

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	Jul-Dec 2019	Jan-Jun 2019	Jul-Dec 2018	Jan-Jun 2018	Jul-Dec 2017
Interest income	1,680,765	1,623,414	1,579,779	1,477,107	1,374,444
Interest expense	-214,372	-202,396	-173,161	-158,071	-142,891
Net interest income/expenses	1,466,393	1,421,018	1,406,618	1,319,036	1,231,553
Total expenses before credit losses	-672,959	-672,191	-669,600	-651,557	-579,058
Total operating income	1,768,333	1,709,513	1,692,355	1,600,865	1,501,604
C/I before credit losses, %	38.1%	39.3%	39.6%	40.7%	38.6%
Credit losses, net	-366,993	-302,461	-279,646	-255,908	-212,790
Credit losses yearly, net	-733,986	-604,922	-559,292	-511,816	-425,580
Credit loss ratio	2.4%	2.1%	2.0%	2.0%	1.8%
Operating profit/loss	728,381	734,861	743,109	693,400	709,756
Net profit for the period	568,439	568,543	570,023	534,643	549,172
Opening balance Lending to the public, according to IAS 39				24,069,278	22,311,149
Opening balance Lending to the public	30,322,736	27,956,576	26,626,385	23,648,306	
Lending to the public, gross	34,223,426	33,068,886	30,544,612	29,290,409	25,989,004
Provision for expected credit losses	-2,878,639	-2,746,151	-2,588,036	-2,664,024	-1,919,726
Lending to the public	31,344,787	30,322,736	27,956,576	26,626,385	24,069,278
Average Lending to the public	30,833,761	29,139,656	27,291,481	25,137,346	23,190,214
NBI margin, %	11.5%	11.7%	12.4%	12.7%	13.0%
Risk adjusted NBI margin, %	9.1%	9.7%	10.4%	10.7%	11.1%
NIM, %	9.5%	9.8%	10.3%	10.5%	10.6%
Increase Lending to the public, since the beginning of the year (adjusted for IFRS 9 as of 1 of January 2018)	3,388,211	2,366,160	4,308,270	2,978,079	
Whereof exchange rate differences	384,545	734,768	391,051	1,055,692	
Increase Lending to the public, excl. Exchange rate diff.	3,003,666	1,631,392	3,917,219	1,922,387	

SEK thousand	Jul-Dec 2019	Jan-Jun 2019	Jul-Dec 2018	Jan-Jun 2018	Jul-Dec 2017
Equity	6,367,640	5,991,833	5,686,743	5,541,068	5,563,490
Intangible fixed assets	2,020,278	2,044,423	1,945,773	2,006,070	1,846,399
Equity excl. Intangible fixed assets	4,347,362	3,947,410	3,740,970	3,534,998	3,717,091
Average Equity	6,179,737	5,839,288	5,613,906	5,382,908	5,448,497
Average Intangible fixed assets	2,032,351	1,995,098	1,975,922	1,926,235	1,830,657
Average Equity excl. Intangible fixed assets	4,147,386	3,844,190	3,637,984	3,456,673	3,617,840
Average Equity excl. Intangible fixed assets and Nonrecurring costs and Shareholder contribution	4,147,386	3,844,190	3,637,984	3,456,673	3,617,840
Return on equity excl. intangible fixed assets, (RoTE), %	27.4%	29.6%	31.3%	30.9%	30.4%
Return on equity excl. intangible fixed assets, (RoTE), excl. Nonrecurring costs, %	27.4%	29.6%	31.3%	30.9%	30.4%
Total Tier 1 capital	4,222,959	4,049,544	3,919,078	3,754,486	3,431,848
Tier 2 capital	5,070,962	4,638,789	4,281,305	4,198,046	3,905,079
Total riskweighted exposure and total capital requirement	31,089,935	30,952,384	29,217,913	27,232,333	25,166,936
Common Equity Tier 1 ratio, %	13.6%	13.1%	13.4%	13.8%	13.6%

SEK thousand	31 Dec 2018 - 31 Dec 2019	30 Jun 2018 - 30 Jun 2019	31 Dec 2017- 31 Dec 2018	30 Jun 2017- 30 Jun 2018	31 Dec 2016- 31 Dec 2017
Increase Lending to the public, year on year	3,388,211	3,696,354	3,887,298	4,315,236	2,864,514
Exchange rate differences	384,545	-20,199	399,872	1,017,476	-206,148
Increase Lending to the public, year on year, excl. Exchange rate differences	3,003,666	3,716,553	3,487,426	3,297,760	3,070,662