

Alternative performance measures

Alternative Performance Measures (APM) are financial measures of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework IFRS (International Financial Reporting Standards) or current capital adequacy rules.

Management believes that inclusion of these measures provides information to the readers that enable comparability between periods and they facilitate both management and analysts in the analysis and evaluation of the Group and its development.

The use and definitions of the different measures, together with a total reconciliation, are provided on the website under "Financial reports". Other companies can define or calculate these measures in different ways. The Group's definitions remain unchanged compared with prior periods.

To increase transparency, management has chosen to also show the underlying measures, this so that calculation and reconciliation can be done in a good way.

The Group also evaluate the operation in relation to average equity excluding intangible fixed assets, which comprises adjusted equity that is reduced by goodwill and other intangible fixed assets. This measure is used to evaluate the use of equity. Further the Group also evaluate the operation with this measures by excluding nonrecurring costs and other nonrecurring items like shareholder contribution, when applicable.

To be able to see the actual increase in Lending to the public the Group follow increases in local currency by excluding exchange rate differences in the measure Lending to the public.

Reconciliation of alternative performance measures

SEK thousand	Jan-Jun 2019	Jul-Dec 2018	Jan-Jun 2018	Jul-Dec 2017	Jan-Jun 2017
Interest income	1,623,414	1,579,779	1,477,107	1,374,444	1,304,763
Interest expense	-202,396	-173,161	-158,071	-142,891	-130,665
Net interest income/expenses	1,421,018	1,406,618	1,319,036	1,231,553	1,174,098
Total expenses before credit losses	-672,191	-669,600	-651,557	-579,058	-594,093
Total operating income	1,709,513	1,692,355	1,600,865	1,501,604	1,426,756
C/I before credit losses, %	39.3%	39.6%	40.7%	38.6%	41.6%
Nonrecurring costs	0	0	0	0	0
Total Nonrecurring costs before tax	0	0	0	0	0
Total Nonrecurring costs after tax	0	0	0	0	0
Credit losses, net	-302,461	-279,646	-255,908	-212,790	-200,664
Credit losses yearly, net	-604,922	-559,292	-511,816	-425,580	-401,328
Credit loss ratio	2.1%	2.0%	2.0%	1.8%	1.8%
Operating profit/loss	734,861	743,109	693,400	709,756	631,999
Operating profit/loss, excl. Nonrecurring	734,861	743,109	693,400	709,756	631,999
Net profit for the period	568,543	570,023	534,643	549,172	487,076
Net profit for the period, excl. Nonrecurring costs	568,543	570,023	534,643	549,172	487,076
Opening balance Lending to the public, according to IAS 39			24,069,278	22,311,149	21,204,764
Opening balance Lending to the public	27,956,576	26,626,385	23,648,306		
Lending to the public, gross	33,068,886	30,544,612	29,290,409	25,989,004	24,071,691
Provision for expected credit losses	-2,746,150	-2,588,036	-2,664,024	-1,919,726	-1,760,542
Lending to the public	30,322,736	27,956,576	26,626,385	24,069,278	22,311,149
Average Lending to the public	29,139,656	27,291,481	25,137,346	23,190,214	21,757,957
NBI margin, %	11.7%	12.4%	12.7%	13.0%	13.1%
Risk adjusted NBI margin, %	9.7%	10.4%	10.7%	11.1%	11.3%
NIM, %	9.8%	10.3%	10.5%	10.6%	10.8%
Increase Lending to the public, since the beginning of the year (adjusted for IFRS 9 as of 1 of January 2018)	2,366,160	4,308,270	2,978,079		
Whereof exchange rate differences	734,768	391,051	1,055,692		
Increase Lending to the public, excl. Exchange rate diff.	1,631,392	3,917,219	1,922,387		

SEK thousand	Jul-Dec 2018	Jul-Dec 2018	Jan-Jun 2018	Jul-Dec 2017	Jan-Jun 2017
Equity	5,991,833	5,686,743	5,541,068	5,563,490	5,333,503
Intangible fixed assets	2,044,423	1,945,773	2,006,070	1,846,399	1,814,914
Equity excl. Intangible fixed assets	3,947,410	3,740,970	3,534,998	3,717,091	3,518,589
Average Equity	5,839,288	5,613,906	5,382,908	5,448,497	5,375,447
Average Intangible fixed assets	1,995,098	1,975,922	1,926,235	1,830,657	1,832,591
Average Equity excl. Intangible fixed assets	3,844,190	3,637,984	3,456,673	3,617,840	3,542,856
Average Equity excl. Intangible fixed assets and Nonrecurring costs and Shareholder contribution	3,844,190	3,637,984	3,456,673	3,617,840	3,542,856
Return on equity excl. intangible fixed assets, (RoTE), %	29.6%	31.3%	30.9%	30.4%	27.5%
Return on equity excl. intangible fixed assets, (RoTE), excl. Nonrecurring costs, %	29.6%	31.3%	30.9%	30.4%	27.5%
Total Tier 1 capital	4,049,544	3,919,078	3,754,486	3,431,848	3,264,439
Tier 2 capital	4,638,789	4,281,305	4,198,046	3,905,079	3,754,279
Total riskweighted exposure and total capital requirement	30,952,384	29,217,913	27,232,333	25,166,936	24,492,010
Common Equity Tier 1 ratio, %	13.1%	13.4%	13.8%	13.6%	13.3%

SEK thousand	31 dec 2017- 31 dec 2018	31 Dec 2017- 31 Dec 2018	30 jun 2017- 30 jun 2018	31 dec 2016- 31 dec 2017	30 jun 2016- 30 jun 2017
Increase Lending to the public, year on year	3,696,354	3,887,298	4,315,236	2,864,514	2,714,210
Exchange rate differences	-20,199	399,872	1,017,476	-206,148	131,853
Increase Lending to the public, year on year, excl. Exchange rate differences	3,716,553	3,487,426	3,297,760	3,070,662	2,582,357