4,831	-72,659
Net profit from financial transactions	-52,948	-169	-312	-3,913	1,508	-55,834
Participations in associated company's earnings	0	0	0	0	-698	-698
Other operating income	319,622	12,057	24,092	38,532	-318,279	76,024
Operating income	1,807,376	513,191	454,315	389,029	-443,412	2,720,499
Percentage	66%	19%	17%	14%	-16%	100%
Balance sheet items						
Lending to the public	14,418,407	2,783,373	3,025,788	1,060,301	-6,448,128	14,839,741
Intangible assets	4,050	251	22,040	2,962	329,786	359,089
Tangible assets	62,715	1,184	102	26,570	0	90,571
Deferred tax assets	19,935	8,714	-12,641	4,467	97,030	117,505

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 2019</i>						
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
Operating income	1,720,937	360,637	423,529	0	-57,054	2,448,049
Percentage	70%	15%	17%	0%	-2%	100%
Balance sheet items						
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
<i>Parent Company 2018</i>						
Interest income	811,539	307,274	298,700	0	-102,929	1,314,584
Leasing income	242,462	0	13,016	0	0	255,478
Interest expenses	-162,857	-62,372	-45,031	0	102,421	-167,839
Dividends received	126,707	0	0	0	0	126,707
Commission income	260,858	90,150	99,071	0	0	450,079
Commission expenses	-25,979	-5,448	-10,209	0	0	-41,636
Net profit from financial transactions	-54,185	-169	-325	0	462	-54,217
Other operating income	275,308	8,959	9,876	0	-50,258	243,885
Operating income	1,473,853	338,394	365,098	0	-50,304	2,127,041
Percentage	69%	16%	17%	0%	-2%	100%
Balance sheet items						
Lending to the public	13,361,021	2,783,000	2,996,037	0	-4,884,705	14,255,353
Intangible assets	0	0	0	0	0	0
Tangible assets	560,653	1,184	20,040	0	0	581,877
Deferred tax assets	15,005	7,778	-12,638	0	-432	9,713

Note 3	Expenses and income between Group companies	Parent Company	
		2019	2018
	Expenses	-50,667	-26,734
	Income	261,734	241,398

Note 4	Net interest income	Group		Parent Company	
		2019	2018	2019	2018
<i>Interest income</i>					
	Lending to credit institutions	13,942	9,126	12,658	8,043
	Lending to the public, Group	0	0	54,243	35,643
	Lending to the public, external	2,059,510	1,658,229	1,556,910	1,264,216
	Bonds and other securities	3,286	6,682	3,286	6,682
	Total	2,076,738	1,674,037	1,627,097	1,314,584
<i>Net leasing income</i>					
	Leasing income			281,529	255,478
	Depreciation according to plan, leased assets			-224,632	-202,565
	Total			56,897	52,913
<i>Interest expenses</i>					
	Liabilities to credit institutions	-13,214	-4,743	-2,280	-3,634
	Deposits from the public, Group	0	0	-292	-369
	Deposits from the public, external	-183,666	-127,515	-177,219	-121,819
	Issued securities, etc.	-3,867	-2,862	-10,679	-9,640
	Subordinated liabilities	-44,926	-32,377	-44,926	-32,377
	Total	-245,673	-167,497	-235,396	-167,839
	Total	1,831,065	1,506,540	1,448,598	1,199,658

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

Note 5	Dividends received	Group		Parent Company	
		2019	2018	2019	2018
	Dividends from shares and participations	35,332	20,151	35,332	20,151
	Dividends from Group companies			54,756	106,556
	Total	35,332	20,151	90,088	126,707

Note 6	Commission income	Group		Parent Company	
		2019	2018	2019	2018
	Payment brokerage	57,506	40,594		
	Lending commissions	419,109	410,027	404,149	396,880
	Foreign currency exchange, net	0	7,872		
	VAT service commissions	9,620	8,635		
	Billing commissions	53,835	61,023		
	Debt collection commissions	693,967	654,444		
	Other commissions	66,267	64,379	54,695	53,199
	Total	1,300,304	1,246,974	458,844	450,079

Note 7	Commission expenses	Group		Parent Company	
		2019	2018	2019	2018
	Payment brokerage	-70,746	-39,617	-23,838	-14,414
	Information brokerage	-400	-396	-400	-396
	Other commissions	-36,128	-32,646	-28,864	-26,826
	Total	-107,274	-72,659	-53,102	-41,636

Note 8	Net profit/loss from financial transactions	Group		Parent Company	
		2019	2018	2019	2018
	Capital gain, shares and participations	0	342	0	342
	Unrealised changes in value, unlisted shares and participations	41,843	56,895	41,843	56,895
	Impairment loss, shares and participations	0	0	0	0
	Change in value, bonds	-7,984	3,110	-7,984	3,110
	Capital gains/losses, bonds and other securities	100	-3,831	100	-3,831
	Total	33,959	56,516	33,959	56,516
	Change in fair value of derivatives	-234,266	-137,018	-234,266	-137,018
	Change in fair value of hedged items in foreign currencies	245,523	24,990	245,523	24,990
	Total	11,257	-112,028	11,257	-112,028
	Other exchange rate gains/losses	3,594	-322	-2,741	1,295
	Total	3,594	-322	-2,741	1,295
	Total	48,810	-55,834	42,475	-54,217

Note 9	Participations in associated company's profit/loss	Group	
		2019	2018
	Credex AB	-167	-102
	Trade in Sports Europe AB	-	-53
	Stidner Complete AB	-352	-543
	Total	-519	-698

Note 10	Other operating income	Group		Parent Company	
		2019	2018	2019	2018
	Staffing for Swedish Group companies	0	0	103,340	100,466
	Re-invoicing of expenses to Group companies	0	0	105,879	100,977
	Profit from sales, Group companies	0	380	95	18,647
	Profit from sales, associated companies	110	39,145	0	0
	Rental income	18,382	0	0	0
	Miscellaneous	36,119	36,500	27,201	23,795
	Total	54,611	76,025	236,515	243,885

Note 11	Personnel expenses etc.	Group		Parent Company	
		2019	2018	2019	2018
	Wages, salaries and other remunerations to the board and senior executives	-71,244	-53,774	-36,121	-31,988
	to other employees	-585,526	-544,339	-329,116	-293,236
		-656,770	-598,113	-365,237	-325,224
	Social security expenses	-157,896	-146,046	-102,901	-90,088
	Pension expenses to the board and senior executives	-4,157	-3,252	-2,990	-2,714
	to other employees	-40,120	-42,584	-30,387	-25,426
		-44,277	-45,836	-33,377	-28,140
	Other personnel expenses	-31,839	-54,249	-22,212	-41,464
	Total	-890,782	-844,244	-523,727	-484,916

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 (15) individuals who together with the CEO and vice CEO comprise the management team in Sweden.

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 Liljedahl	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 (16 people)	21,962	5,788	2,825	30,575
Total	32,500	5,828	2,990	41,318

* Variable remuneration relates to remuneration paid during the year.

** Anders Lidfeldt was active as Vice CEO during the first half of the year and as a Board member during the second half. There was a severance payment of approx. SEK 300,000.

Salaries and remuneration to the Board and senior executives of the Parent Company, 2018	Basic salary, benefits and board fees	Variable remuneration	Pension expenses	Total
Chairman of the Board, Arne Liljedahl	500			500
Board member, Mats Hellström	300			300
Board member, Anders Ingler	300			300
Board member, Mats Kärsrud	614			614
Board member Anders Hedberg	0			0
Board member Anna Frick	0			0
CEO, Lennart Ågren	5,315			5,315
Vice CEO, Anders Lidfeldt	1,993		244	2,237
Other senior executives (15 people)	22,966	5,745	2,836	28,711
Total	31,988	5,745	3,080	37,977

No severance pay or pension commitments other than defined-contribution fees are paid to the Board, CEO or other senior executives. The period of notice for senior executives in Sweden is prescribed by the Swedish Employment Protection Act. Loans to Board members, the CEO or equivalent senior executives in the Group amount to SEK 9,557,000 (16,290,000). Variable remuneration relates to remuneration paid during the year.

Average number permanent employees	Group		Parent Company	
	2019	2018	2019	2018
Women	1,235	1,204	354	324
Men	702	696	305	271
Total	1,937	1,900	659	595

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.

In the previous year, personnel were also outsourced to Svea Exchange AB, Payson AB and Svea Bank AB.

Average number of employees in the Group	31/12/2019	31/12/2018
Sweden		
Women	287	264
Men	251	230
	538	494
Norway		
Women	88	78
Men	101	98
	189	176
Finland		
Women	123	123
Men	83	79
	206	202
Denmark		
Women	16	18
Men	10	9
	26	27
Estonia		
Women	13	13
Men	5	5
	18	18
Slovenia		
Women	0	11
Men	0	3
	0	14
Switzerland		
Women	4	5
Men	4	7
	8	12
Netherlands		
Women	13	10
Men	14	8
	27	18
Ukraine		
Women	147	134
Men	62	38
	209	172
Serbia		
Women	34	28
Men	43	38
	77	66
Hungary		
Women	14	22
Men	7	8
	21	30
Czech Republic		
Women	18	23
Men	9	20
	27	43
Russia		
Women	401	290
Men	87	75
	488	365
Poland		
Women	54	53
Men	30	24
	84	77
Romania		
Women	49	59
Men	16	18
	65	77
Croatia		
Women	42	36
Men	11	11
	53	47
Total	2,036	1,838

Number of Board members and company management	Group		Parent Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Board members				
Women			1	1
Men			7	6
Of whom external members			8	7
			6	6
Company management				
Women	4	7	0	0
Men	25	13	3	3
	29	20	3	3

Note 12 Remuneration to auditors	Group		Parent Company	
	2019	2018	2019	2018
<i>BDO Mälardalen AB</i>				
Audit assignment	6,340	3,431	3,624	1,805
Audit activities in addition to audit assignment	41	43	0	43
Tax advice	14	8	0	8
Other services	0	350	0	154
	6,394	3,832	3,624	2,009
<i>BDO foreign auditors</i>				
Audit assignment	2,275	2,457	734	1,117
Audit activities in addition to audit assignment	674	280	607	223
Tax advice	8	61	0	0
Other services	92	228	0	156
	3,049	3,026	1,341	1,497
<i>Other auditors</i>				
Audit assignment	1,223	1,772	0	0
Audit activities in addition to audit assignment	706	93	0	0
Tax advice	1,103	97	0	0
Other services	0	1,251	0	617
	3,033	3,213	0	617
Total	12,476	10,071	4,965	4,123

Note 13 Amortisations/depreciations, etc.	Group		Parent Company	
	2019	2018	2019	2018
<i>Amortisation and impairment of intangible assets</i>				
Impairment of group-related goodwill	-17,402	0	0	0
Amortisation of customer contracts	-3,197	-3,207	0	0
Amortisation of capitalised development expenditures	-13,568	-10,518	0	0
Total	-34,167	-13,725	0	0
<i>Amortisation and impairment of tangible assets</i>				
Impairment of building	-25,026	0	0	0
Depreciation of buildings	-3,385	-6	0	0
Depreciation of computer equipment	-12,201	-12,954	-9,201	-9,281
Depreciation of other fixtures and fittings	-17,143	-16,098	-8,706	-10,424
Depreciation of leased assets	0	0	-224,632	-202,565
Total	-57,755	-29,058	-242,539	-222,270
Total	-91,922	-42,783	-242,539	-222,270

Impairment testing resulted in the impairment of Group goodwill of SEK 17.4 million, see also Note 25.

Note 14	Net credit losses	Group	
		2019	2019
	Change in reserves Stage 1	-37,003	-35,045
	Change in reserves Stage 2	18,983	16,552
	Change in reserves Stage 3	-167,457	-163,150
	Total change in reserves	-185,477	-181,643
	Write-offs	-243,163	-225,973
	Recoveries	28,550	26,237
	Net expense of credit losses for the year	-400,090	-381,379

The credit losses are entirely attributable to lending to the public.

Note 14	Net credit losses	Group	
		2018	2018
	Change in reserves Stage 1	-29,820	-27,774
	Change in reserves Stage 2	-23,257	-24,086
	Change in reserves Stage 3	-145,427	-137,361
	Total change in reserves	-198,504	-189,221
	Write-offs	-155,483	-143,927
	Recoveries	29,787	22,605
	Net expense of credit losses for the year	-324,200	-310,543

The credit losses are entirely attributable to lending to the public.

Note 15	Impairment charges, financial assets	Group		Parent Company	
		2019	2018	2019	2018
	<i>Impairment of shares in Group companies</i>				
	Svea Rahoitus Suomi OY			-4,900	0
	Svea Exchange AB			-750	-46,000
	Total	0	0	-5,650	-46,000
	<i>Impairment of shares in associated companies</i>				
	Impairment of shares in Trade in Sports Europe AB				-300
	Total	0	0	0	-300
	Total	0	0	-5,650	-46,300

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

Note 16	Appropriations	Parent Company	
		2019	2018
	<i>Group contributions</i>		
	Group contributions received	77,258	92,501
	Group contributions provided	-57,955	-37,678
	Total	19,303	54,823
	Provision for tax allocation reserve		-92,000
	Reversal from tax allocation reserve	357,000	
	Change in accelerated depreciations	33,000	12,000
	Total	409,303	-25,177

Note 17	Tax on profit for the year	Group		Parent Company	
		2019	2018	2019	2018
	Adjustment for current tax on previous years' earnings	-13,269	-2,764	-11,865	-2,758
	Current tax on net profit for the year	-235,162	-62,287	-193,674	-37,348
	Current tax expense	-248,431	-65,051	-205,539	-40,106
	Temporary differences	105,978	-39,900	18,424	-24,039
	Utilization of loss carryforward	-342	-2,357	0	0
	Miscellaneous	11,001	11,420	0	0
	Deferred tax expense	116,637	-30,837	18,424	-24,039
	Total	-131,794	-95,888	-187,115	-64,145
	Profit before tax	610,928	440,419	954,530	385,218
	IFRS 9 effect	-18,998	-5,078	-10,060	-12,760
	Tax rate of 21.4 per cent (22.0) as per current tax rate for the Parent Company	-155,701	-95,775	-202,117	-81,941
	Effect of different tax rates in other countries	5,062	2,963	1,416	0
	Non tax-deductible impairments of shares in Group and associated companies	-2,288	-9,697	-1,209	-10,186
	Non tax-deductible expenses	-121,845	-69,784	-23,211	-33,418
	Tax-exempt dividends from Group companies	11,724	23,455	11,718	23,442
	Tax-exempt income	18,495	61,755	16,750	41,033
	Utilization of loss carryforward	5,444	953	0	0
	Temporary differences	0	122	0	0
	Joint taxation	6,792	0	5,765	0
	Miscellaneous	-2,949	0	-2,890	0
	Tax on profit for the year recorded in shareholders' equity	104	23,721	104	23,721
	Current tax on previous years' earnings	-13,269	-2,764	-11,865	-2,758
	Current tax expense	-248,431	-65,051	-205,539	-40,106
	Temporary differences	105,978	-30,375	18,424	-24,039
	Utilization of loss carryforward	-342	-868	0	0
	Miscellaneous	11,001	406	0	0
	Deferred tax expense	116,637	-30,837	18,424	-24,039
	Tax expense	-131,794	-95,888	-187,115	-64,145
	Reported effective tax rate	21.6%	21.8%	19.6%	16.7%

Note 18	Treasury bonds etc. acceptable as collateral	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Government securities acceptable as collateral	12,017	12,032	0	0
	Total	12,017	12,032	0	0

Note 19 Lending to the public – Group	31/12/2019	31/12/2018
Lending to the public	17,210,614	14,839,741
Total	17,210,614	14,839,741

Lending to the public 31/12/2019 - Group	Stage 1	Stage 2	Stage 3	Acquired past- due stocks of receivables	Total
Private individuals	7,704,458	334,357	883,169	2,070,348	10,992,331
Company	6,479,591	118,201	465,571		7,063,363
Loan receivables	14,184,049	452,558	1,348,739	2,070,348	18,055,694
Private individuals	-105,336	-24,774	-385,117		-515,227
Company	-67,188	-16,092	-246,574		-329,854
Reserve for expected credit losses	-172,524	-40,866	-631,691		-845,081
Carrying amount of loan receivables, 31/12/2019	14,011,525	411,692	717,048	2,070,348	17,210,613
Rate of loss provision, private individuals	1.4%	7.4%	43.6%		4.7%
Rate of loss provision, companies	1.0%	13.6%	53.0%		4.7%
Rate of loss provision, total	1.2%	9.0%	46.8%		4.7%

Lending to the public 31/12/2018 - Group	Stage 1	Stage 2	Stage 3	Acquired past- due stocks of receivables	Total
Private individuals	4,966,745	1,174,555	707,453	1,485,834	8,334,586
Company	3,013,263	3,758,508	382,792		7,154,563
Loan receivables	7,980,008	4,933,063	1,090,244	1,485,834	15,489,149
Private individuals	-87,117	-19,517	-299,835		-406,469
Company	-47,119	-38,549	-157,271		-242,939
Reserve for expected credit losses	-134,236	-58,066	-457,106		-649,408
Carrying amount of loan receivables, 31/12/2018	7,845,772	4,874,997	633,138	1,485,834	14,839,741
Rate of loss provision, private individuals	1.8%	1.7%	42.4%		4.9%
Rate of loss provision, companies	1.6%	1.0%	41.1%		3.4%
Rate of loss provision, total	1.7%	1.2%	41.9%		4.2%

Change in reserve for expected credit losses – Group	Stage 1	Stage 2	Stage 3	Total
Reserve for expected credit losses, 31/12/2018	-134,236	-58,066	-457,106	-649,408
Increase in reserves, new or acquired loan receivables	-91,103	0	0	-91,103
Reduction in reserves, removed loan receivables	73,953	9,117	12,811	95,881
Change in reserves as a consequence of changes in credit risk	8,069	-22,831	-290,083	-304,845
Change in reserves as a consequence of changed methodology	-27,922	32,697	-23,051	-18,276
Reduction in reserves, written-off loan receivables	0	0	132,866	132,866
Other adjustments	-1,285	-1,783	-7,127	-10,195
Reserve for expected credit losses, 31/12/2019	-172,524	-40,866	-631,691	-845,081

Other adjustments relate to exchange rate differences.

In connection with the transition to IFRS 9 on 1 January 2018, the simplified method was used to calculate the need for any impairment of assets with a short maturity such as invoice purchases and factoring. These assets have then been classified in category 2 (stage 2) if they had not defaulted.

The reserves for these assets related to expected credit losses throughout the full remaining maturity, which is much shorter than 12 months. These assets thus correspond to assets in accordance with the general method and its category 1 (stage 1), i.e. the reserves relate to expected credit losses based on the probability of default during the next 12 months and there has been no significant increase in credit risk.

As of 30 June 2019, Svea Ekonomi has therefore reclassified these assets from category 2 (stage 2) to category 1 (stage 1). The effect has mainly affected loan receivables before reservations above, but thereby also the reservations.

Lending to the public, the Parent Company	31/12/2019	31/12/2018
Lending to the public, external	15,072,797	12,923,350
Lending to the public, Group	1,605,596	1,332,003
Total	16,678,393	14,255,353

Lending to the public, external 31/12/2019 - Group	Stage 1	Stage 2	Stage 3	Acquired past- due stocks of receivables	Total
Private individuals	7,658,035	334,034	874,504	1,294,285	10,160,858
Company	5,210,734	85,050	403,246		5,699,030
Loan receivables	12,868,769	419,084	1,277,750	1,294,285	15,859,888
Private individuals	-104,899	-24,773	-377,107		-506,779
Company	-57,835	-13,128	-209,349		-280,312
Reserve for expected credit losses	-162,734	-37,901	-586,456		-787,092
Carrying amount of loan receivables, 31/12/2018	12,706,035	381,183	691,294	1,294,285	15,072,796
Rate of loss provision, private individuals	1.4%	7.4%	43.1%		5.0%
Rate of loss provision, companies	1.1%	15.4%	51.9%		4.9%
Rate of loss provision, total	1.3%	9.0%	45.9%		5.0%

Lending to the public, external 31/12/2018 - Group	Stage 1	Stage 2	Stage 3	Acquired past- due stocks of receivables	Total
Private individuals	4,917,403	1,172,171	698,248	942,752	7,730,574
Company	2,357,729	3,094,936	335,236		5,787,900
Loan receivables	7,275,132	4,267,106	1,033,484	942,752	13,518,474
Private individuals	-86,657	-19,512	-291,710		-397,879
Company	-40,114	-32,948	-124,182		-197,245
Reserve for expected credit losses	-126,772	-52,460	-415,892		-595,124
Carrying amount of loan receivables, 01/01/2018	7,148,360	4,214,646	617,591	942,752	12,923,350
Rate of loss provision, private individuals	1.8%	1.7%	41.8%		5.1%
Rate of loss provision, companies	1.7%	1.1%	37.0%		3.4%
Rate of loss provision, total	1.7%	1.2%	40.2%		4.4%

Change in reserve for expected credit losses – Parent Company	Stage 1	Stage 2	Stage 3	Total
Reserve for expected credit losses, 31/12/2018	-126,772	-52,460	-415,892	-595,123
Increase in reserves, new or acquired loan receivables	-80,771			-80,771
Reduction in reserves, removed loan receivables	63,059	9,052	34,554	106,665
Change in reserves as a consequence of changes in credit risk	8,058	-22,666	-300,577	-315,185
Change in reserves as a consequence of changed methodology	-25,391	30,166		4,775
Reduction in reserves, written-off loan receivables			102,873	102,873
Other adjustments	-918	-1,993	-7,413	-10,324
Reserve for expected credit losses, 31/12/2019	-162,735	-37,901	-586,456	-787,092

Other adjustments relate to exchange rate differences.

In connection with the transition to IFRS 9 on 1 January 2018, the simplified method was used to calculate the need for any impairment of assets with a short maturity such as invoice purchases and factoring. These assets have then been classified in category 2 (stage 2) if they had not defaulted.

The reserves for these assets related to expected credit losses throughout the full remaining maturity, which is much shorter than 12 months. These assets thus correspond to assets in accordance with the general method and its category 1 (stage 1), i.e. the reserves relate to expected credit losses based on the probability of default during the next 12 months and there has been no significant increase in credit risk.

As of 30 June 2019, Svea Ekonomi has therefore reclassified these assets from category 2 (stage 2) to category 1 (stage 1). The effect has mainly affected loan receivables before reservations above, but thereby also the reservations.

Note 20	Bonds and other securities	Group 31/12/2019			Group 31/12/2018		
		Cost	Book value	Fair value	Cost	Book value	Fair value
<i>Issued by public bodies</i>							
	Swedish municipalities	1,754,868	1,753,867	1,753,867	357,586	355,961	355,961
	Total	1,754,868	1,753,867	1,753,867	357,586	355,961	355,961
<i>Issued by other borrowers</i>							
	Swedish non-financial companies	28,300	20,982	20,982	55,840	54,340	54,340
	Swedish financial companies	351,879	352,894	352,894	116,788	115,268	115,268
	Foreign issuers	175,650	176,242	176,242	159,609	159,335	159,335
	Total	555,829	550,118	550,118	332,237	328,943	328,943
	Total	2,310,697	2,303,985	2,303,985	689,823	684,904	684,904
	Of which, listed securities	2,310,697	2,303,985	2,303,985	689,823	684,904	684,904
	Of which, unlisted securities	0	0	0	0	0	0
	Positive difference; book values exceed nominal values		52,020			11,075	
	Negative difference; book values fall below nominal values		-7,335			-1,943	
	Nominal values		2,259,300			675,772	

	Parent Company 31/12/2019			Parent Company 31/12/2018		
	Cost	Book value	Fair value	Cost	Book value	Fair value
<i>Issued by public bodies</i>						
	Swedish municipalities	1,754,868	1,753,867	1,753,867	357,586	355,961
	Total	1,754,868	1,753,867	1,753,867	357,586	355,961
<i>Issued by other borrowers</i>						
	Swedish non-financial companies	28,300	20,982	20,982	55,840	54,340
	Swedish financial companies	351,879	352,894	352,894	116,788	115,268
	Foreign issuers	175,650	176,242	176,242	159,609	159,335
	Total	555,829	550,118	550,118	332,237	328,943
	Total	2,310,697	2,303,985	2,303,985	689,823	684,904
	Of which, listed securities	2,310,697	2,303,985	2,303,985	689,823	684,904
	Of which, unlisted securities	0	0	0	0	0
	Positive difference; book values exceed nominal values		52,020			11,075
	Negative difference; book values fall below nominal values		-7,335			-1,943
	Nominal values		2,259,300			675,772

Note 21	Shares and participations	31/12/2019		31/12/2018	
		Book value	Fair value	Book value	Fair value
<i>Group</i>					
<i>Listed shares and participations</i>					
	Opening accumulated cost	1,018,795		732,351	
	Cost	788,016		1,033,043	
	Proceeds	-834,945		-601,676	
	Impairment loss	0		6,725	
	Unrealized change in value	-66,295		-151,648	
	Closing accumulated cost	905,571	905,571	1,018,795	1,018,795
<i>Unlisted shares and participations</i>					
	Opening accumulated cost	252,810		146,734	
	Cost	115,947		49,187	
	Proceeds	-4,500		-350	
	Unrealized change in value	41,842		56,896	
	Exchange rate differences	1		1	
	Gains and losses reported in profit for the year	0		342	
	Closing accumulated cost	406,100	406,100	252,810	252,810
	Total	1,311,671	1,311,671	1,271,605	1,271,605

Note 21 Shares and participations, continued	31/12/2019		31/12/2018	
	Book value	Fair value	Book value	Fair value
<i>Parent Company</i>				
<i>Listed shares and participations</i>				
Opening accumulated cost	1,018,795		732,351	
Cost	-46,929		431,367	
Impairment loss	0		6,725	
Unrealized change in value	-66,295		-151,648	
Closing accumulated cost	905,571	905,571	1,018,795	1,018,795
<i>Unlisted shares and participations</i>				
Opening accumulated cost	252,783		146,708	
Cost	115,947		49,187	
Proceeds	-4,500		-350	
Unrealized change in value	41,842		56,896	
Gains and losses reported in profit for the year	0		342	
Closing accumulated cost	406,072	406,072	252,783	252,783
Total	1,311,643	1,311,643	1,271,578	1,271,578

Note 22 Other participations	Group		Parent Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Opening accumulated cost	3,284	3,284	0	0
Purchases/sales	0	0	0	0
Closing accumulated cost	3,284	3,284	0	0
Total	3,284	3,284	0	0

Of which a share in a housing cooperative in Sälen.

Note 23 Shares and participations in associated companies	Group		Parent Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Opening accumulated cost	6,930	33,394	6,930	63,552
Correction of disposal in 2016	0	-3,919	0	0
Sales for the year	-930	-22,545	-930	-56,622
Closing accumulated cost	6,000	6,930	6,000	6,930
Opening accumulated profit shares	-516	-12,078	0	0
Correction of disposal in 2016	0	3,919	0	0
Sales for the year	111	8,341	0	0
Correction of profit shares	-43	0	0	0
Profit shares for the year	-519	-698	0	0
Closing accumulated profit shares	-967	-516	0	0
Opening accumulated impairment charges	0	-466	0	-3,100
Sales for the year	0	466	0	3,400
Impairment for the year	-4,021	0	0	-300
Closing accumulated impairment charges	-4,021	0	0	0
Total	1,012	6,414	6,000	6,930

	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	1,012	6,000
Total						1,012	6,000

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 January 2018, the subsidiary Svea Inkasso AB acquired all the shares in the associated company Creditexpress NV from Svea Ekonomi AB and from other external shareholders. This means that the Creditexpress Group is now wholly owned. The associated company Trade in Sports Europe AB was sold during the third quarter.

Note 23	Shares and participations in associated companies, continued	Group	
		31/12/2019	31/12/2018

In 2018 and 2019 there were no associated companies of significant importance for the Group.

The Group's share in the income statements and balance sheets in individual associated companies of minor significance amounts to:

Operating income	496	677
Profit for the year	-519	-698
Assets	1,110	6,608
Liabilities	-98	-194
Group adjustment	0	0

Note 24	Shares in Group companies	Parent Company	
		31/12/2019	31/12/2018
	Opening accumulated cost	1,154,335	924,857
	Liquidation of Svea Rahoitus Suomi OY	-70,795	0
	Liquidation of Svea Finance SIA	-27	0
	Acquisition of Credex AB	4,430	0
	Shareholder contributions, Svea Payments OY	2,134	0
	Shareholder contributions, Dunderbackens Fastighets AB	22,469	0
	Shareholder contributions, Fastighets AB Brunna 52:1	2,300	0
	Shareholder contributions, Guldalsvägens Fastighets AB	1,000	0
	Sale of Fastighets AB Harneskmakaren 1	-50	0
	Shareholder contributions, Svea Bank AB	0	15,000
	Internal sales, Svea Finance ZRT	0	-17,851
	Acquisition of Svea Bank OY	0	28,941
	Fastighets AB Harneskmakaren 10	0	50
	Fastighets AB Brunna 52:1	0	50
	Dunderbackens Fastighets AB	0	50
	Guldalsvägens Fastighets AB	0	50
	Acquisition of Svea Payments OY	0	203,227
	Sale of Smartvarsling Drift AS	0	-40
	Exchange rate differences	1	1
	Closing accumulated cost	1,115,797	1,154,335
	Opening accumulated impairment charges	-451,733	-423,584
	Sale of assets, accumulated impairment charges	0	17,851
	Liquidation of accumulated impairment charges	65,795	0
	Impairments for the year	-750	-46,000
	Closing accumulated impairment charges	-386,688	-451,733
	Total	729,109	702,602

Note 24	Shares in Group companies, continued				Parent Company		
					31/12/2019	-12-31	
	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	17,640	17,640
Svea Bank AB	Stockholm	556158-7634	250,000	100.00%	SEK 50,000,000	146,701	146,701
Svea Rahoitus Suomi OY*	Helsinki	1879927-9	-	-	-	0	5,000
Svea Finance AS	Tallinn	11200943	250,000	100.00%	EUR 25,000	28	27
Svea Finance SIA*	Riga	40103183054	-	-	-	0	27
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	203,227
Total consolidated situation						524,886	527,778
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	-	-
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	-	-
Creditexpress Ceska Republika SRO	Prague	26697131	1	100.00%	CZK 1,600,000	-	-
Creditexpress Slovensko SRO	Bratislava	35974141	1	100.00%	EUR 100,000	-	-
Creditexpress DOO	Maribor	1587218000	1	100.00%	EUR 8,763	-	-
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 Beograde 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	6,677	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	4,000
Svea Financial Services AB	Stockholm	556825-4345	50,000	100.00%	SEK 50,000	100,000	100,000
CreDEX AB	Stockholm	556937-6204	100,000	100.00%	SEK 100,000	4,430	0
Svea Development OY	Helsinki	2483599-3	28,605,016	90.00%	EUR 2,250	28,941	28,941
Svea Exchange AB	Stockholm	556710-5878	200,000	100.00%	SEK 200,000	250	1,000
Daylet Limited	Nicosia	227024	1,500	100.00%	EUR 1,500	1	1
Fastighets AB Harneskmakaren 10	Stockholm	559183-9179	-	100.00%	SEK 50,000	0	50
Fastighets AB Brunna 52:1	Stockholm	559183-9146	50,000	100.00%	SEK 50,000	2,350	50
Dunderbackens Fastighets AB	Stockholm	559183-9120	50,000	100.00%	SEK 50,000	22,519	50
Gulldalsvägens Fastighets AB	Stockholm	559183-9195	50,000	100.00%	SEK 50,000	1,050	50
Svea Ekonomi DOO Belgrade	Belgrade	21165522	-	100.00%	DIN 61,000	5	5
Total, other Group companies						204,223	174,824
Total						729,109	702,602

* The companies Svea Rahoitus Suomi OY and Svea Finance SIA were liquidated during the year.

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 25 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 6.7 per cent (7.3) per annum after tax, corresponding to 8.04-12.03 per cent (8.9-9.4) before tax for this year's tests. Projected average growth rate per year is approx. 0-42 per cent (approx. 0-38), which reflects past experience and/or estimated reasonable future conditions for each operation/cash-generating unit.

Average growth rates per annum in the AFT business area are approx. 0-42 per cent in Sweden, approx. 12 per cent in Denmark, approx. 13 per cent in Switzerland and approx. 0-29 per cent in Finland. Average growth rates in the Debt Collection area in Denmark are approx. 13 per cent.

The reduction in WACC is attributable to a slightly lower long-term risk premium in the market and a changed capital structure. The change in growth rates reflects previous experiences for factoring/invoice purchasing operations in Sweden, Denmark, Finland and Switzerland, and payment transfer operations in Sweden in the AFS area, and partly across debt collection operations in Denmark in the debt collection area.

Net impairment testing has resulted in impairments of the Group's carrying amount for goodwill of SEK 17.4 million. The full impairment charge is attributable to the AFT business area.

The Group's carrying amount for goodwill is distributed across the AFT business area in Sweden (SEK 29 million) and Finland (SEK 258 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 WACC is in Debt Collection in Denmark. A WACC around 2% higher or a annual growth around 3% lower would result in an impairment of goodwill in this unit.

Note 25 Intangible assets	Group		Parent Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
<i>Goodwill</i>				
Opening accumulated cost	341,854	133,081		
Acquisition	0	233,449		
Sales/retirements	0	-24,676		
Closing accumulated cost	341,854	341,854		
Opening accumulated impairment charges	-34,677	-59,353		
Sales/retirements	4,021	24,676		
Impairments for the year	-17,402	0		
Closing accumulated impairment charges	-48,058	-34,677		
Closing residual value according to plan	293,796	307,177		
<i>Customer contracts</i>				
Opening accumulated cost	121,095	121,339	10,152	9,780
Acquisition	0	-266	0	0
Exchange rate differences	146	22	146	372
Closing accumulated cost	121,241	121,095	10,298	10,152
Opening accumulated depreciations	-112,036	-108,845	-10,152	-9,780
Exchange rate differences	-146	16	-146	-372
Depreciations for the year	-3,197	-3,207	0	0
Closing accumulated depreciations	-115,379	-112,036	-10,298	-10,152
Closing residual value according to plan	5,862	9,059	0	0
<i>Licenses</i>				
Opening accumulated cost	3,000	3,000	3,000	3,000
Sales/retirements	-3,000	0	-3,000	0
Closing accumulated cost	0	3,000	0	3,000
Opening accumulated depreciations	-3,000	-3,000	-3,000	-3,000
Sales/retirements	3,000	0	3,000	0
Closing accumulated depreciations	0	-3,000	0	-3,000
Closing residual value according to plan	0	0	0	0

Note 25	Intangible assets, continued	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
<i>Capitalized development expenditures, etc.</i>					
	Opening accumulated cost	88,268	45,893	0	0
	Acquisition	44,816	43,160	38,000	0
	Exchange rate differences	2,208	-785	0	0
	Sales/retirements	-2,561	0	0	0
	Closing accumulated cost	132,731	88,268	38,000	0
	Opening accumulated depreciations	-45,415	-19,779	0	0
	Sales/retirements	3,208	-16,662	0	0
	Exchange rate differences	-1,513	1,544	0	0
	Depreciations for the year	-13,568	-10,518	0	0
	Closing accumulated depreciations	-57,288	-45,415	0	0
	Closing residual value according to plan	75,443	42,853	38,000	0
<i>Tenancy rights</i>					
	Opening accumulated cost	3,163	3,163	0	0
	Sales/retirements	-3,163	0	0	0
	Closing accumulated cost	0	3,163	0	0
	Opening accumulated depreciations	-3,163	-3,161	0	0
	Sales/retirements	3,163	0	0	0
	Depreciations for the year	0	-2	0	0
	Closing accumulated depreciations	0	-3,163	0	0
	Closing residual value according to plan	0	0	0	0
	Total	375,101	359,089	38,000	0

Note 26	Tangible assets	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
<i>Buildings</i>					
	Opening accumulated cost	0	1,241	0	0
	Purchases	128,062	0	0	0
	Sales/retirements	-9,152	-1,241	0	0
	Closing accumulated cost	118,910	0	0	0
	Opening accumulated depreciations	0	-325	0	0
	Sales/retirements	4,709	331	0	0
	Impairment charges for the year	-25,026			
	Depreciations for the year	-3,385	-6	0	0
	Closing accumulated depreciations	-23,702	0	0	0
<i>Land</i>					
	Opening accumulated cost	1,650	1,784	1,650	1,650
	Purchases	30,117	0	0	0
	Sales/retirements	-4,308	-134	-1,650	0
	Closing accumulated cost	27,459	1,650	0	1,650
	Assets held for sale	-20,421	0	0	0
	Closing residual value according to plan	102,246	1,650	0	1,650

Buildings at the year end relate to three properties taken over in order to protect a receivable. See also Note 31. The property in Sälen was sold. The tax assessment value of buildings amounts to SEK 96,703 (0). The tax assessment value for land amounts to SEK 29,961,000 (705,000). Impairment charges have been reported as a consequence of updated valuations of the properties.

Fixtures and fittings

	Opening accumulated cost	227,816	222,381	149,973	140,772
	Reclassification	-27	0	0	0
	Purchases	38,306	38,089	16,273	9,225
	Exchange rate differences	950	1,948	307	230
	Sales/retirements	-10,862	-34,602	-119	-254
	Closing accumulated cost	256,183	227,816	166,434	149,973
	Opening accumulated depreciations	-138,895	-128,440	-89,114	-69,261
	Sales/retirements	9,816	17,582	0	0
	Via business combination	0	0	0	0
	Exchange rate differences	336	1,015	-257	-148
	Depreciations for the year	-29,344	-29,052	-17,907	-19,705
	Closing accumulated depreciations	-158,087	-138,895	-107,278	-89,114
	Closing residual value according to plan	98,096	88,921	59,156	60,859

Note 26	Tangible assets, continued	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
<i>Leased assets as lessor</i>					
	Opening accumulated cost			867,239	765,750
	Purchases			313,282	317,132
	Exchange rate differences			1,056	379
	Sales/retirements			-222,663	-216,022
	Closing accumulated cost			958,914	867,239
	Opening accumulated depreciations			-335,113	-286,467
	Sales/retirements			157,015	153,897
	Exchange rate differences			-334	22
	Depreciations for the year			-224,632	-202,565
	Closing accumulated depreciations			-403,064	-335,113
	Opening accumulated impairment charges			-12,758	-7,010
	Exchange rate differences			384	27
	Impairment charges for the year			624	-5,775
	Closing accumulated impairment charges			-11,750	-12,758
	Closing book value			544,100	519,368
	Total	200,342	90,571	603,256	581,877

The leasing object impairment loss above was reported in the income statement as a credit loss.

Leasing contracts and other rental agreements as lessor	Parent Company		Parent Company		
	31/12/2019		31/12/2018		
<i>Financial leasing</i>					
	Gross investment	615,995		584,311	
	Non-earned financial income	-71,896		-63,807	
	Net investment in financial leasing agreements	544,099		520,504	
	Less residual values not guaranteed that fall to the lessor	0		0	
	Present value of receivables re future minimum leasing charges	544,099		520,504	
	Reserve for doubtful receivables re minimum leasing charges	11,750		12,758	
	<i>Remaining maturity</i>	Gross investment	Net investment	Gross investment	Net investment
	Within one year	252,855	218,197	237,682	203,671
	Between one and five years	362,618	325,454	345,853	313,372
	Later than five years	523	448	3,593	3,461
	Total	615,996	544,099	587,128	520,504
	Of which the single largest net investment		12,502		10,329

Leasing contracts and other rental agreements as lessor, continued	Parent Company		
	31/12/2019	31/12/2018	
<i>Operational leasing – Present value of future minimum leasing charges</i>			
	Net investment	Net investment	
	218,197	203,671	
	325,454	313,372	
	448	3,461	
	544,099	520,504	
	Carrying amount of repossessed leased assets	950	1,438
	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 282,000 (255,000)

Note 27	Rights of use	Group 31/12/2019
<i>Buildings</i>		
	Opening accumulated cost	305,184
	New contracts	107,574
	Effects of changes to agreements	-838
	Exchange rate differences	-213
	Closing accumulated cost	411,707
	Opening accumulated depreciations	0
	Depreciations	-62,550
	Exchange rate differences	23
	Closing accumulated depreciations	-62,527
	Closing book value	349,180
<i>Vehicles</i>		
	Opening accumulated cost	7,589
	New contracts	7,801
	Effects of changes to agreements	-774
	Exchange rate differences	-23
	Closing accumulated cost	14,593
	Opening accumulated depreciations	0
	Terminated contracts	436
	Depreciations	-5,562
	Exchange rate differences	7
	Closing accumulated depreciations	-5,119
	Closing book value	9,474
	Total	358,654

Operational leasing	Group 31/12/2018	Parent Company 31/12/2019 31/12/2018	
<i>Fixtures and fittings used via leasing contracts</i>			
Cost, operational leasing	17,397	15,320	17,397
Of which, newly signed contracts during the year	9,400	7,432	9,400
Of which, contracts redeemed during the year	-5,646	-1,927	-5,646
Leasing expenses during the year	4,971	7,361	4,971
<i>Other rental agreements:</i>			
Rental expenses during the year	92,319	35,574	42,195
<i>Future leasing and rental payments as lessee</i>			
Within one year	74,406	42,024	41,854
Between one and five years	123,631	75,707	116,326
Later than five years	0	1,328	0

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

Note 28	Deferred tax assets/tax liability	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
Lending to the public		3,406	3,099	2,488	2,737
Shares and participations		6,355	6,356	6,355	6,356
Tangible assets		1,651	386	218	219
Other assets/liabilities		517	2,951	0	401
Loss carryforwards		104,449	104,713	0	0
Deferred tax assets		116,378	117,505	9,061	9,713
Lending to the public		-14,613	-31	-12,511	0
Tangible assets		0	0	0	0
Intangible assets		-3,493	-5,320	0	0
Other assets/liabilities		-16,545	-44,932	-5,977	-23,122
Fair value reserve		-7,147	-23,043	-7,147	-23,043
Untaxed reserves		0	-85,800	0	0
Deferred tax liabilities		-41,798	-159,126	-25,635	-46,165
Net		74,580	-41,621	-16,574	-36,452
Lending to the public		-1,603	-1,017	0	0
Bonds and other securities		1,709	-694	1,709	-694
Shares and participations		0	-1,658	0	-1,658
Tangible assets		1,229	-23	-29	-23
Intangible assets		12,295	12,436	0	0
Other assets/liabilities		17,211	-19,925	16,744	-21,664
Loss carryforwards		-5	-2,357	0	0
Untaxed reserves		85,800	-17,600	0	0
Change reported in income statement		116,636	-30,838	18,424	-24,039
Acquired lending to the public		13,185	-1,019	13,185	-2,156
Acquired intangible assets		0	-32,250	0	0
Acquired loss carryforwards		0	8	0	0
Change, deferred tax fair value fund		14,187	34,018	14,187	34,018
Exchange rate differences		427	43	342	5
Reported directly against shareholders' equity		27,799	800	27,714	31,867
Acquired deferred tax assets		0	100,060	0	0
Total changes		144,435	70,022	46,138	7,828
Unutilized tax losses		481,998	477,474	0	0
Reported deferred tax assets		104,449	102,290	0	0
Other unutilised tax losses		52,483	89,965	0	0
Unreported deferred tax assets		7,889	14,995	0	0

Note 29	Derivative instruments	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
<i>Derivatives for hedging fair value not hedge accounted</i>					
Foreign exchange-related contracts					
Swaps		3,632,349	7,054,093	3,632,349	7,054,093
Total		3,632,349	7,054,093	3,632,349	7,054,093
Foreign exchange distribution of market values					
EUR		2,663,417	3,468,915	2,663,417	3,468,915
NOK		0	2,587,776	0	2,587,776
DKK		170,946	190,997	170,946	190,997
USD		477,689	340,069	477,689	340,069
RON		119,575	129,270	119,575	129,270
HRK		0	149,836	0	149,836
CHF		4,821	9,981	4,821	9,981
PLN		39,988	0	39,988	0
RUB		119,583	68,775	119,583	68,775
Total		3,596,019	6,945,619	3,596,019	6,945,619
Positive value of foreign exchange-related contracts		36,330	108,474	36,330	108,474

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

Note 30	Other assets	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Accounts receivable	97,619	88,059	13,420	7,452
	Current tax assets	72,909	62,648	68,834	56,607
	Deduction, non-payment of funds	62,542	47,566	62,519	37,930
	Receivable, credit card companies and agent, Giroservice	8,630	10,080	0	0
	Outlay to authorities	21,850	22,359	0	0
	Value-added tax	2,501	8,171	0	0
	Other receivables	33,242	46,497	425	251
	Total	299,293	285,380	145,198	102,240

Note 31	Prepaid expenses and accrued income	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Commission income	74,381	122,211	19,728	20,934
	Commissions, intra-group	0	0	4,724	4,136
	Rental/subscription expenses	8,433	16,609	17,030	14,002
	Other expenses	37,847	27,351	28,401	16,801
	Total	120,661	166,171	69,883	55,873

Note 32	Assets and liabilities held for sale	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Lending to credit institutions	3,820	-		
	Tangible assets	20,421	-		
	Other assets	29	-		
	Prepaid expenses and accrued income	63	-		
	Total assets held for sale	24,333	0	0	0
	Other liabilities	2,493	-		
	Accrued expenses and deferred income	672	-		
	Total liabilities held for sale	3,165	0	0	0

Assets and liabilities held for sale as of 31 December 2019 relate to the two subsidiaries Guldalsvägens 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 AFT segment (see Note 2) but do not constitute part of the consolidated situation.

Note 33	Liabilities to credit institutions	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Granted credit	440,342	444,594	400,000	400,000
	Unutilized credit facilities	-440,338	-440,379	-400,000	-400,000
	Total	4	4,215	0	0

Note 34	Deposits from the public	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Deposits from the public, private individuals	19,129,958	14,085,063	18,938,896	13,791,700
	Deposits from the public, companies	1,487,542	1,141,879	949,237	756,321
	Deposits from the public, Group	0	0	109,000	74,478
	Total	20,617,500	15,226,942	19,997,133	14,622,499

Note 35	Issued securities, etc.	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
<i>Convertible debt instruments</i>					
	Opening accumulated cost			96,342	94,564
	Capitalized interest			1,812	1,778
	Total			98,154	96,342
<i>Certificates</i>					
	Commercial papers – SEK	0	419,195	0	419,195
	Capitalized interest	0	253	0	253
	Commercial papers – EUR	543,911	486,039	543,911	486,039
	Capitalized interest	893	805	893	805
	Total	544,804	906,292	544,804	906,292
	Issued securities	544,804	906,292	642,958	1,002,634

In February 2018, Svea Ekonomi AB issued a commercial paper scheme to a value of SEK 3,000 million or the equivalent of this in EUR.

On 1 November 2017, Svea Ekonomi AB issued an intra-group convertible debt instrument with a nominal value of SEK 100,000,000. The debt instrument matures on 31 December 2020 at its nominal value or it may be converted to new shares on 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 1,129,000.

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).

Note 36	Derivative instruments	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
<i>Derivatives for hedging fair value not hedge accounted</i>					
Foreign exchange-related contracts					
	Swaps	692,475	70,429	692,475	70,429
	Total	692,475	70,429	692,475	70,429
Foreign exchange distribution of market values					
	EUR	0	20,471	0	20,471
	NOK	534,084	0	534,084	0
	DKK	5,604	0	5,604	0
	HRK	115,270	0	115,270	0
	CHF	5,789	0	5,789	0
	GBP	40,127	50,384	40,127	50,384
	Total	700,874	70,855	700,874	70,855
	Negative value of foreign exchange-related contracts	8,399	426	8,399	426

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

Note 37	Lease liabilities	
	Commitments for operational leases as of 31 December 2018	198,037
	Leases with short maturity (deducted when expensed)	-1,043
	Effects of options to extend	151,029
	Discount effect	-34,779
	Reported lease liability, opening balance sheet, 1 January 2019	313,244

In connection with the transition to IFRS 16 as of 1 January 2019, the asset amounted to SEK 313 million and the lease liability to SEK 313 million. The opening retained earnings were therefore not affected by an initial effect. The weighted average marginal loan rate was 2.61 per cent.

Note 37	Lease liabilities, continued	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
<i>Buildings</i>					
	Opening lease liability	305,184			
	New contracts	97,269			
	Effects of changes to agreements	-838			
	Repayment	-67,605			
	Interest expense	10,583			
	Exchange rate differences	-410			
	Closing lease liability	344,183			
<i>Vehicles</i>					
	Opening lease liability	8,060			
	New contracts	7,019			
	Terminated contracts	-344			
	Repayment	-5,732			
	Interest expense	303			
	Exchange rate differences	-11			
	Closing lease liability	9,295			
	Total	353,478			

Maturities of lease liabilities

Group 2019

Within one year	66,101
Later than one year	287,377
Total	353,478

Group 2019

	Buildings	Vehicles	Total
Payments in current year:	67,605	5,732	73,337
Future payments (non-discounted):			
Within one year	70,250	5,382	75,632
Between one and five years	236,513	4,199	240,712
Later than five years	68,210		68,210
Total	374,973	9,581	384,554

Number of leases	39	94	133
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Impact on earnings of IFRS 16

Interest expenses	-10,886
Net interest income	-10,886
Net profit from financial transactions	212
Operating income	-10,674
Depreciation/amortisation and impairments of tangible and intangible assets	-68,112
Other administrative expenses	72,750
Operating expenses	4,638
Operating profit/loss	-6,036
Tax on profit for the year	1,274
Total effect on profit	-4,762

Note 38	Other liabilities	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Accounts payable	108,655	100,569	74,577	73,428
	Tax liability	184,538	45,220	162,922	27,215
	Deduction, non-disbursed funds	23,134	32,718	19,791	22,374
	Retained income taxes	57,250	53,533	48,847	43,104
	Value-added tax	31,885	39,405	16,587	20,761
	Other liabilities	42,987	32,105	101	14
	Total	448,449	303,550	322,825	186,896

Note 39	Accrued expenses and deferred income	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Interest income	61,878	44,374	61,736	44,206
	Leasing income	41,868	38,810	41,868	38,810
	Commission income	13,235	14,208	1,567	1,636
	Commission expenses	970	1,013	970	1,013
	Personnel expenses	101,828	92,956	72,427	64,633
	Other administration expenses from authorities	21,864	23,484	0	0
	Other administrative expenses	80,224	53,183	53,952	29,830
	Other consolidated internal administrative expenses	0	0	17,225	2,958
	Total	321,867	268,028	249,745	183,086

Note 40	Subordinated liabilities	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
	<i>Subordinated loans</i>				
	Opening accumulated cost	100,000	100,000	100,000	100,000
	Increase in subordinated loan	0	0	0	0
	Closing accumulated cost	100,000	100,000	100,000	100,000
	<i>Bond loans</i>				
	Opening accumulated cost	500,238	198,881	500,238	198,881
	AT1 bond, nominal value	-	300,000	0	300,000
	T2 bond, nominal value	300,000	-	300,000	0
	Capitalized interest	-1,321	1,357	-1,321	1,357
	Closing accumulated cost	798,917	500,238	798,917	500,238
	Total	898,917	600,238	898,917	600,238

Subordinated loans

On 30 June 2014, the Parent Company raised a six-year subordinated loan in the nominal amount of SEK 75,000,000 which will fall due on 30 June 2020. 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. The subordinated loan may not be redeemed prematurely. The Parent Company will repay the nominal amount including accrued interest for the entire outstanding subordinated debt on the due date.

On 1 December 2017, the subordinated loan was increased to a nominal value of SEK 100,000,000 and the due date was changed to 30 June 2023. The subordinated loan runs as of 1 December 2017 at a fixed annual interest rate of 8.5 per cent.

Interest expenses for the subordinated loan for the year amounted to SEK 8,500,000 (8,500,000).

Bond loans

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 the Swedish Financial Supervisory Authority's approval. Early redemption may also take place if the capital adequacy regulations are changed and no longer permit the inclusion of the bond in the capital base. The Parent Company will repay the nominal amount including accrued interest for all outstanding bonds under the loan on the due date.

Interest expenses for the year for the bond loan amounted to SEK 6,809,000.

Other transaction expenses in connection with the issue amounted to SEK 4,000,000 and are accrued until 20 June 2029.

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 primary 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 16,985,000 (10,683,000).

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 with a floating rate note (FRN) of STIBOR 3 months + 5.25 per cent per annum. Interest payments are made on 24 February, 24 May, 24 August and 24 November.

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 10,661,000 (11,878,000). Other transaction expenses in connection with the issue amounted to SEK 3,768,000 and are accrued until 24 November 2020.

Note 41	Untaxed reserves	Parent Company	
		31/12/2019	31/12/2018
	Provision for tax allocation reserve, 2016	0	112,000
	Provision for tax allocation reserve, 2017	0	153,000
	Provision for tax allocation reserve, 2018	0	92,000
	Accelerated depreciations	0	33,000
	Total	0	390,000

Note 42	Pledged assets	Group		Parent Company	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
	<i>Pledges and other comparable assets pledged for own liabilities and for liabilities reported as provisions</i>				
	Floating charges	0	11,679	0	0
	Lending to the public	200,702	198,004	0	0
	Total	200,702	209,683	0	0
	<i>Other assets pledged and comparable collateral</i>				
	Lending to credit institutions	1,086	2,307	0	1,016
	Lending to credit institutions	33,622	24,272	33,622	24,272
	Other assets	8,633	8,063	0	0
	Total	43,341	34,642	33,622	25,288
	Total	244,043	244,325	33,622	25,288

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

The subsidiary Svea Development OY (formerly Maksuturva ICT Services OY) has lodged floating charges of SEK 0 (11,679,000) as security to Nordea Bank for the granting of a bank overdraft facility of EUR 0 (200,000) and a loan of EUR 0 (400,000). The pledged assets were terminated in connection with the credit agreements expiring.

The subsidiary Svea Finans Nederland BV has pledged its outstanding purchased receivables of SEK 200,702,000 (198,004,000) 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

Through Svea Ekonomi AB branch in Finland, the Parent Company pledged cash and cash equivalents as security for bank guarantees issued by Nordea totalling SEK 0 (1,016,000), which took place under a collaboration agreement with one customer (1). The subsidiaries, Svea Finans Nederland BV, Nicknamed AB and Svea Perintä OY pledged cash and cash equivalents as security for bank guarantees issued by ABN Amro Bank, Swedbank and Nordea in the amounts of SEK 448,000 (434,000), SEK 0 (240,000) and SEK 638,000 (617,000) in respect of office space rentals. The above assets will remain pledged until the collaboration agreement or rental agreement expire.

Through Svea Ekonomi AB branch in Finland acting as a credit institution, the Parent Company deposited SEK 33,622,000 (24,272,000) 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 8,633,000 (8,063,000), 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	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
	<i>Contingent liabilities</i>				
	Guarantee commitments, external	12,176	11,928	4,688	4,688
	Guarantee commitments, Group	0	0	19,726	18,326
	Total	12,176	11,928	24,414	23,014
	<i>Commitments</i>				
	Granted credit	19,606,413	16,820,197	19,242,677	16,334,234
	Disbursed credit	1) -18,055,695	-15,489,149	-17,465,484	-14,850,477
	Total	1,550,718	1,331,048	1,777,193	1,483,757
	Total	1,562,894	1,342,976	1,801,607	1,506,771

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

Note 44 Business combinations

With effect from 21 October 2019, Svea Ekonomi AB acquired the remaining 70% of the shares in Credex AB. Credex 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 have any material impact on the Group's financial statements.

With effect from 2 January 2018, the subsidiary Svea Inkasso AB acquired all the shares in the Creditexpress NV Group, which runs debt collection operations through its subsidiaries in Eastern Europe. The Creditexpress NV Group was previously an associated company of Svea Ekonomi AB, and for this reason all of its shares have been sold to Svea Inkasso AB as described above. 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>The Creditexpress NV Group</i>	Carrying amount in the Creditexpress NV Group at acquisition	Adjustments	Fair value reported in Group
Lending to credit institutions	32,936		32,936
Lending to credit institutions, client funds	10,159		10,159
Intangible assets, capitalized development costs	946		946
Tangible assets	3,788		3,788
Deferred tax assets	87		87
Other assets	44,678		44,678
Prepaid expenses and accrued income	2,485	142,424	144,909
Assets	95,079	142,424	237,503
Deposits from the public	-4,925		-4,925
Deposits from the public, client funds	-10,159		-10,159
Other liabilities	-33,710		-33,710
Accrued expenses and deferred income	-3,856		-3,856
Deferred tax liability	-1,004	-31,333	-32,337
Liabilities	-53,654	-31,333	-84,987
Net assets	41,425	111,091	152,516
Acquisition costs			0
Transferred cash reimbursement including acquisition costs			152,516
Acquired lending to credit institutions			32,936
Effect of Group lending to credit institutions			-119,580

With effect from 11 June 2018, 90% of the shares were acquired in Svea Payments OY (formerly Maksuturva Group OY) and Svea Development OY (formerly Maksuturva ICT Services OY), (hereinafter the Maksuturva companies), which operate payment transfer and the development of payment transfer services. In connection with the acquisition, values such as customer contracts, IT platforms and software, synergy effects, market share, management and personnel were identified. According to the acquisition analysis, the total values of the assets and liabilities were as follows:

<i>Maksuturva companies</i>	Carrying amount in the Maksuturva companies upon acquisition	Adjustments	Fair value reported in Group
Lending to credit institutions	67,896		67,896
Goodwill	21,627	233,449	233,449
Other assets	33,111		30,664
Assets	122,634	233,449	356,083
Liabilities to credit institutions	-4,173		-4,173
Deposits from the public	-100,064		-100,064
Other liabilities	-3,836		-1,251
Liabilities	-108,073	0	-108,073
Net assets	14,561	233,449	248,010
Holding without a controlling influence			-24,801
Acquisition expenses 1)			4,470
Transferred reimbursement including acquisition costs			227,679
Acquired element of lending to credit institutions			61,106
Effect of Group lending to credit institutions			-166,573

Note 45 Financial instruments – classification of financial assets and liabilities

	Fair value via the income statement				Non-financial assets/liabilities	Assets/liabilities held for sale	Total carrying amount
	Accrued cost of acquisition	Mandatory	Derivative instruments	Fair value via comprehensive income			
<i>Group 31/12/2019</i>							
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
Financial assets	20,924,836	2,722,102	36,330	905,571	0	0	24,588,839
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
Assets	20,924,836	2,722,102	36,330	905,571	1,377,105	24,333	25,990,277
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
Financial liabilities	22,523,358	0	8,399	0	0	0	22,531,757
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
Liabilities	22,523,358	0	8,399	0	703,459	3,165	23,238,381
Shareholders' equity					2,751,896		2,751,896
Total liabilities and shareholders' equity							25,990,277

	Fair value via the income statement				Non-financial assets/liabilities	Assets/liabilities held for sale	Total carrying amount
	Accrued cost of acquisition	Mandatory	Derivative instruments	Fair value via comprehensive income			
<i>Group 31/12/2018</i>							
Cash and balances with central banks	33,772						33,772
Treasury bonds etc. acceptable as collateral		12,032					12,032
Lending to credit institutions	1,834,129						1,834,129
Lending to the public	14,839,741						14,839,741
Bonds and securities		684,904					684,904
Shares and participations		252,810		1,018,795			1,271,605
Derivative instruments			108,474				108,474
Other assets, accounts receivable	88,059						88,059
Financial assets	16,761,929	983,518	108,474	1,018,795	0	0	18,872,716
Other participations					3,284		3,284
Shares and participations in associated companies					6,414		6,414
Intangible assets					359,089		359,089
Tangible assets					90,571		90,571
Deferred tax assets					117,505		117,505
Other assets					197,321		197,321
Prepaid expenses and accrued income					166,171		166,171
Assets	16,761,929	983,518	108,474	1,018,795	940,355	0	19,813,071
Liabilities to credit institutions	4,215						4,215
Deposits from the public	15,226,942						15,226,942
Issued securities, etc.	906,292						906,292
Derivative instruments			426				426
Other liabilities, accounts payable	100,569						100,569
Subordinated liabilities	600,238						600,238
Financial liabilities	16,838,256	0	426	0	0	0	16,838,682
Other liabilities					202,983		202,983
Accrued expenses/ deferred income					268,028		268,028
Deferred tax liability					159,126		159,126
Liabilities	16,838,256	0	426	0	630,137	0	17,468,819
Shareholders' equity					2,344,252		2,344,252
Total liabilities and shareholders' equity							19,813,071

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

	Fair value via the income statement					
	Accrued cost of acquisition	Mandatory	Derivative instruments	Fair value via comprehensive income	Non-financial assets/liabilities	Total carrying amount
<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
Financial assets	19,568,414	2,710,057	36,330	905,571	0	23,220,372
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
Assets	19,568,414	2,710,057	36,330	905,571	1,587,087	24,807,459
Deposits from the public	19,997,133					19,997,133
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	0	8,399	0	0	898,917
Financial liabilities	21,613,585	0	8,399	0	0	21,621,984
Other liabilities					248,248	248,248
Accrued expenses/ deferred income					249,745	249,745
Deferred tax liability					25,635	25,635
Total liabilities	21,613,585	0	8,399	0	523,628	22,145,612
Untaxed reserves					0	0
Shareholders' equity					2,661,847	2,661,847
Total liabilities and shareholders' equity						24,807,459
<i>Parent Company 31/12/2018</i>						
Lending to credit institutions	1,224,512					1,224,512
Lending to the public	14,255,353					14,255,353
Bonds and securities		684,904				684,904
Shares and participations		252,783		1,018,795		1,271,578
Derivative instruments			108,474			108,474
Other assets, accounts receivable	7,452					7,452
Financial assets	15,487,317	937,687	108,474	1,018,795	0	17,552,273
Shares and participations in associated companies					6,930	6,930
Shares and participations in Group companies					702,602	702,602
Intangible assets					0	0
Tangible assets					581,877	581,877
Deferred tax assets					9,713	9,713
Other assets					94,788	94,788
Prepaid expenses and accrued income					55,873	55,873
Assets	15,487,317	937,687	108,474	1,018,795	1,451,783	19,004,056
Liabilities to credit institutions	0					0
Deposits from the public	14,622,499					14,622,499
Issued securities, etc.	1,002,634					1,002,634
Derivative instruments			426			426
Other liabilities, accounts payable	73,428					73,428
Subordinated liabilities	600,238	0	426	0	0	600,238
Financial liabilities	16,298,799	0	426	0	0	16,299,225
Other liabilities					113,468	113,468
Accrued expenses/ deferred income					183,086	183,086
Deferred tax liability					46,165	46,165
Total liabilities	16,298,799	0	426	0	342,719	16,641,944
Untaxed reserves					390,000	390,000
Shareholders' equity					1,972,112	1,972,112
Total liabilities and shareholders' equity						19,004,056

Note 46	Financial instruments measured at fair value	31/12/2019		31/12/2018	
		Carrying amount	Fair value	Carrying amount	Fair value
<i>Group</i>					
	Cash and balances with central banks	31,757	31,757	33,772	33,772
	Treasury bonds etc. acceptable as collateral	12,017	12,017	12,032	12,032
	Lending to credit institutions	3,584,846	3,584,846	1,834,129	1,834,129
	Lending to the public	17,210,614	17,210,614	14,839,741	14,839,741
	Bonds and securities	2,303,985	2,303,985	684,904	684,904
	Shares and participations	1,311,671	1,311,671	1,271,605	1,271,605
	Derivative instruments	36,330	36,330	108,474	108,474
	Other assets, accounts receivable	97,619	97,619	88,059	88,059
	Financial assets	24,588,839	24,588,839	18,872,716	18,872,716
	Non-financial assets	1,401,438	1,401,438	940,355	940,355
	Assets	25,990,277	25,990,277	19,813,071	19,813,071
	Liabilities to credit institutions	4	4	4,215	4,215
	Deposits from the public	20,617,500	20,617,500	15,226,942	15,226,942
	Issued securities	544,804	544,804	906,292	906,292
	Derivative instruments	8,399	8,399	426	426
	Lease liabilities	353,478	353,478	0	0
	Other liabilities, accounts payable	108,655	108,655	100,569	100,569
	Subordinated liabilities	898,917	918,301	600,238	614,002
	Financial liabilities	22,531,757	22,551,141	16,838,682	16,852,446
	Non-financial liabilities	706,624	706,624	630,137	630,137
	Liabilities	23,238,381	23,257,765	17,468,819	17,482,583

1) Including assets/liabilities held for sale

<i>Parent Company</i>	Carrying amount		Fair value	
	Carrying amount	Fair value	Carrying amount	Fair value
Lending to credit institutions	2,876,601	2,876,601	1,224,512	1,224,512
Lending to the public	16,678,393	16,678,393	14,255,353	14,255,353
Bonds and securities	2,303,985	2,303,985	684,904	684,904
Shares and participations	1,311,643	1,311,643	1,271,578	1,271,578
Derivative instruments	36,330	36,330	108,474	108,474
Other assets, accounts receivable	13,420	13,420	7,452	7,452
Financial assets	23,220,372	23,220,372	17,552,273	17,552,273
Non-financial assets	1,587,087	1,587,087	1,451,783	1,451,783
Assets	24,807,459	24,807,459	19,004,056	19,004,056
Deposits from the public	19,997,133	19,997,133	14,622,499	14,622,499
Issued securities, etc.	642,958	642,958	1,002,634	1,002,634
Derivative instruments	8,399	8,399	426	426
Other liabilities, accounts payable	74,577	74,577	73,428	73,428
Subordinated liabilities	898,917	918,301	600,238	614,002
Financial liabilities	21,621,984	21,641,368	16,299,225	16,312,989
Non-financial liabilities	523,628	523,628	342,719	342,719
Liabilities and untaxed reserves	22,145,612	22,164,996	16,641,944	16,655,708

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.

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 cash and balances with central banks, treasury bonds etc. acceptable as collateral, 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 on an active market for the same instruments (see Note 1).

Level 2: according to valuation 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. This generally applies to unlisted shares and participations whose carrying amounts are considered to correspond to their fair values.

<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
Financial assets	3,221,573	36,330	406,100	3,664,003
Derivative instruments		8,399		8,399
Financial liabilities	0	8,399	0	8,399

<i>Group 31/12/2018</i>	Level 1	Level 2	Level 3	Total
Cash and balances with central banks	33,772			33,772
Treasury bonds etc. acceptable as collateral	12,032			12,032
Bonds and other securities	684,904			684,904
Shares and participations	1,018,795		252,810	1,271,605
Derivative instruments		108,474		108,474
Financial assets	1,749,503	108,474	252,810	2,110,787
Derivative instruments		426		426
Financial liabilities	0	426	0	426

<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
Financial assets	3,209,556	36,330	406,072	3,651,958
Derivative instruments		8,399		8,399
Financial liabilities	0	8,399	0	8,399

<i>Parent Company 31/12/2018</i>	Level 1	Level 2	Level 3	Total
Bonds and other securities	684,904			684,904
Shares and participations	1,018,795		252,783	1,271,578
Derivative instruments		108,474		108,474
Financial assets	1,703,699	108,474	252,783	2,064,956
Derivative instruments		426		426
Financial liabilities	0	426	0	426

Note 47 Fair value – Level 3	Shares and participations
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The fair value of unlisted shares and participations cannot be measured reliably due to lack of information about the fair value on the market. Accordingly, carrying amounts correspond to fair values. The company's investments in unlisted shares and participations are primarily attributable to Sweden and are distributed across different industries. The company considers the holdings to be long-term investments and does not intend to dispose of them.

During the year, significant new investments were undertaken above all in Unite Global AS and Cool Company Skandinavien AB to a total value of SEK 64,677,000.

Group

Closing balance 31/12/2017	146,734
Acquisition cost	49,187
Proceeds	-350
Exchange rate differences	1
Revaluation	56,896
Gains and losses reported in profit for the year	342
Closing balance 31/12/2018	252,810
Acquisition cost	115,947
Proceeds	-4,500
Exchange rate differences	1
Revaluation	41,842
Closing balance 31/12/2019	406,100

Parent Company

Closing balance 31/12/2017	146,708
Acquisition cost	49,187
Proceeds	-350
Revaluation	56,896
Gains and losses reported in profit for the year	342
Closing balance 31/12/2018	252,783
Acquisition cost	115,947
Proceeds	-4,500
Revaluation	41,841
Closing balance 31/12/2019	406,072

Not 48 Financial risks

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, organization, responsibility and process required for a credit decision. 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.

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 1,488 million (1,142) and SEK 949 million (756) 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 2019</i>					
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 housing cooperatives	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
Total lending against collateral	5,464,307	-142,789	5,321,518	5,321,518	0
<i>Unsecured lending:</i>					
Lending, external	12,591,388	-702,292	11,889,096		11,889,096
Lending, Group	0		0		0
Total unsecured lending	12,591,388	-702,292	11,889,096		11,889,096
Total lending to the public	18,055,695	-845,081	17,210,614	5,321,518	11,889,096
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
Total bonds and other securities	2,303,985		2,303,985		2,303,985
Derivative instruments	36,330		36,330		36,330
Issued loan commitments					0
Issued financial guarantees	12,176		12,176		12,176
Total	24,005,049	-845,081	23,159,968	5,321,518	17,838,450

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 2019</i>			
Mortgages on properties	844,188	346,160	1,190,348
Mortgages on housing cooperatives	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
Loan receivables	1,214,407	4,107,111	5,321,518

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>Group 2018</i>	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	12,032		12,032		12,032
Lending to credit institutions	1,834,129		1,834,129		1,834,129
Lending to the public					
<i>Lending against collateral in:</i>					
Mortgages on properties	1,485,821	-21,153	1,464,668	1,464,668	0
Mortgages on housing cooperatives	220,771	-4,675	216,096	216,096	0
Accounts receivable	2,212,127	-17,350	2,194,777	2,194,777	0
Floating charges	244,793	-596	244,197	244,197	0
Guarantees	418,130	-9,502	408,628	408,628	0
Miscellaneous	886,821	-39,922	846,899	846,899	0
Total lending against collateral	5,468,463	-93,198	5,375,265	5,375,265	0
<i>Unsecured lending:</i>					
Lending, external	10,020,686	-556,210	9,464,476		9,464,476
Lending, Group			0		0
Total unsecured lending	10,020,686	-556,210	9,464,476		9,464,476
Total lending to the public	15,489,149	-649,408	14,839,741	5,375,265	9,464,476
Bonds and other securities					
<i>Government securities and similar:</i>					
AAA	234,307		234,307		234,307
AA+	111,650		111,650		111,650
With no rating	10,004		10,004		10,004
<i>Other issuers:</i>					0
AAA	274,603		274,603		274,603
With no rating	54,340		54,340		54,340
Total bonds and other securities	684,904		684,904		684,904
Derivative instruments	108,474		108,474		108,474
Issued loan commitments			0		0
Issued financial guarantees	4,688		4,688		4,688
Total	18,133,376	-649,408	17,483,968	5,375,265	12,108,703

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

<i>Group 2018</i>	Lending to private individuals	Lending to companies	Value of collateral
Mortgages on properties	653,898	810,770	1,464,668
Mortgages on housing cooperatives	147,259	68,837	216,096
Accounts receivable	0	2,194,777	2,194,777
Floating charges	0	244,197	244,197
Guarantees	181,282	227,346	408,628
Miscellaneous	11,115	835,784	846,899
Loan receivables	993,554	4,381,711	5,375,265

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 2019</i>					
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 housing cooperatives	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
Total lending against collateral	4,700,042	-123,062	4,576,980	4,576,980	0
<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
Total unsecured lending	12,766,478	-665,065	12,101,413		12,101,413
Total lending to the public	17,466,520	-788,127	16,678,393	4,576,980	12,101,413
Bonds and other securities					
<i>Government securities and similar:</i>					
AAA	769,740		769,740		769,740
AA+	984,127		984,127		984,127
With no rating			0		0
<i>Other issuers:</i>					
AAA	416,528		416,528		416,528
AA-	30,314				0
A-	14,997				0
With no rating	88,279		88,279		88,279
Total bonds and other securities	2,303,985		2,258,674		2,258,674
Derivative instruments	36,330		36,330		36,330
Issued loan commitments			0		0
Issued financial guarantees	12,176		12,176		12,176
Total	22,695,612	-788,127	21,862,174	4,576,980	17,285,194

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 2019</i>			
Mortgages on properties	844,188	333,136	1,177,324
Mortgages on housing cooperatives	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
Loan receivables	1,214,393	3,362,587	4,576,980

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 2018</i>					
Lending to credit institutions	1,224,512		1,224,512		1,224,512
Lending to the public					
<i>Lending against collateral in:</i>					
Mortgages on properties	1,481,699	-21,153	1,460,546	1,460,546	0
Mortgages on housing cooperatives	220,771	-4,675	216,096	216,096	0
Accounts receivable	2,079,694	-13,198	2,066,496	2,066,496	0
Floating charges	222,595	-596	221,999	221,999	0
Guarantees	376,913	-7,705	369,208	369,208	0
Miscellaneous	324,896	-27,164	297,732	297,732	0
Total lending against collateral	4,706,568	-74,491	4,632,077	4,632,077	0
<i>Unsecured lending:</i>					
Lending, external	8,811,906	-520,633	8,291,273		8,291,273
Lending, Group	1,332,003	0	1,332,003		1,332,003
Total unsecured lending	10,143,909	-520,633	9,623,276		9,623,276
Total lending to the public	14,850,477	-595,124	14,255,353	4,632,077	9,623,276
Bonds and other securities					
<i>Government securities and similar:</i>					
AAA	234,307		234,307		234,307
AA+	111,650		111,650		111,650
With no rating	10,004		10,004		10,004
<i>Other issuers:</i>					
AAA	274,603		274,603		274,603
With no rating	54,340		54,340		54,340
Total bonds and other securities	684,904		684,904		684,904
Derivative instruments	108,474		108,474		108,474
Issued loan commitments	0		0		0
Issued financial guarantees	23,014		23,014		23,014
Total	16,891,381	-595,124	16,296,257	4,632,077	11,664,180

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 2018</i>			
Mortgages on properties	653,899	806,648	1,460,547
Mortgages on housing cooperatives	147,259	68,837	216,096
Accounts receivable	0	2,066,496	2,066,496
Floating charges	0	221,999	221,999
Guarantees	181,281	187,926	369,207
Miscellaneous	11,115	286,617	297,732
Loan receivables	993,554	3,638,523	4,632,077

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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Private individuals:				
Rate of loss provisions for loan receivables	4.7%	4.9%	5.0%	5.1%
Credit loss ratio	2.3%	2.6%	2.4%	2.8%
Companies:				
Rate of loss provisions for loan receivables	4.7%	3.4%	4.9%	3.4%
Credit loss ratio	2.8%	2.3%	3.2%	2.6%

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

Because lending and borrowing essentially take place at variable interest rates and can be adjusted significantly, the net interest rate risk is insignificant.

Disclosures regarding fixed-interest periods for financial assets and liabilities are presented in the following tables and sensitivity analyses.

Interest rate exposure, fixed-interest terms for the Group

Group 2019	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						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
Total assets	20,418,391	1,414,691	384,504	772,950	0	2,999,741	25,990,277
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
Total liabilities and shareholders' equity	18,428,984	497,235	486,660	1,513,938	0	5,063,460	25,990,277
Net interest rate exposure	1,989,407	917,456	-102,156	-740,988	0		
Cumulative interest rate exposure	1,989,407	2,906,863	2,804,707	2,063,719	2,063,719		

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

<i>Group 2018</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						33,772	33,772
Treasury bonds acceptable as collateral	12,032						12,032
Lending to credit institutions	1,834,129						1,834,129
Lending to the public	14,730,869			508		108,364	14,839,741
Bonds and other securities		631,320		53,584			684,904
Other assets						2,408,493	2,408,493
Total assets	16,577,030	631,320	0	54,092	0	2,550,629	19,813,071
Liabilities to credit institutions	4,215						4,215
Deposits from the public	14,192,693			102,000		932,249	15,226,942
Issued securities, etc.	19,998	544,166	342,128				906,292
Other liabilities						572,006	572,006
Deferred tax liability						159,126	159,126
Subordinated liabilities		500,238		100,000			600,238
Shareholders' equity						2,344,252	2,344,252
Total liabilities and shareholders' equity	14,216,906	1,044,404	342,128	202,000	0	4,007,633	19,813,071
Net interest rate exposure	2,360,124	-413,084	-342,128	-147,908	0		
Cumulative interest rate exposure	2,360,124	1,947,040	1,604,912	1,457,004	1,457,004		

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 20,637,000 (14,570,000) 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 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
Total assets	19,168,420	1,414,691	384,504	772,588	0	3,067,256	24,807,459
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
Total liabilities and shareholders' equity	18,227,741	497,235	484,814	1,513,938	0	4,083,731	24,807,459
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		

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

<i>Parent Company 2018</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	1,224,512						1,224,512
Lending to the public	13,650,799			498,911		105,643	14,255,353
Bonds and other securities		631,320		53,584			684,904
Other assets						2,839,287	2,839,287
Total assets	14,875,311	631,320	0	552,495	0	2,944,930	19,004,056
Deposits from the public	13,994,681					627,818	14,622,499
Issued securities, etc.	19,998	544,166	342,128	96,342			1,002,634
Other liabilities						370,408	370,408
Deferred tax liability						46,165	46,165
Subordinated liabilities		500,238		100,000			600,238
Untaxed reserves						390,000	390,000
Shareholders' equity						1,972,112	1,972,112
Total liabilities and shareholders' equity	14,014,679	1,044,404	342,128	196,342	0	3,406,503	19,004,056
Net interest rate exposure	860,632	-413,084	-342,128	356,153	0		
Cumulative interest rate exposure	860,632	447,548	105,420	461,573	461,573		

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 10,016,000 (4,616,000) 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	Local currency	Average exchange rate		Closing day rate	
		2019	2018	31/12/2019	31/12/2018
NOK	Norwegian crowns	1.0746	1.0686	1.0664	1.0247
EUR	Euros	10.5793	10.2876	10.4984	10.1559
DKK	Danish crowns	1.4169	1.3804	1.4053	1.3598
USD	United States dollars	9.4597	8.7314	9.3605	8.8514
HRK	Croatian kuna	1.4259	1.3871	1.4105	1.37005
UAH	Ukrainian hryvnia	0.3671	0.3207	0.3951	0.3195
RUB	Russian roubles	0.1458	0.1398	0.1512	0.1270

Assets and liabilities in SEK thousands by underlying currency – Group

<i>Group 31/12/2019</i>	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
Total assets	15,522,843	3,487,638	5,380,663	217,952	505,440	875,741	25,990,277
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
Total liabilities and shareholders' equity	18,756,024	3,325,047	3,826,027	39,674	3,523	39,982	25,990,277
Contingent liabilities	4,688	0	0	0	0	0	4,688
Currency swaps	0	-525,906	-2,686,017	-178,033	-489,054	-445,814	
Net position	-3,228,493	-363,315	-1,131,381	245	12,863	389,945	

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

<i>Group 31/12/2018</i>	SEK	NOK	EUR	DKK	USD	Other	Total
Cash and balances with central banks	33,772	0	0	0	0	0	33,772
Treasury bonds etc. acceptable as collateral	12,032	0	0	0	0	0	12,032
Lending to credit institutions	843,636	366,170	567,311	15,618	4,254	37,140	1,834,129
Lending to the public	7,560,534	2,786,108	3,377,195	182,454	340,405	593,045	14,839,741
Other assets	2,655,317	37,504	299,795	15,591	0	85,190	3,093,397
Total assets	11,105,291	3,189,782	4,244,301	213,663	344,659	715,375	19,813,071
Liabilities to credit institutions	160	0	4,055	0	0	0	4,215
Deposits from the public	14,508,931	432,637	249,955	19,887	846	2,009	15,226,942
Issued securities, etc.	906,292	0	0	0	0	0	906,292
Other liabilities	353,655	117,264	87,650	6,272	0	7,165	572,006
Deferred tax liability	137,288	0	21,838	0	0	0	159,126
Subordinated liabilities	600,238	0	0	0	0	0	600,238
Shareholders' equity	1,341,596	359,832	634,392	8,983	585	-1,136	2,344,252
Total liabilities and shareholders' equity	17,848,160	909,733	997,890	35,142	1,431	8,038	19,813,071
Contingent liabilities	4,688	0	0	0	0	0	4,688
Currency swaps	0	-2,661,493	-3,515,922	-192,545	-343,682	-410,880	
Net position	-6,738,181	-381,444	-269,511	-14,024	-454	296,457	

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

Sensitivity analysis

<i>Group 2019</i>	NOK	EUR	DKK	USD	Other	Total
Effect of 10% increase in SEK against currency	36,332	113,138	-25	-1,286	-38,994	109,164
<i>Group 2018</i>	NOK	EUR	DKK	USD	Other	Total
Effect of 10% increase in SEK against currency	38,144	26,951	1,402	45	-29,646	36,898

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

<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
Total assets	15,059,227	3,395,619	5,520,654	172,651	494,826	164,482	24,807,459
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
Shareholders' equity	1,583,385	419,839	658,623	0	0	0	2,661,847
Total liabilities and shareholders' equity	18,149,363	3,220,813	3,434,873	129	2,148	133	24,807,459
Contingent liabilities	11,311	12,904	199	0	0	0	24,414
Currency swaps	0	-525,906	-2,686,017	-178,033	-489,054	-445,814	
Net position	-3,078,825	-338,196	-600,037	-5,511	3,624	-281,465	
Net position excluding shareholders' equity	-1,495,440	81,643	58,586	-5,511	3,624	-281,465	

Other currencies consist primarily of Croatian kuna.

<i>Parent Company 31/12/2018</i>	SEK	NOK	EUR	DKK	USD	Other	Total
Lending to credit institutions	603,529	284,643	331,689	303	2,504	1,844	1,224,512
Lending to the public	7,079,927	2,786,108	3,721,487	178,240	338,620	150,971	14,255,353
Other assets	3,427,761	23,319	16,693	413	0	56,005	3,524,191
Total assets	11,111,217	3,094,070	4,069,869	178,956	341,124	208,820	19,004,056
Deposits from the public	14,099,713	421,049	100,767	124	846	0	14,622,499
Issued securities, etc.	1,002,634	0	0	0	0	0	1,002,634
Other liabilities	262,637	64,731	43,040	0	0	0	370,408
Deferred tax liability	46,165	0	0	0	0	0	46,165
Subordinated liabilities	600,238	0	0	0	0	0	600,238
Untaxed reserves	390,000	0	0	0	0	0	390,000
Shareholders' equity	1,104,362	328,370	539,380	0	0	0	1,972,112
Total liabilities and shareholders' equity	17,505,749	814,150	683,187	124	846	0	19,004,056
Contingent liabilities	10,537	12,399	78	0	0	0	23,014
Currency swaps	0	-2,661,493	-3,515,922	-192,545	-343,682	-410,880	
Net position	-6,383,995	-369,174	-129,162	-13,713	-3,404	-202,060	
Net position excluding shareholders' equity	-5,279,633	-40,804	410,218	-13,713	-3,404	-202,060	

Other currencies consist primarily of Croatian kuna.

Sensitivity analysis

<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
<i>Parent Company 2018</i>	NOK	EUR	DKK	USD	Other	Total
Effect of 10% increase in SEK against currency	36,917	12,916	1,371	340	20,206	71,751

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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Sweden	1,188,727	1,107,365	1,188,727	1,107,365
Nordic, other	64,267	103,400	64,267	103,400
Europe, other	50,242	53,925	50,214	53,898
Rest of the world	8,435	6,915	8,435	6,915
Total	1,311,671	1,271,605	1,311,643	1,271,578

Distribution of holdings per industry:	Group		Parent Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Commodities	67,778	269,630	67,778	269,630
Services	200,295	403,408	200,295	403,408
Telecoms	28,726	24,944	28,726	24,944
IT	218,968	111,697	218,968	111,697
Energy	20,963	14,892	20,963	14,892
Health care	174,397	121,608	174,397	121,608
Finance and property	422,075	114,513	422,047	114,486
Industry	31,157	45,273	31,157	45,273
Other	147,312	165,640	147,312	165,640
Total	1,311,671	1,271,605	1,311,643	1,271,578

Sensitivity analysis

The impact on shareholders' equity of an increase/decrease in the share price of 10 per cent amounts to +/- SEK	131,167	127,161	131,164	127,158
or a percentage of shareholders' equity based on the shares and participations existing on the closing date.	4.8%	5.4%	4.9%	6.4%

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 continuously on developing and optimizing its internal processes to reduce the risk of operational incidents. This work includes methods for personnel training and identifying and reporting operational risks. 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 extra 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, subordinated loans and bond loans.

Financing consists chiefly 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 June 2019 of a subordinated bond loan with a nominal value of SEK 300 million. Svea Ekonomi had previously also issued a bond loan with a nominal value of SEK 500 million, a subordinated loan with a nominal value of SEK 100 million and a convertible loan with a nominal value of SEK 100 million. Otherwise, the Group has loan facilities with credit institutions in Switzerland of CHF 2 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.

Liquidity for the consolidated situation	31/12/2019	31/12/2018
Cash and balances with central banks	31,757	33,772
Treasury bonds etc. acceptable as collateral	12,017	12,032
Lending to credit institutions (available next day)	3,241,037	1,559,878
Bonds and other securities, etc.	2,291,259	681,650
Liquidity reserve	5,576,070	2,287,332
Bonds and other securities, etc.	0	0
Shares and participations, listed (market value)	905,599	1,018,795
Unutilized credit facilities	40,338	38,348
Other liquidity-creating measures	945,937	1,057,143
Available liquidity	6,522,007	3,344,475
Lending to credit institutions	3,241,037	1,559,878
Lending to the public, external	17,210,614	14,839,741
Lending to the public, Group companies	334,370	227,671
Lending	20,786,021	16,627,290
Liabilities to credit institutions	4	164
Subordinated liabilities	898,917	600,238
Issued securities, etc.	544,804	906,292
Borrowing	1,443,725	1,506,694
Deposits from the public, external	20,492,723	15,125,161
Deposits from the public, Group companies	17,721	19,210
Deposits	20,510,444	15,144,371
Borrowing and deposits	21,954,169	16,651,065
Balance sheet total	25,662,722	19,576,286
Key ratios		
Liquidity reserve/deposits	27.19%	15.10%
Liquidity reserve/balance sheet total	21.73%	11.68%
Available liquidity/deposits	31.80%	22.08%
Available liquidity/balance sheet total	25.41%	17.08%
Lending/deposits	101.34%	109.79%
Borrowing and deposits/balance sheet total	85.55%	85.06%
Liquidity Coverage Ratio (SEK thousands)		
High Quality Liquid Assets (HQLA)	2,265,574	694,334
Net cash outflow	566,301	416,645
Liquidity Coverage Ratio (LCR)	400%	167%

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

A new metric is expected to be introduced – Net Stable Funding Ratio (NSFR) – with the objective of measuring 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. NSFR has been reported as of 2015. As yet, however, the EU has not introduced any binding minimum requirement.

Leverage ratio

As of 2015, the leverage ratio is also being reported, for which a mandatory metric is expected to be introduced from June 2021. The leverage ratio is a metric that aims to limit the risk for increased indebtedness among credit institutions. The leverage ratio is calculated as primary capital divided by the total exposure on and off balance sheet with adjustments of 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.

Group 2019	Contractual non-discounted cash flows – terms remaining						Total
	On demand	Max 3 months	3 mo - 1 yr	1 yr - 5 yrs	More than 5 yrs	No term	
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
Total assets	3,593,912	10,402,179	3,101,657	7,805,976	3,565,895	2,637,700	31,107,319
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
Total liabilities and shareholders' equity	17,824,362	1,867,824	752,313	1,943,882	995,333	3,184,847	26,568,560
Issued financial guarantees						12,176	12,176
Issued loan commitments						1,557,323	1,557,323
Total	0	0	0	0	0	1,569,499	1,569,499
Total difference	-14,230,450	8,534,355	2,349,344	5,862,094	2,570,562		
Cash and balances with central banks							31,757
Treasury bonds etc. acceptable as collateral							12,017
Lending to credit institutions							3,584,846
Bonds and securities, after valuation haircuts, discounted							2,291,259
Shares and participations, listed							905,571
Unutilized credit facilities							40,338
Available liquidity							6,865,788
Available liquidity/deposits from public, discounted							33%

Liquidity exposure – Group

Contractual non-discounted cash flows – terms remaining

<i>Group 2018</i>	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	33,772						33,772
Treasury bonds acceptable as collateral	12,032						12,032
Lending to credit institutions	1,807,550		26,579	0			1,834,129
Lending to the public		9,173,166	2,130,911	4,337,597	2,472,850		18,114,524
Bonds and securities		145,085	40,913	462,962	52,639		701,599
Shares and participations						1,271,578	1,271,578
Derivative instruments		108,474					108,474
Other assets		96,230	62,648			869,536	1,028,414
Total assets	1,853,354	9,522,955	2,261,051	4,800,559	2,525,489	2,141,114	23,104,522
Liabilities to credit institutions	0	4,215					4,215
Deposits from the public	14,049,184	1,223,769	6,135	85,372			15,364,460
Issued securities		564,164	342,128				906,292
Subordinated liabilities		9,083	27,248	241,151	593,457		870,939
Derivative instruments		426					426
Other liabilities		193,507	45,220			491,977	730,704
Shareholders' equity						2,344,252	2,344,252
Total liabilities and shareholders' equity	14,049,184	1,431,000	78,603	326,523	593,457	2,836,229	19,314,996
Issued financial guarantees						4,688	4,688
Issued loan commitments						1,331,048	1,331,048
Lease agreements as lessee		18,602	55,805	123,631	0		198,037
Total	0	18,602	55,805	123,631	0	1,335,736	1,533,773
Total difference	-12,195,830	8,073,353	2,126,644	4,350,405	1,932,032		

Cash and balances with central banks	33,772
Treasury bonds etc. acceptable as collateral	12,032
Lending to credit institutions	1,834,129
Bonds and securities, after valuation haircuts, discounted	658,433
Shares and participations, listed	1,018,795
Unutilized credit facilities	38,348

Available liquidity **3,595,509**

Available liquidity/deposits from public, discounted 24%

Liquidity exposure – Parent Company

<i>Parent Company 2019</i>	Contractual non-discounted cash flows – terms remaining						Total
	On demand	Max 3 months	3 mo - 1 yr	1 yr - 5 yrs	More than 5 yrs	No term	
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						1,311,643	1,311,643
Derivative instruments		36,330					36,330
Other assets		13,420	68,834			1,518,253	1,600,507
Total assets	2,842,979	10,839,407	2,553,419	6,679,075	3,387,730	2,829,896	29,132,507
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
Total liabilities and shareholders' equity	17,524,958	1,377,382	790,508	1,703,170	927,123	2,957,119	25,280,259
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
Total	0	-52,708	-158,123	-286,911	805	1,801,607	1,304,670
Total difference	-14,681,979	9,514,733	1,921,035	5,262,816	2,459,803		
Lending to credit institutions							2,876,601
Bonds and securities, after valuation haircuts, discounted							2,291,259
Shares and participations, listed							905,571
Unutilized credit facilities							0
Available liquidity							6,073,431
Available liquidity/deposits from public, discounted							30%

Liquidity exposure – Parent Company

<i>Parent Company 2018</i>	Contractual non-discounted cash flows – terms remaining						Total
	On demand	Max 3 months	3 mo - 1 yr	1 yr - 5 yrs	More than 5 yrs	No term	
Lending to credit institutions	1,199,224		25,288				1,224,512
Lending to the public		9,400,425	1,748,790	3,795,745	2,407,474		17,352,434
Bonds and securities		145,085	40,913	462,962	52,639		701,599
Shares and participations						1,271,578	1,271,578
Derivative instruments		108,474					108,474
Other assets		7,452				1,451,783	1,459,235
Total assets	1,199,224	9,661,436	1,814,991	4,258,707	2,460,113	2,723,361	22,117,832
Deposits from the public	13,796,375	826,121					14,622,496
Issued securities, etc.		564,164	347,128	105,000			1,016,292
Subordinated liabilities		9,083	27,248	241,151	593,457		870,939
Derivative instruments		426					426
Other liabilities		137,293	27,215			251,639	416,147
Untaxed reserves						390,000	390,000
Shareholders' equity						1,972,112	1,972,112
Total liabilities and shareholders' equity	13,796,375	1,537,087	401,591	346,151	593,457	2,613,751	19,288,412
Issued financial guarantees						23,014	23,014
Issued loan commitments						1,483,757	1,483,757
Lease agreements as lessee		10,464	31,391	116,326	0		158,180
Lease agreements as lessor		-64,663	-173,019	-345,853	-3,593		-587,128
Total	0	-54,199	-141,629	-229,527	-3,593	1,506,771	1,077,823
Total difference	-12,597,151	8,178,548	1,555,029	4,142,083	1,870,249		
Lending to credit institutions							1,224,512
Bonds and securities, after valuation haircuts, discounted							658,433
Shares and participations, listed							1,018,795
Unutilized credit facilities							0
Available liquidity							2,901,740
Available liquidity/deposits from public, discounted							20%

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 – core primary capital and primary 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	19 September 2019	2.50%
Norway	31 December 2019	2.50%
Czech Republic	1 July 2019	1.50%
Slovakia	1 August 2019	1.50%
Denmark	30 September 2019	1.00%
UK	28 November 2018	1.00%

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 core primary capital ratio is 4.50 per cent, the primary 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 2019, the capital requirement in the Parent Company including the buffer requirement for the core primary capital ratio stood at 9.49 per cent (9.36), the primary capital ratio at 11.13 per cent (11.04) and the total capital ratio at 13.32 per cent (13.28).

In the consolidated situation on 31 December 2019, the capital requirement including the buffer requirement for the core primary capital ratio stood at 9.43 per cent (9.23), the primary capital ratio at 11.08 per cent (10.89) and the total capital ratio at 13.29 per cent (13.12).

Capital base

Capital base refers to the total of core primary, primary and supplementary capital, after deductions. Core primary 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 core primary capital. Deductions from core primary capital are also made for half of certain substantial investments in the financial sector.

The primary capital consists of an indefinitely subordinated bond loan.

Supplementary capital comprises fixed-term subordinated loans and 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. Deductions from supplementary capital are also made for half of certain substantial investments in the financial sector.

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

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

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

Capital adequacy for the consolidated situation	31/12/2019	31/12/2018
Core primary capital	2,320,925	1,974,371
Primary capital	2,620,925	2,251,967
Total capital	3,190,925	2,541,967
Capital requirement, pillar I	1,696,445	1,480,512
Capital requirement, pillar II	226,762	218,273
Capital conservation buffer	530,139	462,660
Contra-cyclic buffer	364,522	265,771
Total capital requirements	2,817,868	2,427,216
Risk weighted exposures	21,205,562	18,506,396
Core primary capital ratio, %	10.94	10.67
Primary capital ratio, %	12.36	12.17
Total capital ratio, %	15.05	13.74
Requirement for core primary capital (Pillar I), %	4.50	4.50
Requirement for core primary capital (Pillar II), %	0.71	0.79
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	1.72	1.44
Total core primary capital requirement, %	9.43	9.23
Requirement for primary capital (Pillar I), %	6.00	6.00
Requirement for primary capital (Pillar II), %	0.87	0.95
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	1.72	1.44
Total primary capital requirement, %	11.08	10.89
Total capital requirement (Pillar I), %	8.00	8.00
Total capital requirement (Pillar II), %	1.07	1.18
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	1.72	1.44
Total capital requirement, %	13.29	13.12
Core primary capital available for use as buffer, %	5.73	5.38

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 2019 and of the capital base as of 31 December 2019.

In June 2019, the supplementary capital and thereby total capital was bolstered by a subordinated bond loan.

The consolidated situation during the period comprised 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 (formerly Maksuturva Group OY), Svea Ekonomi Cyprus Limited and its subsidiaries, and Svea Bank AB and its subsidiary OY Amfa Finans AB. The Group company Svea Intressenter 3 AB is also included.

Leverage ratio	31/12/2019	31/12/2018
Primary capital	2,620,925	2,251,967
Total exposure amount for leverage ratio	25,586,489	19,599,910
Leverage ratio, %	10.24	11.49

Capital base for the consolidated situation	31/12/2019		31/12/2018	
Share capital		8,655		8,655
Share premium account		99,345		99,345
Capital instruments and associated share premium reserves		108,000		108,000
Retained earnings		2,065,599		1,781,501
Accumulated other comprehensive income (and other reserves)		79,574		115,974
Earnings after predictable expenses		527,450		334,480
Shareholders' equity		2,780,623		2,339,955
Proposed dividends		-50,000		-50,000
Proposed withdrawal of shares		-80,000		-10,000
Core primary capital before regulatory adjustments		2,650,623		2,279,955
Intangible assets, net		-323,102		-298,661
Deferred tax asset dependent upon future profitability		-6,597		-6,922
Core primary capital: regulatory adjustments		-329,699		-305,583
Core primary capital		2,320,925		1,974,372
Subordinated liabilities		300,000		277,596
Primary capital addition		300,000		277,596
Primary capital		2,620,925		2,251,968
Subordinated liabilities		570,000		290,000
Supplementary capital before regulatory adjustments		570,000		290,000
Supplementary capital		570,000		290,000
Total capital		3,190,925		2,541,968
Risk-weighted exposures and minimum capital requirement	Risk weighted	Minimum capital requirement	Risk weighted	Minimum capital requirement
Exposures to institutions	728,297	58,264	375,380	30,030
Exposures to companies	4,153,568	332,285	6,014,730	481,178
Household exposures	9,671,703	773,736	6,549,095	523,928
Other exposures	2,075,611	166,049	1,729,787	138,383
Credit risk	16,629,179	1,330,334	14,668,991	1,173,519
of which exposures to institutions	686,645	54,932	347,919	27,834
of which exposures to companies	3,546,804	283,744	5,200,182	416,015
of which exposures to households	6,396,330	511,706	4,019,586	321,567
of which exposures secured through property mortgages	742,657	59,413	861,531	68,923
of which failing exposures	717,049	57,364	633,134	50,651
of which defaulting exposures, acquired past-due stocks of receivables	2,422,431	193,794	1,849,391	147,951
of which exposures in the form of covered bonds	41,653	3,332	27,460	2,197
of which stock market exposure	1,521,894	121,752	1,452,358	116,189
of which other exposures	553,717	44,297	277,429	22,194
Currency risk	501,825	40,146	333,957	26,717
Market risk	501,825	40,146	333,957	26,717
Operational risk	4,058,516	324,681	3,467,352	277,388
Operational risk	4,058,516	324,681	3,467,352	277,388
Credit valuation adjustment risk	16,042	1,283	36,096	2,888
Credit valuation adjustment risk	16,042	1,283	36,096	2,888
Total	21,205,562	1,696,445	18,506,396	1,480,512

Capital adequacy for the Parent Company	31/12/2019	31/12/2018
Core primary capital	2,493,847	2,062,738
Primary capital	2,793,847	2,325,875
Total capital	3,363,847	2,462,301
Capital requirement, pillar I	1,560,902	1,403,394
Capital requirement, pillar II	191,302	221,652
Capital conservation buffer	487,782	438,561
Contra-cyclic buffer	358,763	266,888
Total capital requirements	2,598,749	2,330,495
Risk weighted exposures	19,511,277	17,542,430
Core primary capital ratio, %	12.78	11.76
Primary capital ratio, %	14.32	13.26
Total capital ratio, %	17.24	14.04
Requirement for core primary capital (Pillar I), %	4.50	4.50
Requirement for core primary capital (Pillar II), %	0.65	0.84
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	1.84	1.52
Total core primary capital requirement, %	9.49	9.36
Requirement for primary capital (Pillar I), %	6.00	6.00
Requirement for primary capital (Pillar II), %	0.79	1.02
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	1.84	1.52
Total primary capital requirement, %	11.13	11.04
Total capital requirement (Pillar I), %	8.00	8.00
Total capital requirement (Pillar II), %	0.98	1.26
Capital conservation buffer requirement, %	2.50	2.50
Contra-cyclic buffer requirement, %	1.84	1.52
Total capital requirement, %	13.32	13.28
Core primary capital available for use as buffer, %	7.63	6.42

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 2019 and of the capital base as of 31 December 2019.

In June 2019, the supplementary capital and thereby total capital was bolstered by a subordinated bond loan.

Leverage ratio	31/12/2019	31/12/2018
Primary capital	2,793,847	2,325,875
Total exposure amount for leverage ratio	25,044,246	18,893,739
Leverage ratio, %	11.16	12.31

Capital base, Parent Company	31/12/2019	31/12/2018
Share capital	8,655	8,655
Share premium account	99,345	99,345
Capital instruments and associated share premium reserves	108,000	108,000
Retained earnings (incl. capital portion of untaxed reserves)	1,752,645	1,761,344
Accumulated other comprehensive income (and other reserves)	33,787	85,895
Earnings before predictable expenses	767,415	321,073
Equity (including the capital portion of untaxed reserves)	2,661,847	2,276,312
Proposed dividends	-50,000	-50,000
Proposed withdrawal of shares	-80,000	-10,000
Core primary capital before regulatory adjustments	2,531,847	2,216,312
Intangible assets, net	-38,000	0
Substantial investments in the financial sector	1) 0	-153,574
Core primary capital: regulatory adjustments	-38,000	-153,574
Core primary capital	2,493,847	2,062,738
Subordinated liabilities	300,000	263,136
Primary capital addition: regulatory adjustments	300,000	263,136
Primary capital	2,793,847	2,325,873
Subordinated liabilities	570,000	290,000
Supplementary capital before regulatory adjustments	570,000	290,000
Substantial investments in the financial sector	1) 0	-153,574
Supplementary capital: regulatory adjustments	0	-153,574
Supplementary capital	570,000	136,426
Total capital	3,363,847	2,462,300

1) When calculating the threshold value in respect of significant investments in the financial sector, investments in subsidiaries that are also part of the consolidated situation must be excluded, and there is therefore no deduction from the capital base as of 30 September 2019.

Risk-weighted exposures and minimum capital requirement	Risk weighted	Minimum capital requirement	Risk weighted	Minimum capital requirement
Exposures to institutions	655,410	52,433	308,307	24,665
Exposures to companies	3,645,152	291,612	4,960,688	396,855
Household exposures	8,250,016	660,001	5,892,784	471,423
Other exposures	2,793,671	223,494	2,690,819	215,266
Credit risk	15,344,249	1,227,540	13,852,598	1,108,208
of which exposures to institutions	613,757	49,101	280,846	22,468
of which exposures to companies	3,076,052	246,084	4,160,607	332,849
of which exposures to households	5,934,792	474,783	3,949,303	315,944
of which exposures secured through property mortgages	730,092	58,407	861,531	68,923
of which failing exposures	691,294	55,304	617,590	49,407
of which defaulting exposures, acquired past-due stocks of receivables	1,462,937	117,035	1,264,442	101,155
of which exposures in the form of covered bonds	41,653	3,332	27,460	2,197
of which stock market exposure	2,046,752	163,740	2,006,409	160,513
of which other exposures	746,919	59,754	684,410	54,753
Currency risk	288,803	23,104	341,235	27,299
Market risk	288,803	23,104	341,235	27,299
Operational risk	3,862,184	308,975	3,312,501	265,000
Operational risk	3,862,184	308,975	3,312,501	265,000
Credit valuation adjustment risk	16,042	1,283	36,096	2,888
Credit valuation adjustment risk	16,042	1,283	36,096	2,888
Total	19,511,277	1,560,902	17,542,430	1,403,394

Note 50 Reporting per country

Group 2019 Country	Geographical area	Operation ³⁾	Operating income	Operating profit	Tax on profit/loss for the year	Average number permanent employees
Sweden	SE, DE, NL, AT ¹⁾	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 ²⁾	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	
Total			3,162,329	610,928	-131,794	1,937

Group 2018 Country	Geographical area	Operation ³⁾	Operating income	Operating profit	Tax on profit/loss for the year	Average number permanent employees
Sweden	SE, DE, NL, AT ¹⁾	FIN, COL, ADM	1,807,376	278,476	-30,802	523
Norway	Norway	FIN, COL	513,191	133,704	-31,491	170
Finland	Finland	FIN, COL	454,315	127,851	-31,932	186
Denmark	Denmark	FIN, COL	44,903	1,881	302	28
Estonia	Estonia	FIN, COL	17,972	3,590	299	18
Latvia	Latvia	FIN, COL	13	13	0	0
Switzerland	Switzerland	FIN	10,151	-3,581	-176	11
Netherlands	Netherlands	FIN	51,914	13,366	-5,928	18
Cyprus	Cyp, Rus, Rom, Slo, Cze ²⁾	FIN	248,263	-185	4,351	93
Serbia	Serbia	FIN, ADM	15,813	-4,415	-164	67
Croatia	Croatia	FIN	0	-8,017	0	47
Slovenia	Slovenia	ADM	0	0	0	13
Czech Republic	Czech Republic	ADM	0	-257	56	65
Poland	Poland	ADM	0	0	0	89
Ukraine	Ukraine	FIN, COL	0	-1,608	0	190
Hungary	Hungary	FIN	0	-4,054	-144	33
Russia	Russia	FIN, ADM	0	-5,791	491	354
Eliminations			-443,412	-90,554	-750	
Total			2,720,499	440,419	-95,888	1,900

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 22 and 23. 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	
		31/12/2019	31/12/2018
Income and expenses			
	Interest income, Group companies	54,243	35,643
	Dividends received, Group companies	54,756	106,556
	Commission income, Group companies	-1,728	4,312
	Other operating income, Group companies	209,252	201,443
	Other administrative expenses, Group companies	-50,110	-26,734
	Other administrative expenses, associated companies	0	-1,191
	Other administration expenses, company under significant influence of key individual in executive position	-44,485	-52,287
Total		221,928	267,742
Assets			
	Lending to the public, Group companies	1,605,596	1,332,003
	Prepaid expenses and accrued income, Group companies	4,724	4,136
Total		1,610,320	1,336,139
Liabilities			
	Deposits from the public, Group companies	109,000	74,478
	Other liabilities, company under significant influence of key individual in executive position	942	8,250
	Accrued expenses and deferred income, Group companies	17,225	2,958
Total		127,167	85,686
Pledged assets			
	For Group companies	0	0
	For associated companies	0	0
	For companies under significant influence of key individual in executive position	0	0
Contingencies			
	Guarantees, Group companies	19,726	18,326
	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

At the beginning of January there was a withdrawal of shares for the repayment of SEK 40 million to shareholders. At the end of March the company'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.

Covid-19 will have a negative financial impact for Svea Ekonomi, as for society and the economy as a whole. It is difficult to predict the scale of this impact before this report is published, but the assessment is that Svea Ekonomi has the funds required to be able to offset the impact or at least parts of it, depending on how long and deep the crisis is. Some of our customers will be hit by falling sales, at least temporarily, and unemployment may rise. During April-June 2020, reserves for credit losses relating to the crisis will be charged to the consolidated profit.

Svea Ekonomi has extensive experience of dealing with economic fluctuations, and we are monitoring the situation continuously and adapting accordingly.

No other significant events have occurred since year-end.

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	33,786,887
Share premium account	99,344,662
Retained earnings	1,751,045,224
<u>Profit/loss for the year</u>	<u>767,415,292</u>
<u>Total</u>	<u>2,651,592,065</u>

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

<u>To be carried forward</u>	<u>2,651,592,065</u>
<u>Total</u>	<u>2,651,592,065</u>

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

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 (ARKL/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 2020

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 24 April 2020.

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 2019.

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 2019 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 2019 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 audit committee 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 14 *Credit losses, net* and Note 19 *Lending to the public*.

As of 31 December 2019, Lending to the public in the Group amounts to SEK 17,210,614,000 (14,839,741,000) and in the Parent Company SEK 16,678,393,000 (14,255,353,000), which corresponds to 66 per cent (75) and 67 per cent (75) respectively of the total assets of the Group and the Parent Company respectively. The reserve for expected credit losses amounts to SEK 845,081,000 (649,408,000) in the Group and SEK 787,092,000 (595,124,000) 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 25 Intangible assets and Note 24 Shares in Group companies.

As of 31 December 2019, Goodwill in the Group amounts to SEK 293,796,000 (307,177,000) and Shares in Group companies to SEK 729,109,000 (702,602,000).

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 amount 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 my 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 is no longer able to continue operations.

- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the information, 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 2019 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 placed 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 my 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 is 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 2019 and has been the company's auditor since 2018.

Stockholm, 24 April 2020

BDO Mälardalen AB

Johan Pharmanson

Authorised Public Accountant