

# SUMMARY 2015

The following 3 pages are a summary of the 2015 annual report. The full annual report is available in Swedish and can be downloaded from our website.

Svenska Skeppshypotekskassan (Svenska Skeppshypotek) offers financing for Swedish shipping companies or foreign shipping companies with a significant Swedish influence or interest, against ship mortgages as collateral.

Svenska Skeppshypotek disbursed loans during the year totalling SEK 2,645 million (previous year 469). The total amount of loans receivable at the end of the year at balance date's exchange rates was SEK 6,884 million (5,320).

Loans granted by the Board but not yet disbursed amounted to SEK 2,084 million (1,243) at the end of the year.

Net interest income increased with SEK 6 million compared with previous year

and amounted to SEK 99 million (93). The change mainly due to improved return on outstanding loans. Profit before credit losses was SEK 80 million compared with SEK 73 million the previous year. After provision for credit losses of SEK 25 million the profit was SEK 55 million (73).

Svenska Skeppshypotek has as per 31 December 2015 made the assessment that loans need to be written down since it is doubtful whether borrowers can fulfil their contractual obligations. Loans have been written down with SEK 25 million which have been charged the result.

Return on average balance sheet total was 0.8 per cent (1.1) and return on equity was 3.0 per cent (4.1). Svenska Skeppshypotek's equity ratio amounted to 24.8 per cent (27.5). According to Basel III, Svenska Skeppshypotek's capital requirement amounts to SEK 621 million (504) and the total capital ratio was 23.4 per cent (27.7).

According to Finansinspektionen's regulations (FFFS 2014:12) regarding prudential requirements and capital buffers, Svenska Skeppshypotek is exempt from the provisions relating to the limitation of major exposures but remains subject to the provisions on capital adequacy ratios.

The profit for the year of SEK 55 million was allocated to the reserve fund, which subsequently amounts to SEK 1,871 million.

## INCOME STATEMENT

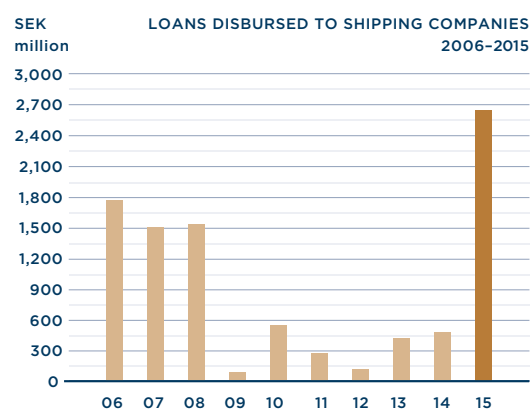
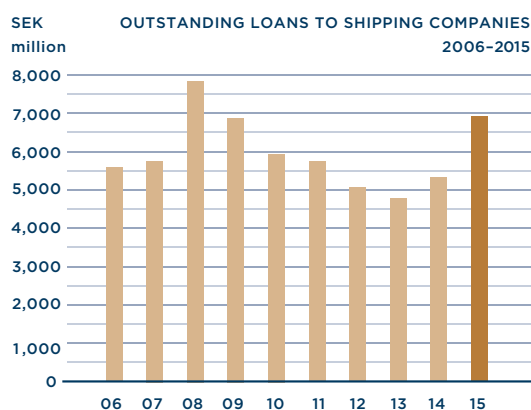
SEK	2015	2014
<b>INTEREST INCOME</b>		
LENDING TO SHIPPING COMPANIES	149,315,156	124,835,020
SHORT-TERM INVESTMENTS:		
Swedish financial institutions	61,954	2,106,312
interest-bearing securities	7,058,500	8,050,401
LONG-TERM INVESTMENTS:		
interest-bearing securities	6,843,908	12,584,463
<b>INTEREST COSTS</b>	<b>-63,914,901</b>	<b>-54,293,379</b>
<b>NET INTEREST INCOME</b>	<b>99,364,617</b>	<b>93,282,817</b>
Other income	245,000	-
General administrative costs	-14,745,065	-17,604,460
Guarantee fund fee paid to the state	-3,500,000	-2,100,000
Depreciation	-826,219	-775,763
Other operating expenses	-211,250	-211,250
Profit before credit losses	<b>80,327,083</b>	<b>72,591,344</b>
Net credit losses	-25,000,000	691,121
Profit allocated to the reserve fund	<b>55,327,083</b>	<b>73,282,465</b>

# BALANCE SHEET

SEK	2015-12-31	2014-12-31
<b>ASSETS</b>		
Cash	10,000	10,000
Lending to credit institutions	320,170,491	480,371,448
Bonds and other interest-bearing securities:		
short-term investments	–	455,892,570
long-term investments	316,470,012	319,247,770
Lending to shipping companies	6,884,333,465	5,319,603,531
Tangible assets	430,122	619,457
Accrued interest income	24,557,110	27,914,079
Prepaid expenses and other accrued income	3,439,480	955,319
<b>Total assets</b>	<b>7,549,410,680</b>	<b>6,604,614,174</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Liabilities to credit institutions	5,652,708,576	4,769,014,511
Accounts payable	133,157	146,888
Other liabilities	227,521	202,700
Accrued interest expenses	8,448,677	6,632,026
Deferred income and other accrued expenses	5,508,075	2,108,458
Other provisions	11,259,000	10,711,000
<b>EQUITY</b>		
Reserve fund, whereof profit for the year SEK 55.3 million (73.3)	1,871,125,674	1,815,798,591
<b>Total liabilities and equity</b>	<b>7,549,410,680</b>	<b>6,604,614,174</b>
<b>COLLATERAL PLEDGED</b>	None	None
<b>CONTINGENT LIABILITIES</b>	None	None
<b>COMMITMENTS</b>	959,000,000*	1,012,000,000*

The Swedish state has issued a guarantee of SEK 350 million as security for Svenska Skeppshypotek's debts. The guarantee can be called upon in the event that Svenska Skeppshypotek's equity together with its borrowers' payment responsibility in accordance with §36 Act on Svenska Skeppshypotekskassan (1980:1097) is not sufficient to meet Svenska Skeppshypotek's debts. The guarantee is valid until 1 January 2036.

\* Commitments refers to granted loans during 2012-2014 where binding loan agreements between lender and borrower have been entered into during 2013-2014.



# KEY FIGURES

	2015	2014	2013	2012	2011
Profit for the year, SEK m	55.3	73.3	87.4	76.7	57.1
Balance sheet total, SEK m	7,549.4	6,604.6	6,233.6	6,375.8	6,983.7
Reserve fund, SEK m	1,871.1	1,815.8	1,742.5	1,655.1	1,578.4
Return on average balance sheet total, per cent	0.8	1.1	1.4	1.1	0.8
Return on equity, per cent	3.0	4.1	5.1	4.7	3.7
Equity/assets ratio, per cent	24.8	27.5	28.0	26.0	22.6
Capital adequacy quotient	–	–	3.67	3.59	3.15
Tier 1 capital ratio, per cent	23.4	27.7	–	–	–
Total capital ratio, per cent	23.4	27.7	27.9	–	–
Number of employees	8	8	8	8	8

## Definitions:

Return on average balance sheet total = Profit for the year / Average balance sheet total

Return on equity = Profit for the year / Average reserve fund

Equity/assets ratio = Reserve fund / Balance sheet total (both at the end of year)

Capital adequacy quotient = Capital base / Capital requirement

Tier 1 capital ratio = Capital base / Risk exposure amount

Total capital ratio = Capital base / Risk exposure amount

# FACTS

Svenska Skeppshypotek's operations are governed by the Act (1980:1097) on Svenska Skeppshypotekskassan.

- Svenska Skeppshypotek can finance Swedish shipping companies and foreign shipping companies with a significant Swedish influence or interest.
- The maximum loan term is 15 years.
- The loan must be paid off in full when the ship reaches the age of 20 years (unless there are special circumstances).
- Loans are to be secured by collateral in ships (or balance in or guarantee from a bank or the Swedish State).
- Loans may be granted for up to 70 per cent of the value Svenska Skeppshypotek estimates the vessel to have.
- Interest rates are determined individually.
- Loans may in some cases be granted for up to 90 per cent of the value of the ship according to a special ordinance. Preference is to be given to smaller shipping companies.
- Lending takes place in foreign or Swedish currency at a floating or fixed interest rate.

# SVENSKA SKEPPSHYPOTEK

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