

## Alternative performance measures (APM)

Key financial ratios regulated by IFRS or other legislation (CRR/CRD) are not considered APMs, neither are non-financial data.

Alternative performance measure (APM)	Reason for use	Definition	Calculation
Return on equity (ROE)	Measures the return on the shareholders' equity.	Calculated by dividing comprehensive income by average total equity (excluding additional Tier 1 capital) in the fiscal year.  The comprehensive income is annualized when calculating ROE for shorter periods than full fiscal years.	$\frac{\text{Comprehensive income}}{\text{Average total equity} - \text{average Tier 1 capital}}$
Return on assets (ROA)	Measures how efficiently a bank is able to generate earnings from its assets.	Calculated by dividing comprehensive income by average total assets in the fiscal year.  The comprehensive income is annualized when calculating ROA for shorter periods than full fiscal years.	$\frac{\text{Comprehensive income}}{\text{Average total assets}}$
Net interest margin (NIM)	Measures the gross profitability of a bank's line of business.	Calculated by dividing net interest income by average total assets in the fiscal year.  The net interest income is annualized when calculating NIM for shorter periods than full fiscal years.	$\frac{\text{Net interest income}}{\text{Average total assets}}$
Risk-adjusted margin	Measures the gross profitability of a bank's line of business adjusted for credit losses.	Calculated by dividing net interest income adjusted for provision for loan losses by average total assets in the fiscal year.  The net interest income and provision for loan losses is annualized when calculating for shorter periods than full fiscal years.	$\frac{\text{Net interest income} - \text{provision for loan losses}}{\text{Average total assets}}$
Interest income (margin)	Measures how efficiently a bank is able to generate revenue from its assets.	Calculated by dividing interest income/expense by average total assets in the fiscal year.	$\frac{\text{Interest income}}{\text{Average total assets}}$
Interest expense (margin)	Measures how efficiently a bank is able to fund its assets.	The interest income/expense is annualized when calculating for shorter periods than full fiscal years.	$\frac{\text{Interest expense}}{\text{Average total assets}}$
Risk-adjusted total loan yield	Measures return on total net loans (instalment loans and credit card loans) adjusted for credit losses.	Calculated by dividing interest income by relevant average assets in the fiscal year.	$\frac{\text{Interest income} - \text{provision for loan losses}}{\text{Average net loans}}$
Instalment loan yield	Measures return on instalment loans.	The interest income is annualized when calculating for shorter periods than full fiscal years.	$\frac{\text{Interest income from instalment loans}}{\text{Average net instalment loans}}$
Credit card loan yield	Measures return on credit card loans.		$\frac{\text{Interest income from credit card loans}}{\text{Average net credit card loans}}$
Liquidity yield	Measures return on liquid assets.		$\frac{\text{Interest income from total loans and deposits with credit institutions and central banks} + \text{interest income from certificates and bonds}}{\text{Average total loans and deposits with credit institutions and central banks} + \text{average certificates and bonds}}$
Debt securities cost (yield)	Measures cost on debt securities issued.	Calculated by dividing interest expense by relevant average liability in the fiscal year.	$\frac{\text{Interest expense from debt securities issued}}{\text{Average debt securities issued}}$
Deposit costs (yield)	Measures cost on deposits.	The interest expense is annualized when calculating for shorter periods than full fiscal years.	$\frac{\text{Interest expense from deposits}}{\text{Average deposits}}$
Deposit-to-loan ratio	Measures a bank's ability to finance lending to customers by deposits from customers.	Calculated by dividing deposits by gross loans in the fiscal year.	$\frac{\text{Deposits}}{\text{Gross loans}}$
Liquid assets to total assets	Measures the proportion of a bank's assets that can be readily converted to cash.	Calculated by dividing total loans and deposits with credit institutions and central banks and certificates and bonds by total assets in the fiscal year.	$\frac{\text{Total loans and deposits with credit institutions and central banks} + \text{certificates and bonds}}{\text{Total assets}}$
Cost/income ratio	Measures the degree of which a bank's overheads are adversely affecting its ability to generate profits.	Calculated by dividing total income by total operating expenses excluding loan losses in the fiscal year.	$\frac{\text{Total operating expenses excluding loan losses}}{\text{Total income}}$
Delinquent loans (stage 3) to loans	Measures the proportion of gross loans where payment is more than 90 days past due.	Calculated by dividing delinquent loans by gross loans in the fiscal year.	$\frac{\text{Stage 3}}{\text{Gross loans}}$
Loan loss provisions to average loans	Measures a bank's cost of credit risk.	Calculated by dividing provision for loan losses by average gross loans in the fiscal year.  The provision for loan losses is annualized when calculating for shorter periods than full fiscal years.	$\frac{\text{Provision for loan losses}}{\text{Average gross loans}}$
Non-performing loans to loans	Measures the proportion of gross loans where payment is more than 90 days past due and not performing.	Calculated by dividing gross non-performing loans by gross loans in the fiscal year.	$\frac{\text{Gross non-performing loans}}{\text{Gross loans}}$
Loan loss allowance to loans	Measures the adequacy of a bank's allowance for loan losses.	Calculated by dividing loan loss allowance by gross loans in the fiscal year.	$\frac{\text{Loan loss allowance}}{\text{Gross loans}}$
Loan loss allowance to non-performing loans	Measures the adequacy of a bank's allowance for loan losses.	Calculated by dividing loan loss allowance by gross non-performing loans in the fiscal year.	$\frac{\text{Loan loss allowance}}{\text{Gross non-performing loans}}$