

Enterprise size

This document describes the method for deriving the variable *enterprise size* used in the publication of the Credit Database (KRITA), www.scb.se/fm0002.

A common question in the analysis of corporate loan financing is to study how developments differ between large and small companies. This is because loan conditions such as loan amounts and interest rates tend to vary depending on company size.

1 = Large enterprises

2 = Medium and small enterprises

3 = Micro enterprises

4 = Tenant-owner associations

Outstanding loan amounts and the number of companies in KRITA as of 2024-12-31¹:

	Outstanding loan amount, SEK MILLION	Number of companies
1. Total, all enterprise sizes	2 780 163	196 111
1.1 Large enterprises	1 483 774	11 589
1.2 Medium and small enterprises	460 961	36 344
1.3 Micro enterprises	278 086	120 814
1.4 Tenant-owner associations	557 341	27 364

Summary of method

To classify the companies into the categories, different types of information are used, with the most central being:

- Number of employees, turnover, and balance sheet total
- Loan amounts in KRITA
- Ownership category (whether the company is owned by the public sector)
- Legal form (for Tenant-owner associations)

¹ For the latest statistics visit www.scb.se/fm0002

Primarily, data from consolidated financial statements are used, and secondarily from the annual accounts of the individual company (legal entity). In cases where exact data are not available, class intervals for the number of employees and turnover are applied. This is mainly relevant for economic associations, branches, and limited partnerships where public annual accounts are lacking. The data used come from commercial business registers, Statistics Sweden's General Business Register, and KRITA reporting.

The method applied is largely based on the European Commission's² definition of "Small and medium-sized enterprises (SMEs)", according to the recommendation 2003/361/EG. However, certain deviations from this definition have been made to better suit Swedish conditions and the financial market area, as well as to handle cases where data are missing.

For the number of employees in the European Commission's definition, this refers to *annual work units*, whereas in KRITA's SME calculation it refers to the number of employees at a specific date, usually year-end according to the annual accounts.

The evaluation of enterprise size for each enterprise is carried out in five steps:

1. Tenant-owner associations

The first step in the method is to identify Tenant-owner associations:

- All companies registered under legal form 53, "*Tenant-owner associations*", are assigned to size category 4, Tenant-owner associations.
- This means that all Tenant-owner associations are classified at this stage and are not included in subsequent steps.

This is a deviation from the European Commission's definition, which does not distinguish tenant-owner associations. These associations are largely a Swedish phenomenon and, although they are counted as non-financial corporations, their activities differ from many other companies. Without this exception, many tenant-owner associations would have been classified as micro-enterprises, but they face entirely different, often more favorable loan conditions compared to other micro-enterprises. Since tenant-owner associations are a type of economic association, the lack of annual financial statement data also makes size classification difficult.

2. Publicly owned companies and companies with more than 1 billion in loans

Companies that, according to ownership control (ÄGAR 2000), are publicly owned are directly classified as large companies.

- 10 - Entities controlled by Central Government
- 20 - Entities controlled by Local Government at local level
- 30 - Entities controlled by Local Government at regional level

This is motivated by the fact that the different public parts of the economy are resource-rich and large, both in terms of the number of employees, turnover, and balance sheet total. Companies owned by this group therefore face similar conditions as large companies.

² SME definition - Internal Market, Industry, Entrepreneurship and SMEs

In addition, all companies that in KRITA have a loan amount exceeding 1 billion SEK are also classified as large, with the reasoning that the size of the loan itself indicates that it concerns a large company. This can be particularly useful in cases of mergers or newly established large companies, where financial statement data are not yet available. Classification based on loan amount is a deviation from the European Commission's definition.

3. Classification according to consolidated financial statements

For companies that prepare consolidated financial statements, all companies within the group are classified into the same company size category based on the information on:

- Number of employees
- Annual turnover (yearly)
- Balance sheet total

The information is taken from the consolidated financial statements. For the thresholds of the different size categories, see Appendix 1.

4. Classification according to the annual financial statements of the individual company

For companies that do not prepare consolidated financial statements, the annual financial statements of the individual company are used instead. The information applied is:

- Number of employees
- Annual turnover (yearly)
- Balance sheet total

For companies that are part of a group, the same size category is assigned to all companies in the group based on the size of the largest company. In cases where the number of employees or turnover is missing, the employee class and turnover class are used instead, if such information is available. For the thresholds of the different size categories, see Appendix 1.

5. Classification according to loan size

As a final step, if no information from the previous steps is available, classification according to loan size is applied.

Large enterprises:	> 430 mnkr
Medium and small enterprises:	> 20 mnkr och ≤ 430 mnkr
Micro enterprises:	>= 0 kr och ≤ 20 mnkr

After this step, all companies have been assigned a company size category.

Appendix 1

Thresholds for company size when using consolidated financial statements or the annual financial statements of the individual company:

	Condition 1	OR	Condition 2 (SEK)	
	Number of employees		Revenue &	Balance sheet total
Large enterprises	≥ 250		$> 500\,000\,000$	$> 430\,000\,000$
Medium and small enterprises	≥ 10		$> 20\,000\,000$	$> 20\,000\,000$
Micro-enterprises	< 10 employees and either revenue $\leq 20\,000\,000$ or balance sheet total $\leq 20\,000\,000$ SEK			

The company is classified into the largest possible company size category based on the conditions fulfilled in Condition 1 (number of employees) and Condition 2 (turnover and balance sheet total). Classification for micro-enterprises is thus interpreted as "At most nine employees and where either turnover or balance sheet total is below 20 million SEK."

Example: A company with 100 employees, a turnover of 650 million SEK, and a balance sheet total of 10 million SEK is classified as "Medium and small companies." This is because Condition 1, " ≥ 10 employees," is the highest possible condition for size that is fulfilled.

It should be noted that groups/companies with 250 or more employees are always classified as large companies.

If the number of employees and turnover is missing, only the balance sheet total is used (if this information is available):

	Balance sheet total (SEK)
Large enterprises	$> 430\,000\,000$
Medium and small enterprises	$> 20\,000\,000$
Micro enterprises	$\leq 20\,000\,000$

Thresholds for company size when using the employee class:

Size	Employment class	Description
Not used	0	Information missing
Micro-enterprises	1	0 employees
Micro-enterprises	2	1–4 employees
Micro-enterprises	3	5–9 employees
Medium and small enterprises	4	10–19 employees
Medium and small enterprises	5	20–49 employees
Medium and small enterprises	6	50–99 employees
Medium and small enterprises	7	100–199 employees
Large enterprises	8	200–499 employees
Large enterprises	9	500–999 employees
Large enterprises	10	1 000–1 499 employees
Large enterprises	11	1 500–1 999 employees
Large enterprises	12	2 000–2 999 employees
Large enterprises	13	3 000–3 999 employees
Large enterprises	14	4 000–4 999 employees
Large enterprises	15	5 000–9 999 employees
Large enterprises	16	10 000– employees

Thresholds for company size when using turnover class:

Enterprise size	Revenue class	Description
Micro-enterprises	1	1–499 tkr
Micro-enterprises	2	500–999 tkr
Micro-enterprises	3	1 000–4 999 tkr
Micro-enterprises	4	5 000–9 999 tkr
Micro-enterprises	5	10 000–19 999 tkr
Medium and small enterprises	6	20 000–49 999 tkr
Medium and small enterprises	7	50 000–99 999 tkr
Medium and small enterprises	8	100 000–499 999 tkr
Large enterprises	9	500 000–999 999 tkr
Large enterprises	10	1 000 000–4 999 999 tkr
Large enterprises	11	5 000 000–9 999 999 tkr
Large enterprises	12	> 9 999 999 tkr