

Alternative performance measures (APM) - definitions

Alternative performance measures (APMs) are key performance indicators that are not defined under IFRS or in the Capital Requirements Directive IV (CRD IV) or in Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms (CRR). SEK has chosen to present these, either because they are in common use within the industry or because they accord with SEK's assignment from the Swedish government. The APMs are used internally to monitor and manage operations, and are not considered to be directly comparable with similar key performance indicators presented by other companies. SEK's APMs are described below together with definitions, the reasoning behind their use and, in applicable cases, with examples of how they are calculated.

After-tax return on equity

Net profit, expressed as a percentage per annum of the current year's average equity (calculated using the opening and closing balances for the reporting period).

The return on equity aims to provide those reading the financial statements with relevant information about SEK's profitability.

	2020	2019
Net profit, Skr million	968	1,027
Divided by average equity, Skr million	19,554	18,661
After-tax return on equity, %	4.9%	5.5%

After-tax return on assets

Net profit, expressed as a percentage per annum of the current year's average total assets (calculated using the opening and closing balances for the reporting period).

After-tax return on assets aims to provide those reading the financial statements with relevant information about SEK's profitability.

	2020	2019
Net profit, Skr million	968	1 027
Divided by average total assets, Skr million	326,318	309,665
After-tax return on assets, %	0.3%	0.3%

Average interest-bearing assets

This item includes cash and cash equivalents, treasuries/government bonds, other interest-bearing securities except loans, loans in the form of interest-bearing securities, loans to credit institutions and loans to the public, and is calculated using the opening and closing balances for the reporting period.

Average interest-bearing assets aims to provide the reader with an image of which assets generated interest income during the reporting period.

	2020	2019
Interest-bearing assets opening balance, Skr million	298,097	287,798
Interest-bearing assets closing balance, Skr million	312,836	298,097
Average interest-bearing assets, Skr million	305,467	292,948

Average interest-bearing liabilities

This item includes borrowing from credit institutions, borrowing from the public and debt securities issued and is calculated using the opening and closing balances for the reporting period.

Average interest-bearing liabilities aims to provide the reader with an image of which assets generated an interest expense during the reporting period.

	2020	2019
Interest-bearing liabilities opening balance, Skr million	273,017	257,847
Interest-bearing liabilities closing balance, Skr million	287,462	273,017
Average interest-bearing liabilities, Skr million	280,240	265,432

CIRR loans as percentage of new lending

New lending for the period attributable to the system for officially supported export credits (CIRR) divided by new lending in the same reporting period.

This metric aims to provide the reader with an understanding of the proportion of total new lending that comprised CIRR loans during the reporting period.

	2020	2019
New lending for the period attributable to the system for officially supported export credits (CIRR), Skr million	18.6	15.5
Divided by new lending, Skr million	125.5	74.5
CIRR loans as a percentage of new lending, %	15%	21%

C/I ratio

Operating expenses for the reporting period in relation to net interest and commission income.

The C/I ratio aims to provide the reader with an image of SEK's cost-efficiency by showing operating expenses in relation to net income.

	2020	2019
Operating expenses, Skr million	596	596
Divided by net interest and commission income, Skr million	1,904	1,684
C/I ratio, %	31,3%	35,4%

New long-term borrowing

New borrowings with maturities exceeding one year. The metric is based on the trade date. Amounts in the Consolidated Statement of Cash Flows are shown based on settlement dates. Differences can occur between these amounts, since trade dates and settlement dates can differ and occur in different reporting periods.

The metric aims to provide the reader with an understanding of the scope of new long-term borrowings raised during the period.

New lending

New lending includes all new committed loans, irrespective of tenor. Not all new lending is reported in the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows since certain portions comprise committed undisbursed loans. The amounts reported for committed undisbursed loans may change when presented in the Consolidated Statement of Financial Position due to changes in exchange rates, for example. Moreover, committed loans do not necessarily result in a disbursement and, accordingly, a corresponding credit entry in the balance sheet.

New lending aims to provide the reader with an image of the inflow of new business during the reporting period.

Net interest income

The difference between interest income and interest expenses. Net interest income is a subtotal in the Consolidated Statement of Financial Position and the Parent Company Income Statement.

Operating profit

Profit before tax expenses. Operating profit is a subtotal in the Consolidated Statement of Financial Position and the Parent Company Income Statement.

Outstanding senior debt

The total of borrowings from credit institutions, borrowing from the public and debt securities issued.

This metric aims to provide the reader with information regarding the scope of the senior debt issued by SEK at the end of the reporting period.

	2020	2019
Borrowings from credit institutions, Skr million	3,486	3,678
Borrowing from the public, Skr million	10,000	-
Debt securities issued, Skr million	273,976	269,339
Total outstanding senior debt, Skr million	287,462	273,017

Loans, outstanding and undisbursed

Lending pertains to all credit facilities provided in the form of interest-bearing securities, and credit facilities granted by traditional documentation. These amounts comprise SEK's real lending. Committed, undisbursed loans comprise agreed loans for which the funds have not as yet been transferred to the borrower.

The total of loans in the form of interest-bearing securities, loans to credit institutions, loans to the public and loans, outstanding and undisbursed. Deduction is made for cash collateral under the security agreements for derivative contracts and deposits with time to maturity exceeding three months.

In SEK's assessment, loans outstanding together with undisbursed loans comprise one metric for SEK's lending volumes.