# Resurs Holding AB (publ)

(a Swedish public limited liability company)

## Offering of 60,000,000 common shares

This Offering Memorandum (the "**Offering Memorandum**") relates to the initial public offering (the "**Offering**") of 60,000,000 existing common shares (the "**Firm Shares**") of Resurs Holding AB (publ) (the "**Company**" or "**Resurs**"), each with a quota value of SEK 0.005, by the selling shareholders, consisting of Cidron Semper Ltd., Waldakt AB (together the "**Principal Selling Shareholders**") and RSF Invest AB, which is partially owned by certain members of the Board of Directors and management of Resurs (together with the Principal Selling Shareholders, the "**Selling Shareholders**"). For additional information on the Selling Shareholders, see "*Selling Shareholders*". Resurs will not receive any proceeds from the sale of the Offer Shares (as defined below).

The total number of Firm Shares sold by the Selling Shareholders may be increased. However, in no event will the Selling Shareholders sell more than 74,800,000 existing common shares in the Offering, excluding any existing common shares that may be sold pursuant to the Over-allotment Option described below.

The Principal Selling Shareholders have granted the Joint Global Coordinators and Joint Bookrunners (as defined herein) an option (the "**Over-allotment Option**"), exercisable in whole or in part for 30 calendar days following the date on which the shares commence trading on Nasdaq Stockholm, to purchase up to 11,220,000 additional existing common shares (the "**Option Shares**") at the offering price, to cover any potential over-allotment in connection with the Offering. See "*Summary*". The Firm Shares and, if any are sold pursuant to the Over-allotment Option, the Option Shares, shall be referred to as the "**Offer Shares**" and the term "**Shares**" shall refer to all outstanding shares of the Company at any given time.

This Offering consists of: (i) an offer to the public in the Kingdom of Sweden; and (ii) private placements to institutional investors in various jurisdictions, including a private placement in the United States to persons who are "qualified institutional buyers" or "**QIBs**" as defined in, and in reliance on, Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). All offers and sales outside the United States will be made in compliance with Regulation S ("**Regulation S**") under the U.S. Securities Act.

Swedbank Robur Fonder AB, the Second Swedish National Pension Fund, Handelsbanken Fonder AB and Catella Fondförvaltning AB (the "**Cornerstone Investors**") have committed to acquire at the final offering price a number of Offer Shares equivalent to the percentage of the Company's Shares following completion of the Offering set out next to its respective name below:

- Swedbank Robur AB: 5 percent;
- The Second Swedish National Pension Fund: 3.5 percent;
- Handelsbanken Fonder AB: 3 percent ; and
- Catella Fondförvaltning AB: 2.5 percent.

Each Cornerstone Investor's commitment is subject to certain conditions as described in "*Plan of distribution–Cornerstone Investor commitments*". The Cornerstone Investors will not be subject to a lock-up in respect of their allocations.

Prior to the Offering, there has been no public market for the Shares. Application has been made for the Shares to be admitted to trading and listing on Nasdaq Stockholm under the trading symbol "Resurs". The first day of trading in, and the listing of, the Shares is expected to be 29 April 2016.

Investing in the Offer Shares involves risks. See "*Risk factors*" beginning on page 16 for a discussion of certain risks prospective investors should consider before investing in the Offer Shares.

The offering price is expected to be set within the range set forth below. The offering price will be announced publicly on or about 29 April 2016.

**Offering price range: SEK 50 to SEK 60 per Offer Share**

**This Offering Memorandum does not constitute an offer to sell, or the solicitation of an offer to purchase, any of the Offer Shares in any jurisdiction from any person to whom it would be unlawful to make such an offer in such a jurisdiction.**

**The Offer Shares have not been and will not be registered under the U.S. Securities Act or any securities laws of any state within the United States, and may be offered and sold in the United States only to QIBs in reliance on Rule 144A, and offered and sold outside the United States only in compliance with Regulation S under the U.S. Securities Act. Prospective investors are hereby notified that sellers of the Company's Shares may be relying on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A. For a description of certain restrictions on offers or sales, and on resale or transfer of the Company's Shares, see "*Plan of distribution–Selling restrictions*" and "*Transfer restrictions*".**

The Joint Bookrunners expect to deliver the Offer Shares on or about 3 May 2016 through the facilities of Euroclear Sweden AB ("**Euroclear Sweden**"), against payment for the Offer Shares in immediately available funds. The Shares will be eligible for clearing through Euroclear Sweden.

Joint Global Coordinators and Joint Bookrunners

Carnegie | Goldman Sachs | Morgan Stanley

Joint Bookrunner

SEB

17 April 2016

## NOTICES TO INVESTORS

The distribution of this Offering Memorandum and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in the Offer Shares may, in certain jurisdictions other than Sweden, including, but not limited to, the United States, be restricted by law. Persons in possession of this Offering Memorandum are required to inform themselves about, and to observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. This Offering Memorandum may not be used for, or in connection with, and does not constitute, an offer to sell, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or invitation is not authorised or would be unlawful. Neither this Offering Memorandum, nor any related materials, may be distributed or transmitted to, or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws or regulations.

None of the Company, the members of the Board of Directors, the group management, the Selling Shareholders, the Managers or any of their respective representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

All purchasers of the Offer Shares are deemed to acknowledge that: (i) they have not relied on the Managers or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this Offering Memorandum or their investment decision; and (ii) they have relied only on the information contained in this Offering Memorandum, and that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries, the Selling Shareholders or the Offer Shares (other than as contained in this Offering Memorandum) and, that if given or made, any such other information or representation has not been relied upon as having been authorised by the Company, the Selling Shareholders or any of the Managers.

**EXCEPT AS OTHERWISE SET OUT IN THIS OFFERING MEMORANDUM, THE OFFERING DESCRIBED IN THIS OFFERING MEMORANDUM IS NOT BEING MADE TO INVESTORS IN THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.**

This Offering Memorandum does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire, the Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in the Company becoming subject to public company reporting obligations outside Sweden.

The distribution of this Offering Memorandum, and the offer or sale of Offer Shares, is restricted by law in certain jurisdictions. This Offering Memorandum may only be used where it is legal to offer, solicit offers to purchase or sell the Offer Shares. Persons who obtain this Offering Memorandum must inform themselves about and observe all such restrictions.

No action has been or will be taken to permit a public offer or sale of the Offer Shares, or the possession or distribution of this Offering Memorandum or any other material in relation to the Offering, in any jurisdiction outside Sweden where action may be required for such purpose. Accordingly, neither this Offering Memorandum nor any advertisement or any other related material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. See "*Plan of distribution–Selling restrictions*" and "*Transfer restrictions*".

**United States**

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States, and may not be offered or sold within the United States unless the Offer Shares are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available. In the United States the Offer Shares will be sold only to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A under the U.S. Securities Act. All offers and sales of the Offer Shares outside the United States will be made in compliance with Regulation S under the U.S. Securities Act and in accordance with applicable law. See "*Plan of distribution–Selling restrictions*" and "*Transfer restrictions*". The Offer Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States.

**European Economic Area**

In any member state of the European Economic Area ("**EEA**") other than Sweden that has implemented the Prospectus Directive, this Offering Memorandum is only addressed to, and is only directed at, investors in that EEA member state who fulfil the criteria for exemption from the obligation to publish a prospectus, including qualified investors, within the meaning of the Prospectus Directive as implemented in each such EEA member state.

This Offering Memorandum has been prepared on the basis that all offers of Offer Shares, other than the offer contemplated in Sweden, will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of the Offer Shares. Accordingly any person making or intending to make any offer within the EEA of the Offer Shares that is the subject of the placement contemplated in this Offering Memorandum should only do so in circumstances in which no obligation arises for the Company, the Selling Shareholders or any of the Managers to produce a prospectus for such offer. None of the Company, the Selling Shareholders and the Managers have authorised, nor do the Company, the Selling Shareholders or the Managers authorise, the making of any offer of the Offer Shares through any financial intermediary, other than offers made by Managers that constitute the final placement of the Offer Shares contemplated in this Offering Memorandum.

The Offer Shares have not been, and will not be, offered to the public in any EEA member state that has implemented the Prospectus Directive (as defined below), excluding Sweden (each a "**Relevant Member State**"). Notwithstanding the foregoing, an offering of the Offer Shares may be made in a Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of the Offer Shares results in a requirement for the publication by the Company, the Selling Shareholders or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Offer Shares so as to enable an investor to decide to purchase the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

**United Kingdom**

Offers of the Offer Shares pursuant to the Offering are only being made to persons in the United Kingdom who are "**qualified investors**" or otherwise in circumstances that do not require publication by the Company of a prospectus pursuant to section 85(1) of the U.K. Financial Services and Markets Act 2000.

Any investment or investment activity to which this Offering Memorandum relates is available only to, and will be engaged in only with persons who: (i) are investment professionals falling within Article 19(5); or (ii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc."), of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (together, "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this Offering Memorandum and should not act or rely on it.

**Canada**

The Offer Shares are not being offered and may not be sold to any purchaser in a province or territory of Canada other than the provinces of Alberta, British Columbia, Ontario and Quebec.

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

**Enforcement of Civil Liabilities**

The ability of Shareholders in certain countries other than Sweden, in particular in the United States, to bring an action against the Company may be limited under law. The Company is a public limited liability company (Sw. *publikt aktiebolag*) incorporated in Sweden and has its statutory seat (Sw. *säte*) in the municipality of Helsingborg, Sweden.

All of the members of the Board of Directors, the group management and other officers of the group named herein are residents of countries other than the United States. All or a substantial proportion of the assets of these individuals are located outside the United States. The Group's assets are predominantly located outside of the United States. As a result, it may be impossible or difficult for investors to effect service of process within the United States upon such persons or the Company or to enforce against them in U.S. courts a judgment obtained in such courts.

The United States and Sweden do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a judgment rendered by a court in the United States will not be recognised and enforced by the Swedish courts. However, if a person has obtained a final and conclusive judgment for the payment of money rendered by a court in the United States which is enforceable in the United States and files his claim with the competent Swedish court, the Swedish court will generally give binding effect to such foreign judgment insofar as it finds that the jurisdiction of the U.S. court has been based on grounds which are internationally acceptable and that proper legal procedures have been observed and except to the extent that the foreign judgment contravenes Swedish public policy.

## IMPORTANT INFORMATION

**General**

The content of this Offering Memorandum is not to be considered or interpreted as legal, financial or tax advice. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the members of its Board of Directors, the group management, the Selling Shareholders, any of the Managers or any of their respective representatives that any recipient of this Offering Memorandum should subscribe for or purchase any Offer Shares. The Managers are party to various agreements pertaining to the Offering and have entered or may enter into financing arrangements with the Company or the Group, but this should not be considered as a recommendation by them to invest in the Offer Shares. Each prospective investor should consult his own stockbroker, bank manager, lawyer, auditor or other financial, legal or tax advisers before making any investment decision with regard to the Offer Shares, to among other things consider such investment decision in light of his or her personal circumstances and in order to determine whether or not such prospective investor is eligible to subscribe for the Offer Shares.

In this Offering Memorandum, "**Company**" and "**Resurs**" refers to Resurs Holding AB (publ) or Resurs Holding AB (publ) and its subsidiaries, as the context requires.

Potential investors should rely only on the information contained in this Offering Memorandum and any supplements announced in accordance with the provisions of Chapter 2, Section 34 of the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) (the "**Trading Act**"). The Company does not undertake to update this Offering Memorandum, unless required pursuant to the provisions of Chapter 2, Section 34 of the Trading Act, and therefore potential investors should not assume that the information in this Offering Memorandum is accurate as of any date other than the date of this Offering Memorandum. No person is or has been authorised to give any information or to make any representation in connection with the Offering, other than as contained in this Offering Memorandum, and, if given or made, any other such information or representation must not be relied upon as having been authorised by the Company, the members of its Board of Directors, the group management, the Selling Shareholders, any of the Managers or any of their respective representatives. The delivery of this Offering Memorandum at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in the Group's affairs since the date hereof or that the information set forth in this Offering Memorandum is correct as of any time since its date.

No representation or warranty, express or implied, is made or given by or on behalf of the Managers or any of their affiliates or any of their respective directors, officers or employees or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in this Offering Memorandum, or incorporated by reference herein, and nothing in this Offering Memorandum, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by the Managers or any of their respective affiliates as to the past or future. None of the Managers accepts any responsibility whatsoever for the contents of this Offering Memorandum or for any other statements made or purported to be made by either itself or on its behalf in connection with the Company, the Selling Shareholders, the Group, the Offering or the Shares. Accordingly, the Managers disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Offering Memorandum and/or any such statement.

The Managers are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Offering Memorandum) as their respective customers in relation to the Offering and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their respective customers or for giving advice in relation to, respectively, the Offering and the listing or any transaction or arrangement referred to herein.

In connection with the Offering, the Managers and any of their respective affiliates, acting as investors for their own accounts, may subscribe for and/or acquire Offer Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Offer Shares and other securities of the Company or related investments in connection with the Offering or otherwise. Accordingly, references in this Offering Memorandum to the Offer Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, the Managers and any of their affiliates acting as investors for their own accounts. None of the Managers intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Carnegie has also been engaged by the Company as Listing and Paying Agent for the Shares, in relation to the admission of the Offer Shares to trading on Nasdaq Stockholm. The Listing and Paying Agent's activities consist essentially of filing the application for admission to trading with Nasdaq OMX Stockholm AB and paying sums due on the Shares. The Listing and Paying Agent is acting for the Company only and will not regard any other person as its client in relation to the Offering. Neither the Listing and Paying Agent nor any of its directors, officers, agents or employees makes any representation or warranty as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference in this Offering Memorandum, in any investor report or for any other statements made or purported to be made either by itself or on its behalf in connection with the Company, the Selling Shareholders, the Offering or the Shares. Accordingly, the Listing and Paying Agent disclaims all and any liability, whether arising in tort or contract or otherwise in respect of this Offering Memorandum and or any such other statements.

**Supplements**

If a significant new factor, material mistake or inaccuracy relating to the information included in this Offering Memorandum that is capable of affecting the assessment of the Offer Shares, arises or is noted between the date of this Offering Memorandum and the later of the end of the Offering Period and the start of trading on Nasdaq Stockholm, a prospectus supplement must be announced in accordance with the provisions of Chapter 2, Section 34 of the Trading Act. Such a supplement will be subject to approval by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**").

Investors who have already agreed to purchase or subscribe for the Offer Shares before the supplement is published shall have the right, exercisable within two business days following the publication of a supplement, to withdraw their acceptances.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Memorandum or in a document that is incorporated by reference in this Offering Memorandum. Any statement so modified or superseded shall, except as so modified or superseded, no longer constitute a part of this Offering Memorandum. For the avoidance of doubt, references in this paragraph to any supplement being published by the Company do not include the pricing statement.

**Forward-looking statements**

This Offering Memorandum contains various forward-looking statements that reflect management's current views with respect to future events and anticipated financial and operational performance. Forward-looking statements as a general matter are all statements other than statements as to historical facts or present facts or circumstances. The words "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements appear in a number of places in this Offering Memorandum, including, without limitation, in the sections entitled "*Summary*", "*Risk factors*", "*Operating and financial review*", "*Industry overview*", "*Dividends and dividend policy*" and "*Business description*" and include, among other things, statements relating to:

- Resurs's strategy, outlook and growth prospects, including on a geographic segment basis;
- Resurs's operational and financial targets and dividend policy;
- Resurs's liquidity, capital resources and capital expenditure;
- Resurs's planned investments, acquisitions and/or divestments;
- the expectations as to future growth in demand for Resurs's products and services;
- the impact of regulations on Resurs and its operations;
- the impact of changes in tax regulations that Resurs is subject to; and
- the competitive environment in which Resurs operates.

Although Resurs believes that the expectations reflected in these forward-looking statements are reasonable, Resurs can give no assurances that they will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors, including, among others:

- changes in the economic conditions in the markets in which Resurs operates;
- the loss or suspension of Resurs's banking license and the potential impairment of Resurs's access to funding at similar cost or at all;
- deterioration in the value of Resurs's existing loan portfolios;
- inability to manage Resurs's acquisitions and growth,
- inability to maintain and develop Resurs's data storage or IT systems, including the hosting and security of Resurs's savings accounts, or anticipate, manage or adopt technological advances within Resurs's industry;
- failure to maintain IT security or protect Resurs's data storage;
- breach of data protection laws;
- reliance on Resurs's senior management team and trained employees;
- failure to comply with applicable laws, regulations and codes of practice or changes to the regulatory environment in which Resurs operates; and
- failure of Resurs's statistical models and data analysis tools to accurately project cash flows from Resurs's portfolios.

Additional factors that could cause Resurs's actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*".

These forward-looking statements speak only as of the date of this Offering Memorandum. The Company expressly undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation. Accordingly, prospective investors are cautioned not to place undue reliance on any of the forward-looking statements herein.

**Market and financial data**

Resurs presents various market, industry and financial data throughout the Offering Memorandum.

Information provided in the Offering Memorandum on the market environment, market developments, growth rates, market trends and on the competitive situation in the markets and regions in which the Company operates is based on data, statistical information and reports by third parties or prepared by the Company based on the Company's own information and information in such third-party reports. In particular, the Company has sourced information on the market size, market outlook and market growth from a market report that the Company commissioned from a leading international third-party consultancy firm.

While the Company has accurately reproduced such third-party information, neither the Company nor the Managers has independently verified the accuracy of such information, market data or other information on which third parties have based their studies. As far as the Company is aware and is able to ascertain from information published by these third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Market studies are frequently based on information and assumptions that may not be exact or appropriate, and their methodology is by nature forward-looking and speculative.

The Offering Memorandum also contains estimates of market data and information derived therefrom that cannot be gathered from publications by market research institutions or any other independent sources. Such information is prepared by the Company based on third-party sources and the Company's own internal estimates, including studies of the market that the Company has commissioned. In many cases there is no publicly available information on such market data, for example from industry associations, public authorities or other organisations and institutions. The Company believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which the Company operates as well as its position within the industry. Although the Company believes that its internal market observations are reliable, the Company's own estimates have not been reviewed or verified by any external parties. While the Company is not aware of any misstatements regarding the industry or similar data presented herein, statements regarding the industry or similar data involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk factors" in this Offering Memorandum. For more information on the presentation of market and industry data, see "*Presentation of financial and other information–Market data*". For information on the presentation of financial and other data, see "*Selected consolidated historical financial and other data*".

**Stabilisation**

In connection with the Offering, Carnegie Investment Bank AB, Goldman Sachs International and Morgan Stanley & Co. International plc, as the Stabilising Managers, or their agents, on behalf of the Joint Bookrunners may over-allot Shares or carry out other transactions in order to stabilise the market price of the Shares or keep the price at a higher level than which might otherwise prevail in the open market. Such stabilising transactions may be carried out anytime during the period that starts on the first day of trading in the Resurs Shares on Nasdaq Stockholm and be concluded at the latest 30 calendar days thereafter. However, the Joint Bookrunners have no obligation to carry out any stabilisation and there is no guarantee that any stabilisation will occur. Stabilisation, if initiated, may furthermore be discontinued at any time without prior notice. For additional information, please refer to "*Plan of distribution–Stabilisation*".

**Enforceability of Liabilities**

The Company is a company limited by shares organised under the laws of the Kingdom of Sweden and its assets are located outside of the United States. In addition, none of the members of the Company's Board of Directors or officers and other executives of the Company are citizens or residents of the United States and their assets are located primarily or entirely outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Company or most of such persons, or to enforce against them judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws or otherwise. The United States and Sweden do not currently have a treaty providing for reciprocal recognition and enforcement of judgments rendered in connection with civil and commercial disputes. As a result, a final judgment for the payment of damages based on civil liability rendered by a U.S. court, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in Sweden. If the party in whose favour the final judgment is rendered brings a new suit in a competent Swedish court, the party may submit to the Swedish court the final judgment that has been rendered in the United States. Such judgment will only be regarded by a Swedish court as evidence of the outcome of the dispute to which the judgment relates, and a Swedish court may choose to rehear the dispute ab initio.

**Additional Information**

For so long as any of the Shares are "restricted securities" within the meaning of the Securities Act, Resurs has agreed that it will, during any period in which it is neither subject to the reporting requirements of Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from such reporting requirements by complying with the information furnishing requirements of Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities, or to any prospective purchaser designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act. Resurs is not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act.

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## The Offering in brief

### Price range

SEK 50–60 per Offer Share.

### Application period for the general public

19–27 April 2016

### Announcement of selling price

29 April 2016

### First day of trading in Resurs Shares

29 April 2016

### Settlement date

3 May 2016

### Other information

| | |
|---|---|
| Ticker: | Resurs |
| ISIN code: | SE0007665823 |

### Financial calendar

| | |
|---|---|
| Interim report January-March 2016 | 10 May 2016 |
| Interim report January-June 2016 | 9 August 2016 |
| Interim report January-September 2016 | 8 November 2016 |

# Summary

Prospectus summaries consist of information requirements presented in "items". The items are numbered in sections A–E (A.1–E.7).

The summary in this Offering Memorandum includes all of the items required in a summary for the relevant type of security and issuer. However, since certain items are not applicable to all types of prospectuses, there may be gaps in the numbering of the items.

Even if an item is required to be included in the summary for the relevant type of security and issuer, it is possible that no relevant information can be provided regarding the item. In such case, the information is replaced by a brief description of the item together with the indication "not applicable".

| **Section A – Introduction and warnings** | | |
|---|---|---|
| **A.1** | *Introduction and warnings* | This summary should be read as an introduction to the Offering Memorandum.<br><br>Any decision to invest in the securities should be based on consideration of the Offering Memorandum as a whole by the investor.<br><br>Where a claim relating to the information in this Offering Memorandum is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Offering Memorandum before the legal proceedings are initiated.<br><br>Civil liability may attach to those persons who produced the summary, including any translation thereof, only if the summary is misleading, inaccurate or inconsistent with other parts of the Offering Memorandum or if, together with other parts of the Offering Memorandum, it fails to provide key information to help investors when considering investing in such securities. |
| **A.2** | *Consent to use of the prospectus* | Not applicable. Financial intermediaries are not entitled to use the Offering Memorandum for subsequent resale or final placement of securities. |

| **Section B – Issuer** | | |
|---|---|---|
| **B.1** | *Company name and trading name* | The Company's name (and trading name) is Resurs Holding AB (publ) The Company is incorporated in Sweden. |
| **B.2** | *Registered office and type of company* | The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*). The business is conducted in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). The Company was founded in Sweden. The registered office is situated in the municipality of Helsingborg. |
| **B.3** | *Main business operations* | Resurs is a leading provider of payment solutions (including retail finance and credit cards), consumer loans and targeted insurance products in the Nordic region. As of 31 December 2015, Resurs offered payment solutions and consumer loans to approximately 1.2 million customers (including approximately 50,000 customers in Norway as a result from the acquisition of yA Bank AS ("**yA Bank**") and MetaTech AS ("**MetaTech**" and, together with yA Bank, "**yA Bank Group**") on 26 October 2015 (the "**yA Bank Acquisition**")) with outstanding balances across the Nordic region, and had a loan portfolio of SEK 18.2 billion (including a loan portfolio of SEK 3.5 billion acquired in the yA Bank Acquisition), with more than SEK 19.9 billion in new lending in the year ended 31 December 2015. Resurs has consistently expanded its operations and its loan portfolio has increased from SEK 9.3 billion as of 31 December 2013 to SEK 18.2 billion as of 31 December 2015, which corresponds to a compound annual growth rate of 40.2 percent (including the SEK 3.5 billion loan portfolio of yA Bank). |

<table>
<tr><td>B.3,<br>cont'd.</td><td></td><td>From its headquarters in Helsingborg, Sweden, Resurs has developed long-term relationships with a significant number of the largest retail companies in the Nordic region and, as of 31 December 2015, offered retail finance solutions through more than 1,200 retail finance partners, with a network of approximately 35,000 stores. As of 31 December 2015, Resurs had more than 2.4 million active individual retail finance customers, with an average initial loan size of approximately SEK 1,550. Resurs builds its retail finance customer base and increases sales penetration through partnerships with online, click-and-brick and brick-and-mortar retailers. Management believes that its ability to develop its offering on an "omni-channel" (online, offline and mobile) basis and approach retail customers across a variety of retail channels is a key competitive advantage that helps to ensure broad penetration of the Company's retail finance products and coverage of a diverse range of consumer demographic profiles. Resurs monitors and collects information from its payment solutions and consumer loans customers, including credit utilisation and spending data, payment pattern and credit history information, which Resurs stores in what management believes to be one of the largest internal databases that includes this type of consumer information in the Nordic region.</td></tr>
<tr><td>B.4a</td><td>Trends</td><td>In addition to the macroeconomic environment, there are several other trends that have affected the growth of the countries relevant to Resurs, and are expected to continue to have an impact on them going forward:<br>• Increasing social acceptance for consumer finance.<br>• Regulatory changes such as "mortgage cap".<br>• Development of online banking services.<br>• Growing market for credit brokers.<br><br>According to a leading international third party consultancy firm, stable growth is expected in the outstanding balances of each of the separate geographical markets between 2014 and 2019. The outstanding balances in Sweden, Norway, Denmark and Finland are expected to grow by CAGRs of 4.6 percent, 5.5 percent, 4.4 percent and 2.7 percent, respectively, from and including 2014 to 2019.</td></tr>
<tr><td>B.5</td><td>The Group</td><td>Resurs Holding AB (publ) is the ultimate parent company in the Group, which comprises five operational companies, Resurs Holding AB, Resurs Bank Aktiebolag, Solid Försäkringsaktiebolag, yA Bank AS, MetaTech AS with four branches in four countries.</td></tr>
<tr><td>B.6</td><td>Major shareholders, etc.</td><td>In Sweden, the lowest threshold for mandatory reporting of changes in shareholdings (Sw. flaggning) is 5 percent of all shares or voting rights in respect of all shares. The following table sets forth the Company's shareholders with holdings corresponding to at least 5 percent of the shares and voting rights as of the day of this Offering Memorandum.<br>
<table>
<tr><th>Shareholder/Nominee/Depository bank</th><th>Number of Shares</th><th>Number of Shares and votes, %</th></tr>
<tr><td>Cidron Semper Ltd</td><td>103,959,549</td><td>51.98</td></tr>
<tr><td>Waldakt AB</td><td>85,058,040</td><td>42.53</td></tr>
<tr><td>RSF Invest AB</td><td>10,982,411</td><td>5.49</td></tr>
<tr><td>Total</td><td>200,000,000</td><td>100.00</td></tr>
</table>
Source: Euroclear Sweden<br><br>Immediately after the completion of the Offering assuming that the offering price is set at the midpoint of the price range, the Offering is increased in full and the Over-allotment option is exercised in full, the Principal Selling Shareholders will hold 30.46 percent (Cidron Semper Ltd.) and 24.92 percent (Waldakt AB), respectively, of the outstanding shares of the Company (the "Shares"). Thus, the Principal Selling Shareholders are likely to continue to have a significant influence over the outcome of matters submitted to Resurs's shareholders for approval. Such influence is, however, limited by the provisions of the Companies Act.</td></tr>
</table>

| | | |
|---|---|---|
| **B.6, cont'd.** | | Members of the Board of Directors, certain members of group management and other employees of Resurs hold indirect economic interests in Resurs (corresponding to in aggregate 3.35 percent of Resurs) through RSF Invest AB, a company also owned by RSF Invest Holding AB. RSF Invest Holding AB is owned by Waldakt AB and Cidron Semper Ltd.<br><br>Swedbank Robur Fonder AB ("**Swedbank Robur**"), the Second Swedish National Pension Fund, Handelsbanken Fonder AB ("**Handelsbanken Fonder**") and Catella Fondförvaltning AB ("**Catella**") (the "**Cornerstone Investors**") have committed to acquire at the final offering price a number of Offer Shares equivalent to the percentage of the Company's Shares following completion of the Offering set out next to its respective name below:<br>• Swedbank Robur: 5 percent;<br>• The Second Swedish National Pension fund: 3.5 percent;<br>• Handelsbanken Fonder: 3 percent; and<br>• Catella: 2.5 percent.<br><br>Each Cornerstone Investor's commitment is subject to certain conditions as described in "*Plan of distribution-Cornerstone Investor commitments*". The Cornerstone Investors will not be subject to a lock-up in respect of their allocations. |
| **B.7** | *Selected historical financial information* | The selected consolidated historical financial data set forth below as of and for the years ended 31 December 2015, 2014 and 2013 has been derived from the Company's audited consolidated financial statements, which were audited by Ernst & Young AB, as set forth in its audit report included elsewhere herein. The Company's consolidated financial statements as of and for the periods set forth below have each been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). |

**SELECTED CONSOLIDATED INCOME STATEMENT DATA OF THE COMPANY**

| (SEK thousand) | For the year ended 31 December 2015 | 2014 | 2013 |
|---|---|---|---|
| | | (audited) | |
| Interest income | 1,994,686 | 1,684,048 | 951,734 |
| Interest expense | (212,607) | (334,992) | (299,865) |
| Fee and commission income | 231,848 | 268,803 | 164,690 |
| Fee and commission expense, banking operations | (38,785) | (34,602) | (36,057) |
| Premium income, net | 1,167,017 | 989,080 | 919,186 |
| Insurance compensation, net | (505,002) | (408,741) | (391,374) |
| Fee and commission expense, insurance operations | (419,783) | (399,447) | (382,508) |
| Net income/(expense) from financial transactions | (35,092) | 6,596 | 15,567 |
| Profit/(loss) from participations in group companies | (140) | – | – |
| Other operating income | 188,927 | 195,770 | 272,124 |
| **Total operating income** | **2,371,069** | **1,966,515** | **1,213,496** |
| General administrative expenses | (989,505) | (837,307) | (546,736) |
| Depreciation, amortisation and impairment of non-current assets | (16,496) | (13,820) | (5,777) |
| Other operating expenses | (151,986) | (147,770) | (111,528) |
| **Total expenses before credit losses** | **(1,157,987)** | **(998,897)** | **(664,041)** |
| Earnings before credit losses | 1,213,082 | 967,618 | 549,455 |
| Credit losses, net | (374,863) | (350,699) | (169,120) |
| **Operating profit/(loss)** | **838,219** | **616,919** | **380,335** |
| Income tax expense | (216,010) | (149,270) | (93,506) |
| **Net profit/(loss) for the period** | **622,209** | **467,649** | **286,829** |

**B.7, cont'd.**

**CONSOLIDATED BALANCE SHEET DATA OF THE COMPANY**

| (SEK thousand) | 2015 | As of 31 December 2014 | 2013 |
|---|---|---|---|
| | | *(audited)* | |
| Cash and balances at central banks | 50,761 | – | – |
| Treasury and other bills eligible for refinancing | 956,725 | 805,843 | 810,182 |
| Loans to credit institutions | 2,351,285 | 3,695,094 | 2,284,180 |
| Loans to the public | 18,198,175 | 13,923,375 | 9,258,334 |
| Bonds and other interest-bearing securities | 1,477,206 | 1,300,484 | 2,678,093 |
| Subordinated loans | 25,015 | 26,478 | – |
| Shares and participating interests | 32,903 | 11,610 | 27,986 |
| Intangible assets[1)] | 1,784,003 | 680,346 | 17,943 |
| Property, plant and equipment | 37,132 | 28,515 | 15,726 |
| Reinsurers' share of technical provisions | 24,685 | 6,028 | 160,662 |
| Other assets[2)] | 377,728 | 251,695 | 293,643 |
| Prepaid expenses and accrued income | 249,802 | 284,847 | 264,836 |
| **Total assets** | **25,565,420** | **21,014,315** | **15,811,585** |
| | | | |
| Liabilities to credit institutions | 141,260 | 1,026 | 783 |
| Deposits and borrowing from the public | 16,433,531 | 15,976,650 | 11,874,089 |
| Other liabilities[3)] | 1,038,501 | 1,079,283 | 901,200 |
| Accrued expenses and deferred income | 185,482 | 132,709 | 189,841 |
| Technical provisions | 534,237 | 551,853 | 823,026 |
| Other provisions | 8,675 | 8,418 | 824 |
| Issued securities | 2,181,340 | – | – |
| Subordinated debt | 38,224 | – | – |
| **Total liabilities and provisions** | **20,561,250** | **17,749,939** | **13,789,763** |
| | | | |
| **Equity** | | | |
| Share capital | 1,000 | 126 | 100 |
| Other paid-in capital | 2,050,734 | 800,753 | 82,777 |
| Translation reserve | (76,257) | 56,159 | (744) |
| Retained earnings including profit for the period | 3,028,693 | 2,407,338 | 1,939,689 |
| **Total equity** | **5,004,170** | **3,264,376** | **2,021,822** |
| **Total liabilities, provisions and equity** | **25,565,420** | **21,014,315** | **15,811,585** |

1) Includes goodwill and other intangible assets. For more information, see the financial statements included elsewhere herein.
2) Includes current tax receivables, deferred tax assets, and derivatives. For more information, see the financial statements included elsewhere herein.
3) Includes other liabilities, derivatives, tax liabilities and deferred tax liabilities. For more information, see the financial statements included elsewhere herein.

**SELECTED CONSOLIDATED CASH FLOW STATEMENT DATA OF THE COMPANY**

| (SEK thousand) | 2015 | For the year ended 31 December 2014 | 2013 |
|---|---|---|---|
| | | *(audited)* | |
| Cash flow from operating activities | (2,990,418) | 2,088,452 | 3,161,775 |
| Cash flow from investing activities | (1,326,476) | (1,403,300) | (1,678,916) |
| Cash flow from financing activities | 3,049,081 | 718,002 | – |
| **Cash flow for the year** | **(1,267,813)** | **1,403,154** | **1,482,859** |
| **Cash and cash equivalents at the end of the period** | **2,402,046** | **3,695,094** | **2,284,180** |

| | | |
|---|---|---|
| **B.7,** **cont'd.** | | **Key operating metrics**<br>In this Offering Memorandum, the Company presents certain key operating metrics, including certain key operating metrics and ratios that are not measures of financial performance or liquidity under IFRS. The non-IFRS metrics presented herein are not recognised measures of financial performance under IFRS, but measures used by management to monitor the underlying performance of the Company's business and operations. In particular, non-IFRS metrics should not be viewed as substitutes for income statement or cash flow items computed in accordance with IFRS. The non-IFRS metrics do not necessarily indicate whether cash flow will be sufficient or available to meet the Company's cash requirements and may not be indicative of the Company's historical operating results, nor are such metrics meant to be predictive of the Company's future results.<br>Resurs's management uses these IFRS and non-IFRS metrics for many purposes in managing and directing the company and has presented these metrics because it believes that these metrics are important and helpful in understanding Resurs's performance from period to period and to facilitate comparison with its peers. Since not all companies compute these or other non-IFRS metrics in the same way, the manner in which the Company has chosen to compute the non-IFRS metrics presented herein may not be compatible with similarly defined terms used by other companies. As a supplement to the historical metrics, certain of the non-IFRS metrics presented herein and defined below are also presented on an adjusted basis to reflect the yA Bank Acquisition. These metrics are not audited and have been calculated based on information contained in item B.8 (Selected *pro forma* financial information) below. See item B.8 (Selected *pro forma* financial information) for additional information on the *pro forma* financial information. Moreover, certain of these non-IFRS metrics are also presented on an aggregated level to reflect aggregate impact of the stand-alone results of Finaref and Dan-Aktiv. These metrics are not audited and have been calculated based on information contained in "*Historical financial information*". The key operating metrics included in this Offering Memorandum are defined as follows:<br>IFRS key operating metrics for the Group:<br>• **Earnings per share:** Net profit attributable to shareholders in relation to the average number of shares.<br>• **Loan portfolio:** The total outstanding loan balance net of provisions.<br>Non-IFRS key operating metrics for the Group:<br>• **Average loan portfolio:** The sum of the opening loan portfolio for the period (calculated using the closing loan portfolio for the previous period) and closing loan portfolio for the period over two. For example, Resurs's average loan portfolio for the year ended 31 December 2014 was calculated using Resurs's reported loan portfolio as of 31 December 2013 (SEK 9,258 million) and its reported loan portfolio as of 31 December 2014 (SEK 13,923 million). Similarly, for information presented as representing the results of Resurs, Finaref and Dan-Aktiv on an aggregated basis for the year ended 31 December 2014, the average loan portfolio was calculated using the reported loan portfolios as of 31 December 2013, of Resurs (SEK 9,258 million), Dan-Aktiv (SEK 1,354 million). For information presented as representing the full-year effect of the yA Bank Acquisition for the year ended 31 December 2015, the average loan portfolio was calculated using the reported loan portfolios as of 31 December 2014 of Resurs (SEK 13,923 million) and yA Bank (SEK 2,718 million), as well as a purchase price adjustment of SEK 43,866 thousand, and Resurs's reported loan portfolio as of 31 December 2015 (SEK 18,198 million) and Finaref (SEK 1,910 million), as well as a purchase price adjustment of SEK 349 million, and Resurs's reported loan portfolio as of 31 December 2014 (SEK 13,923 million).<br>• **CET 1 capital:** Common equity Tier 1 capital, which consists of common shares issued, share premium, retained earnings, other comprehensive income for the Group, other disclosed reserves after deduction primarily of dividend, deferred tax assets, intangible assets, goodwill and certain other regulatory adjustments defined in CRR.<br>• **CET 1 ratio:** Common equity Tier 1 capital as a percentage of the risk exposure amount. |

| | | |
|---|---|---|
| **B.7, cont'd.** | | • **Combined ratio:** Insurance compensation, net (expenses relating to claims paid and changes in provisions for claims outstanding, net of reinsurers' shares of claims paid and changes in provisions for claims outstanding), together with acquisition and underwriting expenses, including expenses relating to partners, retailers and brokers for the sale of insurance products, as a percentage of premium income, net.<br>• **Cost of risk:** Credit losses, net as a percentage of the average loan portfolio.<br>• **Cost to income ratio:** Total expenses for the Group before credit losses, net as a percentage of total operating income.<br>• **Cost to income ratio (excluding insurance operations):** Total expenses for the Group before credit losses excluding insurance operating expenses (as per the segment notes) as a percentage of net banking income.<br>• **Expense ratio:** Acquisition and underwriting expenses, including expenses relating to partners, retailers and brokers for the sale of insurance products, as a percentage of premium income, net.<br>• **Gross yield:** Interest income as a percentage of the average loan portfolio.<br>• **Leverage ratio:** Tier 1 capital as a percentage of total assets including off balance sheet items with conversion factors according to "Basel III leverage ratio framework and disclosure requirements", January 2014.<br>• **Liquidity coverage ratio ("LCR") (CRR definition):** Liquidity measurement defined by the CRR that measures a financial institution's ability to deal with a stressed net outflow of liquidity for 30 days. A LCR of 100 percent means that a financial institution's liquidity reserve is adequate to enable the institution to manage an unexpected liquidity outflow for 30 days.<br>• **Loan to deposit ratio:** Loan portfolio as a percentage of deposits from the public.<br>• **Loss ratio:** Insurance compensation, net (expenses relating to claims paid and changes in provisions for claims outstanding, net of reinsurers' shares of claims paid and changes in provisions for claims outstanding) as a percentage of premium income, net.<br>• **Net banking income:** Total operating income for the Group less insurance operating income as per the segment notes.<br>• **Net banking income margin:** Total operating income for the Group less insurance income as per the segment notes as a percentage of the average loan portfolio.<br>• **Insurance operating income:** Reported operating income for the insurance segment as per the segment notes.<br>• **Net interest margin:** Net interest income as a percentage of the average loan portfolio.<br>• **Net stable funding ratio (NSFR):** Available stable funding as a percentage of required stable funding (both as defined in CRD IV).<br>• **New loan development:** The value of loans originated during the period indicated, or sales.<br>• **Non-performing loans ("NPL"):** Gross doubtful receivables (amounts 60 days or more past due).<br>• **NPL ratio:** Gross doubtful receivables (amounts 60 days or more past due) over the loan portfolio.<br>• **Opex/average loans:** Operating expenses as a percentage of the average loan portfolio.<br>• **Risk adjusted net banking income margin:** Net banking income less credit losses as a percentage of the average loan portfolio.<br>• **Risk adjusted net interest margin:** Net interest income less credit losses as a percentage of the average loan portfolio.<br>• **Risk exposure amount:** Total assets and in-line items, weighted in accordance with capital adequacy regulation for credit and market risks. The operational risks are measured and added as risk exposure amount. Risk exposure amounts are only defined for Resurs Holding and Resurs Bank (excluding Solid).<br>• **Return on Assets** ("**RoA**"): Net profit as a percentage of average total assets. For information presented as representing the full-year effect of the yA Bank Acquisition for the year ended 31 December 2015, total assets include a purchase price adjustment of SEK 43,866 thousand to the loan portfolio of yA Bank, and for information presented as representing the results of Resurs, Finaref and Dan-Aktiv on an aggregated basis for the year ended 31 December 2014, total assets include a purchase price adjustment of SEK 349 million to the loan portfolio of Finaref. |

**B.7, cont'd.**

- **Return on Average Tangible Equity** ("**RoATE**"): Net profit attributable to shareholders as a percentage of average tangible shareholder's equity (tangible shareholder equity for the period: shareholders' equity less intangible assets). For information presented as representing the full-year effect of the yA Bank Acquisition for the year ended 31 December 2015 and the results of Resurs, Finaref and Dan-Aktiv on an aggregated basis for the year ended 31 December 2014, average tangible shareholder's equity is calculated as the sum of the closing tangible equity for the period (calculated as reported tangible equity plus applicable net profit) and the opening tangible equity for the period (calculated as the closing tangible equity minus net profit for the period), divided by two.
- **Solvency ratio:** Surplus solvency capital as a percentage of required solvency capital. Solvency capital is equity (unrealised gains fund, calculated on a gross basis), untaxed reserves and openly recognised surpluses (net) in assets less intangible assets.
- **Tier 1 capital:** Capital of the character of, or close to the character of, paid-up, capital-eligible reserves and a limited portion of subordinated capital loan instruments. Profits may only be included after deducting proposed dividends. Goodwill, deferred tax assets, intangible assets and investments in credit institutions are deducted from tier 1 capital.
- **Tier 2 capital:** Subordinated liabilities qualifying as tier 2 capital according to the CRR.
- **Total Capital Ratio** ("**TCR**"): Total eligible capital as a percentage of risk exposure amount.

**SELECTED KEY FIGURES AND RATIOS OF THE COMPANY**

| (SEK thousand unless otherwise stated) | As of and for the year ended 31 December 2015 | 2014 | 2013 |
|---|---|---|---|
| | | *(audited)* | |
| **Operating and other data** | | | |
| Total operating income | 2,371,069 | 1,966,515 | 1,213,496 |
| Net banking income | 2,218,928 | 1,792,390 | 1,079,640 |
| Deposits | 16,433,531 | 15,976,650 | 11,874,089 |
| Loan portfolio | 18,198,175 | 13,923,375 | 9,258,334 |
| Operating expenses | (1,157,987) | (998,897) | (664,041) |
| Earnings per share, basic and diluted (SEK) | 3.16 | 2.40 | 1.50 |
| **Key ratios** | | *(unaudited)* | |
| New loan development | 19,886,252 | 16,562,164 | 12,867,030 |
| Gross yield (%) | 12.4 | 14.5 | 11.6 |
| Net interest margin (%) | 11.1 | 11.6 | 7.9 |
| Loan to deposit ratio (%) | 110.7 | 87.1 | 78.0 |
| CET 1 ratio (%) | 13.1 | 13.4 | 15.3 |
| TCR (%) | 14.2 | 14.7 | 15.3 |
| LCR (CRR definition) (%) | 142 | 125 | – |
| Cost of risk (%) | 2.3 | 3.0 | 2.1 |
| Cost to income ratio (%) | 48.8 | 50.8 | 54.7 |
| Cost to income ratio (excluding insurance operations) (%) | 48.1 | 51.5 | 53.0 |
| RoA (%) | 2.7 | 2.5 | 2.2 |
| RoATE (%) | 21.4 | 20.4 | 15.4 |
| Net banking income margin (%) | 13.8 | 15.5 | 13.1 |
| Risk adjusted net banking income margin (%) | 11.5 | 12.4 | 11.1 |
| Risk adjusted net interest margin (%) | 8.8 | 8.6 | 5.9 |
| NPL ratio (%) | 12.7 | 13.2 | 7.7 |
| Leverage ratio (%) | 10.8 | 9.6 | – |
| Net stable funding ratio (NSFR) (%) | 127 | 136 | – |

**B.7, cont'd.**

| | | | |
|---|---|---|---|
| | *(audited)* | | |
| **Insurance data and ratios[1)]** | | | |
| Premium income, net | 1,167,017 | 989,080 | 919,186 |
| Insurance operating income | 152,141 | 174,125 | 133,855 |
| | *(unaudited)* | | |
| Solvency ratio (%) | 351.0 | 653.0 | 420.0 |
| Loss ratio (%) | 43.2 | 41.3 | 43.6 |
| Expense ratio (%) | 52.1 | 54.7 | 57.6 |
| Combined ratio (%) | 95.3 | 96.0 | 101.2 |
| **Key ratios (as of and for the year ended 31 December 2015 adjusted to reflect the yA Bank Acquisition)[2)]** | *(unaudited)* | | |
| RoATE (%) | 26.6 | – | – |
| Net interest margin (%) | 11.7 | – | – |
| Net banking income margin (%) | 14.5 | – | – |
| Cost to income ratio (excluding insurance operations) (%) | 44.8 | – | – |
| Cost of risk (%) | 2.3 | – | – |

1) The key ratios apply to Solid Försäkringsaktiebolag.
2) These key figures and ratios have been calculated based on information contained in item B.8 (Selected *pro forma* financial information) below. See item B.8 (Selected *pro forma* financial information) for additional information on the *pro forma* financial information.

During the audited three-year period presented in the Offering Memorandum, Resurs's results of operations developed positively as a result of its organic and acquisition-related operational expansion. For the years ended 31 December 2013, 2014 and 2015, Resurs's results of operations reflected increases in total operating income, including increased interest income and premium income, net, as well as an increase in general administrative expenses.

For the years ended 31 December 2014 and 2015, interest income was primarily impacted by the incorporation and integration of the entities acquired in the acquisitions of Finaref AB and its subsidiaries Finaref OY and Finaref AS (together, "**Finaref**"), Nordic Consumer Finance A/S and its subsidiary Dan-Aktiv A/S (together, "**Dan-Aktiv**"and, together with the acquisition of Finaref, the "**2014 Acquisitions**" and, together with the yA Bank Acquisition, the "**Acquisitions**") and the purchase of a loan portfolio from La Redoute in 2014. For the year ended 31 December 2015, Resurs's results of operations, including its interest income and loan portfolio, were also impacted by the yA Bank Acquisition. In addition, interest income during these periods was impacted by the organic growth of Resurs's loan portfolio and Resurs's new loan development. In the years ended 31 December 2013, 2014 and 2015, organic growth was driven by continued execution of Resurs's business model through effective management, expansion of Resurs's geographic reach and product offerings, as well as successful marketing efforts. The growth in Resurs's loan portfolio and new loan development generated increased interest income, which had a positive impact on total operating income for the years ended 31 December 2013, 2014 and 2015. In addition, total operating income was impacted positively by continuous growth in the insurance business and premium income, net (including lower expenses due to the divestment of certain non-core insurance businesses).

For the years ended 31 December 2013, 2014 and 2015, Resurs's interest expenses were positively impacted by the beneficial market interest rate environment in Sweden. In addition, the Company's diversification of its funding base during the audited three-year period presented in the Offering Memorandum helped Resurs to control its borrowings and interest expenses for the years ended 31 December 2014 and 2015. For example, in 2015, Resurs accessed the capital markets to diversify its funding base. In addition, in July 2015, Resurs reduced the interest rates it offered on its most common retail deposit accounts, which helped to reduce its overall interest expenses during the year ended 31 December 2015.

| | | |
|---|---|---|
| **B.7, cont'd.** | | During the audited three-year period presented in the Offering Memorandum, general administrative expenses increased due to Resurs's operational expansion and its capital investments in IT systems and equipment. In the years ended 31 December 2013 and 2014, general administrative expenses also increased as Resurs recruited new employees in order to scale for future growth and due to the renovation of its headquarters in Helsingborg, Sweden. Resurs's expenses also increased during the audited three-year period presented in the Offering Memorandum due to the Acquisitions, as the Company increased its headcount, properties and other operations across the Nordic region.<br><br>For the years ended 31 December 2013, 2014 and 2015, credit losses were impacted by the expansion of Resurs's loan portfolio due to organic growth. During the years ended 31 December 2014 and 2015, credit losses were also impacted by the Acquisitions, which increased the size of the loan portfolio and, accordingly, the numbers of past due loans. The increase in credit losses during these periods was partially offset by the implementation and alignment of Resurs Bank's provisioning model with the provisioning model of Finaref in 2014, improved pre-collection processes and a general increase in the quality of the loan portfolio.<br><br>During the two month period from 31 December 2015 to 29 February 2016, Resurs's loan portfolio, loan portfolio development, operational development and cost of risk were in line with management's expectations. Resurs's loan portfolio and loan portfolio development were also in line with Resurs's medium term financial target of growing the loan portfolio by approximately 10 percent per annum. Resurs's capital position was in line with management's expectations, and its funding base remained stable and developed in line with management's expectations, including with respect to the NOK-based retail deposits acquired in the yA Bank Acquisition. In addition, Resurs's net banking income margin for the two month period ended 29 February 2016 was in line with management expectations and decreased to approximately 13.5 percent as compared to its net banking income margin for the twelve month period ended 31 December 2015, as adjusted to reflect the full-year effect of the yA Bank Acquisition. This decrease was due to the seasonal impact of consumer and payment trends, lower interchange fees and the alignment of the interest income and credit loss recognition accounting policies of Dan-Aktiv with those of the Group. Operating expenses developed in line with management's expectations, and included a one-off expense related to transaction costs associated with the Offering. Furthermore, Resurs's cost of risk for the two month period ended 29 February 2016 developed in line with management's expectations and was in line with its cost of risk for the twelve month period ended 31 December 2015 as adjusted to reflect the full-year effect of the yA Bank Acquisition. Management continues to implement the integration of yA Bank and its operations. |
| **B.8** | *Selected pro forma financial information* | The Company has prepared unaudited *pro forma* financial information as of and for the year ended 31 December 2015 to illustrate the effect that the yA Bank Acquisition might have had on Resurs if the yA Bank Acquisition had been completed on 1 January 2015 for purposes of the unaudited *pro forma* income statement. The yA Bank Group has historically applied Norwegian Generally Accepted Accounting Principles ("**Norwegian GAAP**") but, as of and for the year ended 31 December 2015, yA Bank has prepared its financial statements in accordance with simplified application of IFRS according to the Norwegian Accounting Act Section 3–9. An analysis has been made by the Company to determine if there are any significant differences between the accounting principles applied by Resurs according to IFRS and those applied by the yA Bank Group according to Norwegian GAAP, and the assessment is that there are no material differences.<br><br>The *pro forma* financial information has been included to describe a hypothetical situation and has been prepared for illustrative purposes only. The unaudited combined *pro forma* financial information does not include all of the information required for financial statements under IFRS. |

**B.8, cont'd.**

Moreover, the *pro forma* financial information may not necessarily reflect Resurs's actual results of operations if the yA Bank Acquisition had actually been completed on such earlier date and such *pro forma* financial information should not be considered to be indicative of Resurs's results of operations for any future period. Accordingly, potential investors should not pay undue attention to the *pro forma* financial information.

**UNAUDITED *PRO FORMA* INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015**

| (SEK million) | Resurs<br>Audited financial information in accordance with IFRS for the period 1 January to 31 December 2015 | yA Bank Group<br>Unaudited financial information in accordance with Norwegian GAAP for the period 1 January to 26 October 2015 | Total | *Pro forma* adjustments | *Pro forma* income statement |
|---|---|---|---|---|---|
| Interest income | 1,995 | 332 | 2,327 | – | 2,327 |
| Interest expense | (213) | (73) | (286) | – | (286) |
| Fee and commission income | 232 | 41 | 273 | – | 273 |
| Fee and commission expense, banking operations | (39) | (12) | (50) | – | (50) |
| Premium income, net | 1,167 | – | 1,167 | – | 1,167 |
| Insurance compensation, net | (505) | – | (505) | – | (505) |
| Fee and commission expense, insurance operations | (420) | – | (420) | – | (420) |
| Net income/expense from financial transactions | (35) | – | (35) | – | (35) |
| Profit/loss from participations in group companies | (0) | – | (0) | – | (0) |
| Other operating income | 189 | 14 | 203 | – | 203 |
| **Total operating income** | **2,371** | **303** | **2,674** | **–** | **2,674** |
| General administrative expenses | (990) | (82) | (1,071) | 43 | (1,029) |
| Depreciation, amortisation and impairment of non-current assets | (16) | (2) | (19) | (7) | (26) |
| Other operating expenses | (152) | (16) | (168) | – | (168) |
| **Total expenses before credit losses** | **(1,158)** | **(100)** | **(1,258)** | **35** | **(1,222)** |
| Earnings before credit losses | 1,213 | 203 | 1,416 | 35 | 1,452 |
| Credit losses, net | (375) | (30) | (405) | – | (405) |
| **Operating profit** | **838** | **174** | **1,012** | **35** | **1,047** |
| Income tax expense | (216) | (47) | (263) | 2 | (261) |
| **Net profit for the period** | **622** | **127** | **749** | **37** | **786** |

**UNAUDITED *PRO FORMA* FINANCIAL INFORMATION AND OTHER DATA**

| (SEK million unless otherwise stated) | **For the year ended 31 December 2015** |
|---|---|
| | *(unaudited)* |
| Total operating income | 2,674 |
| Operating profit/(loss) | 1,047 |
| Net profit for the period | 786 |
| Earnings per share (SEK) | 3.93 |
| Cost to income ratio (%) | 45.7 |

| | | |
|---|---|---|
| **B.9** | *Earnings forecast* | Not applicable. The Offering Memorandum contains no earnings forecast or calculation of anticipated earnings. |
| **B.10** | *Qualification of audit report* | Not applicable. There are no qualifications of audit report. |
| **B.11** | *Insufficient working capital* | Not applicable. It is Resurs's assessment that the Company's working capital is sufficient for its present requirements during the following 12 months. |

| **Section C – Securities** | | |
|---|---|---|
| **C.1** | *Securities offered* | Shares in Resurs Holding (ISIN code SE0007665823). |
| **C.2** | *Denomination* | The Shares are denominated in SEK. |
| **C.3** | *Number of shares in the issuer* | The Company's registered share capital as of the date of this Offering Memorandum is SEK 1,000,000, represented by 200,000,000 Shares. All Shares have been fully paid. Each Share has a quota value of SEK 0.005. |
| **C.4** | *Rights associated with the securities* | At general meetings of shareholders, each Share carries one vote. If the Company issues new Shares, warrants or convertibles in a cash issue or a set-off issue (Sw. *kvittningsemission*), the holders of Shares have preferential rights to subscribe for such securities in proportion to the number of Shares held prior to the issue. All Shares carry equal rights to dividends as well as to the Company's assets and potential surplus in the event of liquidation. Resolutions on payment of dividend are adopted by the general meeting and will be distributed through Euroclear. Right to dividend accrues to persons registered as owners in the share register maintained by Euroclear Sweden on the record date determined by the general meeting of shareholders. |
| **C.5** | *Restrictions on transferability* | Not applicable. The Shares will not be subject to restrictions on transferability. |
| **C.6** | *Admission to trading* | Resurs has applied for listing of the Shares on Nasdaq Stockholm. Nasdaq Stockholm's Listing Committee has on 23 March 2016 decided to admit Resurs's Shares for listing on Nasdaq Stockholm. Trading in the Shares on Nasdaq Stockholm is expected to commence on 29 April 2016. |
| **C.7** | *Dividend policy* | Under the dividend policy adopted by Resurs's Board of Directors, Resurs will initially aim to distribute a minimum of 50 percent of its annual consolidated net profit in the medium term (the "**Dividend Policy**"). If Resurs, as a result of its profits and dividend policy, generates a substantial surplus, it is Resurs's intention to use such surplus either to finance a higher organic growth rate and/or future acquisitions, or to pay out the surplus to its shareholders as dividend. Decisions relating to dividend proposals take into account the Company's future revenue, financial condition, capital requirements, Resurs's capital targets and general economic and operational circumstances. There can be no assurances that in any given year a dividend will be proposed or declared. |

| **Section D – Risks** | | |
|---|---|---|
| **D.1** | *Main risks associated with the issuer or the industry* | Any investment in Resurs's Shares is associated with risk. Prior to any investment decision, it is important to carefully analyse the risk factors considered relevant to the future development of the Company and the Shares. These risks include, among others, the following main industry- and business-related risks:<br>• The Company's results of operations and the demand for its products are susceptible to the effects of macroeconomic developments, consumer spending, consumer creditworthiness, the general market environment and levels of economic activity in the Nordic region and elsewhere. As the Company's retail finance offering, consumer loans, credit cards and insurance products are typically used for general consumption, consumer spending and debt consolidation, the demand for Resurs's products could be adversely affected by changes in consumer trends, levels of consumption, demographic patterns, customer preferences and financial conditions, all of which are affected by general macroeconomic conditions.<br>• The size and growth of Resurs's sales activities is dependent on the effectiveness of Resurs's marketing activities, which, in turn, depends on the amount and relevance of data on potential customers. As Resurs largely relies on its internal database to target customers for direct marketing in order to promote sales of its other products, Resurs's ability to successfully market its products depends on the quality, freshness, diversity and accuracy of the information contained in its internal database. |

| | | |
|---|---|---|
| **D.1** **cont'd.** | | If the amount or relevance of data available to Resurs decreases or the Company's ability to market its products using direct marketing is otherwise restricted, for example, due to changes in data protection laws or regulations, or due to individuals opting out of direct mail or telemarketing, Resurs could be required to focus on other, less effective or more costly marketing channels and its new loan development or profitability could decline, which could adversely affect the Company's business, financial condition and results of operations.<br>• Resurs is exposed to reputational risks related to its operations, third parties and the financial services and insurance industries as a whole. Resurs's employees or service and business process outsourcing partners (including its third-party debt collection agencies) could engage in misconduct that adversely affects Resurs's reputation or business. Even allegations of misconduct by Resurs's employees, or actual or alleged misconduct by other financial services companies, could adversely affect Resurs's reputation. Damage to Resurs's reputation could impair its ability to attract new customers, retain existing customers, maintain relationships with third parties and obtain funding and, therefore, could have a material adverse effect on Resurs's business, financial condition and results of operations.<br>• Changes in data protection laws or other legislation affecting the amount of data available to Resurs for customer targeting and conducting credit assessments or the use of such data could adversely affect Resurs's marketing activities and underwriting process. On 15 June 2015, the European Council formally approved a revised draft of the General Data Protection Regulation. On 15 December 2015, the European Institutions reached a compromise agreement on the proposal for a General Data Protection Regulation, which includes a transition period of two years and proposes substantial changes to the current EU data protection regime. Changes in data protection legislation in any of the markets in which Resurs operates, especially if resulting in restrictions on use of personal data, could have a material adverse effect on Resurs's business, financial condition and results of operations.<br>• Resurs could be adversely affected by changes in laws regarding debt collection, debt restructuring and personal bankruptcy. Resurs's recoveries on written-down loans depend primarily on the effectiveness of legal debt collection systems, including laws regarding debt collection, debt restructuring and personal bankruptcy, in the countries in which it operates. Any changes in laws and regulations affecting Resurs's ability to collect from defaulting customers could have a material adverse effect on its business, financial condition and results of operations.<br>• Resurs's business is subject to significant regulation and supervision as well as changes in existing regulation and there is a risk that relevant authorities will judge that Resurs does not fully comply with, or that Resurs may violate, or in the past has violated, applicable regulations. In the event that Resurs is deemed to have failed to comply with applicable laws, regulations or administrative provisions, Resurs may suffer damage to its reputation and could be subject to significant fines and/or limitation or revocation of its banking or insurance licenses, which would have a material adverse effect on Resurs's reputation, business, financial condition and results of operations.<br>• Compliance issues related to Resurs's historical calculation and reporting of its capital adequacy and historical satisfaction of applicable capital adequacy requirements at the ultimate parent company level could result in sanctions from the SFSA, including substantial fines or a revocation of Resurs's banking license. Resurs is required to calculate and report its capital adequacy to the SFSA at the level of the ultimate parent holding company of the Group within the EEA. From November 2012 until and including the first quarter 2014 Resurs calculated and reported its capital adequacy to the SFSA at the level of Resurs Bank AB (the operating bank). From and including the second quarter 2014, Resurs has, in addition to reporting its capital adequacy to the SFSA at the level of Resurs Bank AB, calculated and reported its capital adequacy to the SFSA for the consolidated Group at the level of Resurs Holding AB (the parent company of the operating Group). In September 2015, Resurs and its owners determined that the formal calculation and reporting of Resurs's capital adequacy to the SFSA should have been conducted at the level of Cidron FI S.a.r.l. ("**Cidron**"), the ultimate parent holding |

| | | |
|---|---|---|
| **D.1** **cont'd.** | | company of Resurs within the EEA. As Resurs did not consider Cidron part of the Group (and thus not subject to consolidated capital requirements), the structure of Cidron's share capital did not satisfy the regulatory capital requirements under the relevant capital requirement rules. As a result, during periods from November 2012 to September 2015, the CET 1 and total capital ratios at the level of Cidron did not comply with the relevant capital requirement rules. On 11 September 2015, Resurs contacted and submitted a memorandum to the SFSA. Following a request from the SFSA, on 18 September 2015 the memorandum was supplemented with historical calculations and reporting of capital adequacy and compliance was described at the level of Resurs Holding AB and Cidron. As of the date hereof, the SFSA's review of Resurs's historical capital adequacy reporting and compliance is ongoing and, accordingly, the SFSA has not confirmed whether it will impose one or more sanctions against Resurs. If the SFSA decides to impose a fine, the amount of the fine could be significant and have a material adverse effect on Resurs's business, results of operations, financial condition and/or reputation. Cidron Semper Ltd. has undertaken to indemnify the Company for any fine imposed by the SFSA in excess of SEK 20 million and up to SEK 251 million, such amount corresponding to 10 percent of Resurs's turnover for the year ended 31 December 2015. While the maximum amount covered by this indemnity (SEK 231 million) and the maximum amount of the Company payment (SEK 20 million) together correspond to the highest possible fine that the SFSA can impose under applicable law, should the actual amount contributed under the indemnity for any reason be insufficient, Resurs may be required to pay a larger percentage of the fine imposed by the SFSA, if any, which could have a material adverse effect on Resurs's business, results of operations, financial condition and/or reputation. If the SFSA decides to revoke Resurs's banking license, Resurs will be unable to continue its banking operations and could face liquidation and dissolution or bankruptcy. As of 31 December 2015, no provision has been made in relation to any fine or sanction from the SFSA relating to the aforementioned sanction case.<br><br>Any of the risks above could have a material adverse effect on Resurs's business, financial condition and results of operations. |
| **D.3** | *Main risks associated with the securities* | The main risks associated with the Shares and the Offering include, *inter alia*, general share-related risks (risks and risk-taking are an unavoidable aspect of owning shares, and since a share investment can both rise and fall in value it is not certain that an investor will regain the capital invested), an active, liquid and orderly trading market may not develop for Resurs's Shares (prior to the Offering, there will be no public market for Resurs's Shares. There is a risk that an active and liquid market will not develop or, if developed, that it will not be sustained after completion of the Offering), future dividends (the size of future dividends depends on Resurs's future revenue, financial condition, capital requirements, Resurs's capital targets and general economic and operational circumstances) and shareholders with significant influence (Cidron Semper Ltd. and Waldakt AB) will continue to have significant influence over Resurs after the Offering and matters submitted to Resurs's shareholders for approval. Further, there is a risk that the Cornerstone Investors will not be able to fulfil their undertakings since these undertakings are not secured through a bank guarantee, blocked funds or pledge of collateral or similar arrangement. |

| Section E – Offering | | |
|---|---|---|
| **E.1** | *Issue amount and issue expenses* | The Offer contains existing Shares in Resurs, which means that the Company will not accrue any funding through the Offer. The total value of the Offer, based on the price range set forth in section E.3 below totals approximately SEK 3,000–5,161 million, based on the price range and depending on if the Offering is fully increased and that the Over-allotment option is exercised in full. The transaction costs associated with the Offering are expected to amount to approximately SEK 93 million, payable by the Company, of which SEK 62 million has been recorded as an operating expense in the year ended 31 December 2015 and approximately SEK 31 million is estimated to be recorded as an operating expense in the year ending 31 December 2016. |
| **E.2a** | *Reasons and use of the issue proceeds* | Nordic Capital's investment strategy is to acquire and support the growth of attractive companies with development potential. The investment strategy also entails a subsequent divestment of every acquired company within a certain period. The Bengtsson family, which controls Waldakt AB, invests in certain companies and is now also taking steps to divest part of its holding of Resurs. The Board of Directors and group management of Resurs, together with the Principal Selling Shareholders, now are of the opinion that the time is appropriate for a listing of Resurs. Notwithstanding this fact, the Principal Selling Shareholders will remain large and committed shareholders and are, by retaining a part of their holdings, able to participate in the future development of the Company. Resurs has established a solid platform and has further potential for substantial future growth and improved results during the coming years.<br><br>The Offering and the listing will expand the shareholder base and enable Resurs to access the Swedish and international capital markets, which will support Resurs's continued growth and development. The Board of Directors and group management of Resurs, supported by the Principal Selling Shareholders, consider the Offering and listing of the Shares to be a logical and important step in Resurs's development, which will also increase the awareness of Resurs and its operations. |
| **E.3** | *Form and terms of the Offering* | Not applicable. |
| **E.4** | *Interested parties of importance for the Offering* | Carnegie, Goldman Sachs, Morgan Stanley and SEB, which is Joint Bookrunner, provide financial advice and other services to the Company and the Principal Selling Shareholders in connection with the Offering, for which they will receive customary remuneration.<br><br>From time to time, these advisors (and their affiliates) will provide services in the ordinary course of business to the Principal Selling Shareholders and parties affiliated to the Principal Selling Shareholders in connection with other transactions. |
| **E.5** | *Seller of the securities and lock-up agreement* | Cidron Semper Ltd, Waldakt AB and RSF Invest AB (the "**Selling Shareholders**") are the seller of the Shares.<br><br>The Company will agree with the Managers that it will not, except as set forth below, for a period of 180 days from the first day of trading of the Offer Shares, without the prior written consent of the Joint Global Coordinators: (i) issue, offer, pledge, sell, issue or grant options, rights or warrants in respect of, contract to issue, pledge or sell or otherwise dispose of, directly or indirectly, any Shares or any securities of the Company that are substantially similar to the Shares, including securities that are convertible into or exchangeable for, or that represent the right to receive, shares or any such substantially similar securities or do anything with the same economic effect as any of the foregoing ("**Securities**"); or (ii) submit to its shareholders any proposal for a capital increase or a proposal to effect any of the foregoing. The foregoing sentence shall not apply to issues of shares or other securities pursuant to employee incentive plans of the Company. |

| | | |
|---|---|---|
| | | The Selling Shareholders will each agree with the Managers that they will not, except as set forth below, for a period of 180 days after the first day of trading of the Offer Shares, without the prior written consent of the Joint Global Coordinators: (i) offer, pledge, sell, contract to sell or pledge, issue options, rights or warrants in respect of or otherwise dispose of, directly or indirectly, any Shares or any Securities. The foregoing sentence shall not apply to: (i) the sale or transfer of the Offer Shares in the Offering; (ii) the transfer of shares in the Company to certain board members of the Company and employees of the group as disclosed in this Offering Memorandum; (iii) the conversion or exchange of securities as disclosed in this Offering Memorandum; (iv) the acceptance of a tender offer made to all holders of shares in the Company made in accordance with the Swedish Takeover Rules on terms that treat all holders alike, or the execution and deliver of an irrevocable commitment or undertaking to accept such tender offer; (v) the sale or disposal of shares in the Company pursuant to any offer by the Company to purchase its own shares that is made on identical terms to all holders of the shares in the Company; (vi) the transfer of shares to any affiliate of the Selling Shareholder, provided that as a condition of such transfer and receipt of shares, each affiliate undertakes to comply with the restrictions on the sale of shares of the Selling Shareholder; and (vii) a transfer of shares in the Company where required by law or by any competent authority or by order of a court of competent jurisdiction.<br><br>In addition, the current shareholding members of the Board of Directors, members of the group management and other employees that will become shareholders after the Management Share Transfer will agree with the Managers that they will not, for a period of 360 days after the first day of trading of the Offer Shares, without the prior written consent of the Joint Global Coordinators, offer, pledge, sell, contract to sell or pledge, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Shares or any Securities. The foregoing sentence shall not apply to: (i) the acceptance of a tender offer made to all holders of shares in the Company made in accordance with the Swedish Takeover Rules on terms that treat all holders alike, or the execution and deliver of an irrevocable commitment or undertaking to accept such tender offer; (ii) the sale or other disposal of Securities pursuant to any offer by the Company to purchase its own Securities that is made on identical terms to all holders of Securities; (iii) the transfer of Securities by testate or intestate succession or for bona fide estate planning purposes; (iv) the transfer of Securities to an immediate family member, a trust, a partnership or limited liability company for the direct or indirect benefit of the shareholding member of the Board of Directors or member of the group management or the immediate family member of the shareholding member of the Board of Directors or member of the group management; (v) the transfer of Securities to a spouse, former spouse, child or other dependent pursuant to a domestic relations order or an order of a court of competent jurisdiction; (vi) the transfer of Securities to any subsidiary or affiliate; (vii) a transfer of Securities where required by law or by any competent authority or by order of a court of competent jurisdiction; and (viii) the transfer of Securities to a capital insurance scheme (Sw. *kapitalförsäkring*) no later than the settlement date (which is expected to be on or about 3 May 2016) or after 2 July 2016, subject to the restriction that the member of the Board of Directors or member of group management may not instruct the insurance company to divest any Securities transferred to such scheme other than as provided for in (i) through (vi) above; provided that in the case of (iii)-(vi) above, the transferee agrees to be bound by terms of the lock-up prior to such transfer.<br><br>The Cornerstone Investors will not be subject to a lock-up in respect of their allocations. |
| **E.6** | *Dilution effect* | Not applicable. The Offer will not entail any dilution effect (see section E.3 above regarding number of Shares in the Offer and their share of the number of Shares and votes in Resurs). |
| **E.7** | *Expenses borne by the investor* | Not applicable. The issuer will not impose any charges or taxes on investors. |

# Risk factors

*An investment in the Shares is associated with risk. Prior to taking any investment decision, it is important to carefully analyse the risk factors that are considered to be of importance for the future performance of the Company and the Shares. Set out below is a description of risks that are considered to be of importance for Resurs, without being ranked in any particular order. There are risks associated with circumstances relating to Resurs or the industry, as well as risks associated with the Shares and the Offering. Certain risks are beyond the Company's control. The description below does not purport to be complete and it is not possible to foresee and describe in detail any and all risk factors. In addition to this Section, investors should also take into consideration the other information contained in this Offering Memorandum in its entirety. The risks and uncertainty factors presented below may, individually or jointly, have a material adverse effect on Resurs's operations, financial condition and/or results. They may also result in a decrease in value of Resurs's Shares, which may lead to Resurs's shareholders losing all or part of their invested capital. Additional factors of which Resurs is currently unaware, or which it currently deems not to be risks, may also have corresponding negative effects.*

## Risks related to the industry and Resurs

### The Company's results of operations and the demand for its products are susceptible to the effects of macroeconomic developments, consumer spending, consumer creditworthiness, the general market environment and levels of economic activity in the Nordic region and elsewhere.

Resurs is exposed to the general market environment and levels of economic activity in the Nordic region. As the Company's retail finance offering, consumer loans, credit cards and insurance products are typically used for general consumption, consumer spending and debt consolidation, the demand for Resurs's products could be adversely affected by changes in consumer trends, levels of consumption, demographic patterns, customer preferences and financial conditions, all of which are affected by general macroeconomic conditions. In addition, Resurs generates income and losses on the investment portfolio of its insurance business, which is also affected by general macroeconomic conditions and is significantly impacted by developments in the equity and bond markets.

Any deterioration in economic conditions or reduction in GDP in any of the countries or markets in which the Company operates (or in any other country that in turn affects the countries or markets in which the Company operates) including, but not limited to an adverse development in unemployment levels, business and consumer confidence, household disposable income, household indebtedness, housing prices, foreign exchange markets, inflation, the availability and cost of credit, the liquidity of financial markets or market interest rates could reduce the level of demand for Resurs's products.

For example, high levels of unemployment in the markets in which Resurs operates would reduce the number of customers who qualify for the Company's loan and credit products, and would most likely have an adverse effect on the Company's credit losses, which, in turn, could adversely affect Resurs's ability to maintain its loan portfolio and improve new loan development. Standard & Poor's downgraded Finland's credit rating from AAA to AA+ in October 2014, reflecting the deteriorating macroeconomic environment in Finland, including declining consumer confidence and increasing unemployment, all of which had a negative impact on demand for Resurs's products in Finland. Due to the high levels of consumer indebtedness in the Nordic region, which is driven primarily by the high average value of mortgages in the region, Resurs may also be impacted by fluctuations in the housing markets and mortgage interest rates in the Nordic countries.

A decrease in consumer confidence or spending in the Nordics, or an adverse change in consumer credit utilisation or behaviour, could also negatively impact the sales of Resurs's retail finance partners, and in turn, Resurs's ability to generate income and new loan development. A slowdown or deterioration of macroeconomic conditions in the Nordic countries, or in any other country affecting the Nordic countries, could adversely affect demand for the Company's products and, therefore, have a material adverse effect on Resurs's business, financial condition and results of operations.

### The size and growth of Resurs's sales activities is dependent on the effectiveness of Resurs's marketing activities, which, in turn, depends on the amount and relevance of data on potential customers.

Resurs relies on targeted marketing channels, including direct mail and telemarketing, in order to target individuals who are most likely to apply for and be approved for a consumer loan, credit card or insurance product. As Resurs largely relies on its internal database to target customers for direct marketing in order to promote sales of its other products, Resurs's ability to successfully market its products depends on the quality, freshness, diversity and accuracy of the information contained in its internal database. If the amount or relevance of data available to Resurs decreases or the Company's ability to market its products using direct marketing is otherwise restricted, for example, due to changes in data protection laws or regulations, or due to individuals opting out of direct mail or telemarketing, Resurs could be required to focus on other, less effective or more costly marketing channels and its new loan development or profitability could decline, which could adversely affect the Company's business, financial condition and results of operations.

Resurs primarily depends on its retail finance operations to generate consumer data for its internal database, which Resurs then uses to help to market and sell its other products. If the Company were no longer able to rely on its internal database or if its retail finance operations failed to continue to provide data of sufficient quality to the internal database, or at all, whether due to staleness of information, corruption of the internal database, insufficient integration between internal databases of its operating entities, the deterioration of, or a decline in, its underlying retail finance operations, or for any other reason, the Company's ability to market its products could be significantly and negatively impacted.

If Resurs is unable to effectively market its loan and credit products, whether due to a decline in the quality of its internal database and the information it gains from its retail finance operations  or otherwise, it would have a material adverse effect on the Company's ability to maintain its loan portfolio and drive new loan development and, accordingly, on its business, financial condition and results of operations.

### The Company relies on a limited number of retail finance partners to generate a significant portion of its income generated in connection with its retail finance operations, and expects to continue to do so.

Resurs relies on a limited number of retail finance partners for the majority of income generated in connection with its retail finance business and a substantial portion of its consumer data for its internal database. As of 31 December 2015, Resurs had a diverse base of more than 1,200 retail finance partners. For the years ended 31 December 2014 and 2015, Resurs's top five retail finance partners represented 51 percent and 46 percent, respectively, of the loan portfolio relating to its retail finance business. For the same periods, Resurs's top ten retail finance partners represented 68 percent and 59 percent, respectively, of the loan portfolio relating to its retail finance business. No single retail finance partner accounted for more than 5 percent of the Group's profit before tax for the year ended 31 December 2015. Additionally, with the exception of Resurs's contract with its largest retail finance partner, Resurs generally enters into annual contracts with its retail finance partners, which can be terminated upon notice. Retail finance partners may seek to rescind, renegotiate or exit agreements at any time and are subject to bankruptcy and business failure. For example, the 2011 bankruptcy of ONOFF AB ("**ONOFF**"), a Swedish retail chain selling consumer electronics, adversely impacted Resurs's loan portfolio by approximately SEK 600 million. In addition, the agreements Resurs enters into with retail finance partners are not exclusive and retail finance partners may therefore choose to work with other credit providers, which could increase the impact of an increase in competition and result in a loss of business by Resurs. Furthermore, if a key retail finance partner were to end or reduce the extent of its relationship with Resurs, whether due to a change in business strategy, bankruptcy or otherwise, Resurs may not be able to replace it with an alternate retail finance partner of an equivalent size and value on similar terms, or at all. For example, in 2014, one of Resurs's largest retail finance partners adjusted its sales strategy to focus on promoting online sales, which has had a negative effect on new loan development and the size of the loan portfolio related to that respective retail finance partner in the year ended 31 December 2015 and will likely continue to have an impact on new loan development and the size of Resurs's loan portfolio in the short to medium term. Accordingly, failure to retain, replace or renew the business of Resurs's retail finance partners, or its contracts with retail finance partners, on at least the same terms, could have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, Resurs's top three retail finance partners, Ellos Group AB ("**Ellos**"), Siba AB ("**SIBA**") and NetOnNet AB ("**NetOnNet**"), are related parties and provide Resurs with a substantial amount of consumer data, which supports the company's various targeted marketing efforts. In addition, certain companies related to these partners also have deposits with Resurs. For the years ended 31 December 2014 and 2015 these partners, together, represented 17 percent and 12 percent, respectively, of Resurs's loan portfolio, and generated less than 10 percent of Resurs's total operating income, after credit losses, adjusted to reflect the full year effect of the yA Bank Acquisition, for the year ended 31 December 2015. While the Company currently benefits from doing substantial business with these partners and has a long-term contract with its largest retail finance partner, these retail finance partners may cease to be controlled or owned by related entities and there is a risk that future owners or management of these related parties will not value a business relationship with Resurs, to the same degree as the current owners and management, which could have a material adverse effect on the Company's business, financial condition and results of operations.

### Competition in the financial services and insurance industry is intense and increased competition could adversely affect the demand for and profitability of Resurs's products.

The countries in which the Company operates its banking business are characterised by a high degree of competition and fragmentation, and a strong growth in demand for consumer loans in these countries has led to increased competition among lenders. Resurs's competitors can be broadly categorised into three groups: full-service banks, niche credit providers and providers of "FinTech" products. Competition in these countries is primarily based on: (i) the amount of the monthly payment requested, including interest rate and amortisation; (ii) other terms of the loan offered, including size, duration and other features; and (iii) the quality of service in terms of speed of application and processing, product and billing simplicity and loan availability.

Resurs faces the risk that full-service banks operating in these countries, which offer a broad range of products and services through widespread retail office networks and online, may increase their focus on consumer loans and retail finance. Resurs's main full-service bank competitors include Nordea, SEB, Swedbank and Handelsbanken in Sweden; DNB, Nordea and SEB in Norway; Nordea, OP (Pohjola) and Danske Bank in Finland; and Danske Bank and Nordea in Denmark. The full-service banks operating in these countries typically enjoy well-established commercial positions, extensive branch networks and high customer awareness and recognition. Almost all of Resurs's customers have a relationship with at least one of the full-service banks through savings accounts or other banking products. Accordingly, the full-service banks operating in these countries could have, and thus benefit from, significant competitive advantages over Resurs. Furthermore, larger financial institutions may have significantly more funds available to lend, or lower funding-related interest expenses, than Resurs, which could enable them to, among other things, offer loans with lower interest rates or longer terms than Resurs offers.

Niche credit providers are typically focused market participants with a narrow offering in comparison to full-service banks. Resurs considers niche credit providers to be its main competitors as they target similar groups of customers and provide similarly sized consumer loans, credit cards or credit products and interest rates as Resurs. Resurs's main niche credit provider competitors include Ikano Bank, Santander Consumer Bank, ICA Banken, SevenDay, Bank Norwegian, Nordax, Nordnet, Skandia, Marginalen Bank, Collector and Wasa Kredit in Sweden; Gjensidige, Santander Consumer Bank, Bank Norwegian and Komplett Bank in Norway; Santander Consumer Bank, S-Pankki, Svea Direkt and Bigbank in Finland; and Ekspress Bank, Ikano and Santander in Denmark. Due to a trend of increased demand for consumer loans in the Nordic region in recent years, there is a risk that new niche credit providers may enter the region and increase competition. Some niche credit providers, such as Ikano Bank, could have lower funding-related interest expenses, than Resurs, which could enable them to, among other things, offer loans with lower interest rates or longer terms than Resurs offers. This increased competition could result in decreased demand for Resurs's loan products, which may require Resurs to reduce the interest rates that it charges on such loans in order to compete and may have an adverse effect on Resurs's net interest margin.

In addition, several new companies with different, internet focused, business models have recently entered the market for online payment solutions, including companies/business models such as FinTech, Facebook (messenger payment) and Klarna. This increased competition could result in decreased demand for Resurs's credit products, which may require Resurs to reduce the price or interest rates that it charges on such products in order to compete. Moreover, there is a risk that Resurs could fail to develop its products in line with these new competitors. In addition, there is a risk that Resurs's current or prospective retail finance partners could seek to build their financial services internally instead of entering into collaboration agreements with external financing partners, such as Resurs.

Resurs also faces competition from other insurance companies, including from domestic and foreign insurance companies, banks and diversified financial institutions. Solid Försäkringsaktiebolag ("**Solid**"), Resurs's insurance subsidiary, competes based on a number of factors including brand recognition, reputation, perceived financial strength and credit ratings, scope of distribution, quality of service and price. As such, there is a risk that the demand for Solid's products will decrease due to increased competition.

Increased competition among brokers could also adversely affect Resurs. As a result of its acquisition of yA Bank AS ("**yA Bank**"), which has historically used brokers to source a substantial portion of new loans, and MetaTech AS ("**MetaTech**" and, together with yA Bank, "**yA Bank Group**") on 26 October 2015 (the "**yA Bank Acquisition**"), Resurs's exposure to broker-related risks has increased. Increased advertising by brokers could increase the percentage of potential borrowers that use brokers to seek out loans, which could decrease the effectiveness of Resurs's core marketing strategy and use of targeted marketing channels to drive new loan development. In addition, increased mass communication advertising by brokers could also reduce the effectiveness of Resurs's non-core marketing strategy and use of mass communication advertising. Furthermore, as brokers benchmark competing loan products against each other, to the extent that an increased percentage of potential borrowers use brokers to seek out loans, Resurs could experience an increase in competition by competing lenders. Finally, if the brokers with which Resurs cooperates are unable to successfully compete with other brokers, it would have an adverse effect on the number of potential borrowers referred to Resurs by brokers.

If Resurs is unable to compete successfully with other lenders, credit providers or insurance companies, demand for Resurs's products could decrease, or Resurs could be required to reduce the prices or interest rates that it charges on its products in order to compete or maintain demand. This, in turn, could have an adverse effect on Resurs's net interest margin and a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs may not be able to accurately assess the credit risk of loan applicants, which could lead to increased credit losses.

Resurs is exposed to risks relating to its customers not making interest, fee, or principal payments in a timely manner, or at all. As Resurs's loan and other credit products are unsecured, Resurs does not have collateral to acquire if its customers violate the terms of their agreements or do not repay their loans. If Resurs is unable to accurately assess the creditworthiness of loan applicants, it could experience increased credit losses. As of 31 December 2014, Resurs's past due loans amounted to SEK 1,980 million, corresponding to 13.2 percent of the total value of its loan portfolio (including provisions and allowances) of SEK 15,042 million. As of 31 December 2015, Resurs's past due loans amounted to SEK 2,868 million, corresponding to 14.7 percent, of the total value of its loan portfolio (including provisions and allowances) of SEK 19,520 million. For the years ended 31 December 2014 and 2015, Resurs had credit losses, net of SEK 350,699 thousand and SEK 374,863 thousand, respectively.

Resurs's underwriting involves the use of country-specific models for calculating the probability that a borrower will be able to make timely principal and interest payments ("**credit scoring**"). Resurs's credit scoring models are based partly on the analysis of historical credit performance data across its operations; however, these credit scoring models must be tailored to specific target groups and markets. Despite Resurs's on-going monitoring and adjusting of its credit policies and scoring models, these models may prove insufficient to protect against unexpected credit losses due to, among other reasons, an internal failure of Resurs's risk management procedures or a significant difference in the characteristics of new loan applicants as compared to the characteristics of customers on which Resurs's credit scoring models are based. In addition, failure to integrate historical credit performance data across all of Resurs's operations when, for example, acquiring new businesses can result in Resurs not being able to accurately assess the credit-worthiness of a customer and has in the past meant that one Resurs entity would be unaware, in the occasional case where cross-border customers have existed, if a potential customer had a delinquent loan with another Resurs entity. Such failure can result, and could have resulted, in a customer with a poor credit history or delinquent loan at one entity within the Group being given a new loan by another entity within the Group, which could lead to increased credit losses for, or unfavourable regulatory action against, Resurs. Though Resurs has taken steps to implement measures to address this risk, there can be no assurances that these measures will be effective or that they have been fully implemented in a timely manner.

When entering new industry segments or introducing new products, Resurs's risk of credit losses has historically been higher than its risk of credit losses related to its established products, as it lacks sufficient credit performance data to tailor its credit scoring model. Accordingly, should Resurs enter new industry segments or introduce new products in the future, it could experience higher credit losses, which may not subside until it obtains sufficient credit performance data and establishes effective underwriting processes.

The amount of additional external credit and income information available to Resurs from credit bureaus and other third party sources varies from country to country. In most of the countries in which it operates, Resurs must rely on information, including financial information, and documentation furnished by the loan applicant when making a credit assessment. In addition, the availability of other types of relevant information, such as information on marital status and home ownership, varies between the countries in which Resurs operates. For example, the amount and quality of available information is generally lower in Finland and Denmark, as compared to the amount and quality of available information in Sweden and Norway. Where complete credit and income information is not available from credit bureaus, verification documents (except in limited cases where only limited documentation is required), such as tax returns and salary statements, must be submitted by the loan applicant, which results in a more manual underwriting process, which in turn may give rise to increased costs for Resurs. Resurs may also be subject to increased costs due to future higher prices charged by credit bureaus and other third party sources of credit and income information. If this information and/or documentation, to a greater extent than expected, is inaccurate, whether intentionally or otherwise, and such inaccuracy is not detected prior to Resurs advancing funds, the risk associated with the loan could be significantly higher than expected. Such inaccuracies may be difficult to detect and avoid, and Resurs's controls and processes may not be effective in detecting inaccuracies or preventing the extension of credit in all such instances. In addition, if the amount or quality of information available to Resurs were to decrease due to changes in laws or regulations or for any other reason, it could adversely affect Resurs's ability to assess the creditworthiness of its applicants and lead to increased credit losses. If Resurs's credit policies and scoring models prove ineffective at predicting future losses or are otherwise inadequate, or if any information or documentation that applicants provide to Resurs is inaccurate or incorrectly used by Resurs for any reason, Resurs could be subject to regulatory sanctions or incur significant credit losses, which could have a material adverse effect on Resurs's business, financial condition and results of operations.

### The credit quality of Resurs's customers could decline, which could lead to increased credit losses.

Resurs's credit policies and credit scoring models may not be sufficient to prevent Resurs from incurring higher credit losses due to external changes beyond its control, including declines in general macroeconomic conditions. Even though Resurs's credit scoring models may deem an applicant to be creditworthy at the time of application, the applicant's creditworthiness may deteriorate due to changes in his or her personal circumstances or other factors. For example, during periods of economic slowdown or recession, Resurs could experience an increase in loans in litigation and a higher frequency and severity of credit losses in its existing loan portfolio as its borrowers' ability to repay their loans could be adversely affected. Future downturns in macroeconomic conditions or other changes that adversely affect the creditworthiness of Resurs's customers could lead to increased credit losses. Pursuant to Resurs's credit policies, Resurs monitors credit performance over time; however, there can be no assurances that credit loss levels will not increase in the future, which could have a material adverse effect on Resurs's cost of risk. From 2006 to 2012, Resurs used credit loss insurance for the majority of its loan portfolio to manage its cost of risk relating to fluctuations in credit losses, but Resurs now maintains such insurance only in respect of its factoring business, which represents a small percentage of its total loan portfolio. Since 2012, Resurs has not benefitted from credit loss insurance on the majority of its loan portfolio. Accordingly, fluctuations in the credit quality of Resurs's customers and its credit losses could have a material adverse effect on Resurs's cost of risk, business, financial condition and results of operations.

### Resurs may not be able to successfully maintain and develop its information technology infrastructure platform, internal database or data analysis systems, or to anticipate, manage or adopt technological advances within its industry in a cost efficient way or at all.

Resurs's business involves processing a large number of transactions, including loan, credit card and deposit account applications, as well as tracking and analysing the performance history of its loans. Therefore, Resurs's ability to monitor and develop its credit scoring models, monitor and manage collections, maintain financial and operating controls, monitor and manage its risk exposure, keep accurate records, provide high-quality customer service and develop and sell profitable products in the future depends on the success of its business continuity planning, the uninterrupted and efficient operation of its information technology ("**IT**"), its communications and internal systems (including its internal database) and the successful development and implementation of new systems. These systems and IT may fail or be deficient, which could disrupt Resurs's business and its ability to process transactions, and which could have a material adverse effect on Resurs's reputation, business, financial condition and results of operations.

IT and telecommunications technologies are evolving rapidly and are characterised by short product life cycles. Resurs may not be successful in anticipating, managing or adopting technological changes on a timely basis or at all. Resurs may not be successful in implementing updates or improvements to its IT or data analysis systems, including improving operational efficiency and risk analysis through further IT development, which could result in additional costs. The cost of these improvements could be higher than anticipated or result in management not being able to devote sufficient attention to other areas of the Company's business. Resurs is dependent on having the capital resources necessary to invest in new technologies and there can be no assurances that adequate capital resources will be available to it at the appropriate time or at all. Furthermore, if the Company becomes unable to continue to acquire, aggregate or use such information and data in the manner or to the extent in which it is currently acquired, aggregated and used, due to lack of resources, regulatory restrictions or any other reason, Resurs may lose a competitive advantage, particularly with respect to its internal database.

The occurrence of any of the above events could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs may not be able to integrate its IT infrastructure platform, databases or data analysis systems successfully.

Resurs is subject to the inherent costs and risks associated with maintaining, integrating, upgrading, replacing and changing its IT infrastructure platform and data analysis systems, including impairment of the information technology, substantial capital expenditures and demands on management time. For example, Resurs's purchase of a competitor or a substantial loan portfolio may force the Company to upgrade the IT platform and data analysis systems of the newly acquired entity in order to meet Resurs's standards and to integrate the Company's IT and internal database systems, which could increase Resurs's capital expenditures and the demands on management's time.

Due to Resurs's acquisitions during the audited three-year period presented in the Offering Memorandum, the Company's various subsidiaries and acquired businesses are currently operating on different platforms, databases and other systems, which are not fully compatible and which may result in discrepancies and/or issues regarding the future consolidation or integration of these platforms, databases and other systems. While Resurs actively seeks, and is currently examining opportunities, to integrate these acquired platforms, databases and other systems with its own internal platforms, databases and systems, Resurs may fail to successfully consolidate or integrate these components, including any acquired consumer information databases, across its business, which could significantly impair the Company's ability to target customers, properly assess credit risk and do business generally, which could have a material adverse effect on Resurs's business, financial condition and results of operations. See also "*—Resurs may not be able to accurately assess the credit risk of loan applicants, which could lead to increased credit losses*".

### Resurs may not be able to prevent a breach or disruption of the security of the Company's IT infrastructure platform and data analysis systems.

Resurs's operations rely heavily on the secure processing, storage and transmission of customer information and other confidential information in its computer systems and networks. Resurs's computer systems, software and networks could be vulnerable to breaches, unauthorised access, misuse, computer viruses or other malicious code that could result in disruption to its business or the loss or theft of confidential information, including customer information subject to bank secrecy laws. Any failure, interruption or breach in Resurs's cyber security, including any failure of its back-up systems or failure to maintain adequate security surrounding customer information, could result in reputational harm, disruption in the management of Resurs's customer and retail finance partner relationships or the inability to originate, process and service loans. Further, any of these cyber security and operational risks could result in a loss of customer business, subject Resurs to additional regulatory scrutiny or expose it to lawsuits by customers for identity theft or other damages resulting from the misuse of their personal information and possible financial liability, any of which could have a material adverse effect on Resurs's reputation, business, financial condition and results of operations. Regulators may also impose penalties or require remedial action if they identify weaknesses in Resurs's security systems and Resurs could be required to incur significant costs to increase its cyber security to address any vulnerabilities that may be discovered or to remediate the harm caused by any security breaches.

As part of its business, and pursuant to applicable law, Resurs may share confidential customer information and proprietary information on an aggregated basis with customers, vendors, service providers and business partners. The information systems of these third parties may be vulnerable to security breaches, and there is a risk that Resurs's methods and procedures for overseeing how outsourcing partners and other third parties operate their businesses may be inadequate or that Resurs may not be able to ensure that these third parties have appropriate security controls in place to protect the information that Resurs shares with them. Furthermore, such third parties may misuse data provided by Resurs. If Resurs's proprietary or confidential customer information is intercepted, stolen, misused or mishandled while in the possession of a third party, it could result in reputational harm to Resurs, loss of customer business and additional regulatory scrutiny, and it could expose Resurs to civil litigation and possible financial liability, any of which could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs's business is sensitive to volatility in interest rates and to changes in the competitive environment affecting spreads on its lending and deposits.

Resurs is subject to interest rate fluctuations. Changes in interest rate levels, yield curves and spreads could affect Resurs's lending and deposit spreads. Resurs is exposed to changes in the spread between the interest rates payable by it on deposits or its other sources of funding and the interest rates that it charges to customers on its products, including its retail finance products, consumer loans and credit cards. While most of the interest rates payable by Resurs on deposits and other sources of funding and most of the interest rates that it charges on retail finance products, consumer loans and credit cards, are variable, there is a risk that Resurs will not be able to re-price its variable rate assets and liabilities. Resurs does not always pass on interest rate increases to its customers, and thus interest rate increases could result in higher costs for Resurs. In cases where Resurs does pass on increases in interest rates to its customers, Resurs may not be able to re-price its variable credit products at the same time that the cost increase occurs, thus giving rise to re-pricing gaps in the short or medium term. Delays in re-pricing loans may, *inter alia*, occur due to Resurs having an obligation to notify customers of rate changes (in certain cases Resurs must provide notice up to 60 days in advance of any such increase in interest rates). Such notice periods vary from country to country. In addition, if Resurs were to pass on interest rate increases to its loan customers, for example, regarding new loans, the decision to pass on such increases may adversely impact future new loan development, margins and credit losses, net, particularly in the retail finance business.

Changes in the competitive environment could also affect spreads on Resurs's lending and deposits. If Resurs's funding costs were to increase due to material increases in market interest rates or competitive pressures, or for compliance or other reasons, and Resurs were unable to sufficiently increase the interest rates on its loan products in a timely manner, or at all, Resurs's net interest margin could be adversely effected, which could have a material adverse effect on Resurs's business, financial condition and results of operations.

Interest rates are sensitive to several factors that are out of Resurs's control, including fiscal and monetary policies of governments and central banks, as well as domestic and international political conditions. During the audited three-year period presented in the Offering Memorandum, Resurs's interest expenses, results of operations and net interest margin have been positively impacted by historically low interest rate levels and beneficial market interest rate environments in Resurs's countries of operation, particularly in Sweden, which is Resurs's largest country of operation by revenue and where 79 percent of Resurs's retail deposits were located as of 31 December 2015. The Swedish Central Bank has reduced the benchmark interest rate multiple times since the end of 2011 and, on 11 February 2016, the benchmark interest rate was reduced to negative 0.5 percent. The economic, commercial and political effects of a short- or long-term negative interest rate environment are difficult to predict, and may have a material adverse effect on Resurs's net interest margin, business, financial condition and results of operations. Furthermore, there can be no assurances that interest rates in Resurs's markets will not materially increase, or that the market interest rate environments will remain beneficial, in future reporting periods. A higher interest rate environment could reduce demand for Resurs's loan and credit products, as individuals may be less likely or less able to borrow when interest rates are higher. Higher interest rates could also lead to higher interest costs for existing borrowers, which could affect their ability to repay their borrowings and credits and lead to an increase in loans in litigation. Accordingly, significant changes or volatility in the interest rates could have a material adverse effect on Resurs's business, financial condition and results of operations. In addition, volatility or perceptions that interest rates will increase could also lead customers to prefer fixed-rate loans, which Resurs offers only to a limited extent in Denmark, and, therefore, could reduce demand for Resurs's loan and credit products. Moreover, even though Resurs, to a relatively limited extent, hedges interest rates in Denmark, there is a risk that these hedges may not be sufficient.

The occurrence of any of the above events could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs's technical reserves may not adequately cover actual insurance claims due to the uncertain nature and timing of the risks that Resurs incurs in underwriting insurance products.

Resurs maintains technical reserves to cover the estimated cost of future claims payments and related administrative expenses.

Due to the uncertain nature and timing of the risks that Resurs incurs in underwriting insurance products, Resurs cannot precisely determine the amounts that it will ultimately pay to meet the liabilities covered by the insurance policies it underwrites or the timing of payment and settlement of those liabilities. As such, Resurs's technical reserves may prove to be inadequate to cover actual claims, particularly when the settlement of liability or payments of claims may not occur until well into the future.

Resurs estimates technical reserves using a range of actuarial and statistical projections and assumptions across a range of variables. Estimates are also dependent on other variable factors not captured by actuarial and statistical methods only relying on historical data, including the legal, social, economic, regulatory environments, business mix, consumer behaviour, industry trends, underwriting assumptions, risk pricing models, inflation in medical care costs, future earnings inflation and other relevant forms of inflation, exchange rate movements, the cost of repairs and replacement, and estimated future receipts from third parties such as other insurers and reinsurance recoveries, as well as changes in internal claims handling processes. The inevitable variations in any of these factors contribute to the uncertainty of the technical reserves estimate.

Consequently, changes in any of these factors may result in actual future claims costs and related expenses paid differing, from the estimates reflected in the technical reserves. To the extent that Resurs's technical reserves are subsequently estimated to be insufficient to cover the future cost of claims or administrative expenses, Resurs will have to increase its technical reserves and incur a corresponding reduction in earnings in the relevant period. In addition, if Resurs's technical reserves are excessive as a result of an over-estimation of risk, Resurs may set premiums at levels which are too high, which may impact Resurs's ability to compete. Conversely, if the Group charges premiums that are insufficient for the cover provided, the Group may suffer underwriting losses, which would lead to a reduction in earnings. Either of these occurrences could have a material adverse effect on Resurs's business, financial condition and results of operations.

**Resurs's underwriting assumptions and risk pricing models for its insurance business may not accurately reflect its overall risk exposure.**

Resurs's insurance business results depend significantly on whether its actual claims experience is consistent with the assumptions Resurs uses in underwriting and setting prices for its insurance products. Resurs's pricing assumptions are based on a variety of factors, which may include historical data, estimates, assumptions and individual expert judgements. Statistical methods, models and individual expert judgements may not accurately quantify Resurs's risk exposure. In addition, the statistical methods, models and individual expert judgements may be flawed, which could result in inaccurate pricing of risk despite access to accurate data and accurate assessment of other risks. Resurs's ability to properly quantify risk exposure and, as a result, price its insurance products successfully is subject to various risks and uncertainties, including exposure to claims inflation, changes in claims frequency, unanticipated legal and regulatory changes and costs, assumptions on weather trends, unexpected or new types of claims, changes in social or industry trends, including customer and claimant behaviour, changes in economic conditions, potential inaccuracies in the data collected from internal or external parties or used within the modelling and pricing processes, incorrect or incomplete analysis of data, potentially inaccurate or inappropriate policy terms and conditions, inappropriate or incomplete purchase of reinsurance or receipt of recoveries therefrom, changes in Resurs's internal operating environment, the selection of inappropriate pricing methodologies, assumptions for future investment income and the uncertainties inherent in estimates and assumptions.

If Resurs's actual claims and expense experience or investment income differ from the underlying assumptions and estimates Resurs uses in pricing its business, or if its pricing is different to the market price for similar insurance products, this could have a material adverse effect on Resurs's business, financial condition and results of operations.

**Reinsurance subjects Resurs to the credit risk of reinsurers, and reinsurance may not be available, affordable or adequate to meet Resurs's requirements.**

Resurs purchases an excess of loss coverage for its insurance activities relating to the provision of travel insurance. These reinsurance agreements are mainly designed to mitigate the effect of large claims and claim events. A default by a reinsurer to which Resurs has material exposure could expose Resurs to significant (unexpected) losses and therefore have an adverse effect on its business, financial condition and results of operations.

Furthermore, the availability and cost of reinsurance protection are determined by market conditions beyond Resurs's control. Accordingly, Resurs may be forced to incur additional expenses for reinsurance or may not be able to obtain sufficient reinsurance on acceptable terms, which could adversely affect the profitability of Resurs's business. In addition, Resurs determines the appropriate level of reinsurance coverage based on a number of factors and from time to time decides to adjust such coverage based on its assessment of the costs and benefits involved. Any decreases in the level of reinsurance coverage may increase Resurs's risk of loss. Any of these risks, should they materialise, could have an adverse effect on Resurs's business, financial condition and results of operations.

**Failure to optimise the pricing of Resurs's insurance products could lead to either immediate or future reductions in Resurs's profitability.**

Resurs needs to balance the anticipated impact that its pricing could have on its insurance portfolio volume (measured by conversion and retention rates) with its insurance portfolio margin (measured as the average revenue per policy). Increasing Resurs's insurance prices in relation to market prices tends to have the effect of increasing Resurs's margins, but also tends to result in a corresponding decline in insurance portfolio volume with respect to new and renewal business. Accordingly, such increases in insurance prices tend to result in increased insurance profits in the immediate year, but can be detrimental to Resurs's insurance business in subsequent years, as there are fewer policies that can be renewed for the following year. Conversely, decreasing prices in relation to the industry trends to have the effect of decreasing Resurs's insurance portfolio margins; however Resurs can experience a corresponding increase in its insurance portfolio volume for the period. This results in more policies that can be renewed in subsequent years and has the effect of increasing profits in subsequent years. While

Resurs attempts to optimise the balance between margin and volume, there is a possibility that it may not be able to set its pricing correctly in order to achieve the desired balance. Any such inability to correctly optimise Resurs's pricing could therefore have an adverse effect on Resurs's business, financial condition and results of operations.

### The internal governing documents, procedures, processes and evaluation methods used by Resurs to assess and manage risk may be insufficient to cover unidentified, unanticipated, or incorrectly quantified risks and fraud.

The internal governing documents, procedures, processes and evaluation methods used by Resurs to assess and manage risk may not be fully effective in managing all types of risks, including risks that Resurs fails to identify or anticipate. Such risks could include misconduct caused by remuneration policies that encourage risk taking or a lack of adequate internal governance or control with regards to credit cards and consumer loan products, retail finance products and insurance products. Furthermore, Resurs faces the risk that its operations may not be in compliance with internal governing documents or that it may not correctly quantify identified risks. If Resurs is unable to successfully implement and adhere to effective internal governing documents, procedures, processes and evaluation methods to assess and manage risk, it could have a material adverse effect on Resurs's business, financial condition and results of operations.

Effective internal governance and control is necessary for Resurs to provide reliable financial reports and to ensure compliance with internal and external rules as well as to prevent fraud. While Resurs has implemented policies and controls regarding its financial reporting, such policies and controls may be inadequate. In addition, Resurs's controls at the operational level may be inadequate, leading to non-compliance with Resurs's internal governing documents and as a result, may cause Resurs to incur compliance costs and cause reputational damage. Inadequate internal governance and control could also cause investors and other third parties to lose confidence in Resurs's reported financial information. If Resurs does not implement reliable financial reports or maintain an effective internal governance and control framework, it could have a material adverse effect on Resurs's reputation, business, financial condition and results of operations.

### Resurs's actual credit losses could exceed its provisions for credit losses and write-downs.

Resurs uses various estimates when determining its provision for credit losses and write-downs. The Company's policy on treatment of past due accounts varies by branch, country and product type. Resurs's estimates used to calculate provisions and write-downs are based on analysis and modelling of Resurs's historical credit performance data; however, Resurs's analysis and model may not accurately predict the actual recoverable amount or the timeframe for recovery of Resurs's past due loans. The recoverable amount and the timeframe for recovery are affected by various factors, including macroeconomic conditions, historical performance of third-party debt collection agencies and the vintage of the loan portfolio. For example, as the portfolio matures, the recoverable amount decreases, and the credit quality normally deteriorates. If Resurs does not accurately estimate the recoverable value of its loans, its credit losses could increase.

Furthermore, since 2013, Resurs has relied significantly on third-party debt collection agencies to collect outstanding amounts on NPLs (except Dan-Aktiv accounts, which are handled in-house). There can be no assurances that third-party debt collection agencies will perform as expected or at all or that Resurs's historical collection rates are indicative of future performance or collection rates. The performance of these third-party debt collection agencies will have an impact on Resurs's ability to collect, and the timeframe for collection, on loans in litigation, and in turn, on Resurs's historical credit performance data, which may subsequently impact Resurs's estimates used to calculate provisions and write-downs. Underperformance by Resurs's third-party debt collection agents could adversely impact Resurs's ability to accurately estimate the recoverable value of loans, which could result in an unforeseen increase in credit losses. Moreover, Resurs collaborates with only a few third-party debt collection agencies and any change in the collecting routines or framework of these third-party debt collection agencies may have an adverse effect on Resurs's credit losses.

As provisions for credit losses are estimated, there is a risk that actual credit losses will be materially greater than the provision accounted for to cover such losses. For example, changes in economic conditions affecting borrowers and other factors, both within and outside of Resurs's control, could require Resurs to increase its provisions for credit losses, particularly if one effect of any such a change was to increase the average time period over which past due accounts were collected. In addition, as Resurs may commit to extend a contracted amount of credit to its customers that may exceed the amount of credit that is utilised by the customers (and thus recognised in Resurs's consolidated financial statements) under these commitments, Resurs may experience insufficient provisions and an increase in credit losses if its customers draw upon these commitments up to the total amount for which Resurs is committed.

If Resurs's provisions for credit losses are not sufficient for any reason, it could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs could be adversely affected by counterparty risk, including due to actual or perceived deterioration of financial services institutions or the financial services industry, or other factors.

Resurs has entered into, and may in the future enter into, transactions with various counterparties in the financial services industry. Such transactions include placing cash deposits with banks, investing in securities and entering into derivative financial transactions with banks. The deposits that Resurs places with banks are not covered by any national deposit insurance scheme, which exposes Resurs to the risk that one or more of such institutions would not be able to meet its obligations under these deposits, for example in the event of a bank run or banking crisis.

Given the high level of interdependence between financial institutions, Resurs is subject to the risk of deterioration, or perceived deterioration, of the commercial and financial soundness of other financial services institutions. Within the financial services industry, the default of any one institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems and losses or defaults by other institutions because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty could lead to industry-wide liquidity problems, increased funding-related interest expenses and losses or defaults by Resurs or by other institutions. This risk could adversely affect Resurs and other financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom Resurs interacts.

Any of the above could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs is exposed to reputational risks related to its operations, third parties and the financial services and insurance industries as a whole.

Resurs's reputation is critical to maintaining and developing relationships with its existing and potential customers, retail finance partners, brokers, debt collectors, employees, authorities and other third parties with whom it does business. Resurs's employees or service and business process outsourcing partners (including its third-party debt collection agencies) could engage in misconduct that adversely affects Resurs's reputation or business. Even allegations of misconduct by Resurs's employees, or actual or alleged misconduct by other financial services companies, could adversely affect Resurs's reputation. Employee or third-party misconduct could prompt regulators to allege or to determine based upon such misconduct that Resurs has not established adequate supervisory systems and procedures to inform employees of applicable rules or to detect and deter violations of such rules. As a result, Resurs could be subject to negative regulatory action, including monetary fines and other sanctions. The precautions that Resurs takes to detect and prevent misconduct may be or may have been inadequate.

Furthermore, threatened or actual legal proceedings, regulatory sanctions, actual or alleged misconduct, operational failures, negative publicity and press speculation, whether or not valid, could harm Resurs's reputation and create disproportionate negative media coverage of it or some or all of its employees, directors or independent agents. In addition, its reputation could be adversely affected by the conduct of third parties over whom it has no control, including debt collection agencies and brokers. Negative publicity could also result from failure in Resurs's or third-party partners' IT systems; loss or theft of customer data or confidential information; failure in its risk management or internal control procedures; legal proceedings; failure or alleged failure in Resurs's obligations; or fraud or misconduct committed by one or more of its employees, directors or independent agents. Furthermore, changes in the legal framework surrounding, or public perception of, Resurs's products may affect the ability and willingness of customers to use Resurs's services and products. For instance, certain of the Company's products face greater legal and reputational scrutiny, such as Payment Protection Insurance ("**PPI**"). Should any of Resurs's product offerings fall into reputational disfavour, it could have an adverse effect on Resurs's results of operations.

Furthermore, Resurs's business outsourcing partners and other third parties who act on Resurs's behalf, including brokers, could commit fraud with respect to the services that Resurs outsources to them, fail to comply with applicable laws and regulations, such as data protection requirements, anti-bribery regulations or trade sanctions laws, or fail to otherwise provide their agreed services to Resurs. To the extent these third parties violate laws, other regulatory requirements or their contractual obligations to Resurs, or otherwise act inappropriately in the conduct of their business, Resurs's business and reputation could be negatively affected or penalties could be directly imposed on Resurs. For example, overly aggressive collection efforts by one or more of Resurs's third-party debt collection agencies could harm Resurs's reputation. Furthermore, there is a risk that Resurs's methods and procedures for overseeing how outsourcing partners and other third parties operate their businesses may be inadequate, and Resurs may not become aware of the occurrence of any violations for a substantial period of time, which could exacerbate the effect of such violations.

Damage to Resurs's reputation could impair its ability to attract new customers, retain existing customers, maintain relationships with third parties and obtain funding and, therefore, could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs relies on certain service and business process outsourcing and other partners.

Resurs relies on certain service and business process outsourcing and other partners. For example, Swedbank acts as Resurs's clearing bank and Resurs has outsourced various activities, such as IT operations and debt collection. Further, Resurs also has an outsourcing agreement with Avanza Bank to offer the customers of Avanza deposits in Resurs Bank AB ("**Resurs Bank**"). Moreover, Resurs's insurance business relies on relatively few distribution partners, especially in the Nordics and UK, and a loss of one of these partners could result in a reduction in insurance volumes. While alternative business outsourcing and other partners are available, it could be difficult for Resurs to replace these relationships on commercially reasonable or similar terms, or at all, and seeking alternate relationships could be time consuming and result in interruptions to Resurs's business. Resurs's use of business outsourcing partners also exposes Resurs to reputational risks. See "*–Resurs is exposed to reputational risks related to its operations, third parties and the financial services and insurance industries as a whole*".

Resurs relies on third-party debt collectors and any failure by these third-party debt collectors to adequately perform collection services on Resurs's behalf could materially reduce Resurs's cash flow, income and profitability and affect Resurs's reputation in the countries in which it operates. The failure of Resurs's third-party debt collectors to perform their services to Resurs's standards and any deterioration in or loss of any key relationships could have a material adverse effect on Resurs's business, financial condition and results of operations.

In addition, Resurs relies on its relationship with brokers who act as a marketing channel for Resurs. Resurs's agreements with its brokers do not require such brokers to refer loan applicants to Resurs, and such agreements can be terminated on short notice. Resurs may not be able to replace terminated agreements with brokers at a reasonable cost or at all. Further, Resurs's brokers in Sweden must comply with applicable SFSA regulations, including obtaining and maintaining an authorisation to mediate consumer loans. If one or more of Resurs's brokers were to reduce or suspend its relationship with Resurs, or if Resurs were obligated to suspend its relationship with one or more brokers in Sweden as a result of such brokers not being granted, or unable to maintain, authorisation by the SFSA to mediate consumer loans, it could adversely affect Resurs's ability to maintain or grow its loan portfolio. In addition, Resurs's ability to cooperate with brokers may be adversely affected by changes in the regulatory framework relating to credit intermediation, including the Swedish Certain Consumer Credit-related Operations Act (Sw. *lag (2014:275) om viss verksamhet med konsumentkrediter*), which sets forth the requirements for being authorised by the SFSA to operate as a credit intermediary in Sweden. With the recent yA Bank Acquisition (see "*–The recent yA Bank Acquisition may not have the expected benefits or may carry unexpected liabilities or risks*" below), Resurs will increasingly rely on its relationship with brokers in Norway. The expansion of Resurs's business in Norway may increase the risks related to the Company's reliance on the broker channel, as brokers are not regulated in Norway and yA Bank's historic business model has been focused on the broker sales channel, which may lead to excess lending and an increase in credit losses. Furthermore, if brokers with whom Resurs has commercial relationships were to increase their commissions, it would negatively affect the total operating income and profitability of the Group.

Moreover, even though Resurs believes that the provisions of its agreements with brokers are complied with, there is a risk that Resurs is, or will in the future be, in breach of any provision in the agreements with brokers, which could result in terminated agreements or damages. In addition, Resurs pays brokers up-front when the Company enters into loan agreements with customers they refer. If a customer referred by a credit intermediary prepays their loan, Resurs could incur a loss if the interest income received from the loan is less than the fee paid to the brokers.

The occurrence of any of the above events could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs may be unable to sustain its rapid level of growth or may fail to effectively manage its growth and maintain effective internal control and financial reporting systems in line with its growth.

Resurs has experienced rapid growth during the audited three-year period presented in the Offering Memorandum, due in part to the completion of several significant acquisitions in the years ended 31 December 2014 and 2015. On 1 April 2014, Resurs acquired Finaref AB and its subsidiaries Finaref OY and Finaref AS (together, "**Finaref**"), and Nordic Consumer Finance A/S and its subsidiary Dan-Aktiv A/S (together, "**Dan-Aktiv**"). On 26 October 2015, Resurs completed the yA Bank Acquisition. The acquisitions of Finaref and Dan-Aktiv in 2014 (jointly, the "**2014 Acquisitions**" and, together with the yA Bank Acquisition, the "**Acquisitions**"), and the yA Bank Acquisition in 2015, have contributed significantly to Resurs's level of growth and geographic expansion. While Resurs expects to continue to experience growth in its results, operations and number of employees, there can be no assurances that Resurs will be able to sustain or maintain the rapid level of growth experienced in recent years (see also "*–Resurs may make acquisitions that prove unsuccessful or strain or divert Resurs's resources or the Company may be restricted from making acquisitions due to capital adequacy requirements*" and "*–The recent yA Bank Acquisition may not have the expected benefits or may carry unexpected liabilities or risks*").

As a result of Resurs's growth, the importance of managing operational risk relating to, for example, work processes, personnel, IT-systems, databases, tax structuring and transfer pricing policies, financial reporting and other compliance requirements, operational infrastructure and the manner in which Resurs addresses customer complaints or regulatory inquiries, has increased and will continue to increase. To manage Resurs's growth effectively, Resurs must continue to maintain, and may need to enhance, its information technology infrastructure, databases, financial and accounting systems and controls, and manage expanded operations and employees in geographically diverse locations. For example, Resurs may be required to further develop or integrate its IT platforms, databases and other systems (see also "*Resurs may not be able to successfully maintain and develop its information technology infrastructure platform, internal database or data analysis systems, or to anticipate, manage or adopt technological advances within its industry in a cost efficient way or at all*" and "*–Resurs may not be able to integrate its IT infrastructure platform, databases or data analysis systems successfully*"). In addition, Resurs has, from time to time, relied on external expertise in certain areas where Resurs has not historically had the required competence internally, such as in relation to Resurs's tax and VAT framework, and, because of Resurs's growth, the Company may need to increase its internal resources devoted to such areas. Effective internal control over financial reporting is necessary for Resurs to provide reliable and accurate financial reports. If Resurs is unable to provide reliable financial reports or prevent fraud or other financial misconduct, Resurs's business and operating results could be harmed. Effective governance and internal control is also necessary for Resurs to maintain an adequate risk management framework.

Failure to manage Resurs's growth effectively and to maintain effective internal control and financial reporting systems in line with Resurs's growth could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs may make acquisitions that prove unsuccessful or strain or divert Resurs's resources or the Company may be restricted from making acquisitions due to capital adequacy requirements.

During the past three years, Resurs has acquired a number of companies and businesses as part of its growth strategy, such as Finaref, Dan-Aktiv and yA Bank, as well as the acquisition of certain assets, including personnel, of Redcats Finans AB (the "**Ellos Business Acquisition**"), and the purchase of a loan portfolio of Swedish and Norwegian loans with an aggregate principal amount of SEK 113,772 thousand from La Redoute in the second half of 2014. Resurs may consider acquiring further assets, shares or entire companies in the future. Such acquisitions are always exposed to a number of risks and considerable uncertainty with respect to ownership, other rights, assets, liabilities, licenses and permits, claims, legal proceedings, restrictions imposed by competition law, financial resources, environmental aspects and other aspects. Furthermore, acquisitions involve risks due to difficulties in integrating different operations, personnel, technology and information technology. In connection with potential future acquisitions, Resurs may incur considerable transaction, restructuring and administrative costs, as well as other integration-related costs and losses (including loss of business opportunities) and acquisitions may also be subject to purchase price adjustments, such as contingency payment arrangements. Furthermore, Resurs's ability to accurately assess the creditworthiness of loan applicants is dependent on the customer data that Resurs retains in its IT systems. Failure to integrate the technological systems holding this data may subject Resurs to a higher risk of credit losses (see also "*–Resurs may not be able to accurately assess the credit risk of loan applicants, which could lead to increased credit losses*"). Moreover, there is a risk that Resurs in the future will be restricted from making acquisitions due to capital adequacy requirements (see "*–Resurs must meet specified capital and liquidity ratios and have adequate capital resources and is thus exposed to the risk of changes in applicable regulatory provisions governing capital adequacy and liquidity, or the implementation of new rules and regulations*".) Any difficulties integrating future acquisitions, including unexpected or additional costs, or inability to make preferred acquisitions may have a material adverse effect on Resurs's business, financial condition or results of operations.

### The recent yA Bank Acquisition may not have the expected benefits or may carry unexpected liabilities or risks.

On 15 July 2015 Resurs Bank entered into an agreement to acquire yA Bank and MetaTech from yA Holding ASA. The yA Bank Acquisition completed on 26

October 2015 and the integration of the acquired entities may not, or may take more time than expected to, generate the anticipated synergies, cost savings and operational benefits, which could have a significant adverse effect on Resurs's activities, growth, operating profits, financial situation or prospects. Further, the acquisition and change of ownership of the acquired entities may lead to unexpected departures of customers or suppliers of the acquired entities, and may lead to the loss of certain key employees. For example, in December 2015, the CEO, CFO and Head of HR/Legal of yA Bank decided to terminate their employment with yA Bank.

Moreover, if significant issues arise with regard to the quality and performance of yA Bank's assets or services or if yA Bank's financial situation and/or prospects are not consistent with the assumptions on the basis of which the transaction was valued by Resurs, including, in particular, the continued evolution of its new loan development and developments regarding yA Bank's non-performing loans and credit losses, there could be a significant adverse effect on its profits and financial situation, including through impairment costs that Resurs may have to incur. Although the Group carried out due diligence (including technical, legal and financial due diligence) prior to the yA Bank Acquisition, this due diligence may not have identified or appropriately quantified all risks or liabilities of the acquired entities and of yA Bank in particular, the result of which could have a material adverse effect on Resurs's business, financial condition and results of operations.

### The *pro forma* financial information is based on hypothetical assumptions and is not necessarily representative of the results that Resurs would have achieved on a standalone basis or as a Group, including the acquired entities, and may not be reliable indicators of Resurs's future results.

The yA Bank Acquisition closed on 26 October 2015 and was partially financed by share issues to Resurs's current owners. The *pro forma* financial information provided in this Offering Memorandum is intended to illustrate the impact on Resurs's income statement for the year ended 31 December 2015 as if the yA Bank Acquisition had been completed on 1 January 2015.

The *pro forma* financial information is based on: (i) Resurs's audited consolidated financial statements included in this Offering Memorandum for the year ended 31 December 2015, which have been prepared in accordance with IFRS; and (ii) information extracted from the yA Bank Group's unaudited management accounts as of and for the period 1 January 2015 to 26 October 2015, which have been prepared in accordance with Norwegian Generally Accepted Accounting Principles ("**Norwegian GAAP**") and are included in this Offering Memorandum.

The *pro forma* financial information is provided for illustrative purposes only and is not necessarily indicative of the operating results that would have occurred if the yA Bank Acquisition had been completed as of the date set forth above, nor is it indicative of the future results of the Group. Because of its nature, the *pro forma* financial information addresses a hypothetical situation and, therefore, does not represent the Group's actual financial condition or results. Furthermore, the *pro forma* financial information does not purport to project the future operating results of the Company. The *pro forma* income statements do not reflect any revenue or cost savings, operating synergies or revenue enhancements (or any associated costs necessary to achieve these cost savings, operating synergies and revenue enhancements) that may be directly related to the yA Bank Acquisition.

### Resurs may not be successful in implementing its growth strategy.

In order to continue to grow its business in terms of new loan development and sales, Resurs must undertake various initiatives, including expanding its marketing activities to new marketing channels, engaging new brokers and retail finance partners and introducing new products and product features. For example, Resurs may consider offering new products, such as larger loans, secured loans and new savings products. All of these activities may require significant time and involve significant costs. Resurs may not be successful in executing any or all of these initiatives due to lack of market or customer acceptance, higher than forecasted development costs or a variety of other factors, many of which are outside of its control, and Resurs may not receive a return on its investments related to one or more of these projects.

The loan portfolios of both Resurs Bank and yA Bank loan portfolios have grown rapidly in recent years. There is a risk that the loan portfolios will not continue to grow at the same rate going forward as they have historically. In addition, Resurs may not be successful in developing and implementing its strategic plans for Resurs's businesses, including continuing to drive operational scale and excellence across countries. Resurs may experience institutional changes and changes in basic market conditions. The ability of the Board of Directors and management to plan, organise, follow up on and control the operations and to continuously monitor market conditions is important. If the development or implementation of such plans is not successful, Resurs may not produce the income, margins, earnings or synergies that Resurs needs to be successful and to offset the impact of adverse economic conditions that may exist currently or develop in the future. Resurs may also face delays or difficulties in implementing process and system improvements, which could adversely affect the Company's ability to successfully compete in the countries in which it operates. In addition, the costs associated with implementing such plans may exceed anticipated amounts and Resurs may not have sufficient financial resources to fund all of the desired or necessary investments required in connection with its plans, including one-time costs associated with Resurs's business consolidation and operating improvement plans.

If Resurs is unable to maintain the growth of its loan portfolio and its new loan development at historical rates and if the Company's investments in developing new marketing channels, new geographies, new products or new product features are not profitable, or if the credit quality of Resurs's loan portfolio decreases or Resurs experiences higher credit losses due to such introductions, it could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs is subject to risks related to key personnel, temporary personnel and other service providers.

Resurs's performance and future growth depend on the work carried out and the knowledge and expertise held by employees at Resurs, temporary personnel and other service providers. Resurs's continued ability to effectively compete and develop new areas is dependent on its ability to attract new employees and retain and motivate existing employees, temporary personnel and service providers. In particular key personnel do not have non-compete clauses and so could work for direct competitors of Resurs directly after leaving Resurs. The loss of key personnel, temporary personnel or other service providers who significantly contribute to Resurs's operations or sales, and the difficulties recruiting and retaining skilled employees in the future, could have a negative impact on Resurs's business in both the short and long term and have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs is exposed to changes in foreign exchange rates.

Changes in foreign exchange rates between SEK (Resurs's reporting currency and the currency in which its capital base is denominated) and NOK, EUR and DKK affect Resurs's results of operations. Resurs's loan portfolio is denominated in SEK, NOK, EUR and DKK, while its retail deposits are denominated in SEK and, as a result of the yA Bank Acquisition, NOK. In addition, Resurs has issued asset-backed securities (the "**ABS**") and corporate bonds listed on Nasdaq Stockholm under an MTN programme in SEK. The reporting currency of yA Bank is NOK and yA Bank has issued senior unsecured notes of NOK 400 million and a subordinated loan of NOK 40 million. In addition, yA Bank's deposits are denominated in NOK. Resurs's other borrowings are primarily denominated in SEK and, as a result of the yA Bank Acquisition, Resurs also has other borrowings that are denominated in NOK.

The most significant effect of changes in foreign exchange rates arises in the translation of assets and liabilities denominated in a foreign currency into SEK (Resurs's reporting currency). Resurs's policy is to limit the effect of changes in foreign exchange rates by, to the extent possible, matching assets and liabilities in the same currency. Resurs also uses derivative instruments under ISDA and CSA agreements to limit the effect of changes in currency exchange rates. However, Resurs may not be able to match assets and liabilities in the same currency. Resurs manages its foreign exchange currency exposure through foreign exchange currency swaps on an on-going basis. These foreign exchange currency swaps are typically short term and have durations of three to six months. There is a risk that a counterparty is unwilling to enter into new foreign exchange currency swaps in the future, or that costs for hedging currency exposures increase and that such hedging not can be made on terms reasonable to Resurs. For example, within Resurs's current ABS programme, the collateral is provided in SEK and the ultimate funding is in USD. Resurs bears the currency exchange rate risk, the costs of which are affected primarily by the relative interest rates in Sweden and the U.S. Additionally, as certain of the loan products offered by Resurs have durations of longer than six months, Resurs is exposed to foreign exchange risks relating to these products, where the short-term currency swaps may expire prior to maturity or repayment of the respective obligation.

Resurs is also exposed to the risk that the book values of Resurs's portfolios translated into SEK will change due to changes in foreign exchange rates. Even if the book values of portfolios in local currencies remain unchanged, an increase in book value when translated into SEK would impact Resurs's capital adequacy position in a negative way. From a short-term capital adequacy perspective, a weakening of the SEK, while other relevant currencies remain unchanged, would negatively impact Resurs's capital adequacy position and may lead to a capital increase.

Changes in foreign currency exchange rates could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs could incur losses not covered by insurance.

Resurs's insurance coverage is designed to protect it from material losses associated with, for example, data processing system failures and errors and customer or employee fraud, including losses resulting from any associated business interruption. Resurs believes its insurance coverage conforms to industry practice. However, the actual losses suffered by Resurs could exceed Resurs's insurance coverage and could be material. In addition, sufficient insurance coverage may in the future not be available to Resurs at a reasonable price or at all. The realisation of one or more damaging events for which Resurs has no or insufficient insurance coverage could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs's actual results of operations may differ materially from the financial targets included in this Offering Memorandum and investors should not place undue reliance on the financial targets.

The financial targets adopted by the Board of Directors and set forth in this Offering Memorandum are Resurs's medium term financial targets, including loan portfolio growth, net banking income margin, cost of risk, cost to income ratio, capital structure and RoTE. The financial targets constitute forward-looking statements and there is a risk that Resurs's actual results of operations or financial condition could differ materially from those expressed or implied by these forward-looking statements as a result of many factors. These financial targets are based upon a number of assumptions (including the success of Resurs's business strategies), which are inherently subject to significant business, operational, economic and other risks, many of which are outside of Resurs's control. While Resurs has detailed the key assumptions management has made when setting its targets, these assumptions may not continue to reflect the commercial, regulatory and economic environment in which Resurs operates. Accordingly, the assumptions may change or may not materialise at all. In addition, unanticipated events may adversely affect Resurs's actual results of operations and financial condition in future periods whether or not Resurs's assumptions otherwise prove to be correct. As a result, Resurs's actual results of operations or financial condition may vary materially from these targets and investors should not place undue reliance on them.

### Resurs is exposed to the risk of fraud.

Resurs is vulnerable to internal and external fraud from a variety of sources such as employees, suppliers, intermediaries, customers and other third parties.

Solid is at risk from customers who misrepresent or fail to provide full disclosure of the risks covered before purchasing insurance coverage, from policyholders who file fraudulent or exaggerated claims and from a range of other fraud-related exposures, such as the fraudulent use of its confidential information. Resurs's fraud protection processes may fail to effectively identify and combat these risks.

Resurs Bank is exposed to fraud risk associated with information provided by its customers and potential customers. The most common fraud risk is identity theft. Despite procedures put in place by Resurs, Resurs could suffer losses in the future due to the criminal behaviour of its potential or actual customers, which may be unanticipated or undetected by Resurs. Because the amount involved in most of the financial products offered by Resurs Bank is relatively small, single instances of consumer fraud do not pose a large risk to Resurs. However, a large-scale attack or collusion among customer applicants could result in potentially greater losses if Resurs is unable to detect or prevent such behaviour.

Additionally, Resurs experiences risk from employees and staff members who fail to follow or who circumvent procedures designed to prevent fraudulent activities. The occurrence or persistence of fraud in any aspect of Resurs's financial services business could damage its reputation and brands as well as its financial standing, and could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs faces liquidity and funding risks.

Liquidity and funding risk refers to the risk that Resurs may be unable to borrow required funds at a reasonable cost or sell assets at a reasonable price to meet its payment obligations on the respective due dates. Liquidity and funding risk can also be expressed as a lack of funding on reasonable terms and conditions, or difficulties related to supply of capital. As Resurs's business model involves the commitment and extension of credit to customers, Resurs is exposed to and must successfully manage the liquidity and funding risks associated with its contractual commitments and payment obligations to customers. For example, Resurs may commit to extend a contracted amount of credit to its customers that may exceed the amount of credit that is utilised by the customers (and thus recognised in Resurs's consolidated financial statements) under these commitments. These commitments are uncollateralised and may be drawn upon up to the total amounts to which Resurs is committed, which could increase Resurs's exposure to liquidity and funding risks associated with funding these commitments. Resurs's Treasury department monitors Resurs's credit utilisation levels and takes into account forecasts and newly paid-out credits to determine and calculate Resurs's future liquidity and funding needs, but there can be no assurances that the Treasury department will successfully manage, monitor or forecast Resurs's liquidity and funding needs. See "*Operating and financial review–Funding, liquidity and capital resources–Off balance sheet arrangements*" and "*Historical financial information–Resurs Holding AB–Notes–Note 41 Pledged assets, contingent liabilities and commitments*".

One of Resurs's primary sources of financing is currently deposits from the public, which are repayable on demand. Accordingly, Resurs is exposed to financial risk and any failure by Resurs to effectively manage the inflow and outflow of deposits could significantly impact Resurs's regulatory compliance status, business, financial condition and results of operations. For example, any decline in deposits from the public or demands for rapid repayment of deposits to the public because of, for example, loss of reputation, increased competition, decrease in interest rates, political intervention or other unforeseen events could have a material adverse effect on Resurs's ability to finance its operations. Conversely, if Resurs was to experience an unanticipated and rapid increase in deposits, it may have an impact on the specific funding and capital requirement that Resurs needs to comply with, and thus have an adverse effect on the Company's business, financial condition and results of operations.

Furthermore, new liquidity requirements (the liquidity coverage ratio ("**LCR**") and the net stable funding ratio ("**NSFR**")) were introduced as part of Regulation (EU) No 575/2013 of the European Parliament and the Council of June 2013 on prudential requirements for credit and investment firms and amending Regulation EU No 648/2012, the Capital Requirement Regulation ("**CRR**") and Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD IV**"). The LCR aims to ensure that a bank maintains an adequate level of unencumbered, high-quality assets that can be converted into cash to meet the bank's liquidity needs for a 30-day time horizon under an acute liquidity stress scenario. The NSFR establishes a minimum acceptable amount of stable funding, based on the liquidity characteristics of an institution's assets and activities over a medium to long-term horizon. See –"*Resurs must meet specified capital and liquidity ratios and have adequate capital resources and is thus exposed to the risk of changes in applicable regulatory provisions governing capital adequacy and liquidity, or the implementation of new rules and regulations*" and "*Regulatory–Banking business related regulation*".

Resurs may also lack sufficient cash and cash equivalents to repay deposits at the rate that depositors request repayment and to otherwise meet its obligations as they fall due. In such circumstances there can be no assurances that Resurs would receive financial support from the Swedish Central Bank, or elsewhere, which otherwise would have been able to provide liquidity to a solvent financial institution, or a group of solvent financial institutions, facing temporary liquidity problems.

In 2015, Resurs established its first securitisation structure in which it initially sold, and during a certain revolving period will continue to sell, consumer loans to a wholly owned special purpose vehicle ("**SPV**"). The occurrence of an event of default or certain triggering events would decrease the amount of funding available to Resurs and, therefore, adversely affect its ability to maintain and grow its loan portfolio. Further, deterioration in the quality of Resurs's loan portfolio or changes in product features that prevent loans from being securitised could adversely affect Resurs's ability to maintain or grow its loan portfolio in the future as well as its interest expenses and, consequently, could have an adverse effect on Resurs's business, financial condition and results of operations.

Resurs is also subject to the risk that changes in credit spreads (*i.e.*, the premium for a given credit issuer) due to, for example, changes in the credit outlook of a specific issuer, will affect the value of the bonds or other instruments in which Resurs has invested its surplus liquidity.

In the future, Resurs may, in whole or in part, need to raise new financing or refinance its existing loans. Such new financing or refinancing depends on several factors, such as circumstances in the financial markets in general and Resurs's credit rating. Resurs's access to external financing may thus be limited, in whole or in part, or be on less favourable terms than it has in the past. Disruptions and uncertainty in the capital and credit markets could also limit access to capital, which could adversely affect Resurs's operations. Resurs may also not be able to access the hybrid capital markets and, as a result, may be forced to inject more equity to comply with its capital requirements. Although Resurs currently believes its current external financing is sufficient, there is a risk that Resurs may need additional financing in the future. There is also a risk that in the future Resurs may violate the terms and conditions of existing credit agreements, which may lead to creditors having the right to terminate credits and demand repayment, or to renegotiate the terms.

The occurrence of any of these events could cause Resurs to lack sufficient cash to pay its debts as they fall due and, in turn, have a material adverse effect on Resurs's business, financial condition and results of operations.

#### Resurs is exposed to tax related risks, including potential withholding on payments it makes, such as dividends.

Resurs conducts operations in several countries. The business – including intra-group transactions – is conducted in accordance with Resurs's understanding or interpretation of applicable tax laws, tax treaties or other provisions in the tax law area, and in accordance with Resurs's understanding or interpretation of the requirements imposed by the relevant tax authorities. There can be no assurances that Resurs's understanding or interpretation of the aforementioned laws, treaties and other provisions is accurate in all respects. Furthermore, the tax authorities in the relevant countries may make assessments and take decisions which differ from Resurs's understanding or interpretation of the aforementioned laws, treaties and other provisions.

Particularly with respect to intra-group transactions involving different countries, tax authorities in one country may take a different position to Resurs or to tax authorities in another country regarding the interpretation of the aforementioned laws, treaties and other provisions or the conditions for such transactions, such as transfer pricing rules.

Resurs's tax situation in respect of previous years and the current year may thus change as a consequence of decisions by relevant tax authorities or due to amended laws, treaties and other provisions. Such decisions or amendments, possibly with retroactive effect, may have a significant negative impact on Resurs's earnings and financial condition.

There is currently strong political pressure to change the international tax environment. In light of the Base Erosion and Profit Shifting (BEPS) Action Plan, launched by the OECD and supported by the EU, and its rapid development there are indications that there is support for global tax coordination among jurisdictions, which could have a significant impact on the international taxation landscape in which Resurs operates. Additionally, certain U.S. federal tax provisions commonly referred to as "FATCA" may, beginning no earlier than 1 January 2019, impose 30 percent withholding on "foreign passthru payments" made by a "foreign financial institution". Although Resurs believes it is a foreign financial institution for these purposes, the term "foreign passthru payment" is not yet defined and, as a result, it is not yet clear whether or to what extent payments on the Offer Shares would be subject to FATCA withholding. See "*Taxation–Certain U.S. federal income tax considerations*".

The Swedish government is considering a new tax on sales of financial services, including banking services. A special investigator has been appointed to formulate a legal proposal by 1 November 2016 with the objective of reducing the tax advantage of financial services in Sweden due to a current exemption from VAT and considering the ongoing work within the EU on the taxation of financial transactions. It is not yet known whether, when or in what form such a regulation would be adopted and the effects can therefore not be estimated. Implementation of such a new tax regulation could have a material adverse effect on Resurs's business, financial condition and results of operations.

Any of the above could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs is exposed to risks relating to the settlement and resolution of disputes.

Resurs may from time to time become involved in disputes within the framework of normal business operations and is exposed to risks associated with the potential for customers, suppliers, partners or other parties to take legal action against the Company. Major and complicated disputes can be costly, time- and resource-consuming and may disrupt normal business operations. These disputes, irrespective of the outcome, may generate negative or adverse publicity, which could have an adverse impact on Resurs's reputation. Furthermore, the results of disputes could have a material adverse effect on Resurs's reputation, business, financial condition and results of operations.

### Resurs is exposed to risks relating to intellectual property rights.

Resurs owns or holds licenses to intellectual property rights, including, but not limited to, trademarks and software, used in its business. Resurs protects its intellectual property rights to the extent possible and to the extent commercially justified. However, there is a risk that Resurs will be unable to defend its intellectual property rights. In addition, there can be no assurances that Resurs will not be considered to be infringing on the intellectual property rights of others. In the event that Resurs is not successful in protecting and maintaining its intellectual property rights, maintaining licenses and permits or if it is considered to be infringing on the intellectual property rights of others, this could have a material adverse effect on Resurs's business, financial condition and results of operations.

## Risks related to regulation

### Resurs's operations are contingent upon the licenses issued to Resurs and Solid by the SFSA and the Financial Supervisory Authority of Norway (No. *Finanstilsynet*) ("NFSA").

The Swedish Banking and Financing Business Act (Sw. *lag (2004:297) om bank- och finansieringsrörelse*) (the "**BFBA**") requires all Swedish banking companies to operate under a license granted by the SFSA. The Swedish insurance business act (Sw. *försäkringsrörelselag (2010:2043)*) (the "**IBA**") requires all Swedish insurance undertakings to operate under a license granted by the SFSA. Both Swedish banks and Swedish insurance undertakings are subject to supervision by the SFSA, while Norwegian banks (such as yA Bank) operate under a Norwegian licence and are subject to supervision by the NFSA. A licence granted by the SFSA or the NFSA may, following a notification procedure, be passported for operations conducted within other EEA states, by way of secondary establishment or of cross-border operations.

Resurs maintains licenses granted by the SFSA and the NFSA as described above. In addition, Resurs Bank and Solid conduct operations in other EEA-states and, while Resurs Bank and Solid passport their respective licenses to other EEA states and thus comply with their home state rules and regulations, local rules and regulations may vary across the EEA states in which these entities operate and may differ from the rules and regulations of the applicable home state. The licenses of Resurs Bank and Solid have indefinite durations, but are subject to withdrawal rights. Further, the authorities may intervene by for example issuing an injunction, a remark (Sw. *anmärkning*), a warning, or an order to limit or reduce the risks of the operations, restrict or prohibit payment of dividends or interest, restrict the respective company's right to dispose of its assets or altogether prohibit it from disposing of its assets, appoint a special representative to run all or parts of Solid's business or revoke the licenses and permits of Resurs.

Moreover, Resurs is subject to the supervision of several regulators and Resurs may experience difficulties if there are conflicts between laws and regulations or the different regulators' interpretations of a law or regulation.

If Resurs Bank or Solid were subject to material sanctions, remarks or warnings and/or fines, it could cause significant, and potentially irreparable, damage to Resurs's reputation and, as a result, Resurs's business, financial condition and results of operations could be materially adversely affected. Resurs's operations are also contingent upon Resurs Bank's banking license and Solid's license to conduct insurance business. The loss or suspension of the banking license would require Resurs to cease its banking operations and the loss or suspension of the license to conduct insurance business would require Solid to cease its insurance operations, which would have a material adverse effect on Resurs's business, financial condition and results of operations.

### Compliance issues related to Resurs's historical calculation and reporting of its capital adequacy and historical satisfaction of applicable capital adequacy requirements at the ultimate parent company level could result in sanctions from the SFSA, including substantial fines or a revocation of Resurs's banking license.

As a licensed bank regulated and supervised by the SFSA, Resurs is required to calculate and report its capital adequacy to the SFSA at the level of the ultimate parent holding company of the Group within the EEA. See "*Regulatory–Banking business related regulation*". Resurs Holding AB was incorporated as the holding company of the Group in connection with the investment in Resurs made by Nordic Capital in 2012. The investment vehicle used by Nordic Capital to hold its majority shareholding in Resurs Holding AB at the time of the investment was Cidron FI S.a.r.l. ("**Cidron**"), a Luxembourg incorporated entity.

From November 2012 until and including the first quarter 2014, Resurs calculated and reported its capital adequacy to the SFSA at the level of Resurs Bank AB (the operating bank). From and including the second quarter 2014, Resurs has in addition to reporting the capital adequacy at the level of Resurs Bank AB, calculated and reported its capital adequacy to the SFSA for the consolidated Group at the level of Resurs Holding AB (the parent company of the operating Group). In September 2015, Resurs and its owners determined that the formal calculation and reporting of Resurs's capital adequacy to the SFSA should have been conducted at the level of Cidron, the ultimate parent holding company of Resurs within the EEA.

As Resurs did not consider Cidron to be a company included in the Group, and thus subject to consolidated capital requirements, Cidron did not consider to structure, and hence did not structure, its share capital to satisfy the regulatory capital requirements under the relevant capital requirement rules. As a result thereof, during periods from November 2012 to September 2015, the CET 1 and total capital ratios at the Cidron level did not comply with the relevant capital requirement rules.

On 11 September 2015, Resurs contacted and submitted a memorandum to the SFSA. Following a request from the SFSA, on 18 September 2015 the memorandum was supplemented with historical calculations and reporting of capital adequacy and compliance was described at the level of Resurs Holding AB and Cidron during the period in which Cidron was in existence, and Resurs notified the SFSA that the liquidation of Cidron had been initiated. In September 2015, Cidron was removed from the Group structure and subsequently put into liquidation, at which point Resurs Holding AB became the ultimate parent company of the Group within the EEA.

In reviewing matters such as this and determining the appropriate measures to take, statute prescribes: (i) the factors the SFSA shall consider; and (ii) the actions the SFSA may take, which may range from a private notification and request to resolve the matter to a public remark or warning, and in the most serious cases, the revocation of the regulated entity's license. In cases where the SFSA issues a public remark or warning, the SFSA may also require the regulated entity to pay a fine, which according to statute may be no less than SEK 5,000 and up to 10 percent of the entity's turnover during the immediately preceding financial year. See "*Business description–Legal and administrative proceedings and other similar matters*".

As of the date hereof, the SFSA's review of Resurs's historical capital adequacy reporting and compliance is ongoing and, accordingly, the SFSA has not confirmed whether it will impose one or more of the sanctions described above against Resurs. Resurs have held several discussions with the SFSA on the capital adequacy reporting and compliance issue described above. Resurs have also received advice from its legal advisors, including a review of selected previous sanction cases resolved on by the SFSA, and advice from its legal advisors in relation to the factors the advisors consider that the SFSA is likely to take into account when making their decision. Although Resurs's Board of Directors believes the risk to be very limited (Sw. *att risken är mycket begränsad*) that the SFSA will take punitive action more severe than issuing a public adverse remark or a public warning, combined with a fine, there can be no assurance that the outcome of the SFSA's review will be in accordance with the Board's belief.

If the SFSA decides to impose a fine, the amount of the fine, as described above, could be significant and have a material adverse effect on Resurs's business, results of operations, financial condition and/or reputation. Cidron Semper Ltd. has undertaken to indemnify the Company for any fine imposed by the SFSA in excess of SEK 20 million and up to SEK 251 million, such amount corresponding to 10 percent of Resurs's turnover for the year ended 31 December 2015 (the highest possible fine that the SFSA can impose under applicable law). The indemnity, which is irrevocable and unlimited in time, will be provided by an unconditional shareholder's contribution to Resurs. While the maximum amount covered by this indemnity (SEK 231 million) and the maximum amount of the Company payment (SEK 20 million) together correspond to the highest possible fine that the SFSA can impose under applicable law, should the actual amount contributed under the indemnity for any reason be insufficient, Resurs may be required to pay a larger percentage of any fine imposed by the SFSA, which could have a material adverse effect on Resurs's business, results of operations, financial condition and/or reputation. As of 31 December 2015, no provision has been made in relation to any fine or sanction from the SFSA relating to the aforementioned sanction case.

If the SFSA decides to revoke Resurs's banking license, Resurs will be unable to continue its banking operations and could face liquidation and dissolution or bankruptcy.

### Resurs's business is subject to significant regulation and supervision as well as changes in existing regulation and there is a risk that relevant authorities will judge that Resurs does not fully comply with, or that Resurs may violate, or in the past has violated, applicable regulations.

Resurs's banking and insurance businesses are subject to home state supervision and also significant regulation and supervision in each jurisdiction in which they operate. For example, Resurs must comply with local rules, regulations and administrative provisions regarding its banking and insurance businesses, business conduct, anti-money laundering, processing of personal data, payments and payment services, consumer credit, capital requirements, reporting, compliance requirements, governance and control, outsourcing and taxation, all of which are subject to change, and compliance with which may from time to time entail significant costs. In addition, these local rules, regulations and administrative provisions may differ significantly from jurisdiction to jurisdiction, and measures taken to comply in one jurisdiction may be insufficient in respect of compliance in another jurisdiction.

Resurs is currently in the process of reviewing and updating certain compliance policies and procedures. Notwithstanding this process, supervisory authorities in each country may determine that Resurs does not fully comply with, is in violation of, or in the past has violated, applicable rules, regulations or administrative provisions. If Resurs's policies or procedures are deemed not to be in compliance, or are deemed not to have previously been in compliance, with relevant legal requirements or applicable laws, regulations and administrative provisions, this could have a material adverse effect on Resurs's business, financial condition and results of operations. Resurs could for example be subject to a variety of sanctions, mainly from the SFSA, but also from supervisory authorities in each country in which it operates, including: (i) a private notification by a regulator and request to remedy a failure; (ii) a penalty fine and public remark regarding such failure; (iii) a penalty fine and public warning regarding the potential revocation of licenses; and (iv) the removal of Resurs's licenses to operate. Resurs may also be subject to scrutiny from other governmental agencies, including the Swedish Consumer Agency.

While Resurs generally seeks external legal advice in the ordinary course of business, it may fail to comply with all applicable laws, regulations and administrative provisions and there can be no assurances that local authorities will not interpret laws, regulations, tax agreements and court and government practice differently than Resurs, which may result in sanctions or require changes to Resurs's business strategy and operations. In September 2014, the SFSA conducted a review of Solid and identified certain compliance issues related to its capital requirements, internal governance and control, and outsourcing. The SFSA informed Resurs that, in light of the measures Solid has undertaken or plans to undertake to address the compliance issues identified by the SFSA, no sanctions will be imposed. However, the SFSA intends to follow up on Resurs's implementation of these measures as part of the SFSA's ongoing supervision of Solid. If the SFSA determines that Resurs has not followed its plan, that the measures taken are insufficient, that Resurs has failed to successfully implement its planned measures, or if the SFSA identifies other compliance issues during its ongoing supervision, Resurs may be subject to sanctions, including those set forth in the paragraph above.

In the event that Resurs is deemed to have failed to comply with applicable laws, regulations or administrative provisions, Resurs may suffer damage to its reputation and could be subject to significant fines and/or limitation or revocation of its banking or insurance licenses, which would have a material adverse effect on Resurs's reputation, business, financial condition and results of operations.

The regulatory environments for banking and insurance businesses are often evaluated, scrutinised and modified and are a focus of media coverage and analysis. Applicable regulations and regulatory requirements are subject to significant change and have generally become more strict since the global financial crisis. Accordingly, Resurs is exposed to risks resulting from regulatory uncertainty and a rapidly evolving and increasing regulatory environment, including the risk that fundamental conditions for the operation of its business may change due to the modification or changing interpretation of existing rules and regulations, the implementation of new rules and regulations and the degree to which regulations vary across the jurisdictions in which the Company operates. New developments and changes in the regulatory environment, and in the interpretation, application or enforcement of regulations by local authorities, may also affect the ability and willingness of customers to use Resurs's services and products, and may result in adverse publicity relating to Resurs or the banking and insurance industries in general. Moreover, the costs of compliance and verification of compliance are increasing as a result of increasingly extensive regulation. If the fundamental conditions for the operation of Resurs's business were to change or new developments and changes in the regulatory environment were to occur, such changes or developments may have a material adverse effect on Resurs's business, financial condition and results of operations.

The Board of Directors recently adopted group-wide anti-bribery, sanctions compliance and competition policies and procedures, and is implementing a training program designed to ensure that its employees are knowledgeable of these and other relevant policies. While Resurs is unaware of any violation of applicable rules and regulations governing such matters, historically the Company relied on more general corporate policies to govern relevant behaviour and monitored compliance with such rules and regulations on a more ad hoc basis. Accordingly, there can be no assurances that Resurs has conducted its operations at all times in compliance with applicable rules and regulations, or that its employees and/or agents have not violated such rules and regulations. The financial, reputational or other costs of addressing historical or potential future non-compliance with applicable anti-bribery, sanctions and competition rules and regulations could have a material adverse effect on Resurs's business, financial condition and results of operations.

Further, the Ministry of Finance in Sweden has proposed changes in law that would require banks and credit institutions to adopt repayment conditions on mortgages that are compatible with a sound repayment culture. Under the proposal, the changes will be effective as of 1 May 2016 and will enable the SFSA to issue more detailed regulations on amortisation requirements. While no political decisions have been made yet, there is also an ongoing discussion in Sweden regarding potential limitations on an individual's ability to take tax deductions for interest expenses. Such legal changes may affect consumer spending and, consequently, Resurs's business, financial condition and results of operations. Further, in May 2015 it was announced that the Danish government would introduce a requirement that there must be a "cooling off" period between the time when a consumer asks for a loan and the time when the loan can be paid out. It is not yet known whether, when or in what form such a regulation will be adopted, or if it would apply to Resurs. Such law change may have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs must meet specified capital and liquidity ratios and have adequate capital resources and is thus exposed to the risk of changes in applicable regulatory provisions governing capital adequacy and liquidity, or the implementation of new rules and regulations.

Resurs Bank is a bank and is therefore subject to extensive regulation regarding capital adequacy and liquidity requirements, mainly regulated in the legislative package consisting of CRD IV and CRR implementing the proposals of Basel III in the EU.

The CRR and CRD IV legislative package includes certain capital requirements that are intended to vary over time and depend on, among other things, the existence of cyclical and structural systemic risks. Resurs Bank must at any given time meet the specified capital and liquidity ratios and have adequate capital or liquidity resources. Further, Resurs Bank may be required to hold even more capital if deemed necessary by the SFSA or the NFSA. Resurs is thus exposed to the risk of changes in applicable regulatory provisions governing capital adequacy and liquidity, a divergent assessment by the SFSA or the NSFA of the banking operations in relation to the regulatory requirements, or the implementation of new rules and regulations. There is also a risk that relevant authorities will judge that Resurs does not fully comply with, or that Resurs may violate, applicable regulations. Such situations could lead to further unexpected requirements in relation to Resurs Banks's capital, leverage, liquidity and funding ratios or alter the way such ratios are calculated, which could have a material adverse effect on Resurs's financial condition and results of operations.

In addition, the evolving regulatory environment includes, but is not limited to, the following legislation, which generally may have a material adverse effect on Resurs's business, financial condition and results of operations:

- Resurs's borrowing costs and capital requirements could be affected by the Resolutions Act (Sw. *Lag (2015:1016) om resolution*), which partially implements the Bank Recovery and Resolution Directive (2014/59/EU) (the "**BRRD**"), an EU wide framework for the recovery and resolution of credit institutions and investment firms. The Resolutions Act includes, *inter alia*, a bail-in mechanism pursuant to which shareholding may be diluted and certain creditors' claims may be written-down, which may, in turn, affect Resurs's funding costs. Resurs may also incur costs as a result of monitoring and complying with these new requirements.
- The new insurance directive, Solvency II (Directive 2009/138/EC), along with the Omnibus II Directive (Directive 2014/51/EU) that amended the Solvency II Directive, was implemented by Sweden through *inter alia* amendments to the IBA that entered into force on 1 January 2016. The Solvency II directive is intended to ensure that insurance undertakings are able to meet their obligations vis-à-vis the insured and thus contribute to stability in the financial system. The new legislation may entail significant consequences for Solid's insurance business as it includes, *inter alia*, reformed risk based solvency requirements (rather than the previously applicable quantitative requirements) and more extensive requirements as to regulatory reporting and public disclosure of information. The insurance undertaking's costs (including Solid's) may, thus, increase as a result of monitoring and complying with these new requirements. The introduction of a new economic risk based solvency regime under Solvency II aims to deepen the integration of the insurance and reinsurance market, to enhance the protection of policyholders and beneficiaries, to improve internal competitiveness of EU insurers and reinsurers and to promote better regulation. It is expected that solvency capital requirements for insurance and reinsurance undertakings will increase overall under the new regulation as compared to the previous Solvency I regime and that solvency ratios will become more volatile. In addition, there have been amendments to the organisational, reporting and risk management procedures and requirements. Also, amendments have been made to the rules on SFSA's supervision, including for example that the IBA now states that the supervision shall be based on a prospective and risk-based approach. Due to the lack of precedent, it is unclear exactly how strictly the SFSA will apply the newly implemented regulations. Nevertheless, there is the possibility that the new rules will be applied strictly and thus, potentially detrimentally affect Solid's assets, financial condition and total operating income and hence also affect Resurs. In order to prepare to meet the relevant new requirements, Solid has conducted significant internal work in anticipation of the implementation of Solvency II, including the formation of an internal project team and launch of qualitative and quantitative analyses and reviews in 2011. Solid has also invested in third-party risk calculation and reporting tools regarding quantitative reporting. In 2014, Solid participated in a voluntary Solvency II preparatory reporting program created by the SFSA for Swedish insurance companies, pursuant to which Solid has submitted both qualitative and quantitative reports since 2014. According to management, based on Solid's most recent preparatory report under the Solvency II preparatory reporting program, Solid was compliant with the requirements imposed by the Solvency II directive. However, the SFSA has not given Solid any confirmation or feedback in relation to this reporting and, while Solid has conducted significant preparatory work and investment to date, and has participated in the voluntary Solvency II preparatory reporting program since 2014, the first quantitative reporting required under Solvency II will take place in May 2016. There can be no assurances that Solid will comply with all of the requirements imposed by the Solvency II directive. Any non-compliance could result in regulatory scrutiny and have a material adverse effect on Resurs's business, financial condition and results of operations.
- In November and December 2015, the European Parliament and the European Council adopted the Insurance Distribution Directive (the "**IDD**"), which is intended to repeal the Insurance Mediation Directive (Directive 2002/92/EC) upon which the Swedish Insurance Mediation Act (Sw. *lag (2005:405) om försäkringsförmedling*) (the "**IMA**") is based. The EU Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with the IDD within two years from the entry into force of the directive. Since the IDD is a minimum harmonisation directive, meaning that it does not preclude EU Member States from maintaining or introducing stricter provisions, the precise extent and impact of the new Swedish regulation is not yet certain. However, it will likely entail, among other things, an extended scope of application to include insurance distribution that currently is exempt from the IMA (including insurance undertakings' own distribution), stricter professional requirements, and additional information requirements. It may also prescribe that insurance distributors may not be remunerated and may not remunerate or assess the performance of their employees in a way that conflicts with their duty to act in accordance with the best interests of the customers. As from the date Sweden implements the IDD, third party distributors which Solid employs to distribute its insurance products may no longer be exempt from all the provisions of the IMA. In such a situation, Solid may need to find alternative means of distribution and its distribution costs may therefore increase.

Moreover, Resurs Bank is exposed to the risk of business developing in a way that could cause its earnings to decline, which would affect capital adequacy. A lack of capital, or a market perception of lack of capital, could lead to demands from authorities to raise additional capital, to balance profits or to cancel distribution of dividends. Resurs Bank may need to raise additional capital through, for example, issuance of shares or other securities, which may result in dilution of the holdings of existing shareholders, or by taking equity from the business, which could affect its development and growth. If any of the capital risks mentioned above should materialise, they could have a material adverse effect on Resurs's business, financial condition and results of operations.

### The Swedish government may intervene if Resurs Bank were to suffer substantial losses and subsequently face a crisis.

If Resurs Bank were to face financial difficulties, the Swedish government has powers to intervene pursuant to the Swedish Preventive State Aid to Credit Institutions Act (Sw. *lagen (2015:1017) om förebyggande statligt stöd till kreditinstitut*) (the "**PCISAA**"), which partially implements the BRRD and as of 1 February 2016 replaced the State Aid to Credit Institutions Act (Sw. *lagen (2008:814) om statligt stöd till kreditinstitut*).

Under the PCISAA, the Swedish government has powers to intervene in the event of financial difficulties in a Swedish credit institution, provided that state aid is needed in order to contravene the risk of a serious disturbance in the Swedish financial system. State aid may be granted for continued operations of a credit institution that is viable. The PCISAA includes various state aid measures, including different forms of guarantees and equity contributions in order to ensure financial stability.

In case of financial difficulties in Resurs Bank, it is possible that the Company would not fulfil the requirements under the PCISAA. Resurs Bank could thus be refused state aid, which could force Resurs to change its business or cease its operations, or could result in the revocation of Resurs's licenses. Any of the above could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs may not be in compliance with applicable data protection laws and regulations.

Resurs's ability to obtain, retain, share and otherwise process customer data is governed by data protection laws, privacy requirements and other regulatory restrictions, including, for example, that personal data may only be collected for specified, explicit and legitimate purposes, and may only be processed in a manner consistent with these purposes. Further, the collected personal data must be adequate, relevant and not excessive in relation to the purposes for which it is collected and/or processed, and it must not be kept for a longer period of time than necessary for the purposes of the collection. Resurs's security controls over personal debtor data and other data protection practices may not prevent the improper disclosure or processing of personal data in breach of applicable laws and contracts, and IT or system breaches or failures may result in the loss of personal debtor and other data. Insufficient routines for data retention may for example lead to excessive processing of personal data and lacking separation routines for personal data may cause Resurs to process personal data, in its capacity of data processor, in violation of data processor agreements. Resurs is currently reviewing and updating certain compliance policies and procedures. If Resurs's policies, procedures or systems are deemed not to be in compliance, or are deemed not to have previously been in compliance, with applicable data protection laws and regulations, this could have a material adverse effect on Resurs's business, financial condition and results of operations.

Resurs's compliance with applicable data protection laws and regulations is primarily subject to supervision by the Swedish Data Protection Authority (Sw. *Datainspektionen*) and the corresponding data protection authorities in Denmark, Finland and Norway. Resurs's insurance brokerage operations may be subject to supervision in countries outside Scandinavia where such operations are carried out. These authorities may, from time to time, review or audit Resurs's data protection practices and require Resurs to change its prevailing practices, which may result in additional costs and administration for Resurs. Any material failure to protect or process customer data, or other personal data, in compliance with applicable laws and regulations could result in the revocation of Resurs's licenses, monetary fines, criminal charges and breach of contractual arrangements, and/or reputational damages which, in turn, could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Changes in data protection laws or other legislation affecting the amount of data available to Resurs for customer targeting and conducting credit assessments or the use of such data could adversely affect Resurs's marketing activities and underwriting process.

In recent years, there has been an increase in focus on data protection and privacy laws and legislation affecting the availability and use of customer data by industry participants and regulators, and an increase in regulatory scrutiny in respect of the enforcement, oversight and monitoring compliance with these laws. On 25 January 2012, the European Commission published a draft EU General Data Protection Regulation ("**GDPR**"). Subsequently, numerous amendments have been proposed in the European Commission, European Parliament and European Council. On 15 June

2015, the European Council formally approved a revised draft of the GDPR. On 15 December 2015, the European Institutions reached a compromise agreement on the proposal for a GDPR, which includes a transition period of two years and proposes substantial changes to the current EU data protection regime, involving the replacement of national data protection laws, strengthening of individuals' rights, stricter requirements on companies processing personal data and stricter sanctions with administrative fines set at the higher of EUR 20 million and 4 percent of an enterprise's annual global turnover where infractions are grouped into tiers attracting different maximum fine levels. A final version of the GDPR was approved by the Council's COREPER and the European Parliament was then expected to endorse the text. Publication in the Official Journal is expected in April or May of 2016, and the GDPR will enter into force two years later, i.e., April or May of 2018. Resurs is awaiting the publication in the Official Journal and will then begin to assess the full impact of the proposed regulation on Resurs's business. It is not currently possible to assess the full impact of the proposed regulation on Resurs's business, but the GDPR, as well as any other changes in data protection legislation in any of the countries in which Resurs operates, especially if resulting in restrictions on use of personal data, could have a material adverse effect on Resurs's business, financial condition and results of operations.

**Resurs Bank is exposed to the risk of changes in the government deposit guarantee scheme.**

Resurs Bank is exposed to the risk that the terms and conditions for the government deposit guarantee scheme may change, such as an increase of the fee payable or a decrease in the amount paid out. The Swedish government is currently considering the implementation of the EU Directive 2014/49/EU on deposit guarantee schemes (recast). Under a legal memorandum issued in June 2015, the implementation has been proposed to enter into force on 1 May 2016, including amendments regarding calculation of the annual fee to the Guarantee Authority (Sw. *Garantimyndigheten*) for participation in the deposit guarantee scheme. It is not yet known when or in what form the implementation will be adopted and the magnitude of the implementation cannot be estimated. The implementation, and other changes in the deposit guarantee scheme, could have a material adverse effect on Resurs's business, financial condition and results of operations.

**Resurs could be adversely affected by changes in laws regarding debt collection, debt restructuring and personal bankruptcy.**

Resurs's recoveries on written-down loans depend primarily on the effectiveness of legal debt collection systems, including laws regarding debt collection, debt restructuring and personal bankruptcy, in the countries in which it operates. Recoveries are also to some extent dependent on the commitment by and the efficiency of Resurs's third-party debt collection partners. Resurs's ability to collect on its past due loans could particularly be adversely affected by changes in debt restructuring or personal bankruptcy laws if, for example, other creditors are granted priority over consumer loan providers in restructurings or bankruptcies. Resurs's business could also be adversely affected by changes in laws regarding statutes of limitations on debt collection. In each of Sweden, Norway and Denmark the statute of limitations for debt collection is normally ten years (three years for some consumer loans) and it can be renewed through acknowledgement of the debt by the customer (usually through payment), the creditor making a claim in writing or otherwise notifying the debtor in writing, or through legal action. In Finland, the absolute statute of limitations for debt collection is 15 years from the first collection effort.

There is a risk that the statutes of limitations on debt collection could be shortened, or the ability to extend the statutes of limitations could be restricted or abolished, in the countries in which Resurs operates, which could adversely affect Resurs's ability to collect from customers with loans in litigation or on NPLs. For example, a report published by the Swedish Government in November 2013 suggested that claims that have been established by a Swedish court or the enforcement authority (Sw. *Kronofogdemyndigheten*) should be barred after 15 years. Any new legislation reflecting such suggestions could adversely affect Resurs's ability to collect from customers with loans in litigation or on NPLs.

Any changes in laws and regulations affecting Resurs's ability to collect from customers with loans in litigation or on NPLs could have a material adverse effect on its business, financial condition and results of operations.

**Resurs is subject to risks related to insurance mediation.**

Resurs Bank currently mediates PPI and other insurance products to its eligible customers in the countries in which it operates. The IMA requires all tied insurance intermediaries to be registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) by the insurer to which it is tied, and such registered tied insurance intermediaries are supervised by the SFSA. The SFSA may impose sanctions on Resurs Bank for breaches of the IMA. In addition, the Swedish Consumer Agency (Sw. *Konsumentverket*), and corresponding foreign authorities where Resurs Bank operates, monitor, among other things, the contents of marketing and other informational materials provided to existing and prospective insurance customers. Resurs Bank is authorised as an insurance intermediary under the IMA as it is registered as a tied insurance intermediary to Solid. Resurs Bank also passports its insurance mediation authorisation to other EEA states in which it operates. The authorisation is indefinite in duration, but is subject to withdrawal rights by the SFSA. Changes to widen the scope of the authorisation as a tied insurance intermediary have been made to ensure that Resurs Bank is duly registered as a mediator for all of the relevant insurance products mediated by Resurs Bank. If the SFSA were to conclude that the scope of Resurs Banks's authorisation (including its passported authorisation) is or was not sufficient, Resurs Bank could be subject to fines or other sanctions. Furthermore, while Resurs is continually evaluating and updating the marketing materials and other information it provides to its insurance customers, it could be subject to reputational damage, fines or other penalties if such materials are deemed to be deficient.

Solid also offers a wide range of other non-life insurance products, including insurance products that are typically distributed to customers in connection with the purchase of certain merchandise (such as bicycles, jewellery, tools, technical equipment, etc.) or services (such as travel services, etc.). The distribution of such ancillary insurance products is typically performed by the stores selling the products or providing the services. In order to reach out to as wide a customer base as possible, Solid has partnered up with a large number of retail chains and other appropriate partners for the distribution of its insurance products, which are typically exempt from the scope of the IMA. However, the legal regulation governing insurance mediation is currently under review. Though the details of any new Swedish regulation is not yet clear, it will likely entail an extended scope of application, stricter professional requirements and additional information requirements. The revised IMA may require that, in the future, certain costs connected with the distribution of insurance products be disclosed, namely remuneration paid to intermediaries or employees of the insurance undertaking for the sale of insurance products. Also, it may entail that the third party distributors that Resurs employs for distribution of its insurance products, which currently are exempt from the IMA, no longer will be exempt from all the provisions of the IMA. Therefore, Resurs may need to find alternative means of mediation and its costs in relation thereto may therefore increase.

For the reasons noted above, the business of insurance mediation poses both reputational and regulatory risks, should the insurance mediation not be conducted in compliance with applicable legislation, regulations and internal governing documents, or should applicable regulations change in the future. For example, in October 2015, after having conducted a general survey encompassing the distribution of PPI policies, the Swedish Consumer Agency identified shortcomings with respect to all distributors and also criticised Resurs Bank and Solid for providing inadequate information to customers in connection with the provision and sale of PPI, and while no fine or other sanction has been issued by the Swedish Consumer Agency, Resurs Bank and Solid may suffer damage to their reputation or to their business as a result of such criticism or similar criticism in the future. If any of these risks were to materialise, such risks could have a material adverse effect on Resurs's business, financial condition and results of operations.

### In the event that any Group entity is considered to be in violation of applicable consumer protection legislation there is a risk that the supervisory authority will bring legal action.

Resurs offers retail finance, consumer loan and credit card products to consumers, mediates insurance related thereto and offers insurance directly to consumers. The Group is therefore subject to consumer protection regulation in the jurisdictions in which it operates, concerning, for example, sound credit assessments, advertising and other marketing practices, fair contract terms and information and documentation requirements. In the event that Resurs is deemed to be, or deemed to have previously been, in violation of applicable consumer protection regulation, there is a risk that the applicable supervisory authority will, among other things, bring legal action against the Group, order it to modify or cease certain advertising activities, order it to amend its terms of business, order it to cease certain types of credit lending or insurance mediation, or request that it changes its credit lending and credit assessment processes, which could have an adverse impact on Resurs's reputation and on its ability to market to new and existing customers and could lead to additional marketing- and compliance-related costs for Resurs. In addition, such events could ultimately require Resurs to cease or alter its operations, and could thus have a material adverse effect on Resurs's reputation, business, financial condition and results of operations.

### Resurs is exposed to risks relating to changes regarding interchange fees.

Interchange fees are generally the largest component of the costs that retailers pay to accept payment cards. Interchange fees are split among multiple parties, including card issuers (such as Resurs) and MasterCard/Visa. Further, interchange fees, including MasterCard's multilateral interchange fees, are subject to regulatory scrutiny and regulators are seeking to reduce these costs through regulatory action. The Payment Services Directive (2007/64/EG) ("**PSD**") was adopted in 2007 and was subsequently reviewed and updated to include regulations regarding interchange fees for card-based payment transactions. In March 2015, the European Parliament voted to approve a cap on interchange fees of 0.3 percent. This interchange fee cap is effective on credit card transactions from 9 December 2015, and there can be no assurances that interchange fees will not be subject to further regulation and scrutiny by authorities and legislative bodies. While Resurs has made and continues to explore strategic modifications and changes to its credit card offering to address these changes, if Resurs cannot collect or is forced to reduce its share of interchange fees as a result of regulations or otherwise, and is not able to mitigate the impact or pass the increased cost on to consumers or other parties, or if the volume or amount of the interchange fees are otherwise reduced, this could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Changes in accounting rules could adversely affect Resurs.

From time to time, the International Accounting Standards Board (the "**IASB**") and/or the EU amend IFRS-EU, which governs the preparation of Resurs's financial statements. These changes can be difficult to predict and could materially affect how Resurs records and reports its financial condition and results of operations. In some cases, Resurs could be required to apply a new or revised standard retrospectively, resulting in restating prior periods' financial statements. For example, on 24 July 2014, the IASB issued the final version of its new standard on financial instruments accounting, IFRS 9 – Financial Instruments: Recognition and Measurement ("**IFRS 9**"). IFRS 9 includes revised guidance on the classification and measurement of financial assets and financial liabilities, impairment of credit losses and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018 (if not voluntarily applied earlier). However, the EU has not endorsed IFRS 9 as of the date of this Offering Memorandum. Consistent with the effect that IFRS 9 may have on banks and financial institutions generally, the future implementation of IFRS 9 may adversely affect Resurs's financial statements and could result in increased and more volatile provisions for credit losses. Due to the uncertainties regarding IFRS 9, Resurs has not yet quantified the effects of IFRS 9. Resurs acknowledges that the implementation of IFRS 9 could result in a one-off increase in provisions for losses relating to its loan portfolio, as Resurs would be required to record a provision for all loans, including those that are newly originated or acquired, instead of only for past due loans. The initial amount of the expected provision is equal to the credit losses expected over a 12 month period. The future implementation of IFRS 9 could have a negative impact on the capital position, including CET 1 capital, of the banks and other financial institutions that are affected by the implementation of IFRS 9, including Resurs.

The IASB may make other changes to the financial accounting and reporting standards that govern the preparation of Resurs's financial statements, which Resurs may adopt prior to the date on which such changes become mandatory if determined to be appropriate, or which Resurs may be required to adopt. Any such change in Resurs's accounting policies or accounting standards could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Resurs is at risk of being damaged by the occurrence of money laundering and financing of terrorism or by violating trade sanctions and could thus suffer legal consequences as a result thereof.

Resurs Bank is subject to laws and regulations regarding anti-money laundering and financing of terrorism and trade sanctions. While Resurs has policies and procedures to comply with applicable laws and regulations relating to these areas, Resurs is at risk of violating the rules prohibiting money laundering and financing of terrorism or by violating trade sanctions and could thus suffer legal consequences as a result thereof. Furthermore, Resurs is currently in the process of reviewing and updating certain compliance policies and procedures. If Resurs's policies or procedures are deemed not to be in compliance, or are deemed not to have previously been in compliance, with applicable laws and regulations regarding anti-money laundering and financing of terrorism, this could have a material adverse effect on Resurs's business, financial condition and results of operations.

Additionally, a regulator, both in its home country or in one of the countries in which it operates outside Sweden, could view its policies and compliance procedures as being insufficient to comply with local rules and standards. The risk of exposure to money laundering or financing of terrorism or violating trade sanctions has increased worldwide in general and for fast-growing companies in particular. Violation of applicable regulations or a finding that its policies were not sufficiently robust in any single jurisdiction could lead to sanctions in the form of a reprimand or warning, fines or revocation of Resurs's licences. Business relationships and Resurs's reputation could also be damaged, which could have a material adverse effect on Resurs's business, financial condition and results of operations.

On 20 May 2015, the European Parliament adopted the fourth Anti-Money Laundering Directive. The adoption of the new directive repeals the third Anti-Money Laundering Directive and imposes a duty on banks to monitor and record suspicious transactions carried out by their customers, which is stricter than the corresponding duty under current legislation. No Swedish legislation or initiative has yet been adopted in order to implement the directive. On 1 August 2015, however, amendments to the Swedish Act on Measures against Money Laundering and Financing of Terrorism (Sw. *lag (2009:62) om åtgärder mot penningtvätt och finansiering av terrorism*) came into effect in order to adjust the rules to international standards set by the Financial Action Task Force. Since the fourth Anti-Money Laundering Directive was largely produced on the basis of these standards, it is unclear if, and to what extent, changes to the Swedish legislation will be required in order to implement the fourth Anti-Money Laundering Directive. The fourth Anti-Money Laundering Directive must be implemented by EU Member States by 26 June 2017. On 1 February 2016, an Official Report of the Swedish government was published containing a proposal of how Swedish legislation should be amended in order to comply with the fourth Anti-Money Laundering Directive. This Official Report proposes a new (restated) Act on Measures against Money Laundering and Financing of Terrorism, which is proposed to come into force on 26 June 2017. It is unclear if, and to what extent, the Official Report will be considered regarding any future legislation. Since it is not yet known if, when or in what form any implementation of the directive will occur, the magnitude of this change can therefore not be estimated, though it could have a material adverse effect on Resurs's business, financial condition and results of operations.

## Risks related to the Shares and the Offering

### Since an investment in shares can increase or decrease in value, it is not certain that an investor will regain the capital invested.

Risk and risk-taking are an unavoidable aspect of share ownership. Since an investment in shares can increase or decrease in value, it is not certain that an investor will regain the capital invested. The performance of a listed share depends on a number of factors, some of which are company-specific, while others are related to the equity capital markets as a whole. It is impossible for an individual company to control all of the factors that may affect its share price, and thus each investment decision concerning shares should be preceded by a careful analysis.

### An active, liquid and orderly trading market for Resurs's Shares may not develop, the price of its Shares may be volatile, and potential investors could lose a portion or all of their investment.

Prior to the Offering, there will be no public market for Resurs's Shares. There is a risk that an active and liquid market will not develop or, if developed, that it will not be sustained after completion of the Offering. The offering price will be determined through a book-building procedure and, consequently, based on demand and overall market conditions. The offering price will be set by the Principal Selling Shareholders in consultation with the Joint Bookrunners. This price will not necessarily reflect the price at which investors in the market will be willing to buy and sell the Shares following the Offering. Investors therefore may not be able to resell Shares at or above the offering price.

In addition, stock markets have experienced extreme price and volume fluctuations in the past that have often been unrelated or disproportionate to listed companies' operating performance. Broad market and industry factors may seriously affect the market price of Resurs's Shares, regardless of its actual operating performance. These fluctuations may be even more pronounced in the trading market for the Shares shortly following the Offering. An investor who purchases Shares in the Offering or in the secondary market may lose a portion of, or all of, the investment.

### The Principal Selling Shareholders will continue to have significant influence over Resurs after the Offering and could exercise this influence in such a manner that is contrary to the interests of the other shareholders.

After completion of the Offering, the Principal Selling Shareholders will own in aggregate 37.61 percent (Cidron Semper Ltd.) and 30.78 percent (Waldakt AB), respectively, of the Shares in the Company, based on a share price at the midpoint of the offering price range (SEK 55) and assuming that the Offering is not increased and that the Over-allotment option is not exercised. Assuming that the Offering is increased in full and that the Over-allotment option is exercised in full, the Principal Selling Shareholders will own in aggregate 30.46 percent (Cidron Semper Ltd.) and 24.92 percent (Waldakt AB), respectively, of the Shares in the Company after the Offering. Thus, the Principal Selling Shareholders are likely to continue to have a significant influence over the outcome of matters submitted to Resurs's shareholders for approval, including the election of directors, any merger, amendments to the Company's Articles of Association, issuances of shares and the payment of dividends. Thus, the Principal Selling Shareholders will continue to have significant influence over Resurs's management and affairs. Accordingly, this concentration of ownership could have a material adverse effect on the market price of the Company's Shares by, among other things, delaying, deferring or preventing a change of control; impeding a merger; or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company.

The interests of the Principal Selling Shareholders may differ significantly from, or compete with, Resurs's interests or those of the other shareholders, and the Principal Selling Shareholders could exercise influence over Resurs in such a manner as is contrary to the interests of the other shareholders. For example, there could be a conflict between the interests of the Principal Selling Shareholders on the one hand, and the interests of the Company or its other shareholders on the other hand, with respect to distribution of dividends. Such conflicts could have a material adverse effect on Resurs's business, financial condition and results of operations.

### Future sales of Shares by existing shareholders, such as sales after the end of lock-up periods, could cause the Share price to decline.

The market price of Resurs's Shares could decline if there are substantial sales of the Company's Shares, particularly sales by the Company's directors, members of group management, and significant shareholders, or otherwise when a large number of Shares are sold.

The Selling Shareholders, shareholding members of the Board of Directors, the members of group management and other employees that will become shareholders after the Management Share Transfer, will each agree, subject to certain exceptions, for a certain period (180 days for the Selling Shareholders and 360 days for shareholding members of the Board of Directors, members of group management and other employees that will become shareholders after the Management Share Transfer) after trading of Resurs's Shares on Nasdaq Stockholm has commenced, not to sell their Shares or enter into transactions with a similar effect. Although the lock-up arrangements restrict the ability of shareholders subject to any such lock-up to sell their Shares during the lock-up period, the Joint Global Coordinators may jointly agree to waive the restrictions on the sale of Shares during this period in their discretion and at any time. After the expiry of the relevant lock-up period, the shareholders subject to lock-up will be free to sell their Shares in Resurs. Any sales of a substantial number of Shares in Resurs by the Selling Shareholders or Resurs's other current shareholders, or the perception that such sales might occur, could cause the market price of Resurs's Shares to decline.

### Non-participation in future issuances of new Shares will result in dilution of ownership.

Issuances of new Shares may result in a diluted ownership for shareholders who, for whatever reason, cannot participate in such an issue or who choose not to exercise their right to subscribe for Shares. This would also be the case where the issuance is made on a non-preemptive basis.

### There can be no assurances that the Company will resolve to pay dividends in the future.

Resurs's ability to pay dividends in the future is dependent upon its future earnings, financial condition, cash flows, net working capital requirements, capital expenditures and other factors. In addition, Resurs is subject to capital adequacy and liquidity requirements under regulations applicable to financial institutions, as well as solvency requirements applicable to insurance undertakings, including the following new capital buffers: the capital conservation buffer, the counter-cyclical capital buffer, the systemic risk buffer and the buffers for systemically important institutions.

The size of the buffers, other than the capital conservation buffer, differs depending on the existence of cyclical and structural systemic risks and may thus also vary over time and between institutions. When in breach of a buffer requirement, an institution could face injunction with restrictions on, among other things, payment of dividends.

Furthermore Solid is subject to solvency requirements applicable to insurance undertakings. The insurance undertaking must ascertain that it has adequate capital to cover the solvency capital requirement and must always meet the minimum capital requirement. The solvency capital requirement is risk-based and is calculated either in accordance with a standard formula or by using an internal model approved by the SFSA. In addition, Solid is obliged to run its insurance business in line with the principle of stability (Sw. *stabilitetsprincipen*). This means that the business must be run with satisfactory solidity, liquidity and control over insurance risks, investment risks and other risks associated to the business, making it possible for Solid to fulfil its obligations vis-à-vis the insureds and others that are entitled to insurance compensation.

The dividend policy is based on current regulatory requirements, and any future changes regarding regulatory requirements, including those described above, could affect Resurs's dividend policy and may restrict Resurs's possibilities to pay dividends in the future. See "*Regulatory–Banking business related regulation–Capital adequacy and liquidity requirements*" and "*Regulatory–Insurance business related regulation–Solvency regulations*".

Participants in the Offering will be entitled to dividends decided upon following completion of the Offering. The holder must be registered as a holder of Shares in Resurs on the record date for receipt of such dividend as decided by the shareholders' general meeting. The size of future dividends that Resurs will pay, if any, will depend upon a number of factors, such as future earnings, financial condition, cash flows, net working capital requirements, capital expenditures and other factors. There is a risk that the Company will resolve to reinvest any future profit in the business and there can be no assurance that Resurs's shareholders will resolve to pay dividends in the future, or that the Company will have sufficient funds to pay any dividends.

### Differences in currency exchange rates may materially adversely affect the value of shareholdings or dividends paid.

The Shares will be quoted in SEK only, and any dividends will be paid in SEK. As a result, shareholders outside Sweden may experience adverse effects on the value of their shareholdings and their dividends, when converted into other currencies if SEK depreciates against the relevant currency.

### Shareholders in the United States or other countries outside Sweden may not be able to participate in any potential future cash offers.

If the Company issues new Shares in a cash issue, shareholders shall, as a general rule, have preferential rights to subscribe for new Shares proportionally to the number of Shares held prior to the issue. Shareholders in certain other countries may, however, be subject to limitations that prevent them from participating in such rights offerings, or that otherwise makes participation difficult or limited. For example, shareholders in the United States may be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the Securities Act is effective in respect of such subscription rights and Shares or, unless an exemption from the registration requirements under the Securities Act is available. Shareholders in other jurisdictions outside Sweden may similarly be affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. Resurs is under no obligation to file a registration statement under the Securities Act or seek similar approvals or relevant exemptions for the sale of securities under the laws of any other jurisdiction outside Sweden in respect of any subscription rights and shares, and doing so in the future may be impractical and costly. To the extent that Resurs's shareholders in jurisdictions outside Sweden are not able to exercise their rights to subscribe for new Shares in any future rights issues, their proportional interests in the Company will be reduced.

### The commitments by the Cornerstone Investors are subject to certain conditions and the Cornerstone Investors are not subject to any formal lock-up arrangement.

The Cornerstone Investors (Swedbank Robur, the Second Swedish National Pension fund, Handelsbanken Fonder and Catella) have committed to acquire at the final offering price a number of Offer Shares equivalent to 5 percent, 3.5 percent, 3 percent and 2.5 percent, respectively, of the Shares following completion of the Offering. The Cornerstone Investors's undertakings are conditional on, among other things: (i) the first day of trading in the Shares occurring no later than on 15 May 2016; (ii) such Cornerstone Investor being allocated in full the Offer Shares relating to its commitment; and (iii) the total equity value the Company upon settlement of the Offering not exceeding SEK 12 billion. If such conditions are not satisfied, the Cornerstone Investors will not be required to acquire their Offer Shares. In addition, the Cornerstone Investors's undertakings are not secured through a bank guarantee, blocked funds or pledge of collateral or other similar arrangement. Accordingly, there is a risk that payment of the purchase price and settlement of the Offer Shares for the Cornerstone Investors may not occur in connection with the closing of the Offering as anticipated, which could have a material adverse effect on the completion of the Offering.

In addition, the Cornerstone Investors's shares will not be subject to any formal lock-up arrangement, implying that it is possible that the Cornerstone Investors may divest part or all of their respective shareholdings at any time. Any sales of substantial amounts of the Shares could cause the market price of the Shares to decline.

# Presentation of financial and other information

## Financial information

### The Company

This Offering Memorandum contains Resurs's audited consolidated financial statements as of and for the years ended 31 December 2015, 2014 and 2013, which have been prepared in accordance with IFRS and audited by Ernst & Young AB, as set forth in its audit report included elsewhere herein. With the exception of the *pro forma* financial information on pages 106–108 and the historical financial information on pages F-2–F-63 in this Offering Memorandum, no other information herein has been audited or reviewed by the Company's auditor.

The yA Bank Acquisition closed on 26 October 2015 (the "**Acquisition Date**"), and the results of operations of the acquired yA Bank Group businesses were consolidated in Resurs's consolidated financial statements from the Acquisition Date. As such, unless otherwise indicated, the financial information of Resurs presented for the year ended 31 December 2015 include the results of operations of the yA Bank Group for the period from 26 October 2015 to 31 December 2015.

Resurs presents its financial statements in SEK. Amounts included in Resurs's financial statements that were not originally denominated in SEK have been translated into SEK using the average exchange rate for the financial period with respect to the income statement and the period-end exchange rate with respect to statement of financial position items.

### Acquired businesses

This Offering Memorandum also contains audited financial statements of:

- Finaref as of and for the years ended 31 December 2013 and 2012, which have been prepared in accordance with IFRS;
- Dan-Aktiv as of and for the years ended 31 December 2013 and 2012, which have been prepared in accordance with Danish Generally Accepted Accounting Principles ("**Danish GAAP**"); and
- yA Bank as of and for the years ended 31 December 2015 and 2014, which have been prepared in accordance with simplified application of IFRS according to the Norwegian Accounting Act Section 3–9.

Resurs's management has presented the audited financial statements of Finaref, Dan-Aktiv and yA Bank because it believes that these audited financial statements are helpful to understand the development and geographic expansion of Resurs's business during the audited three-year period presented in the Offering Memorandum.

Finaref presents its financial statements in SEK. Dan-Aktiv and yA Bank present their financial statements in DKK and NOK, respectively. Amounts included in the financial statements of Dan-Aktiv and yA Bank, respectively, that were not originally denominated in SEK have been translated into SEK using the average exchange rate for the financial period and the period-end exchange rate, as applicable, that were used to translate amounts not originally denominated in SEK in Resurs's audited consolidated financial statements as of and for the respective periods. For information on the exchange rates used, see "*Selected consolidated historical financial and other data–Selected key figures and ratios of Dan-Aktiv*" and "*Selected consolidated historical financial and other data–Selected key figures and ratios of yA Bank AS*".

An analysis has been made by the Company to determine if there are any significant differences between the accounting principles applied by Resurs according to IFRS and those applied by Dan-Aktiv, and the assessment is that there are no material differences. In addition, an analysis has been made by the Company to determine if there are any significant differences between the accounting principles applied by Resurs according to IFRS and those applied by yA Bank, and the assessment is that there are no material differences. In consolidating the financial statements of yA Bank into the financial statements of Resurs, Resurs reclassifies certain income statement items of yA Bank in order to reflect the classifications applied by Resurs in its consolidated financial statements. These reclassifications primarily affect interest income, fee and commission income, fee and commission expenses, other operating income and operating expenses, as certain income generated by yA Bank is reclassified from fee and commission income to interest income and to other operating income, and certain expenses are reclassified from operating expenses to fee and commission expenses.

### *Pro forma* financial information

Resurs acquired Finaref and Dan-Aktiv from Crédit Agricole on 1 April 2014 and acquired the yA Bank Group from yA Holding ASA on 26 October 2015. See "*Operating and financial review–Key factors affecting Resurs's results of operations–Acquisitions and geographic expansion*", and "*Legal considerations and supplementary information–Material agreements–Acquisitions and disposals*". The transactions will have a direct effect on the future earnings, financial condition and cash flows of Resurs.

The Company has prepared unaudited *pro forma* financial information for the year ended 31 December 2015 to illustrate the effect the yA Bank Acquisition might have had on Resurs if the yA Bank Acquisition had been completed on 1 January 2015 for purposes of the unaudited *pro forma* income statement.

The *pro forma* financial information has been included to describe a hypothetical situation and has been prepared for illustrative purposes only. The *pro forma* financial information should be read in conjunction with the information contained in "*Selected consolidated historical financial and other data*", "*Operating and financial review*" and Resurs's audited consolidated financial statements for the year ended 31 December 2015 included elsewhere in this Offering Memorandum. The unaudited condensed combined *pro forma* financial information does not include all of the information required for financial statements under IFRS.

Moreover, the *pro forma* financial information may not necessarily reflect Resurs's actual results of operations and/or financial condition if the yA Bank Acquisition had actually been completed on such earlier date, and such *pro forma* financial information should not be considered to be indicative of Resurs's results of operations for any future period. Accordingly, potential investors should not pay undue attention to the *pro forma* financial information.

## Key operating metrics

In this Offering Memorandum, the Company presents certain key operating metrics, including certain key operating metrics and ratios that are not measures of financial performance or liquidity under IFRS. The non-IFRS metrics presented herein are not recognised measures of financial performance under IFRS, but measures used by management to monitor the underlying performance of the Company's business and operations. In particular, non-IFRS metrics should not be viewed as substitutes for income statement or cash flow items computed in accordance with IFRS. The non-IFRS metrics do not necessarily indicate whether cash flow will be sufficient or available to meet the Company's cash requirements and may not be indicative of the Company's historical operating results, nor are such metrics meant to be predictive of the Company's future results.

Resurs's management uses these IFRS and non-IFRS metrics for many purposes in managing and directing the company and has presented these metrics because it believes that these metrics are important and helpful in understanding Resurs's performance from period to period and to facilitate comparison with its peers. Since not all companies compute these or other non-IFRS metrics in the same way, the manner in which the Company has chosen to compute the non-IFRS metrics presented herein may not be compatible with similarly defined terms used by other companies. As a supplement to the historical metrics, certain of the non-IFRS metrics presented herein and defined below are also presented on an adjusted basis to reflect the yA Bank Acquisition. These metrics are not audited and have been calculated based on information contained in "*Pro forma financial information*". See "*Pro forma financial information*" for information on the basis for preparation of the *pro forma* financial information. Moreover, certain of these non-IFRS metrics are also presented on an aggregated level to reflect aggregate impact of the stand-alone results of Finaref and Dan-Aktiv. These metrics are not audited and have been calculated based on information contained in "*Historical financial information*". The adjusted and aggregate metrics included herein do not reflect the actual results of Resurs for the respective periods as if the adjustments and aggregations were made in the respective periods. The key operating metrics included in this Offering Memorandum are defined as follows:

IFRS key operating metrics for the Group:

- **Earnings per share:** Net profit attributable to shareholders in relation to the average number of shares.
- **Loan portfolio:** The total outstanding loan balance net of provisions.

Non-IFRS key operating metrics for the Group:

- **Adjusted net banking income:** Total operating income for the Group less insurance operating income as per the segment notes, adjusted to reflect certain one-off items. For a reconciliation of adjusted net banking income to operating profit, see "*Selected consolidated historical financial and other data–Selected key figures and ratios of the Company*". See also "*Operating and financial review–Key factors affecting Resurs's results of operations–Credit losses*".
- **Adjusted net banking income margin:** Adjusted net banking income as a percentage of the average loan portfolio.
- **Adjusted Return on Average Tangible Equity:** Net profit attributable to shareholders as a percentage of average tangible shareholder's equity for the period (tangible shareholder equity: shareholders'

equity less intangible assets), with shareholders' equity and net profit adjusted to reflect certain post-tax one-off items. For the calculation of Adjusted Return on Average Tangible Equity and description of the relevant post-tax one-off costs in the year ended 31 December 2015, see "*Selected consolidated historical financial and other data–Selected key figures and ratios of the Company*".
- **Average loan portfolio:** The sum of the opening loan portfolio for the period (calculated using the closing loan portfolio for the previous period) and closing loan portfolio for the period over two. For example, Resurs's average loan portfolio for the year ended 31 December 2014 was calculated using Resurs's reported loan portfolio as of 31 December 2013 (SEK 9,258 million) and its reported loan portfolio as of 31 December 2014 (SEK 13,923 million). For information presented as representing the full-year effect of the yA Bank Acquisition for the year ended 31 December 2015, the average loan portfolio was calculated using the reported loan portfolios as of 31 December 2014 of Resurs (SEK 13,923 million) and yA Bank (SEK 2,718 million), as well as a purchase price adjustment of SEK 43,866 thousand, and Resurs's reported loan portfolio as of 31 December 2015 (SEK 18,198 million). Similarly, for information presented as representing the results of Resurs, Finaref and Dan-Aktiv on an aggregated basis for the year ended 31 December 2014, the average loan portfolio was calculated using the reported loan portfolios as of 31 December 2013, of Resurs (SEK 9,258 million), Dan-Aktiv (SEK 1,354 million) and Finaref (SEK 1,910 million), as well as a purchase price adjustment of SEK 349 million, and Resurs's reported loan portfolio as of 31 December 2014 (SEK 13,923 million).
- **CET 1 capital:** Common equity Tier 1 capital, which consists of common shares issued, share premium, retained earnings, other comprehensive income for the Group, other disclosed reserves after deduction primarily of dividend, deferred tax assets, intangible assets, goodwill and certain other regulatory adjustments defined in CRR.
- **CET 1 ratio:** Common equity Tier 1 capital as a percentage of the risk exposure amount.
- **Combined ratio:** Insurance compensation, net (expenses relating to claims paid and changes in provisions for claims outstanding, net of reinsurers' shares of claims paid and changes in provisions for claims outstanding), together with acquisition and underwriting expenses, including expenses relating to partners, retailers and brokers for the sale of insurance products, as a percentage of premium income, net. See "*Operating and financial review–Description of principal income statement line items*".
- **Cost of risk:** Credit losses, net as a percentage of the average loan portfolio.
- **Cost to income ratio:** Total expenses for the Group before credit losses, net as a percentage of total operating income.
- **Cost to income ratio (excluding insurance operations):** Total expenses for the Group before credit losses excluding insurance operating expenses (as per the segment notes) as a percentage of net banking income.
- **Credit conversion:** The extent to which outstanding credit balances are not paid down in the first month or specified term and become loan balances. The retail finance credit conversion rate for a period is calculated as average loan portfolio related to Resurs's retail finance business as a percentage of new loan development related to Resurs's retail finance business in the period.
- **Credit penetration:** The percentage of sales by Resurs's retail finance partners that are financed by Resurs's retail finance products.
- **Direct investment yield:** Average annual yield on the securities held in the investment portfolio of Resurs's insurance business.
- **Expense ratio:** Acquisition and underwriting expenses, including expenses relating to partners, retailers and brokers for the sale of insurance products, as a percentage of premium income, net. See "*Operating and financial review–Description of principal income statement line items*".
- **Gross yield:** Interest income as a percentage of the average loan portfolio.
- **Leverage ratio:** Tier 1 capital as a percentage of total assets including off balance sheet items with conversion factors according to "Basel III leverage ratio framework and disclosure requirements", January 2014.
- **Liquidity coverage ratio ("LCR") (CRR definition):** Liquidity measurement defined by the CRR that measures a financial institution's ability to deal with a stressed net outflow of liquidity for 30 days. A LCR of 100 percent means that a financial institution's liquidity reserve is adequate to enable the institution to manage an unexpected liquidity outflow for 30 days.
- **Loan to deposit ratio:** Loan portfolio as a percentage of deposits from the public.
- **Loss ratio:** Insurance compensation, net (expenses relating to claims paid and changes in provisions for claims outstanding, net of reinsurers' shares of claims paid and changes in provisions for claims outstanding) as a percentage of premium income, net. See "*Operating and financial review–Description of principal income statement line items*".
- **Net banking income:** Total operating income for the Group less insurance operating income as per the segment notes.

- **Net banking income margin:** Total operating income for the Group less insurance income as per the segment notes as a percentage of the average loan portfolio.
- **Insurance operating income:** Reported operating income for the insurance segment as per the segment notes.
- **Net interest margin:** Net interest income as a percentage of the average loan portfolio.
- **Net stable funding ratio (NSFR):** Available stable funding as a percentage of required stable funding (both as defined in CRD IV).
- **New loan development:** The value of loans originated during the period indicated, or sales.
- **Non-performing loans ("NPL"):** Gross doubtful receivables (amounts 60 days or more past due).
- **NPL ratio:** Gross doubtful receivables (amounts 60 days or more past due) over the loan portfolio.
- **NPL coverage ratio:** Provisions for anticipated credit losses over gross doubtful receivables (amounts 60 days or more past due).
- **Operating expenses:** The sum of operating expenses of the entity. With respect to Resurs, operating expenses represents the sum of general administrative expenses, depreciation, amortisation and impairment of non-current assets and other operating expenses.
- **Opex/average loans:** Operating expenses as a percentage of the average loan portfolio.
- **Risk adjusted net banking income margin:** Net banking income less credit losses as a percentage of the average loan portfolio.
- **Risk adjusted net interest margin:** Net interest income less credit losses as a percentage of the average loan portfolio.
- **Risk exposure amount:** Total assets and in-line items, weighted in accordance with capital adequacy regulation for credit and market risks. The operational risks are measured and added as risk exposure amount. Risk exposure amounts are only defined for Resurs Holding and Resurs Bank (excluding Solid).
- **Return on Assets ("RoA"):** Net profit as a percentage of average total assets. For information presented as representing the full-year effect of the yA Bank Acquisition for the year ended 31 December 2015, total assets include a purchase price adjustment of SEK 43,866 thousand to the loan portfolio of yA Bank, and for information presented as representing the results of Resurs, Finaref and Dan-Aktiv on an aggregated basis for the year ended 31 December 2014, total assets include a purchase price adjustment of SEK 349 million to the loan portfolio of Finaref.
- **Return on Average Tangible Equity ("RoATE"):** Net profit attributable to shareholders as a percentage of average tangible shareholder's equity for the period (tangible shareholder equity: shareholders' equity less intangible assets). For information presented as representing the full-year effect of the yA Bank Acquisition for the year ended 31 December 2015, and the results of Resurs, Finaref and Dan-Aktiv on an aggregated basis for the year ended 31 December 2014, average tangible equity is calculated as the sum of the closing tangible equity for the period (calculated as reported tangible equity plus applicable net profit) and the opening tangible equity for the period (calculated as the closing tangible equity minus net profit for the period), divided by two.
- **Return on Equity ("RoE"):** Net profit attributable to shareholders as a percentage of equity.
- **Return on Tangible Equity ("RoTE"):** Net profit attributable to shareholders as a percentage of tangible shareholder's equity (tangible shareholder equity: shareholders' equity less intangible assets).
- **Solvency ratio:** Surplus solvency capital as a percentage of required solvency capital. Solvency capital is equity (unrealised gains fund, calculated on a gross basis), untaxed reserves and openly recognised surpluses (net) in assets less intangible assets. See "*Regulatory–Insurance business related regulation–Solvency regulations*".
- **Tier 1 capital:** Capital of the character of, or close to the character of, paid-up, capital-eligible reserves and a limited portion of subordinated capital loan instruments. Profits may only be included after deducting proposed dividends. Goodwill, deferred tax assets, intangible assets and investments in credit institutions are deducted from tier 1 capital.
- **Tier 2 capital:** Subordinated liabilities qualifying as tier 2 capital according to the CRR.
- **Total Capital Ratio ("TCR"):** Total eligible capital as a percentage of risk exposure amount. For an overview of the total eligible capital and risk exposure amount of Resurs, see "*Operating and financial review–Funding, liquidity and capital resources–Capital liquidity*".
- **Total investment return:** Net interest income of the insurance business plus net income/(expense) from financial transactions of the insurance business as a percentage of the investment portfolio of the insurance business.

## Product information

This Offering Memorandum contains certain statistics, data and other information relating to the retail finance and credit card products of the payment solutions segment of Resurs, which management has provided solely for purposes of this Offering Memorandum. Resurs reports, and in future reporting periods will report, statistics, data and other information relating to its products on a segment basis only and may or may not provide statistics, data and other information regarding its retail finance and credit card products.

## Adjustments

Certain numerical information and other amounts and percentages presented in this Offering Memorandum may not sum due to rounding. In addition, certain figures in this document have been rounded to the nearest whole number. As used herein, the symbol "n.m." means "not meaningful" and "n.a." means "not applicable".

## Other information

In this Offering Memorandum, all references to: (i) "**SEK**" are to the lawful currency of the Kingdom of Sweden; (ii) "**EUR**" or "**€**" are to euro, the single currency of the member states (the "**Member States**") of the European Union participating in the European Monetary Union having adopted the euro as its lawful currency; (iii) "**NOK**" are to the lawful currency of the Kingdom of Norway; (iv) "**DKK**" are to the lawful currency of the Kingdom of Denmark; (v) "**USD**" are to the lawful currency of the United States; "**CHF**" are to Swiss francs, the lawful currency of Switzerland; and (vii) "**GBP**" are to Great Britain Pounds, the lawful currency of the United Kingdom. For certain information regarding rates of exchange between SEK and EUR, NOK, DKK and USD, see "*–Exchange rate information and regulation*". No representation is made that the SEK, EUR, NOK, DKK or USD amounts referred to herein could have been or could be covered into SEK, EUR, NOK, DKK or USD, as the case may be, at the rates referred to in "*–Exchange rate information and regulation*", at any particular rate, or at all.

## Trademarks

Resurs owns or has rights to certain trademarks, trade names or service marks that it uses in connection with the operation of its business. Resurs asserts, to the fullest extent under applicable law, its rights to its trademarks, trade names and service marks.

Each trademark, trade name or service mark of any other company appearing in this Offering Memorandum belongs to its holder. Solely for convenience, the trademarks, trade names and copyrights referred to in this Offering Memorandum are listed without the ™, ® and © symbols.

## Certain terms used

For definitions of certain terms used in the Offering Memorandum as well as a glossary of other terms used in this Offering Memorandum, see "*Definitions and glossary*".

## Market data

This Offering Memorandum contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to our business and markets. Unless otherwise indicated, such information is based on our analysis of multiple sources, including a market study (the "**Commissioned Market Study**") the Company commissioned from a leading international third-party consultancy firm in 2015 and information otherwise obtained. Such information has been accurately reproduced, and, as far as Resurs is aware from such information, no facts have been omitted which would render the information provided inaccurate or misleading. The Commissioned Market Study is based on primary interviews conducted with industry experts and participants, secondary market research based on third-party data, such as annual reports and statistics from the International Monetary Fund ("**IMF**"), national statistics such as from the Swedish Central Bureau of Statistics (Sw. *Statistiska centralbyrån* "**SCB**") and internal financial and operational information supplied by, or on behalf of, Resurs.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Resurs has not independently verified and cannot give any assurance as to the accuracy of market data contained in this Offering Memorandum that were extracted or derived from these industry publications or reports. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

This Offering Memorandum also contains estimates of market data and information derived therefrom that cannot be gathered from publications by market research institutions or any other independent sources. Such information is prepared by Resurs based on third-party sources and Resurs's internal estimates, including the Commissioned Market Study. In many cases there is no publicly available information on such market data, for example from industry associations, public authorities or other organisations and institutions. Resurs's management believes that Resurs's estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which Resurs operates as well as its position within the industry. Although management believes that Resurs's internal market observations are reliable, Resurs's estimates are not reviewed or verified by any external sources. While Resurs is not aware of any misstatements regarding the industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed herein and under the heading "*Risk factors*" in this Offering Memorandum.

## Exchange rate information and regulation

Investors with a reference currency other than the SEK may become subject to certain foreign exchange risks when investing in the Offer Shares. The Company's equity capital is denominated in SEK, and any returns will primarily be distributed in SEK. The Offer Shares will be denominated and traded in SEK on Nasdaq Stockholm. Investors whose reference currency is a currency other than the SEK may be adversely affected by any reduction in the value of the SEK relative to the respective investor's reference currency. In addition, such investors could incur additional transaction costs in converting SEK into another currency. Investors whose reference currency is a currency other than the SEK are therefore urged to consult their financial advisors with a view to determining whether they should enter into hedging transactions to offset these currency risks. To the extent owners of Offer Shares receive dividends that are converted from SEK to USD or EUR, fluctuations in the exchange rate between the SEK and the USD and EUR will affect the USD and EUR amounts received by owners of Offer Shares on conversion of dividends.

The following table sets forth, for the periods indicated, certain information regarding the noon buying rate in New York for cable transfers for SEK, expressed in SEK per USD. The noon buying rates are certified by the Federal Reserve Bank of New York for customs purposes and for cable transfers payable in foreign currencies. The average rate for a year means the average of the noon buying rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily noon buying rates during that month, or a shorter period, as the case may be. The rates below may differ from the actual rates used in the preparation of the Company's consolidated financial statements and other financial information appearing in this Offering Memorandum. The inclusion of the exchange rate information below is not meant to suggest that the SEK amounts actually represent such USD amounts or that such amounts could have been converted into USD at the rates indicated or at any other rate.

| | Exchange Rate SEK per USD | | | |
|---|---|---|---|---|
| **Year:** | **High** | **Low** | **Period end** | **Average** |
| 2012 | 7.2655 | 6.5018 | 6.5074 | 6.7721 |
| 2013 | 6.8171 | 6.2880 | 6.4254 | 6.5124 |
| 2014 | 7.8245 | 6.3394 | 7.8245 | 6.8576 |
| 2015 | 8.8180 | 7.8847 | 8.4485 | 8.4350 |
| **Month:** | | | | |
| January 2016 | 8.6024 | 8.5048 | 8.5709 | 8.5483 |
| February 2016 | 8.5749 | 8.3440 | 8.5709 | 8.4804 |
| March 2016 | 8.4779 | 8.0962 | 8.0962 | 8.3394 |
| April 2016 (through 8 April) | 8.1520 | 8.1164 | 8.1453 | 8.1360 |

On 8 April 2016, the noon buying rate as certified by the Federal Reserve Bank of New York for customs purposes, SEK per USD, was SEK 8.1453 per USD 1.00.

The following table sets forth, for the periods indicated, certain information concerning the European Central Bank (the "**ECB**") daily reference rate published by the ECB (the "**ECB Daily Reference Rate**") for EUR, expressed in SEK per EUR. The average rate for a year means the average of the daily mid-rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily mid-rates during that month, or a shorter period, as the case may be. The period end rate represents the mid-rate on the last business day of each applicable period. These exchange rates are provided only for the convenience of the reader. No representation is made that amounts in SEK have been, could have been, or could be converted into EUR, or vice versa, at the mid-rate or at any other rate.

| Year: | Exchange Rate SEK per EUR High | Low | Period end | Average |
|---|---|---|---|---|
| 2012 | 9.1356 | 8.2077 | 8.5820 | 8.7041 |
| 2013 | 9.0604 | 8.2931 | 8.8591 | 8.6515 |
| 2014 | 9.6234 | 8.7661 | 9.3930 | 9.0985 |
| 2015 | 9.6557 | 9.1141 | 9.1895 | 9.3901 |
| **Month:** | | | | |
| January 2016 | 9.3527 | 9.1696 | 9.3483 | 9.2826 |
| February 2016 | 9.5188 | 9.2835 | 9.3219 | 9.4105 |
| March 2016 | 9.3728 | 9.2235 | 9.2253 | 9.2848 |
| April 2016 (through 8 April) | 9.2928 | 9.2413 | 9.2928 | 9.2599 |

On 8 April 2016, the ECB Daily Reference Rate for SEK per EUR, was SEK 9.2928 per EUR 1.00.

Figures reported in the Offering Memorandum are presented in SEK unless otherwise specified. The Company's audited accounts are denominated in SEK.

## Exchange control regulations in Sweden

There are currently no foreign exchange control restrictions in Sweden, other than in certain national crisis situations, that would restrict the payment of dividends to a shareholder outside Sweden, and there are currently no restrictions that would affect the right of shareholders who are not residents of Sweden to dispose of their shares and receive the proceeds from a disposal outside Sweden. There is no maximum transferable amount either to or from Sweden, although transferring banks are required to report to the Swedish tax authorities any payments to or from Sweden exceeding SEK 150,000, or the foreign currency equivalent thereof. Such information may also be forwarded to authorities in the countries where the holders of the shares are resident.

# Background and reasons

Resurs is a market leading provider of retail payment solutions, consumer loans and targeted insurance products in the Nordic region. As of 31 December 2015, Resurs offered payment solutions and consumer loans to approximately 1.2 million customers (including approximately 50,000 customers in Norway as a result of the yA Bank Acquisition) with outstanding balances in Sweden, Norway, Denmark and Finland and had a loan portfolio of SEK 18.2 billion (including a loan portfolio of SEK 3.5 billion acquired in the yA Bank Acquisition). Resurs has more than 1,200 retail finance partners, with a network of approximately 35,000 stores, operating in a wide variety of sectors, including fashion, electronics and furniture, and which include major brands. As of 31 December 2015, Resurs had more than 2.4 million active individual retail finance customers. In addition, Resurs has a strong position within the targeted insurance policies sector in the Nordic region. To a lesser extent, Resurs also provides certain of its insurance products to customers in Great Britain and certain other countries in Europe. Resurs has consistently expanded its operations and its loan portfolio has increased from SEK 9.3 billion as of 31 December 2013 to SEK 18.2 billion as of 31 December 2015, which corresponds to a compound annual growth rate of 40.2 percent (including the SEK 3.5 billion loan portfolio of yA Bank).

Resurs's brand dates back to 1977 when Bengt Bengtsson co-founded the retail electronics company Resurs Radio. In the mid- 1980s, Resurs Radio established Resurs Finans to offer in-store financing of consumer electronics. The electronics business was sold in 1989 and the consumer finance portfolio expanded in the 1990s by developing, among other things, relationships with a number of retail companies. In 1993, the subsidiary, Solid, was founded, providing, among other things, policies for consumer products and loan repayment. In 2001, the SFSA granted Resurs its banking license and Resurs Finans became Resurs Bank. In 2012, Nordic Capital acquired 55 percent of the shares and became joint owners with the Bengtsson family, through Waldir AB and Waldakt AB. Since then, Resurs has had continuous expansion, both in size and the geographic areas in which Resurs operates, organically and through strategic acquisitions. Through the Ellos Business Acquisition and the acquisitions of Dan-Aktiv, Finaref and yA Bank, Resurs has broadened its product portfolio. For a more detailed description of Resurs's history and major acquisitions, see "*Business description–History*".

Nordic Capital's investment strategy is to acquire and support the growth of attractive companies with development potential. The investment strategy also entails a subsequent divestment of every acquired company within a certain period. The Bengtsson family, which controls Waldakt AB, invests in certain companies and is now also taking steps to divest part of its holding of Resurs. The Board of Directors and group management of Resurs, together with the Principal Selling Shareholders, now are of the opinion that the time is appropriate for a listing of Resurs. Notwithstanding this fact, the Principal Selling Shareholders will remain large and committed shareholders and are, by retaining a part of their holdings, able to participate in the future development of the Company. Resurs has established a solid platform and has further potential for substantial future growth and improved results during the coming years.

The Offering and the listing will expand the shareholder base and enable Resurs to access the Swedish and international capital markets, which will support Resurs's continued growth and development. The Board of Directors and group management of Resurs, supported by the Principal Selling Shareholders, consider the Offering and listing of the Shares to be a logical and important step in Resurs's development, which will also increase the awareness of Resurs and its operations.

*The Board of Directors is responsible for the content of this Offering Memorandum. The Board of Directors hereby declares that, having taken all reasonable care to ensure that such is the case, the information in this Offering Memorandum is, to the best of the Board of Directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.*

Helsingborg, 17 April 2016

**Resurs Holding AB (publ)**

*The Board of Directors*

# Dividends and dividend policy

Holders of Resurs's Shares will be entitled to receive future dividends, including any dividends declared in respect of the year ended 31 December 2016 and in respect of any subsequent period, provided dividends are declared.

Under the dividend policy adopted by Resurs's Board of Directors, Resurs will initially aim to distribute a minimum of 50 percent of its annual consolidated net profit in the medium term (the "**Dividend Policy**"). If Resurs, as a result of its profits and dividend policy, generates a substantial surplus, it is Resurs's intention to use such surplus either to finance a higher organic growth rate and/or future acquisitions, or to pay out the surplus to its shareholders as dividend. Decisions relating to dividend proposals take into account the Company's future revenue, financial condition, capital requirements, Resurs's capital targets and general economic and operational circumstances. There can be no assurances that in any given year a dividend will be proposed or declared.

The declaration of dividends by Swedish companies is decided upon by the general meeting. Dividends may only be declared to the extent that there will be full coverage for the Company's restricted equity (Sw. *bundet eget kapital*) after the dividend distribution and only to the extent that such declaration is prudent, taking into consideration the demands with respect to the size of the equity which are imposed by the nature, scope and risks associated with the operations of the Company and the Group as well as the need to strengthen the statement of financial condition, liquidity and financial condition of the Company and the Group. The shareholders may, as a general rule, not declare dividends in an amount higher than the Board of Directors proposed or approved.

In addition, Resurs is subject to capital adequacy and liquidity requirements under regulations applicable to financial institutions, as well as solvency requirements applicable to insurance undertakings (See "*Regulatory–Banking business related regulation–Capital adequacy and liquidity requirements*" and "*Regulatory–Insurance business related regulation–Solvency regulations*"), which may restrict Resurs's possibilities to pay dividends in the future. The Dividend Policy above is based on current regulatory requirements, and any future changes regarding regulatory requirements could affect Resurs's Dividend Policy.

Under the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) (the "**Companies Act**"), minority shareholders that together represent at least 10 percent of all outstanding Shares of the Company have the right to request a payment of dividend (to all shareholders) from the Company's profits. Following such a request, the annual general meeting is required to resolve to distribute 50 percent of the remaining profit for the relevant year as reported on the statement of financial position adopted at the annual general meeting, after deductions made for: (i) losses carried forward that exceed unrestricted reserves (Sw. *fria fonder*); (ii) amounts which, by law or the articles of association ("**Articles of Association**"), must be transferred to restricted equity; and (iii) amounts which, pursuant to the Articles of Association, are to be used for any purpose other than distribution to the shareholders. However, the general meeting is not obliged to declare dividends in excess of 5 percent of the Company's shareholders' equity. Moreover, the general meeting may not declare dividends to the extent that there will not be full coverage of the Company's restricted equity. The right for minority shareholders to request a payment of dividend is also conditional upon such dividend payment not being in violation of the prudence rule described above.

Dividends will normally be paid to shareholders in cash on a per Share basis through Euroclear Sweden, but may also be paid in kind. On the record date established by the general meeting, holders recorded as owners of Shares in the register of shareholders maintained by Euroclear Sweden will be entitled to receive dividends.

The Company declares dividends in SEK. Shareholders with nominee registered holdings should contact their nominee regarding dividend payment currency. See "*Risk factors–Differences in currency exchange rates may materially adversely affect the value of shareholdings or dividends paid*".

If a shareholder cannot be paid through Euroclear Sweden, such shareholder still retains its claim to the dividend amount, and the claim remains against the Company subject to a statutory limitation of 10 years. Should the claim become barred by the statute of limitations, the dividend amount is forfeited to the Company. Neither the Companies Act nor the Company's Articles of Association contain any restrictions regarding dividend rights of shareholders outside Sweden.

Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments to such shareholders are made in the same manner as for shareholders resident in Sweden. However, shareholders with limited tax liability in Sweden are normally subject to Swedish withholding tax. For a discussion of withholding taxes on the payment of dividends, see "*Taxation*".

## Dividend history

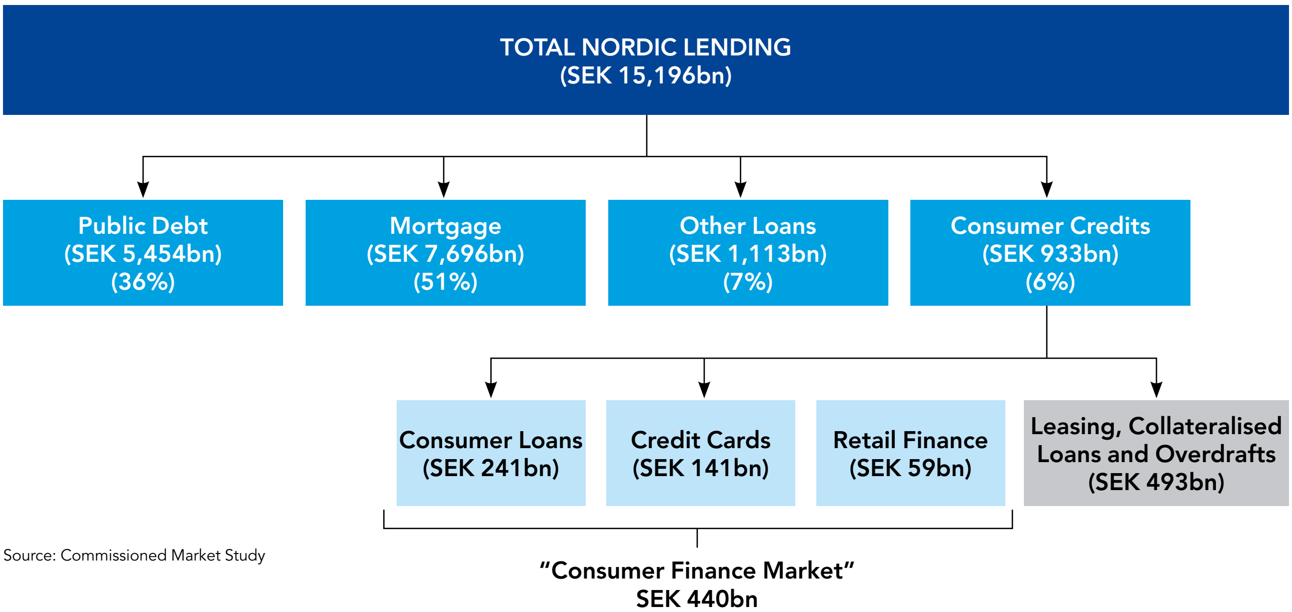
To date, no dividend has been paid out in respect of the years ended 31 December 2015, 2014 and 2013.

# Industry overview

*Certain information set forth in this section has been derived from external sources, including the Commissioned Market Study and publicly available industry publications or reports. Certain information and forecasts have been prepared for Resurs by a leading international third party consultancy firm in August-September 2015. See "Presentation of financial and other information–Market data" for more information. Industry publications and reports generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Resurs believes that these industry publications, reports and forecasts are reliable, but the Company has not independently verified them and cannot guarantee their accuracy or completeness. As far as the Company is aware and can ascertain by comparison with other information published by such sources, no facts have been omitted that would render the reproduced information inaccurate or misleading. The projections and forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See "Important information–Forward-looking statements", "Presentation of financial and other information–Market data" and "Risk Factors". Certain financial information and estimates, including market sizes and balances, set forth in this section have been converted from local currencies to SEK using the foreign exchange rates applicable as of the end of 2014 (SEK/NOK: 0.9523, SEK/DKK: 0.7842, SEK/EUR: 0.1053).*

## Overview of the Nordic lending industry

The Nordic lending industry can be divided into different categories based on the type of loan. The four main categories are public debt, mortgages, consumer credit and other loans (including, e.g., rammelån in Norway and HELOCs in Denmark). The total outstanding debt balance in the Nordic region amounted to approximately SEK 15.2 trillion in 2014. The chart below sets forth an illustration of the total outstanding debt balance in the Nordic region, divided into sub-categories:




Source: Commissioned Market Study

The outstanding aggregate consumer credit balance in 2014 was estimated in the Commissioned Market Study to amount to SEK 933 billion, which is equivalent to approximately 6 percent of total Nordic lending. Consumer credit can be divided into the following sub-segments:

- **Consumer loans:** An unsecured loan for a fixed amount that most often ranges in size between SEK 10,000 and SEK 500,000 and normally is repaid within five years. Consumer loans are typically used to finance larger purchases, top up secured loans, consolidate existing smaller unsecured loans or to finance general consumption.
- **Credit cards:** Charge and credit cards that are used as a pay-later instrument. The credit card market is most relevant when the customer pays the credit card bill in instalments over time. The total outstanding credit card debt includes both interest bearing and non-interest bearing debt.
- **Retail finance:** An in-store (offline and online) financing solution for, typically large, store purchases. When a customer choses the retail finance option to finance a purchase, the retail finance company pays the store directly and the customer pays to the retail finance company in instalments over a period of normally up to 36 months, according to a leading international third party consultancy firm.
- **Leasing:** Leasing agreements that are capitalised as debt, e.g., financial leases.
- **Collateralised loans:** Loans that are secured by collateral, e.g., car- and boat loans.
- **Overdrafts:** Account overdrafts or accounts with a revolving credit line.

Resurs operates in the following sub-segments of the Nordic consumer credit industry: credit cards, retail finance and consumer loans. In this Offering Memorandum, references to the "Consumer Finance Market" and to "Consumer Finance" are to the credit card, retail finance and consumer loan sub-segments.

The relevant geographies for Resurs are Sweden, Norway, Denmark and Finland, which at the end of 2014 represented 40 percent, 25 percent, 22 percent and 13 percent, respectively, of the relevant market according to the Commissioned Market Study.

## Customer utility of retail finance, consumer loans and credit cards

Credit products such as retail finance, consumer loans and credit cards provide customers with different types of financing alternatives to bridge income and cost disparities over time.

Retail finance and credit cards are typically used to finance shorter income-cost gaps, i.e., between months or periods within a year, or to divide large expenses into several instalments over a certain period of time. For example, using retail finance, an individual purchasing a new fridge, or other home appliance, can spread the cost over several months instead of having to pay the full amount at the time of purchase. Consumer loans are typically used to finance disparities between income and costs over an extended period of time.

## Key industry characteristics

### Stable macroeconomic environment

The countries in which Resurs operates have been supported largely by generally stable macroeconomic environments. The Nordic countries were in recession in 2009, but recovered. Sweden and Norway have experienced macroeconomic development since the financial crisis, while Denmark and Finland fell back into recession in 2012 and 2013, but are currently recovering. Sweden, Norway, Denmark and Finland are expected by a leading international third party consultancy firm to achieve annual nominal GDP growth rates of 3.9 percent, 4.0 percent, 2.5 percent and 3.3 percent, respectively, from 2014 to 2018, as compared to the Euro area average of 2.4 percent over the same period. This favourable macroeconomic outlook is expected to support stable growth in retail spending and, in turn, growth in the total outstanding Consumer Finance balance. See "*–Market outlook, drivers and trends*" below.

### Stable public finances and extensive welfare systems

The Nordic countries are characterised by stable public financial systems with low levels of public debt. In 2014, Sweden, Norway, Denmark and Finland and had public debt to GDP ratios of 44 percent, 38 percent, 45 percent and 59 percent, respectively, as compared to the Euro area average of 94 percent. Public debt is expected to remain at low levels for Sweden, Norway, Denmark and Finland with forecasted debt to GDP ratios in 2018 of 40 percent, 61 percent, 52 percent and 60 percent, respectively, as compared to the Euro area average of 92 percent.

Budget balance to GDP ratios in 2014 were negative 2 percent, 9 percent, 1 percent and negative 3 percent in Sweden, Norway, Denmark and Finland, respectively, as compared to the Euro area average of negative 2 percent. Norway's stronger budget balance is primarily driven by oil and gas. Budget balances are expected to remain strong at least until 2018 for all countries. Sweden, Norway and Denmark have the highest possible AAA sovereign credit rating with "Stable" outlook from Standards & Poor's, as of the date of this Offering Memorandum. Finland has a credit rating of AA+ with a "Negative" outlook. The above factors are expected to enable the governments to increase public spending, if the macro-environment requires additional stimulation. In addition these countries have extensive social welfare systems, with high unemployment allowances and social support from governments, which help borrowers to continue to service existing debt obligations even when changes to their social and economic situation occur.

### Strong embedded cultural inclination to repay debt

There is a strong cultural inclination to repay debt among the public in the Nordics. While individual circumstances and repayment practices vary widely, to the extent individuals in the Nordics initiate principal repayments shortly after a loan is extended, loans may become less of a burden for these individuals if their social situation changes and their ability to service the loan declines. This preference for repayment of debt, in combination with stable economies, has resulted in low levels of non-performing loans. For example banks in Sweden and Norway had non-performing loans to gross loans of 0.6 percent and 1.3 percent respectively, in 2014. This can be compared to the corresponding Euro area average of 8.3 percent. Denmark's cultural inclination to repay debt is considered to be somewhat weaker than in the other Nordic countries, which together with a weaker credit infrastructure, translates into a higher level of non-performing loans to gross loans of 4.5 percent in Denmark during 2014. *(Source: The World Bank)*

### High availability of personal information and data

Companies operating in the Nordic countries generally benefit from access to a high amount of publicly available data regarding personal information and circumstances, both in terms of the volume and relevance of such data. Although the level of detail of credit information varies between countries, all have social security number systems, giving the entire population separate and publicly available personal identification numbers. The personal identification numbers are issued by each country's tax agency and are commonly used by, for example, public authorities, schools, banks and insurance companies. These systems facilitate easy access to detailed public personal information about potential borrowers, including income, marital status, credit history and bad debt information.

There are data providers offering highly relevant credit information on individuals in Sweden and Norway and, to a lesser extent, in Finland. In Denmark, the availability of external credit information is limited. The overall availability of data allows banks to perform target and credit risk modelling, which can help to optimise and manage credit losses. Furthermore, access to credit bureau information simplifies the application process by removing several manual input and verification steps.

### Effective legal debt collection systems

The Nordic countries have effective legal debt collection systems, which can help to simplify the debt collection process and promote recovery rates when debts become delinquent. The main legal debt collection measure is wage garnishment, which is managed by governmental bodies and is available in Sweden, Norway and Finland. Seizure of property is also an available remedy in Sweden, Norway, Denmark and Finland. In Sweden, Norway and Denmark, the statute of limitations for debt collection is ten years and it can be renewed through acknowledgement of the debt by the customer (usually through making a payment), the creditor making a claim or otherwise notifying the debtor in writing or through the act of taking legal action. In Finland, the absolute statute of limitations for debt collection is 15 years from the first collection effort.

### The consumer finance industry benefits companies with certain key characteristics

The consumer finance industry of the Nordic countries in which Resurs operates benefits companies with certain key characteristics, making it difficult and costly for new companies to enter the industry in these countries. These characteristics include:

#### Strong relationships with retail finance partners

Strong and close relationships with retail finance partners are essential to the success of retail finance operations, and the ability to cultivate and develop such relationships is a significant barrier for new entrants. Retail finance partners are typically hesitant to switch retail finance providers as switching may require re-training sales personnel as well as significant IT integration requirements. In addition, retailers fear missing sales due to the new provider having different credit approval processes. Even in cases where retailers do not have exclusive agreements with retail finance providers, there is scepticism of new and untried providers.

#### Economies of scale

The Consumer Finance Market is characterised by significant scale advantages. The strict and complex rules and regulations for banks and credit institutions require participants to establish robust legal, compliance and finance functions and systems, which require substantial investments and institutional knowledge. Once such functions are established, they can typically handle large databases and loan volumes, which create significant scale advantages and operational leverage for large credit providers.

#### Access to proprietary credit scoring information from internal database

The ability to accurately assess the creditworthiness of loan applicants requires sophisticated and well-tested credit scoring models, which, in turn, are dependent on access to extensive historical credit performance data. Developing strong and predictive credit scoring models requires significant time and lending experience, which acts as a barrier to entry for potential new entrants. The risk of making inaccurate credit decisions is higher when market participants enter a new country or region without any previous experience or historical performance.

**Access to sufficient long-term funding**

New entrants to the Consumer Finance Market must secure access to sufficient long-term funding to finance their business and loans before any loan applications can be approved. Access to funding is typically limited for new entrants due to their limited track records of underwriting capabilities, financial stability and compliance with regulatory capital requirements. Consequently, new entrants typically require substantial equity injections, which results in low returns on equity until debt financing can be obtained. Furthermore, access to deposits has become more difficult as the requirements for obtaining the necessary licenses have become higher, particularly in Sweden.

## Size of the industry and historical development

### Size of the industry

The following table sets out the total outstanding balance of consumer loans, retail finance and credit cards in Sweden, Norway, Denmark and Finland in 2014:

| SEKbn | Sweden | Norway | Denmark | Finland | Total |
|---|---|---|---|---|---|
| Consumer loans | 99 | 52 | 69 | 21 | 241 |
| Retail finance | 29 | 15 | 8 | 7 | 59 |
| Credit cards | 47 | 45 | 19 | 31[1)] | 141 |
| **Total** | **175** | **112** | **96** | **58** | **440** |

Source: Commissioned Market Study

1) The outstanding credit card balance in Finland is high because it includes combo-cards (debit and credit card combined in one card).

The largest of these sub-segments is consumer loans with an outstanding balance of SEK 241 billion in 2014, followed by credit cards and retail finance with outstanding balances of SEK 141 billion and SEK 59 billion, respectively. The largest of the relevant geographies is Sweden with an outstanding balance of SEK 175 billion in 2014, followed by Norway, Denmark and Finland with outstanding balances of SEK 112 billion, SEK 96 billion and SEK 58 billion, respectively. Resurs's market share is estimated to be 6 percent in Sweden, 4 percent in Norway (including yA Bank), 2 percent in Denmark and 4 percent in Finland.

### Historical development

| | 2010 | 2011 | 2012 | 2013 | 2014 | CAGR (2010-2014) |
|---|---|---|---|---|---|---|
| | | | *SEKbn* | | | % |
| Sweden | 149 | 159 | 163 | 170 | 175 | 4.1 |
| Norway | 86 | 92 | 97 | 104 | 112 | 6.7 |
| Denmark | n.a. | n.a. | n.a. | 97 | 96 | (1.4)[1)] |
| Finland | 55 | 56 | 58 | 56 | 58 | 1.6 |
| **Total** | **n.a.** | **n.a.** | **n.a.** | **427** | **440** | **n.a.** |

Source: Commissioned Market Study

1) CAGR for the period of 2013-2014. Previous years are not comparable due to a change in the reporting methodology in Denmark.

According to a leading international third party consultancy firm, the total outstanding balance, in the geographies in which Resurs operates, has experienced steady historical growth. Norway had the highest historical growth in the period between 2010 and 2014 with a compound annual growth rate ("**CAGR**") of 6.7 percent, followed by Sweden, Finland and Denmark with CAGRs of 4.1 percent, 1.6 percent and negative 1.4 percent (only for the period of 2013-2014), respectively, during the same period. The strong historical growth for the overall region, primarily in Norway and Sweden, is due to strong growth in each of the underlying consumer loan, retail finance and credit card markets.

# Industry outlook, drivers and trends

## Industry outlook

| | 2014 | 2015e | 2016e | 2017e | 2018e | 2019e | CAGR (2014-2019e) |
|---|---|---|---|---|---|---|---|
| | | | *SEKbn* | | | | % |
| Sweden | 175 | 183 | 191 | 200 | 209 | 218 | 4.6 |
| Norway | 112 | 118 | 124 | 131 | 138 | 145 | 5.5 |
| Denmark | 96 | 100 | 104 | 109 | 114 | 119 | 4.4 |
| Finland | 58 | 60 | 62 | 63 | 65 | 67 | 2.7 |
| **Total** | **440** | **460** | **481** | **502** | **525** | **549** | **4.5** |

Source: Commissioned Market Study

According to a leading international third party consultancy firm, stable growth of outstanding balances is expected in each of these countries between 2014 and 2019. The outstanding balances in Sweden, Norway, Denmark and Finland are expected by a leading international third party consultancy firm to grow by CAGRs of 4.6 percent, 5.5 percent, 4.4 percent and 2.7 percent, respectively, from and including 2014 to 2019.

### Drivers of consumer finance

An important driver of the Consumer Finance Market is the state of the overall economy. Economic growth and low unemployment rates typically drive consumer confidence and retail spending, and thus also the demand for Consumer Finance. The table below sets out a leading international third party consultancy firm's estimated development of nominal GDP, retail spending, money market interest rates and unemployment for each of the Nordic countries and the EU average.

| % | Sweden | Norway | Denmark | Finland | EU |
|---|---|---|---|---|---|
| Nominal GDP CAGR (2014–2018e) | 3.9 | 4.0 | 2.5 | 3.3 | 2.4[1)] |
| Retail spending CAGR (2014–2018e) | 2.9 | 2.8 | 1.9 | 2.3 | 1.8[2)] |
| Money market interest rate (avg. 2014–2018e) | 0.9 | 1.6 | 0.3 | 0.6 | 0.6[3)] |
| Unemployment rate (avg. 2014–2018e) | 7.2 | 4.2 | 4.5 | 8.8 | 10.5[1)] |

Source: Commissioned Market Study
1) Euro area.
2) Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.
3) 3-month EURIBOR.

Nominal GDP in Sweden, Norway, Denmark and Finland is expected by a leading international third party consultancy firm to grow at CAGRs of 3.9 percent, 4.0 percent, 2.5 percent and 3.3 percent, respectively, between 2014 and 2018, compared to the expected Euro area CAGR of 2.4 percent over the same period. Retail spending in Sweden, Norway, Denmark and Finland is expected to grow at CAGRs of 2.9 percent, 2.8 percent, 1.9 percent and 2.3 percent, respectively, from 2014 to 2018 compared to the Western Europe CAGR of 1.8 percent. For purposes of this section, Western Europe is defined as Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. The average money market interest rates in Sweden (3-month STIBOR), Norway (3-month NIBOR), Denmark (3-month interbank rate) and Finland (3-month EURIBOR) in the period from 2014 to 2018 are expected by a leading international third party consultancy firm to average 0.9 percent, 1.6 percent, 0.3 percent and 0.6 percent, respectively, compared to the Euro area interest rate of 0.6 percent. The unemployment rate in Sweden, Norway, Denmark and Finland is expected by a leading international third party consultancy firm to average 7.2 percent, 4.2 percent, 4.5 percent and 8.8 percent, respectively, in the period from 2014 to 2018, compared to the Euro area average of 10.5 percent.

### Trends in consumer finance

In addition to the macroeconomic environment, there are several other trends that have affected the growth of the countries relevant to Resurs, and are expected by a leading international third party consultancy firm to continue to have an impact on them going forward.

#### Increasing social acceptance for consumer finance

Financing the purchase of consumer electronics, home appliances, family vacations, and similar items, using consumer credit has increasingly become socially acceptable according to the Commissioned Market Study. This trend has contributed to grow the retail finance, credit card and consumer loan markets and the trend is expected to continue, making consumer credit even more acceptable and common.

#### Regulatory changes such as "mortgage cap" affect industry

Financial institutions are heavily regulated, and regulatory changes have a large effect on the retail finance, credit card and consumer loan markets. Two such regulatory changes which have affected Resurs are the Basel III framework, developed as a result of the 2007 to 2010 financial crisis, which resulted in increased risk management requirements for financial institutions in retail finance, credit card and consumer loan markets but also in other banking sectors. In addition, the Swedish and Norwegian financial supervisory authorities' introduced a mortgage cap in 2010 and 2011, respectively, capping mortgages at 85 percent of the asset value for loans originated after this date. This cap forced individuals to turn to consumer loan providers to fund the remaining share of their down-payments.

#### Development of online banking services

As a result of the price transparency, accessibility and speed made possible by the internet, a wide range of new business models have been made possible and led to several non-traditional market participants entering the industry. Examples of non-traditional market participants include consumer credit providers, online trading platforms, online payment processing and credit brokers. The continued growth of the internet and also of smartphone usage is expected to contribute to the growth of the industry. The entrance of new market participants typically increases the competition in the existing industry, but also contributes to expanding the industry by targeting previously underserved niches with new products and services.

#### Growing market for credit brokers

Credit brokers, (i.e., players that, primary through the internet, allow customers to benchmark loan products from multiple providers) represent important new participant in the countries in which Resurs operates. The introduction of credit brokers, such as Lendo and Freedom Finance in the Nordic region, increased the awareness and acceptance of consumer loans, which has contributed positively to the development of the market. However the increased transparency offered by credit brokers' services has also served to increase competition.

## Retail finance

### Size of the sub-segment

The following table sets out the total outstanding balance of retail finance in Sweden, Norway, Denmark and Finland in 2014:

| SEKbn | Sweden | Norway | Denmark | Finland | Total |
|---|---|---|---|---|---|
| Retail finance | 29 | 15 | 8 | 7 | 59 |

Source: Commissioned Market Study

The largest country is Sweden, with an outstanding balance in 2014 of SEK 29 billion, followed by Norway, Denmark and Finland with outstanding balances of SEK 15 billion, SEK 8 billion and SEK 7 billion, respectively.

### Historical development

| | 2010 | 2011 | 2012 | 2013 | 2014 | CAGR (2010-2014) |
|---|---|---|---|---|---|---|
| | | | *SEKbn* | | | % |
| Sweden | n.a. | n.a. | n.a. | 28 | 29 | 4–6[1)] |
| Norway | 12 | 12 | 13 | 15 | 15 | 6.6[2)] |
| Denmark | n.a. | n.a. | n.a. | 8 | 8 | (3.1)[3)] |
| Finland | n.a. | n.a. | n.a. | 7 | 7 | ~1[1)] |
| **Total** | **n.a.** | **n.a.** | **n.a.** | **57** | **59** | **n.a.** |

Source: Commissioned Market Study

1) Historical data is unavailable – growth rate (as to the total market) is estimated through interviews and triangulation by leading international third party consultancy firm.
2) Historical development estimated through interviews and triangulation by leading international third party consultancy firm.
3) CAGR for the period of 2013-2014. Previous years are not comparable due to a change in the reporting methodology in Denmark.

The total outstanding balances in retail finance have grown steadily with the highest historical growth in 2010 to 2014 in Norway at a CAGR of 6.6 percent, followed by Sweden, Finland and Denmark at CAGRs for the same period of 4 to 6 percent, approximately 1 percent and negative 3.1 percent (only for the period of 2013-2014), respectively.

### Sub-segment outlook

| | 2014 | 2015e | 2016e | 2017e | 2018e | 2019e | CAGR (2014-2019e) |
|---|---|---|---|---|---|---|---|
| | | | *SEKbn* | | | | *%* |
| Sweden | 29 | 30 | 31 | 32 | 33 | 34 | 3.5 |
| Norway | 15 | 16 | 16 | 17 | 18 | 19 | 4.5 |
| Denmark | 8 | 8 | 8 | 8 | 8 | 9 | 2.5 |
| Finland | 7 | 7 | 7 | 8 | 8 | 8 | 1.5 |
| Total | 59 | 61 | 63 | 65 | 67 | 69 | 3.4 |

Source: Commissioned Market Study

A leading international third party consultancy firm forecasts strong growth in Nordic outstanding retail finance balances with an expected CAGR of 3.4 percent for the 2014 to 2019 period. According to a leading international third party consultancy firm, the strongest growth during the period is expected in Norway at a CAGR of 4.5 percent followed by Sweden, Denmark and Finland at CAGRs of 3.5 percent, 2.5 percent and 1.5 percent, respectively.

### Competitive environment

A leading international third party consultancy firm describes the Nordic retail finance sub-segment as consolidated. Having strong relationships with retail finance partners is essential to retail finance operations and is also one of the most important determinators of the success of new market participants. The primary industries which utilise retail finance solutions are electronics, followed by furniture and DIY retailers. According to a leading international third party consultancy firm, retail finance faces competition from consumer loans and credit cards as consumers are increasingly borrowing ahead of their purchases through consumer loans or using their credit cards to complete purchases instead of relying on retail finance.

The e-commerce segment is growing quickly but from low levels, with credit penetration levels of 5 percent to 15 percent of sales. The shift from offline to online sales is expected to have a slightly negative impact on the overall retail finance sub-segment as average ticket prices are typically lower in e-commerce sales as compared to in-store sales. In addition, credit penetration and conversion rates are typically lower online. Credit penetration is typically lower online as it is more difficult to upsell retail finance to customers as there is, for example, no sales staff to encourage customers to select retail finance options and credit conversion is typically lower due to smaller average ticket sizes online as compared to in-store.

The retail finance providers with the highest market share in Sweden are Resurs, Handelsbanken Finans, Nordea Finans and Ikano with market shares of 10 to 15 percent, 10 to 15 percent, 10 to 15 percent and 10 percent, respectively. The major providers in Norway are DNB/Cresco, Santander, Resurs and Nordea Finans with market shares of 30 percent, 15 percent, 10 to 15 percent and 5 to 10 percent, respectively. The major providers in Denmark are Resurs, Ekspres Bank, Nordea Finans and Ikano with market shares of 25 percent, 25 percent, 10 percent and 10 percent, respectively. In Finland, the major providers are Nordea, OP-Pohjola, Handelsbanken and Santander with market shares of 50 percent, 20 percent, 20 percent and 5 percent, respectively. Resurs's market share in Finland is estimated at 2 percent of the addressable market. In addition to the traditional Nordic retail finance competitors, a range of new online based competitors have entered the sub-segment, including companies such as Klarna and Qliro.

## Consumer loans

### Size of the sub-segment

The following table sets out the total outstanding balance of consumer loans in Sweden, Norway, Denmark and Finland in 2014:

| SEKbn | Sweden | Norway | Denmark | Finland | Total |
|---|---|---|---|---|---|
| Consumer loans | 99 | 52 | 69 | 21 | 241 |

Source: Commissioned Market Study

The largest country is Sweden, with an outstanding balance in 2014 of SEK 99 billion, followed by Denmark, Norway and Finland with outstanding balances of SEK 69 billion, SEK 52 billion and SEK 21 billion, respectively.

### Historical development

| | 2010 | 2011 | 2012 | 2013 | 2014 | CAGR (2010-2014) |
|---|---|---|---|---|---|---|
| | | | *SEKbn* | | | % |
| Sweden | n.a. | n.a. | n.a. | 96 | 99 | 4–6[1)] |
| Norway | 40 | 43 | 45 | 46 | 52 | 6.8[2)] |
| Denmark | n.a. | n.a. | n.a. | 71 | 69 | (3.1)[3)] |
| Finland | n.a. | n.a. | n.a. | 19 | 21 | ~1[1)] |
| **Total** | **n.a.** | **n.a.** | **n.a.** | **233** | **241** | **n.a.** |

Source: Commissioned Market Study

1) Historical data is unavailable – growth rate estimated through interviews and triangulation by leading independent consultancy firm.
2) Historical development estimated through interviews and triangulation by leading international third party consultancy firm.
3) CAGR for the period of 2013-2014. Previous years are not comparable due to a change in the reporting methodology in Denmark.

The total outstanding balances in consumer loans have grown steadily with the highest historical growth between 2010 and 2014 in Norway at a CAGR of 6.8 percent followed by Sweden, Finland and Denmark at CAGRs for the same period of 4 to 6 percent, approximately 1 percent and negative 3.1 percent (only for the period of 2013-2014), respectively.

### Sub-segment outlook

| | 2014 | 2015e | 2016e | 2017e | 2018e | 2019e | CAGR (2014-2019e) |
|---|---|---|---|---|---|---|---|
| | | | *SEKbn* | | | | % |
| Sweden | 99 | 105 | 111 | 118 | 125 | 132 | 6.0 |
| Norway | 52 | 56 | 59 | 63 | 67 | 71 | 6.5 |
| Denmark | 69 | 73 | 76 | 80 | 84 | 88 | 5.0 |
| Finland | 21 | 21 | 22 | 23 | 24 | 24 | 3.5 |
| **Total** | **241** | **254** | **269** | **284** | **300** | **317** | **5.6** |

Source: Commissioned Market Study

A leading international third party consultancy firm has forecasted strong growth in the outstanding balance of consumer loans in the Nordic region with an expected CAGR of 5.6 percent for 2014 to 2019 for all geographies combined. According to a leading international third party consultancy firm, the strongest growth during the period is expected in Norway at a CAGR of 6.5 percent followed by Sweden, Denmark and Finland at CAGRs of 6.0 percent, 5.0 percent and 3.5 percent, respectively.

### Competitive environment

In Sweden the four big banks have an estimated market share of 40 to 50 percent, but that share is expected to decline going forward, according to a leading international third party consultancy firm. The consumer loan providers, other than the four big banks, with the highest market share in Sweden are Santander, Marginalen, Ikano and Resurs with market shares of 12 to 14 percent, 10 to 12 percent, 9 to 10 percent and 6 percent, respectively. The major loan providers in Norway are DNB, Bank Norwegian, Santander and Resurs (including yA Bank) with market shares of 30 percent, 10 to 15 percent, 10 to 15 percent and 10 percent, respectively. The major loan providers in Denmark are Nordea, Danske Bank, Santander and Expres Bank with market shares of 15 to 20 percent, 15 to 20 percent, 10 to 15 percent and 5 to 10 percent, respectively. Resurs's market share is estimated to around 5 to 10 percent. The major providers in Finland are OP-Pohjola, Nordea, Danske Bank and Santander with market shares of 35 percent, 35 percent, 10 percent and 8 percent, respectively. Resurs's market share in Finland is estimated to around 2 percent.

Credit brokers are becoming an increasingly important sales channel in all the countries except for Denmark. Additionally, a number of recent new entrants to the Consumer Finance space have increased competitive pressure. The most established market participants such as the big banks typically have a limited focus on the unsecured market, which has paved the way for the new entrants, who are typically smaller companies that focus exclusively in delivering consumer loan products.

# Credit cards

## Size of the sub-segment

The following table sets out the total outstanding balance of credit cards in Sweden, Norway, Denmark and Finland in 2014:

| SEKbn | Sweden | Norway | Denmark | Finland | Total |
|---|---|---|---|---|---|
| Credit cards | 47 | 45 | 19 | 31 | 141 |

Source: Commissioned Market Study

According to a leading international third party consultancy firm the largest country for credit cards is Sweden, with an outstanding balance in 2014 of SEK 47 billion, followed by Norway, Finland and Denmark with outstanding balances of SEK 45 billion, SEK 31 billion and SEK 19 billion, respectively.

## Historical development

| | 2010 | 2011 | 2012 | 2013 | 2014 | CAGR (2010-2014) |
|---|---|---|---|---|---|---|
| | SEKbn | | | | | % |
| Sweden | 42 | 43 | 45 | 45 | 47 | 2.7 |
| Norway | 35 | 36 | 39 | 44 | 45 | 6.6[1] |
| Denmark | n.a. | n.a. | n.a. | 18 | 19 | 6.6[2] |
| Finland[3] | 28 | 28 | 30 | 30 | 31 | 2.0 |
| **Total** | **n.a.** | **n.a.** | **n.a.** | **137** | **141** | **n.a.** |

Source: Commissioned Market Study

1) Historical development estimated through interviews and triangulation by leading international third party consultancy firm.

2) CAGR for the period of 2013-2014. Previous years are not comparable due to a change in the reporting methodology in Denmark.

3) The outstanding credit card balance in Finland is high because it includes combo-cards (debit and credit card combined in one card).

The total outstanding balances in credit cards have grown steadily, with the strongest growth in the 2010 to 2014 period occurring in Denmark at a CAGR of 6.6 (only for the period of 2013-2014) percent, followed by Norway, Sweden and Finland with CAGRs for the same period of 6.6 percent, 2.7 percent and 2.0 percent, respectively.

## Sub-segment outlook

| | 2014 | 2015e | 2016e | 2017e | 2018e | 2019e | CAGR (2014-2019e) |
|---|---|---|---|---|---|---|---|
| | SEKbn | | | | | | % |
| Sweden | 47 | 48 | 49 | 50 | 51 | 52 | 2.0 |
| Norway | 45 | 47 | 49 | 51 | 53 | 56 | 4.5 |
| Denmark | 19 | 19 | 20 | 20 | 21 | 22 | 3.0 |
| Finland[1] | 31 | 31 | 32 | 33 | 34 | 35 | 2.5 |
| **Total** | **141** | **145** | **149** | **154** | **159** | **163** | **3.1** |

Source: Commissioned Market Study

1) The outstanding credit card balance in Finland is high because it includes combo-cards (debit and credit card combined in one card).

A leading international third party consultancy firm has forecasted strong growth in outstanding balance in credit cards with an expected CAGR of 3.1 percent for 2014 to 2019 for all geographies. According to a leading international third party consultancy firm, the strongest growth during the period is expected in Norway at a CAGR of 4.5 percent, followed by Denmark, Finland and Sweden with CAGRs of 3.0 percent, 2.5 percent and 2.0 percent, respectively.

## Competitive environment

The leading credit card issuers in the Nordic region are the traditional banks, which typically control 50 to 80 percent of each country's market. Traditional banks can typically push credit cards sales through their customer relationships. MasterCard and Visa are the most common credit card schemes, and typically control 80 to 100 percent of the market in each country.

The credit card providers with the highest market share in Sweden are SEB, Swedbank (via joint venture with Barclays), Handelsbanken and Nordea with market shares of 14 percent, 12 percent, 11 percent and 8 percent respectively. The major credit card providers in Norway are DNB, SEB, Handelsbanken and EnterCard with market shares of 35 percent, 10 percent, 8 percent and 8 percent, respectively. The major credit card providers in Denmark are Danske Bank, Nordea, Jyske Bank and Sydbank with market shares of 32 percent, 26 percent, 16 percent and 11 percent, respectively. The major credit card providers in Finland are Nordea, OP Group, Danske Bank and S-Bank with market shares of 35 percent, 30 percent, 15 percent and 10 percent, respectively.

## Overview of the Nordic non-life insurance sector

### Overview

The non-life insurance sector can be divided into numerous sub-segments. The relevant sub-segments for Resurs are payment protection insurance, product insurance, travel insurance and roadside assistance insurance. The size of these segments is estimated to SEK 14.4 billion (based on total non-life insurance industry premiums in 2014).

### Sector size

The table below sets out the relevant sub-segments and geographies:

| **Premiums 2014** (SEKm) | **Sweden** | **Norway** | **Denmark** | **Finland** | **Total** |
|---|---|---|---|---|---|
| Payment protection | 1,192 | 910 | 631 | 361 | 3,095 |
| Roadside assistance | 477 | 271 | 1,558 | 142 | 2,449 |
| Travel | 715 | 3,150 | 1,190 | 703 | 5,758 |
| Product | 1,005 | 571 | 995 | 522 | 3,093 |
| **Total** | **3,389** | **4,903** | **4,374** | **1,728** | **14,394** |

Source: Commissioned Market Study

The largest relevant sub-segment is travel insurance, with premiums of SEK 5,758 million in 2014, followed by payment protection, product and roadside assistance with premiums of SEK 3,095 million, SEK 3,093 million and SEK 2,449 million, respectively. The largest of the relevant geographies is Norway, with premiums of SEK 4,903 million in 2014, followed by Denmark, Sweden and Finland with premiums of SEK 4,374 million, SEK 3,389 million and SEK 1,728 million, respectively.

### Historical development and outlook

| **Premium CAGR** (%) | **Payment protection insurance** | | **Roadside assistance** | | **Travel** | | **Product** | |
|---|---|---|---|---|---|---|---|---|
| | **2010-2014** | **2014-2017e** | **2010-2014** | **2014-2017e** | **2010-2014** | **2014-2017e** | **2010-2014** | **2014-2017e** |
| Sweden | 3.5 | 4.0 | 1.9 | 2.7 | 1.3 | 1.6 | 1.2 | 2.1 |
| Norway | n.a. | 4.9 | 4.2 | 4.5 | 10.6 | 0.6 | 4.1 | 3.7 |
| Denmark | 2.2 | 3.8 | 5.3 | 3.7 | 12.3 | 3.4 | 1.5 | 1.8 |
| Finland[1)] | 2.1 | 3.4 | 3.6 | 2.2 | 5.4 | 1.8 | (1.3) | 0.0 |
| **Total** | **n.a.** | **4.1** | **4.4** | **3.5** | **8.8** | **1.5** | **1.4** | **2.0** |

Source: Commissioned Market Study

1) The outstanding credit card balance in Finland is high because it includes combo-cards (debit and credit card combined in one card).

The key driver of the payment protection insurance sub-segment is growth in unsecured consumer credit. Payment protection insurance premiums have grown steadily in Sweden, Denmark and Finland at CAGRs of 3.5 percent, 2.2 percent and 2.1 percent, respectively for 2010 to 2014. Going forward, this sub-segment is expected to grow at a CAGR of 4.1 percent for 2014 to 2017 for all geographies combined. The strongest growth during the period is expected in Norway, at a CAGR of 4.9 percent, followed by Sweden, Denmark and Finland at CAGRs of 4.0 percent, 3.8 percent and 3.4 percent, respectively.

The key driver of the roadside assistance sub-segment is the growth in number of cars in traffic. Roadside assistance insurance premiums have grown steadily with an average CAGR of 4.4 percent for all countries combined. The strongest growth has been in Denmark, at a CAGR of 5.3 percent, followed by Norway, Finland and Sweden at CAGRs of 4.2 percent, 3.6 percent and 1.9 percent, respectively, for 2010 to 2014. Going forward, the sub-segment is expected to grow at a CAGR of 3.5 percent for 2014 to 2017 for all geographies combined. The strongest growth during the period is expected in Norway, at a CAGR of 4.5 percent, followed by Denmark, Sweden and Finland at CAGRs of 3.7 percent, 2.7 percent and 2.2 percent, respectively.

The key driver of the travel insurance sub-segment is growth in travel retail sales. Travel insurance premiums have grown strongly with an average CAGR of 8.8 percent for all countries combined. The strongest growth has been in Denmark, at a CAGR of 12.3 percent, followed by Norway, Finland and Sweden at CAGRs of 10.6 percent, 5.4 percent and 1.3 percent, respectively, for 2010 to 2014. Going forward, the sub-segment is expected to grow at a CAGR of 1.5 percent for 2014 to 2017 for all geographies combined. The strongest growth during the period is expected in Denmark, at a CAGR of 3.4 percent, followed by Finland, Sweden and Norway at CAGRs of 1.8 percent, 1.6 percent and 0.6 percent, respectively.

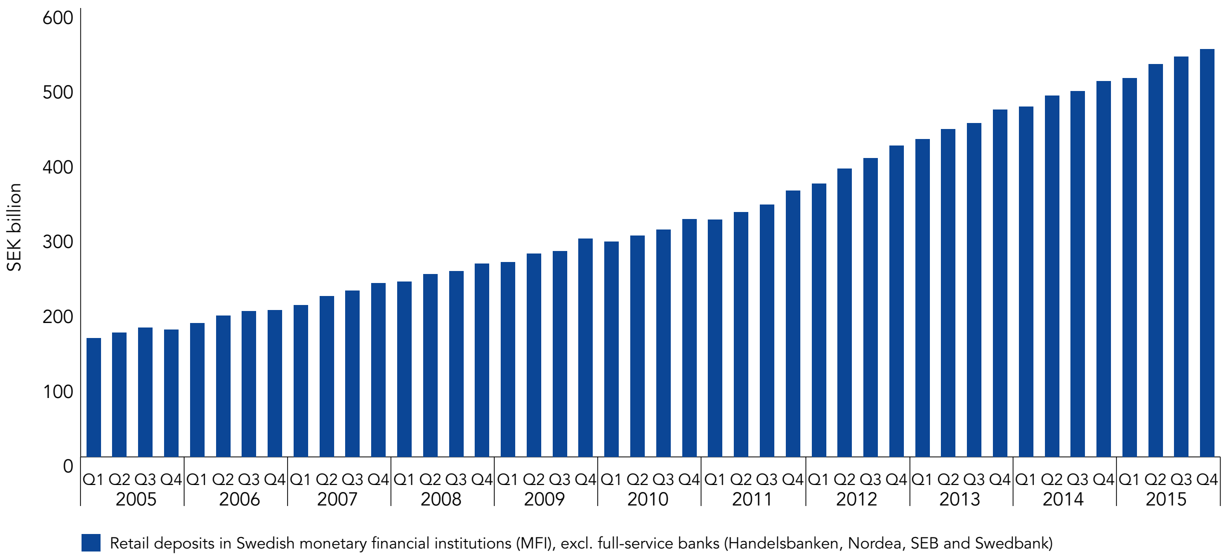
The key driver of the product insurance sub-segment is growth in consumer retail spending. Product insurance premiums have grown steadily in Sweden, Norway and Denmark at CAGRs of 1.2 percent, 4.1 percent and 1.5 percent, respectively for 2010 to 2014. Premiums have declined in Finland at a CAGR of negative 1.3 percent for 2010 to 2014. Going forward, the sub-segment is expected to grow at a CAGR of 2.0 percent for 2014 to 2017 for all geographies combined. The strongest growth during the period is expected in Norway, at a CAGR of 3.7 percent, followed by Sweden, Denmark and Finland at CAGRs of 2.1 percent, 1.8 percent and 0.0 percent, respectively.

## Retail deposits

Deposit products in Sweden are guaranteed by the Swedish Deposit Insurance Scheme up to the SEK equivalent of EUR 100 thousand. All licensed and regulated financial institutions in Sweden are able to offer retail deposit products that are covered by the Swedish Deposit Insurance Scheme. Deposits can be demand deposits (i.e., deposited funds that can be withdrawn at any time) or term deposits (i.e., deposits held for a fixed term that can only be withdrawn without penalty after the term has elapsed). Deposit products in Norway are guaranteed by the Norwegian Banks' Guarantee Fund up to NOK 2 million.

In Sweden, the balance of retail deposits has grown significantly in recent years and has historically been stable and resilient to economic downturns.

The following graph sets forth the balance of retail deposits held by smaller financial institutions, defined as Swedish monetary financial institutions excluding the full-service banks Nordea, Swedbank, Handelsbanken and SEB, for the period 1 January 2005 to 31 December 2015.

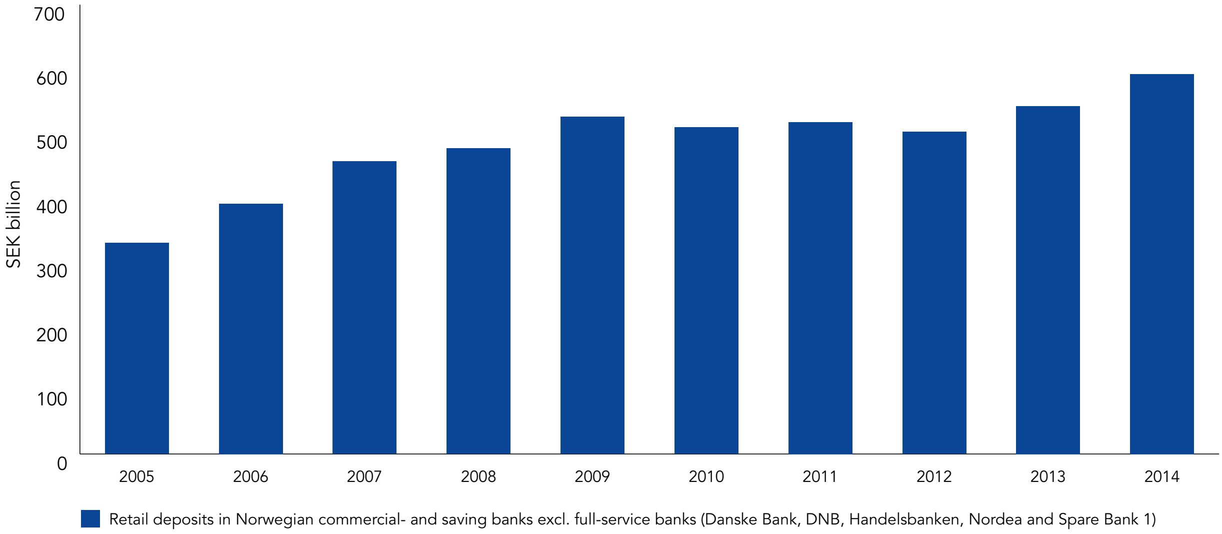



Source: Statistics Sweden

In Sweden, the balance of retail deposits held by small financial institutions has been steadily increasing and has grown at a CAGR of approximately 12 percent between 1 January 2005 and 31 December 2015. As of 31 December 2015, the balance of retail deposits in Swedish small financial institutions was SEK 545 billion.

In Norway, the balance of retail deposits has grown steadily in recent years.

The following graph sets forth the balance of retail deposits held by smaller financial institutions, defined as commercial- and saving banks excluding full-service banks Danske Bank, DNB, Handelsbanken, Nordea and SpareBank 1, for the period 1 January 2005 to 31 December 2014.



Source: Finans Norge

The balance of retail deposits has been steadily increasing in Norway and has grown with at a CAGR of approximately 7 percent between 2005 and 2014. As of 31 December 2014 the balance of retail deposits in Norwegian small financial institutions was SEK 592 billion.

# Business description

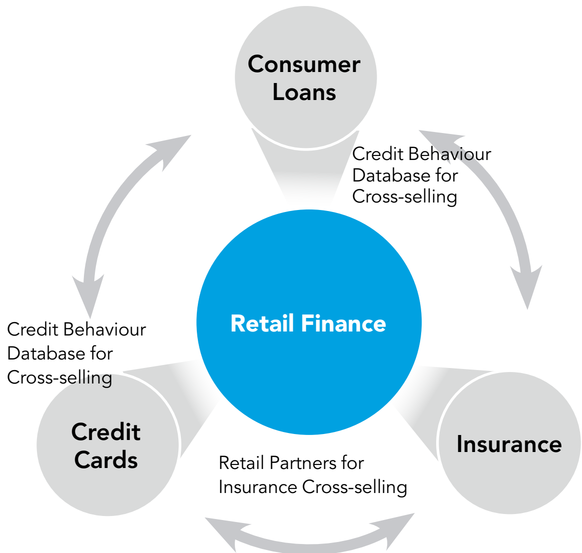
## Overview

Resurs is a leading provider of payment solutions (including retail finance and credit cards), consumer loans and targeted insurance products in the Nordic region. As of 31 December 2015, Resurs offered payment solutions and consumer loans to approximately 1.2 million customers (including approximately 50,000 customers in Norway as a result of the yA Bank Acquisition) with outstanding balances across the Nordic region, and had a loan portfolio of SEK 18.2 billion (including a loan portfolio of SEK 3.5 billion acquired in the yA Bank Acquisition), with more than SEK 19.9 billion in new lending in the year ended 31 December 2015. Resurs has consistently expanded its operations and its loan portfolio has increased from SEK 9.3 billion as of 31 December 2013 to SEK 18.2 billion as of 31 December 2015, which corresponds to a compound annual growth rate of 40.2 percent (including the SEK 3.5 billion loan portfolio of yA Bank).

From its headquarters in Helsingborg, Sweden, Resurs has developed long-term relationships with a significant number of the largest retail companies in the Nordic region and, as of 31 December 2015, offered retail finance solutions through more than 1,200 retail finance partners, with a network of approximately 35,000 stores. As of 31 December 2015, Resurs had more than 2.4 million active individual retail finance customers, with an average initial loan size of approximately SEK 1,550. Resurs builds its retail finance customer base and increases sales penetration through partnerships with online, click-and-brick and brick-and-mortar retailers. Management believes that its ability to develop its offering on an "omni-channel" (online, offline and mobile) basis and approach retail customers across a variety of retail channels is a key competitive advantage that helps to ensure broad penetration of the Company's retail finance products and coverage of a diverse range of consumer demographic profiles. Resurs monitors and collects information from its payment solutions and consumer loans customers, including credit utilisation and spending data, payment pattern and credit history information, which Resurs stores in what management believes to be one of the largest internal databases that includes this type of consumer information in the Nordic region.

Resurs's business model is to leverage its retail finance operations, including its relationships with retail finance partners, robust internal database and industry knowledge base, to generate a large and diverse group of potential credit card and consumer loan customers, and to accurately and effectively sell its credit card and consumer loan products to these potential customers. Resurs markets its credit card and consumer loan products to existing customers, primarily via direct mail, telemarketing and in monthly statements sent to customers, and to new customers via mass communications, online marketing and a trusted network of brokers. Resurs further leverages its large and diverse customer base by offering its customers a range of targeted insurance policies that protect retail products (*e.g.*, product insurance relating to electronics and home appliances), PPI and travel insurance.

The following graphic illustrates how Resurs's retail finance operations drive its business model and its strategy of selling to existing customers.




Resurs's management believes that risk management is most effective when the approach employed is tailored to the specific characteristics of both the product offered and the customer to whom the product is offered. Depending on the product, Resurs's risk management and underwriting systems automatically select from a large variety of applicant scoring templates and models, which are used to organise and filter applicant information. This information is then checked against Resurs's credit and lending policies to generate a final lending decision. In addition, depending on the product type and loan size, Resurs uses information in its internal database and from other data sources to engage in risk-based pricing, pursuant to which unique applicant information is combined with credit bureau data to generate a tailored final lending decision for the respective applicant.

Resurs's product offering, local retail knowledge and geographic presence have been enhanced by several acquisitions during the audited three-year period presented in the Offering Memorandum. Resurs completed the Ellos Business Acquisition in 2013, which added a significant number of customers to its internal database and significantly broadened its retail finance offering. The acquisitions of Finaref and Dan-Aktiv in 2014 helped Resurs to strengthen its geographic footprint and increased its retail finance and consumer loan operations throughout the Nordic region, particularly in Finland and Denmark. On 26 October 2015, Resurs acquired yA Bank, a Norwegian consumer finance bank, pursuant to which Resurs acquired yA Bank's consumer loan portfolio, retail deposits, relationships with retail finance partners and broker network in Norway, as well as its credit card customer base and internal customer database. These acquisitions have helped Resurs to achieve a geographically diverse business across the Nordic region, with 49.2 percent, 28.5 percent, 11.0 percent and 11.3 percent, respectively, of its loan portfolio in Sweden, Norway, Finland and Denmark, respectively, as of 31 December 2015.

Resurs's funding base consists of retail deposits, equity, ABS, MTN and bank loans, which represented 69 percent, 21 percent, 6 percent, 3 percent and 1 percent, respectively, of Resurs's funding mix (measured based on carrying value) as of 31 December 2015. As of 31 December 2015, Resurs had approximately 52,500 corporate and personal deposit accounts in Sweden and, as a result of the yA Bank Acquisition, approximately 46,000 deposit accounts in Norway. ABS issuances are facilitated by the credit performance of Resurs's consumer loan portfolio and the availability of extensive credit performance data and internal database information. In order to help to limit its dependency on any one funding source, Resurs seeks to further diversify its funding base over time.

## Key strengths

Resurs believes that its business is characterised by the following key strengths:

### Largest independent Nordic retail finance bank

Resurs was built by retailers for retailers. Based in part on their retail sales experience, Resurs's founders realised the benefits that retail finance solutions and payment flexibility could have in increasing customers' purchasing power and spending, attracting customers to stores and enhancing customer loyalty. Since the launch of its retail finance solution in the 1980s, Resurs has continued to refine its retail finance offering and has become the largest independent retail finance bank in the Nordic region. As of 31 December 2015, Resurs had a retail finance partner network of more than 1,200 retail finance partners with approximately 35,000 stores, an internal database of approximately 4.9 million unique customers and a loan portfolio of SEK 18.2 billion (including a loan portfolio of SEK 3.5 billion acquired in the yA Bank Acquisition). Through acquisitions and organic expansion in the Nordic region, as well as the expansion of its product portfolio, Resurs has grown its internal database from 0.5 million unique customers in 2001 to approximately 4.9 million unique customers as of 31 December 2015. Resurs's internal database of Swedish customers, which contained approximately 3.0 million customers as of 31 December 2015, is of a comparable scale, in terms of number of customers, to the databases of Swedish high street banks, such as Swedbank, Nordea and SEB. Furthermore, Resurs's loan portfolio is amongst the largest of the Nordic consumer banks, which category includes Bank Norwegian, Collector, ICA Banken, Ikano, Klarna, Marginalen Bank, Nordax Bank, Nordnet, SevenDay, Svea Ekonomi and Volvo Finans.

### Track-record of growth through product innovation, geographic expansion and acquisitions

- Resurs has a track record of strong growth, driven by an expanding base of retail finance partners, the introduction of new products, geographic expansion and a number of important acquisitions. Product innovation plays a key role within the Resurs corporate ethos and is a part of the Company's heritage. For example, in the 1980s, Resurs introduced the concept of interest-free retail finance solutions, and Resurs was one of the first companies in Sweden to issue credit cards with bonus and loyalty schemes. In 1993, Resurs complemented its retail finance offering with product insurance through the establishment of Solid. In addition, in 1995, Resurs introduced its consumer loans products and undertook to expand its consumer loans operations in 2003. In 2005, Resurs launched its credit card products. Resurs's pan-Nordic platform first began in 1998, when Resurs began offering retail finance solutions to retailers in Denmark, and continued in 2002 as Resurs expanded into Finland and Norway. In each of these regions, Resurs was able to expand together with its existing retail finance partners, which helped to decrease the costs and manage risks associated with geographic expansion into new markets.
- In addition to its track record of organic expansion and product innovation, Resurs has completed a number of acquisitions. Together, these factors have strengthened its Nordic platform and expanded its internal database by more than 2.4 million customers since 2010, of which approximately 1.4

million customers are attributable to acquisitions. In addition, Resurs's acquisitions have resulted in the acquisition of strong local businesses and the establishment of footprints in Denmark, Finland and Norway, from which Resurs can work to replicate the success of its business model in Sweden. In October 2013, Resurs completed the Ellos Business Acquisition, which significantly expanded Resurs's retail finance footprint in both a market segment (fashion) and customer group (female) in which it had historically been underrepresented. In April 2014, Resurs acquired Finaref and Dan-Aktiv to strengthen its footprint and gain critical scale in the Nordic markets outside Sweden. These acquisitions provided strong local business operations in Finland (Finaref's primary market) and Denmark (Dan-Aktiv's primary market). The acquisition of Dan-Aktiv provided Resurs with an advanced point of sale platform that can issue and process contactless credit cards. In April 2015, Solid acquired Falck Försäkringar AB's ("**Falck Försäkringar**") Swedish database of bicycle insurance policyholders, which expanded Solid's customer base and helped to increase its product insurance portfolio. On 26 October 2015, Resurs completed the yA Bank Acquisition and acquired a Norwegian consumer finance bank. As a result, Resurs has significantly increased its scale and operations in Norway, which is an attractive market for credit products. The acquisition also provided access to approximately 92,000 additional customers in Norway as of 31 December 2015, and may further provide benefits resulting from the increased diversification of Resurs's business. The yA Bank Acquisition also provided Resurs with strengthened relationships with credit brokers in Norway and additional expertise in leveraging the broker sales channel.

### Business model with established platform for selling additional products

Resurs has developed into a diversified and integrated pan-Nordic retail finance bank with operations in Sweden, Norway, Denmark and Finland, and a diverse product offering that includes retail finance, credit card, consumer loan and insurance products, as well as retail deposits in Sweden and, as a result of the yA Bank Acquisition, Norway. These products are generally complementary and Resurs benefits from a number of synergies, with the retail finance operations serving as the engine of the business model and operations. The retail finance business has historically generated a steady flow of new customers, which has contributed to the general growth of Resurs's customer base and its internal database. Resurs's internal database has expanded from approximately 0.5 million customers in 2001 to approximately 4.9 million customers as of 31 December 2015. As a result, Resurs has built an attractive internal database of customer credit utilisation and spending data, payment pattern and credit history information, which can increase Resurs's ability to efficiently and cost-effectively sell additional credit and insurance products to existing customers. Historically, Resurs has successfully leveraged its internal database to sell additional products and expand its loan portfolio through new loan development across its product offerings. For example, in the year ended 31 December 2015, existing customers identified in Resurs Bank's internal database generated 86 percent of Resurs Bank's new loan development related to consumer loans and 82 percent of the new credit cards issued by Resurs Bank (excluding co-branded cards).

### Well positioned in fast growing mobile and e-commerce market through an omni-channel offering

Resurs is well positioned to drive new loan development in the fast growing e-commerce market via its retail finance partners, including, in particular, its relationship with two of Sweden's largest e-commerce retailers, Ellos and NetOnNet. New loan development related to Resurs's e-commerce business has grown rapidly since 2011. For the years ended 31 December 2013, 2014 and 2015, 18 percent, 32 percent and 32 percent, respectively, of new loan development related to Resurs's retail finance operations was generated online. This growth has been driven by Resurs's omni-channel strategy, pursuant to which Resurs offers its retail finance products across a variety of retail channels. This allows Resurs's retail finance partners to offer their customers Resurs's wide range of financing options regardless of where their customers choose to complete their purchases: in-store, online or on their mobile phones. Additionally, Resurs's Loyo mobile application exemplifies the Company's focus on staying at the forefront of new technology. Loyo enables customers to consolidate their gift, loyalty and credit cards in one mobile application and can facilitate store payments (at selected merchants) and the receipt and notice of special offers or deals via mobile phone. Loyo was awarded "Bank app of the year" in 2015 by the financial weekly magazine Privata Affärer.

### Stringent risk management and diversified loan portfolio tested through cycles

Resurs's stringent focus on risk management, disciplined underwriting model and diversified loan portfolio have contributed to its ability to maintain a stable cost of risk on a historical basis. For example, Resurs has maintained a cost of risk, which is defined as credit losses, net (including credit loss insurance premium from 2006 to 2012) as a percentage of the average loan portfolio, of between one and three percent from 1990 to 2015. This stability was best observed during the Swedish financial crisis in the early 1990s and the global financial crisis in 2008-2010. The risk management policies and considerations are embedded throughout the organisation and the risk management team leads the development of all pricing and marketing models, which management believes allows Resurs to target the right customers and appropriately set prices in relation to risk exposures. Resurs's models combine public data with the data and information in its internal database to create bespoke scorecards that can implement Resurs's lending strategy while taking into account its risk management policies and procedures. Additionally, Resurs's loan portfolio is primarily composed of loans with small and medium sized balances and relatively short durations, which, when combined with the product and geographical diversification of its operations, helps to facilitate the management and reduction of Resurs's overall risk profile.

### Attractive financial profile with high returns and a strong funding profile

- Resurs's financial profile is characterised by its operating model, which aims to leverage Resurs's large internal database to sell additional products to marketable existing customers. Resurs's returns are driven by a number of factors, including Resurs's offering of small and medium sized loans with relatively short durations and Resurs's low customer acquisition costs and marketing efficiency. Resurs's small and medium sized loans with relatively short durations allow for an attractive pricing profile and a high annual percentage rate ("**APR**"). The Company's relatively low customer acquisition costs result in part from the high percentage of consumer loan portfolio development and credit card accounts that are generated and originated via Resurs's internal channels and internal database. In addition, Resurs has an efficient and scalable organisation, with Resurs Bank's cost to income ratio decreasing during the audited three-year period presented in the Offering Memorandum. As of the years ended 31 December 2013, 2014 and 2015, Resurs's cost to income ratio (excluding insurance operations) was 53.0 percent, 51.5 percent and 48.1 percent, respectively. During the same periods, Resurs's cost to income ratio was 54.7 percent, 50.8 percent (when aggregated with the standalone results of Finaref and Dan-Aktiv: 48.0 percent) and 48.8 percent (adjusted to reflect the full-year effect of the yA Bank Acquisition: 45.7 percent), respectively. Metrics reflecting the full-year effect of the yA Bank Acquisition have been calculated using *pro forma* financial information, see "*Pro forma financial information*". These factors have contributed to Resurs's ability to deliver a RoATE of 15.4 percent, 20.4 percent and 21.4 percent (26.6 percent adjusted to reflect the full-year effect of the yA Bank Acquisition, 27.9 percent adjusted to reflect the full-year effect of the yA Bank Acquisition and excluding transaction costs associated with the Offering), in the years ended 31 December 2013, 2014 and 2015, respectively. Resurs's RoATE in the year ended 31 December 2015, adjusted to reflect the full-year effect of the yA Bank Acquisition, was superior to the returns reported both by Resurs's specialty finance peers, including Nordax and Hoist, in each case adjusted for non-recurring IPO expenses, Collector, Cembra and Secure Trust, and Resurs's Nordic bank peers, including Nordea, SEB, Swedbank, SHB and DNB, in the same period. Metrics reflecting the full-year effect of the yA Bank Acquisition have been calculated using *pro forma* financial information, see "*Pro forma financial information*".
- Resurs benefits from a strong funding profile and access to the international capital markets. Retail deposits represent Resurs's primary source of funding and, over the last 15 years, Resurs has become adept at tailoring the interest rates on its retail deposits to drive deposit flows and maintain adequate liquidity and funding levels. While Resurs's retail deposits have historically been denominated solely in SEK, as a result of the yA Bank Acquisition, Resurs also has deposits that are denominated in NOK. In 2015, Resurs set out to further diversify its funding and accessed the capital markets, including the launch of a SEK 3 billion MTN program in first quarter of 2015 (the first issuance under this program amounted to SEK 400 million) and a SEK 1,400 million ABS in second quarter of 2015. As a result, Resurs has successfully diversified its funding sources and further solidified its experience with and profile in the international capital markets.

### Entrepreneurial culture and management team with proven successful track-record

Resurs's devotion to its retail heritage and focus on innovation is supported by the its mission to increase retail sales by working to ensure the satisfaction of its retail finance partners and customers, as well as its focus on creating a motivational and innovative work environment and corporate culture. For example, Resurs's core values promote a driven, open, innovative and trustworthy corporate culture and corporate and employee attitude. Resurs is led by a management group of nine individuals who together have more than 120 years of experience relating to retail and retail finance operations. Resurs's Chief Executive Officer, Kenneth Nilsson, and his team have a proven track-record of growing the business, providing strong returns, expanding Resurs's product offering, refining and developing the organisation through several completed acquisitions and divestments and successfully diversifying the Company's funding profile.

## Strategy

Resurs's strategy going forward is underpinned by the following pillars:

### Build on recent acquisitions to continue to replicate Swedish model across the Nordic region

Resurs's retail heritage provides it with a strong understanding of the retail industry and Resurs dedicates significant resources to supporting its retail finance partners' use of its retail finance products to meet their objectives, including attracting potential customers to the store, converting store visitors to paying customers and increasing customer loyalty. While Resurs has been active in Denmark, Finland and Norway for several years, management believes that Resurs has now achieved the scale of operations in those countries needed to replicate its Swedish model of selling products to existing customers and compete against leading local competitors in those countries. The acquisitions of Dan-Aktiv, Finaref and yA Bank and the Ellos Business Acquisition have been instrumental to Resurs's ability to acquire this scale and further expand into these countries. In addition, the nature of these acquisitions has also helped to maintain Resurs's retail heritage, as both Dan-Aktiv and Finaref share a similar retail heritage to Resurs. Moreover, Resurs's ability and capacity to expand has been bolstered by its investments to expand its local sales, support, risk and administrative functions in recent years. Management believes that its ongoing roll-out of a full product offering should help Resurs to achieve the critical scale, local knowledge and resources necessary to complete its strategy of replicating Resurs's Swedish model and success in the other major Nordic countries.

### Become the leading Nordic retail finance provider for retail finance partners

Resurs will look to leverage its large retail finance partner network in Sweden and its strengthened position in Denmark, Finland and Norway to become retailers' preferred pan-Nordic retail finance provider. Due in part to its geographic expansion and scale, Resurs can provide a pan-Nordic, omni-channel retail finance solution to its large and multinational retail finance partners that can service all of the partners' customers, irrespective of the market in which, or channel through which, such customers access the retail finance partners' businesses. Resurs's management believes this offering will prove attractive to retail finance partners, and to large and multinational retail finance partners in particular, as it will help them to reduce costs and create a more efficient retail finance service because they will no longer have to manage multiple retail finance systems and partnerships across the markets in which they operate. As a result of this attractive offering and potential demand from retail finance partners, Resurs may be able to expand and grow with its retail finance partner network across the Nordic region, and can then use the customer information generated by those partnerships to drive sales of its other products, as has historically been done in Sweden.

### Increase product innovation and continue to drive omni-channel growth

Resurs has expanded its product portfolio with new products and services that provide tangible benefits to its retail finance partners and customers alike. In particular, the omni-channel offering of Resurs, which enables retail finance partners to offer retail finance solutions to their customers across several retail channels (in-store, online or mobile), has been actively adopted by retail finance partners in recent years and has additional potential for further adoption by future and existing retail finance partners. For example, the omni-channel offering has been deployed and utilised by a wide range of existing retail finance partners and is bolstered by Resurs's relationship with two of Sweden's largest e-commerce retailers, Ellos and NetOnNet, with e-commerce generating 32 percent of new loan development related to Resurs's retail finance operations in each of the years ended 31 December 2014 and 2015. Resurs has established a strong foundation from which to improve its position in the attractive and high growth e-commerce and mobile commerce segments. Resurs's management intends to continue to refine and develop the omni-channel and multiple product offerings in order to provide retailers with additional products and services that can drive sales and increase customer loyalty. Resurs's management primarily focuses on growing its omni-channel offering among retailers with high-ticket purchases as they can have high credit penetration and credit conversion levels both online and in-store. For the years ended 31 December 2014 and 2015, the credit conversion rate of Resurs's retail finance operations remained consistent at approximately 60 percent.

### Grow existing retail finance partner base and credit penetration levels

In recent years, Resurs has expanded its retail finance partner base with a wide range of well-known retailers, and Resurs is dedicated to further expanding its retail finance partner base going forward. In particular, Resurs aims to accomplish this expansion by also targeting commercial and industry segments with historically weaker, limited or underdeveloped retail finance presence and penetration. For example, the veterinary, health and cosmetic segments generally present attractive growth opportunities due to the extent to which these segments can require high-ticket purchases. In addition to growing its retail finance partner base, Resurs intends to continue to work closely with its retail finance partners to increase its credit penetration levels. As of 31 December 2015, more than 40 full-time equivalent employees ("**FTEs**") across the

Nordic region were dedicated to educating and developing campaigns that educate retailers on Resurs Bank's value proposition and can help to drive retailers' sales and demand for Resurs's retail finance services. Although this team of employees has had a successful track-record of increasing Resurs's credit penetration across its retail finance partner base, Resurs's management believes there is further potential to improve Resurs's credit penetration. For example, as of 31 December 2015, Resurs's average credit penetration across its retail finance partner base was approximately 5 percent, which is well below credit penetration levels that Resurs has achieved with certain retailers.

### Leverage the existing customer base

The Ellos Business Acquisition and the acquisitions of Dan-Aktiv, Finaref and yA Bank have all contributed to significantly expanding Resurs's internal database of consumer spending, payment patterns and credit history information in recent years. While Resurs has historically successfully leveraged its internal database to market and sell new products to its existing customers, Resurs's management believes that there remains substantial potential to sell additional products to its recently acquired customers. By acquiring yA Bank, Resurs acquired, e.g., yA Bank's customer database and received information on approximately 92,000 customers in Norway as of 31 December 2015. This database has yet to be fully integrated with Resurs's internal database. Additionally, following the launch of its Supreme Card credit card in Norway in 2013 and in Denmark and Finland in 2014, Resurs now has an additional product to sell to its existing customers in these countries. Credit cards have been popular among Resurs's customers in Sweden and, as of 31 December 2014 and 2015, 5.6 percent and 5.3 percent, respectively, of the total number of Resurs's Swedish customers in its internal database (including high-, medium- and low-activity customers) had one or more credit cards issued by Resurs. This rate of credit card penetration in Sweden is significantly higher than what Resurs has achieved in the other countries in which it operates.

### Continue pursuing selective acquisitions

Resurs has historically pursued an active acquisition strategy and has a successful track-record of expanding and growing across geographies and product lines through acquisitions. Going forward, management will continue to pursue selective acquisitions in order to complement its business in instances in which it believes that such acquisitions will enhance the value of the Group. Based on its recent acquisitions, Resurs's management believes that it has an experienced team capable of evaluating potential acquisitions, performing the requisite due diligence and successfully integrating acquired entities into the corporate structure and operations.

## Mission

Resurs mission is to drive retail sales. Resurs will strive, with profitable growth, to always have the most satisfied partners, customers and employees.

## Financial targets and outlook

Resurs's Board of Directors has adopted the following medium term financial targets:

- **Loan Portfolio Growth:** Management aims to increase Resurs's loan portfolio by approximately 10 percent per annum in the medium term.
- **Net Banking Income Margin:** Over the medium term, management aims to maintain a net banking income margin in line with the recent performance.
- **Cost of Risk:** Over the medium term, management aims to maintain a cost of risk ratio in line with the recent performance of Resurs.
- **Cost to Income Ratio (excluding insurance operations):** Management aims to achieve a cost to income ratio of approximately 40 percent (excluding insurance operations) in the medium term.
- **Capital Structure:** In the medium term, management aims to achieve a CET 1 ratio and TCR of Resurs of at least 12.5 percent and 14.5 percent, respectively.
- **RoATE:** Management aims to achieve a RoATE of approximately 30 percent in the medium term, based on the target CET 1 ratio of 12.5 percent.

For information on the definitions of loan portfolio, net banking income margin, cost of risk, cost to income ratio (excluding insurance operations), CET 1 ratio, TCR and RoATE, see "*Presentation of financial and other information*". For more information on Resurs's historical results with regard to these metrics, see "*Selected consolidated historical financial and other data–Selected key figures and ratios of the Company*" and "*Operating and financial review–Funding, liquidity and capital resources*".

In preparing the financial targets described above, management has in general assumed that there will be no currently unannounced changes in the existing political, legal, fiscal, market or economic conditions or in applicable legislation, regulations or rules (including, but not limited to, accounting policies, accounting treatments and tax policies), which, individually or in the aggregate, would be material to Resurs's results of operations or its ability to operate its banking and insurance businesses. The assumptions, on which Resurs's management have based the financial targets, include the following:

- that Resurs will be able to maintain or grow its market share in its existing countries and further expand its product offering penetration in Denmark, Finland and Norway, and that the competitive environments in the countries in which Resurs operates will remain at levels similar to the current environments;

- that, following alignment of the interest income and credit loss recognition accounting policies of Dan-Aktiv with those of the Group, the decrease of Resurs's net banking income margin resulting from changes in the product mix of Resurs, particularly with respect to consumer loans, and from the change in interchange fees, will be offset in part by margin preservation efforts, controlled reductions in the liquidity buffer of Resurs and low market interest rates and interest expenses (see "*Operating and financial review–Key factors affecting Resurs's results of operations*" and "*–Recent developments*");
- that Resurs will be able to manage its costs and expenses, including, but not limited to, its costs associated with recent acquisitions and the integration of acquired operations and related systems;
- that marketing costs do not materially deviate from the level for the year ended 31 December 2015;
- that Resurs will be able to continue to fund its lending operations with deposits and that the competitiveness of its offer relative to similar providers of retail deposits as well as large banks will remain sufficient to attract a sufficient quantum of deposits, and that Resurs will be able to successfully expand its use of the debt capital markets to continue to diversify the funding of its operations;
- that pre-collection recoveries on past due loan amounts, and recoveries on delinquent loans that have been turned over to the debt collection agencies used by Resurs, remain at levels in line with the historical experience and current expectations of Resurs. For information on the expected recoveries, provisions and credit losses, see "*Operating and financial review–Key factors affecting Resurs's results of operations–Credit losses*";
- that Resurs will be able to pass on increases in its funding and liquidity costs to its customers without incurring credit losses, net or losing customers to competitors;
- that yA Bank will continue to deliver strong growth, particularly with respect to its loan portfolio; and
- that the recent yA Bank Acquisition will generate the expected growth and profit and that Resurs can leverage the competitive and operational benefits over the medium to long term.

The assumptions that may also be affected by external factors beyond Resurs's control include the following:

- no negative developments in the general macroeconomic environment that materially affects the quality of Resurs's outstanding loans or Resurs's ability to increase its loan portfolio, manage its risk exposure and credit losses or collect on amounts owed on outstanding loans;
- no major increase in unemployment or deterioration of consumer confidence levels in the Nordic region;
- no significant changes in the competitive situation in the countries and sub-segments in which Resurs operates, including pricing pressure and developments in the banking and insurance industries in general or by competitors;
- no regulatory or licensing changes with a substantial impact on Resurs's ability to collect on amounts owed on outstanding loans or affecting Resurs's ability to outsource debt collection activities;
- no currently unannounced changes in the way capital requirements are defined or implemented and no regulation that materially affects Resurs's ability to attract deposits at relevant rates;
- no litigation or administrative proceedings that might have a material impact on Resurs;
- no adverse significant changes in foreign exchange rates or local and international monetary policies; and
- no material deviation of interest rates from the levels experienced during the audited three-year period presented in the Offering Memorandum in the medium term.

**Certain statements in the section "–*Strategy*" and in this section, including in particular the financial targets described immediately above, constitute forward looking statements. These forward looking statements are not guarantees of future financial performance and Resurs's actual results could differ materially from those expressed or implied by these forward looking statements as a result of many factors, including but not limited to those described under "*Forward looking statements*" and "*Risk factors*". Investors are urged not to place undue reliance on any of the statements set forth above.**

## History

The Resurs brand dates back to 1977, when Bengt Bengtsson co-founded Resurs Radio & TV, a retail electronics company, in Helsingborg, Sweden. In the mid-1980s, the owners established Resurs Finans in order to offer in-store financing of consumer electronics to customers of Resurs Radio & TV. In 1989, the owners decided to focus Resurs's operations on consumer finance and sold its electronics business to SIBA and ONOFF, and SIBA remains a significant retail finance partner of Resurs to this day. Resurs continued expanding its consumer finance portfolio during the 1990s, both within the consumer electronics industry and beyond, by developing relationships with a number of retail companies, including Ford, Mio and Hallbergs Guld. Resurs also expanded its business offerings in 1993 by founding its subsidiary, Solid, a Swedish non-life insurance company providing policies for consumer products, PPI, travel and roadside assistance/car warranties and other targeted insurance products.

In 2001, the SFSA granted Resurs a banking license and Resurs Finans became Resurs Bank. As a retail bank, Resurs began to accept deposits from the public, thereby diversifying and expanding its funding base and reducing its financing costs. Resurs also broadened its product offering to include consumer loans (launched in 1995 and expanded in 2003) and credit cards (under the trademark Supreme Card, launched in 2005), leveraging its expansive credit knowledge and internal database of retail consumers' behaviour to offer a diverse range of personal financing alternatives. With a broader product offering, Resurs grew organically over the subsequent years and acquired Kaupthing Finans' credit portfolio in 2008 in order to increase its size and loan portfolio.

In 2012, Nordic Capital acquired a majority stake in Resurs. Since then, benefiting from the commitment of its Principal Selling Shareholders, Resurs has continued to grow rapidly, expanding both the size and geographic footprint of its portfolio and operations through strategic acquisitions and organic growth. In October 2013, Resurs completed the Ellos Business Acquisition, which helped to enhance Resurs's e-commerce offering and further diversify its customer base and product mix.

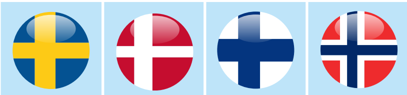
In early 2014, Resurs acquired Nordic-based consumer finance companies Dan-Aktiv and Finaref. Through these acquisitions, the Company significantly expanded its geographic reach, acquiring an entity with a substantial Danish retail finance operation and consumer loan portfolio in Dan-Aktiv and a substantial Finnish consumer loan portfolio, with a focus on customers of the Ellos Group, in Finaref. Most recently, on 26 October 2015, Resurs acquired yA Bank, which has resulted in the geographic expansion of Resurs's loan portfolio in Norway and an increase in the utilisation of the broker marketing channel in Norway. Through these recent acquisitions, Resurs has broadened its largely Swedish customer portfolio into a pan-Nordic offering, with 49.2 percent, 28.5 percent, 11.0 percent and 11.3 percent, respectively, of its loan portfolio in Sweden, Norway, Finland and Denmark, respectively, as of 31 December 2015.

## Products

### Overview

Resurs offers in-store and e-commerce retail financing for consumers, credit cards and consumer loans across the Nordic region, and online retail deposit accounts in Sweden. As a result of the yA Bank Acquisition, Resurs also offers deposit accounts in Norway. Resurs primarily generates income through interest and fees charged on its payment solutions and consumer loans products (which contribute to Resurs Bank's net banking income), as well as through premiums earned from the sale of its insurance products (which contributes to Solid's insurance operating income). Resurs typically generates net banking income through interest income on outstanding loan amounts related to its payment solutions and consumer loans products, as well as through application fees, reminder fees, administration fees and other charges associated with managing and operating its lending activities. For the years ended 31 December 2013, 2014 and 2015, Resurs's net banking income was SEK 1,079,640 thousand, SEK 1,792,390 thousand (when aggregated with the stand-alone results of Finaref and Dan-Aktiv: SEK 1,969,208 thousand) and SEK 2,218,928 thousand (adjusted to reflect the full-year effect of the yA Bank Acquisition: SEK 2,521,852 thousand), respectively, and its net banking income margin was 13.1 percent, 15.5 percent (when aggregated with the stand-alone results of Finaref and Dan-Aktiv: 14.7 percent) and 13.8 percent (adjusted to reflect the full-year effect of the yA Bank Acquisition: 14.5 percent), respectively. Metrics reflecting the full-year effect of the yA Bank Acquisition have been calculated using *pro forma* financial information, see "*Pro forma financial information*". For the years ended 31 December 2013, 2014 and 2015 adjusted net banking income was SEK 931,827 thousand, SEK 1,728,854 thousand (when aggregated with the stand-alone results of Finaref and Dan-Aktiv: SEK 1,905,235 thousand), and SEK 2,194,028 thousand, respectively, resulting in an adjusted net banking income margin of 11.3 percent, 14.9 percent (when aggregated with the stand-alone results of Finaref and Dan-Aktiv: 14.2 percent), and 13.7 percent, respectively. See "*Presentation of financial and other information–Key operating metrics*". Resurs's retail finance operations support its overall business model by generating valuable information regarding customer credit utilisation and spending, payment patterns and credit histories, and by providing Resurs with a large and diverse group of potential credit card and consumer loan customers. Resurs uses the customer information generated by its lending operations to more accurately and effectively sell credit card and consumer loan products to existing customers. Additionally, through Solid, Resurs generates insurance operating income by offering a range of targeted insurance policies.

Resurs groups its product offerings into three main categories, which aligns with how Resurs is organised: (i) payment solutions, encompassing retail finance and credit cards; (ii) consumer loans; and (iii) insurance. The following chart illustrates the geographic break-down and recent expansion of Resurs's product offer-ing across the Nordic region:



| | | | | |
|---|---|---|---|---|
| Retail Finance | ✓ | ✓ | ✓ | ✓ |
| Credit Card | ✓ | (✓) | (✓) | ✓ |
| Consumer Loans | ✓ | ✓ | ✓ | ✓ |
| Insurance | ✓ | (✓) | (✓) | (✓) |

(✓) = Nascent products

## Payment Solutions

### Retail finance

Resurs is a leading provider of payment solutions for retail chains and e-commerce companies in the Nordic region, with over 1,200 retail finance partners as of 31 December 2015. At its core, Resurs's omni-channel retail finance offering enables its retail finance partners to provide their consumers with flexible online and offline point-of-sale invoicing and payment options, which benefits both retail finance partners and con-sumers. For example, retail finance solutions can ben-efit retailers by driving sales and increasing consumer loyalty, and can benefit consumers by increasing their purchasing power and making certain purchases more affordable through payment flexibility and extended payment periods. Once a consumer is approved for credit and has accepted the terms and conditions of Resurs, they become a customer of Resurs and Resurs is able to monitor customers' credit utilisation and spending, payment patterns and credit histories and update its internal database with this information. Resurs uses this information to evaluate risk and iden-tify marketable customers for selling opportunities.

The following chart outlines the typical retail finance consumer process:

1 **Enter Store and Browse Offering**
- Customers enter store, potentially attracted by attractive financing promotions, rewards or credit availability on his store card.

2 **Interest in Product**
- Sales person able to turn customers interest into wish to buy.
- Credit increases customers sense of affordability, increasing interest in products.
- Resurs helps its retailers to achieve it with sales training and CRM solutions.

3 **Offer Credit with Real Time Credit Check**
- Purchase decision facilitated by access to credit.
- Hassle free process through real time instant credit check.

4 **Complete Purchase**
- Acquires product on the spot, no need to decide financing plan at this point.
- Credit turns visitors into paying customer.

5 **Receive invoice**
- Customer recieves invoice at the end of following month.
- Decides on payment plan: clear the balance or take a loan.

6 **Receives Loyalty Cards and Loyalty Rewards**
- Customer recieves Loyalty card with additional credit room for future use.
- Periodic communications with loyalty programs rewards.

The following table sets forth certain information on Resurs's retail finance operations as of the respective dates:

| | As of 31 December | | |
|---|---|---|---|
| | **2015** | **2014** | **2013** |
| Retail finance partners (approximately) | 1,200 | 1,130 | 950 |
| Outstanding loan amount (SEK million) | 5,771 | 5,412 | 4,473 |
| Share of group loan portfolio (%) | 31.7 | 38.9 | 48.3 |

Resurs offers its retail finance partners the ability to provide their end consumers with retail financing, and retail finance partners are able to utilise a broad range of products offered by Resurs, including store cards, bonus schemes, bespoke campaigns, e-commerce capabilities, insurance and extended warranties and loyalty schemes. For the year ended 31 December 2015, 32 percent of Resurs's total operating income was generated by its retail finance business, with approximately SEK 16,222,468 thousand in total new loan development during the period (excluding factoring), SEK 9,772,170 thousand of which was generated by Resurs's retail finance operations (excluding factoring). For the same period, Resurs's net banking income margin related to its payment solutions portfolio and retail finance loan portfolio was 15.2 percent and 13.5 percent, respectively. Resurs largely relies on its retail finance partners to market the store cards, as consumers typically apply for these cards when purchasing a product in-store or online, and Resurs has dedicated sales teams that educate and train its retail finance partners in marketing Resurs's retail finance solutions. See "*–Sales and marketing*". Once consumers accept Resurs's terms and conditions for its cards, they become customers of Resurs. Resurs makes credit available to its customers via the store cards and may generate income from interest charges, arrangement fees, administration fees, PPI, reminder fees and other fees. When a card is used at a retail finance partner's store, Resurs compensates the retail finance partner for the respective customer's purchase and assumes the credit risk of the customer. For retail finance loans generated in the year ended 31 December 2015, the average outstanding balance of such loans at the time of origination was approximately SEK 1,550. As the provider of retail financing, Resurs also administers the billing and payment arrangements with the consumers.

Resurs offers its retail finance products across the Nordic region. As of 31 December 2015, Resurs's retail finance loan portfolio was split 48.6 percent, 16.7 percent, 13.4 percent and 21.3 percent in Sweden, Norway, Finland and Denmark, respectively.

Resurs offers a variety of payment plan options to customers that use store cards, and is committed to providing the best possible customer service for its customers that hold and use store cards. Retail finance customers receive a monthly invoice that provides transaction details and highlights amounts outstanding, interest charged and optional payment plans. On the first invoice that the customer receives following a purchase, the customer is able to select from a variety of payment plan options, which vary among retail finance partners and across geographies, and can elect to change a previously selected payment plan. Customers can apply different payment plans to different purchases or monthly statements. Unlike traditional retail finance solutions, which require applicants to make binding decisions regarding their payment plans at the time of application or purchase, this method provides customers with greater flexibility regarding their payment schedules, as they can choose and adjust their preferred payment plan from home. This benefits customers and also saves the retailer time at the register.

Resurs is also committed to providing the best possible customer service to its retail finance partners. Resurs strives to increase the sales of its retail finance partners and actively works to establish and maintain strong and lasting relationships with its retail finance partners. For example, Resurs has dedicated groups of employees that conduct store visits and interact regularly with retail finance partners to promote a close working relationship.

Resurs generates interest income on outstanding loan amounts. All outstanding loan amounts charge interest at a rate determined by Resurs based primarily on the requested credit limit and the retail finance partner through which the application was generated. Resurs does not engage in risk-based pricing for its retail finance products but, to the extent commercially possible, can adjust its interest rates in response to general market dynamics and internal metrics, such as its funding costs. Customers of Resurs Bank may receive different pricing depending on the payment options that they choose with each monthly bill, which can help to manage Resurs's risk exposure. See "*–Underwriting and risk management*". Customers may also be given the option of paying for a purchase over a small number of interest-free instalments. Resurs's retail finance products have an average duration of approximately six months.

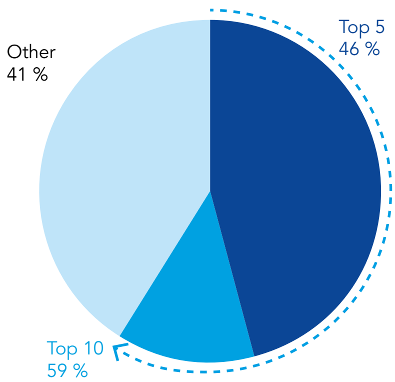
Resurs also works with retail finance partners to develop tailored retail finance programs, including bonus schemes, bespoke campaigns, e-commerce, insurance and extended warranties and loyalty schemes. See "*–Sales and marketing*". For example, store cards can be customised to provide for a lump sum credit or multi-purchase credit arrangement. Lump sum credit facilities are typically provided for single purchases of larger ticket items, such as televisions, furniture or household appliances. Multi-purchase cards, such as petrol or grocery cards, typically accrue charges over the course of the respective statement period. Resurs also works to create tailored retail finance solutions that best suit its retail finance partners' end consumers, including interest-free credit, increased credit limits for larger one-off purchases and e-commerce retail finance solutions for retail finance partners with online shops. For example, in connection with Resurs's partnership with a major DIY retailer, Resurs offers larger in-store credit limits to certain customers that are carrying out home improvement projects.

As of 31 December 2015, Resurs had a diverse base of more than 1,200 retail finance partners. For the years ended 31 December 2014 and 2015, Resurs's top five retail finance partners represented 51 percent and 46 percent, respectively, of the loan portfolio relating to its retail finance business. For the years ended 31 December 2014 and 2015, Resurs's top ten retail finance partners represented 68 percent and 59 percent, respectively, of the loan portfolio relating to its retail finance business. For the year ended 31 December 2015, Resurs's top five retail finance partners contributed less than 10 percent of the Group's profit before tax, with no individual retail finance partner contributing more than 5 percent of the Group's profit before tax.

The following graph illustrates percentage of the loan portfolio relating to Resurs's retail finance business that is attributable to its largest retail finance partners:

**CLIENT SPLIT**

% of Loans (FY 2015), Retail Finance




Management believes that Resurs maintains strong relationships with key retail finance partners, including Ellos, which is currently owned by Nordic Capital, and SIBA and NetOnNet, which are currently owned by affiliates of the Bengtsson family, see "*Legal considerations and supplementary information–Related party transactions*". While Resurs generally has non-exclusive short-term contractual relationships with the majority of its retail finance partners, Resurs has long-term relationships with its retail finance partners, due in part to its business execution, customer relationship management and business support services. For example, Resurs has worked with its top five retail finance partners for an average of ten years. For the year ended 31 December 2015, 57 percent of the loan portfolio relating to Resurs's retail finance business (excluding Ellos Finans and Dan-Aktiv) was generated by retail finance partners that have been working with Resurs for more than 10 years. During the audited three-year period presented in the Offering Memorandum, Resurs has generally won more retail finance partners from its competitors than it has lost.

Resurs's management has increased its focus on expanding the e-commerce and mobile offering of Resurs. During the last few years, Resurs has developed its retail finance offering into an omni-channel solution that retail finance partners can implement in their mobile, online and offline channels. This omni-channel offering enables retail finance partners to provide retail financing to their end consumers, regardless of where or how these end consumers decide to complete purchases. For example, e-commerce consumers may be automatically prompted to apply for retail financing via notification during the purchase process, and Resurs offers a streamlined online application experience for e-commerce consumers. Resurs has supported the development of its e-commerce offering and worked closely with online retailers and retailers with an existing or expanding online presence to implement its omni-channel solution. In addition, the Ellos Business Acquisition positively contributed to the development of Resurs's e-commerce offering. Resurs also works with its retail finance partners who are developing new online stores to support the establishment and integration of its e-commerce product offering in newly launched e-commerce platforms. A significant number of Resurs's retail finance partners, including its top ten retail finance partners, have both offline and online e-commerce activity.

### Credit cards

Resurs offers credit cards under its own flagship, Supreme Card brand portfolio, and also offers co-branded cards with certain retail finance partners. As of 31 December 2015, Resurs Bank (excluding yA Bank) had over 179,000 credit card accounts in the Nordic market, of which approximately 139,500 accounts were for Supreme Card credit cards, and approximately 39,500 accounts were accounts for co-branded credit cards, which offer reward schemes with specific partners, including petrol and airline companies. Resurs has significantly increased the number of credit cards during the audited three-year period presented in the Offering Memorandum and, as a result of the yA Bank Acquisition, had approximately 78,000 additional credit card accounts in Norway as of 31 December 2015, of which approximately

20,000 accounts were yA Bank credit cards, and approximately 58,000 were accounts for co-branded credit cards. As of 31 December 2015, Resurs had a credit card loan portfolio of SEK 1,942 million (SEK 1,652 million excluding yA Bank) (excluding co-branded cards) and an average outstanding balance per card of approximately SEK 12,200, with Sweden comprising 82.3 percent, and other countries comprising 17.7 percent, of the loan portfolio related to credit cards (excluding co-branded cards). As of 31 December 2014, Resurs had a credit card loan portfolio of SEK 1.7 billion (excluding co-branded cards). Resurs generates income from its credit card products through a combination of interest charges, membership fees, PPI and other fees charged to customers (for example, foreign currency transaction, ATM withdrawal and late payment fees). For the year ended 31 December 2015, 15 percent of Resurs's total operating income was generated by its credit card business, with approximately SEK 4.6 billion in new loan development during the period. For the year ended 31 December 2015, Resurs's net banking income margin related to its payment solutions portfolio was 15.2 percent.

Resurs's management believes that Resurs is well positioned within the market for credit cards in the Nordic region, due primarily to its internal database of credit utilisation and spending data, payment pattern and credit history information. Resurs combines this data with a review of credit bureau statistics to identify customers to whom it offers credit cards. See "*–Underwriting and risk management*". Resurs also believes it gains a competitive advantage from its offering of customer-friendly features and payment flexibility. Resurs offers customers the ability to select and change payment plans with each monthly bill received, which can help to manage Resurs's risk exposure by reducing its NPLs and the number of customers with loans in litigation.

Resurs offers several different credit card products in Sweden under its own flagship Supreme Card brand portfolio, including Supreme Card Gold, Supreme Card Woman, Supreme Card Green, Supreme Card World and Cash Express. These cards are linked to the Visa and MasterCard card payment schemes and offer a variety of different features, payment options and fees, and Resurs packages many of its credit card products with features like travel insurance and text message receipts for transactions over SEK 500. In addition, most credit card products offer customers rewards, with some cards offering rewards for customer spending by generating points and others by making donations to an affiliated charity. Resurs's management believes that the card features offered have helped the Company target additional demographics and broaden its customer base, as it is able to target a variety of credit card users, including bonus hunters and active credit users. In setting and adjusting the interest rates, annual fees and bonus schemes of its credit cards, Resurs analyses market trends and regulatory developments, including with respect to the recently approved interchange fee cap, which provides for an interchange fee cap of 0.3 percent. In Sweden, the average APR on Resurs's credit card products varies within a range of approximately 0 (for interest-free instalments) to 24 percent depending on the type of card, and Resurs offers flexible minimum monthly payments that range from approximately three percent to, in instances involving a six month interest-free period, 16 percent of the outstanding balance.

Resurs also offers the Supreme Card Gold throughout the Nordic region and, as a result of the yA Bank Acquisition, Resurs has further expanded its customer base and credit card offering in Norway. As of 31 December 2015, yA Bank had approximately 78,000 credit card accounts in Norway and offered a range of credit card products, including the yA credit card, the VIP credit card, and the YX Visa, which offer loyalty rewards and features like travel insurance, temporary payment deferral and discounts or rebates on certain purchases.

### Consumer loans

Resurs offers unsecured consumer loans to consumers, the vast majority of whom are existing retail finance customers, in the Nordic region. These consumer loans may be used for a range of purposes including debt consolidation (balance transfers), home improvement investments, vehicle purchases and other general consumption activities. As of 31 December 2015, Resurs had over 182,000 customer accounts (including approximately 22,000 customer accounts as a result of the yA Bank Acquisition) and a consumer loan portfolio of SEK 10,294 million (including yA Bank's consumer loan portfolio of approximately SEK 3,033 million), with SEK 3,557 million in new loan development related to the consumer loans business in the year ended 31 December 2015, resulting in an amortisation amount of SEK 3,060 million. As of 31 December 2015, the average consumer loan size was approximately SEK 45,000 (SEK 56,000 including consumer loans as a result of the yA Bank Acquisition), and a significant percentage of consumer loans had outstanding balances of over SEK 100,000 or between SEK 10,000 and SEK 50,000. For the years ended 31 December 2014 and 2015, 42 percent and 46 percent, respectively, of Resurs's total operating income was generated by its consumer loans products. For the year ended 31 December 2015, Resurs's net banking income margin related to its consumer loans portfolio was 15.3 percent.

The following table sets forth certain information on Resurs's consumer loan product offerings by country (including yA Bank's consumer loan products in Norway), the terms of which are subject to agreement with the customer, as of and for the year ended 31 December 2015:

| Country | Loan amounts | Term[1)] | Interest rate (%)[2)] | Arrangement fee | Admin fee |
|---|---|---|---|---|---|
| Sweden | SEK 2,000 – 400,000 | 1 – 15 years | 5.3 – 29.6 | up to SEK 399 | up to SEK 19 |
| Norway | NOK 2,000 – 500,000 | 1 – 18 years | 8.9 – 28.4 | up to NOK 1,990 | up to NOK 65 |
| Finland | EUR 100 – 15,000 | 1 – 10 years | 14.9 – 27.6 | up to EUR 99 | up to EUR 8 |
| Denmark | DKK 2,000 – 100,000 | 1 – 5 years | 9.6 – 19.6 | up to 7% on principal amount | DKK 25 |

1) As of 31 December 2015, Resurs's consumer loans had an average historical duration of approximately 30 months and an average instalment amount due of approximately SEK 1,100.
2) The vast majority of Resurs's consumer loans have variable interest rates and a small number of loans in (all in Denmark) have fixed interest rates.

During the audited three-year period presented in the Offering Memorandum, and in part due to the Acquisitions, the loan portfolio related to Resurs's payment solutions business has increased from SEK 6,167 million as of 31 December 2013 to SEK 7,905 million as of 31 December 2015 (SEK 7,405 million excluding yA Bank) and the loan portfolio related to its consumer loan business has increased from SEK 2,971 million as of 31 December 2013 to SEK 10,294 million as of 31 December 2015 (SEK 7,260 million excluding yA Bank). For the years ended 31 December 2014 and 2015, new loan development related to Resurs's consumer loan business was SEK 2,369 million and SEK 3,557 million, respectively. For information on Resurs's loan portfolio growth during the audited three-year period presented in the Offering Memorandum, see "*Operating and financial review–Key factors affecting Resurs's results of operations–Loan portfolio development*". The following table sets forth certain information on Resurs's consumer loan portfolio by country as of 31 December 2015:

| | **Loan portfolio** *(SEK million)* | **Share of consumer loan portfolio** *(%)* |
|---|---|---|
| Sweden | 4,363 | 42.4 |
| Norway | 3,897 | 37.9 |
| Finland | 1,214 | 11.8 |
| Denmark | 819 | 7.9 |
| **Total** | **10,294** | **100.0** |

As of 31 December 2015, the weighted average APR of Resurs's consumer loan portfolio was 14.3 percent (11.5 percent, 17.7 percent, 13.5 percent and 26.5 percent in Sweden, Denmark, Norway (including consumer loans as a result of the yA Bank Acquisition) and Finland, respectively). All consumer loans generate interest at rates determined by Resurs based on its analysis of a variety of factors, including general market dynamics and internal metrics, such as its funding costs and risks. Customers' interest rates are determined individually based on the size of the loan, customer circumstances and Resurs's internal approval and risk management processes. For example, on its large-ticket consumer loans, Resurs Bank combines its institutional knowledge with a review of credit bureau statistics, customer application responses and its internal database of customer credit utilisation and spending data, payment pattern and credit history information to facilitate risk-based pricing and determine an appropriate interest rate. See "*–Underwriting and risk management*". Resurs offers customers payment plans with pre-determined interest rates and repayment schedules at the time of each new consumer loan agreement.

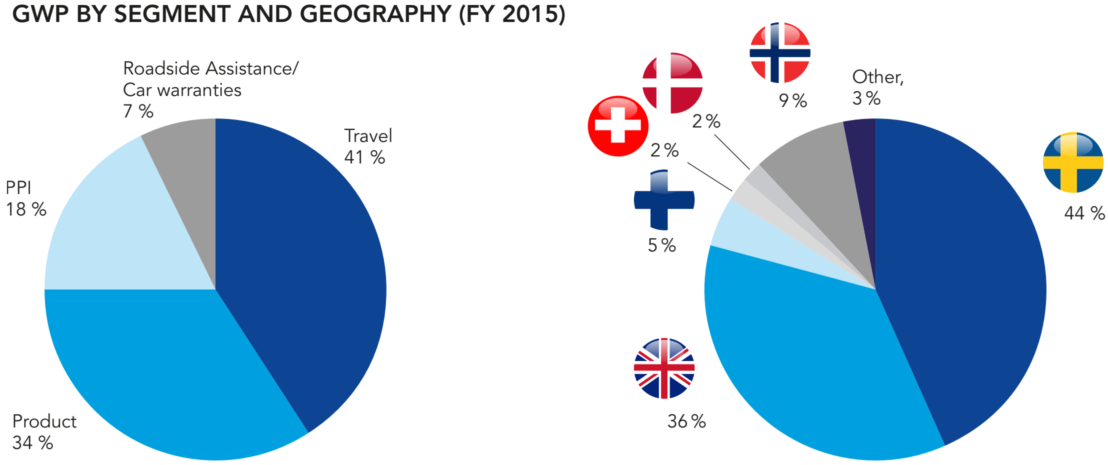
Resurs primarily offers three general types of consumer loans in Norway and Sweden: (i) small ticket loans (up to SEK 30,000); (ii) medium ticket loans (SEK 31,000 – SEK 150,000); and (iii) large ticket loans (SEK 151,000 – SEK 400,000). In Finland and Denmark only small ticket loans and medium ticket loans are offered. These loans vary by loan amount, interest rate, customer application criteria and credit requirements and fees, and are typically marketed and offered to consumers through a variety of marketing channels, including via direct mail and telemarketing, mass communication and brokers. See "*–Sales and marketing*". Resurs primarily targets consumers who have previously utilised Resurs's retail finance solutions and for whom Resurs has information in its internal database regarding credit utilisations and spending, payment patterns and credit histories. See "*–Underwriting and risk management*".

## Insurance

Resurs's insurance business is conducted by Solid its subsidiary that operates in the Nordic region and, to a lesser extent, in Great Britain, Switzerland and a variety of other European countries. Solid's operations in Great Britain are primarily centred around its travel insurance products. Solid opened an office in Switzerland in 2000, which primarily conducts insurance business in Switzerland and focuses on selling insurance policies through retail partnerships. Outside of the Nordic region and Switzerland, Solid operates almost exclusively through local agents and insurance intermediaries. Solid generates revenue through insurance premiums from targeted insurance policies across four primary business lines: product insurance, travel insurance, PPI and roadside assistance/car warranties insurance. Solid focuses on targeted insurance policies and many of its products are closely linked to retail transactions, retailer companies and the retail industry in general. As a result, there are significant opportunities to sell insurance products to existing customers from Resurs's operations in the retail industry and its close relationships with retail finance partners in the Nordic region. In January 2014, Solid sold its non-core home and auto insurance business in order to focus on its targeted offering of insurance products. See "*Operating and financial review–Key factors affecting Resurs's results of operations–Insurance*". In April 2015, Solid acquired a portfolio of information regarding Swedish bicycle insurance customers from Falck Försäkringar. The insurance business also generates income and losses on its investment portfolio, which are reported under net income/(expense) from financial transactions and are significantly impacted by developments in the equity and bond markets. For the years ended 31 December 2013, 2014 and 2015, the net income/(expense) from financial transactions was SEK 11,324 thousand, SEK 4,325 thousand and negative SEK 7,941 thousand, respectively. For additional information see "*Historical financial information–Resurs Holding AB–Note 4 Capital adequacy analysis*". See also "*Risk factors–The Company's results of operations and the demand for its products are susceptible to the effects of macroeconomic developments, consumer spending, consumer creditworthiness, the general market environment and levels of economic activity in the Nordic region and elsewhere*".

The following charts set forth certain information on Resurs's Gross Written Premium ("**GWP**") profile by product and geography as of 31 December 2015:

**GWP BY SEGMENT AND GEOGRAPHY (FY 2015)**




*Total: SEK 1,161 MM*

**Product insurance.** Insurance relating to, *inter alia*, products and consumer goods, including televisions and other electronic appliances, jewellery and bicycles. For the year ended 31 December 2015, 34 percent of Solid's GWP was generated by product insurance. Solid aims to take advantage of the selling opportunities for its product insurance resulting from Resurs's activities and relationships in the retail industry and strives to leverage these relationships to help to increase demand for its product insurance.

**Travel insurance.** Insurance relating to travel, including airline tickets and vacation bookings. For the year ended 31 December 2015, 41 percent of Solid's GWP was generated by travel insurance. The majority of Solid's travel insurance policies are underwritten in Great Britain, where travel insurance is the primary offering. Solid's travel insurance is also linked to certain of Resurs's credit card products, as travel insurance is included as a feature on the majority of its offered credit cards.

**PPI.** Insurance providing payment protection insurance on amounts owed under Resurs's retail finance, credit card and consumer loan accounts. PPI generally secures monthly payments in the event of the insured's involuntary unemployment, incapacity to work due to accident or illness or hospitalisation and in some cases, repayment in the event of the insured's death up to an amount of SEK 50,000. The Company has defined and applies strict rules to ensure the fair treatment of customers that acquire PPI, and does not make purchasing PPI conditional on obtaining the relevant underlying product. Solid significantly benefits from Resurs's payment solutions and consumer loan operations, which can drive demand and opportunities for selling Solid's PPI to existing customers. For the year ended 31 December 2015, 18 percent of Solid's GWP was generated by PPI. Following the yA Bank Acquisition, Resurs's medium to long term objective is to replace yA Bank's current PPI insurance provider with the PPI offered by Solid, which will expand Resurs's PPI offering in Norway.

**Roadside assistance/car warranties.** Insurance relating to roadside assistance and car warranties. For the year ended 31 December 2015, 7 percent of Solid's GWP was generated by roadside assistance/car warranties insurance.

**Home and auto.** In January 2014, Solid sold its non-core home and auto insurance business, which, for the year ended 31 December 2014, generated 1.8 percent of Solid's GWP.

Solid focuses on providing targeted insurance policies, and works to use the advantages that exist as a result of Resurs's network of retail finance partners and its payment solutions and consumer loan operations. As Solid's insurance products are generally concentrated within the retail industry, Solid is able to leverage Resurs's close working relationships with retail finance partners to create and enhance partnerships and drive sales of its insurance products. As a result, Solid shares a significant number of customers with Resurs and, as of 31 December 2015, approximately 35 percent of Solid's insurance partners were also retail finance partners of Resurs. Resurs and Solid conduct combined sales meetings and Solid has successfully marketed its product insurance to Resurs's retail finance partners. For example, Solid's insurance representatives can attend site visits and other customer relationship management initiatives conducted by Resurs, which provides a sales outlet and enables Solid to take advantage of the pre-existing customer relationship.

For the years ended 31 December 2014 and 2015, 8.7 percent and 6.4 percent, respectively, of Resurs's total operating income was generated by its insurance business and Resurs had SEK 968 million and SEK 1,161 million, respectively, in GWP.

### Factoring

In addition to these three primary product categories, Resurs's retail finance business also conducts invoice factoring activities whereby it provides financing to small and medium sized companies to improve their liquidity positions. To provide these services, Resurs purchases invoices issued by these companies and provides the companies with immediate payment of future amounts owed, which can reduce their credit risk exposure and improve their cash flows. Once invoices are purchased, Resurs manages the billing, monitoring, payment reminders and settlement processes relating to the provision of the services.

Resurs typically purchases invoices issued by these companies and charges a commission based on the amount of each respective invoice. Resurs offers three methods of invoice factoring: (i) with recourse; (ii) without recourse; and (iii) American factoring, in which receivables are used as collateral for the purchase of the respective invoice. For the year ended 31 December 2015, the vast majority of the invoice factoring conducted by Resurs was without recourse. Resurs purchased approximately 102,500 invoices from over 950 small and medium sized companies in the year ended 31 December 2015, amounting to a gross amount outstanding of SEK 192 million related to Resurs's factoring business during the period.

## Deposits

Resurs offers corporate and personal deposit products to customers in Sweden and, as a result of the yA Bank Acquisition, Norway. As of 31 December 2015, Resurs held customer deposits in approximately 52,500 accounts in Sweden and, due to the yA Bank Acquisition, approximately 46,000 deposit accounts in Norway. Resurs currently funds the significant majority of its lending operations (which includes payment solutions and consumer loans) with funds generated from its customer deposit base. Resurs offers savings accounts that pay either fixed or variable interest, and which can be managed via the internet.

As a licensed financial institution, Resurs Bank is able to offer retail deposits in Sweden that are covered by the Swedish state-provided deposit insurance scheme. This scheme guarantees an amount in SEK corresponding to EUR 100,000 for each depositor should a guarantee-covered provider of deposits enter into bankruptcy or should the SFSA otherwise decide that the guarantee should become effective. As of 31 December 2015, approximately 94 percent of Resurs Bank's Swedish account holders had an account volume below the deposit guarantee amount, with approximately 83 percent of Resurs Bank's total Swedish deposit volume covered by the deposit guarantee scheme. Similarly, all of yA Bank's deposit products are covered by the Norwegian Banks' Guarantee Fund up to NOK 2 million and, as of 31 December 2015, approximately 97 percent of yA Bank's total deposit volume was covered by the Norwegian Banks' Guarantee Fund. Resurs Bank permits maximum personal account withdrawals of SEK 150,000 per day (or SEK 500,000 over 7 days) by internet, SEK 1 million per day by phone, or unlimited by letter.

Retail deposits provide a significant portion of Resurs's funding. As of 31 December 2015, Resurs's retail deposits amounted to a total of SEK 16,434 million, which corresponded to 79.9 percent of its total liabilities and provisions. Resurs Bank's retail deposits amounted to SEK 12,992 million held in approximately 52,500 deposit accounts in Sweden, as of 31 December 2015. While almost all of the Resurs's deposits have historically been denominated in SEK, in connection with the yA Bank Acquisition, Resurs acquired retail deposits from yA Bank customers in Norway, which increased the proportion of Resurs's funding in NOK. As of 31 December 2015, Resurs had NOK 3,601 million held in approximately 46,000 deposit accounts in Norway as a result of the yA Bank Acquisition. As of 31 December 2015, approximately 79 percent of Resurs Bank's deposit base consisted of personal or household deposits and approximately 21 percent consisted of corporate deposits, while all of yA Bank's deposits consist of personal or household deposits. Resurs Bank aims to attract customer deposits by offering competitive interest on deposits and foregoing minimum account balance requirements. As of 31 December 2015, Resurs Bank offered an average APR of 0.76 percent on its deposit accounts and yA Bank offered an average APR of 1.78 percent on its deposit accounts. For the years ended 31 December 2013, 2014 and 2015, Resurs's loan to deposit ratio was 78.0 percent, 87.1 percent and 110.7 percent (including deposits acquired in the yA Bank Acquisition), respectively. For more information on Resurs's retail deposit funding, see "*Operating and financial review–Funding, liquidity and capital resources–Funding–Retail deposits*".

## Database

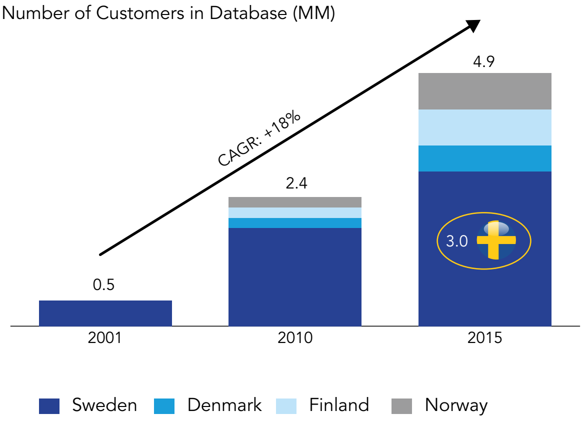
During its 30 years of operations in the Nordic retail finance market, Resurs has collected a significant amount of customer information, including information on its retail finance, consumer loan and credit card customers. As of 31 December 2015, Resurs's had an internal database of approximately 4.9 million unique individual customers (approximately 3.0 million of which are located in Sweden, 0.7 million in Norway, 0.5 million in Denmark and 0.7 million in Finland) and an array of information related to those customers, such as their credit histories, where they live and their historical credit utilisation and spending and payment patterns. Of the approximately 3.0 million unique customers in Sweden, approximately 26 percent, 24 percent and 50 percent were classified as high, medium and low activity customers, respectively. Highly active customers are customers with an outstanding loan balance during the preceding 12 calendar months. Medium activity customers are customers with an outstanding loan balance on instalment loans during the precedent 12 calendar months. Low activity customers are customers with an outstanding loan balance during the preceding 13 to 36 calendar months and/or customers with approved credit. Solid also has an internal database in which it compiles information on its insurance customers. Resurs tracks and analyses its customers' credit utilisations and spending, payment patterns and credit histories across its product base relating to Resurs's banking business, which helps it to strategically target specific consumers for whom one or more of Resurs's other credit and insurance products could be attractive and appropriate. Using this approach, the Company can reduce its sales and marketing expenses, increase its application response rate and manage its risk profile. When marketing products to customers in its internal database, Resurs adheres to database marketing regulations governing communications in each of its marketing channels and in each of the countries in which it operates. Resurs internally filters certain customers from its campaigns for legal reasons, due to their risk profile, or because the customer already has the specific product. See "*–Sales and marketing*". In part due to its expansive internal database, Resurs's management believes that it is in a strong position to assess and manage risk, and in turn, to minimise the Company's credit losses. See "*Risk factors–The size and growth of Resurs's sales activities is dependent on the effectiveness of Resurs's marketing activities, which, in turn, depends on the amount and relevance of data on potential customers*".

Resurs adds new customers to its internal database once applicants are approved and accept the terms and conditions of Resurs. Resurs updates and refreshes the customer information in its internal database based on subsequent dealings with its customers and as a result of the generation of information regarding their spending and payment habits. Customers that have gone 12 months without any balance on a revolving credit account remain in the Company's database, but are categorised as inactive. Customers remain in Resurs's internal database until they no longer have credit available with the Company, such as when a customer closes an account, or until they have gone 36 months without an account balance.

The following figure shows the development of the total number of customers for whom Resurs has information in its internal database over time:

**LARGE CONSUMER BASE BUILT OVER TIME: 4.9MM**

Number of Customers in Database (MM)




The quality of Resurs's internal customer information, and the value of that information, varies by country. Customer data in Finland is more valuable, for example, due to the limited availability of quality public credit information. Due in part to the acquisitions made by Resurs during the audited three-year period presented in the Offering Memorandum, the Company's various subsidiaries and acquired businesses currently maintain different databases, and Resurs is actively working and examining opportunities to integrate the acquired databases and customer information. Once Resurs has combined its database with those acquired in the Acquisitions, the Company will have an even more sophisticated pan-Nordic internal database to track customer credit utilisation and spending, payment patterns and credit histories, and will be more capable of effectively selling its various products to existing customers. See "*Risk factors–Resurs may not be able to integrate its IT infrastructure platform, databases or data analysis systems successfully*".

## Sales and marketing

### Overview

Resurs has developed a sophisticated and adaptable sales and marketing model that is tailored to each of the countries in which it offers its products. The model is adjusted to account for the preferences of its retail finance partners and the credit utilisation and spending data, payment pattern and credit history information available in its internal database. In addition, Resurs's marketing model accounts for marketing restrictions and data protection rules in the countries in which it offers its products. Resurs's sales and marketing model engages potential customers via an omni-channel approach that provides for both in-store point-of-sale and e-commerce customer interaction. Resurs continues to invest in and develop its mobile and online presence to capture the potential within the growing and attractive e-commerce market, and Resurs is focused on becoming a key provider of payment solutions and consumer loans via both the mobile, online and offline channels in all of its markets.

Resurs utilises a variety of sourcing channels to market its products: direct marketing (such as direct mail, email and telemarketing, primarily to existing customers in Resurs's internal database), mass communication advertising and third-party brokers. Resurs also markets its products in the monthly statements that it sends to existing customers. Resurs's customer sourcing channel mix varies based on geography, but in general relies most heavily on direct marketing offers. The broker channel will increase in importance due to the yA Bank Acquisition, as yA Bank has historically relied more heavily on brokers. The following table sets forth the approximate percentage by country of which Resurs Bank's new lending amounts related to consumer loans were generated from direct marketing and telemarketing, mass communication and brokers for the year ended 31 December 2015:

| Country | Direct mail and telemarketing (%) | Mass communication (%) | Brokers (%) |
|---|---|---|---|
| Sweden | 66 | 6 | 28 |
| Norway | 39[1)] | 12[2)] | 49[3)] |
| Finland | 71 | 20 | 9 |
| Denmark | 100 | 0 | 0 |

1) Including new lending amounts related to consumer loans of yA Bank: 36 percent.
2) Including new lending amounts related to consumer loans of yA Bank: 7 percent.
3) Including new lending amounts related to consumer loans of yA Bank: 57 percent.

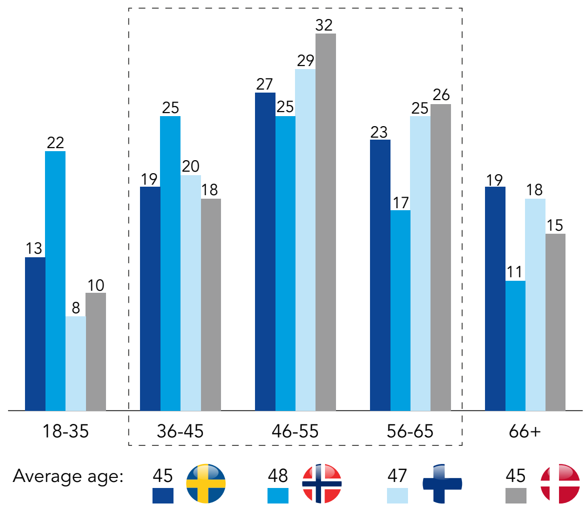
Resurs's sourcing channel mix and marketing to existing customers identified in its database also varies based on product. For the year ended 31 December 2015, internal sales channels, such as direct mail and telemarketing, generated 92 percent of the number of new credit cards issued by Resurs Bank (excluding co-branded cards) and 64 percent of Resurs's new loan development related to consumer loans (67 percent excluding new loan development related to consumer loans of yA Bank, which relies more heavily on brokers), while external sales channels, such as brokers and mass communication, generated 8 percent of the number of new credit cards issued by Resurs Bank (excluding co-branded cards) and 36 percent of new loan development related to consumer loans (33 percent excluding new loan development related to consumer loans of yA Bank, which relies more heavily on brokers). For the year ended 31 December 2014, internal sales channels, such as direct mail and telemarketing, generated 76 percent of the number of new credit cards issued by Resurs Bank (excluding co-branded cards) and 79 percent of Resurs's new loan development related to consumer loans, while external sales channels, such as brokers and mass communication, generated 24 percent of the number of new credit cards issued by Resurs Bank (excluding co-branded cards) and 21 percent of new loan development related to consumer loans. For the year ended 31 December 2015, existing customers identified in Resurs Bank's internal database generated 86 percent of Resurs Bank's new loan development related to consumer loans and 82 percent of the number of new credit cards issued by Resurs Bank (excluding co-branded cards), while new customers generated 14 percent of Resurs Bank's new loan development related to consumer loans and 18 percent of the number of new credit cards issued by Resurs Bank (excluding co-branded cards). With respect to Resurs's consumer loans portfolio in Sweden, Resurs's new loan development in the year ended 31 December 2015 resulting from direct mail, telemarketing, top-ups, online and broker channels was approximately 30 percent, 21 percent, 16 percent, 6 percent and 28 percent, respectively. For additional information on the contribution of payment solution and consumer loan lending to Resurs's loan portfolio, see "*Operating and financial review–Factors affecting Resurs's results of operations–Loan portfolio development*".

Resurs targets a range of customers who are well suited to its products. As a result of Resurs's preferred customer risk profile, however, a large portion of Resurs's customers tend to be medium-to-low risk. With respect to consumer loans and credit cards, Resurs primarily targets existing retail finance customers based on credit behaviour data and uses internal ranking models that assess and rank potential customers. Resurs also markets its consumer loans and credit card products in sales campaigns to existing customers using credit behaviour scoring data, together with demographic information, and has experienced success in driving demand for its credit cards via its sales and marketing efforts. For example, as of 31 December 2014 and 2015, 5.6 percent and 5.3 percent, respectively, of the total number of Resurs's Swedish customers in its internal database had one or more credit cards issued by Resurs. Resurs tracks credit utilisation and spending, payment patterns and credit histories via its internal database. Certain characteristics can result in an individual moving in or out of Resurs's target customer segments, including age, changes in salary or employment status, changes in total annual income and home ownership, failure to make certain payments, as well as the receipt or removal of a negative remark on a credit report.

The following charts set forth an example of certain information regarding the target customer profile for the consumer loan business of Resurs.

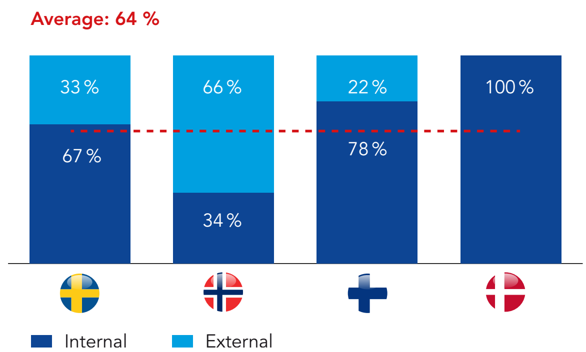
### FOCUS ON MIDDLE AGE CUSTOMERS

%, Age Distribution




### STRONG INTERNAL SOURCING CHANNELS – MAJORITY OF SALES GENERATED VIA INTERNAL SALES CHANNELS

% of Sales by Channels, FY 2015




Resurs's retail finance operations drive Resurs's overall business by continuously replenishing the internal database with large and diverse groups of marketable customers to which Resurs can sell its credit card and consumer loan products over time. Resurs strives to expand its network of retail finance partners and markets its point-of-sale and e-commerce retail finance solutions to retailers of products and services with high average prices and low purchase frequencies and retailers that emphasise customer loyalty and recurring sales. Resurs primarily markets through local sales teams, which promote its retail finance products to potential retail finance partners via targeted marketing and site visits. Resurs's local sales teams highlight the ability of retail finance products to drive sales and enhance consumer satisfaction and loyalty. These local sales teams also provide customer service to existing retail finance partners, and can create strong relationships with retail finance partners and provide additional products and services, such as tailored bonus schemes, bespoke campaigns and loyalty programs. Resurs has a special sales force group of dedicated service and support specialists that train retail finance partners' sales clerks and employees on how to use retail finance products to drive sales. These employees conducted over 3,500 in-store coaching sessions in 2015.

As part of Resurs's ongoing efforts to expand its base of retail finance partners and promote new loan development relating to its retail finance products, Resurs maintains a list of potential and target retail finance partners that it updates and refreshes on a regular basis.

Resurs classifies its negotiations with potential retail finance partners into four stages, and it includes potential new loan development from potential partners across all four stages in estimating potential new loan development over the medium term. First, the analysis stage, represents early stage identification and prioritisation of potential partners with limited or no contact other than early approach marketing materials. Second, the discussion stage, which represents a significant portion of the partners that Resurs targets, represents a similarly early stage of negotiation in which contact with the potential partner is initiated and Resurs begins to increase its sales and marketing efforts to increase interest in Resurs's retail finance solutions. Third, the offer stage, consists of substantial sales and marketing efforts and submission of Resurs's form of agreement and terms and conditions. Finally, the negotiations and closing stage can take multiple months to complete and consists of negotiations regarding the agreement and terms and conditions of service. At no time during any of these four stages is Resurs or the respective potential partner bound to provide services, and it is not uncommon for discussions to dissolve prior to reaching stage four.

Resurs largely relies on its retail finance partners to market Resurs's retail finance solutions to consumers, as consumers apply for cards by virtue of their relationships with the retail finance partner, and learn of the sales financing solutions from the sales clerk or employee of the respective retail finance partner. In this sense, Resurs's retail finance operations have relatively low marketing costs, as demand for Resurs's retail finance products is primarily generated by the point-of-sale and e-commerce sales and marketing efforts of its retail finance partners. Resurs and its retail finance partners share a common goal of increasing sales, and Resurs has arrangements with its retail finance partners to drive sales and marketing efforts and, consequently, consumer applications for retail finance products and continued or renewed use of existing retail finance products. Many of Resurs's retail finance partnership arrangements are exclusive.

Once a consumer is approved for credit and has accepted Resurs's terms and conditions, they become a customer of Resurs and Resurs is able to compile and monitor valuable consumer data, including certain credit utilisation and spending data, payment patterns and credit histories, and update its internal database. Resurs uses this information to determine potential marketable customers to sell its credit card and consumer loan products. Resurs primarily markets these products through various channels, including targeted marketing (which includes direct mail, email and telemarketing), mass communication, including online and print advertising and third-party agents that are engaged to solicit applications for Resurs products. Consumer loan and credit card applications are collected online, by mail and by telephone.

Resurs generally utilises its internal database of credit utilisation and spending data, payment patterns and credit histories, in addition to credit bureau statistics and consumer application responses, to identify and select potential consumer loan and credit card customers. Much of the statistical analysis that Resurs conducts is derived from its experience regarding credit behaviour, as it strives to avoid marketing to clusters of customers or other individuals who are not likely to apply or be approved for a consumer loan or credit card. Customer targeting enables Resurs to optimise both the response level and the quality of applications using sophisticated data analysis, and, therefore, enables Resurs to more efficiently market its consumer loan and credit card products. Resurs also tracks customers' spending and repayment patterns in order to strategically offer top-ups, which, during the audited three-year period presented in the Offering Memorandum, have been a profitable and growing source of new loan development. For example, with respect to Resurs's consumer loans portfolio in Sweden, Resurs's new loan development resulting from top-ups was SEK 0.20 billion, SEK 0.28 billion and SEK 0.31 billion, in the years ended 31 December 2013, 2014 and 2015, respectively. Top-ups represented 16 percent of the total new loan development related to Resurs's consumer loans in Sweden (20 percent in the Nordic region) in the year ended 31 December 2015.

With respect to Resurs's insurance operations, Solid offers its insurance products directly to consumers as well as through partnerships with retail finance partners, local agents and insurance intermediaries. Solid also sells PPI to customers of Resurs's payment solutions and consumer loans. For the years ended 31 December 2014 and 2015, approximately 22 percent and 21 percent, respectively, of Resurs's GWP was generated from Resurs's retail finance partners that offer Solid's insurance products. For the same periods, 13 percent and 16 percent, respectively, of Resurs's GWP was generated from selling PPI for Resurs's payment solutions and consumer loans products to existing customers. Partners are primarily in the business-to-consumer market and typically sell products or services for which insurance can be sold as an add-on feature or expense. For example, when a consumer purchases a bicycle from a partner, the partner may offer a bicycle insurance policy provided by Solid. Solid also utilises campaigns to drive demand for its products at the point-of-sale (*e.g.*, free bicycle insurance for a limited time period with an option to extend the insurance for an annual fee). This marketing model works well with Resurs's e-commerce partners, which can create online and point-of-sale ads to market to online consumers. Solid has a dedicated sales team that markets Solid's insurance products to potential new partners and upsells existing partners. Once Solid has established a partnership, it strives to increase the extent to which it offers insurance on the partner's product portfolio. In addition to conducting sales and marketing activities, Solid's employees also conduct site visits and training programs to teach the partners how to sell the various insurance products offered by Solid. Solid's primary method of marketing directly to customers is direct marketing, including direct mail, email and telemarketing. These marking methods are primarily used to market new insurance products in sales campaigns to existing customers as well as policy extensions to existing customers. Solid uses its online store and social media presence to market its products and highlight campaigns.

## Marketing channels

### Direct mail and telemarketing

Resurs regularly utilises telemarketing and sends direct mail to potential consumer loan and credit card customers in the Nordic region. During the audited three-year period presented in the Offering Memorandum, Resurs has generally increased the extent to which it uses direct marketing through direct mail and telemarking to drive new loan development. For example, with respect to Resurs's consumer loans portfolio in Sweden, Resurs's new loan development resulting from direct mail and telemarketing was SEK 0.73 billion, SEK 0.91 billion and SEK 0.99 billion, in the years ended 31 December 2013, 2014 and 2015, respectively (SEK 0.57 billion, SEK 0.58 billion and SEK 0.59 billion, respectively, from direct mail). Based on its customer targeting model, Resurs divides its target customer base into segments reflecting expected response rate, risk profile and communication frequency tolerance. With respect to direct mail, Resurs tests price elasticity in order to optimise customer response, and, in order to further optimise marketing efficiency, adapts messages to target segments with similar preferences. For example, Resurs can direct mail an offer for a credit card with travel insurance to a retail finance customer who used Resurs's payment solutions to fund a holiday. Resurs customises the design of its direct mail marketing materials in order to avoid fatigue and saturation and has the ability to target customers and tailor marketing materials on the basis of product type and customer information that is accessible via credit bureau information and Resurs's internal database information. Resurs's ability to target specific customers with bespoke marketing materials can help to generate a stronger overall customer response rate than mass communication mailings.

With respect to potential consumer loan customers, Resurs telemarkets and sends direct mail to a significant number of target customers, informing them of its consumer loan products and soliciting a response to show the target customer's interest in consumer loans. Potential consumer loan customers are pre-selected for approval for specific consumer loan amounts or interest rates, and receive standard marketing information and materials that are not personalised. For example, Resurs may telephone a target customer in order to ask them if they are interested in its credit cards or in consolidating any outstanding loans and, if the individual is interested, follow up its telemarketing activities with direct mail materials or applications. Upon receipt and review of the completed application, Resurs will provide the individual with information regarding their potential loan amount and interest rate, if and when the individual's application is approved.

Similarly, subject to local regulations regarding marketing, Resurs also telemarkets and sends direct mail and email to a significant number of target customers informing them of its credit card products and soliciting a response regarding the target customer's interest in the Company's credit card products. Depending on the results of Resurs's internal approval and risk management process, potential credit card customers receive customised marketing information and materials informing them that they may qualify for certain credit card products. For example, Resurs may send direct mail materials containing the credit card terms and conditions, including an estimated credit limit and interest rate.

**Mass communication**

Resurs has conducted mass communication marketing, such as online marketing and print media advertising, as well as in-store and street team marketing. During the audited three-year period presented in the Offering Memorandum, Resurs's use of online marketing to drive new loan development has increased slightly. For example, with respect to Resurs's consumer loans portfolio in Sweden, Resurs's new loan development resulting from online marketing was SEK 0.08 billion, SEK 0.11 billion and SEK 0.11 billion, in the years ended 31 December 2013, 2014 and 2015, respectively. Resurs uses mass communication marketing to market its credit card products and consumer loans, and has experienced success in using in-store and street team marketing in Sweden. Online marketing includes online ads relating to Resurs's credit card products, and Resurs also offers a service whereby potential customers can apply for its consumer loans and credit cards online and are able to sign digitally and receive an answer instantly. In addition, online marketing serves as a cost-efficient market channel that is complementary to the direct mail and telemarketing channel. For example, Resurs can follow up on telemarketing calls with emails and other online offers. With respect to consumer loans, mass communication is generally not efficient and has low customer response rates, but can generate customer brand and product recognition, which can increase demand of Resurs's consumer loans and other products.

**Brokers**

Resurs has typically utilised five brokers in Sweden, three brokers in Norway (not including yA Bank's broker network of around 10 brokers) and two brokers in Finland to market its consumer loans and credit cards. Brokers are generally paid a percentage (approximately three to five percent) of the principal amount of the loan or a fixed commission fee per activated credit card. Brokers can serve as an easily scalable third-party marketing partner, which is particularly useful in growing markets or during periods of the year in which Resurs experiences slower customer demand and applications for Resurs's products. Brokers utilise forms of mass communication – primarily print, TV and radio – to advertise consumer loans and credit cards. Through its brokers, Resurs is able to expand its pool of customers and can increase the amount of customer information in its internal database. Brokers are an important external marketing channel for Resurs in each of the markets in which it operates, and serve as a complementary marketing channel to the direct mail and telemarketing channels used by Resurs. With respect to new loan development in Sweden during the year ended 31 December 2015, brokers generated approximately 28 percent of new loans, representing an increase over previous periods. Resurs's new loan development relating to its consumer loans portfolio in Sweden resulting from brokers was SEK 0.22 billion, SEK 0.23 billion and SEK 0.55 billion, in the years ended 31 December 2013, 2014 and 2015, respectively.

yA Bank has traditionally heavily used brokers to market and generate new loans and, as a result of the yA Bank Acquisition, Resurs has experienced an increase in its use of brokers, particularly in Norway. During the audited three-year period presented in the Offering Memorandum, Resurs has generally increased its use of brokers and Resurs intends to continue to strategically use brokers as a marketing channel, including via yA Bank's robust network of brokers in Norway. See also "*Risk factors–Resurs relies on certain service and business process outsourcing and other partners*".

### Loyo

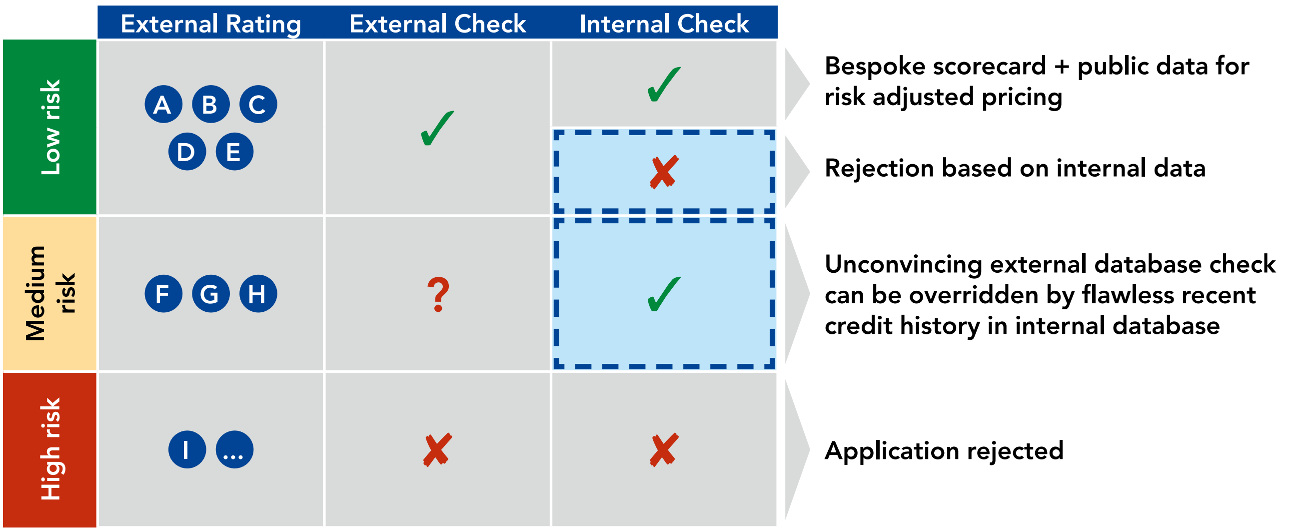
In 2013, Resurs acquired Flat Wallet AB and the application Flatwallet, which the Company rebranded and developed into Loyo, an app that functions as a mobile wallet and provides a way to communicate with Resurs's payment solutions customers. Customers can use Loyo to see their transactions, their approved credit limits and their outstanding balances. At certain of Resurs's retail finance partner stores, customers can pay for goods and merchandise using the app. Loyo serves as a single interface whereby customers can see their various store cards, loyalty programs and credit cards from their mobile devices. Resurs uses Loyo to sell additional products, such as consumer loans and credit cards to targeted customers, as well as to streamline the customer application process and Resurs's ability to expand its customer base. For example, Resurs can send mobile communications and product qualification notices to qualified customers via the Loyo app. Upon receiving these notices, interested customers can apply for credit cards and sign a credit card agreement via the Loyo app. As of 31 December 2015, Loyo had approximately 80,000 users. Loyo was awarded "Bank app of the year" for 2015 by the financial weekly magazine Privata Affärer.

## Underwriting and risk management

### Overview

Resurs's underwriting process is a data-driven integrated process with a focus on risk management. See "*Risk management*". The underwriting process is supported by Resurs's analytical competence, market experience and use of sophisticated templates and models to organise and filter data. These templates and models are derived from statistical information that is continuously updated and developed, and most of Resurs's underwriting decisions are made automatically based on quantitative evaluation of available data. The underwriting process varies by product type and Resurs Bank engages in risk-based pricing for certain of its consumer loan products. Generally, Resurs's payment solutions use a similar underwriting process, while its consumer loan products have a separate underwriting process based on loan type. Resurs's underwriting process is performed primarily by a central underwriting system, with some exceptions where local underwriting systems are in the process of being integrated. Among other functions, the underwriting system analyses internal and external customer information and generates a score to statistically represent each applicant's creditworthiness. Resurs has developed country-specific underwriting procedures that account for local data environments, credit bureau statistics and regulations. See "*Risk management*".

The diagram below provides an overview of Resurs's underwriting process and highlights certain core underwriting actions:




### Payment Solutions

**Retail Finance**

Resurs's retail finance underwriting process primarily revolves around information derived from the customers themselves, as well as external sources, including credit bureau statistics, and Resurs's use of the credit utilisation and spending data, payment pattern and credit history information in its internal database.

Generally, applicants apply for retail finance products at the time of purchase by providing certain personal information via an in-store point-of-sale or e-commerce interface, and are notified of their approval or rejection. Resurs does not engage in direct risk-based pricing for its retail finance products, rather, Resurs's underwriting system is automated and, following receipt of an application it: (i) checks to determine whether the applicant is a new, current or previous Resurs customer; (ii) generates a selection form/template based on product, geography and customer status, which sets forth certain minimum approval criteria, and also generates an external credit bureau data request; (iii) checks against Resurs's policy guidelines; and (iv) approves or rejects the application. The underwriting system uses a collection of over 100 analytical templates and models to organise and process information from internal and external sources to provide a final decision to applicants. Resurs's templates function as customised data requests and are selected based on a variety of factors, including store type and the amount of credit requested.

Resurs's system first confirms via its internal database whether each new applicant is a new, current or previous Resurs customer. If the applicant is a new applicant for which Resurs has no or minimal internal information available, the underwriting system automatically selects one of Resurs's generic templates to request a set of external information from the local credit bureau. The underwriting system selects templates based on a variety of factors, including store type and the amount of credit requested. For example, if an application originates from a consumer purchasing goods in a high-end technology store, the underwriting system will select a template requiring more specific and detailed information from the credit bureau. In Sweden, for example, information provided by the credit bureau typically includes the applicant's income, age, marital status, debt levels, real estate holdings, interest payments and credit report. Next, based on this external information provided by the credit bureau, the underwriting system automatically analyses the information and provides an approval or rejection. If the applicant is a current or previous Resurs customer, the underwriting system automatically selects the appropriate generic template and analyses the information in the internal database to either (i) select a customised template that is used to request a more specific set of external information from the local credit bureau, or (ii) generate an approval or rejection based on a combination of internal and external information, if possible. Resurs generally updates and refreshes the data in its internal database on a monthly basis, as additional credit utilisation spending and payment information is generated with each billing cycle, which can provide valuable and current insight into an applicant's credit utilisation and spending data, payment pattern and credit history information. See "*–Database*". In instances where Resurs's internal database contains all of the information required by the appropriate template, the underwriting system can access and analyse this internal information and generate a decision. Resurs continuously works to increase its internal information and its ability to use its internal information and templates to approve or reject applicants without external information.

In analysing internal or external information against policy rules, the underwriting system will approve or reject applicants automatically based on certain minimum criteria and security checks. The minimum criteria vary by template, as templates used for purchases of large ticket items at expensive stores have higher approval criteria, but include, among other criteria, a regular income equal to or above defined levels, minimum and maximum age, a permanent address, a telephone number and the absence of bad debt. For in-store point-of-sale applications, applicants are required to present valid identification to the retail finance partner. For e-commerce applications, Resurs uses a fraud prevention system that identifies red flags and Resurs will contact the applicant by telephone to conduct a security check if the system generates a warning. Additionally, e-commerce applicants that pick up goods at a physical location must present valid identification when collecting the goods. In certain circumstances when current or previous customers elect to renew or apply for a new card with a higher credit limit, Resurs may contact the applicant by telephone to confirm their request and verify their identity. For e-commerce applicants, Resurs has a digital signature platform whereby approved customers can sign the underlying agreement digitally via a secure interface. In addition, Resurs conducts fraud, terrorist watch list and anti-money laundering checks on all applicants.

**Credit cards**

Resurs's credit card underwriting process varies depending on whether the applicant is an internal or external applicant. External applicants include new, current or previous customers that have applied for a credit card via a direct mail or through Resurs's online interface. Internal applicants are current customers that Resurs has identified as potential credit card customers, but that have not applied for a credit card. Resurs generally offers credit cards to pre-selected internal candidates. Resurs Bank does not engage in risk-based pricing for its credit card products; however; Resurs Bank's credit card customers who choose a longer-term payment plan will pay a higher rate of interest, indirectly factoring risk into the price.

For external applicants, the underwriting process is substantially similar to the retail finance underwriting process. Applicants provide certain personal information, Resurs checks credit bureau information and the underwriting system automatically carries out the same four steps and analysis using Resurs's analytical templates and review process. As with the retail finance underwriting process, credit card applicants are notified of their approval or rejection within seconds.

For internal applicants, Resurs uses internal information, including its internal database, to identify potential credit card customers using (i) a risk based score, and (ii) a marketing score. The risk based score is primarily generated using the internal database and external data to identify existing customers with attractive credit utilisation and spending, payment pattern and credit history characteristics. As internal applicants are generally current and active customers, the data in the internal database is typically complete, current and refreshed on a monthly basis, and the underwriting system can access and analyse this internal information to generate a risk based score. If customers are identified for which Resurs does not have sufficient internal information to generate the risk-based score, those customers are removed from the potential marketing pool. If customers apply for higher credit limits than they have been pre-selected for, the underwriting system analyses the customer's requested credit limit by using the appropriate credit template. Based on these screening methods and risk-based scoring, the underwriting system will approve or reject potential internal applicants from further consideration, which generally significantly reduces the number of internal applicant candidates. Next, the underwriting system generates a marketing score, which is primarily based on internal data regarding customers' history as applicants and reasons for becoming current customers. For example, applicants with active credit behaviour may generate a positive marketing score because they are more likely to be interested in hearing about Resurs's products. Resurs typically uses direct mail to offer credit cards to internal applicants, who then sign and return the credit card agreement before using their credit card.

The analysis of internal and/or external information against policy rules is substantially similar to the analysis conducted for retail finance underwriting purposes, and the underwriting system will approve or reject applicants automatically based on certain minimum criteria and security checks. The minimum criteria vary by template, but include, among other criteria, a regular income equal to or above defined levels, minimum and maximum age, a permanent address, a telephone number and the absence of bad debt.

### Consumer loans

As a portion of the consumer loans originated by Resurs are subject to risk-based pricing, Resurs uses a stringent and data-centric underwriting process that relies significantly on information in its internal database and information derived from external sources, including credit bureau statistics. Applicants typically apply for either consumer loans for small (up to SEK 30,000) and medium (SEK 31,00-150,000) ticket purchases or consumer loans for large ticket (SEK 150,000 or more) purchases or item, each of which is subject to different underwriting processes. Generally, small ticket applications are not subject to risk-based pricing and approved applicants receive a consumer loan with standard terms and a set interest rate, while medium and large ticket items are subject to risk-based pricing and approved applicants are allocated into buckets or tranches based on each customer's income, risk allocation and requested loan amount, which determines the terms and interest rate of the consumer loan. Resurs's underwriting system is automated and, following receipt of an application, implements an underwriting process that consists of five steps: (i) a check to determine whether the applicant is a new, current or previous Resurs customer; (ii) a template selection and external credit bureau request; (iii) a check against policy rules; (iv) a risk-based pricing allocation; and (v) an offer. As above, the underwriting system uses analytical templates and models to organise and process information from internal and external sources to provide a final decision to applicants; however, for large ticket applications the system also aids in generating a risk allocation that is used to generate the terms of the offered consumer loans.

Resurs's system first confirms via its internal database whether each new applicant is a new, current or previous Resurs customer. If the applicant is a new applicant for which Resurs has no or minimal internal information available, the underwriting system automatically defaults to using one of Resurs's generic templates to request a set of external information from the local credit bureau. Next, based on this external information provided by the credit bureau, the underwriting system automatically analyses the information and provides a decision. For small ticket applications, this decision is generally an approval or rejection and approved customers receive a consumer loan with standard terms and a set interest rate. For large and medium ticket applications for which Resurs uses risk-based pricing, the template analysis will generate an approval, rejection or referral decision. In the event of a referral, Resurs's underwriting personnel will contact the applicant to discuss their application and solicit additional information.

If the applicant is a current or previous Resurs customer, the underwriting system automatically analyses the information in the Company's internal database to determine whether the applicant's payment performance and history, which includes principal and interest amounts outstanding under their Resurs retail finance or credit card products, are categorised as positive, neutral or negative. For the year ended 31 December 2015, 86 percent of Resurs Bank's new loan development related to consumer loans was generated via existing customers using the information and data in the internal database of Resurs Bank. Resurs generally updates and refreshes the data in its internal database on a monthly basis, which can provide valuable and current insight into an applicant's credit utilisation and spending data, payment pattern and credit history information and significantly impact the outcome of applications. For example, certain applicants could be rejected under Resurs's generic template but approved under the customised template, as the underwriting system can account for Resurs's knowledge regarding customer payment patterns and history and select a specific template. Following this analysis, the underwriting system selects the appropriate template and requests external information from the credit bureau. For all applications, the underwriting system analyses the internal and external information, including scores, and generates a score to statistically represent each applicant's creditworthiness. Applications regarding large ticket loans require a higher score compared to small ticket loans. Scorecards can help to indicate Resurs's potential risk exposure, and can provide a variety of information that Resurs can use to determine whether to accept the applicant. For example, scorecards can flag and capture data regarding the applicant's history of overdue payments, number of times that their account has been submitted to collections or litigation and other negative payment remarks. Resurs's scorecard models vary slightly by country depending on the level of information available in the market, and have been developed internally by experienced analysts. Some scorecard models are based on a combination of internal and external data and others are based only on external risk indicators.

Resurs uses these scorecards to divide applicants in tranches. The terms and conditions and interest rate of the applicants consumer loan is directly related to applicants tranche, which represents a risk allocation based on underwriting system's assessment of the applicants risk to Resurs. This system of managing risk using internal and external information sources can increase the accuracy of the underwriting process, which has helped Resurs to reduce the extent to which its loans to consumers enter into litigation, particularly with respect to the high risk tranches and applicants. See "*Risk management*".

Underwriter personnel are authorised to override the system-generated decision in certain circumstances, including approving applications that do not meet the minimum criteria ("**approval overrides**"). While there is generally no limit on the number of approval overrides that may be implemented, the use of approval overrides has historically been limited as a percentage of total approved applications. For the years ended 31 December 2014 and 2015, the approval override rate was 1.5 percent and 1.1 percent, respectively.

In analysing internal and/or external information against policy rules, the underwriting system will reject certain applicants automatically based on certain minimum criteria and security checks. The minimum criteria vary but include, among other criteria, a regular income equal to or above defined levels, minimum and maximum age, a permanent address, a telephone number and the absence of bad debt. To help ensure that information is provided correctly, and to comply with local regulations, Resurs's consumer loan application requires that applicants provide certain data, which Resurs cross-checks using internal and external information and uses the information to confirm the applicant's identity and that the applicant satisfies minimum criteria. All applicants must provide valid identification and, for large ticket applications, Resurs takes additional steps to confirm identity, such as telephoning the applicant or the applicant's place of work.

Resurs uses a fraud prevention system that identifies red flags and Resurs will contact the applicant by telephone to conduct a security check if the system generates a warning. In addition, Resurs conducts fraud, terrorist watch list and anti-money laundering checks on all applicants.

As a result of the yA Bank Acquisition, Resurs acquired yA Bank's consumer loans business in Norway. Resurs's management has evaluated yA Bank's underwriting processes and aims to implement Resurs's internal underwriting processes and practices in Norway. Resurs's management does not expect the acquisition of yA Bank's consumer loans business to materially impact its overall consumer loans underwriting process.

## Debt collection

Resurs's debt collection procedures vary by branch and generally aim to address delinquencies at an early stage. The debt collection process is divided into two stages: (i) pre-collection; and (ii) collection. The pre-collection stage occurs during the delinquency period, the duration of which varies by branch, country, product type and what business the product derives from. The following table sets forth certain information on Resurs's delinquency periods:

| Branch | Delinquency Period |
|---|---|
| Resurs Bank Helsingborg | up to 120 days across all products and countries |
| Ellos Finans | up to 100 days depending on product and country |
| Finaref | up to 75 days for small ticket loans across all countries<br>up to 110 days for large ticket loans across all countries |
| Dan-Aktiv | up to 120 days across all products and geographies |
| yA Bank | up to 90 days across all products and geographies |

During the pre-collection stage, Resurs engages in dialogue with its customers and works to manage and monitor loans that are in the early phase of delinquency. For example, Resurs sends customers monthly and/or bi-weekly reminder letters regarding outstanding amounts and balances. Resurs also contacts customers by telephone to discuss their delinquency and payment obligations. yA Bank primarily uses written reminder letters and SMS reminder text messages. Most pre-collection efforts demand payment in full of amounts due, but Resurs may also offer mild curing options, such as duration extensions, temporary amortisation free periods and waiving of late fees. The use of curing measures is governed by the debt collection procedures applicable to the branch and product type, and is generally limited to instances in which customers are in the later stages of delinquency and have significant outstanding amounts due. For example, Resurs is more likely to engage in customer dialogue regarding curing options for large ticket loans because these loans generally have longer delinquency periods with larger outstanding amounts.

Once the respective delinquency or payment delay period has expired, the vast majority of accounts that remain delinquent are turned over to one of Resurs's external debt collection agencies to be collected on behalf of Resurs. Resurs has generally implemented this debt collection process across its branches and countries of operation, and yA Bank also utilises a similar process where by an external debt collection agency is used to collect on delinquent accounts. However, delinquent accounts at Dan-Aktiv are subject to an internal debt collection process that existed and was in operation before the acquisition of Dan-Aktiv and that has been retained for debt collections in Denmark. Resurs previously utilised an internal debt collection process for delinquent accounts, but in January 2015 Resurs implemented new debt collection procedures that utilise external debt collection agencies. The shift to using external debt collection agencies resulted from Resurs's drive to focus on core competencies, as external debt collection agencies have larger debtor databases and can more efficiently consolidate debts from several originators to reach a settlement with a debtor.

Excluding yA Bank, Resurs has adopted a "champion and challenger" method of performance evaluation with respect to its external debt collection agencies, whereby Resurs continuously monitors and evaluates the performance and efficiency of its debt collection agencies. Pursuant to this champion and challenger method, Resurs uses at least two different debt collection agencies in each of the markets in which it operates. By using multiple debt collection agencies, Resurs is able to compare the performance of the agencies and can adjust the number of delinquent accounts that it delivers to each agency based on a comparative analysis of the agencies' performance and efficiency of collection. This method of performance evaluation can minimise costs associated with credit losses and can boost collection rates. While yA Bank does not currently use this champion and challenger method of performance evaluation, yA Bank may decide to adopt this method as part of its 2016 strategy to reduce costs and increase its collection rates related to its debt collection.

## Business support

Business support serves as an administrative, operational and customer support group within Resurs. The business support department operates on a Nordic basis with one centralised policy and operational objective across the Group, which is implemented and executed on a local and country-specific level through Resurs's local offices in the Nordic region.

Prior to 2015, Resurs's customer service operations were primarily performed by its business support department in Helsingborg. In October 2015, Resurs's restructured its customer service operations to operate on a local country-specific level under broad oversight of the centralised business support centre in Helsingborg. Resurs restructured its customer service operations due to the Group's geographic expansion and general growth, as local customer service operations can improve localised customer service execution regarding country-specific products, information and offers. In addition, local customer service operations have provided increased local language capabilities, and Resurs employs native speakers of the languages of each of the countries in which it operates.

Representatives from the business support department handle all communications with Resurs's customers by telephone, email and regular post. In addition, business support representatives handle all administrative and non-sales related communications with Resurs's retail finance partners. The vast majority of business support activities are handled in-house and include preparation and administration of certain payment solution and consumer loan application processes, communication with customers, answering frequently asked questions, handling amendments to the terms and conditions of loan agreements, credit issues with retail finance partners and processing applications for loan increases. In October 2015, Resurs's business support department assumed additional responsibilities, including organising and conducting pre-collection activities like customer calls and reminder mailings. Certain non-essential actions, including document storage and the printing and distribution of monthly notices are outsourced.

Resurs's localised customer service operations and Nordic-wide goals and objectives, together with centralised oversight by the business services centre, focus on customer experience and strive to ensure a consistent quality of customer service across the countries in which Resurs operates.

## Intellectual property

Resurs uses a variety of trademarks, trade names and logos, including, among others, RESURS BANK, SOLID FÖRSÄKRINGAR, SUPREME CARD and LOYO. These trademarks and trade names are registered in various combinations of word and logo marks with the relevant registration authorities in the jurisdictions where Resurs has operations. Resurs further seeks to protect its intellectual property by entering into employment and consultancy agreements that contain provisions regarding the use of its intellectual property. Except for its trademarks and trade names, Resurs does not believe that any individual or series of intellectual property is material to its business as a whole.

## Human resources

### Employees

For the year ended 31 December 2015 and including the yA Bank Acquisition, Resurs had 706 FTEs located throughout the Nordic region, of whom 361 worked at Resurs's head office in Helsingborg, Sweden. Most operational functions for Resurs are carried out by employees at a centralised level, including head office functions, such as finance, risk management, branding and marketing, human resources and IT. In addition to centralised functions, Resurs has a number of employees that manage customer and business related questions at the country level. The Company uses contractors for certain support functions such as marketing and IT support. The external contractor manages basic IT services such as co-lotion and on-site support, as well as telecommunications.

The following table sets forth the number of Resurs's FTEs by function as of the dates indicated (including employees on temporary leave):

| | As of 31 December | | |
|---|---|---|---|
| **Function** | **2015** | **2014** | **2013** |
| Finance | 39 | 32 | 21 |
| Treasury | 2 | 3 | 3 |
| Actuaries | 1 | 1 | 1 |
| Legal | 13 | 13 | 5 |
| Compliance & Risk Control | 9[1)] | 8 | 4 |
| Human Resources | 10 | 8 | 6 |
| IT and Security | 75 | 60 | 53 |
| Admin and Operations | 315 | 291 | 193 |
| Other | 196 | 198 | 227 |
| yA Bank | 46 | – | – |
| **Total** | **706** | **614** | **513** |

1) Including 3 employees in the first line of defence. See *"Risk management–Risk governance structure–The three lines of defence model"*.

The following table sets forth the number of Resurs's FTEs by geographic location as of the dates indicated (including employees of yA Bank and employees on temporary leave):

| | As of 31 December | | |
|---|---|---|---|
| **Country** | **2015** | **2014** | **2013** |
| Sweden | 408 | 402 | 344 |
| Norway | 92 | 34 | 15 |
| Finland | 43 | 34 | 29 |
| Denmark | 69 | 60 | 3 |
| Solid | 93 | 84 | 122 |
| **Total** | **706** | **614** | **513** |

During the audited three-year period presented in the Offering Memorandum, Resurs's number of employees has been significantly impacted by acquisitions. In Sweden, the Ellos Business Acquisition increased Resurs's FTEs for the year ended 31 December 2013 by 21. The acquisition of Dan-Aktiv increased Resurs's FTEs for the year ended 31 December 2014 by 60 FTEs. The acquisition of Finaref increased Resurs's FTEs for the year ended 31 December 2014 by 51 FTEs. In addition, the Company recently acquired yA Bank, which had 46 FTEs as of 31 December 2015.

#### Recruiting and training

Resurs's approach to hiring and training its workforce is aligned with the Company's corporate objectives. Resurs seeks to hire individuals who not only can perform the duties of their position, but who will be flexible when the Company makes changes to account workflows and who support the Company's objective of always improving processes.

Once hired, Resurs has a standard new employee induction program covering, among other things, risk management and compliance, corporate values and strategy. Employees receive additional on-the-job training from department managers as to their specific role.

Resurs strives to encourage a unique and supportive environment for its workforce, and recently developed an internal "DO IT" corporate culture initiative, focusing on Resurs's aim to be Driven, Open, Innovative and Trustworthy. Resurs's corporate culture and this initiative aim to bring out the best in its workforce and promote a driven, open and more cohesive environment and relationship across the Company's employees and various business divisions.

Resurs believes that it has positive relations with its employees and the applicable unions and work councils. As of 31 December 2015, approximately 45 percent of the Company's employees were members of trade unions. Resurs's management holds bimonthly meetings with union leadership to keep the unions updated on recent developments in business operations. The Company has not experienced any work stoppages or been involved in union disputes in the five years ended 31 December 2015.

## Information technology

Resurs's IT infrastructure and platforms support all facets of the Company's operations and are able to support and provide extra functionality and adaptations for Resurs's local operations across the Nordic region. Historically, Resurs has primarily grown organically and has previously scaled and upgraded its IT infrastructure to track increased requirements resulting from this organic growth. Over the last two years, Resurs has also grown through acquisitions and has acquired external systems from the acquired entities, including the yA Bank Group, which operates on its own IT system. While certain of these external systems are still functional, Resurs is in the process of reducing the number of systems and will gradually consolidate and migrate these external systems to a centralised IT platform, further facilitating pan-Nordic business processes and product development.

Aside from these smaller local legacy IT systems, Resurs primarily utilises a centralised IT platform that consists of, among other things, a system for core banking (account information, deposit information) and a separate layer of systems that support operational and customer facing activities, including customer relationship management, data management and customer identification and targeting systems. The IT platform facilitates use of these systems across Resurs's operations, which is essential to the day-to-day operation of the bank. Resurs's IT functions and operations, including IT development, maintenance and support are all centrally run from its office in Helsingborg, which serves to consolidate and streamline IT operations across the Group. Resurs's IT platform also organises and accesses the various systems necessary to facilitate Resurs's active and strategic use of its internal database of credit utilisation and spending data, payment pattern and credit history information. See "*–Database*".

The hardware and software of the IT platform is highly scalable and flexible, which makes it adaptable to new conditions, products and markets. Resurs has systematically worked to improve its IT infrastructure, and has invested in modern infrastructure hardware and network arrangements. The infrastructure is designed with common core functionality for all countries with additional functionality and adaptations for local country-specific operations and regulations.

As part of the upgrades to the IT infrastructure, Resurs has focused its IT functions and operations on core competencies and has outsourced its infrastructure operations, including its data centres. Resurs's data centres are located in Sweden and operated by a third-party service provider. These data centres are mirrored and geographically separated to minimise the impact of disasters and technical failures. Resurs's information and data is subject to daily backup procedures and Resurs conducts regular penetration tests to assess the security of its information, which it believes is sufficient given Resurs's data security risk profile. See "*Risk management*".

## Insurance

Resurs holds insurance policies covering crime, general liability, property damage and business travel. In addition, Resurs holds an indemnity covering professional liability for financial institutions and an insurance policy covering liability for its directors, officers and other key members of management. The above policies have been taken out group-wide by Resurs Holding AB as policyholder and provide insurance coverage for the operating companies in the Resurs Group. The insurance policies have certain coverage limits that vary depending on the type of liability involved and the policies are subject to customary limitations imposed by the relevant insurance companies. Resurs's insurance coverage is designed to protect the Company from material losses associated with, for example, data processing system failures and errors and customer or employee fraud, including losses resulting from any associated business interruption. Resurs believes its insurance coverage conforms to market practice. There can be no assurance, however, that Resurs will not incur losses or suffer claims beyond the limits or outside of the relevant coverage of its insurance policies. See "*Risk factors–Resurs could incur losses not covered by insurance*".

## Real property

Resurs leases its headquarter offices, which are located at Ekslingan 9, SE-250 24 Helsingborg, Sweden, as well as its offices in Borås, Copenhagen, Oslo, Helsinki, Stockholm, Gothenburg and Umeå. Except for those mentioned, there is no real property that Resurs considers material for its operations. All of the properties used in the Company's local operations are leased. Resurs has a specific policy and requirements regarding the physical security at all of the Company's properties.

## Tangible assets

As of 31 December 2015, Resurs's tangible assets amounted to SEK 37,132 thousand. The tangible assets generally consist of IT and office equipment.

## Legal and administrative proceedings and other similar matters

Resurs is from time to time party to various claims and legal proceedings arising in the ordinary course of its business. Except from what is stated below and in "*Legal considerations and supplementary information–Litigation and arbitration*", Resurs is or has not been within the past twelve months from the date hereof, and is not currently a party to any governmental, legal, administrative, arbitration or dispute proceedings either individually or in the aggregate, that have had, or are expected to have, a material adverse effect on the Company's financial condition or profitability, nor so far as the Company is aware, are any such proceedings pending or threatened.

As a licensed bank regulated and supervised by the SFSA, Resurs is required to calculate and report its capital adequacy to the SFSA at the level of the ultimate parent holding company of the Group in the

EEA. See "*Regulatory–Banking business related regulation*". Resurs Holding AB was incorporated as a holding company of the Resurs Group in connection with the investment in Resurs by Nordic Capital in 2012. The investment vehicle used by Nordic Capital to hold its majority shareholding in Resurs Holding AB at the time of the investment was Cidron, a Luxembourg incorporated entity. This Group structure was submitted to the SFSA in connection with the ownership assessment in 2012 and the subsequent acquisitions made by Resurs.

From November 2012 until and including the first quarter 2014, Resurs calculated and reported its capital adequacy to the SFSA at the level of Resurs Bank AB (the operating bank). From and including the second quarter 2014, Resurs has in addition to reporting the capital adequacy at the level of Resurs Bank AB, calculated and reported its capital adequacy to the SFSA for the consolidated Group at the level of Resurs Holding AB (the parent company of the operating Group). In September 2015, Resurs and its owners determined that the formal calculation and reporting of Resurs's capital adequacy to the SFSA should have been conducted at the level of Cidron, the ultimate parent holding company within the EEA. To ensure that the capital adequacy of the bank is required to be reported at the level of Resurs Holding AB, Cidron was removed from the Group structure in September 2015 and was subsequently put into liquidation. Since September 2015, Resurs Holding AB has been the ultimate parent company of the Group within the EEA and thus the correct level at which to calculate and report the Group's capital adequacy.

Moreover, as Resurs did not consider Cidron to be a company included in the Group, and thus subject to consolidated capital requirements, Cidron did not consider to structure, and hence did not structure, its share capital to satisfy the regulatory capital requirements under the relevant capital requirement rules. Specifically, the Cidron share capital included a number of different preference share classes with both dividend and liquidation preferences, and, accordingly, such preference shares did not, despite the fact that all shares were held by one owner and thus there were no differentiated interests among several owners, qualify for inclusion in Resurs's consolidated regulatory capital ratio calculations during the period from November 2012 until September 2015. As a result thereof, during periods from November 2012 to September 2015, the CET 1 and total capital ratios at the Cidron did not comply with the relevant capital requirement rules. For additional information regarding the calculation of Resurs's capital adequacy at the levels of Cidron, Resurs Holding AB and Resurs Bank AB, and a detailed comparison of Resurs's historical capital adequacy as calculated at the levels of Cidron, Resurs Holding AB and Resurs Bank AB, see "*Historical financial information–Resurs Holding AB–Notes–Note 3 Risk management*".

On 11 September 2015, Resurs contacted and submitted a memorandum to the SFSA. Following a request from the SFSA, on 18 September 2015, the memorandum was supplemented with historical calculations and reporting of capital adequacy and compliance was described at the level of Resurs Holding AB and Cidron during the period in which Cidron was in existence, and Resurs notified the SFSA that the liquidation of Cidron had been initiated. On 18 March 2016, the SFSA informed Resurs that the authority will initiate a sanctions case regarding the matter, a process that Resurs believes may take between three and six months to conclude. As of the date hereof, the SFSA's internal review of the memorandum and Resurs's historical capital adequacy reporting is ongoing and the outcome of the review is unknown.

Generally, when considering and reviewing matters involving regulated entities, the SFSA may take one of the following actions: (i) confirm that no further action is necessary; (ii) issue a private notification and request to remedy/resolve the matter; (iii) issue a public adverse remark as to the matter; (iv) issue a public warning regarding the potential revocation of regulated entity's license; or (v) revoke the regulated entity's license. In addition, in connection with actions (iii) and (iv) listed above, the SFSA may require the regulated entity to pay a fine, which may not according to statute be less than SEK 5,000 or more than 10 percent of the entity's turnover during the immediately preceding financial year (*provided, however*, that any such fine may not be set at an amount that would result in the entity's noncompliance with its regulatory requirements).

In reviewing matters and determining the appropriate measure to be taken, the SFSA is required to assess the gravity and duration of the matter. The SFSA is specifically required to assess, among other things: (i) the nature of the matter; (ii) the actual and potential effects of the matter on the financial system; (iii) the damage that has been caused as a result of the matter; and (iv) the degree of responsibility of the regulated entity. The SFSA will also consider aggravating circumstances, such as previous infringements or matters raised by the respective entity, and mitigating factors, such as an entity's cooperation with the SFSA, facilitation of the review and actions taken to remedy or correct the issue under review. In instances where the SFSA finds the matter and any related infringements minor or excusable, the SFSA may take no action at all. Conversely, if the SFSA finds that the entity has committed a serious infringement and that the issuance of a public warning would be an insufficient sanction, the SFSA may revoke the entity's license.

Resurs have held several discussions with the SFSA on the capital adequacy reporting and compliance issue described above. They have also received advice from their legal advisors, including a review of selected previous sanction cases resolved on by the SFSA, and advice from its legal advisors in relation to the factors the advisors consider that the SFSA is likely to take into account when making their decision. With reference to the immediately preceding paragraph above, such factors include, but are not limited to, the cooperation the SFSA has received from the Company, the remediation measures taken by the Company, the Company's historical compliance with legal requirements, the gravity of any breach, its duration and whether any breach of the capital adequacy and reporting requirements had risked to effect Sweden's financial system.

Resurs's Board of Directors believes the risk to be very limited (Sw. *att risken är mycket begränsad*) that the SFSA will take punitive action more severe than issuing a public adverse remark or a public warning, combined with a fine. The Board of Directors does not believe that the issue should be significant enough to prompt the SFSA to revoke Resurs's banking license, taking into account that, among other things, in the view of the Board of Directors: (i) the historical calculation and reporting of Resurs's capital adequacy at the incorrect level was technical in nature; (ii) Resurs promptly upon identification notified the SFSA and resolved the issue by the removal and liquidation of Cidron; (iii) Resurs actively has cooperated with the SFSA in the investigation; (iv) it has not affected the capital of the bank or its customers; and (v) it could not reasonably have had any actual or potential effect on the financial system. However, there can be no assurances that the SFSA will agree with these positions or consider these and other mitigating factors in their review.

Resurs has requested that the SFSA resolve its review of the matter or that the SFSA otherwise confirm that it is not considering revoking Resurs's banking license. As mentioned above, the SFSA's internal review of the matter is ongoing and Resurs has been notified that, during such review, the SFSA cannot as a matter of process render any confirmation or otherwise provide any indication of a potential sanction prior to the conclusion of its formal process. As of 31 December 2015, no provision has been made in relation to any fine or sanction from the SFSA relating to the aforementioned sanction case.

Accordingly, the SFSA may, and there can be no assurance that it would not, impose sanctions against Resurs, including material fines, and/or the revocation of Resurs's banking license, which could have a material adverse effect on the business, results of operations and/or financial condition of Resurs. In particular, the revocation of Resurs's banking license would restrict its ability to operate and could result in the liquidation and dissolution of Resurs or bankruptcy. See "*Risk Factors–Compliance issues related to Resurs's historical calculation and reporting of its capital adequacy and historical satisfaction of applicable capital adequacy requirements at the ultimate parent company level could result in sanctions from the SFSA, including substantial fines or a revocation of Resurs's banking license*".

## Indemnity arrangement

Cidron Semper Ltd. has undertaken to indemnify the Company by providing an unconditional shareholder's contribution up to an amount of SEK 231 million in aggregate (corresponding to 10 percent of the Resurs's turnover for the financial year 2015 less a SEK 20 million deductible) to cover fines imposed by the SFSA (i.e., excluding costs, fees and possible damages), if any, as finally judicially determined payable by Resurs in relation to the compliance issues related to Resurs's historical calculation and reporting of its capital adequacy and historical satisfaction of applicable capital adequacy requirements at the ultimate parent company level, as further described above and in "*Risk Factors–Compliance issues related to Resurs's historical calculation and reporting of its capital adequacy and historical satisfaction of applicable capital adequacy requirements at the ultimate parent company level could result in sanctions from the SFSA, including substantial fines or a revocation of Resurs's banking license.*" The indemnity is irrevocable and unlimited in time.

## In the community

### Ethics and responsibility

Trust is a vital component of the industry in which Resurs operates, and it is essential for Resurs to always endeavour to run its business in a responsible manner and in compliance with applicable laws and regulations. The basic principles of the Company's credit policy are to always ensure that customers understand the economic consequences of credit and debt by providing clear and transparent information to customers. In addition, credit and debt is generally extended to a customer only if the customer can be expected, with good reason, to fulfil his or her commitments. Furthermore, customers and customer applications for credit should not be discriminated against on the basis of gender, age, ethnicity, cultural background or sexual orientation.

Resurs has an internal whistle blower policy that aims to make it easier for employees to report violations in a safe and secure manner. All information is handled in accordance with applicable law and governed by the Personal Data Act (Sw. *personuppgiftslag (1998:204)*) (the "**PDA**").

### Equality and diversity

Resurs is actively working to be a workplace that promotes equality and diversity. In the Group men and women of different ages and with different experiences, backgrounds and ethnicities work, which generates the dynamic, creative, innovative and inspiring workplace on which the company depends to further its development.

### Environment

It is important for Resurs to comply with applicable environmental laws and regulations. Resurs strives to use environmental resources responsibly and carefully and to conduct its business in an environmentally sustainable manner. For example, Resurs works to improve its efficiency and investment in sustainable products and services.

### Sponsoring

Resurs sponsors a number of local sports clubs. Resurs's most extensive commitment, regarding sports sponsorships is its sponsorship of the Helsingborgs IF ("**HIF**") football club. The relationship between Resurs and HIF began in 2001 and, since 2009, Resurs has been HIF's main sponsor.

The sponsorship of HIF includes a main sponsorship agreement with HIF and a cooperation agreement with HIF Academy. Both of these agreements have a term ending in December 2017. The cooperation agreement with HIF Academy is construed such that Resurs receives partial repayments of the sponsoring amount if HIF sells players.

Resurs also sponsors the Eskilsminne IF football club (which arranges the youth tournament Eskilscupen), the Rögle and Helsingsborgs HC ice hockey clubs, the OV Helsingborg handball club and the FC Helsingborg floor ball club.

Since 2007, Resurs, together with the assistance of its credit card customers, has been a significant sponsor of the Swedish Cancer Foundation's Pink Ribbon campaign. For each credit card transaction by customers of Supreme Card Woman, one Swedish Krona has been contributed to the fight against breast cancer.

In addition, for each credit card transaction by customers of Supreme Card Green, a tree is planted by one of the charities that Resurs works with in an effort to support the environment by planting trees around the world.

Since 2013, Resurs has also been a Gold Sponsor of Team Rynkeby Helsingborg, the assignment of which is to collect funds for the Swedish Childhood Cancer Foundation.

Resurs also supports the children's rights association BRIS (Sw. *Barnens Rätt i Samhället*), Ecpat, the newspaper Faktum, the National Association for a Drug Free Society (Sw. *Riksförbundet Narkotikafritt Samhälle*) and Ria Helsingborg.

# Capitalisation, indebtedness and other financial information

*The tables in this section account for Resurs's capital structure at the Group level as of 31 January 2016. For information on the Company's share capital and Shares, see "Shares and share capital". The tables in this section should be read together with the section "Operating and financial review" and Resurs's historical financial information along with its related notes, included in the section "Historical financial information".*

## Capitalisation

Set forth below is Resurs's capitalisation as of 31 January 2016.

| SEK million | As of 31 January 2016 |
|---|---|
| **Total current interest-bearing liabilities** | **16,609** |
| Against guarantee or surety | – |
| Against security | – |
| Unguaranteed/Unsecured | 16,609 |
| **Total long-term interest-bearing liabilities** | **2,234** |
| Against guarantee or surety | 1,400 |
| Against security | – |
| Unguaranteed/Unsecured | 834 |
| **Equity** | **5,115** |
| Share capital | 1 |
| Other paid-in capital | 2,051 |
| Other reserves | 25 |
| Retained earnings, including profit for the period | 3,089 |

The capitalisation and indebtedness tables do not reflect share capital changes that occurred after 31 January 2016. For further information, see "*Shares and share capital–Share capital development*".

The transaction costs associated with the Offering are expected to amount to approximately SEK 93 million, payable by the Company, of which SEK 62 million has been recorded as an operating expense in the year ended 31 December 2015 and approximately SEK 31 million is estimated to be recorded as an operating expense in the year ending 31 December 2016.

## Financial indebtedness

Set forth below is Resurs's financial indebtedness as of 31 January 2016.

| SEK million | As of 31 January 2016 |
|---|---|
| (A) Cash | 52 |
| (B) Cash equivalents | 2,172 |
| (C) Current financial investments | 2,518 |
| **(D) Cash and cash equivalents (A)+(B)+(C)** | **4,742** |
| **(E) Current financial receivables** | **–** |
| (F) Current bank loans | – |
| (G) Current share of long-term financial liabilities | – |
| (H) Other current financial liabilities | 16,609 |
| **(I) Current financial liabilities (F)+(G)+(H)** | **16,609** |
| **(J) Net current indebtedness (I)-(E)-(D)** | **11,867** |
| (K) Non-current bank loans | – |
| (L) Outstanding bond loans | 2,194 |
| (M) Other non-current financial liabilities | 40 |
| **(N) Non-current financial liabilities (K)+(L)+(M)** | **2,234** |
| **(O) Net financial indebtedness (J)+(N)** | **14,101** |

### Capital structure in connection with the listing

Pursuant to Article 26.2 a of CRR, when calculating bank capital ratios, retained earnings may only be included in the calculation if the balance sheet containing the relevant retained earnings information has been reviewed by an auditor. A review of Resurs's financial statements as of and for the one month ended 31 January 2016 has not been performed. As a result, the bank capital ratios presented below are calculated using Resurs's reviewed retained earnings as of 31 December 2015, which were SEK 3,029 million. Accordingly, the bank capital ratios below are not comparable to the bank capital ratios for other periods and do not reflect the actual common equity tier 1 ratio or TCR of Resurs as of 31 January 2016. As of 31 January 2016, Resurs's unreviewed retained earnings were SEK 3,089 million.

The table below presents an overview of the Company's capital base, regulatory capital requirements and bank capital ratios as of 31 January 2016.

| Amount, (SEK million) | As of 31 January 2016 |
|---|---|
| **Capital base** | |
| CET 1 capital | 2,777 |
| Subordinated loans | 240 |
| **Total capital base (net)** | **3,017** |
| | |
| **Regulatory capital requirements** | |
| Risk-exposed assets credit risk | 1,222 |
| Market risk, foreign exchange risk | 1 |
| Credit valuation adjustment risk | 122 |
| Risk-exposed assets operational risk | 350 |
| **Total risk-exposed assets** | **1,695** |
| | |
| **Capital ratios** | |
| Common equity Tier 1 ratio | 13.1% |
| Total capital ratio | 14.2% |

Except as set forth above, we have no reason to believe that there has been any material change to the Group's actual capitalisation since 31 January 2016. For information about recent developments, see "*Operating and financial review–Recent developments*".

## Financial risk management

See "*Historical financial information–Resurs Holding AB–Notes–Note 3 Risk management*" and "*Risk management*" for an account of our risk management activities as well as exchange rate and interest rate sensitivity analyses.

# Selected consolidated historical financial and other data

*The selected consolidated historical financial data set forth below as of and for the years ended 31 December 2015, 2014 and 2013 has been derived from the Company's audited consolidated financial statements, which were audited by Ernst & Young AB, as set forth in its audit report included elsewhere herein. The Company's consolidated financial statements as of and for the periods set forth below have each been prepared in accordance with IFRS. The following information should be read in conjunction with "Operating and financial review" and the Company's consolidated financial statements, including the notes thereto, included elsewhere in this Offering Memorandum.*

*Certain of the selected key figures and ratios set forth below has been derived from the Company's regularly maintained records and accounting and operating systems. See "Presentation of financial and other information" for definitions and concepts of certain terms set out in the tables below.*

## Selected consolidated income statement data of the Company

| | For the year ended 31 December | | |
|---|---|---|---|
| (SEK thousand) | **2015** | **2014** | **2013** |
| | | *(audited)* | |
| Interest income | 1,994,686 | 1,684,048 | 951,734 |
| Interest expense | (212,607) | (334,992) | (299,865) |
| Fee and commission income | 231,848 | 268,803 | 164,690 |
| Fee and commission expense, banking operations | (38,785) | (34,602) | (36,057) |
| Premium income, net | 1,167,017 | 989,080 | 919,186 |
| Insurance compensation, net | (505,002) | (408,741) | (391,374) |
| Fee and commission expense, insurance operations | (419,783) | (399,447) | (382,508) |
| Net income/(expense) from financial transactions | (35,092) | 6,596 | 15,567 |
| Profit/(loss) from participations in group companies | (140) | – | – |
| Other operating income | 188,927 | 195,770 | 272,124 |
| **Total operating income** | **2,371,069** | **1,966,515** | **1,213,496** |
| General administrative expenses | (989,505) | (837,307) | (546,736) |
| Depreciation, amortisation and impairment of non-current assets | (16,496) | (13,820) | (5,777) |
| Other operating expenses | (151,986) | (147,770) | (111,528) |
| **Total expenses before credit losses** | **(1,157,987)** | **(998,897)** | **(664,041)** |
| | | | |
| **Earnings before credit losses** | **1,213,082** | **967,618** | **549,455** |
| Credit losses, net | (374,863) | (350,699) | (169,120) |
| **Operating profit/(loss)** | **838,219** | **616,919** | **380,335** |
| | | | |
| Income tax expense | (216,010) | (149,270) | (93,506) |
| **Net profit/(loss) for the period** | **622,209** | **467,649** | **286,829** |

## Consolidated balance sheet data of the Company

| (SEK thousand) | 2015 | As of 31 December<br>2014 | 2013 |
|---|---|---|---|
| | | *(audited)* | |
| Cash and balances at central banks | 50,761 | – | – |
| Treasury and other bills eligible for refinancing | 956,725 | 805,843 | 810,182 |
| Loans to credit institutions | 2,351,285 | 3,695,094 | 2,284,180 |
| Loans to the public | 18,198,175 | 13,923,375 | 9,258,334 |
| Bonds and other interest-bearing securities | 1,477,206 | 1,300,484 | 2,678,093 |
| Subordinated loans | 25,015 | 26,478 | – |
| Shares and participating interests | 32,903 | 11,610 | 27,986 |
| Intangible assets[1)] | 1,784,003 | 680,346 | 17,943 |
| Property, plant and equipment | 37,132 | 28,515 | 15,726 |
| Reinsurers' share of technical provisions | 24,685 | 6,028 | 160,662 |
| Other assets[2)] | 377,728 | 251,695 | 293,643 |
| Prepaid expenses and accrued income | 249,802 | 284,847 | 264,836 |
| **Total assets** | **25,565,420** | **21,014,315** | **15,811,585** |
| | | | |
| Liabilities to credit institutions | 141,260 | 1,026 | 783 |
| Deposits and borrowing from the public | 16,433,531 | 15,976,650 | 11,874,089 |
| Other liabilities[3)] | 1,038,501 | 1,079,283 | 901,200 |
| Accrued expenses and deferred income | 185,482 | 132,709 | 189,841 |
| Technical provisions | 534,237 | 551,853 | 823,026 |
| Other provisions | 8,675 | 8,418 | 824 |
| Issued securities | 2,181,340 | – | – |
| Subordinated debt | 38,224 | – | – |
| **Total liabilities and provisions** | **20,561,250** | **17,749,939** | **13,789,763** |
| | | | |
| **Equity** | | | |
| Share capital | 1,000 | 126 | 100 |
| Other paid-in capital | 2,050,734 | 800,753 | 82,777 |
| Translation reserve | (76,257) | 56,159 | (744) |
| Retained earnings including profit for the period | 3,028,693 | 2,407,338 | 1,939,689 |
| **Total equity** | **5,004,170** | **3,264,376** | **2,021,822** |
| **Total liabilities, provisions and equity** | **25,565,420** | **21,014,315** | **15,811,585** |

1) Includes goodwill and other intangible assets. For more information, see the financial statements included elsewhere herein.
2) Includes current tax receivables, deferred tax assets and derivatives. For more information, see the financial statements included elsewhere herein.
3) Includes other liabilities, derivatives, tax liabilities and deferred tax liabilities. For more information, see the financial statements included elsewhere herein.

## Selected consolidated cash flow statement data of the Company

| (SEK thousand) | For the year ended 31 December 2015 | 2014 | 2013 |
|---|---|---|---|
| | | *(audited)* | |
| Cash flow from operating activities | (2,990,418) | 2,088,452 | 3,161,775 |
| Cash flow from investing activities | (1,326,476) | (1,403,300) | (1,678,916) |
| Cash flow from financing activities | 3,049,081 | 718,002 | – |
| **Cash flow for the year** | **(1,267,813)** | **1,403,154** | **1,482,859** |
| **Cash and cash equivalents at the end of the period** | **2,402,046** | **3,695,094** | **2,284,180** |

## Selected key figures and ratios of the Company

| (SEK thousand unless otherwise stated) | As of and for the year ended 31 December 2015 | 2014 | 2013 |
|---|---|---|---|
| | | *(audited)* | |
| **Operating and other data** | | | |
| Total operating income | 2,371,069 | 1,966,515 | 1,213,496 |
| Net banking income[1] | 2,218,928 | 1,792,390 | 1,079,640 |
| Deposits | 16,433,531 | 15,976,650 | 11,874,089 |
| Loan portfolio | 18,198,175 | 13,923,375 | 9,258,334 |
| Operating expenses[2] | (1,157,987) | (998,897) | (664,041) |
| Net profit/(loss) for the period[3] | 622,209 | 467,649 | 286,829 |
| Earnings per share, basic and diluted (SEK) | 3.16 | 2.40 | 1.50 |
| **Key ratios** | | *(unaudited)* | |
| New loan development | 19,886,252 | 16,562,164 | 12,867,030 |
| Gross yield[4] (%) | 12.4 | 14.5 | 11.6 |
| Net interest margin[5] (%) | 11.1 | 11.6 | 7.9 |
| Loan to deposit ratio[6] (%) | 110.7 | 87.1 | 78.0 |
| CET 1 ratio[7] (%) | 13.1[35] | 13.4[35] | 15.3[36] |
| TCR[8] (%) | 14.2[35] | 14.7[35] | 15.3[36] |
| LCR (CRR definition)[9] (%) | 142 | 125 | – |
| Cost of risk[10] (%) | 2.3 | 3.0 | 2.1 |
| Cost to income ratio[11] (%) | 48.8 | 50.8 | 54.7 |
| Cost to income ratio (excluding insurance operations)[12] (%) | 48.1 | 51.5 | 53.0 |
| RoA[13] (%) | 2.7 | 2.5 | 2.2 |
| RoATE[14] (%) | 21.4 | 20.4 | 15.4 |
| Adjusted RoATE[15] (%) | 23.8 | – | – |
| RoTE[16] (%) | 19.3 | 18.1 | 14.3 |
| Net banking income margin[17] (%) | 13.8 | 15.5 | 13.1 |
| Adjusted net banking income[18] | 2,194,028 | 1,728,854 | 931,827 |
| Adjusted net banking income margin[19] (%) | 13.7 | 14.9 | 11.3 |
| Risk adjusted net banking income margin[20] (%) | 11.5 | 12.4 | 11.1 |
| Risk adjusted net interest margin[21] (%) | 8.8 | 8.6 | 5.9 |
| NPL ratio[22] (%) | 12.7 | 13.2 | 7.7 |
| NPL coverage ratio[23] (%) | 53.3 | 56.2 | 48.9 |
| Leverage ratio[24] (%) | 10.8 | 9.6 | - |
| Net stable funding ratio (NSFR)[25] (%) | 127 | 136 | – |
| **Insurance data and ratios[26]** | | *(audited)* | |
| Premium income, net[27] | 1,167,017 | 989,080 | 919,186 |
| Insurance operating income[28] | 152,141 | 174,125 | 133,855 |

| (SEK thousand unless otherwise stated) | As of and for the year ended 31 December 2015 | 2014 | 2013 |
|---|---|---|---|
| | | *(unaudited)* | |
| Solvency ratio[29] (%) | 351.0 | 653.0 | 420.0 |
| Loss ratio[30] (%) | 43.2 | 41.3 | 43.6 |
| Expense ratio[31] (%) | 52.1 | 54.7 | 57.6 |
| Combined ratio[32] (%) | 95.3 | 96.0 | 101.2 |
| Direct investment yield[33] (%) | 2.5 | 2.8 | 2.6 |
| Total investment return[34] (%) | 1.6 | 2.9 | 3.6 |
| **Key ratios (as of and for the year ended 31 December 2015 adjusted to reflect the yA Bank Acquisition)[37]** | | *(unaudited)* | |
| RoATE[38] (%) | 26.6 | – | – |
| RoTE[39] (%) | 11.7 | – | – |
| Net banking income margin[40] (%) | 14.5 | – | – |
| Cost to income ratio (excluding insurance operations)[41] (%) | 44.8 | – | – |
| Cost of risk[42] (%) | 2.3 | – | – |

1) Total operating income for the Group less insurance operating income as per the segment notes.
2) The sum of Resurs's general administrative expenses, depreciation, amortisation and impairment of non-current assets and other operating expenses. For the year ended 31 December 2015, excluding the effects of the yA Bank Acquisition, Resurs's operating expenses were SEK 1,134,877 thousand.
3) For the year ended 31 December 2015, excluding the effects of the yA Bank Acquisition, Resurs's net profit for the period was SEK 591,470 thousand.
4) Interest income as a percentage of the average loan portfolio.
5) Net interest income as a percentage of the average loan portfolio.
6) Loan portfolio as a percentage of deposits from the public.
7) Common equity Tier 1 capital as a percentage of the risk exposure amount. Refers to the consolidated situation for 2015 and 2014 and to Resurs Bank for 2013.
8) Total eligible capital as a percentage of risk exposure amount. For an overview of Resurs's total eligible capital and risk exposure amount, see "*Operating and financial review–Funding, liquidity and capital resources–Capital liquidity*". Refers to the consolidated situation for 2015 and 2014 and to Resurs Bank for 2013.
9) Liquidity measurement defined by the CRR that measures a financial institution's ability to deal with a stressed net outflow of liquidity for 30 days. A LCR of 100 percent means that a financial institution's liquidity reserve is adequate to enable the institution to manage an unexpected liquidity outflow for 30 days. Refers to the consolidated situation for 2015 and 2014 and to Resurs Bank for 2013.
10) Credit losses, net as a percentage of the average loan portfolio.
11) Total operating expenses for the Group before credit losses as a percentage of total operating income.
12) Total operating expenses for the Group before credit losses, excluding insurance operating expenses (as per the segment notes), as a percentage of net banking income.
13) Net profit as a percentage of average total assets.
14) Net profit attributable to shareholders as a percentage of average tangible shareholder's equity for the period (tangible shareholder equity: shareholders' equity less intangible assets).
15) Adjusted net profit attributable to shareholders as a percentage of adjusted average tangible shareholder's equity for the period (tangible shareholder equity: shareholders' equity less intangible assets), with adjustments made to reflect certain post-tax one-off items. For the year ended 31 December 2015, adjusted net profit of SEK 699,517 thousand includes an adjustment of SEK 77,308 thousand for the post-tax impact (applicable effective tax rate of 25.8 percent) of SEK 104,189 thousand in one-off items comprised of: (a) transactions costs associated with the Offering (SEK 61,693 thousand); and (b) transaction costs associated with the yA Bank Acquisition (SEK 42,496 thousand), each of which were recorded under general administrative expenses in the year ended 31 December 2015. For the year ended 31 December 2015, adjusted tangible shareholder's equity of SEK 3,297,475 thousand also includes this adjustment of SEK 77,308 thousand for the post-tax impact of these one-off items. For the year ended 31 December 2015, excluding the effects of the yA Bank Acquisition, Resurs's Adjusted RoATE was 23.1 percent.
16) Net profit attributable to shareholders as a percentage of tangible shareholder's equity (tangible shareholder equity: shareholders' equity less intangible assets).
17) Total operating income for the Group less insurance income as per the segment notes as a percentage of the average loan portfolio.
18) The reconciliation of operating profit for the years ended 31 December 2013 and 2014, to adjusted net banking income is as follows:

| (SEK thousand) | For the year ended 31 December 2015 | 2014 | 2013 |
|---|---|---|---|
| **Operating profit/loss** | **838,219** | **616,919** | **380,335** |
| Credit losses, net | (374,863) | (350,699) | (169,120) |
| **Earnings before credit losses** | **1,213,082** | **967,618** | **549,455** |
| | | | |
| **Total expenses before credit losses** | **(1,157,987)** | **(998,897)** | **(664,041)** |
| **Total operating income** | **2,371,069** | **1,966,515** | **1,213,496** |
| Insurance operating income[a)] | 152,141 | 174,125 | 133,855 |
| **Net banking income** | **2,218,928** | **1,792,390** | **1,079,640** |
| Other operating income[(b)] | (15,246) | – | (147,813) |
| Interest income[(c)] | (9,654) | (38,996) | – |
| Fee and commission income[(d)] | – | (24,540) | – |
| **Adjusted net banking income** | **2,194,028** | **1,728,854** | **931,827** |

a) Insurance operating income as per the segment notes. For the year ended 31 December 2014, Insurance operating income includes one-off income of SEK 30,969 thousand resulting from a capital gain from the sale of Solid's home and auto insurance operations.
b) In 2015, one-off income from payments under agreement with Crédit Agricole regarding the acquisition of Finaref. In 2013, capital gain resulting from the sale of a credit portfolio.
c) Increase in interest income resulting from the release of provisions relating to the ONOFF bankruptcy in 2011.
d) Release of provisions and reserve amounts set aside by Resurs relating to excess interchange fees received under arrangements with certain parties.

19) Adjusted net banking income as a percentage of the average loan portfolio.
20) Net banking income less credit losses as a percentage of the average loan portfolio.
21) Net interest income less credit losses as a percentage of the average loan portfolio.
22) Gross doubtful receivables (amounts 60 days or more past due) over the loan portfolio.
23) Provisions for anticipated credit losses over gross doubtful receivables (amounts 60 days or more past due).

24) Tier 1 capital as a percentage of total assets including off balance sheet items with conversion factors according to "Basel III leverage ratio framework and disclosure requirements", January 2014.
25) Based on estimates by the Company. Available stable funding as a percentage of required stable funding (both as defined in CRD IV).
26) The key ratios applies to Solid.
27) Income generated from insurance premiums, outward reinsurance premiums, changes in provisions for unearned premiums and unexpired risks, net of reinsurers' shares of changes in provisions for unearned premiums and unexpired risks. See "*Operating and financial review–Description of principal income statement line items*".
28) Reported operating income for the insurance segment as per the segment notes.
29) Surplus solvency capital as a percentage of required solvency capital. Solvency capital is equity (unrealised gains fund, calculated on a gross basis), untaxed reserves and openly recognised surpluses (net) in assets less intangible assets. See "*Regulatory–Insurance business related regulation–Solvency regulations*".
30) Insurance compensation, net (expenses relating to claims paid and changes in provisions for claims outstanding, net of reinsurers' shares of claims paid and changes in provisions for claims outstanding) as a percentage of premium income, net. See "*Operating and financial review–Description of principal income statement line items*".
31) Acquisition and underwriting expenses, including expenses relating to partners, retailers and brokers for the sale of insurance products, as a percentage of premium income, net. See "*Operating and financial review–Description of principal income statement line items*".
32) Insurance compensation, net (expenses relating to claims paid and changes in provisions for claims outstanding, net of reinsurers' shares of claims paid and changes in provisions for claims outstanding), together with acquisition and underwriting expenses, including expenses relating to partners, retailers and brokers for the sale of insurance products, as a percentage of premium income, net. See "*Operating and financial review–Description of principal income statement line items*".
33) Average annual yield on the securities held in the investment portfolio of Resurs's insurance business.
34) Net interest income of the insurance business plus net income/(expense) from financial transactions of the insurance business as a percentage of the investment portfolio of the insurance business.
35) Consolidated situation (Resurs Holding and Resurs Bank and its subsidiaries, excluding MetaTech AS).
36) Resurs Bank only.
37) These key figures and ratios have been calculated based on information contained in "*Pro forma financial information*". See "*Pro forma financial information*" for information on the basis for preparation of the *pro forma* financial information.
38) *Pro forma* net profit attributable to shareholders as a percentage of average tangible shareholder's equity. Average tangible shareholder's equity is calculated as the sum of the closing tangible equity for the period (calculated as reported tangible equity plus the net profit of yA Bank for the period 1 January 2015 to 26 October 2015) and the opening tangible equity for the period (calculated as the closing tangible equity minus *pro forma* net profit attributable to shareholders for the period), divided by two. Excluding transaction costs associated with the Offering, RoATE was 27.9 percent adjusted to reflect the full-year effect of the yA Bank Acquisition.
39) *Pro forma* net interest income as a percentage of the *pro forma* average loan portfolio.
40) *Pro forma* total operating income less insurance income as per the segment notes as a percentage of the *pro forma* average loan portfolio. See "*Pro forma financial information*".
41) *Pro forma* total expenses of the Group before credit losses, excluding insurance operating expenses (as per the segment notes) as a percentage of *pro forma* net banking income. See "*Pro forma financial information*".
42) *Pro forma* credit losses, net as a percentage of the *pro forma* average loan portfolio. See "*Pro forma financial information*".

## Selected key figures and ratios of Finaref

The following table sets forth selected income statement and balance sheet information that has been extracted from the audited consolidated financial statements of Finaref, which have been prepared in accordance with IFRS and audited by Ernst & Young AB, as set forth in its audit report included elsewhere herein. Finaref presents its financial statements in SEK.

| (SEK million unless otherwise stated) | **As of and for the year ended 31 December 2013** |
|---|---|
| | *(audited)* |
| **Balance Sheet Data** | |
| Loans | 1,910 |
| **Total assets** | **1,986** |
| **Total liabilities** | **1,579** |
| **Total equity** | **407** |
| **Total liabilities and equity** | **1,986** |
| | |
| **Income Statement** | |
| Net interest income | 477 |
| Other income and expenses | 32 |
| Net banking income | 509 |
| Operating expenses | (237) |
| **Profit before credit losses** | **272** |
| Net credit losses | (52) |
| Profit before tax | 220 |
| **Net income** | **164** |
| | |
| **Key Ratios** | *(unaudited)* |
| Gross yield[1] (%) | 27.6 |
| Net interest margin[2] (%) | 25.2 |
| Cost of risk[3] (%) | 2.7 |
| Opex/average loans[4] (%) | 12.5 |
| Cost to income ratio[5] (%) | 46.6 |
| RoE[6] (%) | 40.3 |
| Net banking income margin[7] (%) | 26.8 |
| Risk adjusted net banking income margin[8] (%) | 24.1 |
| Risk adjusted net interest margin[9] (%) | 22.5 |

1) Interest income as a percentage of average loan portfolio. Gross yield was 23.3 percent in 2013 including SEK 349 million purchase price adjustment.
2) Net interest income as a percentage of the average loan portfolio. Net interest margin was 21.3 percent in 2013 including SEK 349 million purchase price adjustment.
3) Net credit losses as a percentage of the average loan portfolio.
4) Operating expenses as a percentage of average loan portfolio.
5) Operating expenses as a percentage of net banking income.
6) Net profit attributable to shareholders as a percentage of equity.
7) Net banking income as a percentage of average loan portfolio. Net banking income margin was 22.7 percent in 2013 including SEK 349 million purchase price adjustment.
8) Net banking income less net credit losses as a percentage of the average loan portfolio. Risk adjusted net banking income margin was 20.4 percent including SEK 349 million purchase price adjustment.
9) Net interest income less net credit losses as a percentage of the average loan portfolio. Risk adjusted net interest margin was 19.0 percent including SEK 349 million purchase price adjustment.

## Selected key figures and ratios of Dan-Aktiv

The following table sets forth selected income statement and balance sheet information that has been extracted from the audited consolidated financial statements of Dan-Aktiv, which have been prepared in accordance with Danish GAAP and audited by Pricewaterhouse Coopers, Statsautoriseret Revisionspartnerselskab, Denmark, as set forth in its audit report included elsewhere herein.

| | As of and for the year ended 31 December 2013 | |
|---|---|---|
| | *(SEK million)*[1)2)] | *(DKK million)* |
| **Balance sheet data**[1)] | *(unaudited)* | *(audited)* |
| Loans | 1,354 | 1,130 |
| **Total assets** | **1,402** | **1,170** |
| **Total liabilities** | **1,332** | **1,112** |
| Total equity | 70 | 58 |
| **Total liabilities and equity** | **1,402** | **1,170** |
| **Income Statement**[2)] | *(unaudited)* | *(audited, restated)* |
| Net interest income | 232 | 200 |
| Other income and expenses | 22 | 18 |
| **Net banking income** | **254** | **219** |
| Operating expenses | (90) | (77) |
| Profit before credit losses | 164 | 141 |
| Net credit losses | (113) | (98) |
| Profit before tax | 51 | 44 |
| **Net income** | **38** | **33** |
| **Key Ratios** | *(unaudited)* | |
| Gross yield[3)] (%) | 20.0 | 20.4 |
| Net interest margin[4)] (%) | 17.5 | 17.8 |
| Cost of risk[5)] (%) | 8.5 | 8.7 |
| Opex/average loans[6)] (%) | 6.7 | 6.9 |
| Cost to income ratio[7)] (%) | 35.4 | 35.4 |
| RoE[8)] (%) | 54.9 | 56.7 |
| Net banking income margin[9)] (%) | 19.1 | 19.4 |
| Risk adjusted net banking income margin[10)] (%) | 10.6 | 10.7 |
| Risk adjusted net interest margin[11)] (%) | 8.9 | 9.1 |

1) Converted balance sheet amounts included in Dan-Aktiv's financial statements that were not originally denominated in SEK have been translated into SEK using the period-end exchange rate. For the year ended 31 December 2013, the exchange rate used was 1 DKK = 1.1983 SEK. For the year ended 31 December 2012, the exchange rate used was 1 DKK = 1.1603 SEK.
2) Converted income statement amounts included in Dan-Aktiv's financial statements that were not originally denominated in SEK have been restated to track Resurs Bank's income statement line items and translated into SEK using the average exchange rate for the financial period. For the year ended 31 December 2013, the exchange rate used was 1 DKK = 1.15999 SEK.
3) Interest income as a percentage of average loan portfolio.
4) Net interest income as a percentage of the average loan portfolio.
5) Net credit losses as a percentage of the average loan portfolio.
6) Operating expenses as a percentage of average loan portfolio.
7) Operating expenses as a percentage of net banking income.
8) Net profit attributable to shareholders as a percentage of equity.
9) Net banking income as a percentage of the average loan portfolio.
10) Net banking income less net credit losses as a percentage of the average loan portfolio.
11) Net interest income less net credit losses as a percentage of average loan portfolio.

## Selected key figures and ratios of yA Bank AS

The following table sets forth selected income statement and balance sheet information that has been extracted from the audited financial statements of yA Bank as of and for the years ended 31 December 2015 and 2014. These financial statements have been prepared in accordance with simplified application of IFRS according to the Norwegian Accounting Act Section 3-9, and audited by KPMG AS, as set forth in its audit report included elsewhere herein.

| | As of and for the year ended 31 December | | | |
|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** |
| | *(SEK million)*[1) 3)] | | *(NOK million)* | |
| **Balance sheet data**[1)] | *(unaudited)* | | *(audited)* | |
| Loans[2)] | 3,577 | 2,718 | 3,743 | 2,585 |
| **Total assets** | **4,454** | **3,340** | **4,661** | **3,176** |
| Total equity | 495 | 380 | 519 | 362 |
| **Total liabilities and equity** | **4,454** | **3,340** | **4,661** | **3,176** |
| | | | | |
| **Income Statement**[3)] | | | | |
| Interest income | 397 | 313 | 379 | 287 |
| Interest expense | (89) | (89) | (85) | (82) |
| Net interest income | 308 | 224 | 294 | 205 |
| Other income and expenses | 78 | 33 | 75 | 31 |
| **Net banking income** | **386** | **257** | **369** | **236** |
| Operating expenses | (131) | (119) | (125) | (110) |
| Profit before credit losses | 256 | 138 | 244 | 126 |
| Net credit losses | (49) | (23) | (46) | (21) |
| Profit before tax | 207 | 115 | 198 | 105 |
| **Net income** | **151** | **83** | **144** | **77** |
| | | | | |
| **Key Ratios** | *(unaudited)* | | | |
| Gross yield[4)] (%) | 12.6 | 12.9 | 12.0 | 12.5 |
| Net interest margin[5)] (%) | 9.8 | 9.2 | 9.3 | 8.9 |
| Cost of risk[6)] (%) | 1.5 | 0.9 | 1.5 | 0.9 |
| Opex/average loans[7)] (%) | 4.2 | 4.9 | 3.9 | 4.8 |
| Cost to income ratio[8)] (%) | 33.8 | 46.4 | 33.8 | 46.4 |
| RoATE[9)] (%) | 34.9 | 24.3 | 33.1 | 23.5 |
| CET 1 ratio[10)] (%) | 14.5 | 14.6 | 14.5 | 14.6 |
| Risk adjusted net interest margin[11)] (%) | 8.3 | 8.3 | 7.8 | 8.0 |

1) Converted balance sheet amounts included in yA Bank's financial statements that were not originally denominated in SEK have been translated into SEK using the period-end exchange rate. For the year ended 31 December 2015, the exchange rate used was 1 NOK = 0.9556 SEK and for the year ended 31 December 2014, the exchange rate used was 1 NOK = 1.0516 SEK.
2) Including purchase price adjustments of NOK 45,904 thousand (SEK 43,866 thousand) as of 31 December 2015, the loan portfolio of yA Bank was NOK 3,697 million (SEK 3,533 million) as of 31 December 2015.
3) Converted income statement amounts included in yA Bank's financial statements that were not originally denominated in SEK have been translated into SEK using the average exchange rate for the financial period. For the year ended 31 December 2015, the exchange rate used was 1 NOK = 1.0472 SEK and for the year ended 31 December 2014, the exchange rate used was 1 NOK = 1.0894 SEK.
4) Interest income as a percentage of average loan portfolio.
5) Net interest income as a percentage of the average loan portfolio.
6) Net credit losses as a percentage of the average loan portfolio.
7) Operating expenses as a percentage of average loan portfolio.
8) Operating expenses as a percentage of net banking income.
9) Net profit attributable to shareholders as a percentage of average tangible shareholder's equity for the period (tangible shareholder equity: shareholders' equity less intangible assets).
10) Common equity Tier 1 capital as a percentage of the risk exposure amount.
11) Net interest income less net credit losses as a percentage of average loan portfolio.

# Pro forma financial information

## *Pro forma* financial information reflecting the yA Bank Acquisition

### Purpose of the *pro forma* financial information

Resurs completed the yA Bank Acquisition on 26 October 2015. The yA Bank Group (yA Bank and MetaTech) was acquired for consideration of approximately NOK 1,561 million, which has been hedged by entering into a currency swap at a SEK / NOK exchange rate of 1.0245, corresponding to SEK-denominated consideration of SEK 1,599 million. The acquisition was partly financed through share issues of 174,504 shares at a subscription price of SEK 7,163.60 per share, totalling SEK 1,250 million. The remainder of the purchase price was paid through Resurs's existing cash equivalents. Since the interest rate for these funds is close to zero, no adjustments are made for interest income. See "*Operating and financial review–Key factors affecting our results of operations–Acquisitions and geographic expansion*", and "*Legal considerations and supplementary information–Material contracts–Acquisitions and disposals*". The transaction will have a direct effect on Resurs's future earnings, financial condition and cash flows.

The Company has prepared unaudited *pro forma* financial information as of and for the year ended 31 December 2015 to illustrate the effect that the yA Bank Acquisition might have had on Resurs if the yA Bank Acquisition had been completed on 1 January 2015 for purposes of the unaudited *pro forma* income statement.

The *pro forma* financial information has been included to describe a hypothetical situation, has been prepared for illustrative purposes only and should be read in conjunction with the information contained in "*Selected consolidated historical financial and other data*", "*Operating and financial review*" and Resurs's audited consolidated financial statements as of and for the year ended 31 December 2015. The unaudited combined *pro forma* financial information does not include all of the information required for financial statements under IFRS.

Moreover, the *pro forma* financial information may not necessarily reflect Resurs's actual results of operations if the yA Bank Acquisition had actually been completed on such earlier date and such *pro forma* financial information should not be considered to be indicative of Resurs's results of operations for any future period. Accordingly, potential investors should not pay undue attention to the *pro forma* financial information.

### Basis for the *pro forma* financial information

The *pro forma* financial information is based on:

- Resurs's audited consolidated financial statements included in this Offering Memorandum as of and for the year ended 31 December 2015, in which the yA Bank Group is consolidated as of 26 October 2015; and
- information extracted from the yA Bank Group's unaudited management accounts as of and for the period 1 January 2015 to 26 October 2015, which have been prepared in accordance with Norwegian GAAP.

The *pro forma* financial information has been compiled on a basis consistent with IFRS and Resurs's accounting policies as described in Resurs's audited consolidated financial statements as of and for the year ended 31 December 2015 included elsewhere in this Offering Memorandum.

No *pro forma* adjustments have been made for synergies or integration costs in the *pro forma* financial information.

The unaudited *pro forma* financial information has been presented in SEK, which is Resurs's presentation currency. The unaudited management accounts of the yA Bank Group are presented in NOK and have been converted into SEK using the exchange rates used by Resurs for Group consolidation purposes for the period 1 January 2015 to 26 October 2015. For purposes of the income statement, the average SEK/NOK exchange rate during this period was SEK 1.0000 to NOK 1.0571.

### *Pro forma* adjustments

The *pro forma* adjustments are described in more detail below in the notes to the *pro forma* financial information. The above description is more general in nature. Unless otherwise stated, the adjustments are recurring in nature.

### Adjustment for difference in IFRS application

The yA Bank Group has historically applied Norwegian GAAP but, as of and for the year ended 31 December 2015, yA Bank has prepared its financial statements in accordance with simplified application of IFRS according to the Norwegian Accounting Act Section 3-9. In preparing the *pro forma* financial information, an analysis has been made by the Company to determine if there any significant differences between the accounting principles applied by Resurs according to IFRS and those applied by the yA Bank Group according to Norwegian GAAP, and the assessment is that there are no material differences. In the *pro forma* financial information, adjustments have been made in order to align the presentation of the financial statements with format of Resurs's presentation of its financial statements.

## Unaudited *pro forma* income statement for the year ended 31 December 2015

| (SEK million) | Resurs<br>Audited financial information in accordance with IFRS for the period 1 January to 31 December 2015 | yA Bank Group<br>Unaudited financial information in accordance with Norwegian GAAP for the period 1 January to 26 October 2015 | Total | *Pro forma* adjustments | *Pro forma* income statement |
|---|---|---|---|---|---|
| Interest income | 1,995 | 332 | 2,327 | – | 2,327 |
| Interest expense | (213) | (73) | (286) | – | (286) |
| Fee and commission income | 232 | 41 | 273 | – | 273 |
| Fee and commission expense, banking operations | (39) | (12) | (50) | – | (50) |
| Premium income, net | 1,167 | – | 1,167 | – | 1,167 |
| Insurance compensation, net | (505) | – | (505) | – | (505) |
| Fee and commission expense, insurance operations | (420) | – | (420) | – | (420) |
| Net income/expense from financial transactions | (35) | – | (35) | – | (35) |
| Profit/loss from participations in group companies | (0) | – | (0) | – | (0) |
| Other operating income | 189 | 14 | 203 | – | 203 |
| **Total operating income** | **2,371** | **303** | **2,674** | **–** | **2,674** |
| General administrative expenses | (990) | (82) | (1,071) | 43[1)] | (1,029) |
| Depreciation, amortisation and impairment of non-current assets | (16) | (2) | (19) | (7)[2)] | (26) |
| Other operating expenses | (152) | (16) | (168) | – | (168) |
| **Total expenses before credit losses** | **(1,158)** | **(100)** | **(1,258)** | **35** | **(1,222)** |
| Earnings before credit losses | 1,213 | 203 | 1,416 | 35 | 1,452 |
| Credit losses, net | (375) | (30) | (405) | – | (405) |
| **Operating profit** | **838** | **174** | **1,012** | **35** | **1,047** |
| Income tax expense | (216) | (47) | (263) | 2[3)] | (261) |
| **Net profit for the period** | **622** | **127** | **749** | **37** | **786** |

## Notes to the *pro forma* financial information

### (1) Transaction costs

The *pro forma* income statement for the year ended 31 December 2015 has been presented as if the external transaction costs relating to Resurs's acquisition of the referenced businesses had been recognised before 1 January 2015. Hence, adjustments have been made in the *pro forma* income statement to exclude all external transaction costs regarding the yA Bank Acquisition. In the year ended 31 December 2015, there is a SEK 42,496 thousand adjustment for total recognised transaction costs.

As the transaction costs will not affect taxable profit, no adjustment for tax is made. The transaction costs and the *pro forma* adjustments for these costs are non-recurring in nature.

### (2) Purchase accounting regarding the yA Bank Acquisition

The preliminary PPA for the period ended 31 December 2015 is based on a total consideration transferred of NOK 1,561 million, which has been hedged by entering into a currency swap at a SEK / NOK exchange rate of 1.0245 corresponding to SEK-denominated consideration of SEK 1,599 million. In total, SEK 112 million (NOK 110 million) of additional intangible assets was identified and adjusted for, and will be amortised over the useful life of the respective intangible assets. The PPA is as follows:

| The provisionally fair value of identifiable assets acquired and liabilities assumed | SEK million |
|---|---|
| **Assets** | |
| Treasury and other bills eligible for refinancing | 54 |
| Lending to credit institutions | 267 |
| Lending to the public | 3,644 |
| Bonds and other interest-bearing securities | 373 |
| Shares and participating interests | 1 |
| Intangible assets | 116 |
| Property plant and equipment | 2 |
| Other assets | 9 |
| Prepaid expenses and accrued income | 5 |
| **Total assets** | **4,471** |
| **Liabilities and provisions** | |
| Deposits and borrowing from the public | 3,311 |
| Other liabilities | 91 |
| Accrued expenses and deferred income | 76 |
| Subordinated debt | 41 |
| Issued securities | 410 |
| **Total liabilities and provisions** | **3,929** |
| **Total identifiable net assets** | **542** |
| **Consideration at 26 October 2015** | |
| Cash | 1,599 |
| **Total consideration transferred** | **1,599** |
| **Goodwill** | **1,057** |

The amortisation is based on the following assumptions: approximately NOK 78 million of the identifiable intangible assets has been assigned a useful life of 15 years and NOK 32 million is amortised over 10 years. The impact on amortisation for 2015, arising from the preliminary fair value adjustments to the carrying amounts of intangible assets in the unaudited *pro forma* income statement, amounts to SEK 7 million (NOK 7 million) for the period 1 January 2015 to 26 October 2015. As the intangible assets are amortised, this will result in a deferred tax income of SEK 2 million for 2015 based on the corporate tax rate in Norway of 25 percent.

### (3) Tax income

A tax income of SEK 2 million has been added to the management accounts, which is based on the local corporate tax rate in Norway (25 percent) as stated in note 2.

## Unaudited *pro forma* financial information and other data

| (SEK million unless otherwise stated) | For the year ended 31 December 2015 |
|---|---|
| | *(unaudited)* |
| Total operating income | 2,674 |
| Operating profit/(loss) | 1,047 |
| Net profit for the period | 786 |
| Earnings per share (SEK) | 3.93 |
| Cost to income ratio (%) | 45.7 |

## Definitions regarding *pro forma* KPIs

### Cost to income ratio

*Pro forma* total expenses before credit losses, as a percentage of *pro forma* total operating income.

### Earnings per share

The *pro forma* earnings per share is calculated as net profit attributable to shareholders in relation to the average number of shares outstanding as if the transaction had taken place on the 1 January 2015. The *pro forma* net result for 2015 is divided with 200 million shares, which is the number of shares that would have been outstanding at 1 January 2015 if the transaction would have taken place at that point in time and also coincides with the actual number of outstanding shares at 31 December 2015.

# Auditor's report on the pro forma financial information

To the Board of Directors of Resurs Holding AB (publ), reg. no. 556898-2291

We have audited the *pro forma* financial information presented on pages 106–108 of the Offering Memorandum of Resurs Holding AB (publ) dated April 17, 2016 (the "**Offering Memorandum**").

The *pro forma* financial information has been prepared for illustrative purposes only to provide information about how the acquisition of the yA Bank Group might have had an impact on the consolidated income statement of Resurs Holding AB for the period 1 January 2015 to 31 December 2015, if the acquisition had been completed on 1 January 2015.

## Responsibility of the Board of Directors

It is the responsibility of the Board of Directors to prepare the *pro forma* financial information in accordance with the requirements of the Prospectus Regulation 809/2004/EC.

## The Auditor's responsibility

It is our responsibility to provide an opinion pursuant to Annex II Item 7 of the Prospectus Regulation 809/2004/EC. We are not responsible for expressing any other opinion on the *pro forma* financial information or any of its constituent elements. We do not accept any responsibility for any financial information used in the compilation of the *pro forma* financial information beyond that we have for auditor's reports regarding historical financial information issued in the past.

## Work performed

We have conducted our work in accordance with FAR's recommendation RevR 5 Examination of Financial Information in Prospectuses. This recommendation requires that we comply with ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work, which involved no independent review or audit of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, assessing the evidence supporting the *pro forma* adjustments and discussing the *pro forma* financial information with the management of the company.

We planned and performed our work so as to obtain the information and explanations that we considered necessary to obtain reasonable assurance that the *pro forma* financial information has been properly complied on the basis stated on page 106 and that such basis is consistent with the accounting policies of the company.

## Other disclosures

Our work has not been carried out in accordance with auditing, assurance or other standards and practices generally accepted in other jurisdictions, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

## Opinion

In our opinion, the *pro forma* financial information has been properly compiled on the basis stated on page 106 of the Offering Memorandum; and that basis is consistent with the accounting policies of Resurs Holding AB (publ).

Helsingborg, 17 April 2016

Ernst & Young AB

/s/Niklas Paulsson

Niklas Paulsson

*Authorised Public Accountant*

# Operating and financial review

*The following commentary should be read together with the "Capitalisation, indebtedness and other financial information", "Selected consolidated historical financial and other data", "Pro forma financial information", the Company's audited consolidated financial statements as of and for the years ended 31 December 2015, 2014 and 2013, which were audited by Ernst & Young AB, as set forth in its audit report included elsewhere herein. The Company's consolidated financial statements have each been prepared in accordance with IFRS.*

*This section may contain "forward looking statements". Such statements are subject to numerous risks, uncertainties and other factors, including those set forth under the heading "Risk Factors", that could cause Resurs's future results of operations, financial condition or cash flows to differ materially from those expressed or implied in such forward looking statements. See "Important information–Forward-looking statements" for a discussion of risks associated with reliance on forward-looking statements.*

## Overview

Resurs is a leading provider of payment solutions (including retail finance and credit cards), consumer loans and targeted insurance products in the Nordic region. As of 31 December 2015, Resurs offered payment solutions and consumer loans to approximately 1.2 million customers (including approximately 50,000 customers in Norway as a result of the yA Bank Acquisition) with outstanding balances across the Nordic region, and had a loan portfolio of SEK 18.2 billion (including a loan portfolio of SEK 3.5 billion acquired in the yA Bank Acquisition), with more than SEK 19.9 billion in new lending in the year ended 31 December 2015. Resurs has consistently expanded its operations and its loan portfolio has increased from SEK 9.3 billion as of 31 December 2013 to SEK 18.2 billion as of 31 December 2015, which corresponds to a compound annual growth rate of 40.2 percent (including the SEK 3.5 billion loan portfolio of yA Bank).

From its headquarters in Helsingborg, Sweden, Resurs has developed long-term relationships with a significant number of the largest retail companies in the Nordic region and, as of 31 December 2015, offered retail finance solutions through more than 1,200 retail finance partners, with a network of approximately 35,000 stores. As of 31 December 2015, Resurs had more than 2.4 million active individual retail finance customers, with an average initial loan size of approximately SEK 1,550. Resurs builds its retail finance customer base and increases sales penetration through partnerships with online, click-and-brick and brick-and-mortar retailers. Management believes that its ability to develop its offering on an "omni-channel" (online, offline and mobile) basis and approach retail customers across a variety of retail channels is a key competitive advantage that helps to ensure broad penetration of the Company's retail finance products and coverage of a diverse range of consumer demographic profiles. Resurs monitors and collects information from its payment solutions and consumer loans customers, including credit utilisation and spending data, payment pattern and credit history information, which Resurs stores in what management believes to be one of the largest internal databases that includes this type of consumer information in the Nordic region.

Resurs's business model is to leverage its retail finance operations, including its relationships with retail finance partners, robust internal database and industry knowledge base, to generate a large and diverse group of potential credit card and consumer loan customers, and to accurately and effectively sell its credit card and consumer loan products to these potential customers. Resurs markets its credit card and consumer loan products to existing customers, primarily via direct mail, telemarketing and in monthly statements sent to customers, and to new customers via mass communications, online marketing and a trusted network of brokers. Resurs further leverages its large and diverse customer base by offering its customers a range of targeted insurance policies that protect retail products (e.g., product insurance relating to electronics and home appliances), PPI and travel insurance.

Resurs's management believes that risk management is most effective when the approach employed is tailored to the specific characteristics of both the product offered and the customer to whom the product is offered. Depending on the product, Resurs's risk management and underwriting systems automatically select from a large variety of applicant scoring templates and models, which are used to organise and filter applicant information. This information is then checked against Resurs's credit and lending policies to generate a final lending decision. In addition, depending on the product type and loan size, Resurs uses information in its internal database and from other data sources to engage in risk-based pricing, pursuant to which unique applicant information is combined with credit bureau data to generate a tailored final lending decision for the respective applicant.

Resurs's product offering, local retail knowledge and geographic presence have been enhanced by several acquisitions during the audited three-year period presented in the Offering Memorandum. Resurs completed the Ellos Business Acquisition in 2013, which added a significant number of customers to its internal database and significantly broadened its retail finance offering. The acquisitions of Finaref and Dan-Aktiv in 2014 helped Resurs to strengthen its geographic footprint and increased its retail finance and consumer loan operations throughout the Nordic region, particularly in Finland and Denmark. On 26 October 2015, Resurs acquired yA Bank, a Norwegian consumer finance bank, pursuant to which Resurs acquired yA Bank's consumer loan portfolio, retail deposits, relationships with retail finance partners and broker network in Norway, as well as its credit card customer base and internal customer database. These acquisitions have helped Resurs to achieve a geographically diverse business across the Nordic region, with 49.2 percent, 28.5 percent, 11.0 percent and 11.3 percent, respectively, of its loan portfolio in Sweden, Norway, Finland and Denmark, respectively, as of 31 December 2015.

Resurs's funding base consists of retail deposits, equity, ABS, MTN and bank loans, which represented 69 percent, 21 percent, 6 percent, 3 percent and 1 percent, respectively, of Resurs's funding mix (measured based on carrying value) as of 31 December 2015. As of 31 December 2015, Resurs had approximately 52,500 corporate and personal deposit accounts in Sweden and, as a result of the yA Bank Acquisition, approximately 46,000 accounts in Norway. ABS issuances are facilitated by the credit performance of Resurs's consumer loan portfolio and the availability of extensive credit performance data and internal database information. In order to help to limit its dependency on any one funding source, Resurs seeks to further diversify its funding base over time.

## Key factors affecting Resurs's results of operations

Resurs's operations, the key operating measures discussed below and its results of operations have been, and may continue to be, affected by certain key factors including, in particular, the macroeconomic environment in the Nordic region, acquisitions and geographic expansion, Resurs's loan portfolio development, interest expenses and funding, interest rates, credit losses, product mix, operating costs, competition, regulatory considerations, the effects of foreign currency exchange rate fluctuations and certain drivers specific to Resurs's insurance segment. Each of these factors is discussed in more detail below.

### Macroeconomic environment in the Nordic region

Resurs provides its payment solutions, consumer loan and retail deposit products solely in the Nordic region, and it provides its insurance products predominately in the Nordic region. The macroeconomic environment in the Nordic region affects the results of operations of Resurs, in particular with respect to demand for payment solutions and consumer loan products, the performance of the loan portfolio of Resurs, the availability of funding, interest expenses and net interest margin of Resurs. For example, global and local monetary policies, which are determined and controlled by central banks in response to macroeconomic fundamentals, have a direct impact on the market interest rates and thus affect the interest expenses, funding and net interest margin of Resurs.

Resurs's management reviews and tracks various macroeconomic indicators in the markets in which Resurs operates, in particular interest and unemployment rates, as well as gross domestic product developments and disposable income and retail spending levels. Fluctuations in gross domestic product, retail spending and interest rates in the Nordic region can have a significant impact on the growth of the consumer credit markets, demand for Resurs's products, Resurs's net interest margin development and Resurs's cost of risk. For example, increased retail spending can directly drive demand for Resurs's payment solutions and consumer loans, which is largely dependent on retail sales volumes and the willingness of consumers to use credit to purchase goods and services. Similarly, lower interest rates can reduce customer borrowing costs, which could potentially drive demand for Resurs's products and can increase Resurs's net interest margin by reducing its interest expenses. Conversely, higher interest rates can potentially reduce new loan origination and increase credit losses as customers may be unable to make interest payments.

Macroeconomic factors and trends may also impact the number of customers who qualify for Resurs's payment solutions and consumer loans, which could, in turn, adversely impact Resurs's ability to maintain or grow its loan portfolio. For example, high levels of unemployment may reduce the number of customers who qualify for Resurs's products, as Resurs's templates and analytical models generate approvals or rejections based in part on each applicant's employment status. In addition, customer default rates and credit losses are highly correlated with unemployment levels.

The Nordic region generally benefits from strong macroeconomic fundamentals, both in absolute terms and in comparison to the broader Eurozone. Within the

Nordic region, local economies are subject to a variety of unique drivers that can impact local economies and markets more than others. For example, Finland has experienced slower growth and weaker macroeconomic fundamentals than Sweden, Norway and Denmark in recent years. While Norway has experienced economic volatility resulting, in part, from the decline and general instability of oil prices over the last 18 months, Resurs has not experienced material change in new loan development or total operating income derived from its operations in Norway. For historic information on certain of the macroeconomic indicators in the markets in which Resurs operates, see "*Industry overview*". Resurs's management reviews macroeconomic indicators, together with the credit utilisation and spending data, payment pattern and credit history information in Resurs's internal database, to identify trends and adapt its operations to respond to changes in the macroeconomic environment. For example, in response to increasing unemployment levels and the global economic downturn in 2008 and 2009, Resurs reduced its sales and marketing and new lending operations in all of its markets. In addition, depending on market circumstances, Resurs has previously adjusted its risk-based pricing models to manage its risk profile and maintain the quality and performance of its consumer loan portfolio. For example, in 2008 and 2009, Resurs adjusted its risk-based pricing models to reflect stricter underwriting criteria, which had an adverse effect on the development of its loan portfolio but helped to manage risk and mitigate credit losses. As the macroeconomic fundamentals in the Nordic region have improved in recent years, Resurs adjusted its risk-based pricing models and underwriting criteria to broaden and increase the diversity of its customer base, which has had a positive impact on the development of its loan portfolio and its ability to sell consumer loans to existing customers.

## Acquisitions and geographic expansion

Resurs primarily has operations in Sweden, Finland, Norway and Denmark, and also has certain insurance operations in Great Britain, Switzerland and various other countries in Europe. Resurs has continuously increased its operations outside of Sweden and has increased its market presence in Finland, Norway and Denmark during the audited three-year period presented in the Offering Memorandum. Since 2012, a key driver of Resurs's loan portfolio development and its total operating income has been its expansion into, and development of, the markets for payment solutions and consumer loans across the Nordic region. Resurs seeks to acquire companies with positive integration characteristics and that can help to increase the scale and size of Resurs's operations in the markets in which it operates. With respect to integration characteristics, Resurs has focused on acquiring companies that share similar histories and operational objectives regarding the retail industry, and that already provide a similar selection of the products and services that Resurs offers throughout the Nordic region. With respect to scale, Resurs has focused on acquiring companies that have well-developed local operations and expansive customer bases, which can provide local expertise and broaden the number of potential qualifying customers to whom to sell Resurs's credit cards and consumer loans. As a result of its geographic expansion, Resurs is able to offer its multinational retail finance partners a cross-border solution, which has helped to attract and retain customers and has generally contributed to positive development of Resurs's loan portfolio during the audited three-year period presented in the Offering Memorandum.

Resurs has generally experienced success in expanding its operations geographically, including the successful Ellos Business Acquisition, the 2014 Acquisitions and the yA Bank Acquisition. In October 2013, Resurs completed the Ellos Business Acquisition, which increased its e-commerce business and its exposure to retail finance, particularly with respect to the female fashion segment of the retail industry, which was previously underrepresented within Resurs's retail finance business. On 1 April 2014, Resurs acquired Finaref, pursuant to which it acquired Finaref's consumer loan operations, including its consumer loan portfolio, customer base and internal database. The acquisition of Finaref generally expanded Resurs's consumer loan portfolio and its operations and scale in Finland, Norway and Sweden. For selected income statement and balance sheet information regarding Finaref, see "*Selected consolidated historical financial and other data–Selected key figures and ratios of Finaref*". Concurrently with the acquisition of Finaref, Resurs acquired Dan-Aktiv, one of Denmark's largest in-store point-of-sale providers of retail finance solutions, pursuant to which Resurs acquired one of the most advanced point-of-sale platforms in Denmark. In addition, Resurs acquired Dan-Aktiv's relationships with retail finance partners in Denmark, its retail finance customer base, internal database and consumer loans operations. As Dan-Aktiv offered both retail finance and consumer loan products, the acquisition of Dan-Aktiv generally expanded Resurs's payment solutions and consumer loans loan portfolios equally. For selected income statement and balance sheet information regarding Dan-Aktiv, see "*Selected consolidated historical financial and other data–Selected key figures and ratios of Dan-Aktiv*". On 26 October 2015, Resurs acquired yA Bank, a Norwegian consumer finance bank, which generally expanded Resurs's operations in Norway. As a result of the yA Bank Acquisition, Resurs acquired yA Bank's retail deposits, credit card customer base and internal database in Norway, as well as yA Bank's relationships with retail finance partners and its robust relationships with brokers in Norway. In addition, as a result of the yA Bank Acquisition, Norway has become Resurs's second largest market by loan portfolio amount. For selected income statement and balance sheet information regarding yA Bank, see "*Selected consolidated historical financial and other data–Selected key figures and ratios of yA Bank AS*".

During the audited three-year period presented in the Offering Memorandum, Resurs has focused on its targeted insurance offering and divested non-core assets of its insurance segment, which has had a positive impact on Resurs's results of operations. In January 2014, Resurs sold its non-core home and auto insurance business, which has helped to manage Resurs's risk exposure and has helped to increase the profitability of its insurance segment during the audited three-year period presented in the Offering Memorandum. In addition, in April 2015, Resurs acquired a portfolio of Swedish bicycle insurance customers from Falck Försäkringar, which has helped to increase the total operating income of Resurs's insurance segment during the year ended 31 December 2015 and has further diversified Resurs's targeted insurance business. For the years ended 31 December 2013, 2014 and 2015, Resurs's insurance segment generated operating profit of SEK 41,611 thousand, SEK 98,555 thousand and SEK 60,983 thousand, respectively.

Resurs's management expects to continue to selectively pursue potential opportunities to expand its geographical presence and increase its market share in the countries in which it operates, and will also consider further sales of non-core assets that are ancillary to its business or operations. See "*Business description–Strategy–Continue pursuing selective acquisitions*".

## Loan portfolio development

Resurs has successfully developed and expanded its loan portfolio over the last 30 years, and its ability to increase the size of its loan portfolio (through acquisition or otherwise) has been the most significant contributing factor to the growth of total operating income during the audited three-year period presented in the Offering Memorandum. The growth of Resurs's loan portfolio is largely dependent on the volume and quality of applications received for its retail finance products, and Resurs's ability to identify and successfully sell products and increase its new loan development to existing customers who meet its underwriting criteria and satisfy its risk management policies. In addition, the development of Resurs's loan portfolio is significantly impacted by the credit conversion rate (the extent to which outstanding credit balances with customers are not paid down in the first month or specified term and become loan balances) of its products. Resurs primarily drives the growth of its loan portfolio by: (i) optimising its retail finance operations, including its relationships with retail finance partners and developed product offering, to generate and provide Resurs with access to a large and diverse base of customers; and (ii) leveraging these operations, its customer base and its robust internal database to more accurately and efficiently sell its credit card and consumer loan products to its existing customers. Resurs also drives the growth of its loan portfolio by marketing its credit card and consumer loan products to new customers. Resurs aims to benefit from organic and acquisition driven growth of its loan portfolio, and to manage the growth of its payment solutions and consumer loan products by maintaining its focus on the development of effective underwriting criteria and risk management.

To further optimise its retail finance operations and drive new loan development, Resurs has generally focused on locally and internationally expanding its retail finance operations through increasing its number of retail finance partners, continuing to strengthen and improve its relationships with existing retail finance partners and developing and expanding its product offering. See "*Business description–Sales and marketing*". Resurs has experienced an increase in new loan development resulting from an increase in its number of retail finance partners. As the development of Resurs's loan portfolio is impacted in large part by credit conversion, Resurs generally markets its retail finance products to capital goods retailers that offer large ticket items or have higher average ticket prices (stores with average ticket prices of over SEK 3,000), and aims to offer its products as payment solutions for large ticket items, which generally take a longer period of time to pay off. Resurs also markets its retail finance products to retailers that operate in retail segments that typically have higher retail finance credit conversion rates, which, in some instances, also have average ticket prices below SEK 3,000. As a result, for the years ended 31 December 2014 and 2015, the credit conversion rate of Resurs's retail finance operations remained consistent at approximately 60 percent. For retail finance loans generated in the year ended 31 December 2015, the average outstanding balance of such loans at the time of origination was approximately SEK 1,550. Resurs's retail finance credit conversion strategy and longer loan durations generally impact total operating income due to the generation of interest income on outstanding loan amounts. As Resurs markets its other products to existing customers in its monthly invoices, loans with longer loan durations can increase Resurs's sales and marketing opportunities. In addition, Resurs has increased its sales and marketing efforts and business support activities, which has helped to maintain the average credit penetration rate across its retail finance partners during the audited three-year period presented in the Offering Memorandum. Resurs's management believes that its customer relationship management and relationships with retail finance partners have helped to drive retail sales of its retail finance partners, contributed to increase in-store and e-commerce marketing efforts by retail finance partners and stimulated consumer awareness of, and applications for, Resurs's retail finance products, which has positively impacted Resurs's loan portfolio development.

Management has also focused on developing and expanding Resurs's product offering through its omni-channel offering and by diversifying its product mix, which has increased its ability to approach and offer products to retail customers across a variety of retail channels, and has helped to increase new loan development and total operating income during the audited three-year period presented in the Offering Memorandum. See "*Business description–Key strengths*" and "*Business description–Sales and marketing*". As e-commerce purchases managed by Resurs are also comprised of high volume, low ticket purchases that can be quickly paid off by customers, Resurs's e-commerce offering has had an adverse effect on the retail finance credit conversion rate of Resurs, which can reduce the growth rate of Resurs's loan portfolio. As a result, Resurs's loan portfolio growth rates are generally higher when excluding its largest e-commerce retail finance partners, particularly with respect to the loan portfolio related to Resurs's retail finance operations. However, Resurs has experienced greater penetration of retail finance partner sales through the online channel, as compared to penetration of retail finance partner sales through the offline in-store channel, which has helped to increase new loan development and Resurs's loan portfolio during the audited three-year period presented in the Offering Memorandum. Resurs's e-commerce offering has also increased the amount and quality of data in its internal database. In addition, Resurs has developed its mobile offering via Loyo, which management believes can help to drive growth and development of the loan portfolio by increasing customer awareness of, and demand for, Resurs's product offering. See "*Business description–Sales and marketing*". Loyo has also had a positive impact on Resurs's ability to sell to existing customers, and was awarded "Bank app of the year" in 2015 by the financial weekly magazine Privata Affärer.

Resurs also drives growth of its loan portfolio and total operating income by leveraging its retail finance operations, customer base and robust internal database to sell its credit cards and consumer loans to qualified existing customers. To a lesser extent, Resurs also markets its credit cards and consumer loans to potential new customers through untargeted marketing channels, including brokers and mass communication. See "*Business description–Sales and marketing*". The success of Resurs's sales and marketing activities is dependent on its ability to identify qualified customers for its marketing campaigns and offers, which Resurs primarily accomplishes by utilising the information and data in its internal database. The success is also dependent on the effectiveness and reach of Resurs's sales and marketing efforts. There is a correlation between the quality and amount of data in its internal database and the accuracy and effectiveness with which Resurs can identify and target customers. Generally, higher quality data over a longer period of time allows Resurs to target its marketing at a more select group of potential customers, which can generate a higher response rate, reduce sales and marketing expenses relating to the development of its loan portfolio and help to manage risk and credit losses. Using its internal database and analytical models, Resurs is able to identify and make offers to customers that would generally be rejected, but for which it has positive credit utilisation and spending, payment pattern and credit history data in its internal database, which can help to increase Resurs's loan portfolio and total operating income.

As a result of the foregoing drivers, Resurs has significantly increased its reported loan portfolio during the audited three-year period presented in the Offering Memorandum, SEK 9,258,334 thousand as of 31 December 2013 to SEK 18,198,175 thousand as of 31 December 2015 (including a loan portfolio of SEK 3.5 billion as a result of the yA Bank Acquisition). Resurs has generally experienced the strongest new loan development during the fourth quarter of each year due to the seasonal holiday and Christmas consumer consumption trends, and has experienced a lower growth rate of new loan development in the first quarter of each year as a significant number of customers pay down their outstanding balances generated in the fourth quarter. The seasonal impact of consumer and payment trends can also affect Resurs's net interest margin and net banking interest margin. These trends have been reinforced during the audited three-year period presented in the Offering Memorandum as Resurs's has expanded its consumer loans business. The following table sets forth a breakdown of Resurs's reported loan portfolio development and its loan portfolio by country as of the dates indicated:

| SEK thousand | As of 31 December 2015 | 2014 | 2013 | CAGR[1)] |
|---|---|---|---|---|
| | | (audited) | | % |
| Sweden | 8,960,419 | 8,285,639 | 7,198,753 | 11.6 |
| Norway | 5,178,221[2)] | 1,566,574 | 777,106 | 171.3 |
| Finland | 1,996,679 | 2,001,147 | 728,985 | 65.5 |
| Denmark | 2,062,855 | 2,070,015 | 553,490 | 92.6 |
| **Total** | **18,198,175** | **13,923,375** | **9,258,334** | **40.2** |

1) CAGR during the period from 31 December 2013 to 31 December 2015.
2) Includes loan portfolio of yA Bank of NOK 3,697 million (SEK 3,533 million) as of 31 December 2015 (including purchase price adjustments of NOK 45,904 thousand (SEK 43,866 thousand)) as a result of the yA Bank Acquisition.

During the audited three-year period presented in the Offering Memorandum, Resurs's reported loan portfolio increased in large part due to the completion of several acquisitions and asset purchases, including the yA Bank Acquisition, the 2014 Acquisitions, the purchase of a loan portfolio of Swedish and Norwegian loans with an aggregate principal amount of SEK 113,772 thousand from La Redoute in the second half of 2014 and the Ellos Business Acquisition in 2013. For example, Resurs's reported loan portfolio increased by SEK 4,274,800 thousand, or 30.7 percent, from SEK 13,923,375 thousand as of 31 December 2014 to SEK 18,198,175 thousand as of 31 December 2015, primarily as a result of the yA Bank Acquisition, which, based on the value of the loan portfolio of yA Bank as of the date of the yA Bank Acquisition (including purchase price adjustments), increased the reported loan portfolio by SEK 3,644,348 thousand, or 26.2 percent, as of 31 December 2015 compared to the previous period. Based on the value of the loan portfolio of yA Bank as of 31 December 2015 (including purchase price adjustments), the reported loan portfolio increased by SEK 3,532,879 thousand, or 25.4 percent, as of 31 December 2015 compared to the previous period. Similarly, Resurs's reported loan portfolio increased by SEK 4,665,041 thousand, or 50.4 percent, from SEK 9,258,334 thousand as of 31 December 2013 to SEK 13,923,375 thousand as of 31 December 2014, primarily due to the impact of the 2014 Acquisitions, which, based on the values of the loan portfolios of Finaref and Dan-Aktiv as of the date of the 2014 Acquisitions, increased the loan portfolio by SEK 3,661,180 thousand, or 39.5 percent, as of 31 December 2014 compared to the previous period (SEK 2,329,479 thousand (including portfolio write-up) from Finaref and SEK 1,331,701 thousand from Dan-Aktiv). Furthermore, Resurs's reported loan portfolio increased to SEK 9,258,334 thousand as of 31 December 2013, due in large part to the impact and effects of the Ellos Business Acquisition, which, based on the value of the related loan portfolio at the time of the Ellos Business Acquisition, increased the reported loan portfolio by SEK 1,663,087 thousand as of 31 December 2013.

Resurs has driven the organic growth of its loan portfolio by focusing on its business model and operational strategies related to new loan development.

Excluding the effects of the yA Bank Acquisition and based on the value of the loan portfolio of yA Bank as of the date of the yA Bank Acquisition (including purchase price adjustments), Resurs's loan portfolio increased by SEK 630,452 thousand, or 4.5 percent, to SEK 14,553,827 thousand in 2015 as compared to the previous period. Excluding the effects of the yA Bank Acquisition and based on the value of the loan portfolio of yA Bank as of 31 December 2015 (including purchase price adjustments), Resurs's loan portfolio increased by SEK 741,921 thousand, or 5.3 percent, to SEK 14,665,296 thousand in 2015 as compared to the previous period. In the period following the yA Bank Acquisition, purchase price adjustments to the loan portfolio of yA Bank have been reduced from SEK 49,859 thousand as of the date of the yA Bank Acquisition to SEK 43,866 thousand as of 31 December 2015. Similarly, excluding the effects of the 2014 Acquisitions and based on the values of the loan portfolios of Finaref (including portfolio write-up) and Dan-Aktiv as of the date of the 2014 Acquisitions, Resurs's loan portfolio increased by SEK 1,003,861 thousand, or 10.8 percent, to SEK 10,262,195 thousand in 2014 as compared to the previous period. Furthermore, excluding the effects of the Ellos Business Acquisition in 2013 and based on the value of the related loan portfolio at the time of the Ellos Business Acquisition, Resurs's loan portfolio increased by SEK 396,494 thousand, or 5.5 percent, to SEK 7,590,736 thousand in 2013 as compared the previous period. During the audited three-year period presented in the Offering Memorandum, this organic or residual growth resulted in part from the continued expansion of the retail finance partner base, as Resurs invested in additional sales and marketing efforts and business support activities relating to its retail finance partners. As a result, the retail finance partner base expanded from more than 950 retail finance partners with over 24,500 stores as of 31 December 2013 to more than 1,200 retail finance partners with approximately 35,000 stores as of 31 December 2015. During the audited three-year period presented in the Offering Memorandum, Resurs has generally won more retail finance partners from its competitors than it has lost. These additional sales and marketing and business support activities have also helped to increase Resurs's average credit penetration across its base of retail finance partners, which positively contributed to new loan development, during the audited three-year period presented in the Offering Memorandum.

Organic growth was also driven by the further diversification of the product mix and geographic expansion of the product offering of Resurs. For example, the growth of Resurs's e-commerce offering has helped to drive the increase in new loan development from SEK 12,867,030 thousand in the year ended 31 December 2013 to SEK 19,886,252 thousand in the year ended 31 December 2015, which has had a positive impact on total operating income and has increased Resurs's average credit penetration across its base of retail finance partners. For the years ended 31 December 2013, 2014 and 2015, Resurs's e-commerce offering generated 18 percent, 32 percent and 32 percent, respectively, of the new loan development related to Resurs's retail finance business. This growth resulted primarily from: (i) the impact of the 2013 Ellos Business Acquisition, pursuant to which Resurs acquired a significant e-commerce portfolio; (ii) Resurs's relationship with two of Sweden's largest e-commerce retailers, Ellos and NetOnNet; and (iii) Resurs's focus on developing and expanding its omni-channel offering. As discussed below, this diversification of the product mix and growth of e-commerce can impact the loan portfolio of Resurs and expose Resurs to risks related to the changing sales strategies and online migration of its retail finance partners. In addition, Resurs has invested in expanding its credit card products in Norway in 2013, and Finland and Denmark in 2014. In the year ended 31 December 2015, Resurs's credit card business did not perform as strongly as anticipated, and the Company has launched new products to help drive growth.

Resurs has also expanded its loan portfolio organically through sales to existing customers, primarily due to its strategic use of the information and data in its internal database and an increase in its sales and marketing efforts to existing customers. For example, in the year ended 31 December 2015, existing customers identified in Resurs Bank's internal database generated 86 percent of Resurs Bank's new loan development related to consumer loans and 82 percent of the number of new credit cards issued by Resurs Bank (excluding co-branded cards). As a result, the sales penetration to existing customers has increased, which has had a positive impact on the loan portfolio and new loan development, during the audited three-year period presented in the Offering Memorandum. For example, while sales penetration to existing customers varies by market, during the audited three-year period presented in the Offering Memorandum, Resurs has continuously increased the percentage of its highly active customers that have credit cards or consumer loans issued by Resurs. See "*Business description–Database*". In addition, the increase in sales and marketing efforts to existing customers has helped to drive new loan development by increasing consumer loan "top-ups" (limit increases offered to existing consumer loan customers), which represented 16 percent of the new loan development related to consumer loans in Sweden (20 percent in the Nordic region) in the year ended 31 December 2015.

This growth of the loan portfolio, driven both by acquisitions and organic growth business strategies and initiatives, have had a significant impact on the total operating income, interest income and gross yield of the loan portfolio during the audited three-year period presented in the Offering Memorandum. During the audited three-year period presented in the Offering Memorandum, Resurs has grown its loan portfolio and interest income. Resurs expanded its reported interest income from SEK 951,734 thousand for the year ended 31 December 2013 to SEK 1,994,686 thousand for the year ended 31 December 2015, and its gross yield was 11.6 percent, 14.5 percent and 12.4 percent for the years ended 31 December 2013, 2014 and 2015, respectively. When aggregated with the stand-alone results of Finaref and Dan-Aktiv, the gross yield for the year ended 31 December 2014 was 13.9 percent. Adjusted to reflect the full-year effect of the yA Bank Acquisition, the gross yield for the year ended 31 December 2015 was 13.4 percent. Metrics reflecting the full-year effect of the yA Bank Acquisition have been calculated using *pro forma* financial information, see "*Pro forma financial information*".

The following table sets forth certain information about Resurs's reported loan portfolio as of the dates and for the periods indicated:

| | As of and for the year ended 31 December | | | As of and for the year ended 31 December | | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | Change[1] | 2014 | 2013 | Change[2] |
| | *(SEK thousand) (audited)* | | *(%)* | *(SEK thousand) (audited)* | | *(%)* |
| Lending at the beginning of the period | 13,923,375 | 9,258,334 | 50 | 9,258,334 | 7,203,264 | 29 |
| Acquired portfolios[3] | 3,644,348 | 3,774,952 | (3) | 3,774,952 | 1,663,087 | 127 |
| New loan development | 19,886,252 | 16,562,164 | 19 | 16,562,164 | 12,867,030 | 29 |
| Amortisation, including pre-payments | (18,561,601) | (15,672,075) | 18 | (15,672,075) | (12,475,047) | 26 |
| Foreign exchange gains/(losses) | (694,199) | – | n.m. | – | – | – |
| Lending at the end of the period | 18,198,175 | 13,923,375 | 31 | 13,923,375 | 9,258,334 | 50 |

1) Represents the change, expressed as a percentage, between the twelve months ended 31 December 2015 and the twelve months ended 31 December 2014.
2) Represents the change, expressed as a percentage, between the twelve months ended 31 December 2014 and the twelve months ended 31 December 2013.
3) Represents the value of the acquired loan portfolio(s) as of the respective acquisition date(s). Acquired portfolios for the year ended 31 December 2015 includes the loan portfolio of yA Bank (SEK 3,694,136 thousand) and the related purchase price adjustment to this loan portfolio (SEK 49,859 thousand). Acquired portfolios for the year ended 31 December 2014 includes: (i) the loan portfolio of Finaref (including portfolio write-up) (SEK 2,329,479 thousand); (ii) the loan portfolio of Dan-Aktiv (SEK 1,331,701 thousand); and (iii) purchase loan portfolio of La Redoute (SEK 113,772 thousand). Acquired portfolios for the year ended 31 December 2013 includes the loan portfolio resulting from the Ellos Business Acquisition (SEK 1,663,087 thousand).

## Interest expenses and funding

The availability and diversity of Resurs's funding base directly affects Resurs's ability to develop and increase its loan portfolio, as well as its interest expenses. Interest expenses have generally increased in line with the expansion of the loan portfolio, and have fluctuated in part due to the acquisitions completed, during the audited three-year period presented in the Offering Memorandum. In 2015, Resurs's allocation of funding was generally equal across its payment solutions and consumer loans reporting segments, while in 2014, Resurs allocated a significant percentage of funding costs to the payment solutions segment, primarily as a result of the 2014 Acquisitions and the increase of Resurs's payment solutions operations. Resurs's interest expenses are subject to a number of factors that vary by funding source and, accordingly, Resurs's funding mix affects its interest expenses. Resurs does not limit the extent to which it can use or rely on any one source of funds, which helps to increase Resurs's operational flexibility. For example, depending on market conditions, Resurs can increase its use of ABS and MTNs to diversify its funding base.

In response to positive changes in the macroeconomic environment, Resurs has adjusted its funding and actively broadened its funding base. For example, in 2015, Resurs developed new ABS and MTN platforms, which Resurs expects to strategically use to further diversify its funding base. These platforms provide flexibility, as ABS issuances generally benefit from consistent investor demand, but can take a longer period of time to complete due to the time that it takes to ascertain loan quality and generate historical data regarding the securitised loan portfolio. Conversely, management believes that MTNs provide a flexible and quick funding option, but are to a greater extent subject to market conditions and fluctuations in investor demand than ABS issuances. The multicurrency MTN platform permits SEK or EUR issuances, which gives Resurs the ability to reduce its exposure to foreign exchange risk. Resurs also utilises currency exchange swaps to hedge its foreign exchange risk. See "*–Funding, liquidity and capital resources*".

The following table sets forth certain information about Resurs's funding as of the dates indicated:

| (%) | For the year ended 31 December 2015[1)] | 2014 | 2013 |
|---|---|---|---|
| | | (audited) | |
| Deposits | 69 | 83 | 85 |
| Equity | 21 | 17 | 15 |
| ABS | 6 | – | – |
| MTN | 3 | – | – |
| Bank loans | 1 | n.m. | – |
| **Total** | **100.0** | **100.0** | **100.0** |

1) Including the effects of the yA Bank Acquisition. For the year ended 31 December 2015, yA Bank's funding base consisted of retail deposits, equity and MTN, which represented 80 percent, 11 percent and 9 percent, respectively, of yA Bank's funding (measured on carrying value). Resurs also has certain subordinated loans, which it does not consider or classify as part of its funding base or mix. See "*–Funding, liquidity and capital resources–Funding*".

The following table sets forth certain information about Resurs's interest expenses for the periods indicated:

| (SEK million, unless otherwise stated) | For the year ended 31 December 2015 | 2014 | 2013 |
|---|---|---|---|
| | | (audited) | |
| Interest expenses including bank loans | 213 | 335 | 300 |
| – As a percentage of average interest-bearing liabilities including bank loans for the period (%) | 1.3 | 2.4 | 3.3 |
| Interest expenses excluding bank loans | 204 | 327 | 290 |
| – As a percentage of average interest-bearing liabilities excluding bank loans for the period (%) | 1.3 | 2.3 | 3.2 |

In the year ended 31 December 2015, the increasing diversification of Resurs's funding base has helped Resurs to manage its interest expenses and facilitated an overall decrease in the interest rates on Resurs Bank's retail deposits, which positively impacted Resurs's overall interest expenses. In adjusting the interest rates on Resurs Bank's retail deposits, Resurs evaluates the competitive pressures for deposits and anticipates outflows of retail deposits following any reductions in interest rates offered on its retail deposits. In addition, Resurs analyses the impact that any resulting reduction of retail deposits will have on its overall interest expenses and its liquidity. Following the ABS and MTN issuances in 2015, and in response to market conditions, Resurs reduced the interest rates on Resurs Bank's most common retail deposit accounts from 1.0 percent to 0.6 percent in July 2015, resulting in an average annual interest rate of 0.76 percent on Resurs Bank's deposit accounts as of 31 December 2015. Due to, among other things, this decrease in interest rates on its retail deposits, Resurs Bank experienced outflows of retail deposits amounting to 4.3 percent of total retail deposits in July 2015. In the fourth quarter of 2015, to further manage the flow of retail deposits, Resurs conducted limited marketing campaigns and offers on certain retail deposits accounts and to selected groups of customers, including customers with significant flows of deposits. For example, Resurs increased the interest rate offered on its Supreme Spar savings account from 1.20 percent to 1.35 percent. For the years ended 31 December 2013, 2014 and 2015, Resurs's loan to deposit ratio was 78.0 percent, 87.1 percent and 110.7 percent (including deposits acquired in the yA Bank Acquisition), respectively.

As a result of the yA Bank Acquisition, Resurs further diversified its funding base and reduced its foreign exchange risk by utilising yA Bank's Norwegian retail deposit base of NOK 3,601 million as of 31 December 2015. In the future, Resurs intends to further diversify its funding base and reduce its exposure to foreign exchange risk, which can be accomplished by offering deposits and issuing ABSs and MTNs in currencies other than SEK. See "*–Foreign currency effects*" below. For additional information on the ABS, MTN and funding base, see "*–Funding, liquidity and capital resources*".

## Interest rates

Resurs generates interest income from its payment solutions and consumer loan products, and its ability to increase its profitability and total operating income for a given period is influenced by the margins that it can generate on its lending activities. Resurs's margins are driven by the interest rates that it charges on its payment solutions and consumer loan products relative to its interest expenses, which include the cost of the liquidity reserve. Resurs's margins are also affected by certain arrangement fees and commissions paid to brokers, that are reported under interest income.

The majority of interest rates that Resurs charges customers are variable. Resurs can adjust these rates in response to a variety of factors, including market conditions and the Group's funding-related interest expenses, but its ability to change these interest rates is impacted significantly by competitive pressures, market interest rates and local regulations. Resurs generally strives to optimise changes and adjustments to interest rates charged to customers resulting from changes in its interest expenses. In addition, Resurs also has a number of retail finance products that charge fixed interest rates that are set by Resurs based on its review and comparison of reference rates (*i.e.*, EURIBOR, STIBOR and CIBOR) and rates charged by competitors. As of 31 December 2015, approximately 94 percent of Resurs's products had variable interest rates and 6 percent had fixed interest rates.

The majority of interest rates payable by Resurs on retail deposits and other funding sources are also variable. With respect to interest rates on its retail deposits, Resurs compares these rates to applicable reference rates and rates offered by competitors, and can adjust these rates in response to a variety of factors, including its liquidity and funding needs, funding diversification goals and changes in market interest rates. The interest rates on Resurs's other funding sources, including its ABSs and MTNs, are generally pegged to reference rates and thus have an increased exposure to changes in market interest rates. Accordingly, market interest rates can affect Resurs's interest rates on its retail deposits, which can impact Resurs's interest expenses, profitability and total operating income. Market interest rates are driven by factors outside of Resurs's control, including government fiscal policies as well as European and global economic and political conditions. During the audited three-year period presented in the Offering Memorandum, Resurs has benefitted from low interest expenses relating to its retail deposits due, in part, to the beneficial and historically low market interest rate environment. For example, the Swedish Central Bank has reduced the benchmark interest rate multiple times since the end of 2011 and, on 11 February 2016, the benchmark interest rate was reduced to negative 0.5 percent. Resurs has previously and in the future expects to strategically increase the interest rates on its retail deposits in response to increases in market interest rates.

While Resurs's ability to adjust interest rates on its existing loans can help to promote stable net interest margins and profitability, there is a risk that Resurs will not be able to re-price its variable rate assets and liabilities at the same time, which could give rise to re-pricing gaps in the short to medium term. While this risk is particularly relevant for fixed interest rate products, see "*Risk factors–Risks related to the industry and Resurs–Resurs's business is sensitive to volatility in interest rates and to changes in the competitive environment affecting spreads on its lending and deposits*", Resurs's fixed interest rate retail finance products had a relatively short average historical duration of approximately six months as of 31 December 2015, which can help to mitigate the impact of re-pricing gaps on existing outstanding amounts with fixed interest rates. Resurs's consumer loans had an average historical duration of approximately 30 months as of 31 December 2015. Delays in re-pricing loans may occur if Resurs is required to notify customers in advance of increases in interest rates. For example, the notice period in Norway is six weeks in connection with interest rate increases on loans.

The following table sets forth Resurs's reported net interest margin for the periods indicated:

| | For the year ended 31 December | | |
|---|---|---|---|
| *(%)* | **2015** | **2014** | **2013** |
| | *(unaudited)* | | |
| Net interest margin[1)] | 11.1[1)] | 11.6[2)] | 7.9 |

1) Adjusted to reflect the full-year effect of the yA Bank Acquisition: 11.7 percent. This metrics has been calculated using *pro forma* financial information, see "*Pro forma financial information*".
2) When aggregated with the stand-alone results of Finaref and Dan-Aktiv: 11.3 percent.

During the audited three-year period presented in the Offering Memorandum, Resurs has experienced an increase in its net interest margin due primarily to an increase in its net interest income resulting from organic and acquisition growth and a beneficial market interest rate environment. For example, while interest income has increased significantly and was SEK 951,734 thousand, SEK 1,684,048 thousand and SEK 1,994,686 thousand in the years ended 31 December 2013, 2014 and 2015, respectively, interest expenses have fluctuated and were SEK 299,865 thousand, SEK 334,992 thousand and SEK 212,607 thousand in the years ended 31 December 2013, 2014 and 2015, respectively. During the audited three-year period presented in the Offering Memorandum, interest expenses fluctuated due, in part, to the Acquisitions and positive developments regarding Resurs's costs of funding, which have been impacted by the beneficial and historically low market interest rate environment. Resurs has adjusted and optimised the interest rates that it charges on its payment solutions and consumer loans and the interest rates that it offers on its retail deposits during the audited three-year period presented in the Offering Memorandum, which has contributed positively to net interest margin. Resurs expects that its continued management and diversification of its funding sources, including its use of ABSs and MTNs will, in the long term, have a positive effect on its net interest margin.

## Credit losses

Changes in the level of credit losses significantly affect Resurs's results of operations. The following table sets forth a breakdown of Resurs's reported credit losses, net for the periods indicated:

| | For the year ended 31 December | | |
|---|---|---|---|
| (SEK thousand) | **2015** | **2014** | **2013** |
| | | *(audited)* | |
| Write-offs for the period | (306,937) | (169,310) | (14,809) |
| Provisions for loans with individually identified loss events:[1] | | | |
| – Gross value of new receivables classified as delinquent during the period | – | – | – |
| – Payments received on loans classified as delinquent during the period | 16,810 | 19,471 | 1,883 |
| – Adjustment to recoverable value on receivables classified as delinquent | – | – | – |
| Total provisions for loans with individually identified loss events:[1] | (2,822) | (5,890) | (5,672) |
| Group provisions for receivables valued as a group[2] | (87,558) | (206,750) | (150,522) |
| **Credit losses, net** | **(374,863)** | **(350,699)** | **(169,120)** |

1) Loans with individually identified loss events refer to loans that have exceeded the applicable delinquency period.
2) Receivables valued as a group refers to loans that are past due but have not exceeded the applicable delinquency period.

| | For the year ended 31 December | | |
|---|---|---|---|
| *(%)* | **2015** | **2014** | **2013** |
| | | *(unaudited)* | |
| Cost of risk | 2.3 | 3.0 | 2.1 |

The levels of Resurs's credit losses are affected by macroeconomic conditions as discussed in "*–Macroeconomic environment in the Nordic region*" above and changes in the macroeconomic environment could result in a higher frequency and severity of credit losses. In addition, Resurs's underwriting criteria and risk management policies and procedures are directly linked to the quality of Resurs's loan portfolio, which is a primary driver of Resurs's credit losses. Depending on market circumstances, Resurs has previously adjusted its underwriting criteria to manage its risk profile, which management believes helped to mitigate Resurs's credit losses during periods of adverse macroeconomic conditions, including the global economic downturn in 2008 and 2009. See "*Business description–Underwriting and risk management*". As Resurs uses information and data from local credit bureaus and its internal database to determine whether applicants should be granted credit, there is a correlation between Resurs's credit losses and the quality and amount of information available via these sources. This information varies by market, and Resurs has generally experienced lower credit losses per customer in Sweden, a country with robust credit bureau information and for which its internal database is most developed.

The level of credit losses can also be affected by various other factors, including, but not limited to:

- the mix of higher risk loans with high interest rates for low ticket purchases, see "*–Product mix*";
- the maturity of the loan portfolio and ratio of shorter duration retail finance products to longer duration consumer loans;
- seasonal impact on provisions due to heating bills, Christmas shopping and tax returns in the Nordic region;
- the effectiveness and efficiency of Resurs's external debt collection agencies; and
- accounting rules, including Resurs's provisioning models, development of its NPL portfolio and write-off policies.

During the audited three-year period presented in the Offering Memorandum, Resurs's credit losses have ranged between two percent and three percent of the amount of its loan portfolio, and were SEK 169,120 thousand, SEK 350,699 thousand and SEK 374,863 thousand in the years ended 31 December 2013, 2014 and 2015, respectively. The increase in credit losses during the audited three-year period presented in the Offering Memorandum is primarily due to the effects of the Acquisitions. Despite this increase in credit losses, Resurs has maintained its risk adjusted net banking income margin and increased its risk adjusted net interest margin during the audited three-year period presented in the Offering Memorandum. For the years ended 31 December 2013, 2014 and 2015, Resurs's risk adjusted net banking income margin was 11.1 percent, 12.4 percent (when aggregated with the standalone results of Finaref and Dan-Aktiv: 11.8 percent) and 11.5 percent (12.2 percent adjusted to reflect the full-year effect of the yA Bank Acquisition), respectively. Metrics reflecting the full-year effect of the yA Bank Acquisition have been calculated using *pro forma* financial information, see "*Pro forma financial information*". For the same periods, Resurs's risk adjusted net interest margin was 5.9 percent, 8.6 percent (when aggregated with the stand-alone results of Finaref and Dan-Aktiv: 8.4 percent) and 8.8 percent (adjusted to reflect the full-year effect of the yA Bank Acquisition: 9.4 percent), respectively. Metrics reflecting the full-year effect of the yA Bank Acquisition have been calculated using *pro forma* financial information, see "*Pro forma financial information*". Credit losses are generally impacted by acquisitions and sales of companies and loan portfolios, and may increase due to the impact of the Acquisitions and the yA Bank Acquisition in particular. In addition, credit losses are impacted by the application of the group's accounting policies to acquired entities, or the alignment of the accounting policies of acquired entities with those of the group. For example, up to and including the period ended 30 September 2015, Dan-Aktiv recognised interest income on loans in litigation at the time that interest was charged to customers, and made a corresponding entry to credit losses, net that largely offset the recognised interest income. In the three months ended 31 December 2015, Resurs aligned the interest income and credit loss recognition accounting policies of Dan-Aktiv with those of the group, pursuant to which interest income on loans in litigation is not recognised until it is received by Resurs. Accordingly, this alignment negatively impacted the Group's interest income, net interest margin and net banking income margin, and positively impacted credit losses, net. See"–*Recent developments*". Excluding the effects of the Acquisitions, Resurs's credit losses have remained relatively stable, but Resurs's results of operations have been impacted by its adoption of a new provisioning model and internal policies regarding delinquent loans. Prior to 2014, Resurs sold its delinquent loans to external agencies for fixed pre-arranged values depending on the maturity and amount of the delinquent loan. The proceeds of these sales were booked as other operating income at the time of sale, which contributed to Resurs's total operating income and did not contribute to Resurs's cost of risk. In 2014, Resurs Bank implemented and aligned its provisioning model with the provisioning model of Finaref, pursuant to which Resurs makes provisions for loans in litigation. The provisions are based on estimates of discounted future cash flow on loans in litigation.

In the year ended 31 December 2015, Resurs's credit losses and cost of risk were impacted by the yA Bank Acquisition and developments regarding its NPL portfolio. The acquisition of yA Bank's loan portfolio increased Resurs's total credit losses in the year ended 31 December 2015 and, during the audited three-year period presented in the Offering Memorandum, yA Bank's cost of risk has been lower than Resurs's cost of risk. For the years ended 31 December 2014 and 2015, yA Bank's cost of risk was 0.9 percent and 1.5 percent, respectively, and its credit losses were NOK 21,025 thousand and NOK 46,320 thousand, respectively. During these periods, yA Bank's cost of risk and credit losses increased primarily as a result of the growth of its loan portfolio. Similarly, the acquisitions of Finaref and Dan-Aktiv impacted Resurs's NPL ratio, credit losses and cost of risk in the year ended 31 December 2014. At the time of the 2014 Acquisitions, Finaref's loan portfolio was generally comprised of higher risk and higher margin loans, and Finaref had a significant portfolio of written off loans. As part of the 2014 Acquisitions, Resurs Bank acquired Finaref's portfolio of written off loans and valued these loans based on forecasted cash flows. Finaref and Dan-Aktiv's portfolios of loans currently in litigation increased Resurs's outstanding loan balance, NPLs, credit losses and cost of risk in the year ended 31 December 2014. For example, in the years ended 31 December 2013, 2014 and 2015, Resurs's cost of risk was 2.1 percent, 3.0 percent (when aggregated with the stand-alone results of Finaref and Dan-Aktiv: 2.9 percent) and 2.3 percent (adjusted to reflect the full-year effect of the yA Bank Acquisition: 2.3 percent), respectively. Metrics reflecting the full-year effect of the yA Bank Acquisition have been calculated using *pro forma* financial information, see "*Pro forma financial information*". In the years ended 31 December 2013, 2014 and 2015, Resurs's NPL ratio was 7.7 percent, 13.2 percent and 12.7 percent, respectively, primarily due to the acquisition of the NPLs of Finaref (SEK 534,841 thousand) and Dan-Aktiv (SEK 412,165 thousand) in 2014 and the acquisition of the NPLs of yA Bank (SEK 267,780 thousand) in 2015. In the same periods, Resurs's NPL coverage ratio was 48.9 percent, 56.2 percent and 53.3 percent, respectively.

Management generally reviews two core metrics in analysing credit losses: (i) the average cash flows received by Resurs from resolved litigation and debt collection processes; and (ii) the percentage of NPLs that enter into litigation. Resurs primarily uses external debt collection agencies to collect delinquent loan amounts on its behalf, but also internally manages the debt collection process in Denmark. Similar to Resurs, yA Bank uses an external debt collection agency. During the audited three-year period presented in the Offering Memorandum, average cash flows received by Resurs from resolved litigation and debt collection processes has increased, and the percentage of healthy loans entering into litigation has decreased, which has positively impacted Resurs's results of operations and reduced its credit losses. In general, the expected recovery on loans that have entered into litigation increases over time, and Resurs's management can reasonably predict the recovery of loans that have entered into litigation in each of the markets in which Resurs operates.

The following table sets forth the principal amount, expected recovery of principal and carrying value of Resurs's loans in litigation by country as of 31 December 2015:

| (SEK thousand) | Sweden | Norway[2)] | Finland | Denmark | Total |
|---|---|---|---|---|---|
| | | | *(unaudited)* | | |
| Principal amount[1)] | 840,311 | 424,859 | 364,117 | 349,194 | 1,978,481 |
| Expected recovery of principal[1)] | 618,856 | 364,810 | 395,110 | 184,608 | 1,563,384 |
| Carrying value | 368,534 | 190,856 | 207,578 | 114,334 | 881,302 |

1) The principal amount of loans in litigation includes outstanding capital receivables, but since the receivables are continuously calculated for interest, both expected capital and expected interest payments are included in the expected recovery of principal.
2) Reflects the effects of the yA Bank Acquisition. In the year ended 31 December 2015, yA Bank had gross loans in litigation in the amount of SEK 228,604 thousand, for which yA Bank made provisions in the amount of SEK 120,732 thousand, resulting in net loans in litigation in the amount of SEK 107,872 thousand. These total provisions of SEK 120,732 thousand are comprised of SEK 82,293 thousand in provisions in yA Bank's financial reports and SEK 38,439 thousand in additional provisions in Resurs's financial reports; Resurs has accounted for SEK 38,439 thousand in provisions in order to bring yA Bank's provisioning levels in line with the Group.

## Product mix

Resurs's product mix and the extent to which its various products contribute to its total operating income and expenses primarily impact its total operating income, margins and credit losses, as each product charges different interest rates and has different average loan sizes, sales and marketing expenses and credit conversion rates. See "*Business description–Sales and marketing*". In addition, the products offered by Resurs generate a variety of fees that can be specific to each type of product and impact the total operating income of Resurs, such as arrangement fees, application fees and processing fees, which are driven by new loan development, and reminder fees, interchange fees (which are subject to a recently approved regulatory interchange fee cap of 0.3 percent) and credit card fees. The overall product mix is primarily impacted by Resurs's sales and marketing activities and its ability to successfully sell products to existing customers, as well as the sales strategies of the retail finance partners of Resurs. For example, changes in the sales strategies of key retail finance partners (*e.g.*, a shift to focus on online sales) can impact demand for the various products of Resurs, particularly with respect to Resurs's retail finance products, which can also impact the loan portfolio of Resurs. For example, in 2014, one of Resurs's largest retail finance partners adjusted its sales strategy to focus on promoting online sales, which has had a negative effect on new loan development and the size of the loan portfolio related to that respective retail finance partner. This change in sales strategy adversely impacted new loan development related to the respective retail finance partner, as well as the growth and the size of Resurs's payment solutions loan portfolio, in the year ended 31 December 2015 and management believes that the change in sales strategy will continue to have an impact on new loan development and the size of the loan portfolio in the short to medium term. As of 31 December 2015, Resurs's retail finance, credit cards, consumer loans and insurance operations generated 32 percent, 15 percent, 46 percent and 6 percent, respectively, of its total operating income. As of 31 December 2015, loans relating to Resurs's retail finance, credit cards and consumer loans operations comprised 32 percent, 12 percent and 57 percent of Resurs's total loan portfolio, respectively. Resurs's management expects that retail finance will remain Resurs's largest product by number of loans, new loan development amount and number of customers.

As Resurs's funding sources and interest expenses are same across its products, products with higher interest rates, such as credit cards and certain types of consumer loans, and markets in which Resurs is able to generate higher margins, improve Resurs's net interest margin development. During the audited three-year period presented in the Offering Memorandum, Resurs's net interest margin has been positively impacted by the increase of its consumer loans operations, which have grown organically and as a result of the 2014 Acquisitions. For the years ended 31 December 2013, 2014 and 2015, net interest margin was 7.9 percent, 11.6 percent and 11.1 percent, respectively, and the development of Resurs's net interest margin during these periods has generally had a positive impact on Resurs's total operating income. In addition, products with higher average loan sizes, such as certain of Resurs's consumer loans, generally generate more interest income and take longer to repay than products with lower average loan sizes, which can increase Resurs's total operating income. Conversely, products with lower average loan sizes may result in compression of Resurs's margins, including its net banking income margin. As of 31 December 2015, 37 percent, 32 percent, 21 percent and 10 percent of Resurs's loan portfolio (excluding loans in litigation or relating to factoring and leasing) was comprised of loans with an outstanding balance of SEK 10,000 to SEK 50,000, more than SEK 100,000, less than SEK 10,000 and SEK 50,000 to SEK 100,000, respectively. The product mix within Resurs's consumer loans segment also impacts Resurs's net interest margin and net banking income margin, as lower risk consumer loans for large ticket purchases generally generate lower interest income than higher risk consumer loans for smaller ticket purchases. During the audited three-year period presented in the Offering Memorandum, management has experienced an increase in the percentage of consumer loans that are higher risk loans for smaller ticket purchases, which has had a positive impact on Resurs's interest income and net interest margin. As of 31 December 2015, a significant percentage of Resurs's consumer loans had outstanding balances over SEK 100,000 or between SEK 10,000 and SEK 50,000. As of 31 December 2013, 2014 and 2015, loans relating to Resurs's consumer loans operations comprised 32.1 percent, 47.8 percent and 56.6 percent, respectively, of Resurs's total loan portfolio, which had a positive impact on total operating income for these periods. For the years ended 31 December 2013, 2014 and 2015, Resurs's consumer loans segment generated total operating income of SEK 283,432 thousand, SEK 821,740 thousand and SEK 1,099,535 thousand, respectively.

Resurs's expansion of its e-commerce offering and the increase in the number of e-commerce customers using its products has also impacted its margins and results of operations. During the audited three-year period presented in the Offering Memorandum, the expansion of Resurs's e-commerce offering has helped to increase Resurs's loan portfolio development and ability to sell to existing customers, but has generally compressed margins due to lower credit conversion and higher operating expenses relating to Resurs's e-commerce offering. For the years ended 31 December 2013, 2014 and 2015, SEK 1,084 million, SEK 2,706 million and SEK 3,268 million, respectively, of Resurs's new loan development related to its retail finance operations were generated online, representing 18 percent, 32 percent and 32 percent, respectively, of new loan development related to retail finance for the periods. A significant percentage of this growth has been driven by and is comprised of the e-commerce business of one of Resurs's top retail finance partners, though a significant number of Resurs's retail finance partners, including its top ten retail finance partners, have both offline and online e-commerce activity.

In addition, Resurs's product mix impacts its credit losses and cost of risk. Resurs's credit losses vary by product, with higher interest loans for lower ticket purchases increasing Resurs's risk exposure and potential credit losses. During the audited three-year period presented in the Offering Memorandum, Resurs has experienced an increase in credit losses as the percentage of consumer loans that are higher margin and higher risk has increased. In addition, Resurs's cost of risk varies by product, with payment solutions products typically having a lower cost of risk due to the shorter duration of the loans. Conversely, consumer loans typically have a higher cost of risk due to their longer duration and potentially larger outstanding loan balances. Resurs's cost of risk has increased in part due to the growth of its consumer loans segment; however, on a historical basis, Resurs has maintained a cost of risk, which represents credit losses, net (including credit loss insurance premium from 2006 to 2012) as a percentage of the average loan portfolio, of between one and three percent from 1990 to 31 December 2015. See "*Historical financial information–Resurs Holding AB–Notes–Note 17 Other operating expenses*".

The following table sets forth the total operating income across Resurs's products for the periods indicated:

| (SEK thousand) | For the year ended 31 December 2015 | 2014 | 2013 |
|---|---|---|---|
| | | *(audited)* | |
| Payment Solutions | 1,121,754 | 983,035 | 797,915 |
| Consumer Loans | 1,099,535 | 821,740 | 283,432 |
| Insurance | 152,141 | 174,125 | 133,855 |
| Group items and eliminations | (2,361) | (12,385) | (1,706) |
| **Total** | **2,371,069** | **1,966,515** | **1,213,496** |

## Operating costs

Resurs seeks to implement its business model on a consistent basis across the markets in which it operates, which can provide economies of scale and increase efficiency of operations while reducing costs relating to its business activities in the Nordic region. Resurs operates from a centralised hub through its headquarters in Helsingborg, Sweden, with local offices operating to adjust and adapt the business model to local regulations, customs and market practice. The vast majority of Resurs's management and employees are located in Helsingborg, though Resurs strives to create a pan-Nordic culture and working environment through regular communications and correspondence and quarterly company-wide meetings in Helsingborg. Resurs's primary investments have been in its headquarters, employee base and infrastructure, which is designed with common core functionality and that can be adjusted and adapted for local country-specific regulations and market practices. These investments have helped Resurs achieve a highly scalable operating and technological platform from which it can cost-efficiently scale its operations through periods of geographic and operational expansion. See "*Business description–Information technology*". As a result of these investments and Resurs's overall push to improve its cost control while expanding total operating income, the cost to income ratios have decreased, and Resurs has increased its profitability, during the audited three-year period presented in the Offering Memorandum. For the years ended 31 December 2013, 2014 and 2015, the cost to income ratio (excluding insurance operations) of Resurs was 53.0 percent, 51.5 percent and 48.1 percent, respectively, and the cost to income ratio of Resurs was 54.7 percent, 50.8 percent and 48.8 percent, respectively. For the same periods, Resurs's RoA was 2.2 percent, 2.5 percent (when aggregated with the stand-alone results of Finaref and Dan-Aktiv: 2.8 percent) and 2.7 percent (3.2 percent adjusted to reflect the full-year effect of the yA Bank Acquisition), respectively, and Resurs's RoATE was 15.4 percent, 20.4 percent (when aggregated with the stand-alone results of Finaref and Dan-Aktiv: 23.6 percent) and 21.4 percent (26.6 percent adjusted to reflect the full-year effect of the yA Bank Acquisition, 27.9 percent adjusted to reflect the full-year effect of the yA Bank Acquisition and excluding transaction costs associated with the Offering), respectively. Metrics reflecting the full-year effect of the yA Bank Acquisition have been calculated using *pro forma* financial information, see "*Pro forma financial information*".

Resurs's key operating costs include general administrative expenses, which include scalable costs relating to personnel and its IT platform and infrastructure, and other operating expenses. Resurs's operating costs have generally increased during the audited three-year period presented in the Offering Memorandum as a result of Resurs's operational expansion and the growth of its business. In 2015, Resurs's key operating costs were general administrative expenses, expenses related to the yA Bank Acquisition and transaction costs associated with the Offering. For example, the yA Bank Acquisition increased Resurs's operating costs in the year ended 31 December 2015 due, in part, to the increased headcount, properties and other operations acquired in the transaction. As part of its investment in its headquarters, employees and infrastructure, Resurs renovated its headquarters in 2014 and has invested in expanding its IT and sales and marketing employees during the audited three-year period presented in the Offering Memorandum, which has increased its personnel costs. Since 2012, Resurs has built a foundation for its IT infrastructure upon which it can scale its business and leverage data collected on its customers, which management believes has unlocked value and contributed positively to Resurs's results of operations. In 2013, Resurs invested in its IT infrastructure and platforms and reorganised its internal systems to create a centralised platform and increase the scalability of its systems. Resurs invested in modern infrastructure hardware and network arrangements, and management believes that Resurs's IT infrastructure and platforms are sufficiently scalable and flexible to adapt and manage Resurs's anticipated growth. In addition, Resurs's controlled costs, which include marketing expenses and costs relating to the administration of the loan portfolio, have increased as a result of Resurs's increased focus on customer relationship management and training, particularly during the launch and expansion of Resurs's Supreme Card credit card in the Nordic region and the introduction of new credit card products in Sweden from 2007 through 2015 (*e.g.*, Supreme Card Woman and Supreme Card Green).

## Competition and regulatory considerations

Resurs operates in a competitive market encompassing alternative products that resemble its payment solutions and consumer loan products. Accordingly, Resurs results of operations depend on how well Resurs asserts itself in its industry and separates itself from its competitors. In order to differentiate itself, Resurs primarily focuses on developing its customer relationship management and its longstanding relationships with its retail finance partners, as well as its sales and marketing strategy with respect to new and existing customers. See "*Business description–Sales and marketing*". Generally, Resurs's payment solutions and consumer loan products face significant competition and pricing pressure, which can have an adverse effect on margins and the growth of Resurs's loan portfolio. Resurs seeks to maintain its market position by focusing on its customer relationship management with its retail finance partners and existing customers and its omni-channel offering across in-store point-of-sale and e-commerce interfaces. For example, Resurs has created a streamlined and rapid credit determination process that can be processed quickly at the time of sale and that does not require the applicant to make a decision as to interest rates and repayment schedules. Together, these characteristics can help to generate increased applications for Resurs's retail finance products and promote the development of Resurs's loan portfolio.

In addition, Resurs's results of operations are affected by a number of laws and regulations in the jurisdictions in which it operates. Resurs is subject to regulatory and compliance requirements relating to labour, license requirements, consumer credit and protection, debt collection, default interest calculation, statutes of limitation, data protection, anti-corruption, anti-money laundering, tax and VAT, antitrust and administrative actions and other regulatory regimes. For example, local regulations can impact Resurs's ability to pass changes in its funding-related interest expenses on to its customers by adjusting interest rates on its products, which can impact Resurs's net interest income development and profitability. For example, while regulations in Sweden and Norway permit interest rate adjustments in order to pass changes in funding-related interest expenses on to customers, such adjustments are not permitted by regulations in Finland and Denmark. While regulations vary across jurisdictions, the general legal framework relevant to consumer finance banks is similar across the Nordic region. Resurs has detailed policies and country-specific procedures and guidelines in place that are designed to ensure that Resurs operate in compliance with applicable law and that compliance issues, if any, are identified and appropriately elevated within the organisation. Resurs's policy regarding regulatory compliance defines, among other things, governing principles regarding identification of governing laws and regulations, delegation of compliance responsibilities, guidelines on education and competence, testing and documentation of regulatory compliance control measures.

Resurs's industry is subject to regulatory change and, as a regulated financial institution, Resurs's internal control, risk management, compliance and governance functions have been subject to regulatory scrutiny by the SFSA. Resurs's management believes that Resurs will have to make limited investments in order to remain in compliance with anticipated regulatory changes, and Resurs has already taken steps to prepare for anticipated changes in law and applicable regulations. For example, as a result of a vote by the European Parliament in March 2015 to cap interchange fees on credit card transactions, interchange fees are capped at 0.3 percent effective from 9 December 2015, which has had an adverse impact on Resurs's income generated from interchange fees. Resurs has made and continues to explore strategic modifications to its credit card offering to address these changes and help to mitigate the estimated SEK 30 million impact of the cap, and management does not expect that the cap will materially adversely impact its results of operations. However, other new laws or regulations that may be adopted, as well as changes to existing laws or regulations, in the jurisdictions in which Resurs operates could constrain or prevent Resurs's ability to operate or adversely impact its results of operations. See "*Regulatory*" and "*Risk factors–Risks related to regulation*".

### Foreign currency effects

Changes in foreign exchange rates between SEK (Resurs's reporting currency and the currency in which its capital base is denominated) and NOK, EUR and DKK affect Resurs Bank's results of operations. Resurs's loan portfolio is comprised of loans that are denominated in SEK, NOK, EUR and DKK, while its funding base is denominated primarily in SEK and includes NOK 3,601 million in retail deposits at yA Bank. In addition to these currencies, Solid also generates income in CHF and, to a lesser extent, GBP. The foreign exchange rates impact the translation of receivables and liabilities into SEK. Resurs primarily uses derivative instruments to limit the effect of changes in foreign exchange rates; however, as Resurs has strategically invested in yA Bank in Norway, which reports in NOK, the currency risk relating to this investment is not hedged. In addition, Resurs expects to limit the effect of changes in foreign exchange rates by diversifying its funding base to include funding sources denominated in NOK, EUR or DKK. By diversifying its funding base to include other currencies, Resurs expects to be able to offset certain assets and liabilities in the same currency. The exchange rates between NOK, EUR, DKK, CHF and SEK have fluctuated significantly and may in the future fluctuate significantly.

In order to protect its TCR against changes in foreign exchange rates, Resurs maintains an open foreign exchange risk position. Due to this open position, the impact of changes in foreign exchange rates on the value of Resurs's regulatory capital in its statement of financial position is offset in part by the corresponding impact on Resurs's income statement (reported under net income/(expense) from financial transactions).

For the year ended 31 December 2015, 66 percent of Resurs's total operating income was generated in SEK, 11 percent in NOK, 11 percent in EUR, 12 percent in DKK and 1 percent in CHF. A sensitivity analysis for Resurs's currency exposure has been conducted, which indicates how certain exchange rate fluctuations would have affected Resurs's consolidated net profit. If the currencies to which Resurs had exposure as of 31 December 2015, respectively, would have weakened/strengthened by 10 percent on average against the SEK, everything else being equal, Resurs's consolidated net profit for the year ended 31 December 2015 would have increased/decreased by approximately SEK 119,000 thousand. This sensitivity analysis on its own may provide an incomplete picture of Resurs's foreign exchange rate exposure.

See "*Risk management–Principal risks–Market risk*" and "*Risk Factors–Resurs is exposed to changes in foreign exchange rates*".

### Insurance

Resurs's results of operations are impacted by its insurance operations and the growth and development of its insurance segment, which are primarily driven by the performance of its insurance partnerships, Resurs's ability to increase insurance penetration (the number of its partnerships' products and services for which it provides insurance) and the development and expansion of the retail finance partner base and the payment solutions and consumer loans customer base of Resurs. The insurance business also generates income through returns on its investment portfolio. Resurs's insurance operations contribute to Resurs's total costs and expenses through claims costs and commission expenses, which primarily relate to insurance claims and payments to insurance intermediaries, such as insurance partnerships. Within the insurance business of Resurs, product mix is a key driver of GWP and margin, which can impact the results of operations and total operating income of Resurs. For the years ended 31 December 2013, 2014 and 2015, Resurs's insurance segment represented 11.0 percent, 8.8 percent and 6.4 percent, respectively, of total operating income.

Resurs's insurance business uses a partner based distribution model that mirrors the structure of the retail finance partner model. As a result, the insurance business and the demand for new policies, particularly with respect to its product insurance, roadside assistance/car warranties insurance and travel insurance products, is primarily driven by its insurance penetration and the performance of its insurance partnerships in marketing the insurance products. With respect to its PPI, which is primarily offered to the payment solutions and consumer loans customers of Resurs, demand is directly related to Resurs Bank's banking operations and Resurs's ability to expand its payment solutions and consumer loans customer base. During the audited three-year period presented in the Offering Memorandum, Resurs has increased its marketing and training to existing and potential insurance partnerships, and has increased its focus on synergies with its retail finance partners. As a result, Resurs has increased its number of, and synergies with, insurance partnerships, as well as its insurance penetration and total operating income, during the audited three-year period presented in the Offering Memorandum.

For the year ended 31 December 2014 and 2015, approximately 22 percent and 21 percent, respectively, of Solid's GWP was generated from Resurs's retail finance partners that offer Solid's insurance products, and 13 percent and 16 percent, respectively of Solid's GWP was generated from selling PPI for Resurs's payment solutions and consumer loans products to existing customers of Resurs.

Within the insurance business, product mix also impacts Resurs's results of operations by driving the GWP, net earned premium and margin of the insurance business, and changes in the product mix or strategic focus on certain insurance products can directly impact GWP, net earned premium and margin of the insurance business. For the year ended 31 December 2015, product insurance, travel insurance, PPI and roadside assistance/car warranties insurance products generated 34 percent, 41 percent, 18 percent and 7 percent, respectively, of GWP. The primary drivers of net earned premium and margin of the insurance business are product, travel and PPI insurance. With respect to its product insurance, the insurance business is able to leverage the retail finance partner network and existing relationships with retail finance partners to market its insurance and drive net earned premiums. Resurs's travel insurance generates low margin operating income and has generally grown as a percentage of the product mix within the insurance business. Conversely, PPI is characterised by slightly slower growth and lower volumes, but generates high margin operating income.

The insurance business manages an investment portfolio and generates income, including interest income, and losses depending on the performance and returns of this investment portfolio. The performance and returns of the investment portfolio are subject to fluctuations in market sentiment and the general performance of the financial markets. As of 31 December 2015, the investment portfolio was valued at SEK 927 million and primarily consisted of investments in subordinated loans, investment grade securities and government and municipal bonds, as well as deposits held at Resurs Bank and other banks. For the years ended 31 December 2013, 2014 and 2015, the investment portfolio generated interest income of SEK 31,548 thousand, SEK 25,535 thousand and SEK 21,312 thousand, respectively.

During the audited three-year period presented in the Offering Memorandum, management of the insurance business has focused on core operations and divested the home and auto insurance business in January 2014. This divestment impacted Resurs's results of operations by adversely impacting net earned premium, and positively affecting Resurs's cost of claims. Resurs experienced a decrease in its combined ratio in the year ended 31 December 2014, primarily as a result of its shift to focus on its targeted insurance products. In addition, the divestment resulted in an increase in other operating income of SEK 30,969 thousand in the year ended 31 December 2014, as amounts earned from the divestment of the home and auto insurance business were accounted for as other operating income.

## 2014 Acquisitions purchase price adjustment

Pursuant to the 2014 Acquisitions, Resurs acquired Finaref and Dan-Aktiv from Crédit Agricole on 1 April 2014 for total consideration of SEK 1,336 million. The purchase price of SEK 1,336 million was financed in part by a share issuance of 256,429 shares of Resurs at a subscription price of SEK 2,800 per share, which raised SEK 718 million. The remaining consideration (SEK 618 million) was financed internally by Resurs. After the 2014 Acquisitions, a fair value adjustment was made to the value of certain of Finaref's portfolios of past due loans, which resulted in an increase in fair value compared to book value of SEK 349 million. This fair value adjustment of SEK 349 million will be amortised using the effective interest rate method over the duration of the underlying portfolios.

For more information regarding the impact of the yA Bank Acquisition, see "*Pro forma financial information*".

## Recent developments

**The information below is based on Resurs's internal management accounts and represents Resurs's preliminary expectations with respect to its development as of and for the two month period ended 29 February 2016. These estimates have been prepared by and are the responsibility of Resurs's management and have not been reviewed or audited**

**by an auditor and investors should not place undue reliance on them. While management believes these estimates to be reasonable, Resurs's actual results could vary from these estimates and the differences could be material. See "*Important information–Forward-looking statements*" and "*Risk factors*".**

The Company's loan portfolio development during the two month period ended 29 February 2016 was in line with management's expectations and Resurs's medium term financial target of growing its loan portfolio by approximately 10 percent per annum.

Resurs continued to build capital in the two month period ended 29 February 2016 and its capital position as of 29 February 2016 was in line with management's expectations. The Company's funding base remained stable and developed in line with management's expectations, including with respect to the NOK-based retail deposits acquired in the yA Bank Acquisition. For more information regarding the trends and diversity of the Company's funding base, see "*–Key factors affecting Resurs's results of operations–Interest expenses and funding*".

Resurs's operational developments during the two month period ended 29 February 2016 were generally in line with management's expectations and continued to develop in line with the trends described in "*–Key factors affecting Resurs's results of operations–Interest expenses and funding*".

Resurs's net banking income margin for the two month period ended 29 February 2016 decreased as compared to the net banking income margin for the twelve month period ended 31 December 2015, adjusted to reflect the full-year effect of the yA Bank Acquisition, to approximately 13.5 percent. This decrease was in line with management's expectations. As with previous years, the first months of each year exhibit lower margins due in part to the seasonal impact of consumer and payment trends. This decrease was also impacted by lower commission income as a result of the reduction of interchange fees, the effect of which management expects to mitigate in the medium term, and the alignment of the interest income and credit loss recognition accounting policies of Dan-Aktiv with those of the group in the three month period ended 31 December 2015. See "*Operating and financial review*".

Operating expenses in the two month period ended 29 February 2016 developed in line with management's expectations. In the period, the Company incurred one-off expenses of SEK 6 million related to transaction costs associated with the Offering. Excluding the one-off expenses, Resurs generated a cost to income ratio (excluding insurance operations) for the two month period ended 29 February 2016 above that for the twelve month period ended 31 December 2015, which was 43.4 percent (this number excludes SEK 104 million related to transactions costs associated with the Offering and transaction costs associated with the yA Bank Acquisition recognised in 2015).

Furthermore, Resurs's cost of risk during the two month period ended 29 February 2016 developed in line with management's expectations and was in line with the cost of risk of 2.3 percent for the twelve month period ended 31 December 2015, adjusted to reflect the full-year effect of the yA Bank Acquisition.

Management continues to implement the integration of yA Bank and its operations. In the three month period ended 31 March 2016, the integration process and the general operations of yA Bank were in line with management expectations.

## Description of principal income statement line items

The following is a discussion of our key income statement line items.

### Interest income

Interest income consists of income generated from products and services in banking operations, such as lending to the public and lending to credit institutions, as well as income from investments in interest-bearing securities, such as bonds, treasury bills and debentures.

### Interest expenses

Interest expenses consists of expenses relating to products and services in banking operations, such as deposits from the general public, as well as costs of financing activities of the Group, such as debt to credit institutions, debt securities and subordinated liabilities.

### Fee and commission income

Fee and commission income consists of income generated from commissions and fees from different services provided to Group customers, such as lending, credit cards and mediated insurance. Commission and fees received on financial services are recognised in the period in which such financial services are expected to be provided.

### Fee and commission expense, banking operations

Fee and commission expense from banking operations consist of expenses related to services received or used by the Group, including certain expenses relating to the credit card business (such as interchange fees and costs relating to the material, chip and postage of credit cards), to the extent that such expenses are not considered interest expenses, as well as commissions relating to the Group's lending activities.

### Premium income, net

Premium income, net of reinsurance consists of income generated from insurance premiums, outward reinsurance premiums, changes in provisions for unearned premiums and unexpired risks, net of reinsurers' shares of changes in provisions for unearned premiums and unexpired risks.

### Insurance compensation, net

Insurance compensation, net of reinsurance consists of expenses relating to claims paid and changes in provisions for claims outstanding, net of reinsurers' shares of claims paid and changes in provisions for claims outstanding.

### Fee and commission expense, insurance operations

Commission expense insurance consists of expenses relating to partners, retailers and brokers for the sale of insurance products.

### Net income/(expense) from financial transactions

Net income/(expense) from financial transactions includes realised and unrealised changes in value arising from financial transactions, such as shares, bonds and derivatives.

### Profit/(loss) from participation in group companies

Profit/(loss) from the participation in group companies includes gains and losses resulting from the sale of certain subsidiaries of the Group.

### Other operating income

Other operating income consists of income generated from reminder fees from lending to the general public, unidentified deposits from customers, recognised as income after 5 years (or, in respect of other operating income for the years ended 31 December 2013 and 2014, after 10 years), and income from own debt collection activities (in 2013, Resurs outsourced its debt collection activities to external debt collection agencies) as well as non-recurring income that is not part of the normal operating activities.

### General administrative expenses

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

### Depreciation, amortisation and impairment of non-current assets

Depreciation, amortisation and impairment of non-current assets includes depreciation costs of assets amortised on a straight-line basis over their estimated useful life, as well as any impairment costs of assets deemed to have a lower value than the booked value.

### Other operating expenses

Other operating expenses include marketing costs and insurance.

### Credit losses, net

Credit losses, net consists of established credit losses during the year, less amounts received for previous years' credit losses and changes in anticipated credit losses.

### Income tax expense

Income tax expense includes current tax and deferred tax. Taxes are recognised in the income statement except when the underlying transaction is recognised directly in equity or other comprehensive income.

## Results of operations

**Consolidated income statement for the year ended 31 December 2015 compared to the year ended 31 December 2014**

The table below sets forth Resurs's results of operations and the period on period percentage of change for the years ended 31 December 2015 and 2014.

| (SEK thousand) | For the year ended 31 December 2015 | 2014 | Change in % |
|---|---|---|---|
| | (audited) | | |
| Interest income | 1,994,686 | 1,684,048 | 18.4 |
| Interest expenses | (212,607) | (334,992) | (36.5) |
| Fee and commission income | 231,848 | 268,803 | (13.7) |
| Fee and commission expense, banking operations | (38,785) | (34,602) | 12.1 |
| Premium income, net | 1,167,017 | 989,080 | 18.0 |
| Insurance compensation, net | (505,002) | (408,741) | 23.6 |
| Fee and commission expense, insurance operations | (419,783) | (399,447) | 5.1 |
| Net income/(expense) from financial transactions | (35,092) | 6,596 | n.m. |
| Profit/(loss) from participations in group companies | (140) | – | n.m. |
| Other operating income | 188,927 | 195,770 | (3.5) |
| **Total operating income** | **2,371,069** | **1,966,515** | **20.6** |
| General administrative expenses | (989,505) | (837,307) | 18.2 |
| Depreciation, amortisation and impairment of non-current assets | (16,496) | (13,820) | 19.4 |
| Other operating expenses | (151,986) | (147,770) | 2.9 |
| **Total expenses before credit losses** | **(1,157,987)** | **(998,897)** | **15.9** |
| Earnings before credit losses | 1,213,082 | 967,618 | 25.4 |
| Credit losses, net | (374,863) | (350,699) | 6.9 |
| **Operating profit/(loss)** | **838,219** | **616,919** | **35.9** |
| Income tax expense | (216,010) | (149,270) | 44.7 |
| **Net profit/(loss) for the period** | **622,209** | **467,649** | **33.1** |

**Interest income**

Resurs's interest income increased by SEK 310,638 thousand, or 18.4 percent, from SEK 1,684,048 thousand in the year ended 31 December 2014 to SEK 1,994,686 thousand in the year ended 31 December 2015. This increase was due in part to the impact of the yA Bank Acquisition. Excluding the effects of the yA Bank Acquisition, which increased Resurs's interest income by SEK 79,824 thousand, Resurs's interest income increased by 13.7 percent to SEK 1,914,862 thousand, due largely to an increase in Resurs's loan portfolio, which, excluding the effects of the yA Bank Acquisition and based on the value of the loan portfolio of yA Bank as of 31 December 2015 (including purchase price adjustments), increased by SEK 741,921 thousand, or 5.3 percent, to SEK 14,665,296 thousand in 2015 as compared to the previous period, and was also impacted by the full-year effects of the 2014 Acquisitions and the purchase of a loan portfolio of Swedish and Norwegian loans with an aggregate principal amount of SEK 113,772 thousand from La Redoute in the second half of 2014. Resurs's interest income was also impacted by SEK 9,654 thousand in the year ended 31 December 2015 by the one-off release of provisions related to the bankruptcy of ONOFF in 2011. The increase in interest income was offset in part by the alignment of the interest income and credit loss recognition accounting policies of

Dan-Aktiv with those of the group in the three months ended 31 December 2015.

The table below sets forth Resurs's interest income by segment and the period on period percentage of change for the periods indicated.

| (SEK thousand) | For the year ended 31 December 2015 | 2014 | Change in % |
|---|---|---|---|
| | (audited) | | |
| Payment Solutions | 866,319 | 792,327 | 9.3 |
| Consumer Loans | 1,114,249 | 874,658 | 27.4 |
| Insurance | 21,312 | 25,535 | (16.5) |
| Group items and eliminations | (7,194) | (8,472) | (15.1) |
| **Total** | **1,994,686** | **1,684,048** | **18.4** |

*Payment solutions* – Interest income generated by the payment solutions segment increased by SEK 73,992 thousand, or 9.3 percent, from SEK 792,327 thousand in the year ended 31 December 2014 to SEK 866,319 thousand in the year ended 31 December 2015. This increase was due in part to the impact of the yA Bank Acquisition and the full-year effect of the 2014 Acquisitions. Excluding the effects of the yA Bank Acquisition, which increased interest income generated by the payment solutions segment by SEK 16,530 thousand, the segment's interest income increased by 7.3 percent to SEK 849,789 thousand, primarily due to an increase in the amount of the segment's loan portfolio resulting from an increase in the number of new retail finance partners and an increase in credit penetration at its existing retail finance partners. The segment's loan portfolio also grew as a result of Resurs's successful marketing activities regarding its credit cards and the continued development of Resurs's e-commerce offering. The increase was offset in part by a changing product mix, including an increase in the number of short term payment plans, which typically result in shorter payback periods and thus generate less interest income. For example, a significant portion of Resurs's e-commerce offering generates interest income via short term payment plans.

*Consumer loans* – Interest income generated by the consumer loans segment increased by SEK 239,591 thousand, or 27.4 percent, from SEK 874,658 thousand in the year ended 31 December 2014 to SEK 1,114,249 thousand in the year ended 31 December 2015. This increase was due in part to the impact of the yA Bank Acquisition and the full-year effect of the 2014 Acquisitions. Excluding the effects of the yA Bank Acquisition, which increased interest income generated by the consumer loans segment by SEK 63,293 thousand, the segment's interest income increased by 20.2 percent to SEK 1,050,956 thousand, primarily due to an increase in Resurs's outstanding consumer loan portfolio, which was primarily driven by an increase in sales and marketing activity through targeted marketing and broker channels. The increase was offset in part by the approximately 0.30 percent reduction in interest rates relating to outstanding consumer loans in December 2014, which impacted the full twelve month period ended 31 December 2015.

The consumer loans segment also generated lease income of SEK 6,352 thousand in the year ended 31 December 2015 and SEK 9,901 thousand in the year ended 31 December 2014, representing a decrease of 35.8 percent.

*Insurance* – Interest income generated by the insurance segment decreased by SEK 4,223 thousand, or 16.5 percent, from SEK 25,535 thousand in the year ended 31 December 2014 to SEK 21,312 thousand in the year ended 31 December 2015. The decrease was primarily due to a reduction in interest received on investments held in the investment portfolio of Resurs's insurance business.

**Interest expenses**

Resurs's interest expenses decreased by SEK 122,385 thousand, or 36.5 percent, from SEK 334,992 thousand in the year ended 31 December 2014 to SEK 212,607 thousand in the year ended 31 December 2015. This decrease was primarily due to lower comparative interest rates and a beneficial and historically low market interest rate environment, which helped to reduce Resurs's interest expenses, and Resurs's transition to a more diversified funding base in 2015. Resurs completed ABS and MTN issuances in 2015, which helped to diversify its funding base and drive a reduction in its overall interest expenses, as Resurs was able to reduce the rates on most of its deposit accounts in 2015. This decrease was offset in part by the impact of the yA Bank Acquisition and the full-year effect of the 2014 Acquisitions. Excluding the effects of the yA Bank Acquisition, which increased Resurs's interest expenses by SEK 12,826 thousand, Resurs's interest expenses decreased by 40.4 percent to SEK 199,781 thousand.

The table below sets forth Resurs's interest expenses by segment and the period on period percentage of change for the periods indicated:

| | For the year ended 31 December | | |
|---|---|---|---|
| (SEK thousand) | 2015 | 2014 | Change in % |
| | (audited) | | |
| Payment Solutions | (112,379) | (219,499) | (48.8) |
| Consumer Loans | (107,410) | (123,961) | (13.4) |
| Insurance | (12) | (5) | n.m. |
| Group items and eliminations | 7,194 | 8,472 | (15.1) |
| **Total** | **(212,607)** | **(334,992)** | **(36.5)** |

*Payment solutions* – Interest expenses relating to the payment solutions segment decreased by SEK 107,120 thousand, or 48.8 percent, from SEK 219,499 thousand in the year ended 31 December 2014 to SEK 112,379 thousand in the year ended 31 December 2015. This decrease was primarily due to a decrease in funding costs resulting from lower comparative and market interest rates and Resurs's transition to a more diversified funding base in 2015, and was offset in part by the impact of the yA Bank Acquisition. Excluding the effects of the yA Bank Acquisition, which increased interest expenses relating to the payment solutions segment by SEK 1,796 thousand, the segment's interest expenses decreased by 49.6 percent to SEK 110,583 thousand.

*Consumer loans* – Interest expenses relating to the consumer loans segment decreased by SEK 16,551 thousand, or 13.4 percent, from SEK 123,961 thousand in the year ended 31 December 2014 to SEK 107,410 thousand in the year ended 31 December 2015. This decrease was primarily due to a decrease in funding costs resulting from lower comparative and market interest rates and Resurs's transition to a more diversified funding base in 2015, and was offset in part by the impact of the yA Bank Acquisition. Excluding the effects of the yA Bank Acquisition, which increased interest expenses relating to the consumer loans segment by SEK 11,030 thousand, the segment's interest expenses decreased by 22.3 percent to SEK 96,380 thousand.

*Insurance* – Interest expenses relating to the insurance segment increased by SEK 7 thousand, from SEK 5 thousand in the year ended 31 December 2014 to SEK 12 thousand in the year ended 31 December 2015. This increase was primarily due to interest on accounts payables.

**Fee and commission income**

Resurs's fee and commission income decreased by SEK 36,955 thousand, or 13.7 percent, from SEK 268,803 thousand in the year ended 31 December 2014 to SEK 231,848 thousand in the year ended 31 December 2015. The decrease was due in part to the one-off impact of SEK 24,540 thousand in the year ended 31 December 2014 in connection with the release of provisions and reserve amounts set aside by Resurs relating to excess interchange fees received under agreements with certain parties, and lower income as a result of the reduction of interchange fees. The decrease was offset in part by the impact of the yA Bank Acquisition and the full-year effect of the 2014 Acquisitions. Excluding the effects of the yA Bank Acquisition, which increased Resurs's fee and commission income by SEK 6,587 thousand, Resurs's fee and commission income decreased by 16.2 percent to SEK 225,261 thousand.

The table below sets forth Resurs's fee and commission income by segment and the period on period percentage of change for the periods indicated.

| | For the year ended 31 December | | |
|---|---|---|---|
| (SEK thousand) | 2015 | 2014 | Change in % |
| | (audited) | | |
| Payment Solutions | 271,178 | 293,137 | (7.5) |
| Consumer Loans | 66,158 | 46,232 | 43.1 |
| Insurance | – | 32 | n.m. |
| Group items and eliminations | (105,488) | (70,598) | 49.4 |
| **Total** | **231,848** | **268,803** | **(13.7)** |

*Payment solutions* – Resurs's fee and commission income from the payment solutions segment decreased by SEK 21,959 thousand, or 7.5 percent, from SEK 293,137 thousand in the year ended 31 December 2014 to SEK 271,178 thousand in the year ended 31 December 2015. This decrease was primarily due to the one-off impact of SEK 24,540 thousand in the year ended 31 December 2014 described above, which increased fee and commission income from the payment solutions segment in the year ended 31 December 2014 but did not impact fee and commission income in the year ended 31 December 2015. The decrease was also due in part to lower income as a result of the reduction of interchange fees. The decrease was offset in part by an increase in the amount of the segment's loan portfolio and the impact of the yA Bank Acquisition. Excluding the effects of the yA Bank Acquisition, which increased fee and commission income from the payment solutions segment by SEK 281 thousand, the segment's fee and commission income decreased by 7.6 percent to SEK 270,897 thousand.

*Consumer loans* – Resurs's fee and commission income from the consumer loans segment increased by SEK 19,926 thousand, or 43.1 percent, from SEK 46,232 thousand in the year ended 31 December 2014 to SEK 66,158 thousand in the year ended 31 December 2015. This increase was due in part to the impact of the yA Bank Acquisition and the full-year effect of the 2014 Acquisitions. Excluding the effects of the yA Bank Acquisition, which increased fee and commission income from the consumer loans segment by SEK 6,305 thousand, the segment's fee and commission income increased by 29.5 percent to SEK 59,853 thousand, primarily due to organic loan portfolio development and growth of the consumer loans business and loan portfolio. The increase was offset in part by the harmonisation of PPI commissions as Finaref converted to using Solid as its PPI provider.

*Insurance* – Resurs's fee and commission income from the insurance segment decreased by SEK 32 thousand, from SEK 32 thousand in the year ended 31 December 2014 to SEK 0 thousand in the year ended 31 December 2015. The amount of SEK 32 thousand resulted from changes in eliminations in the accounting of the Group.

**Fee and commission expense, banking operations**
Resurs's fee and commission expenses related to its banking operations increased by SEK 4,183 thousand, or 12.1 percent, from SEK 34,602 thousand in the year ended 31 December 2014 to SEK 38,785 thousand in the year ended 31 December 2015. The increase was due in part to increased expenses relating to Resurs's credit card business resulting from interchange fees and other costs, the yA Bank Acquisition and the full-year effect of the 2014 Acquisitions. Excluding the effects of the yA Bank Acquisition, which increased Resurs's fee and commission expenses related to its banking operations by SEK 548 thousand, Resurs's fee and commission expenses related to its banking operations increased by 10.5 percent to SEK 38,237 thousand.

The table below sets forth Resurs's fee and commission expenses related to its banking operations by segment and the period on period percentage of change for the periods indicated.

| | For the year ended 31 December | | |
|---|---|---|---|
| (SEK thousand) | 2015 | 2014 | Change in % |
| | (audited) | | |
| Payment Solutions | (38,765) | (34,585) | 12.1 |
| Consumer Loans | (20) | (17) | 17.6 |
| Insurance | – | – | – |
| Group items and eliminations | – | – | – |
| **Total** | **(38,785)** | **(34,602)** | **12.1** |

*Payment solutions* – Resurs's fee and commission expenses from banking operations relating to the payment solutions segment increased by SEK 4,180 thousand, or 12.1 percent, from SEK 34,585 thousand in the year ended 31 December 2014 to SEK 38,765 thousand in the year ended 31 December 2015. This increase was primarily due to an increase in the amount of interchange fees relating to Visa and MasterCard credit cards and an increase in costs relating to the material and postage of credit cards due, in part, to the acquisition of yA Bank's credit card business. Excluding the effects of the yA Bank Acquisition, which increased fee and commission expenses from banking operations relating to the payment solutions segment by SEK 527 thousand, the segment's fee and commission expenses from banking operations decreased by 10.6 percent to SEK 38,238 thousand.

*Consumer loans* – Resurs's banking fee and commission expenses from banking operations relating to the consumer loans segment increased by SEK 3 thousand, or 17.6 percent, from SEK 17 thousand in the year ended 31 December 2014 to SEK 20 thousand in the year ended 31 December 2015. This increase was primarily due to the impact of the yA Bank Acquisition and the full-year effect of the 2014 Acquisitions, which increased fee and commission income owed to partners and certain other market participants relating to Resurs's consumer loans segment. Excluding the effects of the yA Bank Acquisition, Resurs's had an insignificant amount of fee and commission expenses from banking operations relating to the consumer loans segment.

**Premium income, net**
Resurs's premium income, net of reinsurance increased by SEK 177,937 thousand, or 18.0 percent, from SEK 989,080 thousand in the year ended 31 December 2014 to SEK 1,167,017 thousand in the year ended 31 December 2015. This increase was primarily an effect of an increase in premiums generated across Resurs's insurance offering, with particularly strong gains from the travel insurance and PPI products in the year ended 31 December 2015.

**Insurance compensation, net**
Resurs's insurance compensation, net of reinsurance increased by SEK 96,261 thousand, or 23.6 percent, from SEK 408,741 thousand in the year ended 31 December 2014 to SEK 505,002 thousand in the year ended 31 December 2015. This increase was primarily due to an increase in the loss ratios relating to Resurs's travel insurance and roadside assistance/car warranties insurance products. The increase in the loss ratios of these products was offset in part by a reduction in the loss ratios relating to Resurs's product insurance.

**Fee and commission expense, insurance operations**
Resurs's commission expense related to its insurance operations increased by SEK 20,336 thousand, or 5.1 percent, from SEK 399,447 thousand in the year ended 31 December 2014 to SEK 419,783 thousand in the year ended 31 December 2015. This increase was primarily due to an increase in premium income, net of reinsurance, as commission expenses relating to the offer and sale of the insurance products by partners, retailers and brokers generally increase in line with increases in premiums and new sales of insurance products.

**Net income/(expense) from financial transactions**
Resurs's net income from financial transactions decreased by SEK 41,688 thousand, from SEK 6,596 thousand in the year ended 31 December 2014 to negative SEK 35,092 thousand in the year ended 31 December 2015. This decrease was primarily due to changes and adverse developments in the financial markets, which impacted, among other things, the performance of the investments held in the investment portfolio of Resurs's insurance business and costs associated with Resurs's swap instruments. This decrease was offset in part by the impact of the yA Bank Acquisition and the full-year effect of the 2014 Acquisitions. Excluding the effects of the yA Bank Acquisition, which increased Resurs's net income from financial transactions by SEK 158 thousand, Resurs's net income from financial transactions decreased to negative SEK 35,250 thousand.

The table below sets forth Resurs's net income from financial transactions by segment and the period on period percentage of change for the periods indicated.

| | For the year ended 31 December | | |
|---|---|---|---|
| (SEK thousand) | 2015 | 2014 | Change in % |
| | (audited) | | |
| Payment Solutions | (14,925) | 959 | n.m. |
| Consumer Loans | (12,226) | 1,312 | n.m. |
| Insurance | (7,941) | 4,325 | n.m. |
| Group items and eliminations | – | – | – |
| **Total** | **(35,092)** | **6,596** | **n.m.** |

*Payment solutions* – Resurs's net income from financial transactions relating to the payment solutions segment decreased by SEK 15,884 thousand, from SEK 959 thousand in the year ended 31 December 2014 to negative SEK 14,925 thousand in the year ended 31 December 2015. This decrease was primarily due to changes and adverse developments in the financial markets and was offset in part by the impact of the yA Bank Acquisition. Excluding the effects of the yA Bank Acquisition, which increased net income from financial transactions relating to the payment solutions segment by SEK 22 thousand, the segment's net income from financial transactions decreased to negative SEK 14,947 thousand.

*Consumer loans* – Resurs's net income from financial transactions relating to the consumer loans segment decreased by SEK 13,538 thousand, from SEK 1,312 thousand in the year ended 31 December 2014 to negative SEK 12,226 thousand in the year ended 31 December 2015. This decrease was primarily due to changes and adverse developments in the financial markets and was offset in part by the impact of the yA Bank Acquisition. Excluding the effects of the yA Bank Acquisition, which increased net income from financial transactions relating to the consumer loans segment by SEK 136 thousand, the segment's net income from financial transactions decreased to negative SEK 12,362 thousand.

*Insurance* – Resurs's net income from financial transactions relating to the insurance segment decreased by SEK 12,266 thousand, from SEK 4,325 thousand in the year ended 31 December 2014 to negative SEK 7,941 thousand in the year ended 31 December 2015. The decrease was primarily due to changes and adverse developments in the financial markets, which impacted the performance of, and interest received on, the investments held in the investment portfolio of Resurs's insurance business.

**Profit/(loss) from participation in group companies**
Resurs's losses from participation in group companies increased by SEK 140 thousand, from SEK 0 thousand in the year ended 31 December 2014 to SEK 140 thousand in the year ended 31 December 2015. This increase was due to losses resulting from the sale of the following subsidiaries of the Group: Reda Inkasso AB and Teleresurs i Sverige AB, including its subsidiary, Flat Wallet AB. Resurs did not conduct any similar transactions in the year ended 31 December 2014.

**Other operating income**
Resurs's other operating income decreased by SEK 6,843 thousand, or 3.5 percent, from SEK 195,770 thousand in the year ended 31 December 2014 to SEK 188,927 thousand in the year ended 31 December 2015. This decrease was primarily due to a decrease in income related to collection fees resulting in part from the outsourcing of Resurs's debt collection to external debt collection agencies and the impact of the divestment of Resurs's home and auto insurance portfolio in January 2014. The decrease was offset in part by the impact of one-off income items impacting Resurs's consumer loans segment and the impact of the yA Bank Acquisition. Excluding the effects of the yA Bank Acquisition, which increased Resurs's other operating income by SEK 944 thousand, Resurs's other operating income decreased by 4.0 percent to SEK 187,983 thousand.

The table below sets forth Resurs's other operating income by segment and the period on period percentage of change for the periods indicated.

| | For the year ended 31 December | | |
|---|---|---|---|
| (SEK thousand) | 2015 | 2014 | Change in % |
| | (audited) | | |
| Payment Solutions | 150,392 | 150,694 | (0.2) |
| Consumer Loans | 38,844 | 23,516 | 65.2 |
| Insurance | (309) | 32,170 | n.m. |
| Group items and eliminations | – | (10,611) | n.m. |
| **Total** | **188,927** | **195,770** | **(3.5)** |

*Payment solutions* – Resurs's other operating income relating to the payment solutions segment decreased slightly by SEK 302 thousand, or 0.2 percent, from SEK 150,694 thousand in the year ended 31 December 2014 to SEK 150,392 thousand in the year ended 31 December 2015. This decrease was primarily due to a decrease in income related to collection fees in the year ended 31 December 2015 as compared to the year ended 31 December 2014, and was offset in part by the impact of the yA Bank Acquisition. Excluding the effects of the yA Bank Acquisition, which increased other operating income relating to the payment solutions segment by SEK 354 thousand, the segment's other operating income decreased by 0.4 percent to SEK 150,038 thousand.

*Consumer loans* – Resurs's other operating income relating to the consumer loans segment increased by SEK 15,328 thousand, or 65.2 percent, from SEK 23,516 thousand in the year ended 31 December 2014 to SEK 38,844 thousand in the year ended 31 December 2015. This increase was primarily due to one-off income of SEK 15,246 thousand resulting from payments under Resurs's agreement with Crédit Agricole regarding the acquisition of Finaref, and was also due in part to an increase in income generated by reminder fees resulting from the impact of the yA Bank Acquisition and the full-year effect of the 2014 Acquisitions. Excluding the effects of the yA Bank Acquisition, which increased other operating income relating to the consumer loans segment by SEK 592 thousand, the segment's other operating income increased by 62.7 percent to SEK 38,252 thousand.

*Insurance* – Resurs's other operating income relating to the insurance segment decreased by SEK 32,479 thousand, from SEK 32,170 thousand in the year ended 31 December 2014 to negative SEK 309 thousand in the year ended 31 December 2015. This decrease primarily resulted from the impact of the divestment of Resurs's home and auto insurance portfolio in January 2014, which increased Resurs's other operating income relating to the insurance segment in the year ended 31 December 2014 but had no impact on Resurs's other operating income relating to the insurance segment in the year ended 31 December 2015.

**General administrative expenses**
Resurs's general administrative expenses increased by SEK 152,198 thousand, or 18.2 percent, from SEK 837,307 thousand in the year ended 31 December 2014 to SEK 989,505 thousand in the year ended 31 December 2015. This increase was due in part to SEK 104,189 thousand in certain one-off costs, including a one-off cost of SEK 42,496 thousand for acquisitions costs related to the yA Bank Acquisition and a one-off cost of SEK 61,693 thousand related for costs related to the Offering. This increase was also due in part to the increase in the size of the business resulting from the yA Bank Acquisition and the impact of the full-year effect of the 2014 Acquisitions. Excluding the effects of the yA Bank Acquisition, which increased Resurs's general administrative expenses by SEK 17,213 thousand, Resurs's general administrative expenses increased by 16.1 percent to SEK 972,292 thousand, primarily due to an increase in personnel costs, IT expenses and consulting expenses. For example,

general administrative expenses relating to Resurs Bank increased due to an increase in personnel costs resulting from an increase in Resurs's sales and marketing and IT operations, as Resurs recruited new employees in order to scale for future growth. The increase was also due to an increase in IT related expenses and consulting expenses. With respect to Solid, total expenses before credit losses increased by SEK 15,588 thousand, or 20.6 percent, from SEK 75,570 thousand in the year ended 31 December 2014 to SEK 91,158 thousand in the year ended 31 December 2015. This increase was primarily due to an increase in costs associated with the introduction of the Solvency II directive. See "*Regulatory–Insurance business related regulation*".

**Depreciation, amortisation and impairment of non-current assets**

Resurs's depreciation, amortisation and impairment of non-current assets increased by SEK 2,676 thousand, or 19.4 percent, from SEK 13,820 thousand in the year ended 31 December 2014 to SEK 16,496 thousand in the year ended 31 December 2015. This increase was due in part to the impact of the yA Bank Acquisition and the full-year effect of the 2014 Acquisitions. Excluding the effects of the yA Bank Acquisition, which increased Resurs's depreciation, amortisation and impairment of non-current assets by SEK 525 thousand, Resurs's depreciation, amortisation and impairment of non-current assets increased by 15.6 percent to SEK 15,971 thousand, primarily due to the renovation of Resurs's headquarters in Helsingborg, Sweden, pursuant to which Resurs acquired a significant amount of fixtures and furniture. With respect to Solid, depreciation, amortisation and impairment of non-current assets increased due to the acquisition of Falck Försäkring's Swedish database of bicycle insurance policyholders, which expanded Solid's customer base and helped to increase its product insurance portfolio.

**Other operating expenses**

Resurs's other operating expenses increased by SEK 4,216 thousand, or 2.9 percent, from SEK 147,770 thousand in the year ended 31 December 2014 to SEK 151,986 thousand in the year ended 31 December 2015. This increase was primarily due to the impact of the yA Bank Acquisition and was offset in part by lower overall marketing costs. Excluding the effects of the yA Bank Acquisition, which increased Resurs's other operating expenses by SEK 5,372 thousand, Resurs's other operating expenses remained stable and decreased slightly to SEK 146,614 thousand.

**Credit losses, net**

Resurs's credit losses, net increased by SEK 24,164 thousand, or 6.9 percent, from SEK 350,699 thousand in the year ended 31 December 2014 to SEK 374,863 thousand in the year ended 31 December 2015. This increase was primarily due to a one-off cost of approximately SEK 21 million, net, resulting from the application of Resurs Bank's provisioning model to a loan portfolio in Denmark, and was offset in part by improvement in the credit quality of Resurs's loan portfolio. This increase was also due in part to the impact of the yA Bank Acquisition and the full-year effect of the 2014 Acquisitions, which increased credit losses, net relating to Resurs's consumer loans segment. yA Bank's credit losses, net were SEK 18,186 thousand in the period following the yA Bank Acquisition, which, when recalculated to reflect the credit loss provisioning model of Resurs, increased Resurs's credit losses, net by SEK 8,553 thousand. Excluding this effect on credit losses, net resulting from the yA Bank Acquisition, Resurs's credit losses, net increased by 4.5 percent to SEK 366,310 thousand. The increase in credit losses, net was offset in part by the alignment of the interest income and credit loss recognition accounting policies of Dan-Aktiv with those of the group in the three months ended 31 December 2015.

The table below sets forth Resurs's credit losses, net by segment and the period on period percentage of change for the periods indicated:

| (SEK thousand) | For the year ended 31 December 2015 | 2014 | Change in % |
|---|---|---|---|
| | (audited) | | |
| Payment Solutions | (138,203) | (171,047) | (19.2) |
| Consumer Loans | (236,660) | (179,651) | 31.7 |
| Insurance | – | – | – |
| Group items and eliminations | – | – | – |
| **Total** | **(374,863)** | **(350,699)** | **6.9** |

*Payment solutions* – Resurs's credit losses, net relating to the payment solutions segment decreased by SEK 32,844 thousand, or 19.2 percent, from SEK 171,047 thousand in the year ended 31 December 2014 to SEK 138,203 thousand in the year ended 31 December 2015. This decrease was primarily due to an increase in the quality of the loan portfolio relating to the payment solutions segment, and was also due in part to the impact of the yA Bank Acquisition. yA Bank's credit losses, net relating to payment solutions were SEK 1,533 thousand, which, when recalculated as set out above, increased Resurs's credit losses, net relating to the payment solutions segment by SEK 722 thousand. Excluding this effect on credit losses, net resulting from the yA Bank Acquisition, the segment's credit losses, net decreased by 19.6 percent to SEK 137,418 thousand.

*Consumer loans* – Resurs's credit losses, net relating to the consumer loans segment increased by SEK 57,009 thousand, or 31.7 percent, from SEK 179,651 thousand in the year ended 31 December 2014 to SEK 236,660 thousand in the year ended 31 December 2015. This increase was primarily due to a one-off cost of approximately SEK 21 million, net, resulting from the application of Resurs Bank's provisioning model to a loan portfolio in Denmark and was offset in part by a general increase in the quality of the loan portfolio relating to the consumer loans segment. This increase was also due in part to the impact of the yA Bank Acquisition and the full-year effect of the 2014 Acquisitions, which expanded Resurs's loan portfolio and operations relating to its consumer loans offering. yA Bank's credit losses, net relating to consumer loans were SEK 16,653 thousand, which, when recalculated as set out above, increased Resurs's credit losses, net relating to the consumer loans segment by SEK 7,832 thousand. Excluding this effect on credit losses, net resulting from the yA Bank Acquisition, the segment's credit losses, net increased by 27.4 percent to SEK 228,828 thousand.

**Income tax expense**

Resurs's income tax expense increased by SEK 66,740 thousand, or 44.7 percent, from SEK 149,270 thousand in the year ended 31 December 2014 to SEK 216,010 thousand in the year ended 31 December 2015. This increase was primarily due to an increase in total operating income for the period.

## Consolidated income statement for the year ended 31 December 2014 compared to the year ended 31 December 2013

The table below sets forth Resurs's results of operations and the period on period percentage of change for the years ended 31 December 2014 and 2013.

| | For the year ended 31 December | | |
|---|---|---|---|
| (SEK thousand) | 2014 | 2013 | Change in % |
| | (audited) | | |
| Interest income | 1,684,048 | 951,734 | 76.9 |
| Interest expenses | (334,992) | (299,865) | 11.7 |
| Fee and commission income | 268,803 | 164,690 | 63.2 |
| Fee and commission expense, banking operations | (34,602) | (36,057) | (4.0) |
| Premium income, net | 989,080 | 919,186 | 7.6 |
| Insurance compensation, net | (408,741) | (391,374) | 4.4 |
| Fee and commission expense, insurance operations | (399,447) | (382,508) | 4.4 |
| Net income/(expense) from financial transactions | 6,596 | 15,567 | (57.6) |
| Profit/(loss) from participations in group companies | – | – | – |
| Other operating income | 195,770 | 272,124 | (28.1) |
| **Total operating income** | **1,966,515** | **1,213,496** | **62.1** |
| General administrative expenses | (837,307) | (546,736) | 53.1 |
| Depreciation, amortisation and impairment of non-current assets | (13,820) | (5,777) | 139.2 |
| Other operating expenses | (147,770) | (111,528) | 32.5 |
| **Total expenses before credit losses** | **(998,897)** | **(664,041)** | **50.4** |
| **Earnings before credit losses** | **967,618** | **549,455** | **76.1** |
| Credit losses, net | (350,699) | (169,120) | 107.4 |
| **Operating profit/(loss)** | **616,919** | **380,335** | **62.2** |
| Income tax expense | (149,270) | (93,506) | 59.6 |
| **Net profit/(loss) for the period** | **467,649** | **286,829** | **63.0** |

**Interest income**

Resurs's interest income increased by SEK 732,314 thousand, or 76.9 percent, from SEK 951,734 thousand in the year ended 31 December 2013 to SEK 1,684,048 thousand in the year ended 31 December 2014. This increase was primarily due to the impact of the 2014 Acquisitions and the increase in Resurs's loan portfolio, which increased by 50.4 percent from SEK 9,258,334 thousand as of 31 December 2013 to SEK 13,923,375 thousand as of 31 December 2014. The increase was also impacted in part by the purchase of a loan portfolio of Swedish and Norwegian loans with an aggregate principal amount of SEK 113,772 thousand from La Redoute in the second half of 2014. Excluding the effects of the 2014 Acquisitions, Resurs's interest income increased and was impacted by SEK 38,996 thousand in the year ended 31 December 2014 by the one-off release of provisions related to the bankruptcy of ONOFF in 2011.

The table below sets forth Resurs's interest income by segment and the period on period percentage of change for the periods indicated:

| | For the year ended 31 December | | |
|---|---|---|---|
| (SEK thousand) | 2014 | 2013 | Change in % |
| | (audited) | | |
| Payment Solutions | 792,327 | 598,711 | 32.3 |
| Consumer Loans | 874,658 | 325,142 | 169.0 |
| Insurance | 25,535 | 31,548 | (19.1) |
| Group items and eliminations | (8,472) | (3,667) | n.m. |
| **Total** | **1,684,048** | **951,734** | **76.9** |

*Payment solutions* – Interest income generated by the payment solutions segment increased by SEK 193,616 thousand, or 32.3 percent, from SEK 598,711 thousand in the year ended 31 December 2013 to SEK 792,327 thousand in the year ended 31 December 2014. This increase was primarily due to the impact of the 2014 Acquisitions. Excluding the effects of the 2014 Acquisitions, the segment's interest income increased primarily due to an increase in the amount of the segment's loan portfolio due to an increase in credit penetration at its retail finance partners, including a significant increase in credit penetration at a number of major retail finance partners. The segment's loan portfolio also grew as a result of Resurs's successful marketing activities regarding its credit cards and the continued development of Resurs's e-commerce offering. The increase was offset in part by a changing product mix, including an increase in the number of short term payment plans, which typically result in shorter payback periods and thus generate less interest income. For example, a significant portion of Resurs's e-commerce offering generates interest income via short term payment plans.

*Consumer loans* – Interest income generated by the consumer loans segment increased by SEK 549,516 thousand, or 169.0 percent, from SEK 325,142 thousand in the year ended 31 December 2013 to SEK 874,658 thousand in the year ended 31 December 2014. This increase was primarily due to the impact of the 2014 Acquisitions. Excluding the effects of the 2014 Acquisitions, the segment's interest income increased primarily due to a 16 percent increase in Resurs's outstanding consumer loan portfolio, which was primarily driven by an increase in sales and marketing activity through targeted marketing and broker channels and by the one-off release of provisions related to the bankruptcy of ONOFF. The increase was offset in part by a decrease in the interest rates on its outstanding consumer loans and a decrease in the interest rates offered to applicants of new consumer loans. In December 2014, Resurs reduced the interest rates on its outstanding consumer loans by approximately 0.30 percent.

The consumer loans segment also generated lease income of SEK 9,901 thousand in the year ended 31 December 2014. This lease income was excluded from the consolidated income statement. The consumer loans segment did not generate any lease income in the year ended 31 December 2013.

*Insurance* – Interest income generated by the insurance segment decreased by SEK 6,013 thousand, or 19.1 percent, from SEK 31,548 thousand in the year ended 31 December 2013 to SEK 25,535 thousand in the year ended 31 December 2014. This decrease was primarily due to a reduction in interest received on bond investments held in the investment portfolio of Resurs's insurance business.

**Interest expenses**

Resurs's interest expenses increased by SEK 35,127 thousand, or 11.7 percent, from SEK 299,865 thousand in the year ended 31 December 2013 to SEK 334,992 thousand in the year ended 31 December 2014. This increase was primarily due to the impact of the 2014 Acquisitions. Excluding the effects of the 2014 Acquisitions, Resurs's interest expenses decreased primarily due to the impact of the positive macroeconomic environment and lower market interest rates during the period.

The table below sets forth Resurs's interest expenses by segment and the period on period percentage of change for the periods indicated:

| (SEK thousand) | For the year ended 31 December 2014 | 2013 | Change in % |
|---|---|---|---|
| | (audited) | | |
| Payment Solutions | (219,499) | (193,578) | 13.4 |
| Consumer Loans | (123,961) | (109,587) | 13.1 |
| Insurance | (5) | (367) | n.m. |
| Group items and eliminations | 8,472 | 3,667 | n.m. |
| **Total** | **(334,992)** | **(299,865)** | **11.7** |

*Payment solutions* – Interest expenses relating to the payment solutions segment increased by SEK 25,921 thousand, or 13.4 percent, from SEK 193,578 thousand in the year ended 31 December 2013 to SEK 219,499 thousand in the year ended 31 December 2014. This increase was primarily due to the impact of the 2014 Acquisitions. Excluding the effects of the 2014 Acquisitions, the segment's interest expenses increased primarily due to an increase in the amount of the segment's loan portfolio.

*Consumer loans* – Interest expenses relating to the consumer loans segment increased by SEK 14,374 thousand, or 13.1 percent, from SEK 109,587 thousand in the year ended 31 December 2013 to SEK 123,961 thousand in the year ended 31 December 2014. This increase was primarily due to the impact of the 2014 Acquisitions. Excluding the effects of the 2014 Acquisitions, the segment's interest expenses increased primarily due to an increase in Resurs's outstanding consumer loan portfolio, particularly in Sweden, which represents Resurs's largest market by outstanding consumer loan portfolio.

*Insurance* – Interest expenses relating to the insurance segment decreased by SEK 362 thousand, from SEK 367 thousand in the year ended 31 December 2013 to SEK 5 thousand in the year ended 31 December 2014. This decrease was primarily due to one-off insurance premium tax expenses in 2013 due to changed regulations in Finland.

**Fee and commission income**

Resurs's fee and commission income increased by SEK 104,113 thousand, or 63.2 percent, from SEK 164,690 thousand in the year ended 31 December 2013 to SEK 268,803 thousand in the year ended 31 December 2014. This increase was primarily due to the impact of the 2014 Acquisitions. Excluding the effects of the 2014 Acquisitions, Resurs's fee and commission income increased primarily due to an increase in Resurs's loan portfolio and new loan development during the period. Resurs's fee and commission income was also impacted by SEK 24,540 thousand in the year ended 31 December 2014 by the one-off release of provisions and reserve amounts previously set aside by Resurs relating to excess interchange fees received under arrangements with certain parties.

The table below sets forth Resurs's fee and commission income by segment and the period on period percentage of change for the periods indicated:

| (SEK thousand) | For the year ended 31 December 2014 | 2013 | Change in % |
|---|---|---|---|
| | (audited) | | |
| Payment Solutions | 293,137 | 203,433 | 44.1 |
| Consumer Loans | 46,232 | 17,534 | n.m. |
| Insurance | 32 | (11) | n.m. |
| Group items and eliminations | (70,598) | (56,266) | 25.5 |
| **Total** | **268,803** | **164,690** | **63.2** |

*Payment solutions* – Fee and commission income generated by the payment solutions segment increased by SEK 89,704 thousand, or 44.1 percent, from SEK 203,433 thousand in the year ended 31 December 2013 to SEK 293,137 thousand in the year ended 31 December 2014. This increase was primarily due to the impact of the 2014 Acquisitions. Excluding the effects of the 2014 Acquisitions, the segment's fee and commission income increased primarily due to an increase in the amount of the segment's loan portfolio, which generated additional fee and commission income from applications for Resurs's retail finance and credit card products. The increase was offset in part by a change in the segment's product mix, which included an increase in campaign payment plans, pursuant to which Resurs reduces the fees and commissions that it charges on its payment solutions in order to drive new business. The increase was also offset in part by changes in end-customer behaviour, as more customers elected payment options that increased interest income but did not generate monthly maintenance and administration fees.

*Consumer loans* – Fee and commission income generated by the consumer loans segment increased by

SEK 28,698 thousand from SEK 17,534 thousand in the year ended 31 December 2013 to SEK 46,232 thousand in the year ended 31 December 2014. This increase was primarily due to the impact of the 2014 Acquisitions and the positive affect of Dan-Aktiv's higher start-up fees on new loans. Excluding the effects of the 2014 Acquisitions, the segment's fee and commission income increased primarily due to an increase in new loan development, which resulted in an increase in start-up fees from new loans. In addition, the increase was also due to an increase in fees generated from top-ups of existing customers' consumer loans, and an increase in fees generated from reminder notices for late payments and past due amounts.

**Fee and commission expense, banking operations**

Resurs's fee and commission expenses related to its banking operations decreased by SEK 1,455 thousand, or 4.0 percent, from SEK 36,057 thousand in the year ended 31 December 2013 to SEK 34,602 thousand in the year ended 31 December 2014. This decrease was primarily due to a decrease in costs related to the credit card infrastructure, and was offset in part by the impact of the operations of Dan-Aktiv on the banking fee and commission expenses of the consumer loan segment and an increase in Resurs's loan portfolio and new loan development, which increased fee and commission owed to partners and certain other market participants.

The table below sets forth Resurs's fee and commission expenses related to its banking operations by segment and the period on period percentage of change for the periods indicated:

| (SEK thousand) | For the year ended 31 December 2014 | 2013 | Change in % |
|---|---|---|---|
| | *(audited)* | | |
| Payment Solutions | (34,585) | (36,057) | (4.1) |
| Consumer Loans | (17) | – | n.m. |
| Insurance | – | – | – |
| Group items and eliminations | – | – | – |
| **Total** | **(34,602)** | **(36,057)** | **(4.0)** |

*Payment solutions* – Resurs's fee and commission expenses from banking operations relating to the payment solutions segment decreased by SEK 1,472 thousand, or 4.1 percent, from SEK 36,057 thousand in the year ended 31 December 2013 to SEK 34,585 thousand in the year ended 31 December 2014. This decrease was primarily due to a decrease in costs related to the credit card infrastructure, such as transaction and clearing fees.

*Consumer loans* – Resurs's fee and commission expenses from banking operations relating to the consumer loans segment increased by SEK 17 thousand, to SEK 17 thousand in the year ended 31 December 2014. This increase was primarily due to the impact of the 2014 Acquisitions. Excluding the effects of the 2014 Acquisitions, the segment's fee and commission expenses from banking operations increased primarily due to an increase in the segment's loan portfolio and new loan development.

**Premium income, net**

Resurs's premium income, net of reinsurance increased by SEK 69,894 thousand, or 7.6 percent, from SEK 919,186 thousand in the year ended 31 December 2013 to SEK 989,080 thousand in the year ended 31 December 2014. This increase was primarily an effect of an increase in premiums from Resurs's PPI, product and travel insurance products in 2014, and was offset in part by the divestment of its portfolio and product offerings relating to home and auto insurance in January 2014.

**Insurance compensation, net**

Resurs's insurance compensation, net of reinsurance increased by SEK 17,367 thousand, or 4.4 percent, from SEK 391,374 thousand in the year ended 31 December 2013 to SEK 408,741 thousand in the year ended 31 December 2014. Insurance compensation, net of reinsurance increased primarily as a result of an increase in costs relating to insurance claims, particularly with respect to the travel insurance products of Resurs. While Resurs's total claims costs increased, Resurs experienced a decrease in its total loss ratio as a result of its shift to focus on its targeted insurance products and divestment of its home and auto insurance products.

**Commission expense insurance**

Resurs's commission expense related to its insurance operations increased by SEK 16,939 thousand, or 4.4 percent, from SEK 382,508 thousand in the year ended 31 December 2013 to SEK 399,447 thousand in the year ended 31 December 2014. This increase was primarily due to an increase in premium income, net of reinsurance, as commission expenses relating to the offer and sale of the insurance products by partners, retailers and brokers generally increase in line with increases in premiums and new sales of insurance products.

**Net income/(expense) from financial transactions**

Resurs's net income from financial transactions decreased by SEK 8,971 thousand, or 57.6 percent, from SEK 15,567 thousand in the year ended 31

December 2013 to SEK 6,596 thousand in the year ended 31 December 2014. Net income from financial transactions was impacted by the effects of the 2014 Acquisitions. Excluding the effects of the 2014 Acquisitions, this decrease was primarily due to adverse developments and increased volatility in the financial markets.

The table below sets forth Resurs's net income from financial transactions by segment and the period on period percentage of change for the periods indicated:

| (SEK thousand) | For the year ended 31 December 2014 | 2013 | Change in % |
|---|---|---|---|
| | (audited) | | |
| Payment Solutions | 959 | 2,690 | (64.3) |
| Consumer Loans | 1,312 | 1,554 | (15.6) |
| Insurance | 4,325 | 11,324 | (61.8) |
| Group items and eliminations | – | – | – |
| **Total** | **6,596** | **15,567** | **(57.6)** |

*Payment solutions* – Net income from financial transactions relating to the payment solutions segment decreased by SEK 1,731 thousand, or 64.3 percent, from SEK 2,690 thousand in the year ended 31 December 2013 to SEK 959 thousand in the year ended 31 December 2014. This decrease was primarily due to changes in the financial markets.

*Consumer loans* – Net income from financial transactions relating to the consumer loans segment decreased by SEK 242 thousand, or 15.6 percent, from SEK 1,554 thousand in the year ended 31 December 2013 to SEK 1,312 thousand in the year ended 31 December 2014. This decrease was primarily due to changes in the financial markets.

*Insurance* – Net income from financial transactions relating to the insurance segment decreased by SEK 6,999 thousand, or 61.8 percent, from SEK 11,324 thousand in the year ended 31 December 2013 to SEK 4,325 thousand in the year ended 31 December 2014. This decrease was primarily due to changes in the financial markets.

**Other operating income**

Resurs's other operating income decreased by SEK 76,354 thousand, or 28.1 percent, from SEK 272,124 thousand in the year ended 31 December 2013 to SEK 195,770 thousand in the year ended 31 December 2014. This decrease was primarily due to the SEK 147 million capital gain on the sale of Resurs's litigation portfolio in 2013, which was booked as other operating income. Excluding the impact of the SEK 147 million capital gain, other operating income increased primarily as a result of an increase in Resurs's loan portfolio and new loan development and the divestment of Resurs's home and auto insurance portfolio.

The table below sets forth Resurs's other operating income by segment and the period on period percentage of change for the periods indicated:

| (SEK thousand) | For the year ended 31 December 2014 | 2013 | Change in % |
|---|---|---|---|
| | (audited) | | |
| Payment Solutions | 150,694 | 222,717 | (32.3) |
| Consumer Loans | 23,516 | 48,789 | (51.8) |
| Insurance | 32,170 | 618 | n.m. |
| Group items and eliminations | (10,611) | – | n.m. |
| **Total** | **195,770** | **272,124** | **(28.1)** |

*Payment solutions* – Other operating income generated by the payment solutions segment decreased by SEK 72,023 thousand, or 32.3 percent, from SEK 222,717 thousand in the year ended 31 December 2013 to SEK 150,694 thousand in the year ended 31 December 2014. The decrease was primarily due to the SEK 147 million capital gain on the sale of Resurs's litigation portfolio in 2013, approximately SEK 108 million of which was allocated to the payment solutions segment. Excluding the impact of the SEK 108 million capital gain, other operating income increased primarily as a result of an increase in the segment's outstanding loan portfolio.

*Consumer loans* – Other operating income generated by the consumer loans segment decreased by SEK 25,273 thousand, or 51.8 percent, from SEK 48,789 thousand in the year ended 31 December 2013 to SEK 23,516 thousand in the year ended 31 December 2014. The decrease was primarily due to the SEK 147 million capital gain on the sale of Resurs's litigation portfolio in 2013, approximately SEK 39 million of which was allocated to the consumer loans segment.

Excluding the impact of the SEK 39 million capital gain, other operating income increased primarily as a result of an increase in Resurs's outstanding consumer loan portfolio.

*Insurance* – Other operating income generated by the insurance segment increased by SEK 31,552 thousand, from SEK 618 thousand in the year ended 31 December 2013 to SEK 32,170 thousand in the year ended 31 December 2014. The increase was primarily driven by the divestment of Resurs's home and auto insurance portfolio in January 2014.

**General administrative expenses**
Resurs's general administrative expenses increased by SEK 290,571 thousand, or 53.1 percent, from SEK 546,736 thousand in the year ended 31 December 2013 to SEK 837,307 thousand in the year ended 31 December 2014. This increase was primarily due to the effects of the 2014 Acquisitions. Excluding the effects of the 2014 Acquisitions, general administrative expenses increased primarily due to an increase in personnel costs, office expenses and IT costs. For example, general administrative expenses relating to Resurs Bank increased due to an increase in personnel costs resulting from an increase in Resurs's sales and marketing and IT operations, as Resurs recruited new employees in order to scale for future growth. The increase was also due to advisory costs relating to potential acquisition due diligence processes and a renovation of Resurs's headquarters in Helsingborg, Sweden. With respect to Solid, total expenses before credit losses decreased by SEK 16,674 thousand, or 18.1 percent, from SEK 92,244 thousand in the year ended 31 December 2013 to SEK 75,570 thousand in the year ended 31 December 2014. This decrease was primarily due to the sale and divestment of the home and auto insurance portfolio.

**Depreciation, amortisation and impairment of non-current assets**
Resurs's depreciation, amortisation and impairment of non-current assets increased by SEK 8,043 thousand from SEK 5,777 thousand in the year ended 31 December 2013 to SEK 13,820 thousand in the year ended 31 December 2014. This increase was primarily due to the effects of the 2014 Acquisitions. Excluding the effects of the 2014 Acquisitions, depreciation, amortisation and impairment of non-current assets increased primarily due to the renovation of Resurs's headquarters in Helsingborg, Sweden, pursuant to which Resurs acquired a significant amount of fixtures and furniture.

**Other operating expenses**
Resurs's other operating expenses increased by SEK 36,242 thousand, or 32.5 percent, from SEK 111,528 thousand in the year ended 31 December 2013 to SEK 147,770 thousand in the year ended 31 December 2014. Excluding the effects of the 2014 Acquisitions, other operating expenses increased primarily due to the expansion and marketing of Resurs's product offering. For example, with respect to Resurs Bank, other operating expenses increased primarily due to an increase in customer relationship management activities for its customers due in part to the launch of its Supreme Card offering in the Nordics. The increase was also due to the launch of an operational excellence program for Resurs's IT department, which included expenses relating the IT platform in order to prepare for continued growth and scalability of the system. With respect to Solid, other operating expenses decreased, primarily due to the sale and divestment of the home and auto insurance portfolio, offset in part by an increase in marketing costs.

**Credit losses, net**
Resurs's credit losses, net increased by SEK 181,579 thousand, or 107.4 percent, from SEK 169,120 thousand in the year ended 31 December 2013 to SEK 350,699 thousand in the year ended 31 December 2014. This increase was primarily due to the effects of the 2014 Acquisitions. Excluding the effects of the 2014 Acquisitions, Resurs's credit losses, net increased primarily due to the growth of the loan portfolio and the impact of the SEK 135 million sale of Resurs's litigation portfolio in 2013, which resulted in lower credit losses in the year ended 31 December 2013. The increase was offset in part by two primary elements: (i) the implementation and alignment of Resurs Bank's provisioning model with the provisioning model of Finaref in 2014, which resulted in a release of existing provisions; and (ii) a reduction in the number of loans that entered litigation due to successful pre-collection processes.

The table below sets forth Resurs's credit losses, net by segment and the period on period percentage of change for the periods indicated:

| (SEK thousand) | For the year ended 31 December 2014 | 2013 | Change in % |
|---|---|---|---|
| | (audited) | | |
| Payment Solutions | 171,047 | 123,483 | 38.5 |
| Consumer Loans | 179,651 | 45,637 | n.m. |
| Insurance | – | – | – |
| Group items and eliminations | – | – | – |
| **Total** | **350,699** | **169,120** | **107.4** |

*Payment solutions* – Credit losses, net generated by the payment solutions segment increased by SEK 47,564 thousand, or 38.5 percent, from SEK 123,483 thousand in the year ended 31 December 2013 to SEK 171,047 thousand in the year ended 31 December 2014. This increase was primarily due to the impact of the 2014 Acquisitions. Excluding the effects of the 2014 Acquisitions, credit losses, net relating to the payment solutions segment increased and were primarily driven by the effect of the Ellos Business Acquisition in 2013. The increase was offset in part by a reduction in provisioning as a result of the 2014 implementation and alignment of Resurs Bank's provisioning model with the provisioning model of Finaref, and a reduction in the number of payment solution loans that entered litigation in 2014 due to an increase in efficiency of the pre-collection processes.

*Consumer loans* – Credit losses, net generated by the consumer loans segment increased by SEK 134,014 thousand from SEK 45,637 thousand in the year ended 31 December 2013 to SEK 179,651 thousand in the year ended 31 December 2014. This increase was primarily due to the impact of the 2014 Acquisitions. Excluding the effects of the 2014 Acquisitions, credit losses, net relating to the consumer loans segment increased and were primarily driven by higher provisions resulting from an increase in the number of consumer loans that entered litigation in 2014, which corresponded to an increase in the segment's outstanding loan portfolio. The increase in credit losses, net was partly offset by the implementation and alignment of Resurs Bank's provisioning model to Finaref's provisioning model in 2014, improved pre-collection processed and a general increase in the quality of the loan portfolio.

#### Income tax expense

Resurs's income tax expense increased by SEK 55,764 thousand, or 59.6 percent, from SEK 93,506 thousand in the year ended 31 December 2013 to SEK 149,270 thousand in the year ended 31 December 2014. This increase was primarily due to an increase in total operating income for the period.

## Funding, liquidity and capital resources

### Funding

Resurs has a diversified funding base that consists of retail deposits, equity, ABSs, MTNs and bank loans. As described below, Resurs also has certain subordinated loans, which it does not consider or classify as part of its funding base or mix. The following table sets forth certain information about Resurs's funding mix as of the dates indicated:

| (SEK thousand) | As of 31 December 2015 | 2014 | 2013 |
|---|---|---|---|
| | (audited) | | |
| Deposits | 16,443,531 | 15,976,650 | 11,874,089 |
| Equity | 5,004,170 | 3,264,376 | 2,021,822 |
| ABS | 1,400,000 | – | – |
| MTN | 781,340 | – | – |
| Bank loans | 141,260 | 1,026 | 783 |
| **Total** | **23,770,301** | **19,242,052** | **13,896,694** |

Resurs's goal is to use funding sources that:

- increasingly provide a higher degree of matching of currencies and interest rate fixing periods, between assets and liabilities;
- offer diversification in terms of markets, investors, instruments, maturities, currencies, counterparties and geography;
- carry low liquidity risk and offer a high probability of refinancing at maturity through price stability, regularity of issuance and a broad investor base; and
- provide access to relatively large volumes to meet the funding requirements for a growing balance sheet.

**Retail deposits**

Resurs raises funds from the general public in Sweden and, as a result of the yA Bank Acquisition, Norway, through its deposits products. As of 31 December 2015, Resurs's retail deposits amounted to a total of SEK 16,434 million, with Resurs Bank's retail deposits amounting to SEK 12,992 million held in approximately 52,500 deposit accounts in Sweden and yA Bank's retail deposits amounting to NOK 3,601 million held in approximately 46,000 deposit accounts in Norway.

Resurs adjusts the interest rates of its retail deposit products based on an analysis of a variety of factors by Resurs, including competition, a comparison to reference rates, Resurs's funding needs and funding diversification goals and changes in market interest rates. Resurs does not limit the extent to which it can use or rely on its various sources of funding, including its retail deposits, provided that it in all instances maintains a liquidity reserve amount in compliance with applicable laws and regulations.

All of Resurs Bank's deposit products are covered by the Swedish Deposit Insurance Scheme up to the SEK equivalent of EUR 100,000. However, the maximum deposit amount of Resurs Bank's deposit products exceeds the maximum amount of the Swedish Deposit Insurance Scheme and any customer's total deposits with Resurs Bank held in these deposit accounts could exceed the maximum amount covered by the Swedish Deposit Insurance Scheme. As of 31 December 2015, approximately 94 percent of Resurs Bank's Swedish retail deposit accounts had an account balance below the maximum amount of the Swedish Deposit Insurance Scheme, with approximately 83 percent of Resurs Bank's total Swedish deposit volume covered by the Swedish Deposit Insurance Scheme. During the audited three-year period presented in the Offering Memorandum, Resurs experienced its largest monthly outflows of retail deposits following decreases in the interest rates paid on its retail deposits. For example, due to, among other things, decreases in interest rates on its retail deposits in 2014 and 2015, Resurs experienced outflows of retail deposits amounting to 3.9 percent and 4.3 percent of total retail deposits in August 2014 and July 2015, respectively.

All of yA Bank's deposit products are covered by the Norwegian Banks' Guarantee Fund up to NOK 2 million. However, the maximum deposit amount of yA Bank's deposit products exceeds the maximum amount of the Norwegian Banks' Guarantee Fund and any customer's total deposits with yA Bank held in these deposit accounts could exceed the maximum amount covered by the Norwegian Banks' Guarantee Fund. As of 31 December 2015, approximately 97 percent of yA Bank's total deposit volume was covered by the Norwegian Banks' Guarantee Fund.

**Securitisation**

Resurs Bank's funding strategy includes issuing ABSs (i.e., bonds with collateral in the underlying loan portfolios) and Resurs Bank completed its initial issuance of ABS on 12 June 2015. To enable ABS issuances, Resurs Bank has established a funding structure where Resurs Bank transfers loan receivables to Resurs Consumer Loans 1 Limited, a wholly-owned Irish subsidiary, which functions as a SPV for purposes of ABS issuances. Resurs Bank regularly sells consumer loans to this SPV, which generally finances its acquisition of such consumer loans using the sale proceeds generated by ABS issuances that are secured primarily by its consumer loan portfolios.

As of the date hereof, Resurs Bank has completed one ABS transaction. The transaction securitised unsecured consumer loans to customers resident in Sweden. The ABS is divided into two different classes of notes with the higher ranking class having priority over lower ranking class. The lower ranking class of notes is held by Resurs Bank.

Resurs Bank's outstanding ABS has an 18-month revolving period during which the securitised loan portfolio may be replenished by additional consumer loans. Such additional loans must meet the same eligibility criteria as the original loan portfolio in order to qualify for the securitisation. After the end of the revolving period, the ABS amortises.

The revolving period may be terminated with immediate effect upon the occurrence of an early amortisation event. These events include, inter alia: (i) the failure by Resurs Bank to comply with its obligations; (ii) the failure of Resurs Bank to maintain its banking license; (iii) the insolvency of Resurs Bank; (iv) the consumer loan portfolio failing to meet certain delinquency, default and excess spread tests; (v) the reserves in the SPV being insufficient; and (vi) a direct or indirect change of control of Resurs Bank. See "*Risk factors—Compliance issues related to Resurs's historical calculation of applicable capital adequacy requirements at the ultimate parent company level could result in sanctions from the SFSA, including substantial fines or a revocation of Resurs's banking license*". A change of control will be deemed to have occurred if, in connection with or following the contemplated initial public offering of the Shares in Resurs, a private individual or legal person not being controlled by Nordic Capital or the Partners (persons registered as board members of Waldir AB and their respective spouses, parents, siblings and their heirs (Sw. *bröstarvingar*) of all such persons), alone or together with an affiliate (Sw. *närstående*), directly or indirectly, (i) becomes the holder of Shares in Resurs Bank representing, directly or indirectly, more than 50 percent of the Shares or votes in Resurs Bank or (ii) by agreement, proxy or otherwise, has the power alone (or together with the above-mentioned affiliate) to elect a majority of the board members in Resurs Bank or has the power to decide the outcome of material business decisions in relation to Resurs Bank, provided that such decision is not taken by the relevant person in its capacity as employee or a board member of Resurs Bank.

On any payment date, the SPV may prepay the aggregate principal balance of the ABS, in whole or in part. Unless previously redeemed in full and cancelled, the notes will be redeemed in full at an amount equal to the outstanding principal amount together with accrued and unpaid interest, on the maturity date.

**MTN**

On 9 March 2015, Resurs Bank launched its MTN platform and issued SEK 400,000 thousand senior unsecured notes at a floating interest rate of three-month STIBOR plus 2.0 percent per annum. The notes are due on 3 April 2018 and they are listed on Nasdaq Stockholm. The remaining outstanding notes mature and must be called at their nominal amount together with accrued but unpaid interest on 3 April 2018, unless previously redeemed and cancelled. The MTN platform has provided a means of funding in EUR and could be used by Resurs to achieve a higher degree of maturity matching of its assets and liabilities.

The terms and conditions of the senior unsecured notes contain general covenants and customary events of default (subject in certain cases to grace periods and other qualifications), including (i) failure to make required payments; (ii) breach of obligations under the terms and conditions (e.g. failure to comply in all material respects with applicable laws and regulations); (iii) the failure of Resurs Bank to maintain its banking license; and (iv) certain cross defaults in relation to e.g. loans and guarantees of any material Group company. See "*Risk factors–Compliance issues related to Resurs's historical calculation of applicable capital adequacy requirements at the ultimate parent company level could result in sanctions from the SFSA, including substantial fines or a revocation of Resurs's banking license*". Upon the occurrence of an event of default, the noteholders may declare the outstanding amount immediately due and payable.

Following the contemplated initial public offering of the Shares in Resurs, a change of control will be deemed to have occurred in Resurs Bank if a private individual or legal person not controlled by Nordic Capital or the Shareholders (persons registered as board members of Waldir AB on the 13 January 2015, and their respective spouses, parents, siblings and their heirs (Sw. *bröstarvingar*) of all such persons), alone or together with an affiliate (Sw. *närstående*), directly or indirectly, (i) becomes the holder of Shares in Resurs Bank representing, directly or indirectly, more than 50 percent. of the Shares or votes in Resurs Bank or (ii) by agreement, proxy or otherwise, has the power alone (or together with the above-mentioned affiliate) to elect a majority of the board members in Resurs Bank or has the power to decide the outcome of material business decisions in relation to Resurs Bank, provided that such decision is not taken by the relevant person in its capacity as employee or a board member of Resurs Bank. Upon the occurrence of such change of control event, Resurs Bank is required to repurchase the notes prior to the maturity date at a price equal to principal amount multiplied by a certain factor together with accrued and unpaid interest.

**Subordinated debt/Bank loans**

Resurs Bank, as borrower, has entered into a SEK 200 million unsecured, subordinated loan agreement with Solid, as lender, dated 17 March 2014. The loan complies with the capital requirements under the CRR, and qualifies as tier 2 capital for the purposes of Resurs Bank's regulatory capital requirements. See "*–Capital liquidity*". Accordingly, the full amount of the loan is classified by Resurs Bank as tier 2 capital. Resurs does not consider or classify the amount of the loan as part of its funding base or mix. The loan carries an annual interest rate of the equivalent to STIBOR 90 days plus 300 basis points. Resurs Bank is to pay accrued interest on 30 December each year. If the agreement is not previously terminated by Solid due to bankruptcy or liquidation of Resurs Bank, the loan, together with accrued but unpaid interest, will mature on 30 April 2021.

**Debt structure of yA Bank**

Historically, yA Bank has made two bond issues: (i) a NOK 400,000 thousand senior unsecured bond issue dated 24 April 2015 (the "**Senior Loan**"); and (ii) a NOK 40,000 thousand subordinated bond issue dated 18 November 2013 (the "**Subordinated Loan**"). The Senior Loan is included in Resurs's funding base as a part of its MTNs, while Resurs does not consider or classify the amount of the Subordinated Loan as part of its funding base or mix.

The Senior Loan has no amortisation and matures on 4 May 2017. The terms of the Senior Loan do not include rights relating to call or put options. The terms of the Subordinated Loan do not include rights relating to put options, but do provide for a call option, which may be utilised for the first time on 19 November 2018 and thereafter may be used quarterly on any interest payment date. The terms of both the Senior Loan and the Subordinated Loan include restrictive covenants, including restrictions on the ability of yA Bank to make certain transfers of the entirety or a substantial part of its business or merge, de-merge or conduct any reorganisation, if such actions would have a material adverse effect on yA Bank's ability to fulfil its obligations under the respective agreements. The yA Bank Acquisition did not violate these restrictive covenants. Furthermore the terms of both the Senior Loan and the Subordinated Loan include various undertakings and obligations regarding the provision of information, inter alia, to inform the bond trustee in the event of a transfer of the entirety or part of its business, and to provide creditors with copies of any notices that are issued to comply with Norwegian company law.

## Liquidity

Resurs maintains a liquidity reserve in order to have access to unutilised liquidity in the event of irregular or unexpected liquidity flows. Resurs's long-term strategy is to strive to match the maturity of lending assets with maturities of liabilities. The strategy is aimed at achieving a diversified funding base that consists of retail deposits, equity, ABSs, MTNs and bank loans. Resurs's liquidity reserve consists mainly of investments in securities issued by sovereigns, municipalities and covered bonds with very high quality. In addition to the liquidity reserve, Resurs has other liquid assets that primarily consist of loans to credit institutions (cash balances with other banks), bonds and other interest-bearing securities. These other liquid assets are of a high credit quality. For more information regarding the impact of the yA Bank Acquisition on the liquidity of Resurs, see "*Pro forma financial information*".

The following table sets forth certain information about Resurs's liquidity reserve as of the dates indicated (consolidated situation, excluding Solid):

| | As of 31 December | | |
|---|---|---|---|
| (SEK thousand) | **2015** | **2014** | **2013** |
| | | *(audited)* | |
| Securities issued by sovereigns | 71,471 | 78,007 | – |
| Securities issued by municipalities | 696,441 | 534,799 | 76,351 |
| Loans to credit institutions | 100,000 | 66,692 | 99,001 |
| Bonds and other interest-bearing securities | 762,714 | 914,851 | 943,561 |
| **Total liquidity reserve as per FFFS 2010:7 definition** | **1,630,626** | **1,594,349** | **1,118,913** |
| Cash and balances at central banks | 50,761 | – | – |
| Treasury and other bills eligible for refinancing | – | – | 595,811 |
| Loans to credit institutions | 2,195,048 | 3,528,483 | 1,954,935 |
| Bonds and other interest-bearing securities | 420,026 | 54,338 | 1,219,293 |
| **Total other liquidity portfolio** | **2,665,835** | **3,582,821** | **3,770,039** |
| Liabilities to credit institutions | (141,260) | (1,026) | (783) |
| **Total liquidity** | **4,155,201** | **5,176,144** | **4,888,169** |
| | | | |
| **Other liquidity creating measures** | | | |
| Unutilised credit facilities | 535,506 | 500,000 | 1,999,217 |

Pursuant to CRD IV, a minimum LCR of 70 percent is required from 1 January 2016. In addition, the CRD IV potential minimum NSFR of 100 percent could become effective in 2018 or later. NSFR is a measure of stable funding relative to weighted long-term assets.

The following table sets forth Resurs Bank's liquidity ratios as of the dates indicated. Unless otherwise stated, the table below refers to Resurs Holding and Resurs Bank (excluding Solid).

| | As of 31 December | |
|---|---|---|
| **(%)** | **2015** | **2014** |
| | *(unaudited)* | |
| Liquidity coverage ratio (LCR) (CRR definition)[1] | 142 | 125 |
| Net stable funding ratio (NSFR)[2] | 127 | 136 |

1) Liquidity measurement defined by the CRR that measures a financial institution's ability to deal with a stressed net outflow of liquidity for 30 days. A LCR of 100 percent means that a financial institution's liquidity reserve is adequate to enable the institution to manage an unexpected liquidity outflow for 30 days.
2) Based on estimates by the Company. Available stable funding as a percentage of required stable funding (both as defined in CDR IV).

For certain maturity information on Resurs's funding, see "*Selected bank and statistical data*".

## Capital liquidity

As a licensed bank regulated and supervised by the SFSA, Resurs is subject to substantial regulation relating to capital adequacy requirements, including the Basel III Framework (implemented through the CRR and the Swedish Special Supervision of Credit Institutions and Investment Firms Act (Sw. *lag (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag*) (the "**Special Supervision of Credit Institutions and Investment Firms Act**"), implementing parts of CRD IV and the Swedish Capital Buffers Act (Sw. *lag (2014:966) om kapitalbuffertar*) (the "**Capital Buffers Act**"), as well as the SFSA's regulations regarding prudential requirements and capital buffers (FFFS 2014:12) (Sw. *Finansinspektionens föreskrifter om tillsynskrav och kapitalbuffertar*)). Pursuant to the Basel III Framework (as implemented in European and Swedish law), Resurs is required, among other things, to maintain adequate capital resources and to satisfy specified capital ratios at all times. This requirement means that Resurs must reserve enough capital against unexpected losses resulting from its investments. Capital requirements under Pillar I of the Basel III Framework (includes requirements on minimum regulatory capital to address credit risk, market risk and operational risk) are determined by standardised calculations provided by applicable regulations. Resurs also evaluates if these standardised calculations reflect the actual risks to which it is exposed. If this is not the case, additional capital is reserved under the so-called Pillar II risks of the Basel III Framework (includes requirements to identify risks not captured under Pillar I, which, in Resurs's case, includes strategic risk and concentration risk). In addition to the capital base requirements, Resurs must maintain capital buffers for which it only takes into account CET 1 capital. The capital buffers may vary depending on when, how and by whom they are to be applied. Resurs must have a capital conservation buffer, which is a permanent buffer that is required by all regulated credit institutions.

As part of Pillar II, Resurs continuously carries out the Internal Capital Adequacy Assessment Process (the "**ICAAP**"), which is formally documented on an annual basis. This process aims to evaluate Resurs's capital adequacy position in relation to the business plan, including the regulatory capital levels under various stressed scenarios for the upcoming three years. As of 31 December 2015, Resurs had a capital planning buffer of 0.2 percent. For additional information regarding the ICAAP and how Resurs monitors its capital needs, see "*Risk management–Internal capital adequacy assessment process*". See also "*Risk factors–Resurs must meet specified capital and liquidity ratios and have adequate capital resources and is thus exposed to the risk of changes in applicable regulatory provisions governing capital adequacy and liquidity, or the implementation of new rules and regulations*".

The following information sets forth certain information about Resurs's net own funds as of the dates indicated:

| | As of 31 December | | |
|---|---|---|---|
| (SEK thousand) | **2015**[1)] | **2014**[1)] | **2013**[2)] |
| **CET 1 capital** | | *(audited)* | |
| Equity, excluding net profit for the period | 3,917,271 | 2,409,448 | 986,702 |
| Net profit for the period | 571,062 | 390,507 | 188,254 |
| 78 % of untaxed reserves | – | – | 322,061 |
| **Total** | **4,488,333** | **2,799,955** | **1,497,017** |
| Deduction from own funds: | | | |
| – Calculated dividend | – | (28,171) | – |
| – Shares in subsidiaries | – | (1,100) | – |
| – Intangible assets | (1,744,585) | (667,317) | – |
| – Deferred tax asset | (8,484) | (34,476) | (12,809) |
| – Further value adjustment | (2,114) | (1,617) | – |
| – Cash flow hedges, net after tax | – | – | – |
| **Total CET 1 capital** | **2,733,150** | **2,067,274** | **1,484,208** |
| | | | |
| **Tier 2 capital** | | | |
| Fixed-term subordinated loans | 238,224 | 200,000 | – |
| **Total Tier 2 capital** | **238,224** | **200,000** | **0** |
| | | | |
| **Total capital base** | **2,971,374** | **2,267,274** | **1,484,208** |

1) Consolidated situation (Resurs Holding and Resurs Bank and its subsidiaries, excluding MetaTech AS).
2) Resurs Bank only.

For information regarding the impact of the yA Bank Acquisition on the capital liquidity of Resurs, see "*Pro forma financial information*".

According to applicable regulations, Resurs is required to meet the following capital requirements as of the date hereof:

- minimum CET 1 capital ratio of 4.5 percent plus capital conservation buffer of 2.5 percent plus a countercyclical buffer of 1 percent (Norway and Sweden only);
- minimum tier 1 capital ratio of 6.0 percent plus capital conservation buffer of 2.5 percent plus a countercyclical buffer of 1 percent (Norway and Sweden only); and
- minimum total capital ratio of 8.0 percent plus capital conservation buffer of 2.5 percent plus a countercyclical buffer of 1 percent (Norway and Sweden only).

According to the requirements as of the date hereof, a countercyclical capital buffer of 1.0 percent for exposure in Sweden was introduced on 13 September 2015, which is expected to be increased on 27 June 2016 to 1.5 percent. In addition, a countercyclical capital buffer of 1.0 percent for exposure in Norway was introduced on 30 June 2015. The countercyclical buffer will be specific to the country in which the risk exposure amounts are located and will vary over time.

The following table sets forth Resurs's capital adequacy and leverage ratios as of the dates indicated:

| | As of 31 December | | |
|---|---|---|---|
| (%, unless otherwise noted) | 2015[1] | 2014[1] | 2013[2] |
| **Capital ratios[3]** | | *(audited)* | |
| CET 1 ratio[4] | 13.1 | 13.4 | 15.3 |
| TCR[5] | 14.2 | 14.7 | 15.3 |
| Total CET 1 capital requirement including buffer requirement | 7.8 | 7.0 | – |
| – of which, capital conservation buffer | 2.5 | 2.5 | – |
| – of which, countercyclical buffer | 0.8 | – | – |
| CET 1 capital available for use as buffer | 6.2 | 6.7 | – |
| **Leverage ratio** | | | |
| Exposure measure for calculating leverage ratio (SEK thousand) | 25,271 | 21,488 | – |
| Leverage ratio[6] | 10.8 | 9.6 | – |

1) Consolidated situation (Resurs Holding and Resurs Bank and its subsidiaries, excluding MetaTech AS).
2) Resurs Bank only.
3) Reporting as of 31 December 2014 and 2015 is in accordance with regulations under Basel III. Comparative figures as of 31 December 2013 are in accordance with previous regulations (Basel II).
4) Common equity Tier 1 capital as a percentage of the risk exposure amount. As of 31 December 2014, when aggregated with the stand-alone results of Finaref and Dan-Aktiv: 13.8 percent.
5) Total eligible capital as a percentage of risk exposure amount.
6) Tier 1 capital as a percentage of total assets including off balance sheet items with conversion factors according to "Basel III leverage ratio framework and disclosure requirements", January 2014.

For purposes of measuring risk exposures and capital ratios, Resurs's assets are weighted according to their associated risk. The following table sets forth a breakdown of Resurs's risk exposure amount as of the dates indicated:

| | As of 31 December | | |
|---|---|---|---|
| (SEK thousand) | 2015[1] | 2014[1] | 2013[2] |
| | | *(audited)* | |
| **Credit risk** | | | |
| Exposures to governments, central banks, authorities or public sector entities | – | – | – |
| Exposures to multilateral development banks and international organisations | – | – | – |
| Exposures to institutions | 79,143 | 3,834 | 1,925 |
| Exposures to corporates | 268,657 | 506,685 | 528,238 |
| Exposures to households | 12,576,412 | 9,537,627 | 6,457,300 |
| Exposures secured by property mortgages | – | – | – |
| Exposures in default loans | 1,236,739 | 791,531 | 212,163 |
| Exposures with particularly high risk | – | – | – |
| Exposures in the form of covered bonds | 76,149 | 91,318 | 96,325 |
| Items relating to securitisation positions | – | – | – |
| Exposures to institutions and companies with short-term credit ratings | 376,030 | 726,955 | 518,150 |
| Exposures in the form of units or shares in collective investment undertakings (funds) | 92,664 | – | – |
| Equity exposures | 91,445 | 79,000 | – |
| Other items | 304,720 | 202,391 | 125,825 |
| **Total credit risk** | **15,101,959** | **11,939,341** | **7,939,926** |
| **Market risk** | | | |
| Currency risk | 1,447,452 | – | – |
| Settlement risk | – | – | – |
| Commodity risk | – | – | – |
| Position risk in the trading book | – | – | – |
| **Total market risk** | **1,447,452** | **0** | **0** |
| **Credit valuation adjustment risk** | **10,850** | **385** | **–** |

| (SEK thousand) | As of 31 December 2015[1] | 2014[1] | 2013[2] |
|---|---|---|---|
| | | (audited) | |
| Operational risk | | | |
| **Total operational risk** | **4,375,273** | **3,137,559** | **1,768,150** |
| **Total** | **20,935,534** | **15,077,285** | **9,708,076** |

1) Consolidated situation (Resurs Holding and Resurs Bank and its subsidiaries, excluding MetaTech AS).
2) Resurs Bank only.

The following table sets forth a breakdown of Resurs's minimum capital requirements for risks as of the dates indicated:

| (SEK thousand) | As of 31 December 2015[1] | 2014[1] | 2013[2] |
|---|---|---|---|
| **Credit risk** | | (audited) | |
| Exposures to governments, central banks, authorities or public sector entities | – | – | – |
| Exposures to multilateral development banks and international organisations | – | – | – |
| Exposures to institutions | 6,331 | 307 | 154 |
| Exposures to corporates | 21,493 | 40,535 | 42,259 |
| Exposures to households | 1,006,113 | 763,010 | 516,584 |
| Exposures secured by property mortgages | – | – | – |
| Exposures in default loans | 98,939 | 63,323 | 16,973 |
| Exposures with particularly high risk | – | – | – |
| Exposures in the form of covered bonds | 6,092 | 7,305 | 7,706 |
| Items relating to securitisation positions | – | – | – |
| Exposures to institutions and companies with short-term credit ratings | 30,082 | 58,156 | 41,452 |
| Exposures in the form of units or shares in collective investment undertakings (funds) | 7,413 | – | – |
| Equity exposures | 7,316 | 6,320 | – |
| Other items | 24,378 | 16,191 | 10,066 |
| **Total credit risk** | **1,208,157** | **955,147** | **635,194** |
| **Market risk** | | | |
| Currency risk | 115,796 | – | – |
| Settlement risk | – | – | – |
| Commodity risk | – | – | – |
| Position risk in the trading book | – | – | – |
| **Total market risk** | **115,796** | **0** | **0** |
| **Credit valuation adjustment risk** | **868** | **31** | **–** |
| Operational risk | | | |
| **Total operational risk** | **350,022** | **251,005** | **141,452** |
| **Total** | **1,674,843** | **1,206,183** | **776,646** |

1) Consolidated situation (Resurs Holding and Resurs Bank and its subsidiaries, excluding MetaTech AS).
2) Resurs Bank only.

Pursuant to the new Solvency II directive, Solid must comply with new and amended regulatory requirements, including additional regulatory reporting and public disclosure requirements, and must ascertain that it has adequate capital to cover the solvency capital requirement and must always meet the minimum capital requirement. For additional information regarding the Solvency II directive and Solid's preparations for the new regulations, see "*Regulatory–Insurance business related regulation–Solvency regulations*".

## Cash flows

The following table sets forth the principal components of our cash flows for the years ended 31 December 2013, 2014 and 2015.

| | For the year ended 31 December | | |
|---|---|---|---|
| (SEK thousand) | 2015 | 2014 | 2013 |
| | | *(audited)* | |
| Cash flow from operating activities | (2,990,418) | 2,088,452 | 3,161,775 |
| Cash flow from investing activities | (1,326,476) | (1,403,300) | (1,678,916) |
| Cash flow from financing activities | 3,049,081 | 718,002 | – |
| **Cash flow for the year** | **(1,267,813)** | **1,403,154** | **1,482,859** |
| **Cash and cash equivalents at the end of the period** | **2,402,046** | **3,695,094** | **2,284,180** |

### Cash flow from operating activities

Resurs's cash flow from operating activities decreased by SEK 5,078,870 thousand from SEK 2,088,452 thousand in the year ended 31 December 2014 compared to negative SEK 2,990,418 thousand in the year ended 31 December 2015. The decrease was due primarily to a reduction in Resurs Bank's retail deposits.

Resurs's cash flow from operating activities decreased by SEK 1,073,323 thousand from SEK 3,161,775 thousand in the year ended 31 December 2013 compared to SEK 2,088,452 thousand in the year ended 31 December 2014. The decrease was due primarily to an increase in the divestment of Resurs's investment assets during the period from SEK 3,468,876 thousand in the year ended 31 December 2013 to SEK 6,378,469 thousand in the year ended 31 December 2014, and the fact that Resurs built up its liquidity reserves in 2013, primarily with retail deposits. In 2013, Resurs used these retail deposits to fund its lending operations.

### Cash flow from investing activities

Resurs's cash outflow from investing activities decreased by SEK 76,824 thousand from SEK 1,403,300 thousand in the year ended 31 December 2014 compared to SEK 1,326,476 thousand in the year ended 31 December 2015. The decrease was due primarily to the 2014 Acquisitions.

Resurs's cash outflow from investing activities decreased by SEK 275,616 thousand from SEK 1,678,916 thousand in the year ended 31 December 2013 compared to SEK 1,403,300 thousand in the year ended 31 December 2014. The decrease was due primarily to a decrease in the acquisition of invoice receivables during the period from SEK 1,664,772 thousand in the year ended 31 December 2013 to SEK 91,584 thousand in the year ended 31 December 2014, and was offset in part by an increase in the acquisition of subsidiaries and businesses from SEK 3,507 thousand in the year ended 31 December 2013 to SEK 1,301,012 thousand in the year ended 31 December 2014.

### Cash flow from financing activities

Resurs's cash flow from financing activities increased by SEK 2,331,079 thousand from SEK 718,002 thousand in the year ended 31 December 2014 compared to SEK 3,049,081 thousand in the year ended 31 December 2015. The increase was due to the completion of the MTN issuance and ABS platform and issuance.

Resurs's cash flow from financing activities increased by SEK 718,002 thousand from SEK 0 in the year ended 31 December 2013 compared to SEK 718,002 thousand in the year ended 31 December 2014. The increase was due to new share issuances, which were made for the purpose of the 2014 Acquisitions.

### Working capital

Resurs believes that the working capital available to Resurs is sufficient for the twelve months following the date hereof.

### Off balance sheet arrangements

Certain of Resurs's products present Resurs with off balance sheet risk, primarily relating to credit that Resurs has committed in the ordinary course of its business to extend to customers. These products, which primarily include its retail finance and credit card products, are commitments to extend credit and involve, to varying degrees, elements of both credit and interest rate risk in excess of the balances recognised in Resurs's consolidated financial statements.

Resurs's consolidated maximum exposure to credit losses under these commitments is represented by the total contractual amount that Resurs has committed to extend as credit, which may exceed the amount of credit that is utilised by its customers (and thus recognised in Resurs's consolidated financial statements) pursuant to these commitments. For example, upon receipt of a customer's in-store application for SEK 5,000 in credit to purchase a mobile phone with a price of SEK 3,500, and pursuant to Resurs's underwriting and risk management policies and procedures, Resurs may approve the respective customer for retail financing (i.e., a credit facility) up to a total contractual credit amount of SEK 5,000, which represents Resurs's total commitment amount and maximum exposure to credit losses related to the respective customer. If the respective customer only uses the retail financing to purchase the SEK 3,000 mobile phone, Resurs has committed to extend an additional SEK 2,000 in credit, which remains unutilised by the respective customer. To the extent the utilised credit amount of SEK 3,000 is not paid down by the customer and becomes part of Resurs's loan portfolio, this amount will be recognised in Resurs's consolidated financial statements; however, Resurs's total contractual credit amount remains SEK 5,000 and the unutilised credit amount of SEK 2,000 will not be recognised in Resurs's consolidated financial statements. Furthermore, to the extent the utilised credit amount of SEK 3,000 is paid down by the customer and the customer does not make additional purchases using the credit facility, Resurs's total contractual credit amount remains SEK 5,000 and the full approved and unutilised credit amount of SEK 5,000 will not be recognised in Resurs's consolidated financial statements.

The table below sets out the total unutilised committed exposure of Resurs under its contractual arrangements as of the periods indicated:

| | As of 31 December | | |
|---|---|---|---|
| (SEK thousand) | 2015 | 2014 | 2013 |
| | | *(audited)* | |
| Unutilised credit facilities granted | 23,981,937 | 21,063,077 | 20,267,632 |

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of conditions established in the contract. These commitments are uncollateralised and may be drawn upon, subject to certain conditions, by customers up to the total amounts to which Resurs is committed. Pursuant to Resurs's underwriting and risk management policies and procedures, customer applications for credit are reviewed and approved or rejected on the basis of the total commitment amounts rather than anticipated customer utilisation. Total commitment amounts do not necessarily represent future cash requirements as the commitments may expire or be terminated without being fully utilised or drawn upon by customers. Subject in certain instances to minimum notice periods, all unutilised credit facilities granted are terminable with immediate effect to the extent permitted under the Swedish Consumer Credit Act (Sw. *konsumentkreditlagen (2010:1846)*). In addition, Resurs monitors and manages its total commitment amounts and its total unutilised committed exposure. For example, Resurs monitors the credit quality of its existing customers on an ongoing basis and, with respect to its retail finance products, reduces the approved total commitment amounts of individual credit facilities in instances in which the respective individual credit facility has not been used by the customer for an extended period of time.

Resurs's Treasury department monitors these credit utilisation levels and calculates Resurs's future funding needs and liquidity. The Treasury department makes frequent liquidity stress tests and takes into account unutilised credits in these tests. See "*Historical financial information–Resurs Holding AB–Notes–Note 41 Pledged assets, contingent liabilities and commitments*" and "*Risk factors–Risks related to the industry and Resurs–Resurs faces liquidity and funding risks*".

Resurs is not party to any other off balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on its financial condition, changes in financial condition, income or expenses, results of operations, liquidity, capital liquidity, capital expenditure or capital resources.

**Capital expenditure**

Resurs's capital expenditure consists mainly of investments in IT systems and equipment. Resurs's capital expenditure for the years ended 31 December 2013, 2014 and 2015 amounted to SEK 11,429 thousand, SEK 22,598 thousand and SEK 50,146 thousand, respectively. As of the date hereof, Resurs has no planned or resolved upon investments.

**Critical accounting policies**

See "*Historical financial information–Resurs Holding AB–Notes–Note 2 Accounting policies*".

# Selected bank and statistical data

*The following bank and statistical data as of the dates and for the periods indicated has been derived from the audited consolidated financial statements and Resurs's regularly maintained accounting systems and customer management systems. The information in this section should be read together with "Operating and financial review" and the audited consolidated financial statements included elsewhere in this Offering Memorandum.*

## Average balances and interest rates

The following table sets forth Resurs's average interest-earning assets and average interest-bearing liabilities, align with the interest earned or paid and the average interest rate for such asset or liability, for the periods indicated. For the years ended 31 December 2014 and 2015, the average lending balances are adjusted to provide an accurate view of the average interest rates in relation to the Acquisitions.

| | For the year ended 31 December | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2015 | | | 2014 | | | 2013 | | |
| (SEK million)<br>**Assets** | **Average balance** | **Interest** | **Average rate %** | **Average balance** | **Interest** | **Average rate %** | **Average balance** | **Interest** | **Average rate %** |
| Payment Solutions | 7,425 | 866 | 11.7 | 6,926 | 792 | 11.4 | 5,359 | 599 | 11.2 |
| Consumer Loans | 7,474 | 1,114 | 14.9 | 5,523 | 875 | 15.8 | 2,734 | 325 | 11.9 |
| Treasury/Liquidity | 5,122 | 15 | 0.3 | 5,102 | 17 | 0.3 | 3,886 | 28 | 0.7 |
| **Total interest-earning assets** | **20,021** | **1,995** | **10.0** | **17,551** | **1,684** | **9.6** | **11,978** | **952** | **7.9** |
| Non-interest earning assets | 1,842 | | | 1,033 | | | 781 | | |
| **Total average assets** | **21,862** | | | **18,584** | | | **12,759** | | |
| Liabilities | | | | | | | | | |
| Deposits by the public | 15,149 | 183 | 1.2 | 13,926 | 327 | 2.3 | 9,044 | 282 | 3.1 |
| Treasury/Funding | 1,037 | 30 | 2.9 | 1 | 8 | – | 7 | 18 | – |
| **Total interest-bearing liabilities** | **16,185** | **213** | **1.3** | **13,927** | **335** | **2.4** | **9,051** | **300** | **3.3** |
| Non-interest bearing liabilities | 1,716 | | | 1,844 | | | 1,968 | | |
| Equity | 4,134 | | | 2,643 | | | 1,879 | | |
| **Total average liabilities and equity** | **22,035** | | | **18,414** | | | **12,897** | | |
| Net interest income | | 1,782 | | | 1,349 | | | 652 | |
| Net interest margin[1)] | | | 12.0 | | | 10.8 | | | 8.1 |
| Average loan to deposit ratio[2)] | | | 98.4 | | | 89.4 | | | 89.5 |

1) Net interest income as a percentage of average loans. Average loans represent the sum of the average balances of Payment Solutions and Consumer Loans.
2) Average loans as a percentage of average deposits by the public. Average loans represent the sum of the average balances of Payment Solutions and Consumer Loans.

### Analysis of changes in interest income and expense

The following table analyses changes in Resurs's net interest income attributable to changes in the average volume of interest-earning assets and interest-bearing liabilities and changes in their respective interest rates for the periods presented below. Changes to net interest income due to changes in volume have been calculated by multiplying the change in volume during the period by the average interest rate for the previous period. Changes in net interest income due to changes in interest rate have been calculated by multiplying the change in average interest rate by the average volume in the previous period. Changes have been divided and disclosed below by average volume and interest rate.

| (SEK million) | Year ended 31 December 2015 vs 2014 | | | Year ended 31 December 2014 vs 2013 | | |
|---|---|---|---|---|---|---|
| | Increase/(decrease) due to changes | | | Increase/(decrease) due to changes | | |
| | Average volume | Average interest rate | Net change | Average volume | Average interest rate | Net change |
| **Assets** | | | | | | |
| Payment Solutions | 57 | 17 | 74 | 175 | 18 | 193 |
| Consumer Loans | 309 | (70) | 239 | 331 | 219 | 550 |
| Treasury/Liquidity | 0 | (2) | (2) | 9 | (20) | (11) |
| **Total interest on interest-earning assets** | **366** | **(55)** | **311** | **516** | **216** | **732** |
| Other interest on non interest-earning assets | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total interest income** | **366** | **(55)** | **311** | **516** | **216** | **732** |
| **Liabilities** | | | | | | |
| Deposits from the public | 29 | (173) | (144) | 152 | (107) | 45 |
| Treasury/Funding | 22 | n.a. | 22 | (10) | n.a. | (10) |
| **Total interest on interest-bearing liabilities** | **51** | **(173)** | **(122)** | **142** | **(107)** | **35** |
| Non-interest bearing liabilities | 0 | 0 | 0 | 0 | 0 | 0 |
| Total interest expense | | | (122) | | | 35 |

## Investment portfolio

The following tables set forth information regarding Resurs's investment portfolio as of the dates indicated.

| (SEK million) | As of 31 December | | |
|---|---|---|---|
| **Book Value** | **2015** | **2014** | **2013** |
| Treasury bills | 126 | 119 | – |
| Swedish municipalities | 816 | 670 | 810 |
| Norwegian municipalities | 15 | 17 | – |
| Swedish covered bonds | 762 | 914 | 913 |
| Danish covered bonds | 0 | – | 50 |
| Other bonds and commercial paper | 185 | 295 | 1,576 |
| Funds (money market and bonds) | 463 | 41 | 38 |
| Structured products | 67 | 50 | 101 |
| Shares | 33 | 12 | 28 |
| Other securities | 25 | 26 | 121 |
| **Total** | **2,492** | **2,144** | **3,637** |

| | As of 31 December 2015 | | | | |
|---|---|---|---|---|---|
| (SEK million) | Due within 1 year | 1 to 5 years | 5 to 10 years | Over 10 years | Without maturity |
| Treasury bills | 22 | 104 | – | – | – |
| Swedish municipalities | 92 | 675 | 49 | – | – |
| Norwegian municipalities | 15 | – | – | – | – |
| Swedish covered bonds | 400 | 362 | – | – | – |
| Danish covered bonds | – | – | – | – | – |
| Other bonds and commercial paper | 18 | 154 | 13 | – | – |
| Funds (money market and bonds) | – | – | – | – | 463 |
| Structured products | 50 | 17 | – | – | – |
| Shares | – | – | – | – | 33 |
| Other securities | 22 | 3 | – | – | – |
| **Total** | **618** | **1,316** | **62** | **-** | **496** |

## Type of loans

The following table sets forth a breakdown of Resurs's net loan portfolio as of the dates indicated.

| | As of 31 December | | |
|---|---|---|---|
| (SEK million) | **2015** | **2014** | **2013** |
| Sweden | 8,960 | 8,286 | 7,199 |
| Denmark | 2,063 | 2,070 | 553 |
| Finland | 1,997 | 2,001 | 729 |
| Norway | 5,178 | 1,567 | 777 |
| **Total (net)** | **18,198** | **13,923** | **9,258** |
| | | | |
| Payment Solutions | 8,159 | 7,739 | 6,412 |
| Consumer Loans | 11,379 | 7,303 | 3,091 |
| Treasury/insurance | 0 | 0 | 121 |
| **Total** | **19,538** | **15,042** | **9,624** |
| **Total provisions/allowances** | **(1,340)** | **(1,119)** | **(366)** |
| **Total loans, net** | **18,198** | **13,923** | **9,258** |

## Maturities of Loans

The following table sets forth information on the maturity profile of Resurs's loan portfolio as of 31 December 2015.

| | As of 31 December 2015 | | | | | |
|---|---|---|---|---|---|---|
| (SEK million) | **Within 1 year** | **1 to 5 years** | **5-10 years** | **Over 10 years** | **Fair value adjustments** | **Total on balance sheet** |
| Domestic | | | | | | |
| Loans to credit institutions | 2,314,506 | 36,779 | – | – | – | 2,351,285 |
| Loans to the public | 18,198,175 | – | – | – | – | 18,198,175 |
| **Total** | **20,512,681** | **36,779** | **-** | **-** | **-** | **20,549,460** |

## Doubtful receivables

Under IFRS, Resurs determines that a loan or a group of loans is impaired if there is established objective evidence, based on identified occurred loss events or through indications by observable data that these events have impacted the customer's future cash flow, that full repayment is unlikely. The following tables set forth information on the amount of impaired loans.

| **Doubtful receivables, gross** | As of 31 December | | |
|---|---|---|---|
| (SEK million) | **2015** | **2014** | **2013** |
| Sweden | 1,074 | 884 | 565 |
| Norway | 534 | 228 | 88 |
| Finland | 454 | 378 | 43 |
| Denmark | 419 | 499 | 49 |
| **Total** | **2,482** | **1,989** | **746** |

| **Doubtful receivables, net** | As of 31 December | | |
|---|---|---|---|
| (SEK million) | **2015** | **2014** | **2013** |
| Sweden | 477 | 419 | 285 |
| Norway | 261 | 89 | 45 |
| Finland | 263 | 213 | 27 |
| Denmark | 158 | 149 | 23 |
| **Total** | **1,159** | **870** | **379** |

## Analysis of the allowance for loan losses

The following table sets forth information regarding Resurs's allowance for loan losses as of the dates indicated.

| (SEK million) | As of 31 December 2015 | 2014 | 2013 |
|---|---|---|---|
| Balance at the beginning of the period | (1,118) | (366) | (693) |
| Changes in provisions for anticipated credit losses | (85) | (214) | 327 |
| Acquisition of subsidiaries and other financial assets | (120) | (538) | – |
| **Balance at the end of the period** | **(1,323)** | **(1,118)** | **(366)** |

| **Total lending to the public, household** | **As of 31 December 2015** | | | | | **Allocation of provision for past due loans** |
|---|---|---|---|---|---|---|
| (SEK million) | **Sweden** | **Denmark** | **Finland** | **Norway** | **Total** | **(SEK million)** |
| Not yet payable | 8,170 | 1,907 | 1,746 | 4,488 | 16,311 | |
| Past due: | | | | | | |
| Less than 60 days past due | 131 | 38 | 54 | 459 | 682 | (6) |
| 60-90 days past due | 73 | 24 | 24 | 80 | 201 | (57) |
| More than 90 days past due | 840 | 355 | 364 | 425 | 1,984 | (1,098) |
| **Total past due** | **1,044** | **417** | **442** | **964** | **2,867** | |
| **Total lending to the public, household – gross** | **9,214** | **2,324** | **2,188** | **5,452** | **19,178** | |
| Provisions | (554) | (261) | (191) | (273) | (1,280) | |
| **Total lending to the public, household – net** | **8,660** | **2,063** | **1,997** | **5,179** | **17,898** | |
| **Total lending to the public, corporate** | | | | | | |
| **Total lending to the public, corporate – gross** | **343** | **-** | **-** | **-** | **343** | |
| Provisions | (43) | – | – | – | (43) | (43) |
| **Total lending to the public, corporate – net** | **300** | **-** | **-** | **-** | **300** | |
| **Total lending to the public – net** | **8,960** | **2,063** | **1,997** | **5,179** | **18,198** | **(1,203)** |

| **Total lending to the public, household** | **As of 31 December 2014** | | | | | **Allocation of provision for past due loans** |
|---|---|---|---|---|---|---|
| (SEK million) | **Sweden** | **Denmark** | **Finland** | **Norway** | **Total** | **(SEK million)** |
| Not yet payable | 7,500 | 1,876 | 1,734 | 1,429 | 12,710 | |
| Past due: | | | | | | |
| Less than 60 days past due | 139 | 45 | 54 | 48 | 286 | (7) |
| 60-90 days past due | 68 | 87 | 26 | 31 | 212 | (40) |
| More than 90 days past due | 693 | 412 | 352 | 197 | 1,483 | (923) |
| **Total past due** | **899** | **543** | **432** | **277** | **1,980** | |
| **Total lending to the public, household – gross** | **8,399** | **2,420** | **2,165** | **1,706** | **14,690** | |
| Provisions | (420) | (350) | (164) | (139) | (1,073) | |
| **Total lending to the public, household – net** | **7,979** | **2,070** | **2,001** | **1,567** | **13,617** | |
| **Total lending to the public, corporate** | | | | | | |
| **Total lending to the public, corporate – gross** | **352** | **–** | **–** | **–** | **352** | |
| Provisions | (45) | – | – | – | (45) | (45) |
| **Total lending to the public, corporate – net** | **306** | **–** | **–** | **–** | **306** | |
| **Total lending to the public – net** | **8,285** | **2,070** | **2,001** | **1,567** | **13,923** | **(1,015)** |

| Total lending to the public, household (SEK million) | As of 31 December 2013 Sweden | Denmark | Finland | Norway | Total | Allocation of provision for past due loans (SEK million) |
|---|---|---|---|---|---|---|
| Not yet payable | 6,449 | 511 | 674 | 696 | 8,330 | |
| Past due: | | | | | | |
| Less than 60 days past due | 122 | 19 | 28 | 37 | 206 | |
| 60-90 days past due | 42 | 8 | 18 | 16 | 84 | (18) |
| More than 90 days past due | 379 | 40 | 25 | 73 | 517 | (298) |
| **Total past due** | **542** | **68** | **71** | **125** | **807** | |
| **Total lending to the public, household – gross** | **6,991** | **579** | **746** | **821** | **9,137** | |
| Provisions | (231) | (26) | (17) | (44) | (317) | |
| **Total lending to the public, household – net** | **6,760** | **553** | **729** | **777** | **8,820** | |
| **Total lending to the public, corporate** | | | | | | |
| **Total lending to the public, corporate – gross** | **488** | **–** | **–** | **–** | **488** | |
| Provisions | (50) | – | – | – | (50) | (50) |
| **Total lending to the public, corporate – net** | **438** | **–** | **–** | **–** | **438** | |
| **Total lending to the public – net** | **7,199**[1] | **553** | **729** | **777** | **9,258** | **(366)** |

1). Includes SEK 120,980 million relating to lending activities conducted by Solid during the period.

## Indebtedness

The following table sets forth information on Resurs's short- and long-term borrowings as of the dates indicated.

| | As of 31 December 2015 | | | 2014 | | | 2013 | | |
|---|---|---|---|---|---|---|---|---|---|
| (SEK million) | Maturity/ optional redemption dates | Amount | Average interest rates (%) | Maturity/ optional redemption dates | Amount | Average interest rates (%) | Maturity/ optional redemption dates | Amount | Average interest rates (%) |
| Liabilities to credit institutions | 01/01/2016 | 129 | Stibor O/N | 30/06/ 2015 | 1 | Ibor + 1.5 | 12/11/2014 | 1 | Ibor + 2.0 |
| Liabilities to credit institutions | 30/06/2016 | 12 | Ibor + 1.5 | | | | | | |
| Deposits – variable interest in Norway | 01/01/2016 | 3,441[2] | 1.78 | 01/01/ 2015 | 14,422 | 1.48 | 01/01/ 2014 | 10,857 | 2.5 |
| Deposits – variable interest | 01/01/2016 | 10,658 | 0.62 | 31/01/ 2015 | 468 | 2.50 | 31/01/ 2014 | 206 | 3.6 |
| Deposits – fixed interest | 31/01/2016 | 332 | 2.75 | 01/04/ 2015 | 282 | 3.05 | 30/06/ 2014 | 66 | 3.9 |
| Deposits – fixed interest | 01/08/2016 | 313 | 0.9 | 01/08/ 2015 | 478 | 3.00 | 01/04/ 2015 | 278 | 3.1 |
| Deposits – fixed interest | 10/02/2017 | 997 | 1.2 | 31/01/ 2016 | 326 | 2.75 | 01/08/ 2015 | 467 | 3.0 |
| Deposits – fixed interest | 01/08/2017 | 692 | 1.2 | | | | | | |
| Debt securities (MTN) | 03/04/2018 | 400 | Stibor 3M+2% | | | | | | |
| Debt securities (MTN) | 04/05/2017 | 382[3] | Nibor 3M+1% | | | | | | |
| Debt securities (ABS)[1] | Amortisa-tion starts 21/12/2016 | 1,400 | Euribor 3M+1.35% | | | | | | |
| Subordinated debt | 20/11/2023 | 38[4] | Nibor 3M+3.75% | | | | | | |
| Unused credit facility Danske Bank | 30/06/2016 | 535 | Ibor + 1.5 | 30/06/2015 | 500 | Ibor + 1.5 | 12/11/2014 | 1,999 | Ibor + 2.0 |
| **Total long term debt** | | **18,794** | | | **15,978** | | | **11,875** | |
| Other liabilities | | 1,767 | | | 1,772 | | | 1,915 | |
| **Total short term debt** | | **1,767** | | | **1,772** | | | **1,915** | |
| **Total debt** | | **20,561** | | | **17,750** | | | **13,790** | |
| **Total liabilities, provisions and equity** | | **25,565** | | | **21,014** | | | **15,812** | |

1) Revolving period ends 21 December 2016 when the ABS starts to amortise.
2) NOK 3,601 million calculated based on the exchange rate 1 NOK = 0.9556 SEK.
3) NOK 400 million calculated based on the exchange rate 1 NOK = 0.9556 SEK.
4) NOK 40 million calculated based on the exchange rate 1 NOK = 0.9556 SEK.

## Deposits

The following table sets forth information regarding Resurs's deposit base as of the dates indicated. Total volumes/YTD average has been calculated using the average deposit volume for each month.

| | As of 31 December | | |
|---|---|---|---|
| (SEK million) | 2015 | 2014 | 2013 |
| **Total interest paid to the customer/YTD** | **183** | **327** | **282** |
| **Total volumes/YTD average** | **16,416** | **14,711** | **10,641** |

### Maturity of deposits

The following tables set forth information on the maturity profile of Resurs's deposit base as of the dates indicated.

| | As of 31 December 2015 | | | | | | |
|---|---|---|---|---|---|---|---|
| (SEK million) | Payable on demand | Within 3 months | 3 months – 1yr | 1-5 yrs | 5-10 yrs | Over 10 yrs | Without maturity date/change in value |
| Sweden | 10,658 | 332 | 313 | 1,689 | | | |
| Norway | 3,442 | | | | | | |
| **Total** | **14,099** | **332** | **313** | **1,689** | | | |

| | As of 31 December 2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| (SEK million) | Payable on demand | Within 3 months | 3 months – 1yr | 1-5 yrs | 5-10 yrs | Over 10 yrs | Without maturity date/change in value |
| Sweden | 14,890 | 0 | 760 | 326 | 0 | – | – |
| **Total** | **14,890** | **0** | **760** | **326** | **0** | **–** | **–** |

# Risk management

## Overview

Resurs Bank and Solid and their subsidiaries (together, the "**Group Companies**") face a variety of risks typical for organisations of a similar size and geographic scope within their industries. The Group Companies have a low risk tolerance and take a conservative approach to identifying, monitoring and managing risks.

The Group Companies use a three-tiered document hierarchy to manage risk. The respective Board of Directors review and approve high-level policies setting forth each company's policies regarding various types of risk, which include delegations of authority in specific risk areas. One step down from the respective Board of Directors, the CEO or the manager or employee in charge of a particular risk area adopts guidelines, which provide generally applicable information to assist employees in managing and resolving issues. Finally, at the operational level, managers establish procedures for specific groups of employees, which contain a higher degree of detail in how to manage issues in day-to-day operations.

The respective Board of Directors have adopted a range of different policies for monitoring and managing the range of risks faced by the Group Companies, including, among others, policies related to credit risk, liquidity risk, financial risk, insurance risk and various operational risks. Each risk has an "owner" within the organisation who monitors performance, manages reporting and suggests necessary adjustments to relevant policies. The respective Board of Directors have each adopted overarching policies regarding risk governance, management and control that detail the risk management framework as well as risk management roles and responsibilities within each company.

The Group Companies' risk management framework is integrated into its operations, uniting risk management and the Group Companies' strategic goals. The risk management framework encompasses the Group Companies' functions, strategies, processes, procedures, internal rules, limits, risk mandates, controls and reporting procedures in order to identify, measure, govern, internally report and exercise control over various risks. With minor variations between its geographical segments, Resurs's approach to risk management is largely uniform as concerns banking operations.

While the majority of the information in this section focuses on Resurs Bank, the Group Companies, including yA Bank (except as otherwise described below), strive to apply uniform risk management and control processes across business units and geographies.

## Risk governance structure

### The three lines of defence model

Resurs Bank uses a three-line-of-defence model to manage risk within the organisation. Resurs's first line of defence is at the operational level. The Company's business unit managers and operational employees are in the best position to identify, monitor and control specific risks during day-to-day operations. The second line of defence consists of independent control functions, Risk Control and Compliance, tasked with the responsibility of ensuring overall organisational compliance and risk control through internal planning and ad hoc controls. The Risk Control and Compliance functions regularly report to Resurs's Board of Directors, CEO and certain Board committees. The third line of defence is Resurs's internal independent auditors, who ensure that the first two lines of defence are adequately managing risk by reviewing the Company's controls and who validate Resurs's processes and procedures. Solid also applies a similar three-line-of-defense model within its business.

#### The first line of defence – Risk management by operations

The first line of defence in Resurs's risk management structure is at the operational level, where employees follow the policies, guidelines and routines designed to manage risk within the organisation, and regularly monitor and report on risk. Resurs depends on its employees and department management to carry forward the policies, guidelines and procedures put in place by the Board of Directors, CEO and employees. Resurs assigns an owner to every material risk within the organisation who is responsible for reporting and ensuring compliance with policies, guidelines, processes and procedures related to that risk. Resurs applies a decision level scale to various operations and processes in order to set the level of authority required for decisions in those areas. For instance, certain decisions related to new products, new markets or material changes to the Company's existing products or markets require CEO approval.

Resurs maintains a central risk database for the entire Group, with a function enabling employees to submit incident and risk reports. The Head of Risk Control manages the database. The Company also uses information from the database, together with entries from *e.g.* the control and audit functions, to regularly monitor and reassess risk strategy.

**The second line of defence – Independent control functions**
Resurs's second line of defence rests with its independent Risk Control and Compliance functions. These functions are separate from Resurs's business operations and from each other and are responsible, in accordance with their policies, for: (i) monitoring operations; (ii) ensuring that Resurs's business units properly manage the relevant risks; and (iii) advising and supporting Resurs's employees, management and Board of Directors in carrying out their activities in accordance with internal and external rules, laws and regulations.

Resurs's Risk Control Function and Compliance Function report to the Board, the CEO and certain Board committees, and are direct subordinates of the CEO. Risks identified and recommendations issued by the Risk Control Function and the Compliance Function are reported at least quarterly.

**The third line of defence – Independent internal audit**
Resurs's third line of defence is its independent internal auditors. Resurs's internal audit function regularly reviews the Company's operations and the activities of the first and second lines of defence in order to ensure that Resurs possesses the necessary levels of competence and conduct risk management obligations thoroughly. The independent internal auditors report to the Boards of Directors on a regular basis.

## Independent control functions

### The Risk Control Functions

Each of the Group Companies' Boards of Directors has established an independent Risk Control Function whose work is based on a policy adopted by that company's Board of Directors. The Risk Control Functions are responsible for independently reviewing and analysing the companies' risks and risk management. The responsibilities of the Risk Control Functions include providing a well-rounded and objective impression of the companies' risks, monitoring limits for risks, risk strategy, risk management and analysis of the companies' material risks and identifying new risks that may arise as a result of changed circumstances. The Risk Control Functions verify that relevant internal rules, processes and procedures in the risk management framework are appropriate and complied with, and propose amendments thereto, if needed. The Risk Control Functions issue recommendations based on identified deficiencies.

The Risk Control Functions, led by the Head of Risk Control in each Group Company, report at least quarterly to the Boards of Directors, the CEO and certain Board committees, and the Head of Risk Control regularly attend meetings of the Boards of Directors. The Head of Risk Control is a direct subordinate of the CEO. Whenever necessary, the Head of Risk Control also has direct contact with the Chairman of the Boards of Directors.

### The Compliance Functions

Each of the Group Companies' Boards of Directors has established an independent Compliance Function whose work is based on a policy adopted by the Boards of Directors. The Compliance Functions are responsible for independently supporting and reviewing the business operations as a part of their work in ensuring compliance with legislation, ordinances, regulations and internal rules that are subject to the banking and insurance licenses obtained by the Group. The Compliance Functions are also responsible for independently reviewing and evaluating the risk compliance in the companies' licensable operations. The Compliance Functions issue recommendations based on identified deficiencies and also regularly provide information regarding any risks that could arise as a consequence of a lack of compliance. The Compliance Functions also provide assistance in the drafting of internal governing documents and support the business operations. The Compliance Functions are also responsible for ensuring that the employees obtain information and training regarding new or amended internal and external governing documents.

The Head of Compliance, who leads the Compliance Functions, independently reports at least quarterly directly to the Boards of Directors, the CEO and certain Board committees, and is a direct subordinate of the CEO. The Head of Compliance also regularly attends meetings of the Boards of Directors. Whenever necessary, the Compliance Functions have direct contact with the Chairman of the Boards of Directors.

### The independent Internal Audit Functions

The Group Companies have outsourced the performance of internal audit to one external consultant (Mazars Set Revisionsbyrå AB). The scope of the services outsourced is governed through a written agreement pursuant to which the consultants must perform the services in accordance with applicable legislation, ordinances, written policies regarding internal audit adopted by the Boards of Directors and the internal audit plan adopted by the Boards of Directors. Internal Audit is responsible for reviewing and evaluating the Company's first and second lines of defence in accordance with its policy. In addition, the function reviews and evaluates whether the Company's internal rules are suitable and consistent with laws and regulations and, based on its observations, issues recommendations to the relevant departments or functions. Internal Audit is directly subordinate to the Company's Boards of Directors and reports audit findings to the Boards of Directors, the Corporate Governance Committees and, regarding the financial reporting, the Audit Committee on at least an annual basis.

## Roles and responsibilities

### Board of Directors

The Group's Boards of Directors have ultimate responsibility for the Group's risk management. The Boards revise and adopt all policies at least once per year (and adopt additional policies whenever necessary). Each policy is assigned an owner within the organisation, who monitors compliance and suggests any necessary revisions to the policy. The Boards delegate authority to various department managers within the Company's operational segments.

### Head of Risk Control

Each Group Company's Head of Risk Control leads the respective companies' Risk Control functions. The Head of Risk Control conducts regular risk assessment and analysis, and follows up on risks identified by the Company. The Head of Risk Control reports to the CEO, the Boards of Directors and certain Board committees at least quarterly.

### Head of Compliance

Each Group Company's Head of Compliance leads the respective companies' Compliance Functions. The Head of Compliance works to ensure compliance with various internal and external regulations. The Head of Compliance conducts regular evaluations of the compliance risks in the business and follows up on identified risks. The Head of Compliance reports to the CEO, the Boards of Directors and certain Board committees at least quarterly.

### Chief Credit Officer

The Chief Credit Officer is responsible for the overall monitoring of credit risk within Resurs Bank. The Chief Credit Officer coordinates with the local managers in Sweden, Norway, Finland and Denmark to monitor and manage credit risk from the marketing stage through disbursements and top-ups to follow up on delinquency, credit policy, vintages and flows.

### Risk owners

The Boards assign an owner within the Group Companies to every policy. Each risk owner takes on the responsibility of monitoring, reporting and suggesting policy revisions.

## Committees

### Resurs Holding Corporate Governance Committee

Resurs Holding's Corporate Governance Committee is responsible for evaluating the Group Companies' monitoring of internal control, however not regarding the financial reporting, which the Audit Committee is responsible for. The Corporate Governance Committee regularly informs and provides recommendations to the Group's Boards based on, among other things, the findings of the Control Functions. This includes an assessment of the Group's policies regarding regulatory compliance, risk control, the internal audit, proposed plans for each control function, resources for the Group's Control Functions and observations and action plan proposals based on the Control Functions' audit reports. The committee also reviews the Group's consolidated ICAAP and monitors regulatory changes or proposals that may affect the Group's operations.

The Board typically nominates Corporate Governance Committee members for one-year terms. The committee holds regular meetings, which include reports from the Control Functions, before Board meetings, or more often if necessary.

#### Audit Committee

The Audit Committee is a preparatory and investigative Board committee, whose responsibilities include monitoring financial reporting and external audit. Committee members are Board nominated and serve one-year terms. The Audit Committee holds regular meetings two weeks before Board meetings, or more often if necessary.

#### Resurs Holding Remuneration Committee

The task of the Remuneration Committee is to prepare issues relating to compensation and other employment terms for the CEO and Company's senior management. The Remuneration Committee proposes guidelines for, among other things, the relationship between fixed and variable compensation and the relationship between performance and compensation, the principal conditions for bonuses and incentive schemes, conditions for non-monetary benefits, pensions, termination and severance pay. The Committee also makes proposals on individual compensation packages for the CEO and other executives in the Company's senior management. Furthermore, the Remuneration Committee shall monitor and evaluate the outcome of variable compensation schemes and the Company's compliance with remuneration guidelines adopted by the General Meeting.

### Other management committees

The following discussion sets forth the management committee structure within Resurs Bank. Solid has a similar committee structure. For information on the committees of Resurs Holding AB. See "*Corporate governance–Board committees*".

### Risk Committee
The main responsibilities of the Risk Committee include supporting the Board of Directors in identifying and defining risks within the Resurs Bank's business and ensuring that risk taking is measured and controlled. The Risk Committee is responsible for, among other things, monitoring and reviewing the Bank's risk strategy and the implementation thereof; monitoring and reviewing the Bank's risk strategy (including limits and exposure); and evaluating ICAAP. In addition, the Risk Committee reviews all reported incidents and risks with the assistance of the Risk Control Function, as well as any other identified risks.

The Risk Committee consists of the CEO, deputy CEO, General Counsel and CFO. The Risk Committee meets at least four times per year, and the CEO is responsible for reporting significant discussions to the Board of Directors.

### Treasury Committee
The Treasury Committee is responsible for financial activities conducted in accordance with the Board's policies regarding liquidity risk and investments, proposed amendments to the liquidity and investment policies, certain decisions on credit limits and risk analysis within the framework of the liquidity policy. The Committee is also responsible for monitoring liquidity and liquidity risk management as well as monitoring and analysis of the financial markets and the Company's market risk exposure. Resurs's Board of Directors receives and reviews minutes from Treasury Committee meetings.

### Credit Committee for Consumer Market
Resurs Bank's Credit Committee for the Consumer Market makes decisions regarding changes to credit templates, new or adjusted credit scorecards, certain new credit products, target groups, sales channels and delegation of credit authority to employees. The Chief Credit Officer is responsible for planning and documentation of meetings. The Committee constantly evaluates the performance of Resurs's consumer lending portfolio in order to reassess Resurs's scoring system and credit extension procedures. The Committee has the authority to validate lines of credit up to SEK 500,000, the highest level of credit authority below the Board of Directors. The Credit Committee for Consumer Market meets monthly, or more often if necessary, and is comprised of the CEO, Chief Credit Officer, CFO and Head of Claims and Debt Collection. Local country and credit managers for Norway, Finland and Denmark are also members, but only in participate in decisions pertaining to their specific countries. Local managers provide input on the business aspects of credit policy decisions.

### Credit Committee for Business Market
Resurs Bank's Credit Committee for Business Market (corporate credits) analyses the risks of new business customers, reviews the credit risk profile of Resurs's existing business customers, delegates credit permissions to credit officers and reviews and approves new or revised credit templates and scorecards. The Committee also makes certain decisions regarding the Bank's factoring and leasing businesses. The Committee reviews credit scorecards at least annually or more often if required. The Committee meets once a week, but may meet more often if necessary. The Credit Committee for Business Market is comprised of Resurs's CEO, deputy CEO, Chief Credit Officer, Business Credit Manager, credit officers appointed by the Chief Credit Officer, General Counsel and CFO.

### NPAP Committee
The New Product Approval Process ("**NPAP**") Committee consists of the Company's Chief Strategy Officer ("**CSO**"), Chief Operation Officer, a representative of the Legal Department, the Head of Risk Control and the Head of Compliance. All projects are presented to the CSO and the Committee then decides which projects (including new products, new markets, new processes and material changes to existing products, markets or processes) should be handled according to the Company's NPAP Policy. The Committee decides which functions must review and sign off on the new or adjusted offerings, with the CEO providing ultimate approval.

### Complaints Committee
The Complaints Committee reviews customer complaints that, for whatever reason, cannot be settled by a local complaints manager or local customer ombudsman, or where special circumstances exist. The Complaints Committee issues decisions on a monthly basis, or more often if necessary. The Committee consists of a Complaints Manager, Kundombudsman (Customer Agent), Business Support Manager Sweden, and Nordic Improvement Manager. Resurs's General Counsel, who is also Complaints Manager, reports at least annually to the Board of Directors, which reporting may include issues from the Complaints Committee.

### Deposits Committee
Resurs Bank's Deposits Committee reviews proposals for new deposit products as well as any changes to current deposit offerings. The Deposits Committee consists of the CEO, CFO, Business Area Director Consumer Loans and Business Support Manager Sweden. A representative from the Legal Department also attends Deposits Committee meetings. The Deposits Committee generally meets in connection with Swedish National Bank interest rate decisions, or more often if necessary.

## Departments

### Overview
All of Resurs's departments are responsible for monitoring and managing operational risks. In addition, Resurs's Credit Risk Department, Treasury Department

and Finance Department are responsible for managing specific risks, as discussed below. While the below-listed departments are only within Resurs Bank, Solid operates with a similar department structure.

**Credit Risk Department**
The Credit Risk Department monitors and manages the credit risk to which Resurs is exposed in its lending operations. The Credit Risk Department is also responsible for ensuring that lending is carried out in accordance with adopted credit policy, guidelines and routines. The Credit Risk Department is further responsible for analysing and reporting Resurs's credit risk in its lending operations to the Board of Directors, the CEO and other persons in need of such information.

**Treasury Department**
The Treasury Department is centralised and responsible for Resurs's liquidity as well as managing its financial risks, excluding credit risk in the Company's lending operations, such as market risk, counterparty risk, investment risk and liquidity risk, among others (jointly referred to as "**financial risks**" below). The Treasury Department examines the Company's liquidity on a daily basis and makes regular analyses and forecasts of liquidity and risks thereto. The department formulates a funding and liquidity plan at least annually and regularly carries out stress tests to ensure that there is sufficient liquidity in place for circumstances that deviate from normal conditions. The Treasury Department reports monthly to the Treasury Committee and certain extracts from its reporting are also submitted to the Board of Directors.

The department operates within limits and policy documents adopted by the Board and the Treasury Committee. Group investments must be made within the framework of applicable policies. The Treasury Department is also responsible for producing some of the reports that are sent regularly to the SFSA, such as the liquidity report.

**Finance Department**
Resurs's Finance Department is responsible for managing the financial reporting to the Board of Directors, group management and external parties. This covers, but is not limited to, statutory reporting, management reporting and external reporting to various authorities including regulatory bodies and tax authorities. Included in the reporting to the Board of Directors and to group management are assessments of the financial risks associated with the operations of the business. Furthermore, on a regular basis, Resurs's Audit Committee is updated on the status of risks related to financial reporting. Also the Finance Department works closely with the independent audit functions in order to ensure adequate and accurate financial reporting.

**Legal Department**
The Legal Department ("**Legal**") provides legal counselling. Legal is a commercially oriented department with general expertise within business law, especially in connection with banking and insurance, with sub-departments specialising in issues related to anti-money laundering and fraud.

Legal has concentrated on becoming proficient in the areas of law that are critical for the business, with a focus on consumer legislation and contract law. As there is no purchase organisation within the Group, Legal is involved in all contract drafting and negotiations beyond the Group's standardised contracts. All contracts are reviewed by Legal before they are signed by the CEO.

Certain members of the in-house legal team have areas of expertise or specialties, but the Group's intention is to seek well-rounded in-house counsel and to not be overly dependent on any single person. When special expertise is needed in a field of law, for example in connection with large M&A projects, comprehensive legal disputes or intellectual property rights, Legal seeks the advice of external legal counsel.

Anti-Money Laundering Department

The Anti-Money Laundering ("**AML**") Department is a sub-section of the legal department where the General Counsel acts as the Company's money laundering reporting officer. The AML department meets once per week or ad hoc when necessary in order to address suspicions of money laundering or terrorist financing. At these meetings, one legal counsel is present as well as a compliance officer (the latter only on advisory basis). The AML Department reviews transaction patterns and reports any suspicious transaction behaviour to appropriate law enforcement authorities. Further, the AML Department performs enhanced customer due diligence and reviews whether any modifications are appropriate to electronic parameters used to monitor transactions. The department has primary responsibility for determining how to investigate potential matches against sanctions lists and also monitoring that screening against sanctions lists is performed on a daily basis.

Fraud Department

The Resurs Bank Fraud Department is a sub-section of the Legal Department. The department holds weekly meetings, in which one legal counsel must participate. During these meetings, the department reviews and decides on significant complaints related to alleged fraud claims. The Fraud Department also determines whether Resurs will issue a refund based on credit card fraud allegations for cases in which rules of Visa or MasterCard decline to refund a transaction or series of transactions. Further, the department works pro-actively towards fraud and is involved in various projects to improve Resurs's work against fraud.

## Risk management process

Resurs's risk strategy contains Resurs's framework for limits on risk exposure and articulates the level and direction of Resurs's risks that are acceptable in order to achieve its strategic objectives. The purpose of the risk strategy is to ensure that Resurs has a common and sound view of risk taking based on an understanding of all risks to which it is or could be exposed and how such risks are managed. The Board of Directors is responsible for approving the risk strategy and for setting the limits comprising Resurs's risk strategy. The Board of Directors is furthermore responsible for ensuring that the Company's risk strategy is in line with the business plan and it must regularly evaluate and update the risk strategy when required and at least on an annual basis.

Resurs's risk management process consists of the following phases: identification, evaluation and assessment, control and reporting. Resurs identifies its risks through, among other things, risk and incident reporting, the new product approval process, regular self-assessments, reviews by risk control and compliance and audits (internal and external). The self-assessments are performed by certain departments and functions according to an established process coordinated by the Risk Control Function.

Through the self-assessments, Resurs identifies important risks specifically related to each department and to Resurs in general and the risks are assessed in terms of both the probability that the risk will occur and the magnitude of impact in the event that the risk, however unlikely, does occur. The self-assessments are logged and risks with the highest probability and potential impact are reported quarterly on a risk radar to the Board of Directors and the CEO. The updated risk assessments are compiled and reviewed by the independent Risk Control Function. The following items are assessed in this review:

- whether the risk profile has changed;
- whether new risks have arisen;
- whether the risk assessments have been changed; and
- whether sufficient controls are in place in light of the above.

This review is presented to the Risk Committee. The Risk Committee considers new material risks and problems or changes that could significantly affect Resurs Bank.

The Control Functions evaluate the effectiveness of existing risk management controls and routines in the Company's day-to-day business operations. Depending on the results of these evaluations, the functions may issue recommendations on proposed measures to limit and manage identified risks and deficiencies.

## Principal risks

### Overview

The Group Companies face and manage a range of risks. The majority of these risks apply, in varying degrees, to the Group Companies, with certain risks applying to only one or the other. Because the Group Companies' primary exposures arise in Resurs Bank's operations of, the following discussion focuses heavily on Resurs Bank. The below discussion also addresses insurance risk, which is of particular importance to Solid and not faced by Resurs Bank.

Resurs has identified the following main risk categories faced by its operations:

- credit risk (including loan portfolio credit risk, concentration risk and counterparty risk);
- market risk (including interest rate risk and foreign exchange rate risk);
- liquidity risk;
- operational risk (including process risk, people risk, IT/system risk, external risk and others);
- business risk (including strategic risk, conduct risk, macro environment risk and reputational risk); and
- insurance risk (Solid only).

Resurs believes that credit risk, liquidity risk and operational risk are the most significant risks faced by its business.

### Credit risk

#### Definitions

Credit risk is defined as the risk of a counterparty, or obligor, failing to meet contractual obligations to the lender and the risk that collateral will not cover the claim. The term counterparty risk is often used instead of credit risk when measuring credit exposure in financial instruments and arises as an effect of the possible failure by the counterparty in a financial transaction to meet its obligations. Resurs's credit risk exposure primarily includes loan portfolio credit risk, which is the risk of incurring a loss due to a borrower failing to perform its payment obligations to Resurs and counterparty risk, which is the risk that a counterparty to a financial instrument (including an investment counterparty) will be unable to perform its obligations.

#### Principal risks

As a lender with a large book of unsecured loans to the general public, Resurs faces loan portfolio credit risk. Resurs's loan portfolio credit risk consists of the borrowers that for different reasons cannot meet their payment obligations to Resurs.

Concentration risk also constitutes a part of Resurs's credit risk. Concentration risk refers to major exposures to, or concentrations in, certain geographic areas and sectors. When calculating concentration risk, Resurs uses a method recommended by the SFSA.

Resurs also faces counterparty risk. Counterparty risk arises for Resurs due to: (i) the need to invest the funds that constitute its liquidity reserve; and (ii) Resurs's investments of additional liquidity not related to its liquidity reserve.

Counterparty risk also arises for Resurs due to the need to enter into derivative transactions and swaps in order to manage market risk. The primary risks are either that counterparties are unable to perform under these agreements, or that they choose not to continue performing in the future pursuant to the same, or similar, terms.

The following table sets forth Resurs's risk-weighted credit risk exposure as of the dates indicated:

| (SEK thousand) | As of 31 December | | |
|---|---|---|---|
| **Credit risk** | **2015[1)]** | **2014[1)]** | **2013[2)]** |
| Exposures to governments, central banks, authorities or public sector entities | – | – | – |
| Exposures to multilateral development banks and international organisations | – | – | – |
| Exposures to institutions | 79,143 | 3,834 | 1,925 |
| Exposures to corporates | 268,657 | 506,685 | 528,238 |
| Exposures to households | 12,576,412 | 9,537,627 | 6,457,300 |
| Exposures secured by property mortgages | – | – | – |
| Exposures in default | 1,236,739 | 791,531 | 212,163 |
| Exposures with particularly high risk | – | – | – |
| Exposures in the form of covered bonds | 76,149 | 91,318 | 96,325 |
| Items relating to securitisation positions | – | – | – |
| Exposures to institutions and companies with short-term credit ratings | 376,030 | 726,955 | 518,150 |
| Exposures in the form of units or shares in collective investment undertakings (funds) | 92,664 | – | – |
| Equity exposures | 91,445 | 79,000 | – |
| Other items | 304,720 | 202,391 | 125,825 |
| **Total credit risk** | **15,101,959** | **11,939,341** | **7,939,926** |

1) Consolidated situation (Resurs Holding and Resurs Bank and its subsidiaries, excluding MetaTech AS).
2) Resurs Bank only.

**Management of credit risk**

Resurs has adopted a credit strategy with the objective of maintaining profitability while also taking a conservative approach to credit risk. To realise the credit strategy, Resurs's credit risk management encompasses, among other things, the following:

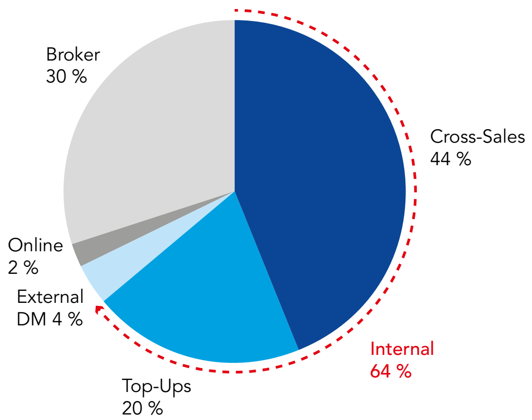
- a clear and defined credit risk management organisation;
- an identification of the credit risk;
- development and use of sophisticated monitoring and measurement tools;
- a thorough credit assessment using sophisticated underwriting tools;
- development and use of sophisticated collection tools; and
- documented and budgeted expected risk levels and provisions for credit losses.

Resurs's credit risk management is integrated throughout the loan lifecycle. When engaging in product sales to existing customers, Resurs's credit risk management begins at the marketing stage, where Resurs directs its marketing efforts towards pre-selected, attractive potential borrowers both in terms of credit risk as well as likelihood of response.

The following figures show Resurs's customer split for new loan development related to consumer loans and Resurs's customer split for credit card issuances by Resurs Bank (excluding co-branded cards) for the year ended 31 December 2015, in each cases for the Nordic region:

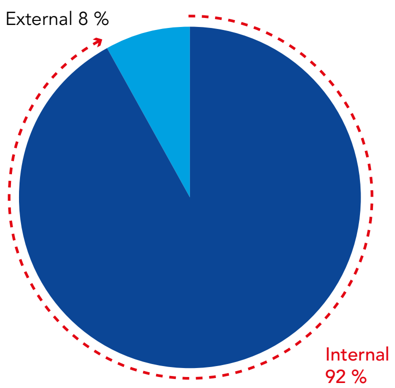
**CONSUMER LOANS DISTRIBUTION**

Sales Distribution by Channel (FY 2015)




**CREDIT CARDS DISTRIBUTION**

Registered Accounts Distribution by Channel (FY 2015)



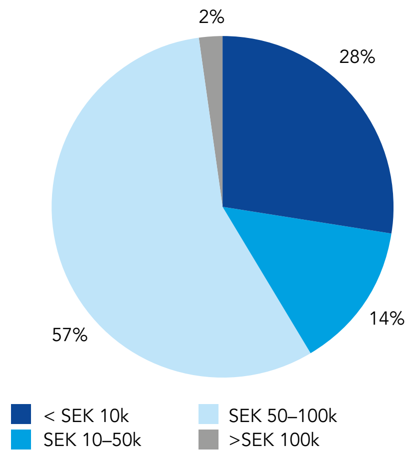

For new customers, on whom Resurs lacks any internal data, Resurs relies on publicly available information as well as information from the customer. For its retail finance, credit card and small-ticket consumer loan products, Resurs approves or rejects new potential borrowers based primarily on publicly available credit bureau scores, with variations by country. For large-ticket consumer loans, Resurs considers a broader range of available customer information.

Resurs generally aims for a balanced portfolio by harmonising risk exposure with product pricing. Resurs's product pricing varies to some degree based on geography. For revolving accounts (e.g., retail finance and credit cards), Resurs generally prices based on the customer's selected repayment schedule, assigning higher interest rates to loans repaid over a longer time and thereby indirectly pricing based on risk, however, yA Bank does not vary the interest rates on its products on the basis of the customer's repayment schedule. Resurs does not incorporate risk-based pricing for its small-ticket consumer loans either directly or indirectly. For large-ticket consumer loans, Resurs engages in a more detailed risk analysis and prices loans based on its assessment of risk, with customers assigned into different risk tranches based on criteria such as income, risk allocation and requested loan amount. Additionally, Resurs seeks to maintain a broad base of loan sizes, spreading its risk across a large customer base.

The following figure shows the percentage split of Resurs's loan portfolio related to consumer loans by outstanding balance for the year ended 31 December 2015:

**CONSUMER LOAN BOOK SPLIT BY OUTSTANDING BALANCE**

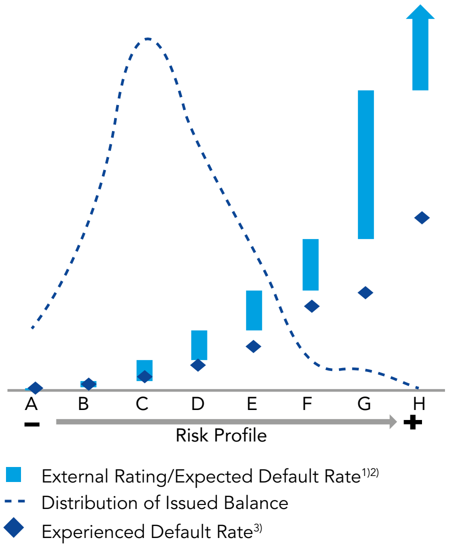
Loans (FY 2015)[1)]




1) Total consumer loan portfolio of SEK 9.4 billion as of 31 December 2015. Split is made on healthy loan portfolio (i.e., before debt collection processes are initiated).

Resurs uses a combination of bespoke and generic credit scorecards and information from its internal database, when available, to determine the products suitable to offer to pre-selected existing customers, which new customers to approve and how to price its large-ticket loans to both new and existing customers. Drawing information from a combination of publicly available sources, credit bureaus and its internal database, Resurs gauges the level of interest, eligibility, and creditworthiness of potential clientele. See "*Business description–Underwriting and risk management*". Resurs's review of public and/or internal customer information enables the Company to: (i) make risk assessments, credit decisions and monitor and manage credit risk; (ii) estimate risk-adjusted profitability; (iii) analyse the risk profile of the Company's credit portfolios; (iv) further develop its credit strategy and subsequent risk management activities; (v) report on credit risk to the Board of Directors, CEO and, other persons in need of such information; and (vi) determine capital requirements and capital allocation for credit risk.

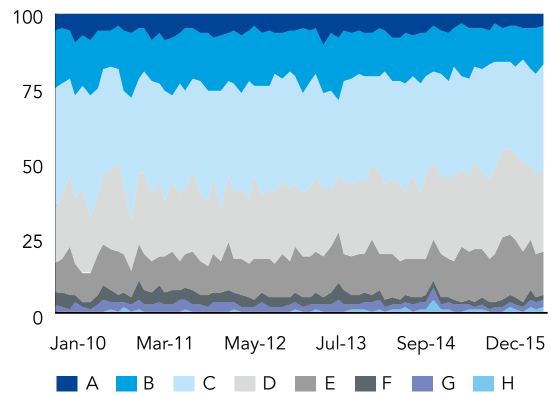
The vast majority of Resurs's lending is to low-risk customers. For example, in Sweden, credit scores are assigned to individuals on a scale of A to H, with A being the lowest risk and H being the highest. The bulk of Resurs's lending in Sweden falls in categories A to E (and more specifically B, C and D), which are considered low risk. The following figures set forth Resurs's risk profile for consumer loan lending in Sweden (excluding Finaref) according to publicly available credit information as of 31 December 2015 and over time:




1) Consumer loans in Sweden.
2) Based on UC scoring.
3) Default rate defined as percent into litigation 12 months after issuance, until December 2015.

**EVOLUTION OF PUBLIC CREDIT SCORE OVER TIME**

% of Loans Issued (Monthly)[1)]

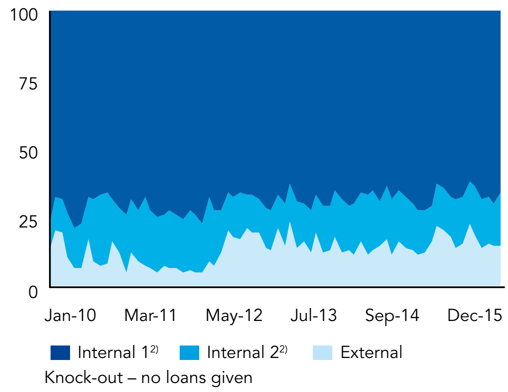



1) Consumer Loans.

Generally, Resurs also internally classifies its customers into three groups based on the availability of internal information and customer credit behaviour. The first group, "Internal 1", consists of customers on whom Resurs has existing internal information and who have flawless credit behaviour. The second group, "Internal 2", are customers on whom Resurs has existing internal information, but who have some delinquencies. The third group are external customers on which Resurs lacks internal information. While this internal classification applies to the majority of Resurs's business and customers, yA Bank does not currently classify its customers into the above groups. The following figure sets forth the proportions of Resurs's consumer loan lending in Sweden (excluding Finaref) with respect to internal classification category as of 31 December 2015 and over time:

**EVOLUTION OF INTERNAL CLASSIFICATION OVER TIME**

% of Loans Issued (Monthly)[1)]




1) Consumer loans in Sweden.
2) Internal 1: Existing internal information, flawless credit behaviour.
Internal 2: Existing internal information; delinquencies.
External: No available information.

Resurs constantly monitors the credit performance of its loan portfolio and adjusts its scorecards and marketing processes accordingly. Resurs's Credit Risk Department prepares monthly standard credit risk reports that include information on loan portfolio performance, vintages, roll rate forecasts, collections and approval rates and quarterly reports on scorecard performance. The Credit Risk Department also prepares ad hoc reports on demographics and sourcing channels. By reviewing and reporting performance information, the Company is able to determine the health of the portfolio and make assumptions on future delinquencies.

The final step in Resurs's credit risk management cycle is collections. For those accounts in default, Resurs still aims to manage risk by maximising recovery and minimising costs and write-offs. Resurs retains third-party debt collection agents to recover on its NPLs. Resurs has a cautious provisioning model, which it updates quarterly, to account for the difference between expected recovery through collections and total outstanding balance of non-performing accounts. The Company begins booking provisions early in the delinquency cycle; provisioning begins at 60 days past due for most loans, or 30 days past due for Dan-Aktiv loans. For more information, see "*Business description–Debt collection*". Resurs regularly monitors and updates its provisioning model based on the historical performance of its loan portfolios.

The following table presents an overview of Resurs's loan exposure as of 31 December 2015 (in SEK million unless otherwise indicated):

**GROSS AND OVERDUE LOANS AS OF 31 DECEMBER 2015 – RESURS HOLDING GROUP**
**SEK MM (FY 2015)**

| | | Sweden | Norway | Finland | Denmark | Gross total | Provision | Cover-age |
|---|---|---|---|---|---|---|---|---|
| Performing | Retail | 8,170 | 4,488 | 1,746 | 1,907 | 16,311 | 119 | 1 % |
| | Corporate | 238 | – | – | – | 238 | – | – |
| Overdue/Doubtful | Retail < 60 days | 131 | 459 | 54 | 38 | 682 | 6 | 1 % |
| | Retail 60–90 days | 73 | 80 | 24 | 24 | 201 | 57 | 28 % |
| | Retail > 90 days | 840 | 425 | 364 | 355 | 1,984 | 1,098 | 55 % |
| | Corporate | 105 | – | – | – | 105 | 43 | 41 % |
| | Total Overdue | 1,149 | 964 | 442 | 417 | 2,972 | 1,204 | 40 % |
| Gross Total | | 9,557 | 5,452 | 2,188 | 2,324 | 19,521 | 1,323 | 7 % |
| Terminated credits | | 840 | 425 | 364 | 349 | 1,979 | 1,098 | 55 % |

The Board of Directors has set forth in its Credit Policy, among other things, the framework for the credit strategy, credit risk management, credit risk reporting, and the credit rules applicable in a credit assessment. In addition to this umbrella document, Resurs also utilises country-specific routines and credit templates for loans in the Company's various markets. The Chief Credit Officer and middle managers in the relevant departments have adopted a number of guidelines and routines regarding lending, provisioning and pre-collections.

The Chief Credit Officer is primarily responsible for conducting analysis and follow-up on Resurs's credit risk. Resurs's Chief Credit Officer centrally manages the entire Nordic region with the assistance of country-level credit managers in Sweden, Norway, Finland and Denmark. Each of the country-specific credit managers report credit risk, either directly or indirectly, to the Chief Credit Officer.

To mitigate counterparty risk, Resurs enters into investments only with stable counterparties with satisfactory credit ratings. Pursuant to Resurs's Investment Policy, Resurs may only invest in approved instruments with specified minimum credit ratings, or other instruments approved by the Board of Directors. Resurs's liquidity reserve consists of assets with very high quality, mostly municipal, sovereign and covered bonds with the highest credit ratings. As of 31 December 2015, Resurs's liquidity reserve consisted of investments in municipal, sovereign and covered bonds.

Because a large share of Resurs's liabilities are in SEK and its assets are denominated in SEK, NOK, EUR and DKK, Resurs faces counterparty risk when hedging currency exposure risks. Resurs manages its counterparty risk by entering into currency swaps with several different stable financial counterparties. Resurs Bank's currency hedges are governed by ISDA agreements and its collateral by CSA agreements.

## Market risk

### Definitions

Market risks refer to the risk that changes in interest rates and exchange rates will lead to a decline in the value of Resurs's net assets and liabilities, including, to a lesser extent, derivatives. The predominant market risks in Resurs Bank are structural and are managed centrally by the Treasury Department with the objective of minimising the negative impact on Resurs's earnings. With respect to yA Bank, market risks are managed by the CFO and members of management. Examples of structural risks include interest rate risks, which arise when the interest fixing periods in the Company's lending operations do not precisely correspond with the interest fixing periods in its financing or, more likely, due to the Company's inability or unwillingness to pass on changes in market interest rates to its customers, and currency risks, which arise from the funding of lending operations in different currencies.

### Principal risks

Interest rate risk arises for Resurs due to differences between the interest rate terms between, on the one hand, funding (including deposits) and, on the other hand, lending and investments. Resurs calculates and reports quarterly to the SFSA what effect a sudden change in the general interest rate level would have on the Company's financial value. Interest rate risk is measured and reported through a calculation of a change in the present value if the interest rate were to change by two percentage points (i.e., a parallel shift in the curve). The present value is calculated as the book value.

Foreign exchange risk occurs at Resurs due to differences between the currency denomination of assets and liabilities. Resurs measures and reports foreign exchange risks for Resurs Bank and Solid. Exposures are calculated in nominal amounts without discounting future cash flows.

### Management of market risk

Resurs aims to match interest rate fixing periods for assets and liabilities, to the extent possible. As of 31 December 2015, Resurs Bank's funding through deposits from the public and liabilities to credit institutions had an average fixed interest term of less than three months. By definition, the vast majority of interest rates payable by Resurs on deposits and other funding and the interest rates that it charges on loans to customers are variable. However, there is a risk that Resurs will not be able to adjust interest on its variable rate assets and liabilities at the same time, giving rise to interest adjustment gaps in the short or medium term. Such delays in interest adjustments on loans given to its customer may occur, for example, due to Resurs having an obligation to notify customers in advance of increases in interest rates, or because raising rates is commercially impracticable. Resurs Bank is also able to offset changes in interest rates by amending the terms of its new lending given the Bank's high credit turnover rate. To the extent that Resurs is exposed to fixed-interest assets or liabilities, Resurs is cautious in committing to fixed-interest periods exceeding one year.

Pursuant to the Board of Directors' overall risk framework, Resurs continually measures and reports its interest rate risk. The Company measures interest rate risk using a sensitivity analysis of a parallel movement in the yield curve of 2.0 percentage points. Resurs limits its interest sensitivity to permit no more than a 3.0 percent impact on the present value of its capital base from a shift in the yield curve of 2.0 percentage points.

The following table sets forth the limits for net exposure set forth in Resurs Bank's risk framework and Resurs Bank's actual net exposure to a parallel movement in the yield curve of 2.0 percentage points as of the dates indicated:

| | As of 31 December | |
|---|---|---|
| (SEK million) | 2015 | 2014 |
| Limit | 89 | 68 |
| Actual net exposure | 15 | 34 |

As for currency risk, Resurs's policy is to limit the effect of changes in foreign exchange rates by matching assets and liabilities in the same currency, to the extent possible. Resurs also uses derivative instruments, including currency swaps, to limit foreign exchange effects. Resurs's currency swap agreements generally cover a three to six month period. As certain of the loan products offered by Resurs have durations of longer than six months, Resurs is exposed to foreign exchange risks relating to these products, where the short-term currency swaps may expire prior to maturity or repayment of the respective loan/product. Resurs maintains sufficient collateral for margin calls. According to its internal policy, Resurs Bank aims to hedge between 95 percent and 105 percent of its foreign currency exposures. In order to attempt to protect its earnings against changes in foreign exchange rates, Resurs maintains a small open currency risk position.

Resurs also faces translation risk when converting its NOK, DKK, EUR, CHF and GBP earnings into SEK for reporting purposes Resurs transfers profits from other currencies into SEK on a regular basis to avoid fluctuations in exchange rates, to the extent possible, between reporting periods.

Pursuant to the Board of Directors' overall risk framework, the Company continually measures and reports its foreign exchange risk. The risk framework contains adopted limits for maximum permitted net exposure to foreign currencies.

The following table sets forth Resurs's actual net currency exposure as of the dates indicated:

| | As of 31 December | | |
|---|---|---|---|
| (million) | 2015 | 2014 | 2013 |
| Net exposure (NOK) | 1,610 | 279 | 11 |
| Net exposure (DKK) | 14 | 503 | (2) |
| Net exposure (EUR) | 7 | 654 | (28) |

The following table sets forth the change in Resurs's earnings for the year that would have resulted from a 5 percentage point change in the value of the Swedish krona against the currencies listed below for the years indicated:

| | As of 31 December | | |
|---|---|---|---|
| (million) | 2015 | 2014 | 2013 |
| +/– 5 percentage point change in SEK/NOK exchange rate (NOK) | 80 | 14 | 1 |
| +/– 5 percentage point change in SEK/DKK exchange rate (DKK) | 1 | 25 | 0 |
| +/– 5 percentage point change in SEK/EUR exchange rate (EUR) | 0 | 33 | (1) |

## Liquidity risk

### Definition

Liquidity risk refers to the risk that the Company cannot fulfil its payment commitments on any given due date, without significantly raising the cost to fund payments. In other words, liquidity risks arise when the maturities of the Company's assets do not coincide with the availability of its funding (primarily deposits). Resurs defines liquidity risk as the risk that, in a strained market situation, it will have difficulty meeting its payment commitments or be forced to borrow money on unfavourable terms.

### Principal risks

Resurs faces the risk that its funding will cease to be available on acceptable terms, or at all. Because Resurs's funding consists largely of demand deposits, there is no contractual maturity attached to these liabilities and borrowers can technically withdraw funds at any time. On the asset side, while some of Resurs's loans have set maturities, Resurs does not know which payment plan a borrower may select, or when a borrower may decide to repay their loan in full. Maturity matching between assets and liabilities is therefore difficult for Resurs.

### Management of liquidity risk

Resurs's strategy is to mitigate liquidity risk through the following measures:

- a centralised liquidity management;
- a well-balanced composition of assets and liabilities and well-balanced allocation of maturities;
- a conservative liquidity reserve of high-quality assets and additional liquidity for daily operations;
- minimum intraday liquidity risk requirements;
- daily monitoring of liquidity risk and liquidity risk limits; and
- stress testing.

Resurs's liquidity management is centralised within the Treasury Department, which is responsible for Resurs's funding and managing the liquidity reserve. Resurs's liquidity risk management focuses on managing financing deficits (i.e., periods in the future where assets will exceed financing). Resurs's assets consist mainly of consumer loans, credit card loans and short-duration retail finance loans. Resurs has begun using some of its consumer loans as collateral for parts of its funding, ABS.

Resurs's long-term financing strategy is to obtain matching maturity and currency denominations of its assets and funding. This strategy is intended to achieve a low level of exposure to liquidity risks. Resurs has a funding base that consists of several sources of funding: ABS, MTN, bank loans, deposits, and equity. The vast majority of the Company's funding currently comes from retail deposits denominated in SEK. See "*Operating and financial review–Key factors affecting Resurs's results of operations–Interest expenses and funding*".

The following table sets forth certain information about Resurs's funding mix for the periods indicated:

| | For the year ended 31 December | | |
|---|---|---|---|
| % | 2015[1)] | 2014 | 2013 |
| | | *(audited)* | |
| Deposits | 69 | 83 | 85 |
| Equity | 21 | 17 | 15 |
| ABS | 6 | – | – |
| MTN | 3 | – | – |
| Bank loans | 1 | n.m. | – |
| **Total** | **100.0** | **100.0** | **100.0** |

1) Including the effects of the yA Bank Acquisition. For the year ended 31 December 2015, yA Bank's funding base consisted of retail deposits, equity and MTN, which represented 80 percent, 11 percent and 9 percent, respectively, of yA Bank's funding (measured on carrying value). Resurs also has certain subordinated loans, which it does not consider or classify as part of its funding base or mix. See "*Operating and financial review–Funding, liquidity and capital resources–Funding*".

Resurs's objective is to use funding sources that:

- increasingly provide a higher degree of matching of currencies between assets and liabilities;
- increasingly provide a higher degree of matching of hedging durations and assets and liabilities;
- offer diversification in terms of markets, investors, instruments, maturities, counterparties and geography;
- entails low liquidity risk and have a high probability of refinancing at maturity through price stability, regularity of issuance and breadth of investor participation; and
- gives access to relatively large volumes to satisfy the funding needs of a growing balance sheet.

Financing through ABS entails a high degree of matching. Resurs's need to transfer liquidity between various countries is substantial, as the vast majority of its retail deposits are in SEK and it conducts its lending operations in NOK, DKK and EUR, as well as in SEK. The Company currently has currency swap agreements in place to offset foreign exchange effects associated with its funding-lending mismatch.

All investments in the Group's liquidity reserves have a high degree of liquidity. The greatest liquidity risk is an instance in which many customers simultaneously withdraw their deposits. Resurs Bank uses a model setting forth the minimum size of its liquidity reserve, which is calculated according to the size of deposits, the proportion covered by deposit insurance and the relationship to the depositors, among others. The Board has established a minimum reserve limit of at least SEK 1,000 million. Management and investment of the liquidity reserve is conservative and within the limits defined by the Board. Resurs ensures that its liquid assets are of high quality in order to meet the quantitative requirements for its LCR from a regulatory perspective.

Liquidity risk is measured on a daily basis in order to gauge any imminent or forthcoming liquidity issues. Using these daily measurements, the Treasury Department is able to forecast the Company's liquidity risk on a longer-term basis and to monitor any negative trends. Calculations are also made separately per currency. The liquidity calculation is supplemented on a regular basis with the following liquidity ratios:

- cash ratio (*i.e.*, liquid funds/deposits);
- loan to deposit ratio;
- liquidity coverage ratio (LCR), in accordance with the CRR; and
- net stable funding ratio (NSFR).

Limits on certain liquidity ratios are established by the CRR and SFSA and the Board's risk strategy. The Treasury Committee also has requirements for various liquidity measures for the Treasury Department to manage.

Resurs reports a theoretical cash flow monthly to the SFSA, called a "runoff scenario," where no new lending is granted and no new funding can be obtained. Under this model, customers are expected to repay their lending according to historical levels and depositors are expected to make withdrawals according to historical behaviour. Under this model, the Company would be able to meet all of its payment obligations for more than 12 months.

Resurs also conducts different stress tests to test against large deposit outflows. Resurs uses these stress tests to monitor and measure its liquidity and ensure that it has adequate liquidity to cover deposit outflows in a variety of stressed scenarios.

Resurs has a preparedness plan for liquidity problems. This plan specifies the responsibilities and allocation of roles in various crisis situations in which measures must be taken in connection with a number of predefined scenarios.

For additional information on Resurs's liquidity position, see "*Operating and financial review–Funding, liquidity and capital resources–Liquidity*".

## Operational risk

### Definitions

Operational risk is defined as the risk of losses resulting from inadequate or failed internal processes or systems, human errors or external events. The definition also includes legal risk. Compliance risk refers to failures to comply with laws, ordinances and other external regulations, as well as policies, guidelines and other internal rules, that govern how the Company conducts its operations. Security risk is defined as the risks against personnel, risks against tangible assets (e.g., robberies, fire or the like) and risks against intangible assets (e.g., disruptions in IT systems, unauthorised access to data).

Operational risk includes:

- process risk, which means risks arising from weaknesses in processes, such as settlement and payment, or failures in products or client dealings;
- personnel risk, which means risks arising from such issues as change management, project management, corporate culture and communication, failure of employees or the Company, and conflict of interest or from other internal fraud;
- IT/system risk, which means the risk of a material impact on the functioning of the business as a consequence of deficiencies in the functioning of the Company's IT systems;
- external risk, which means the risk arising from fraud or events caused by parties external to the Company, disastrous weather or lack of physical security;
- legal risk, which is more or less present in each of the above categories, refers to risks of, for example, contracts being unenforceable (in whole or in part), lawsuits, adverse judgments or other legal proceedings disrupting or adversely affecting the operations or condition of a credit institution. Legal risk includes compliance risk, which is defined as

current or prospective risks to earnings and capital arising from violations or non-compliance with laws, rules, regulations, agreements, prescribed practices or ethical standards; and
- other risks, such as risks in the remuneration system.

## Principal risks

Operational risk includes a significant group of non-homogeneous risks. Resurs's operations are supported by different processes, such as processes for new lending, authorisation and clearing, information technology and financial reporting, among others. Complex or poorly designed processes can give rise to operational losses, either because they are unfit for the purpose, or because they malfunction. As a result, the Company may experience risks such as, for example, data entry errors, collateral management failures, failures on product or customer dealings, non-compliance with laws, rules, regulations, ethical standards or incomplete legal documentation and vendor disputes.

The management of human resources can also become a major source of operational risk. Poorly trained or overworked employees may inadvertently expose the Company to operational risk (for example, via processing errors). Ensuring that employees understand the mandate, have confidence in and respect for the Company and adhere to the Company's internal governing documents and strategies are of key importance for effective use of human resources.

The Company's operations are supported by different IT and telecommunications systems. Complex, poorly designed, or inadequately integrated systems can give rise to operational losses, either because they are unfit for the purpose, or because they malfunction. Third-party suppliers and outsourced systems not delivering according to agreed service level can also cause operational losses. External factors such as fraud or occurrences like fires, storms, terrorist actions, vandalism or power failures can also cause disruptive events and operational loss to the Company.

Legal risk, including compliance risk, can arise due to a variety of issues, from broad legal or jurisdictional issues to a missing provision in an otherwise valid contract. Compliance risk especially can lead to fines, damages and/or the voiding of contracts and can diminish an institution's reputation. Risks in the remuneration system primarily include the risk that the remuneration system will promote unsound risk-taking or be contrary to the Company's long-term interests.

#### Management of operational risk

The Company has elected to address the group of operational risks with a number of measures including, among others, identification, evaluation, expertise, training, documentation, monitoring, controls and reporting. The Company's focus is to reduce material risks as far as possible through the routines applied by it. Among other things, the Company has placed great emphasis on establishing a highly routinised organisation with policies, guidelines and routines designed to achieve both a high level of internal governance and control, with backup routines in the event of failure. Breakdown of the organisation into functions with clear areas of responsibility and reporting requirements enables the Company to effectively track and manage operational risks. Resurs applies a decision level scale to various operations and processes in order to set the level of authority required for decisions in those areas. For instance, new product approval sits high on the decision level scale. All projects are presented to the CSO, and the NPAP Committee then decides which projects (including new products, new markets, new processes and material changes to existing products, markets or processes) should be handled according to the Company's NPAP Policy. Aside from its highly routinised and rule-driven policies, Resurs ensures that its employees are well trained and highly competent. The Compliance Function and the Risk Control Function actively participate in the training of new and temporary employees. With respect to yA Bank, essential projects are managed by members of management instead of via an NPAP Committee.

In order to identify potential risks, Resurs regularly compiles and updates lists of its material operational processes, each of which is assigned a process owner. The Company then identifies the internal rules affecting these processes and creates flowcharts highlighting all material information and a risk assessment for each process.

In addition to Resurs's group-wide and regular analysis of various risks, the Company uses a series of tools to identify, manage and report specific operational risks. Each Group Company manages, among other things, routines for producing new products and processes, reporting incidents, administering complaints and carrying out self-assessments and stress tests.

The Company regularly follows up any costs that arise due to operating errors. Resurs utilises an incident reporting system to document and follow up on any operational incidents, thereby ensuring that defects are remedied while the risk of similar defects in the future is minimised. The Head of Risk Control receives, reviews and addresses reports submitted through the incident reporting system. The Head of Risk Control discusses reports with the reporting individual (unless anonymous) and the relevant operational department to remedy any defects. Further, the Risk Committee reviews incident and risk reports, measures both probability and magnitude of risk and assesses the adequacy of current controls in managing such risks.

Resurs's employees are encouraged to raise any problems or serious incidents they discover. Such questions must be handled confidentially and investigated thoroughly. No employee who, with good intentions, reports or discovers such a problem may be harassed or subject to repercussions. Excluding yA Bank, employees who wish to remain anonymous can avail themselves of the Company's procedures for anonymous reporting.

Resurs also has internal rules in place to handle external fraud, specifically as relates to customer identity theft both at the application stage and, particularly relevant to its credit card customer accounts, fraudulent transactions on existing accounts. To guard against identity theft, Resurs employs security verification processes, increasing in intensity based on loan amount. For existing credit card accounts, Resurs utilises third-party fraud detection software for real-time fraud monitoring and flagging. When Resurs flags a transaction, it will "soft block" the customer's card and contact the customer for verification.

Resurs has established a department and a manager responsible for the management of IT risks. The management of identified IT risks primarily takes place in accordance with the IT and security policies adopted by the Board of Directors. In addition to established IT routines and processes, to minimise IT risk, Resurs possesses established contingency plans which, among other things, entail that the Company has agreements with a third party for backup systems. In addition, the Company has a disaster recovery plan with restore prioritisations and restore time objectives, and the recovery of vital computer systems and data is tested on a regular basis.

Resurs's Legal Department and independent Compliance Function work to manage legal risks by:

- ensuring that Resurs's business operations are conducted in accordance with applicable laws, ordinances and other regulations;
- ensuring that signed agreements and other legal acts are correct and valid;
- filing agreements and other legal acts; and
- managing and pursuing of legal actions.

Resurs has also established a process to manage risks associated with an uncertain, rapidly evolving and increasingly prudential regulatory environment. The Company continuously monitors and discusses identified regulations applicable to its businesses. For example, in anticipation of the implementation of Solvency II, Solid conducted significant internal work and investments, including: (i) its formation of an internal project team and launch of qualitative and quantitative analyses and reviews in 2011; (ii) its investment in third-party risk calculation and reporting tools regarding quantitative reporting; and (iii) its participation in a voluntary Solvency II preparatory reporting program created by the SFSA for Swedish insurance companies, pursuant to which Solid has submitted both qualitative and quantitative reports since 2014. According to management, based on Solid's most recent preparatory report under the Solvency II preparatory reporting program, Solid was compliant with the requirements imposed by the Solvency II directive; however, the first quantitative reporting required under Solvency II will take place in May 2016. There can be no assurances that Solid will comply with all of the requirements imposed by the Solvency II directive.

The Legal Department and the Compliance Function have the primary responsibility for identifying new or amended regulations applicable to the Company and for assessing the impact on the Company's business activities. Law firms based in each of the countries in which the Group Companies operate provide the Company with local law regulatory updates and risk assessments as needed.

Resurs regularly conducts a risk assessment on its remuneration system. In light of the risk assessment, the Board of Directors has adopted a remuneration policy that sets out the framework for Resurs's remuneration system. The remuneration policy is revised at least annually.

## Business risk

#### Definitions

Business risks are defined as those risks that threaten to negatively impact a company's expected profits, above or external to the operational level. Business risks are those which fundamentally impair a company's ability to carry on its business, such as strategic failure, reputational harm, regulatory shifts and competitive pressures. Business risks include:

- strategic risk, which means the current and prospective impact on earnings or capital arising from adverse business decisions, lack of responsiveness to industry changes and risks connected to acquisitions or major investments;
- macro environment risk, which means current and prospective impact on earnings due to competitor actions, industry or demand changes or changes in the macro economy; and
- reputational risk, which means the risk of impaired earnings due to adverse impact on the Company's reputation or the industry's reputation. Reputational risk should be regarded as a generic term embracing the risk of reputational harm from any source.

#### Principal risks

Strategic risk may arise in various situations. For example, failed or discontinued investments in operations, such as expansion projects or major IT projects, may lead to the loss of investment costs or incurring replacement costs. As a regulated financial institution, the Company is exposed to the risk of adverse changes in general macroeconomic, political and market conditions. Changes in applicable laws and regulations, while outside of the Company's control, also affect its business. Finally, Resurs's reputation is critical to its business. Any damage to the reputation of

Resurs would affect its business. Resurs's reputation is key not only to obtaining new customers and generating revenues, but as a bank, Resurs's reputation as a strong and stable institution is essential to maintaining a healthy deposit base.

**Management of business risk**

The Company aims to minimise its strategic risk. Resurs's policy is to limit major strategic decisions or investments until successfully tested. Recently, the Company has grown rapidly through acquisitions. Resurs takes a prudential approach to managing its acquisition pipeline, from the information-gathering stage through the acquisition and integration of the target business into Resurs's operations. This creates stability in the organisation and in operations and it reduces, for example, operational risk. Furthermore, the Company consistently monitors industry trends, enabling it to carefully adapt its strategic position based on shifts in industry practice. For example, Resurs tracks consumer trends in order to review and adapt its scorecards, and tweaks its product offerings based on competitor behaviour. All major strategic decisions or investments must be approved in their entirety by the Board of Directors and followed up on thoroughly.

As part of its risk management, Resurs uses scenario planning to plan for potential changes in macroeconomic conditions. Resurs factors possible changes in macroeconomic conditions into the Company's policies related to, among others, liquidity risk and market risk. Resurs aims to follow its approach of (i) not reducing margins to promote growth, (ii) not taking on additional credit risk to promote growth and (iii) maintaining a conservative funding and liquidity profile, regardless of changes in macroeconomic conditions.

Reputational risk is primarily viewed as a possible consequential risk of other material risks, such as operational risk. Damage to Resurs's reputation is a possible consequence of, for example, Resurs having breached its obligations towards existing customers, resulting in liability in damages or the loss of customers, or related to public perception of Resurs's product offerings or its treatment of customers. In order to limit reputational risk, Resurs's goal is to control various other risks properly. Resurs has also established routines for external communications and publicity in order to limit potential damage to market confidence in, and public perception of, Resurs.

### Insurance risk

**Definitions**

Insurance risks are those risks directly connected with issuing insurance, such as underwriting risks, provision risk and reinsurance risk. Underwriting risk is the risk that losses under insurance policies will exceed the premium earned from the policyholder. Provision risk is the risk that provisions set aside for unsettled claims are not sufficient for settling those claims. Reinsurance risk arises from insufficient, incorrect or deficient reinsurance policies.

**Principal risks**

Solid's primary insurance risks relate to underwriting, provisioning, and reinsurance.

**Management of insurance risk**

Solid sets limits on the amounts of insurance risk it is willing to take on. Solid's Board of Directors directly decides whether to take greater individual risk exposures on a case by case basis. Solid manages insurance risk by regularly reviewing and reassessing the premium rates charged for its insurance products in order to determine profitability and exposure as compared to the value of insured property.

Solid manages provision risk through use of statistical modelling and individual event assessment with an eye towards taking reserves that cover all expected future disbursements, including losses not yet reported.

Solid manages reinsurance exposure by entering into reinsurance contracts only on an annual basis for its riskier policies, enabling Solid to regularly reassess and control reinsurance risk. Solid carefully selects its reinsurers based on risk coverage, competence and financial stability.

## Internal capital adequacy assessment process

The Company's targets regarding risk management include, in addition to achieving sound internal management and controls and complying with statutory capital requirements, ensuring the Company's ability to continue its business operations by fulfilling both short-term and long-term targets. Through the ICAAP, the levels of capital and liquidity that the Company must maintain in order to fulfil these targets are established. For information on the statutory capital requirements applicable to the Company as well as certain information regarding the Company's capital position, see "*Operating and financial review–Funding, liquidity and capital resources–Capital liquidity*".

The ICAAP is an internal process that allows Resurs to assess its internal capital adequacy and hold the internal capital that Resurs deems appropriate in order to cover all risks to which it currently is, or later could be, exposed. The Board of Directors and the Company's management collaborate to develop and modify the Company's approach and design of the ICAAP, with the Board holding ultimate responsibility. The Company's ICAAP Policy sets the roles and responsibilities and the fundamental requirements for the ICAAP. The Board of Directors is responsible for ensuring regular reviews of the ICAAP Policy and for adopting the ICAAP Policy at least on an annual basis. In connection with assessing the Company's internal capital adequacy, risk owners regularly analyse the Company's risk exposure and any possible harmful effects on operations.

The Risk Committee is responsible for reviewing the ICAAP report before its approval by the Board of Directors. The capital and liquidity assessment should be reviewed by the Risk Committee as often as deemed necessary and at least annually. The Treasury Department is responsible for the preparation of the ICAAP report regarding financial risks, whereas the Credit Risk Department is responsible for the preparation of the ICAAP report regarding credit risk. The Finance Department is responsible for preparation of the ICAAP report regarding the budgets and the capital plan. The CEO is responsible for preparation of the ICAAP report regarding all risks that are not covered by other functions, as well as for review, approval and understanding of the ICAAP report. Company management are responsible for preparation of the ICAAP report regarding operational risk. The Internal Audit Function is responsible for an independent review of the ICAAP. The Risk Control Function coordinates work among various parties for the overall ICAAP process.

The ICAAP report is prepared at least annually. The ICAAP report aims to formalise the ICAAP and facilitate its review and approval by the Board of Directors and, when necessary, its review by the SFSA. The ICAAP report should include the following areas:

- executive summary;
- background;
- current and projected financial and capital positions;
- risk management process, including overall risk analysis and stress testing;
- capital and liquidity adequacy;
- capital planning;
- quality control, review and approval of the ICAAP; and
- use of the ICAAP in the organisation.

# Regulatory

## Sweden

### Legal framework

Resurs operates banking and insurance business and the Group thus includes regulated entities which are subject to applicable national and local government regulations in the jurisdiction in which it operates, particularly those related to banking, financial services and insurance. The Group is also subject to regulation and supervision by SFSA, but also the NFSA, the Finnish Financial Supervisory Authority (Fi. *Finanssivalvonta*), the Danish Financial Supervisory Authority (Dk. *Finanstilsynet*), the Swiss Financial Market Supervisory Authority (Ch. *Autorité fédérale de surveillance des marchés financiers*), and to a certain extent also regulators in EEA-states where the Group conducts cross-border business.

The Group is generally regulated by the Companies Act. The banking business and insurance mediation operations under Resurs Bank are mainly regulated by the BFBA and the IMA. The insurance business operated under Solid is primarily regulated by the IBA and the IMA. Other notable laws regulating Resurs's business are the Swedish Certain Financial Operations (reporting duty) Act (Sw. *lag (1996:1006) om anmälningsplikt avseende viss finansiell verksamhet*) (the "**CFOA**"), the Swedish Special Supervision of Credit Institutions and Investment Firms Act (Sw. *lag (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag*) (the "**Special Supervision of Credit Institutions and Investment Firms Act**") and the Capital Buffers Act.

Resurs is also subject to a substantial amount of binding regulations and general guidelines issued by the SFSA, such as the SFSA regulations regarding management of liquidity risks in credit institutions and investment firms (Sw. *Finansinspektionens föreskrifter och allmänna råd om hantering och offentliggörande av likviditetsrisker för kreditinstitut och värdepappersbolag*) FFFS 2010:7, the SFSA regulations and general guidelines regarding governance, risk management and control of credit institutions (Sw. *Finansinspektionens föreskrifter och allmänna råd om styrning, riskhantering och kontroll i kreditinstitut*) FFFS 2014:1, the SFSA regulations and general guidelines regarding management of operational risks (Sw. *Finansinspektionens föreskrifter och allmänna råd om hantering av operativa risker*) FFFS 2014:4, the SFSA regulations and general guidelines regarding information security, IT operations and deposit systems (Sw. *Finansinspektionens föreskrifter och allmänna råd om informationssäkerhet, IT-verksamhet, och insättningssystem*) FFFS 2014:5, the SFSA regulations regarding prudential requirements and capital buffers (Sw. *Finansinspektionens föreskrifter om tillsynskrav och kapitalbuffertar*), FFFS 2014:12, and the SFSA regulations and general guidelines regarding insurance business (Sw. *Finansinspektionens föreskrifter och allmänna råd om försäkringsrörelse*) FFFS 2015:8.

In addition, Resurs is subject to substantial regulation in other areas, including, but not limited to, consumer protection and data protection, in all jurisdictions in which Resurs operates.

### The Swedish Financial Supervisory Authority

The SFSA is the supervisory authority for Swedish credit institutions, Swedish insurance undertakings and tied insurance intermediaries. The SFSA's supervisory responsibility also encompasses other types of financial institutions as well as foreign branches and cross-border operations of Swedish credit institutions, Swedish insurance undertakings, tied insurance intermediaries, as well as to a limited extent domestic branches of foreign credit institutions and domestic branches of foreign insurance undertakings. The supervision over Resurs is thus exercised by the SFSA, including the cross-border operations and domestic branches of Resurs Bank and Solid.

The SFSA's supervision is conducted through analysis of reports regarding, among other things, capital adequacy, solvency (including Solvency II, as detailed below), large exposures and financial statements, and through on-site inspections to ensure that each banking and insurance undertaking's operations complies with Swedish laws and regulations. In addition to its supervisory function, the SFSA issues binding regulations and general guidelines for companies operating banking, insurance, and insurance mediation businesses in Sweden. If the operations of such company are not sound or the company is otherwise is breaching applicable laws or regulations, the SFSA is obliged to interfere and may thus impose administrative sanctions, *inter alia* as remark, warning, fine and revocation of license and/or registration to operate.

Sweden is not a member of the single supervisory mechanism regarding supervision of banking operations within the EU. Accordingly, no supervisory powers related to banking operations have been transferred from the SFSA to the European Central Bank.

The SFSA has announced that certain guidelines issued by the three European supervisory authorities, European Banking Authority (the "**EBA**"), the European Insurance and Occupational Pensions Authority (the "**EIOPA**"), and the European Securities and Markets Authority (the "**ESMA**") should be regarded as equivalent to general guidelines issued by the SFSA once such guidelines by the European supervisory authorities have been translated into Swedish and the SFSA has decided that the SFSA will comply with the guidelines. In addition, domestic authorities and undertakings should with all available means seek to comply with such guidelines issued by the European supervisory authorities.

The SFSA's regulations are binding whereas the SFSA's general guidelines are not binding per se but may be regarded as soft law that indicates how an undertaking appropriately should act (good practice) in a given situation but that allows the undertaking to choose adequate alternative means of achieving the same objective (guidelines often referred to as "comply or explain"). If an insurance undertaking does not comply with the guidelines and fails to present adequate alternative means of achieving the same objective, the SFSA may issue sanctions on the basis that the undertaking is in breach of good insurance standard, which is a requirement under the IBA.

## Anti-money laundering and terrorist financing

Resurs must comply with applicable rules and regulations designed to prevent money laundering and terrorist financing, mainly the Swedish Act on Measures against Money Laundering and Financing of Terrorism (Sw. *lag (2009:62) om åtgärder mot penningtvätt och finansiering av terrorism*) (the "**AML Act**") and the SFSA regulations and general guidelines regarding measures against money laundering and financing of terrorism FFFS 2009:1 (Sw. *Finansinspektionens föreskrifter och allmänna råd om åtgärder mot penningtvätt och finansiering av terrorism*). The legal requirements include obligations to conduct customer due diligence on customers engaging in business relationships, to keep records to help prevent money laundering and to report suspected violations of the regulation to the Swedish Police Authority.

On 20 May 2015, the European Parliament adopted the fourth Anti-Money Laundering Directive. The adoption of the new directive repeals the third Anti-Money Laundering Directive and imposes banks to be more mindful of suspicious transactions carried out by its customers than under current legislation. No Swedish legislation or initiative has yet been adopted in order to implement the directive, but, on 1 August 2015, amendments to the AML Act came into effect in order to adjust the rules to international standards set by the Financial Action Task Force. Since the fourth Anti-Money Laundering Directive was largely produced on the basis of these standards, it is unclear if, and to what extent, changes to the Swedish legislation will be required in order to implement the fourth Anti-Money Laundering Directive. The fourth Anti-Money Laundering Directive must be implemented by EU Member States by 26 June 2017. On 1 February 2016, an Official Report of the Swedish government was published containing a proposal of how Swedish legislation should be amended in order to comply with the fourth Anti-Money Laundering Directive. This Official Report proposes a new (restated) Act on Measures against Money Laundering and Financing of Terrorism, which is proposed to come into force on 26 June 2017. It is unclear if, and to what extent, the Official Report will be considered regarding any future legislation.

## Data protection

The processing of personal data by companies established within the EU is governed by the Data Protection Directive (95/46/EC), which each member state has implemented into national law, in Sweden through the PDA. The PDA requires, for example, that personal data be collected only for specified, explicitly stated and legitimate purposes and may only be processed in a manner consistent with these purposes. Further, personal data must be adequate, relevant and not excessive in relation to the purposes for which it is collected and/or processed and it must not be kept for a longer period of time than necessary. As a general rule, Resurs must establish a legitimate basis to be allowed to process personal data and must inform the person concerned about its processing of personal data.

Resurs is subject to the supervision of the Swedish Data Protection Authority and the corresponding data protection authorities in Denmark, Finland and Norway. Resurs has established data protection procedures and appointed a data protection officer (Sw. *personuppgiftsombud*) in order to comply with relevant regulatory requirements, including SFSA regulations and guidelines from the EBA and the Swedish Data Protection Authority. Resurs's data protection procedures include established data protection policies, IT and security policies, and outsourcing policies.

The protection of personal data is regulated on an EU level. On 25 January 2012, the European Commission published a draft EU GDPR. Subsequently numerous amendments have been proposed in the European Commission, European Parliament and European Council. On 15 June 2015, the European Council formally approved a revised draft of the GDPR. On 15 December 2015, the European Institutions reached a compromise agreement on the proposal for a GDPR, which includes a transition period of two years and proposes substantial changes to the current EU data protection regime, involving the replacement of national data protection laws, strengthening of individuals' rights, stricter requirements on companies processing personal data and stricter sanctions with administrative fines set at the higher of EUR 20 million and 4 percent of an enterprise's annual global turnover where infractions are grouped into tiers attracting different maximum fine levels. A final version of the GDPR was approved by the Council's COREPER and the European Parliament was then expected to endorse the text. Publication in the Official Journal is expected in April or May of 2016, and the GDPR will enter into force two years later, i.e., April or May of 2018. Resurs is awaiting the publication in the Official Journal and will then begin to assess the full impact of the proposed regulation on Resurs's business.

### The Payment Services Directive

PSD was adopted in 2007. This legislation provided the legal foundation for a single EU market for payments in order to establish safer and more innovative payment services across the EU. The objective of the legislation was to make cross-border payments as easy, efficient and secure as 'national' payments within a Member State. PSD was subsequently reviewed and updated to include regulations regarding interchange fees for card-based payment transactions, including the recently enacted 0.3 percent cap on interchange fees effective from 9 December 2015. In Sweden, PSD was implemented into Swedish law through inter alia the Payment Services Act (Sw. *betaltjänstlagen (2010:751)*).

In late December 2015, the Commission adopted the Second Payment Services Directive ((EU) 2015/2366) ("**PSD2**"), which updated and complemented the EU rules put in place by PSD. The main objectives of PSD2 are: (i) to contribute to a more integrated and efficient EU market for payments; (ii) to enhance the market for payment service providers (including new players); (iii) to make payments safer and more secure; (iv) to protect consumers; and (v) to encourage lower prices for payments.

PSD2 widens the scope of PSD by covering new services and market participants. In addition, PSD2 further regulates certain services previously covered by PSD. PSD2 also updates an existing telecom exemption by limiting the exemption such that it applies primarily to micro-payments for digital services, and includes transactions with third countries when only one of the payment service providers is located within the EU ("one-leg transactions"). PSD2 also enhances the cooperation among, and information exchange between, authorities regarding the authorisation and supervision of payment institutions. For example, the EBA will develop a central register of authorised and registered payment institutions.

To make electronic payments safer and more secure, PSD2 introduced enhanced security measures to be implemented by all payment service providers, including banks, and for which the EBA will develop specific and objective security standards.

PSD2 is to be implemented in Swedish law two years after its adoption and Resurs is currently in the process of assessing the impact of the proposed regulation on Resurs's business and is waiting for Swedish legislative proposals regarding the implementation of the directive into Swedish domestic laws.

## Banking business related regulation

### Banking license and other permits

The BFBA requires banking companies to operate under a license granted by the SFSA. On 24 October 2001, Resurs Bank was granted its banking license by the SFSA in the form of a bank charter (Sw. *oktroj*). The SFSA has also granted Resurs Bank permits to conduct cross-border operations in Denmark, Estonia, Finland, Norway and Germany and permits to conduct operations through its branches in Denmark, Finland and Norway regarding e.g. lending and transfer of payments. The license and permits have indefinite durations, but are subject to withdrawal rights by the SFSA.

The IMA requires all tied insurance intermediaries to be registered with the Swedish Companies Registration Office by the insurer to which it is tied. Subsequently, such registered tied insurance intermediaries are supervised by the SFSA. Resurs Bank is authorised as an insurance intermediary under the IMA as it is registered as a tied insurance intermediary to Solid. The registration has indefinite duration, but is subject to withdrawal rights by the SFSA. Resurs Bank is also authorised, by way of notification to the SFSA, to conduct cross-border operations in Denmark, Estonia, Finland, Norway and Germany and permits to conduct operations through its branches in Denmark, Finland and Norway with regard to insurance mediation.

### Ownership, ownership management and management assessment

The provisions on ownership, ownership management and management assessment in the BFBA are particularly important to prospective shareholders in Resurs. These rules involve, among other things, that approval from the SFSA must be obtained prior to a shareholder acquiring shares that would bring the shareholder's direct or indirect holding of Resurs Bank to or in excess of certain thresholds (10 percent, 20 percent, 30 percent or 50 percent of Resurs Bank's capital or votes or result in Resurs Bank becoming a subsidiary of the acquirer) or the shareholder otherwise obtaining a significant influence over the management of the Resurs Bank. Furthermore, the appointment of members and deputy members of the Board of Directors and the CEO and deputy CEO of Resurs and Resurs Bank must be approved by the SFSA pursuant to the Swedish rules regarding management assessment.

### Capital adequacy and liquidity requirements

A number of initiatives aimed at tightening the regulatory standards applicable to financial institutions were introduced as a result of the global financial crisis in 2007–2010. One of the most important regulatory initiatives was Basel III, which is a comprehensive proposal for reforms to the regulatory capital and liquidity framework for banks. The Basel III Framework has been transposed into law in the EU by way of CRR and CRD IV. The CRR applies in all EU member states without implementation, whereas CRD IV must be implemented in national law by each member state.

CRR and CRD IV contain several capital and liquidity requirements, including minimum capital requirements and capital buffer requirements stipulating that banks excluding capital buffer requirements should at all times exceed the thresholds of 4.5 percent minimum CET 1 capital ratio, 6.0 percent tier 1 capital ratio and 8.0 percent total capital ratio. For information on Resurs's capital and liquidity, see "*Operating and financial review*".

CRR and CRD IV also introduced the following new capital buffers: the capital conservation buffer, the counter-cyclical capital buffer, the systemic risk buffer and the buffers for systemically important institutions. The size of the buffers, other than the capital conservation buffer, differs depending on the existence of cyclical and structural systemic risks and may thus also vary over time and between institutions. When in breach of a buffer requirement, an institution could face injunction with restrictions on, among other things, payment of dividends.

In addition, two new liquidity requirements are introduced as part of CRR and CRD IV: the LCR and the NSFR. The LCR aims to ensure that a bank maintains an adequate level of unencumbered, high-quality assets that can be converted into cash to meet the bank's liquidity needs for a 30-day time horizon under an acute liquidity stress scenario. The NSFR establishes a minimum acceptable amount of stable funding, based on the liquidity characteristics of an institution's assets and activities over a medium to long-term horizon.

In addition to the capital and liquidity requirements, CRR and CRD IV also contains various other new rules governing, among other things, corporate governance, remuneration and sanctions.

In August 2014, the Swedish legislation implementing CRD IV entered into force by way of the Special Supervision of Credit Institutions and Investment Firms Act (Sw. *lagen (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag*) and the Capital Buffers Act (Sw. *lagen (2014:966) om kapitalbuffertar*). Notably, all CRR and CRD IV buffers have been implemented in Swedish law, including the systemic risk buffer that is not required to be implemented. The buffers must consist of CET 1 capital.

Following the introduction of CRR and CRD IV, the SFSA has also made several amendments to its regulations in order to align these with, and to complement, the new rules.

### Recovery and resolution of credit institutions and investment firms

Pursuant to the BRRD, which mainly was implemented into Swedish law by the PCISAA and the Resolutions Act, supervisory authorities are given certain powers which can be categorised into preventive powers, early intervention powers and resolution powers. Ultimately, the authorities may take control of a failing bank and, for example, transfer the bank to a private purchaser or to a publicly controlled entity pending a private sector arrangement. All these actions can be taken without any requirement for shareholder approval.

One of the key principles in the BRRD is that the shareholders of a failing firm must bear the first losses in case of a failure. Prior to taking any resolution action that would result in losses for the creditors of the failing firm, the authorities must therefore impose losses on the shareholders by cancelling or severely dilute their shares. The authorities are also granted the power to write-down and/or convert outstanding debt into equity in the bank (commonly referred to as "bail-in"). Most of such failing bank's debt could be subject to bail-in, except for certain specific exceptions such as deposits and secured liabilities. These actions may be taken against the shareholders and creditors either together with other resolution actions or, in respect of shares and other tier 1 and tier 2 capital instruments, before, and independently of, any resolutions actions (provided that the firm is deemed to be non-viable).

The primary objective of the BRRD is to maintain financial stability. Accordingly, the provisions are primarily targeted at systemically important firms. However, all credit institutions are covered by the regime and may thus potentially be subject to resolution actions, including Resurs Bank. A prerequisite for initiating resolution actions is, however, that it is deemed necessary and proportionate in order to achieve the resolution objectives, such as systemic stability concerns. The BRRD also provides that shares and other tier 1 and tier 2 capital instruments may be written-down/converted independently of resolution and, accordingly, these actions may be taken even if the criteria for initiating resolution action are not satisfied.

### Swedish deposit insurance scheme

All Resurs Bank's accounts are covered by the Swedish deposit insurance scheme, a state-provided insurance of deposits in accounts at banks, investment firms and certain other institutions regulated under the Swedish Deposit Insurance Act (Sw. *lagen (1995:1571) om insättningsgaranti*). In order for an account to be covered by the deposit insurance scheme, the institution must be authorised by the SFSA to accept customer's funds in accounts and also apply for its accounts to be covered by the scheme before marketing the accounts. The institution covered by the scheme is required to pay annual fees in order to maintain the deposit insurance fund out of which any potential payments under the scheme will be made. The maximum insured amount under the Swedish Deposit Insurance Scheme is currently an amount in SEK corresponding to EUR 100,000. The deposit insurance applies to deposits from all depositors, excluding banks, credit market companies and investment firms with permit to accept customer's funds in accounts as well as equivalent foreign entities.

The Swedish government is currently considering the implementation of the EU Directive 2014/49/EU on deposit guarantee schemes (recast), including increasing the minimum level of state deposit insurance funds, broadening the scope of insurance covered deposits, ensuring faster pay outs of compensation and amendments to the calculation of the annual fee for participation in the deposit guarantee scheme. Under a legal memorandum issued in June 2015, amendments to the Deposit Insurance Act, the BFBA and other laws have been proposed to enter into force on 1 May 2016. No Swedish legislation has yet been adopted to implement the directive.

### Common Reporting Standard

Sweden is one of the jurisdictions that have signed a multilateral competent authority agreement to implement the Common Reporting Standard (the "**CRS**") in national legislation. The CRS has also been incorporated into EU Directive 2011/16/EU. Therefore, Sweden will initiate an automatic exchange of financial account information between the countries who have agreed to apply CRS. On 1 January 2016 the Swedish Law on identification of accounts due for reporting in the automatic exchange of financial accounts information (Sw. *lag om identifiering av rapporteringspliktiga konton vid automatiskt utbyte av upplysningar om finansiella konton*) entered into force. Resurs Bank is now required to identify which accounts it has that are due for reporting and make sure the technical IT requirements for the exchange are met. There is also a need to revise the Resurs's "know your client" process with regard to this new regulation.

## Insurance business related regulation

### Insurance

As Solid is a regulated entity, Solid is subject to regulation and supervision by the SFSA. The operations and organisation of Solid are primarily regulated under the IBA and the Companies Act. Other notable acts that Solid needs to comply with includes the IMA (when distributing insurance through insurance intermediaries), the Swedish insurance contracts act (Sw. *försäkringsavtalslag (2005:104)*) (when issuing insurance policies), and the Swedish marketing act (Sw. *marknadsföringslag (2008:486)*). Solid is also subject to a substantial amount of binding regulations and general guidelines issued by the SFSA, such as inter alia FFFS 2011:39, the SFSA's regulations and general guidelines regarding information about insurance and occupational pensions (Sw. *Finansinspektionens föreskrifter och allmänna råd om information som gäller försäkring och tjänstepension*) and FFFS 2015:8, the SFSA regulations and general guidelines regarding insurance business (Sw. *Finansinspektionens föreskrifter och allmänna råd om försäkringsrörelse*).

Solid is a Swedish limited liability company that holds a license from the SFSA to conduct non-life insurance business under the IBA in Sweden. It is also authorised to conduct cross-border operations in Norway, Denmark, Finland, Belgium, Bulgaria, Cyprus, Estonia, France, Greece, Ireland, Iceland, Italy, Lithuania, Lichtenstein, Latvia, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, the UK, the Czech Republic, Germany, Hungary and Austria. In addition, Solid has a permit by the SFSA for its Swiss branch that has been established on the basis of the 1989 Agreement between the EEA and the Swiss Confederation concerning other direct insurance than life insurance (the "**1989 Swiss Agreement**"). The 1989 Swiss Agreement gives insurance undertakings domiciled in the EEA a right to establish and operate non-life insurance business in Switzerland and vice versa.

### Management and ownership assessment

Special provisions in the IBA notable to prospective shareholders in the Company, are the rules on ownership and owner-management assessment that involve, among other things, that approval from the SFSA must be obtained prior to a shareholder acquiring shares that would bring the shareholder's direct or indirect holding to or in excess of certain thresholds (10 percent, 20 percent, 30 percent or 50 percent of the capital or voting rights of the Company or result in the Company becoming a subsidiary of the acquirer) or the shareholder otherwise obtaining a significant influence over the management of the Company. This includes a fit and proper assessment of the management of the acquiring entity. Furthermore, the appointment of members and deputy members of the Board of Directors and the CEO and deputy CEO of

Solid must be approved by the SFSA pursuant to the Swedish rules regarding management assessment. As of 1 January 2016, the appointment of persons responsible for key functions (identified as the risk-management function, the compliance function, the internal audit function and the actuarial function) is also subject to a corresponding assessment by the SFSA.

### Insurance mediation

Insurance mediation requires authorisation either by licensing or as tied to an insurance undertaking. The IMA requires both licensed and tied insurance intermediaries to be registered with the Swedish Companies Registration Office. Both registered licensed and tied insurance intermediaries are supervised by the SFSA. Such registrations have indefinite durations, subject to withdrawal rights by the SFSA.

An authorised insurance intermediary has a number of obligations under the IMA, including the duty to exercise good insurance mediation practice, which inter alia includes a duty to act in the customer's best interests and, with regard to consumer customers, to dissuade the customer from certain measures that are not appropriate for the customer. An authorised insurance mediation must also observe a number of other obligations, such as information requirements, documentation requirements, requirements to train individual staff and requirements of transparency vis-à-vis the customer with regard to remuneration/commission received.

In addition, an insurance undertaking such as Solid, also has an independent regulatory obligation to ascertain that it does not use insurance intermediaries that are not duly authorised in the distribution/mediation of its insurance products.

### Solvency regulations

Under the IBA, insurance undertakings are subject to a substantial amount of quantitative and qualitative regulatory rules. As an insurance undertaking, Solid is for example obliged to run its insurance business in line with the principle of stability (Sw. *stabilitetsprincipen*). This means that the business must be run with satisfactory solidity, liquidity and control over insurance risks, investment risks and other risks associated to the business, making it possible for Solid to fulfil its obligations vis-à-vis the insureds and others that are entitled to insurance compensation. Importantly, Solid is also subject to inter alia solvency requirements (essentially concerning the amount of capital that Solid must hold to be able to fulfil its obligations vis-à-vis the insureds) and provisions regulating how it may invest its assets (a fundamental principle is that an insurance undertaking shall invest all its assets in accordance with the so-called prudent person principle). These provisions, among others, were recently amended due to the implementation of the Solvency II directive into Swedish law. The Solvency II directive intends to introduce a harmonised, sound and robust prudential framework for insurance firms in the EU. As opposed to the previous regime, the Solvency II directive is risk based and focuses on the risk profile of each individual insurance undertaking in order to promote comparability, transparency, and competitiveness. The new rules entailed significant amendments to the IBA and will thereby bring substantial consequences for all insurance undertakings, such as Solid's, insurance business and increased costs inter alia due to increased reporting requirements.

For solvency purposes, each insurance undertaking must, in addition to its ordinary balance sheet, draw up a dedicated Solvency II balance sheet (Sw. solvensbalansräkning). After adjusting the balance sheet to remove (i) the value of own shares held by the insurance undertaking; and (ii) assets to cover the insurance undertakings' liabilities (with the exception of subordinated debt), including technical reserves (essentially, technical reserves shall correspond to the current amount the insurance undertaking would have to pay if it were to transfer its insurance obligations immediately to another insurance undertaking that is independent and has an interest in realising the transaction), the insurance undertaking must ascertain that it has adequate capital to cover the solvency capital requirement and must always meet the minimum capital requirement. The solvency capital requirement is risk-based and is calculated either in accordance with a standard formula or by using an internal model approved by the SFSA. The capital used to cover the solvency capital requirement and minimum capital requirement must meet certain quality criteria specified in the IBA. However, subject to approval by the SFSA, certain ancillary capital may also be used to cover the solvency capital requirement.

In anticipation of the implementation of Solvency II, Solid has conducted significant internal work and investments to prepare for the first quantitative reporting required under Solvency II, which will take place in May 2016. For additional detail, see "*Risk management–Principal risks–Operational risk–Management of operational risk*".

## Norway

### Legal framework for credit institutions, license requirements

Norwegian commercial banks are regulated by the Norwegian Financial Institutions Act of 10 April 2015 No. 17 ("**FIA**") and the Norwegian Limited Liability Companies Act of 13 June 1997 No. 44 ("**LLCA**"). Furthermore, the NFSA is granted the authority to supervise the bank according to the Financial Supervision Act of 7 December 1956 No. 1. With the basis in these acts, there are adopted several regulations applicable to commercial banks.

The carrying out of banking activities requires a public license under the FIA. yA Bank holds a license to engage in activities as a commercial bank and the license comprises the following activities:

- Taking deposits and other repayable funds;
- lending;
- payment services;
- issuing and administering other means of payment; and
- guarantees and commitments.

### Ownership requirements

Pursuant to the FIA section 2-1, an authorisation is required in advance to acquisitions whereby the acquirer will become the owner, directly or indirectly, of a qualifying holding. The same applies to acquisitions whereby a qualifying holding will reach or exceed 20 percent, 30 percent or 50 percent, respectively, of the capital or voting rights of a financial institution, or such that the holding confers controlling influence as further defined in the applicable legislation. A qualifying holding is deemed to be a holding that represents 10 percent or more of the capital or voting rights of a financial institution, or which otherwise makes it possible to exercise significant influence over the management of an institution and its activities. In the decision of whether or not authorisation shall be granted, an assessment of the fitness and propriety of acquirer will be made pursuant to the criteria stipulated in the FIA.

### The Financial Supervisory Authority of Norway

yA Bank is subject to supervision by the NFSA, which is the supervisory authority for Norwegian banks. The NFSA's supervisory responsibility also encompasses other types of financial institutions and companies as well, including insurance companies, fund managers, investment firms, estate brokers etc.

The NFSA's supervision is conducted through analysis of reports regarding, among other things, capital adequacy, solvency, large exposures and financial statements, and through on-site inspections to ensure that each banking undertaking's operations complies with Norwegian laws and regulations. In addition to its supervisory function, the NFSA issues general guidelines for companies operating banking businesses in Norway. If the operations of such company are not sound or the company is otherwise is breaching applicable laws or regulations, the NFSA is obliged to interfere and may thus impose difference administrative sanctions, inter alia warnings, fines and revocation of the license to operate.

### The Norwegian banks' Guarantee Fund

All banks with its head office in Norway, including subsidiaries of foreign banks, shall according to the FIA chapter 19, be members of The Norwegian Banks' Guarantee Fund. The main task of the Norwegian Banks' Guarantee Fund is to cover deposits in member banks. The Fund may also provide financial support to a member on certain conditions. Deposits in a bank are guaranteed up to a total amount of NOK 2 million. It is expected that the level of the guarantee will be changed in the future in order to be in line with Directive 2014/49/EU.

### Capital adequacy and liquidity requirements

The capital adequacy requirements and liquidity requirements following from CRR and CRD IV is implemented in Norwegian law, although with some transitional provisions.

On 1 July 2013 the Norwegian legislation implementing the capital requirements of CRD IV entered into force. The FIA chapter 14 sets out minimum requirements for common equity tier 1 capital, tier 1 capital and own funds. In addition to this, a capital conservation buffer consisting of common equity tier 1 capital is also required. The buffer capital requirements may become more stringent in the future. Further regulation of the capital requirements, basis for calculation etc., follows from regulations issued under the FIA.

### Anti-money laundering and terrorist financing

yA Bank must comply with applicable rules and regulations designed to prevent money laundering and terrorist financing, mainly the Norwegian Anti-Money Laundering Act of 6 March 2009 No. 11 and the Anti-Money Laundering Regulation of 13 March 2013 No. 302, which implements the third Anti-Money Laundering Directive (2005/60/EU) into Norwegian law. No Norwegian legislation has yet been adopted to implement the Fourth Anti-Money Laundering Directive.

### Personal data act

The processing of personal data is regulated by the Personal Data Act of 14 April 2000 no 31 (the "PDA") which implements the Data Protection Directive (1995/46/EU) into Norwegian law. According to the PDA, banks are obliged to obtain a licence for processing of personal information from the Norwegian Data Protection Authority (the "**DPA**"). yA Bank holds such license from the DPA.

# Board of Directors, group management and auditor

## Board of Directors

According to Resurs's Articles of Association, the Board of Directors shall comprise three to ten members elected by the shareholders at a General Meeting. The Board of Directors currently comprises nine members elected for a term of office extending until the close of the 2017 Annual General Meeting.

| Name | Function | Elected[1] | Independent | Audit Committee | Remuneration Committee | Corporate Governance Committee | Shareholding[2] |
|---|---|---|---|---|---|---|---|
| Jan Samuelson | Chairman | 2012 | Yes | • | • | | 135,308 |
| Martin Bengtsson | Director | 2012 | No[3] [4] | • | | • | – |
| Mariana Burenstam Linder | Director | 2015 | Yes | | | | 23,407 |
| Fredrik Carlsson | Director | 2012 | Yes | | • | | 120,054 |
| Anders Dahlvig | Director | 2012 | Yes | | | | 108,202 |
| Christian Frick | Director | 2012 | No[3] | • | • | | – |
| Lars Nordstrand | Director | 2014 | Yes | | | • | 64,994 |
| Marita Odélius Engström | Director | 2015 | Yes | | | | 23,407 |
| David Samuelson | Director | 2012 | No[3] [4] | | | • | – |

1) The following individuals were previously also directors of Resurs Bank and/or Solid before Resurs Holding AB was established in 2012: Martin Bengtsson (Resurs Bank and Solid since 2008), Anders Dahlvig (Resurs Bank, 2011) and Lars Nordstrand (Resurs Bank, 2011).
2) Refers to own shareholding and the shareholding of closely related natural or legal persons and shareholdings in a capital insurance after the Offering and based on an offering price set at the midpoint of the price range.
3) Not independent in relation to the Selling Shareholders.
4) Not independent in relation to the Company and the group management.

### Jan Samuelson

*Born 1963. Chairman of the Board of Directors since 2012. Chairman of the Audit Committee and the Remuneration Committee.*

**Education and professional experience:** Economy studies/M.Sc. in Economics and Business Administration, Stockholm School of Economics. Previously Senior Partner at Accent Equity and Senior Vice President, EF Education. Currently self-employed.

**Other current appointments:** Chairman of the Board of Directors of Tigerholm Group AB. Member of the Board of Directors of RSF Invest Holding AB, Business Partner Sweden AB, Independia AB and Saltå Kvarn Aktiebolag. Alternate member of the Board of Directors of EF-Gruppen AB.

**Previous appointments (past five years):** Chairman of the Board of Directors of Solvatten AB. Member of the Board of Directors of Sunstorm Holding AB, the parent company of Scandic Hotels Group AB, Jetpak Holding AB, ONOFF Sverige AB, KappAhl AB (publ), Invisio Communications AB and Axholmen AB.

**Holding:** 135,308 Shares after the Offering based on an offering price set at the midpoint of the price range.

### Martin Bengtsson

*Born 1970. Member of the Board of Directors since 2012. Member of the Audit Committee and Corporate Governance Committee.*

**Education and professional experience:** M.Sc. in Economics and Business Administration, University of Gothenburg, School of Business Economics and Law. Previously Manager, Business development at SIBA Aktiebolag and Country Manager at SIBA Aktiebolag, Danish Branch. Currently Investment Manager at Waldir AB.

**Other current appointments:** Member of the Board of Directors of Waldir Aktiebolag, Aktiebolaget Gardi, Aktiebolaget Remvassen and Pakte i Göteborg AB. Alternate member of the Board of Directors of Aktiebolaget Vävdar and Kvillevassen AB. Limited partner of SIBAhuset i Järnbrott Kommanditbolag and SIBAhuset i Västerås Kommanditbolag.

**Previous appointments (past five years):** Chairman of the Board of Directors of Zemafor AB, Streamstable Administration Scandinavia AB and Order Nordic AB. Member of the Board of Directors and President of Vauli AB (prior to 22 November 2012 named Resurs Holding AB). Member of the Board of Directors of

Elektronikåtervinning i Sverige Ekonomisk förening, SIBA & CC Logistic Aktiebolag and MEGAPHONE AB. Alternate member of the Board of Directors of Sibon Aktiebolag, SIBA Leasing Aktiebolag and SIBAhuset Aktiebolag. Limited partner of SIBAhuset i Linköping Kommanditbolag and SIBAhuset i Malmö Kommanditbolag.

**Holding:** –

## Mariana Burenstam Linder

*Born 1957. Member of the Board of Directors since 2015.*

**Education and professional experience:** M.Sc. in Economics and Business Administration, Stockholm School of Economics. Previously CEO of Nordic Management AB, ABB Financial Consulting, Ainax AB and member of the executive committee of Skandinaviska Enskilda Banken AB (publ).

**Other current appointments:** Chairman of the Board of Artdevie AB. Member of the Board of Directors of Investmentaktiebolaget Latour and BTS Group AB. CEO of Burenstam & Partners Aktiebolag and Formuesforvaltning Aktiv Forvaltning AS Norge Filial Sverige. General partner of Sine Cure Handelsbolag.

**Previous appointments (past five years):** Chairman of the Board of Directors of Advisa Intressenter AB, Advisa AB and Kontanten AB. Member of the Board of Directors of Latour Förvaltning AB, Eventbook AB and Säkl AB.

**Holding:** 23,407 Shares after the Offering based on an offering price set at the midpoint of the price range.

## Fredrik Carlsson

*Born 1970. Member of the Board of Directors since 2012. Member of the Remuneration Committee.*

**Education and professional experience:** MBA, Nijenrode University, The Netherlands Business School, Cum laude. B.Sc. in Business Administration, Gothenburg School of Business and Commercial Law. Previously Global Head of Research, SEB Enskilda, Head of Equities, 2nd AP Fund and Vice President (VP) of Bank of America/Merill Lynch.

**Other current appointments:** Chairman of the Board of Directors of Svolder Aktiebolag and Sten A Olssons Pensionsstiftelse. CEO and member of the Board of Directors of Sönerna Carlsson Family Office AB. Member of the Board of Directors of KL Capital Aktiebolag, Novobis AB, Torsten och Wanja Söderbergs Stiftelser and Insiderfonder AB.

**Previous appointments (past five years):** CEO and member of the Board of Directors of Fortinova Bostäder 10 AB. Member of the Board of Directors of Primelog Holding AB.

**Holding:** 120,054 Shares after the Offering based on an offering price set at the midpoint of the price range.

## Anders Dahlvig

*Born 1957. Member of the Board of Directors since 2012.*

**Education and professional experience:** B.Sc. in Business Administration, Lund University. MA in Economics, University of California. Previously President and CEO of IKEA. Currently self-employed.

**Other current appointments:** Chairman of the Board of Director of New Wave Group AB. Member of the Board of Directors of H & M Hennes & Mauritz AB, Axel Johnson Aktiebolag, Henry Dunkers Förvaltningsaktiebolag, Oriflame AG, Kingfisher Ltd, Pret a Manger Ltd, Inter IKEA Systems BV and Anders Dahlvig AB.

**Previous appointments (past five years):** Member of the Board of Directors of HIF Service Aktiebolag

**Holding:** 108,202 Shares after the Offering based on an offering price set at the midpoint of the price range.

## Christian Frick

*Born 1976. Member of the Board of Directors since 2012. Member of the Audit Committee and Remuneration Committee.*

**Education and professional experience:** M.Sc. in Economics and Business Administration, Stockholm School of Economics and the Stockholm University School of Business. Currently Partner at NC Advisory AB, advisor to the Nordic Capital Funds, since 2003.

**Other current appointments:** Member of the Board of Directors of NVG Holding AB, ITIVITI AB, ABJO Future Invest AB, CameronTec Intressenter Top Holding AB, Stora Röda Fågeln AB, Orc Group Holding AB (publ) and Promyzer AB. Accountant in Skogshyddans Montessoriförskola Ekonomisk förening.

**Previous appointments (past five years):** Chairman of the Board of Directors of PB Intressenter AB and Skogshyddans Montessoriförskola Ekonomisk förening. Member of the Board of Directors of RSF Invest Holding AB, Orc Intressenter AB and Atos Medical Holding 2 AB. Alternate member of the Board of Directors of Permobil Holding AB.

**Holding:** –

## Lars Nordstrand

*Born 1951. Member of the Board of Directors since 2014. Chairman of the Corporate Governance Committee.*

**Education and professional experience:** B.Sc. Uppsala University. Teacher Education, Umeå University. Economics and Business Administration, Umeå University.

**Other current appointments:** CEO and Member of the Board of Directors of Movestic Livförsäkring AB. Member of the Board of Directors of ICA Försäkring AB, Modernac S.A Luxembourg and Anticimex Försäkringar AB. General partner and Member of the Board of Directors of Masama AB. Alternate member of the Board of Directors of Försäkringsbranchens Arbetsgivareorganisations Service Aktiebolag. General partner of Tarchon Handelsbolag.

**Previous appointments (past five years):** Chairman of the Board of Directors of AkademikerRådgivning i Sverige AB. Member of the Board of Directors of Qsearch Aktiebolag, SFS – Svensk Försäkring Service AB and Försäkringsbranchens Arbetsgivareorganisations Service Aktiebolag.

**Holding:** 64,994 Shares after the Offering based on an offering price set at the midpoint of the price range.

## Marita Odélius Engström

*Born 1961. Member of the Board of Directors since 2015.*

**Education and professional experience:** M.Sc. in Economics and Business Administration, Uppsala University. Studies in Trade Law, University of Stockholm and Tax Law, Stockholm School of Economics. Executive Leadership Program at Ashridge Business School, Instituto de Empresa, Ruter Dam. Authorised public accountant. Previously CFO and Head of Process & Synergies, Skandia Nordic Group.

**Other current appointments:** CEO of Fora AB.

**Previous appointments (past five years):** Alternate member of the Board of Directors of Livförsäkringsaktiebolaget Skandia (publ).

**Holding:** 23,407 Shares after the Offering based on an offering price set at the midpoint of the price range.

## David Samuelson

*Born 1982. Member of the Board of Directors since 2012. Member of the Corporate Governance Committee.*

**Education and professional experience:** M.Sc. in Economics and Business Administration, Stockholm School of Economics and ESADE. Previously Management consultant at McKinsey & Company. Currently Director, NC Advisory AB, advisor to the Nordic Capital Funds.

**Other current appointments:** Member of the Board of Directors of BGT Holding AB, Brink International AB, Ellos Group Holding AB, Ellos Invest Holding AB, NC Outdoor VI AB, NC Outdoor VII AB, Nordic Cecilia Four AB and Thule Group AB. Alternate member of the Board of Directors of Nordic Fashion Topholding AB.

**Previous appointments (past five years):** Member of the Board of Directors of Munters Topholding AB and Nordic Fashion Group AB. Alternate member of the Board of Directors of RSF Invest Holding AB, Yllop Finance Holding AB and Yllop Finance Sweden AB.

**Holding:** –

## Group management

| Name | Position | Member of the group management since[1] | Employed by Resurs since | Shareholding[2] |
|---|---|---|---|---|
| Kenneth Nilsson | CEO and President | 2012 | 1993 | 478,474 |
| Peter Rosén | CFO and deputy CEO | 2015 | 2015 | 48,358 |
| Patrik Hankers | Business Area Director Consumer Loans | 2012 | 2007 | 77,798 |
| Ola Carlman | Business Area Director Payment Solutions | 2013 | 2013 | 52,841 |
| Henrik Eklund | COO | 2015 | 2006 | 52,841 |
| Erik Frick | CSO | 2012 | 2012 | 75,485 |
| Marcus Tillberg | Business Area Director Insurance | 2013 | 2001 | 132,548 |
| Barbro Tjärnlund | HR Manager | 2012 | 2009 | 57,370 |
| Gunilla Wikman | IR Manager | 2015 | – | – |

1) Resurs Holding AB was established in 2012. The following individuals held their current positions in Resurs Bank or Resurs Försäkringsaktiebolag prior to the establishment of Resurs Holding AB: Kenneth Nilsson (since 2001), Patrik Hankers (2010), and Barbro Tjärnlund (2009).

2) Refers to own shareholding and the shareholding of closely related natural or legal persons and shareholdings in a capital insurance after the Offering and based on an Offering price set at the midpoint of the price range.

## Kenneth Nilsson

*Born 1962. CEO and President since 2012.*

**Education and professional experience:** Economics and marketing studies, Nicolai school, Helsingborg. Previously employed at Skånska Banken, CEO assistant at Resurs Finance and CEO of Solid Försäkringsaktiebolag.

**Other current appointments:** CEO of Resurs Bank.

**Previous appointments (past five years):** Member of the Board of Directors of Solid Försäkringsaktiebolag, KENIKO AB, Inyett AB, Support Syd AB, IT Gården i Landskrona AB and NetOnNet AB.

**Holding:** 478,474 Shares after the Offering based on an offering price set at the midpoint of the price range; and 1,500,000 warrants.

## Peter Rosén

*Born 1968. CFO and deputy CEO since 2015.*

**Education and professional experience:** M.Sc. in Economics and Business Administration, University of Lund. Previously CFO of Flügger A/S (Denmark) and Leaf AB.

**Other current appointments:** Member of the Board of Directors of yA Bank AS.

**Previous appointments (past five years):** CEO and Member of the Board of Directors of DAY-system AB (Sweden) and DAY-system Color AS (Norway). Member of the Board of Directors of Flügger Aktiebolag (Sweden), PP Mester Maling A/S (Denmark), Flügger AS (Norway) and Flügger ehf, (Island). Alternate member of the Board of Directors of Flügger Paint (Shanghai) Co., Ltd and Flügger Coating (Shanghai) Co., Ltd. CEO of Day System A/S (Denmark), Harpa Sjöfn ehf, (Island) and Flügger Limited (Hong Kong).

**Holding:** 48,358 Shares after the Offering based on an offering price set at the midpoint of the price range; and 750,000 warrants.

## Patrik Hankers

*Born 1965. Business Area Director Consumer Loans since 2012.*

**Education and professional experience:** Economy studies, University of Gothenburg. B.Sc. in Communication and Media, University of Jönköping. Previously Head of business Area Consumer Market, Resurs Bank, Sales Manager Consumer Loans, Resurs Bank, Head of Affiliates and Consumer Finance, SEB.

**Other current appointments:** –

**Previous appointments (past five years):** Member of the Board of Directors of Flat Wallet AB.

**Holding:** 77,798 Shares after the Offering based on an Offering price set at the midpoint of the price range; and 250,000 warrants.

## Ola Carlman

*Born 1968. Business Area Director Payment Solutions since 2013.*

**Education and professional experience:** Studies in Economic history and Law, University of Gothenburg. Real Estate Broker Exam, University of Gothenburg. Previously Head of Sales & Marketing at Ikano Finance Management and Handelsbanken Finans.

**Other current appointments:**–

**Previous appointments (past five years):** –

**Holding:** 52,841 Shares after the Offering based on an offering price set at the midpoint of the price range; and 250,000 warrants.

## Henrik Eklund

*Born 1974. COO since 2015.*

**Education and professional experience:** Master of Laws (LL.M.), Lund University. M.Sc. in Business and Economics, Business Administration and Management, Lund University. Previously Sales and Marketing Manager and COO at CDON AB (publ).

**Other current appointments:** –

**Previous appointments (past five years):** CEO and Alternate member of the Board of Directors of Valnor AB. CEO of Reda Inkasso Aktiebolag (publ) and Teleresurs i Sverige AB.

**Holding:** 52,841 Shares after the Offering based on an offering price set at the midpoint of the price range; and 250,000 warrants.

## Erik Frick

*Born 1982. CSO since 2012.*

**Education and professional experience:** B.Sc. in Business Administration, University of Växjö. M.Sc. Business & Corporate entrepreneurship, Chalmers University of Technology. Previously Head of Group CRM and Project management at CDON Group and Sales Manager at CDON AB.

**Other current appointments:** Alternate member of the Board of Directors of Resurs Norden AB.

**Previous appointments (past five years):** Chairman of the Board of Resurs Norden AB, Nordic Consumer finance A/S and Dan-Aktiv A/S. General partner of Jämlika Möjligheter Konsultfirma Syd Handelsbolag. Alternate member of the Board of Directors of Ideella föreningen Bennu of Sweden med firma Bennu of Sweden.

**Holding:** 75,485 Shares after the Offering based on an offering price set at the midpoint of the price range; and 250,000 warrants.

## Marcus Tillberg

*Born 1975. Business Area Director Insurance since 2013.*

**Education and professional experience:** B.Sc. in Business Administration, Valdosta State University. Previously Executive vice president of Solid Försäkringsaktiebolag.

**Other current appointments:** Alternate member of the Board of Directors of Kerstin Tillberg AB.

**Previous appointments (past five years):** Owner of MJ Golf and Marketing.

**Holding:** 132,548 Shares after the Offering based on an offering price set at the midpoint of the price range; and 250,000 warrants.

## Barbro Tjärnlund

*Born 1959. HR Manager since 2012.*

**Education and professional experience:** B.Sc. in Local Government Administration, University of Gothenburg. Previously Lead HR business partner at Astra Zeneca.

**Other current appointments:** Alternate member of the Board of Directors of Anteris AB.

**Previous appointments (past five years):** –

**Holding:** 57,370 Shares after the Offering based on an offering price set at the midpoint of the price range; and 250,000 warrants.

## Gunilla Wikman

*Born 1959. IR Manager since 2015.*

**Education and professional experience:** M.Sc. in Economics and Business Administration, Stockholm School of Economics. Previously Head of Communication at SEB Group, the Swedish Central Bank and the Swedish Bank Support Authority.

**Other current appointments:** Member of the Board of Directors of Hoist Finance AB (publ), SJ AB, Cereal Base CEBA Aktiebolag, AMF Fonder AB and Carrara Communications AB. Alternate member of the Board of Directors of Tiferna AB. Owner of Gunilla Wikmans Enskilda Firma.

**Previous appointments (past five years):** Member of the Board of Directors of Proffice Aktiebolag, Flyinge Aktiebolag and HMS Networks AB. Alternate member of the Board of Directors of Calem Nordic AB and Svenska Ridsportförbundets Service Aktiebolag.

**Holding:** –

## Other information concerning the Board of Directors and group management

There are no family ties between any of the members of the Board of Directors and/or members of the group management.

Except as described in the immediately following paragraphs, there are no conflicts of interest or potential conflicts of interest between the obligations to the Company of members of the Board of Directors and members of the group management of the Company and their private interests and/or other undertakings, but several of the members of the Board of Directors and members of the group management have financial interests in the Company due to their holdings of Shares and warrants in the Company. Shareholding members of the Board of Directors and members of the group management, will undertake, with certain exceptions, not to sell their respective holdings for a certain period after trading on Nasdaq Stockholm has commenced, see "*Selling shareholders–Lock-up*".

Martin Bengtsson is a member of the Board of Directors of Waldir AB, which is the parent company of Waldakt AB, one of the Principal Selling Shareholders. Waldir AB is also the parent company of NetOnNet Group AB, which is the parent company of NetOnNet and SIBA. NetOnNet and SIBA are Resurs's retail partners (for additional information, see "*Legal considerations and supplementary information–Related party transactions*"). Situations may arise where SIBA or NetOnNet has interests that differ from Resurs's interests.

David Samuelson is a member of the Board of Directors of Ellos Group Holding AB (publ). Ellos Group Holding AB (publ) is a retail partner of Resurs (for additional information, see "*Legal considerations and supplementary information–Related party transactions*"). Situations may arise where the Ellos Group has interests that differ from Resurs's interests.

No director or member of the group management has been convicted in any case involving fraud during the past five years. Except as described in the immediately following paragraphs, none of them has been involved in any bankruptcy, bankruptcy trusteeship or liquidation during the past five years.

David Samuelson was, during the period 10 June 2015 – 7 July 2015 appointed as a member of the Board of Directors of Clear Communications (EurAust) AB (subsidiary to Nordic Cecilia Four AB). The company was declared bankrupt when David Samuelson started his assignment. The bankruptcy process was discontinued in 7 July 2015, after which the company automatically went into liquidation.

Jan Samuelson was, during the period 12 February 2011 – 1 July 2011 member of the Board of Directors of ONOFF Sverige AB. The company was declared bankrupt on 11 July 2011. As of the date of this

Offering Memorandum, the bankruptcy process has not yet been finalised.

Except as described in the immediately following paragraph, no accusations and/or sanctions have been issued by any agency authorised by law or regulation (including approved professional organisations) during the past five years against any of the members of the Board or the group management. Nor, during the past five years, has any member of the Board or the group management been prohibited by a court of law from being a member of a Company's administrative, management or control body or from holding any senior or overarching position in a company.

Kenneth Nilsson was in 2013 subject to a tax review by the Swedish Tax Agency regarding the valuation of warrants and received thereafter a reassessment decision regarding the income year. Kenneth Nilsson appealed this decision to the Administrative Court that rendered a judgement in his favour. No tax surcharges have thus been imposed.

In connection with the Swedish Tax Agency's review of the Swedish private equity business, Christian Frick (an employee of NC Advisory AB, advisor to the General Partners of the Nordic Capital Funds) has been subject to a tax review and thereafter received reassessment decisions for several income years. The Swedish Tax Agency's basic position has been that a part of the profit split in the funds (so-called carried interest) is not a capital income for the ultimate recipients but a business income for NC Advisory AB and should be deemed paid out as salary from that company to the individuals who have been the ultimate owners of the carried interest (Christian Frick being one of them). According to the Swedish Tax Agency, carried interest should therefore be taxed as employment income for the individuals and NC Advisory AB should have paid Swedish social security contributions on the same amount. The Swedish Tax Agency has also levied tax surcharges. Christian Frick has appealed all his reassessment decisions to the Administrative Court and been granted a respite for paying the taxes and tax surcharges pending a ruling from the Administrative Court. The case regarding NC Advisory AB has been finally decided in favour of NC Advisory AB and neither any social security contributions nor tax surcharges have thus been imposed on the company. The Swedish Tax Agency has however, upheld its basic position that the profit split should be taxed as employment income for Christian Frick and, alternatively, claimed that amounts paid out should be taxed under the so-called 3:12-rules (Sw *3:12-reglerna*) according to which capital income, in certain circumstances, shall be taxed as employment income. Christian Frick has disputed the Swedish Tax Agency's view and the cases are currently pending in the Administrative Court.

All members of the Board of Directors and the group management can be reached through Resurs, Box 2209, 250 24 Helsingborg, Sweden.

## Auditor

Ernst & Young AB (Bergaliden 11 SE-252 23 Helsingborg, Sweden) is the Company's auditor since 2013. Niklas Paulsson is the auditor in charge. Niklas Paulsson is an authorised public accountant and a member of FAR (the professional institute for authorised public accountants in Sweden). Ernst & Young AB's office address is Jakobsbergsgatan 24, SE-111 44 Stockholm, Sweden.

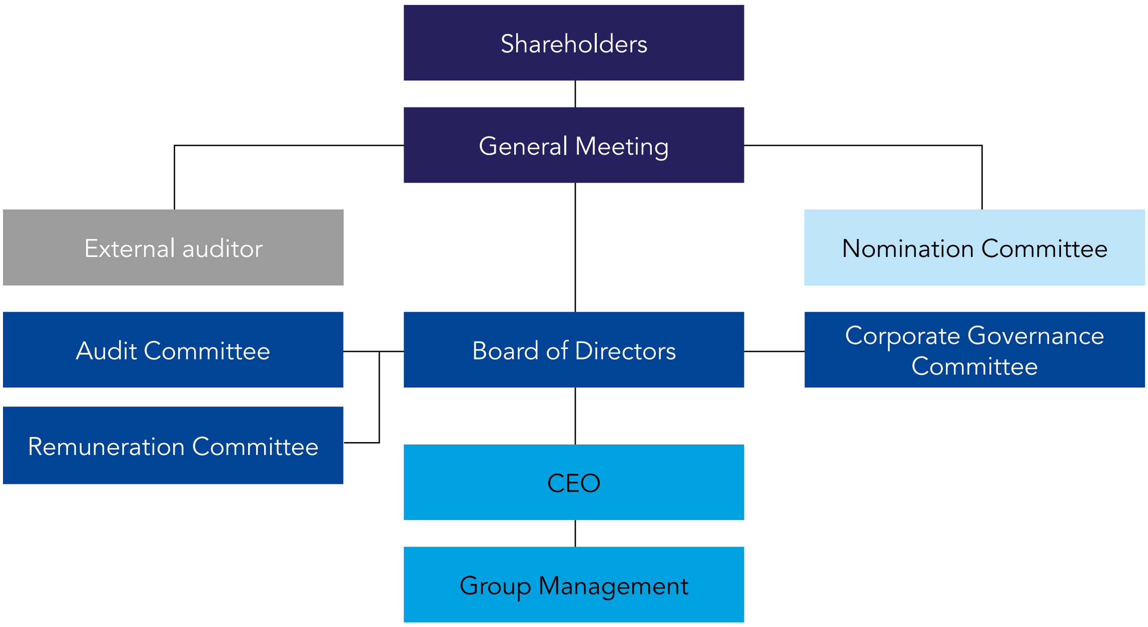
# Corporate governance

## Corporate governance within Resurs

Prior to listing on Nasdaq Stockholm, the corporate governance of the Company was based upon Swedish law and internal rules and guidelines. Once listed on Nasdaq Stockholm, the Company will also comply with Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code (the **"Code"**). The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden and is to be fully applied from the date of the first Annual General Meeting held the year after listing. Companies are not obliged to at all times apply every rule in the Code, but are allowed the freedom to choose alternative solutions which they feel are better in their particular circumstances, provided they report every deviation, describe the alternative solution and explain the reasons for the deviation in its annual corporate governance report (the "comply or explain" principle).

The Company intends to apply the Code from the time of the listing of the Shares on Nasdaq Stockholm. Any deviation from the Code will be reported in the Company's corporate governance report. However, in the first corporate governance report, the Company is not required to explain non-compliance with such rules that have not been relevant during the period covered by the corporate governance report.

**Resurs's corporate governance structure**




## The general meeting of shareholders

Pursuant to the Companies Act, the General Meeting is the Company's supreme decision-making body and shareholders exercise their voting rights at such meetings. Annual General Meetings must be held within six months from the end of each financial year. In addition to the Annual General Meeting, Extraordinary General Meetings can be convened. The Company's Annual General Meetings are held in Helsingborg, Sweden, every calendar year before the end of June.

Pursuant to the Articles of Association, notices convening General Meetings shall be issued through announcement in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) as well as on the Company's website. Announcement to the effect that a notice convening a General Meeting has been issued shall be made in Svenska Dagbladet. Once Resurs is listed, a press release in Swedish and English with the notice in its entirety will be issued ahead of each General Meeting.

### Right to attend General Meetings

All shareholders who are directly recorded in the share register maintained by Euroclear Sweden five weekdays (Saturdays included) prior to the General Meeting and who have notified the Company of their intention to participate in the General Meeting not later than the date and time indicated in the notice of the General Meeting, are entitled to attend the General Meeting and vote for the number of shares they hold.

In addition to notifying the Company, shareholders whose shares are nominee registered through a bank or other nominee must request that their shares are temporarily registered in their own names in the register of shareholders maintained by Euroclear Sweden, in order to be entitled to participate in the General Meeting. Shareholders should inform their nominees well in advance of the record date.

Shareholders may attend General Meetings in person or by proxy and may be accompanied by a maximum of two assistants. It will normally be possible for shareholders to register for the General Meeting in several different ways, as indicated in the notice of the meeting.

### Shareholder initiatives

Shareholders who wish to have an issue brought before the General Meeting must submit a request in writing to the Board of Directors. The request must normally be received by the Board of Directors not later than seven weeks prior to the General Meeting.

## Nomination Committee

Under the Code, the Company shall have a nomination committee, the purpose of which is to make proposals in respect of the chairman at General Meetings, Board member candidates, including the Chairman, fees and other remuneration of each Board member as well as remuneration for committee work, election of and remuneration to the external auditor and proposal for instruction for nomination committee, effective until further notice, for the following Annual General Meeting.

At the Annual General Meeting held on 4 April 2016, it was resolved that the nomination committee in respect of the Annual General Meeting shall be composed of the representatives of the four largest shareholders in terms of voting rights listed in the shareholders' register maintained by Euroclear Sweden AB as of 31 August each year, and the chairman of the board of directors, who will also convene the first meeting of the nomination committee. The member representing the largest shareholder in terms of voting rights shall be appointed chairman of the nomination committee. If earlier than two months prior to the Annual General Meeting one or more of the shareholders having appointed representatives to the nomination committee no longer are among the four largest shareholders in terms of voting rights, representatives appointed by these shareholders shall resign and the shareholder or shareholders who then are among the four largest shareholders in terms of voting rights, may appoint their representatives. Should a member resign from the nomination committee before its work is completed and the nomination committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder or, if the shareholder is no longer one of the largest shareholders in terms of voting rights, the largest shareholder in turn. Changes in the composition of the nomination committee shall be made public immediately.

The composition of the nomination committee for the annual general meeting shall normally be announced no later than six months before that meeting. Remuneration shall not to be paid to the members of the nomination committee. The Company is to pay any necessary expenses that the nomination committee may incur in its work. The term of office for the nomination committee ends when the composition of the following nomination committee has been announced. The nomination committee shall propose the following: chairman at the general meeting, board of directors, chairman of the board of directors, auditor, remuneration to the board of directors divided between the chairman and the other directors as well as remuneration for committee work, remuneration to the company's auditor and any changes in the proposal for nomination committee for the annual general meeting (if any).

## Board of Directors

### Composition and independence

According to the Articles of Association, Resurs's Board of Directors shall consist of at least three and no more than ten members elected by the Annual General Meeting for a term of office until the end of the next Annual General Meeting. At the Annual General Meeting held on on 4 April 2015, Jan Samuelson, Martin Bengtsson, Mariana Burenstam Linder, Fredrik Carlsson, Anders Dahlvig, Christian Frick, Lars Nordstrand, Marita Odélius Engström and David Samuelson were re-elected. No representative of group management is on the Board of Directors. However, Resurs's CEO and the Group's CFO participate at board meetings. Other Company officers participate at meetings of the Board of Directors to provide presentations on specific issues. As of the date of this Offering Memorandum, no employee representatives, or deputies, have been appointed to the Board of Directors.

In accordance with the Code, a majority of the members of the Board elected by the General Meeting are to be independent in relation to the Company and its management. This requirement does not apply to employee representatives. In order to determine whether a member of the Board is independent, an overall assessment must be made of all circumstances which might give reason to call into question the independence of the board member in relation to the Company or company management, e.g., if the board member has recently been hired by the Company or an affiliate. At least two of the board members who are independent in relation to the Company and company management must also be independent in relation to the Company's major shareholders. In order to assess such independence, consideration must be given to the scope of the board member's direct or indirect relationship to major shareholders. In the Code, 'major shareholder' means a shareholder who, directly or indirectly, controls 10 percent or more of the Shares or voting rights in the Company.

The Board of Directors' assessment of the independence of the board members in relation to the Company, its management and major shareholders is presented in "*Board of Directors, group management and auditor–Board of Directors*". All board members but two are independent in relation to the Company and its management. Six of them also are independent in relation to the Company's major shareholders. The Company thereby fulfils the Code's independence requirement.

## Responsibilities and work

The duties of the Board of Directors are primarily set forth in the Companies Act and the Code, the latter of which will be applicable to the Company after the listing of the Shares on Nasdaq Stockholm. In addition to this, the work of the Board is guided by formal rules of procedure that the Board adopts every year. The work plan governs the division of work and responsibility among the Board, its Chairman and the Chief Executive Officer and specifies financial reporting procedures for the Chief Executive Officer. The Board also adopts policies for the Board committees.

The Board of Directors' tasks include adopting strategies, business plans and budgets, interim reports, year-end financial statements and setting policies and guidelines. The Board of Directors is also required to follow economic developments and ensure the quality of financial reporting and internal controls and evaluate operations on the basis of the objectives and guidelines set by the Board of Directors. Finally, the Board of Directors decides on major investments and changes in the organisation and activities of the Company. The Chairman of the Board of Directors shall, in close collaboration with the CEO, monitor the Company's performance and chair Board meetings. The Chairman is also responsible for ensuring that the Board of Directors evaluates its work each year and always receives the information necessary to perform its work effectively.

## Internal control

The Board of Directors' responsibility for the internal control is governed by the Companies Act, the Swedish Annual Reports Act (1995:1554), the Code and the SFSA's regulations and general guidelines, as applicable. Information regarding the most important aspects of the Resurs's system for internal control and risk management in connection with financial reporting must each year be included in the Resurs's corporate governance report.

The procedures for internal control, risk assessment, control activities, and monitoring with respect to the financial reporting have been designed to ensure reliable overall financial reporting and external financial reporting in accordance with IFRS, applicable laws and regulations as well as other requirements, which may apply to companies listed on Nasdaq Stockholm. This work involves the Board of Directors, Resurs's management and other personnel.

### Control environment

The Board of Directors has adopted several policies which together with external rules are the foundation of Resurs Holding's control environment. All employees are responsible for the established policies to be complied with. The Board of Directors has adopted a policy that regulates the division of responsibility between the CEO and the Board of Directors. The Board of Directors work program that the Board of Directors, due to the consolidated situation for Resurs Holding, is to ensure that there is a function for risk control (the second line of defence), a function for compliance (the second line of defence), and a function for internal audit (the third line of defence), all of them organisationally separated from each other. The control functions must regularly report material deficits and risks to the Board of Directors and the CEO. The reports are to follow up on previous reported deficits and risks and report on every new identified material deficit and risk. The Board of Directors and the CEO must ensure that Resurs Holding has routines in place to regularly follow up on which measures that has been taken due to a report from a control function. The responsibility for maintaining an effective control environment, and the day-to-day risk assessment and internal control work regarding the financial reporting, are delegated to the CEO. However, the Board of Directors is ultimately responsible. Group management reports regularly to the Board of Directors in accordance with established routines. The CEO must regularly issue a written CEO report to the Board of Directors including general comments on material events. Managers on different levels within the Group have, as operating personnel in the first line of defence, a responsibility to identify and manage identified operating risks.

Resurs Holding's Audit Committee are regularly monitoring the quality of Resurs Holding's financial reporting whereas the Corporate Governance Committee monitors the quality of Resurs Holding's corporate governance, internal control, Compliance, Risk Control and Internal Audit.

#### Risk assessment and control activities

Steering documents of importance for the financial reporting are communicated to relevant employees. There are both formal as well as informal information channels to group management and the Board of Directors as regards information from employees, which is considered to be important. Steering documents are in place with respect to external disclosure of information in order to ensure that the Company complies with the requirements to disseminate correct information to the market. For further information, see "*Risk management–Independent control functions–The risk control functions*".

#### Monitoring, assessment and reporting

The Board of Directors regularly assesses the information provided by group management. The Board of Directors receives regular reports from the business regarding Resurs Holding's financial position and reports from the Audit Committee on their observations, recommendations, proposals for measures and decisions. The Internal Audit, Compliance and Risk Control functions regularly report their observations, and proposals for measures to the CEO, the Board of Directors and certain board committees. Internal and external regulations governing financial reporting are communicated internally through training sessions and in steering documents, which are published on the Group's intranet.

### Board committees

The Board has three committees: the Remuneration Committee, the Audit Committee and the Corporate Governance Committee.

The task of the Remuneration Committee is to prepare issues relating to compensation and other employment terms for the CEO and Company's senior management. The Remuneration Committee proposes guidelines for, among other things, the relationship between fixed and variable compensation and the relationship between performance and compensation, the principal conditions for bonuses and incentive schemes, conditions for non-monetary benefits, pensions, termination and severance pay. The Committee also makes proposals on individual compensation packages for the CEO and other executives in the Company's senior management. Furthermore, the Remuneration Committee shall monitor and evaluate the outcome of variable compensation schemes and the Company's compliance with remuneration guidelines adopted by the General Meeting. The Remuneration Committee has three members: Jan Samuelson (Chairman), Christian Frick and Fredrik Carlsson.

The overall task of the Audit Committee is to ensure fulfilment of the Board of Directors' supervisory duty in relation to audit and accounting and financial reporting. The Audit Committee must review procedures and routines for the aforementioned areas. In addition, the Audit Committee shall monitor the impartiality and independence of the auditor, evaluate the audit work and discuss with the auditor the coordination of the external and internal audit. The Audit Committee shall also assist the Company's Nomination Committee in preparing nominations for auditor and recommendations for audit fees. The Audit Committee has three members: Jan Samuelson (Chairman), Christian Frick and Martin Bengtsson. The Audit Committee fulfils the requirement in respect of accounting or auditing competence as set forth in the Companies Act.

The task of the Corporate Governance Committee is to evaluate the Group's monitoring of internal control and policies regarding regulatory compliance, risk control and independent audit function (internal audit), to the extent it does not concern the financial reporting for which the Audit Committee is responsible. The Corporate Governance Committee must among other things evaluate the findings and proposed actions in compliances, Risk Control and the internal audit reports, review the internal capital and liquidity evaluation for the Resurs Holding and Resurs Bank (excluding Solid), monitor proposals regarding changes in regulations that may affect the Group's licensed operations and prepare the Board of Directors' report on internal control. The Corporate Governance Committee must also inform the Board of Directors and provide recommendations regarding the results of its audits and evaluations. The Corporate Governance Committee has three members: Lars Nordstrand (Chairman), Martin Bengtsson and David Samuelson.

Reports to the Board of Directors on issues discussed at committee meetings are either in writing or given orally. The work of each committee is performed in accordance with written policies and a work plan stipulated by the Board of Directors. Minutes of committee meetings are provided to all Board members.

### Remuneration of the Board of Directors

Following a proposal from the Nomination Committee, fees to directors elected by the General Meeting are decided upon by the Annual General Meeting.

The table below shows the fees paid at Group level in 2015 to members of the Board of Directors elected by the shareholders at the General Meeting.

| Name | Function | Board fee (SEK thousand) | Audit Committee fee (SEK thousand) | Corporate Governance Committee fee (SEK thousand) | Total (SEK thousand) |
|---|---|---|---|---|---|
| Jan Samuelson | Chairman | 895 | – | – | 895 |
| Martin Bengtsson | Director | 225 | – | – | 225 |
| Mariana Burenstam Linder[1)] | Director | 116 | – | – | 116 |
| Fredrik Carlsson | Director | 386 | – | – | 386 |
| Anders Dahlvig | Director | 198 | – | – | 198 |
| Christian Frick | Director | 200 | – | – | 200 |
| Lars Nordstrand | Director | 507 | – | – | 507 |
| Marita Odélius Engström[1)] | Director | 58 | – | – | 58 |
| David Samuelson | Director | 169 | – | – | 169 |
| **Total** | | **2,754** | | | **2,754** |

1) Mariana Burenstam Linder and Marita Odélius Engström were elected at the Extraordinary General Meeting held on 14 August 2015.

At the Annual General Meeting held on 4 April 2016, it was resolved to increase the annual fees as of the first day of trading in the Company's Shares on Nasdaq Stockholm for the period until the end of the annual general meeting 2017. According to the decision, a fee of SEK 1,200,000 would be paid to the Chairman of the Board of Directors and a fee of SEK 400,000 would be paid to each of the Directors. It was further resolved that fees for work in the Audit Committee and the Corporate Governance Committee would be SEK 100,000 to the Chairman and SEK 50,000 to each other member of such committee.

## External audit

The external audit of the accounts of the Company and its subsidiaries as well as the management by the Board of Directors and Management is conducted in accordance with generally accepted auditing standards in Sweden.

The external auditor attends the Board meeting at which the annual report and the consolidated accounts are to be discussed in order, inter alia, to comment on the financial statements and on the audit work, at which time the CEO or any other member of management shall not be present. In the period covered by the historical financial information, Ernst & Young AB has performed advisory services for the Company, in addition to its auditing work, consisting of audit-related, tax-related and other services. The auditor receives compensation for its work in accordance with a resolution by the Annual General Meeting. For additional information, see "*Board of Directors, group management and auditor–Auditor*".

## CEO and group management

The CEO is subordinated to the Board of Directors and is responsible for the everyday management and operations of the Company. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and instructions for the CEO. The CEO is also responsible for the preparation of reports and compiling information to the board meetings and for presenting such material at the board meetings.

According to the instructions for financial reporting, the CEO is responsible for the financial reporting in Resurs and consequently must ensure that the Board of Directors receives adequate information for the Board of Directors to be able to evaluate the Company's and the Group's financial condition.

The CEO regularly keeps the Board of Directors informed of developments in Resurs's operations, the development of sales, Resurs's results and financial condition, liquidity and credit status, important business events and all other events, circumstances or conditions which can be assumed to be of significance to the Company's shareholders.

The CEO and Management are presented in "*Board of Directors, group management and auditor–Group management*".

### Guidelines for remuneration of the CEO and management

The Extraordinary General Meeting held on 10 March 2016 resolved to adopt the following guidelines for the remuneration of senior executives for the period until the 2017 Annual General Meeting.

Remuneration for executive management shall be decided by the Board of Directors in accordance with the Group's internal policies and procedures, which are based on the, from time to time, applicable regulations regarding remuneration for the banking and insurance business.

The remuneration of executive management may consist of fixed salary, long-term incentive programs, pension and other benefits. No bonus payments or other variable salary is payable to the executive management.

The total remuneration package should be based on market terms, be competitive and reflect the individual's performance and responsibilities as well as, with respect to share based incentive schemes, the value growth of the Resurs Holding share benefitting the shareholders. The total remuneration package, also in connection with the termination of the employment, must discourage excessive risk-taking.

Resolution on long-term incentive programs shall be taken by the shareholder's meeting.

Pension benefits should be defined contribution. Employees who are already covered by other types of pension benefits should remain subject to these.

Members of Group executive management generally have a period of notice of not more than 12 months. The CEO shall have a period of notice of not more than 18 months. No severance payment will be made.

The Board is to have the right to depart from the guidelines resolved on by the Annual General Meeting if, in an individual case, there are special reasons for this.

The group of senior executives encompassed by the guidelines comprises the CEO and other members of the Group executive management.

## Remuneration

Remuneration to the group management comprises fixed salary, pension and other benefits. The table below shows the salary and other remuneration to the CEO and other members of the group management recognised as expenses in 2015.

| Name | Fixed salary (SEK thousand) | Variable salary (SEK thousand) | Pension[1)] (SEK thousand) | Other benefits[2)] (SEK thousand) | Total (SEK thousand) |
|---|---|---|---|---|---|
| Kenneth Nilsson | 3,501 | - | 905 | 154 | 4,560 |
| Other members of the group management* | 10,974 | - | 3,610 | 822 | 15,406 |
| Total | 14,475 | - | 4,515 | 976 | 19,966 |

1) All pension commitments to group management are insured. Consequently, there are no amounts set aside or accrued in the Company to provide pension or similar benefits to current group management.

2) Refers mainly to life insurance, car allowance and other expense allowances.

* 8 as of 31 December 2015

See also "*Historical financial information–Resurs Holding AB–Notes–Note 15 Personnel*".

## Notice of termination

In the event of termination of employment by Resurs, the CEO and the CFO/deputy CEO are entitled to salary during the 18 months' and the 12 months', respectively, notice period. No termination benefits are paid.

Other members of the group management have a notice period of 6-12 months and are not entitled to termination benefits. The majority of the members of the group management have notice periods of between three and six months, if terminating their own employments.

# Shares and share capital

## Share information

As of the date of this Offering Memorandum, the Company's registered share capital was SEK 1,000,000 represented by 200,000,000 Shares, each with a quota value of SEK 0,005 per Share.

The Shares in Resurs are denominated in SEK. The Shares have been issued in accordance with Swedish law. The Shares have been fully paid and will in connection with the listing of the Company's Shares on Nasdaq Stockholm be freely transferrable.

According to Resurs's Articles of Association adopted at the Extraordinary General Meeting held on 23 October 2015, the share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000, divided into no fewer than 100,000,000 and no more than 400,000,000 Shares.

## Certain rights attached to the Shares

The offered Shares are of the same class. The rights associated with the Shares, including those set out in the Articles of Association, can only be changed in accordance with the procedures set forth in the Companies Act.

### General meetings and voting rights

Notice of General Meeting shall be published in the Swedish Official Gazette and on the Company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet. A shareholder who wants to participate in a General Meeting must be registered as shareholder in the share register five weekdays prior to the meeting, and notify the Company of the participation not later than on the day specified in the notice of the meeting.

At General Meetings of shareholders, each Share carries one vote and each shareholder is entitled to vote the full number of Shares such shareholder holds in the Company.

### Preferential rights to new Shares, etc.

If the Company issues new Shares, warrants or convertibles in a cash issue or a set-off issue (Sw. *kvittningsemission*), the holders of Shares have preferential rights to subscribe for such securities in proportion to the number of Shares held prior to the issue. Nothing in Resurs's Articles of Association restricts the ability to issue new Shares, warrants or convertibles with deviation from the shareholders' preferential rights as provided for in the Companies Act.

### Rights to dividends and surplus in the event of liquidation

All Shares carry equal rights to dividends as well as to the Company's assets and potential surplus in the event of liquidation.

## Share capital development

The table below summarises the historic developments in Resurs's Share capital.

| Year | Event | Change in number of Shares | Change in share capital, SEK | Total number of Shares | Total share capital, SEK | Quota value, SEK |
|---|---|---|---|---|---|---|
| 2012 | Incorporation | 1,000,000 | 100,000 | 1,000,000 | 100,000 | 0.1 |
| 2014 | New issue | 256,429 | 25,642.9 | 1,256,429 | 125,642.9 | 0.1 |
| 2015 | New issue[1] | 174,504 | 17,450.4 | 1,430,933 | 143,093.3 | 0.1 |
| 2015 | Set off issue[1] | 11,555 | 1,155.5 | 1,442,488 | 144,248.8 | 0.1 |
| 2015 | Bonus issue | 8,557,512 | 855,751.2 | 10,000,000 | 1,000,000 | 0.1 |
| 2015 | Split | 190,000,000 | – | 200,000,000 | 1,000,000 | 0.005 |

1) Financing of the yA Bank Acquisition.

## Share-related incentive programs

### Warrants (Sw. *Teckningsoptioner*)

At the Resurs's Extraordinary General Meeting on 17 April 2016, it was resolved to issue warrants as part of incentive program for management and key employees (the "**Participants**"). In total the incentive program currently comprise 49 individuals and not more than 8,000,000 warrants. The number of warrants that each member of the group management acquires is presented in section "*Board of Directors, group management and auditor–Group management*". Warrants are issued to and subscribed by Resurs's subsidiary Resurs Bank AB, and the Participants acquire warrants from this subsidiary at a market value corresponding to in total not more than SEK 29 million. The maximum number of warrants that may be acquired by the Participants corresponds to approximately 3.8 percent of Resurs's share capital following the Offering and following exercise of the warrants. Approximately 850,000 warrants will be held by Resurs Bank for distribution to any additional members of the group management or key employees. The warrants have been issued in two separate series. Each Participant acquires a (in some cases a maximum) number of warrants of both series. The maximum number of warrants that may be acquired by each Participant depends on the Participant's position within the Group, and the number of Shares in Resurs held by the Participant at the time of the commencement of the program. See "*–Transfer of management's shareholdings etc.*".

Series 2016/2019 comprises up to 4,000,000 warrants that may be exercised during three subscription periods; the first: during the two week period after the later of a) the day of the announcement of the Company's interim report for the first quarter of 2019 and (b) the second day after the Company's Annual General Meeting 2019; the second: during the two week period after the day of the announcement of the Company's interim report for the second quarter of 2019; and the third: as from the day after the announcement of the Company's interim report for the third quarter of 2019 up to and including 29 November 2019. Notwithstanding the above, subscription may be made from 25 November 2019 up to and including 29 November 2019.

Series 2016/2020 comprises up to 4,000,000 warrants that may be exercised during three subscription periods, the first: during the two week period after the later of a) the day of the announcement of the Company's interim report for the first quarter of 2020 and (b) the second day after the Company's Annual General Meeting 2020; the second: during the two week period after the day of the announcement of the Company's interim report for the second quarter of 2020, and the third: as from the day after the announcement of the Company's interim report for the third quarter of 2020 up to and including 27 November 2020. Notwithstanding the above, subscription may be made from 23 November 2020 up to and including 27 November 2020.

The exercise price for Series 2016/2019 corresponds to 131.9 percent of the offering price, but may not be lower than the quotient value of the share. Furthermore, if at the time of subscription, the last paid price for the Company's Shares on the closing of the stock exchange on the trading day preceding the subscription of new Shares exceeds 146.1 percent of the determined exercise price, the exercise price shall be increased with an amount corresponding to an amount of the said price which exceeds 146.1 percent of the exercise price.

The exercise price for Series 2016/2020 corresponds to 142.5 percent of the offering price, but may not be lower than the quotient value of the share. Furthermore, if at the time of subscription, the last paid price for the Company's Shares on the closing of the stock exchange on the trading day preceding the subscription of new Shares exceeds 162.4 percent of the determined exercise price, the exercise price shall be increased with an amount corresponding to an amount of the said price which exceeds 162.4 percent of the exercise price.

Resurs's total costs for the program is not expected to exceed SEK 6 million (mainly relating to social security fees for Participants in Norway).

## Transfer of management's shareholdings etc.

As per the date of this Offering Memorandum, members of the Board of Directors, certain members of group management and other employees of Resurs hold indirect economic interests in Resurs (corresponding to in aggregate 3.35 percent of Resurs based on an offering price set at the midpoint of the price range) through RSF Invest AB, a company also owned by RSF Invest Holding AB. RSF Invest Holding AB is owned by Waldakt AB (controlled by the Bengtsson family) and Cidron Semper Ltd. (controlled by Nordic Capital). Such members of the Board of Directors, certain members of group management and other employees of Resurs have entered into: (i) agreements with RSF Invest Holding AB to sell all of their shares in RSF Invest AB to RSF Invest Holding AB based on the offering price; and (ii) agreements with Waldakt AB and Cidron Semper Ltd. to purchase Resurs Shares, for a certain percentage of the post-tax proceeds from the sale of shares in RSF Invest AB from Waldakt AB and Cidron Semper Ltd. at the offering price (the "**Management Share Transfer**"). The Management Share Transfer is conditional upon settlement in the Offering and will be effective on or about 3 May 2016. Accordingly, following the Offering, such members of the Board of Directors, certain members of group management and other employees of Resurs will hold Shares in Resurs directly. The investment in Resurs Shares will, together with warrants purchased by the Participants under the share-related incentive program described above, correspond to at least approximately 70 percent (net of taxes payable and transaction costs) of the proceeds from the sale of shares in RSF Invest AB.

## Central securities depositary affiliation

Resurs's Articles of Association contain a central securities depository clause and the Shares are cleared through the electronic securities system operated by Euroclear Sweden, the Swedish central securities depository (Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden). The Shares are registered against the names of holders. No share certificates are issued with respect to the Shares. The ISIN code for the Shares is SE0007665823.

# Selling Shareholders

## Ownership structure

The table below sets forth Resurs's direct and indirect ownership structure immediately before the Offering and directly after completion of the Offering. The table is based on the assumption that the offering price is set at the midpoint of the price range and that the Management Share Transfer has been effective. (See "*Shares and share capital–Transfer of management's shareholdings etc.*").

| | Shareholding prior to the Offering | | Shareholding after the Offering (if the Offering is not increased and the Over-allotment option is not exercised) | | Shareholding after the Offering (if the Offering is fully increased but the Over-allotment option is not exercised) | | Shareholding after the Offering (if the Offering is increased in full and the Over-allotment option is exercised in full) | |
|---|---|---|---|---|---|---|---|---|
| **Shareholder** | **Number** | **%** | **Number** | **%** | **Number** | **%** | **Number** | **%** |
| Cidron Semper Ltd.[1] | 103,959,549 | 51.98 | 75,227,515 | 37.61 | 67,087,515 | 33.54 | 60,916,515 | 30.46 |
| Waldakt AB[2] | 85,058,040 | 42.53 | 61,550,012 | 30.78 | 54,890,012 | 27.45 | 49,841,012 | 24.92 |
| RSF Invest AB[3] | 10,982,411 | 5.49 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| RSF Invest Holding AB, of which 55% is owned by Cidron Semper Ltd. and 45% is owned by Waldakt AB[4] | 4,286,923 | 2.14 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Shareholding members of the Board of Directors and the group management as well as other employee shareholders[4] | 6,695,488 | 3.35 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| *Shareholding members of the Board of Directors and the group management as well as other employee shareholders*[5] | | | | | | | | |
| *Board of Directors* | | | | | | | | |
| Jan Samuelson | 246,267 | 0.12 | 135,308 | 0.07 | 135,308 | 0.07 | 135,308 | 0.07 |
| Martin Bengtsson | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Mariana Burenstam Linder | 42,684 | 0.02 | 23,407 | 0.01 | 23,407 | 0.01 | 23,407 | 0.01 |
| Fredrik Carlsson | 123,134 | 0.06 | 120,054 | 0.06 | 120,054 | 0.06 | 120,054 | 0.06 |
| Anders Dahlvig | 110,977 | 0.06 | 108,202 | 0.05 | 108,202 | 0.05 | 108,202 | 0.05 |
| Christian Frick | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Lars Nordstrand | 119,207 | 0.06 | 64,994 | 0.03 | 64,994 | 0.03 | 64,994 | 0.03 |
| Marita Odélius Engström | 42,684 | 0.02 | 23,407 | 0.01 | 23,407 | 0.01 | 23,407 | 0.01 |
| David Samuelson | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| *Group management* | | | | | | | | |
| Kenneth Nilsson[6] | 1,072,588 | 0.54 | 478,474 | 0.24 | 478,474 | 0.24 | 478,474 | 0.24 |
| Peter Rosén | 170,734 | 0.09 | 48,358 | 0.02 | 48,358 | 0.02 | 48,358 | 0.02 |
| Patrik Hankers | 174,149 | 0.09 | 77,798 | 0.04 | 77,798 | 0.04 | 77,798 | 0.04 |
| Ola Carlman | 128,051 | 0.06 | 52,841 | 0.03 | 52,841 | 0.03 | 52,841 | 0.03 |
| Henrik Eklund | 128,051 | 0.06 | 52,841 | 0.03 | 52,841 | 0.03 | 52,841 | 0.03 |
| Erik Frick | 170,734 | 0.09 | 75,485 | 0.04 | 75,485 | 0.04 | 75,485 | 0.04 |
| Marcus Tillberg | 278,297 | 0.14 | 132,548 | 0.07 | 132,548 | 0.07 | 132,548 | 0.07 |
| Barbro Tjärnlund | 136,588 | 0.07 | 57,370 | 0.03 | 57,370 | 0.03 | 57,370 | 0.03 |
| Gunilla Wikman | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| *Other employee shareholders*[7] | *3,751,343* | *1.88* | *1,771,386* | *0.89* | *1,771,386* | *0.89* | *1,771,386* | *0.89* |
| *New shareholders*[8] | *0* | *0.00* | *60,000,000* | *30.0* | *74,800,000* | *37.40* | *86,020,000* | *43.01* |
| **Total** | **200,000,000** | **100.00** | **200,000,000** | **100.00** | | | **200,000,000** | **100.00** |

1) Cidron Semper Ltd. is controlled by Nordic Capital. Cidron Semper Ltd. also indirectly holds Shares in Resurs through its ownership of shares in RSF Invest Holding AB. Prior to the Offering, Cidron Semper Ltd. had a total interest of 106,317,357 Shares, representing an ownership interest of 53.16 percent in Resurs. Address: 26 Esplanade St Helier Jersey, JE2 3QA, Jersey.
2) Waldakt AB also indirectly holds Shares in Resurs through its ownership of shares in RSF Invest Holding AB. Prior to the Offering, Waldakt AB had a total interest of 86,987,155 Shares, representing an ownership interest of 43.49 percent in Resurs. Address: Box 8772, Gothenburg.
3) RSF Invest AB is controlled by RSF Invest Holding AB, which owns 80.39 percent of RSF Invest AB. Address: Box 22209, 250 24 Helsingborg.
4) Indirect holding through RSF Invest AB.
5) Shareholding members' of the Board of Directors and the group management as well as other employee shareholders' investments in Shares, and, when applicable, warrants, respectively, are described in sections "*Shares and share capital–Share-related incentive programs–Warrants (Sw. Teckningsoptioner)*" and "*Shares and share capital–Transfer of management's shareholding etc.*". The investment in Resurs Shares will, together with warrants purchased by the Participants under the share-related incentive program, correspond to at least approximately 70 percent (net of taxes payable and transaction costs) of the proceeds from the sale of shares in RSF Invest AB. For information on how many warrants members of the group management will invest, see "*Board of Directors, group management and auditor–Group management*".
6) Kenneth Nilsson will also hold 1,500,000 warrants after the completion of the Offering, which entitle him to 1,500,000 Shares in Resurs. For information about holdings of the group management, see "*Board of Directors, group management and auditor–Group management*". For additional information on the warrants, see "*Shares and share capital–Share-related incentive programs–Warrants (Sw. Teckningsoptioner)*".
7) Comprises 47 employees within Resurs. None of these hold more than 0.15 percent of the Shares prior to the Offering.
8) Includes the Cornerstone Investors in the columns reflecting shareholdings after the Offering.

Immediately after the completion of the Offering and assuming that the offering price is set at the midpoint of the price range, the Offering is increased in full and the Over-allotment option is exercised in full, the Principal Selling Shareholders will hold 30.46 percent (Cidron Semper Ltd.) and 24.92 percent (Waldakt AB), respectively, of the Shares. Thus, the Principal Selling Shareholders are likely to continue to have a significant influence over the outcome of matters submitted to Resurs's shareholders for approval. Such influence is, however, limited by the provisions of the Companies Act.

The Principal Selling Shareholders have granted an option to the Managers, exercisable, in whole or in part, for 30 days following the first day of trading of the Shares on Nasdaq Stockholm, to purchase up to 11,220,000 Shares from the Principal Selling Shareholders, equal to 15.0 percent of the Shares sold in the Offering, assuming that the Offering is increased in full, to cover any potential over-allotment, if any, in connection with the Offering. As a result of Shares being lent to the Managers and/or if over-allotment occurs, the Principal Selling Shareholders' holding in Resurs may fall below 30 percent of the total number of voting rights of the Company. If the Managers return borrowed Shares to the Principal Selling Shareholders, the holding of the Principal Selling Shareholders may increase to 30 percent or more of the total voting rights of Resurs, hence triggering a mandatory bid requirement, see "*Swedish securities market–Mandatory bids and squeeze-out proceedings*". Dispensations from such mandatory bid requirement have been obtained from the Swedish Securities Council pursuant to statements AMN 2015:31. For further information on the Over-allotment Option and Stabilisation, see "*Plan of distribution*".

## Lock-up

The Selling Shareholders, shareholding members of the Board of Directors, members of the group management and other employees that will become shareholders after the Management Share Transfer, will undertake, with certain exceptions, not to sell their respective holdings for a certain period after trading of Resurs's Shares on Nasdaq Stockholm has commenced. The Cornerstone Investors will not be subject to a lock-up in respect of their allocations. For additional information, see "*Plan of distribution–Lock-up arrangements*".

## Existing shareholders' agreements

All existing shareholders' agreements will be terminated in connection with the Offering.

Except from what is stated under "*–New shareholders' agreement between the Principal Selling Shareholders*", the Board is not aware of any existing shareholders' agreements or other agreements aimed at joint influence over the Company. The Board is neither aware of any other agreements nor similar that may lead to a change of control over the Company.

## New shareholders' agreement between the Principal Selling Shareholders

The Principal Selling Shareholders have entered into a shareholders' agreement with respect to their holdings in Resurs following the Offering. The agreement enters into force concurrent with the listing and governs, among other things, the parties' divestments of Shares after the listing. The shareholders' agreement includes provisions to the effect that the parties must coordinate any divestment of Shares during a period of 36 months after the completion of the Offering. Each party has, with certain exceptions, a right, but not an obligation, to divest Shares should the other party to the shareholders' agreement initiate a divestment of Shares. The obligation to coordinate divestments of Shares ceases, however, before expiry of the 36 month period if a party's holding of Shares: (i) falls below 10 percent of the votes in Resurs and at least 12 months have elapsed since the agreement entered into force; or (ii) irrespective of when, falls below 5 percent of the votes in Resurs. The agreement does not affect lock-up obligations. See "*Plan of distribution–Lock-up arrangements*".

# Articles of association

## § 1. Company name

The name of the company is Resurs Holding AB (publ). The company is a public company (publ).

## § 2. Registered office

The registered office of the company shall be in the municipality of Helsingborg.

## § 3. Object of business

The object of the company is to, directly or indirectly, own and manage subsidiaries within the banking business, insurance business or other financial business, to provide services to subsidiaries and to conduct activities compatible therewith.

## § 4. Share capital

The company's share capital shall amount to not less than SEK 500,000 and not more than SEK 2,000,000.

## § 5. Number of shares

The number of shares shall be not less than 100,000,000 and not more than 400,000,000.

## § 6. Board of directors

The board of directors shall consist of not less than three (3) and not more than ten (10) directors.

## § 7. Auditors

The company shall have one (1) or two (2) auditors in charge with not more than two (2) deputy auditors. As auditor shall be elected an authorized public accountant or a registered public accounting firm.

## § 8. Notice

Notice convening a General Meeting shall be published in the Swedish Official Gazette and on the company's website. It shall be advertised in Svenska Dagbladet that notice convening a General Meeting has been made.

Shareholders that wishes to participate in a General Meeting shall be recorded in a print-out or other representation of the entire share register as of the date falling five weekdays (Sw. *vardagar*) prior to the Meeting and notify the company of their intention to participate by the date specified in the notice convening the Meeting. The last mentioned day must not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth weekday prior to the Meeting.

At a General Meeting, shareholders may be accompanied by one or two assistants, however only if the shareholder has notified the company of the number of assistants in the manner stated in the previous paragraph.

## § 9. Annual General Meeting

At the annual general meeting the following shall be addressed:

1) Election of the chairman of the meeting.
2) Preparation and approval of the voting list.
3) Election of one or two persons to certify the minutes.
4) Determination of whether the meeting has been duly convened.
5) Approval of the agenda.
6) Presentation of the annual report and the auditor's report, and if applicable, the consolidated financial statements and the group auditor's report.
7) Resolutions regarding the following:
   a) adoption of the income statement and the balance sheet, and, if applicable, the consolidated income statement and the consolidated balance sheet;
   b) allocation of the company's profit or loss according to the adopted balance sheet;
   c) discharge from liability for members of the board of directors and the managing director, if a managing director has been appointed.
8) Resolution regarding fees for the board of directors and, if applicable, fees for the auditors.
9) Resolution regarding the number of directors and alternate directors of the board of directors and, if applicable, auditors and alternate auditors.

10) Election of directors and alternate directors, and if applicable, election of auditors and alternate auditors.

11) Any other matter on which the annual general meeting is required to decide pursuant to the Swedish Companies Act or the Articles of association.

## § 10. Financial year

The financial year of the company shall comprise the period 1 January to 31 December.

## § 11. CSD Company

The Company's shares shall be registered in a central securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).

The Articles of Association are expected to be registered on 28 April 2016.

# Legal considerations and supplementary information

## General corporate and Group information

The Company's name (and trading name) is Resurs Holding AB (publ). Resurs's Swedish corporate ID No. is 556898-2291 and the registered office is situated in Helsingborg. The Company was established in Sweden on 12 March 2012 and registered at the Swedish Companies Registration Office on 4 July 2012. The Company has conducted business since then. The Company is a public limited company governed by the Companies Act.

Resurs Holding AB (publ) is the ultimate parent company in the Group, which comprises five operational companies, Resurs Holding AB, Resurs Bank Aktiebolag, Solid Försäkringsaktiebolag, yA Banks AS, MetaTech AS with four branches in four countries. The table below shows the most important Resurs companies.

| Subsidiaries | Country | Shares and votes, % |
|---|---|---|
| Resurs Bank AB | Sweden | 100 |
| Solid Försäkringsaktiebolag | Sweden | 100 |
| yA Bank AS | Norway | 100 |

## Material agreements

Presented below is a summary of material agreements entered into by Resurs during the past two years as well as other agreements entered into by Resurs which contains rights or obligations of material importance for Resurs (in both cases, excluding agreements entered into in the ordinary course of business).

### Ellos agreement

Ellos Group is a group of online retail companies, including Ellos and Jotex Sweden AB ("**Jotex**"), which primarily sells fashion and textile products in Sweden, Norway, Denmark and Finland ("**Ellos Group**"). Ellos was acquired by Nordic Capital in 2013 and Nordic Capital is still the majority shareholder. Ellos is thus a related party to Resurs, see also "*–Related party transactions*".

Ellos and Resurs collaborate under several different agreements. Under two factoring agreements with Ellos AB and with Jotex, Resurs Bank acquires receivables from Ellos AB and Jotex originating from the retail finance products offered by Ellos AB and Jotex to its respective customers, whereafter Resurs Bank collects and manages such receivables. As compensation for the receivables acquired Resurs Bank pays Ellos AB a fixed purchase price corresponding to the nominal amount of each of the acquired receivables and an additional purchase price calculated as a percent of the actual income made by Resurs Bank on the receivables. As compensation for the factoring services supplied by Resurs Bank, Ellos pays fixed annual factoring charges. These factoring agreements will remain in force until 30 June 2023 unless terminated by either party giving 12 months' prior written notice. After 30 June 2023, the term of the factoring agreements will automatically be prolonged for an indefinite time, unless terminated with 12 months written notice by either party.

Further, Resurs Bank has a co-operation agreement with Ellos Group which grants an exclusive right for Resurs Bank to offer certain retail finance products and related insurance products to Ellos Group customers in Sweden, Norway, Finland and Denmark and to use Ellos' trademark in relation to this. In addition, Resurs Bank has an exclusive right to sell, market, promote and make available to Ellos Group's customers certain other unsecured consumer loans and credit card products under the trademarks and brands owned by Resurs, and Ellos Group has undertaken to provide certain services to Resurs Bank in relation to the marketing of the above-mentioned retail finance products to Ellos Group customers, for which Ellos Group receives commission and additional cost compensation. In the event that Resurs Bank or Ellos Group breaches any provisions of the co-operation agreement, a resolution on the dispute and suitable compensation is to be determined by a strategic committee including two representatives from each party. If the strategic committee cannot agree on a resolution or suitable compensation, the agreement may be terminated by the non-defaulting party and that party may demand compensation for any direct loss suffered as a result of the breach. The co-operation agreement will remain in force until 1 April 2024 and will thereafter automatically be renewed for additional periods of one year, unless terminated by either party giving 12 months prior notice.

### SIBA agreement

SIBA is a company focusing on direct and indirect sale of technology products and domestic appliances, accessories, services and solutions. SIBA conducts business in physical stores and online in Sweden, Norway and Denmark. SIBA is owned by Waldir AB, which is controlled by the Bengtsson family. SIBA is thus related party to Resurs, see also "*–Related party transactions*".

SIBA and Resurs Bank have a retail finance agreement under which SIBA mediates Resurs Bank's retail finance products and Resurs Bank undertakes to provide SIBA with the ability to offer its customers such products. Profit generated from these retail finance products is allocated in a certain way among Resurs Bank and SIBA. The agreement is renewable each year for one year periods. Notice of termination must be given at least one year prior to the start of a new period.

SIBA also has insurance agreement with Solid under which SIBA may offer its customers a security package including two products: an insurance, with Solid as insurer, mediated to the customer by SIBA; and an extended warranty offered by SIBA to its customer. One agreement from 2012 provides that Siba is to receive profit yielded from sale calculated after certain premium has been paid to Solid. Solid undertakes to handle any claims under the extended warranty. The agreement from 2012 is renewable at the end of each year with one year periods, unless terminated by either party giving 6 months prior notice before the start of a new period.

### NetOnNet agreement

NetOnNet is a company engaged in the retail industry of technology products, mainly within; computers, communication, domestic appliances, audio, video and accessories. NetOnNet conducts business online in Sweden and Norway and in physical stores in Sweden. NetOnNet is part of the Waldir Group and is therefore a related party to Resurs, see also "*–Related party transactions*".

In June 2012, NetOnNet entered into a collaboration agreement with Resurs Bank regarding retail finance. Under this agreement, NetOnNet mediates Resurs Bank's retail finance products to customers purchasing goods from NetOnNet. The retail finance products include lending and credit cards issued by Resurs Bank. Moreover, NetOnNet undertakes to market and promote Resurs Bank's retail finance products to NetOnNet's customers. Profit generated from these finance products is allocated in a certain way among Resurs Bank and NetOnNet. The initial term of the agreement between NetOnNet and Resurs Bank ended on 31 May 2014, after which the agreement is renewable each year for additional one year periods. Notice of termination must be given at least one year prior to the start of a new period.

In January 2012, NetOnNet and Solid entered into an agent agreement whereby Solid has given NetOnNet the right to mediate certain insurance products offered by Solid and to issue insurance certificates in the name of Solid. Profit generated from the agreement is allocated in a certain way among Solid and NetOnNet. This initial term of the agreement ended on 31 December 2013 and the agreement is subsequently renewable each year for additional one year periods, unless terminated by either party with 6 months written notice.

### Acquisitions and disposals

#### Finaref and Dan-Aktiv

On 1 April 2014, Resurs Bank acquired 100 percent of Crédit Agricole Consumer Finance SA's Nordic operations consisting of the companies Nordic Consumer Finance A/S and its subsidiary Dan-Aktiv and Finaref and its subsidiaries. The acquired businesses engaged in unsecured lending to consumers in the Nordic countries and their overall lending volume was SEK 3.3 billion at the acquisition date. Finaref AB subsequently sold its assets to Resurs Bank on 7 November 2014 and its Finnish and Norwegian subsidiaries were subsequently merged with Resurs Bank, mergers which became effective on 29 May 2015 and 10 March 2015, respectively. Nordic Consumer Finance A/S and Dan-Aktiv A/S were merged with Resurs Bank AB with effective date for accounting purposes 1 January 2015. The total cash consideration for these acquisitions was SEK 1,336 million. See also "*Selected consolidated historical financial and other data*" and "*Pro forma financial information*".

#### yA Bank Group

Pursuant to a share purchase agreement entered into with yA Holding ASA on 15 July 2015, Resurs Bank agreed to acquire 100 percent of the shares in the Norwegian companies yA Bank AS and MetaTech AS. The transaction closed on 26 October 2015. The total purchase price was NOK 1,561 million, which has been hedged at a swap rate of SEK 1.0245/NOK 1.0000 corresponding to SEK 1,599 million. See also "*Selected consolidated historical financial and other data*" and "*Pro forma financial information*".

### Financial arrangements

For a description of Resurs's financial arrangements, see "*Operating and financial review–Funding, liquidity and capital resources*".

## Litigation and arbitration

At any given time Resurs may be a party to litigation or subject to non-litigated claims arising out of the normal operations of its business. Resurs does not expect any liability arising from any of these legal proceedings to have a material impact on Resurs's results of operations, liquidity, capital resources or financial condition. Except as described in "*Risk factors–Compliance issues related to Resurs's historical calculation and reporting of its capital adequacy and historical satisfaction of applicable capital adequacy requirements at the ultimate parent company level could result in sanctions from the SFSA, including substantial fines or a revocation of Resurs's banking license*" and "*Business description–Legal and administrative proceedings and other similar matters*" and as set out below, the Company has not been involved in any legal proceeding or arbitration that recently has resulted in, or may result in, material effects on Resurs's financial condition or profitability.

### Settlement agreement with ONOFF

Resurs Bank has had two disputes against the bankruptcy estate of ONOFF, which have settled in a settlement agreement in April 2015 (the "**Settlement Agreement**"). Resurs Bank and ONOFF had a collaboration under which Resurs Bank offered credit cards to ONOFF customers. In turn, Resurs Bank paid a commission to ONOFF on purchases made with the credit cards and had to reimburse ONOFF for credit purchase claims. In addition, Resurs Bank had provided ONOFF with a loan in the amount of SEK 60 million which Resurs Bank terminated and requested immediate re-payment of. Resurs Bank used ONOFF's claims relating to credit card payments, amounting to approximately SEK 28 million to set-off parts of its claims under the loan. On the same date ONOFF was declared bankrupt. The bankruptcy estate subsequently initiated claw back proceedings against Resurs Bank relating to the set-off while Resurs Bank initiated a claim against ONOFF in the bankruptcy proceedings for the remaining amount of the credit. The bankruptcy administrator of ONOFF disputed Resurs Bank's claim and argued *inter alia* that Resurs Bank was obligated to pay commissions to ONOFF in the amount of SEK 76 million.

According to the Settlement Agreement all outstanding issues between the parties are finally settled (with the exception of the future pay-outs in the bankruptcy). Resurs Bank has paid an amount of SEK 29.6 million to the bankruptcy estate of ONOFF, regarding the claw back dispute and, regarding the remaining amount of the credit, Resurs Bank is entitled to set forth an ordinary claim of SEK 20.8 million in the bankruptcy of ONOFF. The bankruptcy is not yet completed, i.e. the final pay-out in the bankruptcy has not been decided. However, Resurs Bank has, as of the date hereof, received a pay-out in the bankruptcy to an amount of SEK 4.2 million.

## Related party transactions

As per the date of this Offering Memorandum, Resurs is owned by Cidron Semper Ltd. (51.98 percent), by Waldakt AB (42.53 percent), and by RSF Invest AB (5.49 percent). RSF Invest AB is owned by RSF Invest Holding AB (80.39 percent), which in turn is owned by Cidron Semper Ltd. (55 percent) and by Waldakt AB (45 percent).

Companies with controlling or significant influence by means of direct or indirect ownership of the Resurs Group also have controlling or significant influence over Ellos, SIBA and NetOnNet, with whom the Group conducted significant transactions during the period. Normal business transactions were conducted during the period between the Group and these related companies. Transactions between these related parties and Resurs are reported in the table below.

| | As of the year ended 31 December | | |
|---|---|---|---|
| (SEK thousand) | **2015** | **2014** | **2013** |
| **Related party** | | *(audited)* | |
| Transaction cost[1)] | (526,872) | (489,820) | (164,804) |
| Interest expenses, deposits and borrowings from the public[2)] | (5,516) | (13,562) | (8,378) |
| Fee and commission income[3)] | 41,427 | 45,722 | 13,546 |
| Fee and commission expense, banking operations[4)] | (67,480) | (73,379) | (87,004) |
| Premium income, sold through related party representatives[5)] | – | – | – |
| General administrative expenses[6)] | (44,119) | (36,384) | (9,304) |
| Other operating expenses[7)] | – | – | (41) |
| Other assets[8)] | 11,342 | 11,441 | 5,501 |
| Deposits and borrowing from the public[9)] | (492,866) | (737,234) | (372,510) |
| Other liabilities[10)] | (85,023) | (98,117) | (100,641) |

1) Fee and commission expenses of related parties relating to Resurs's banking business; these expenses are an integrated part of the effective interest rate and therefore are reported as a deduction from interest income.
2) Interest expenses relating to deposits from related parties.
3) Resurs generates fee and commission income from and through these related parties by providing different services, such as lending, credit card and mediated insurance, directly, and to the customers of, the related parties.
4) Fee and commission expenses of related parties relating to Resurs's insurance business; these expenses are generated by related parties for the provision of services to Resurs, including through commissions relating to the generation of new insurance business by related parties.
5) Resurs generates premium income through these related parties in instances where related parties also act as Solid's insurance partners and serve as a sales outlet for Solid's insurance products.
6) Expenses related to notifications and other services provided by related parties.
7) Various minor expenses relating to related parties.
8) Receivables from related parties regarding, among other things, customer insurance premiums received, etc.
9) Deposits from related parties.
10) Liabilities to related parties regarding, among other things, unpaid fees and commissions.

For the years ended 31 December 2014 and 2015, Ellos, SIBA and NetOnNet together represented 17 percent and 12 percent, respectively, of Resurs's total loan portfolio and generated less than 10 percent of Resurs's total operating income, after credit losses, adjusted to reflect the full year effect of the yA Bank Acquisition, for the year ended 31 December 2015.

See further "*Historical financial information–Resurs Holding AB–Financial information for the year ended 31 December 2015–Resurs Holding AB–Notes–Note 42 Related parties*".

For information on remuneration to the directors of the Board and group management, see "*Corporate governance–Board of Directors*" and "*Corporate governance–CEO and group management*".

## Placing agreement

For a description of the placing agreement that Resurs, the Selling Shareholders and the Managers intent to enter into in relation to the offering, see "*Plan of distribution*".

## Stabilisation

See "*Plan of distribution–Stabilisation*".

## Advisors

See "*Plan of distribution*"

## Cornerstone Investor commitments

See "*Plan of distribution–Cornerstone Investor commitments*".

## Costs related to the Offering

The Selling Shareholders will pay a commission to the Managers based on the gross proceeds of the Shares sold in the Offering. In addition, the Selling Shareholder may choose to pay a discretionary fee to the Joint Bookrunners, a so-called incentive fee, also calculated against the gross proceeds of the Shares sold in the Offering.

The Company will not pay any commission to the Joint Bookrunners but will pay certain costs for the Offering. The transaction costs associated with the Offering are expected to amount to approximately SEK 93 million, payable by the Company, of which SEK 62 million has been recorded as an operating expense in the year ended 31 December 2015 and approximately SEK 31 million is estimated to be recorded as an operating expense in the year ending 31 December 2016.

## Documents available for inspection

The following documents are available for inspection during office hours at the Company's headquarters at Ekslingan 9, 250 24 Helsingborg: (i) Resurs Holding's Articles of Association; (ii) Resurs Holding's annual reports for the financial years 2015, 2014 and 2013, including auditors' report; (iii) annual reports for the financial years 2013 and 2012 for Dan-Aktiv A/S, including auditors' report; (iv) annual reports for the financial years 2013 and 2012 for Finaref AB, including auditors' report; and (v) annual reports for the financial years 2015 and 2014 for yA Bank AS, including auditors' report. These documents are also available in electronic form on Resurs's website, www.resursholding.se.

The above referenced annual report or information, or information referenced to, on the Company's website is not a part of and has not been and is not incorporated into this Offering Memorandum.

# Swedish securities market

*The following is a description of the Swedish securities markets, including a brief summary of certain provisions of the laws and securities market regulations in Sweden in effect on the date of this Offering Memorandum. The summary is not intended to provide a comprehensive description of all such regulatory matters and should not be considered exhaustive. Moreover, the laws, rules, regulations and procedures summarised below may be amended or reinterpreted.*

## Nasdaq Stockholm

Nasdaq Stockholm is a regulated market in Sweden, operated by Nasdaq OMX Stockholm AB, and is the principal Swedish market on which shares, bonds, derivatives and other securities are traded. One list, the Nordic List, is used for trading shares on Nasdaq Stockholm and all transactions, except for interest-bearing financial instruments, are executed through INET. Companies on the Nordic List are divided into three segments: Large Cap, Mid Cap and Small Cap. Companies with a market capitalisation in excess of EUR 1 billion – such as Resurs – are included in the Large Cap segment. Companies with a market capitalisation between EUR 150 million and EUR 1 billion are included in the Mid Cap segment, while companies with a market capitalisation below EUR 150 million are included in the Small Cap segment. The segments are normally revised at year-end and the segments are reset, effective on the first trading day in January, based on average market capitalisation in November the year before. Companies with a market capitalisation of more than 50 percent of the minimum or maximum threshold of a segment will be transferred into a new segment with immediate effect. Companies with a market capitalisation of less than 50 percent of the minimum or maximum segment threshold will have a transitional period until the next forthcoming review (or at least 12 months), and thus will be subject to one more review before transferring into a new segment. Furthermore, listed companies are divided into industry sectors in accordance with the global standard ICB (Industry Classification Benchmark). This classification is based on a company's main operations, i.e., the business area that generates the most income for the company.

### Trading in securities on Nasdaq Stockholm

Trading on Nasdaq Stockholm is conducted on behalf of customers by duly authorised Swedish and foreign banks and other securities brokers, as well as the Swedish Central Bank. While banks and brokers are permitted to act as principals in trading both on and off Nasdaq Stockholm, they generally engage in transactions as agents. Clearing and settlement of trades take place through an electronic account-based security system administered by Euroclear Sweden. Trades of shares in companies included in the Large Cap segment are cleared and settled through EuroCCP. See "–*Securities registration*".

Trading through INET comprises all securities listed on Nasdaq Stockholm, except for interest-bearing financial instruments, such as bonds. Member firms of Nasdaq Stockholm are able to operate from remote locations via computer access. The brokers' representatives are able to trade shares via workstations that have been developed by Nasdaq Stockholm or via their own electronic data processing systems that are linked to INET. The round lot for all shares traded on Nasdaq Stockholm is one share. In INET, bids and offers are entered in the relevant order book and automatically matched to trades when price, volume and other order conditions are met. INET continuously broadcasts all trading information. The information is displayed in real time in the form of order books, market summaries, concluded trades, index information and different kinds of reports. A two-day settlement schedule (T+2) applies to share trading.

Nasdaq Stockholm's trading hours in respect of equities are 09:00 a.m. to 05:25 p.m. CET on business days. Before the trading hours, there is a pre-open session (8:00 a.m. to 09:00 a.m. CET) during which orders can be placed, but where no automatic order matching occurs. The trading hours start with a so-called opening call uncross where each share is assigned its opening price and then becomes subject to continuous trading. At 5:25 p.m. CET, continuous trading is halted followed by a pre-close session (5:25 p.m. to approximately 5:30 p.m. CET). During the pre-close session, orders can still be placed but no automatic order matching occurs. The pre-close session ends with a so-called closing call uncross. The price generated at the closing call uncross (or, in absence thereof, the last trading price) is the official closing price. The trading hours are followed by a post-trading session (5:30 p.m. to 6:00 p.m. CET) in which changes to, and cancellations of, orders, as well as off hours transactions, are permitted.

In addition to official trading on Nasdaq Stockholm through automatic order matching in INET, shares may also be traded off Nasdaq Stockholm, (i.e., outside INET), during, as well as after, the official trading hours (through "manual trading"). Manual trades during trading hours must normally be entered into at a price within the volume weighted average spread reported in INET at the time of the trade or, as regards manual trades during the closing call, at the time prior to the closing call auction. Outside the trading hours, manual trades must normally be effected at a price within the volume weighted average spread reported in INET at the close of trading hours. However, in the absence of a spread and in situations where there is a change in the market conditions during the closing call or after the close of trading hours, as the case may be, manual trades must take place at a price that takes into account the market situation at the time of the trade. Manual trades that qualify as large scale (EUR 50,000 to EUR 500,000, depending on the average daily turnover in the relevant share) may be effected without regard to any spread. Trading on Nasdaq Stockholm tends to involve a higher percentage of retail clients while trading off Nasdaq Stockholm, whether directly or through intermediaries, often involves larger Swedish institutions, banks arbitraging between the Swedish market and foreign markets, and foreign buyers and sellers purchasing shares from, or selling shares to, Swedish institutions.

All manual trades must normally be reported in INET within three minutes from the time of the trade, although trades outside the official trading hours must be reported during the pre-trading session on the following exchange day and not later than 15 minutes prior to the opening of the trading hours.

## Securities market regulations

The Nordic List is regulated under EU directives, primarily Directive 2004/39/EC on Markets in Financial Instruments ("**MiFID**"), which has been implemented through the Swedish Securities Market Act of 2007 (Sw. *lagen (2007:528) om värdepappersmarknaden*) (the "**Securities Market Act**"). Nasdaq OMX Stockholm AB is authorised pursuant to the Securities Market Act to operate a regulated market under the supervision of the SFSA. The SFSA is a governmental agency responsible for, among other things, supervising and monitoring the Swedish securities market and market participants. The SFSA also issues regulations that supplement Swedish securities market laws. Furthermore, pursuant to the Swedish Securities Market Act, Nasdaq OMX Stockholm AB is required to have rules of its own, governing the trading on Nasdaq Stockholm. The Rule Book for Issuers of Nasdaq Stockholm, based on European standards and EU directives such as MiFID and Directive 2004/109/EC (the "**Transparency Directive**"), sets forth listing requirements and disclosure rules for companies listed on Nasdaq Stockholm. The objective of the regulatory system governing trading on and off Nasdaq Stockholm is to achieve transparency and equality of treatment among market participants. Nasdaq Stockholm records information as to the banks and brokers involved, the issuer, the number of shares, the price and the time of each transaction. Each bank or broker is required to maintain records indicating trades carried out as agent or as principal. All trading information reported in INET is publicly available. Nasdaq Stockholm also maintains a market supervision unit ("**Trading Surveillance**") that monitors trading on a "real time" basis, as described below.

The Swedish Market Abuse Penal Act of 2005 (Sw. *lagen (2005:377) om straff för marknadsmissbruk vid handel med finansiella instrument*) (the "**Market Abuse Act**"), implementing in part Directive (2003/6/EC) (the "**Market Abuse Directive**"), provides sanctions for insider trading and unlawful disclosure of insider information. The Market Abuse Act also contains provisions prohibiting market manipulation, making illegal any actions (in connection with trading on the securities market or otherwise) intended to unduly affect the market price or other conditions of trade in financial instruments, or otherwise mislead buyers or sellers of such instruments (such as through spreading false or misleading information). Market manipulation may also constitute fraud under Swedish law. The SFSA and Trading Surveillance enforce compliance with the Market Abuse Act and other insider trading rules. Criminal offenses are enforced in court by the Swedish National Economic Crimes Bureau (Sw. *Ekobrottsmyndigheten*). Moreover, the SFSA may cause the operating license of a bank or broker to be revoked if the bank or broker has engaged in improper conduct, including market manipulation. Trading Surveillance monitors trading data for indications of unusual market activity and trading behaviour, and continuously examines information disseminated by listed companies, such as earnings reports, acquisition and other investment plans and changes in ownership structure on a daily basis. When Trading Surveillance becomes aware of non-public price sensitive information, it monitors trading in the shares concerned to ensure that if unusual trading activity develops indicating that persons may be trading on that information, the information is made public as soon as possible.

## Securities registration

The Shares are registered in the account-based electronic securities system operated by Euroclear Sweden, a central securities depository and clearing organisation authorised under the Swedish Financial Instruments Accounts Act (Sw. *lagen (1998:1479) om* *kontoföring av finansiella instrument*) and the Swedish Securities Markets Act. Among other things, Euroclear Sweden maintains the register of shareholders in Swedish companies listed on Nasdaq Stockholm. Shares administered by Euroclear Sweden are registered in book-entry form on securities accounts (VP accounts) and no share certificates are issued. Title to shares is ensured exclusively through registration with Euroclear Sweden. All transactions and other changes to accounts are entered in the system of Euroclear Sweden through banks or other securities institutions that have been approved as account operators by Euroclear Sweden.

Shares may be registered on VP accounts, and consequently entered in the register of shareholders, either in the name of the beneficial owner (owner registered shares) or in the name of a nominee authorised by Euroclear Sweden (nominee registered shares), in which case a note thereof is made in the securities system. The relationship between the nominee and the beneficial owner is governed by agreement. In order to exercise certain rights, such as participation at a general meeting, shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own names. Nominees are also required to report the holdings of underlying beneficial owners to Euroclear Sweden on a regular basis. A public register of shareholders and a nominee list, both containing information on holders of more than 500 shares in the relevant company (or such lower number of shares that constitute all shares in the relevant company), is produced at the beginning of each quarter of the year and is available to the general public at both Euroclear Sweden and the issuer's registered office. There is also a separate register maintained by Euroclear Sweden for the recording of persons who have other interests in respect of shares, such as those of a pledgee.

The rights attaching to shares that are eligible for dividends, rights issues or bonus issues accrue to those holders whose names are recorded in the register of shareholders as of a particular record date, and the dividends are normally distributed to bank accounts as specified by the holders registered with Euroclear Sweden. The relevant record date must be specified in the resolution declaring a dividend or capital increase, or any similar matter in which shareholders have preferential rights. Where the registered holder is a nominee, the nominee receives, for the account of the beneficial owner, dividends and other financial rights attaching to the shares, such as subscription rights in conjunction with rights offerings, as well as new shares subscribed through the exercise of subscription rights. Dividends are remitted in a single payment to the nominee, who is responsible for the distribution of such dividends to the beneficial owner. A similar procedure is applied for subscription rights and newly issued shares.

## Compensation scheme for investors

Investor compensation covers financial instruments such as shares, bonds and various types of derivatives, for instance warrants and futures. Investor compensation is payable only if an institution is declared bankrupt and it is impossible for the investor to recover its securities or cash. The investor compensation does not cover financial loss due to changes in value of shares and other securities. Investor compensation covers securities handled by securities companies, securities brokers and some other institutions on behalf of customers in the course of providing investment services (such as the purchase, sale and deposition of financial instruments). For the purposes of the scheme, securities means shares, bonds and various types of derivatives. The scheme also covers funds that an institution receives in conjunction with providing an investment service for which it is accountable. Investors may be compensated for lost assets up to a value of SEK 250,000 per institution.

## Transactions and ownership disclosure requirements

Under the Trading Act, which implements the Transparency Directive in part, a shareholder is required to notify both the company in which it holds shares and the SFSA, when its holding of shares, depository receipts, options to acquire already issued shares or financial instruments with similar economic effect to holding of shares or rights to acquire shares, irrespective of whether these instruments should be settled physically or in cash, reaches, exceeds or falls below 5, 10, 15, 20, 25, 30, 50, 66⅔ or 90 percent of the total number of votes and/or shares in a company. The notice is to be made in writing or electronically on the SFSA's website not later than three trading days following the day of the applicable transaction. The SFSA will announce the contents of the notification no later than 12:00 CET on the trading day following receipt of the notification. When calculating a shareholder's percentage of ownership, a company's treasury shares are to be included in the denominator, while warrants and convertibles are to be excluded. For the purposes of calculating a person's or entity's shareholding, not only the shares and financial instruments directly held by the shareholder are included, but also those held by certain related parties. The Trading Act contains a list of related parties whose shareholding must be aggregated for the purposes of the disclosure requirements. Related parties include, but are not limited to, subsidiaries, proxies and parties to shareholders' agreements.

Under the Regulation (EU) 236/2012 on short selling and certain aspects of credit default swaps, a person who has a net short position in a share is required to notify the SFSA when the position either reaches or falls below the following thresholds: 0.2 percent of the issued share capital of the company concerned and each 0.1 percent above that. There is also a requirement of public disclosure when the position reaches or falls below the following thresholds: 0.5 percent of the issued share capital of the company concerned and each 0.1 percent above that. The public disclosure is made by the SFSA via announcement on its website. Further, an investor who wishes to take an uncovered, or "naked", short position in a particular share will be required either: (i) to have borrowed sufficient shares to settle the short trade; (ii) to have entered into a binding agreement to borrow the shares; or (iii) to have an arrangement with a third party under which that third party has confirmed that the shares have been located and has taken measures vis-à-vis third parties necessary to have a reasonable expectation that settlement can be effected when it is due.

In addition, pursuant to the Swedish Act on Reporting Obligations for Certain Holdings of Financial Instruments (Sw. *lagen (2000:1087) om anmälningsskyldighet för vissa innehav av finansiella instrument*), among others, directors and certain officers of the issuer as well as individuals who own, directly or indirectly, shares representing 10 percent or more of the share capital or the voting rights in a publicly traded company must report, in writing or electronically, such ownership and any changes therein to the SFSA, which keeps a public register based on the information contained in such reports.

## Mandatory bids and squeeze-out proceedings

Pursuant to the Swedish Act on Public Takeovers on the Securities Market (Sw. *lagen (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*) (the "**Takeover Act**"), any Swedish or foreign legal entity or natural person who holds less than 30 percent of the total voting rights in a company listed on a regulated market in Sweden, must make a public offer for the acquisition of all the remaining shares issued by the target company (a mandatory bid) should such legal entity or natural person alone, or together with a related party, obtain 30 percent or more of the total voting rights in the company. This applies where the increased holding is the result of a purchase, subscription, conversion, or any other form of acquisition of shares in the target company (other than a public offer) or the result of the establishment of a certain close relationship. In this context, a related party can be an entity within the same corporate group as the buyer, a spouse, co-habitant or minor child, as well as any person or entity that cooperates with the buyer to obtain control over the company or with whom an agreement has been reached regarding the coordinated exercise of voting rights with the object of achieving a long-term controlling influence on the company's management.

The public offer must be made within four weeks after the acquisition that triggered the mandatory bid requirement unless the acquirer (or the related party) reduces its level of voting share ownership within such time to below 30 percent. The offer is normally also made to holders of other securities issued by the target company, if the price of such securities could be substantially affected as a result of a de-listing of the target company's shares, such as, for example, warrants and convertibles. Under the Takeover Act, offerors have a duty to undertake to comply with the takeover rules adopted by Nasdaq Stockholm (the "**Takeover Rules**"). By making this undertaking, the offeror agrees to comply not only with the Takeover Rules, but also to comply with statements and rulings by the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) on points of interpretation of the Takeover Act as well as to be subject to any sanctions that may be imposed by Nasdaq Stockholm. Exemptions from the mandatory bid requirement may under certain circumstances, for example in conjunction with rights offerings and underwriting guarantees, be granted by the Swedish Securities Council. The Swedish Securities Council may also grant exemptions from the provisions of the Takeover Rules.

Under the Companies Act, a shareholder with shares representing more than 90 percent of all shares in a company has the right to redeem remaining shares in such company. In respect of companies with shares traded on a regulated market, such as Nasdaq Stockholm, the redemption value must correspond to the market value, unless special reasons (such as following a takeover bid) require otherwise. In addition, any minority shareholder that possesses shares that may, pursuant to the Companies Act, be redeemed by a majority shareholder is entitled to require such majority shareholder to redeem its shares.

# Taxation

*The following is a summary of certain tax consequences that may arise from the Offering and is intended as general information only. The statements concerning Swedish tax laws and U.S. federal income tax laws set forth below, including concerning the Convention Between the Government of Sweden and the Government of the United States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "Treaty"), are based on the laws and regulations as of the date of this Offering Memorandum and are subject to any changes in Swedish or U.S. law, or in the Treaty, occurring after that date, which changes may have retroactive effect.*

## Certain tax considerations in Sweden

The following is a summary of certain tax consequences that may arise from the Offering, applicable to individuals or limited liability companies tax resident in Sweden, unless otherwise stated. The summary does not purport to be a comprehensive description of all tax consequences that may be relevant in relation to the Offering. For instance, the summary does not address shares held by partnerships or shares held as current assets in business operations. Moreover, the summary does not address the specific rules on tax-exempt capital gains and dividends (including non-deductibility for capital losses) in the corporate sector that may be applicable when shares are considered to be held for business purposes (Sw. *näringsbetingade* andelar) by the shareholder. Neither are the specific rules covered that could be applicable to holdings in companies that are, or have previously been, closely held companies or shares acquired on the basis of such holdings. Moreover, the summary does not address shares that are held in a so-called investment savings account (Sw. *investeringssparkonto*) and that are subject to special rules on standardised taxation. Special tax rules apply to certain categories of taxpayers, for example, investment companies and insurance companies. The tax treatment of each individual shareholder depends on such investor's particular circumstances. Each holder of shares should therefore consult a tax advisor for information on the specific implications that may arise in their individual case, including the applicability and effect of foreign rules and tax treaties.

### Shareholders who are tax resident in Sweden

#### Individuals

Dividend taxation

For individuals, dividends on listed shares, which the shares will be once admitted to trading on Nasdaq Stockholm, are taxed as income from capital at a rate of 30 percent. A preliminary tax of 30 percent is generally withheld on dividends paid to individuals resident in Sweden. The preliminary tax is withheld by Euroclear Sweden or, regarding nominee-registered shares, by the Swedish nominee.

Capital gains taxation

Upon the sale or other disposal of listed shares, which the shares will be once admitted to trading on Nasdaq Stockholm, a taxable capital gain or deductible capital loss may arise. Capital gains are taxed as income from capital at a tax rate of 30 percent. The capital gain or loss is calculated as the difference between the sales proceeds, after deducting sales costs, and the tax basis. The tax basis for all shares of the same class and type is calculated together in accordance with the average cost method or, alternatively, shareholders may choose to use 20 percent of the sales proceeds after deducting sales costs, as the tax basis for the sale of listed shares.

Capital losses on listed shares are fully deductible against taxable capital gains on listed and non-listed shares and against other listed equity-related securities realised during the same fiscal year, except for units in securities funds or special funds that consist solely of Swedish receivables ("**interest funds**"). Up to 70 percent of capital losses on shares that cannot be offset in this way are deductible against other capital income. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. A tax reduction of 30 percent is allowed on the portion of such net loss that does not exceed SEK 100,000 and of 21 percent on any remaining loss. Such net loss cannot be carried forward to future fiscal years.

#### Limited liability companies

Dividend and capital gains taxation

For a limited liability company, all income, including taxable capital gains and dividends, is taxed as business income at a tax rate of 22 percent. Capital gains and capital losses are calculated in the same manner as set forth above with respect to individuals. Deductible capital losses on shares or other equity-related securities may only be deducted against taxable capital gains on such securities. Under certain circumstances such capital losses may also be deducted against capital gains in another company in the same group, provided that the companies can tax consolidate (Sw. *koncernbidragsrätt*). A capital loss that could not be utilised during a given year may be carried forward and offset taxable capital gains on shares and other equity-related securities during subsequent fiscal years without any limitation in time.

### Certain tax considerations for shareholders who are not tax resident in Sweden

#### Dividend taxation

Dividends paid on shares in a Swedish limited liability company to shareholders not tax resident in Sweden are generally subject to 30 percent withholding tax. However, the tax rate is generally reduced for shareholders resident in jurisdictions with which Sweden has entered a tax treaty. The majority of Sweden's tax treaties enable an at-source reduction of the Swedish withholding tax to the tax rate stipulated in the treaty at the time of payment of dividends, provided that necessary information is made available to Euroclear Sweden in relation to the person entitled to such dividends. Under the Treaty the tax rate is reduced to 5 percent for U.S. resident companies owning shares representing at least 10 percent of the total voting rights of the Company, and to 15 percent in other cases. The tax rate for U.S. resident companies and pension funds may be further reduced to 0 percent if certain requirements set out in the Treaty are fulfilled. In Sweden, Euroclear Sweden, or, in the case of nominee-registered shares, the nominee, generally carries out the deduction of withholding tax.

If a 30 percent withholding tax is withheld from a payment to a shareholder entitled to be taxed at a lower rate, or if too much withholding tax has otherwise been withheld, a refund can be claimed from the Swedish Tax Agency prior to the expiry of the fifth calendar year following the dividend distribution.

#### Capital gains taxation

Shareholders not tax resident in Sweden and whose shareholding is not attributable to a permanent establishment in Sweden are generally not liable for Swedish capital gains taxation on the disposal of shares. The shareholders may, however, be subject to taxation in their country of residence. Under a specific tax rule, individual shareholders that are not tax resident in Sweden may, however, be subject to tax in Sweden on the sale of shares if they have been resident or stayed permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The applicability of this rule may, however, be limited by tax treaties between Sweden and other countries. However, the period is not reduced under the Treaty.

## Certain U.S. federal income tax considerations

The following discussion describes certain U.S. federal income tax consequences to U.S. Holders (as defined below) under present law of an investment in the Offer Shares. This summary applies only to U.S. Holders (except for the discussion below under "*–FATCA*", which applies to all holders) that acquire Offer Shares in exchange for cash in the Offering, hold Offer Shares as capital assets within the meaning of Section 1221 of IRC (as defined below) and have the U.S. dollar as their functional currency.

This discussion is based on the tax laws of the United States as in effect on the date of this Offering Memorandum, including the Internal Revenue Code of 1986, as amended (the "**IRC**"), its legislative history and U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this Offering Memorandum, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, and any such change could apply retroactively and could affect the U.S. federal income tax consequences described below. The statements in this Offering Memorandum are not binding on the U.S. Internal Revenue Service (the "**IRS**") or any court, and thus we can provide no assurance that the U.S. federal income tax consequences discussed below will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. Furthermore, this summary does not address any estate or gift tax consequences, any state, local or non-U.S. tax consequences or any other tax consequences other than U.S. federal income tax consequences.

The following discussion does not describe all the tax consequences that may be relevant to any particular investor or to persons in special tax situations such as:

- banks and certain other financial institutions;
- regulated investment companies;
- real estate investment trusts;
- insurance companies;
- individual retirement accounts and other tax-deferred accounts;
- broker-dealers;
- traders that elect to mark to market;
- tax-exempt entities;
- persons holding Offer Shares in connection with a trade or business outside of the United States;
- persons liable for alternative minimum tax or the Medicare contribution tax on net investment income;
- U.S. expatriates;

- persons holding Offer Shares as part of a straddle, hedging, constructive sale, conversion or integrated transaction;
- persons that actually or constructively own 10 percent or more of the Company's voting stock;
- persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States;
- persons who acquired Offer Shares pursuant to the exercise of any employee share option or otherwise as compensation; or
- persons holding Offer Shares through partnerships or other pass-through entities.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OFFER SHARES.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Offer Shares that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation created or organised in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The tax treatment of a partner in an entity treated as a partnership for U.S. federal income tax purposes that holds Offer Shares generally will depend on such partner's status and the activities of the partnership. Prospective investors that are entities treated as partnerships for U.S. federal income tax purposes should consult their tax advisors concerning the U.S. federal income tax consequences to them and their partners of the purchase, ownership and disposition of Offer Shares by the partnership.

### Dividends and other distributions on Offer Shares

Subject to the passive foreign investment company ("**PFIC**") considerations discussed below, the gross amount of distributions made by the Company with respect to Offer Shares (including the amount of any non-U.S. taxes withheld therefrom, if any) generally will be includible as dividend income in a U.S. Holder's gross income, to the extent such distributions are paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, a U.S. Holder should expect all cash distributions will be reported as dividends for U.S. federal income tax purposes. Such dividends will not be eligible for the dividends-received deduction allowed to U.S. corporations with respect to dividends received from other U.S. corporations. Dividends received by non-corporate U.S. Holders may be "qualified dividend income", which is taxed at the lower applicable capital gains rate, provided that (1) the Company is eligible for the benefits of the tax treaty between the United States and Sweden (the "**Treaty**"), (2) the Company is not a passive foreign investment company (as discussed below) for either the taxable year in which the dividend is paid or the preceding taxable year, (3) the U.S. Holder satisfies certain holding period requirements and (4) the U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. U.S. Holders should consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to Offer Shares.

The amount of any distribution paid in foreign currency will be equal to the U.S. dollar value of such currency, translated at the spot rate of exchange on the date such distribution is received, regardless of whether the payment is in fact converted into U.S. dollars at that time. Any further gain or loss on a subsequent conversion or other disposition of the currency for a different U.S. dollar amount will be U.S. source ordinary income or loss. The amount of any distribution of property other than cash will be the U.S. dollar fair market value of such property on the date of distribution.

Dividends on the Offer Shares generally will constitute foreign source income for foreign tax credit limitation purposes. Subject to certain complex conditions and limitations, Swedish taxes withheld on any distributions on the Offer Shares may be eligible for credit against a U.S. Holder's federal income tax liability. If a refund of the tax withheld is available under the laws of Sweden or under the Treaty, the amount of tax withheld that is refundable will not be eligible for such credit against a U.S. Holder's U.S. federal income tax liability (and will not be eligible for the deduction against U.S. federal taxable income). If the dividends constitute qualified dividend income as discussed above, the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will generally be limited to the gross amount of the dividend, multiplied by the reduced rate applicable to the qualified dividend income, divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by the Company with respect to Offer Shares will generally constitute "passive category income" but could, in the case of certain U.S. Holders, constitute "general category income". The rules relating to the determination of the U.S. foreign tax credit are complex, and U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit in their particular circumstances and the possibility of claiming an itemised deduction (in lieu of the foreign tax credit) for any foreign taxes paid or withheld.

### Sale or other taxable disposition of Offer Shares

Subject to the PFIC rules discussed below, upon a sale or other taxable disposition of Offer Shares, a U.S. Holder will recognise capital gain or loss in an amount equal to the difference between the amount realised and the U.S. Holder's adjusted tax basis in such Offer Shares. Any such gain or loss generally will be treated as long term capital gain or loss if the U.S. Holder's holding period in the Offer Shares exceeds one year. Non-corporate U.S. Holders (including individuals) generally are subject to U.S. federal income tax on long-term capital gain at preferential rates. The deductibility of capital losses is subject to significant limitations. Gain or loss, if any, realised by a U.S. Holder on the sale or other disposition of Offer Shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes.

If the consideration received upon the sale or other disposition of Offer Shares is paid in foreign currency, the amount realised will be the U.S. dollar value of the payment received, translated at the spot rate of exchange on the date of the sale or other disposition. A U.S. Holder may realise additional gain or loss upon the subsequent sale or disposition of such currency, which will generally be treated as U.S. source ordinary income or loss. If the Offer Shares are treated as traded on an established securities market and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), such holder will determine the U.S. dollar value of the amount realised in foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. If the Offer Shares are not treated as traded on an established securities market, or the relevant U.S. Holder is an accrual basis taxpayer that does not elect to determine the amount realised using the spot rate on the settlement date, such U.S. Holder will recognise foreign currency gain or loss to the extent of any difference between the U.S. dollar amount realised on the date of sale or disposition (as determined above) and the U.S. dollar value of the currency received translated at the spot rate on the settlement date.

A U.S. Holder's initial tax basis in Offer Shares generally will equal the cost of such Offer Shares. If a U.S. Holder used foreign currency to purchase the Offer Shares, the cost of the Offer Shares will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, translated at the spot rate of exchange on that date. If the Offer Shares are treated as traded on an established securities market and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, such holder will determine the U.S. dollar value of the cost of such Offer Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

### Passive Foreign Investment Company considerations

The Company will be classified as a PFIC for any taxable year if either: (a) at least 75 percent of its gross income is "passive income" for purposes of the PFIC rules or (b) at least 50 percent of the value of its assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, royalties, rents and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income. For this purpose, the Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25 percent  or more (by value) of the stock.

Under the PFIC rules, if the Company were considered a PFIC at any time that a U.S. Holder holds the Offer Shares, the Company would continue to be treated as a PFIC with respect to such investment unless (i) the Company ceases to be a PFIC and (ii) the U.S. Holder has made a "deemed sale" election under the PFIC rules.

Under a notice issued by the IRS in 1989 (the "**Bank Notice**") and a proposed Treasury regulation issued in 1995 (the "**Proposed Bank Regulation**"), special rules apply to determine whether the income and assets of a non-US bank is passive income for the purposes of the PFIC rules. The banking income exception is intended to ensure that bona fide banking income derived by an active foreign bank is not treated as passive income. The PFIC rules and a proposed Temporary Regulation issued in 2015 provide special rules to determine the character of income and assets of an insurance company (the "**Insurance Exception**"). The insurance income exception is intended to ensure that income derived by a bona fide insurance company is not treated as passive income, except to the extent such income is attributable to financial reserves in excess of the reasonable needs of the insurance business.

Based on the current and anticipated composition of the income, assets and operations of the Company and its subsidiaries, the application of the Bank Notice, the Proposed Bank Regulation and the Insurance Exception to the Company and its subsidiaries, and the anticipated market price of the Offer Shares in the Offering, the Company does not believe that it was a PFIC in its prior taxable year and does not expect to be treated as a PFIC for the current taxable year or in the foreseeable future. This is a factual determination that must be made annually and depends on, among other things, the composition of the income and assets, and the market value of the shares and assets, of the Company and its subsidiaries from time to time. In addition, new or revised regulations or pronouncements interpreting or clarifying the PFIC bank or insurance provisions may be forthcoming. Therefore there can be no assurance that the Company will not be classified as a PFIC in any taxable year.

If the Company was a PFIC for any taxable year during which a U.S. Holder held Offer Shares, gain recognised by a U.S. Holder on a sale or other disposition (including certain pledges) of the Offer Shares would be allocated ratably over the U.S. Holder's holding period for the Offer Shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the tax on such amount. Further, to the extent that any distribution received by a U.S. Holder on its Offer Shares exceeds 125 percent of the average of the annual distributions on the Offer Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, such excess distribution would be subject to taxation in the same manner as gain, described immediately above. If the Company is considered a PFIC, a U.S. Holder will also be subject to annual information reporting requirements. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the Offer Shares. U.S. Holders should consult their tax advisers to determine whether any of these elections would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances in the event the company were a PFIC.

## FATCA

Certain provisions of IRC and applicable U.S. Treasury Regulations commonly referred to as FATCA may impose 30 percent withholding on "foreign passthru payments" made by a "foreign financial institution" (an "**FFI**"). Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether or to what extent payments on the Offer Shares would be considered foreign passthru payments. Withholding on foreign passthru payments would not be required with respect to payments made before January 1, 2019. The United States has entered into an intergovernmental agreement with Sweden (the "**IGA**") which potentially modifies the FATCA withholding regime described above. The Company believes that it is an FFI for these purposes and that it and its subsidiaries that are treated as FFIs will be subject to diligence, reporting and withholding obligations under the FATCA rules and the IGA. It is not yet clear how the IGA will address foreign passthru payments. Prospective investors in the Offer Shares should consult their tax advisors regarding the potential impact of FATCA, the IGA and any non-U.S. legislation implementing FATCA, on their investment in the Offer Shares.

## Information reporting and backup withholding

Dividend payments with respect to Offer Shares and proceeds from the sale, exchange or redemption of Offer Shares may be subject to information reporting to the IRS and U.S. backup withholding. A U.S. Holder may be eligible for an exemption from backup withholding if the U.S. Holder furnishes a correct taxpayer identification number and makes any other required certification or is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status may be required to provide such certification on IRS Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability, and such U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing an appropriate claim for refund with the IRS and furnishing any required information.

## Additional information reporting requirements

Certain U.S. Holders may be required to report information relating to an interest in Offer Shares, subject to certain exceptions (including an exception for Offer Shares held in accounts maintained by certain financial institutions). Penalties can apply if U.S. Holders fail to satisfy such reporting requirements. U.S. Holders should consult their tax advisors regarding the applicability of these requirements to their acquisition and ownership of Offer Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO YOU. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN OFFER SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

# Plan of distribution

The Offering consists of: (i) a public offering to investors in Sweden; and (ii) private placements to institutional investors in various jurisdictions, including a private placement in the United States to persons who are QIBs in reliance on Rule 144A under the Securities Act. All offers and sales outside the United States will be made in compliance with Regulation S under the Securities Act. The Company, the Selling Shareholders and the Managers intend to enter into an agreement on the placing of Shares in Resurs on or about 28 April 2015 (the "**Placing Agreement**"). Subject to certain conditions set forth in the Placing Agreement, the Managers will agree, severally but not jointly, to procure purchasers for, or failing which, to purchase themselves, and the Selling Shareholders will agree to sell to the Managers the aggregate number of Shares sold in the Offering, taking into account the commitments of each Manager as set forth in the table below, at an offer price per Share to be set forth in the Placing Agreement and announced by the Company on or around 29 April 2015:

| **Managers** | **Number of Shares** |
|---|---|
| Carnegie Investment Bank AB | 17,400,000 |
| Goldman Sachs International | 17,400,000 |
| Morgan Stanley & Co. International plc. | 17,400,000 |
| Skandinaviska Enskilda Banken AB (publ) | 7,800,000 |
| **Total:** | **60,000,000** |

The Shares have been approved for listing on Nasdaq Stockholm, subject to notice of the requisite number of shareholders. Trading in the Shares is expected to commence on or about 29 April 2016, subject to the condition subsequent that, if closing of the Offering does not take place on the Settlement Date or at all, the Offering will be withdrawn, all orders to purchase the Shares will be disregarded, any allotments made will be deemed not to have been made, any purchase payments made will be returned without interest or other compensation, and transactions on Nasdaq Stockholm will be annulled. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

The Managers expect to deliver the Shares to investors' accounts on or about 3 May 2016. The Shares will be accepted for delivery through the facilities of Euroclear Sweden against payment in immediately available funds.

The Managers will agree to restrictions on where and to whom they and any dealer purchasing from them may offer and sell Shares as part of the distribution of the Shares. The Managers, through their respective selling agents, propose to sell Shares in the United States to QIBs in reliance on Rule 144A under the Securities Act. Any offer or sale of Shares in reliance on Rule 144A will be made by broker-dealers who are registered as such under the U.S. Securities Exchange Act of 1934.

Until the expiration of 40 days after the commencement of the Offering, an offer or sale of Shares within the United States by a dealer that is not participating in the Offering may violate the registration requirements of the Securities Act if the offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act or pursuant to another exemption from registration under the Securities Act.

In the Placing Agreement, each of the Company and the Selling Shareholders named therein will make certain representations and warranties. The Company will also agree to indemnify the several Managers against certain liabilities, including liability under the Securities Act.

The Placing Agreement will provide that, upon the occurrence of certain events, such as the suspension of trading on Nasdaq Stockholm or a material adverse change in our financial condition or business affairs or in the financial markets, and on certain other conditions, the Managers will have the right, collectively but not individually, to withdraw from the Offering before delivery of the Shares. In this event, the Offering will be withdrawn, all orders to purchase Shares will be disregarded, any allotments made will be deemed not to have been made, any purchase payments made will be returned without interest or other compensation and transactions on Nasdaq Stockholm will be annulled. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

## Increase of the Offering

The total number of Firm Shares sold by the Principal Selling Shareholders may be increased. However, in no event will the Selling Shareholders sell more than 74,800,000 existing common shares in the Offering, excluding any existing common shares that may be sold pursuant to the Over-allotment Option described below.

## Over-allotment Option

The Principal Selling Shareholders have granted the Joint Global Coordinators an option, exercisable in whole or in part within 30 calendar days after the first day of trading of the Shares on Nasdaq Stockholm, which is expected to occur on 29 April 2016, pursuant to which the Joint Global Coordinators may require such shareholders to sell up to 11,220,000 Additional Shares. If the Joint Global Coordinators exercise this option, each Manager will be severally obligated, subject to certain conditions contained in the Placing Agreement, to procure purchasers for, or failing such procurement, to purchase a number of Additional Shares proportionate to that Manager's initial amount reflected in the table above, and the Principal Selling Shareholders will be obligated to sell a number of Additional Shares proportionate to the Additional Shares over which they have each granted the Over-allotment Option, the maximum aggregate amount of which is set forth in the first sentence of this paragraph. In connection with additional sales in respect of the Over-allotment Option, the Joint Global Coordinators may effect borrowing arrangements with the Selling Shareholders prior to the exercise of the Over-allotment Option in order to have a sufficient number of Shares to deliver to all purchasers.

## Stabilisation

Carnegie Investment Bank AB, Goldman Sachs International and Morgan Stanley & Co. International plc, as Stabilisation Managers, or their agents, may effect transactions that stabilise or maintain the market price of the Shares during a 30-calendar day period starting at the first day of trading of the Shares on Nasdaq Stockholm which is expected to occur on 29 April 2016. As a result, the price of the Shares may be higher than the price that otherwise might exist in the open market. Any such stabilising shall be made in compliance with the rules of Nasdaq Stockholm and all other applicable laws, regulations and rules.

None of the Company, the Selling Shareholders or any of the Joint Global Coordinators makes any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the Shares. In addition, none of the Company, the Selling Shareholders or any of the Joint Global Coordinators makes any representation that they will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

## Relationships and transactions with directly interested parties

The total remuneration paid to the Managers will depend on the success of the Offering. Some of the Managers and their respective affiliates have from time to time engaged in, and may in the future engage in, commercial banking, investment banking and financial advisory transactions and services in the ordinary course of their business with Resurs or the Principal Selling Shareholders or any of our respective related parties. With respect to certain of these transactions and services, the sharing of information is generally restricted for reasons of confidentiality, internal procedures or applicable rules and regulations. The Managers have received and will receive customary fees and commissions for these transactions and services and may come to have interests that may not be aligned or could potentially conflict with investors' and our interests.

Carnegie, Goldman Sachs, Morgan Stanley and SEB, which is Joint Bookrunner, provide financial advice and other services to the Company and the Principal Selling Shareholders in connection with the Offering, for which they will receive customary remuneration.

From time to time, these advisors (and their affiliates) will provide services in the ordinary course of business to the Principal Selling Shareholders and parties affiliated to the Principal Selling Shareholders in connection with other transactions.

Mannheimer Swartling Advokatbyrå is Resurs's legal advisor as to Swedish law in connection with the Offering and the listing on Nasdaq Stockholm. Latham & Watkins (London) LLP is Resurs's legal advisor as to U.S. law in connection with the Offering and the listing on Nasdaq Stockholm

Sundling Wärn Partners is the Principal Selling Shareholders' and Resurs's financial advisor in connection with the Offering and the listing of Resurs on Nasdaq Stockholm.

## No public offering outside Sweden

No action has been or will be taken in any jurisdiction other than Sweden that would permit a public offering of the Shares, or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Shares in any jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Offering may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Purchasers of the Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the offering price.

## Lock-up arrangements

The Company will agree with the Managers that it will not, except as set forth below, for a period of 180 days from the first day of trading of the Offer Shares, without the prior written consent of the Joint Global Coordinators: (i) issue, offer, pledge, sell, issue or grant options, rights or warrants in respect of, contract to issue, pledge or sell or otherwise dispose of, directly or indirectly, any Shares or any securities of the Company that are substantially similar to the Shares, including securities that are convertible into or exchangeable for, or that represent the right to receive, shares or any such substantially similar securities or do anything with the same economic effect as any of the foregoing ("**Securities**"); or (ii) submit to its shareholders any proposal for a capital increase or a proposal to effect any of the foregoing. The foregoing sentence shall not apply to issues of shares or other securities pursuant to employee incentive plans of the Company.

The Selling Shareholders will each agree with the Managers that they will not, except as set forth below, for a period of 180 days after the first day of trading of the Offer Shares, without the prior written consent of the Joint Global Coordinators: (i) offer, pledge, sell, contract to sell or pledge, issue options, rights or warrants in respect of or otherwise dispose of, directly or indirectly, any Shares or any Securities. The foregoing sentence shall not apply to: (i) the sale or transfer of the Offer Shares in the Offering; (ii) the transfer of shares in the Company to certain board members of the Company and employees of the group as disclosed in this Offering Memorandum; (iii) the conversion or exchange of securities as disclosed in this Offering Memorandum; (iv) the acceptance of a tender offer made to all holders of shares in the Company made in accordance with the Swedish Takeover Rules on terms that treat all holders alike, or the execution and deliver of an irrevocable commitment or undertaking to accept such tender offer; (v) the sale or disposal of shares in the Company pursuant to any offer by the Company to purchase its own shares that is made on identical terms to all holders of the shares in the Company; (vi) the transfer of shares to any affiliate of the Selling Shareholder, provided that as a condition of such transfer and receipt of shares, each affiliate undertakes to comply with the restrictions on the sale of shares of the Selling Shareholder; and (vii) a transfer of shares in the Company where required by law or by any competent authority or by order of a court of competent jurisdiction.

In addition, the current shareholding members of the Board of Directors and members of the group management as well as other employees that will become shareholders after the Management Share Transfer, will agree with the Managers that they will not, for a period of 360 days after the first day of trading of the Offer Shares, without the prior written consent of the Joint Global Coordinators, offer, pledge, sell, contract to sell or pledge, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Shares or any Securities. The foregoing sentence shall not apply to: (i) the acceptance of a tender offer made to all holders of shares in the Company made in accordance with the Swedish Takeover Rules on terms that treat all holders alike, or the execution and deliver of an irrevocable commitment or undertaking to accept such tender offer; (ii) the sale or other disposal of Securities pursuant to any offer by the Company to purchase its own Securities that is made on identical terms to all holders of Securities; (iii) the transfer of Securities by testate or intestate succession or for bona fide estate planning purposes; (iv) the transfer of Securities to an immediate family member, a trust, a partnership or limited liability company for the direct or indirect benefit of the shareholding member of the Board of Directors or member of the group management or the immediate family member of the shareholding member of the Board of Directors or member of the group management; (v) the transfer of Securities to a spouse, former spouse, child or other dependent pursuant to a domestic relations order or an order of a court of competent jurisdiction; (vi) the transfer of Securities to any subsidiary or affiliate; (vii) a transfer of Securities where required by law or by any competent authority or by order of a court of competent jurisdiction; and (viii) the restricted transfer of Securities to a capital insurance scheme (Sw. kapitalförsäkring) no later than the settlement date (which is expected to be on or about 3 May 2016) or after 2 July 2016, subject to the restriction that the member of the Board of Directors or member of group management may not instruct the insurance company to divest any Securities transferred to such scheme other than as provided for in (i) through (vi) above; provided that in the case of (iii)-(vi) above, the transferee agrees to be bound by terms of the lock-up prior to such transfer.

The Cornerstone Investors will not be subject to a lock-up in respect of their allocations.

## Cornerstone Investor commitments

Swedbank Robur, the Second Swedish National Pension fund, Handelsbanken Fonder and Catella have agreed with the Joint Global Coordinators, the Selling

Shareholders and Resurs to acquire at the final Offer Price (and any such price throughout the Offer price range) Offer Shares in the Offering, corresponding to 5 percent, 3.5 percent, 3 percent and 2.5 percent, respectively, of the total number of outstanding Shares in the Company following completion of the Offering subject to, among other things: (i) the first day of trading in the Shares occurring no later than on 15 May 2016; (ii) such Cornerstone Investor being allocated in full the Offer Shares relating to its commitment; and (iii) the total equity value the Company upon settlement of the Offering not exceeding SEK 12 billion. Based on the offering price range, the implied total equity value of the Company following completion of the Offering is between SEK 10 billion and SEK 12 billion. If such conditions are not satisfied, the Cornerstone Investors will not be required to acquire their Offer Shares. Accordingly, the Cornerstone Investors have committed to acquire up to approximately 14 percent of the Shares following completion of the Offering.

The Cornerstone Investors will not receive any compensation for their respective undertakings and the Cornerstone Investors' investments are made at the final Offer Price. The Joint Global Coordinators, the Selling Shareholders and the Board of Directors deem the Cornerstone Investors' creditworthiness sound and that they meet their respective undertakings. The Cornerstone Investors' undertakings are, however, not secured through a bank guarantee, blocked funds or pledge of collateral or other similar arrangement. The Cornerstone Investors' undertakings are associated with certain conditions. In the event that any of these conditions are not fulfilled, there is a risk that the Cornerstone Investors do not fulfil their undertakings.

| Cornerstone Investors | Commitment (%) of the total number of shares in Resurs after completion of the Offering | Number of Shares |
|---|---|---|
| Swedbank Robur | 5.0 | 10,000,000 |
| The Second Swedish National Pension fund | 3.5 | 7,000,000 |
| Handelsbanken Fonder | 3.0 | 6,000,000 |
| Catella | 2.5 | 5,000,000 |
| **Total** | **14.0** | **28,000,000** |

### Description of Cornerstone Investors

**Swedbank Robur Fonder AB**
Swedbank Robur is one of Scandinavia's largest mutual fund managers and a wholly owned subsidiary of Swedbank. Robur offers savings alternatives for retail and institutional clients through mutual funds and discretionary asset management.

**The Second Swedish National Pension Fund**
With about SEK 300 billion under management in virtually every asset class and all parts of the world, the Second Swedish National Pension fund is one of northern Europe's largest pension funds. The Second Swedish National Pension fund is one of five buffer funds within the Swedish pension system. The Second Swedish National Pension fund shall maximise long term return at low risk.

**Handelsbanken Fonder AB**
Handelsbanken Fonder is a wholly owned subsidiary of Svenska Handelsbanken and is a significant fund manager in Scandinavia. Handelsbanken Fonder offers funds that are targeted towards private individuals as well as institutional clients.

**Catella Fondförvaltning AB**
Catella, founded in 1997, is an active fund manager focusing on the Nordic market. Catella manages equity funds, alternative funds, balanced funds and credit funds. Catella currently has approximately SEK 40 billion under management.

## Selling restrictions

### United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold within the United States unless the Offer Shares are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available. There will be no public offering of Shares in the United States.

The Offer Shares may only be resold: (i) in the United States only to QIBs in reliance on Rule 144A under the U.S. Securities Act; and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and in accordance with applicable law. Any offer or sale of Offer Shares in reliance on Rule 144A will be made by broker-dealers who are registered as such under the U.S. Exchange Act. Terms used above shall have the meanings given to them by Regulation S and Rule 144A under the U.S. Securities Act.

### European Economic Area

The Offer Shares have not been, and will not be, offered to the public in any Member State of the EEA that has implemented the Prospectus Directive, excluding Sweden (each, a "**Relevant Member State**"). Notwithstanding the foregoing, an offering of the Offer Shares may be made in a Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the

Prospectus Directive, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive;
- provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company, the Selling Shareholders or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.
- For the purposes of this provision, the expression an "**offer to the public**" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Offer Shares so as to enable an investor to decide to purchase Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

## United Kingdom

Any offer or sale of the Offer Shares may only be made to persons in the United Kingdom who are "qualified investors" or otherwise in circumstances that do not require publication by the Company of a prospectus pursuant to section 85(1) of the UK Financial Services and Markets Act 2000.

Any investment or investment activity to which this Offering Memorandum relates is available only to, and will be engaged in only with persons who: (i) are investment professionals falling within Article 19(5); or (ii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc."), of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (together, "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this Offering Memorandum and should not act or rely on it.

## Canada

The Offer Shares are not deposit liabilities of the Company and are not insured by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation or any other governmental agency of Canada, the United States or any other jurisdiction. The Company is not regulated as a financial institution in Canada.

The Offer Shares are not being offered and may not be sold to any purchaser in a province or territory of Canada other than the provinces of Alberta, British Columbia, Ontario and Quebec.

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (''**NI 33-105**''), the Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Offering.

## General

No action has been or will be taken in any country or jurisdiction other than Sweden that would, or is intended to, permit a public offering of the Offer Shares, or the possession or distribution of this Offering Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Offering Memorandum comes are required by the Company, the Selling Shareholders and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Offer Shares or have in their possession or distribute such offering material, in all cases at their own expense. Neither we, the Selling Shareholders or the Managers accept any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of any of the Offer Shares, of any such restrictions.

# Transfer restrictions

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each purchaser of the Offer Shares outside the United States in compliance with Regulation S will be deemed to have represented and agreed that it has received a copy of this Offering Memorandum and such other information as it deems necessary to make an informed investment decision and that:

1) the purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

2) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and, subject to certain exceptions, may not be offered or sold within the United States;

3) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares or any economic interest therein to any person in the United States;

4) the purchaser is not an affiliate of Resurs or a person acting on behalf of such affiliate;

5) the Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S;

6) the purchaser acknowledges that the Company and the Selling Shareholders shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions;

7) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

8) the purchaser acknowledges that the Company and the Selling Shareholders, the Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States purchasing pursuant to an exemption from the registration requirements of the U.S. Securities Act will be deemed to have represented and agreed that it has received a copy of this Offering Memorandum and such other information as it deems necessary to make an informed investment decision and that:

1) the purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

2) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

3) the purchaser: (i) is a qualified institutional buyer (as defined in Rule 144A under the U.S. Securities Act); (ii) is aware that the sale to it is being made pursuant to an exemption from the registration requirements of the U.S. Securities Act; and (iii) is acquiring such Offer Shares for its own account or for the account of a qualified institutional buyer;

4) the purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;

5) if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, or any economic interest therein, such Offer Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only: (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; (ii) in compliance with Regulation S under the U.S.

Securities Act; or (iii) in accordance with Rule 144 under the U.S. Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

6) the purchaser acknowledges that the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares;

7) the purchaser will not deposit or cause to be deposited such Offer Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

8) the purchaser acknowledges that the Company and the Selling Shareholders shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions;

9) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

10) the purchaser acknowledges that the Company and the Selling Shareholders, the Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each person in a Relevant Member State, other than persons receiving offers contemplated in the Swedish Prospectus in Sweden, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Managers, the Selling Shareholders and us that:

1) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

2) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive: (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in other circumstances falling within Article 3(2) of the Prospectus Directive and the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

# Definitions and glossary

In this Offering Memorandum, the following definitions are used:

| | |
|---|---|
| 2012 Transaction | Refers to the investment in 2012 by Nordic Capital and the Bengtsson family where Resurs Holding AB was incorporated as holding company of the acquired business Resurs Bank AB, Solid Försäkringsaktiebolag, Reda Inkasso AB and Teleresurs i Sverige AB. |
| 2014 Acquisitions | Refers to the acquisitions of Finaref AB and Dan-Aktiv A/S (through its parent holding company Nordic Consumer Finance A/S) from Crédit Agricole SA on 1 April 2014). |
| Acquisitions | Refers to the 2014 Acquisitions together with the yA Bank Acquisition. |
| Acquisition date | Refers to the date of the Acquisitions. |
| AML | Refers to the Company's Anti-Money Laundering department. |
| AML Act | Refers to the Swedish Act on Measures against Money Laundering and Financing of Terrorism (Sw. *lag (2009:62) om åtgärder mot penningtvätt och finansiering av terrorism*). |
| APR | Refers to annual percentage rate, the annual rate that is charged for borrowing. |
| BFBA | Refers to the Swedish Banking and Financing Business Act (Sw. *lag (2004:297) om bank- och finansieringsrörelse*). |
| CAGR | Refers to compound annual growth rate. |
| Capital Buffers Act | Refers to the Swedish Capital Buffers Act (Sw. *lag (2014:966) om kapitalbuffertar*). |
| Carnegie | Refers to Carnegie Investment Bank AB (publ). |
| CISAA | Refers to the Swedish State Aid to Credit Institutions Act (Sw. *lagen (2008:814) om statligt stöd till kreditinstitut*). |
| Closing Date | Refers to the 2012 Transaction closing date on 12 November 2012. |
| CFOA | Refers to the Swedish Certain Financial Operations (reporting duty) Act (Sw. *lag (1996:1006) om anmälningsplikt avseende viss finansiell verksamhet*). |
| Code | Refers to the Swedish Corporate Governance Code (Sw. *Svensk kod för bolagsstyrning*). |
| Companies Act | Refers to the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). |
| Company Market Study | Refers to a market study on which statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the business and markets in this Offering Memorandum partly is based. |
| Cornerstone Investors | Refers to Swedbank Robur Fonder AB ("**Swedbank Robur**"), the Second Swedish National Pension Fund, Handelsbanken Fonder AB ("**Handelsbanken Fonder**") and Catella Fondförvaltning AB ("**Catella**"). |
| CRD IV | Refers to Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms. |
| CSO | Refers to Chief Strategy Officer. |
| CRR | Refers to Regulation (EU) No 575/2013 of the European Parliament and the Council of June 2013 on prudential requirements for credit and investment firms and amending Regulation EU No 648/2012, the Capital Requirement Regulation. |
| CRS | Refers to Common Reporting Standard. |
| Dan-Aktiv | Refers to Dan-Aktiv A/S. |
| Danish GAAP | Refers to Danish General Accepted Accounting Principles. |
| Dividend Policy | Under the dividend policy adopted by Resurs's Board of Directors, Resurs will initially aim to distribute a minimum of 50 percent of its annual net profit in the medium term |
| EBA | Refers to the European Banking Authority. |
| ECB | Refers to the European Central Bank. |

| | |
|---|---|
| EEA | Refers to the European Economic Area. |
| EIOPA | Refers to the European Insurance and Occupational Pensions Authority. |
| Ellos | Refers to Ellos AB |
| Ellos Business Acquisition | Refers to Resurs's October 2013 acquisition of certain assets of Redcats Finans AB |
| Ellos Group | Refers to Ellos Group AB. |
| Euroclear Sweden | Refers to Euroclear Sweden AB, the Swedish central securities depository and clearing organisation. |
| ESMA | Refers to the European Securities and Markets Authority. |
| Finaref | Refers to Finaref AB. |
| FTEs | Refers to full-time equivalent employees. |
| GDPR | Refers to the European Commission published a draft EU General Data Protection Regulation. |
| Goldman Sachs | Refers to Goldman Sachs International. |
| The Group | Refers to the group in which Resurs Holding AB is the parent company. |
| GWP | Refers to Resurs's Gross Written Premium. |
| IBA | Refers to The Swedish insurance business act (Sw. *försäkringsrörelselag (2010:2043)*). |
| ICAAP | Refers to the Internal Capital Adequacy Assessment Process. |
| IFRS 9 | Refers to Financial Instruments: Recognition and Measurement (IASB's final version of its new standard on financial instruments accounting). |
| IFRS | Refers to International Financial Reporting Standards as adopted by the European Union. |
| IMF | Refers to the International Monetary Fund. |
| Interest funds | Refers to special funds that consist solely of Swedish receivables. |
| IT | Refers to information technology. |
| Jotex | Refers to Jotex Sweden AB. |
| LCR | Refers to minimum liquidity coverage ratio. |
| Legal | Refers to the Legal Department. |
| Lock-up period | Refers to the period during which after trading of Resurs's Shares on Nasdaq Stockholm has commenced The Selling Shareholders, shareholding members of the Board of Directors, members of the group management and other employees that will become shareholders after the Management Share Transfer will undertake, with certain exceptions, not to sell their respective holdings. |
| Managers | Refers to Morgan Stanley & Co. International plc., Goldman Sachs International, Carnegie Investment Bank AB (publ) and Skandinaviska Enskilda Banken AB (publ). |
| Market Abuse Act | Refers to the Swedish Market Abuse Penal Act of 2005 (Sw. *lagen (2005:377) om straff för marknadsmissbruk vid handel med finansiella instrument*). |
| Management Share Transfer | Refers to an agreement entered into by Shareholding Managers with RSF Invest Holding AB to sell all of their shares in RSF Invest AB to RSF Invest Holding AB and with Waldakt AB and Cidron Semper Ltd. to purchase Resurs Shares from Waldakt AB and Cidron Semper Ltd. |
| MetaTech | Refers to MetaTech AS. |
| MiFID | Refers to Directive 2004/39/EC on Markets in Financial Instruments. |
| Morgan Stanley | Refers to Morgan Stanley & Co. International plc. |
| MTN | Refers to medium term notes. |

| | |
|---|---|
| Nasdaq Stockholm | Refers to the Swedish regulated market Nasdaq Stockholm, or its market operator NASDAQ OMX Stockholm AB as the context requires. |
| NetOnNet | Refers to NetOnNet AB. |
| NFSA | Refers to the Financial Supervisory Authority of Norway (No. *Finanstilsynet*). |
| Nordic Capital | Refers to Nordic Capital Fund VII (Nordic Capital VII Limited, acting in its capacity as General Partner of Nordic Capital VII Alpha, L.P. and Nordic Capital VII Beta, L.P., together with associated co-investment vehicles) or Cidron Semper Ltd., as the context requires. |
| Nordic Capital Funds | Nordic Capital Fund V, Nordic Capital Fund VI, Nordic Capital Fund VII and Nordic Capital Fund VIII. |
| Norwegian GAAP | Refers to Norwegian General Accepted Accounting Principles. |
| NPAP | Refers to the New Product Approval Process. |
| NPL | In respect of Resurs, refers to Resurs's gross doubtful receivables (amounts 60 days or more past due). |
| NSFR | Refers to net stable funding ratio. |
| Offering Memorandum | Refers to this Offering Memorandum. |
| Offer Shares | Refers to the Shares offered in this Offering Memorandum. |
| Offer to the public | Refers to the communication in any form and by any means of sufficient information on the terms of the Offering and the Offer Shares so as to enable an investor to decide to purchase the Offer Shares. |
| Resurs Bank | Refers to Resurs Bank AB. |
| Placing Agreement | Refers to an agreement entered into by the Company, the Selling Shareholders and the Joint Global Coordinators. |
| PPI | Refers to Payment Protection Insurance. |
| Prospectus Directive | Refers to Directive 2003/71/EC of the European Parliament and of the Council as amended by Directive 2010/73/EU. |
| Prospectus Regulation | Refers to Commission Regulation (EC) No. 809/2004. |
| Relevant Member Stat | Refers to Each Member State of the European Economic Area that has implemented the Prospectus Directive. |
| RoATE | Refers to Return on Average Tangible Equity. |
| RRD | Refers to Directive 2014/59/EU, the Recovery and Resolution. |
| SEK, EUR, NOK, DKK, USD, CHF, GBP | Refers to Swedish kronor, euro, Norwegian kroner, Danish kroner, United States dollars, Swiss francs and Great Britain Pounds, respectively. |
| SEB | Refers to Skandinaviska Enskilda Banken AB (publ). |
| Selling Shareholders | Refers to Cidron Semper Ltd., Waldakt AB and RSF Invest AB jointly. |
| Securities Market Act | Refers to the Swedish Securities Market Act of 2007 (Sw. *lagen (2007:528) om värdepappersmarknaden*). |
| SFSA | Refers to the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*). |
| Shares | Refers to the existing shares in the Company. |
| Share Issues | Refers to share issues for the purpose of financing the yA Bank Acquisition. |
| SIBA | Refers to Siba Aktiebolag. |
| Solid | Refers to Solid Försäkringsaktiebolag. |
| SPV | Refers to a special purpose vehicle (the function of Resurs's wholly-owned Irish subsidiary to which Resurs transfers loan receivables). |

| | |
|---|---|
| Special Supervision of Credit Institutions and Investment Firms Act | Refers to the Swedish Special Supervision of Credit Institutions and Investment Firms Act (Sw. *lag (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag*). |
| Takeover Act | Refers to The Swedish Act on Public Takeovers on the Securities Market (Sw. *lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*). |
| Takeover Rules | Refers to the takeover rules adopted by Nasdaq Stockholm. |
| TCR | Refers to Total Capital Ratio. |
| The Company or Resurs | Refers to either Resurs Holding AB (publ), Swedish corporate ID No 556898-2291, or Resurs Holding AB (publ) and its subsidiaries, as the context requires. |
| The Offering | Refers to the offering in this Offering Memorandum. |
| The Principal Selling Shareholders | Refers to Cidron Semper Ltd. and Waldakt AB jointly. |
| Tier 2 Issue | Refers to a bond issue carried out by Resurs under its existing MTN program. |
| Trading Act | Refers to Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*). |
| U.S. Exchange Act | Refers to the U.S. Securities Exchange Act of 1934, as amended. |
| yA Bank | Refers to yA Bank AS |
| yA Bank Group | Refers to MetaTech and yA Bank, jointly. |
| yA Bank Acquisition | Refers to the acquisition of yA Bank AS and MetaTech AS from yA Holding ASA, which closed on 26 October 2015. |

# Historical financial information

## Resurs Holding AB – Financial information as of and for the financial years ended 31 December 2015, 2014 and 2013



## yA Bank AS – Financial information as of and for the financial years ended 31 December 2015 and 2014



## Resurs Norden AB, former Finaref AB – Financial information as of and for the financial years ended 31 December 2013 and 2012



## Dan-Aktiv A/S – Financial information as of and for the financial years ended 31 December 2013 and 2012

# Resurs Holding AB

## Financial information as of and for the financial years ended 31 December 2015, 2014 and 2013

### Consolidated income statement

| | Note | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|---|
| Interest income | 7 | 1,994,686 | 1,684,048 | 951,734 |
| Interest expenses | 7 | (212,607) | (334,992) | (299,865) |
| Fee & commission income | 8 | 231,848 | 268,803 | 164,690 |
| Fee & commission expense, banking operations | 8 | (38,785) | (34,602) | (36,057) |
| Premium income, net | 9 | 1,167,017 | 989,080 | 919,186 |
| Insurance compensation, net | 10 | (505,002) | (408,741) | (391,374) |
| Fee & commission expense, insurance operations | | (419,783) | (399,447) | (382,509) |
| Net income/expense from financial transactions | 11 | (35,092) | 6,596 | 15,567 |
| Profit/loss from participations in Group companies | | (140) | | |
| Other operating income | 12 | 188,927 | 195,770 | 272,124 |
| **Total operating income** | | **2,371,069** | **1,966,515** | **1,213,496** |
| | | | | |
| General administrative expenses | 14, 15 | (989,505) | (837,307) | (546,736) |
| Depreciation, amortisation and impairment of non-current assets | 16 | (16,496) | (13,820) | (5,777) |
| Other operating expenses | 17 | (151,986) | (147,770) | (111,528) |
| **Total expenses before credit losses** | | **(1,157,987)** | **(998,897)** | **(664,041)** |
| | | | | |
| **Earnings before credit losses** | | 1,213,082 | 967,618 | 549,455 |
| Credit losses, net | 18 | (374,863) | (350,699) | (169,120) |
| **Operating profit/loss** | | **838,219** | **616,919** | **380,335** |
| | | | | |
| Tax on profit for the year | 19 | (216,010) | (149,270) | (93,506) |
| **Net profit for the year** | | **622,209** | **467,649** | **286,829** |
| **Profit for the year attributable to owners in Resurs Holding AB** | | **622,209** | **467,649** | **286,829** |
| | | | | |
| **Earnings per share, basic and diluted, SEK** | 20 | **3.16** | **2.40** | **1.50** |

### Consolidated statement of comprehensive income

| | Note | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|---|
| Net profit for the year | | 622,209 | 467,649 | 286,829 |
| Other comprehensive income that has or might be reclassified to profit or loss | | | | |
| Translation differences for the year, foreign operations | 40 | (132,416) | 56,903 | (943) |
| **Comprehensive income for the year** | | **489,793** | **524,552** | **285,886** |
| | | | | |
| **Total comprehensive income for the year attributable to owners in Resurs Holding AB** | | **489,793** | **524,552** | **285,886** |

## Consolidated statement of financial position

| SEK thousand | Note | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|---|
| **Assets** | | | | |
| *Cash and balances at central banks* | | 50,761 | | |
| Treasury and other bills eligible for refinancing | 21 | 956,725 | 805,843 | 810,182 |
| Lending to credit institutions | 22 | 2,351,285 | 3,695,094 | 2,284,180 |
| Lending to the public | 23 | 18,198,175 | 13,923,375 | 9,258,334 |
| Bonds and other interest-bearing securities | 24 | 1,477,206 | 1,300,484 | 2,678,093 |
| Subordinated loans | 25 | 25,015 | 26,478 | – |
| Shares and participating interests | 26 | 32,903 | 11,610 | 27,986 |
| Derivatives | 43 | 170,682 | 38,573 | 10,493 |
| Goodwill | 27 | 1,647,788 | 677,102 | 11,867 |
| Other intangible assets | 27 | 136,215 | 3,244 | 6,076 |
| Property, plant & equipment | 28 | 37,132 | 28,515 | 15,726 |
| Reinsurer's share of technical provisions | 29 | 24,685 | 6,028 | 160,662 |
| Other assets | 30 | 183,818 | 159,846 | 252,444 |
| Current tax asset | | 14,638 | 18,669 | 17,634 |
| Deferred tax asset | 19 | 8,590 | 34,607 | 13,072 |
| Prepayments and accrued income | 31 | 249,802 | 284,847 | 264,836 |
| **Total assets** | | **25,565,420** | **21,014,315** | **15,811,585** |
| | | | | |
| **Liabilities, provisions and equity** | | | | |
| *Liabilities and provisions* | | | | |
| Liabilities to credit institutions | 32 | 141,260 | 1,026 | 783 |
| Deposits and borrowing from the public | 33 | 16,433,531 | 15,976,650 | 11,874,089 |
| Other liabilities | 34 | 654,007 | 614,573 | 690,247 |
| Derivatives | 43 | 3,147 | 94,853 | 4,637 |
| Accruals and deferred income | 35 | 185,482 | 132,709 | 189,841 |
| Tax liabilities | | 89,952 | 85,658 | 7,498 |
| Deferred tax liability | 19 | 291,395 | 284,199 | 198,818 |
| Technical provisions | 36 | 534,237 | 551,853 | 823,026 |
| Other provisions | 37 | 8,675 | 8,418 | 824 |
| Issued securities | 38 | 2,181,340 | | |
| Subordinated debt | 39 | 38,224 | | |
| **Total liabilities and provisions** | | **20,561,250** | **17,749,939** | **13,789,763** |

## Consolidated statement of financial position

| SEK thousand | Note | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|---|
| **Equity** | 40 | | | |
| Share capital | | 1,000 | 126 | 100 |
| Other paid-in capital | | 2,050,734 | 800,753 | 82,777 |
| Translation reserve | | (76,257) | 56,159 | (744) |
| Retained earnings including profit for the year | | 3,028,693 | 2,407,338 | 1,939,689 |
| **Total equity** | | **5,004,170** | **3,264,376** | **2,021,822** |
| | | | | |
| **Total liabilities, provisions and equity** | | **25,565,420** | **21,014,315** | **15,811,585** |

For information on pledged assets, contingent liabilities and commitments, see Note 41.

## Consolidated statement of changes in equity

| SEK thousand | Share capital | Other capital contributed | Translation reserve | Retained earnings including 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) |
| Total comprehensive income for the year | – | – | (943) | 286,829 | 285,886 |
| **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** |
| | | | | | |
| **Equity, 1 January 2015** | **126** | **800,753** | **56,159** | **2,407,338** | **3,264,376** |
| *Owner transactions* | | | | | |
| New share issue | 18 | 1,249,981 | | | 1,249,999 |
| Bonus issue | 856 | | | (856) | 0 |
| | | | | | |
| Net profit for the year | | | | 622,209 | 622,209 |
| Other comprehensive income for the year | | | (132,416) | | (132,416) |
| **Equity, 31 December 2015** | **1,000** | **2,050,734** | **(76,257)** | **3,028,691** | **5,004,168** |

All equity is attributable to shareholders of the parent company
For information on the translation reserve, see Note 40.

## Consolidated statement of cash flows (indirect method)

| SEK thousand | Note | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Operating profit | | 838,219 | 616,919 | 380,335 |
| *- of which interest received* | | *1,995,140* | *1,699,045* | *936,492* |
| *- of which interest paid* | | *(207,890)* | *(334,027)* | *(300,605)* |
| Adjustment for non-cash items in operating profit | | 400,802 | 251,645 | (72,350) |
| Income taxes paid | | (229,482) | (101,018) | (89,578) |
| **Cash flow in operating activities before changes in operating assets and liabilities** | | **1,009,539** | **767,546** | **218,407** |
| **Changes in operating assets and liabilities** | | | | |
| Lending to the public | | (1,533,113) | (1,279,033) | (633,415) |
| Other assets | | 37,160 | 102,673 | 131,683 |
| Liabilities to credit institutions | | 140,134 | (2,931,856) | (11,758) |
| Deposits and borrowing from the public | | (2,615,158) | 4,102,560 | 5,660,182 |
| Acquisition of investment assets | | (2,231,585) | (4,982,804) | (5,758,096) |
| Divestment of investment assets | | 2,201,246 | 6,378,469 | 3,468,876 |
| Other liabilities | | 1,359 | (69,103) | 85,896 |
| **Cash flow from operating activities** | | **(2,990,418)** | **2,088,452** | **3,161,775** |
| **Investing activities** | | | | |
| Acquisition of non-current assets | 27, 28 | (50,146) | (22,598) | (11,429) |
| Divestment of non-current assets | | 1,319 | 1,606 | 792 |
| Acquisition of subsidiaries | 46 | (1,277,649) | (1,301,012) | (3,507) |
| Acquisition of invoice receivables | | | (91,584) | (1,664,772) |
| Repaid loans | | | 120,980 | – |
| Portfolio transfer | | | (84,214) | – |
| Subordinated loan provided | | | (26,478) | – |
| **Cash flow from investing activities** | | **(1,326,476)** | **(1,403,300)** | **(1,678,916)** |
| **Financing activities** | | | | |
| New share issue | | 1,249,981 | 718,002 | – |
| Issued securities | | 1,799,100 | | |
| **Cash flow from financing activities** | | **3,049,081** | **718,002** | **–** |
| **Cash flow for the year** | | **(1,267,813)** | **1,403,154** | **1,482,859** |
| Cash & cash equivalents at beginning of year | | 3,695,094 | 2,284,180 | 793,512 |
| Exchange differences | | (25,235) | 7,760 | 7,809 |
| **Cash and cash equivalents at year-end** | | **2,402,046** | **3,695,094** | **2,284,180** |
| **Adjustment for non-cash items in operating profit** | | | | |
| Credit losses | 18 | 374,863 | 350,699 | 169,120 |
| Depreciation, amortisation and impairment of non-current assets | 16 | 16,496 | 13,820 | 5,777 |
| Capital loss on divestment of property, plant & equipment | | | 1,806 | 37 |
| Reclassification of intangible assets | | | – | 1,708 |
| Gain/loss from investment assets | | 18,891 | 2,658 | (16,013) |
| Change in provisions | | (18,566) | (67,109) | (206,409) |
| Adjustment to interest paid/received | | 15,201 | (15,972) | (16,146) |
| Currency effects | | (6,083) | (75) | (10,275) |
| Derivatives | | | – | (149) |
| Gain/loss portfolio transfer | | | (34,182) | – |
| | | **400,802** | **251,645** | **(72,350)** |

Liquid assets consist of Lending to credit institutions Lending to credit institutions and cash and balances with central banks. Cash flow from investment assets are from 01/01/2015 recognised as cash flow from operating activities instead of investment activities. The change is applied retrospectively to comparative figures.

## Notes

### Note 1 General information

Resurs Holding AB reg. no. 556898-2291 address Ekslingan 9, Väla Norra, Helsingborg is a public company based in Helsingborg. Resurs Holding AB is hereby presenting the annual report and consolidated financial statements for the period 20150101-20151231.

Resurs Holding AB is owned by Cidron Semper Limited. (51.98%), Waldakt AB (42.53%) and RSF Invest AB (5,49%). RSF Invest AB is owned by RSF Invest Holding AB (80.39%), which in turn is owned by Cidron Semper Limited. (55%) and Waldakt AB (45%). Part of RSF Invest Holding AB's ownership of RSF Invest AB is intended for sale to senior executives of the Group, and a holding of 19,61% has been sold. The indirect ownership of Resurs Holding AB by Cidron Semper Limited. and Waldakt AB has decreased proportionally, which means that Cidron Semper Limited. and Waldakt AB have an indirect and direct ownership of 54.41% and 44.52%, respectively.

The consolidated financial statements and the annual accounts are presented in SEK thousand unless otherwise indicated.

Notes not directly related to the statements of income, comprehensive income, financial position, changes in equity or cash flows:

**Note 1 General information**

**Note 2 Accounting policies**

**Note 3 Risk management**

**Note 4 Capital adequacy analysis**

**Note 5 Segment information**

**Note 6 Gross income distributed on geographical areas and other information per country**

**Note 13 Leases**

**Note 42 Related parties**

**Note 44 Events after the reporting date**

**Note 45 Significant accounting estimates**

**Note 46 Business combinations**

**Note 47 Group structure 31 December 2015**

### Note 2 Accounting policies

Statement of compliance

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 regulations, and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups. The accounting policies described below have been applied consistently to all periods presented in the Group's financial statements, unless otherwise stated.

Basis of preparation

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 participating interests
– Derivatives
– Treasury and other bills eligible for refinancing
– Subordinated loans

Change in accounting policy

*The following accounting policies have been applied for the first time in 2015*

From 2015 a segment structure is applied. The segment structure is applied retroactively for the financial years 2014 and 2013. Operating segments are reported in a manner consistent with the Group's internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing performance of the operating segments. The group has identified the CEO, as the CEO makes strategic decisions for the Group.

The Group has changed its accounting policy regarding the presentation of commission expense related to the insurance business. These are now presented on a separate line in the financial statements within total operating income. Previously, these expenses was presented as part of the general administrative. The reason for this policy change is that it results in a more uniform reporting within the Group and thus a more true and fair picture of the company's total operating income. The amendment is applied retroactively for comparison. For 2014 respectively 2013 cost of SEK 399 million (383) has been reclassified from general administrative expenses to commission expenses in the insurance business, compared to previous submitted annual report.

The Group has changed its accounting policy regarding the presentation of the cost of cards. These are now recognized in the Commission expenses, banking in the financial statements within the total operating income. Previously these were recognized as part of general administrative expenses. The reason for this policy change is to give a more accurate picture of the Commission expenses, banking, including the expenses directly related to income recognized as commission income. The amendment is applied retrospectively to comparative figures. For 2014 respectively 2013, a total of about SEK 35 million (36) were reclassified from general administrative expenses to commission expenses, banking, compared to the previous submitted annual report.

The Group has in 2015 applied hedge accounting for the payment of the purchase price for yA Bank in Norwegian kroner during 2015. The effective portion of changes in the fair value of derivative instruments that are designated as cash flow hedges and qualify for hedge accounting are recognised in Other comprehensive income. Profit or loss attributable to the ineffective portion is recognised immediately in the income statement as Other operating income or Other operating expense. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset (e.g., an intangible asset), the profit/loss previously reported in equity is transferred from equity and included in the initial cost of the asset.

### Judgements and accounting 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 IFRS that have a significant impact on the financial statements are described in more detail in Note 45 "*Significant accounting estimates*".

### New standards, amendments and interpretations applied by the group

None of the new standards, amendments or interpretations that have come into effect for the financial year that began January 1, 2015 have had a significant impact on the Group.

### New standards, amendments and interpretations not applied by the group

When preparing the annual report 2015-12-31 some new and revised IFRS have been issued but not yet become effective. These will not be applied in advance. Below are the changes expected to effect future financial statements. In addition to the IFRS as described below expected other news that the IASB approved per 2015-12-31 have no impact on the consolidated financial statements.

*IFRS 9 Financial Instruments*

IFRS 9 replaces those parts of IAS 39, which deals with the classification and measurement of financial instruments. IFRS 9 retains a mixed measurement approach, but simplifies this approach in some aspects. There will be three measurement categories for financial assets, amortised cost, fair value through other comprehensive income and fair value through profit or loss.

How an instrument is classified will be driven by the entity's business model and the instrument characteristics. Investments in debt instruments are measured at amortized cost if : a) the purpose of the holding is to obtain contractual cash flows, and b ) the contractual cash flows solely represent payments of principal and interest. All other debt and equity instruments, including investments in complex debt instruments must be recognised at fair value.

All fair value movements on financial assets are taken through the statement of profit or loss, except for equity investments that are not held for trading, which there is an alternative and may be recorded in other comprehensive income. No reclassification to the income statement will then take place at the disposal of the instrument. For financial liabilities that are measured under the fair value option entities will need to recognise the part of the fair value change that is due to changes in their own creditrisk in other comprehensive income.

The new hedge accounting rules in IFRS 9 align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

IFRS 9 also introduces a new model for calculating credit loss reserves based on expected credit losses. The new model for impairment includes a three-stage model based on changes in the credit quality of financial assets. The stages controls how an entity valuates and recognises impairment losses and how to apply the effective interest method. For financial assets without significant financing component, such as ordinary trade receivables and lease receivables, there are simplifying rules which means that the company will report a reserve for the entire duration of the claim directly and thus do not need to catch up when a significant deterioration of the creditworthiness has occurred.

IFRS 9 Financial Instruments shall be applied for from 1 January 2018 but the EU has not yet endorsed the standard. During the year, an investigation will take place to see how the effects of the new standard may affect the Group.

*IFRS15 Revenue from Contracts with Customers*

IFRS 15 is the new standard for revenue. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction and related interpretations (IFRIC and SIC). The standard shall be applied from January 1, 2018 but has not yet been endorsed by the EU. The group is now analyzing the financial impact from the new standard.

*IFRS 16 Leases*

IFRS 16 replaces IAS 17 from 1 January 2019. Under the new standard, the majority of leased assets will be recognised in the balance sheet. For lessors, the new standard is not much different from IAS 17. EU has not yet indicated when they are expected to approve the standard. Any evaluation of the effects are of the standard has not yet begun.

*IAS 1 – Presentation of Financial Statements – revised*

Amendments to IAS 1 Presentation of Financial Statements, Disclosure Initiative, become effective on 1 January 2016. These changes are aimed at further encouraging entities to use their professional judgement in determining which disclosures must be made and how the information can be structured in the financial statements. To enable this, narrow-focus improvements have been made in the areas of materiality, disaggregation and sub-totals, notes structure, disclosure of accounting policies and presentation of items of other comprehensive income (OCI) arising from equity accounted investments. The EU has not yet adopted the amendment. The Group plans to review the disclosures provided in the annual report during the coming year.

Basis of consolidation

The consolidated financial statements include the parent company, its subsidiaries and associates. Subsidiaries are entities over which the parent company exercises control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns through its power over the entity and has the ability to affect those returns through its power over the entity. 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. Associates are companies over which the Group exercises a significant influence. This means that the Group can participate in the decisions that concern the company's financial and operational strategies, but cannot control them. Significant influence usually exists when the Group directly or indirectly holds between 20 and 50 per cent of the votes in a company.

The Group consists of the subsidiaries Resurs Bank AB and Solid Försäkrings AB with subsidiaries Resurs Norden AB, yA Bank AS, Meta Tech AS and RCL1 Ltd. For the complete Group structure, see Note 47. The subsidiaries have been consolidated using the acquisition method, which means that the book value of the subsidiary shares is eliminated against the subsidiaries' equity at the time of acquisition. During 2015 the subsidiaries, Finaref OY, Finaref AS and Nordic Consumer Finance A/S including subsidiary Dan-Aktiv A/S was merged into Resurs Bank AB. The Subsidiaries Reda Inkasso AB and Teleresurs Sweden AB, with the subsidiary Flat Wallet AB were sold during the year.

The purchase consideration for the acquisition of a subsidiary comprises the fair value of transferred assets, liabilities incurred by the Group to the former owners of the acquired company and the shares issued by the Group. The purchase consideration also includes the fair value of all assets or liabilities that are a result of a contingent consideration agreement. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their acquisition date fair values. For each acquisition – i.e., on a transaction by transaction basis – the Group decides whether to measure the non-controlling interest in the acquired company at fair value or at the NCI's proportionate share of the identifiable net assets of the acquired company. In the consolidated financial statements the untaxed reserves are divided into two parts – a tax component (22%) and a component that is recognised in equity (78%).

Acquisition-related costs are recognised as an expense when incurred.

Goodwill is initially measured as the difference between the total purchase consideration plus the fair value of non-controlling interests, if applicable, and the fair value of identifiable assets acquired and liabilities assumed. If the purchase consideration is lower than the fair value of the acquired company's net assets, the difference is recognised directly in the income statement.

For the current year and previous year, there are no associates or reporting of non-controlling interests.

Intra-Group transactions, balance sheet items, income and expenses for intra-Group transactions are eliminated. Gains and losses resulting from intra-Group transactions and which are recognised as assets are entirely eliminated. The accounting policies for subsidiaries have been changed where necessary to ensure consistent application of the Group's policies.

Foreign currency

*Foreign operations*

The Group has foreign operations in the form of subsidiaries and branches. The functional currency of foreign entities are local currency. The functional currency of branch offices is Swedish kronor.

During 2015 a new assessment was made of the functional currency. Before the merger the merged foreign units had Danish kroner, Norwegian kroner and euro as their functional currencies. Following the mergers the functional currency has been changed to Swedish kronor. The change was implemented at the respective merger dates.

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
– Income and expense is 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. Exchange gains and losses are recognised in other comprehensive income.

*Foreign currency transactions*

The Group uses the Swedish krona as reporting currency. Foreign currency transactions are translated into the functional currency using the average rate for the period in which the income and expense arose. 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 carried at historic acquisition values are translated at the exchange rate of the transaction date, or at the time of change of functional currency to Swedish krona. Non-monetary assets and liabilities carried at fair value are translated to the functional currency at the exchange rate prevailing at the time the fair value was measured.

### Interest income and expense

Interest income and interest expense 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 expense include any transaction costs and other differences from the original value of the asset or liability.

Interest income and interest expense presented in the income statement 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 Lending to the public at an amount corresponding to the net investment in the lease. The lease payment, excluding cost of service, is reported as repayment of the receivable and as unearned finance income. The income is distributed to obtain an even return on the net investment reported for each period.

### Commission and fees

Commission and fees that are an integral part of the effective interest rate are not reported 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. Commission expenses related to the insurance business consists of payments to partners, retail and intermediary for the sale of insurance products. These provision expenses are recognized in the financial statements on a separate line within total operating revenues.

### Dividend income

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

### Net income/expense from finance transactions

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

– capital gains from financial assets at fair value through profit or loss

– unrealised changes in value from 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 revenue

The total gross premium for direct insurance and accepted reinsurance paid in or which can be credited to the company for insurance contracts whose insurance period commences before the end of the financial year is reported as premium revenue. Premiums for insurance periods that commence after the close of the financial year are also reported as premium revenue if they fall due for payment contractually during the financial year. Surrenders reduce premium revenue as soon as the amount is known. Premium revenue is reported exclusive of tax and other public fees charged to insurance premiums.

### Reinsurance issued

Amounts that are paid out during the financial year or amounts taken up as liabilities to insurance companies that have accepted reinsurance according to reinsurance contracts in force, including portfolio premiums, are reported as reinsurance premiums. The premiums are allocated to periods so that the expense is allocated to the period the insurance protection covers. Reinsurance issued is recognised in the financial statements net within premium income.

### Claims incurred

The total claims incurred include claims paid during the period, changes in provisions for unadjusted claims and costs for claims adjustment. Disbursements made to policyholders during the financial year owing to insurance contracts or claims are reported as claims paid regardless of when the damage occurred.

## 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 and premises. All lease contracts where the Group is lessee are treated as operating leases and lease payments are recognised as an expense in the income statement 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 mainly defined-contribution pension plans, which are reported 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.

## 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 are recognised in the balance sheet 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 in the balance sheet 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, subordinated loans, other assets, and derivatives. The heading Liabilities, provisions and equity includes loans, issued securities, subordinated debt, derivatives and trade payables.

## Financial instruments — Recognition and derecognition

A financial asset or financial liability is carried in the balance sheet when the Group becomes a party under the instrument's contractual terms.

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, the date on which the Group commits itself to purchase or sell the asset.

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 instruments in this category are measured at fair value, and changes in fair value are recognised in the income statement. 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 the income statement. The second sub-category includes equity-linked bonds, which have both a fixed-income portion and a derivative portion. The Group has chosen to classify equity-linked bonds at fair value through profit or loss in the fair value option sub-category. The classification of other instruments in this sub-category involves the Group managing and evaluating 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 Lending to credit institutions Lending to credit institutions, Lending to the public, Other assets and Prepayments and accrued income. These assets are measured at amortised cost. Amortised cost is calculated based on the effective interest method used at initial recognition. Loans and 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.

Unused credits are not recognized in the balance sheet, but are included in contingent liabilities.

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 the income statement. 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, issued securities, subordinated debt, 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 on active markets is determined on the basis of the asset's quoted bid price on closing day without additions for transaction expenses (e.g. brokerage) 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 reported 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 based on future cash flows and current market rates at the reporting date. The discount rate used reflects market-based interest rates for similar instruments at the reporting date. Information about fair value recognised in the statement of financial position based on a measurement technique is provided in Note 43 Financial instruments. The Group's measurement of derivatives at fair value takes place solely based on input data that is directly or indirectly observable on the market. Instruments that are not quoted in an active market are reported under Lending to credit institutions Lending to credit institutions. deposits and Lending 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 reported net of established credit losses and the provision for anticipated credit losses.

Reserve for possible credit losses are made when there are objective evidence that the creditor will not receive all amounts under the original terms for the receivables. Significant difficulties of the debtor exists if payment fails or is delayed (due for 60 days or more).

The carrying amount after reserves 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. Changes in the reserve requirement is based on continuous assessment of future cash flows based on experience from the historical payment patterns. When the creditor is fearing that the debtor will enter bankruptcy or financial reorganization, the creditor will assess whether an individual impairment exists.

In calculating the provision for credit losses related to leasing and factoring, an individual assessment is made to assess whether a reserve or impairment (leasing equipment) should be made. These groups are only tested at individual level, as the assessment is that they do not qualify as a homogeneous group. Reversal of a provision or impairment is made when there is verified information that the impairment no longer exist.

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.

Because the Group applies portfolio valuation for receivables regarding credit risk, it is not possible for the Group to separate the changes in interest in the amount reserved.

### Loan commitments and unutilised credit

The group has no outstanding loan commitments

All unutilised credit facilities granted are terminable to the extent allowed under the Swedish Consumer Credit Act. Unutilised credit is reported as a commitment.

### Intangible assets

#### *Goodwill*

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 non-controlling influence 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.

#### *Other intangible assets*

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. In connection with the acquisition of yA Bank, there have been other intangible assets related to customer relationships. The depreciation period for these are 10-15 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 reported 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 the income statement 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. The carrying amount of an asset is also immediately impaired to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount refers to the higher of the net selling price and the value in use. An estimate of the recoverable amount is made as soon as there is an indication that the 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). For assets other than goodwill that were previously written down, a test for reversal should be done every closing date.

### Provisions

A provision is recognised when there is a present obligation (legal or constructive) 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 are based on estimates and assumptions concerning future costs of claims, which means that the estimates always are associated with uncertainty. The estimates are based on historical statistics on past claims available when preparing the annual accounts. The uncertainty linked to the estimates are generally greater when estimates concerns new insurance portfolios. The estimation of technical provisions are taken into account among other things, the amount of unpaid claims, claims development, changes in legislation, judicial decisions, and general economic development.

### Provisions for non-earned premiums and unexpired risks

In the statement of financial position, this is comprised of provisions that correspond to the company's obligations for insurance cases, management expenses and other costs during the rest of the contractual period for on-going insurance agreements. Provisions for non-earned premiums are calculated individually for each insurance agreement. Premiums are earned using experience-based factors calculated based on when during the insurance period the costs for claims and operations arise. This means that earning does not occur pro rata for all products. A large part of the agreements have a maturity of more than one year. Compared with strict straight-line earning, costs during the insurance agreement's first year are assumed to be lower than for the remaining contract period, which is based on a one-year warranty period on products covered by the insurance.

If the premium level is deemed to be inadequate to cover the anticipated claims and operating expenses, a provision is made for unexpired risks. The period's change in provisions for non-earned premiums and unexpired risks is recognised in the income statement. Changes attributable to the provision items being recalculated at the closing day rate are recognised as an exchange gain or loss.

### Provision for unadjusted claims

The provision for unadjusted claims shall cover anticipated future disbursements for all claims incurred, including the claims not yet reported to the company (IBNR).

The estimate of the required provision is made for most claims with statistical methods. For the large claims and for claims with complicated liability conditions, an individual assessment is done.

The period's change in unadjusted claims is recognised in the income statement. Changes attributable to the provision items being recalculated at the closing day rate are recognised as an exchange gain or loss.

### Equalisation provision (credit insurance business)

In accordance with FFFS 2008:26, Appendix 3, Section 41, an equalisation provision is recognised for credit insurance business conducted. The period's change in the equalisation provision is recognised in profit or loss. As the insurance business has stopped providing credit insurance and no risk for late claims is assessed to exist, the entire equalisation reserve has been reversed during 2013.

### Acquisition costs for insurance agreements

Direct acquisition costs that have a clear connection with the signing of insurance agreements are taken up as an asset (gross). Direct acquisition costs refer primarily to commission expenses. The direct acquisition costs are then allocated to periods over the duration of the insurance agreements.

### Taxes

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

The Group's foreign branches 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 company 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 carry forward of unused tax losses are only recognised to the extent that it is probable that they will be utilised.

Deferred tax assets and tax 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.

### Statement of cash flows

The Group's statements of cash flows are prepared using the indirect method. The reported cash flows only include transactions involving cash inflows and outflows. The cash transactions are classified under operating activities, investing activities and financing activities. The classification of cash flow relating to investments has been changed. The cash flow is now recognised in the cash flow from operating activities instead of investing activities.

Cash and cash equivalents consist of bank deposits.

### 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 reported 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 the income statement.

As of 31 December 2015, the value of taking over property to protect claims amounted to 0 (0) (0) SEK.

## Note 3 Risk management

The Group is actively working to prevent and identify circumstances which may have a negative impact on the business. Knowledge of risk management comprises a prioritized competence and focus area in both the banking and the insurance business.

The Group's ability to effectively manage risks and capital is crucial to its profitability. Different types of risks are found in the operations and these can arise in a variety of ways in the respective Group entities.

The Group has identified the following major risk categories that might arise within the scope of its operations:

- credit risk (including the credit risk in the credit portfolio, credit-related concentration risks and counterparty risk)
- market risks (interest rate-, currency- and exchange risks)
- liquidity risks
- operational risks (including process risks, personnel risks, IT and system risks and external risks)
- other business risks (including strategic risks, business risks, cyclical risks and reputational risk) and insurance risks (arises only for Solid).

The Group estimates that credit risks, liquidity risks and operational risks are the most significant risks arising in the context of its banking business. In the insurance business, insurance risk is the most significant risk. In order to balance the Group's risk exposure and to limit and control risks, the Group companies have produced policy documents in a hierarchy comprised of three levels. The Boards of each Group company establishes the risk management policies to be applied which also include the delegation of authorization rights as regards specific risk areas. A responsible individual in the organization is appointed for each policy who is to monitor compliance, manage reporting and propose necessary adjustments to the policies. The level below the policies, is comprised of guidelines which the CEO, or the individual responsible for that specific area, is to determine. These guidelines contain, in general terms, relevant information that can help the personnel in the management of, and in finding solutions to, a variety of risk management issues. At operational level, the individual responsible for the respective business operations determines the practices to apply as regards specific groups of personnel in handling risk. The procedures are more detailed in terms of risk management in the daily operations.

The Group's risk management framework is an integrated 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, risk indicators and risk limits are determined by the Board and are regularly monitored and reported to the Board. Risk propensity can be defined in terms of qualitative and quantitative values, and indicate the level of risk that the Group can accept in order to achieve their strategies. The established limits are well-defined boundaries regulating the desired risk exposure as laid down in the Group's defined policy documents. These limits are applicable in, for example, defining levels within the various risk categories.

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

The Group uses three lines of defence in order to manage operational risk.

**The first line of defence** is the Group's operational personnel, who are conversant with the business and operational risks that can arise. The personnel who are closest to the actual business are also closest to the risks and are, therefore, in a good position to identify risks and work pro-actively on risk awareness. The operating business owns and manages risks in its daily operations.

**The second line of defence** is made up of the control function in each Group company, Compliance and Risk Control, which independently and autonomously controls the Group's operations and reported regularly to the respective CEO, Board and certain Board committees, both in writing and verbally.

**The third line of defence** consists of an independent internal audit function. The internal audit function regularly examines the Group's operations, including the activities in the first and second lines of defence, to evaluate that the first lines are adequately managed from a risk perspective. The internal audit function reports regularly to the Board, both in writing and verbally.

### Credit risk

Credit risk refers to the risk that a counterparty or obligor does not fulfill its contractual obligations to the creditor and to the risk that the pledged collateral fails to cover any claims. The term counterparty risk is often used instead of credit risk when referring to exposure to financial instruments, and occurs as a result of the potential failure of a counterparty to fulfill its obligations in a financial transaction.

The Group's credit exposure includes, primarily, credit risks in the credit portfolio, which means the risk of the Group incurring a loss due to a borrower failing to meet its payment obligations and also refers to counterparty risk, comprised of the risk that a counterparty to a financial instrument will not meet its obligations.

There are also risks related to the concentration of the credit portfolio. Concentration risks refer to the exposure to individual counterparties /customers, industries and regions.

### Counterparty risk

Counterparty risks in the banking operation arise both in connection with the management of liquidity risks by investing in assets to meet the demand for liquidity reserves and by investing in financial assets which are not related to the liquidity reserve. In the insurance operations, counterparty risks arise primarily in connection with investment assets and cash equivalents.

Counterparty risks arise in derivative transactions and currency swaps which the Group enters into in order to manage market risks, as well as to manage the risk of the counterparty either failing to meet its obligations under the contract, or the risk that the counterparty will choose not to fulfill its obligations in the future on the same or similar conditions.

To reduce counterparty risk, the Group follows the established policies of each Group company which amongst other things regulate the type of investments and limits applying to each, individual counterparty. The Bank's liquidity reserve consists of assets of a very high quality.

With a large proportion of the Group's liabilities are in SEK whilst there are significant assets denominated in SEK, NOK, EUR and DKK, counterparty risks arise when the Group hedges its currency exposures. Resurs Bank manages counterparty risks by entering into currency swaps with a number of different, financial counterparties. Resurs Bank's currency derivatives are based on ISDA agreements and the collateral is based on CSA agreements. Solid also manages currency risks with derivatives.

### Credit risks in the credit portfolio

The Group is exposed to credit risks in the credit portfolio of the banking business. Credit risks associated with the credit portfolio comprise of borrowers who, for various reasons, cannot meet their payment obligations.

Credit granting is characterized by ambitious objectives and goals in terms of ethics, quality and control. Credit risks are identified and assessed prior to the granting of the credit and are to reflect, partly, the debtor's solvency, as well as the value of the offered collateral. In granting each and every credit, it is the debtor's anticipated repayment ability and the collateral which are crucial in the credit assessment.

The Group follows a policy, approved by the Board, determining the framework for the banking business credit strategy, credit risk management, credit risk reporting and credit rules to be applied in the credit assessment and rating. The Group strives for major risk diversification and a relatively small portion of individual credit engagements.

Generally, the Group works toward obtaining a balanced credit portfolio, with pricing based on risk exposure. The pricing of products varies to some extent depending on geographical factors.

### Credit risk exposure, gross and net for the group

| 2015/12/31 | Credit risk exposure, gross | Impairment | Value of collateral | Credit risk exposure, net |
|---|---|---|---|---|
| Cash and balances at central banks | | | | |
| – AAA/Aaa | 50,761 | | | 50,761 |
| *Total Cash and balances with central banks* | *50,761* | *0* | *0* | *50,761* |
| Treasury and other bills eligible for refinancing | | | | |
| – AAA/Aaa | 397,467 | | | 397,467 |
| – AA+/Aa1 | 509,430 | | | 509,430 |
| unrated[1)] | 49,828 | | | 49,828 |
| *Total treasury bills eligible for refinancing* | *956,725* | *0* | *0* | *956,725* |
| Lending to credit institutions | | | | |
| – AA+/Aa1 | 19,184 | | | 19,184 |
| – AA–/Aa3 | 1,268,749 | | | 1,268,749 |
| – A+/A1 | 393,214 | | | 393,214 |
| – A/A2 | 485,718 | | | 485,718 |
| unrated[2)] | 184,420 | | | 184,420 |
| *Total Lending to credit institutions* | *2,351,285* | *0* | *0* | *2,351,285* |
| Lending to the public | | | | |
| – Lending to the public – households | 19,177,433 | (1,279,705) | | 17,897,728 |
| – Lending to the public – companies | 343,401 | (42,954) | (73,381) | 227,066 |
| *Total Lending to the public* | *19,520,834* | *(1,322,659)* | *(73,381)* | *18,124,794* |
| Bonds | | | | |
| – AAA/Aaa | 762,250 | | | 762,250 |
| – BBB/Baa2 | 25,516 | | | 25,516 |
| – BB+/Ba1 | 13,484 | | | 13,484 |
| – B/B2 | 37,746 | | | 37,746 |
| – B–/B3 | 8,521 | | | 8,521 |
| unrated | 100,060 | | | 100,060 |
| *Total bonds* | *947,577* | *0* | *0* | *947,577* |
| Other interest-bearing securities | | | | |
| – Fixed income fund | 462,966 | | | 462,966 |
| – Structured products | 66,663 | | | 66,663 |
| *Total other interest-bearing securities* | *529,629* | *0* | *0* | *529,629* |
| Subordinated loan | | | | |
| – A+/A1 | 22,106 | | | 22,106 |
| – BBB/BAA2 | 2,909 | | | 2,909 |
| *Total subordinated loan* | *25,015* | *0* | *0* | *25,015* |
| Derivatives | | | | |
| – AA–/Aa3 | 7,234 | | | 7,234 |
| – A+/A1 | 53,585 | | | 53,585 |
| – A/A2 | 109,863 | | | 109,863 |
| *Total derivatives* | *170,682* | *0* | *0* | *170,682* |
| **Total credit risk exposure in balance sheet** | **24,552,508** | **(1,322,659)** | **(73,381)** | **23,156,468** |
| Commitments | | | | |
| Unutilised credit facilities granted [3)] | 23,981,937 | 0 | 0 | 23,981,937 |
| **Total credit risk exposure** | **48,534,445** | **(1,322,659)** | **(73,381)** | **47,138,405** |

Rating by S&P and Moody's. If the credit ratings differ, the lowest is used.

1) The item unrated treasury and other bills eligible for refinancing consist of holdings in a Swedish municipality that have no rating.
2) The item Lending to credit institutions – unrated consists of lending to a number of banks. The main part, SEK 125 million is a bank account investment in the Norwegian savings bank Sparebank 1 BV which is a listed bank at the Oslo stock exchange. Further, the group conducts deposit cooperation with Avanza Bank, which is a listed bank at Nasdaq Stockholm, and as a result from this there is liquidity, SEK 16 million, invested to manage the daily cash flows that occurs within the deposit cooperation.
3) Any granted but not utilised credits are terminable, to the extent permitted under the Swedish Consumer Credit Act.

| 2014/12/31 | Credit risk exposure, gross | Impairment | Value of collateral | Credit risk exposure, net |
|---|---|---|---|---|
| Treasury and other bills eligible for refinancing | | | | |
| – AAA/AAA | 219,368 | – | – | 219,368 |
| *– AA+/Aa1* | *536,099* | – | – | *536,099* |
| – unrated[1] | 50,376 | – | – | 50,376 |
| *Total treasury bills eligible for refinancing* | *805,843* | *0* | *0* | *805,843* |
| Lending to credit institutions | | | | |
| – AA–/Aa3 | 1,390,206 | – | – | 1,390,206 |
| – A+/A1 | 1,256,693 | – | – | 1,256,693 |
| – A/A2 | 4,137 | – | – | 4,137 |
| – A–/A3 | 1,024,888 | – | – | 1,024,888 |
| – unrated[2] | 19,170 | – | – | 19,170 |
| *Total Lending to credit institutions* | *3,695,094* | *0* | *0* | *3,695,094* |
| Lending to the public | | | | |
| – Lending to the public – households | 14,690,297 | (1,073,183) | – | 13,617,114 |
| – Lending to the public – companies | 351,514 | (45,253) | (59,005) | 247,256 |
| *Total Lending to the public* | *15,041,811* | *(1,118,436)* | *(59,005)* | *13,864,370* |
| Bonds | | | | |
| – AAA/AAA | 914,098 | – | – | 914,098 |
| – A+/A1 | 58,445 | – | – | 58,445 |
| – A–/A3 | 69,442 | – | – | 69,442 |
| – BBB/BAA2 | 25,995 | – | – | 25,995 |
| – B/B2 | 28,292 | – | – | 28,292 |
| – B–/B3 | 11,520 | – | – | 11,520 |
| – unrated | 192,692 | – | – | 192,692 |
| *Total bonds* | *1,300,484* | *0* | *0* | *1,300,484* |
| Subordinated loan | | | | |
| – A/A2 | 23,393 | – | – | 23,393 |
| – BBB/BAA2 | 3,085 | – | – | 3,085 |
| *Total subordinated loan* | *26,478* | – | – | *26,478* |
| Derivatives | | | | |
| – A+/A1 | 9,416 | – | – | 9,416 |
| – A– | 29,157 | – | – | 29,157 |
| *Total derivatives* | *38,573* | *0* | *0* | *38,573* |
| **Total credit risk exposure in balance sheet** | **20,908,283** | **(1,118,436)** | **(59,005)** | **19,730,842** |
| Commitments | | | | |
| Unutilised credit facilities granted[3] | 21,063,077 | – | – | 21,063,077 |
| **Total credit risk exposure** | **41,971,360** | **(1,118,436)** | **(59,005)** | **40,793,919** |

Rating by S&P and Moody's. If the credit ratings differ, the lowest is used.

1) The item unrated treasury and other bills eligible for refinancing consists of holdings in a Swedish municipality that have no rating.
2) The item Lending to credit institutions – unrated consists of lending to Avanza Bank, which is a listed bank without an official rating. The Group has a deposit cooperation with Avanza Bank and as a result, there is liquidity in invested to manage the daily cash flows that occurs.
3) All unutilised credit facilities granted are terminable with immediate effect, to the extent permitted under the Swedish Consumer Credit Act.

| | Credit risk exposure, gross | Impairment | Value of collateral | Credit risk exposure, net |
|---|---|---|---|---|
| **Credit risk 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 bills eligible for refinancing* | *810,182* | *0* | *0* | *810,182* |
| Lending 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 Lending to credit institutions* | *2,284,180* | *0* | *0* | *2,284,180* |
| Lending to the public | | | | |
| – Lending to the public – companies | 488,052 | (49,642) | (108,858) | 329,552 |
| – Lending to the public – households | 9,136,004 | (316,080) | – | 8,819,924 |
| *Total Lending 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 |
| – BBB+ | 31,390 | – | – | 31,390 |
| – BB | 52,163 | – | – | 52,163 |
| – unrated | 182,982 | – | – | 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 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) The item Lending to credit institutions - unrated consists of lending to Avanza Bank, which is a listed bank without an official rating. The Group has a deposit cooperation with Avanza Bank and as a result, there is liquidity in place to manage the 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 | Credit risk exposure, gross 2015 | Impairment 2015 | Credit risk exposure, gross 2014 | Impairment 2014 | Credit risk exposure, gross 2013 | Impairment 2013 |
|---|---|---|---|---|---|---|
| **Lending to the public, retail customers** | | | | | | |
| *Receivables not due* | | | | | | |
| Low to medium credit risk | 13,766,530 | | 10,660,144 | – | 7,517,118 | – |
| High risk [1)] | 2,543,334 | (119,435) | 2,050,047 | (102,683) | 838,958 | (22,936) |
| *Past due receivables* | | | | | | |
| Receivables, past due 60 days or less | 682,030 | (5,579) | 285,663 | (7,334) | 206,221 | – |
| Receivables, past due > 60-90 days | 201,152 | (56,511) | 211,582 | (40,255) | 83,536 | (18,395) |
| Receivables, past due > 90 days | 1,984,387 | (1,098,180) | 1,482,861 | (922,912) | 490,171 | (274,749) |
| **Total** | **19,177,433** | **(1,279,705)** | **14,690,297** | **(1,073,184)** | **9,136,004** | **(316,080)** |
| 1) of which doubtful | 191,380 | (119,435) | 170,391 | (102,683) | 26,867 | (22,936) |
| **Lending to the public, corporate customers** | | | | | | |
| Low to medium credit risk | 238,745 | | 227,786 | – | 341,080 | – |
| High credit risk | 104,656 | (42,954) | 123,728 | (45,252) | 146,972 | (49,642) |
| **Total** | **343,401** | **(42,954)** | **351,514** | **(45,252)** | **488,052** | **(49,642)** |
| **Total Lending to the public** | **19,520,834** | **(1,322,659)** | **15,041,811** | **(1,118,436)** | **9,624,056** | **(365,722)** |

The above reported amounts differs from previously financial statements as a result of the correction of errors.

The credit quality of consumer loans that are not overdue has been assessed using a model based on the individual borrower's credit status according to UC. The Group classifies past due receivables of 60 days or less as medium risk and past due receivables of more than 60 days as high risk.

The Group assesses the credit quality of lease receivables and loans to companies on the basis of the individual borrower's ability to pay.

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

### Insurance risks

Insurance risk is the risk of a change in value due to a discrepancy between actual and expected insurance costs. In other words, this refers to the risk that the actual outcome will differ from the expected results due to, for instance, a higher injury rate, higher average claims, more and greater major injuries or higher outcomes in insurance costs than estimated provisions. Insurance risk mainly consists of premium and reserve-setting risk and catastrophe risk. The Group has identified insurance risk as the single largest risk category for the insurance business.

### Premium risk and Disaster risk

Premium risk and disaster risk refer to the risk of loss due to incorrect pricing, risk concentration, incorrect or inadequate underwriting of reinsurance or random fluctuation in claims frequency and/or claim size. The Group's insurance business encompasses a portfolio that is well-balanced in terms of risk and consists of a large number of insurance policies with small individual risks. That a single event would entail damage to a large number of insurance policies is assessed as less likely as the insurance portfolio is well diversified. Concentration risk is assessed as little in the total portfolio since the Group's insurance portfolio is well-diversified both in terms of products and geography.

The Group manages and limits the premium and disaster risk by the Board issuing policies, which among other things regulates the highest self-retention and framework for the setting of premiums. The Group regularly conducts a detailed review of the setting of premiums and profitability in insurance arrangements entered into and changes of tariffs and premium levels are made continuously. To further limit the premium and disaster risk, reinsurance has been taken out in the risk portfolios that have a greater risk exposure to large and chain claims. Reinsurers are chosen considering expertise and financial position and they follow the policies established by the insurance company. The Group continuously goes through the entire reinsurance programme to ensure that all risks are covered.

### Reserve-setting risks

Reserve-setting risks relate to the risk of variations in time and amounts for claims payments. Provisions for non-earned premiums are intended to cover expected claims costs and operating costs during the remaining duration of applicable insurance agreements. The technical provisions are the total of non-earned premiums and unexpired risks, unadjusted damages and equalisation provisions. Technical provisions always comprise a certain degree of uncertainty, since the provisions include an appreciation. Uncertainty in the technical provisions is usually greater for new portfolios where complete settlement statistics have not yet available and for portfolios where claims are not finally settled until after a longer time. For the insurance business, this means that the reserve-setting risks are greater for the newer insurance areas in industrial injuries insurance and in the travel segment.

The Group manages and limits the reserve-setting risk by the Board issuing policies. The actuarial assumptions claims are based on historical claims and exposures that are known on the reporting date. The models uses are well-known actuarial models like Chain Ladder or other Loss Development Factor models and the outcome corresponds to a provision that covers the expected future disbursements for all claims incurred, including those not yet reported.

The Provisions for non-earned premiums are calculated individually for each insurance agreement. For the insurance risks with a duration less than or equal to 12 months, a straight-line earning pattern (Pro rata) is used. If the provision for earned premiums is deemed to be inadequate to cover the insurance company's responsibility for applicable insurance agreements during their remaining contractual period, a provision for unexpired risks is made.

### Operational risks

Operational risks refer to the risk of losses due to incorrect or non-appropriate internal processes and procedures, human errors, incorrect systems or external events, including legal risks.

Operational risks include:

**process risks**, meaning risks that arise due to weaknesses in the processes.

**personnel risks**, these arise, for example, when there is a change in personnel, weaknesses in project management, corporate culture and communication, errors by personnel, etc.

**IT / systemic risks**, referring to risks of material impact on business operations as a result of weaknesses in IT systems.

**external risks**, referring to risks arising from fraud, or events caused by external parties, natural disasters or lack of physical security.

**legal risks**, referring to the risk that, for example, an agreement does not become enforceable (fully or partially), lawsuits, negative resolutions or other legal processes disrupting or adversely impacting the business or the premises for the operations of credit institutions. Legal risks also include compliance risk which arises as a result of the failure to comply with laws, rules, regulations, agreements, prescribed practices and ethical standards, and which can lead to current or future risks as regards earnings and capital.

**Other risks**, such as risks relating to compensation systems.

The Group manages operational risks measures/ tools used for the identification and evaluation of risks, as well as regards tools used for obtaining expertise in risk and obtaining education regarding risk. These tools are also applied for the documentation, control and reporting of risks. The focus is to reduce the significant risks as far as possible through identification and documentation of processes and procedures. Among other things, the Group has had a strong focus on establishing a routine-driven organization with policies, guidelines and procedures designed to achieve a high level of internal control. The Group processes have been mapped with controls to ensure that the identified risks are managed and monitored effectively.

The Group has a process for approving new or significant changes in existing products / services, markets, processes or other major changes in the business operations. The purpose of the process is that the Group will, in an effective and efficient manner, manage the risks arising in the introduction of such new or significantly changed products or services.

### Market risk

In the course of its operations, the Group is exposed to interest rate risk, currency risk and equity price risk, where the risks are controlled on the basis of limits defined in instructions. This risk is minimal and no positions are held in the trading book. Interest rate risk is primarily defined as a risk of incurred expenses, i.e. the risk that the Group's net interest income would decline due to lower market interest rates. In order to limit risk exposure, the risk exposure is, largely, matched with fixed rate terms. In order to influence interest rate risk, agreements on interest swaps can be entered into.

The company continuously measures the interest rate risk on interest-bearing assets and liabilities by applying a variety models. In calculating the effect on earnings before tax by a two percentage points parallel shift in the yield curve and by applying the discounted future cash flow, the interest rate risk on the reporting date amount to +/- SEK 22 (40) (9) million. This sensitivity analysis shows that income before tax had changed if the other assumptions remained unchanged.

The banking business' funding on the basis of deposits from the public has an average fixed-interest period of less than three months. Legally, the Group's interest rate risk associated with loans is limited as the majority of the interest rate terms are variable. However, in reality, for market reasons, it is not as easy to fully compensate a change in interest rates, and this can have an impact on net interest income, depending on the active position. However, higher interest expenses can quickly be addressed by amending the terms for new lending. In view of the relatively high credit turnover rate, the overall interest rate risk is considered to be limited. In addition, the majority of the borrowers are can switch between varying partial payment options during the credit period.

| Fixed interest 2015 | Less than 1 month | Between 1–3 months | Between 3–12 months | More than 1 year | Without interest | Total |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash and balances at central banks | 50,761 | | | | | 50,761 |
| Treasury and other bills eligible for refinancing | 29,980 | 786,147 | 36,197 | 104,401 | | 956,725 |
| Lending to credit institutions | 2,351,285 | | | | | 2,351,285 |
| Lending to the public | 256,118 | 17,398,471 | 87,684 | 455,902 | | 18,198,175 |
| Bonds and other interest-bearing securities | 351,418 | 598,355 | | 64,466 | 462,967 | 1,477,206 |
| Subordinated loans | | | 22,106 | 2,909 | | 25,015 |
| Shares and participations | | | | | 32,903 | 32,903 |
| Intangible assets | | | | | 1,784,003 | 1,784,003 |
| Property, plant & equipment | | | | | 37,132 | 37,132 |
| Other assets | | | | | 652,215 | 652,215 |
| **Total assets** | **3,039,562** | **18,782,973** | **145,987** | **627,678** | **2,969,220** | **25,565,420** |
| **Liabilities** | | | | | | |
| Liabilities to credit institutions | 141,260 | | | | | 141,260 |
| Deposits from the public | 14,099,246 | 331,817 | 313,340 | 1,689,128 | | 16,433,531 |
| Other liabilities | | | | | 1,232,658 | 1,232,658 |
| Technical provisions | | | | | 534,237 | 534,237 |
| Issued securities | 1,400,000 | 382,240 | 399,100 | | | 2,181,340 |
| Subordinated debt | | 38,224 | | | | 38,224 |
| Equity | | | | | 5,004,170 | 5,004,170 |
| **Total liabilities** | **15,640,506** | **752,281** | **712,440** | **1,689,128** | **6,771,065** | **25,565,420** |
| Interest-rate derivatives, variable interest received | 612,100 | 0 | 0 | 0 | 0 | 612,100 |
| Interest-rate derivatives, fixed interest paid | 0 | 0 | 367,260 | 244,840 | 0 | 612,100 |
| *Difference, assets and liabilities* | *(11,988,844)* | *18,030,692* | *(933,713)* | *(1,306,290)* | *(3,801,845)* | |

| Fixed interest 2014 | Less than 1 month | Between 1–3 months | Between 3–12 months | More than 1 year | Without interest | Total |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Treasury and other bills eligible for refinancing | 30,100 | 640,036 | – | 135,707 | – | 805,843 |
| Lending to credit institutions | 3,695,094 | – | – | – | – | 3,695,094 |
| Lending 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 participations | – | – | – | – | 11,610 | 11,610 |
| Intangible assets | – | – | – | – | 680,346 | 680,346 |
| Property, plant & equipment | – | – | – | – | 28,515 | 28,515 |
| Receivables for insurance | – | – | – | – | 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-rate derivatives, variable interest received | 639,044 | – | – | – | – | 639,044 |
| Interest-rate derivatives, fixed interest paid | – | – | – | 639,044 | – | 639,044 |
| *Difference, assets and liabilities* | *(9,873,270)* | *14,299,005* | *(644,465)* | *(48,278)* | *(3,732,992)* | |

| Fixed interest 2013 | Less than 1 month | Between 1–3 months | Between 3–12 months | More than 1 year | Without interest | Total |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Treasury and other bills eligible for refinancing | 456,273 | 353,909 | – | – | – | 810,182 |
| Lending to credit institutions | 2,284,180 | – | – | – | – | 2,284,180 |
| Lending 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 participations | – | – | – | – | 27,986 | 27,986 |
| Intangible assets | – | – | – | – | 17,943 | 17,943 |
| Receivables for insurance | – | – | – | – | 160,662 | 160,662 |
| Property, plant & equipment | – | – | – | – | 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** |
| *Difference, assets and liabilities* | *(6,807,164)* | *10,630,780* | *(13,939)* | *(691,789)* | *(3,117,888)* | – |

## Currency risk

Currency rate risk is the risk that the value of the Group's assets and liabilities, including derivatives, may vary due to changes in exchange rates or other relevant risk factors.

The banking business currency risk in NOK is of a strategic nature. The strategic currency risk arose in conjunction with the investment in yA Bank AS in Norway. This investment in NOK is not hedged. The investment is recognised as shares in subsidiaries in the Parent Company and has been converted from NOK to SEK based on the historical rate. In contrast, from the translation of this item in NOK to SEK in the Group is based on the closing rate.

Resurs Bank AB has SEK as its accounting and reporting currency. The subsidiary yA Bank AS has NOK as its reporting currency and all lending and borrowing activities in the company are in NOK. The revaluation of assets and liabilities in the bank's foreign subsidiaries is recognized in Other comprehensive income.

Transactions in foreign branches are translated to SEK using the average exchange rate during the period in which the income and expenses have occurred. Foreign exchange gains / losses resulting from the settlement of such transactions and from the translation of assets and liabilities in foreign currencies at closing rate, are recognized in profit or loss.

The Group's exposure to currency risks, affecting earnings, i.e. exchange rate risk, excluding exposures related to investments in foreign operations, is limited. Currency exposures arising in the operations are managed by the Group's treasury department on the basis of the total value of assets and liabilities, including derivatives, in one and same currency , being limited to a specified level by applying currency derivatives.

| Currency exposure | SEK | DKK | EUR | NOK | CHF | GBP | Other | Total |
|---|---|---|---|---|---|---|---|---|
| **31/12/2015** | | | | | | | | |
| **Foreign currency assets** | | | | | | | | |
| Cash and balances with central banks | | | | 50,761 | | | | 50,761 |
| Treasury and other bills eligible for refinancing | 816,126 | 24,015 | 34,819 | 38,645 | | 43,120 | | 956,725 |
| Lending to credit institutions | 1,892,461 | 2,435 | 25,402 | 412,693 | 1,708 | 12,780 | 3,806 | 2,351,285 |
| Lending to the public | 8,958,637 | 2,062,855 | 1,998,461 | 5,178,222 | | | | 18,198,175 |
| Bonds and other interest-bearing securities | 976,494 | | | 457,772 | 42,940 | | | 1,477,206 |
| Subordinated loans | 22,106 | | 2,909 | | | | | 25,015 |
| Shares and participating interests | 31,948 | | | 955 | | | | 32,903 |
| Intangible assets | 618,626 | 753 | 389 | 1,164,235 | | | | 1,784,003 |
| Property, plant & equipment | 25,011 | 1,271 | 3,580 | 7,270 | | | | 37,132 |
| Other assets | 327,655 | 14,294 | 85,096 | 79,045 | 5,739 | 140,325 | 61 | 652,215 |
| **Total assets** | **13,669,064** | **2,105,623** | **2,150,656** | **7,389,598** | **50,387** | **196,225** | **3,867** | **25,565,420** |
| | | | | | | | | |
| **Foreign currency liabilities** | | | | | | | | |
| Liabilities to credit institutions | 139,300 | 1,832 | 128 | | | | | 141,260 |
| Deposits from the public | 12,992,231 | 0 | 0 | 3,441,300 | | | | 16,433,531 |
| Other liabilities | 848,680 | 45,618 | 84,684 | 214,229 | 7,725 | 23,040 | 7 | 1,223,983 |
| Technical provisions | 242,136 | 10,163 | 57,354 | 105,503 | 37,826 | 81,180 | 75 | 534,237 |
| Other provisions | 1,380 | | | 7,295 | | | | 8,675 |
| Issued securities | 1,799,100 | | | 382,240 | | | | 2,181,340 |
| Subordinated loans | 0 | | | 38,224 | | | | 38,224 |
| **Total liabilities** | **16,022,827** | **57,613** | **142,166** | **4,188,791** | **45,551** | **104,220** | **82** | **20,561,250** |
| | | | | | | | | |
| Net assets | | 2,048,010 | 2,008,490 | 3,200,807 | 4,836 | 92,005 | 3,785 | |
| Nominal amounts, currency derivatives | | 2,033,955 | 2,001,479 | 1,591,147 | 6,322 | 95,314 | | |
| Difference between assets and liabilities incl. nominal amount of currency hedges | | 14,055 | 7,011 | 1,609,660 | (1,486) | (3,309) | 3,785 | |
| *Exchange rate change +/– 5%, before tax* | | *703* | *351* | *80,483* | *(74)* | *(165)* | *189* | |

| Currency exposure | SEK | DKK | EUR | NOK | CHF | GBP | Other | Total |
|---|---|---|---|---|---|---|---|---|
| **31/12/2014** | | | | | | | | |
| **Foreign currency assets** | | | | | | | | |
| Treasury and other bills eligible for refinancing | 670,137 | 25,828 | 36,664 | 43,943 | – | 29,271 | – | 805,843 |
| Lending to credit institutions | 3,527,192 | 48,125 | 37,081 | 58,705 | 4,137 | 16,805 | 3,049 | 3,695,094 |
| Lending to the public | 8,267,717 | 2,070,072 | 2,014,256 | 1,571,330 | – | – | – | 13,923,375 |
| Bonds and other interest-bearing securities | 1,231,586 | – | – | 28,292 | 40,606 | – | – | 1,300,484 |
| Subordinated loans | 23,393 | – | 3,085 | – | – | – | – | 26,478 |
| Shares and participating interests | 11,610 | – | – | – | – | – | – | 11,610 |
| Intangible assets | 64,384 | 456,432 | 109,708 | 49,822 | – | – | – | 680,346 |
| Property, plant & equipment | 25,528 | 1,067 | 1,763 | 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** | **1,844,153** | **47,537** | **130,367** | **3,049** | **21,014,315** |
| | | | | | | | | |
| **Foreign currency liabilities** | | | | | | | | |
| Liabilities to credit institutions | – | 848 | – | 178 | – | – | – | 1,026 |
| Deposits from the public | 15,976,650 | – | – | – | – | – | – | 15,976,650 |
| Other liabilities | 870,017 | 65,286 | 137,968 | 110,827 | – | 27,894 | – | 1,211,992 |
| 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 | 1,603,961 | 14,953 | 54,328 | 3,049 | |
| Nominal amounts, currency derivatives | | 2,051,351 | 1,432,083 | 1,325,016 | – | – | – | |
| Difference between assets and liabilities incl. nominal amounts of currency derivatives | | 503,200 | 654,122 | 278,945 | 14,953 | 54,328 | 3,049 | |
| *Exchange rate change +/– 5%, before tax* | | *25,160* | *32,706* | *13,947* | *748* | *2,716* | *152* | |

| Currency exposure | SEK | DKK | EUR | NOK | CHF | GBP | Other | Total |
|---|---|---|---|---|---|---|---|---|
| **31/12/2013** | | | | | | | | |
| **Foreign currency assets** | | | | | | | | |
| Treasury and other bills eligible for refinancing | 810,182 | – | – | – | – | – | – | 810,182 |
| Lending to credit institutions | 2,172,582 | 25,497 | 26,678 | 43,556 | 5,092 | 10,776 | – | 2,284,181 |
| Lending 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 and participating interests | 27,986 | – | – | – | – | – | – | 27,986 |
| Intangible assets | 17,943 | – | – | – | – | – | – | 17,943 |
| Property, plant & equipment | 14,308 | – | 1,192 | 226 | – | – | – | 15,726 |
| Other assets | 608,751 | – | 12,966 | 78,451 | 2,269 | 15,438 | 1,265 | 719,140 |
| **Total assets** | **13,470,433** | **579,038** | **772,039** | **917,205** | **45,391** | **26,214** | **1,265** | **15,811,585** |
| | | | | | | | | |
| **Foreign currency liabilities** | | | | | | | | |
| Liabilities to credit institutions | – | – | 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 liabilities | 985,101 | 13,117 | 26,150 | 61,694 | 5,802 | – | – | 1,091,864 |
| **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 amounts, currency derivatives | – | 551,356 | 719,912 | 698,280 | – | – | – | |
| Difference between assets and liabilities incl. nominal amounts of currency derivatives | – | (2,498) | (27,930) | 10,735 | 7,880 | 7,709 | 500 | |
| *Exchange rate change +/– 5%, before tax* | – | *(125)* | *(1,396)* | *537* | *394* | *385* | *25* | |

SEK column has been included to make reconciliation to the Group total possible and does not constitute exposures.

## Funding

During the year the Group worked actively with the diversification of funding by securing new forms of financing. With access to multiple sources of funding the Group has the possibility to use the most suited source of financing at a given point in time. Currency derivatives are used to handle the currency risk associated with lending in currencies other than the currencies found in the Group's financing. These derivatives are based on and settled according to ISDA and CSA agreements established with numerous counterparties.

Continuous deposits from the public are the Group's main form of funding. The main portion of the deposits comes from Sweden, but due to the acquisition of yA Bank deposits can also be made in Norway. Deposits are analysed on a regular basis and total deposits amounted to SEK 16,434 million (15,977) (11,874), with SEK 12,992 million (15,977) (11,874)  in Sweden and SEK 3,442 (0) (0) million in Norway. The Lending to the public/deposits from the public ratio for the consolidated situation is 111 % (87 %) (78 %).

The deposit products are covered by the deposit guarantee scheme, the purpose of which is to strengthen the protection of deposits received from the public and to contribute to the stability of the financial system. The state deposit guarantee scheme in Sweden totals EUR 100,000 per person and institution, and the amount is converted to SEK. In Norway the state deposit guarantee scheme totals 2,000,000 NOK. The majority of deposits from the public are covered by the state deposit guarantee scheme.

During the year, Resurs Bank produced a prospectus in order to issue debt obligations, which were registered and approved by the Swedish Financial Supervisory Authority on 9 March 2015 and made public on the bank's website. The program amounts to SEK 3 billion and is listed on Nasdaq Stockholm. A total of SEK 400 million of senior non secured bonds (MTN) have been issued within the program. A total of NOK 400 million of senior non secured bonds have been issued within yA.

Resurs Bank has also completed its first securitization of loan receivables, a form of structured financing, referred to as Asset Backed Securities (ABS). In an initial transaction on 12 June 2015 loan receivables amounting to a book value of approximately SEK 1.8 billion were transferred from Resurs Bank to the wholly owned subsidiary Resurs Consumer Loans 1 Limited.

Resurs Consumer Loans acquisition of the loan receivables is financed by an international financial institution. Resurs Bank has, for a period of 18 months (revolving period), the right to continue sale of certain additional loan receivables to Resurs Consumer Loans. Resurs Bank and Resurs Consumer Loans have provided security for the assets included in the securitization. At balance sheet date the external financing amounted to SEK 1.4 billion within the total ABS-financing.

The new sources for refinancing represent a step in the Group's strategy to diversify and obtain access to more additional sources of funding, which decreases the financing risk and makes it possible for the Group to achieve a more optimized funding mix over time.

The long term funding measure, the Net Stable Funding Ratio (NSFR), which measures the balance between long-term assets and liabilities, is expected to be applied from 1 January 2018 according to CRR and CRD IV.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to discharge its payment obligations on the due date without borrowing at unfavourable rates. The Group's liquidity risk is managed through instructions that deal with limits, responsibilities and monitoring and contain a contingency plan. The contingency plan includes, amongst other things, risk indicators and action plans. 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 handled by a quick redistribution of liquidity, utilisation of credit facilities or disposal of investments. There must be preparedness for a rapid strengthening of liquidity through various actions.

The Group must have a solid balance sheet, maintain an adequate liquidity reserves and have access to unutilised cash facilities in the event of irregular or unexpected cash flows.

Banking operations are characterised by financing which, for the most part, consists of long-term savings together with ABS and MTN bonds. The lending activity consists primarily of short-term lending (e.g. Credit Cards and Retail Finance). This is a major difference from general banking operations in the Nordic region, which have historically been based on shorter financing than loans (such as mortgages), creating a negative cash flow. As the operations of the Group have a fundamentally positive cash flow, structural liquidity risk is limited.

Management and control of liquidity risk is centralised in the banking operations and the insurance operations, respectively. The functions examine the Group's liquidity on a continuous basis and conduct regular analyses and forecasts of liquidity and its risks. The functions conduct monthly reporting to a committee during the year and extracts from the reporting are also 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.

A funding and liquidity plan is formulated whenever required, at least once annually in the banking operations. Stress tests are carried out regularly to ensure that liquidity is in place for circumstances that deviate from normal conditions. A recurring stress test is important outflows of deposits from the public.

The execution of stress scenarios, where a variety of events and circumstances are combined, is undertaken on a regular basis. Examples of combined events are disruptions in the capital market and deteriorated repayment capabilities on behalf of customers.

Throughout the liquidity reporting, the consolidated situation is described rather than the Group. In addition to the Resurs Bank Group, the consolidated situation also includes the Parent Company.

It is crucial that liquid assets are of high quality in order to achieve the quantitative requirements on liquidity coverage, the Liquidity Coverage Ratio (LCR), which exists at any given point in time. The ratio shows the ratio between high qualitative assets and net outflow during a stressed period of 30 days. The ratio for the consolidated situation amounts to 142 (125) percent. The requirement was not valid 2013, why there is no comparatives for 2013. The quantitative requirement from the authority is to maintain the ratio at a minimum of 70 percent, a requirement that will be increased on a yearly basis to 100 percent, which is to long-term requirement goal from the authority. The 100 percent ratio indicates that the high quality assets can be stressed during a 30 day period.

**Liquidity exposure, nominal cash flows**

| | Payable on demand | Up to 3 months | 3–12 months | 1–5 years | More than 5 years | Without duration | Total |
|---|---|---|---|---|---|---|---|
| **31/12/2015** | | | | | | | |
| **Financial assets** | | | | | | | |
| Cash and balances at central banks | 50,761 | 0 | 0 | 0 | 0 | 0 | 50,761 |
| Treasury and other bills eligible for refinancing | 0 | 57,674 | 74,123 | 781,908 | 50,000 | 0 | 963,705 |
| Lending to credit institutions | 2,187,646 | 36,860 | 90,000 | 36,779 | 0 | 0 | 2,351,285 |
| Lending to the public | | 18,198,175 | | | | | 18,198,175 |
| Bonds and other interest-bearing securities | 0 | 408,994 | 69,438 | 559,843 | 15,585 | 462,966 | 1,516,826 |
| Subordinated loans | 0 | 0 | 23,063 | 3,468 | 0 | 0 | 26,531 |
| Shares and participating interests | 0 | 0 | 0 | 0 | 0 | 32,903 | 32,903 |
| Other financial assets | | 203,341 | 8,852 | | | | 212,193 |
| **Total** | **2,238,407** | **18,905,044** | **265,476** | **1,381,998** | **65,585** | **495,869** | **23,352,379** |
| | | | | | | | |
| **Financial liabilities** | | | | | | | |
| Liabilities to credit institutions | 128,986 | 0 | 12,274 | 0 | 0 | 0 | 141,260 |
| Deposits from the public[1)] | 14,099,246 | 332,567 | 314,986 | 1,715,719 | 0 | 0 | 16,462,518 |
| Issued securities | 0 | 5,690 | 19,976 | 2,210,746 | 0 | 0 | 2,236,412 |
| Subordinated debt | 0 | 469 | 1,408 | 7,507 | 43,854 | 0 | 53,238 |
| Other financial liabilities | | 630,340 | 44,482 | 28,362 | 102 | | 703,286 |
| **Total** | **14,228,232** | **969,066** | **393,126** | **3,962,334** | **43,956** | **0** | **19,596,714** |
| | | | | | | | |
| Derivatives, received | | 3,495,721 | 2,217,124 | 0 | 0 | 0 | 5,712,845 |
| Derivatives, paid | | 3,369,375 | 2,179,672 | 0 | 0 | 0 | 5,549,047 |
| *Difference per time interval* | *(11,989,825)* | *18,062,324* | *(90,198)* | *(2,580,336)* | *21,629* | *495,869* | *3,919,463* |
| | | | | | | | |
| **31/12/2014** | | | | | | | |
| **Financial assets** | | | | | | | |
| Treasury and other bills eligible for refinancing | – | 12,519 | 32,251 | 939,140 | 50,505 | – | 1,034,415 |
| Lending to credit institutions | 3,695,094 | – | – | – | – | – | 3,695,094 |
| Lending 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 interest | – | 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 institutions | 1,026 | – | – | – | – | – | 1,026 |
| Deposits from the public[1)] | 14,422,226 | 468,634 | 770,868 | 336,049 | – | – | 15,997,777 |
| Other financial liabilities | – | 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 |
| *Difference per time interval* | *(10,728,158)* | *13,222,105* | *(697,491)* | *1,729,030* | *82,689* | – | *3,608,175* |

| | Payable on demand | Up to 3 months | 3–12 months | 1–5 years | More than 5 years | Without duration | Total |
|---|---|---|---|---|---|---|---|
| **31/12/2013** | | | | | | | |
| **Financial assets** | | | | | | | |
| Treasury and other bills eligible for refinancing | – | 637,798 | 1,819 | 176,033 | – | – | 815,650 |
| Lending to credit institutions | 2,284,180 | – | – | – | – | – | 2,284,180 |
| Lending 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** | **–** | **15,602,708** |
| | | | | | | | |
| **Financial liabilities** | | | | | | | |
| Liabilities to credit institutions | 783 | – | – | – | – | – | 783 |
| Deposits from the public[1)] | 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 |
| *Difference per time interval* | *(8,428,665)* | *10,536,608* | *324,326* | *632,994* | *40,124* | – | *3,105,387* |

1) Interest attributable to deposits from the public with fixed rate are capitalized annually but are in the model assumed to be paid in full at maturity.

The cash flow for securities is calculated applying the coupon-rate for each security at the point of time.

Interest attributable to deposits from the public with a variable rate and Loans to the public has not been considered in the above tables.

Throughout the liquidity reporting below, the consolidated situation is described rather than the Group. In addition to the Resurs Bank Group, the consolidated situation also includes the Parent Company.

## Liquidity and liquidity reserve

The greatest liquidity risk is considered to arise when many customers simultaneously decide to withdraw their deposits. For Resurs Bank there is an internal model containing a minimum requirement on the size of the liquidity reserve, which is calculated based on the size of deposits, the proportion covered by deposit insurance and the relationship to the depositors. The model also takes into account the future expiration of issued securities. The Board has also determined that the liquidity reserve is to be maintained at a minimum level of SEK 1,000 million. In addition to the liquidity reserve, an intraday liquidity of at least 4 % of borrowing from the public, or a minimum SEK 600 million, shall be maintained. There are also other liquidity requirements regulating and controlling the business.

The liquidity reserve for the consolidated situation amounts to SEK 1,631 (1,594) (1,119) million and is in accordance with FFFS 2010:7, the Swedish Financial Supervisory Authority's regulations on liquidity risk management, including all its current amendments. This means that the assets are segregated, unutilised and of high quality.

In addition to the liquidity reserve, the consolidated situation also hold other liquid assets, mainly existing of deposits at other banks and interest bearing securities. These assets have high credit rating and total SEK 2,666 (3,583) (3,770) million for the consolidated situation. Total liquidity, consequently, amounts to 4,155 (5,177) (4,888) million, which is 26 percent of total deposits from the public. There are also non unutilized credit facilities of SEK 536 (500) (1,999) million, comprised of NOK 50 million in yA Bank and SEK 488 million in Resurs Bank.

In assessing liquid assets for LCR reporting, their quality before value adjustments is assessed as set out below.

The valuations of interest bearing securities in the above table are based on market value and accrued interest.

**Liquidity reserve, consolidated situation**

| Liquidity reserve according to definition in FFFS 2010:7 | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Securities issued by sovereigns | 71,471 | 78,007 | – |
| Securities issued by municipalities | 696,441 | 534,799 | 76,351 |
| Lending to credit institutions | 100,000 | 66,692 | 99,001 |
| Bonds and other interest-bearing securities | 762,714 | 914,851 | 943,561 |
| **Total liquidity reserve according to definition in FFFS 2010:7** | **1,630,626** | **1,594,349** | **1,118,913** |
| **Other liquidity portfolio** | | | |
| Cash and balances at central banks | 50,761 | – | – |
| Treasury and other bills eligible for refinancing | – | – | 595,811 |
| Lending to credit institutions | 2,195,048 | 3,528,483 | 1,954,935 |
| Bonds and other interest-bearing securities | 420,026 | 54,338 | 1,219,293 |
| **Total other liquidity portfolio** | **2,665,835** | **3,582,821** | **3,770,039** |
| Less liabilities to credit institutions | (141,260) | (1,026) | (783) |
| **Total liquidity portfolio** | **4,155,201** | **5,176,144** | **4,888,169** |
| **Other liquidity-creating measures** | | | |
| Unutilised credit facilities | 535,506 | 500,000 | 1,999,217 |

In assessing liquid assets for LCR reporting, their quality before the value adjustments in accordance with the European Commission's Delegated Regulation (EU) 575/2013 has been assessed and is set out below.

**Liquidity Coverage Ratio (LCR) – Liquid assets**

| | 31/12/2015 | 31/12/2014 |
|---|---|---|
| Liquid assets, level 1 | 1,133,390 | 813,276 |
| Liquid assets, level 2 | 125,960 | 301,819 |
| **Total liquid assets** | **1,259,350** | **1,115,095** |
| LCR-measure | 142 % | 125 % |

This is a new measure from 2014, why comparatives for 2013 are not included.

Level 1 consists of assets of highest quality, level 2 consists of assets with very high quality.

### Note 4 Capital adequacy analysis

#### Capital requirement regulations

Capital requirements are calculated in accordance with European Parliament and Council Regulation EU 575/2013 (CRR), and the directive EU 2013/36 (CRD IV). The Directive was integrated through the Act on capital buffers (2014:966) and the Financial Supervisory Authority's regulations (2014:12) on regulatory requirements and capital buffers. The capital requirement calculation below must consist of the legal minimum capital requirement for credit risk, credit valuation adjustment 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. As of 1 July 2015 a 1 % countercyclical buffer requirement for Norwegian exposures was introduced. For Swedish exposures a corresponding buffer came into effect on 13 September 2015 (1 %), which will be followed by 1.5 % on 27 June 2016. A systemic risk buffer of 3% is included in the charge for the Norwegian subsidiary on an individual level, it is, however, not in the combined buffer requirement for the consolidated situation.

According to the Board's guidelines, the Group and the consolidated situation must have a capital base that covers both the statutory minimum capital requirements and also the capital requirements calculated for other risks identified in accordance with 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 assessment process is conducted and updated as needed, but at least once a quarter. Information on the Group's risk management can be found in Note 3 Risk management.

#### Description of the consolidated situation

The regulatory consolidation (consolidated situation) consists of Resurs Bank AB and its subsidiaries (excluding Meta Tech AS) and the parent company Resurs Holding AB.

Resurs has reported to the Swedish Financial Supervisory Authority a possible historical incorrectness regarding the companies previously included in the reported consolidated situation. Resurs Bank has thus an ongoing case at the Swedish Financial Supervisory Authority regarding the historical inclusion of the previous holding company Cidron FI S.à r.l. in the reported consolidated situation for the periods from fourth quarter of 2012 (included) to the second quarter of 2015 (included). Resurs Bank's operations and customers have not been affected by this, Cidron FI S.à r.l. no longer constitutes a part of the group and Resurs Bank has reported the circumstance to the Swedish Financial Supervisory Authority, which is currently investigating the issue. Given the prevailing uncertainty concerning the answer from the SFSA no provision for any penalty has been made as per 2015-12-31.

The formal reporting to the Swedish Financial Supervisory Authority is made on the consolidated situation for all periods. This procedure has been questioned for the historical periods, as the ultimate parent company was Cidron FI S.à r.l. until it was liquidated during 2015. Resurs Holding AB is now the ultimate parent from a capital adequacy perspective. The table below regarding the Group's capital adequacy ratio at December 31, 2014 is presented both at the level of Resurs Holding AB (considered most relevant, since it reflects the current situation) and at the level of Cidron FI S.à r.l.

### Capital base

The capital base is the sum of Tier 1 capital and Tier 2 capital. Certain deductions are made from the capital base.

### Tier 1 capital

Primary capital consists of core Tier I capital and other Tier 1 capital. Core Tier 1 capital consists 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.

### Tier 2 capital

Tier 2 capital capital consists 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 and credit valuation adjustment risk (CVA) is calculated using the standardised approach. In the standardised method the bank and the consolidated situation risk-weight its 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 last three years.

**Consolidated situation Resurs Holding and Resurs Bank AB with subsidiaries (not Meta Tech AS)**

| Capital base<br>SEK thousand | Consolidated situation<br>31/12/2015 | Consolidated situation<br>31/12/2014 | Resurs Bank<br>31/12/2013 |
|---|---|---|---|
| **Tier 1 capital** | | | |
| **Core Tier 1 capital** | | | |
| Equity | 3,917,271 | 2,409,448 | 1,308,763 |
| Profit for the year | 571,062 | 390,507 | 188,254 |
| | | | |
| Less: | | | |
| Calculated dividend [1] | – | (28,171) | – |
| Shares in subsidiaries | – | (1,100) | – |
| Intangible assets | (1,744,585) | (667,317) | – |
| Deferred tax asset | (8,484) | (34,476) | (12,809) |
| Further value adjustments | (2,114) | (1,617) | – |
| **Total Core Tier 1 capital** | **2,733,150** | **2,067,274** | **1,484,208** |
| | | | |
| Tier 2 capital | | | |
| Dated subordinated debts | 238,224 | 200,000 | – |
| **Total tier 2 capital** | **238,224** | **200,000** | **0** |
| | | | |
| **Total capital base** | **2,971,374** | **2,267,274** | **1,484,208** |

1) Flat-rate dividend as per EU Commission's delegated regulation (EU) 241/2014.

| Capital requirements SEK thousand | Consolidated situation 2015-12-31 | | Consolidated situation 2014-12-31 | | Resurs Bank 2013-12-31 | |
|---|---|---|---|---|---|---|
| **Credit risk** | **Risk weighted exposure amount** | **Capital requirement** | **Risk weighted exposure amount** | **Capital requirement** | **Risk weighted exposure amount** | **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 international organisations | – | – | – | – | – | – |
| Exposures to institutions | 79,143 | 6,331 | 3,834 | 307 | 1,925 | 154 |
| Exposures to corporates | 268,657 | 21,493 | 506,685 | 40,535 | 528,238 | 42,259 |
| Exposures to households | 12,576,412 | 1,006,113 | 9,537,627 | 763,010 | 6,457,300 | 516,584 |
| Exposures secured by mortgages on property | – | – | – | – | – | – |
| Exposures in default | 1,236,739 | 98,939 | 791,531 | 63,323 | 212,163 | 16,973 |
| Exposures with particularly high risk | – | – | – | – | – | – |
| Exposures in the form of covered bonds | 76,149 | 6,092 | 91,318 | 7,305 | 96,325 | 7,706 |
| Items relating to securitisation positions | – | – | – | – | – | – |
| Exposures to institutions and companies with short-term credit | 376,030 | 30,082 | 726,955 | 58,156 | 518,150 | 41,452 |
| Exposures in the form of units or shares in collective investment undertakings (funds) | 92,664 | 7,413 | – | – | – | – |
| Equity exposures | 91,445 | 7,316 | 79,000 | 6,320 | – | – |
| Other items | 304,720 | 24,378 | 202,391 | 16,191 | 125,825 | 10,066 |
| **Total credit risk** | **15,101,959** | **1,208,157** | **11,939,341** | **955,147** | **7,939,926** | **635,194** |
| **Credit valuation adjustment risk** | **10,850** | **868** | **385** | **31** | **–** | **–** |
| **Market risk** | | | | | | |
| Currency risk | 1,447,452 | 115,796 | 0 | 0 | 0 | 0 |
| **Operational risk** | **4,375,273** | **350,022** | **3,467,000** | **277,360** | **1,768,150** | **141,452** |
| **Total** | **20,935,534** | **1,674,843** | **15,406,726** | **1,232,538** | **9,708,076** | **776,646** |

In addition to the risks in Pillar 1 above the consolidated situation reserves as of December 31, 2015, 0.7 percent of the risk weighted assets for the requirements in Pillar 2.

| Capital ratio and capital buffers | Consolidated situation 31/12/2015 | Consolidated situation 31/12/2014 | Resurs Bank 31/12/2013 |
|---|---|---|---|
| Core Tier 1 ratio, % | 13.1 | 13.4 | 15.3 |
| Tier 1 ratio, % | 13.1 | 13.4 | 15.3 |
| Total capital ratio, % | 14.2 | 14.7 | 15.3 |
| Core Tier 1 capital requirement incl. buffer requirement, % | 7.8 | 7.0 | |
| – of which, capital conservation buffer requirement, % | 2.5 | 2.5 | |
| – of which, countercyclical buffer requirement, % | 0.8 | | |
| Core Tier 1 capital available for use as buffer, % | 6.2 | 6.7 | |

Resurs Bank has an application at the Swedish Financial Supervisory Authority which is not yet treated to exempt capital adequacy requirements calculation of the consolidated situation for the currency exposure in NOK of goodwill, which arose with the acquisition of yA Bank.

**Cidron FI S.á r.l., Resurs Holding AB and Resurs Bank with subsidiaries at 31 December 2014 (preference shares not included in core Tier 1 capital)**

| Capital base SEK thousand | 31 Dec 2014 |
|---|---|
| **Tier 1 capital** | |
| **Core Tier 1 capital** | |
| Equity | 2,717,351 |
| Net profit for the year | 357,380 |
| Less: | |
| Estimated dividend [1] | (28,171) |
| Shares in subsidiaries | (1,100) |
| Intangible assets | (987,899) |
| Deferred tax asset | – |
| Additional value adjustment | (1,617) |
| Non controlling interest | (314,883) |
| Shares in Insurance company | (334,813) |
| Preference shares | (423) |
| Share premium reserve preference shares | (1,274,062) |
| Cash flow hedges, net of tax | – |
| Equity instrument | (5,600) |
| **Total Core Tier 1 capital** | **126,163** |
| | |
| **Tier 2 capital** | |
| Fixed term subordinated loans | 200,000 |
| Preference shares | 423 |
| Share premium reserve preference shares | 1,274,062 |
| Equity instrument | 5,600 |
| **Total Tier 2 capital** | **1,480,085** |
| | |
| **Total capital base** | **1,606,248** |

1) Flat-rate dividend as per EU Commission's delegated regulation (EU) 241/2014

| Capital requirement SEK thousand<br>Credit risk | 31 Dec 2014<br>Risk weighted exposure amount | Capital requirement |
|---|---|---|
| Exposures to institutions | 3,834 | 307 |
| Exposures to companies | 506,685 | 40,535 |
| Exposures to households | 9,537,627 | 763,010 |
| Exposures in default | 791,531 | 63,322 |
| Exposures in the form of covered bonds | 91,318 | 7,305 |
| Exposures to institutions and companies with short-term credit ratings | 726,955 | 58,156 |
| Equity exposures | 79,000 | 6,320 |
| Other items | 403,391 | 32,271 |
| **Total credit risk** | **12,140,341** | **971,227** |
| | | |
| **Credit valuation adjustment risk** | **385** | **31** |
| | | |
| **Market risk** | | |
| Currency risk | – | – |
| **Operational risk** | **3,467,000** | **277,360** |
| **Total credit risk** | **15,607,726** | **1,248,618** |

| Capital ratio and capital buffers | 31 Dec 2014 |
|---|---|
| Core Tier 1 ratio, % | 0.8 |
| Tier 1 ratio, % | 0.8 |
| Total capital ratio, % | 10.3 |
| Total Core Tier 1 capital requirement incl. buffer requirement, % | 7.0 |
| – of which, capital conservation buffer requirement, % | 2.5 |
| – of which, contra-cyclical buffer requirement, % | |
| Core Tier 1 capital available for use as buffer, % | |

**Note 5 Segment reporting**

The Group CEO is the chief operating decision maker. Group management has determined the segments based on the information considered by the CEO and used as the basis for allocating resources and evaluating performance. The Group CEO evaluates the performance of the Consumer Loans, Payment Solutions and Insurance segments. The Group CEO evaluates segment performance based on operating income after deduction of net credit losses. Concerning the segment Insurance, evaluation is made for operating profit as it is included in the segments responsibility. The segment information is based on the same accounting principles as the consolidated accounts.

| 2015 | Payment solution | Consumer loan | Insurance | Consolidation adjustments | Total group |
|---|---|---|---|---|---|
| Interest income | 866,319 | 1,114,249 | 21,312 | (7,194) | 1,994,686 |
| Interest expenses | (112,379) | (107,410) | (12) | 7,194 | (212,607) |
| Fee and commission income | 271,178 | 66,158 | | (105,488) | 231,848 |
| Fee & commission expense, banking operations | (38,765) | (20) | | | (38,785) |
| Premium income, net | | | 1,168,646 | (1,629) | 1,167,017 |
| Insurance compensation, net | | | (505,002) | | (505,002) |
| Fee & commission expense, insurance operations | | | (524,539) | 104,756 | (419,783) |
| Net income/expense from financial transactions | (14,925) | (12,226) | (7,941) | | (35,092) |
| Profit/loss from participations in Group companies | (66) | (60) | (14) | | (140) |
| Other operating income | 150,392 | 38,844 | (309) | | 188,927 |
| **Total operating income** | **1,121,754** | **1,099,535** | **152,141** | **(2,361)** | **2,371,069** |
| *Whereof internal income* | *48,332* | *49,962* | *(95,933)* | *(2,361)* | *0* |
| Credit losses, net | (138,203) | (236,660) | | | (374,863) |
| **Total operating income, after credit losses** | **983,551** | **862,875** | **152,141** | **(2,361)** | **1,996,206** |
| Expenses excl credit losses [1] | | | (91,158) | | |
| **Operating profit Insurance [2]** | | | **60,983** | | |

| 2014 | Payment solution | Consumer loan | Insurance | Consolidation adjustments | Total group |
|---|---|---|---|---|---|
| Interest income | 792,327 | 874,658 | 25,535 | (8,472) | 1,684,048 |
| Interest expenses | (219,498) | (123,961) | (5) | 8,472 | (334,992) |
| Fee and commission income | 293,137 | 46,232 | 32 | (70,598) | 268,803 |
| Fee & commission expense, banking operations | (34,585) | (17) | | | (34,602) |
| Premium income, net | | | 990,854 | (1,774) | 989,080 |
| Insurance compensation, net | | | (408,741) | | (408,741) |
| Fee & commission expense, insurance operations | | | (470,045) | 70,598 | (399,447) |
| Net income/expense from financial transactions | 959 | 1,312 | 4,325 | | 6,596 |
| Other operating income | 150,695 | 23,516 | 32,170 | (10,611) | 195,770 |
| **Total operating income** | **983,035** | **821,740** | **174,125** | **(12,385)** | **1,966,515** |
| *Whereof internal income* | *52,133* | *19,708* | *(59,456)* | *(12,385)* | *0* |
| Credit losses, net | (171,048) | (179,651) | 0 | 0 | (350,699) |
| **Total operating income, after credit losses** | **811,987** | **642,089** | **174,125** | **(12,385)** | **1,615,816** |
| Expenses excl credit losses [1] | | | (75,570) | | |
| **Operating profit insurance [2]** | | | **98,555** | | |

| 2013 | Payment solution | Consumer loan | Insurance | Consolidation adjustments | Total group |
|---|---|---|---|---|---|
| Interest income | 598,711 | 325,142 | 31,548 | (3,667) | 951,733 |
| Interest expenses | (193,578) | (109,587) | (367) | 3,667 | (299,865) |
| Fee and commission income | 203,433 | 17,534 | (11) | (56,266) | 164,690 |
| Fee & commission expense, banking operations | (36,057) | | | | (36,057) |
| Premium income, net | | | 920,892 | (1,706) | 919,186 |
| Insurance compensation, net | | | (391,374) | | (391,374) |
| Fee & commission expense, insurance operations | | | (438,774) | 56,266 | (382,508) |
| Net income/expense from financial transactions | 2,690 | 1,554 | 11,324 | | 15,567 |
| Other operating income | 222,717 | 48,789 | 618 | 0 | 272,124 |
| **Total operating income** | **797,915** | **283,432** | **133,855** | **(1,706)** | **1,213,496** |
| *Whereof internal income* | *38,508* | *14,091* | *(50,893)* | *(1,706)* | *0* |
| Credit losses, net | (123,483) | (45,637) | 0 | 0 | (169,120) |
| **Total operating income, after credit losses** | **674,432** | **237,795** | **133,855** | **(1,706)** | **1,044,376** |
| Expenses excl credit losses [1] | | | (92,244) | | |
| **Operating profit insurance [2]** | | | **41,611** | | |

| **1) Reconciliation of "total expenses before credit losses" versus the income statement** | **2015** | **2014** | **2013** |
|---|---|---|---|
| **According to segment information:** | | | |
| Expenses excl credit losses regarding segment Insurance | (91,158) | (75,570) | (92,244) |
| Additional not allocated per segment: | | | |
| Expenses excl credit losses regarding banking | (1,066,829) | (923,327) | (571,797) |
| **Total** | **(1,157,987)** | **(998,897)** | **(664,041)** |
| **According to income statement:** | | | |
| General administrative expenses | (989,505) | (837,307) | (546,736) |
| Depreciation, amortization and impairment of non-current assets | (16,496) | (13,820) | (5,777) |
| Other operating expenses | (151,986) | (147,770) | (111,528) |
| **Total** | **(1,157,987)** | **(998,897)** | **(664,041)** |

| **2) Reconciliation of operating profit against income statement** | **2015** | **2014** | **2013** |
|---|---|---|---|
| **As per segment reporting** | | | |
| Operating profit Insurance | 60,983 | 98,555 | 41,611 |
| **Not allocated per segment** | | | |
| Operating profit regarding banking | 777,236 | 518,364 | 338,725 |
| **Total** | **838,219** | **616,919** | **380,336** |
| **According to income statement** | | | |
| Operating profit | 838,219 | 616,919 | 380,336 |
| **Total** | **838,219** | **616,919** | **380,336** |

Assets

Assets that are monitored by the CEO relates to lending to the public.

| **Lending to the public** | **2015** | **2014** | **2013** |
|---|---|---|---|
| Consumer loans | 10,293,525 | 6,653,701 | 2,970,536 |
| Payment solutions | 7,904,650 | 7,269,674 | 6,166,818 |
| Insurance | 0 | 0 | 120,980 |
| **Total** | **18,198,175** | **13,923,375** | **9,258,334** |

**Note 6 Gross income distributed on geographical areas and other information per country**

| **2015** | **Sweden[2)]** | **Denmark** | **Norway** | **Finland** | **Switzerland** | **Total** |
|---|---|---|---|---|---|---|
| Gross income [1)] | 2,354,468 | 409,079 | 376,366 | 386,142 | 21,191 | 3,547,246 |
| Profit before tax | 463,818 | 84,740 | 93,581 | 210,563 | (14,483) | 838,219 |
| Tax on profit for the year | (117,858) | (19,992) | (36,814) | (41,571) | 225 | (216,010) |

| **2014** | **Sweden[2)]** | **Denmark** | **Norway** | **Finland** | **Switzerland** | **Total** |
|---|---|---|---|---|---|---|
| Gross income [1)] | 2,383,887 | 213,332 | 235,731 | 282,998 | 28,349 | 3,144,297 |
| Profit before tax | 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) |

| **2013** | **Sweden[2)]** | **Denmark** | **Norway** | **Finland** | **Switzerland** | **Total** |
|---|---|---|---|---|---|---|
| Gross income [1)] | 2,103,998 | 0 | 129,477 | 56,099 | 33,727 | 2,323,301 |
| Profit before tax | 342,331 | 0 | 30,269 | 5,561 | 2,174 | 380,335 |
| Tax on profit for the year | (87,421) | 0 | (4,254) | (1,439) | (392) | (93,506) |

1) Gross income includes interest income, fee and commission income, net income/expense from financial transactions, premium revenue net and other operating income.
2) Gross income for Sweden also includes cross-border business within the Insurance segment with SEK 26,781 (21,294) (19,378) thousand from Denmark, SEK 116,226 (117,182) (136,052) thousand from Norway, SEK 53,047 (28,814) (18,844) thousand from Finland, SEK 424,372 (211,287) (58,280) thousand from Great Britain and SEK 30,257 (18,931) (121,315) thousand from other countries. For 2014 and 2013 cross-border activities of Resurs Bank AB Denmark is included amounting to SEK (71,460) (57,622) thousand.

The group has no customer that generates 10 % or more of total revenues.

**Note 7 Net interest income/expenses**

| | **01/01/2015 –31/12/2015** | **01/01/2014 –31/12/2014** | **07/04/2013 –31/12/2013** |
|---|---|---|---|
| **Interest income** | | | |
| Lending to credit institutions | 1,480 | 14,182 | 38,490 |
| Lending to the public, net [1)] | 1,976,916 | 1,640,500 | 871,053 |
| Interest-bearing securities | 16,290 | 29,366 | 42,191 |
| **Total net interest income** | **1,994,686** | **1,684,048** | **951,734** |
| *Of which interest income from financial items not measured at fair value* | *1,978,396* | *1,654,682* | *909,707* |
| | | | |
| **Interest expenses** | | | |
| Liabilities to credit institutions | (8,174) | (8,384) | (10,213) |
| Deposits and borrowing from the public | (182,987) | (326,586) | (281,703) |
| Issued securities | (22,771) | – | – |
| Other liabilities | 1,325 | (22) | (7,949) |
| **Total net interest expenses** | **(212,607)** | **(334,992)** | **(299,865)** |
| *Of which deposit insurance expense and stability fee* | *(22,965)* | *(19,117)* | *(7,892)* |
| *Of which interest expense from financial items not measured at fair value* | *(212,607)* | *(334,992)* | *(299,865)* |
| 1) The amount includes interest income on impaired receivables as follows: | 170,271 | 55,774 | 8,704 |

### Note 8 Fees and commission – banking

| | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|
| **Fee and commission income** | | | |
| Lending commission | 87,197 | 87,204 | 48,339 |
| Commissions credit card | 88,342 | 110,693 | 77,257 |
| Compensation, mediated insurance | 21,104 | 31,256 | – |
| Other commission | 35,205 | 39,650 | 39,094 |
| **Total fee and commission income** | **231,848** | **268,803** | **164,690** |
| | | | |
| **Fee and commission expenses** | | | |
| Lending commission | (10) | (52) | (6) |
| Commission from credit cards | (38,775) | (34,550) | (36,501) |
| **Total fee and commission expenses** | **(38,785)** | **(34,602)** | **(36,507)** |

No commission income or commission expenses are attributable to balance sheet items at fair value.

### Note 9 Premium income, net

| | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|
| Premium income | 1,159,861 | 965,931 | 945,597 |
| Premiums for reinsurance issued | (71,248) | (51,163) | (202,495) |
| Change in provision for non-earned premiums and unexpired risks | 66,838 | 75,330 | 182,005 |
| Reinsurer's share of change in provision for non-earned premiums and unexpired risks | 11,566 | (1,018) | (5,921) |
| **Total premium income, net** | **1,167,017** | **989,080** | **919,186** |

### Note 10 Insurance compensation, net

| | Gross | Reins. fee | Net |
|---|---|---|---|
| **Insurance costs 2015** | | | |
| Claims paid | (435,798) | 12,364 | (423,434) |
| Change in provisions for claims incurred and reported | (44,428) | 7,573 | (36,855) |
| Change in provisions for claims incurred but not reported (IBNR) | (18,759) | | (18,759) |
| Operating expenses, claims adjustment | (26,505) | 551 | (25,954) |
| **Total insurance costs, net** | **(525,490)** | **20,488** | **(505,002)** |
| | | | |
| **Insurance costs 2014** | | | |
| Claims paid | (425,553) | 20,498 | (405,055) |
| Change in provisions for claims incurred and reported | 2,034 | 9,260 | 11,294 |
| Change in provisions for claims incurred but not reported (IBNR) | (3,104) | 1,717 | (1,387) |
| Operating expenses, claims adjustment | (14,240) | 647 | (13,593) |
| **Total insurance costs, net** | **(440,863)** | **32,122** | **(408,741)** |
| | | | |
| **Insurance costs 2013** | | | |
| Claims paid | (556,924) | 167,052 | (389,872) |
| Change in provisions for equalisation reserve | 9,947 | – | 9,947 |
| Change in provisions for claims incurred and reported | 7,905 | 10,453 | 18,358 |
| Change in provisions for claims incurred but not reported (IBNR) | (2,353) | 1,907 | (446) |
| Operating expenses, claims adjustment | (30,152) | 791 | (29,361) |
| **Total insurance costs, net** | **(571,577)** | **180,203** | **(391,374)** |

### Note 11 Net income/expense from financial transactions

| | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|
| Dividend | 723 | 507 | 170 |
| Net income/expense from shares and participations | 607 | 1,162 | 5,299 |
| Net income/expense from bonds and other interest-bearing securities | (18,601) | 2,591 | 12,594 |
| Derivatives | 304,590 | (186,140) | – |
| Exchange differences | (322,411) | 188,476 | (2,496) |
| **Total net income/expense from financial transactions** | **(35,092)** | **6,596** | **15,567** |
| | | | |
| **Net gains/losses by measurement category** | | | |
| Financial assets at FVTPL, designated | (9,740) | 2,561 | 4,142 |
| Financial assets at FVTPL, held for trading | 297,059 | (184,441) | 13,921 |
| Loan receivables and account receivables | (322,411) | 188,476 | (2,496) |
| **Total** | **(35,092)** | **6,596** | **15,567** |

Net gain and net loss relate to realised and unrealised changes in value.

### Note 12 Other operating income

| | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|
| Capital gain/loss on sale of credit portfolio | – | – | 147,813 |
| Other income, lending to the public | 143,910 | 142,221 | 105,501 |
| Technical income [1)] | – | 30,969 | – |
| Other operating income | 45,017 | 22,580 | 18,810 |
| **Total operating income** | **188,927** | **195,770** | **272,124** |

1) Technical income mainly comes from effects of portfolio transfer during the year.

### Note 13 Leases

Resurs Holding Group as lessor

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

| | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|
| **Non-cancellable lease payments** | | | |
| Within one year | 26,162 | 28,613 | 41,505 |
| Between one and five years | 33,362 | 44,307 | 49,312 |
| After five years | 4,207 | 5,056 | 6,122 |
| **Total non-cancellable lease payments** | **63,731** | **77,976** | **96,939** |

Reconciliation between gross investment and present value of receivables relating to future minimum lease payment

| | | | |
|---|---|---|---|
| Gross investment | 128,198 | 164,705 | 203,852 |
| Less unearned finance income | (63,731) | (77,976) | (96,939) |
| **Net investment in finance agreements** | **64,467** | **86,729** | **106,913** |
| Provision for doubtful receivables relating to lease payments | 3,666 | 9,017 | 10,484 |

At 31 December 2015, the largest part of the Group's gross and net investments had a remaining maturity of less than five years.

Resurs Holding Group as lessee

Operating leases relate to the Resurs Holding Group's normal operations. The leases mainly relate to the offices in which operations are conducted and a small share relates to car leases. The maturity for most of the premises leases is ten years and three years for cars. Expensed leasing fees in 2015 amounted to SEK 26,557 (17,944) (15,134) thousand. There are no variable fees. Future minimum lease payments under non-cancellable leases fall due as follows:

| | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|
| **Non-cancellable lease payments** | | | |
| Within one year | 14,165 | 13,442 | 12,924 |
| Between one and five years | 43,217 | 54,152 | 41,252 |
| After five years | 35,145 | 48,513 | 55,003 |
| **Total non-cancellable lease payments** | **92,527** | **116,107** | **109,179** |

### Note 14 General administrative expenses

| | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|
| Staff costs (also see Note 15) | (414,989) | (347,627) | (259,800) |
| Postage, communication and notification costs | (134,301) | (137,052) | (79,611) |
| IT costs | (122,905) | (90,952) | (54,561) |
| Premises costs | (29,231) | (31,820) | (17,195) |
| Consulting expenses | (150,672) | (96,695) | (61,637) |
| Other | (137,407) | (133,161) | (73,931) |
| **Total general administrative expenses** | **(989,505)** | **(837,307)** | **(546,736)** |

The item 'Other' in the classification of general administrative expenses includes fees and remuneration to auditors as set out below

| | | | |
|---|---|---|---|
| **Auditors' fees and other remuneration** | | | |
| Ernst & Young AB | | | |
| Audit services | (5,521) | (4,806) | (2,704) |
| Other assistance arising from audit | (6,298) | – | – |
| Tax advisory services | (4,146) | (905) | (89) |
| Other services | (5,024) | (2,742) | (60) |
| **Total** | **(20,989)** | **(8,453)** | **(2,853)** |
| | | | |
| **PWC** | | | |
| Audit services | – | (842) | – |
| Tax advisory services | – | (23) | – |
| Other services | – | (45) | – |
| **Total** | **–** | **(910)** | **0** |
| | | | |
| **Mazars** | | | |
| Audit services | (637) | (621) | (669) |
| **Total** | **(637)** | **(621)** | **(669)** |
| | | | |
| **KPMG** | | | |
| Audit services | (31) | – | – |
| Other services | (56) | – | – |
| **Total** | **(87)** | **–** | **–** |
| | | | |
| **Total auditing remuneration** | **(21,713)** | **(9,984)** | **(3,522)** |

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

**Note 15 Personnel**

| | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|
| Salaries | (285,905) | (234,431) | (174,487) |
| Social security contributions | (77,254) | (63,801) | (54,051) |
| Pension costs | (37,272) | (28,692) | (20,747) |
| Other staff costs | (14,558) | (20,703) | (10,515) |
| **Total staff costs** | **(414,989)** | **(347,627)** | **(259,800)** |
| | | | |
| Salaries and other benefits | | | |
| Board, CEO and other senior executives | (18,070) | (21,665) | (21,838) |
| Other employees | (267,835) | (212,766) | (153,639) |
| **Total salaries and other benefits** | **(285,905)** | **(234,431)** | **(175,477)** |

Remuneration of Board members paid to companies and included in the above amounts is reported under General administrative expenses in the Group.

**2015**

| Remuneration and other benefits | Basic salary/ Board fees | Variable remunera-tion | Other benefits | Pensions | Total |
|---|---|---|---|---|---|
| Board and CEO | | | | | |
| Jan Samuelson, Chairman[1)] | (895) | 0 | 0 | 0 | (895) |
| Christian Frick | (200) | 0 | 0 | 0 | (200) |
| Martin Bengtsson | (225) | 0 | 0 | 0 | (225) |
| Lars Nordstrand[1)] | (507) | 0 | 0 | 0 | (507) |
| Fredrik Carlsson[1)] | (386) | 0 | 0 | 0 | (386) |
| Anders Dahlvig[1)] | (198) | 0 | 0 | 0 | (198) |
| David Samuelson | (169) | 0 | 0 | 0 | (169) |
| Mariana Burenstam Linder[1)] | (116) | 0 | 0 | 0 | (116) |
| Marita Odelius | (58) | 0 | 0 | 0 | (58) |
| Kristoffer Melinder | (50) | 0 | 0 | 0 | (50) |
| Kenneth Nilsson, CEO | (3,501) | 0 | (154) | (905) | (4,560) |
| Other senior executives (8 individuals) | (10,974) | 0 | (822) | (3,610) | (15,406) |
| Other staff that may affect the Bank's risk level (15 individuals) | (10,669) | (524) | (652) | (2,041) | (13,886) |
| **Total remuneration and other benefits** | **(27,948)** | **(524)** | **(1,628)** | **(6,556)** | **(36,656)** |

**2014**

| Remuneration and other benefits | Basic salary/ Board fees | Variable remunera-tion | Other benefits | Pensions | Total |
|---|---|---|---|---|---|
| **Board and CEO** | | | | | |
| Jan Samuelson, Chairman[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) |
| Kenneth Nilsson, CEO | (3,395) | – | (173) | (1,045) | (4,613) |
| Other senior executives (14 individuals) | (15,965) | – | (1,202) | (5,276) | (22,443) |
| Other staff that may affect the Bank's risk level (13 individuals) | (9,878) | (124) | (813) | (2,311) | (13,126) |
| **Total remuneration and other benefits** | **(31,543)** | **(124)** | **(2,188)** | **(8,632)** | **(42,487)** |

1) The disbursement as made to board members company and the amount includes additional taxes.

**2013**

| Remuneration and other benefits | Basic salary/ Board fees | Variable remunera-tion | Other benefits | Pensions | Total |
|---|---|---|---|---|---|
| **Board and CEO** | | | | | |
| Jan Samuelson, Chairman[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 individuals) | (16,748) | (75) | (1,098) | (4,064) | (21,985) |
| **Total remuneration and other benefits** | **(21,763)** | **(75)** | **(1,256)** | **(5,084)** | **(28,178)** |

1) The disbursement as made to company.

Pension costs

| | |
|---|---|
| **2015** | |
| Board, CEO and other senior executives | (4,515) |
| Other employees | (32,757) |
| **Total** | **(37,272)** |
| **2014** | |
| Board, CEO and other senior executives | (6,321) |
| Other employees | (22,371) |
| **Total** | **(28,692)** |
| **2013** | |
| Board, CEO and other senior executives | (5,084) |
| Other employees | (15,663) |
| **Total** | **(20,747)** |

| Board members and senior executives | Number | Of which men |
|---|---|---|
| **31/12/2015** | | |
| Board members | 9 | 78% |
| CEO and other senior executives | 9 | 78% |
| **31/12/2014** | | |
| Board members | 8 | 100% |
| CEO and other senior executives | 15 | 87% |
| **31/12/2013** | | |
| Board members | 7 | 100% |
| CEO and other senior executives | 19 | 84% |

The Board in the banking operations has established a remuneration policy in accordance with FFFS 2011:1 Regulations regarding remuneration structures in credit institutions, investment firms and fund management companies licensed to conduct discretionary portfolio management, recently updated by FFFS 2014:22.

The Board in the insurance operations has established a remuneration policy in accordance with FFFS 2011:2 Regulations regarding remuneration policies in insurance companies, fund management companies, stock exchanges, clearing organisations and institutions for the issue of electronic currency.

The board has established a Remuneration Committee in charge of preparing significant remuneration decisions and the Group has a control function, which, on an annual basis and more frequently when appropriate, independently examines how the Group's handling of remuneration complies with regulations.

The Chairman and members of the Board are paid the fees adopted by the annual general meeting. Remuneration of executive management and head of the Group's control functions is determined by the Board.

Remuneration comprises the basic salary, other benefits and a pension. Senior executives does not receive any bonus or variable remuneration. Information on remuneration in the subsidiaries, Resurs Bank AB and Solid Försäkrings AB is published on www.resurs.se and www.solidab.com.

Variable compensation earned in 2015 is linked to both quantitative and qualitative targets. The Group has ensured that all targets related to variable compensation for 2015 can be measured reliably. The Group has taken into account the fact that employees who can independently decide on credit issues should not have targets linked only to sales that they can influence through credit decisions. This is to ensure that an employee in this category is not able to influence the Group's risk level. It is the Group's assessment that the risk level applied is well in proportion to the bank's and insurance business' earnings capacity.

The Group conducts an annual analysis to identify employees whose duties have a significant impact on the risk profile of companies in the Group.

In 2015, no variable compensation exceeding SEK 100 thousand 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 acquisitions of companies in 2014 and 2015, the Group applies deferred payment of variable remuneration for six employees who may affect the acquired companies' risk level. The deferred payment is spread evenly over three years, with the last payment in 2018.

Executive management and employees who may affect the Group's risk level were paid variable compensation corresponding to approx. 1.84 (0.4) (0) % of the basic salary for senior executive and employees who may affect the Groups risk level.

### 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. Pension benefits associated with an endowment insurance of SEK 442 (440) (440) thousand were paid to the CEO in addition to the occupational and statutory pension. Provisions were made for pension benefits of SEK 684 (244) (204) thousand for the other senior executives in addition to the occupational and statutory pension.

### Termination conditions and benefits

In the event of termination of employment by the company, the CEO and the vice CEO is entitled to salary during the notice period, which is 18 months and 12 months respectively.

| Senior executives' use of credit facilities in banking operations | Credit limits | Utilised credit |
|---|---:|---:|
| **2015** | | |
| CEO | 355 | 92 |
| Board members | 913 | 344 |
| Other senior executives of the Group | 2,615 | 2,168 |
| **2014** | | |
| CEO | 350 | 212 |
| Board members | 506 | 69 |
| Other senior executives of the Group | 4,622 | 3,987 |
| **2013** | | |
| CEO | 203 | 50 |
| Board members | 469 | 59 |
| Other senior executives of the Group | 6,579 | 5,860 |

Lending terms agree with the terms normally applied in granting credit to other personnel. The Group has not pledged security or entered contingent liabilities for presented executives.

| Average number of employees | Male | Female | Total |
|---|---:|---:|---:|
| **2015** | | | |
| Sweden | 205 | 288 | 493 |
| Denmark | 20 | 50 | 70 |
| Norway | 18 | 29 | 47 |
| Finland | 7 | 28 | 35 |
| **Total number** | **250** | **395** | **645** |
| **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** |

## Note 16 Depreciation, amortisation and impairment of non-current assets

| | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|
| **Depreciation and amortisation** | | | |
| Property, plant & equipment | (10,216) | (8,142) | (4,297) |
| Intangible assets | (6,280) | (2,243) | (1,480) |
| Exchange differences | (0) | (54) | – |
| **Total depreciation and amortisation** | **(16,496)** | **(10,385)** | **(5,777)** |
| | | | |
| **Impairment** | | | |
| Intangible assets | | (3,435) | – |
| **Total impairment** | **0** | **(3,435)** | **0** |
| **Total depreciation, amortisation and impairment of non-current assets** | **(16,496)** | **(13,820)** | **(5,777)** |

## Note 17 Other operating expenses

| | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|
| Marketing | (147,081) | (141,045) | (104,390) |
| Insurance | (3,990) | (3,353) | (2,929) |
| Other | (915) | (3,372) | (4,209) |
| **Total other operating expenses** | **(151,986)** | **(147,770)** | **(111,528)** |

## Note 18 Credit losses

| | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|
| **Individually assessed loans** | | | |
| Write-offs of established losses for the year | (3,281) | (2,590) | (9) |
| Recoveries of previously established credit losses | 909 | 239 | 1,522 |
| Transfers/reversal of provision for credit losses | 2,822 | 5,890 | (5,672) |
| **Net result of individually assessed loans for the year** | **450** | **3,539** | **(4,159)** |
| **Collectively assessed homogeneous groups of loans with limited value and similar credit risk** | | | |
| Write-offs of established credit losses for the year | (303,656) | (166,720) | (14,800) |
| Recoveries of previously established credit losses | 15,901 | 19,232 | 361 |
| Transfers/reversal of provision for credit losses | (87,558) | (206,750) | (150,522) |
| **Net cost for collectively assessed homogeneous groups of loans** | **(375,313)** | **(354,238)** | **(164,961)** |
| | | | |
| **Recoveries of previously established credit losses** | **(374,863)** | **(350,699)** | **(169,120)** |

## Note 19 Taxes

| **Current tax expense** | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|
| Current tax for the period | (190,003) | (143,835) | (92,204) |
| Adjustment of tax relating to prior periods [1)] | (415) | (20,006) | (1,926) |
| **Current tax expense** | **(190,418)** | **(163,841)** | **(94,130)** |
| Deferred tax on temporary differences | (25,592) | 14,571 | 624 |
| **Total tax expense reported in income statement** | **(216,010)** | **(149,270)** | **(93,506)** |

1) Adjustment of tax relating to prior periods is mainly attributable to the outcome of a tax audit of the Group company Finaref Oy conducted during the year.

| Reconciliation of effective tax | % | |
|---|---|---|
| **2015** | | |
| Profit before tax | | 838,220 |
| Tax at enacted tax rate | (22.00)% | (184,408) |
| Non-deductible expenses/non-taxable income | (1.24)% | (10,378) |
| Tax relating to different tax rate for foreign branches and subsidiaries | (2.41)% | (20,167) |
| Tax attributable to prior years | (0.05)% | (415) |
| Standard interest, tax allocation reserve | (0.08)% | (642) |
| **Recognised effective tax** | **(25.77)%** | **(216,010)** |
| **2014** | | |
| Profit before tax | | 616,920 |
| Tax at enacted tax rate | (22.00)% | (135,722) |
| Non-deductible expenses/non-taxable income | 1.88% | 11,607 |
| Tax relating to different tax rate for foreign branches and subsidiaries | (0.63)% | (3,872) |
| Tax attributable to prior years | (3.24)% | (20,006) |
| Standard interest, tax allocation reserve | (0.21)% | (1,277) |
| **Recognised effective tax** | **(24.20)%** | **(149,270)** |
| **2013** | | |
| Profit before tax | | 380,335 |
| Tax at enacted tax rate | (22.00)% | (83,674) |
| Non-deductible expenses/non-taxable income | (0.90)% | (3,585) |
| Tax relating to different tax rate for foreign branches | (1.10)% | (4,051) |
| Tax relating to changes in tax rates, foreign branches | (24.10)% | 465 |
| Tax attributable to prior years | 2.30% | (1,926) |
| Standard interest on tax allocation reserve | (0.20)% | (735) |
| **Recognised effective tax** | **(24.40)%** | **(93,506)** |

| | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|
| **Change in deferred tax** | | | |
| Tax effects attributable to temporary differences, Property, plant and equipment | (2,120) | (1,447) | 715 |
| Tax effects attributable to temporary differences, intangible assets | 334 | | |
| Tax effects attributable to temporary differences, Lending to the public | 12,136 | 17,570 | 1,962 |
| Tax effects attributable to temporary differences, pensions | 322 | (1,426) | 206 |
| Tax effects attributable to temporary differences, untaxed reserves | (38,304) | | |
| Tax effects attributable to temporary differences, other | 2,040 | (126) | (2,259) |
| **Total deferred tax** | **(25,592)** | **14,571** | **624** |

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| **Deferred tax assets** | | | |
| Deferred tax assets for property, plant & equipment | 865 | 8,165 | 9,907 |
| Deferred tax assets for Lending to the public | 3,421 | 24,310 | 1,962 |
| Deferred tax assets for pensions, net | 0 | 2,084 | 766 |
| Deferred tax assets, other | 4,304 | 48 | 437 |
| **Total deferred tax assets** | **8,590** | **34,607** | **13,072** |
| **Deferred tax liabilities** | | | |
| Deferred tax liabilities for property, plant & equipment, net | (5,117) | (269) | – |
| Deferred tax liabilities, intangible assets | 25,873 | | |
| Deferred tax liabilities for Lending to the public | 24,287 | 71,759 | – |
| Deferred tax liabilities for pensions, net | (3,483) | (1,095) | – |
| Deferred tax liabilities for untaxed reserves | 248,600 | 210,296 | 198,818 |
| Deferred tax liabilities, other | 1,235 | 3,508 | – |
| **Total deferred tax liabilities** | **291,395** | **284,199** | **198,818** |

Deferred tax assets and deferred tax liabilities were offset by country. This means that claims based on certain items may appear as positive liabilities.

**Note 20 Earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the parent company by the weighted average number of ordinary shares in issue during the year.

2015

At the beginning of the period, the number of shares was 1,256,429 with a quota value of 0.10 SEK. As of October 8, 2015 a cash issue of 174,504 shares was decided with a consideration of approximately SEK 1,250 million to finance the acquisition of yA Bank. Furthermore, a set-off issue of 11,555 was performed to settle the conditional shareholder´s contribution of SEK 83 million. On October 23, also a bonus issue of 8,557,512 shares was carried out and a share split of 20:1 which means that the number of outstanding shares will increase to 200,000,000 with a quota value of SEK 0.005. The share capital after these issues amounts to SEK 1 million.

Since a split and a bonus issue was performed all earnings per share has been restated for all periods presented as below.

2014

28 March 2014, a new share issue of 256,429 shares was performed

| Earnings per share before and after dilution, SEK | 2015 | 2014 | 2013 |
|---|---|---|---|
| Profit attributable to owners of the parent | 622,209,000 | 467,649,000 | 286,829,000 |
| Weighted average number of ordinary shares in issue | 197,135,201 | 195,056,391 | 191,150,240 |
| Earnings per share before and after dilution | 3.16 | 2.40 | 1.50 |

| Share capital and amount of shares | Amount of shares | Share capital |
|---|---|---|
| **Opening number of shares 1 January 2013** | **1,000,000** | **100,000** |
| **Closing number of shares 31 December 2013** | **1,000,000** | **100,000** |
| **Opening number of shares 1 January 2014** | **1,000,000** | **100,000** |
| New share issue 28 March 2014 | 256,429 | 25,642 |
| **Closing number of shares 31 December 2014** | **1,256,429** | **125,642** |
| Cash issue 8 October | 174,504 | 17,450 |
| Set-off issue | 11,555 | 1,156 |
| Bonus issue 23 October 2015 | 8,557,512 | 855,752 |
| Split 20:1 23 October | 190,000,000 | 0 |
| **Closing number of shares 31 December 2015** | **200,000,000** | **1,000,000** |

### Note 21 Treasury and other bills eligible for refinancing

| The Group | Nominal amount 31/12/2015 | Fair value 31/12/2015 | Book value 31/12/2015 | Nominal amount 31/12/2014 | Fair value 31/12/2014 | Book value 31/12/2014 | Nominal amount 31/12/2013 | Fair value 31/12/2013 | Book value 31/12/2013 |
|---|---|---|---|---|---|---|---|---|---|
| Issued by | | | | | | | | | |
| Swedish state and municipalities | 820,000 | 816,126 | 816,126 | 668,000 | 670,137 | 670,137 | 810,000 | 810,182 | 810,182 |
| Foreign states and municipalities | 134,338 | 140,599 | 140,599 | 125,866 | 135,706 | 135,706 | 0 | 0 | 0 |
| **Total** | **954,338** | **956,725** | **956,725** | **793,866** | **805,843** | **805,843** | **810,000** | **810,182** | **810,182** |
| *Of which listed* | *954,338* | *956,725* | *956,725* | *793,866* | *805,843* | *805,843* | *810,000* | *810,182* | *810,182* |
| **Remaining maturity** | | | | | | | | | |
| 0-1 years | 127,378 | 128,233 | 128,233 | 36,000 | 36,048 | 36,048 | 637,000 | 635,936 | 635,936 |
| 1-3 years | 408,149 | 410,223 | 410,223 | 213,719 | 219,610 | 219,610 | 143,000 | 144,193 | 144,193 |
| More than 3 years | 418,811 | 418,269 | 418,269 | 544,147 | 550,185 | 550,185 | 30,000 | 30,053 | 30,053 |
| **Total** | **954,338** | **956,725** | **956,725** | **793,866** | **805,843** | **805,843** | **810,000** | **810,182** | **810,182** |
| **Issuer's rating by S&P and Moody's** | | | | | | | | | |
| AAA/Aaa | 396,080 | 397,467 | 397,467 | 212,740 | 219,368 | 219,368 | 760,000 | 760,058 | 760,058 |
| AA+/Aa1 | 508,258 | 509,431 | 509,431 | 531,126 | 536,099 | 536,099 | 50,000 | 50,124 | 50,124 |
| Unrated [1)] | 50,000 | 49,827 | 49,827 | 50,000 | 50,376 | 50,376 | 0 | 0 | 0 |
| **Total** | **954,338** | **956,725** | **956,725** | **793,866** | **805,843** | **805,843** | **810,000** | **810,182** | **810,182** |

1) The item unrated treasury and other bills eligible for refinancing consists of holdings in a Swedish municipality that have no rating.

Rating by S&P and Moody's. If the credit ratings differ, the lowest is used.
The investments relate to municipal and government bonds and fulfil the requirements of FFFS 2010:7 on assets that may be included in the liquidity reserve.

### Note 22 Lending to credit institutions

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Loans in SEK | 1,892,462 | 3,527,192 | 2,172,582 |
| Loans in DKK | 2,435 | 48,125 | 25,497 |
| Loans in NOK | 412,693 | 58,705 | 43,555 |
| Loans in EUR | 25,402 | 37,081 | 26,678 |
| Loans in other currencies | 18,293 | 23,991 | 15,868 |
| **Total Lending to credit institutions** | **2,351,285** | **3,695,094** | **2,284,180** |

### Note 23 Lending to the public and doubtful receivables

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| **Receivables outstanding, gross** | | | |
| Loans in SEK | 9,554,849 | 8,750,845 | 7,478,509 |
| Loans in DKK | 2,323,509 | 2,419,635 | 579,237 |
| Loans in NOK | 5,452,301 | 1,706,006 | 820,769 |
| Loans in EUR | 2,190,175 | 2,165,325 | 745,541 |
| **Total Lending to the public** | **19,520,834** | **15,041,811** | **9,624,056** |
| Households [1)] | 18,877,517 | 14,345,422 | 9,136,003 |
| Net value of purchased non-performing consumer receivables [2)] | 299,916 | 344,875 | – |
| Companies[3) 4)] | 343,401 | 351,514 | 488,053 |
| **Total Lending to the public** | **19,520,834** | **15,041,811** | **9,624,056** |
| Provision for anticipated credit losses [5)] | (1,322,659) | (1,118,436) | (365,722) |
| **Total net Lending to the public** | **18,198,175** | **13,923,375** | **9,258,334** |

1) The amount for 2015 includes receivables from yA Bank of SEK 3,662 million.
2) The amount includes purchased non-performing consumer receivables as follows:

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Opening net value purchase consumer debt portfolios | 344,875 | | |
| Adjustment opening balance | 2,007 | | |
| Purchases of non-performing consumer receivables during the year | | 16,607 | – |
| Acquisition through business combination | | 348,336 | – |
| Amortisation for the year | (37,302) | (20,068) | – |
| Exchange difference | (9,664) | | |
| **Net value of purchased non-performing consumer receivables** | **299,916** | **344,875** | **0** |

3) The amount includes purchased invoice receivables of SEK 166,134 (175,802) (134,144) thousand.
4) The amount includes finance leases of SEK 64,468 (86,729) (106,913) thousand where Resurs Bank is the lessor.
5) The amount includes lending to households and companies.

| Geographical distribution of net Lending to the public | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| – Sweden | 8,960,419 | 8,285,639 | 7,198,753 |
| – Denmark | 2,062,855 | 2,070,015 | 553,490 |
| – Norway | 5,178,222 | 1,566,574 | 777,106 |
| – Finland | 1,996,679 | 2,001,147 | 728,985 |
| **Total net Lending to the public** | **18,198,175** | **13,923,375** | **9,258,334** |

| | | | |
|---|---|---|---|
| Doubtful receivables 1) | 2,481,575 | 1,988,562 | 747,546 |
| **Doubtful receivables net before provision for anticipated credit losses** | **2,481,575** | **1,988,562** | **747,546** |
| Provision for anticipated credit losses2) | (1,322,659) | (1,118,436) | (365,722) |
| **Doubtful receivables, net** | **1,158,916** | **870,126** | **381,824** |
| 1) of which doubtful receivables, corporate sector | 104,656 | 123,728 | 146,972 |
| 2) of which corporate sector | (42,954) | (45,252) | (49,643) |

| Key figures for lending activities | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Share of impaired loans, gross 1) | 13% | 13% | 8% |
| Share of impaired loans, net 2) | 6% | 6% | 4% |
| Total provision ratio 3) | 7% | 7% | 4% |
| Provision ratio, impaired loans 4) | 53% | 56% | 49% |

1) Impaired loans gross before provisions divided by total loans before provisions.
2) Impaired loans net before provisions divided by total loans before provisions.
3) Total provisions divided by total loans before provisions.
4) Provision for impaired loans divided by impaired loans gross.

## Note 24 Bonds and other interest-bearing securities

| Bonds | Nominal amount 31/12/2015 | Fair value 31/12/2015 | Book value 31/12/2015 | Nominal amount 31/12/2014 | Fair value 31/12/2014 | Book value 31/12/2014 | Nominal amount 31/12/2013 | Fair value 31/12/2013 | Book value 31/12/2013 |
|---|---|---|---|---|---|---|---|---|---|
| Corporate bonds | 188,969 | 185,327 | 185,327 | 237,109 | 241,048 | 241,048 | 365,156 | 374,190 | 374,190 |
| Swedish mortgage institutions | 758,000 | 762,250 | 762,250 | 912,000 | 914,098 | 914,098 | 2,109,575 | 2,112,509 | 2,112,509 |
| Swedish credit institutions | 0 | 0 | 0 | 54,000 | 54,357 | 54,357 | – | – | – |
| Foreign credit institutions | | | | | | | 50,000 | 52,331 | 52,331 |
| **Total** | **946,969** | **947,577** | **947,577** | **1,203,109** | **1,209,503** | **1,209,503** | **2,524,731** | **2,539,030** | **2,539,030** |
| **Remaining maturity** | | | | | | | | | |
| 0-1 years | 418,000 | 418,082 | 418,082 | 149,000 | 149,755 | 149,755 | 1,446,555 | 1,446,256 | 1,446,256 |
| 1-3 years | 412,000 | 412,953 | 412,953 | 652,000 | 656,966 | 656,966 | 578,000 | 582,144 | 582,144 |
| More than 3 years | 116,969 | 116,542 | 116,542 | 402,109 | 402,782 | 402,782 | 500,176 | 510,630 | 510,630 |
| **Total** | **946,969** | **947,577** | **947,577** | **1,203,109** | **1,209,503** | **1,209,503** | **2,524,731** | **2,539,030** | **2,539,030** |
| **Bonds' rating by S&P and Moody's** | | | | | | | | | |
| AAA/Aaa | 758,000 | 762,250 | 762,250 | 912,000 | 914,098 | 914,098 | 960,000 | 963,235 | 963,235 |
| AA+ | 0 | 0 | 0 | 0 | 0 | 0 | 8,000 | 8,150 | 8,150 |
| AA– | 0 | 0 | 0 | 0 | 0 | 0 | 570,496 | 568,686 | 568,686 |
| A+/A1 | 0 | 0 | 0 | 8,000 | 8,070 | 8,070 | 22,000 | 21,937 | 21,937 |
| A/A2 | 0 | 0 | 0 | 0 | 0 | 0 | 325,000 | 326,683 | 326,683 |
| A–/A3 | 0 | 0 | 0 | 69,000 | 69,442 | 69,442 | 383,500 | 383,804 | 383,804 |
| BBB+ | 0 | 0 | 0 | 0 | 0 | 0 | 30,000 | 31,389 | 31,389 |
| BBB/Baa2 | 25,000 | 25,516 | 25,516 | 25,000 | 25,995 | 25,995 | 0 | 0 | 0 |
| BB+/Ba1 | 14,029 | 13,484 | 13,484 | 0 | 0 | 0 | 0 | 0 | 0 |
| BB | 0 | 0 | 0 | 0 | 0 | 0 | 49,735 | 52,163 | 52,163 |
| B/B2 | 38,224 | 37,746 | 37,746 | 28,393 | 28,292 | 28,292 | 0 | 0 | 0 |
| B-/B3 | 11,716 | 8,521 | 8,521 | 11,716 | 11,520 | 11,520 | 0 | 0 | 0 |
| Unrated | 100,000 | 100,060 | 100,060 | 149,000 | 152,086 | 152,086 | 176,000 | 182,983 | 182,983 |
| **Total** | **946,969** | **947,577** | **947,577** | **1,203,109** | **1,209,503** | **1,209,503** | **2,524,731** | **2,539,030** | **2,539,030** |

| Other interest-bearing securities | Cost | Fair value 31/12/2015 | Book value 31/12/2015 | Cost | Fair value 31/12/2014 | Book value 31/12/2014 | Cost | Fair value 31/12/2013 | Book value 31/12/2013 |
|---|---|---|---|---|---|---|---|---|---|
| Interest-bearing funds | 458,781 | 462,966 | 462,966 | 40,454 | 40,606 | 40,606 | 38,486 | 38,029 | 38,029 |
| Structured products | 68,090 | 66,663 | 66,663 | 50,000 | 50,375 | 50,375 | 100,075 | 101,034 | 101,034 |
| **Total** | **526,871** | **529,629** | **529,629** | **90,454** | **90,981** | **90,981** | **138,561** | **139,063** | **139,063** |
| **Total Bonds and other interest-bearing securities** | **1,473,840** | **1,477,206** | **1,477,206** | **1,293,563** | **1,300,484** | **1,300,484** | **2,663,292** | **2,678,093** | **2,678,093** |

## Note 25 Subordinated loans

| | Nominal amount 31/12/2015 | Fair value 31/12/2015 | Book value 31/12/2015 | Nominal amount 31/12/2014 | Fair value 31/12/2014 | Book value 31/12/2014 | Nominal amount 31/12/2013 | Fair value 31/12/2013 | Book value 31/12/2013 |
|---|---|---|---|---|---|---|---|---|---|
| Subordinated loans | 23,390 | 25,015 | 25,015 | 23,514 | 26,478 | 26,478 | – | – | – |
| **Total** | **23,390** | **25,015** | **25,015** | **23,514** | **26,478** | **26,478** | **0** | **0** | **0** |
| **Remaining maturity** | | | | | | | | | |
| 0-1 years | 20,421 | 22,106 | 22,106 | | | | | | |
| 1-3 years | 0 | 0 | 0 | 20,421 | 23,393 | 23,393 | – | – | – |
| More than 3 years | 2,969 | 2,909 | 2,909 | 3,093 | 3,085 | 3,085 | – | – | – |
| **Total** | **23,390** | **25,015** | **25,015** | **23,514** | **26,478** | **26,478** | **0** | **0** | **0** |
| **Subordinated loans' rating by S&P and Moody's** | | | | | | | | | |
| A+/A1 | 20,421 | 22,106 | 22,106 | | | | | | |
| A/A2 | 0 | 0 | 0 | 20,421 | 23,393 | 23,393 | – | – | – |
| BBB/Baa2 | 2,969 | 2,909 | 2,909 | 3,093 | 3,085 | 3,085 | – | – | – |
| **Total** | **23,390** | **25,015** | **25,015** | **23,514** | **26,478** | **26,478** | **0** | **0** | **0** |

## Note 26 Shares and participations

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Costs | 34,596 | 11,520 | 26,784 |
| Fair value | 32,903 | 11,610 | 27,986 |

Further information about financial instruments is provided in Note 43.

## Note 27 Intangible assets

| | 31/12/2015 Goodwill | 31/12/2015 Other | 31/12/2015 Total | 31/12/2014 Goodwill | 31/12/2014 Other | 31/12/2014 Total | 31/12/2013 Goodwill | 31/12/2013 Other | 31/12/2013 Total |
|---|---|---|---|---|---|---|---|---|---|
| Opening cost | 691,912 | 13,876 | 705,788 | 26,677 | 10,833 | 37,510 | 26,677 | 9,106 | 35,783 |
| Acquisitions of operations | 1,056,545 | 115,718 | 1,172,263 | 629,355 | 2,350 | 631,705 | 0 | 3,435 | 3,435 |
| Divestments for the year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,708) | (1,708) |
| Investments for the year | 0 | 31,393 | 31,393 | 0 | 343 | 343 | 0 | 0 | 0 |
| Exchange differences | (85,859) | (7,860) | (93,719) | 35,880 | 350 | 36,230 | 0 | 0 | 0 |
| **Total cost at end of year** | **1,662,598** | **153,127** | **1,815,725** | **691,912** | **13,876** | **705,788** | **26,677** | **10,833** | **37,510** |
| Opening amortisation | 0 | (7,197) | (7,197) | 0 | (4,757) | (4,757) | 0 | (3,277) | (3,277) |
| Amortisation for the year | 0 | (6,280) | (6,280) | 0 | (2,242) | (2,242) | 0 | (1,480) | (1,480) |
| Exchange difference | 0 | | | 0 | (198) | (198) | 0 | 0 | 0 |
| **Total accumulated amortisation at end of year** | **0** | **(13,477)** | **(13,477)** | **0** | **(7,197)** | **(7,197)** | **0** | **(4,757)** | **(4,757)** |
| Opening impairment | (14,810) | (3,435) | (18,245) | (14,810) | 0 | (14,810) | (14,810) | 0 | (14,810) |
| Impairment for the year | 0 | 0 | 0 | 0 | (3,435) | (3,435) | 0 | 0 | 0 |
| **Closing accumulated impairment** | **(14,810)** | **(3,435)** | **(18,245)** | **(14,810)** | **(3,435)** | **(18,245)** | **(14,810)** | **0** | **(14,810)** |
| **Carrying amount** | **1,647,788** | **136,215** | **1,784,003** | **677,102** | **3,244** | **680,346** | **11,867** | **6,076** | **17,943** |

### Other intangible assets

Other intangible assets consist of capitalised system development costs and value of customer relationships acquired through business combinations.

### Impairment testing of goodwill

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually. The recoverable amount is determined based on estimates of value based on a discounted cash flow model with a forecast period of five years. The valuation is performed for each cash generating unit identified as Resurs Group segments, Consumer Loans, Payment Solutions and Insurance. Goodwill is allocated to the segments based on the expected future utility.

Estimated future cash flows are based the first five years of the forecasts of risk-weighted volumes, income, expenses, credit losses and expected future capital requirements. The forecasts are based primarily on an internal assessment based on historical performance and market development of the future revenue and cost trends, economic conditions, expected interest rate trend and the anticipated effects of future regulations. Over the first forecast period of five years, a forecast is performed based on the assumption of long-term growth rate. Long-term assumptions about market growth beyond the forecast period and their own business performance in relation to this is the basis for the assessment. This year's impairment test is based on the assumption of a long-term growth rate of two percent. Estimated cash flows have been discounted using an interest rate based on risk-free rate and the risk adjustment corresponding to the market's average return. The discount rate at this year's impairment test amounts to 10.1 per cent after tax. The corresponding rate before tax was 12.9 percent for Consumer Loans and 12.8 for Payment Solutions.

The calculated value of goodwill is sensitive to a number of variables that is significant for the expected cash flows and the discount rate. The variables that have the greatest significance for the calculation are assumptions about interest rates- and economic development, future margins and cost effectiveness. No reasonably possible change in the key assumptions would affect the carrying value of goodwill.

At the end of 2014 the majority of goodwill apply to acquisitions completed in 2014 and there was no indication of impairment during 2014 why no impairment test was performed during 2014.

The following is a summary of goodwill allocated to each operating segment.

| 2015 | Opening Balance | Acquisition of business | Sale | Impairment | Exchange difference | Closing Balance |
|---|---|---|---|---|---|---|
| Payment Solutions | 213,774 | 147,916 | 0 | 0 | (16,003) | 345,687 |
| Consumer Loans | 451,461 | 908,629 | 0 | 0 | (69,856) | 1,290,234 |
| Insurance | 11,867 | 0 | 0 | 0 | 0 | 11,867 |
| **Total** | **677,102** | **1,056,545** | **0** | **0** | **(85,859)** | **1,647,788** |
| **2014** | | | | | | |
| Payment Solutions | 0 | 199,249 | 0 | 0 | 14,525 | 213,774 |
| Consumer Loans | 0 | 430,106 | 0 | 0 | 21,355 | 451,461 |
| Insurance | 11,867 | 0 | 0 | 0 | 0 | 11,867 |
| **Total** | **11,867** | **629,355** | **0** | **0** | **35,880** | **677,102** |
| **2013** | | | | | | |
| Payment Solutions | 0 | 0 | 0 | 0 | 0 | 0 |
| Consumer Loans | 0 | 0 | 0 | 0 | 0 | 0 |
| Insurance | 11,867 | 0 | 0 | 0 | 0 | 11,867 |
| **Total** | **11,867** | **0** | **0** | **0** | **0** | **11,867** |

## Note 28 Property, plant & equipment

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| **Equipment** | | | |
| Cost at beginning of year | 44,414 | 29,148 | 21,246 |
| Acquisitions of operations | 1,434 | 2,245 | 38 |
| Purchases during year | 18,753 | 22,255 | 11,429 |
| Disposals during year | (7,013) | (9,357) | (3,571) |
| Exchange difference | (36) | 123 | 6 |
| **Total cost at end of year** | **57,552** | **44,414** | **29,148** |
| | | | |
| Accumulated depreciation at beginning of year | (15,899) | (13,422) | (11,848) |
| Acquisitions of operations | – | – | (8) |
| Accumulated depreciation of assets disposed of | 5,694 | 5,920 | 2,742 |
| Amortisation for the year | (10,214) | (8,089) | (4,297) |
| Exchange difference | (1) | (308) | (11) |
| **Total accumulated amortisation at end of year** | **(20,420)** | **(15,899)** | **(13,422)** |
| **Carrying amount** | **37,132** | **28,515** | **15,726** |

## Note 29 Reinsurer's share of technical provisions

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Non-earned premiums and unexpired risks | 15,579 | 4,140 | 96,699 |
| Unadjusted claims | 9,106 | 1,888 | 63,963 |
| **Total reinsurers' share of technical provisions** | **24,685** | **6,028** | **160,662** |

## Note 30 Other assets

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Receivables from leasing activities | 1,951 | 4,054 | 7,899 |
| Receivables from factoring activities | 4,343 | 4,972 | – |
| Receivables from insurance brokers and representatives | 157,781 | 140,445 | 229,490 |
| Other | 19,743 | 10,375 | 15,055 |
| **Total other assets** | **183,818** | **159,846** | **252,444** |

## Note 31 Prepayments and accrued income

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Prepaid expenses | 57,914 | 87,876 | 32,869 |
| Prepaid acquisition expenses, insurance operations | 163,512 | 177,011 | 194,506 |
| Accrued interest | 8,205 | 8,659 | 26,374 |
| Accrued income lending activities | 20,171 | 11,301 | 11,087 |
| **Total prepaid expenses and accrued income** | **249,802** | **284,847** | **264,836** |

## Note 32 Liabilities to credit institutions

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Credit in SEK | 139,300 | – | – |
| Credit in DKK | 1,832 | 848 | – |
| Credit in NOK | – | 178 | – |
| Credit in EUR | 128 | – | 18 |
| Credit in other currencies | – | – | 765 |
| **Total liabilities to credit institutions** | **141,260** | **1,026** | **783** |

## Note 33 Deposits and borrowing from the public

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Deposits and borrowing in SEK | 12,992,231 | 15,976,650 | 11,874,089 |
| Deposits and borrowing in NOK | 3,441,300 | – | – |
| **Total deposits and borrowing from the public** | **16,433,531** | **15,976,650** | **11,874,089** |
| | | | |
| Households | 13,741,255 | 12,884,871 | 9,784,943 |
| Companies | 2,692,276 | 3,091,779 | 2,089,146 |
| **Total deposits and borrowing from the public** | **16,433,531** | **15,976,650** | **11,874,089** |

**Maturity**

The majority of deposits from the public are payable on demand, see also Note 3 Risk management.

## Note 34 Other liabilities

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Trade payables | 69,883 | 115,903 | 76,791 |
| Liabilities to representatives | 267,458 | 337,123 | 360,301 |
| Preliminary tax deposit rates | 31,313 | 71,899 | 95,275 |
| Provision for loyalty programs | 53,591 | 48,311 | 39,360 |
| Liabilities for reinsurance | 11,323 | 607 | 79,694 |
| Other | 220,439 | 40,730 | 38,826 |
| **Total other liabilities** | **654,007** | **614,573** | **690,247** |

## Note 35 Accruals and deferred income

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Accrued interest expenses | 5,686 | 969 | – |
| Accrued staff costs | 83,855 | 58,962 | 43,330 |
| Accrued administrative expenses | 84,419 | 49,057 | 75,827 |
| Deferred income, leasing | 3,255 | 4,868 | 10,605 |
| Other deferred income | 8,267 | 18,853 | 60,079 |
| **Total accrued expenses and deferred income** | **185,482** | **132,709** | **189,841** |

## Note 36 Technical provisions

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| **Non-earned premiums and unexpired risks** | | | |
| Opening balance | 508,623 | 691,402 | 883,541 |
| Insurance written during the period | 1,161,490 | 967,705 | 947,303 |
| Premiums earned for the period | (1,234,917) | (1,041,814) | (1,130,393) |
| Portfolio transfer | | (113,861) | – |
| Exchange rate effect | (11,408) | 5,191 | (9,049) |
| **Closing balance** | **423,788** | **508,623** | **691,402** |
| | | | |
| **Provision for unexpired risks** | | | |
| Opening balance | 0 | 1,222 | 133 |
| Previous year's provisions taken up in profit or loss | | (1,222) | (136) |
| Annual provision | 6,589 | – | 1,222 |
| Exchange rate effect | (3) | – | 3 |
| **Closing balance** | **6,586** | **0** | **1,222** |
| | | | |
| **Unadjusted claims** | | | |
| Opening balance | 43,230 | 130,402 | 135,814 |
| Adjusted claim from earlier financial years | 74,918 | (50,201) | (119,229) |
| Change of anticipated expense for claims incurred during earlier years | (38,122) | (4,266) | (4,826) |
| Portfolio transfer | | (90,040) | – |
| Exchange rate effect | 2,556 | (1,798) | (140) |
| Annual provision | 21,281 | 59,133 | 118,783 |
| **Closing balance** | **103,863** | **43,230** | **130,402** |
| | | | |
| **Equalisation provision** | | | |
| Opening balance | – | – | 9,947 |
| Reversal recognised during the year | – | – | (9,947) |
| **Closing balance** | **0** | **0** | **0** |
| | | | |
| **Total technical provisions at end of period** | **534,237** | **551,853** | **823,026** |

## Note 37 Other provisions

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Opening balance | 8,418 | 680 | 2,318 |
| Acquisitions of operations | | 1,889 | – |
| Reversal of earlier provisions | | – | (1,756) |
| Provisions recognised during the year | 957 | 6,226 | 262 |
| Exchange difference | (700) | (377) | – |
| **Closing balance** | **8,675** | **8,418** | **824** |

The parent company and Resurs Bank has entered into an endowment insurance agreement for safeguarding its pension obligations. The endowment insurance and obligations have been netted. The amount recognised in other provisions consists of payroll tax not covered by the endowment insurance, which is SEK 1,380 (971) (680) thousand.

The market value of the endowment insurance is SEK 5,690 (4,004) (2,802) thousand.

Resurs Bank AB's Norwegian branch has, through the merger with Finaref AS defined-benefit pension plans. The provision is calculated annually on an actuarial basis to ensure the correct amount is allocated. The provision amounts to SEK 7,295 (7,448) (0) thousand.

### Note 38 Issued securities

Resurs Bank has completed a securitization of personal loans. In a transaction in June 2015 personal loans amounting to a book value of approximately SEK 1.8 billion was transferred to the wholly owned subsidiary Resurs Consumer Loans 1 Limited.

Resurs Consumer Loans acquisition of the private loans was financed by an international financial institution with approximately SEK 1.4 billion and the rest was financed by Resurs Bank. Resurs Bank and Resurs Consumer Loans has provided security for the assets included in the securitization. Because significant risks and benefits associated with the loan receivables sold were not transferred to the subsidiary, these receivables are still recognized in the bank's balance sheet and income statement in accordance with IAS 39.

| 31/12/2015 | Currency | Nominal amount | Interest rate | Book value SEK thousand | Fair value SEK thousand |
|---|---|---|---|---|---|
| Resurs Bank MTN 101 2018-04-03 | SEK | SEK 400 million | Variable | 399,100 | 402,908 |
| Resurs Consumer Loans 1 Ltd ABS | SEK | SEK 1,400 million | Variable | 1,400,000 | 1,406,103 |
| yA Bank AS 12/17 FRN 2017-05-04 | NOK | NOK 400 million | Variable | 382,240 | 379,411 |

### Note 39 Subordinated debt

| 31/12/2015 | Currency | Nominal amount | Interest rate | Book value SEK thousand | Fair value SEK thousand |
|---|---|---|---|---|---|
| yA Bank AS Subordinated loan 2023-11-20 | NOK | NOK 40 million | Variable | 38,224 | 38,641 |

### Note 40 Equity

Shares

The number of shares in the Parent Company is 200,000,000, and the par value is SEK 0.005. The par value is defined as share capital divided by the number of shares. The development of the number of shares and the share capital is described in Note 20.

Retained earnings

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

Translation reserve

This reserve includes translation differences for foreign operations upon consolidation.

Statement of changes in equity

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

| Changes in translation reserve | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Opening translation reserve | 56,159 | (744) | 199 |
| Translation difference for the year, foreign operations | (132,416) | 56,903 | (943) |
| **Closing translation reserve** | **(76,257)** | **56,159** | **(744)** |

### Note 41 Pledged assets, contingent liabilities and commitments

| | 31/12/2015 | 31/12/2014 | 31/12/2013 |
|---|---|---|---|
| Lending to credit institutions[1)] | 90,000 | 77,021 | 34 |
| Lending to the public[2)] | 1,780,232 | – | 4,089,694 |
| Assets for which policyholders have preferential rights (priority). | 610,875 | 667,156 | 555,391 |
| Pledged subsidiary shares | – | – | 1,496,172 |
| Floating charges [3)] | 500,000 | 500,000 | – |
| **Total collateral pledged for own liabilities** | **2,981,107** | **1,244,177** | **6,141,291** |
| **Other pledged assets** | **–** | **–** | **–** |
| **Contingent liabilities** | | | |
| Restricted bank deposits[4)] | 34,025 | 359 | 349 |
| Guarantees | 644 | 284 | 120 |
| **Total contingent liabilities** | **34,669** | **643** | **469** |
| **Other commitments** | | | |
| Unutilised credit facilities granted | 23,981,937 | 21,063,077 | 20,267,632 |

1) Lending to credit institutions relate to cash restricted as collateral for the fulfilment of commitments to payment intermediaries.
2) Refers to securitization, see Note 38 Debt securities issued.
3) Floating charges relate to collateral for credit lines of SEK 500,000 (500,000) thousand in other credit institutions.
4) On 31 December 2015, SEK 19,184 thousand relates to cash account at the Bank of Finland, and 13,645 SEK thousand relates to tax accounts at the Norwegian DNB.

The insurance operations' registered assets as per Ch. 7 Sec. 11 of the Insurance Business Act amount to SEK 611 (667) (555) million. In the event of insolvency, the policyholders have priority in the registered assets. In the course of the business, the company has the right to register and deregister assets as long as all insurance commitments are covered pursuant to the Insurance Business Act.

Unutilised credit granted refers to externally granted credit. All unutilised credit facilities granted are terminable to the extent allowed under the Swedish Consumer Credit Act.

### Note 42 Related parties

Ownership

Resurs Holding AB reg. no. 556898-2291 is owned to 51.98% by Cidron Semper Limited., 42.53% by Waldakt AB and 5.49% by RSF Invest AB. RSF Invest AB is owned to 80.39% by RSF Invest Holding AB, which in turn is owned to 55% by Cidron Semper Limited and to 45% by Waldakt AB. Part of RSF Invest Holding AB's ownership of RSF Invest AB is intended for sale to senior executives of the Group, and a holding of 19.61% has been sold. The indirect ownership of Resurs Holding AB by Cidron Semper Limited. and Waldakt AB has decreased proportionally, which means that Cidron Semper Limited and Waldakt AB have an indirect and direct ownership of 54.41% and 44.52%, respectively. Resurs Holding AB is indirectly owned by Nordic Capital Fund VII and Waldir AB through its respective holdings in Cidron Semper Ltd and Waldakt AB. Consolidated financial statements are not prepared for Nordic Capital Fund VII.

Related parties – Group companies

The Group consists of Resurs Holding AB and the subsidiaries Resurs Bank AB (with subsidiaries Resurs Norden AB, yA Bank AS, Meta Tech AS and RCL1 LTD) and Solid Försäkrings AB. The previous group companies Reda Inkasso AB and Teleresurs Sverige AB with subsidiary Flat Wallet AB was sold at 25 September 2015. For the complete Group structure, see Note 47.

Group companies are reported according to the according to the acquisition method, meaning internal transactions are eliminated at the Group level. Assets and liabilities, and dividends between Resurs Holding AB (Parent) and other Group companies are specified in the respective notes to the statement of financial position.

Related parties – Other companies with control or significant influence

Nordic Capital Fund VII owns 54.41% of Resurs Holding AB directly and indirectly via Cidron Semper Limited and therefore controls the company. Other companies over which Nordic Capital Fund VII has control and with which the Bank has had transactions are Ellos Group AB. Waldir AB owns 44.52% of Resurs Holding AB directly and indirectly via Waldakt AB and therefore has significant influence over the company. The Waldir Group includes SIBA AB and NetOnNet AB. Waldir AB is owned by the Bengtsson family, which also controls AB Remvassen. Transactions with these companies are reported below under the heading Other companies with control or significant influence.

All items for related companies are interest bearing.

Related parties – Key personnel in Resurs Holding AB

| | |
|---|---|
| Kenneth Nilsson | CEO Resurs Holding AB |
| Jan Samuelson | Chairman of the Board of Resurs Holding AB |
| Christian Frick | Director of Resurs Holding AB |
| Martin Bengtsson | Director of Resurs Holding AB |
| Anders Dahlvig | Director of Resurs Holding AB |
| Fredrik Carlsson | Director of Resurs Holding AB |
| David Samuelson | Director of Resurs Holding AB |
| Lars Nordstrand | Director of Resurs Holding AB |
| Mariana Burenstam Linder | Director of Resurs Holding AB |
| Marita Odélius Engström | Director of Resurs Holding AB |

Key personnel

At an extraordinary general meeting Mariana Burenstam Linder and Marita Odelius Engström were elected as new members to the Board of Directors.

Information about transactions between related party key personnel and remuneration of these individuals can be found in Note 15 Personnel.

| Related parties | 01/01/2015 –31/12/2015 | 01/01/2014 –31/12/2014 | 01/01/2013 –31/12/2013 |
|---|---|---|---|
| Transaction cost | (526,872) | (489,820) | (164,804) |
| Interest expenses, Deposits and borrowing from the public | (5,516) | (13,562) | (8,378) |
| Fee and commission income | 41,427 | 45,722 | 13,546 |
| Fee and commission expenses | (67,480) | (73,379) | (87,004) |
| General administrative expenses | (44,119) | (36,384) | (9,304) |
| Other operating expenses | | | (41) |
| Other assets | 11,342 | 11,441 | 5,501 |
| Deposits and borrowing from the public | (492,866) | (737,234) | (372,510) |
| Other liabilities | (85,023) | (98,117) | (100,641) |

## Note 43 Financial instruments

| 31/12/2015 | Loan receivables and accounts receivable | Financial assets at FVTPL designated | Financial assets at FVTPL held for trading | Total carrying amount | Fair value |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and balances at central banks | 50,761 | | | 50,761 | 50,761 |
| Treasury and other bills eligible for refinancing | | 956,725 | | 956,725 | 956,725 |
| Lending to credit institutions | 2,351,285 | | | 2,351,285 | 2,351,285 |
| Lending to the public | 18,198,175 | | | 18,198,175 | 18,198,175 |
| Bonds | | 1,477,206 | | 1,477,206 | 1,477,206 |
| Subordinated loans | | 25,015 | | 25,015 | 25,015 |
| Shares and participating interests | | 32,903 | | 32,903 | 32,903 |
| Derivatives | | | 170,682 | 170,682 | 170,682 |
| Other assets | 183,818 | | | 183,818 | 183,818 |
| Accrued income | 28,375 | | | 28,375 | 28,375 |
| **Total financial assets** | **20,812,414** | **2,491,849** | **170,682** | **23,474,945** | **23,474,945** |
| Intangible assets | | | | 1,784,003 | |
| Property, plant & equipment | | | | 37,132 | |
| Other non-financial assets | | | | 269,340 | |
| **Total assets** | **20,812,414** | **2,491,849** | **170,682** | **25,565,420** | |

| | Financial liabilities at FVTPL, held for trading | Other financial liabilities | Carrying amount | Fair value |
|---|---|---|---|---|
| **Liabilities** | | | | |
| Liabilities to credit institutions | | 141,260 | 141,260 | 141,260 |
| Deposits and borrowing from the public | | 16,433,531 | 16,433,531 | 16,434,337 |
| Derivatives | 3,147 | | 3,147 | 3,147 |
| Other liabilities | | 613,181 | 613,181 | 613,181 |
| Accrued expenses | | 90,105 | 90,105 | 90,105 |
| Issued securities | | 2,181,340 | 2,181,340 | 2,188,422 |
| Subordinated debt | | 38,224 | 38,224 | 38,641 |
| **Total financial liabilities** | **3,147** | **19,497,641** | **19,500,788** | **19,509,093** |
| Provisions | | | 8,675 | |
| Other non-financial liabilities | | | 1,051,787 | |
| Equity | | | 5,004,170 | |
| **Total liabilities and equity** | **3,147** | **19,497,641** | **25,565,420** | |

| 31/12/2014 | Loan receivables 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 |
| Lending to credit institutions | 3,695,094 | – | – | 3,695,094 | 3,695,094 |
| Lending 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 | 45,574 | 2,180 | – | 47,754 | 47,754 |
| **Total financial assets** | **17,820,774** | **2,146,595** | **38,573** | **20,005,942** | **20,005,942** |
| Intangible assets | – | – | – | 680,346 | – |
| Property, plant & equipment | – | – | – | 28,515 | – |
| Other non-financial assets | – | – | – | 299,512 | – |
| **Total assets** | **17,820,774** | **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 | – | 524,370 | 524,370 | 524,370 |
| 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** | **–** |

| 31/12/2013 | Loan receivables 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 |
| Lending to credit institutions | 2,284,180 | – | – | 2,284,180 | 2,284,180 |
| Lending 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** |
| Property, plant & equipment | – | – | – | 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 | Carrying amount | 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** | **–** |

The table below shows financial instruments measured at fair value, based on the classification in the fair value hierarchy.

The different levels are defined as follows;

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs that are observable 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).

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

| 31/12/2015 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| Financial assets at fair value through profit or loss | | | |
| Treasury and other bills eligible for refinancing | 956,725 | | |
| Bonds and other interest-bearing securities | 1,477,206 | | |
| Subordinated loan | 25,015 | | |
| Shares and participations | 32,903 | | |
| Derivatives | | 170,682 | |
| **Total** | **2,491,849** | **170,682** | **0** |
| Financial liabilities at fair value through profit or loss: | | | |
| Derivatives | 0 | (3,147) | 0 |
| **Total** | **2,491,849** | **167,535** | **0** |

| 31/12/2014 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| Financial assets at fair value through profit or loss | | | |
| Treasury and other bills eligible for refinancing | 805,843 | – | – |
| Bonds and other interest-bearing securities | 1,300,484 | – | – |
| Subordinated loan | 26,478 | – | – |
| Shares and participations | 11,610 | | |
| Derivatives | – | 38,573 | – |
| **Total** | **2,144,415** | **38,573** | **0** |
| Financial liabilities at fair value through profit or loss: | | | |
| Derivatives | – | (94,853) | – |
| **Total** | **2,144,415** | **(56,280)** | **0** |

| 31/12/2013 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| Financial assets at fair value through profit or loss | | | |
| Treasury and other bills eligible for refinancing | 810,182 | – | – |
| Bonds and other interest-bearing securities | 2,678,093 | – | – |
| Shares and participations | 27,986 | – | – |
| Derivatives | – | 10,493 | – |
| **Total** | **3,516,261** | **10,493** | **0** |
| Financial liabilities at fair value through profit or loss: | | | |
| Derivatives | | (4,637) | |
| **Total** | **3,516,261** | **5,856** | **0** |

### Financial instruments measured at fair value for disclosure purposes

The carrying amount of deposits and borrowings from the public is considered a reflection of the 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 for deposits and borrowing from the public is kept constant, unless there is clear evidence that a change in the credit rating has led to a measurable change in the credit spread. The fair value has been classified as level 2.

For subordinated debt the fair value is based on valuation on the stock exchange where they are listed. The fair value is classified as level 1. For securities issued (MTN) the fair value is based on the stock exchange where they are listed. The fair value is classified as level 1.

For issued securities (ABS), fair value is calculated by assuming that the duration is until the revolving period ends. The fair value has been classified as level 3.

For short term receivables and borrowing and deposits and borrowings from the public at variable interest rates, the carrying amount is considered to reflect the fair value.

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

Derivatives are entered into under ISDA agreements. The amounts are not offset in the statement of financial position. The majority of the derivatives at 31 December 2015 were covered by the ISDA Credit Support Annex, which means that collateral is obtained and provided in the form of bank deposits between the parties.

**Financial assets and liabilities subject to offsetting or netting arrangements.**

| 31/12/2015 | Gross amounts in the financial statements | Related agreements: Master netting agreement | Related agreements: Collaterals received/pledged | Net amount |
|---|---|---|---|---|
| Derivatives | 170,682 | (3,147) | (139,300) | 28,235 |
| **Total assets** | **170,682** | **(3,147)** | **(139,300)** | **28,235** |
| Derivatives | 3,147 | (3,147) | 0 | 0 |
| **Total liabilities** | **3,147** | **(3,147)** | **0** | **0** |
| **31/12/2014** | | | | |
| Derivatives | 38,573 | (38,573) | 0 | 0 |
| **Total assets** | **38,573** | **(38,573)** | **0** | **0** |
| Derivatives | 94,852 | (38,573) | (22,400) | 33,879 |
| **Total liabilities** | **94,852** | **(38,573)** | **(22,400)** | **33,879** |
| **31/12/2013** | | | | |
| Derivatives | 10,493 | 2,542 | 0 | 7,951 |
| **Total assets** | **10,493** | **2,542** | **0** | **7,951** |
| Derivatives | 4,638 | 2,542 | 0 | 2,095 |
| **Total liabilities** | **4,638** | **2,542** | **0** | **2,095** |

### Note 44 Events after the reporting date

As stated in note 4, Resurs reported a possible historical incorrectness to the Swedish Financial Supervisory Authority regarding the companies previously included in the reported consolidated situation. Furthermore note 4 states that given the prevailing uncertainty regarding the answer from the SFSA no provision for any penalty is made as per 2015-12-31. The Company's largest shareholder Cidron Semper Ltd. has in April 2016 undertaken to indemnify the Company for any fine imposed by the SFSA in excess of SEK 20 million and up to SEK 251 million, which corresponds to 10 per cent of Resurs's turnover for the year ended December 31, 2015. The indemnity will be provided by an unconditional shareholders's contribution to Resurs. The maximum amount covered by this indemnity (231 million) and the maximum amount that the Company shall pay (20 million) together correspond to the highest possible fine that the SFSA can impose under applicable law. The indemnity is conditional upon the implementation of the offer for acquisition of shares and a subsequent listing of the Company's shares on Nasdaq Stockholm in accordance with the prospectus, which this historical financial information is included in.

No other significant events occurred after the end of the year that affected the financial statements 2015.

### Note 45 Significant accounting 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 judgements 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 reported amounts of assets, liabilities, income and expenses in the financial statements. The actual outcome 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 assets
- impairment of credit losses
- other provisions
- deferred tax assets
- technical provisions

#### Classification and measurement 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 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 differences between estimated and actual cash flows may have an effect on earnings in the future.

#### 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 recognized 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 a present obligation at the reporting date. Earnings may be affected if an estimate has been made that is not consistent with the actual outcome.

Deferred tax asset

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

Technical provisions

Technical provisions are based on estimates and assumptions made regarding future claims costs, which means that the estimates are always associated with uncertainty.

The estimates are based on historical statistics on earlier claims outcomes that are available at the preparation of the annual accounts. The uncertainty associated with estimates is generally larger in estimates of new insurance portfolios. In the estimate of technical provisions, the amount of unpaid claims, claims trend, changes in legislation, court rulings and the general economic trend are taken into account.

Ongoing case at the Swedish Financial Supervisory Authority

Resurs has reported to the Swedish Financial Supervisory Authority a possible historical incorrectness regarding the companies previously included in the reported consolidated situation. Resurs Bank has thus an ongoing case at the Swedish Financial Supervisory Authority regarding the historical inclusion of the previous holding company Cidron FI S.à r.l. in the reported consolidated situation for the periods from fourth quarter of 2012 (included) to the second quarter of 2015 (included). Resurs Bank's operations and customers have not been affected by this, Cidron FI S.à r.l. no longer constitutes a part of the group and Resurs Bank has reported the circumstance to the Swedish Financial Supervisory Authority, which is currently investigating the issue. Given the prevailing uncertainty concerning the answer from the SFSA no provision for any penalty has been made as per 2015-12-31.

The accounting estimates and assumptions are reviewed regularly. Changes in accounting estimates are recognized 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.

## Note 46 Business combinations

Acquisition of yA Bank 2015

On 26 October 2015 the group acquired 100% of the share capital of yA Bank A/S and Meta Tech AS, which is subsidiaries to the Norwegian OTC-listed yA Holding A/S, for a cash consideration of 1,561 million NOK (approx. SEK 1,599 million).

yA Bank AS is an Oslo-based Norwegian niche bank focusing on consumer finance. The approximately 100,000 customers are offered savings accounts, consumer loans, credit cards and insurance. Meta Tech AS is the Group's IT company that builds and maintains the banking system, preferably to yA Bank, but also to a few other customers. The companies together has 47 employees.

The reason for the acquisition is to obtain an even larger share of the Norwegian market and strengthen Resurs position in consumer finance and is a further step in Resurs strategy to become the leading player in the Nordic market.

The fair value of identifiable assets acquired and liabilities assumed at the acquisition date amounted to SEK million:

The purchase price allocation is preliminary.

| **Assets** | |
|---|---|
| Cash and balances at central banks | 54 |
| Lending to credit institutions | 267 |
| Lending to the public | 3,644 |
| Bonds and other interest-bearing securities | 373 |
| Shares and participating interests | 1 |
| Intangible assets | 116 |
| Property plant & Equipment | 2 |
| Other assets | 9 |
| Prepaid expenses and accrued income | 5 |
| **Total assets** | **4,471** |

| **Liabilities and provisions** | |
|---|---|
| Deposits and borrowing from the public | 3,311 |
| Other liabilities | 91 |
| Accrued expenses and deferred income | 76 |
| Subordinated debt | 41 |
| Issued securities | 410 |
| **Total Liabilities and provisions** | **3,929** |
| **Total identifiable net assets** | **542** |

| **Consideration at 26 October 2015** | |
|---|---|
| Cash | 1,599 |
| **Total consideration transferred** | **1,599** |
| | |
| **Goodwill** | **1,057** |

## Purchase price allocation

In preparation of the purchase price allocation SEK 112 millions are identified as customer relationships which relates yA Bank's strong and long relationships with its customers.

SEK 33 million of the customer relationships are related to the segment Personal Loans and has an estimated useful life of 10 years and the remaining SEK 79 million is attributable to the segment Payment Solutions with an estimated useful life of 15 years.

Deferred tax amounting to SEK 28 million have been recognised on the above intangible assets based on the rate of corporation tax in Norway of 25%.

## Goodwill

The goodwill of SEK 1,057 million arising from the acquisition is attributable to the Group's strengthening of activity in the Norwegian market and is in line with Resurs Bank's strategy of becoming the leading bank for Retail Finance. The acquisition also brings expectations of reduced costs through synergies. No part of goodwill is expected to be deductible for income tax purposes.

Acquisition-related cost of SEK 42.5 millions is recognized as - General administrative expenses - in the income statement until the closing date (31/12/2015). Fair value of acquired assets is currently assessed to be equivalent to book value.

The operating income from the acquisitions that are included in the consolidated income statement since October 26, 2015 amounts to SEK 75 millions. The acquisitions contributed with a profit before tax of SEK 43 million for the same period.

If the acquisitions would have been consolidated from 1 January 2015, the groups income statement would show total operating income amounting to SEK 2,674 millions and an operating result of SEK 1,047 millions.

## Business Combinations 2014 *pro forma*

The *pro forma* information in this note relating to what the operating profit and profit for the year would have been if the business combination had been carried out at the 1 January 2014, which is required by IFRS 3. The information is prepared, in relevant aspects, using the same presentation format as the *pro forma* financial information included in the *pro forma* section of the prospectus, in which these financial statements are included. This has been done in order to align the financial information for investors.

On 1 April 2014, the subsidiary Resurs Bank acquired 100% of Crédit Agricole Consumer Finance SA's Nordic operations consisting of the groups of companies Nordic Consumer Finance A/S and its subsidiary Dan-Aktiv A/S (Dan-Aktiv) and Finaref AB and its subsidiaries.

Finaref AB is a credit market company specialising in consumer loans and payment protection insurance, primarily distributed through the distance commerce company Ellos. The company is active 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 Crédit Agricole Consumer Finance since 2004. Finaref AB offers loans via Ellos, 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 is a consumer credit company specialising in sales financing in Denmark. The company focuses on financing in the retail sector, e-commerce, vehicles, energy and house and home. F-Group (Fona) is the largest sales financing partner. Consumer loans and payment protection insurance are offered in the aftermarket. At the acquisition date, the company had 53 employees.

The main purpose of the acquisition is to develop the total market presence and create new and greater business opportunities in the Nordic region. The acquisitions mean that Resurs Bank immediately obtains a larger geographic platform in Denmark, Norway and Finland. The acquisitions are also intended to add power to Resurs Bank's growth ambitions. The total cash consideration for these acquisitions was SEK 1,336 million, which was financed partially by a share issue of 256,429 shares at a subscription price per share of SEK 2,800, raising SEK 718 million, with the remaining consideration paid out through own financing. As the interest rate on these funds is close to zero, no adjustment has been made to interest income.

On 1 November 2014, Finaref's Swedish operations were moved to Resurs Bank AB through an asset transfer. In September, the Board decided to integrate the acquired operations of the groups of companies outside Sweden by merging them into the Bank's branches in Denmark, Norway and Finland. The mergers were completed during the second quarter of 2015.

Acquisition-related costs amounted to SEK 27 million and are included in the Group's general administrative expenses (which are adjusted for in the *pro forma* income statement below). Since the acquisition, Finaref and Nordic Consumer Finance have contributed SEK 498 million in total operating income and 238 million to operating profit for the period.

If Finaref and Dan-Aktiv had been included in the consolidated accounts from the beginning of the 2014 financial year, they would have contributed SEK the groups operating profit would have been SEK 727 million and profit for the year would have been SEK 559 million as shown in the table below with explanatory notes (the *pro forma* income statement).

No *pro forma* adjustments have been made for synergies or integration costs in the *pro forma* financial information.

Moreover, the *pro forma* income statement included may not necessarily reflect Resurs's actual results of operations and/or financial condition if the acquisitions of Finaref, Dan-Aktiv had actually been completed on such earlier date(s) and such *pro forma* financial information should not be considered to be indicative of Resurs's results of operations or financial condition for any future period. Accordingly, potential investors should not pay undue attention to the *pro forma* financial information.

| SEK million | Resurs<br>Audited Financial statements in accordance with IFRS for the period ended 31 December 2014 | Finaref and Dan-Aktiv<br>Unaudited financial information in accordance with IFRS for the period 1 January – 31 March 2014 | Total | Adjustments | *Pro forma* Income statement |
|---|---|---|---|---|---|
| Interest income | 1,684 | 181 | 1,865 | (9)[1a)] | 1,856 |
| Interest expense | (335) | (19) | (354) | 10[1b)] | (345) |
| Fee & commission income | 269 | 10 | 279 | – | 279 |
| Fee & commission expense | (35) | – | (35) | – | (35) |
| Net premium income | 989 | – | 989 | – | 989 |
| Claims, net | (409) | – | (409) | – | (409) |
| Fee & commission expense, insurance operations | (399) | – | (399) | – | (399) |
| Net income/expense from financial transactions | 7 | – | 7 | – | 7 |
| Other operating income | 196 | 5 | 200 | – | 200 |
| **Total operating income** | **1,966** | **176** | **2,142** | **1** | **2,143** |
| General administrative expenses | (837) | (46) | (883) | 27[2)] | (856) |
| Depreciation, amortization and impairment of assets | (14) | (1) | (14) | – | (14) |
| Other operating expenses | (148) | (11) | (159) | – | (159) |
| Total expenses for credit losses | (998) | (57) | (1,056) | 27 | (1,029) |
| Profit before credit losses | 968 | 119 | 1,087 | 28 | 1,114 |
| Net credit losses | (351) | (36) | (387) | – | (387) |
| Operating profit | 617 | 83 | 700 | 28 | 727 |
| Tax | (149) | (19) | (168) | (0)[1c)] | (168) |
| **Profit for the year** | **468** | **64** | **532** | **27** | **559** |

(1) Adjustments related to the Finaref and Dan-Aktiv acquisition

The acquisition of Finaref and Dan Aktiv for consideration of SEK 1,336 million was financed partially by a share issue of 256,429 shares at a subscription price per share of SEK 2,800, raising SEK 718 million, with the remaining consideration paid out from Lending to credit institutions (cash). As the interest rate on these funds is close to zero, no adjustment has been made to interest income.

A fair value adjustment was made to the value of certain debt portfolios (financial assets) in connection with the acquisition of Finaref. The increase in fair value compared to the book value in the accounts amounted to SEK 348 million, which will be amortized using the effective interest rate method over the duration of the underlying portfolios.

(a) The fair value adjustment leads to a negative adjustment of the effective interest rate in the portfolio which in turn has a negative effect of SEK 9 million related to these portfolios, which has been reflected in the *pro forma* income statement.

(b) In relation to the acquisition of Finaref and Dan Aktiv, a refinancing was required of the funding in the entities. More favourable terms and a reduction in funding results in a positive *pro forma* adjustment of interest cost of SEK 10 million. The adjustment is based on the assumption that approximately two-thirds of the refinanced amount bears an interest rate 0.6 percent lower than the loan conditions prevailing in the Company prior to the acquisition.

(c) The net effect on tax expense related to the above is SEK 0.

(2) Transaction costs

In income statements for the year ended 31 December 2014 adjustments have been made in the above income statement to exclude all external transaction costs during 2014 relating to Resurs's acquisition of Finaref and Dan-Aktiv, which amounted to SEK 27 million. This item is non-recurring.

**Financial and other data adjusted as if the acquisition had taken place 1 January 2014**

| | As and for the year ended 31 December 2014 |
|---|---|
| Operating income | 2,143 |
| Operating profit | 727 |
| Net result for the period | 559 |
| Earnings per share (SEK) | 2.80 |
| Cost to income ratio (%) [1] | 48.8% |

1) Refers to costs in relation to income before loan losses.

Purchase price allocation

In preparing the purchase price allocation (PPA), it was found that the fair value of Lending to the public exceeded the carrying amounts of the acquired companies by SEK 348 million. The fair value is calculated using discounted cash flows which are based on historical cash flows and repayment rates on corresponding credit portfolios. In the initial preliminary PPA prepared in connection with the interim financial statements for the period ended 30 June 2014, the fair value intially exceeded the carrying amounts for the acquired companies by SEK 305 million. An adjustment of the PPA was then made based on the subsequent emergence of information about payment history which was not previously known to the buyer.

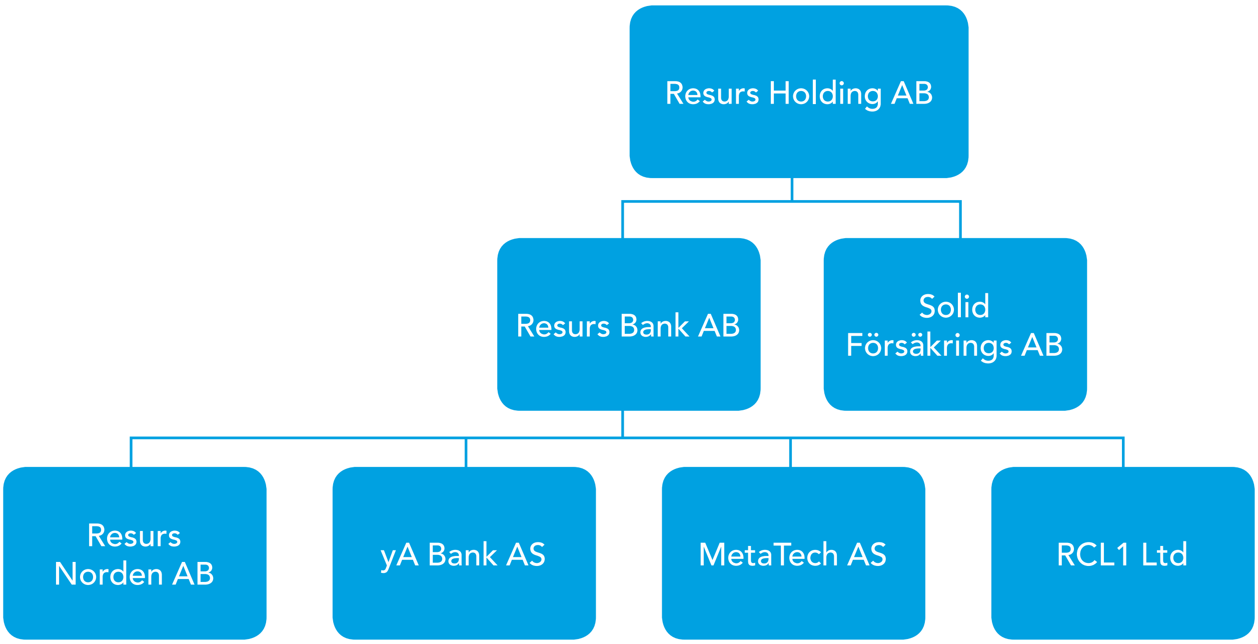
Goodwill

Goodwill on consolidation that arose in Resurs Bank AB in business combinations, after adjusting for identified assets not carried at fair value, amounted to 629 million at the acquisition date. See also Note 27 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 the business locally in each market. Cash-generating units will be defined on the basis of Payment Solution, Consumer loan and Insurance. As a result of cross sales between existing customers and customers of the acquired businesses, an integration will take place which means that cash-generating units cannot be defined at a lower level. The assets in each country consist of Resurs Bank AB's existing assets and acquired assets. Cross-border mergers have been performed with the aim of integrating all operations into Resurs Bank and running them in subsidiaries insofar as they are conducted abroad. It is not possible at present 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 during 2014.

**Recognised amounts of identifiable acquired assets and liabilities**

| | |
|---|---|
| Lending to credit institutions | 34,717 |
| Lending to the public | 3,312,844 |
| Lending 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** | **1,335,729** |

**Note 47 Group structure as per 31 December 2015**



## The Auditors' Report on historical financial statements

*To the Board of Directors of Resurs Holding AB (publ), reg. no. 556898-2291*

We have audited the financial statements for Resurs Holding AB (publ) on pages F-2–F-63, which comprise the consolidated statements of financial position as of December 31, 2015, 2014 and 2013 and the consolidated statements of income, cash flows and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory notes.

### The Board of Directors' responsibility for the financial statements

The Board of Directors are responsible for the preparation and the fair presentation of the financial position, financial performance, statement of changes in equity and cash flows in accordance with International Financial Reporting Standards as adopted by the EU and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the preparation and fair presentation of the financial statements in accordance with the requirements in the Commission Regulation (EC) No 809/2004.

### The auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with FAR's Recommendation RevR 5 Examination of Financial Information in Prospectuses. This recommendation requires that we comply with ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

An audit in accordance with FAR's Recommendation RevR 5 Examination of Financial Information in Prospectuses involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the financial statements. The audit procedures selected are based on our assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, we consider the internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Managing Director and evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the consolidated financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional applicable framework, of the financial position of the group as of December 31, 2015, 2014 and 2013 and its financial performance, statements of changes in equity and cash flows for these years.

Helsingborg, 17 April 2016

Ernst & Young AB

/s/Niklas Paulsson

Niklas Paulsson

Authorized Public Accountant

# yA Bank AS

## Financial information as of and for the financial years ended 31 December 2015 and 2014

### Income statement

| All amounts in NOK 1,000 | **Notes** | **2015** | **2014** |
|---|---|---|---|
| Interest income | 1, 2A, 8 | 379,022 | 287,370 |
| Interest expenses | 1, 2A | 84,597 | 82,150 |
| **Net interest income** | | **294,425** | **205,219** |
| | | | |
| Commission income etc. | 1, 2B | 73,477 | 25,170 |
| Commission expenses etc. | 1, 2B | 2,834 | 2,833 |
| | | | |
| **Net gain on foreign exchange and securities** | **1, 15** | **3,885** | **8,410** |
| | | | |
| **Total income** | | **368,954** | **235,966** |
| | | | |
| Salaries and other personnel expenses | 1, 3, 4 ,25 | 45,775 | 33,452 |
| Administrative expenses | 1, 6 | 51,239 | 33,350 |
| Depreciation, amortisation and impairment losses on fixed and intangible assets | 1, 5 | 2,628 | 23,104 |
| Other operating expenses | 1, 6, 7 | 25,247 | 19,630 |
| **Total operating expenses** | | **124,888** | **109,536** |
| | | | |
| Net impairment on loans and guarantees | 1, 8, 13 | 46,320 | 21,025 |
| | | | |
| Pre-tax profit | | 197,745 | 105,406 |
| Tax expense | 1, 9 | 53,697 | 28,841 |
| Net profit for the financial year | | 144,048 | 76,565 |
| | | | |
| **Transfers and transactions:** | | | |
| Transferred to other equity | 18 | 144,048 | 40,565 |
| Group Contribution | 18 | 0 | 36,000 |
| **Total amount** | | **144,048** | **76,565** |

### Comprehensive income yA Bank AS

| All amounts in NOK 1,000 | | | |
|---|---|---|---|
| Net result for the financial year | | 144,048 | 76,565 |
| Net change in fair value of financial assets available for sale | 1, 15 | 12,157 | 0 |
| **Total other comprehensive income that may subsequently be reclassified to profit or loss, after tax *** | | **12,157** | **0** |
| **Total other comprehensive income, after tax** | | **12,157** | **0** |
| **TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR** | | **156,205** | **76,565** |

* For the periods presented and accumulated there are no tax effects on other comprehensive income

## Balance sheet

| All amounts in NOK 1,000 | Notes | 31/12/2015 | 31/12/2014 |
|---|---|---|---|
| **Assets** | | | |
| Cash and deposits with the central bank | | 53,120 | 52,673 |
| Due from credit institutions | 1, 10 | 396,997 | 317,666 |
| Net loans to customers | 1, 11, 12, 13 | 3,742,931 | 2,584,580 |
| Shares and other variable-income securities | 1, 15 | 452,684 | 212,694 |
| Deferred tax asset | 1, 9 | 22 | 2,712 |
| Intangible assets | 1, 5 | 4,215 | 3,250 |
| Fixed assets | 1, 5 | 1,844 | 762 |
| Other assets | | 1,462 | 763 |
| Prepaid expenses and accrued income | | 7,703 | 1,375 |
| TOTAL ASSETS | | **4,660,977** | **3,176,475** |
| | | | |
| **Liabilities and equity** | | | |
| Deposits from customers | 1 | 3,601,193 | 2,668,750 |
| Group Contribution | 1 | 0 | 36,000 |
| Tax payable | 1, 9 | 50,865 | 28,180 |
| Other payables | 1, 17 | 37,049 | 12,889 |
| Pension liabilities | 1 | 0 | 9,731 |
| Deferred tax | 1 | 0 | 0 |
| Other accrued expenses and liabilities | 17 | 13,355 | 19,256 |
| Debt Securities | 1, 14 | 400,000 | 0 |
| Subordinate loan capital | 1, 14 | 40,000 | 40,000 |
| TOTAL LIABILITIES | | **4,142,461** | **2,814,807** |
| | | | |
| Share capital | 18, 19 | 110,000 | 110,000 |
| Share premium | 18, 19 | 170,000 | 170,000 |
| Other equity | 18, 25 | 238,516 | 81,669 |
| TOTAL EQUITY | | **518,516** | **361,669** |
| TOTAL LIABILITIES AND EQUITY | | **4,660,977** | **3,176,475** |
| | | | |
| **Off balance sheet items:** | | | |
| Contingent liabilities | 20 | 0 | 0 |
| Liabilities | 20 | 0 | 0 |

### Change in equity

The table below shows the change in equity during 2015 and 2014.

| All amounts in NOK 1,000 | **Share capital** | **Premium** | **Other equity** | **Total equity** |
|---|---|---|---|---|
| Equity at 1 January 2014 | 110,000 | 170,000 | 39,377 | 319,377 |
| Profit for the year | | | 76,565 | 76,565 |
| Other comprehensive income | | | 0 | 0 |
| Share option programme | | | 1,352 | 1,352 |
| Group Contribution paid, after tax | | | (35,625) | (35,625) |
| **Equity at 31 December 2014** | **110,000** | **170,000** | **81,669** | **361,669** |
| Profit for the year | | | 144,048 | 144,048 |
| Other comprehensive income | | | 12,157 | 12,157 |
| Share option programme | | | 642 | 642 |
| **Equity at 31 December 2015** | **110,000** | **170,000** | **238,516** | **518,516** |

Other equity is mainly retained earnings. This also includes charges to equity related to a share option programme of accumulated TNOK 6,236 (TNOK 5,984 at 31 December 2014).

Transition from NGAAP to simplified IFRS

The company has made no adjustments affecting the equity on the transition to simplified IFRS.

## Cash flow statement

| All amounts in NOK 1,000 | 2015 | 2014 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Interest received, commission received and fees from customers | 452,499 | 312,539 |
| Interest paid, commission paid and fees to customers | (87,430) | (84,983) |
| Net payments/receipts on loans to customers | (1,203,318) | (588,743) |
| Net receipt/payments on deposits from customers | 932,443 | 408,301 |
| Payments/receipts from purchase/sale of securities | (223,950) | 71,522 |
| Taxes paid | (28,180) | (23,743) |
| Payments to other suppliers for goods and services | (75,836) | (40,427) |
| Payments to employees, pension schemes, payroll taxes, tax deductions, etc. | (45,775) | (33,452) |
| **Net cash flow from operating activities** | **(279,548)** | **21,014** |
| | | |
| **Cash flows from investing activities** | | |
| Payments for the purchase of fixed and intangible assets | (4,674) | (5,017) |
| **Net cash flow from investing activities** | **(4,674)** | **(5,017)** |
| | | |
| **Cash flow from financing activities** | | |
| Raising of bond loans (Securities debt) | 400,000 | 0 |
| Paid Group Contribution | (36,000) | (29,000) |
| **Net cash flow from financing activities** | **364,000** | **(29,000)** |
| **Net cash flow for the period** | **79,778** | **(13,003)** |
| | | |
| Net change in cash and cash equivalents | 79,778 | (13,003) |
| Holding of cash and cash equivalents at the start of the period | 370,339 | 383,342 |
| Holding of cash and cash equivalents at the end of the period | 450,117 | 370,339 |

Cash is defined as cash, deposits with the central bank and loans to and receivables on credit institutions without an agreed term/term of notice.

There are restricted funds of TNOK 14,130 in the tax payment account with DNB at 31 December 2015 (TNOK 1,381 at 31 December 2014).

## Notes

### Note 1 General information, basis for preparation, key accounting principles

General information

yA Bank AS is domiciled in Norway and is a subsidiary of Resurs Bank AB in Sweden. Resurs Bank AB bought all the shares in the company with effect from 26 October 2015. Consolidated financial statements for Resurs Bank AB can be obtained from the company and at the company's website www.resursbank.se. yA Bank AS has its main office in Oslo (Fridtjof Nansens vei 19, N-0309 Oslo). yA Bank AS is an internet bank, which offers standard bank products within the Consumer Finance segment. The bank can be reached via the company's website www.ya.no, by telephone or via cooperating agents and partners. The objective of yA Bank AS is to offer simple and standardised deposit and loan products to private individuals in Norway in a simple and efficient manner. yA Bank AS does not offer products requiring personal advice.

Basis for preparation

The company's financial statements are prepared in accordance with the Norwegian Accounting Act and chapter 8A of the Norwegian Regulations relating to financial statements etc. for banks, financial institutions and their parent companies (the Financial Statements Regulations). Chapter 8A of the Financial Statements Regulations allows for simplified application of international accounting standards (simplified IFRS, as amended in November 2014). These are the company's first financial statements prepared in accordance with the simplified IFRS. References to "IFRS" in these financial statements mean the International Financial Reporting Standards, which have been endorsed by the EU. The date of the transition was 1 January 2014.

The financial statements were previously prepared in accordance with the Norwegian Accounting Act, the Financial Statements Regulations, Regulations on the accounting treatment of loans and guarantees at financial institutions and Good Accounting Practices in Norway (jointly: NGAAP). The transition to simplified IFRS had no impact on the equity. As compared with the previous financial statements prepared in accordance with NGAAP, the income statement and balance sheet have been condensed and some reclassifications have been made, mainly so that the item "Cash payments/receipts from purchase/sale of securities" in the cash flow statement is shown as part of the net cash flow from operating activities instead of as part of investing activities. Statements of comprehensive income and changes in equity are also included now.

The company's financial statements are prepared on the basis of historic cost, except for financial assets (money market and securities fund) measured at fair value through profit or loss and shares available for sale measured at fair value in other profit/loss elements in the total profit or loss.

The company's financial statements are presented in Norwegian kroner, which is also the company's functional currency. Amounts have been rounded to the nearest thousands if not otherwise stated. As a result of rounding, amounts and percentages may not sum up to the total amount.

Statements follow IFRS, and note requirements follow the Norwegian Accounting Act with additional requirements specified in chapter 8A of the Financial Statements Regulations on simplified IFRS. The recognition and measurement principles are in accordance with IFRS, with exceptions and alternative options as specified in chapter 8A of the Financial Statements Regulations on simplified IFRS. The alternative options in simplified IFRS used by the company for recognition and measurement are that dividend and Group Contributions are recognised in accordance with the Norwegian Accounting Act, which means that dividend and Group Contributions are recognised in the financial year to which they apply. The reason that some of the alternative options of the simplified IFRS were not used is that they are not currently relevant to the company.

The financial statements are based on an assumption of going concern.

These financial statements were approved by the board of directors on 18 February 2016 for adoption by the general meeting on 18 February 2016.

Recognition of income in the income statement and in comprehensive income

Interest income is recognised using the effective interest rate method. This implies recognition of interest income on an on-going basis plus amortisation of establishment fees and any other fees, which can be considered an integral part of the effective interest rate. The effective interest rate is determined by discounting contractual cash flows within the expected term. The cash flows include establishment fees, and direct transaction costs not paid directly by the customer. Direct transaction cost in the form of commissions to loan agents are included as part (reduction) of the effective interest rate over the average term of the loans. The average expected term is 36 months. Recognition of interest income using the effective interest rate method is used for balance sheet items measured at amortised cost. Interest income from impaired loans is calculated as the effective interest rate on the net written-down value.

Interest income from financial instruments presented as loans is recognised in the line item "Net interest income".

Net gain (including the interest element) of financial assets measured at fair value through profit or loss (the trading portfolio) are included in the item "Net gain on foreign exchange and securities" in the income statement.

Commission income from payment services, payment insurance and other commission income from banking services are recognised as the services are provided in the line item "Commission income etc.". Payment insurance relates to insurance of installments on loans, and the company earns a commission on this service.

Elements presented in the statement of other comprehensive income are grouped on the basis of whether the items can be reclassified to profit or loss in future.

A profit or a loss on a financial asset available for sale is recognised in other comprehensive income, except for impairment losses and exchange gains and losses, until the financial asset is derecognised. At that time, cumulative gains or losses previously recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.

## Expense recognition in the income statement and in comprehensive income

Interest expenses include interest and similar costs on deposits from and debt to customers, on subordinate loan capital and similar costs. Such costs are recognised in profit or loss using the effective interest rate method.

Commission expenses are transaction-based and are recognised in the period in which the services are received.

Operating expenses consist of salaries and other personnel expenses, administrative expenses and other operating expenses. These are expensed when goods and services are received or used. See below for depreciation, amortisation and impairment losses, losses on loans, tax expenses and net gains on financial instruments.

## Financial instruments

*Recognition and derecognition*

Financial assets and liabilities are recognised in the balance sheet on the transaction date, i.e. on the date when the Group becomes a party to the contractual conditions of the instruments. Financial assets are derecognised when the rights to the cash flows from the financial asset expire. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expires.

## Classification and presentation

On initial recognition, financial assets are classified in one of the following categories depending on the type of instrument and the purpose of the investment:

- financial assets held for trading recognised at fair value through the profit or loss (trading portfolio)
- financial assets available for sale
- loans and receivables, recognised in the balance sheet at amortised cost

On initial recognition, financial liabilities are classified as other financial liabilities recognised in the balance sheet at amortised cost.

## Financial assets in the trading portfolio and financial assets available for sale

Financial assets in the trading portfolio and financial assets available for sale are recognised at the transaction date at fair value. The fair value is the transaction price, unless another value can be justified on the basis of observable market transactions. See the section below on the determination of fair value on measurement.

For the periods presented, the trading portfolio contains money market and securities funds, and financial assets available for sale are investments in shares; see note 15.

## Loans and receivables recognised at amortised cost

Loans and receivables recognised at amortised cost are recognised initially at the transaction price with the addition of direct transaction costs. Subsequent measurement follow the effective interest rate method; see the section "Income recognition in the income statement and in comprehensive income" above. For subsequent measurement, amortised cost is determined as the present value of contractual cash flows within the expected term, discounted at the effective interest rate.

Impairments, which can be related to identified objective indicators of value decline on the balance sheet date for loans recognised at amortised cost, are included in the income statement under the item "Net loss on loans and guarantees"

## Other financial liabilities recognised at amortised cost

Financial liabilities valued at amortised cost are recognised at the transaction price with the addition of direct transaction costs. Interest expenses on the instruments are included in the item "Net interest income" based on the effective interest rate method. The category includes deposits from and debt to customers, securities debt and subordinate loan capital.

## Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and liabilities in active markets are valued at the price that is within the buying price-selling price margin, and which is most representative of fair value at the measurement date.

If the market for a financial instrument is not active, the fair value is determined by means of valuation methods.

yA Bank AS has financial assets in the trading portfolio and financial assets available for sale, which are measured at fair value. For the trading portfolio, official prices at the balance sheet date are used. Financial assets available for sale at 31 December 2015 is primarily a shareholding that has been valued at the expected price in a current transaction.

Moreover, pursuant to IFRS 7, the company must disclose the fair value of financial assets and liabilities, except if the carrying value is a reasonable approximation to the fair value.

The carrying value of financial assets and liabilities recognised at amortised cost is considered a reasonable approximation to fair value. According to the Norwegian Securities Dealers Association, tax values at 31 December 2015 for the securities debt were 101.09 for the subordinate bond loan and 99.25 for the open, unsecured bond loan.

## Impairment losses on financial assets

On each reporting date, the company consider whether there are objective indicators of impairments. A financial asset or group of financial assets are written down if there are objective indicators of impairments. Objective indicators of impairments include:

- significant financial difficulties of the debtor
- default on payment or other material breaches of contract
- cases in which it is considered probable that the debtor will initiate debt negotiations

– renegotiation of loan terms to ease the borrower's position
– other special circumstances that have occurred.

Individual impairment losses and losses on loans

If there are objective indicators of impairments, impairment losses on loans are calculated as the difference between the carrying value and the present value of estimated future cash flows discounted by the original effective interest rate of the loan.

Individual impairment losses reduce the amortised cost of the loans.

Impaired loans and loans exposed to loss are followed up by regular assessments. The company uses the following definitions:

– *Impaired loans:* Loans or account credits where a borrower has not made repayments, or credit lines, within 75 days after due date are regarded as impaired.
– *Loans exposed to loss:* yA Bank classifies loans that are more than 30 days in arrears as exposed to loss.
– *Recognised write-off losses:* In the event of bankruptcy, a confirmed composition, execution or a enforceable judgment, the company recognise loans and commitments affected by such circumstances as recognised write-off losses. This also applies in cases where the company has otherwise discontinued collection or given up parts of or entire commitments.

Group impairment losses on loans

Loans that are not individually impaired or written off are assessed for impairment on a group basis based on loss experience for credit cards and consumer loans, respectively.

Group impairment losses reduce the amortised cost of the loans. Group impairment losses are discounted in the same manner as individual impairment losses. The discount factor is based on the average interest rate for loans assessed on a group basis.

In the income statement, the item "Net losses on loans and guarantees" consists of recognised write-off losses and changes in impairment on individual- and groups of loans.

Intangible assets and fixed assets

The company has low book values of intangible assets and fixed assets. In previous years, the company developed its own software for parts of the banking operations. This software was impaired in 2014.

Depreciation, amortisation and impairment losses are included in the line item "Depreciation, amortisation and impairment losses on fixed and intangible assets" in the income statement.

Pension costs and liabilities

The company is subject to the Norwegian Act on Mandatory Occupational Pension and has a contribution scheme that satisfies the requirement. The company has no further payment obligations after the contributions have been paid. Contributions to contribution-based pension schemes are charged to the income statement when incurred. The company had a pension liability in connection with an agreement with a former CEO on early retirement pension, which was settled in 2015.

Income tax

Tax expense for the year include tax payable for the income year, any tax payable for previous years and change in deferred tax on temporary differences. Temporary differences are differences between the carrying value of an asset or a liability and the tax value.

Share options for employees

yA Holding ASA had issued options for shares in yA Holding ASA for managers and employees in yA Bank AS. The share option programme was defined as an equity settled share-based payment transaction, and was measured at fair value at the grant dates and charged to the income statement on a straight-line basis over the vesting periods. Payroll tax on options was charged to the income statement over the vesting periods and recognised as debt in the balance sheet. See note 3.

Operating lease agreements

Lease payments under operating lease agreements are expensed on a straight-line basis over the lease period.

Currency

The company has Norwegian kroner as its functional currency. Transactions in foreign currency are translated into the functional currency using the transaction exchange rate. Currency gains and losses arising on the payment of such transactions and on translation of monetary items in foreign currency at the exchange rate on the balance sheet date are recognised in the income statement as part of the item "Net value change and gain/loss on foreign exchange and securities".

Dividend and Group Contributions

Proposed dividend and Group Contributions are recognised in accordance with the Norwegian Accounting Act, which means that they are recognised in the financial year to which they apply.

Cash flow statement

The cash flow statement is prepared using the direct method. Cash and cash equivalents include cash, bank deposits and other short-term, liquid assets with initial maturity of three months or less.

Cash flows from operating activities are defined as current cash receipts and payments from banking operations as well as payments generated from and costs related to the ordinary operational activities of the company. This also includes cash flows from securities transactions, which are trading.

Investing activities include cash flows related to investments in fixed and intangible assets as well as shares available for sale.

Financing activities include cash flows from the raising and payment of subordinate loan capital and securities debt as well as equity.

## Segments

The main activity of yA Bank AS is to offer financial services to private individuals in Norway. No separate note regarding segments has been prepared as only one segment is included in the management report and as IFRS 8 on operating segments does not apply to the company.

### *Standards and interpretations that have not yet come into force*

A number of new or amended standards and interpretations had not come into force at 31 December 2015 and have not been applied in the preparation of the financial statements. To the extent that expected effects on the financial statements by use of new or amended standards and interpretations have not been described below, the new rules are not expected to have significant impact on yA Bank AS' financial reports.

### *IFRS 9 Financial instruments*

In July 2014 IASB issued the new standard for financial instruments, which will replace the present IAS 39. The new standard introduces a business oriented model for classification of financial assets, an expected loss model for impairment losses and a new general model for hedge accounting. IASB continues to work on new requirements for macro hedging. IFRS 9 will apply from 1 January 2018, but early adoption is permitted. The standard has not yet been endorsed by the EU. At present, yA Bank AS has not assessed whether it will use the option of early adoption.

The method for measurement of expected impairment losses on financial assets measured at amortised cost in the income statement depends on whether the credit risk has increased significantly since initial recognition. If the credit risk has not increased significantly, expected losses are recognised at an amount equal to the 12-month expected losses. If the credit risk has increased significantly, expected losses are recognised at an amount equal to the full lifetime expected losses.

The expectation so far is that the implementation of IFRS 9 may lead to an increase in impairment losses as a result of the change from an incurred loss model to an expected loss model. It is too early to give an estimate of the expected effect in the company's income statement.

### *IFRS 15 revenue from contracts with customers*

IFRS 15 was issued by IASB in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at the amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. The new principles in IFRS 15 have a more structured approach to the measurement and recognition of revenue. The new revenue standard applies to all entities and will replace all current income recognition rules according to IFRS. However, contracts with customers, which are recognised under the rules in IFRS 9, must follow the rules in IFRS 9 as they are explicitly excluded from the scope of IFRS 15. IFRS 15 applies to accounting periods starting on or after 1 January 2018. The standard has not yet been endorsed by the EU. At present, yA Bank AS has not assessed whether it will use the option of early adoption.

It is too early for the company to give an estimate of the expected effect in the company's income statement.

### *IFRS 16 Leasing*

In January 2016 IASB issued the new standard for leasing, which will replace the present IAS 17 and IFRIC 4.

The new standard requires lessees to recognise the right to use assets and liabilities for all leases, with the exception of some leases with lease periods of less than one year or where the underlying assets are of low value. Depreciation, amortisation and impairment losses as well as interest expenses must be recognised in the income statement. The standard also somewhat changes the definition of when an agreement contains a lease agreement. The accounting requirements for lessors are largely unchanged.

IFRS 16 will apply from 1 January 2019, but early adoption is permitted if IFRS 15 is adopted on or before the same date. The standard has not yet been endorsed by the EU. At present, yA Bank AS has not assessed whether it will use the option of early adoption.

The company has not assessed the impact of IFRS 16. However, as the company rents office premises, it can be expected that assets and liabilities will be recognised in this connection and that another profile for recognition and classification in the income statement will be used.

## Important accounting estimates, judgments and assumptions

Preparation of the company financial statements involves that management prepares estimates, perform judgments and uses assumptions that impact the application of accounting principles, including recognised amounts for assets, liabilities, revenue and expenses. Estimates and assumptions are evaluated regularly and are based on historical experience and other factors, including expectations to future events considered to be probable at the balance sheet date.

## Impairment losses on loans

In the event that objective indicators of impairments have been identified, impairment losses on loans are recognised individually or by groups. Impairment losses on loans are calculated as the difference between the carrying amount and the net present value of estimated future cash flows discounted using the effective interest rate of the loan.

Estimates of future cash flows are based on experience and assessments of future developments for the exposed loans based on the circumstances on the balance sheet date. The estimates are a result of a process involving use of data from debt collection companies and management's best judgement. In connection with the assessment of impairment losses on loans, there is uncertainty related to several elements in connection with both the identification of objective indicators of impairment and estimates of amounts and timing of future cash flows.

## Amortised cost of loans to customers

The effective interest rate method is used for recognition of interest income on the bank's credit cards and loan portfolio. The effective interest rate is calculated based, *inter alia*, on the expected term of the loans. This affects the amortisation of arrangement fees received and agent commissions paid as part of the effective interest rate, and hence amortised cost in the balance sheet. For the periods presented, the average expected term is estimated at 36 months.

## Risks

### *Credit risk*

The bank is exposed to credit risk related to loans to private customers and the risk of loss. The handling of credit risk in yA Bank is regulated in the "Board of directors' guidelines for granting credit in yA Bank (credit policy)", which gives general guidelines for the bank's granting of credit and hence its handling of credit risk. They form the basis for operative guidelines and processes.

Credit risk is the bank's largest risk. The bank uses a score card developed in-house, which together with policy rules rate the customer based on the probability of loss, and which is also the basis for assessing the risk on a differentiated interest rate. In line with the board's guidelines for granting credit in yA Bank, a power of authority system has been established, which manages the bank's credit risk by taking into account individual differences among the bank's holders of powers of attorney on the basis of experience and manages credit granting processes in general. This power of attorney system manages the operational risk and indirectly the credit risk. As part of the follow-up and management of the bank's credit risk, a structured follow-up of the bank's defaulted commitments is also included. The risk exposure increased in 2015 as a result of strong growth in loans.

### *Market risk*

The bank is exposed to market risk related to changes in the market value of bonds. The bank has placed surplus liquidity in low-risk money market funds. The bank diversifies the risk by investing in several bond funds and not directly in the securities. The funds are classified as low risk according to the board's guidelines on liquidity management. Market risk is an important risk considering the large amounts the bank has placed in money market funds. Changes in the value of the funds may result in large fluctuations in the bank's profit or loss and weaken the bank's capital adequacy.

### *Liquidity risk*

Liquidity risk involves the risk that the bank is unable to meet its obligations when due, and the risk that the company is unable to meet its liquidity obligations without the costs of this being dramatically increased. The risk is primarily related to volatility in the bank's holding of deposits and the related deposit interest rate. If a large number of customers withdraw their deposits at the same time, the bank may encounter problems maintaining operation. The risk of significant withdrawal of customer deposits is, however, assessed to be very low. Experience from the financial crisis suggests that even serious financial problems in the financial sector are not enough to trigger withdrawal of deposits. The bank has chosen to have an interest rate model that favours deposits below TNOK 2,000 in connection with a "reverse" interest rate table, where the interest rate falls considerably for deposits above TNOK 2,000. This means that the bank is less exposed to large and sudden fluctuations in deposits. As the guarantee from the Norwegian Banks' Guarantee Fund is limited to TNOK 2,000 the model also helps to ensure that deposits are secured to a very high degree by the Norwegian Banks' Guarantee Fund in the event of any banking crisis.

If the bank's liquidity comes outside the framework established by the board of directors, management must immediately initiate measures to increase deposits. In practice, this means increasing the interest rate for deposits and marketing the bank's deposit terms.

### *Interest rate risk*

The bank is exposed to interest rate risk when the market rate is changed. In most cases, yA Bank adapts to the changes that the competitors make to their products. The lending rates for consumer loans and credit cards are, however, far more stable than the market rate for other loan products. If the bank wants to change the deposit or lending rate to the disadvantage of customers, it must do so at two months' notice. When the interest rate is changed to the customers' advantage, the interest rate can be changed immediately. However, yA Bank does not anticipate an increase in market rate, but does, however, anticipate a slightly falling lending rate.

### *Operational risk*

The most important operational risks for the bank are the risks related to information and communication technology and fraud and malpractice as well as personnel risk and reputational risk. Operational risk accounts for 15-20% of the company's capital expenditure and is hence a significant risk. yA Bank reduces its operational risk through close control with routines, crisis management, contingency plans etc. The bank has an internal control system to catch and map operational risks at an early stage.

**Note 2A. Specification of net interest income**

| | 2015 | 2014 |
|---|---|---|
| **Interest income and similar income** | | |
| Interest and similar income from deposits with credit institutions | 4,645 | 8,645 |
| Interest and similar income from loans to customers | 374,376 | 278,724 |
| Interest and similar income from certificates, bonds and other interest-bearing securities | 0 | 0 |
| **Total interest income** | **379,022** | **287,370** |
| | | |
| **Interest expenses and similar expenses** | | |
| Interest and similar expenses on deposits from and debt to customers | 73,717 | 77,832 |
| Interest and similar expenses on subordinate loan capital | 8,302 | 2,206 |
| Other interest expenses and similar expenses | 2,577 | 2,112 |
| **Total interest expenses** | **84,597** | **82,150** |
| **Net interest income** | **294,425** | **205,219** |

**Note 2B. Specification of net commission income and income from banking services**

| | 2015 | 2014 |
|---|---|---|
| **Income** | | |
| Commission income from payment services | 6,159 | 5,670 |
| Commission income from payment insurance | 45,223 | 4,082 |
| Other commission income from banking services | 22,096 | 15,418 |
| **Total** | **73,477** | **25,170** |
| | | |
| **Expenses** | | |
| Commission expenses from payment services | 2,322 | 2,391 |
| Other commission expenses from banking services | 512 | 442 |
| **Total** | **2,834** | **2,833** |

**Note 3. Salaries, loans/collateral and benefits to senior employees, etc.**

| Salaries and other personnel expenses | 2015 | 2014 |
|---|---|---|
| Salaries | 33,597 | 27,011 |
| Pension costs | 1,752 | 1,081 |
| Contribution to the National Insurance Scheme | 8,497 | 4,174 |
| Other payments | 1,930 | 1,186 |
| **Total** | **45,775** | **33,452** |

yA Bank had 38 man years distributed on 50 employees in 2015. At end 2014, yA Bank had 33 employees distributed on 33 man years.

Housing loans to employees are granted on employee terms. The interest rate on employee loans is equal to the interest rate described by the Norwegian Finance Department.

Variable compensation

Variable compensation is bonus. Bonus is fixed on the basis of the achievement of pre-defined ratios and may amount to a maximum of 4.5 monthly salaries for members of the bank's management team and up to 3 monthly salaries for the bank's other employees.

There are no other agreements on variable compensation.

The board of directors of yA Bank has adopted guidelines for compensation in the bank in line with the regulations on compensation schemes in financial institutions. Employees who are members of the management team receive their bonus in accordance with the provisions of section 4 of the regulations. This means that half of the bonus is given in the form of contingent capital, which reflects the bank's value development and is paid evenly distributed over three years. The board of directors uses return on equity to reflect the bank's value development.

Share option programme

yA Bank AS was sold by yA Holding ASA to Resurs Bank AB on 26 October 2015. yA Holding ASA offered employees in yA Bank AS a share option programmecorresponding to 1.2 million options. At 31 December 2014, 1,079,153 options were outstanding at an average exercise price of 13.50 per share, 980,232 of which were redeemable. 395,846 options were redeemed in March 2015. The remaining options were cancelled by Resurs Bank AB undertaking to redeem the options as part of the transaction agreement.

The liability was settled by payment in cash of TNOK 28,168 to employees in yA Bank.

The share option programme was defined as an equity settles share-based payment transaction. An amount of TNOK 642 was charged to the income statement in 2015 and TNOK 1,352 in 2014, and offset by an increase in equity. The compensation from Resurs Bank AB did not exceed the fair value of the options at the date of cancellation. yA Bank AS had already charged the entire calculated fair value to the income statement and there was no additional recognition in the income statement in connection with the cancellation. Furthermore, payroll tax was charged to the income statement and paid by yA Bank AS.

Benefits to senior employees

The CEO of yA Bank is chairman of the board of Meta-Tech AS (a subsidiary of yA Holding ASA until it was sold to Resurs Bank AB on 26 October 2015) and has received no fee for the office of chairman in 2014 and 2015.

The bank's management team and CEO have the same pension scheme as other employees, as mentioned in the pension note. The company had a pension liability in connection with an agreement with a former CEO on early retirement pension, which was settled in 2015.

| 2015 | Salaries | Variable compensa-tion | Other com-pensation * | Pension | Total com-pensation | Loans and collateral |
|---|---|---|---|---|---|---|
| **Senior employees** | | | | | | |
| CEO – Robert Berg (up to and including 11 December 2015) | 1,759 | 202 | 4,237 | 69 | 6,267 | 2,675 |
| CEO – Rune Strande (as from 11 December 2015, formerly COO) | 1,066 | 292 | 578 | 72 | 2,007 | |
| IT Manager – Per-Jørgen Dam-Nielsen | 968 | 102 | 1,242 | 63 | 2,375 | |
| CFO – Gard Haugen | 1,150 | 174 | 993 | 69 | 2,385 | 6,078 |
| Marketing director – Jørgen Rui | 857 | 61 | 1,137 | 56 | 2,110 | |
| Legal Affairs & HR director – Eivind Sverdrup | 997 | 243 | 3,086 | 62 | 4,388 | |
| **Total** | **6,796** | **1,073** | **11,273** | **389** | **19,532** | **8,754** |

* Including share option gain and/or cash payment related to the cancellation of share option agreements.

| 2015 | Fee | Total com-pensation |
|---|---|---|
| **Fees to governing bodies** | | |
| Board of directors | 884 | 884 |
| Control committee | 185 | 185 |
| Shareholders' committee | 311 | 311 |
| Election committee, general meeting | 15 | 15 |
| **Total** | **1,395** | **1,395** |

There is no obligation to pay separate remuneration on retirement, termination or change of the employment or office of senior employees or members of the governing bodies.

At 31 December 2015, total loans to employees amounted to TNOK 25,682 broken down by TNOK 25,510 in mortgage loans and TNOK 172 in unsecured loans.

| 2014 | Salaries | Variable com-pensation | Other com-pensation | Pension | Total com-pensation | Loans and collateral |
|---|---|---|---|---|---|---|
| **Executive officers** | | | | | | |
| CEO – Robert Berg (from 1 March) | 1,143 | | 92 | 44 | 1,279 | |
| CEO – Svein Lindbak (to 31 March) | 400 | 864 | 5 | 22 | 1,291 | |
| Bank executive/COO – Rune Strande | 1,109 | 489 | 11 | 55 | 1,664 | 3,000 |
| IT Manager – Per-Jørgen Dam-Nielsen (from 5 May) | 569 | | 7 | 33 | 608 | |
| CFO – Gard Haugen (from 1 April) | 734 | | 7 | 35 | 775 | |
| Marketing director – Jørgen Rui (from 23 June) | 378 | | 4 | 20 | 401 | |
| Chief legal counsel/ Attorney – Eivind Sverdrup | 952 | 300 | 10 | 48 | 1,310 | 2,979 |
| **Total** | **5,283** | **1,653** | **135** | **258** | **7,329** | **5,979** |

| 2014 | Fee | Total com-pensation |
|---|---|---|
| **Fees to governing bodies** | | |
| Board of directors | 726 | 726 |
| Control committee | 185 | 185 |
| Shareholders' committee | 249 | 249 |
| Election committee, general meeting | 30 | 30 |
| **Total** | **1,190** | **1,190** |

**Note 4. Pension**

yA Bank has a deposit (defined contribution) pension scheme for all employees with DNB Livsforsikring ASA. The deposit pension scheme offers investment choices, and the risk covers disability pension and waiver of premium payments in the event of disability. The risk covers related to the deposit pension scheme ensure employees and their dependents in the event of disability and death.

Each year, the company pays a fixed deposit for members of the pension scheme. The fixed deposit amounts to 5% of salaries between 1 and 6 basic amount, and 8% of salaries between 6 and 12 basic amount. The deposit is deposited in the employee's pension account. Employees manage their own funds. At pensionable age, the saved capital is paid as retirement pension.

Pensionable age is 67 years, and the payment period is at least ten years. Employees who have at least 20% employment and who have reached the age of 20 are members of the scheme.

The company is required to have a mandatory occupational pension scheme under Norwegian law, and this scheme meets the requirements of the act.

## Note 5. Fixed and intangible assets

| Intangible assets: | 2015 | 2014 |
|---|---|---|
| Acquisition cost at 1 January | 71,547 | 66,740 |
| + Additions | 3,037 | 4,807 |
| – Disposals | (15,500) | 0 |
| Acquisition cost at 31 December | 59,084 | 71,547 |
| Accumulated amortisation and impairment at 1 January | (68,297) | (45,578) |
| – Disposals | 15,500 | 0 |
| Depreciation and impairment losses in the profit or loss for the year | (2,072) | (22,719) |
| Accumulated depreciation and impairment losses at 31 December | (54,869) | (68,297) |
| **Carrying value at 31 December** | **4,215** | **3,250** |
| **Profit/loss on sale** | **0** | **0** |

| Fixed assets: | 2015 | 2014 |
|---|---|---|
| Acquisition cost at 1 January | 6,782 | 6,572 |
| + Additions | 1,637 | 210 |
| – Disposals | 0 | 0 |
| Acquisition cost at 31 December | 8,419 | 6,782 |
| Accumulated amortisation and impairment at 1 January | (6,020) | (5,635) |
| Amortisation and impairment losses in the profit or loss for the year | (556) | (385) |
| Accumulated amortisation and impairment at 31 December | (6,576) | (6,020) |
| **Carrying value at 31 December** | **1,844** | **762** |
| **Profit/loss on sale** | **0** | **0** |

The bank uses the following amortisation/ depreciation rates:

| | |
|---|---|
| Software developed in-house and bank infrastructure software | 33.33% |
| Fixed equipment/fittings | 20.00% |
| Other IT equipment and fittings purchased | 33.33% |

In previous years, the company developed its own software for parts of the banking operations. This software was written down in 2014 by TNOK 15,900.

## Note 6. Other operating expenses and administrative expenses

| | 2015 | 2014 |
|---|---|---|
| Rent and costs of leased premises | 2,213 | 2,126 |
| Membership fee bank organisation | 933 | 1040 |
| Credit information and debt collection related costs | 5,861 | 3,971 |
| Card production costs | 3,240 | 2,311 |
| Other sundry expenses | 13,000 | 10,182 |
| **Total other operating expenses** | **25,247** | **19,630** |

| | 2015 | 2014 |
|---|---|---|
| Fee external services | 2,958 | 2,905 |
| IT operation | 23,624 | 16,906 |
| Sale and marketing | 18,054 | 8,080 |
| Other administrative expenses | 6,603 | 5,459 |
| **Total administrative expenses** | **51,239** | **33,350** |

### Auditor:

An amount of TNOK 1,595 was charged to the income statement to the auditor KPMG in 2015 including VAT, broken down by TNOK 480 for statutory audit and TNOK 1,114 for attestation and other services.

In 2014 the amount was TNOK 721 including VAT, broken down by TNOK 567 for statutory audit and TNOK 154 for attestation and other services.

### Major single transactions

There were no major single transactions in 2015 or 2014.

## Note 7. Lease agreements and other minimum purchase commitments

yA Bank has no lease agreements regarding non-current assets, and all IT equipment is purchased. The bank has significant lease agreements regarding the bank's premises:

| | Annual lease | Expiry of lease agreement |
|---|---|---|
| Fridtjof Nansens vei 19, 0309 Oslo | 1,925 | 30-09-16 |
| Vestre Rosten 81, 7075 Tiller | 288 | 30-04-16 |

As regards the premises in Trondheim, the bank has a current agreement subject to six months' mutual notice of termination. The lease was terminated in connection with the relocation of the bank's customer centre to Oslo. The lease in Oslo will not be extended due to the planned relocation of the bank's main office to another location in Oslo.

The bank has some minimum purchase commitments related to supplier agreements, which are not recognised as liabilities in the balance sheet. The largest ones are IT related, and they amounted to a total of TNOK 38,682 at 31 December 2015 and TNOK 37,194 at 31 December 2014. The amounts are minimum purchase commitments if the agreements had been terminated at 31 December in the respective years. The terms of notice are generally two to three years.

### Note 8. Impairment on loans and guarantees in the income statement

| | Loans | | Guarantees | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Recognised write-off on loans charged to the income statement | 39,168 | 33,939 | | |
| New individual impairment losses | 33,294 | 20,192 | | |
| **Total new individual impairment losses** | **72,462** | **54,131** | **0** | **0** |
| Reversal of individual impairment losses | 20,346 | 19,776 | | |
| **Total individual impairment losses** | **52,117** | **34,356** | **0** | **0** |
| Reversal of previously recognised write-off losses | 9,696 | 14,831 | | |
| Change in group impairment losses on loans | 3,900 | 1,500 | | |
| **Total impairment on loans, guarantees** | **46,320** | **21,025** | **0** | **0** |

| | 2015 | 2014 |
|---|---|---|
| Interest on impaired loans recognised as income | 17,722 | 16,169 |

### Note 9. Tax

| **Tax payable** | **2015** | **2014** |
|---|---|---|
| Pre-tax profit | 197,745 | 105,406 |
| Permanent differences: | | |
| – non-deductible expenses | 603 | 1,412 |
| – non-taxable income | 0 | 0 |
| Group Contribution paid | 0 | 0 |
| Other differences | 0 | 0 |
| Change temporary differences | (9,959) | (1,057) |
| Change loss carryforwards | 0 | 0 |
| **Basis for tax payable** | **188,389** | **105,761** |
| **Tax payable (27%)** | **50,865** | **28,555** |

**Tax expense**

| | | |
|---|---|---|
| Tax payable on the profit for the year | 50,865 | 28,555 |
| Change deferred tax | 2,691 | 285 |
| Insufficient amount of tax allocated in previous years | 142 | |
| Tax on Group Contribution paid | 0 | 0 |
| Tax expense for the year in the income statement | 53,697 | 28,841 |

**Reconsiliation of tax expense and tax calculated at average nominal tax rate on profit before tax**

| | | |
|---|---|---|
| 27% tax on profit before tax | 53,391 | 28,460 |
| Effect of changed tax rate from 27% to 25% on deferred tax | 2 | 0 |
| Insufficient amount of tax allocated in previous years | 142 | 0 |
| 27% of permanent differences | 163 | 381 |
| **Calculated tax expense** | **53,697** | **28,841** |

**Deferred tax**

| | | |
|---|---|---|
| Non-current assets | (87) | (314) |
| Provisions | 0 | (9,731) |
| **Net differences** | **(87)** | **(10,045)** |
| Deferred tax benefit recognised in the balance sheet | 22 | 2,712 |

### Note 10. Deposits with credit institutions

| | Loans | |
|---|---|---|
| | 2015 | 2014 |
| Deposits with credit institutions without an agreed term/term of notice | 396,997 | 317,666 |
| Total deposits with credit institutions with an agreed term/ term of notice: | 0 | 0 |

There are restricted funds of NOK 14,130 thousand (NOK 1,381 thousand) in the tax payment account with DNB.

### Note 11. Loans to customers

| | 2015 | 2014 |
|---|---|---|
| Bank overdrafts/operating credits/consumer credits | 2,578 | 2,895 |
| Credit cards | 572,755 | 451,778 |
| Instalment loans | 3,256,879 | 2,202,339 |
| – Impairment losses on individual loans | (79,881) | (66,933) |
| – Impairment losses on groups of loans | (9,400) | (5,500) |
| **Total net loans to customers** | **3,742,931** | **2,584,580** |

**Loans and guarantees broken down by sectors, losses, default and provision for bad debts**

| | Loans | | Guarantees | | Unused credit facilities credit cards | | Impaired loans | | Past due loans not subject to impairment | | Impairment losses on loans/ guarantees | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** | **2015** | **2014** | **2015** | **2014** | **2015** | **2014** | **2015** | **2014** |
| Retail market | 3,822,544 | 2,647,756 | 0 | 0 | 2,107,223 | 1,848,514 | 236,640 | 187,769 | 146,070 | 96,990 | 89,237 | 72,420 |
| Other | 9,668 | 9,257 | 0 | 0 | 96,592 | 89,220 | 167 | 42 | 34 | 32 | 44 | 12 |
| **Total** | **3,832,212** | **2,657,012** | **0** | **0** | **2,203,815** | **1,937,734** | **236,807** | **187,811** | **146,104** | **97,022** | **89,281** | **72,433** |

In its customer agreements, the bank has reserved the right to block the cardholder's right to use an unused credit facility if there is a fair reason.

**Note 12. Loans broken down by risk class**

A credit risk is the risk of loss related to loans and credits (arrangements). All credit applications are assessed on the basis of given criteria in a score model developed in-house. Customers whose credit risk is too high are turned down and others are placed in risk classes on the basis of score values. The bank's pricing of loans reflects the risk attached to the arrangement.

Credit risk is the bank's largest risk, but also the most important parameter for the bank's earnings. A correctly balanced credit risk with good management and follow-up is decisive for the bank's financial situation.

Mortgage loans are classified as low risk, while credit card loans, overdraft facilities and consumer credit loans are classified as high risk.

As regards consumer loans, the bank rates the loan customers on the basis of their score to assess risk. When applying for a loan, applicants must answer various questions about their financial circumstances, housing, family affairs etc. Financial data is verified by means of copies of payslips and tax certificates. Information from the customer combined with tax information from a credit rating agency forms the basis for the score value.

In respect of mortgage loans, the bank uses collateral to reduce the risk. The collateral may be in the form of physical collateral or guarantees. Physical collateral may be the borrower's home. Matters that may affect the value of the security are taken into account. Other loans are unsecured.

**Distribution by risk class 2015**

| Risk class | Gross loans | Loans not impaired | Unused credit | Total | Distribution in % | Individual impairment losses | Group impairment losses | Expected annual loss |
|---|---|---|---|---|---|---|---|---|
| Low risk | 42,566 | 40,969 | 0 | 42,566 | 1% | 1,597 | 0 | 213 |
| Medium risk | 0 | 0 | 0 | 0 | 0% | 0 | 0 | 0 |
| High risk | 3,789,646 | 3,506,634 | 2,203,815 | 5,993,461 | 99% | 78,284 | 9,400 | 56,845 |
| **Total** | **3,832,212** | **3,547,603** | **2,203,815** | **6,036,027** | **100%** | **79,881** | **9,400** | **57,058** |

**Distribution by risk class 2014**

| Risk class | Gross loans | Loans not impaired | Unused credit | Total | Distribution in % | Individual impairment losses | Group impairment losses | Expected annual loss |
|---|---|---|---|---|---|---|---|---|
| Low risk | 61,311 | 59,026 | 0 | 61,311 | 1% | 2,286 | 0 | 307 |
| Medium risk | 0 | 0 | 0 | 0 | 0% | 0 | 0 | 0 |
| High risk | 2,595,701 | 2,396,842 | 1,937,734 | 4,533,435 | 99% | 64,647 | 5,500 | 38,936 |
| **Total** | **2,657,012** | **2,455,868** | **1,937,734** | **4,594,746** | **100%** | **66,933** | **5,500** | **39,242** |

Shifts between risk classes:

In 2015, the low risk class was reduced and the high risk class was increased.

This is because the bank has increased the total value of the credit card and consumer credit loan portfolio, while the housing loan portfolio was reduced.

The bank has no guarantees.

Expected level of losses:

Under normal economic conditions, the expected average annual level of losses in % of gross loans for the risk classes are:

| | |
|---|---|
| Low risk | 0.5 % |
| Medium risk | 1.0 % |
| High risk | 1.5 % |

Expected level of losses is estimated on the basis of empirical figures.

**Age distribution loans in default**

| Days of default | 2015 | 2014 |
|---|---|---|
| Not due | 2,797,758 | 1,922,920 |
| 0–30 | 651,542 | 449,260 |
| 31–90 | 166,566 | 108,175 |
| 91– | 216,346 | 176,659 |
| **Total in default** | **1,034,454** | **734,094** |
| **Total in default in % of total lending** | **27%** | **28%** |

**Note 13. Loans – default, etc.**

| Impaired loans and commitments | 2015 | 2014 | 2013 |
|---|---|---|---|
| Impaired loans and commitments | 236,807 | 187,811 | 177,103 |
| Impairment loss | 79,881 | 66,933 | 66,516 |
| **Net Impaired loans and commitments** | **156,927** | **120,879** | **110,587** |
| **Other past due loans and commitments exposed to loss** | | | |
| Other past due loans and commitments exposed to loss | 146,104 | 97,022 | 13,355 |
| Provisions for bad debt | 9,400 | 5,500 | 4,000 |
| **Net other past due loans and commitments exposed to loss** | **136,704** | **91,522** | **9,355** |
| **Recognised impairment losses** | | | |
| Recognised losses, write-off loans | 29,472 | 19,108 | 14,451 |
| Recognised losses, write-off guarantees | 0 | 0 | 0 |
| **Individual impairment losses on loans** | | | |
| Individual impairment losses at 01.01. | 66,933 | 66,516 | 47,561 |
| – Recognised write-off losses in the period where individual impairment losses have previously been made | 10,313 | 11,380 | 9,848 |
| + Increased individual impairment losses in the period | 1,733 | 54 | 16,691 |
| + New individual impairment losses in the period | 31,561 | 20,138 | 21,901 |
| – Reversal of individual impairment losses in the period | 10,032 | 8,395 | 9,790 |
| **Individual impairment losses at 31 December** | **79,881** | **66,933** | **66,516** |
| **Impairment losses on groups of loans** | | | |
| Group impairment losses at 1 January | 5,500 | 4,000 | 3,718 |
| +/– Change in the period | 3,900 | 1,500 | 282 |
| **Impairment losses on groups at 31 December** | **9,400** | **5,500** | **4,000** |
| **Total individual impairment losses and group impairment losses on loans** | **89,281** | **72,433** | **70,516** |
| **Gross loans broken down by geographical areas** | | | |
| Nordland, Troms and Finnmark | 367,033 | 261,348 | 194,000 |
| Oslo and Akershus | 1,076,078 | 735,303 | 634,151 |
| Rest of Norway | 2,389,100 | 1,660,362 | 1,257,872 |
| **Total Norway** | **3,832,212** | **2,657,012** | **2,086,023** |
| **Other countries** | **0** | **0** | **0** |

yA Bank classifies loans that are 75 days in arrears as impaired loans.

yA Bank classifies loans that are more than 30 days in arrears as exposed to loss.

**Note 14. Subordinate loan capital and securities debt**
Subordinate loan capital according to the regulatory framework for capital adequacy:

| | 2015 | 2014 |
|---|---|---|
| Subordinate bond loan, NOK 40,000,000, raised on 18 November 2013 | 40,000 | 40,000 |
| **Total subordinate loan capital** | **40,000** | **40,000** |

| | |
|---|---|
| Reference interest rate: | 3 months NIBOR |
| Margin: | 3.75% p.a. |
| Due date: | 20 November 2023 |
| Interest payment date: | Quarterly each 19 February, 19 May, 19 August and 19 November |

The issuer is entitled to early redemption of all outstanding bonds at 100% of the nominal value, first time on 19 November 2018, and subsequently quarterly on each interest payment date.

| | 2015 | 2014 |
|---|---|---|
| Unsecured bond loan, raised on 4 May 2015 | 400,000 | 0 |
| **Total securities debt** | **400,000** | **0** |

| | |
|---|---|
| Reference interest rate: | 3 months NIBOR |
| Margin: | 1.0 % p.a. |
| Due date: | 04 May 2017 |
| Interest payment date: | Quarterly each 4 February, 4 May, 4 August and 4 November |

**Note 15. Shares and other variable-income securities**
31/12/2015:

**Shares and other variable-income securities**

| | Risk-weight in % | Acquisition cost | Carrying value | Fair value |
|---|---|---|---|---|
| Visa Inc. – C | 100% | 86 | 12,683 | 12,683 |
| BankID Norge AS | 100% | 235 | 460 | 460 |
| Money market fund Pluss Likviditet II | 22% | 115,000 | 120,031 | 120,031 |
| Danske Invest Norsk Likviditet Preference bonds | 10% | 27,000 | 26,929 | 26,929 |
| Money market fund Pluss Likviditet II | 24% | 138,000 | 138,166 | 138,166 |
| Securities fund Pluss Obligasjon | 35% | 80,000 | 79,296 | 79,296 |
| Securities fund DNB European Covered Bonds | 10% | 75,000 | 75,119 | 75,119 |
| **Total** | | **435,321** | **452,684** | **452,684** |

31/12/2014:

**Shares and other variable-income securities**

| | Risk-weight in % | Acquisition cost | Carrying value | Fair value |
|---|---|---|---|---|
| Visa Inc. – C | 100% | 86 | 374 | 374 |
| Money market fund funds investment Fondsforvaltning | 22% | 100,000 | 103,067 | 103,067 |
| Money market fund Danske Bank | 20% | 25,000 | 27,043 | 27,043 |
| Money market fund Skagen | 25% | 65,000 | 67,262 | 67,262 |
| Money market fund Alfred Berg | 20% | 14,176 | 14,946 | 14,946 |
| **Total** | | **204,262** | **212,693** | **212,693** |

**Note 16. Interest rates on liabilities**
The table below shows the average interest rate, calculated on the basis of interest expenses divided by average deposit volume.

| **Liability** | **Average interest rate** | |
|---|---|---|
| **Deposits from and debt to customers** | **2015** | **2014** |
| Deposits from and debt to customers without an agreed term | 2.4 % | 3.2 % |

**Note 17. Other payables and provisions for accrued expenses and liabilities**

| | 2015 | 2014 |
|---|---|---|
| Public charges | 13,941 | 1,223 |
| Other payables | 23,108 | 11,666 |
| **Total other payables** | **37,049** | **12,889** |
| | | |
| Interest expenses accrued but not due | 13 | 39 |
| Public charges | 5,086 | 1,208 |
| Other provisions for accrued expenses and liabilities | 8,255 | 18,009 |
| **Total provisions for accrued expenses and liabilities** | **13,355** | **19,256** |

**Note 18. Equity**

The share capital amounted to TNOK 110,000 at 31 December 2015 and 2014, divided into 110,000 shares at a nominal value of NOK 1,000. All shares belong to the same class and have equal voting rights.

| **Distribution of profit for the year:** | **31/12/2015** | **31/12/2014** |
|---|---|---|
| Profit for the year | 144,048 | 76,565 |
| Transferred to other equity | 144,048 | 40,565 |
| Group Contribution to yA Holding ASA (after tax) | | 36,000 |

| **Largest share-holders are the following:** | **31/12/2015** | | **31/12/2014** | |
|---|---|---|---|---|
| **Name** | **Holding** | **Percent-age** | **Holding** | **Percent-age** |
| Resurs Bank AB | 110,000 | 100.0 % | | |
| yA Holding ASA | | | 110,000 | 100.0 % |

The consolidated financial statements for Resurs Bank AB can be found at the company's website www.resursbank.se.

Resurs Bank AB's business address is Ekslingan 9, S-254 67 Helsingborg, Sweden.

**Note 19. Capital adequacy**

The Financial Supervisory Authority's requirement for capital adequacy is that the subordinate capital must constitute at least 14.5 % of a calculation basis defined in more detail. The calculation shows that the bank has a capital adequacy that satisfies the requirements of the authorities.

| | **31/12/2015** | **31/12/2014** |
|---|---|---|
| **Core capital** | | |
| Paid-in share capital | 110,000 | 110,000 |
| Share premium | 170,000 | 170,000 |
| Contributed capital - share option programme | 6,236 | 5,594 |
| Other equity | 232,279 | 76,075 |
| - Intangible assets | (4,215) | (3,250) |
| **Total core capital** | **514,301** | **358,419** |
| **Additional capital** | | |
| Subordinate loan capital | 40,000 | 40,000 |
| Total additional capital | 40,000 | 40,000 |
| - Subordinate capital in other financial institutions | 0 | 0 |
| **Eligible subordinated capital** | **554,301** | **398,419** |
| | | |
| **Credit risk:** | | |
| Institutions | 79,399 | 63,533 |
| Mass market loans and commitments | 2,598,076 | 1,754,640 |
| Loans and commitments secured by mortgage in housing property | 14,708 | 20,037 |
| Impaired loans and commitments | 236,807 | 187,811 |
| Units in securities funds | 99,738 | 49,371 |
| Other commitments | 12,047 | 9,941 |
| | | |
| **Market risk** | **0** | **0** |
| | | |
| **Operational risk** | **497,286** | **367,448** |
| Basis of calculation | 3,538,062 | 2,452,781 |
| | | |
| Core capital ratio (%) | 14.5 % | 14.6 % |
| Capital adequacy (%) | 15.7 % | 16.2 % |

**Note 20. Contingent liabilities and disputes**

| **Contingent liabilities** | **2015** | **2014** |
|---|---|---|
| Guarantees | 0 | 0 |
| Book value of assets provided as security for D-loan Norges Bank | 0 | 0 |
| Certificates and bonds | 0 | 0 |

**Disputes**

yA Bank AS has no legal disputes.

**Note 21. The Norwegian banks' guarantee fund**

Guarantee fund fee

The Act on security schemes for banks and public administration etc. of financial institutions requires all Norwegian banks to be members of the Norwegian Banks' Guarantee Fund. The Fund is obliged to cover losses of up to TNOK 2,000, which a depositor has deposited in a bank. Deposit means any credit balance with the bank according to an account registered in the name of the depositor as well as commitments according to a certificate of deposit to a named person, except deposits from other financial institutions.

The guarantee fund fee is included in interest expenses in the income statement.

| | **2015** | **2014** |
|---|---|---|
| Paid-in fee to guarantee fund | 2,542 | 1,991 |

**Note 22. Liquidity risk**

Liquidity risk / Time to maturity

Liquidity risk involves the risk that the bank is not able to meet its obligations when due. A liquidity risk arises as a consequence of the difference in the remaining life of receivables and debt. The bank consciously seeks to reduce the risk by trying to balance deposits and loans as well as having sufficient free cash and cash equivalents available. The tables below show the remaining life on the bank's balance sheet at 31 December 2015 and 2014 and the earliest date at which individual items can be repaid.

31 December 2015:

| Assets | Up to 1 month | 1–3 months | 3–12 months | 1–5 years | Over 5 years | Without remaining life | Total |
|---|---|---|---|---|---|---|---|
| Deposits with central banks | 53,120 | | | | | | 53,120 |
| Due from credit institutions | 396,997 | 0 | | | | | 396,997 |
| Loans to customers | 562,925 | 1,019 | 9,733 | 489,620 | 2,679,634 | | 3,742,931 |
| Shares and other variable-income securities | 452,684 | | | | | | 452,684 |
| Assets without remaining life | | | | | | 15,245 | 15,245 |
| **Total assets** | **1,465,725** | **1,019** | **9,733** | **489,620** | **2,679,634** | **15,245** | **4,660,977** |
| | | | | | | | |
| **Liabilities and equity** | | | | | | | |
| Debt to credit institutions | | | | | | | 0 |
| Deposits from and debt to customers | 3,601,193 | | | | | | 3,601,193 |
| Debt incurred by issuing securities | | | | | | | 0 |
| Securities debt | | | | 400,000 | | | 400,000 |
| Other liabilities | | 50,403 | 50,865 | | | | 101,268 |
| Subordinate loan capital | | | | | 40,000 | | 40,000 |
| Equity | | | | | | 518,516 | 518,516 |
| **Total liabilities and equity** | **3,601,193** | **50,403** | **50,865** | **400,000** | **40,000** | **518,516** | **4,660,977** |
| **Net liquidity exposure, balance sheet items** | **(2,135,468)** | **(49,384)** | **(41,132)** | **89,620** | **2,639,634** | **(503,270)** | **0** |

In addition to the assets/liabilities above, the bank has unutilised credit exposures on credit cards of TNOK 2,204,000 at 31 December 2015.

The bank has not entered into any forward exchange contracts in 2015.

31 December 2014:

| Assets | Up to 1 month | 1–3 months | 3–12 months | 1–5 years | Over 5 years | Without remaining life | Total |
|---|---|---|---|---|---|---|---|
| Deposits with central banks | 52,673 | | | | | | 52,673 |
| Due from credit institutions | 330,974 | 0 | | | | | 330,974 |
| Loans to customers | 398,565 | 115 | 4,203 | 346,474 | 1,835,223 | | 2,584,580 |
| Bonds and certificates | | | | | | | 0 |
| Other asset items with remaining life | | | | | | | 0 |
| Assets without remaining life | | | | | | 208,249 | 208,249 |
| Total assets | 782,212 | 115 | 4,203 | 346,474 | 1,835,223 | 208,249 | 3,176,475 |
| | | | | | | | |
| **Liabilities and equity** | | | | | | | |
| Debt to credit institutions | | | | | | | 0 |
| Deposits from and debt to customers | 2,668,750 | | | | | | 2,668,750 |
| Debt incurred by issuing securities | | | | | | | 0 |
| Other debt with remaining life | | | | | | | 0 |
| Other debt without remaining life | | | | | | 146,056 | 146,056 |
| Subordinate loan capital | | | | | | | 0 |
| Equity | | | | | | 361,669 | 361,669 |
| **Total liabilities and equity** | **2,668,750** | **0** | **0** | **0** | **0** | **507,725** | **3,176,475** |
| **Net liquidity exposure, balance sheet items** | **(1,886,538)** | **115** | **4,203** | **346,474** | **1,835,223** | **(299,476)** | **0** |

In addition to the assets/liabilities above, the bank has unutilised credit exposures on credit cards of TNOK 1,938,000 at 31 December 2014.

The bank has not entered into any forward exchange contracts in 2014.

**The earliest maturity profile/time of payment for financial liabilities including interest at 31 December 2015**

| | Up to 1 month | 1–3 months | 3–12 months | 1–5 years | Over 5 years | Total | Carrying value |
|---|---|---|---|---|---|---|---|
| Deposits from and debt to customers | 3,601,193 | | | | | 3,601,193 | 3,601,193 |
| Securities debt and subordinate loan capital | | 2,618 | 7,854 | 412,068 | 45,801 | 468,341 | 440,000 |
| Other liabilities, accrued expenses and liabilities | 50,403 | | | | | 50,403 | 50,403 |
| Unutilised exposure on credit cards | 2,203,815 | | | | | 2,203,815 | 0 |
| | **5,855,411** | **2,618** | **7,854** | **412,068** | **45,801** | **6,323,752** | **4,091,596** |

The table assumes that deposits from and debt to customers can be terminated at short notice, and no interest has been calculated.

The interest on securities debt and subordinate loan capital is based on the interest rates at 31 December 2015.

Tax payable has not been included as it is not defined as a financial liability.

For granted credits, it is assumed that it can be drawn upon at short notice. See note 11 for a detailed description.

**The earliest maturity profile/time of payment for financial liabilities including interest at 31 December 2014**

| | Up to 1 month | 1–3 months | 3–12 months | 1–5 years | Over 5 years | Total | Carrying value |
|---|---|---|---|---|---|---|---|
| Deposits from and debt to customers | 2,668,750 | | | | | 2,668,750 | 2,668,750 |
| Securities debt and subordinate loan capital | | 488 | 1,464 | 7,808 | 45,801 | 55,561 | 40,000 |
| Other liabilities, accrued expenses and liabilities | 32,145 | | | | | 32,145 | 32,145 |
| Unutilised exposure on credit cards | 1,937,734 | | | | | 1,937,734 | 0 |
| | **4,638,629** | **488** | **1,464** | **7,808** | **45,801** | **4,694,190** | **2,740,895** |

Management of liquidity risk

The bank has a liquidity strategy, which is to ensure that the bank has and maintains a good liquidity situation. Guidelines for liquidity management have been issued by the bank's board of directors, which review the guidelines annually. The board's guidelines set the framework for responsible liquidity management and plans for reporting it. The bank manages operational liquidity through cash flow analyses based on expected inflows and outflows. In addition, stress testing of liquidity under various scenarios is performed. The liquidity risk is assessed to be low at the time of reporting. The bank's total cash and cash equivalents are placed in bank deposits with the central bank and in bank deposits with other banks. Furthermore, the bank has placed part of its cash and cash equivalents in listed securities funds with high liquidity. The asset side is financed through deposits from the private market and securities debt issued as bonds.

The bank has chosen to have an interest rate model that favours deposits below TNOK 2,000 in connection with a "reverse" interest rate table, where the interest rate falls considerably for deposits above TNOK 2,000. This means that the bank is less exposed to large and sudden fluctuations in deposits. As the guarantee from the Norwegian Banks' Guarantee Fund is limited to TNOK 2,000, the model also helps to ensure that deposits are secured to a very high degree by the Norwegian Banks' Guarantee Fund in the event of any banking crisis. At the end of the first quarter of 2015, only 1.3% of the bank's deposits were not covered by the deposit guarantee from the Norwegian Banks' Guarantee Fund. The level is continuously monitored and reported to the Norwegian Financial Supervisory Authority each quarter in connection with the reporting of the bank's LCR (Liquidity Coverage Ratio).

The bank has a liquidity risk in relation to unused credits on credit cards. The rate of utilisation of unused credits is monitored daily and any material changes in use pattern will thus soon be discovered. If a situation should arise, in which the bank needs to reduce outstanding unused credits to reduce the bank's loss risk, the bank can resort to termination or suspension of credit agreements. The bank changed the terms of agreement for all credit card customers at end-2014, so that the bank may now block credit cards without prior notice in the event of increased risk of breach.

**Liquidy Coverage Ratio (LCR)**

| The bank had an LCR of 116 at 31 December 2015: | Total |
|---|---|
| Level 1 assets excluding preference bonds | 119,225 |
| Level 2A assets | 17,504 |
| Level 2B assets | 0 |
| **Total liquid assets** | **136,729** |
| Net outgoing payments | 117,578 |
| LCR | 116 |

**Note 23. Interest rate risk**

Interest rate risk / remaining time to agreed/likely interest rate change

Interest rate risk arises from timing differences in the fixing of interest rates between assets and liabilities items. In that case, the bank will not be able to implement interest rate changes in parallel for all balance sheet items. The bank must have a moderate risk, and the risk has been within the limits adopted by the board of directors throughout the year.

**The table below shows the remaining time to interest rate adjustment for the bank's balance sheet at 31 December 2015:**

| Assets | Up to 1 month | 1–3 months | 3–12 months | 1–5 years | Over 5 years | Items without interest-rate exposure | Total |
|---|---|---|---|---|---|---|---|
| Deposits with central banks | | 53,120 | | | | | 53,120 |
| Due from credit institutions | 396,997 | | | | | | 396,997 |
| Loans to customers | | 3,742,931 | | | | | 3,742,931 |
| Bonds and certificates | | | | | | 452,684 | 452,684 |
| Non-interest bearing assets | | | | | | 15,245 | 15,245 |
| **Total asset items** | **396,997** | **3,796,051** | **0** | **0** | **0** | **467,929** | **4,660,977** |
| | | | | | | | |
| **Liabilities and equity** | | | | | | | |
| Debt to credit institutions | | | | | | | 0 |
| Deposits from and debt to customers | 3,601,193 | | | | | | 3,601,193 |
| Debt incurred by issuing securities | | | | 400,000 | | | 400,000 |
| Other liabilities | | | | | | 101,268 | 101,268 |
| Subordinate loan capital | | | | | | 40,000 | 40,000 |
| Equity | | | | | | 518,516 | 518,516 |
| **Total liabilities and equity** | **3,601,193** | **0** | **0** | **400,000** | **0** | **659,784** | **4,660,977** |
| Off balance sheet | | | | | | | |
| **Net including off balance sheet** | **(3,204,196)** | **3,796,051** | **0** | **(400,000)** | **0** | **(191,855)** | **0** |

Currency risk

The bank has no assets or liabilities in foreign currency at 31 December 2015 or at 31 December 2014.

Sensitivity analysis

The sensitivity analysis measures the impact on results and equity of a +/-1 percentage point change in interest-bearing assets and liabilities for 2015 and 2014.

A change of +/-1 percentage point is considered an appropriate range. The equity effect is equal to the profit/loss effect after tax.

| | Pre-tax profit/loss effect | | Equity impact | |
|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** |
| Impact of 1% increase in interest rate level | 6,045 | 2,995 | 4,413 | 2,186 |
| Impact of 1% reduction in interest rate level | (6,045) | (2,995) | (4,413) | (2,186) |

Moreover, interest-bearing securities at fair value through profit or loss at fixed interest will be affected by a change in the interest rate level.

The effects of a 1% increase in the interest level have been calculated to amount to a loss of TNOK 4,400 at 31 December 2015 and TNOK 400 at 31 December 2014.

**The table below shows the remaining time to interest rate adjustment for the bank's balance sheet at 31 December 2014:**

| Assets | Up to 1 month | 1–3 months | 3–12 months | 1–5 years | Over 5 years | Items without interest-rate exposure | Total |
|---|---|---|---|---|---|---|---|
| Deposits with central banks | | 52,673 | | | | | 52,673 |
| Due from credit institutions | 330,974 | 0 | | | | | 330,974 |
| Loans to customers | | 2,584,580 | | | | | 2,584,580 |
| Bonds and certificates | | | | | | | 0 |
| Non-interest bearing assets | | | | | | 208,249 | 208,249 |
| **Total asset items** | **330,974** | **2,637,252** | **0** | **0** | **0** | **208,249** | **3,176,475** |
| | | | | | | | |
| **Liabilities and equity** | | | | | | | |
| Debt to credit institutions | | | | | | | 0 |
| Deposits from and debt to customers | 2,668,750 | | | | | | 2,668,750 |
| Debt incurred by issuing securities | | | | | | | 0 |
| Other liabilities | | | | | | 146,056 | 146,056 |
| Subordinate loan capital | | | | | | | 0 |
| Equity/minority interests | | | | | | 361,669 | 361,669 |
| **Total liabilities and equity** | **2,668,750** | **0** | **0** | **0** | **0** | **507,725** | **3,176,475** |
| Off balance sheet | | | | | | | |
| **Net including off balance sheet** | **(2,337,776)** | **2,637,252** | **0** | **0** | **0** | **(299,476)** | **0** |

## Note 24. Classification of financial assets and liabilities

| | Financial assets available for sale | Fair value through profit or loss | Financial instruments measured at amortised cost | Total |
|---|---|---|---|---|
| **31 December 2015** | | | | |
| **Assets** | | | | |
| Deposits with central banks | | | 53,120 | 53,120 |
| Due from credit institutions | | | 396,997 | 396,997 |
| Loans to customers | | | 3,742,931 | 3,742,931 |
| Shares and other variable-income securities | 13,143 | 439,541 | | 452,684 |
| **Total financial assets** | **13,143** | **439,541** | **4,193,048** | **4,645,732** |
| | | | | |
| **Liabilities** | | | | |
| Deposits from and debt to customers | | | 3,601,193 | 3,601,193 |
| FRN yA Bank AS open bond loan 2015/2017 | | | 400,000 | 400,000 |
| FRN yA Bank AS subordinate bond loan 2013/2023 | | | 40,000 | 40,000 |
| **Total financial liabilities** | **0** | **0** | **4,041,193** | **4,041,193** |

| | Financial assets available for sale | Fair value through profit or loss | Financial instruments measured at amortised cost | Total |
|---|---|---|---|---|
| **31 December 2014** | | | | |
| **Assets** | | | | |
| Deposits with central banks | | | 52,673 | 52,673 |
| Due from credit institutions | | | 317,666 | 317,666 |
| Loans to customers | | | 2,584,580 | 2,584,580 |
| Shares and other variable-income securities | 374 | 212,320 | | 212,694 |
| **Total financial assets** | **374** | **212,320** | **2,902,246** | **3,114,940** |
| | | | | |
| **Liabilities** | | | | |
| Deposits from and debt to customers | | | 2,668,750 | 2,668,750 |
| Subordinate bond loans | | | 40,000 | 40,000 |
| **Total financial liabilities** | **0** | **0** | **2,708,750** | **2,708,750** |

Credit risk

| | 31 December 2015: | | 31 December 2014: | |
|---|---|---|---|---|
| | Carrying value | Maximum exposure | Carrying value | Maximum exposure |
| Deposits with central banks | 53,120 | 53,120 | 52,673 | 52,673 |
| Due from credit institutions | 396,997 | 396,997 | 317,666 | 317,666 |
| Loans to customers | 3,742,931 | 3,742,931 | 2,584,580 | 2,584,580 |
| Interest-bearing securities | 285,126 | 285,126 | 212,319 | 212,319 |
| Unutilised exposure on credit cards | 0 | 2,203,815 | 0 | 1,937,734 |
| Guarantees | 0 | 0 | 0 | 0 |
| **Total** | **4,478,174** | **6,681,989** | **3,167,237** | **5,104,971** |

Credit risk or counterparty risk is the risk of financial loss, which results from the company's customers/counterparties not meeting their payment obligations to the company. Credit risk also includes the concentration risk, including concentration within geographical areas or with uniform groups of customers. Management and measurement of credit risk is described in detail in the board of directors' annual report.

The company has no collateral security on loans, apart from for mortgage loans, which are secured by real estate property.

The credit quality of deposits with central banks is considered very good. The credit quality of deposits with credit institutions is considered good. The credit risk related to investment in interest-bearing securities is considered moderate as the bank does not invest in funds with underlying industrial securities, but exclusively in central and local government and banking/finance. The bank is exposed to market changes in credit spreads in underlying bonds in the securities funds.

For loans to customers and unutilised exposure on credit cards, see note 12.

**Note 25. Related parties**

Related parties mean the parent company, companies within the same group and the company's board of directors and senior employees.

The bank's remuneration of and outstanding accounts with senior employees and board members are shown in note 3.

No transactions were made with the parent company in 2014 and 2015 except for the Group Contribution in 2014 and share option scheme as mentioned in note 3 (yA Holding ASA up to 26 October 2015 and subsequently Resurs Bank AB). The bank has bought IT services from Metatech AS in 2014 and 2015. Metatech AS is a fellow subsidiary of the parent. The value of the transactions was TNOK 8,502 in 2015 (booked as administrative expenses) and TNOK 7,332 in 2014 (an amount of TNOK 3,858 of which was booked as administrative expenses, and TNOK 3,474 as non-current assets.

## The Auditors' Report on historical financial statements

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Internet www.kpmg.no
Enterprise 935 174 627 MVA

*To the Annual Shareholders meeting in yA Bank AS*

## Independent auditor's report

**Report on the Financial Statements**

We have audited the accompanying financial statements of yA Bank AS included in the Offering Memorandum, which comprise the balance sheets as of 31 December 2015 and 2014, the income statement and the statement of comprehensive income, statement of changes in equity and cash flow statement for each of the years then ended, and a summary of significant accounting policies and other explanatory information.

**The Board of Directors and the Managing Director's Responsibility for the Financial Statements**

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with simplified application of international accounting standards according to the Norwegian accounting act § 3-9, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of yA Bank AS as of 31 December 2015 and 2014, and of its financial performance and its cash flows for each of the years then ended in accordance with simplified application of international accounting standards according to the Norwegian accounting act § 3-9.

**Other matter**

This Independent Auditors' Report has been prepared to report upon our audits related to the financial statements described above that are included the Offering Memorandum for the sale of shares. These financial statements have been extracted from the financial statements included in the Company's 2015 Annual Report and translated from the Norwegian language to English for purposes of use in the Offering Memorandum. We previously reported on the Company's statutory financial statements for 2015 and 2014 included in its Annual Reports and issued our reports dated 18 February 2016 and 5 March 2015, respectively in the Norwegian language. No audit procedures have been performed subsequent to those dates.

Oslo, 11 April 2016

KPMG AS

/s/Svein Arthur Lyngroth

Svein Arthur Lyngroth

State Authorized Public Accountant – Norway

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
Statsautoriserte revisorer – medlemmer av Den norske Revisorforening

Offices in:

| | | | |
|---|---|---|---|
| Oslo | Grimstad | Molde | Trondheim |
| Alta | Hamar | Narvik | Tynset |
| Arendal | Haugesund | Sandnessjøen | Tønsberg |
| Bergen | Knarvik | Stavanger | Ålesund |
| Bodø | Kristiansand | Stord | |
| Elverum | Larvik | Straume | |
| Finnsnes | Mo i Rana | Tromsø | |

# Resurs Norden AB, former Finaref AB

## Financial information as of and for the financial years ended 31 December 2013 and 2012

### Consolidated income statement

**(SEK thousand)**

| | Note | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|---|
| Interest income | 2 | 523,306 | 509,384 |
| Interest expense | 2 | (45,813) | (59,863) |
| Net interest income/expense | | 477,492 | 449,520 |
| Fee & commission income | 3 | 29,089 | 26,993 |
| Fee and commission expense | 3 | (162) | (175) |
| Net income/expense from financial transactions | 4 | (2,143) | (4,024) |
| Other operating income | 5 | 4,823 | 3,572 |
| Total operating income | | 509,099 | 475,885 |
| Administrative expenses | 6 | (91,574) | (83,971) |
| Depreciation/amortisation of intangible assets and property, plant & equipment | 12, 13 | (1,377) | (1,400) |
| Other operating expenses | 8 | (144,107) | (139,072) |
| Total expenses before credit losses | | (237,058) | (224,442) |
| Earnings before credit losses | | 272,041 | 251,443 |
| Credit losses, net | 9 | (51,549) | (75,914) |
| Operating profit before tax and allocations | | 220,492 | 175,529 |
| Profit before tax | | 220,492 | 175,529 |
| Tax | 10 | (56,390) | (44,612) |
| **Net profit for the period** | | **164,102** | **130,916** |

Finaref's sole owner was per 31 December 2013, Credit Agricole Consumer Finance, who owned 100% of the shares. There was no additional non-controlling influence in Finaref.

### Comprehensive income statement

| | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| Net profit for the period | 164,102 | 130,916 |
| Other comprehensive income that will be reclassified to profit or loss | | |
| Translation difference | (827) | (5,959) |
| **Total** | | |
| Other comprehensive that will not be reclassified to profit or loss | (827) | (5,959) |
| Pensions | (3,257) | (1,161) |
| **Total** | **(3,257)** | **(1,161)** |
| **Total other comprehensive income** | **(4,084)** | **(7,120)** |
| **Total comprehensive income for the period** | **160,018** | **123,796** |

## Consolidated statement of financial position

| (SEK thousand) | Note | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| **ASSETS** | | | |
| Loans to credit institutions | 20 | 54,500 | 26,609 |
| Loan receivables *) | 9, 20 | 1,910,138 | 1,883,388 |
| Intangible assets | 12 | 1,497 | 1,942 |
| Property, plant & equipment | 13 | 274 | 434 |
| Other assets | 14 | 1,190 | 13,208 |
| Deferred tax assets | 10 | 4,821 | 2,034 |
| Prepaid expenses and accrued income | 15 | 13,445 | 10,905 |
| **Total assets** | | **1,985,866** | **1,938,519** |
| **LIABILITIES AND EQUITY** | | | |
| Liabilities to credit institutions | 20 | 1,479,257 | 1,442,096 |
| Other liabilities | 18, 20 | 40,733 | 27,180 |
| Accrued expenses and deferred income | 19 | 59,311 | 58,045 |
| Total liabilities | | 1,579,302 | 1,527,321 |
| Share capital | | 25,000 | 25,000 |
| Other paid-in capital | | 25,100 | 25,100 |
| Reserves | | 6,793 | 10,050 |
| Retained earnings including profit for the year | | 349,672 | 351,048 |
| **Total equity** | | **406,565** | **411,198** |
| **Total liabilities and equity** | | **1,985,866** | **1,938,519** |

* 100% of loan receivables are comprised of loans to the public. For tax receivables and tax liabilities, see Note 10.

The Group has not pledged any assets, provided any guarantees or assumed any contingent liabilities as of 31 December 2013.

## Statement of changes in equity

| SEK thousand | Share capital | Other paid-in capital | Reserves | Retained earnings incl. profit for the year | Total |
|---|---|---|---|---|---|
| **2012** | | | | | |
| At beginning of the year | 25,000 | 25,100 | 9,534 | 369,881 | 429,515 |
| Net profit for the period | | 0 | 0 | 130,916 | 130,916 |
| Other comprehensive income | 0 | 0 | 516 | (6,271) | (5,755) |
| **Total comprehensive income** | **0** | **0** | **516** | **124,645** | **125,161** |
| Owner transactions | | | | | |
| Dividend | 0 | 0 | 0 | (143,480) | (143,480) |
| **At the end of the period** | **25,000** | **25,100** | **10,050** | **351,046** | **411,196** |

| SEK thousand | Share capital | Other paid-in capital | Reserves | Retained earnings incl. profit for the year | Total |
|---|---|---|---|---|---|
| **2013** | | | | | |
| At beginning of the year | 25,000 | 25,100 | 10,050 | 351,046 | 411,196 |
| Net profit for the period | 0 | 0 | 0 | 164,102 | 164,102 |
| Other comprehensive income | 0 | 0 | (3,257) | (827) | (4,084) |
| **Total comprehensive income** | 0 | 0 | (3,257) | 163,275 | 160,018 |
| Owner transactions | | | | | |
| Dividend | 0 | 0 | 0 | (164,649) | (164,649) |
| **At the end of the period** | **25,000** | **25,100** | **6,793** | **349,672** | **406,565** |

## Consolidated cash flow statement

| (SEK thousand) | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| Operating activities | | |
| Profit before tax | 220,492 | 175,529 |
| | | |
| **Adjustment for non-cash items:** | | |
| Other non-cash items | 4,880 | 0 |
| Depreciation/amortisation | 589 | 1,399 |
| **Total non-cash items** | **5,469** | **1,399** |
| | | |
| Tax paid | (61,678) | (56,939) |
| **Cash flow from operating activities before changes in working capital** | **164,282** | **119,989** |
| | | |
| Amortisation, loan receivables, households | (846,742) | (831,908) |
| New lending, loan receivables, households | 900,348 | 887,094 |
| Increase in loan receivables | (53,606) | (55,186) |
| | | |
| Increase (+) / decrease (–) in liabilities to credit institutions | 54,562 | 31,901 |
| Increase (–) / decrease (+) in other assets | (5,117) | (4,282) |
| Increase (+) / decrease (–) in other liabilities | 33,102 | 8,774 |
| **Cash flow from operating activities** | **193,223** | **101,196** |
| | | |
| **Cash flow from investing activities** | **0** | **0** |
| | | |
| **Financing activities** | | |
| Dividend paid | (164,649) | (143,480) |
| **Cash flow from financing activities** | **(164,649)** | **(143,480)** |
| | | |
| Cash flow for the year | 28,574 | (42,284) |
| Cash and cash equivalents at beginning of the year | 26,607 | 71,503 |
| Exchange rate difference, cash and cash equivalents | (682) | (2,611) |
| Cash and cash equivalents at end of the year | 54,500 | 26,607 |

Cash and cash equivalents is comprised of bank account balances.
Cash and cash equivalents is reversed in its entirety in 'Loans to credit institutions'.
Interest received totals SEK 397 (545) thousand.
Interest paid totals SEK 45,030 (59,863) thousand.

## Notes

### Note 1 Significant accounting policies

All companies report in local currencies and the consolidated financial statements are reported in SEK, which is the Parent Company's functional currency. Unless otherwise indicated, all amounts are in SEK thousand.

### General accounting policies

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), which are published by the International Accounting Standards Board (IASB), such as adopted by the EU. Also applied were the relevant elements of the Swedish Annual Accounts for Credit Institutions and Securities Companies Act (FFFS 2008:25), and the Swedish Financial Accounting Standards Council's recommendation RFR 1, Supplementary Accounting Rules for Groups.

With the exception of the policies described in further detail, the accounting policies listed below were consistently applied during all of the period presented.

### Basis for measurement

Assets and liabilities (excluding financial assets) are recognised at historical cost. Financial assets and liabilities are recognised at amortised cost, apart from certain financial assets and liabilities that are measured at fair value – and these are entirely comprised of derivatives.

### Assessments and estimates

Preparing the financial statements in compliance with IFRS requires the Group's management to make assessments, accounting estimates and assumptions that affect the application of the accounting policies and the recognition of assets, liabilities, income and expenses. These estimates and assumptions are based on historical experience and any other factors that are considered reasonable under the circumstances at hand. The results of these estimates and assumptions are used to determine the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are regularly reviewed and any amendments are reported in the period in which the amendment is made. The actual outcome may differ from those estimates and assumptions.

The key source of uncertainty in the estimates that have been identified are credit losses whose estimates are based on the trend in past years, but that may vary depending on the economy and form of payment from Finaref's customers.

### Amendments to the accounting policies

The IFRS standards listed below which came into effect for the fiscal year that commenced on 1 January 2013 have affected the Group. However, the Group opted in advance to apply the amendments in IAS 19 and the amendment in IAS 1 for the preceding year. These amendments are described below.

*IAS 1 Presentation of financial statements – Amendment*

This amendment changes the classification of transactions that are recognised in other comprehensive income. Items that are to be reversed to earnings are recognised separately, away from the items that will not be reversed to earnings. No changes have been made to the actual content of other comprehensive income; only the presentation was affected. This also means that the amendment had no impact on the amounts presented by the Group.

*IAS 19 Employee benefits – Amendments*

These amendments to IAS 19 entail significant changes regarding the recognition of defined-benefit pension plans. Among other changes, the ability to apply accrual accounting to actuarial gains and losses as part of the "corridor", which the Group previously applied, has been eliminated. These results will instead be recognised as they are incurred in other comprehensive income. For the impact on amounts, please refer to the statement of changes in equity. The sensitivity analysis must be prepared to reflect reasonable changes in all assumptions that have been made when calculating pension liabilities. For further information on the accounting policies that have been applied, see the information under 'Employee benefits'.

### New IFRS standards that have yet to be applied

A number of new or amended IFRS do not come into effect until during the coming fiscal year and were not applied in advance when preparing these financial statements. We do not intend to apply in advance any new standards or amendments that are to be applied in future. None of the IFRS standards listed below is deemed to have any significant impact on the company's accounts.

- IFRS 9 Financial instruments
- IFRS 16 Leases

### Consolidated financial accounts

Subsidiaries are companies in which Finaref AB holds a controlling interest. A controlling interest means directly or indirectly being entitled to design a company's financial and operating strategies with the aim of generating financial gains. All subsidiaries are owned at 100% and are unlisted.

Subsidiaries are recognised in accordance with the acquisition method, meaning that the acquisition of subsidiaries is regarded as a transaction through which the Group indirectly acquires the subsidiary's assets and takes over its liabilities. The acquisition analysis determines the fair value on the acquisition date of the acquired identifiable assets and assumed liabilities, as well as any non-controlling interests. Transaction fees – with the exception of those attributable to the issuance of equity instruments or liability instruments – that are incurred are recognised directly in net profit for the year. In the event of business combinations where the transferred consideration exceeds the fair value of the acquired assets and assumed liabilities that are recognised separately, the difference is recognised as goodwill. When the difference is negative – which is known as a bargain purchase – it is recognised in net profit for the year.

The financial statements of subsidiaries are included in the consolidated financial statements from the date of acquisition until the date on which a controlling interest is no longer held.

Intra-Group receivables and liabilities, income or expenses and unrealised gains or losses that arise from intra-Group transactions among Group companies are eliminated in their entirety when preparing the consolidated financial statements.

### Currency translation

Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate of the balance-sheet date. Exchange-rate differences that arise during translation are recognised in net profit for the year. Unless otherwise indicated, all amounts are in SEK thousand.

Assets and liabilities in foreign operations are translated from the foreign operation's functional currency to the Group's reporting currency at the exchange rate prevailing on the balance-sheet date. The income and expenses of a foreign operation are translated to SEK at an average exchange rate comprising an approximation of the exchange rates prevailing on the date of each transaction. Translation differences that arise when exchanging currencies from foreign operations are recognised in other comprehensive income and are accumulated in a separate component in equity ('translation reserve'). When a foreign operation is divested, accumulated translation differences attributable to the operation are realised, at which time they are reclassified from the translation reserve in equity to net profit for the year.

### Interest income and interest expense

Interest income encompasses the fair value of what has been received or will be received for services sold in daily operations. The Group recognises an income when the amount can be measured reliably and it is probable that future financial gains will be generated for the company.

Interest income on receivables and interest expense on liabilities are recognised using the effective interest rate method. The effective interest rate is the interest rate that equalises the present value of all estimated future incoming and outgoing payments during the expected fixed-interest period with the recognised value of the receivable or liability. Interest income and interest expense include, where applicable, accrued amounts of fees received that are included in the effective interest rate, transaction costs and any discounts, premiums and other differences between the original value of the receivable/liability and the amount that is settled on the due date.

Dividends from shares and participating interests are recognised in the item "Dividends received", when the right to receive payment has been established.

### Fee and commission income

Commissions and fees related to financial services that are performed on a regular basis are accrued as income over the period during which the service is provided, and the commissions and fees related to a specific transaction are recognised immediately as income. Commission income comprises insurance premiums, as well as administrative, reminder and invoicing fees.

### Net gains/losses from financial transactions

Net gains/losses from financial transaction consist of exchange-rate fluctuations.

### Administrative expenses

General administrative expenses encompass personnel costs, including salaries, bonuses, commissions, pension costs, employer contributions and other social security costs. These expenses also include office operating costs, IT expenses, fees and other administrative expenses.

### Leasing

The classification of leases as operating or financial leases is done on a contract basis and relies on an assessment of the financial implications of the contract's terms. If the financial implications of the contract's terms correspond to those of a rental agreement, it is classified as an operating lease. The key factor in determining the financial implications lies in an assessment of whether all of the risks and benefits of the material assets have been transferred from the lessor to the lessee.

The Group only holds operating leases, meaning that leasing expenses are recognised on a straight-line basis over the leasing period.

### Taxes

Income taxes comprise current and deferred taxes. Income taxes are recognised profit/loss for the year unless the underlying transaction is recognised in other comprehensive income, or directly against equity, in which case the associated tax effects are recognised in the same way.

Current taxes are the taxes that are to be paid or received in the current year, in consideration of the tax rate that applies at the balance-sheet date. This also includes adjusting the current taxes attributable to previous periods.

Deferred taxes are calculated on the basis of temporary differences between the carrying amount and tax value of assets and liabilities. Deferred taxes are also calculated on the basis of any tax-loss carry forwards. Deferred tax assets are only recognised insofar as it is likely that the deductions can be subtracted from future tax surpluses. The measurement of deferred taxes is based on how the assets and liabilities are expected to be realised or settled. Deferred taxes are calculated by applying the tax rate and tax code that have been established or decided on in principle as of the balance-sheet date.

### Financial instruments

Financial instruments on the asset side that are recognised in the balance sheet include loans issued, accounts receivable and derivatives. The liabilities include accounts payable, loans taken and derivatives.

The acquisition and divestment of financial assets is recognised on the trade date, which is defined as the date on which the company enters into a binding agreement to acquire or divest the asset. A financial asset or financial liability is recognised in the balance sheet when the company becomes party to the contractual terms of the instrument. A financial asset is removed from the balance sheet when the rights of an agreement are realised, expire or the company loses control of them. This also applies to a share in a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise nullified. This also applies to a share in a financial liability.

Financial instruments are initially measured at the cost corresponding to the instrument's fair value, with add-ons for transaction costs for all financial instruments apart from those that belong to financial assets and financial liabilities category, which are recognised at fair value through profit or loss.

Financial instruments are initially classified in categories that determine subsequent measurement.

*Financial assets measured at fair value through profit or loss*

This category comprises two sub-categories and only the sub-category 'held for trading' is applicable for the Group. Financial instruments in this category are routinely measured at fair value, with fluctuations in value recognised in net profit for the year. The Group had no holdings in this category in 2013 or 2012.

*Loan receivables and accounts receivable*

Loan receivables and accounts receivable are financial assets that are not derivatives, that have fixed or definable payments and that are not listed in an active market. These assets are measured at amortised cost. Amortised cost is determined on the basis of the effective interest rate, which is calculated at the date of acquisition. Accounts receivable are recognised at the amount that is expected to be received, meaning less deductions for doubtful debt.

On each balance-sheet date, the company evaluates whether there are any objective indications that a group of financial assets is in need of impairment due to events that have occurred. Objective indications may include breaches of contract, such as unreceived or late payments of interest or capital amounts, serious financial duress for the debtor and a decline in the customer's credit rating. Impairment is presumed necessary when amortisation and interest payments are more than 30 days overdue. Interest ceases to be recognised at this point. Invoiced interest on loans that are transferred to debt collection, as well as 100% of interest on loans to deceased parties, are reversed. Any interest received after this point is recognised upon receipt.

Provisions for anticipated losses are made on the basis of a collective and objective evaluation of the receivables, which have a similar credit risk. The scope of the provisions relies on historical information, since the model for provisions is updated with new historical information on an annual basis. Provisions are made for receivables from households that have failed to fulfil their payment obligations. A certain percentage – calculated pursuant to the valuation model – is reserved for unpaid receivables for which a final demand notification has been sent. This also applies to accrued interest. If the receivable subsequently remains unpaid, the receivable is transferred to debt collection and a higher percentage is reserved. At this stage, the receivable is classified as unsettled.

After impairment, the carrying amount for assets associated with loan receivables and accounts receivable that are recognised at amortised cost are calculated as the present value of future cash flows discounted using the effective interest rate applicable on the date on which the asset was first recognised. Assets with a short term are not discounted. An impairment loss is charged to net profit for the year.

Loan receivables that are classified as doubtful are written off the balance sheet when the credit loss is deemed certain. Receivables that are transferred to long-term monitoring are recognised as actual loan losses.

After being written off, loan receivables are no longer recognised in the balance sheet. Reversals of previously recognised write-offs are recognised as a reduction in loan losses in the line item Loan losses.

*Financial liabilities measured at fair value through profit or loss*

This category comprises two sub-categories and only the sub-category 'held for trading' is applicable for the Group. Financial instruments in this category include derivatives with a negative value unless they are earmarked for hedging. Financial instruments in this category are routinely measured at fair value, with the fluctuations in value recognised in net profit for the year. The Group had no holdings in this category in 2013 or 2012.

*Other financial liabilities*

Loans and other financial liabilities are measured at amortised cost, which is determined on the basis of the effective interest rate that was calculated when the loan was recorded. This means that surplus and deficit values, as well as direct issuance costs, are accrued over the term of the loan. Accounts payable have a short projected term and are measured without discounting the nominal value.

Intangible assets

An intangible asset is an identifiable non-monetary asset that has no tangible physical form. Intangible assets that are identified and measured separately from goodwill in the event of business combinations primarily comprise licences. The cost of this type of intangible asset primarily comprises fair value at the time of acquisition.

Separately acquired intangible assets are recognised at cost less deductions for accumulated depreciation and impairments.

All intangible assets are depreciated on a straight-line basis over the course of their estimated useful lives, which is reassessed on each balance-sheet date. Amortization begins when the asset is available for use.

Intangible assets comprise licences and externally accrued costs for the scoring system that is actively used in the organisation. Intangible assets are deemed to have a useful life of three years.

Tangible assets

Property, plant and equipment are recognised as assets in the balance sheet if it is likely that they will generate future financial gains for the Group and the cost of the asset can be calculated reliably. Tangible assets are recognised at cost, adjusted for any additional fees, less deductions for accumulated depreciation and any impairments.

All tangible assets are depreciated on a straight-line basis over the course of their estimated useful lives, which is reassessed on each balance-sheet date. Depreciation begins when the asset is available for use.

IT equipment is deemed to have a useful life of three years; office equipment has a useful life of five years, while other fixtures and furnishings are deemed to have a useful life of six years.

## Impairment of intangible and tangible assets

In the event of internal or external indicators for the Finaref Group that an asset has declined in value, the asset must be tested for impairment. For assets with an undetermined useful life, including goodwill, such impairment testing is conducted at least once a year, whether or not there are signs indicating a need for impairment.

The carrying amounts of the company's non-financial assets are tested on each balance-sheet date to determine whether there is any indication of an impairment need. If there is an indication of a need for impairment, the asset's recoverable amount is calculated. The recoverable amount is the higher of fair value less transaction costs and its value in use. Impairment losses are recognised when an asset's or cash-generating unit's (group of units) carrying amount exceeds the recoverable amount. Impairment losses are charged to net profit for the year.

## Dividends

Dividends are recognised as liabilities after the Annual General Meeting has approved the dividend.

## Employee benefits

### *Short-term benefits*

Short-term benefits to employees are calculated without discounts and recognised as costs when the related services are received. Provisions are recognised for the anticipated cost of bonus payments when the company has an active legal or informal obligation to make such payments due to services rendered by employees and the obligation can be reliably calculated.

### *Pensions*

Pension agreements with employees can be reached through defined-contribution or defined-benefit pension plans. Defined-contribution pension plans involve the company paying a lump sum to an insurance company, with any gains or losses assigned to the pension recipient. In this case, the company bears no further risk. For defined-benefit pension plans, the pensioner is guaranteed a certain final pension and the company bears the risk for the change in value.

In Sweden and Finland, the Group only offers defined-contribution pension plans. The Group's obligations regarding fees for defined-contribution plans are recognised as an expense in profit for the year as they are earned through the employee's performance of services for the company during a certain period.

The Group offers defined-benefit pension plans in Norway, including for Finaref AB's CEO. The Group's net obligation pertaining to defined-benefit pension plans is calculated by estimating the future benefits that the employees have earned through their employment during the current and previous periods. These benefits are discounted to present value. The discount interest rate is the interest rate on the balance-sheet date on an investment-grade corporate bond with a term that matches the Group's pension obligations. When no active market is available for such corporate bonds, the market rate on Treasury bonds with a corresponding term is used. This calculation is conducted by a qualified actuary using the projected unit credit method. The fair value of any investment assets is also calculated on the balance-sheet date.

Actuarial gains and losses may arise in the determination of present value of the obligation and the fair value of investment assets, due either to the actual outcome differing from the assumptions made or to a change in the assumptions. Actuarial gains and losses are recognised as income or expenses in other comprehensive income. Re-measurements that are recognised in other comprehensive income are not reclassified to earnings. In addition to actuarial gains and losses, the re-measurements comprise the difference between the actual and estimated returns on pension assets.

Items related to the earning of defined-benefit pensions and gains and losses that arise when settling a pension liability, as well as the net financial items regarding the defined-benefit plan, are recognised in net profit for the year.

The carrying amount for pension obligations listed in the balance sheet is equivalent to the obligations' present value on the balance-sheet date, less deductions for the fair value of the investment assets, as well as unrecognised costs related to services rendered during previous periods.

### *Severance pay*

An expense for compensation paid in conjunction with staff layoffs is only recognised if the company is demonstrably obligated – without a realistic possibility of retraction – by a formal, detailed plan to terminate an employment contract prior to the normal time. When compensation is given as an offer to encourage voluntary resignation, an expense is recognised if it is probable that the offer will be accepted and the number of employees who will accept the offer can reliably be estimated.

## Provisions

A provision differs from other liabilities because it involves uncertainty concerning the date of payment or the size of the amount needed to settle the provision. A provision is recognised in the balance sheet when the Group has an active legal or informal obligation due to an event that has occurred and it is likely that a financial outflow will be required to settle the obligation, and the amount can be reliably estimated.

## Contingent liabilities

Contingent liabilities are recognised in the event of a possible obligation stemming from events that have occurred and whose occurrence is confirmed exclusively by one or several future events, or when there is an obligation that is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required.

Cash flow statement

A cash flow statement is prepared in accordance with the indirect method. The recognised cash flow only encompasses transactions that yield incoming or outgoing payments. Cash and cash equivalents include balances in Plusgiro accounts and bank account credits.

### Note 2 Interest

| SEK thousand | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| Interest income on loans to other credit institutions | 397 | 545 |
| Interest income on loans to subsidiaries | | |
| Interest income on loans to the public | 522,908 | 508,839 |
| **Total interest income** | **523,306** | **509,384** |
| | | |
| Interest expense for borrowing from the public | (783) | 0 |
| Interest expense for borrowing from credit institutions | (45,030) | (59,863) |
| **Interest expense** | **(45,813)** | **(59,863)** |
| **Net interest income/ expense** | **477,492** | **449,521** |
| | | |
| *Average interest* | | |
| Average rate on loans to the public | 26.1% | 26.2% |
| Average rate on loans to credit institutions | 1.0% | 0.7% |
| Average rate on loans from credit institutions | 3.1% | 4.2% |

Average interest calculated based on average interest-bearing assets and liabilities.

| SEK thousand | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| Geographic distribution of interest income | | |
| Sweden | 136,439 | 132,202 |
| Norway | 137,043 | 134,215 |
| Finland | 249,823 | 242,967 |
| **Interest income** | **523,306** | **509,384** |

### Note 3 Net fees and commissions

| SEK thousand | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| *Fee and commission income* | | |
| Loan commissions | 29,089 | 26,993 |
| **Fee and commission income** | **29,089** | **26,993** |
| | | |
| *Fee and commission expenses* | | |
| Payment transfer service fees | (162) | (175) |
| **Total fee and commission expenses** | **(162)** | **(175)** |

Fee and commission income is not expensed when it relates to covering expenses associated with issuing loans to customers or to reminder fees associated with non-performing loans sent for collection. Income is not expensed when there is a minimal amount of time between the company's outlay and the payment claim.

| SEK thousand | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| *Geographic distribution of fee and commission income* | | |
| Sweden | 7,624 | 6,791 |
| Norway | 6,995 | 6,384 |
| Finland | 14,470 | 13,817 |
| **Fee and commission income** | **29,089** | **26,993** |

### Note 4 Net income/expense from financial transactions

| SEK thousand | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| Exchange rate fluctuations | (2,143) | (4,024) |
| **Income/expense from financial transactions** | **(2,143)** | **(4,024)** |

Hedging instruments and imbedded derivatives had no effect in 2013.

| SEK thousand | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| Geographic distribution of net income/expense toresultat av finansiella transaktioner, from financial transactions | | |
| Sweden | (1,964) | (4,405) |
| Norway | (228) | 381 |
| Finland | 50 | 0 |
| **Income/expense from financial transactions** | **(2,143)** | **(4,024)** |

### Note 5 Other operating income

| SEK thousand | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| Bonus, insurance sales | 4,823 | 3,572 |
| **Other operating income** | **4,823** | **3,572** |

Distributed among all countries since 2013.

### Note 6 Administrative expenses

| SEK thousand | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| Salaries and other remuneration | 27,823 | 23,286 |
| Pension expenses [1] | 2,945 | 3,159 |
| Social insurance expenses | 5,861 | 4,978 |
| Other personnel costs | 1,777 | 1,202 |
| **Personnel costs** | **38,406** | **32,625** |
| | | |
| Postage, notification and payment fees | 5,550 | 5,884 |
| Credit information and collection expenses | 19,004 | 18,981 |
| Audit and consultation expenses | 2,036 | 2,193 |
| Other purchased services | 11,697 | 11,372 |
| Other expenses | 14,880 | 12,915 |
| **Administration expenses** | **53,167** | **51,346** |
| | | |
| **General administration expenses** | **91,574** | **83,971** |

1) For pension costs, see Note 17.

| Company | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| Ernst & Young | | |
| Audit engagement | 1,201 | 1,315 |
| Other services | 768 | 878 |
| **Total** | **1,968** | **2,193** |
| | | |
| Other auditing firms | | |
| Other services | 68 | 0 |
| **Total** | **68** | **0** |
| | | |
| **Audit expenses** | **2,036** | **2,193** |

For average number of employees and wages and remuneration, see Note 7.

### Note 7 Personnel and senior executives

| Average number of employees | 01/01/2013–31/12/2013 | | 01/01/2012–31/12/2012 | |
|---|---|---|---|---|
| | No. of employees | of which men | No. of employees | of which men |
| Sweden | 25 | 32% | 24 | 17% |
| Finland | 9 | 11% | 12 | 8% |
| Norway | 14 | 7% | 13 | 8% |
| **Group total** | **48** | **15%** | **49** | **14%** |

An average of 1,800 annual work hours was used in calculating average number of employees.

In addition to personnel specified above, administrative services were purchased from Redcats Nordics and IT personnel from an external supplier.

| Gender distribution, senior executives | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Gender distribution, Board of Directors | | |
| Women | 0 | 0 |
| Men | 5 | 5 |
| Gender distribution, senior management | | |
| Women | 4 | 5 |
| Men | 2 | 2 |

Salaries and remuneration

The Chairman and members of the Board of Directors receive a fee as determined by the Annual General Meeting. People employed by the company receive salary and no Board fee.

| SEK thousand | 01/01/2013–31/12/2013 Salaries and soc. ins | of which pensions | 01/01/2012–31/12/2012 Salaries and soc. ins | of which pensions |
|---|---|---|---|---|
| Remuneration for Chairman | 180 | 0 | 181 | 0 |
| Soc. ins. exp. for Chairman remuneration | 57 | 0 | 57 | 0 |
| Remuneration for other Board members | 138 | 0 | 145 | 0 |
| Soc. ins. exp. for remuneration for other Board members | 25 | 0 | 27 | 0 |
| Salary and remuneration for CEO | 1,508 | 0 | 1,567 | 0 |
| Soc. ins. exp. for CEO salary and remuneration | 654 | 350 | 333 | 357 |
| Salaries for other employees | 26,315 | 0 | 21,854 | 0 |
| Soc. ins. exp. for other employees | 8,503 | 2,595 | 7,824 | 2,802 |
| **Total payroll expense for the Group** | **37,379** | **2,944** | **31,988** | **3,158** |

The Group's Remuneration Policy is included as an appendix in accordance with FFFS 2011:1.

'Remuneration for other Board members' relates to members of Finaref AS's steering committee.

Pension commitments for CEO/senior executives:

The contractual retirement age for the CEO is 62 years. Costs are comprised of pension premiums paid in the Norwegian defined-benefit pension plan, which totalled SEK 350 thousand in 2013. For the deputy CEO, a monthly private pension insurance premium is paid; these payments totalled SEK 216 thousand in 2013. The company has no further pension obligation for the deputy CEO. There are no other pension or other commitments.

### Note 8 Other operating expenses

| SEK thousand | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| Marketing costs | 142,498 | 137,353 |
| Other | 1,609 | 1,719 |
| **Other operating expenses** | **144,107** | **139,072** |

### Note 9 Loan receivables

| SEK thousand | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Loans to the public, gross | 2,152,078 | 2,131,349 |
| Reserves for anticipated credit losses (capital, interest rates and fees) | (241,940) | (247,960) |
| **Loan receivables, net** | **1,910,138** | **1,883,388** |
| *Loan receivables, gross, maturity:* | | |
| < 1 month | 6,318 | 24,880 |
| 1-3 months | 98,282 | 76,279 |
| > 3 months | 309,521 | 314,769 |
| not due | 1,737,957 | 1,715,420 |
| **Loan receivables, net** | **2,152,078** | **2,131,348** |

| SEK thousand | 31/12/2013 | 31/12/2012 |
|---|---|---|
| *Credit losses on loan receivables* | | |
| Collectively assessed receivables: | | |
| Impairments for the year, anticipated credit losses | (135,865) | (198,991) |
| Provision to reserve for anticipated credit losses | 4,510 | 45,995 |
| Recovery of previous year's anticipated credit losses | 79,806 | 77,081 |
| **Net cost for the year** | **(51,549)** | **(75,914)** |

There are no unsettled receivables on which interest income is recognised on a regular basis.

Receivables with reduced interest rates are included in 'doubtful receivables', as they are covered by the reserve for anticipated credit losses. Provisions have been made for all past due claims.

There are no property repossessions.

### Note 10 Taxes

The period includes deferred and current tax. Current tax arises from taxable profit for the period. Deferred tax arises from temporary differences.

| SEK thousand | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| Tax expense for the period | (56,838) | (44,402) |
| Adjustment to previous year's tax | (5,184) | (2) |
| Deferred tax expense (–) / revenue (+) | 4,736 | (208) |
| **Total reported tax expense** | **(56,390)** | **(44,612)** |
| **Tax expense** | | |
| Profit before tax | 220,492 | 175,529 |
| Tax at prevailing tax rate | (12,483) | (31,888) |
| Effect of different tax rates for foreign branches | (43,623) | (37,803) |
| Non-deductible expenses | (1,159) | (526) |
| Non-taxable income | 190 | 26,020 |
| Other | 172 | (205) |
| **Reported effective tax** | **(56,838)** | **(44,401)** |

Deferred tax assets

Deferred income tax attributable to:

| | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Differences re depreciation of fixed assets | 126 | 152 |
| Tax audit Finaref OY | 4,126 | 0 |
| Pensions | 569 | 1,882 |
| **Total deferred tax assets** | **4,821** | **2,034** |

**Note 11 Financial assets and liabilities**

| 12/31/2013 (SEK thousand) | Fair value | Carrying amount | Balance sheet definition |
|---|---|---|---|
| Loan receivables | 54,500 | 54,500 | Lending to credit institutions |
| Loan receivables | 1,910,138 | 1,910,138 | Loan receivables (households) |
| Loan receivables | 1,497 | 1,497 | Other assets |
| **Financial assets** | **1,966,135** | **1,966,135** | |
| | | | |
| Other financial liabilities | 1,479,257 | 1,479,257 | Lending to credit institutions |
| Other financial liabilities | 40,733 | 40,733 | Other liabilities |
| Other financial liabilities | 59,311 | 59,311 | Accrued expenses |
| **Financial liabilities** | **1,579,302** | **1,579,302** | |
| | | | |
| **12/31/2012 (SEK thousand)** | | | |
| Loan and accounts receivable | 26,609 | 26,609 | Lending to credit institutions |
| Loan and accounts receivable | 1,883,388 | 1,883,388 | Loan receivables (households) |
| Loan and accounts receivable | 1,942 | 1,942 | Other assets |
| Loan and accounts receivable | 0 | 0 | Accrued expenses |
| **Financial assets** | **1,911,939** | **1,911,939** | |
| | | | |
| Other financial liabilities | 1,442,096 | 1,442,096 | Liabilities to credit institutions |
| Other financial liabilities | 27,180 | 27,180 | Other liabilities |
| Other financial liabilities | 56,321 | 56,321 | Accrued expenses |
| **Financial liabilities** | **1,525,597** | **1,525,597** | |

Fair value measurement

*Non-current receivables*

Fair value measurement of non-current receivables is done for forecasting purposes by discounting future cash flows using the current interest rate.

*Interest-bearing liabilities*

Fair value measurement of interest-bearing liabilities is done for forecasting purposes by discounting future principal cash flows and discounting interest rates to the current market rate.

*Current receivables and liabilities*

For current receivables and liabilities (e.g., accounts receivable and trade payables) with remaining maturities of less than six months, the carrying amount is deemed a reflection of fair value.

Financial assets

Financial assets are measured and classified based on four categories: a) fair value through profit/loss, b) investments held to maturity, c) loan receivables and d) financial assets that can be sold.

The largest post on the asset side belongs to group c) loan receivables.

*a) Financial assets measured at fair value through profit or loss*

In principle, Finaref AB hedges anticipated dividends for the year from subsidiaries in Finland and Norway. Hedges are measured at market value on a monthly basis and results are reported in the income statement. The 2009 dividend (based on 2008 profit) was hedged; no hedging has been done since then.

*b) Investments held to maturity*

Finaref does not have any held-to-maturity investments.

*c) Loan receivables*

Loan receivables refer to receivables owed to the company by Nordic households and, for the Parent Company, owed by subsidiaries. Deductions are made for impairment requirements as specified below.

A loan receivable arises when payment is made to the customer. Interest and fee receivables arise when the claim is made. Receivables are deemed financial assets until payment is made or credit loss is realised.

*Loan receivables from the public*

Lending is in the form of unsecured loans, well distributed across the population in the markets where the Group operates. Half of lending is done in Finland, with the remaining half evenly divided between Sweden and Norway. One hundred per cent of lending is to households.

*Non-performing receivables:*

Non-performing receivables are receivables submitted for collection, where amortisation and interest are more than 60 days past due. Recognition of interest ceases in accordance with applicable law.

Interest charged on loans is transferred to debt collection, and 100% of the interest on loans secured by deceased's estates is reversed. Interest subsequently accrued is recognised on a cash basis.

*Realised credit losses:*

Receivables transferred to long-term monitoring are reported as realised credit losses.

*Recovery of previous year's realised credit losses:*

Funds recovered from previously realised credit losses are reported under this item in the income statement.

*Other loan receivables*

There were no other loan receivables at the reporting date.

*Prepaid expenses and accrued income*

Item refers mainly to prepayments to suppliers.

*d) Financial assets that can be sold*

Financial assets that can be sold relate to assets that are ordinarily for sale. The Finaref Group has no assets in this category.

Financial liabilities

A financial liability arises when an agreement is made with the lender and payment is received. Liability for accrued interest is recognised as a cost in the income statement. Interest and capital liabilities are removed from the balance sheet when payment is made.

In 2013 all borrowing was done via the owner, Credit Agricole Consumer Finance, directly to the respective company. Borrowing is denominated in local currency.

The Finaref Group's financial liabilities are reported at amortised cost.

*Leasing*

The company reports all leasing as operational leasing.

Property, plant & equipment and intangible assets

*Property, plant and equipment*

Depreciation according to plan is based on original acquisition value and is distributed over estimated useful life.

*Intangible assets*

Intangible assets are comprised of licences and externally incurred expenses for the scoring system actively used in operations. See also Note 12.

**Annual percentage of depreciation according to plan on acquisition value**

| | Sweden | Norway | Finland |
|---|---|---|---|
| Office equipment | 20% | 20% | 33% |
| Computer equipment | 33% | 33% | 33% |
| Intangible assets | 33% | 33% | 33% |

**Note 12 Intangible assets**

No goodwill exists.

**Other intangible assets**

| SEK thousand | 12/31/2013 | 12/31/2012 |
|---|---|---|
| Acquisition value | | |
| Opening value, licences | 9,567 | 9,567 |
| Opening value, scoring system | 0 | 0 |
| Acquired during the year | 583 | 0 |
| **Closing value** | **10,150** | **9,567** |
| Depreciation | | |
| Opening value | (7,625) | (6,616) |
| Depreciation for the year | (1,028) | (1,009) |
| **Closing value** | **(8,653)** | **(7,625)** |
| **Carrying amount** | **1,497** | **1,942** |

**Note 13 Property, plant and equipment**

| SEK thousand | 12/31/2013 | 12/31/2012 |
|---|---|---|
| Acquisition value | | |
| Opening value, office equipment | 2,804 | 2,927 |
| Opening value, furniture and fixtures | 829 | 839 |
| Acquired during the year, office equipment | 202 | 0 |
| Acquired during the year, furniture and fixtures | 0 | 0 |
| Disposed of | (341) | 0 |
| Exchange difference | 0 | 0 |
| **Closing value** | **3,494** | **3,765** |
| Depreciation | | |
| Opening value | (3,217) | (2,940) |
| Depreciation for the year | (349) | (391) |
| Disposed of | 341 | 0 |
| Exchange difference | 5 | 0 |
| **Closing value** | **(3,220)** | **(3,331)** |
| **Closing carrying amount** | **274** | **434** |

### Note 14 Other assets

| SEK thousand | 12/31/2013 | 12/31/2012 |
|---|---|---|
| Receivables from related parties | 0 | 0 |
| Advance payment, tax asset | 0 | 11,848 |
| Other | 1,192 | 1,360 |
| **Other assets, net** | **1,192** | **13,208** |

Of 'Receivables from related parties', SEK 0 (97,767) thousand is comprised of anticipated dividends from subsidiaries.

### Note 15 Prepaid expenses and accrued income

| SEK thousand | 12/31/2013 | 12/31/2012 |
|---|---|---|
| Allocation of agents' expenses | 9,170 | 7,082 |
| Other | 4,275 | 3,823 |
| **Prepaid expenses and accrued income** | **13,445** | **10,905** |

'Other' refers to profit sharing SEK 2,793 thousand and to prepaid expenses to suppliers for just-in-time deliveries.

### Note 16 Equity

Dividends were distributed in 2013 to each company's shareholders.

Overall, 95% of the Group's profits are to be distributed. Accordingly, 95% of each company's profit is collected in order to distribute a dividend to Finaref AB's owner. This distribution is made under the condition that the Group meets the 10% capital retention requirement specified by Basel II. During 2013, SEK 164,649 thousand was distributed for financial year 2012. It is estimated that SEK 39,200 thousand will be distributed in March 2014 for financial year 2013.

Exchange rate differences attributable to translation of the Group's foreign subsidiaries' functional currencies to SEK are accumulated in the translation reserve. Upon the sale of foreign operations, the accumulated translated currency effect is reclassified and reported in net profit for the year and includes profit or loss on the sale.

### Note 17 Pensions

| SEK thousand | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| Pension expenses | 2,945 | 3,159 |
| **Pension expenses** | **2,945** | **3,159** |

1) Of pension expenses for the year, SEK 600 (561) thousand comprises individual pension premiums in the Group.

| Finaref AS | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|
| Pension entitlements earned during the year | 717 | 641 |
| Interest expense on commitments | 148 | 243 |
| Employer's contribution | 137 | 125 |
| **Net pension expenses** | **1,001** | **1,009** |

**Pension commitments and pension funds**

| | 12/31/2013 | 12/31/2012 |
|---|---|---|
| **Change in gross pension commitments** | | |
| Pension commitment 1.1 | 13,348 | 12,396 |
| Reductions and settlements | 717 | 641 |
| Interest expense | 295 | 408 |
| AGA of net pension commitment | (137) | 787 |
| Actuarial gain or loss | (3,469) | (101) |
| Pensions paid | (29) | (36) |
| **Gross pension commitments** | **10,726** | **14,096** |
| | | |
| **Change in gross pension funds** | | |
| Fair value of pension funds 1.1 | (7,317) | (6,790) |
| Expected return on pension funds | (147) | 0 |
| Administrative expenses | 0 | 75 |
| Actual return on pension funds | 0 | (240) |
| AGA of net pension funds | 137 | 0 |
| Premium payments | (1,105) | (1,089) |
| Pensions paid | 29 | 36 |
| Actuarial gain or loss | (401) | 281 |
| Fair value of pension funds | (8,805) | (7,727) |
| Net pension commitments in the balance sheet | (1,921) | (6,369) |
| Financial conditions | | |
| Discount rate | 4.00% | 2.20% |
| Expected salary trend | 3.75% | 3.25% |
| Expected pension trend | 0.60% | 0.00% |
| Expected G regulation | 3.50% | 3.00% |
| Expected return on consolidated funds | 4.00% | 2.20% |

Pension liabilities are reported in 'Other liabilities' in the consolidated balance sheet. The pension commitment complies with IAS 19.

Subsidiary Finaref AS has defined-benefit pension agreements with eight persons, who are entitled to defined future commitments under the terms of the agreements. Commitments are primarily determined based on number of years of service, salary level at retirement age and size of basic pension commitment. Commitments are covered through insurance companies.

The company had a pension agreement for employees of Redcats AS until 1 April 2007, after which there was a split-up and Finaref AS took over its share of the pension commitment.

Pensions

Pension agreements with employees can be either defined-contribution or defined-benefit pension plans. With defined-contribution plans, the company pays a lump sum to an insurance company and any subsequent increases or decreases are attributed to the pensioner; the company therefore assumes no additional risk. With defined-benefit plans, the pensioner is guaranteed a certain final pension and the company assumes the risk for changes in value.

There is a pension agreement with Finaref AB's CEO. The agreement is a defined-benefit plan and is part of the Norwegian actuarially calculated plan. Additional information is available in Note 7.

Norwegian subsidiary Finaref AS has defined-benefit pension plans. Pension provisions are actuarially calculated on an annual basis to ensure that the appropriate amount is reserved.

### Note 18 Other liabilities

| SEK thousand | 12/31/2013 | 12/31/2012 |
|---|---|---|
| Tax liabilities | 33,108 | 17,093 |
| Liabilities to related parties | 0 | 0 |
| **Other** | **7,626** | **10,088** |
| **Other liabilities** | **40,734** | **27,180** |

### Note 19 Accrued expenses and deferred income

| SEK thousand | 12/31/2013 | 12/31/2012 |
|---|---|---|
| Liabilities for social security contributions and holiday pay | 3,709 | 4,034 |
| Liabilities for accrued interest expense | 16,209 | 17,239 |
| Other | 39,393 | 35,166 |
| **Accrued expenses and deferred income** | **59,311** | **56,439** |

### Note 20 Maturity information, book value

| SEK thousand<br>Lending to other credit institutions | 12/31/2013 | 12/31/2012 |
|---|---|---|
| Payable on demand | 45,641 | 26,609 |
| Remaining maturity, up to 3 months | 8,859 | 0 |
| **Total lending to credit institutions** | **54,500** | **26,609** |
| | | |
| Remaining maturity, up to 3 months | 264,165 | 200,248 |
| Remaining maturity, > 3 months < 1 year | 612,384 | 624,818 |
| Remaining maturity, > 1 year < 5 years | 878,454 | 911,744 |
| Remaining maturity, > five years | 155,135 | 146,578 |
| **Total loan receivables** | **1,910,138** | **1,883,388** |

Remaining maturity is calculated based on borrower's actual repayment behaviour, rather than information provided in the loan application.

| Liabilities to credit institutions | 12/31/2013 | 12/31/2012 |
|---|---|---|
| Payable on demand | 0 | 0 |
| Remaining maturity, up to 3 months | 252,277 | 75,652 |
| Remaining maturity, > 3 months < 1 year | 383,852 | 397,170 |
| Remaining maturity, > 1 year < 5 years | 771,094 | 951,756 |
| Remaining maturity, > five years | 72,034 | 17,518 |
| **Total liabilities to credit institutions** | **1,479,257** | **1,442,096** |
| | | |
| of which, to Group companies | 1,479,257 | 1,442,096 |
| Other liabilities | | |
| Payable on demand | 40,735 | 27,181 |
| **Total other liabilities** | **40,735** | **27,181** |

**Note 21 Foreign currency**

| **Amounts in SEK thousand, 12/31/2013** | **SEK (NOK)** | **SEK (EUR)** | **Total** |
|---|---|---|---|
| Assets in foreign currency | | | |
| Loans to credit institution | 9,699 | 30,440 | 40,139 |
| Loan receivables | 572,627 | 901,298 | 1,473,926 |
| Shares and participating in Group companies | 0 | 0 | 0 |
| Intangible assets | 0 | 579 | 579 |
| Tangible assets | 39 | 235 | 274 |
| Prepaid expenses and accrued income | 10,389 | 1,474 | 11,863 |
| Deferred tax asset | 569 | 4,126 | 4,695 |
| Other assets | 339 | 708 | 1,047 |
| **Total assets** | **593,663** | **938,859** | **1,532,522** |
| Liabilities in foreign currency | | | |
| Liabilities to credit institutions | 408,368 | 660,889 | 1,069,257 |
| Accrued expenses and deferred income | 17,534 | 21,445 | 38,979 |
| Other liabilities | 16,309 | 17,573 | 33,882 |
| **Total liabilities** | **442,211** | **699,907** | **1,142,118** |
| **Net exposure** | **151,451** | **238,952** | **390,404** |

Net exposure for the Group refers primarily to equity in Finaref AS and Finaref OY. Translation differences are presented in the comprehensive income statement in the balance sheets.

**Note 22 Related parties**

Information about related parties

No loans have been issued to senior executives within the Finaref Group. No collateral has been pledged and no contingent liabilities have been assumed on behalf of senior executives. No related party as specified by IAS 24 has been identified within the companies.

**Note 23 Risks**

Credit and counterparty risk

Credit risk refers to the risk of the borrower failing to meet contractual obligations and therefore being unable to pay.

Management of credit and analysis of the customer's repayment ability underpins the entire business and its processes – from new customer recruitment through credit assessment, claims management and final debt collection.

The company works actively with credit scoring and utilises the expertise of Credit Agricole SA and its subsidiaries.

Continuous monitoring and follow-up is conducted and any additional need for capital is decided at monthly reporting meetings.

Loan receivables from the public

Lending is in the form of unsecured loans, well distributed across the population in the markets where the Group operates. Half of lending is done in Finland, with the remaining half evenly divided between Sweden and Norway. One hundred per cent of lending is to households. For additional information, see Note 9.

Market risk

Market risk arises through changes in the value of financial instruments due to changed interest rates, exchange rates, etc.

Currency risk:

The Group's currency risk is mainly limited to equity in the Norwegian and Finnish subsidiaries (see Note 21).

A translation difference arises upon consolidation of foreign subsidiaries. This translation difference is reported in 'Other comprehensive income'. The development of net exposure in foreign currency is presented in Note 21.

Interest rate risk:

All lending is done at variable interest rates with some lag, while borrowing is tied to various time periods. This is in order to match lending to the greatest extent possible and, accordingly, the Group has only minor interest rate risk.

Other risks

*Liquidity risk/loans:*

Liquidity risk is the risk of limited solvency for the company in the short term (see Note 20).

Borrowing is done internally within the Credit Agricole Group to minimise liquidity risk. Local banks are used as benchmarks for pricing.

During 2013 all borrowing was done via the owner Credit Agricole Consumer Finance directly to each company. All borrowing is in local currency.

Asset management

No active asset management takes place. The Group borrows cash and cash equivalents only to the extent necessary for operating activities.

Operational risk:

Defined as the risk of losses resulting from inadequacies in procedures and controls, human error or external events.

Operational risk is prevented and regulated through documented internal processes. These are continuously monitored through internal and external review.

**Note 24 Capital requirement per Basel II**

Finaref AB and the Group report capital covert to the Swedish Financial Supervisory Authority in accordance with Basel II (i.e., the Capital Adequacy & Large Exposures Act 2006:1371). Finaref AS reports to the Financial Supervisory Authority of Norway. In Finland, only companies that receive deposits are subject to reporting requirements; accordingly, Finaref OY does not submit reports.

Basel II was introduced to improve the previous capital cover regulations by using capital requirements to reflect risks and maintain capital levels in the financial system.

Requirements are classified in three pillars:

**Pillar 1 Minimum level for capital requirement**
Credit risk, market risk and operational risk must be quantified using internal or external models, and capital must be reserved in proportion to estimated risk levels.

**Pillar 2 Guidelines for active capital oversight**
Institutions must have a procedure for assessing the capital requirement in relation to risk exposure and must have a strategy for maintaining capital levels. Supervisory authorities must examine whether this procedure is sufficient.

**Pillar 3 Disclosure requirement – demand for transparency**
Stricter disclosure requirements will promote good transparency with respect to the institution's capital situation and risk profile. The market's ongoing pricing of the institution's liabilities and shares is expected to reveal changes to the bank's risk profile.

For Pillar 1, Finaref AB has decided to report Credit and Market Risks per the standardised method and Operative Risk per the basic indicator approach.

The standardised method entails having a capital base of at least 8% of risk-weighted assets. Finaref's capital base is equity less intangible assets.

Risk-weighted assets are calculated by risk-weighting the company's receivables as per counterparty risk.

Counterparty risk is weighted as follows:

| | |
|---|---|
| Receivables from the State | 0 % |
| Receivables from credit institutions | 20 % |
| Receivables from households | 75 % |
| Other receivables | 100 % |

The calculation is therefore:

$$\frac{\text{Equity less intangible assets}}{\text{Bank account assets} \times 20\,\% + \text{Receivables from households} \times 75\,\% + \text{Other receivables} \times 100\,\%} > 8\,\%$$

| Capital base<br>SEK thousand | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Equity | 403,599 | 407,855 |
| Intangible assets | (6,318) | (3,976) |
| **Capital base before dividend** | **397,280** | **403,879** |
| Proposed dividend/dividend | (39,200) | (164,649) |
| **Capital base after proposed dividend/dividend** | **358,080** | **239,230** |

Group equity does not correspond to the consolidated balance sheet because the Finaref AS subsidiary VIAB AS is not included in the Group that Finaref AB reports. VIAB AS is a collection company and as such reports to the Norwegian Financial Supervisory Authority.

**Risk-weighted assets**

| SEK thousand | | 31/12/2013 | | 31/12/2012 | |
|---|---|---|---|---|---|
| | | before risk-weighting | after risk-weighting | before risk-weighting | after risk-weighting |
| Receivables from the state | 0% | 5,260 | 0 | 14,217 | 0 |
| Receivables from credit institutions | 20% | 54,140 | 10,828 | 26,273 | 5,255 |
| Receivables from households | 75% | 1,910,138 | 1,432,604 | 1,883,388 | 1,412,541 |
| Other receivables | 100% | 16,540 | 16,540 | 14,886 | 14,886 |
| | | **1,986,079** | **1,459,972** | **1,938,764** | **1,432,682** |

Operational risk

Operational risk is calculated using the basic indicator method:

Average net revenue for the past three years (net interest income or expense + net fees and commissions + net financial transactions and other operating income + dividend received) x 15%.

| SEK thousand | 31/12/2013 | 31/12/2012 |
|---|---|---|
| Net revenue 2010 | 372,772 | 372,772 |
| Net revenue 2011 | 487,295 | 487,295 |
| Net revenue 2012 | 475,893 | 475,893 |
| Net revenue 2013 | 509,556 | |
| Average net revenue for the past three years | 490,915 | 445,320 |
| 15% of average net revenue | 73,637 | 66,798 |

Revenue from the Finaref AS subsidiary VIAB AB is not included in Group revenue, as the company reports directly to the Norwegian Financial Supervisory Authority as a collection company.

Minimum capital requirement

The minimum capital requirement for the company is obtained by calculating 8% of risk-weighted assets + operational risk per the base indicator method.

| SEK thousand | | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| Risk-weighted assets | | 1,459,972 | 1,432,682 |
| | | | |
| Minimum capital requirement for Credit and Market Risk | 8% | 116,798 | 114,615 |
| Capital requirement for Operational Risk | | 79,792 | 66,798 |
| Total minimum capital requirement per Pillar 1 | | 196,590 | 181,413 |
| Current capital base | | 358,080 | 239,230 |
| Capital base surplus | | 161,490 | 57,818 |

Capital base is calculated after deduction for proposed dividend.

With respect to Guidelines for active capital oversight, Pillar 2, the need for additional capital is determined at regular meetings of specialised committees.

| Risk scenarios | Addressed at following meeting | Periodicity |
|---|---|---|
| Credit & Market Risk | Reporting meeting | Monthly |
| Operational Risk | Operational Risk and Permanent Control Committee | Biannually |
| Liquidity Risk | Financial Committee | Quarterly |
| Currency Risk | Financial Committee | Quarterly |
| Business Risk | Reporting meeting | Monthly |
| Strategic Risks | Reporting meeting | Monthly |
| Interest Rate Risk | Reporting to Financial Supervisory Authority – reported at reporting meeting | Quarterly |

Credit and Market Risk and Operational Risk are covered by the Pillar 1 capital requirement. Through decisions taken by the above committees in 2013, the company's management team has deemed that there is no need for additional capital.

See also comments on risks in the Notes to the financial statements, page 22.

Pillar 3 disclosure requirements shall be provided to the market by a group's highest parent company.

Refer also to Credit Agricole SA, website: www.credit-agricole.com

**Note 25 Information about the company**

The 2013 consolidated accounts comprise the Parent Company (Finaref AB) and its subsidiaries, together referred to as "the Group" or "Finaref".

The Parent Company is a limited company with its registered office in Sweden. The address of the main office is Odegärdsgatan 6, Borås.

Finaref AB is wholly owned by Credit Agricole Consumer Finance, a wholly owned subsidiary of Credit Agricole SA. Credit Agricole SA's annual report is available on their website: www.credit-agricole.com.

**Note 26 Events after the reporting period**

Resurs Norden AB former Finaref AB was acquired by Resurs Bank AB on 1 April 2014, 1 November 2014, Resurs Norden AB's operations was moved to Resurs Bank AB through an asset transfer. The company has also been deregistered at the Swedish Financial Supervisory Authority.

Helsingborg, April 11, 2016

/s/Ronny Persson

Ronny Persson

Member of the board

## The Auditors' Report on historical financial statements

*To the Board of Directors of Resurs Norden AB, reg. no. 556634-3280*

We have audited the financial statements for Resurs Norden AB on pages F-89–F-105, which comprise the consolidated statements of financial position as of December 31, 2013 and 2012 and the consolidated statements of income, cash flows and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory notes.

### The Board of Directors' responsibility for the financial statements

The Board of Directors are responsible for the preparation and the fair presentation of the financial position, financial performance, statement of changes in equity and cash flows in accordance with International Financial Reporting Standards as adopted by the EU and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the preparation and fair presentation of the financial statements in accordance with the requirements in the Commission Regulation (EC) No 809/2004.

### The auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with FAR´s Recommendation RevR 5 Examination of Financial Information in Prospectuses. This recommendation requires that we comply with ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

An audit in accordance with FAR´s Recommendation RevR 5 Examination of Financial Information in Prospectuses involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the financial statements. The audit procedures selected are based on our assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, we consider the internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Managing Director and evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the consolidated financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional applicable framework, of the financial position of the group as of December 31, 2013 and 2012 and its financial performance, statements of changes in equity and cash flows for these years.

Helsingborg, 11 April 2016

Ernst & Young AB

/s/Jesper Nilsson

Jesper Nilsson

Authorized Public Accountant

# Dan-Aktiv A/S

# Financial information as of and for the financial years ended 31 December 2013 and 2012

### Statement by the Executive Management and Board of Directors on the Audited Consolidated Financial Statements of Dan-Aktiv A/S as at and for the Financial Years Ended 31 December 2013 and 2012

The Executive Management and Board of Directors have today considered and adopted the financial statements of Dan-Aktiv A/S for the financial years ended 31 December 2013 and 2012 for inclusion in this Offering Memorandum. The financial statements have been prepared in accordance with the Danish Financial Statements Act and are based on the statutory annual reports of Dan-Aktiv A/S for the financial years ended 31 December 2013 and 2012, which were adopted by the Executive Board and Board of Directors of Dan-Aktiv A/S on 17 March 2014 and 22 May 2013, respectively.

To provide as relevant and comparable information as possible, income and expenses and assets and liabilities have been re-grouped and re-named so as to better reflect the lending activities of the company. The re-grouping and re-naming has not affected reported profit and equity for the financial years ended 31 December 2013 and 2012.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2013 and 2012, respectively, and of the results of its operations and cash flows for the financial years 1 January 2013 – 31 December 2013 and 1 January 2012 – 31 December 2012 in accordance with the Danish Financial Statements Act.

Helsingborg, 17 April 2016

Executive Management:

/s/Kenneth Nilsson
Kenneth Nilsson
CEO

/s/Peter Rosén
Peter Rosén
CFO

Board of Directors:

/s/Jan Samuelson
Jan Samuelson

/s/Martin Bengtsson
Martin Bengtsson

/s/Mariana Burenstam Linder
Mariana Burenstam Linder

/s/Fredrik Carlsson
Fredrik Carlsson

/s/Anders Dahlvig
Anders Dahlvig

/s/Christian Frick
Christian Frick

/s/Lars Nordstrand
Lars Nordstrand

/s/Marita Odélius Engström
Marita Odélius Engström

/s/David Samuelson
David Samuelson

## Income statement

| TDKK | Note | 01/01/2013 –31/12/2013 | 01/01/2012 –31/12/2012 |
|---|---|---|---|
| Interest income | | 229,560 | 235,984 |
| Interest expenses | 2 | (29,329) | (33,432) |
| Fee and commission income | | 18,385 | 17,087 |
| Net income/expense from financial transactions | | 218,616 | 219,639 |
| **Total operating income** | | **218,616** | **219,639** |
| | | | |
| General administrative expenses | 3 | (75,542) | (76,202) |
| Depreciation, amortisation and impairment of assets | | (1,750) | (1,811) |
| **Total expenses before credit losses** | | **(77,292)** | **(78,013)** |
| | | | |
| Earnings before credit losses | | 141,324 | 141,626 |
| Credit losses, net | | 97,729 | 95,273 |
| **Operating profit** | | **43,595** | **46,353** |
| | | | |
| Tax on profit for the year | 4 | (10,677) | (11,525) |
| **Net profit for the year** | | **32,918** | **34,828** |
| | | | |
| **Distribution of profit** | | | |
| Proposed dividend for the year | | 9,300 | 33,100 |
| Transferred to retained earnings | | 23,618 | 1,728 |
| | | **32,918** | **34,828** |

## Statement of financial position

| TDKK | Note | 31/12/2013 | 31/12/2012 |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | | 3 | 10,002 |
| Loans to the public | 5 | 1,129,833 | 1,123,478 |
| Receivables related parties | | 32,708 | 8,040 |
| Property, plant & equipment | 6 | 2,437 | 2,549 |
| | | | |
| **Other assets** | | | |
| Current tax receivables | | 2,507 | 391 |
| Other receivables | | 1,290 | 1,197 |
| Prepayments | | 1,345 | 1,506 |
| **Total assets** | | **1,170,123** | **1,147,163** |
| | | | |
| **Liabilities, provisions and equity** | | | |
| *Liabilities and provisions* | | | |
| Liabilities to credit institutions | | 9,803 | 17,144 |
| Loans from related parties | 7 | 1,075,423 | 1,051,834 |
| Other liabilities | | 23,706 | 20,026 |
| Deferred income | | 366 | 475 |
| Deferred tax liability | | 2,754 | 1,031 |
| **Total liabilities and provisions** | | **1,112,052** | **1,090,510** |
| | | | |
| *Equity* | | | |
| Share capital | 8 | 10,100 | 10,100 |
| Retained earnings including profit for the year | | 47,971 | 46,553 |
| **Total equity** | | **58,071** | **56,653** |
| | | | |
| **Total liabilities, provisions and equity** | | **1,170,123** | **1,147,163** |

For information on Accounting policies, see Note 1.
For further information about contingent assets, liabilities and other financial obligations, see note 9.

## Statement of changes in equity

| TDKK | Share capital | Proposed dividend | Retained earnings including profit for the year | Total equity |
|---|---|---|---|---|
| **Equity, 1 January 2012** | **10,100** | **38,500** | **11,725** | **60,325** |
| *Owner transactions* | | | | |
| Dividend for the year | – | (38,500) | – | (38,500) |
| | | | | |
| Net profit for the year | – | 33,100 | 1,728 | 34,828 |
| **Equity, 31 December 2012** | **10,100** | **33,100** | **13,453** | **56,653** |
| | | | | |
| **Equity, 1 January 2013** | **10,100** | **33,100** | **13,453** | **56,653** |
| *Owner transactions* | | | | |
| Dividend paid | – | (31,500) | – | (31,500) |
| Adjustments | – | (1,600) | 1,600 | – |
| | | | | |
| Net profit for the year | – | 9,300 | 23,618 | 32,918 |
| **Equity, 31 December 2013** | **10,100** | **9,300** | **38,671** | **58,071** |

| Statement of cash flows (indirect method)<br>TDKK | Note | 01/01/2013<br>–31/12/2013 | 01/01/2012<br>–31/12/2012 |
|---|---|---|---|
| **Operating activities** | | **32,918** | **34,828** |
| Net profit for the year | | | |
| Adjustments for non cash transactions | 11 | 41,772 | 46,767 |
| Change in working capital | 12 | (34,132) | 23,600 |
| Financial income | | 287 | 66 |
| Financial expenses | | (31,430) | (33,497) |
| Income taxes paid | | (9,851) | (13,850) |
| **Cash flow from operating activities** | | **(436)** | **58,184** |
| | | | |
| **Investing activities** | | | |
| Purchase of property, plant and equipment | | (1,706) | (1,227) |
| Sale of property, plant and equipment | | 55 | 0 |
| **Cash flow from investing activities** | | **(1,651)** | **(1,227)** |
| | | | |
| **Financing activities** | | | |
| Repayment of payables to group enterprises | | (316,912) | (150,000) |
| Raising of loans from group enterprises | | 340,500 | 131,556 |
| Dividend paid | | (31,500) | (38,500) |
| **Cash flow from financing activities** | | **(7,912)** | **(56,944)** |
| **Cash flow for the year** | | **(9,999)** | **13** |
| Cash & cash equivalents at beginning of year | | 10,002 | 9,989 |
| **Cash and cash equivalents at year-end** | | **3** | **10,002** |

## Notes

All amounts presented are in TDKK unless otherwise stated.

### Note 1 Accounting policies

General information

Dan-Aktiv A/S was a public limited company incorporated in Denmark until 22 April 2015 at which date it was legally merged with its parent company Nordic Consumer Finance A/S with Dan-Aktiv A/S as the non surviving company. On 28 April 2015, Nordic Consumer Finance A/S was legally merged with its parent company Resurs Bank AB as the non surviving company, and the activities were continued by the Danish Branch of Resurs Bank AB. The activities comprise retail finance operations.

These financial statements for 2013 and 2012 are based on the statutory annual reports for 2013 and 2012 respectively prepared in accordance with the Danish Financial Statement Act. The financial statements were approved by Management of Dan-Aktiv A/S on 17 March 2014 and 22 May 2013 respectively. The mandatory schedules for presentation of the income statement and the balance sheet respectively were applied.

To provide relevant and comparable information for the purpose of this offering memorandum, income and expense and assets and liabilities have been re-grouped and re-named so as to more clearly reflect the lending activities of the company. The re-grouping and re-naming has not affected reported profit and equity of Dan-Aktiv A/S for 2013 and 2012.

Potential changes in accounting estimates that has occurred after the approval of the financials statements for 2013 and 2012, approved as stated above, has not been recognised in the regrouped financial statements.

Statement of compliance

The financial statements of Dan-Aktiv A/S for 2013 and 2012 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises. To better obtain a true and fair view of the lending activities of the company, the mandatory schedules for presentation of the income statement and the balance sheet have been departed from. The order of the line items in the income statement and the break-down of expenses by nature has been adjusted so as to reflect the expense structure of lending activities, and the balance sheet has been presented broadly in liquidity order.

The accounting policies applied remain unchanged from previous years.

Recognition and measurement

Revenue is recognised in the income statement as earned. Furthermore, valuation adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred for the year are recognised in the income statement unless they form part of an asset recognised in the balance sheet. Such expenses include depreciation, amortisation, impairment losses and provisions as well as reversals due to changes in accounting estimates related to amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income Statement

*Interest income*

Interest income attributable to financial assets is 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. Interest income and interest expense include any transaction costs and other differences from the original value of the asset or liability.

*Interest expense*

Interest expense attributable to financial liabilities is recognised using the effective interest rate method.

*Fee income*

Fee income comprises commission income and fees related to the lending activity which do not form an integral part of the effective interest income on the loans. Fee income is recognised when earned, typically upon completion of a significant act.

*General administrative expenses*

General administrative expenses comprises external expenses such as expenses for premises, sales and distribution as well as office expenses, etc. and staff expenses such as wages and salaries as well as payroll expenses.

*Depreciation, amortisation and impairment of assets*

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment. The amount are determined as described under "Property, plant and equipment".

*Credit losses, net*

Credit losses comprise established credit losses during the year less amounts received for previous years' credit losses, changes in anticipated credit losses less payments received on loan previously written down.

Loans are reported net of established credit losses and the provision for anticipated credit losses.

*Tax on profit/loss for the year*

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

## Balance Sheet

*Property, plant and equipment*

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

*Other fixtures and fittings, tools and equipment 3-5 years*

Assets with an individual cost price of less than DKK 12,300 are expensed in the year of acquisition.

*Impairment of fixed assets*

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

*Loan to the public*

Loans to the public are recognised in the balance sheet at amortised cost by applying the effective interest rate method. Provisions for estimated bad debts are made and are offset against the carrying amount of the related loans.

On applying the effective interest rate method, Management makes judgments regarding the expected life of the loan portfolio. The estimates are based on historical experience of the relationship between contractual life and actual life of the various types of loans within the portfolio.

*Prepayments*

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions.

*Current tax receivables and liabilities*

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on accounts.

*Liabilities to related parties*

Liabilities to related parties are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

*Other liabilities*

Other liabilities are measured at amortised cost, which substantially corresponds to nominal value.

*Deferred income*

Deferred income comprises payments received in respect of income in subsequent years.

*Deferred tax assets and liabilities*

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

## Cash Flow Statement

The cash flow statement shows the Company´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company´s cash and cash equivalents at the beginning and end of the year.

*Cash flows from operating activities*

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises loans, other receivables and prepayments less short term debt excluding items included in cash and cash equivalents.

*Cash flows from investing activities*

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

*Cash flows from financing activities*

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

*Cash and cash equivalents*

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial statements.

**Note 2 Interest expense**

| | | |
|---|---|---|
| Included in interest expenses: | | |
| Interest paid to group enterprises | 29,597 | 33,435 |

**Note 3 General administrative expenses**

| | | |
|---|---|---|
| Included in general administrative expenses are the following staff expenses: | | |
| Wages and salaries | 25,638 | 21,619 |
| Pensions | 1,515 | 1,380 |
| Other social security expenses | 194 | 64 |
| **Staff expenses** | **27,347** | **23,063** |
| **Average number of employees** | **49** | **47** |

In accordance with section 98 B(3) of the Danish Financial Statements Act, disclosure of remuneration to the Executive Board has been omitted.

**Note 4 Tax on profit for the year**

| | | |
|---|---|---|
| Current tax for the year | 9,129 | 11,933 |
| Deferred tax for the year | 1,723 | (345) |
| Adjustment of tax concerning previous years | (175) | (62) |
| | **10,677** | **11,526** |

**Note 5 Loans to the public**

| | | |
|---|---|---|
| The following amounts fall due for payment more than 1 year after year end | 560,914 | 553,841 |

**Note 6 Property, plant and equipment**

| | | |
|---|---|---|
| Cost at 1 January | 9,659 | 8,432 |
| Additions for the year | 1,706 | 1,227 |
| Disposals for the year | (145) | 0 |
| Cost at 31 December | 11,220 | 9,659 |
| Impairment losses and depreciation at 1 January | 7,110 | 5,300 |
| Depreciation for the year | 1,748 | 1,810 |
| Reversal of impairment and depreciation of sold assets | (75) | – |
| Impairment losses and depreciation at 31 December | 8,783 | 7,110 |
| **Carrying amount at 31 December** | **2,437** | **2,549** |

**Note 7 Loans from related parties**

| | | |
|---|---|---|
| The debt falls due for payment as specified below: | | |
| After 5 years | 42,000 | 0 |
| Between 1 and 5 years | 502,000 | 722,000 |
| Long-term part | 544,000 | 722,000 |
| Within 1 year | 531,423 | 329,834 |
| | **1,075,423** | **1,051,834** |

**Note 8 Share capital**

The share capital consists of 10,100,000 shares of a nominal value of DKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

**Note 9 Contingent assets, liabilities and other financial obligations**

**Rental agreements and leases**

| | | |
|---|---|---|
| Lease obligations under operating leases. Total future lease payments: | | |
| Within 1 year | 456 | 585 |
| Between 1 and 5 years | 654 | 0 |
| | **1,110** | **585** |

| | | |
|---|---|---|
| The contingent liabilities include an obligation towards Experian related to the positive register, where there was entered into a 5 year agreement starting in 2012. The total obligation is maximum | 940 | 1,175 |
| Leasehold obligations, non-terminability until end of 2017 | 9,482 | 11,852 |

**Note 10 Related parties and ownership**

| Controlling interest | Basis |
|---|---|
| Nordic Consumer Finance A/S | Majority shareholder |
| Crédit Agricole S.A. | Ultimate parent company |

As described in note 1, control over the company was transferred after the balance sheet date resulting in Resurs Holding AB obtaining control over the activities.

**Transactions**

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management Remuneration.

**Ownership**

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the Votes or at least 5% of the share capital

Nordic Consumer Finance A/S

**Consolidated Financial Statements**
The Company is included in the Group Annual Report of Crédit Agricole S.A.

The Group Annual Report of Crédit Agricole S.A. may be obtained at the following address:

Crédit Agricole S.A.
12 place des Etats-units
92545 Montrouge cedex, France
www.credit-agricole.com/en

**Note 11 Cash flow statement – adjustments**

| | | |
|---|---|---|
| Financial income | (287) | (66) |
| Financial expenses | 29,618 | 33,497 |
| Depreciation, amortisation and impairment losses, including losses and gains on sales | 1,764 | 1,810 |
| Tax on profit/loss for the year | 10,677 | 11,526 |
| | **41,772** | **46,767** |

**Note 12 Cash flow statement – change in working capital**

| | | |
|---|---|---|
| Change in loans and other receivables | (31,312) | 22,617 |
| Change in trade payables, etc | (2,820) | 983 |
| | **(34,132)** | **23,600** |

## The Auditors' Report on historical financial statements

To the readers of the Offering Memorandum

**Report on the Financial Statements**
We have audited the Financial Statements of Dan-Aktiv A/S for the financial years 1 January – 31 December 2013 and 1 January – 31 December 2012, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, notes and summary of significant accounting policies, as presented on pages F-108–F-114. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

**Management's Responsibility for the Financial Statements**
Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**
Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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 Management, as well as evaluating the overall presentation of the Financial Statements.

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

The audit has not resulted in any qualification.

**Opinion**
In our opinion, the Financial Statements as presented on pages F-108–F-114 give a true and fair view of the financial position of the Company at 31 December 2013 and 31 December 2012 and of the results of the Company operations and cash flows for the financial year 1 January - 31 December 2013 and 1 January – 31 December 2012 in accordance with the Danish Financial Statements Act.

**Emphasis of Matter**
Without qualifying our opinion, we draw attention to Note 1 to these Financial Statements where Management has described the basis of accounting as well as the merger of Dan-Aktiv A/S with its parent company Nordic Consumer Finance A/S with Dan-Aktiv A/S as the non-surviving Company.

Copenhagen, 17 April 2016

PricewaterhouseCoopers
CVR No. 33 77 12 31

| | |
|---|---|
| /s/Jesper Wiinholt | /s/Rikke Lund-Kühl |
| Jesper Wiinholt | Rikke Lund-Kühl |
| State Authorised Public Accountant | State Authorised Public Accountant |

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RUSTA