



Year-end report

2019



We make it possible

We have been working long enough in the field of finance to see notes being replaced, currencies disappear and major banks fall. But there has been one constant. People. We see people nowadays putting tougher demands on simplicity, user-friendliness and fast flows.

This is why our promise is to engage more with our customers. So that we can understand their needs and problems. Their everyday lives. Then we can always develop services that are relevant, with value for businesses and private individuals. So that they can continue to focus on what is important for them and their activities.

As we continue to grow, we always keep our eyes peeled for new ways to keep our promise to make it possible for our customers. To help them drive their companies forwards.

We now have a presence in several markets all over Europe, and we continue to grow. Both organically and via various acquisitions.

In this year's year-end report you can read about how our business has grown and some of the most significant events of the past year.

Lennart Ågren
CEO, Svea Ekonomi



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
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	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

1) Interest income minus interest expenses.

2) Commission income minus commission expenses.

3) Including Cash and bank balances at central banks.

4) Operating profit/loss divided by operating income.

5) Profit/loss for the year divided by average total assets.

6) Profit/loss 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.

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.

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

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.

2019

April

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

May

There was a successful start to deposits from private individuals in Finland during May.

June

In June, 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.

July

In July, an investment was made in acquisitions of overdue accounts receivable in Finland to a value of around SEK 190 million.

October

In October, a loan portfolio was acquired in Finland of around SEK 530 million. There was also a single investment in overdue accounts receivable in Finland to a value of around SEK 50 million.

November

In October, the remaining 70% of the shares in Credex AB were acquired.

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

2020



SVEA

The bank for businesses

Simple, convenient and 100 per cent digital. Svea listened to small businesses and created a totally new business bank. With a portfolio packed with smart, digital products, Svea's new bank entered the market as a challenger to the more traditional major banks. With a clear focus and a promise to be the bank for businesses.

A major national campaign, with the spotlight on genuine businesses, saw the bank being well-received. Work now continues to revolutionise the industry and make it easier for business operators to run companies.

This was also the very first campaign in which we presented Svea's new, clear logo, which brings together the entire Svea Group under the same banner.

Visit svea.com for more information about the bank and about Svea's products.

Find out more at
svea.com

SVEA