

Resurs Holding, Year-end Report January-December 2016

Alternative performance measures

Certain performance measures in this report used by management and analysts to assess the Group's performance are not prepared in accordance with International Financial Reporting Standards (IFRS). Management believes that these performance measures make it easier for investors to analyse the Group's performance. The reasons for the use of different performance measures, definitions and reconciliation of performance measures against information in the financial statements are provided below. Other companies can define or calculate these measures in different ways. The Group's definitions remain unchanged compared with prior periods.

Performance measures for the banking operations (excluding Insurance)

Since the Group comprises both banking and insurance operations, we follow interest income minus interest expense, operating expenses and operating income and expenses before credit losses for the banking operations separately (meaning excluding Insurance) to provide better understanding of the earnings generation in the banking operations.

Operating income and expenses before credit losses excluding the acquisition of yA Bank

yA Bank was acquired during the fourth quarter of 2015. We follow these performance measures excluding the acquisition of yA Bank to achieve comparability between operating income and expenses before credit losses. The Group considers these measures to be of relevance to investors who want to understand the Group's earnings generation excluding the investment in yA Bank. The same also applies to the reduction in deposits and the increase in lending to the public excluding yA Bank.

Performance measures for the Group excluding nonrecurring costs related to the IPO.

Nonrecurring costs arose in connection with the IPO. We follow operating profit and net profit for the period excluding nonrecurring costs related to the IPO in order to facilitate understanding of earnings generated by the Group excluding these nonrecurring costs.

Performance measures for the Group excluding nonrecurring costs related to the penalty from the Swedish Financial Supervisory Authority.

In 2015, we submitted a report to the Swedish Financial Supervisory Authority regarding inaccurate historical reporting. During the third quarter, a penalty fee of SEK 35 million was imposed on the bank. Under the agreement with our owner, Nordic Capital, we concurrently received an unconditional shareholders' contribution of SEK 15 million. In order to facilitate understanding of earnings generated by the Group excluding these nonrecurring costs.

Increase in lending to the public excluding exchange-rate effects

We follow increases in local currency to see the actual increase in lending to the public.

Average equity excluding intangible assets

We also evaluate our operations in relation to average equity excluding intangible assets, which comprises adjusted equity that is reduced by goodwill and other intangible assets. This measure is used to evaluate our use of equity.

Reconciliation of alternative performance measures

| SEK thousand | Okt-Dec 2016 | Okt-Dec 2015 | Jan-Dec 2016 | Jan-Dec 2015 |
|---|-----------------|-----------------|-------------------|-------------------|
| Operating income excl. yA Bank | | | | |
| Operating income | 693,420 | 677,645 | 2,796,536 | 2,371,069 |
| Operating income yA Bank | 120,916 | 72,539 | 476,631 | 72,539 |
| Operating income excl. yA Bank | 572,504 | 605,106 | 2,319,905 | 2,298,530 |
| Operating income excl. Insurance | | | | |
| Operating income | 693,420 | 677,645 | 2,796,536 | 2,371,069 |
| Operating income Insurance | 4,027 | 34,698 | 125,468 | 152,141 |
| Operating income excl. Insurance | 689,393 | 642,947 | 2,671,068 | 2,218,928 |
| Net interest inc./exp. excl. Insurance and excl. yA Bank | | | | |
| Interest income | 635,348 | 571,924 | 2,449,066 | 1,994,686 |
| Interest expense | -62,943 | -51,524 | -236,813 | -212,607 |
| Net interest income/expense Insurance | 3,595 | 4,861 | 16,065 | 21,300 |
| Interest income yA Bank | 125,600 | 78,224 | 491,974 | 78,224 |
| Interest expense yA Bank | -24,610 | -12,826 | -85,195 | -12,826 |
| Net interest inc./exp. excl. Insurance and excl. yA Bank | 467,821 | 450,141 | 1,789,409 | 1,695,381 |
| The groups expense before credit losses excl. yA Bank | | | | |
| The groups expenses before credit losses | -322,829 | -349,021 | -1,280,322 | -1,157,987 |
| Expenses before credit losses yA Bank | -41,762 | -21,465 | -148,631 | -21,465 |
| The groups expense before credit losses excl. yA Bank | -281,067 | -327,556 | -1,131,691 | -1,136,522 |
| Expenses before credit losses excl. Insurance | | | | |
| Expenses before credit losses | -322,829 | -349,021 | -1,280,322 | -1,157,987 |
| Expenses before credit losses Insurance | -21,120 | -26,503 | -85,333 | -91,158 |
| Expenses before credit losses excl. Insurance | -301,710 | -322,518 | -1,194,989 | -1,066,829 |
| Operating profit/loss excl. nonrecurring costs | | | | |
| Operating profit/loss | 275,707 | 207,734 | 1,139,521 | 838,219 |
| Nonrecurring costs related to the IPO | | -31,767 | -33,518 | -61,693 |
| Nonrecurring costs acquisition of yA Bank | | -18,996 | | -42,496 |
| Nonrecurring penalty från Swedish Financial Supervisory Authority | | | -35,000 | |
| Operating profit/loss excl. nonrecurring costs | 275,707 | 258,497 | 1,208,039 | 942,408 |

Reconciliation of alternative performance measures

| SEK thousand | Okt-Dec 2016 | Okt-Dec 2015 | Jan-Dec 2016 | Jan-Dec 2015 |
|--|-------------------|-------------------|-------------------|-------------------|
| Net profit for the period excl. nonrecurring costs | | | | |
| Net profit for the period | 244,274 | 139,096 | 904,794 | 622,209 |
| Nonrecurring costs related to the IPO | | -23,571 | -26,144 | -45,776 |
| Nonrecurring costs acquisition of yA Bank | | -14,095 | | -31,532 |
| Nonrecurring penalty från Swedish Financial Supervisory Authority | | | -35,000 | |
| Net profit for the period excl. nonrecurring costs | 244,274 | 176,762 | 965,938 | 699,517 |
| Average equity excl. Intangible assets and adjusted non recurring costs and shareholders contribution | | | | |
| Average equity | 5,985,749 | 4,344,509 | 5,551,666 | 4,134,273 |
| Average intangible assets | 1,892,856 | 1,235,126 | 1,834,555 | 1,232,175 |
| Average equity excl. intangible assets | 4,092,893 | 3,109,383 | 3,717,111 | 2,902,098 |
| Average nonrecurring costs and shareholders' contribution | 46,144 | 58,475 | 23,072 | 38,654 |
| Average equity excl. Intangible assets and adjusted non recurring costs and shareholders contribution | 4,139,037 | 3,167,858 | 3,740,183 | 2,940,752 |
| Closing adjustment for Core Tier 1 ratio 12.5% | 162,940 | 117,239 | 162,940 | 117,239 |
| Opening balance lending to the public | 20,592,709 | 14,444,838 | 18,198,175 | 13,923,375 |

| SEK thousand | 31 Dec 2015- 31 Dec 2016 | 31 Dec 2014- 31 Dec 2015 |
|--|-----------------------------|-----------------------------|
| Reconciliation of increase in lending to the public excluding exchange-rate effects | | |
| Increase lending to the public | 3,006,106 | 4,274,800 |
| FX effects | 733,352 | -320,652 |
| Increase in lending to the public excluding exchange-rate effects | 2,272,754 | 4,595,452 |
| Reconciliation of increase in lending to the public excluding yA Bank | | |
| Increase lending to the public | 3,006,106 | 4,274,800 |
| Lending to the public yA Bank | 1,199,486 | 3,532,879 |
| Increase in lending to the public excluding yA Bank | 1,806,620 | 741,921 |
| Reconciliation of increase in lending to the public excl. yA Bank and excl. exchange-rate | | |
| Increase lending to the public | 3,006,106 | 4,274,800 |
| Lending to the public yA Bank | 1,199,486 | 3,532,879 |
| Exchange-rate effects | 369,564 | -75,585 |
| Increase in lending to the public excl. yA Bank and excl. exchange-rate effects | 1,437,056 | 817,506 |
| Reconciliation of the change in deposit from the public excl. yA Bank | | |
| Change in deposits from the public | 2,184,412 | 456,881 |
| Deposits from the public yA Bank | 1,478,282 | 3,441,300 |
| Change in deposits from the public excl. yA Bank | 706,130 | -2,984,419 |