



2021

SVENSKA SKEPPSHYPOTEK



# SUMMARY 2021

The following 3 pages are a summary of the 2021 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 1,164 million (previous year 169). The total amount of loans receivable at the end of the year at balance date's exchange rates was SEK 7,235 million (6,883).

Loans granted by the Board but not yet disbursed amounted to SEK 1,074 million (1,730) at the end of the year.

Net profit for the year was SEK 71 million (109). Total comprehensive income, after remeasurement of defined benefit pension obligations, was SEK 82 million against SEK 104 million 2020. The main explanation of the lower result in 2021 is a lower net interest income due to lower exchange rates and provision to the general credit loss reserve. During this year, similar to last year, a close dialogue has been kept with the borrowers due to covid-19. During the second half of the year some effects from the pandemic became visible. Therefore, during 2021 Svenska Skeppshypotek charged the result with SEK 21 million for increased provision to the general reserve for credit losses. Svenska Skeppshypotek had no doubtful or non-performing loans at year end.

Return on average balance sheet total was 0.9 per cent (1.1) and return on equity was 3.4 per cent (4.5). Svenska Skeppshypotek's equity ratio amounted to 27.3 per cent (27.4). According to Basel III, Svenska Skeppshypotek's capital requirement amounts to SEK 657 million (637) and the total capital ratio was 28.9 per cent (28.5).

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. Total comprehensive income for the year of SEK 82 million was allocated to the reserve fund. The reserve fund amounts to SEK 2,453 million.

## INCOME STATEMENT

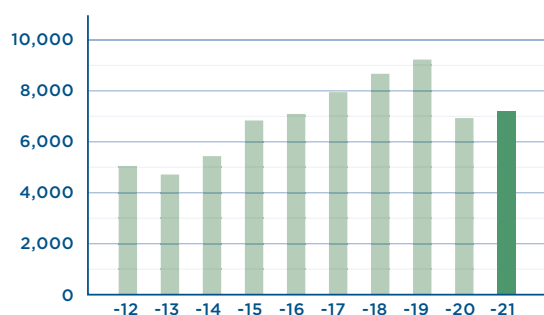
SEK THOUSAND	2021	2020
Net interest income	114,231	131,550
Net financial income	271	-255
Other income	15	-
<b>Total operating income</b>	<b>114,517</b>	<b>131,295</b>
General administrative costs	-16,882	-20,556
Guarantee fund fee paid to the state	-4,165	-3,325
Depreciation	-185	-287
Other operating expenses	-241	-241
<b>Profit before credit losses</b>	<b>93,044</b>	<b>106,886</b>
Net credit losses	-21,324	2,457
<b>Net profit</b>	<b>71,720</b>	<b>109,343</b>
Other comprehensive income	10,575	-5,074
<b>Total comprehensive income allocated to the reserve fund</b>	<b>82,295</b>	<b>104,269</b>

# BALANCE SHEET

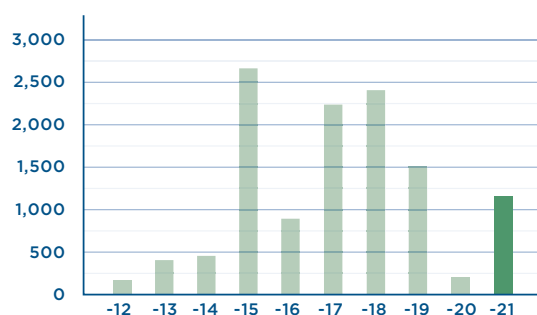
SEK THOUSAND	2021-12-31	2020-12-31
<b>ASSETS</b>		
Lending to credit institutions	1,433,683	1,441,885
Bonds and other interest-bearing securities	283,280	286,468
Lending to shipping companies	7,235,008	6,883,342
Tangible assets	843	179
Accrued interest income	24,853	24,149
Prepaid expenses and other accrued income	1,237	1,190
Other assets	102	29
<b>Total assets</b>	<b>8,979,006</b>	<b>8,637,242</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Liabilities to credit institutions	6,494,775	6,223,659
Accounts payable	979	949
Other liabilities	369	310
Derivatives	512	–
Accrued interest expenses	10,925	10,800
Deferred income and other accrued expenses	4,963	6,260
Other provisions	13,503	24,579
<b>EQUITY</b>		
Reserve fund, whereof total comprehensive income for the year SEK 82,3 million (104,3)	2,452,980	2,370,685
<b>Total liabilities and equity</b>	<b>8,979,006</b>	<b>8,637,242</b>

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 2042.

SEK million  
OUTSTANDING LOANS TO SHIPPING COMPANIES  
2012–2021



SEK million  
LOANS DISBURSED  
2012–2021



# KEY FIGURES

	2021	2020	2019	2018	2017
Net profit*, SEK m	71.7	109.3	118.3	53.3	111.1
Total comprehensive income**, SEK m	82.0	104.3	113.5	–	–
Balance sheet total, SEK m	8,979.0	8,637.3	10,176.6	9,610.0	8,712.6
Reserve fund, SEK m	2,453.0	2,370.7	2,266.4	2,152.9	2,099.6
Return on total assets, per cent	0.9	1.2	1.1	0.6	1.3
Return on average balance sheet total, per cent	0.9	1.1	1.1	0.6	1.3
Return on equity, per cent	3.4	4.5	5.1	2.5	5.4
Equity/assets ratio, per cent	27.3	27.4	22.3	22.4	24.1
Leverage ratio, per cent	26.4	25.6	21.1	21.8	–
Tier 1 capital ratio, per cent	28.9	28.5	22.1	22.6	23.7
Total capital ratio, per cent	28.9	28.5	22.1	22.6	23.7
Number of employees	9	8	8	8	7

## Definitions:

Return on total assets = Net profit / Balance sheet total

Return on average balance sheet total = Net profit / Average balance sheet total

Return on equity = Net profit / Average reserve fund

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

Leverage ratio = Reserve fund excluding total comprehensive income for the year/ Balance sheet total

Tier 1 capital ratio = Tier 1 capital / Risk exposure amount

Total capital ratio = Capital base / Risk exposure amount

\* 2018 and 2017 have not been adjusted for IFRS 9.

\*\* Total comprehensive income includes remeasurement of defined benefit pension obligations.

# 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.
- Market based pricing.
- 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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