

A woman with long dark hair is sitting at a wooden table in a cafe, working on a silver laptop. She is wearing a black cardigan over a white top and a gold watch. The table is cluttered with a white coffee cup, a purple candle holder with a lit candle, a green mug, and a notebook. In the background, a chalkboard has the words 'KONKURRENS' and 'VÅGA FRÅGA' written on it. The scene is lit with warm, ambient light from a candle.

**Skandiabanken
Aktiebolag (publ)
Alternative Performance
Measures 2016**

skandia :

Alternative Performance Measures

Alternative Performance Measures (APMs) are financial measures of historical or future earnings performance, financial position or cash flow that are not defined in IFRS or the capital adequacy regulations. The aim of presenting APMs is to more clearly describe the Bank's financial position over time. These measures are not always comparable with similar key ratios presented by other companies.

APMs Sweden

SEK million	2016	2015	2014	2013	2012
Average volume (balance sheet total)	61,355	55,565	47,222	42,541	38,154
Investment margin					
Net interest income	693	541	497	500	577
Average volume	61,355	55,565	47,222	42,541	38,154
Investment margin	1.13%	0.97%	1.05%	1.17%	1.51%
Return on total capital					
Operating profit	192	-292	13	-8	166
Adjustment for Profit for the year for discontinued operations after tax	—	—	—	—	-98
Operating profit excluding discontinued operations	192	-292	13	-8	68
Average volume	61,355	55,565	47,222	42,541	38,154
Return on total capital	0.31%	-0.52%	0.03%	-0.02%	0.19%
Return on equity					
Equity opening balance (for the period)	4,063	3,597	2,606	1,878	1,676
Equity closing balance (for the period)	3,643	4,063	3,596	2,606	1,878
Average equity ((OB + CB)/2)	3,853	3,830	3,101	2,242	1,777
Profit for the year/period	37	175	12	106	121
Adjustment for group contribution (incl. tax effect)	122	-383	-4	-115	23
Adjustment for discontinued operation	—	—	—	—	-93
Profit for the year/period excl. group contribution (incl. tax effect)	159	-208	8	-8	51
Return on equity	4.14%	-5.42%	0.27%	-0.41%	2.82%

SEK million	2016	2015	2014	2013	2012
Cost/income ratio before loan losses and impairment of intangible assets					
Total costs before loan losses	730	1,058	668	679	758
Adjustment for impairment of intangible assets	—	-246	—	—	—
Total costs before loan losses and excl. impairment of intangible assets	730	812	668	679	758
Total operating income	932	772	679	678	928
Adjustment for discontinued operation	—	—	—	—	-93
Total operating income	932	772	679	678	835
Cost/income ratio before loan losses and impairment of intangible assets					
	0.78	1.05	0.98	1.00	0.91
Provision level for impaired loans, %					
Provision for loan losses	12	12	12	12	20
Impaired loans, gross	23	33	34	29	47
Provision level for impaired loans, %	52.2%	36.4%	35.3%	41.4%	42.6%
Share of impaired loans, net, %					
Impaired loans	11	21	22	17	27
Lending to the general public excl. placements with the Swedish National Debt Office	56,308	46,316	42,078	31,917	27,363
Share of impaired loans, net, %	0.02%	0.05%	0.05%	0.06%	0.10%
Loan loss level, %					
Loan losses	10	6	-2	7	4
Opening balance, lending to the general public excl. placements with the Swedish National Debt Office	46,316	40,138	31,917	27,363	25,428
Loan loss level, %	0.02%	0.01%	-0.01%	0.03%	0.01%

APMs incl. Norwegian operation through 2015

SEK million	2016	2015	2014	2013	2012
Average volume (balance sheet total)	61,355	116,714	108,473	89,027	80,595
Investment margin					
Net interest income	693	1,286	1,418	1,118	1,119
Average volume	61,355	116,714	108,473	89,027	80,595
Investment margin	1.13%	1.10%	1.31%	1.26%	1.39%
Return on total capital					
Operating profit	192	97	574	298	419
Average volume	61,355	116,714	108,473	89,027	80,595
Return on total capital	0.31%	0.08%	0.53%	0.34%	0.52%
Return on equity					
Equity opening balance (for the period)	4,063	5,396	4,047	3,234	2,844
Equity closing balance (for the period)	3,643	4,063	5,396	4,047	3,263
Average equity ((OB + CB)/2)	3,853	4,730	4,722	3,641	3,054
Profit for the year/period	37	376	417	327	303
Adjustment for group contribution (incl. tax effect)	122	-383	-4	-115	23
Adjustment for discontinued operation	—	—	—	—	-93
Adjustment for translation differences in equity (2015)	—	83	—	—	—
Profit for the year/period excl. group contribution (incl. tax effect) and translation differences in equity	159	76	413	212	233
Return on equity	4.14%	1.61%	8.74%	6.23%	7.59%

SEK million	2016	2015	2014	2013	2012
Cost/income ratio before loan losses, impairment of intangible assets and translation differences in equity					
Total costs before loan losses	730	1,443	1,155	1,124	1,235
Adjustment for impairment of intangible assets	—	-246	—	—	—
Total costs before loan losses and excl. impairment of intangible assets	730	1,197	1,155	1,124	1,235
Total operating income excl. translation differences in equity (see also note 1 for 2015)					
Total operating income excl. translation differences in equity (see also note 1 for 2015)	932	1,460	1,770	1,463	1,661
Adjustment for translation differences in equity (2015)	—	107	—	—	-93
Total operating income excl. translation differences in equity (see also note 1 for 2015)	932	1,567	1,770	1,463	1,568
Cost/income ratio before loan losses, impairment of intangible assets and translation differences in equity					
Cost/income ratio before loan losses, impairment of intangible assets and translation differences in equity	0.78	0.76	0.65	0.77	0.79
Provision level for impaired loans, %					
Provision for loan losses	12	12	114	92	91
Impaired loans, gross	23	33	174	139	169
Provision level for impaired loans, %	51.4%	35.4%	65.2%	64.2%	53.9%
Share of impaired loans, net, %					
Impaired loans	11	21	60	47	78
Lending to the general public excl. placements with the Swedish National Debt Office	56,308	46,328	93,338	77,894	58,401
Share of impaired loans, net, %	0.02%	0.05%	0.06%	0.06%	0.13%
Loan loss level, %					
Loan losses	10	27	41	41	7
Opening balance, lending to the general public excl. placements with the Swedish National Debt Office	46,316	93,338	77,894	58,401	52,413
Loan loss level, %	0.02%	0.03%	0.05%	0.07%	0.01%

Definitions

Investment margin

Net interest income in relation to average volume of balance sheet total during the period/year. The aim is to describe the Bank's margin on net interest income in relation to the value of total assets.

Return on total capital

Operating income as % of average volume (balance sheet total). The aim is to show how effectively the Company's total capital is being utilised to generate returns.

Return on equity, %

Profit after tax in relation to average equity (average of opening and closing equity). Group contributions and translation differences in equity are excluded in calculations of the return. The aim is to show the Bank's return on equity.

Cost/income ratio before loan losses, impairment of intangible assets and translation differences in equity

The aim is to show costs in relation to income, which shows cost efficiency

Provision level for impaired loans, %

The provision for loan losses in relation to impaired loans, gross. The aim is to show the level of provisions for the loans judged as being impaired.

Share of impaired loans, net, %

Impaired loans, net, in relation to total lending to the general public excluding placements with the Swedish National Debt Office. The aim is to show what share of lending is judged to be impaired if, for example, a borrower's ability to repay decreases.

Loan loss level, %

Loan losses in relation to lending to the general public at the start of the year excluding placements with the Swedish National Debt Office. The aim is to show how large loan losses are in relation to lending.

