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)	Used to evaluate how efficiently the bank deploys its capital and in relation to the risks accepted. The cost/income ratio is a measure of the operational efficiency.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.	$\frac{\text{Comprehensive income}}{\text{Average total equity - average Tier 1 capital}}$
Return on assets (ROA)	Used to evaluate how efficiently the bank deploys its capital and in relation to the risks accepted. 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)	Used to evaluate how efficiently the bank deploys its capital and in relation to the risks accepted. 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	Used to evaluate how efficiently the bank deploys its capital and in relation to the risks accepted. 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.	$\frac{\text{Net interest income - provision for loan losses}}{\text{Average total assets}}$
Interest income (margin)	Used to evaluate how efficiently the bank deploys its capital and in relation to the risks accepted. 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. The interest income/expense is annualized when calculating for shorter periods than full fiscal years.	$\frac{\text{Interest income}}{\text{Average total assets}}$
Interest expense (margin)	Measures how efficiently a bank is able to fund its assets.		$\frac{\text{Interest expense}}{\text{Average total assets}}$
Risk-adjusted total loan yield	Used to evaluate how efficiently the bank deploys its capital and in relation to the risks accepted. 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. The interest income is annualized when calculating for shorter periods than full fiscal years.	$\frac{\text{Interest income - provision for loan losses}}{\text{Average net loans}}$
Instalment loan yield	Used to evaluate how efficiently the bank deploys its capital and in relation to the risks accepted. Measures return on instalment loans.		$\frac{\text{Interest income from instalment loans}}{\text{Average net instalment loans}}$
Credit card loan yield	Used to evaluate how efficiently the bank deploys its capital and in relation to the risks accepted. Measures return on credit card loans.		$\frac{\text{Interest income from credit card loans}}{\text{Average net credit card loans}}$
Liquidity yield	Used to evaluate how efficiently the bank deploys its capital and in relation to the risks accepted. Measures return on liquid assets.		$\frac{\text{Interest income from total loans and deposits with credit institutions and central banks + interest income from certificates and bonds}}{\text{Average total loans and deposits with credit institutions and central banks + average certificates and bonds}}$
Debt securities cost (yield)	Measures cost of debt securities issued.	Calculated by dividing interest expense by relevant average liability(ies) in the fiscal year. The interest expense is annualized when calculating for shorter periods than full fiscal years.	$\frac{\text{Interest expense from debt securities issued}}{\text{Average debt securities issued}}$
Deposit costs (yield)	Measures the cost of deposits.		$\frac{\text{Interest expense from deposits from customers}}{\text{Average deposits from customers}}$
Funding cost (yield)	Measures the cost of funding.		$\frac{\text{Interest expense from deposits from customers and debt securites issued}}{\text{Average deposits from customers and debt securities issued}}$
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.	$\frac{\text{Total loans and deposits with credit institutions and central banks + certificates and bonds}}{\text{Total assets}}$
Cost/income ratio	Used to evaluate the bank's operational efficiency. 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	Used for evaluating the cost of credit risk and to what degree the bank holds adequate provisions for the credit risks accepted. 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	Used for evaluating the cost of credit risk and to what degree the bank holds adequate provisions for the credit risks accepted. . 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	Used for evaluating the cost of credit risk and to what degree the bank holds adequate provisions for the credit risks accepted. 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.	$\frac{\text{Gross loans in stage 3 - performing loans in stage 3}}{\text{Gross loans}}$
Loan loss allowance to loans	Used for evaluating to what degree the bank holds adequate provisions for the credit risks accepted. 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	Used for evaluating to what degree the bank holds adequate provisions for the credit risks accepted. 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.	$\frac{\text{Loan loss allowance}}{\text{Gross loans in stage 3 - performing loans in stage 3}}$
Performing loans	Measures the share of stage 3 loans that are performing.	Loans and credit cards classified as performing in stage 3 are exposures where there is an agreed upon payment plan and/or the recovery is subject to public legal recovery by payroll deductions or other realization of assets.	