

Resurs Holding, Annual report 2016, Alternative performance measures

Certain performance measures in the annual report 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	Jan-Dec 2016	Jan-Dec 2015
Operating income excl. yA Bank		
Operating income	2,796,536	2,371,069
Operating income yA Bank	476,631	72,539
Operating income excl. yA Bank	2,319,905	2,298,530
Operating income excl. Insurance		
Operating income	2,796,536	2,371,069
Operating income Insurance	125,468	152,141
Operating income excl. Insurance	2,671,068	2,218,928
Net interest inc./exp. excl. Insurance and excl. yA Bank		
Interest income	2,449,066	1,994,686
Interest expense	-236,813	-212,607
Net interest income/expense Insurance	16,065	21,300
Interest income yA Bank	491,974	78,224
Interest expense yA Bank	-85,195	-12,826
Net interest inc./exp. excl. Insurance and excl. yA Bank	1,789,409	1,695,381
The groups expense before credit losses excl. yA Bank		
The groups expenses before credit losses	-1,280,322	-1,157,987
Expenses before credit losses yA Bank	-148,631	-21,465
The groups expense before credit losses excl. yA Bank	-1,131,691	-1,136,522
Expenses before credit losses excl. Insurance		
Expenses before credit losses	-1,280,322	-1,157,987
Expenses before credit losses Insurance	-85,333	-91,158
Expenses before credit losses excl. Insurance	-1,194,989	-1,066,829
Operating profit/loss excl. nonrecurring costs		
Operating profit/loss	1,139,521	838,219
Nonrecurring costs related to the IPO	-33,518	-61,693
Nonrecurring costs acquisition of yA Bank		-42,496
Nonrecurring penalty från Swedish Financial Supervisory Authority	-35,000	
Operating profit/loss excl. nonrecurring costs	1,208,039	942,408

Reconciliation of alternative performance measures

SEK thousand	Jan-Dec 2016	Jan-Dec 2015
Net profit for the period excl. nonrecurring costs		
Net profit for the period	904,794	622,209
Nonrecurring costs related to the IPO	-26,144	-45,776
Nonrecurring costs acquisition of yA Bank		-31,532
Nonrecurring penalty från Swedish Financial Supervisory Authority	-35,000	
Net profit for the period excl. nonrecurring costs	965,938	699,517
Average equity excl. Intangible assets and adjusted non recurring costs and shareholders contribution		
Average equity	5,551,666	4,134,273
Average intangible assets	1,834,555	1,232,175
Average equity excl. intangible assets	3,717,111	2,902,098
Average nonrecurring costs and shareholders' contribution	23,072	38,654
Average equity excl. Intangible assets and adjusted non recurring costs and shareholders contribution	3,740,183	2,940,752
Closing adjustment for Core Tier 1 ratio 12.5%	162,940	117,239
Opening balance lending to the public	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	
FX effects	733,352	
Increase in lending to the public excluding exchange-rate effects	2,272,754	
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 effects		
Increase lending to the public	3,006,106	
Lending to the public yA Bank	1,199,486	
Exchange-rate effects	369,564	
Increase in lending to the public excl. yA Bank and excl. exchange-rate effects	1,437,056	
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