Year-end report 2011

SVEA EKONOMI

Operations
Svea Ekonomi AB conducts finance operations in accordance with the Banking and Financing Business Act (2004:297), under a permit from the Swedish Financial Supervisory Authority. The Svea Ekonomi AB Group also offers administrative services.

The Group offers the market efficient, adapted solutions within the areas of Administrative and Financial Services and Debt collection. The following services are offered within the framework of the business: Invoicing service - corporate financing - factoring - invoice purchases - debt collection - deposits - unsecured loans - VAT- recovery - billing - legal services - credit information - training.

Financial services are offered by the financial company group which consists of Svea Ekonomi AB with the branches Svea Finans NUF and Svea Ekonomi AB branch in Finland and the wholly-owned subsidiaries Svea Finantseerimine OÜ, Svea Finance SIA, Svea Finans A/S, Parkerhouse Finans Finland OY, Svea Finans Nederland BV, Svea Finans AG, and Seblinco Finans Holding AB. The Group also includes the part-owned subsidiaries Kapitalkredit Sverige AB and Cogilane Holdings Limited and 50% of the Group company Daylet Limited.

Administrative services are offered by the operating subsidiaries KundGirot AB with its subsidiary Svea Vat Adviser AB, Svea Kreditinfo AB, Svea Juridiska AB, Mobivox Telecom AB, Svea Billing Systems AB, Viatel Sweden AB and Dial IT Communications BV. The associated company PayGround AB is also included in the Group.

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

The group conducts operations in ten countries and is one of the largest in Europe in financing, administration and debt collection. The Parent Company comprises a considerable part of the Group, as shown in the multi-year review on pages 8 and 9 of the Annual Report.

Events during the year
Demand for the Group's services was strong and deposits were highly stable.

The year was characterised by expansion and increased lending and deposits. This trend led to a rise in net interest and commission income. The favourable trend is expected to continue. Losses from lending to individuals have decreased. On the other hand, lending to companies involved an increase in loan losses.

During the year financial operations were performed according to plan with the exceptions of Norway, Denmark, Estonia and Latvia which showed a less favourable trend than planned. Investment in past due receivables in the Russian market showed a positive trend.

In the debt collection business, volumes increased during the year as a result of a strong influx of new assignments. During the year, operations performed according to plan with the exceptions of Norway, Denmark and Finland, which performed less favourably than planned.

In June the company issued a convertible loan with accompanying rights for certain staff members to convert to new shares, see Note 29 of the Annual Report.

During the third quarter the company redeemed the EUR 7.5 M subordinated debenture.
During the year a minor acquisition was made in Sweden. Also, a dormant company was sold, see Notes 21 and 37 of the Annual Report.

Lending
As of 31 December 2011, external lending to the public amounted to SEK 2,922.9 M (2,127.8) in the Group and SEK 2,365.4 M (1,709.8) in the Parent Company

Financing
The Group's lending to the public is financed from deposits from the public, from its own operations, through other credit institutions and through a convertible loan. As of 31 December 2011, deposits

from the public amounted SEK 4,242.8 M (3,809.1) in the Group and SEK 4,234.2 M (3,753.6) in the Parent Company. As of 31 December 2011, liabilities to credit institutions amounted to SEK 31.5 M (10.5) in the Group and SEK 0.0 million (0.0) in the Parent Company. The convertible loan amounts to a nominal SEK 50 M.

Operating income and profit
Operating income amounted to SEK 934.1 M (803.6) in the Group and SEK 703.2 M (590.4) in the Parent Company. Operating profit amounted to SEK 192.0 M (142.8) in the Group and SEK 223.9 M (175.5) in the Parent Company.

Liquidity
As of 31 December 2011, lending to credit institutions, meaning cash and bank balances, plus granted but unutilised lines of credit, amounted to SEK 1,456.6 M (1,488.6) in the Group and SEK 1,223.9 M (1,265.3) in the Parent Company. As of 31 December 2011, liquidity including investments in market-listed bonds and other securities amounted to SEK 1,883.7 M (1,967.8) in the Group and SEK 1,651.0 M (1,744.5) in the Parent Company.

Investments
The year's investments amounted to SEK 24.9 M (38.6) in the Group and SEK 62.6 M (33.7) in the Parent Company.

Personnel
The average number of annual employees in the Group was 543 (475) of whom 341 were women (302). The number of employees in the Group on 31 December 2011 was 593 (492).

The preparation and decision-making processes for remuneration and benefits for senior executives, including the Board, are described in Note 10 of the Annual Report.

Capital adequacy
The capital adequacy ratio on 31 December 2011 was 1.86 (2.16) in the Parent Company and 1.40 (1.53) in the financial corporate group

For more information on risk and capital management see pages 4-7 and Note 36 of the Annual Report.

Outlook
Group lending is expected to increase during 2012. Credit losses are expected to increase but at a lower rate. Deposits from the general public are expected to increase during 2012 but at a lower rate than in the previous year.

The Group's operating income for 2012 is expected to total about SEK 1,000 M with positive earnings and cash flow.

Events after the balance sheet date
The first quarter of 2012 has progressed according to plan. Volumes have increased of both financial and administrative services.

During the first quarter, investments were made in the acquisition of past due receivables in new geographic markets.

On 2 May 2012, an invoicing service and debt collection business in Sweden was acquired.

No other important events have occurred after the year end.

Stockholm, May 2012
SVEA EKONOMI AB

Lennart Ågren
CEO and Managing Director

FIVE YEAR REVIEW FOR THE GROUP (SEK 000s)

Profit and loss accounts		2011	2010	2009	2008	2007
Net interest income/expense	1)	383 244	271 533	252 160	171 758	159 011
Commission, net		535 832	515 633	469 589	429 907	371 710
Other operating income		14 976	16 449	12 759	-26 231	18 549
Operating income		**934 052**	**803 615**	**734 508**	**575 434**	**549 270**
Operating expenses	2)	-664 378	-615 853	-554 758	-454 621	-418 621
Operating profit/loss before credit losses		**269 674**	**187 762**	**179 750**	**120 813**	**130 649**
Credit losses, net		-77 719	-79 606	-61 901	-50 063	-47 001
Operating profit/loss		**191 955**	**108 156**	**117 849**	**70 750**	**83 648**

Balance sheets					
Advances to credit institutions	1 113 717	1 275 422	1 465 788	1 179 902	603 556
Advances to the public	2 922 912	2 127 775	1 760 823	1 587 651	1 492 053
Other assets	1 139 281	1 222 649	878 752	383 554	434 359
Assets	**5 175 910**	**4 625 846**	**4 105 363**	**3 151 107**	**2 529 968**
Liabilities to credit institutions	31 485	10 501	29 618	20 222	35 058
Deposits from the public	4 242 761	3 809 119	3 409 197	2 648 680	2 021 895
Other liabilities	258 351	261 835	239 425	155 739	147 713
Shareholders' equity	643 313	544 391	427 123	326 466	325 302
Liabilities and shareholders´ equity	**5 175 910**	**4 625 846**	**4 105 363**	**3 151 107**	**2 529 968**

Key ratios						
Return on total capital, %	3)	3.9	2.5	3.2	2.5	3.5
Return on shareholders' equity, %	4)	32.3	22.3	31.3	21.7	29.7
Acid test ratio, %		86.3	86.7	83.6	79.9	70.9
Debt/equity ratio	5)	7.3	8.0	8.6	7.7	7.4
Equity/assets ratio, %	6)	12.4	11.8	10.4	10.4	12.9
Income/expenses, excl		1.4	1.3	1.3	1.3	1.3
Income/expenses, incl credit losses		1.3	1.2	1.2	1.1	1.2
Credit loss level, %	7)	3.1	4.1	3.7	3.3	3.2
Cash flow, operat. activities, SEK 000s	8)	399 707	244 445	244 034	187 297	151 254
Average no. annual employees		543	475	447	390	370

1) Net interest income/expenses before depreciation of leasing item according to plan.

2) Operating expenses for 2007 and 2010 have been adjusted for dissolution of negative goodwill.

3) Operating profit/loss as a percentage of average total capital.

4) Operating profit/loss as a percentage of average shareholders' equity.

5) Average liability divided by average shareholders' equity.

6) Shareholders' equity as a percentage of total assets at year end.

7) Credit losses as a percentage of average advances to the general public.

8) Cash flow from current operations before changes in assets and liabilities.

9) 2007-2008 have been prepared with application of legally restricted IFRS.

10) As from 2011, financial leasing agreements are disclosed as advances to the general public.

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