Resurs Holding AB
Corporate identity number 556898-2291

Annual report and consolidated financial statements for the 2014 fiscal year

The Board of Directors and CEO hereby submit the following annual report and consolidated financial statements.

Contents

All amounts are in SEK thousand unless otherwise indicated.

The undersigned Director and CEO of Resurs Holding AB hereby certifies that this copy of the annual report comports with the original and that the income statement and balance sheet, as well as the consolidated income statement and consolidated balance sheet were adopted by the Annual General Meeting on 16 June 2015.

The Annual General Meeting resolved to approve the Board's proposal for the appropriartion of earnings.

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Board of Directors’ report

The Board and CEO of Resurs Holding AB, corporate identity number 556898-2291, hereby submit the consolidated financial statements and annual report for the fiscal year from 1 January 2014 to 31 December 2014. Unless otherwise indicated, all figures in the consolidated financial statements and annual report are in SEK thousand.

Information on the business

Corporate structure

Resurs Holding AB is the Parent Company of the Resurs Holding Group. Operating activities are conducted in the wholly owned subsidiaries Resurs Bank AB including its subsidiaries and Solid Försäkrings AB. Operations in its subsidiaries Reda Inkasso AB and Teleresurs i Sverige along with the subsidiary Flat Wallet AB are undergoing restructuring, and the remaining divisions will be transferred to Resurs Bank AB in 2015.

Resurs Bank AB and Solid Försäkrings AB operate under the supervision of the Swedish Financial Supervisory Authority.

Business description

Through its subsidiaries, *Resurs Holding* offers a range of products and services to the retail sector, consumers and corporations throughout the Nordic region and in various regions of Europe. Resurs Holding provides administrative services such as risk control and compliance to its subsidiaries.

Resurs Bank AB conducts banking operations licenced by the Swedish Financial Supervisory Authority, predominantly by providing credit lending services to the public in the Nordic region and accepting deposits from the public in Sweden. The bank has selected a niche under which it sells financial products to the retail sector, credit cards and unsecured loans to consumers and accepts deposits from both consumers and corporate clients.

Solid Försäkrings AB provides casualty insurance services in Sweden, throughout the Nordic region, and, to a certain degree, in other countries in Europe. Solid Försäkringar traditionally offers specialised insurance services, with a primary focus on niche-based insurance policies.

Foreign branch offices

The Group operates branch offices through its Resurs Bank AB and Solid Försäkrings AB subsidiaries in Norway, Finland and Switzerland. In Denmark, operations are run under the Group company Dan-Aktiv A/S on a cross-border basis.

Related-party transactions

Resurs Holdings’ related-party transactions are described in Note 41 Related parties.

Acquisitions in 2014

On 1 April 2014, through Resurs Bank, the Group acquired the conglomerates Finaref AB and Nordic Consumer Finance A/S including the subsidiary Dan-Aktiv A/S. The acquired groups provide unsecured lending to consumers in the Nordic countries and their overall lending volume was SEK 3.3 billion at the acquisition date. As a result of the acquisitions, a group has been formed, with Resurs Bank AB as the Parent Company. See Note 45 Business combinations, for further information.

Significant events during the year

Banking operations

Growth in the banking operation remained strong during the year. The bank's lending volume has increased by 30% due to the acquisition of the conglomerates Finaref AB and Nordic Consumer Finance A/S during the spring, most of which took place in the markets in other Nordic countries. The acquisitions also entailed the addition of key skills and capacity reinforcements to the Group.

Several new partnerships have been initiated in the Nordic retail sector, and credit lines have increased through the traditional retail sector and e-commerce.

Insurance operations

Growth in the insurance operation has been favourable during the year, despite the transfer of the Hem och Villa (Homes and Housing), Trafik (Traffic) and Auto portfolios to Gjensidige, which was implemented at the beginning of the fiscal year. The transfer aimed to give the company the ability to focus and expand in its core business as a niche insurance company and offer additional insurance policies to consumers.

Parent Company

During the fiscal year, the Parent Company began transferring its staff to its subsidiaries. The aim is for employees focusing on Group-wide functions to work closer with the business units. These efforts will be completed in 2015.

Earnings

The Group's operating profit for the full-year 2014 totalled SEK 617 million (380). Overall operating revenues totalled SEK 2,401 million (1,662).

The banking operation's operating profit for the full-year 2014 totalled SEK 541 million (355). This operating profit includes SEK 238 million from companies acquired during the year, as of the date of acquisition on 1 April, through 31 December. Overall operating income totalled SEK 1,828 (1,109).

General administrative costs were higher, primarily due to additional costs in conjunction with the acquisitions and to substantial activities pertaining to the development and modernisation of the IT platform that remain under way.

In addition, substantial ventures related to securing volumes and market shares were undertaken during the year, the cost of which was charged to earnings, whereas the revenues are primarily anticipated to come in the future.

The insurance operation's operating profit for the full-year 2014 totalled SEK 98 million (41). Technical earnings from the casualty insurance operations experienced a positive trend, amounting to SEK 74 million (6). Income from premiums – gross – totalled SEK 968 million (947) for the year.

Net insurance claims payments totalled SEK 419 million (419). The claims ratio was 41.3% (43.6). Operating costs as a percentage of sales was 54.7% (57.6).

The Parent Company posted an operating loss of SEK 23 million (loss: 18).

Total assets and business volume

The Group's total assets amounted to SEK 21,014 million (15,812).

The banking operation's total assets amounted to SEK 20,000 million (14,153). Business volumes – comprising customer-related deposits and loans to the public, as well as leasing – totalled SEK 30.0 billion (21.2). Of this increase, the acquired units contributed SEK 3.3 billion. The banking operation's capital base – expressed as the capital case for the consolidated situation; see Note 4 Capital adequacy analysis – totalled SEK 2,267 million (1,484).

The insurance operation's consolidation capital totalled SEK 595 million (519) at year-end. Technical provisions at year-end totalled SEK 552 million (823). The decline was attributable to the transfer of the Business Auto & Public Auto portfolio in early 2014.

Expectations on future performance

The Group is expected to achieve full-year earnings in 2015 in excess of 2014's operating profit of SEK 617 million.

In 2015, the banking operations will complete the incorporation of the units it acquired in 2014. An effort is under way to coordinate the administration of the credit bases. To meet the demand for investment opportunities, enhance our ability to handle the matching of term maturities in our deposit and lending portfolio, and gain greater flexibility on the borrowing side, the bank has reached a decision to issue corporate bonds under an MTN programme in the spring of 2015. The first issuance round was completed in late March and raised SEK 400 million. The bank also plans to implement securitisation (ABS – asset-backed securities) for certain lending assets later in the fiscal year.

The insurance operation will continue it work with offering and developing a clear and cohesive partner and consumer offering to strengthen its Nordic presence within its core business.

Risk and capital management

The Group's ability to manage risks and conduct effective capital planning is decisive to its ability to be profitable. The business faces various forms of risk including credit risks, market risks, liquidity risks and operational risks. In the aim of offsetting the Group's risks, and limiting and managing said risks, the Board has adopted internal rules (instructions) for the business. All instructions are updated as necessary and revised at least once annually. The Board and CEO are ultimately responsible for the Group's risk management.

The Group's risk management framework forms an integrated element of the business. The risk management framework includes the Group’s functions for dealing with and controlling various types of risks, strategies, processes, routines, internal rules, limitations, risk propensity, risk mandates, controls, identification methods, measurement, monitoring and managing risks and reporting procedures.

The propensity for risks and limitations are regularly monitored and reported to the Board. The propensity for risks can be defined using qualitative and quantitative measurements that are to comport with the Group’s strategies and are to indicate the type and level of risk that a business is willing to face. Limitations are well-defined constraints that govern unwanted risk exposure.

The Group has standardised the process for how to identify, assess and report risks. This has been implemented throughout the organisation as part of an effort to create risk awareness and enhance the efficiency of risk management practices.

The Group employs a three-pronged approach to managing and controlling the operation’s risks:

The first line of defence is the Group’s operational personnel, who are fluent in the business, the risks that can arise in operating activities and their roles. The employees closest to the business are also closest to the risks and highly suitable for identifying risks and proactively promoting risk awareness.

The second line of defence comprises the control functions compliance and risk management. This function aims to impartially and independently control the Group’s operations.

The third line of defence comprises an independent review function (internal audit). The internal audit function regularly reviews the Group’s operations, which includes reviewing the activities of the first and second lines of defence to ensure that they are carrying out their duties to the fullest and that they possess the necessary skill sets. The management and Board regularly receive reports from the internal audit function and control functions and are responsible for following up the items that are addressed.

Also see Note 3 Risk management.

Personnel

Good leadership and committed employees are important in achieving the company’s future goals and vision. The Group works methodically on staff development and leadership issues in order to meet present and future requirements and expectations. The Group has an introduction programme that aims to include new employees in the company’s value base and vision.

During the year the subsidiary Resurs Bank AB implemented a strategy and integration process aimed at uniting existing employees with acquired companies’ employees in a new common Nordic platform. This involved a reformulation of the Group’s values and a clarification of the Group’s vision, which was presented to all Nordic employees at a kick-off in January 2015.

The Group’s annual employee survey was conducted in November, enabling staff to answer questions about leadership, the work environment, commitment and involvement. In summary, the high scores on leadership, commitment and the work environment, and, compared with the previous year, the staff’s overall pride in their workplace increased, measured as ambassadorship for the Group.

The average number of employees in the Group increased by 118 during the year and the average number of employees was 577, with the proportion of female employees at just over 60% percent. Information about the principles and processes relating to remuneration and benefits to key management personnel is provided in Note 14 Personnel.

Environment

An extensive renovation of the banking operation’s office in Helsingborg was completed during the year. In addition to the renovation of the premises, investments were made in creating ergonomic new workplaces with a light and crisp design. The Group is actively engaged in environmental initiatives aimed at reducing its environmental impacts. This enables the Group to contribute to the sustainable development of society. The Group's environmental policy is a framework for its operations and the management of environmental issues. Environmentally knowledgeable and committed employees are important to active environmental work. The Group therefore works to provide ongoing environmental training for employees and regular information about the Company's environmental activities and environmental management systems.

The Board's proposed appropriation of earnings

Amounts in SEK

At the disposal of the Annual General Meeting	
Share premium reserve	717,975,557
Retained earnings	181,935,482
Profit for the year	-196,004
	899,715,035
To be appropriated as follows:	
To be carried forward	899,715,035
	899,715,035

Retained earnings include conditional shareholder contributions totalling SEK 82,777,000.

For the Group and Parent Company's other earnings and financial position, please refer to the following income statements and balance sheets, including the associated additional disclosures and comments on the financial statements.

Three-year summary

Group	2014	2013	2012 1)
Condensed income statement			
Interest income	1,684,048	951,898	101,195
Other expense	-334,992	-299,865	-21,079
Other income/Other expenses	1,051,456	1,010,168	211,804
Total operating income	2,400,512	1,662,201	291,920
General administrative expenses			
- Personnel costs	-347,627	-259,800	-46,508
- Other general administrative expenses	-923,677	-686,943	-162,031
Other operating expenses	-147,770	-160,226	-25,312
Depreciation, amortisation and impairment of assets	-13,820	-5,777	-1,756
Total expenses before credit losses	-1,432,894	-1,112,746	-235,607
Earnings before credit losses	967,618	549,455	56,313
Credit losses, net	-350,699	- 169,120	-1,598
Operating profit	616,919	380,335	54,715
Taxes	-149,270	-93,506	17,008
Net profit for the year	467,649	286,829	71,723
Condensed balance sheet			
Assets			
Treasury and other bills eligible for refinancing	805,843	810,182	251,173
Loans to credit institutions	3,695,094	2,284,180	793,512
Loans to the public	13,923,375	9,258,334	7,203,264
Bonds and other interest-bearing securities	1,300,484	2,678,093	954,029
Subordinated loans	26,478		
Shares and participating interests	11,610	27,986	5 826
Derivatives	38,573	10,493	5,707
Intangible assets	680,346	17,943	17,696
Tangible assets	28,515	15,726	9,398
Other assets	503,997	708,648	742,248
Total assets	21,014,315	15,811,585	9,982,853
Liabilities, provisions and equity			
Liabilities to credit institutions	1,026	783	12,408
Deposits and borrowing from the public	15,976,650	11,874,089	6,213,907
Other liabilities	1,772,263	1,914,891	2,020,602
Equity	3,264,376	2,021,822	1,735,936
Total liabilities, provisions and equity	21,014,315	15,811,585	9,982,853

Key ratios and definitions

	2014	2013	2012 1)
Group			
Equity/assets ratio (%)	15.5	12.8	17.5
Business volume (SEKm)	29,900	21,132	13,417
Net interest margin (%)	7.3	5.1	
Core Tier 1 ratio (%) 2)	13.7	15.3	16.9
Total capital ratio (%) 2)	15.0	15.3	1.6.9
Reserve ratio (%)	51.1	49.4	38.0
Credit loss ratio (%)	3.0	2.1	
Claims ratio %, insurance operations	41.3	43.6	47.6
Operating costs ratio %, insurance operations	54.7	57.6	49.6
Total cost ratio %, insurance operations	96.0	101.2	97.3
Required solvency margin, insurance operations	90,224	120,961	138,098
Average number of employees	578	459	478
Return on assets (%)	3.0	2.2	1.4
Parent Company			
Net sales	16,038	14,964	1,288
Earnings after financial items	-22,706	478	92,991
Balance sheet total	907,240	192,905	181,209
Equity/assets ratio (%)	99.4	95.4	93.3
Average number of employees	12	8	7

1) Financial year 2012 covers the period 4 July 2012 – 31 December 2012. Subsidiaries were acquired 21 November 2012; the 2012 figures include the subsidiaries' results for the period 21 November 2012 – 31 December 2012.

2) Key ratios refer to the consolidated situation, which includes Parent Company Resurs Holding AB and subsidiary Resurs Bank AB with its subsidiaries.

Definitions

Business volume
Customer-related deposits and lending.

Claims ratio
The claims ratio comprises insurance claims as a percentage of income from premiums.

Credit loss ratio
Credit losses as a percentage of the average balance for loans to the public.

Core Tier 1 ratio
Core Tier 1 capital in relation to the risk-weighted amount according to the Swedish Financial Supervision Authority's directives; see Note 4.

Equity/assets ratio
Equity including profit for the year and 78% of untaxed reserves, as a percentage of total assets.

Investment margin
Net interest as a percentage of average total assets.

Operating costs ratio
The operating costs ratio comprises operating costs as a percentage of income from premiums.

Required solvency margin
The required solvency margin is a measure of the minimum capital base required by law. The calculation is made on the basis of income from premiums and on claims payments in the insurance subsidiary. The required solvency margin comprises the higher of the two calculated values.

Reserve ratio
The reserve for anticipated credit losses as a percentage of net impaired loans; see Note 22.

Return on assets
Net profit in relation to average total assets.

Total capital ratio
Total capital in relation to the risk-weighted amount according to the Swedish Financial Supervision Authority's directives; see Note 4.

Total cost ratio
The total cost ratio is the sum of all insurance claims and operating costs as a percentage of income from premiums.

Consolidated income statement

	Note	2014	2013
Interest income	5	1,684,048	951,898
Interest expense	5	-334,992	-299,865
Fee and commission income	7	268,803	164,690
Fee and commission expense	7	-52	-6
Net income/expense from financial transactions	10	6,596	16,187
Premium income, net	8	989,080	919,186
Insurance compensation, net	9	-408,741	-362,013
Other operating income	11	195,770	272,124
Total operating income		2,400,512	1,662,201
General administrative expenses	13, 14	-1,271,304	-946,743
Depreciation, amortisation and impairment of tangible and intangible assets	15	-13,820	-5,777
Other operating expenses	16	-147,770	-160,226
Total expenses before credit losses		-1,432,894	-1,112,746
Earnings before credit losses		967,618	549,455
Credit losses, net	17	-350,699	-169,120
Operating profit		616,919	380,335
Tax on profit for the year	18	-149,270	-93,506
Net profit for the year		467,649	286,829

Comprehensive income statement

	Note	2014	2013
Net profit for the year		467,649	286,829
Other comprehensive income that will be reclassified to profit or loss			
Translation differences for the year, foreign operations	39	56,903	-943
Comprehensive income for the year		524,552	285,886

Consolidated statement of financial position

	Note	31 Dec 2014	31 Dec 2013
Assets			
Treasury and other bills eligible for refinancing	20	805,843	810,182
Loans to credit institutions	21	3,695,094	2,284,180
Loans to the public	22	13,923,375	9,258,334
Bonds and other interest-bearing securities	23	1,300,484	2,678,093
Subordinated loans	24	26,478	
Shares and participating interests	25	11,610	27,986
Derivatives		38,573	10,493
Goodwill	27	677,102	11,867
Other intangible assets	27	3,244	6,076
Tangible assets	28	28,515	15,726
Reinsurers' share in technical provisions	29	6,028	160,662
Other assets	30	159,846	252,444
Current tax liability		18,669	17,634
Deferred tax assets	18	34,607	13,072
Prepaid expenses and accrued income	31	284,847	264,836
Total assets		21,014,315	15,811,585

Liabilities, provisions and equity

	Note	31 Dec 2014	31 Dec 2013
Liabilities and provisions			
Liabilities to credit institutions	32	1,026	783
Deposits and borrowing from the public	33	15,976,650	11,874,089
Other liabilities	34	614,573	690,247
Derivatives		94,853	4,637
Accrued expenses and deferred income	35	132,709	189,841
Tax liability		85,658	7,498
Deferred tax liability	18	284,199	198,818
Technical provisions	36	551,853	823,026
Other provisions	37	8,418	824
Total liabilities and provisions		17,749,939	13,789,763

Consolidated statement of financial position

	Note	31 Dec 2014	31 Dec 2013
Equity	39		
Share capital		126	100
Other paid-up capital		800,753	82,777
Translation reserve		56,159	-744
Retained earnings incl. profit for the year		2,407,338	1 939,689
Total equity		3,264,376	2 021,822
Total liabilities, provisions and equity		21,014,315	15,811, 585

See Note 40 for information on pledged assets and commitments.

Consolidated statement of changes in equity

	Share capital	Other paid-up capital	Translation reserve	Retained earnings incl. profit for the year	Total equity
Equity, 1 January 2013	100	82,777	199	1,652,860	1,735,936
Net profit for the year				286,829	286,829
Other comprehensive income for the year			-943		-943
Equity, 31 December 2013	100	82,777	-744	1,939,689	2,021,822
Equity, 1 January 2014	100	82,777	-744	1,939,689	2,021,822
Owner transactions					
New share issue	26	717,976			718,002
Net profit for the year				467,649	467,649
Other comprehensive income for the year			56,903		56,903
Equity, 31 December 2014	126	800,753	56,159	2,407,338	3,264,376

See Note 39 for information on the translation reserve.

Consolidated cash flow statement (indirect method)

	Note	2014	2013
Operating activities			
Operating profit		616,919	380,335
- of which, interest received		2,236,395	936,492
- of which, interest paid		-334,027	-300,605
Adjustment for non-cash items in operating profit		279,525	1,797
Tax paid		-101,018	-89,578
Cash flow from operating activities before changes in working capital		795,426	292,554
Cash flow from changes in working capital			
Loans to the public		- 1,279,033	-633,415
Other assets		-13,724	54,994
Liabilities to credit institutions		-2,931,856	-11,758
Deposits and borrowing from the public		4,102,560	5,660,182
Other liabilities		19,414	88,438
Cash flow from operating activities		692,787	5,450,995
Investing activities			
Acquisition of non-current assets	27, 28	-22,598	-11,429
Divestment of non-current assets		1 , 60	792
Acquisition of subsidiaries/businesses, net	45	-1,301,012	-3,507
Acquisition of investment assets		-4,982,804	-5,758,096
Divestment of investment assets		6,378,469	3,468,876
Acquisition of accounts receivable		-91,584	-1,664,772
Repaid loans		120,980	
Portfolio transfers		-84,214	
Issued subordinated loans		-26,478	
Cash flow from investing activities		-7,635	-3,968, 136
Financing activities			
New share issue		718,002	
Cash flow from financing activities		718,002	0
Cash flow for the year		1,403,154	1,482, 859
Cash and cash equivalents at beginning of the year		2,284, 180	793,512
Exchange difference		7,760	7,809
Cash and cash equivalents at end of the year 1)		3,695,094	2,284,180

Consolidated cash flow statement (indirect method)

	Note	2014	2013
Adjustments for non-cash items in operating profit			
Credit losses	17	350,699	169,120
Depreciation, amortisation and impairment of non-current assets	15	13,820	5,777
Capital loss on sale of tangible assets		1,806	37
Reclassification of intangible assets			1,708
Profit/loss on investment assets		2,658	-16,013
Change in provisions		-67,109	-206,409
Adjustments to interest received/paid		-15,972	-16,146
Currency effects		27,805	63,872
Derivatives			-149
Resultat beståndsöverlåtelse		-34,182	
		279,525	1,797

1) Loans to credit institutions

Parent Company income statement

	Note	2014	2013
Net sales		16,038	14,964
Operating expenses			
Personnel expenses	13, 14	-18,746	-9,923
Other external expenses	13	-19,588	-22,108
Depreciation, amortisation and impairment of intangible fixed assets		-551	-1,172
Total operating expenses		-38,885	-33,203
Operating profit		-22,847	-18,239
Profit/loss from financial items			
Interest income from Group companies			66
Other interest income and similar profit/loss items		171	631
Interest expense to Group companies		-30	-215
Interest expense and similar profit/loss items			-4
Total profit/loss from financial items		141	478
Profit/loss after financial items		-22,706	-17,761
Appropriations	19	22,510	34,360
Tax on profit for the period	18		-3,689
Net profit for the year		-196	12,910

Parent Company comprehensive income statement

	2014	2013
Net profit for the year	-196	12,911
Other comprehensive income that will be reclassified to profit/loss		
Comprehensive income for the year	-196	12,911

Parent Company balance sheet

	Note	31 Dec 2014	31 Dec 2013
Assets			
Non-current assets			
Property, plant and equipment	28		
Equipment, tools, fixtures and fittings		998	3,352
Financial assets	26		
Participations in group companies		879,390	79,390
Total non-current assets		880,388	82,742
Current assets			
Current receivables			
Receivables from Group		20,932	48,545
Current tax assets		20	
Other current receivables		44	3
Prepaid expenses and accrued income	31	1,387	1,903
		22,383	50,451
Cash and bank balances		4,469	59,712
Total current assets		26,852	110,163
Total assets		907,240	192,905

Parent Company balance sheet

	Note	31 Dec 2014	31 Dec 2013
Equity and liabilities			
Equity	39		
Restricted equity			
Share capital		126	100
Non-restricted equity		71,7976	
Profit or loss brought forward		181,935	169,024
Net profit for the year		-196	12,911
		899,715	181,935
Total equity		899,841	182,035
Untaxed reserves	38	2,700	2,700
Current liabilities			
Trade payables		1,466	3,778
Liabilities to Group companies			92
Current tax liability			1,784
Other current liabilities		406	285
Accrued expenses and deferred income	35	2,827	2,231
Total current liabilities		4,699	8,170
Total equity and liabilities		907,240	192,905
Pledged assets	40	None	46,690
Contingent liabilities			
Guarantees to subsidiaries			2,000,000

Parent Company statement of changes in equity

	Share capital	Share premium reserve	Profit/loss brought forward	Net profit for the year	Total equity
Equity, 1 January 2013	100		82 777	86 247	169 124
Appropriation of profits per AGM resolution			86 247	-86 247	
Net profit for the year				12 911	12 911
Equity, 31 December 2013	100	0	169 024	12 911	182 035
Equity, 1 January 2014	100	0	169 024	12 911	182 035
Owner transactions					
New share issue	26	717 976			718 002
Appropriation of profits per AGM resolution			12 911	-12 911	
Net profit for the year				-196	-196
Equity, 31 December 2014	126	717 976	181 935	-196	899 841

See Note 39 for additional information on equity.

Accumulated conditional shareholders’ contribution totals SEK 82,777,000 (82,777,000).

Parent Company cash flow statement	Note	2014	2013
Operating activities			
Profit/loss after financial items		-22,706	-17,761
- of which, interest received		171	
- of which, interest paid		-31	
Adjustment for non-cash items in operating profit		2,354	1,172
Tax paid		-1,806	-294
Cash flow from operating activities before changes in working capital		-22,158	-16,883
Cash flow from changes in working capital			
Other assets		50,598	-7,057
Other liabilities		-1,685	-9,105
Cash flow from operating activities		26,755	-33,045
Investing activities			
Acquisition of tangible assets	28		- 1,244
Shareholders' contribution paid		-800,000	
Cash flow from investing activities		-800,000	- 1,244
Financing activities			
New share issue		718,002	
Dividend paid			93,000
Cash flow from financing activities		718,002	93,000
Cash flow for the year		-55,243	58,711
Cash and cash equivalents at beginning of the year		59,712	1,001
Cash and cash equivalents at end of the year 1)		4,469	59,712

Adjustments for non-cash items		
Depreciation, amortisation and impairment of assets	551	1,172
Capital loss on sale of tangible assets	1,803	
	2,354	1,172

1) Cash/bank balances

Notes

Note 1 General information

Resurs Holding AB, corporate registration number 556898-229l is owned by Cidron FI S.a.r.l. (51.53%), Waldakt AB (42.16%), and RSF Invest AB (6.31%). RSF Invest AB is owned by RSF Invest Holding AB (81.93%) which is in turn owned by Cidron FI S.a.r.l. (55%) and Waldakt AB (45%). RSF lnvest Holding AB’s holding in RSF Invest AB is in part earmarked for sale to senior executives within the Group, who purchased 18.07% in 2013 and 2014. Cidron FI S.a.r.l.’s and Waldakt AB’s indirect ownership of Resurs Holding AB declined to an equivalent degree, meaning that Cidron FI S.a.r.l.’s and Waldakt AB’s indirect and direct ownership totals 54.37% and 44.49%, respectively.

Unless otherwise indicated, figures in the consolidated financial statements and annual report are listed in SEK thousands.

Notes that are not directly related to the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and the case flow statement:

Note 1 General information
Note 2 Accounting policies
Note 3 Risk management
Note 4 Capital adequacy analysis
Note 6 Revenue distribution and other information by country
Note 12 Leases
Note 41 Related parties
Note 42 Classification of financial assets and liabilities
Note 43 Subsequent events
Note 44 Key assessments and estimates
Note 45 Business combinations
Note 46 Group structure

Note 2 Accounting policies

Statement of compliance

Group
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), as adopted by the EU. In addition, the financial statements comply with relevant parts of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, the Swedish Financial Supervisory Authority’s regulations and general guidelines on Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25) including all applicable amendment stipulations, and the Swedish Financial Reporting Board’s recommendation RFR 1, Supplementary Accounting Rules for Groups.
Unless otherwise indicated, the accounting policies listed below have been consistently applied over all periods presented in the Group’s financial statements.

Basis for measurement
Group management have considered the development and information regarding the Group’s key accounting policies and have defined their position on the choice and application of these policies. The Group’s assets and liabilities are measured at historical cost. Financial assets and liabilities are measured at amortised cost, apart from certain assets and liabilities which are measured at fair value through profit or loss. Financial assets and liabilities measured at fair value through profit or loss consist of:

- Bonds and other interest-bearing securities
- Shares and participations
- Derivatives
- Treasury and other bills eligible for refinancing
- Business loans

Judgements and estimates in the financial statements
Preparation of financial statements in compliance with IFRS requires the Group’s management to make judgements, accounting estimates and assumptions which affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expense. Estimates and assumptions are based on historical experience and a number of other factors that are considered reasonable in the present circumstances. The results of these estimates and assumptions are used to determine the carrying amounts of assets and liabilities which are not readily apparent from other sources. The actual outcome may differ from those estimates and assumptions.

The accounting estimates and assumptions are reviewed regularly. Changes in accounting estimates are recognised in the period of the change if the change only affects that period. Changes are recognised in the period of the change and future periods if the change affects both.

Assessments made by the Group’s management and key sources of estimation uncertainty when applying statutory IFRS that have a significant impact on the financial statements are described in more detail in Note 40 Key judgements and estimates.

New standards
The new IFRS rule that have come into effect during the fiscal year commencing 1 January 2014 and that effect the Group is IFRS 12 Disclosure of Interests in Other Entities.

IFRS 12 Disclosure of interests in other entities.
Under IFRS 12, disclosures must be made regarding interests in subsidiaries, associated companies, joint arrangements and structured entities. These disclosures aim to gives readers of financial statements an opportunity to understand the effect of holdings on the financial statements and the risks that are associated with said holdings. IFRS 12 encompasses more comprehensive disclosure requirements that were previously necessary in an annual report, and affects the Group insofar as it further disclosures on subsidiaries are required. These disclosures are made in Note 26 Shares and participating interests.

Forthcoming amendments to standards
As of the preparation of this annual report on 31 December 2014, certain new and amended IFRS standards have been published but not yet come into effect. The Group does not intend to apply these in advance. Listed below are the amendments that are regarded as potentially having an effect on the

preparation of future financial statements. Aside from the IFRS standards that are described below, no other standards that had been approved by IASB by 31 December 2014 had any impact on the Group's financial statements.

IFRS 9 Financial instruments
IFRS 9 Financial instruments comes into effect on 1 January 2018 and will replace IAS 39 Financial Instruments: Recognition and Measurement. The new standard has been structured in different phases, one of which deals with the classification and measurement of financial assets and liabilities. IFRS 9 requires financial assets to be classified in three different categories. Classification is determined on initial recognition and is based on the asset's characteristics and the company's business model. For financial liabilities, there are no significant changes compared with IAS 39. The main change relates to liabilities designated as measured at fair value through profit or loss. For these liabilities, the amount of change in the fair value that is attributable to the credit risk of the liability is required to be presented in other comprehensive income rather than in profit or loss, unless this causes an accounting mismatch. The second phase deals with hedge accounting. The new principles largely provide better conditions for financial reporting that gives a fair picture of the company's management of financial risks associated with financial instruments. Finally, new principles have been introduced for impairment of financial assets, with an 'expected loss' impairment model. One of the purposes of the new model is to recognise the provision for credit losses at an earlier stage. Based on the Group's business, the assessment is that the financial statements may be affected by the two parts of the standard that deal with impairment and classification and measurement of financial assets. An analysis will be initiated during the year to identify how the IFRS 9 may affect the Group. The EU has not yet adopted the standard.

IFRS 15 Revenue from contracts with customers
IFRS 15 Revenue from contracts with customers comes into force on 1 January 2017 and replaces all previously issued standards and interpretations dealing with revenue (i.e., IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, SIC 31 Revenue - Barter Transactions Involving Advertising Services). IFRS 15 thus provides a single model for all recognition of revenue from customer contracts. The idea behind the standard is that everything begins in a contract of sale for goods or services between two parties. Initially, a contract with a customer must be identified, which generates, for the seller, an asset (rights, a promise of obtaining payment) and a liability (commitment, a promise to transfer of the goods/services). According to the model, revenue is then recognised, thereby demonstrating a commitment to deliver the promised goods or services to the customer. The EU has not yet adopted the standard. It is not yet clear whether IFRS 15 will affect the Group. During the year, an analysis will be initiated to identify the possible effects of the standard.

IAS 1 – Presentation of financial statements – amendment
The amendment to IAS 1 'Disclosure initiative', comes into effect on 1 January 2016. These amendments are aimed to encouraging more companies to apply their professional assessments to determine which disclosures are to be made and how information can be structured in the financial statements. To enable this, certain specific improvements in the areas of significance, disaggregation and subtotals, note structures, disclosures on accounting policies and the presentation of items in Other comprehensive income that derive from investments that are calculated in accordance with the equity method.
The EU has not yet approved the amendment. The Group intends to conduct a review of the disclosures that are made in its annual report during the year to come.

Presentation and adoption of the annual report
The annual accounts were approved for issue by the Board on 18 April 2015. The income statement and balance sheet will be subject to adoption at the Annual General Meeting on 18 April 2015.

Consolidated financial statements
The consolidated financial statements include the Parent Company and its subsidiaries and associated

companies. Subsidiaries are entities over which the Parent Company exercises control and has the power to govern the financial and operating policies so as to obtain economic benefits. Control exists when the Parent Company, directly or indirectly through subsidiaries, owns more than half of the voting rights in a company. A subsidiary is consolidated from the acquisition date, which is the date when the Parent Company obtains control. A subsidiary is deconsolidated from the date on which control ceases. Associated companies are defined as companies over which the Group exercises significant influence, meaning that the Group can dictate these decisions. Significant influence generally exists when the Group directly or indirectly holds between 20% and 50% of the votes in a company.

The Group comprises the subsidiaries Resurs Bank AB, Solid Försäkrings AB, Teleresurs i Sverige AB and Reda Inkasso AB. For a complete overview of the corporate structure, see Note 46. The subsidiaries are entered into the consolidated financial statements pursuant to the acquisition method, meaning that the carrying amount of the subsidiaries' shares are offset against the subsidiaries' equity at the time of purchase.

The purchase consideration for the acquisition of a subsidiary comprises the fair value of transferred assets, liabilities that the Group incurs to the former owners of the acquired company, and the shares that are issued by the Group. This consideration also includes the fair value of all assets or liabilities that arise under an agreement on conditional consideration. Identifiable acquired assets and assumed liabilities in a business combination are initially measured at fair value on the date of acquisition. For each acquisition – meaning acquisition by acquisition – the Group determines whether the non-controlling interest in the acquired company is recognised at fair value, or at the interest's proportional percentage of the recognised value of the acquired company's identifiable net assets. Untaxed reserves are divided into two components; one tax component (22%) and one component that is recognised as equity (78%).

Acquisition-related costs are expensed as they are incurred.

Goodwill is initially measured at the amount by which the total purchase consideration and any fair value for non-controlling interests exceeds the fair value of the identifiable acquired assets and assumed liabilities. If the purchase consideration is lower than the fair value of the acquired company's net assets, the difference is recognised directly in profit or loss.

There are no associated companies in, or recognition of non-controlling interests for the current and preceding year.

Intra-Group transactions, balance-sheet items, revenues and expenses for transactions among Group companies are eliminated. Gains and losses arising from intra-Group transactions and that are recognised as assets are also eliminated. Accounting policies for subsidiaries have, where applicable, been changed to ensure the consistent application of the Group's principles.

Foreign currencies

Foreign operations

The Group has foreign operations in the form of branches. The functional currency of these foreign entities is the Norwegian Krona, Euro and the Swiss Franc.

The income statements and balance sheets of foreign operations with a different functional currency from that of the Group are translated as follows:

- Assets and liabilities are translated at the closing rate on the balance sheet date
- Income and expenses are translated at the average exchange rate
- All exchange gains and losses are recognised in other comprehensive income

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate. Translation differences are recognised in other comprehensive income.

Transactions in foreign currencies
Since the Group uses SEK as its functional accounting currency, it thus also serves as the currency presented in its financial statements. Foreign currency transactions are translated to the functional currency pursuant to the average exchange rate during the period in which the revenues were generated and expenses were incurred. Exchange gains and losses arising on settlement of these transactions and on translation of foreign currency assets and liabilities using the closing rate are recognised in profit or loss.

Non-monetary assets and liabilities that are recognised at historical cost are translated to the exchange rate on the transaction date. Non-monetary assets and liabilities that are recognised as fair value are translated to the functional currency at the rate prevailing on the date of measurement at fair value.

Transactions between parties under joint control
In October 2013, Ellos Group AB’s sales ledger and associated administration was taken over. The takeover was completed in a transaction between parties under joint control. Accordingly, IFRS 3 is not applicable and the Group has elected to recognise the acquired net assets at their carrying amount, which corresponds to the purchase consideration paid, without any re-measurement to fair value.

Interest income and expenses
Interest income and interest expenses attributable to financial assets and liabilities are recognised using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future receipts or payments through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. Interest income and interest expenses include any transaction costs and other differences from the original value of the asset or liability.

Interest income and interest expense presented in profit or loss consist of:

- Interest on financial assets and liabilities measured at amortised cost using the effective interest method, including interest on impaired loans
- Interest on financial assets and liabilities at fair value through profit or loss.

Classification of leases and recognition of lease income
Classification of leases as operating or finance leases is made on the basis of an assessment of the economic substance of the lease contract. If the economic substance of the contract concerns the financing of a purchase or an asset, the lease is classified as a finance lease. If the economic substance of the contract is comparable to a rental agreement, the lease is classified as an operating lease. The key factor in assessing the economic substance of the contract is whether it transfers from the lessor to the lessee substantially all risks and rewards incidental to ownership of the asset.

All leases where the Group is the lessor are classified as finance leases and are reported in the Group’s statement of financial position under Loans to the public at an amount corresponding to the net investment in the lease. The lease payment, excluding cost of service, is recognised as repayment of the receivable and as unearned finance income. The income is distributed to obtain an even return on the net investment recognised for each period.

Commission and fees
Commission and fees that are an integral part of the effective interest rate are not recognised under fee and commission income, but under interest income. This consists of arrangement fees for loans and fees for the provision of credit or other types of loan commitment where it is likely that the credit facility will be

utilised.

Commission and fees received on financial services are recognised in the period during which the service is expected to be provided where the credit product does not have different partial payment options. Arrangement fees for other credit products, which consist of products where the customer has the option of switching between different repayment plans, are recognised immediately as the credit term is shorter and there is greater uncertainty about the credit term.

Commission expenses are the costs of services received, to the extent that they are not considered as interest, and consist of lending commission. Transaction costs, which are taken into account when calculating the effective interest rate, reduce the interest income.

Dividend income
Dividend income is recognised when the right to receive payment is established.

Net income/expenses from financial transactions
Net income/expenses from financial transactions include realised and unrealised changes in value arising from financial transactions. Net finance income/expenses consists of:

- Capital gains and losses on financial assets at fair value through profit or loss
- Unrealised changes in the value of financial assets at fair value through profit or loss
- Realised and unrealised changes in the value of derivative instruments that are economic hedging instruments but do not qualify for hedge accounting
- Exchange rate changes

Premium income
The total gross premium for direct insurance and reinsurance accepted that has been paid in or can be credited to the company for insurance policies under which the insurance period began prior to the end of the fiscal year is recognised as premium income. Premiums for insurance periods that did not begin until after the end of the fiscal year are also recognised as premium income, provided that they fell due for payment during the fiscal year. Annulments reduce the premium income as soon as the amount has been established. Premium income is recognised excluding taxes and other public fees that are charged to the insurance premium.

Insurance claims
Total insurance claims paid include insurance claims paid during the period, changes in the reserve for unsettled claims, and expenses for the settlement of claims. Payments to policy holders made during the fiscal year owing to insurance policies or to damage claims incurred are recognised as paid insurance claims, regardless of when the damage occurred.

Reinsurance cessions
Amounts that have been paid out during the fiscal year or amounts that were recorded as a liability to the insurance company that accepted the reinsurance pursuant to an agreed reinsurance policy, including portfolio premiums, are recognised as reinsurance cessions.

General administrative expenses
General administrative expenses include staff costs, postage, communication and notification costs, IT costs, premises costs and certain other costs related to the business.

The item ‘Other’ under General administrative expenses includes lease payments for the Group’s vehicles. All lease contracts, in which the Group is the lessee, are treated as operating leases and lease payments are recognised as an expense in profit or loss on a straight-line basis over the agreed term of the lease. The Group does not have any other lease obligations.

Employee benefits

Short-term employee benefits

Short-term benefits, such as salaries, social security contributions and variable compensation, are recognised in the period in which the employee has rendered service to the Group. A provision for variable compensation is recognised when the Group has a legal or constructive obligation to make such payments as a result of the services in question having been rendered by the employees and the amount can be measured reliably.

Pensions

The Group has only defined-contribution pension plans, which are recognised in the period during which the employee rendered service to the Group. Defined-contribution plans are plans under which the Group pays fixed contributions into a separate entity (a fund). Under defined-contribution pension plans, the Group's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. It has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Termination benefits

Termination benefits are only recognised if the Group is demonstrably committed, without realistic possibility of withdrawal, to terminate employment before the normal retirement date and has a detailed formal plan for the termination.

Recognition of financial assets and liabilities

Assets are defined as resources controlled by the Company as a result of past events and which are likely to generate future economic benefits. These resources are recognised when it is probable that future economic benefits associated with the asset will flow to the Group and when the value/cost of the resource can be measured reliably.

Liabilities are present obligations arising from past events, the settlement of which is expected to result in an outflow of resources from the Group. A liability is recognised when it is probable that an outflow of resources from the Group will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

Financial instruments

Financial instruments recognised under assets in the statement of financial position sheet include treasury bills eligible for refinancing, loan receivables, bonds and other interest-bearing securities, other assets and derivatives. The heading Liabilities, provisions and equity includes loans, derivatives and trade payables.

Financial instruments – Recognition and de-recognition

A financial asset or liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

A financial asset is derecognised when the rights to receive benefits have been realised, expired or the Group loses control over it. The same applies to part of a financial asset. A financial liability is derecognised when the contractual obligation is discharged or extinguished in some other way. The same applies to part of a financial liability. A financial asset and a financial liability may be offset and the net amount presented in the statement of financial position when, and only when, there is a legally enforceable right to set off the recognised amounts; and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Purchases and sales of financial assets are recognised on the trade date, which is defined as the date on which the Group commits itself to purchase or sell the asset.

Loan commitments are not recognised in the statement of financial position, except where the commitment is irrevocable and is to a borrower for which an impairment loss has been identified before the loan is paid or when the lending rate does not cover the Group's cost of funding the loan. In this case, a provision is recognised for the loan commitment.

Loan receivables are recognised when the loan amount is paid to the borrower.

Financial Instruments – Classification and measurement
Financial instruments are initially recognised at their fair value plus transaction costs. Transaction costs are direct costs attributable to the acquisition or issue of the financial asset or financial liability. Derivatives and instruments classified as financial assets and financial liabilities at fair value through profit or loss are recognised at fair value, net of transaction costs. A financial instrument is classified on initial recognition according to the purpose for which it was acquired, but also according to the options contained in IAS 39.

The categories determine how a financial instrument is measured subsequent to initial recognition, as described below.

Financial instruments – Financial assets at fair value through profit or loss
This category consists of two sub-categories: financial assets held for trading and other financial assets the company designated as financial assets at fair value (using the fair value option) on initial recognition. Financial assets in this category are measured at fair value, and changes in fair value are recognised in profit or loss. The first sub-category includes derivatives. For financial instruments held for trading, both realised and unrealised changes are recognised under Net income/expense from financial transactions in profit or loss. The second sub-category includes market index bonds, which encompass a fixed-income component and a derivative component. The Group has opted to classify market index bonds at fair value through profit or loss in the sub-category Fair Value Option. The classification of other instruments in this sub-category is based on the fact that the Group manages and assesses these financial assets based on fair value.

Financial instruments – Loans and receivables and purchased receivables
Loans and receivables and purchased receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. In the statement of financial position, these are represented by the items Loans to credit institutions, Loans to the public, Other assets and Prepaid expenses and accrued income. These assets are measured at amortised cost. Amortised cost is calculated based on the effective interest method used at initial recognition. Trade and loan receivables are recognised at the amounts expected to be received, i.e., less an allowance for impaired loans.

Purchased receivables, which consist of a portfolio of non-performing consumer receivables, have been purchased at a price significantly lower than the nominal value. They are accounted for using the effective interest model, with the carrying amount of the portfolio corresponding to the present value of future cash flows discounted using the effective interest that applied on initial acquisition of the portfolio, based on the relationship between cost and the projected cash flows at the time of acquisition. The projected cash flows are regularly reviewed during the year and updated to reflect collection results, agreements on repayment plans signed with debtors and macroeconomic information.

Financial instruments – Financial liabilities at fair value through profit or loss
This category consists of two sub-categories: financial liabilities held for trading (see above) and financial liabilities that were designated as financial liabilities at fair value (using the fair value option) on initial recognition. Financial instruments in this category are measured at fair value, and changes in fair value are recognised in profit or loss. The first sub-category includes derivatives with a negative fair value except for derivatives that are designated and are effective hedging instruments. The Group does not have any liabilities in the second sub-category.

Financial instruments – Other financial liabilities
In the statement of financial position, these are represented by the items Liabilities to credit institutions, Deposits and borrowing from the public, Other liabilities and Accruals and deferred income. The liabilities

are measured at amortised cost, and interest expense is accrued continuously using the effective interest method.

Methods of determining fair value
Financial instruments quoted in an active market
The fair value of financial instruments quoted in an active market is determined on the basis of the asset's quoted bid price at the balance sheet date, net of transaction costs (e.g., commissions), at the time of acquisition. A financial instrument is considered to be quoted in an active market if quoted prices are readily available from a stock exchange, dealer, broker, trade association, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on commercial terms. Any future transaction costs on disposal are not taken into consideration. The fair value of financial liabilities is based on the quoted asking price. Instruments that are quoted in active markets are recognised under Treasury and other bills eligible for refinancing, Bonds and other interest-bearing securities and Shares and participating interests.

Financial instruments not quoted in an active market
If the market for a financial instrument is not active, the fair value is determined by applying various measurement techniques. The measurement techniques used are based on market data as much as possible. The fair value of forward rate agreements is calculated by discounting the difference between the contracted forward rate and the forward rate that can be taken up on the reporting date for the remaining agreement period. Discounting is at a risk-free interest rate based on government bonds. The fair value of interest rate swaps is based on discounting the expected future cash flows in accordance with the contractual terms and maturities using the market rate. The fair value of non-derivative financial instruments is calculated on future cash flows and current market rates at the reporting date.

The discount rate used reflects market-based interest rates for similar instruments on the balance-sheet date. Information about fair value recognised in the statement of financial position based on a measurement technique is provided in Note 42 Classification of financial assets and liabilities. The Group's fair value measurement of derivatives is solely based on inputs that are directly or indirectly observable in the market. Instruments that are not quoted in an active market are recognised under loans to credit institutions, deposits and loans to the public, derivatives and other assets and liabilities.

Credit losses and impairment of financial assets
Credit losses comprise established credit losses during the year less amounts received for previous years' credit losses and changes in anticipated credit losses. Loans are recognised net of established credit losses and the provision for anticipated credit losses.

When calculating the provision for credit losses on unsecured loans and promissory note receivables, a collective assessment is made based on statistical experience, with an assessment of the amounts that can be expected to be received. In this collective valuation, both the historical outcome of credit losses and the expected loss level have been determining factors in calculating the provision for anticipated credit losses.

Large commitments have been assessed both individually and on a group basis. No impairment has been identified for this group. As there are no individually significant receivables for the other groups mentioned above, no impairment has been identified at individual level for these groups.

The carrying amount after impairment is calculated as the present value of future cash flows (including cash flows from possible use of collateral, even when this is not likely), discounted using the effective interest that applied on initial recognition of the asset. Assets of a short duration are not discounted.

In calculating the provision for credit losses related to leasing and factoring, an individual assessment is made as to whether a credit loss is to be recognised. These groups are only tested at individual level, as the assessment is that they do not qualify as a homogeneous group.

Established credit losses include losses for which the amounts are determined through bankruptcy, arrangements, a bailiff statement or exemption from payment granted in some other way.

Non-performing receivables relate to interest, receivables and principal payments that are more than 60 days overdue.

A doubtful receivable is a receivable which is past-due as above or where other circumstances lead to uncertainty about its value, and the value of the collateral does not cover both the principal and accrued interest by a satisfactory margin.

Since the Group applies collective valuation of receivables with regard to credit risk, it does not have the option of including changes in the interest portion in the provision amount when recognising a provision for credit losses on receivables that are past-due by more than 100 days (transferred to collection) and when reversing previous provisions.

Reversals of impairment losses are recognised when there is supporting information that the impairment no longer exists. Reversals of impairment losses on financial loans are recognised as a reduction in credit losses and these are specified in Note 17.

Loan commitments and unutilised credit
Loan commitments refer partly to a unilateral undertaking by the Group to provide a loan with predetermined conditions where the borrower can choose to raise the loan or not and partly to an agreement under which both the bank and the borrower are tied to a loan that begins at a future date.

The normal procedure for the Group is that the future payment is conditional on the borrower's repayment ability forecast at the inception of the agreement not deteriorating substantially. If such a significant deterioration occurs, the loan commitment may be revoked. The Group does not have any outstanding loan commitments.

Unutilised credit refers to externally granted credit. All unutilised credit facilities granted are terminable with immediate effect to the extent allowed under the Swedish Consumer Credit Act. Unutilised credit is recognised as a commitment.
Loan commitments and unutilised credit are not recognised in the statement of financial position, but are included in commitments on the item line.

Intangible assets
<u>Goodwill</u>
Goodwill arises on the acquisition of subsidiaries and other business combinations and is the amount by which the purchase consideration exceeds the share in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company or business plus the fair value of the NCI in the acquired company. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash generating units that are expected to benefit from synergies from the acquisition. Each unit or group of units to which goodwill has been allocated represents the lowest level in the Group at which the goodwill in question is monitored for internal control purposes. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate possible impairment. The carrying amount of goodwill is compared with its recoverable amount, which is the higher of value in use and fair value less costs to sell. Any impairment is recognised as an expense immediately and is not reversed.

<u>Other intangible assets</u>
Other intangible assets have finite useful lives, and are recognised at cost less accumulated amortisation. They are amortised on a straight-line basis to distribute the cost over their estimated useful life, which is 4-5 years.

Other intangible assets include in-house development of IT programs. Costs for maintenance of IT programs are expensed as incurred. Development costs that are directly attributable to the development of software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it can be used;
- It is the company's intention to complete the software and use it;
- There are opportunities to use the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use the software are available; and
- The expenditure attributable to the software during its development can be measured reliably.

Completed development projects are recognised at the costs incurred, less accumulated amortisation and impairment losses.

Property, plant & equipment
Items of property, plant & equipment are recognised at cost less accumulated depreciation. Cost includes expenses directly attributable to the acquisition of an asset. Subsequent expenditure is added to the asset's carrying amount or recognised as a separate asset (whichever is more suitable) only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognised. All other types of repair and maintenance are recognised as an expense in profit or loss in the period in which they arise.

Depreciation of items of property, plant & equipment for the Group's own use is applied on a straight-line basis in order to allocate their cost or revalued amount down to their residual value over their estimated useful lives. The assets are depreciated over their estimated useful life of 3-5 years from the date of acquisition. The residual values and useful lives of property, plant & equipment are reviewed on each reporting date and adjusted if necessary. An asset's carrying amount is also impaired to its recoverable value if the asset's carrying amount exceeds its assessed recoverable value. Recoverable value is defined the lower of its net sales value and its value in use. A calculation of its coverable value is made as soon as there is an indication that its carrying amount is too high.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the disposal of an item of property, plant and equipment is the difference between the selling price and the asset's carrying amount less direct costs to sell.

Impairment of non-financial assets
Assets that have an indefinite useful life, such as goodwill or intangible assets not ready for use, are not amortised but tested annually for impairment. Assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is the difference by which the recoverable amount of an asset or is lower than its carrying amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. In impairment testing, assets are grouped at the lowest level for which there are separate identifiable cash flows (cash-generating units). Assets for which an impairment loss has previously been recognised are tested at each reporting date to ascertain whether there are grounds for a reversal.

Provisions
A provision is recognised when there is a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, provisions are estimated by discounting expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Technical provisions

Technical provisions comprise the Reserve for unearned premiums and remaining risks, Reserve for unsettled damages and the Equalisation reserve.

Reserve for unearned premiums and remaining risks

This balance-sheet item comprises provisions corresponding in value to the company's insurance obligations, administrative costs and other costs during the rest of the contract period for active insurance policies. The Reserve for unearned premiums is individually calculated for each insurance policy. Premiums are earned with the help of experience-based factors, calculated on the basis of when during the insurance period the cost of damages and operational expenses arise. This means that earnings are not generated on a pro rate basis for all products. A significant share of the policies have a term of more than one year. Compared with a strictly linear earnings trend, costs for the insurance policy's first year are assumed to be lower than for the remainder of the term, which is based on a one-year guarantee period for products covered by the insurance policies.

If the premium is deemed insufficient to cover the expected claims and operating costs, a provision is made for the residual risk. The change in provisions for unearned premiums and residual risks for the period is recognised in profit or loss. Changes that are attributable to the provision items being restated to the exchange rate on the balance-sheet date are recognised as exchange gains or losses.

Reserve for unsettled claims (IBNR)

The Reserve for unsettled claims is intended to cover anticipated future payments for all incurred damages/claims, including the claims that have not yet been reported to the company (IBNR). An assessment of the need for provision is performed using statistical methods for most claims. For more substantial claims and for claims with a complicated liability structure, individual assessments are performed. The change in unsettled claims for the period is recognised in profit or loss. Changes that are attributable to the provision items being restated to the exchange rate on the balance-sheet date are recognised as exchange gains or losses.

Equalisation reserve (credit insurance operations)

In accordance with the Swedish Financial Supervisory Authority's regulation FFFS 2008:26, appendix 3, section 41, active credit insurance operations are recognised using an equalisation reserve. The change in equalisation reserve for the period is recognised in profit or loss. Since the Group's insurance operation has stopped issuing credit insurance policies and there is deemed to be no risk of claims being filed retroactively, the entire equalisation reserve have been reversed.

The cost of insurance policies

During the year, the Group developed methods to calculate and report prepaid costs for insurance policies. Direct costs that are clearly related to entering into an insurance policy are recorded as assets (gross) as of 2013. Direct costs primarily pertain to expenses for provisions. Accrual accounting is subsequently applied to direct costs over the term of the insurance policy.

Taxes

Income tax consists of current tax and deferred tax. Taxes are recognised in profit or loss except when the underlying transaction is recognised directly in equity or other comprehensive income.

The Group's foreign branch offices in Norway, Finland and Switzerland are taxed on their income in their own country. In Sweden, the Group is liable to pay tax on all its income, including income from the foreign branches. To the extent that the Group pays tax in Sweden on its foreign income, a deduction is normally allowed for the foreign tax paid in order to avoid double taxation.

Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the current year, and is calculated using tax rates enacted at the reporting date, including any adjustments relating to prior periods.

Deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax assets on temporary differences and deferred tax assets arising from the carryforward of unused tax losses are only recognised to the extent that it is probable that they will be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority and on either the same taxable entity or different taxable entities, where there is an intention to settle on a net basis.

Contingent liabilities
A contingent liability is recognised when a possible obligation arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events, or when there is an obligation which is not recognised as a liability or provision because it is not probable that an outflow of resources will be required to settle the obligation.

Cash flow statement
The Group’s cash flow statement is prepared using the indirect method. The recognised cash flows only include transactions involving cash inflows and outflows. The cash transactions are classified under operating activities, investing activities and financing activities.

Cash and cash equivalents comprise bank balances.

Seized assets
Seized assets taken over to protect a receivable are recognised in the statement of financial position together with similar assets already held by the Group. All assets taken over to protect a receivable are initially recognised at fair value, and any difference between the loan’s carrying amount and the fair value of the asset taken over is recognised under Credit losses, net. The fair value at the reporting date is the asset’s cost or amortised cost, whichever is applicable.

In subsequent periods, assets taken over to protect a receivable are measured in accordance with the measurement principles for the asset class. Income and expenses related to seized assets are allocated in the same way as other income and expenses in profit or loss.

Parent Company accounting policies
The Parent Company applies the same accounting policies as the Group. The Parent Company has prepared its annual report in accordance with the Annual Accounts Act (1995: 1554) the Swedish Financial Reporting Board’s recommendation RFR 2, Accounting for legal entities. Under RFR 2, in the annual report for the legal entity, the Parent Company must apply all IFRS standards and interpretations insofar as possible within the framework of the Annual Accounts Act and in consideration of the conjunction between auditing and taxation. The differences between the Group’s and Parent Company’s accounting policies are described below.

Any deviations between the Parent Company’s and Group’s policies stem from limitations on the ability to apply IFRS in the Parent Company due to the Annual Account Act and the Pension Obligations Vesting Act. The Parent Company uses the designations balance sheet and cash flow statement for the same financial statements that are terms statement of financial position and cash flow statement in the Group’s financial statements. The income statement and balance sheet of the Parent Company are presented pursuant to the Annual Accounts Act's schedule, while the statement of changes in equity and the cash flow statement are based on IAS 1, Presentation of financial statements, and IAS 7 Statement of cash flows. The Parent Company's income statement and balance sheet differ from that of the Group's financial statements primarily in the items financial revenues and expenses and property plant and equipment.

Amended accounting policies in the Parent Company
No amended accounting policies that are to be applied as of the fiscal year commencing on 1 January 2014 or later have impacted the Parent Company.

Investments in Group companies and associates
Investments in Group companies and associates are accounted for using the acquisition method. Dividend income is recognised when the right to receive payment is established.

Revenues
In the Parent Company's income statement, service assignments are recognised in accordance with chapter 2, section 4 of the Annual Accounts Act, once the services have been rendered. Until then, work in progress for third parties pertaining to service assignments are recognised at the lower of acquisition value and net realizable value on the balance sheet date.

Appropriations
Appropriations comprise provisions and reversals of untaxed reserves.

Group contributions and shareholder contributions
Group contributions and shareholder contributions are recognised in accordance with the alternative rule in RFR 2. This means that both received and paid Group contributions are recognised as appropriations in the income statement.

Note 3 Risk management

Certain risks are involved in operating banking and insurance businesses. Knowledge of risks is a core competence in the banking and insurance industries. An increasingly volatile financial market and more detailed regulations impose greater requirements on financial companies, particularly in terms of risk management. Resurs Holding Group's work with the governance, management and control of risks is therefore of immediate relevance to customers and produces clear customer value.

The Group's ability to manage risks and capital efficiently is critical to its profitability. The Group faces various types of risks in the course of its operations, including credit risks, market risks, liquidity risks, and operational risks. To balance the Group's risk-taking and minimise and control risks, the Board has defined internal rules (instructions) for the business. All of the instructions are updated as required and reviewed at least once a year. The Board and CEO have ultimate responsibility for the Group's risk management.

The Group's risk management framework is an integral part of its operations and aligns the Group's strategic objectives with its risk management. The risk management framework includes the Group's functions, strategies, processes, procedures, internal rules, limits, risk propensity, risk mandates, controls and reporting procedures necessary for identifying, measuring, monitoring, managing and reporting risks.

Risk propensity and risk limits are regularly monitored and reported to the Board. Risk propensity can be defined in qualitative and quantitative values. It must be consistent with the Group's strategies and specify the type and amount of risk to which the company is willing to expose itself. Limits are well-defined boundaries that regulate the desired risk exposure as laid down in the Group's defined instructions. Limits can be used to define levels within the various risk categories.

The Group has standardised the process for risk identification, assessment and reporting. This has been implemented throughout the organisation as part of efforts to create risk awareness and improve risk management efficiency.

The Group uses three lines of defence in its risk management activities.

The first line of defence is the Group’s operational staff, who understand the business, the operational risks that can arise and their own roles. The employees closest to actual operations are also closest to the risks, and are therefore in a good position to identify risks and work proactively on risk awareness. The operating business owns and manages risks in its daily operations.

The second line of defence is comprised of control functions Compliance and Risk Control, which independently and autonomously control the Group’s operations and report regularly to the CEO and the Board, verbally and in writing.

The third line of defence is comprised of an independent internal audit function that examines the Group’s operations on a regular basis, including activities conducted by the first and second lines of defence to ensure they are fulfilling their obligations and have the necessary expertise. Management and the Board of Directors receive regular verbal and written reports from the internal audit function.

Credit risk

Credit risk refers to the risk of a counterparty failing to meet its contractual obligations and therefore being unable to discharge its obligations. The Group’s credit risk is primarily associated with its lending activities. Lending activities consist of credit cards, personal loans, hire purchase, leasing, invoice discounting and invoice factoring. The majority of the Group’s lending is comprised of loans with low credit amounts. Credit risk also arises in the investment of liquidity.

The Group’s credit lending is subject to strict criteria with regard to ethics, quality and control. The borrower’s repayment capacity and collateral are crucial parameters for all lending. Lending operations follow a set of instructions for credit lending and credit risk management defined by the Board. The instructions provide criteria for the treatment, checking and assessment of credit, and require a wide spread of risk and relatively low individual credit commitment. In investing liquidity, the Group follows a defined set of instructions for investments which regulate the type of investment and limits per individual counterparty.

Resource Holding Group	Credit risk exposure, gross	Impairments	Value of collateral	Credit risk exposure, net
Credit risk exposure, gross and net, 2014				
Treasury and other bills eligible for refinancing 1)	2 1,368			2 19,368
- AA+/Aa 1	536,099			536,099
unrated 2)	50,376			50,376
Total treasury and other bills eligible for refinancing	*805,843*	*0*	*0*	*805,843*
- AA-/Aa3	1,390,206			I ,390,206
- A+/A l	1,256,693			I ,256,693
- *AIA2*	4,137			4,137
- A-/A3	1,024,888			I ,024,888
- unrated 3)	19,170			19,170
Total loans to credit institutions	*3,695,094*	*0*	*0*	*3,695,094*
Loans to the public				
- Loans to companies secured with other types of collateral	178,342		-59,005	1 19,337
- Unsecured loans to companies	173,172	-45,253		127,919
- Unsecured loans to households	14,690,297	- I, 073,183		13,617,1 14
Total loans to the public	*15,041,811*	*-1,118,436*	*-59,005*	*13,864,370*
Bonds 1)				
- AAA/Aaa	9 14,098			914,098
- A+/Al	58,445			58,445
- A-/A3	69,442			69,442
- BBB/Baa2	25,995			25,995
- B/82	28,292			28,292
-8-/83	1 1,520			1 1,520
- unrated	1 92,692			192,692
Total bonds	*1,300,484*	*0*	*0*	*1,300,484*
Subordinated debt l)				
- A/A2	23,393			23,393
- BBB/Baa2	3,085			3,085
Total subordinated loans	*26,478*			*26,478*
Derivatives				
-A+/A l	9,416			9,4 16
- A-	29, 157			29, 157
Total derivatives	*38,573*	*0*	*0*	*38,573*
Total credit risk exposure in the Balance sheet	20,908,283	-1,118,436	-59,005	19,730, 842
Commitments				
Unutilised credit facilities granted 4)	*21,063,077*			*21,063,077*
Total credit risk exposure	41,971,360	-1,118,436	-59,005	40,793,919

1) Rating by S&P and Moody's. In cases where credit ratings differ, the lowest is used.
2) "Treasury and other bills eligible for refinancing, unrated" is comprised of holdings in unrated Swedish municipalities.
3) "Loans to credit institutions, unrated" is comprised of lending to Avanza Bank, a listed bank without an official rating. The Group has a deposit collaboration with Avanza Bank and, consequently, has liquidity in place to manage daily flows that arise.
4) All unutilised credit facilities granted are terminable with immediate effect to the extent allowed under the Swedish Consumer Credit Act.

Group	Credit risk exposure, gross	Impair-ments	Value of collateral	Credit risk exposure, net
Credit exposure, gross and net, 2013				
Treasury and other bills eligible for refinancing 1)				
- AA+	760,182			760,182
- AA-	50,000			50,000
- unrated				
Total treasury and other bills eligible for refinancing	*810,182*	*0*	*0*	*810,182*
Loans to credit institutions				
- AA-	701,204			701,204
- A+	632,767			632,767
- A	162 ,347			162,347
- A-	778,253			778,253
- unrated 2)	9,609			9,609
Total loans to credit institutions	*2,284,180*	*0*	*0*	*2,284,180*
Loans to the public				
- Loans to companies secured with other types of collateral	380,846	-10,483	-108,858	261,505
- Unsecured loans to companies	107,206	-39,159		68,047
- Unsecured loans to households	9,136,004	-316,080		8,819,924
Total loans to the public	*9,624,056*	*-365,722*	*-108,858*	*9,149,476*
Bonds**				
- AAA	963,235			963,235
- AA+	46 ,180			46 ,180
- AA-	619,608			619,608
- A+	72,048			72,048
- A	326,683			326,683
- A-	383,804			383,804
- 888+	31,390			31,390
- BB	52 ,163			52 ,163
- unrated	I82,982			182,982
Total bonds	*2,678,093*	*0*	*0*	*2,678,093*
Derivatives				
- A-	10,493			10,493
Total derivatives	*10,493*	*0*	*0*	*10,493*
Total credit risk exposure in the balance sheet	15,407,004	-365,722	-108,858	14,932,424
Off-balance sheet items				
Commitments				
Unutilised credit facilities granted 3)	*20,267,632*			*20,267,632*
Total credit risk exposure	35,674,636	-365,722	-108,858	35,200,056

1) Rating by S&P.

2) “Loans to credit institutions, unrated” is comprised of lending to Avanza Bank, a listed bank without an official rating. The Group has a deposit collaboration with Avanza Bank and, consequently, has liquidity in place to manage daily flows that arise.
3) All unutilised credit facilities granted are terminable with immediate effect to the extent allowed under the Swedish Consumer Credit Act.

Credit quality, loan receivables Group	Credit risk-exposure, gross 2014	Impair-ments 2014	Credit risk-exposure, gross 2013	Impair-ments 2013
Loans to the public, households				
Receivables not due				
Low to medium credit risk	10,812,612		7,006,819	
High risk	1,534,781		812,091	
Past due receivables				
Receivables, past due 60 days or less	850,841	-7,334	627,721	
Receivables, past due > 60-90 days	157,557	-31,775	215,918	-18,395
Receivables, past due > 90 days	1,334,506	-1,034,075	473,455	-297,685
Total	14,690,297	-1,073,184	9,136,004	-316,080
Loans to the public, corporate customers				
Low to medium credit risk	283,927		410 876	
High risk	67,587	-45,252	77, 176	-49,642
Total	351,514	-45,252	488,052	-49,642
Total loans to the public	15,041,811	-1,118,436	9,624,056	-365,722

The credit quality of personal loans that are not overdue was evaluated using a model based on the individual borrower’s credit status according to UC. Past due receivables of 60 days or less are classified as medium risk and past due receivables of more than 60 days as high risk.

The credit quality of loans to companies is assessed based on the individual borrower’s ability to pay.

To safeguard credit quality, the Group continuously monitors and reports on corporate credit lending commitments in accordance with specific guidelines. In collaboration with established credit reporting agencies, the Group regularly tracks the situation of individual credit commitments to monitor customers’ ability to repay.

Insurance risks

The predominant risks in the insurance operations comprise underwriting risks and technical provision risks.

Underwriting risk
The underwriting risk pertains to the risk of a change in value due to a difference between the actual and anticipated insurance costs – in ither words, the risk that the actual outcome differs from the expected outcome due to, i.e., a higher rate of claims, greater average claims amount, more or more substantial large-scale claims or insurance costs that exceed the estimated provisions. The underwriting risk comprises the Premium and technical provision risk, as well as the Catastrophe risk. The insurance company has identified the underwriting risk as the single largest risk category for its insurance operation, both using SCR calculations in the standard formula and in its internal risk-management system.

Premium risk and Catastrophe risk
The premium risk and catastrophe risk pertains to the risk of losses due to incorrect pricing, risk concentration, inaccurate or insufficient reinsurance underwriting or random fluctuations in the

frequency of claims and/or the scope of the claims. The Group's insurance operation maintains a well-balanced risk portfolio, which the insurance company's earnings have been a testament to for many years. The Group's insurance business primarily consists of a vast number of insurance policies with minor individual risks. Any single event leading to claims from a large number of insurance policies is less probable since the insurance portfolio enjoys a healthy level of diversification. A concentration risk in the casualty insurance operation is deemed minor in the company's overall portfolio since the Group's insurance portfolio enjoys a healthy level of diversification in terms of both products and geography.

The Group manages and limits premium and catastrophe risks through a series of instructions drafted by the Board addressing underwriting and reinsurance risks. These instructions limit premium and catastrophe risks by dictating the maximum permitted retention for various types of insurance risks, which markets and new products may be considered, as well as a framework for setting premium levels and monitoring profitability. The Group regularly conducts detailed reviews of the setting of premium levels and the profitability of underwritten insurance solutions, and fees and premiums are continuously adjusted when needed. In a bid to further limit premium and catastrophe risks, reinsurance has been secured for the risk portfolios in the insurance operation that involve a greater risk of exposure to large-scale and serial claims.
Reinsurers are selected taking such factors as expertise and financial position into consideration, and in compliance with the instructions established by the insurance company's Board. The Group regularly reviews the entire reinsurance programme to ensure that all risks have been covered.

Technical provision risks
Technical provision risks pertain to the risk of variations in the date and amounts earmarked for claims payments. Provisions for unearned premiums serve to cover anticipated claims costs and operational expenses during the remaining term of the active insurance policy. Since indemnification is not paid until the damage has occurred, provisions must also be made for unsettled claims. The technical provisions comprise the sum of unearned premiums and remaining risks, unsettled claims and the equalisation reserve. Technical provisions always include some degree of uncertainty, since the provisions include an estimate of the scope and frequency of the future indemnification payments. Uncertainty in the technical provisions is generally greater for new portfolios for which comprehensive settlement data is not yet available and for portfolios where it takes a long time before claims are ultimately settled. For the insurance operation, this means that the technical provision risks are greater for the more recent occupational injury insurance area, as well as the travel segment.

The Group manages and limits technical provision risks through a series of instructions drafted by the Board addressing technical provision risks and technical provision directives that govern the calculation of the technical provisions. The actuarial assumptions used to determine the provisions for unsettled claims are based on historical claims and exposures that are known on the balance-sheet date. The models used are well-renowned methods such as chain ladder or other loss development factor models and the outcomes correspond to a provision that covers the anticipated future payments for all claims incurred, including the claims that have yet to be filed.

The calculation of provisions for unearned premiums is individually conducted for each insurance policy. These calculations are conducted using experience-based factors that rely on how claims costs are incurred during the insurance period. For the insurance risks that have a term of 12 months or less, a linear earnings pattern (Pro rata) is used. If the provision for earned premiums is deemed insufficient to cover the insurance company's liability for its active insurance policies during the remainder of their terms, a provision is made for the remaining risks.

Estimates for technical provisions always include some degree of uncertainty. These estimates are based on such grounds as facts about historical claims and assessments of futures trends. Since most of the insurance operation's claims are of a short nature – claims in most of its portfolios are settled within 2-12 months of the date of the claim – the risk of a negative trend is reduced due to such factors as a future inflation in claims. The component of the insurance operation's portfolio that carries the greatest uncertainty in terms of insurance provisions is the travel segment. The supervising actuaries file reports with the insurance company's Board no less frequently that in conjunction with the annual accounts.

Actual claims filed compared with original estimates

Historically, the insurance operation has experienced very minor differences between its original estimates and the actual claims filed. This is because the insurance operation's portfolio has historically been very short-term with relatively limited uncertainty in its estimates.

For 2014, the insurance operation posted a negative overall run-off result of SEK 4.3 million, gross. This was largely attributable to the foreign travel side of the business, which is also the business that faces the greatest uncertainty in terms of provisions. The business that was divested during the year was not included in the run-off profit for previous years (the insurance operation's Business Auto & Public Auto portfolio was transferred on 1 February 2014).

Market risk

In the course of its operations, the Group is exposed to interest rate risk and currency risk, where the risks are controlled by limits defined in instructions. The risk is minimal and there are no positions in the trading book.

The banking operation regularly measures interest rate risk associated with interest-bearing assets and liabilities based on the contractual fixed interest term. The risk is measured using a change corresponding to a parallel shift of two percentage points in the yield curve. Thereafter, interest rate risk is measured by discounting future cash flows. At the reporting date, interest rate risk for the baking operation was +/- 34.3 SEK million. Investments in interest-bearing securities (see Notes 20 and 23) are part of the banking operation's liquidity reserve.

The banking operation has defined interest rate risk as essentially a cost risk; i.e., the risk of the Group's net interest income deteriorating in an unfavourable interest rate situation. To reduce risk exposure, fixed interest terms are matched with the Group's funding as far as possible.

The banking operation's funding through deposits from the public and liabilities to credit institutions has an average fixed interest term of less than three months. Legally, the banking operation's interest rate risk associated with loans is limited, as the majority of interest rate conditions are variable. In reality, for market reasons it is not as easy to fully offset a change in interest rates and this can affect net interest income depending on the Group's active position. However, a situation of higher interest expense can be quickly addressed by amending the terms for new lending. In view of the relatively high credit turnover rate, the overall interest rate risk for the Group is deemed limited. Most borrowers are also able to switch between various partial payment options during the credit period.

Fixed interest 2014 Group	Up to 1 month	Over 1<3 mo	Over 3< 12 mo	Over 1 yr	W//out interest	Total
Assets						
Treasury and other bills eligible for refinancing	30,100	640,036		135,707		805,843
Loans to credit institutions	3,695,094					3,695,094
Loans to the public	263,622	12,810,882	115,948	732,923		13,923,375
Bonds and other interest-bearing securities	389,796	848,087		21,995	40,606	1,300,484
Subordinated loans				26,478		26,478
Shares and participating interests					11,610	11,610
Intangible assets					680,346	680,346
Tangible assets					28,515	28,515
Insurance receivables					140,445	140,445
Other assets					402,125	402,125
Total assets	4,378,612	14,299,005	115,948	917,103	1,303,647	21,014,315
Liabilities						
Liabilities to credit institutions	1,026					1,026
Deposits from the public	14,889,900		760,413	326,337		15,976,650
Other liabilities					1,211,992	1,211,992
Technical provisions					551,853	551,853
Other provisions					8,418	8,418
Equity				-	3,264,376	3,264,376
Total liabilities	14,890,926	0	760,413	326,337	5,036,639	21,014,315
Interest derivatives, variable interest received	639,044					639,044
Interest derivatives, fixed interest paid				639,044		639,044
Differential, assets and liabilities	*-9,873,270*	*14,299,005*	*-644,465*	*-48,278*	*-3,732,993*	

Fixed interest 2013 Group	Up to 1 month	Over 1<3 mo	Over 3< 12 mo	Over 1 yr	W//out interest	Total
Assets						
Treasury and other bills eligible for refinancing	456,273	353,909				810,182
Loans to credit institutions	2,284,180					2,284,180
Loans to the public	388,346	8,868,329	1,659			9,258,334
Bonds and other interest-bearing securities	1,127,660	1,408,542	50,236	53,626	38,029	2,678,093
Shares and participating interests					27,986	27,986
Intangible assets					17,943	17,943
Insurance receivables					160,662	160,662
Tangible assets					15,726	15,726
Other assets					558,479	558,479
Total assets	4 256,459	10,630,780	51,895	53,626	818,825	15,811,585
Liabilities						
Liabilities to credit institutions	783					783
Deposits from the public	11 062,840		65,834	745,415		11,874,089
Other liabilities					1,091,041	1,091,041
Technical provisions					823,026	823,026
Other provisions					824	824
Equity				-	2,021,822	2,021,822
Total liabilities	11 063,623	0	65,834	745,415	3,936,713	15,811,585
Differential, assets and liabilities	*-6 807,164*	*10,630,780*	*-13,939*	*-691,789*	*-3,117,888*	

Currency risk arises when unfavourable changes in the value of foreign currency assets and liabilities translated to Swedish kronor occur due to exchange rate fluctuations. The Group uses currency hedges to manage currency risks that arise when lending in currencies other than SEK. The banking operation's currency hedges are governed by ISDA agreements and its collateral by CSA agreements.

The Group's currency risk exposure is managed with currency hedges. Assets and foreign currency liabilities are matched. The Swedish krona is the Group's functional currency and presentation currency. Foreign currency transactions are translated to functional currency using the average rate for the period in which the income and expenses arose.

Exchange gains and losses arising on settlement of these transactions and on the translation of foreign currency assets and liabilities using the closing rate are reported in profit/loss.

The Group's foreign currency exposure in each currency, converted to SEK thousand, is shown on the next page. The foreign currency table includes the assets and liabilities of Group companies and foreign branches. Exchange rate effects arising on the translation of the assets and liabilities of subsidiaries and foreign branches are reported in other comprehensive income.

Foreign currency exposure, Group	SEK	DKK	EUR	NOK	CHF	GBP	Other	Total
31 Dec 2014								
Foreign currency assets								
Treasury and other bills eligible for refin.	670,137	25,828	36,664	43,943		29,271		805,843
Loans to credit institutions	3,527,192	48,125	37,081	58,705	4,137	16,805	3,049	3,695,094
Loans to the public	8,267,717	2,070,072	2,014,256	I,571,330			-	13,923,375
Bonds and other interest-bearing securities	I,231,586			28,292	40,606			I,300,484
Subordinated loans	23,393		3,085					26,478
Shares & participating int	11,610							11,610
Intangible assets	64,384	456,432	I09,708	49,822				680,346
Tangible assets	25,528	I,067	I,763	157				28,515
Other assets	246,830	32,694	84,057	91,904	2,794	84,291		542,570
Total assets	14,068,377	2,634,218	2,286,614	I,844,153	47,537	130,367	3,049	21,014,315
Foreign currency liabilities								
Liabilities to credit inst		848		178				I,026
Deposits from the public	15,976,650						-	15,976,650
Other liabilities	870,017	65,286	137,968	I10,827		27,894	-	I,211,992
Technical provisions	273,410	13,533	62,441	121,740	32,584	48,145		551,853
Other provisions	971			7,447				8,418
Total liabilities	17,121,048	79,667	200,409	240,192	32,584	76,039	0	17,749,939
Net assets	-	2,554,551	2,086,205	I,603,961	14,953	54,329	3,049	
Nominal value, currency hedge	-	2,051,351	I,432,083	I,325,016				
Differential, assets and liabilities incl. nominal value of currency hedge		503,200	654 122	278,945	14,953	54,329	3,049	
Exchange rate fluctuation +/- 5%		*25,160*	*32 706*	*13,947*	*748*	*2,716*	*152*	
31 Dec 2013								
Foreign currency assets								
Treasury and other bills eligible for refin.	810,182							810,182
Loans to credit institutions	2,172,582	25,497	26,678	43,556	5,092	10,776	–	2,284,181
Loans to the public	7,178,618	553,541	731,203	794,972				9,258,334
Bonds and other interest-bearing securities	2,640,063				38,030		-	2,678,093
Shares & participating int	27,986							27,986
Intangible assets	17,943							17,943
Tangible assets	14,308		I,192	226				15,726
Other assets	608,751		12,966	78,451	2,269	15,438	I,265	719,140
Total assets	13,470,433	579,038	772,039	917,205	45,391	26,214	I,265	15,811,585
Foreign currency liabilities								
Liabilities to credit inst			18				765	783
Deposits from the public	11,874,088			2			-	11,874,090
Technical provisions	555,366	17,063	53,889	146,494	31,709	18,505		823,026
Other provisinos	985,101	13,117	26,150	61,694	5,802		-	I,091,864
Total liabilities	13,414,555	30,180	80,057	208,190	37,511	18,505	765	13,789,763
Net assets		548,858	691,982	709,015	7,880	7,709	500	
Nominal value, currency hedge		551,356	719,912	698,280				
Differential, assets and liabilities incl. nominal value of currency hedge		-2,498	-27,930	10,735	7,880	7,709	500	
Exchange rate fluctuation +/- 5%		*-125*	*-I,396*	*537*	*394*	*385*	*25*	

Funding
Deposits from the public are the Group's primary form of funding. Deposits increased SEK 4,103 million during the year. The Group's attractive interest rates, campaigns and standing as a reputable and long-term player have resulted in customers showing keen interest in deposits. The deposit products are covered by the deposit guarantee scheme, the purpose of which is to strengthen the protection of deposits from the public and promote the stability of the financial system. The state deposit guarantee scheme is financed by fees paid by all affiliated institutions. The compensation level is EUR 100,000 per person and institution, translated to SEK. The majority of deposits from the public are less than EUR 100,000. There is a desire to diversify funding by gaining access to several sources of funding and using the one that is appropriate at the particular time.

In early 2015, Resurs Bank's Board decided to establish an MTN programme that provides the opportunity to raise loans in SEK or EUR by issuing bonds. On 9 March 2015, the Swedish FSA approved the prospectus (which can be found on the bank's website). The first issue – for SEK 400 million with a 3-year duration – was conducted on 25 March 2015.

Liquidity risk
Liquidity risk is the risk that Group will be unable to discharge its payment obligations on the due date without borrowing at unfavourable terms. The Group's liquidity risk is managed through instructions that specify limits, responsibilities and monitoring and include a contingency plan. The Group's liquidity risk is controlled and audited by independent functions.

There must always be liquid assets that can be used immediately to manage daily cash flows arising in the business. There must also be preparedness for uneven cash flows, which can be managed with quick redistribution of liquidity, utilisation of credit facilities or divestment of investments. There must be preparedness to rapidly strengthen liquidity through various measures.

The Group must maintain a stable balance sheet and an adequate liquidity reserve and have access to unutilised cash facilities in the event of irregular or unexpected cash flows. In addition to equity, the Group funds itself mainly through deposits from the public. Deposits, which are analysed on a regular basis, total SEK 15,977 million (11,874). The loans to the public/deposits from the public ratio for the Group is 87 (78) %. To ensure quick access to liquidity in the currencies in which the Group has branches or businesses, it is important for the Group to have cash facilities in these currencies.

The banking operations are characterised by financing comprised mainly of long-term saving and short-term lending (e.g., sales financing and credit card loans). This is a major difference from general banking operations in the Nordic region, which have historically been based less on financing than on loans (such as mortgages), which creates a negative cash flow. Because the Group's operations have a fundamentally positive cash flow, the structural liquidity risk is limited.

Management and control of liquidity risk is centralised in each banking operation's insurance function. The functions examine the Group's liquidity on a regular basis and conduct analyses and forecasts of liquidity and its risks. The functions reported to a committee on a monthly basis during the year, with abstracts of these reports submitted to the Board. The function has limits and policy documents adopted by the Board, while the committee may also establish requirements that must be followed. Investments must be made within the framework of the applicable instructions and be of good credit and liquidity quality.

Within the banking operations, funding and liquidity plans are produced at least once per year. Stress tests are conducted regularly to ensure that there is liquidity in place for circumstances that deviate from normal conditions. One recurring stress test is significant outflows of deposits from the public.

Liquidity exposure, nominal cash flows (remaining maturity}	Payable on demand	Up to 3 mos	3-12 mos	1-5 yrs	Over 5 yrs	Total
31 Dec 2014						
Financial assets						
Treasury and other bills eligible for refinancing		12,519	32,251	939,140	50,505	1,034,415
Loans to credit institutions	3,695,094					3,695,094
Loans to the public		13,923,375				13,923,375
Bonds and other interest-bearing securities		44,893	160,746	1,101,526	28,962	1,336,127
Subordinated loans			1,121	24,413	3,222	28,756
Shares and participating interests		11,610	-		-	11,610
Other financial assets		204,485				204,485
Total	3,695,094	14,196,882	194,118	2,065,079	82,689	20,233,862
Financial liabilities						
Liabilities to credit inst	1,026					1,026
Deposits from the public	14,422,226	468,634	770,868	336,049		15,997,777
Other financial liabiltiies		454,134	120,264	-	-	574,398
Total	14,423,252	922,768	891,132	336,049	0	16,573,201
Derivatives, received		4,099,654	656,310			4,755,964
Derivatives, paid		4,151,663	656,787			4,808,450
Differential as per time interval	*-10,728,158*	*13,222,105*	*-697,491*	*1,729,030*	*82,689*	*3,608,175*
31 Dec 201						
Financial assets						
Treasury and other bills eligible for refin		637,798	1,819	176,033		815,650
Loans to credit institutions	2,284,180					2,284,180
Loans to the public		9,138,727	121,678			9,260,405
Bonds and other interest-bearing securities		1,221,721	267,919	1,223,663	40,124	2,753,427
Other financial assets		489,046	-		-	489,046
Total	2,284,180	11,487,292	391,416	1,399,696	40,124	1,602,708
Financial liabilities						
Liabilities to credit institutions	783					783
Deposits from the public	10,712,062	350,778	67,090	766,702		11,896,632
Other financial liabilities		607,855	-	-	-	607,855
Total	10,712,845	958,633	67,090	766,702	0	12,505,270
Derivatives, received		1,977,498				1,977,498
Derivatives, paid		1,969,549				1,969,549
Differential as per time interval	*-8,428,665*	*10,536,608*	*324,326*	*632,994*	*40,124*	*3,105,387*

Liquidity information is provided for the consolidated situation, not for the Group. The consolidated situation includes the Parent Company and the Resurs Bank Group.

Liquidity reserve

The greatest liquidity risk is deemed to occur in the event multiple depositors simultaneously withdraw their deposited funds. A model is in place that imposes requirements for the minimum size of the liquidity reserve, calculated based on deposit size, the proportion covered by deposit insurance and relationship to depositors. It is essential that liquidity reserve assets are of very good quality and are adapted to meet Liquidity Coverage Ratio (LCR) requirements from a public authority perspective.

Administration and investment of the liquidity reserve is conservative and complies with limits adopted by the Board.

The liquidity reserve for the consolidated situation totals SEK 1,594 million in accordance with the Swedish FSA’s regulations on liquidity risk management (FFFS 2001:7). Accordingly, assets are segregated, unutilised and of high quality. This liquidity reserve must also guarantee that there are sufficient liquid assets over a 30-day stressed period, in accordance with the European Parliament and Council Regulation 575/2013 on prudential requirements for credit institutions and securities companies through Article 412.1. The LCR at 31 December 2014 was 125% for the consolidated situation.

In evaluating liquid assets for LCR reporting, the quality of the assets is assessed prior to value adjustments in accordance with the European Commission Delegated Act EU 575/2013, as set forth below.

Allocation of liquid assets

2014	Asset Class 1	Asset Class 2A	Asset Class 2B	Other assets
Securities issued by sovereigns	78,007			
Securities issued by municipalities	534,799			
Covered bonds	200,470	301,819		412,562
Loans to credit institutions				66,692
Total liquid assets	813,276	301,819	0	479,254

Liquidity

The consolidated situation has very good liquidity. In addition to the model that imposes requirements for the minimum size of the liquidity reserve, there is an intraday liquidity requirement of at least 4% of deposits from the public. At 31 December 2014, this figure was 22% for the consolidated situation.

There are also other liquidity requirements governing the operations, which are designed to avoid the occurrence of a stressed situation that would necessitate utilisation of the liquidity reserve.

In addition to the liquidity reserve, the consolidated situation has other liquid assets comprised of cash balances with other banks and investments in interest-bearing securities. These assets are of high credit quality and total SEK 3,583 million (3,770) for the consolidated situation. There is also an unutilised credit facility of SEK 500 million (1,999). Total liquidity, excluding the unutilised credit facility, is SEK 5,177 million (4,888) for the consolidated situation, corresponding to 32 (41) % of deposits.

Liquidity reserve, consolidated situation	31 Dec 2014	31 Dec 2013
Liquidity reserve as per FFFS 2010:7 definition		
Securities issued by sovereigns	78,007	
Securities issued by municipalities	534,799	76,351
Loans to credit institutions	66,692	99,001
Bonds and other interest-bearing securities	914,851	943,561
Total liquidity reserve as per FFFS 2010:7 definition	**1,594,349**	**1,118,913**
Other liquidity portfolio		
Treasury and other bills eligible for refinancing		595,811
Loans to credit institutions	3,528,483	I,954,935
Bonds and other interest-bearing securities	54,338	1,219,293
Total other liquidity portfolio	**3,582,821**	**3,770,039**
Liabilities to credit institutions	-1,026	-783
Total liquidity reserve	**5,176,144**	**4,888,169**
Other liquidity-creating measures		
Unutilised credit facilities	500,000	I,999,217

Operational risks

Operational risk is the risk of financial or confidence-related losses resulting from errors or inadequacies in administrative procedures. These may include insufficient internal controls, or systems or technological equipment defects. Operational risks also include internal or external irregularities and legal risks.

Operational risks are countered through internal control. Maintaining good internal control is an ongoing process in the company and includes:

- appropriate procedures and instructions for recurring work tasks
- well-defined divisions of roles and responsibilities for employees
- IT support in the form of accounting and finance systems with built-in authentication
- internal information and reporting systems to fulfil management’s information requirements, etc.
- information and physical security to protect company assets and personnel
- review of risk transfer via appropriate insurance solutions

Note 4 Capital adequacy analysis

Capital adequacy regulations
Capital requirements are calculated in accordance with European Parliament and Council Regulation EU 575/2013 (CRR), effective in the EU as of 1 January, and Directive 2013/36EU (CRD IV), enacted in Sweden on 2 August. The Directive was enacted via the Swedish Capital Buffer Act (2014:966) and the Swedish FSA's regulations (2014:12) on regulatory requirements and capital buffers. The capital requirement calculation below must be composed of the legal minimum capital requirement for credit risk, market risk and operational risk. The capital requirement for capital buffers, which took effect from 2 August 2014, is also described below under 'Capital ratios and capital buffers'.

According to the Board's guidelines, the bank and the consolidated situation must have a capital base that covers both the statutory minimum capital requirements and the capital requirements calculated for other risks identified as per the internal capital adequacy assessment process (ICAAP).

The ongoing review of the internal capital assessment is an integral part of the Group's risk management work. The overall capital adequacy process is conducted and updated at least once per quarter and as otherwise required. Information on risk management is provided in Note 3, Risk Management.

Description of the consolidated situation
The regulatory consolidation (consolidated situation) is comprised of Resurs Bank AB and its subsidiaries and the parent company Resurs Holding AB.

Capital base
The capital base is the sum of Tier 1 capital and Tier 2 capital. Deductions are primarily made from core Tier 1 capital.

Tier 1 capital
Primary capital is comprised of core Tier I capital and other Tier 1 capital. Core Tier 1 capital is comprised mainly of share capital, paid-in capital, accumulated profits and other reserves of the bank and the companies included in the consolidated situation. Net profit for the year may only be included after approval from the Swedish FSA and after deduction of the proposed dividend. Other Tier 1 capital is comprised of Tier 1 capital contributions and the share premium reserve. The Group does not have any other Tier 1 capital.

Tier 2 capital
Tier 2 capital is comprised of subordinated loans, which may be dated or perpetual. Tier 2 capital must be subordinate to the bank's customer deposits and liabilities to non-preferential creditors. In the event of default or bankruptcy, subordinated loans would be repaid after other liabilities, but before the liability to shareholders.

Capital requirement
The bank and the consolidated situation calculate the capital requirements for credit risk, credit valuation adjustment risk, market risk and operational risk. Credit risk is calculated using the standardised approach, which involves risk-weighting assets in 17 different exposure classes. There may be different risk weightings in each exposure class. The total risk-weighted exposure amount is multiplied by 8% to obtain the minimum capital requirement for credit risk. The capital requirement for operational risk is calculated according to the basic indicator approach. With the basic indicator approach, the capital requirement for operational risk represents 15% of the income indicator; i.e., average operating income for the past three years.

Consolidated situation	Dec 31 2014	Dec 31 2013
Capital base 1)		
Tier 1 capital		
Core tier 1 capital		
Equity	2,409,448	1,308,763
Net profit for the year	390,507	188,254
Less:		
Calculated dividend 2)	-28,171	
Shares in subsidiaries	-1,100	
Intangible assets	-667,317	
Deferred tax asset	-34,476	-12,809
Further value adjustments	-1,617	
Total core Tier 1 capital	**2,067,274**	**1,484,208**
Tier 2 capital		
Dated subordinated loans	200,000	
Total Tier 2 capital	**200,000**	**0**
Total capital base	**2,267,274**	**1,484,208**

Capital requirement 1)	Risk-weighted exposure amount Dec 31 2014	Capital requirement	Risk-weighted exposure amount Dec 31 2013	Capital requirement
Exposures to central governments or central banks				
Exposures to regional governments or local authorities				
Exposures to public sector entities				
Exposures to multilateral development banks				
Exposures to institutions	3,834	307	1,925	154
Exposures to corporates	506,685	40,535	528,238	42,259
Exposures to households	9,537,627	763,010	6,457,300	516,584
Exposures secured by mortgages on property				
Exposures in default	791,531	63,323	212,163	16,973
Exposures with particularly high risk				
Exposures in the form of covered bonds	91,318	7,305	96,325	7,706
Items relating to securitisation positions				
Exposures to institutions and companies with short-term credit ratings	726,955	58,156	518,150	41,452
Exposures in the form of units or shares in collective investment undertakings (funds)				
Equity exposures	79,000	6,320		
Other items	202,391	16,191	125,825	10,066
Credit risk	**11,939,341**	**955,147**	**7,939,926**	**635,194**
Credit valuation adjustment risk	**385**	**31**		
Currency risk				
Settlement risk				
Commodity risk				
Position risk in the trading book				
Market risk	**0**	**0**	**0**	**0**
Operational risk	**3,137,559**	**251,005**	**1,768,150**	**141,452**
Total minimum capital requirement		**1,206,183**		**776,646**

Capital requirement 1)	Risk-weighted exposure amnt	Capital requirement	Risk-weighted exposure amnt	Capital requirement
Core Tier 1 ratio		13.7%		15.3%
Tier 1 ratio		13.7%		15.3%
Total capital ratio		15.0%		15.3%
Institution-specific buffer requirement		2.5%		
- *of which*, capital conservation buffer		2.5%		
Core Tier 1 capital available for use as buffer		9.2%		

1) Reporting at 31 December 2014 is in accordance with current regulations (Basel 3). Comparative figures at 31 December 2013 are in accordance with previous regulations (Basel 2).
2) Estimated dividend based on historical data is in accordance with the Commission (EU) Delegated Regulation 241/2014.

Subsidiary Resurs Bank AB Capital base 1)	31 Dec 2014	31 Dec 2013
Tier 1 capital		
Core Tier 1 capital		
Equity	1,975,314	986,702
Net profit for the year	169,642	188,254
Untaxed reserves (78% thereof)	362,753	322,061
Less:		
Calculated dividend 2)	-28,172	
Intangible assets	-50,928	
Deferred tax asset	-11,895	-12,809
Further value adjustments	-1,617	
Total core Tier 1 capital	**2,415,097**	**1,484,208**
Tier 2 capital		
Dated subordinated loans	200,000	
Total Tier 2 capital	**2,615,097**	**1,484,208**
Total capital base	**2,615,097**	**1,484,208**

Capital requirement 1)	Risk-weighted exposure amount 31 Dec 2014	Capital requirement	Risk-weighted exposure amount 31 Dec 2013	Capital requirement
Exposures to central governments or central banks				
Exposures to regional governments or local authorities				
Exposures to public sector entities				
Exposures to multilateral development banks				
Exposures to institutions	88,016	7,041	1,925	154
Exposures to corporates	2,276,826	182,146	528,238	42,259
Exposures to households	7,341,295	587,304	6,457,300	516,584
Exposures secured by mortgages on property				
Exposures in default	556,010	44,481	212,163	16,973
Exposures with particularly high risk				
Exposures in the form of covered bonds	91,318	7,305	96,325	7,706
Items relating to securitisation positions				
Exposures to institutions and companies with short-term credit ratings	724,767	57,981	518,150	41,452
Exposures in the form of units or shares in collective unit undertakings (funds)				
Equity exposures	1,246,700	99,736		
Other items	141,578	11,326	125,825	10,066
Credit risk	**12,466,510**	**997,320**	**7,939,926**	**635,194**
Credit valuation adjustment risk	**385**	**31**		
Currency risk				
Settlement risk				
Commodity risk				
Position risk in the trading book				
Market risk	**0**	**0**	**0**	**0**
Operational risk	**2,321,094**	**185,688**	**1,768,150**	**141,452**
Total minimum capital requirement		**1,183,039**		**776,646**

Capital requirement 1)	Risk-weighted exposure amount	Capital requirement	Risk-weighted exposure amount	Capital requirement
Core Tier 1 ratio		16,3%		15,3%
Tier 1 ratio		16,3%		15,3%
Total capital ratio		17,7%		15,3%
Institution-specific buffer requirement		2,5%		
- *of which,* capital conservation buffer		2,5%		
Core Tier 1 capital available for use as buffer		11,8%		

1) Reporting at 31 December 2014 is in accordance with current regulations (Basel 3). Comparative figures at 31 December 2013 are in accordance with previous regulations (Basel 2).
2) Estimated dividend based on historical data is in accordance with the Commission Delegated Regulation (EU) 241/2014.

Note 5 Net interest income/expense

Group	Amount 2014	Amount 2013
Interest income		
Loans to credit institutions	14,182	38,654
Loans to the public, gross 1) 2)	2,177,850	1,085,834
Interest-bearing securities	29,366	42,191
Other		
Less transaction costs, effective interest method	-537,350	-214,781
Total net interest income	L,684,048	95,898
Of which, interest income from financial items not measured at fair value	*1,654,682*	*909,707*
Interest expense		
Liabilities to credit institutions	-8,384	-10,213
Deposits and borrowing from the public	-326,586	-281,703
Other liabilities	-22	-7,949
Total net interest expense	-334,992	-299,865
Of which, guarantee of deposit expense and stability fee	*-19,117*	*-7,892*
Of which, interest expense from financial items not measured at fair value	*-334,992*	*-299,865*

The average interest rate on loans to credit institutions was 0.4 (2.5) %
The average interest rate on loans to the public was 18.2 (13.2) %
The average interest rate on interest-bearing securities was 1.3 (1.8) %
The average interest rate on deposits from the public was 2.2 (3.1) %

1) Amount includes cash interest received on problem loans as follows:	55,774	8,704
2) Amount includes income from purchased non-performing consumer receivables:		
Collected amounts	91,799	11,725
Amortisation	-20,068	-8,029
Cost of collected amounts	-8,308	-928
Total income from purchased non-performing consumer receivables	63,423	2,768

Note 6 Revenue distribution and other information by country

Group 2014 income statement per segment	Sweden	Denmark	Norway	Finland	Switzerland	Total
Interest income	1.057.471	195.909	188,007	241.971	690	684.048
Interest expense	-265,464	-23,880	-28,864	-16,784		-334,992
Fee and commission income	203,805	11,323	24,393	29,282		268,803
Fee and commission expense	-52					-52
Net income/expense from financial transactions	6,291		-316	23	598	6,596
Premium income, net	962,019				27,061	989,080
Insurance expense, net	-390,753				-17,988	-408,741
Other operating income	154,302	6,100	23,647	11,722	-	195,771
Total operating income	1,727,619	189,452	206,867	266,214	10,361	2,400,513
General administrative expense	-1,032,211	-68,326	-92,482	-67,205	-11,080	-1,271,304
Depreciation, amortisation and impairment of non-current assets	-12,726	-1,046	286	-335		-13,821
Other operating expenses	-114,454	-3,218	-14,176	-15,364	-558	-147,770
Total expenses before credit losses	-1,159,391	-72,590	-106,372	-82,904	-11,638	-1,432,895
Earnings before credit losses	568,228	116,862	100,495	183,310	-1,277	967,618
Credit losses, net	-191,870	-74,746	-48,625	-35,458		-350,699
Operating profit	376,358	42,116	51,870	147,852	-1,277	616,919
Tax on profit for the year	-88,108	-10,315	-15,918	-34,877	-52	-149,270
Net profit for the year	288,250	31,801	35,952	112,975	-1,329	467,649

Group 2013	Sweden	Denmark	Norway	Finland	Switzerland	Total
Interest income	804,937		100,436	45,954	571	951,898
Interest expense	-267,748		-23,811	-8,306		-299,865
Fee and commission income	144,323		12,610	7,757		164,690
Fee and commission expense	-6					-6
Net inc/expense from financial transactions	16,468		-613	-71	403	16,187
Premium income, net	886,433		-		32,753	919,186
Insurance expense, net	-347,595				-14,418	-362,013
Other operating income	252,621		17,044	2,459	-	272,124
Total operating income	1,489,433	0	105,666	47,793	19,309	1,662,201
General administrative expense	-858,966		-47,423	-24,008	-16,346	-946,743
Depreciation, amortisation and impairment of non-current assets	-3,548		-1,620	-609		-5,777
Other operating expenses	-152,001		-3,970	-3,466	-789	-160,226
Total expenses before credit losses	-1,014,515	0	-53,013	-28,083	-17,135	-1,112,746
Earnings before credit losses	474,918	0	52,653	19,710	2,174	549,455
Credit losses, net	-132,587		-22,384	-14,149		-169,120
Operating profit	342,331	0	30,269	5,561	2,174	380,335
Tax on profit for the year	-87,421		-4,254	-1,439	-392	-93,506
Net profit for the year	254,910	0	26,015	4,122	1,782	286,829

Resurs Holding Group operates in Sweden, Denmark, Finland, Norway and Switzerland. The greater part of Group operations are conducted in Sweden, although operations in other countries have expanded considerably with Resurs Bank’s acquisition of NCF A/S with subsidiary Dan-Aktiv A/S and Finaref AB with subsidiaries Finaref AS and Finaref OY. Operations in Denmark are conducted through Group company Dan-Aktiv A/S and through cross-border operations. In the table above, cross-border operations are included in the Swedish operations.

In Sweden, operations are chiefly comprised of personal loans, sales financing loans, credit cards, deposits from the public and insurance activities as well as limited leasing and factoring activities.

Note 7 Fees and commissions

	Group 2014	2013
Fee and commission income		
Loan commissions	87,204	48,339
Credit card commissions	74,856	45,930
Compensation, mediated insurance	31,256	
Other fees & commissions	75,487	70,421
Total fee and commission income	268,803	164,690
Fee and commission expense		
Loan fees	-52	-6
Total fee and commission expense	-52	-6

No fee and commission income or expense is derived from balance sheet items measured at fair value.

Note 8 Premium income, net

	Group 2014	2013
Premium income	965,931	945,597
Premiums for ceded reinsurance	-51,163	-202,495
Change in provision for unearned premiums and unexpired risks	75,330	182,005
Reinsurers' share in change in provision for unearned premiums and unexpired risks	-1,018	-5,921
Total premium income, net	989,080	919,186

Note 9 Insurance compensation, net

Group	Gross	ÅF fee	Net
Insurance expenses, 2014			
Claims paid	-425,553	20,498	-405,055
Change in provision to equalisation reserve			
Change in provision for losses incurred and reported	2,034	9,260	11,294
Change in provision for losses incurred but not reported (IBNR)	-3,104	1,717	-1,387
Operating costs for claims settlement	-14,240	647	-13,593
Total insurance expenses, net	**-440,863**	**32,122**	**-408,741**
Insurance expenses, 2013			
Claims paid	-556,924	167,052	-389,872
Change in provision to equalisation reserve	9,947		9,947
Change in provision for losses incurred and reported	7,905	10,453	18,358
Change in provision for losses incurred but not reported (IBNR)	-2,353	1,907	-446
Total insurance expenses, net	**-541,425**	**179,412**	**-362,013**

Note 10 Net income/expense from financial transactions

	Group 2014	2013
Dividend	507	170
Net income/expense from stocks and shares	1,162	5,299
Net income/expense from bonds and other interest-bearing securities	2,591	13,214
Derivatives	-186, 140	
Exchange difference	188,476	-2,496
Total net income from financial transactions	6,596	16,187
Net profit/loss per valuation category		
Financial assets at FVTPL, designated	2,561	4,142
Financial assets at FVTPL, held for trading	-184,441	14,541
Exchange rate fluctuations	188,476	-2,496
Total	6,596	16,187

Net profit/loss refers to realised and unrealised changes in value.

Note 11 Other operating income

	Group 2014	2013
Capital gain on sale of credit portfolio		147,813
Other income, loans to the public	142,221	105,501
Technical income 1)	30,969	
Other operating income	22,580	18,810
Total operating income	195,770	272, 124

l)) Technical income is derived primarily from effects of the portfolio transfer conducted by Solid during the year.

Note 12 Leases

Resurs Holding Group as lessor

In its banking operations, the Group owns assets that are leased to customers under finance leases. The Group reports these assets as loans to the public in its statement of financial position, in accordance with IFRS. The leased assets are mainly comprised of machinery and other equipment. Future minimum lease payments under non-cancellable leases fall due as follows:

	Group 31 Dec 2014	31 Dec 2013
Non-cancellable lease payments:		
Within one year	28,613	41,505
Between one and five years	44,307	49,312
After five years	5,056	6 ,122
Total non-cancellable lease payments	77,976	96,939

Reconciliation of gross investments and the capitalised value of receivables relating to future minimum lease payments:

Gross investment	164,705	203,852
Less unearned financial income	-77,976	-96,939
Net investment in finance agreements	86,729	106,913
Reserve for doubtful receivables relating to minimum lease payments	9,017	10,484

At 31 December 2014, the largest part of the Group's gross and net investments had a residual maturity of less than 5 years.

Resurs Holding Group as lessee

Operating leases where the Group is lessee are related to ordinary business activities and are mainly comprised of leases of premises where operations are conducted and, to a lesser extent, the leasing of cars. Most property lease agreements have 10-year durations and car leases 3-year durations. Written-off leasing fees in 2014 totalled SEK 17,944,000 (15,134,000). There are no variable fees. Future minimum lease payments under non-cancellable leases fall due as follows:

	Group 31 Dec 2014	31 Dec 2013
Non-cancellable lease payments:		
Within one year	13,442	12,924
Between one and five years	54,152	41,252
After five years	48,513	55,003
Total non-cancellable lease payments	116,107	109,179

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Note 13 General administrative expenses

	Group		Parent Co	
	2014	2013	2014	2013
Personnel expenses (see also Note 14)	-347,627	-259,800	-18,746	-9,923
Postage, communication and notification expenses	-180,787	-151,337	-4	-4
IT expenses	-95,235	-58,617		-585
Cost of premises	-31,820	-17,195	-1,252	-785
Consultant expenses	-81,224		-1,724	
Direct acquisition costs	-379,551	-312,083		
Other	-155,060	-147,711	-9,413	-9,770
Total general administration expenses	-1,271,304	-946,743	-31,139	-21,067

’Other’ in the classification of general administrative expenses includes fees and remuneration to auditors as specified below:

Auditors’ fees and remuneration of expenses				
Ernst & Young AB				
Audit engagement	-4,806	-2,704	-206	-390
Other audit-related services				
Tax advisory services	-905	-89		
Other services	-2,742	-60		
	-8,453	-2,853	-206	-390
PWC				
Audit engagement	-842			
Tax advisory services	-23			
Other services	-45			
	-910	0	0	0
Mazars				
Audit engagement	-621	-669		
	-621	-669	0	0
Total remuneration to auditing firms	-9,984	-3,522	-206	-390

Audit services comprise the examination of the annual financial statements and accounting records and the administration of the Board of directors and the CEO. They also include other procedures required to be carried out by the Group’s and Parent Company’s auditors, as well as advisory services and other assistance arising from observations made during the audit or while performing such other procedures.

Note 14 Personnel

	Group 2014	Group 2013	Parent Co 2014	Parent Co 2013
Wages and salaries	-234,431	-174,487	-11,221	-4,751
Social insurance expenses	-63,801	-54,051	-3,706	-2,179
Pension expenses	-28,692	-20,747	-2,342	-1,511
Other personnel costs	-20,703	-10,515	-1,477	-1,482
Total personnel costs	-347,627	-259,800	-18,746	-9,923

Salaries and other benefits

	Group 2014	Group 2013	Parent Co 2014	Parent Co 2013
Board, CEO and other senior executives	-21,665	-21,838	-4,828	-3,565
Other employees	-212,766	-153,639	-6,393	-2,176
Total salaries and other benefits	-234,431	-175,477	-11,221	-5,741

Remuneration for Board members paid to companies and included in the above amounts is reported in ’General administrative expenses’ in the consolidated income statement and in ’Personnel costs’ in the Parent Company’s income statement.

	Basic salary/ Board fee	Variable compensation	Other benefits	Pensions	Total
Group					
2014					
Remuneration and other benefits					
Board and CEO					
Jan Samuelson, chair 1)	-762				-762
Martin Bengtsson	-213				-213
Fredrik Carlsson 1)	-279				-279
Anders Dahlvig	-197				-197
Christian Frick	-217				-217
Kristoffer Melinder	-150				-150
David Samuelson	-150				-150
Lars Nordstrand	-337				-337
Christopher Ekdahl	-25				-25
Kenneth Nilsson, CEO	-3,395		-173	-1,485	-5,053
Other senior executives (14 persons)	-15,940		-1,202	-5,276	-22,418
Other employees that may influence the bank’s risk level (13 persons)	-9,878	-124	-813	-2,311	-13,126
	-31,543	-124	-2,188	-9,072	-42,927

	Basic salary/ board fee	Variable compensation	Other benefits	Pensions	Total
2013					
Remuneration and other benefits					
Board and CEO					
Jan Samuelson, chair 1)	-690				-690
Martin Bengtsson	-197				-197
Fredrik Carlsson 1)	-191				-191
Anders Dahlvig	-201				-201
Christian Frick	-197				-197
Kristoffer Melinder	-169				-169
David Samuelson	-169				-169
Mats Höglund	-94				-94
Kenneth Nilsson, CEO	-3,107		-158	-1,020	-4,285
Other senior executives (19 persons)	-16,748	-75	-1,098	-4,064	-21,985
	-21,763	-75	-1,256	-5,084	-28,178

1) Payment was made to the company.

Parent Company

	Basic salary/ board fee	Variable compensation	Other benefits	Pensions	Total
2014					
Remuneration and other benefits					
Board and CEO					
Jan Samuelson, chair 1)	-591				-591
Martin Bengtsson	-175				-175
Fredrik Carlsson 1)	-197				-197
Anders Dahlvig 1)	-197				-197
Christian Frick	-156				-156
Kristoffer Melinder	-150				-150
David Samuelson	-150				-150
Lars Nordstrand	-296				-296
Kenneth Nilsson, CEO					
Other senior executives (3 persons)	-2,916		-236	-1,153	-4,305
Other employees that may influence the bank's risk level (1 person)	-833			-186	-1,019
Total	-5,661	0	-236	-1,339	-7,236
2013					
Remuneration and other benefits					
Board and CEO					
Jan Samuelson, chair 1)	-690				-690
Martin Bengtsson	-197				-197
Fredrik Carlsson 1)	-191				-191
Anders Dahlvig 1)	-201				-201
Christian Frick	-197				-197
Kristoffer Melinder	-169				-169
David Samuelson	-169				-169
Kenneth Nilsson, CEO					
Other senior executives (3 persons)	-1,751	-	-115	-548	-2,414
Total	-3,565	0	-115	-548	-4,228 V?

1) Payment was made to the company.

Pension expenses	Group	Parent Company
2014		
For the Board, CEO and other senior executives	-6,761	-1,153
For other employees	-21,931	-1,189
Total	-28,692	-2,342
2013		
For the Board, CEO and other senior executives	-5,084	-548
For other employees	-15,663	-963
Total	-20,747	-1,511

Board members and senior executives	Group Number	*Of which* Men	Parent Number	*Of which* Men
2014				
Board members	9	100%	8	100%
CEO and other senior executives	16	88%	3	67%
2013				
Board members	7	100%	7	100%
CEO and other senior executives	19	84%	4	25%

The Board of the banking operations has adopted a remuneration policy in accordance with FSA regulation FFFS 2011:1, Remuneration structures in credit institutions, investment firms and fund management companies licensed to conduct discretionary portfolio management (most recently updated with FFFS 2014:22).

A Board member has been appointed in charge of preparing significant remuneration decisions and the Group has a control function that independently examines, annually and as when otherwise appropriate, how well the Group's management of remuneration complies with regulations.

The Board of the insurance operations has adopted a remuneration policy in accordance with FSA regulation FFFS 2011:2, Remuneration policy in insurance undertakings, fund management companies, exchanges, clearing organisations and institutions for the issuance of electronic money.

The Chairman and members of the Board are paid fees as resolved by the AGM. Remuneration for executive management and head of the Group's control functions is determined by the Board.

Remuneration is comprised of basic salary, variable compensation, other benefits and pension. Information on remuneration for subsidiaries Resurs Bank AB and Solid Försäkrings AB is available at www.resurs.se and www.solidab.com.

Variable compensation earned in 2014 is linked to quantitative and qualitative targets. The Group has ensured that all targets related to variable compensation for 2014 can be measured reliably. The Group has taken into account the fact that employees who are able to independently decide on credit issues should not have targets linked only to sales they are capable of influencing through credit decisions. This is to ensure that an employee in this category is not able to influence the Group's risk level. The Group deems that the risk level applied is well in proportion to the banking and insurance operations' earnings capacity.

The Group conducts an annual analysis to identify employees whose duties have a significant impact on the company's risk profile.

In 2014, no variable compensation exceeding SEK 100,000 was paid to employees who may affect the Group's risk level. The Group does not therefore need to apply deferred payment for variable compensation.

Following the company acquisitions conducted in 2014, the Group defers the payment of variable compensation for six employees who may affect the acquired companies' risk level. The deferred payment is distributed evenly over a three-year period.

Executive management and employees who may affect the Group's risk level were paid variable compensation corresponding to 0.4% of basic salary. The corresponding figure for the Parent Company is 0%.

Pensions

The Group's pension obligations for the CEO and other senior executives are covered by defined contribution pension plans and are based on the basic salary received and variable compensation. Pension benefits of SEK 522,000 (440,000) were allocated for the CEO in addition to the occupational and statutory pension. Pension benefits of SEK 244,000 (204,000) were allocated for other senior executives in addition to the occupational and statutory pension.

Terms of notice and termination benefits

In the event of termination of employment by the Company, the CEO is entitled to draw salary from subsidiary Resurs Bank AB during the 18-month notice period. No termination benefits are paid.

Other senior executives have a notice period of 6-12 months and are not entitled to termination benefits.

Group	Credit limits	Unutilised credit
Senior executives' use of credit facilities and limits, banking operations		
2014		
CEO	350	212
Board members	506	69
Other Group senior executives	4,622	3,987
Senior executives' use of credit facilities and limits, banking operations		
2013		
CEO	203	50
Board members	469	59
Other Group senior executives	6,579	5,860

Loan terms are consistent with the conditions normally applied in lending to other employees. The Group has not provided guarantees or assumed any contingent liabilities on behalf of senior executives.

Average number of employees	Men	Women	Total
Group			
2014			
Sweden	188	284	472
Denmark	22	23	45
Norway	8	21	29
Finland	6	26	32
Total number	**224**	**354**	**578**
2013			
Sweden	197	236	433
Denmark			
Norway	6	4	10
Finland	5	11	16
Total number	**208**	**251**	**459**

Average number of employees	Men	Women	Total
Parent Company			
2014			
Sweden	4	8	12
Denmark			
Norway			
Finland			
Total number	4	8	12
2013			
Sweden	3	5	8
Denmark			
Norway			
Finland			
Sweden	3	5	8

Note 15 Depreciation, amortisation and impairment of assets

	Group 2014	2013	Parent 2014	2013
Depreciation and amortisation				
Tangible assets	-8,088	-4,297	-551	-I, 172
Intangible assets	-2,243	-1,480		
Exchanges differences	-54			
Total depreciation and amortisation	-l O,385	-5,777	-551	- I,172
Impairment				
Intangible assets	-3,435			
Total impairment	-3,435	0	0	0
Total depreciation, amortisation and Impairment of assets	-13,820	-5,777	-551	-1,172

Note 16 Other operating expenses

	Group 2014	2013
Marketing	-141,045	-104,390
Insurance	-3,353	-2,929
Claims adjustment expenses		-29,362
Other	-3,372	-23,545
Total other operating expenses	-147,770	-160,226

Note 17 Credit losses

	Group 2014	2013
Individually assessed loan receivables		
Write-off of stated losses for the year	-2,590	-9
Recovery of previously stated credit losses	239	1,522
Transfer/reversal of reserve for credit losses	5,890	-5,672
Net result of individually assessed loan receivables for the year	3,539	-4,159
Collectively assessed homogeneous groups of loan receivables with limited value and similar credit risk		
Write-off of stated credit losses for the year	- 166,720	-14,800
Recovery of previously stated credit losses	19,232	361
Transfer/reversal of reserve for credit losses	-206,750	-150,522
Net cost of collectively assessed homogeneous groups of loan receivables for the year	-354,238	-164,961
Net cost of credit losses for the year	-350,699	- 169,120

Note 18 Taxes

	Group 2014	2013	Parent 2014	2013
Current tax expense				
Current tax for the period	-143,835	-92,204		-1,784
Adjustment of tax attributable to previous periods 1)	-20,006	-1,926		
Current tax expense	-163,841	-94,130	0	-1,784
Deferred tax on temporary differences	14,571	624		-1,904
Total tax expense reported in income statement	-149,270	-93,506	0	-3,688

1) Adjustment of tax attributable to previous periods relates primarily to the outcome of a tax audit on Group company Finaref Oy.

Reconciliation of effective tax	%	Group	%	Parent Company
2014				
Profit before tax		616,920		-196
Tax at prevailing tax rate	-22.0%	-1,35,722	-22.0%	43
Non-deductible expenses/non-taxable income	1.9%	11,607	17.6%	-35
Tax attributable to different tax rates for foreign branches and subsidiaries	-0.6%	-3,872		
Tax attributable to previous years	-3.2%	-20,006		
Standard interest, tax allocation reserve	-0.2%	-1,277	4.6%	-8
Reported effective tax	24.4%	-149,270		
2013				
Profit before tax		380,335		16,599
Tax at prevailing tax rate	-22.0%	-83,674	-22.0%	-3,652
Non-deductible expenses/non-taxable income	-0.9%	-3,585	-0.2%	-36
Tax attributable to different tax rates for foreign branches	-1.1%	-4,051		
Tax attributable to changes in tax rates for foreign branches	-24.1%	465		
Tax attributable to previous years	2.3%	-1,926		
Standard interest, tax allocation reserve	-0.2%	-735		
Reported effective tax	-24.4%	-93,506	-22.2%	-3,688

Change in deferred tax	Group 2014	2013	Parent Company 2014	2013
Tax effects attributable to temporary differences, tangible assets	-1,447	715		
Tax effects attributable to temporary differences, loans to the public	17,570	1,962		
Tax effects attributable to temporary differences, pensions	-1,426	206		
Tax effects attributable to temporary differences, other	-126	-2,259		-1,904
Total deferred tax	14,571	624	0	-1,904

	Group		Parent Company	
	2014	2013	2014	2013
Deferred tax assets				
Deferred tax assets, tangible assets, net	8,165	9,907		
Deferred tax assets, loans to the public	24,310	1,962		
Deferred tax assets, pensions, net	2,084	766		
Deferred tax assets, other	48	437		
Total deferred tax assets	**34,607**	**13,072**	**0**	**0**

	Group		Parent Company	
Deferred tax liabilities				
Deferred tax liabilities, tangible assets, net	-269			
Deferred tax liabilities, loans to the public	71,759			
Deferred tax liabilities, pensions, net	-1,095			
Deferred tax liabilities, untaxed reserves	210,296	198,818		
Deferred tax liabilities, other	3,508			
Total deferred tax liabilities	**284,199**	**198,818**	**0**	**0**

Note 19 Appropriations

	Parent Company	
	2014	2013
Transfer to tax allocation reserve		-2,700
Group contribution received	22,510	40,760
Group contribution paid		-3,700
Total	22,510	34,360

Note 20 Treasury and other bills eligible for refinancing

Group	Nominal amount 31 Dec 2014	Fair value 31 Dec 2014	Book value 31 Dec 2014	Nominal amount 31 Dec 2013	Fair value 31 Dec 2013	Book value 31 Dec 2013
Issued by						
Swedish State and municipalities	668,000	670,137	670,137	810,000	810,182	810 182
Foreign States and municipalities	125,866	135,706	135,706	0	0	0
Total	793,866	805,843	805,843	810,000	810,182	810 182
Of which, listed	*793,866*	*805,843*	*805,843*	*810,000*	*810,182*	*810 182*
Remaining maturity						
0-1 years	36,000	36,048	36,048	637,000	635,936	635,936
1-3 years	213,719	219,610	219,610	143,000	144,193	144,193
More than 3 years	544,147	550,185	550,185	30,000	30,053	30,053
Total	793,866	805,843	805,843	810,000	810,182	810,182
Issuers' rating per S&P						
AAA/Aaa	212,740	219,368	219,368	760,000	760,058	760,058
AA+/Aa1	531,126	536,099	536,099	50,000	50,124	50,124
Unrated 1)	50,000	50,376	50,376	0	0	0
Total	793,866	805,843	805,843	810,000	810,182	810,182

Rating by S&P and Moody's. If credit ratings differ, the lowest is used.
The investments relate to municipal and government bonds and fulfil the requirements of FFFS 2010:7 for assets that may be included in the liquidity reserve.
1) 'Unrated Treasury bills' are holdings in unrated Swedish municipalities.

Note 21 Loans to credit institutions

	Group 31 Dec 2014	31 Dec 2013
Loans in SEK	3,527,192	2,172,582
Loans in DKK	48,125	25,497
Loans in NOK	58,705	43,555
Loans in EUR	37,081	26,678
Loans in other currencies	23,991	15,868
Total loans to credit institutions	3,695,094	2,284,180

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Note 22 Loans to the public and doubtful receivables

	Group 31 Dec 2014	31 Dec 2013
Outstanding receivables, gross:		
Loans in SEK	8,733,757	7,426,982
Loans in DKK	2,419,632	579,288
Loans in NOK	1,710,108	841,100
Loans in EUR	2 ,178,314	776,686
Total loans to the public	15,041,811	9,624,056
Households **1)**	14,345,422	9,136,003
Net value of purchased non-performing consumer receivables2)	344,875	
Companies 3) 4)	351,514	488,053
Total loans to the public	15,041 ,811	9,624,056
Provision for anticipated credit lossts 5)	-1,118,436	-365,722
Total net loans to the public	13,923,375	9,258,334

1) Amount includes invoice receivables of SEK 113,772,000 (0) taken over from La Redoute and receivables of SEK 534,782,000 (0) from Finaref AB through an asset transfer.

2) Amount includes purchased non-performing consumer receivables as follows:

Opening net value of purchased non-performing consumer receivables		322,297
Purchases of non-performing consumer receivables during the year	16,607	
Disposals of non-performing consumer receivables during the year	348,336	-314,268
Amortisation for the year	-20,068	-8,029
Net value of purchased non-performing consumer receivables	344, 875	0

3) Amount includes purchased invoice receivables of SEK 175,802,000 (134,144,000).

4) Amount includes finance leases of SEK 86,729,000 (106,913,000) for which Resurs Bank is lessor.

5) Amount includes loans to households and companies.

	Group	
	31 Dec 2014	31 Dec 2013
Geographic distribution of net loans to the public		
- Sweden	8,268,578	7,159,739
- Denmark	2,070,014	553,541
- Norway	I,570,675	794,972
- Finland	2,014,108	750,082
Total net loans to the public	13,923,375	9,258,334
Doubtful receivables I)	2,189, 100	740,999
Doubtful receivables net of reserve for anticipated credit losses	2,189,100	740,999
Reserve for anticipated credit losses 2)	-I,118,436	-365,722
Doubtful receivables, net	I,070,664	375,277
1) *Of which,* doubtful receivables, corporate sector	37,136	50,543
2) *Of which*, corporate sector	-36,236	-49,643

Key figures for lending operations	31 Dec 2014	31 Dec 2013
Percentage of impaired loan receivables, gross 1)	15%	8%
Percentage of impaired loan receivables, net 2)	7%	4%
Total reserve ratio 3)	7%	4%
Reserve ratio, impaired loan receivables 4)	51%	49%

1) Impaired loan receivables gross before reserve divided by total loan receivables before reserve
2) Impaired loan receivables net before reserve divided by total loan receivables before reserve
3) Total reserves divided by total loan receivables before reserve
2) Reserve for impaired loan receivables divided by impaired loan receivables gross

Note 23 Bonds and other interest-bearing securities

Koncernen	Nominal amount 31 Dec 2013	Fair value 31 Dec 2013	Book value 31 Dec 2013	Nominal amount 31 Dec 2012	Fair value 31 Dec 2012	Book value 31 Dec 2012
Corporate bonds	237,109	241,048	241,048	365,156	374,190	374,190
Swedish mortgage institutions	912,000	914,098	914,098	2,209,575	2,213,543	2,213,543
Swedish credit institutions	104,000	104,732	104,732			
Foreign credit institutions	40,454	40,606	40,606	88,029	90,360	90,360
Total	1,293,563	1,300,484	1,300,484	2,662,760	2,678,093	2,678,093
Remaining maturity						
0-1 years	149,000	149,755	149,755	1,446,555	1,446,256	1,446,256
1-3 years	702,000	707,341	707,341	678,000	683,178	683,178
More than 3 years	442,563	443,388	443,388	538,205	548,659	548,659
Total	1,293,563	1,300,484	1,300,484	2,662,760	2,678,093	2,678,093
Bonds' ratings per S&P and Moody's						
AAA/Aaa	912,000	914,098	914,098	960,000	963,235	963,235
AA+				46,029	46,179	46,179
AA-				620,496	619,609	619,609
A+/AI	58,000	58,445	58,445	72,000	72,048	72,048
A/A2				325,000	326,683	326,683
A-/A3	69,000	69,442	69,442	383,500	383,804	383,804
BBB+				30,000	31,389	31,389
BBB/Baa2	25,000	25,995	25,995			
BB				49,735	52,163	52,163
B/B2	28,393	28,292	28,292			
B-/83	1 1,716	11,520	11,520			
Unrated	189,454	192,692	192,692	176,000	182,983	182,983
Total	1,293 563	1,300,484	1,300,484	2,662,760	2,678,093	2,678,093

Note 24 Subordinated debt

Group	Nominal amount 31 Dec 2014	Fair value 31 Dec 2014	Book value 31 Dec 2014	Nominal amount 31 Dec 2013	Fair value 31 Dec 2013	Book value 31 Dec 2013
Subordinated debt	23,514	26,478	26,478	-	-	-
Total	23,514	26,478	26,478	0	0	0
Remaining maturity						
1-3 years	20,421	23,393	23,393			
More than 3 years	3,093	3,085	3,085	-	-	-
Total	23,514	26,478	26,478	0	0	0
Subordinated debts' rating per S&P and Moody's						
A/A2	20,421	23,393	23,393			
BBB/Baa2	3,093	3,085	3,085			
Total	23,514	26,478	26,478	0	0	0

Note 25 Shares and participating interests

	Group 31 Dec 2014	31 Dec 2013
Acquisition value	11,520	26,784
Fair value	11,610	27,986

Additional information on financial instruments is presented in Note 42.

Note 26 Shares and participations in group companies

Subsidiaries and indirect subsidiaries	CIN	Reg'd office	Share of equity %	Sh of voting power %	No of shares	Parent Co Book value 31 Dec 2014
Resurs Bank AB	516401-0208	Helsingborg	100	100	500,000	846,690
- Finare/ AB	*556634-3280*	*Borås*	*100*	*100*	*250,000*	
- Finare/ AS	*964 433 798*	*Kolbotn*	*100*	*100*	*I 50,000*	
Viab Inkasso AS	*965 843 701*	*Kolbotn*	*100*	*100*	*2,000*	
- Finaref OY	*711 019*	*Kerava*	*100*	*100*	*10,000*	
- Nordic Consumer Finance AIS	*27 507 379*	*Vallenbcek*	*100*	*100*	*200,000,000*	
Dan-Aktiv AIS	*15 107 405*	*Vallenbcek*	*100*	*100*	*10,100,000*	
Solid Försäkrings AB	516401-8482	Helsingborg	100	100	30,000	31,600
Teleresurs i Sverige AB	556203-8520	Helsingborg	100	100	10,000	1,00
- Flat Wallet AB	*556865-1904*	*Helsingborg*	*100*	*100*	*I, 376*	
Reda Inkasso AB	556311-6192	Helsingborg	100	100	1,000	100
Total book value, shares in subsidiaries						879,390

	Parent Co 31 Dec 2014	31 Dec 2013
Opening acquisition cost	79,390	79,390
Shareholders' contribution to Resurs Bank AB	800,000	
Closing accumulated acquisition cost	879,390	79,390
Closing residual value according to plan	879,390	79,390

Note 27 Intangible assets

	31 Dec 2014			Dec 31 2013		
Group	Goodwill	Other	Total	Goodwill	Other	Total
Opening acquisition cost	26,677	10,833	37,510	26,677	9,106	35,783
Acquisition of operations	629,355	2,350	631,705	0	3,435	3,435
Divestments for the year	0	0	0	0	- I,708	-1,708
Investments for the year	0	343	343	0	0	0
Exchange difference	35,880		36,230	0	0	O
Total acquisition cost at end of year	691,912	13,876	705,788	26,677	10,833	37,510
Opening amortisation	0	-4,757	-4,757	0	-3,277	-3,277
Acquisition of operations	0	0	0	0	0	0
Amortisation for the year	0	-2,242	-2,242	0	- I,480	-1 480
Exchange difference	Q			Q	0	O
Total accumulated amortisation at end of year	0	-7,197	-7,197	0	-4,757	-4,757
Opening impairments	-14,810	0	-14,810	-14,810	0	-14,810
Acquisition of operations	0	0	0	0	0	0
Impairments for the year	0	-3,435	-3,435	0	Q	0
Closing accumulated impairments	-14,810	-3,435	-18,245	-14,810	0	-14,810
Carrying amount	677,102	3,244	680,346	11,867	6,076	17,943

Other intangible assets

Other intangible assets refer to capitalised systems development costs.

Testing goodwill for impairment

No test for impairment of goodwill was conducted during the year in the banking group, as the cash-generating units will be defined based on the country in which the integration of existing and acquired operations is conducted. With respect to the portion of goodwill derived from Solid Försäkringars AB (with reported goodwill of SEK 11,867,000), the least cash-generating unit and a 3-year forecast are used as the basis of calculation. This is based on historical experience and a discounting of cash flows. The impairment test indicates that there is no need for impairment.

Note 28 Tangible assets

	Group 31 Dec 2014	Group 31 Dec 2013	Parent Co 31 Dec 2014	Parent Co 31 Dec 2013
Equipment				
Acquisition cost, beginning of year	29,148	21,246	4,697	3,453
Acquisition of operations	2,245	38		
Purchases during the year	22,255	11,429		1,244
Sales/disposals during the year	-9,357	-3,571	-2,963	
Exchange difference	123	6		
Total acquisition cost at end of year	44,414	29,148	1,734	4,697
Accumulated amortisation, beginning of year	-13,422	-11,848	-1,345	-173
Acquisition of operations		-8		
Accumulated amortisation of sold/ disposed assets	5,920	2,742	I,160	
Amortisation for the year	-8,089	-4,297	-551	-1,172
Exchange difference	-308	-11		
Total accumulated amortisation at end of year	-15,899	-13,422	-736	-1,345
Carrying amount	28,515	15,726	998	3,352

Note 29 Reinsurers' share in technical provisions

	Group 31 Dec 2014	Group 31 Dec 2013
Reinsurers' share in technical provisions		
Unearned premiums and unexpired risks	4,140	96,699
Unsettled claims	1,888	63,963
Total insurance receivables	6,028	160,662

Note 30 Other assets

	Group	
	Dec 31 2014	31 Dec 2013
Receivables from leasing operations	4,054	7,899
Receivables from factoring operations	4,972	
Receivables from insurance brokers and agents	140,445	229,490
Other	10,375	15,055
Total other assets	159,846	252,444

Note 31 Prepaid expenses and accrued income

	Group		Parent Company	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Prepaid expenses	87,876	32,869	1,387	1,903
Prepaid acquisition expenditures, insurance operations	177,011	194,506		
Accrued interest	8,659	26,374		
Accrued income, lending operations	11,301	11,087		
Total prepaid expenses and accrued income	284,847	264,836	1,387	1,903

Note 32 Liabilities to credit institutions

	Group	
	31 Dec 2014	31 Dec 2013
Credit facilities in DKK	848	
Credit facilities in NOK	178	
Credit facilities in EUR		18
Credit facilities in other currencies		765
Total liabilities to credit institutions	1,026	783

Note 33 Deposits and borrowing from the public

	Group	
	31 Dec 2014	31 Dec 2013
Deposits and borrowing in SEK	15 976 650	11 874 089
Total deposits and borrowing from the public	15 976 650	11 874 089
Households	12 884 871	9 784 943
Companies	3 091 779	2 089 146
Total deposits and borrowing from the public	15 976 650	1 1 874 089

Maturity
The majority of deposits from the public are payable on demand. See also Note 3, Risk Management.

Note 34 Other liabilities

	Group	
	31 Dec 2014	31 Dec 2013
Trade payables	115,903	76,791
Liabilities to agents	337,123	360,301
Preliminary tax, deposit rates	71,899	95,275
Reserve, customer loyalty programme	48,311	39,360
Liabilities, reinsurance	607	79,694
Other	40,730	38,826
Total other liabilities	614,573	690,247

Note 35 Accrued expenses and deferred income

	Group		Parent Company	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Accrued interest expense	969			
Accrued personnel expenses	58,962	43,330	2,714	1,746
Accrued admininstrative expenses	49,057	75,827		
Deferred income, leasing	4,868	10,605		
Other deferred income	18,853	60,079	113	485
Total accrued expenses and deferred income	132,709	189,841	2,827	2,231

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Note 36 Technical provisions

	Group	
	31 Dec 2014	31 Dec 2013
Unearned premiums and unexpired risks		
Carrying amount at beginning of the period	691,402	883,541
Insurance procured during the period	967,705	947,303
Earned premiums during the period	-1,041,814	-1,130,393
Portfolio transfer	-113,861	
Exchange rate effect	5,191	-9,049
Carrying amount at end of the period	508,623	691,402
Provision for unexpired risks		
Carrying amount at beginning of the period	1,222	133
Previous year’s provision recognised in profit/loss	-1,222	-136
Exchange rate effect		3
Provision for the financial year		1,222
Carrying amount at end of the period	0	1,222
Unsettled claims		
Carrying amount at beginning of the period	130,402	135,814
Settled claims from previous financial year	-50,201	-119,229
Change in anticipated cost of claims incurred during the previous year	-4,266	-4,826
Portfolio transfer	-90,040	
Provision for the year	57,335	118,643
Carrying amount at end of the period	43,230	130,402
Equalisation provision		
Carrying amount at beginning of the period		9,947
Reversals during the period		-9,947
Carrying amount at end of the period	0	0
Total technical provisions at end of the period	551,853	823,026

Note 37 Other provisions

	Group	
	31 Dec 2014	31 Dec 2013
Carrying amount at beginning of the period	680	2,318
Acquisition of operations	1,889	
Release of provisions previously made		-1,756
Provisions during the period	6,226	262
Exchange difference	-377	
Carrying amount at end of the period	8,418	824

Subsidiary Resurs Bank has taken out endowment insurance for safeguarding its pension obligation. The endowment insurance and obligations have been reported net. The amount reported in 'Other provisions' – SEK 971,000 (680,000) – is comprised of payroll tax not covered by the endowment insurance. The market value of the endowment insurance is SEK 4,004,000 (2,802,000).

Group company Finaref AS has defined-benefit pension plans. The provision is calculated annually on an actuarial basis to ensure allocation of the correct amount. The provision totals SEK 7,448,000.

Note 38 Untaxed reserves

	Parent Company	
	31 Dec 2014	31 Dec 2013
Tax allocation reserve	2,700	2,700
Total	2,700	2 700

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Note 39 Equity

Shares
The number of shares in the Parent Company is 1,256,429, with a par value of SEK 0.1. Par value is defined as share capital divided by the number of shares.

Retained earnings
Refers to profit or loss brought forward from previous years, less dividends.

Translation reserve
This reserve includes translation differences on the consolidation of the Group's foreign operations.

Changes in equity
A specification of changes in equity during the period is provided in the 'Statement in changes in equity'.

Change in translation reserve

	Group 2014	2013
Translation reserve		
Opening translation reserve	-744	199
Translation difference for the year, foreign operations	56,903	-943
Closing translation reserve	56,159	-744 U(

Note 40 Pledged assets, contingent liabilities and commitments

	Group		Parent Company	
	2014	2013	2014	2013
Loans to credit institutions 1)	77,021	34		
Loans to the public		4,089,694		
Assets for which policyholders have priority rights	667,156	555,391		
Pledged shares in subsidiaries		1,496,172		46,690
Floating charge 2)	500,000			
Total collateral pledged for own liabilities	1,244,177	6,141,291	0	46,690
Other pledged assets				
Contingent liabilities				
Guarantees to subsidiaries regarding credit granted				2,000,000
Restricted bank deposits	359	349		
Guarantees	284	120		
Other commitments				
Unutilised credit facilities granted	21,063,077	20,267,632		

The insurance operation’s registered assets as per Chapter 7, §11 of the Insurance Business Act total SEK 667 million (555). In the event of insolvency, policyholders have priority rights in the registered assets. In its ordinary course of business, the company has the right to register and deregister assets as long as all insurance liabilities are covered in accordance with the Insurance Business Act.

Unutilised credit facilities granted relates to external credit lines. All such credit facilities are cancellable with immediate effect to the extent permitted under the Consumer Credit Act.

1) Loans to credit institutions relate to collateral for the fulfilment of commitments to payment intermediaries.

2) Floating charges relate to collateral for credit lines of SEK 500,000,000 (2,000,000,000) in other credit institutions.

Note 41 Related parties

Ownership

Resurs Holding AB, corporate registration number 556898-229l is owned by Cidron FI S.a.r.l. (51.53%), Waldakt AB (42.16%), and RSF Invest AB (6.31%). RSF Invest AB is owned by RSF Invest Holding AB (81.93%) which is in turn owned by Cidron FI S.a.r.l. (55%) and Waldakt AB (45%). RSF lnvest Holding AB's holding in RSF Invest AB is in part earmarked for sale to senior executives within the Group, who purchased 18.07% in 2013 and 2014. Cidron FI S.a.r.l.'s and Waldakt AB's indirect ownership of Resurs Holding AB declined to an equivalent degree, meaning that Cidron FI S.a.r.l.'s and Waldakt AB's indirect and direct ownership totals 54.37% and 44.49%, respectively.

Related parties – Group companies

The Group comprises the subsidiaries Resurs Bank AB, Solid Försäkrings AB, Teleresurs i Sverige AB, as well as Reda Inkasso AB. For a complete description of the Group structure, see Note 46.

Companies in the Group are recognised in accordance with the acquisition method, meaning that internal transactions are eliminated at the Group level. Assets and liabilities, as well as dividends between Resurs Holding AB (the parent entity) and other Group companies, are specified in each note to the statement of financial position.

Related parties – Other companies with controlling interests or significant influence

Nordic Capital Fund VII directly and indirectly through Cidron FI S.a.r.l. owns 54.37% of Resurs Holding AB and thus holds a controlling interest in the company. Another company in which Nordic Capital Fund VII holds a controlling interest and with which the bank has had transactions is Ellos Group AB. Waldir AB, directly and indirectly through Waldakt AB, owns 44.49% of Resurs Holding AB, and thus holds significant influence over the company. The Waldir Group includes SIBA AB and NetOnNet AB. Waldir AB is owned by the Bengtsson family, which also holds a controlling interest in AB Remvassen.

Transactions with these companies are recognised below under Other companies with controlling interests or significant influence.

All items associated with related companies are interest-bearing.

Related parties – Key individuals in Resurs Holding AB

Kenneth Nilsson	CEO of Resurs Bank AB and Resurs Holding AB
Jan Samuelson	Chairman of Resurs Holding AB and Resurs Bank AB
Christian Frick	Director of Resurs Holding AB and Resurs Bank AB
Martin Bengtsson	Director of Resurs Holding AB and Resurs Bank AB
Anders Dahlvig	Director of Resurs Holding AB
Fredrik Carlsson	Director of Resurs Holding AB
David Samuelson	Director of Resurs Holding AB
Kristoffer Melinder	Director of Resurs Holding AB
Lars Nordstrand	Director of Resurs Holding AB

Key individuals

Information on transactions between related party key personnel and remuneration of these individuals can be found in Note 14, Personnel.

	Group 2014	2013
Other companies with controlling or significant influence		
Interest expense, deposits and borrowing from the public	-7,777	-8,378
Premium income, sold through affiliated agents	-48,534	49,245
Transaction costs	-489,775	-164,804
Fee and commission income		13,546
General administrative expenses	-51,455	-47,063
Other operating expenses		-41
Other assets	8,082	5 501
Deposits and borrowings from the public	511,055	297,521
Other liabilities	43,884	5,983

Note 42 Classification of financial assets and liabilities

Group, 31 Dec 2014	Loans and accounts receivable	Financial assets at FVTPL, designated	Financial assets at FVTPL, held for trading	Total carrying amount	Fair value
Assets					
Treasury and other bills eligible for refinancing		805,843		805,843	805,843
Loans to credit institutions	3,695,094		-	3,695,094	3,695,094
Loans to the public	13,923,375		-	13,923,375	13,923,375
Bonds		1,300,484	-	1,300,484	1,300,484
Subordinated loans		26,478		26,478	26,478
Shares and participating interests		11,610		11,610	11,610
Derivatives			38,573	38,573	38,573
Other assets	156,731			156,731	156,731
Accrued income	45,572	2,180		47,754	47,754
Total financial assets	17,820,772	2,146,595	38,573	20,005,942	20,005,942
Intangible assets				680,346	
Tangible assets				28,515	
Other non-financial assets				299,512	
Total assets	17,820,772	2,146,595	38,573	21,014,315	

	Financial liabilities at FVTPL held for trading	Other financial liabilities	Carrying amount	Fair value
Liabilities				
Liabilities to credit institutions		1,026	1,026	1,026
Deposits and borrowing from the public		15,976,650	15,976,650	15,983,023
Derivatives	91,059	3,794	94,853	94,853
Other liabilities				
Accrued expenses		50,028	50,028	50,028
Total financial liabilities	91,059	16,555,868	16,646,927	16,653,300
Provisions			8,418	
Other non-financial liabilities			1,094,594	
Equity			3,264,376	
Total liabilities and equity	91,059	16,555,868	21,014,315	

Group, 31 Dec 2013	Loans and accounts receivable	Financial assets at FVTPL, designated	Financial assets at FVTPL, held for trading	Total carrying amount	Fair value
Assets					
Treasury and other bills eligible for refinancing		810,182		810,182	810,182
Loans to credit institutions	2,284,180		-	2,284,180	2,284,180
Loans to the public	9,258,334		-	9,258,334	9,258,334
Bonds		2,678,093	-	2,678,093	2,678,093
Shares and participating interests		27,986		27,986	27,986
Derivatives			10,493	10,493	10,493
Other assets	413,106			413,106	413,106
Accrued income	37,461		-	37,461	37,461
Total financial assets	11,993,081	3,516,261	10,493	15,519,835	15,519,835
Tangible assets				15,726	
Other non-financial assets				276,024	
Total assets	11,993,081	3,516,261	10,493	15,811,585	

	Financial liabilities at FVTPL, held for trading	Other financial liabilities	Total carrying amoun	Fair value
Liabilities				
Liabilities to credit institutions		783	783	783
Deposits and borrowing from the public		11,874,089	11,874,089	11,877,154
Derivatives	4,637		4,637	4,637
Other liabilities		516,786	516,786	516,786
Accrued expenses		86,432	86,432	86,432
Total financial liabilities	4,637	12,478,090	12,482,727	12,485,792
Provisions			824	
Other non-financial liabilities			1,306,213	
Equity			2,021,821	
Total liabilities and equity	4,637	12,478,090	15,811,585	

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	Level 1	Level 2	Level 3
Group, 31 Dec 2014			
Financial assets at fair value through profit/loss:			
Treasury and other bills eligible for refinancing	805,843		
Bonds and other interest-bearing securities	1,300,484		
Subordinated loans	26,478		
Shares and participating interests	11,610		
Derivatives		38,573	
Total	2,144,415	38,573	0
Financial liabilities at fair value through profit/loss:			
Derivatives		-94,853	
Total	2,144,415	-56,280	0
Group, 31 Dec 2013			
Financial assets at fair value through profit/loss:			
Treasury and other bills eligible for refinancing	810,182		
Bonds and other interest-bearing securities	2,678,093		
Shares and participating interests	27,986		
Derivatives		10,493	
Total	3,516,261	10,493	0
Financial liabilities at fair value through profit/loss:			
Derivatives		-4,637	
Total	3,516,261	5,856	0

Note 2, Accounting Principles, provides a description of how fair value is determined for financial assets and liabilities carried at fair value in the balance sheet. For current receivables and liabilities and for deposits and lending at variable interest rates, the carrying amount reflects the fair value

- Listed prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Observable inputs for the asset or liability other than quoted prices included in level 1, either directly (i.e., as quoted prices) or indirectly (i.e., derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs) (level 3)

Financial instruments measured at fair value for disclosure purposes

The fair value of loans at variable rates is measured at amortised cost. The carrying amount is deemed a reflection of fair value. Consideration has been given to impairment losses based on statistical experience, with an assessment of the amounts that can be expected to be received. The fair value of loans at fixed interest rates is determined using current market rates, with the initial credit spread kept constant unless there is clear evidence that a change in the Group's credit rating has led to a measurable change in the Group's credit spread.

For deposits and borrowing at variable interest rates, the carrying amount is deemed a reflection of fair value. For deposits and borrowing at fixed interest rates, fair value is calculated using current market rates, with the initial credit spread for the borrowing kept constant. If there is clear evidence that a change in the Group's credit rating has led to a measurable change in the Group's credit spread, this should be taken into account.

For other financial assets and liabilities with a remaining life of less than six months, the carrying amount is deemed a reflection of fair value.

Financial assets and liabilities that are offset or subject to netting agreements

Derivatives are entered into under ISDA agreemens. The amounts are not offset in the balance sheet. The majority of derivatives at 31 December 2014 were covered by the ISDA Credit Support Annex; accordingly, collateral is obtained and provided in the form of bank deposits between the parties. Assets for derivative agreements totalled SEK 39 million (10), while liabilities totalled SEK 91 million (3). Collateral corresponding to SEK 22 million (0) has been provided and is reported under 'loans to credit institutions'.

Note 43 Subsequent events

Cross-border merger of Finaref AS

On 31 March 2015, subsidiary Resurs Bank AB implemented a cross-border merger of Finaref AS with retrospective effect on 1 January 2015. Under the merger, Finaref AS operations were incorporated into Resurs Bank's Norwegian branch.

Issuance of corporate bonds

In March, the FSA approved Resurs Bank's programme for issuing medium term notes (MTN bonds). A first issue of SEK 400 million was conducted on 25 March 2015.

Note 44 Key assessments and estimates

When preparing financial statements in accordance with IFRS and generally accepted accounting principles, it is necessary for management to make active estimates, assumptions and assessments in certain respects. These are based on historical experience and current factors, which are considered fair and reasonable. The results of these professional judgements and estimates affect the recognised amounts of assets, liabilities, income and expenses in the annual report. The actual outcomes may differ from those estimates and assumptions. The Group has made the following critical estimates in applying significant accounting policies:

- classification and measurement of financial instruments
- whether the bank has assumed significant risks and rewards from the seller when acquiring receivables
- impairment of credit losses
- other provisions
- deferred tax assets
- technical provisions

Classification of financial instruments
The accounting policies in Note 2 define how assets and liabilities are to be classified in the different categories. Fair value measurement of financial instruments may lead to some uncertainty as prevailing interest rates and market conditions can change quickly and thus affect the value of the asset.

Acquisition of receivables
Purchased receivables consisting of non-performing consumer receivables are recognised at amortised cost using the effective interest method, which corresponds to the expected present value of all future cash flows. Any discrepancies between the estimated and actual cash flows may have an impact on future earnings.

Impairment of credit losses
The value of impaired loans is assessed based on future cash flows with regard to the borrower's repayment capacity. The cash flow is calculated in a model that is based on the repayment capacity of previous borrowers with regard to impaired loans. If long time series are not available, a coefficient is used to manage the rate of reduction.

The provision model for loans to households is based on collective valuation of impaired loans by segment and product group. The provision for credit losses on loans to companies is based on individual assessments of large exposures and collective assessment for smaller loans.

Estimates and assumptions in the provision model are monitored regularly. Changes in accounting estimates are recognised in the period of the change if the change only affects that period. Changes are recognised in the period of the change and future periods if the change affects both.

Other provisions

The amount recognised as a provision is the best estimate of the expenditure required to settle an active obligation on the balance-sheet date. Earnings may be affected if an estimate has been made that is not consistent with the actual outcome.

Deferred tax assets

In calculating deferred tax assets, assessments are made as to the probability that the deferred tax assets will be leveraged to offset future taxable profits. The actual outcome of future taxable profits may deviate with regard to future profit levels or amendments to the tax code.

Technical provisions

Technical provisions are based on estimates that have been made and assumptions regarding future claims costs, meaning that the estimates are always going to be associated with uncertainty.

The estimates are based on historical statistics regarding past claims outcomes that are available when preparing the annual accounts. The uncertainty that is associated with these estimates is generally greater when making estimates concerning new insurance portfolios. When estimating the technical provisions, factors including the sum of unpaid compensation, claims trends, legislative amendments, court rulings and the general state of the economy are taken into consideration.

Estimates and assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period of the change if the change only affects that period, or in the period of the change and future periods if the change affects both the current and future periods.

Note 45 Business combinations

On 1 April 2014, subsidiary Resurs Bank acquired 100% of Credit Agricole Consumer Finance SA's Nordic operations, comprised of company groups Nordic Consumer Finance A/S and its subsidiary Dan-Aktiv A/S and Finaref AB and its subsidiaries.

Finaref AB is a credit market company specialised in personal loans and payment protection insurance, distributed primarily through e-commerce company Ellos. The company operates in Sweden, and also in Norway and Finland through its subsidiaries Finaref AS and Finaref OY. The company was founded in 1987 and has been a wholly owned subsidiary of Credit Agricole Consumer Finance since 2004. Finaref AB offers personal loans via Ellos and agents and to its own customer base. At the acquisition date, the company had 44 employees.

Nordic Consumer Finance A/S operates through its wholly owned subsidiary Dan-Aktiv A/S. Dan-Aktiv A/S is a consumer credit company specialised in sales financing in Denmark. The company focuses on financing in the retail, e-commerce, vehicle, energy and house and home sectors. F-group (Fona) is its largest sales financing partner. Personal loans and payment protection insurance are offered in the aftermarket. The company had 53 employees at the date of acquisition.

The main objective for the acquisitions is to expand overall market presence and generate new and greater business opportunities in the Nordic region. Through the acquisitions, Resurs Bank immediately obtains a larger geographic platform in Denmark, Norway and Finland. The acquisitions are also meant to add power to Resurs Bank's growth ambitions. Cash consideration for these acquisitions totalled SEK 1,336 million.

On 1 November 2014, Finaref's Swedish operations were transferred to Resurs Bank AB through an asset transfer. In September, the Board decided to integrate the acquired company groups' non-Swedish operations by merging them with bank's branches in Denmark, Norway and Finland. The mergers are expected to be completed during the second quarter of 2015.

Acquisition-related costs totalled SEK 27 million and are included in the Group's general administrative expenses. Since the acquisition, Finaref and Nordic Consumer Finance have contributed a total of SEK 498 million to operating income and SEK 238 million to net profit for the period. If Finaref and Nordic Consumer Finance had been included in the consolidated accounts as of the start of the 2014 financial year, the companies would have contributed SEK 314 million to the Group's operating profit.

<u>Acquisition analysis</u>

In preparing the acquisition analysis, it was found that the fair value of loans to the public exceeded the carrying amounts of the acquired companies by SEK 349 million. Fair value is calculated using discounted cash flows, which are based, among other things, on historical cash flows and repayment rates on corresponding credit portfolios. In the preliminary acquisition analysis prepared in connection with the interim financial statements for the period ended 30 June 2014, fair value exceeded the carrying amounts for the acquired companies by SEK 305 million. The acquisition analysis was amended based on the subsequent emergence of information on payment history, which was not previously known to the buyer.

<u>Goodwill</u>

Goodwill on consolidation that arose in Resurs Bank AB through business combinations, after adjustments for identified assets not carried at fair value, totalled SEK 629 million at acquisition date. See also Note 26, Intangible Assets. The acquisitions have brought the Group a significantly larger lending volume and a basic platform for each market, enabling the Group to achieve synergies by creating national administrative centres to support operations locally in each market. Cash-generating units will be defined based on country; i.e., Sweden, Denmark, Norway and Finland. There will be an integration due to cross-selling between existing customers and customers of the acquired businesses and, accordingly, cash-generating units will not be definable at a lower level. Assets in each country are comprised of existing Resurs Bank AB assets and acquired assets. Cross-border mergers have been initiated, aimed at integrating all operations in Resurs Bank and running these operations in branches to the extent their activities are conducted abroad. It not currently possible to determine exactly how the assets are distributed in each country. In view of this, and because there are no indications of impairment, no impairment testing has been carried out.

Reported amount of identifiable dacquired assets and liabilities

Loans to credit institutions		34,717
Loans to the public		3 312,844
Loans to the public - fair value adjustment		348,336
Other assets		40,116
Total assets		3 736,013
Other liabilities		3 029,640
Total liabilities		3 029,640
Net identifiable assets and liabilities		706,373
Goodwill on consolidation		629,356
Consideration transferred	1,335	

Note 46 **Group structure, 31 Dec 2014**

Translator's note: I can't get into the picture – it can stay as-is BUT pls change "vilande" to "inactive"

The Board of Directors and the CEO certify that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements have been prepared in accordance with international accounting standards as referenced in the European Parliament and Council Regulation (EC) no. 1606/2002 of 19 July 2002 on the application of international accounting standards. The annual accounts and consolidated financial statements provide a true and fair view of the Parent Company's and the Group's position and results. The Board of Directors' Report for the Parent Company and the Group provides a fair review of the Parent Company's development and the Group's operations, position and results and describes significant risks and uncertainties faced by the Parent Company and the Group companies.

The Board of Directors has approved the issue of the annual report for the Parent Company and the Group on 18 May 2015. The income statement and statement of financial will be presented for adoption at the Annual General Meeting on 18 May 2015.

Helsingborg, 18 May 2015

Jan Samuelson
Chairman

Martin Bengtsson

Fredrik Carlsson

Anders Dahlvig

Christian Frick

Kristoffer Melinder

David Samuelson

Lard Nordstrand

Kenneth Nilsson
CEO and President

Our auditor's report was submitted on 18 May 2015.

Ernst & Young AB

Niklas Paulsson
Authorised Public Accountant

Auditors' Report

To the Annual General Meeting of Resurs Holding AB (publ), Corp. Reg. No. 556898-2291

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Resurs Holding AB (publ) for the year 2014.

Responsibilities of the Board of Directors and the CEO for the annual accounts and consolidated accounts

The Board and the CEO are responsible for the preparation and fair presentation of these annual accounts in accordance with the Swedish Annual Accounts Act, and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the Group as of 31 December 2014 and of their financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. The Report of the Board of Directors is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Resurs Holding AB for the year 2014.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board and the CEO are responsible for administration under the Companies Act and the Banking and Financing Business Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Banking and Financing Business Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Helsingborg, 18 April 2015
Ernst & Young AB

Niklas Paulsson
Authorised Public
Accountant