



Year-end Report 2009



 **SVEA EKONOMI**



Operations

The Group's business concept is, based on personal service, to offer the market efficient and customized solutions involving debt collection, sales-ledger administration and financing. Within the framework of the business concept, the following services are offered: Sales-ledger service, billing service, invoice-payment guarantee, factoring, invoice purchases, deposits, lending, VAT recovery, debt collection, legal services, credit information and training.

The financial division of the Group consists of the Parent Company, Svea Ekonomi AB, and its Norwegian branch Svea Finans NUF, the Svea Ekonomi AB branch in Finland and the wholly owned subsidiaries Svea Finantseerimine OÜ (Estonia), Svea Finans A/S (Denmark), Svea Finance SIA (Latvia), Svea Finans A/S (Denmark), Parkerhouse Finans Finland OY, Parkerhouse Finans Nederland BV and Parkerhouse Finans AG (Switzerland).

Debt collection operations are performed by the sub-Group Svea Inkasso AB with its subsidiaries Svea Finans AS, Svea Inkasso A/S and Svea Perintä OY, with its subsidiaries Svea Inkasso OÜ and Svea Inkasso SIA.

Otherwise, the Group consists of the subsidiaries KundGiro AB with its subsidiaries Svea Vat Adviser AB, Svea Kredit AB, and Svea Finans AB, Svea Kreditinfo AB, Svea Juridiska AB, Mobivox Telecom AB, Avidi Ekonomi AB, Scandinavian Billing Services Group AB with its subsidiary Scandinavian Billing Services AB, Svea Billing Systems AB, Viatel Sweden AB, Finansor AB and Dial IT Communications BV.

Under a permit from the Swedish Financial Supervisory Authority, Svea Ekonomi AB conducts financial operations in accordance with the Banking and Financing Business Act (2005:297). Svea Ekonomi also offers administrative services, such as sales-ledger and invoicing services. In addition, the company outsources employees to other Swedish Group companies.

The Group is one of the largest European players in debt collection, sales-ledger administration and financing.

Events during the year

The Svea Ekonomi Group's diversified operations minimized the impact of the financial turmoil that marked the year. Demand for the Group's services was buoyant and deposit operations were highly stable.

The year was characterized by expansion and increases in lending and deposits, mainly through higher volumes of loans to companies and a sharp rise in the number of savings customers. This trend led to a rise in net interest and commission income. The favorable trend is expected to continue. Losses deriving from lending to private individuals and companies increased.

Debt collection volumes rose over the course of the year due to a strong influx of new assignments. During 2009, debt collection operations in Sweden, Finland and Estonia performed better than expected, while the Danish operations fell short of expectations. The operations in Norway and Latvia performed according to plan.

During 2009, business activities were started in Latvia through the subsidiaries Svea Finance SIA and Svea Inkasso SIA. Parkerhouse Finans Denmark A/S (renamed Svea Finans A/S), Parkerhouse Finans Finland OY, Parkerhouse Finans Nederland BV and Parkerhouse Finans AG (Switzerland) were acquired during the year. All of the acquired companies conduct factoring operations.

Lending

As of December 31, 2009, external lending to the public amounted to SEK 1,760.8 M (1,587.7) in the Group and SEK 1,530.4 M (1,548.6) in the Parent Company.

Financing

The Group's lending to the public is financed in part through deposits from the public, in part through internal operations and in part through other credit institutions. At December 31, 2009, deposits from the public totaled SEK 3,409.2 M (2,648.7) in the Group and SEK 3,366.3 M (2,693.2) in the Parent Company. As of December 31, 2009, liabilities to credit institutions amounted to SEK 29.6 M (20.2) in the Group and SEK 0.0 M (0.0) in the Parent Company.

Operating income and profit

Operating income amounted to SEK 734.5 M (575.4) in the Group and SEK 505.0 M (458.3) in the Parent Company. Operating profit amounted to SEK 124.2 (70.7) in the Group and SEK 144.5 M (120.0) in the Parent Company.

Liquidity

As of December 31, 2009, lending to credit institutions, meaning cash and bank balances plus granted but unutilized lines of credit, amounted to SEK 1,707.6 M (1,581.6 M) in the Group and SEK 1,516.9 M (1,502.9) in the Parent Company.

Personal

The average number of annual employees in the Group was 447 (390), of whom 285 were women (250). The number of employees in the Group on December 31, 2009 was 466 (404).

Capital adequacy

The capital adequacy ratio on December 31, 2009 was 2.15 (1.63) in the Parent Company and 1.56 (1.60) in the financial corporate group.

Outlook

The Group's lending is expected to increase in 2010 but at a slower rate than in 2009. However, loan losses are expected to rise. Deposits from the public are also expected to increase at a slower pace in 2010 than in 2009. In 2010, the Group's operating income is expected to total about SEK 750 M and generate a profit and a positive cash flow.

Events after the balance-sheet date

The first quarter of 2010 progressed according to plan. Volumes increased in both financial and administrative services. During the first quarter, a minor investment was made in a new geographic market through the Russia debt collection company CCA. No other significant events occurred after year-end.

Income statement (SEK M)	2009	2008
Operating income, net	734.5	575.4
Operating expenses	-548.4	-454.6
Operating profit before loan losses	186.1	120.8
Loan losses, net	-61.9	-50.1
Operating profit	124.2	70.7

Balance sheet (SEK M)	Dec 31, 2009	Dec 31, 2008
Lending to credit institutions	1 465.8	1 179.9
Lending to the public	1 760.8	1 587.7
Other assets	869.6	383.5
Assets	4 096.2	3 151.1
Liabilities to credit institutions	29.6	20.2
Deposits from the public	3 409.2	2 648.7
Other liabilities	231.7	155.7
Shareholders' equity	425.7	326.5
Liabilities and shareholders' equity	4 096.2	3 151.1

Key data		
Return on total capital, %	3.4	2.5
Return on shareholders' equity, %	33.0	21.7
Acid-test ratio, %	83.6	79.9
Debt/equity ratio	8.6	7.7
Equity/assets ratio, %	10.4	10.4
Loan/loss ratio, %	3.7	3.3
Capital base in the Parent Company	508.3	339.2
Capital adequacy ratio in the Parent Company	2.2	1.6
Liquidity; cash and bank balances plus granted but unutilized lines of credit	1 707.6	1 581.6
Average number of employees	447	390

Stockholm, May 2010
SVEA EKONOMI AB

Lennart Ågren
President





MULTIYEAR REVIEW FOR THE GROUP (SEK 000s)

Income statement		2009	2008	2007	2006	2005
Net interest income	1)	252 160	171 758	159 011	125 273	71 387
Net commission income		469 589	429 907	371 710	302 347	257 033
Other operating income		12 759	-26 231	18 549	42 928	6 588
Operating income		734 508	575 434	549 270	470 548	335 008
Operating expenses	2)	-548 362	-454 621	-418 621	-359 132	-293 918
Operating income before loan losses		186 146	120 813	130 649	111 416	41 090
Loan losses, net		-61 901	-50 063	-47 001	-26 805	-10 649
Operating profit		124 245	70 750	83 648	84 611	30 441

Balance sheet						
Lending to credit institutions		1 465 788	1 179 902	603 556	382 121	302 696
Lending to the public		1 760 823	1 587 651	1 492 053	1 467 610	831 487
Other assets		869 586	383 554	434 359	342 722	248 538
Assets		4 096 197	3 151 107	2 529 968	2 192 453	1 382 721
Liabilities to credit institutions		29 618	20 222	35 058	217 513	46 452
Lending from the public		3 409 197	2 648 680	2 021 895	1 611 308	1 141 434
Other liabilities		231 644	155 739	147 713	125 423	64 714
Shareholders' equity		425 738	326 466	325 302	238 209	130 121
Liabilities an shareholders' equity		4 096 197	3 151 107	2 529 968	2 192 453	1 382 721

Nyckeltal						
Return on total capital, %	3)	3.4	2.5	3.5	4.7	2.7
Return on shareholders' equity, %	4)	33.0	21.7	29.7	44.4	27.4
Acid-test ratio, %		83.6	79.9	70.9	60.5	69.2
Debt/equity ratio	5)	8.6	7.7	7.4	8.4	9.1
Equity/assets ratio, %	6)	10.4	10.4	12.9	10.9	9.4
Income/costs excl. loan losses		1.3	1.3	1.3	1.3	1.1
Income/costs incl. loan losses		1.2	1.1	1.2	1.2	1.1
Loan loss rate, %	7)	3.7	3.3	3.2	2.3	1.9
Capital base in the Parent Company		508 277	339 229	299 720	239 846	143 316
Capital adequacy ratio, Parent Company		2.2	1.6	1.6	-	-
Capital adequacy rate, Parent Company, %		-	-	14.8	13.1	11.8
Cash flow from operating activities	8)	228 473	187 297	151 254	106 705	62 440
Average number of employees		447	390	370	318	272

- 1) Net interest income before depreciation according to plan of leased items.
- 2) Operating expenses for 2005, 2006 and 2007 have been adjusted for a reversal of negative goodwill.
- 3) Operating profit as a percentage of average total capital.
- 4) Operating profit as a percentage of average shareholders' equity.
- 5) Average liabilities divided by average shareholders' equity.
- 6) Shareholders' equity as a percentage of total assets at the end of the year.
- 7) Loan losses as a percentage of average lending to the public.
- 8) Cash flow from operating activities before changes in the assets and liabilities of operations
- 9) Comparative figures for 2006 have been restated due to the application of legally restricted IFRS.





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