



Year-end Report **January—December 2017**

1 October—31 December 2017*

- Lending to the public rose 14% to SEK 24,069 million
- Operating income increased 17% to SEK 808 million
- Operating profit increased 35% to SEK 371 million
- Earnings per share rose 18% to SEK 1.45
- C/I before credit losses (excl. Insurance) was 39.4% (43.8%)
- The credit loss ratio was 1.9% (1.8%)

1 January—31 December 2017*

- Lending to the public rose 14% to SEK 24,069 million
- Operating income increased 11% to SEK 3,091 million
- Operating profit increased 23% to SEK 1,397 million
- Earnings per share rose 19% to SEK 5.40
- C/I before credit losses (excl. Insurance) was 40.8% (44.7%)
- The credit loss ratio was 1.8% (1.9%)
- The Board proposes a dividend of SEK 3.30 per share for the full-year, of which SEK 1.50 per share was paid in November 2017. This represents an increase of 10% compared with the dividend paid in 2016.

“2017 ended with another successful quarter in which we delivered on or exceeded all financial targets. All in all, we are very strong for the future.”

Kenneth Nilsson, CEO Resurs Holding AB

ABOUT RESURS HOLDING

Resurs Holding (Resurs), which operates through the subsidiaries Resurs Bank and Solid Försäkring, is the leader in retail finance in the Nordic region, offering payment solutions, consumer loans and niche insurance products. Since its start in 1977, Resurs Bank has established itself as a leading partner for sales-driven payment and loyalty solutions in retail and e-commerce, and Resurs has thus built a customer base of more than 5.5 million private customers in the Nordics. Resurs Bank has had a banking licence since 2001 and is under the supervision of the Swedish Financial Supervisory Authority. The Resurs Group operates in Sweden, Denmark, Norway and Finland. At the end of 2017, the Group had 763 employees and a loan portfolio of SEK 24.1 billion. Resurs is listed on Nasdaq Stockholm, Large Cap.

*Certain performance measures provided in this section have not been prepared in accordance with IFRS. Definitions of performance measures are provided on page 30. The reasons for using alternative performance measures and reconciliation against information in the financial statements are provided on the website under Financial statements. The figures in parentheses refer to 31 December 2016 in terms of financial position, and to the year-earlier period in terms of profit/loss items.

STATEMENT BY THE CEO

STRONG END TO 2017 – CONTINUED PROFITABLE GROWTH AND NEW RETAIL FINANCE PARTNERS

2017 ended with another successful quarter. Lending amounted to SEK 24.1 billion, up 14 per cent in 2017, meaning SEK 2.9 billion in absolute terms. We can also present the best profit after tax for a quarter in our 40-year history – we achieved SEK 289 million, an increase of 18 per cent. This means that we reported profit after tax of more than SEK 1 billion in 2017. We achieved this by continuing to generate profitable growth, through our scalability which enabled C/I before credit losses to continue to improve despite increased IT investments, and by retaining good control of our credit losses.

The growth in the loan portfolio remained strong in both our banking segments and in all of our markets. This was achieved despite having to make adjustments to the new regulations in the Norwegian market, which, as anticipated, slowed lending growth in Consumer Loans in Norway. We were aware of this and thus we focused on increasing the rate of growth in our other markets, which shows the strength of our Nordic business model.

Enhanced financial targets

Over the eight quarters that Resurs Holding has been listed, we have delivered on or exceeded all of our financial targets in all quarters. We adjusted three of our targets at the end of 2017 given that we have continuously met our targets.

We increased our target for lending growth from about 10 per cent to exceed 10 per cent. We also saw a faster positive trend for our C/I ratio (before credit losses and excluding Insurance) and the target was adjusted from 40 per cent to be below 40 per cent. The risk-adjusted NBI margin was also introduced to be in line with the levels of recent years, meaning 10 to 12 per cent.

Successful performance of the operations continues

We entered into a number of collaborations with new retail finance partners during the quarter, such as expanding the collaboration with our existing partner Upgraded to now include Elgiganten in all Nordic countries. It means that, for example, customers can pay a monthly fee to upgrade their Apple products to newer models every year.

We continuously work on launching new and innovative solutions for our retail finance partners and customers. Earlier in the year, we launched our digital credit application in physical stores and its usage is already at more than 70 per cent in Sweden.

We also see that the digital tools that we have successfully introduced to our Business Support have simplified and improved the efficiency of our processors. For example, more than one-third of all sales of our Supreme Card now take place by incoming telephone call, which has reduced our acquisition costs.

Seamless retail – the future way of consuming

Our omnichannel strategy means that we offer efficient payment solutions regardless of channel. Consumers are to be able to move from a retail finance partner's physical store to the e-commerce store or the other way round. Seamless retail is the future way of consuming and we work continuously to develop our offering. One-third of the retail finance partners who joined us during the year operate in the omnichannel.

All in all, we are very strong for the future, we are well-organised and structured to continue expand our operations.

LENDING

SEK **24,069** MILLION

LENDING GROWTH

+14%

NET PROFIT Q4

+18%

Kenneth Nilsson,
CEO Resurs Holding AB

PERFORMANCE MEASURES

SEKm unless otherwise specified	Oct-Dec 2017	Oct-Dec 2016	Change	Jan-Dec 2017	Jan-Dec 2016	Change
Operating income	808	693	17%	3,091	2,797	11%
Operating profit	371	276	35%	1,397	1,140	23%
Net profit for the period	289	244	18%	1,080	905	19%
Net profit for the period, adjusted for nonrecurring costs*	289	244	18%	1,080	966	12%
Earnings per share, SEK	1.45	1.22	18%	5.40	4.52	19%
Earnings per share, adjusted for nonrecurring costs, SEK*	1.45	1.22	18%	5.40	4.83	12%
C/I before credit losses, %	40.0	46.6		41.4	45.8	
C/I before credit losses (excl. Insurance), %*	39.4	43.8		40.8	44.7	
Common Equity Tier 1 ratio, %	13.6	13.2		13.6	13.2	
Total capital ratio, %	15.5	14.1		15.5	14.1	
Lending to the public	24,069	21,204	14%	24,069	21,204	14%
NIM, %*	10.7	10.9		10.6	11.1	
Risk-adjusted NBI margin, %*	11.0	11.4		11.1	11.6	
NBI margin, %*	13.0	13.2		12.9	13.6	
Credit loss ratio, %*	1.9	1.8		1.8	1.9	
Return on equity excl. intangible assets (RoTE), %*	26.7	23.9		25.3	24.3	
Return on equity excl. intangible assets, adjusted for nonrecurring costs (RoTE), %*	26.7	23.6		25.3	25.8	

* Some performance measures 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. Definitions of performance measures are provided on page 30. The reasons for using alternative performance measures and reconciliation against information in the financial statements are provided on the website under Financial statements.

GROUP RESULTS*

FOURTH QUARTER 2017, OCTOBER—DECEMBER

Operating income

The Group's operating income increased by 17 per cent to SEK 808 million (693). The NBI margin for the banking operations was 13.0 per cent (13.2 per cent). Net interest income increased 11 per cent to SEK 635 million (572), with interest income amounting to SEK 707 million (635) and interest expense to SEK -72 (-63). Fee & commission income amounted to SEK 47 million (53) and fee & commission expense to SEK -15 million (-12), resulting in a total net commission for the banking operations of SEK 32 million (42).

Premiums earned, net, in the insurance operations amounted to SEK 194 million (198), while claim costs were SEK -56 million (-81), which is recognised in the item insurance compensation, net. Fee & commission expense in the insurance operations amounted to SEK -48 million (-83). In total, net insurance income increased to SEK 90 million (33). The increase was primarily due to the unprofitable travel-insurance programme in the UK that was discontinued in 2016.



OPERATING INCOME

+ 17%

Net expense from financial transactions amounted to SEK -6 million (1). The change related to value fluctuations in investments in interest-bearing securities and shares and exchange-rate differences in assets, liabilities and derivatives in foreign currencies. Other operating income, primarily comprising remuneration from lending operations, amounted to SEK 56 million (46).

Operating expenses

The Group's expenses before credit losses totalled SEK -323 million (-323). Personnel expenses rose SEK 19 million to SEK -146 million (-127) year-on-year, mainly a result of the recruitment of new employees in IT. Other general administrative costs declined SEK 7 million to SEK -129 million (-137) and other operating expenses fell SEK 11 million to SEK -39 million (-50). Viewed in relation to the operations' income, the cost level (excluding Insurance) continued to improve and amounted to 39.4 per cent (43.8 per cent).

Credit losses totalled SEK -113 million (-95) and the credit loss ratio was 1.9 per cent (1.8 per cent). The risk-adjusted NBI margin was thus 11.0 per cent (11.4 per cent), which is well within the Group's financial target of 10 to 12 per cent.

Profit

Operating profit increased 35 per cent to SEK 371 million (276). Net profit for the quarter amounted to SEK 289 million (244), up 18 per cent. Tax expense for the period amounted to SEK -82 million (-31). Tax expense in the preceding year was impacted by a positive tax outcome from previously completed mergers.

FULL-YEAR 2017, JANUARY—DECEMBER

Operating income and expenses

The Group's operating income increased 11 per cent to SEK 3,091 million (2,797), primarily due to growth in lending. The NBI margin in the banking operations amounted to 12.9 per cent (13.6 per cent), with the decline due to higher volumes with a slightly lower NBI margin, but higher profitability in total. Net interest income increased 9 per cent to SEK 2,419 million (2,212), with interest income amounting to SEK 2,687 million (2,449) and interest expense to SEK -268 (-237). Fee & commission income amounted to SEK 234 million (225) and fee & commission expense to SEK -63 million (-49). This resulted in a total net commission for the banking operations of SEK 171 million (176).

The Group's expenses before credit losses totalled SEK -1,281 million (-1,280). The preceding year was negatively impacted by nonrecurring costs of SEK -34 million for the IPO and the penalty fee of SEK -35 million from the Swedish Financial Supervisory Authority. Adjusted for nonrecurring costs, expenses increased 6 per cent. Year-on-year expenses increased in absolute terms as a result of intensified marketing activities and higher investments in IT. Viewed in relation to the operations' income, the cost level (excluding Insurance) continued to improve and amounted to 40.8 per cent (44.7 per cent) for the full-year.

Credit losses totalled SEK -413 million (-377) and the credit loss ratio was 1.8 per cent (1.9 per cent) due to sustained growth in the loan portfolio and improved credit quality. The risk-adjusted NBI margin was 11.1 per cent (11.6 per cent), which is within the Group's financial target of 10 to 12 per cent.

Profit

Operating profit increased 23 per cent to SEK 1,397 million (1,140). Net profit for the year amounted to SEK 1,080 million (905) and excluding nonrecurring costs the increase was 12 per cent. Tax expense for the year amounted to SEK -317 million (-235).



C/I-RATIO (excl. Insurance)

39.4%

OPERATING PROFIT Q4

+35%

NET PROFIT 2017
(excl. nonrecurring costs)

+12%

FINANCIAL POSITION AT 31 DECEMBER 2017*

At 31 December 2017, the Group's financial position was strong, with a capital base of SEK 3,905 million (3,340) in the consolidated situation, comprising the Parent Company, Resurs Holding AB, and the Resurs Bank AB Group. The total capital ratio was 15.5 per cent (14.1 per cent) and the Common Equity Tier 1 ratio was 13.6 per cent (13.2 per cent).

At 31 December 2017, lending to the public totalled SEK 24,069 million (21,204), representing a 14 per cent increase since the start of the year, and a 14-per-cent increase excluding currency effects. This exceeded the Group's established financial target of lending growth of more than 10 per cent. The increase was driven by both banking segments and by all geographic markets.

In addition to capital from shareholders, the operations are financed by deposits from the public, the bonds issued under Resurs Bank's MTN programme and securitisation of certain loan receivables (ABS financing). The Group pursues a strategy of actively working with various sources of financing in order to use the most suitable source of financing at any time and to create diversified financing in the long term.

Deposits from the public at 31 December 2017 fell 3 per cent to SEK 18,033 million (18,618), which is in line with the strategy of diversified financing. Financing through issued securities totalled SEK 5,597 million (3,316). Liquidity remained healthy and the liquidity coverage ratio (LCR) was 201 per cent (181 per cent) in the consolidated situation. There has been a minimum statutory LCR ratio of 80 per cent since 2017 that will increase to 100 per cent from 2018. Lending to credit institutions at 31 December 2017 amounted to SEK 2,794 million (3,295). Holdings of treasury and other bills eligible for refinancing, as well as bonds and other interest-bearing securities, totalled SEK 2,578 million (2,778).

Cash flow from operating activities amounted to SEK -2,081 million (-213) for the year. Cash flow from deposits amounted to SEK -316 million (1,787) and the net change in investment assets totalled SEK 152 million (-297). Cash flow from investing activities for the year totalled SEK -85 million (-26) and cash flow from financing activities was SEK 1,702 million (1,132). Bonds totalling SEK 2,050 million and NOK 400 million have been issued under Resurs Bank's MTN programme since the start of the year, of which SEK 300 million pertained to subordinated Tier 2 bonds. Resurs Holding paid a dividend of SEK 900 million during the year.

Intangible assets amounted to SEK 1,877 million (1,885), mainly comprising the goodwill that arose in the acquisition of yA Bank in 2015.

Dividends

The Board proposes that the Annual General Meeting adopt a dividend of SEK 1.80 per share. Including the dividend of SEK 1.50 paid on 3 November 2017, this year's dividend amounts to SEK 3.30, representing earnings per share of 61 per cent. The total proposed dividend for the Annual General Meeting to adopt on 27 April 2018 amounts to SEK 360 million. The Resurs share will be traded ex rights from 30 April 2018. The record date is proposed as 2 May 2018 and the dividend will be paid on 7 May 2018. The Board aims to continue to propose dividends every half-year and plans to give notice of an Extraordinary General Meeting in autumn 2018.

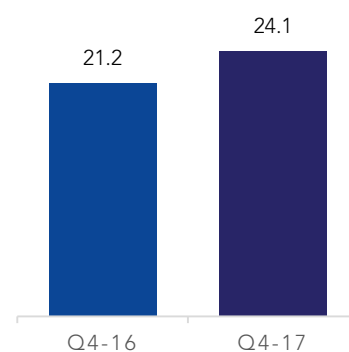
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TOTAL CAPITAL RATIO

15.5%

LENDING TO THE PUBLIC



Trend in lending to the public in SEK billion.

LIQUIDITY COVERAGE RATIO

201%

SEGMENT REPORTING

RESURS HOLDING'S THREE SEGMENTS

Resurs Holding has divided its operations into three business segments, based on the products and services offered: **Payment Solutions**, **Consumer Loans** and **Insurance**

Payment Solutions delivers finance, payment and loyalty solutions that drive retail sales, as well as credit cards to the public. **Consumer Loans** focuses primarily on lending to consumers. **Insurance** includes the wholly owned subsidiary Solid Försäkring, active within consumer insurance. In 2017, Payment Solutions accounted for 41 per cent of the Group's operating income, while Consumer Loans and Insurance accounted for 53 and 6 per cent, respectively.



PERCENTAGE OF OPERATING INCOME JAN—DEC 2017



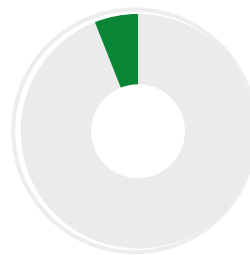
Payment Solutions

41%



Consumer Loans

53%



Insurance

6%



PAYMENT SOLUTIONS

Strong performance and several new retail finance partners

FOURTH QUARTER 2017, OCTOBER—DECEMBER

Payment Solutions reported strong growth in the fourth quarter. The strong trend was primarily the result of high sales among existing partners, and Black Friday also contributed to the sharp sales increase across the Nordics.

The segment initiated several partnerships with new retail finance partners during the quarter. One-third of these operations operate in the omnichannel, meaning that they can be accessed and sell their services and/or goods both online and in physical stores. In the Swedish market, agreements were signed with companies including Akademikliniken, Big Travel, the digital and mobile point of sale solution Kaching and the business and payment system supplier Compilator. Budgetsport, Intersport and The Athlete's Foot are examples of new retail finance partners in the Finnish market. The collaboration with the existing partner Upgraded was expanded to now include Elgiganten in all Nordic countries.

Earlier in the year, the segment launched a digital credit application in physical stores and its usage is already at more than 70 per cent in Sweden and 50 per cent in Denmark. The launch is under way to all retail finance partners in Norway and launch to the Finnish market is scheduled for the first half of 2018.

Focus in credit cards remained directed to sales to existing customers, for example, more than one-third of all Supreme Cards in the quarter were sold via incoming telephone calls, resulting in both lower acquisition costs and higher efficiency.

Operating income totalled SEK 331 million (301), up 10 per cent year-on-year. Operating income was strengthened by higher business volumes in the quarter.

Operating income less credit losses totalled SEK 289 million (259), a year-on-year increase of 11 per cent. The risk-adjusted NBI margin amounted to 12.5 per cent (12.0 per cent) and were strengthened by higher income and by credit losses as a percentage of lending volumes being lower year-on-year.

FULL-YEAR 2017, JANUARY—DECEMBER

Lending to the public at 31 December 2017 totalled SEK 9,419 million (8,786), a 7-per-cent year-on-year increase, in constant currencies 7 per cent. Growth was mainly driven by higher volumes from existing retail finance partners.

Operating income for the year totalled SEK 1,268 million (1,185), up 7 per cent year-on-year when the increase was primarily related to higher business volumes. Operating income less credit losses totalled SEK 1,115 million (1,026), up 9 per cent year-on-year. The risk-adjusted NBI margin was 12.2 per cent (12.3) and in line with the level in the preceding year.

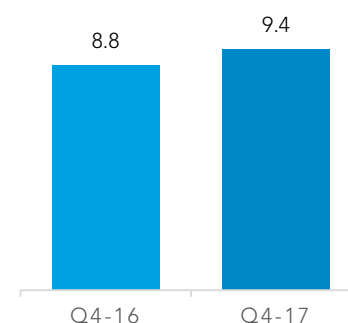


ABOUT PAYMENT SOLUTIONS

The Payment Solutions segment is comprised of retail finance and credit cards. Within retail finance, Resurs is the leading partner for sales-driving finance, payment and loyalty solutions in the Nordic region.

Credit cards comprises Resurs's proprietary credit cards (of which Supreme Card is the best known), and co-branded credit cards for retail finance partners.

LENDING TO THE PUBLIC



Trend in lending to the public in SEK billion.

PERFORMANCE MEASURES — PAYMENT SOLUTIONS

SEKm	Oct–Dec 2017	Oct–Dec 2016	Change	Jan–Dec 2017	Jan–Dec 2016	Change
Lending to the public at end of the period	9,419	8,786	7%	9,419	8,786	7%
Operating income	331	301	10%	1,268	1,185	7%
Operating income less credit losses	289	259	11%	1,115	1,026	9%
Risk-adjusted NBI margin, %	12.5	12.0		12.2	12.3	
NBI margin, %	14.4	14.0		13.9	14.2	
Credit loss ratio, %	1.8	1.9		1.7	1.9	

CONSUMER LOANS

Continued strong profitable growth

FOURTH QUARTER 2017, OCTOBER—DECEMBER

Consumer Loans continued to report a healthy increase in sales and posted yet another record-breaking quarter. The strongest trend in absolute terms in Sweden and Norway, while Denmark increased the most measured in per cent. The offering to customers outside our own database continued to generate positive results in Denmark.

The new technical platform launched during the year made a positive contribution to growth in Finland. The platform provides a simpler and more automated application process for customers and provides more opportunities to analyse and enhance the efficiency of credit lending. The platform was also launched in Norway during the quarter and initially reported positive results. The roll-out to other Nordic countries will take place in 2018.

In the Norwegian market, the segment made adjustments to the new regulations, which, as anticipated, slowed lending growth in Norway. Despite this, total lending growth for Consumer Loans was in line with previous quarters since the segment intensified its focus on the other geographic markets. This shows the strength of Resurs's Nordic business model.

The digitisation of services and offerings is continuing. The "My Credit Rating" service for Swedish customers successfully contributed to increased sales. The electronic signature function, which the option of digitally increasing a credit limit, was launched in June, and the service surpassed a utilisation rate of 50 per cent at the end of the quarter.

Operating income increased 12 per cent in the quarter to SEK 436 million (390). Operating income less credit losses rose 9 per cent to SEK 366 million (337).

The risk-adjusted NBI margin was 10.2 per cent (11.0 per cent). The decline was primarily due to the Swedish and Norwegian portfolio reporting the largest volume of lending growth, both of which have slightly lower average interest rates than in other markets.

FULL-YEAR 2017, JANUARY—DECEMBER

At 31 December 2017, lending to the public increased 18 per cent, or slightly more than SEK 2.2 billion, to SEK 14,650 million (12,418). In constant currencies the increase was 20 per cent. Percentage growth was strongest in Denmark, while Sweden and Norway continued to increase the most in absolute terms.

Operating income increased 11 per cent to SEK 1,656 million (1,492). Operating income less credit losses rose 10 per cent to SEK 1,397 million (1,274).

The risk-adjusted NBI margin was 10.3 per cent (11.2 per cent). The decline was primarily due to the Swedish and Norwegian portfolio reporting the largest volume of lending growth, both of which have slightly lower average interest rates than in other markets. The credit loss level was stable year on year.

PERFORMANCE MEASURES — CONSUMER LOANS

SEKm	Oct–Dec 2017	Oct–Dec 2016	Change	Jan–Dec 2017	Jan–Dec 2016	Change
Lending to the public at end of the period	14,650	12,418	18%	14,650	12,418	18%
Operating income	436	390	12%	1,656	1,492	11%
Operating income less credit losses	366	337	9%	1,397	1,274	10%
Risk-adjusted NBI margin, %	10.2	11.0		10.3	11.2	
NBI margin, %	12.1	12.7		12.2	13.1	
Credit loss ratio, %	1.9	1.7		1.9	1.9	

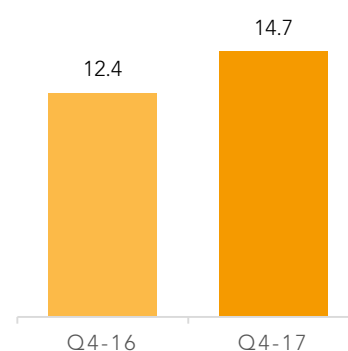


ABOUT CONSUMER LOANS

In the Consumer Loans segment, Resurs offers unsecured loans to consumers who want to finance investments in their homes, holidays or other consumption.

Resurs also provides help in consolidating loans held by consumers with other banks, with the aim of reducing the consumer's interest expense. Resurs currently holds approximately SEK 14.7 billion in outstanding consumer loans.

LENDING TO THE PUBLIC



Trend in lending to the public in SEK billion.

INSURANCE

Stable performance and launch of new partnerships

FOURTH QUARTER 2017, OCTOBER—DECEMBER

In the fourth quarter, Insurance continued the stable performance that it has posted throughout the year. The previously signed agreement with Synsam Group was launched according to plan at full scale in the fourth quarter. The partnership encompasses Synsam's 350 stores in the Norwegian, Finnish and Swedish market and contributes to the optician becoming an increasingly large part of the Product line over time. An extended partnership was signed with sports retailer XXL during the quarter, which in addition to Sweden and Finland, also includes Norway. The segment is already a leader in Sweden in bicycle insurance and is now strengthens its Nordic position in the area with XXL – the largest retailer of bicycles in the Norwegian market – as its partner.

During the quarter, the segment worked actively on aftermarket processing by digitalising customer meetings and more efficiently cultivating consumers. To leverage the potential of the aftermarket, investments are continuing to be made in digital tools that help improve communication with consumers.

Premiums earned, net, declined 2 per cent to SEK 195 million (198) for the quarter. The decline was the result of the discontinuation of the travel-insurance programme in the UK. Excluding the discontinued travel-insurance programme, the segment's total premiums earned increased 3 per cent.

The trend of a stable technical result continued in the fourth quarter and amounted to SEK 24 million (-12). This positive performance was primarily driven by the divestment of the unprofitable travel-insurance programme in the UK and lower claim costs and improved claims ratio in all product lines. Operating profit amounted to SEK 20 million (-17).

The combined ratio fell year-on-year to 89.7 per cent (111.1 per cent). The claims ratio continued to perform favourably during the quarter and amounted to 28.6 per cent (41.1 per cent).

FULL-YEAR 2017, JANUARY—DECEMBER

Premiums earned, net, declined 12 per cent to SEK 800 million (909) for the year, related to the divestment of the travel-insurance programme in the UK. Excluding the discontinued travel-insurance programme, premiums earned, net, rose 6 per cent.

The technical result for the insurance operations increased to SEK 74 million (29) and operating profit rose to SEK 83 million (40). The increases were primarily due to the unprofitable travel-insurance programme in the UK that was discontinued in 2016.

The total combined ratio for the full-year improved year-on-year to 91.8 per cent (98.4 per cent), primarily due to positive trend in the claims ratio, which amounted to 31.1 per cent for the full-year (38.5 per cent).

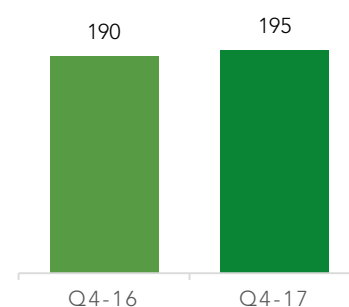


ABOUT INSURANCE

Non-life insurance is offered within the Insurance segment under the Solid Försäkring brand. The focus is on niche coverage, with the Nordic region as the main market.

Insurance products are divided into four business lines: Travel, Security, Motor and Product. The company partners with leading retail chains in various sectors, and has about 2.3 million customers across the Nordic region.

PREMIUMS EARNED, NET*



* Trend in premiums earned, net, in SEKm, excluding the travel-insurance programme in the UK.

PERFORMANCE MEASURES — INSURANCE

SEKm	Oct–Dec 2017	Oct–Dec 2016	Change	Jan–Dec 2017	Jan–Dec 2016	Change
Premiums earned, net	195	198	-2%	800	909	-12%
Operating income	42	4		174	125	
Technical result	24	-12		74	29	
Operating profit	20	-17		83	40	
Combined ratio, %	89.7	111.1		91.8	98.4	

SIGNIFICANT EVENTS

JANUARY—DECEMBER 2017

Resurs Holding presented new financial targets

At Resurs Holding's first Capital Market Day in November 2017, the company presented its view of how the company's strong position will continue to drive growth and profitability forward. The company also described the market situation, trends on the market and the Group's new financial targets. These new financial targets are presented on page 12.

Resolution on dividend and buy-back authorisation

The Extraordinary General Meeting held in October 2017 resolved to pay a cash dividend of SEK 1.50 per share. The dividend was paid on 3 November. The Meeting also resolved to authorise the Board to acquire own shares on the stock exchange for the period until the next Annual General Meeting. The authorisation to buy back shares encompasses up to 5 per cent of all of the shares in the company.

Strengthened capital position due to Resurs Bank securing approval from SFSA

In September 2017, the Swedish Financial Supervisory Authority decided to permit Resurs Holding's subsidiary Resurs Bank, in calculations of capital requirements for currency risk, to exempt items in foreign currency that have already been deducted from the capital base of the consolidated situation.

Mobile application – quick and easy for consumers to apply for credit themselves

In June 2017, Resurs Bank launched mobile application that simplify credit purchases for consumers and retailers. The service was launched in Denmark in the second quarter and in Sweden in the summer of 2017.

Resolution on dividends in Resurs Holding

The Annual General Meeting held in April 2017 resolved on a dividend of SEK 3.00 per share, representing earnings per share of 66 per cent. The total dividend amounted to SEK 600 million. The dividend was paid on 8 May 2017.

Resurs Bank launched Loyo Pay

The test version of Loyo Pay was released in November 2016 and the service was fully launched in March 2017. Resurs Bank thus became the first bank to offer its customers a digital payment service that can be used in all sales channels.

Resurs Bank issued subordinated Tier 2 bonds of SEK 300 million

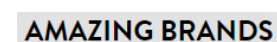
In January 2017, Resurs Bank issued subordinated Tier 2 bonds of SEK 300 million. These subordinated bonds were issued under Resurs Bank's MTN programme and have a tenor of ten years. There is the option of prematurely redeeming the bonds after five years.

AFTER THE END OF THE PERIOD

Resurs Bank expanded and extended ABS financing

The ABS financing was expanded in January 2018, and a new 18-month revolving period commenced. For Resurs Bank, this means that external financing increased from SEK 2.1 billion to SEK 2.9 billion.

SOME OF RESURS'S NEW
RETAIL FINANCE
PARTNERS IN 2017



OTHER INFORMATION

Risk and capital management

The Group's ability to manage risks and conduct effective capital planning is fundamental to its ability to be profitable. The business faces various forms of risk including credit risks, market risks, liquidity risks and operational risks. The Board has established operational policies with the aim of balancing the Group's risk taking, and to limit and control risks. All policies are updated as necessary and revised at least once annually. The Board and CEO are ultimately responsible for the Group's risk management. In general, there have been no significant changes regarding risk and capital management during the period. A more detailed description of the bank's risks, liquidity and capital management is presented in Note G2 Liquidity, Note G3 Capital Adequacy, and in the most recent annual report.

Information on operations

Resurs Holding AB is a financial holding company. Operating activities are conducted in the wholly owned subsidiaries Resurs Bank AB, with subsidiaries, and Solid Försäkrings AB. Resurs Bank AB conducts banking operations in the Nordic countries. Operations are primarily consumer-oriented and are licensed by the Swedish Financial Supervisory Authority. Consumer lending is subdivided into retail finance loans, consumer loans, MasterCard and Visa credit cards, and deposits. Retail finance loans are offered to finance both traditional in-store purchases and online purchases. Operations in Finland are conducted through branch office Resurs Bank AB Suomen sivuliike (Helsinki), operations in Denmark through branch office Resurs Bank filial af Resurs Bank (Vallensbæk Strand) and operations in Norway through branch office Resurs Bank AB NUF (Oslo), and also via Resurs Bank's subsidiary yA Bank AS.

Solid Försäkring provides non-life insurance products in Sweden, other Nordic countries and, to some extent, other European countries. Solid Försäkring offers traditional speciality insurance. During the year, Solid Försäkring transferred operations to the branches in Norway and Finland, which commenced on 1 April.

Employees

There were 763 full-time employees within the Group at 31 December 2017, up 13 since 30 September and up 35 since the end of 2016. The increase was mainly the result of the recruitment of new employees in IT.

Transition effects of IFRS 9

The new standard for financial instruments, IFRS 9 Financial Instruments, encompasses recognition and measurement, impairment and general hedge accounting and replaces the existing requirements in these areas in IAS 39. IFRS 9 comes into effect for financial years beginning on or after 1 January 2018. The new impairment requirements entail a nonrecurring effect of SEK 413 million regarding total reserves and provisions for items in and off the balance sheet. Equity declines by SEK 319 million after expected tax. Resurs will apply the transition rules published by the EU that permit the phase-in of the effect on the capital adequacy ratios. The impact on the capital adequacy ratios in 2018 after adjustments for deductions for expected loss amounts and with the transition rules is deemed to be immaterial.



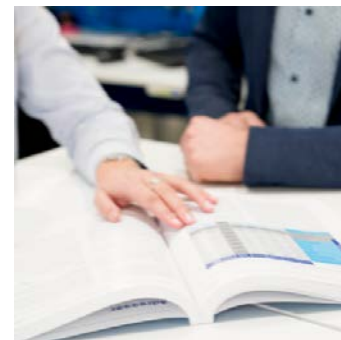
NUMBER OF EMPLOYEES

763

Information about the Resurs share

Resurs Holding's share is listed on Nasdaq Stockholm, Large Cap. The final price paid for the Resurs share at the end of the year was SEK 58.25.

The ten largest shareholders with direct ownership on 31 December 2017 were:	Share capital
Waldakt AB (fam. Bengtsson)	28.6%
Cidron Semper Ltd (Nordic Capital)	26.2%
Swedbank Robur Fonder	9.2%
Andra AP-fonden	3.0%
Livförsäkringsbolaget Skandia	1.6%
AFA Försäkring	1.6%
Avanza Pension	1.3%
SEB Fonder	1.3%
Catea Group AB	1.2%
Handelsbanken Fonder	1.1%
Total	75.1%



Financial targets

Financial targets	Target	2017
Annual lending growth	more than 10%	14%
Risk-adjusted NBI margin	about 10 to 12%	11.1%
C/I before credit losses excl. Insurance and adjusted for nonrecurring costs	under 40%	40.8%
Common Equity Tier 1 ratio	more than 12.5%	13.6%
Total capital ratio	more than 15%	15.5%
Return on tangible equity (RoTE) adjusted for nonrecurring costs ¹⁾	about 30%	30.3%
Dividend ²⁾	at least 50% of profit for the year	61%

1) Adjusted for Common Equity Tier 1 of 12.5 per cent and dividends deducted from the capital base for the current year.

2) The Board proposes that the Annual General Meeting adopt a dividend of SEK 1.80 per share. Including the dividend of SEK 1.50 resolved at the Extraordinary General Meeting in October 2017, the total dividend (SEK 3.30) as a percentage of earnings share amounts to 61 per cent.

Financial calendar

- **20 March 2018** 2017 Annual Report
- **25 April 2018** Interim report for Jan-Mar 2018
- **27 April 2018** 2018 Annual General Meeting
- **24 July 2018** Interim report for Jan-Jun 2018
- **6 November 2018** Interim report for Jan-Sep 2018

NEXT REPORT:

25 April

THE BOARD'S ATTESTATION

This year-end report has not been audited.

The Board of Directors and the CEO certify that this year-end report provides a fair review of the Group's and the Parent Company's operations, financial position and results and describes the significant risks and uncertainties faced by the Parent Company and Group companies.

Helsingborg, 5 February 2018.

Kenneth Nilsson, CEO

Board of Directors,

Jan Samuelson, Chairman of the Board

Martin Bengtsson

Mariana Burenstam Linder

Fredrik Carlsson

Anders Dahlvig

Christian Frick

Lars Nordstrand

Marita Odélius Engström

SUMMARY FINANCIAL STATEMENTS — GROUP

Condensed income statement

SEK thousand	Note	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Interest income	G5	706,608	635,348	2,686,820	2,449,066
Interest expense	G5	-71,782	-62,943	-268,156	-236,813
Fee & commission income		47,107	53,098	233,945	225,482
Fee & commission expense, banking operations		-14,650	-11,533	-63,130	-49,370
Premium earned, net	G6	194,251	197,726	798,339	907,204
Insurance compensation, net	G7	-55,576	-81,447	-248,738	-349,584
Fee & commission expense, insurance operations		-48,311	-83,494	-226,423	-340,775
Net income/expense from financial transactions		-5,852	1,149	-8,969	-958
Profit/loss from participations in Group companies					-1,678
Other operating income	G8	56,064	45,516	187,657	193,962
Total operating income		807,859	693,420	3,091,345	2,796,536
General administrative expenses	G9	-275,440	-264,208	-1,065,752	-1,081,596
Depreciation, amortisation and impairment of non-current assets		-9,143	-8,217	-35,283	-31,272
Other operating expenses		-38,916	-50,404	-179,626	-167,454
Total expenses before credit losses		-323,499	-322,829	-1,280,661	-1,280,322
Earnings before credit losses		484,360	370,591	1,810,684	1,516,214
Credit losses, net	G10	-112,910	-94,884	-413,454	-376,693
Operating profit/loss		371,450	275,707	1,397,230	1,139,521
Income tax expense		-82,145	-31,433	-317,197	-234,727
Net profit for the period		289,305	244,274	1,080,033	904,794
Attributable to Resurs Holding AB shareholders		289,305	244,274	1,080,033	904,794
Basic and diluted earnings per share, SEK	G15	1.45	1.22	5.40	4.52

Condensed statement of comprehensive income

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net profit for the period	289,305	244,274	1,080,033	904,794
Other comprehensive income that will be reclassified to profit/loss				
Translation differences for the period, foreign operations	-41,624	-20,916	-107,179	166,293
Hedge accounting ¹⁾	10,299	3,933	21,693	-17,910
Hedge accounting - tax ¹⁾	-2,265	-865	-4,772	3,940
Comprehensive income for the period	255,715	226,426	989,775	1,057,117
Attributable to Resurs Holding AB shareholders	255,715	226,426	989,775	1,057,117

¹⁾ Refers to a hedge of a net investment in a foreign subsidiary and consists of equity and capital contributions in yA Bank at the time of acquisition. Goodwill and profit since the acquisition are not subject to hedge accounting. Fair value changes of the hedging instruments impact taxable earnings and, in the Group, this tax effect is recognised in Comprehensive income for the period.

Condensed statement of financial position

SEK thousand	Note	31 Dec 2017	31 Dec 2016
Assets			
Cash and balances at central banks		61,539	56,173
Treasury and other bills eligible for refinancing		842,731	892,068
Lending to credit institutions		2,794,283	3,294,955
Lending to the public	G11	24,068,795	21,204,281
Bonds and other interest-bearing securities		1,735,266	1,886,004
Subordinated debt		35,902	32,491
Shares and participating interests		76,368	65,858
Intangible assets		1,877,167	1,885,106
Property, plant & equipment		39,954	42,079
Reinsurers' share in technical provisions		5,688	7,734
Other assets		169,404	219,143
Prepaid expenses and accrued income		224,175	227,495
TOTAL ASSETS		31,931,272	29,813,387
Liabilities, provisions and equity			
Liabilities and provisions			
Liabilities to credit institutions			1,700
Deposits and borrowing from the public		18,033,013	18,617,943
Other liabilities		1,155,573	1,115,641
Accrued expenses and deferred income		154,467	150,811
Technical provisions		455,123	462,853
Other provisions		6,951	6,988
Issued securities		5,597,271	3,316,130
Subordinated debt		340,044	42,160
Total liabilities and provisions		25,742,442	23,714,226
Equity			
Share capital		1,000	1,000
Other paid-in capital		2,088,504	2,088,610
Translation reserve		-14,192	76,066
Retained earnings incl. profit for the period		4,113,518	3,933,485
Total equity		6,188,830	6,099,161
TOTAL LIABILITIES, PROVISIONS AND EQUITY		31,931,272	29,813,387

See Note G12 for information on pledged assets and commitments.

Condensed statement of changes in equity

SEK thousand	Share capital	Other paid-in capital	Translation reserve	Retained earnings incl. profit for the year	Total equity
Initial equity at 1 January 2016	1,000	2,050,734	-76,257	3,028,691	5,004,168
<i>Owner transactions</i>					
Unconditional shareholder's contribution		15,000			15,000
Option premium received		22,876			22,876
Net profit for the year				904,794	904,794
Other comprehensive income for the year			152,323		152,323
Equity at 31 December 2016	1,000	2,088,610	76,066	3,933,485	6,099,161
Initial equity at 1 January 2017	1,000	2,088,610	76,066	3,933,485	6,099,161
<i>Owner transactions</i>					
Option premium received/repurchased		-106			-106
Dividends paid				-600,000	-600,000
Dividends according to Extraordinary General Meeting				-300,000	-300,000
Net profit for the year				1,080,033	1,080,033
Other comprehensive income for the year			-90,258		-90,258
Equity at 31 December 2017	1,000	2,088,504	-14,192	4,113,518	6,188,830

All equity is attributable to Parent Company shareholders.

Cash flow statement [indirect method]

SEK thousand	Jan-Dec 2017	Jan-Dec 2016
Operating profit	1,397,230	1,139,521
- of which, interest received	2,685,979	2,448,835
- of which, interest paid	-266,765	-236,636
Adjustments for non-cash items in operating profit	459,128	341,606
Tax paid	-356,251	-170,355
Cash flow from operating activities before changes in operating assets and liabilities	1,500,107	1,310,772
Changes in operating assets and liabilities		
Lending to the public	-3,520,949	-2,605,972
Other assets	-170,045	-142,152
Liabilities to credit institutions	-1,700	-139,560
Deposits and borrowing from the public	-316,281	1,786,924
Acquisition of investment assets	-1,110,747	-1,682,620
Divestment of investment assets	1,262,719	1,385,556
Other liabilities	275,943	-126,206
Cash flow from operating activities	-2,080,953	-213,258
Investing activities		
Acquisition of non-current assets	-86,165	-26,640
Divestment of non-current assets	707	3,672
Divestment of subsidiaries - net liquidity impact		-2,538
Cash flow from investing activities	-85,458	-25,506
Financing activities		
Dividends paid	-900,000	
Unconditional shareholder's contribution received		15,000
Issued securities	2,301,863	1,094,600
Option premium received/repurchased	-106	22,886
Subordinated debt	300,000	
Cash flow from financing activities	1,701,757	1,132,486
Cash flow for the year	-464,654	893,722
Cash & cash equivalents at beginning of the year	3,351,128	2,402,046
Exchange differences	-30,652	55,360
Cash & cash equivalents at end of the year	2,855,822	3,351,128
Adjustment for non-cash items in operating profit		
Credit losses	413,454	376,693
Depreciation and impairment of property, plant & equipment	35,283	31,272
Profit/loss tangible assets		-650
Profit/loss from participations in associated companies		1,678
Profit/loss on investment assets	-24,463	-28,085
Change in provisions	-7,496	-73,720
Adjustment to interest paid/received	3,246	3,483
Currency effects	33,705	29,331
Other items that do not affect liquidity	5,399	1,604
	459,128	341,606

Liquid assets are comprised of 'Lending to credit institutions' and 'Cash and balances at central banks'.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

G1. Accounting principles

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and with applicable provisions of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and the Swedish Financial Supervisory Authority's regulations and general guidelines on Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25), as well as the Swedish Financial Reporting Board's recommendation RFR1, Supplementary Accounting Rules for Corporate Groups. The Resurs Group's accounting principles are presented in more detail in the latest annual report. No new IFRS or IFRIC interpretations, effective as from 1 January 2017, have had any material impact on the Group.

The Parent Company has prepared its year-end report in accordance with the requirements for year-end reports in the Annual Accounts Act (AAA) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The same accounting and valuation policies were applied as in the latest annual report.

IFRS 9 Financial instruments will replace IAS 39 Financial instruments from the 2018 fiscal year. For calculating credit loss reserves, IFRS 9 is based on calculating the expected credit losses, as opposed to the current model based on credit loss events that have occurred. This means that the calculation of expected credit losses is based on the bank's total lending volumes, including credits without any increased credit risk, which was not the case under IAS 39. The impairment model includes a three-stage model based on changes in the credit quality of financial assets. Under this three-stage model, assets are divided into three different categories depending on how credit risk has changed since the asset was initially recognised in the balance sheet. Category 1 encompasses assets for which there has not been a significant increase in credit risk, category 2 encompasses assets for which there has been a significant increase in credit risk, while category 3 encompasses defaulted assets. The credit loss provision for assets is governed by the category to which the assets belong. Reserves are made under category 1 for expected credit losses within 12 months, while reserves for category 2 and 3 are made for expected credit losses under the full lifetime of the assets.

A central factor impacting the amount of expected credit losses is the rule governing the transfer of an asset between category 1 and 2. The Group makes use of change in the lifetime Probability of Default (PD) to determine the significant increase in risk, with the change assessed by a combination of absolute and relative changes in the lifetime PD. Furthermore, all credits for which payments are more than 30 days late are attributed to category 2, regardless of whether or not there is a significant increase in risk.

Expected credit losses under IFRS 9 will be calculated by multiplying the PD with the Exposure at Default (EAD) multiplied by the Loss Given Default (LGD). For assets in category 1, the calculation is based on the next 12 months, while for category 2 it is based on the expected life of the asset.

Calculations of credit loss reserves under IFRS 9 include prospective information based on the macroeconomic outlook. The Group has decided to base the prospective calculations on a macroeconomic variable that, from a historical perspective, has proven to correlate well with changes in the Group's credit losses and on an estimated effect of regulatory changes in Norway.

The new impairment requirements entail a nonrecurring effect of SEK 413 million regarding total reserves and provisions for items in and off the balance sheet. Equity declines by SEK 319 million after expected tax.

The Group believes that the calculations of credit loss reserves under IFRS 9 will entail greater volatility in the credit loss line of the income statement, which is primarily due to transfers between category 1 and 2 and the calculations being more procyclic as a result of assessment of the macroeconomic outlook being included in the calculations.

The interim information on pages 2-33 comprises an integrated component of this financial report.

G2. Liquidity - Consolidated situation

Liquidity risk includes the risk of not being able to meet liquidity commitments without significantly higher costs. The consolidated situation, comprised of the Parent Company Resurs Holding AB and the Resurs Bank AB Group, must maintain a liquidity reserve and have access to an unutilised liquidity margin in the event of irregular or unexpected liquidity flows.

The Group's liquidity risk is managed through policies that specify limits, responsibilities and monitoring and include a contingency plan. The contingency plan includes, among other things, risk indicators and action plans. The Group's liquidity risk is controlled and audited by independent functions.

Liquidity comprises both a liquidity reserve and another liquidity portfolio that is monitored on a daily basis. The main liquidity risk is deemed to arise in the event multiple depositors simultaneously withdraw their deposited funds. An internal model is used to set minimum requirements for the amount of the liquidity reserve, calculated based on deposit volumes, the proportion covered by deposit insurance and relationship to depositors. The model also takes into account the future maturities of issued securities. The Board has stipulated that the liquidity reserve may never fall below SEK 1,200 million. Apart from the liquidity reserve, there is an intraday liquidity requirement of at least 4 per cent of deposits from the public, or a minimum SEK 600 million. There are also other liquidity requirements regulating and controlling the business.

The liquidity reserve, totalling SEK 1,744 million (1,740), is in accordance with Swedish Financial Supervisory Authority regulations on liquidity risk management (FFFS 2010:7) and applicable amendments thereto for the consolidated situation. Accordingly, assets are segregated, unutilised and of high quality. The liquidity reserve largely comprises assets with the highest credit quality rating.

In addition to the liquidity reserve, the consolidated situation has other liquid assets primarily comprised of cash balances with other banks. These assets are of high credit quality and total SEK 3,113 million (3,827) for the consolidated situation. Accordingly, total liquidity amounted to SEK 4,857 million (5,567). Total liquidity corresponded to 27 per cent (30) of deposits from the public. The Group also has unutilised credit facilities of SEK 50 million (553).

Liquidity Coverage Ratio (LCR) for the consolidated situation is reported to the authorities on a monthly basis. The LCR shows the ratio between high qualitative assets and net outflow during a 30-day stressed period. As at 31 December 2017, the ratio for the consolidated situation is 201 per cent (181). There has been a minimum statutory LCR ratio of 80 per cent since 2017; this will increase to 100 per cent by 2018.

All valuations of interest-bearing securities were made at market values that take into account accrued interest.

Financing - Consolidated situation

A core component of financing efforts is maintaining a well-diversified financing structure with access to several sources of financing. Access to a number of sources of financing means that it is possible to use the most appropriate source of financing at any particular time.

The main type of financing remains deposits from the public. The largest share of deposits is in Sweden, but deposits are also offered in Norway by yA Bank. Deposits, which are analysed on a regular basis, totalled SEK 18,147 million (18,726), SEK 12,817 million (13,806) of which was in Sweden, and the equivalent of SEK 5,330 million (4,920) was in Norway. The lending to the public/deposits from the public ratio for the consolidated situation is 133 per cent (113).

Resurs Bank has a funding programme for issuing bonds, the programme amounts to SEK 5 billion (3). Within the programme, Resurs Bank has been working successfully to issue bonds on a regular basis and sees itself as an established issuer on the market. Resurs Bank has primarily issued bonds in Sweden. The first issue of NOK 400 million under the programme in Norway took place in September 2017.

The programme has eight outstanding issues at a nominal amount of

SEK 3,250 million (800), divided between SEK 2,850 million (800) and NOK 400 million (0). Of the eight issues, seven are senior unsecured bonds and one issue is a subordinated loan of SEK 300 million.

In Norway, outside the framework of the programme, yA Bank issued NOK 550 million (400) in senior unsecured bonds and subordinated debt NOK 40 million (40).

Resurs Bank previously completed a securitisation of loan receivables, a form of structured financing, referred to as Asset Backed Securities (ABS). This took place by transferring loan receivables to Resurs Bank's wholly owned subsidiaries Resurs Consumer Loans 1 Limited. This type of financing was expanded on 21 October 2016, and at 31 December 2017 a total of approximately SEK 2.7 billion in loan receivables had been transferred to Resurs Consumer Loans. The acquisition of loan receivables by Resurs Consumer Loans was 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 that form part of the securitisation. At the balance sheet date, the external financing amounted to SEK 2.1 billion (2.1) of the ABS financing.

Summary of liquidity – Consolidated situation

SEK thousand	31 Dec 2017	31 Dec 2016
Liquidity reserve as per FFFS 2010:7 definition		
Securities issued by sovereigns	48,268	74,412
Securities issued by municipalities	664,222	668,086
Lending to credit institutions	183,000	148,000
Bonds and other interest-bearing securities	848,957	849,458
Summary Liquidity reserve as per FFFS 2010:7	1,744,447	1,739,956
Other liquidity portfolio		
Cash and balances at central banks	61,539	56,173
Lending to credit institutions	2,443,075	2,979,000
Bonds and other interest-bearing securities	608,096	792,071
Total other liquidity portfolio	3,112,710	3,827,244
Total liquidity portfolio	4,857,157	5,567,200
Other liquidity-creating measures		
Unutilised credit facilities	50,055	552,700

In evaluating liquid assets for LCR reporting, the following assessment of liquid asset quality is made before each value judgement in accordance with the EU Commission's delegated regulation (EU) 575/2013.

SEK thousand	31 Dec 2017	31 Dec 2016
Liquid assets, Level 1	1,215,652	1,090,651
Liquid assets, Level 2	649,904	486,546
Total liquid assets	1,865,556	1,577,197
LCR measure	201%	181%

Stress tests are carried out on a regular basis to ensure that there is liquidity in place for circumstances that deviate from normal conditions. One recurring stress test is significant outflows of deposits from the public.

Additional information on the Group's management of liquidity risks is available in the Group's 2016 annual report.

G3. Capital adequacy - Consolidated situation

Capital requirements are calculated in accordance with European Parliament and Council Regulation EU 575/2013 (CRR) and Directive 2013/36 EU (CRD IV). The Directive was incorporated via the Swedish Capital Buffers Act (2014:966), and the Swedish Financial Supervisory Authority's (SFS) regulations regarding prudential requirements and capital buffers (FFFS 2014:12). The capital requirement calculation below comprises the statutory minimum capital requirement for credit risk, credit valuation adjustment risk, market risk and operational risk.

The regulatory consolidation (known as "consolidated situation") comprises the Resurs Bank AB Group and its Parent Company Resurs Holding AB.

The combined buffer requirement for the consolidated situation comprises a capital conservation buffer requirement and a countercyclical capital buffer requirement. The capital conservation buffer requirement amounts to 2.5 per cent of the risk-weighted assets. The countercyclical capital buffer requirement is weighted according to geographical requirements, which amounts to 2 per cent of the risk-weighted assets for Swedish and Norwegian exposures of the risk-weighted assets.

The countercyclical capital buffer requirement increased to 2 per cent for Norwegian exposures on 31 December 2017. A 3-per cent systemic risk

buffer is included in the capital requirement for the Norwegian subsidiary at an individual level, although not in the combined buffer requirement for the consolidated situation. The Group currently does not need to take into account a buffer requirement for its other business areas in Denmark and Finland. However, there is a proposal for a Danish countercyclical capital buffer requirement of 0.5 per cent that will apply from 31 March 2019, if the decision is approved.

The consolidated situation calculates the capital requirement for credit risk, credit valuation adjustment risk, market risk and operational risk. Credit risk is calculated by applying the standardised method under which the asset items of the consolidated situation are weighted and divided between 17 different exposure classes. The total risk-weighted exposure amount is multiplied by 8 per cent to obtain the minimum capital requirement for credit risk. The basic indicator method is used to calculate the capital requirement for operational risk. Under this method, the capital requirement for operational risks is 15 per cent of the income indicator (meaning average operating income for the past three years). Three different credit rating companies are used to calculate the bank's capital base requirement for bonds and other interest-bearing securities. These are: Standard & Poor's, Moody's and Fitch.

Capital base

SEK thousand	31 Dec 2017	31 Dec 2016
Tier 1 capital		
Equity, Group	5,108,797	5,194,367
Net profit for the year, Group	1,080,033	904,794
Foreseeable dividend	-360,000	-600,000
Equity deducted in the consolidated situation	-540,101	-517,162
Equity, consolidated situation (adjusted for foreseeable dividend)	5,288,729	4,981,999
Less:		
Additional value adjustments	-2,211	-2,452
Intangible assets	-1,846,399	-1,850,269
Deferred tax asset	-8,171	-4,374
Shares in subsidiaries	-100	-100
Total Common Equity Tier 1 capital	3,431,848	3,124,804
Total Tier 1 capital	3,431,848	3,124,804
Tier 2 capital		
Dated subordinated loans	473,231	215,325
Total Tier 2 capital	473,231	215,325
Total capital base	3,905,079	3,340,129

Capital requirement

SEK thousand	31 Dec 2017		31 Dec 2016	
	Risk-weighted exposure amount	Capital requirement ¹⁾	Risk-weighted exposure amount	Capital requirement ¹⁾
Exposures to institutions	146,633	11,731	139,876	11,190
Exposures to corporates	346,486	27,719	230,782	18,463
Retail exposures	16,446,397	1,315,712	14,598,673	1,167,894
Exposures in default	1,806,015	144,481	1,519,823	121,586
Exposures in the form of covered bonds	84,801	6,784	84,854	6,788
Exposures to institutions and companies with short-term credit rating	373,659	29,893	481,123	38,490
Exposures in the form of units or shares in collective investment undertakings (funds)	65,265	5,221	171,965	13,757
Equity exposures	79,978	6,398	80,038	6,403
Other items	243,081	19,446	261,575	20,926
Total credit risks	19,592,315	1,567,385	17,568,709	1,405,497
Credit valuation adjustment risk	4,948	396	13,511	1,081
Market risk				
Currency risk	472,850	37,828	1,392,562	111,405
Operational risk	5,096,823	407,746	4,720,126	377,610
Total riskweighted exposure and total capital requirement	25,166,936	2,013,355	23,694,908	1,895,593

¹⁾ Capital requirement information is provided for exposure classes that have exposures.

Capital ratio and capital buffers

	31 Dec 2017	31 Dec 2016
Common Equity Tier 1 ratio, %	13.6	13.2
Tier 1 ratio, %	13.6	13.2
Total capital ratio, %	15.5	14.1
Common Equity Tier 1 capital requirement incl. buffer requirement, %	8.6	8.2
- of which, capital conservation buffer requirement, %	2.5	2.5
- of which, countercyclical buffer requirement, %	1.6	1.2
Common Equity Tier 1 capital available for use as buffer, %	7.5	6.1

Leverage ratio

The leverage ratio is a non-risk-sensitive capital requirement defined in Regulation (EU) no 575/2013 of the European Parliament and of the Council. The ratio states the amount of equity in relation to the bank's total assets including items that are not recognised in the balance sheet and is calculated by the Tier 1 capital as a percentage of the total exposure measure.

The bank currently has a reporting requirement to the Swedish Financial Supervisory Authority but no decision has yet been made regarding a quantitative requirement for the level of the leverage ratio. A quantitative requirement of 3 per cent is expected to be adopted.

SEK thousand	31 Dec 2017	31 Dec 2016
Tier 1 capital	3,431,848	3,124,804
Leverage ratio exposure	31,916,576	29,657,595
Leverage ratio, %	10.8	10.5

G4. Segment reporting

The Group CEO is the chief operating decision maker for the Group. Management has established segments based on the information that is dealt with by the Board of Directors and used as supporting information for allocating resources and evaluating results. The Group CEO assesses the performance of Payment Solutions, Consumer Loans and Insurance.

The Group CEO evaluates segment development based on net operating income less credit losses, net. The Insurance segment is evaluated at the operating profit/loss level, as this is part of the segment's responsibility. Segment reporting is based on the same principles as those used for the consolidated financial statements.

Okt-Dec 2017

SEK thousand	Payment Solutions	Consumer Loans	Insurance	Intra-Group adjustment	Total Group
Interest income	260,443	444,572	3,077	-1,484	706,608
Interest expense	-26,035	-47,219	-12	1,484	-71,782
Fee & commission income	72,258	25,137		-50,288	47,107
Fee & commission expense, banking operations	-14,650				-14,650
Premium earned, net			194,656	-405	194,251
Insurance compensation, net			-55,576		-55,576
Fee & commission expense, insurance operations			-98,599	50,288	-48,311
Net income/expense from financial transactions	-2,748	-1,688	-1,416		-5,852
Other operating income	42,186	15,274	3	-1,399	56,064
Total operating income	331,454	436,076	42,133	-1,804	807,859
<i>of which, internal ¹⁾</i>	<i>22,106</i>	<i>28,097</i>	<i>-48,399</i>	<i>-1,804</i>	<i>0</i>
Credit losses, net	-42,681	-70,229			-112,910
Operating income less credit losses	288,773	365,847	42,133	-1,804	694,949
Expenses excl. credit losses ²⁾			-21,782		
Operating profit, Insurance ³⁾			20,351		

Okt-Dec 2016

SEK thousand	Payment Solutions	Consumer Loans	Insurance	Intra-Group adjustment	Total Group
Interest income	235,455	397,755	3,629	-1,491	635,348
Interest expense	-22,518	-41,882	-34	1,491	-62,943
Fee & commission income	65,665	22,969		-35,536	53,098
Fee & commission expense, banking operations	-11,533				-11,533
Premium earned, net			198,116	-390	197,726
Insurance compensation, net			-81,447		-81,447
Fee & commission expense, insurance operations			-119,030	35,536	-83,494
Net income/expense from financial transactions	-5,480	3,837	2,792		1,149
Other operating income	39,351	7,588	2	-1,425	45,516
Total operating income	300,940	390,267	4,028	-1,815	693,420
<i>of which, internal ¹⁾</i>	<i>20,048</i>	<i>15,422</i>	<i>-33,655</i>	<i>-1,815</i>	<i>0</i>
Credit losses, net	-41,744	-53,140			-94,884
Operating income less credit losses	259,196	337,127	4,028	-1,815	598,536
Expenses excl. credit losses ²⁾			-21,120		
Operating profit, Insurance ³⁾			-17,092		

Jan-Dec 2017

SEK thousand	Payment Solutions	Consumer Loans	Insurance	Intra-Group adjustment	Total Group
Interest income	990,683	1,688,524	13,495	-5,882	2,686,820
Interest expense	-93,783	-180,099	-156	5,882	-268,156
Fee & commission income	297,029	109,724		-172,808	233,945
Fee & commission expense, banking operations	-63,130				-63,130
Premium earned, net			800,443	-2,104	798,339
Insurance compensation, net			-248,738		-248,738
Fee & commission expense, insurance operations			-399,231	172,808	-226,423
Net income/expense from financial transactions	-12,372	-4,959	8,362		-8,969
Other operating income	149,950	43,225	16	-5,534	187,657
Total operating income	1,268,377	1,656,415	174,191	-7,638	3,091,345
<i>of which, internal ¹⁾</i>	98,552	73,908	-164,822	-7,638	0
Credit losses, net	-153,683	-259,771			-413,454
Operating income less credit losses	1,114,694	1,396,644	174,191	-7,638	2,677,891
Expenses excl. credit losses ²⁾			-91,301		
Operating profit, Insurance ³⁾			82,890		

Jan-Dec 2016

SEK thousand	Payment Solutions	Consumer Loans	Insurance	Intra-Group adjustment	Total Group
Interest income	921,043	1,518,093	16,103	-6,173	2,449,066
Interest expense	-82,820	-160,128	-38	6,173	-236,813
Fee & commission income	247,466	101,460		-123,444	225,482
Fee & commission expense, banking operations	-49,364	-6			-49,370
Premium earned, net			908,610	-1,406	907,204
Insurance compensation, net			-349,584		-349,584
Fee & commission expense, insurance operations			-464,219	123,444	-340,775
Net income/expense from financial transactions	-12,214	-3,420	14,676		-958
Profit/loss from participations in Group companies	-854	-824			-1,678
Other operating income	162,235	36,778	-80	-4,971	193,962
Total operating income	1,185,492	1,491,953	125,468	-6,377	2,796,536
<i>of which, internal ¹⁾</i>	65,484	56,758	-115,865	-6,377	0
Credit losses, net	-159,092	-217,601			-376,693
Operating income less credit losses	1,026,400	1,274,352	125,468	-6,377	2,419,843
Expenses excl. credit losses ²⁾			-85,333		
Operating profit, Insurance ³⁾			40,135		

¹⁾ Inter-segment revenues mostly comprise mediated payment protection insurance, but also remuneration for Group-wide functions that are calculated according to the OECD's guidelines on internal pricing.

²⁾ Reconciliation of 'Expenses excl. credit losses' against income statement.

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
As per segment reporting				
Expenses excl. credit losses as regards Insurance segment	-21,782	-21,120	-91,301	-85,333
Not broken down by segment				
Expenses excl. credit losses as regards banking operations	-301,717	-301,709	-1,189,360	-1,194,989
Total	-323,499	-322,829	-1,280,661	-1,280,322
As per income statement				
General administrative expenses	-275,440	-264,208	-1,065,752	-1,081,596
Depreciation, amortisation and impairment of tangible and intangible assets	-9,143	-8,217	-35,283	-31,272
Other operating expenses	-38,916	-50,404	-179,626	-167,454
Total	-323,499	-322,829	-1,280,661	-1,280,322

³⁾ Reconciliation of 'Operating profit' against income statement.

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
As per segment reporting				
Operating profit, Insurance	20,351	-17,092	82,890	40,135
Not broken down by segment				
Operating profit as regards banking operations	351,099	292,799	1,314,340	1,099,386
Total	371,450	275,707	1,397,230	1,139,521
As per income statement				
Operating profit	371,450	275,707	1,397,230	1,139,521
Total	371,450	275,707	1,397,230	1,139,521

Assets

Assets monitored by the Group CEO refer to 'Lending to the public'.

Lending to the public

SEK thousand	Payment Solutions	Consumer Loans	Insurance	Total Group
31 Dec 2016	8,785,938	12,418,343		21,204,281
31 Dec 2017	9,419,131	14,649,664		24,068,795

G5. Net interest income/expense

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Interest income				
Lending to credit institutions	961	870	3,234	2,976
Lending to the public	704,100	642,499	2,675,921	2,435,729
Interest-bearing securities ¹⁾	1,547	-8,021	7,665	10,361
Total interest income	706,608	635,348	2,686,820	2,449,066
Interest expense				
Liabilities to credit institutions	-1,758	-2,321	-2,568	-9,592
Deposits and borrowing from the public	-53,214	-51,405	-211,175	-189,046
Issued securities	-13,236	-8,355	-40,790	-35,016
Subordinated debt	-3,455	-538	-13,266	-1,995
Other liabilities	-119	-324	-357	-1,164
Total interest expense	-71,782	-62,943	-268,156	-236,813
Net interest income/expense	634,826	572,405	2,418,664	2,212,253

¹⁾ Negative value for the period Okt-Dec 2016, since an item of SEK 10 million for January-September 2016 was transferred from interest income to net income/expense from financial transactions.

G6. Premium earned, net

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Premium earned	215,774	220,325	842,826	915,306
Premiums for specified reinsurance	-5,933	-7,810	-25,124	-28,040
Change in provision for unearned premiums and unexpired risks	-15,162	-15,355	-16,137	28,853
Reinsurers' share in change in provision for unearned premiums and unexpired risks	-428	566	-3,226	-8,915
Total premium earned, net	194,251	197,726	798,339	907,204

G7. Insurance compensation, net

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Claims paid, gross	-52,601	-85,469	-256,374	-385,312
Less reinsurance share	2,279	2,447	9,184	11,134
Total claims paid, net	-50,322	-83,022	-247,190	-374,178
Change in provision for losses incurred and reported, gross	-394	10,070	15,399	37,629
Less reinsurance share	84	-4,440	1,208	-6,817
Total change in provision for losses incurred and reported, net	-310	5,630	16,607	30,812
Change in provision for losses incurred but not reported (IBNR), gross	-446	813	988	13,881
Total change in provision for losses incurred but not reported (IBNR), net	-446	813	988	13,881
Operating expenses for claims adjustment, gross	-4,645	-4,998	-19,659	-20,535
Less reinsurance share	147	130	516	436
Total operating expenses for claims adjustment, net	-4,498	-4,868	-19,143	-20,099
Total insurance compensation, net	-55,576	-81,447	-248,738	-349,584

G8. Other operating income

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Other income, lending to the public	38,318	41,110	151,875	167,175
Other operating income	17,746	4,406	35,782	26,787
Total operating income	56,064	45,516	187,657	193,962

G9. General administrative expenses

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Personnel expenses	-146,181	-127,452	-535,334	-491,137
Postage, communication and notification expenses	-34,681	-39,272	-140,083	-148,809
IT expenses	-33,232	-40,529	-159,178	-154,886
Cost of premises	-10,380	-8,320	-40,377	-34,840
Consultant expenses	-16,812	-24,272	-70,403	-119,293
Other	-34,154	-24,363	-120,377	-132,631
Total general administrative expenses	-275,440	-264,208	-1,065,752	-1,081,596

G10. Credit losses

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Individually assessed loan receivables				
Write-offs of stated credit losses for the period	-2,198	-1,823	-3,379	-3,470
Recoveries of previously confirmed credit losses	395	247	2,236	406
Transfers/reversal of provision for credit losses	8,986	693	5,387	-2,939
Net result of individually assessed loan receivables for the period	7,183	-883	4,244	-6,003
Collectively assessed homogeneous groups of loan receivables with limited value and similar credit risk				
Write-offs of stated credit losses for the period	-24,639	-47,203	-110,750	-166,011
Recoveries of previously confirmed credit losses	4,529	11,512	18,092	37,926
Transfers/reversal of provision for credit losses	-99,983	-58,310	-325,040	-242,605
Net cost of collectively assessed homogeneous groups of loan receivables	-120,093	-94,001	-417,698	-370,690
Net cost of credit losses for the period	-112,910	-94,884	-413,454	-376,693

G11. Lending to the public and doubtful receivables

SEK thousand	31 Dec 2017	31 Dec 2016
Retail sector	25,664,838	22,488,706
Corporate sector	371,258	308,289
Total lending to the public	26,036,096	22,796,995
Less provision for anticipated credit losses	-1,967,301	-1,592,714
Total net lending to the public	24,068,795	21,204,281
Doubtful receivables		
Gross doubtful receivables for which interest is not entered as income until payment is made	3,850,501	3,028,008
Provision for anticipated credit losses	-1,967,301	-1,592,714
Doubtful receivables, net	1,883,200	1,435,294

G12. Pledged assets, contingent liabilities and commitments

SEK thousand	31 Dec 2017	31 Dec 2016
Collateral pledged for own liabilities		
Lending to credit institutions	204,909	90,000
Lending to the public ¹⁾	2,653,185	2,644,300
Assets for which policyholders have priority rights ²⁾	551,886	512,067
Floating charges	0	500,000
Restricted bank deposits ³⁾	28,354	24,966
Total collateral pledged for own liabilities	3,438,334	3,771,333
Contingent liabilities		
Guarantees	1,563	480
Total contingent liabilities	1,563	480
Other commitments		
Unutilised credit facilities granted	26,348,967	25,202,908

¹⁾ Refers to securitisation.

²⁾ Policy holder's rights consists of assets covered by the policyholder privilege SEK 1,001,321 thousand (967,186) and technical provisions, net SEK -449,435 thousand (455,119).

³⁾ As at 31 December 2017, SEK 24,615 thousand (22,002) in reserve requirement account at the Bank of Finland and SEK 1,814 thousand (1,890) in tax account at Norwegian bank DNB.

G13. Related-party transactions

Resurs Holding AB, corporate identity number 556898-2291, is owned at 31 December 2017 to 28.6 per cent by Waldakt AB and 26.2 per cent by Cidron Semper Ltd (Nordic Capital). Of the remaining owners, no single owner holds 20 per cent or more.

There have not been any significant changes to key persons since publication of the 2016 annual report. Companies with significant influence through direct or indirect ownership of the Resurs Group also have controlling or significant influence of Ellos

Group AB and NetonNet AB, with which the Resurs Group conducted significant transactions during the period. Normal business transactions conducted during the period between the Resurs Group and these related companies are presented below. The Parent Company only conducted transactions with Group companies.

Transaction costs in the table refer to market-rate compensation for the negotiation of credit to related companies' customers.

Related-party transactions, significant influence

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Processing fees	-109,445	-122,268	-456,231	-488,204
Interest expense – deposits and borrowing from the public	-1,932	-1,864	-6,884	-5,907
Fee & commission income	9,221	9,913	36,846	40,070
Fee & commission expense	-11,391	-9,560	-46,024	-62,125
General administrative expenses	-8,501	-9,109	-28,316	-33,775

SEK thousand	31 Dec 2017	31 Dec 2016
Other assets	9,194	12,878
Deposits and borrowing from the public	-1,325,083	-1,159,454
Other liabilities	-104,040	-88,765

Transactions with key persons

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Interest expense – deposits and borrowing from the public	-109	-122	-438	-380

SEK thousand	31 Dec 2017	31 Dec 2016
Deposits and borrowing from the public	-67,992	-91,941

G14. Financial instruments

SEK thousand	31 Dec 2017		31 Dec 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Cash and balances at central banks	61,539	61,539	56,173	56,173
Treasury and other bills eligible for refinancing	842,731	842,731	892,068	892,068
Lending to credit institutions	2,794,283	2,794,283	3,294,955	3,294,955
Lending to the public	24,068,795	24,649,899	21,204,281	21,722,227
Bonds and other interest-bearing securities	1,735,266	1,735,266	1,886,004	1,886,004
Subordinated loans	35,902	35,902	32,491	32,491
Shares and participating interests	76,368	76,368	65,858	65,858
Derivatives	33,577	33,577	69,902	69,902
Derivatives instruments hedge accounting	7,397	7,397		
Other assets	101,064	101,064	123,419	123,419
Accrued income	32,277	32,277	26,459	26,459
Total financial assets	29,789,199	30,370,303	27,651,610	28,169,556
Intangible assets	1,877,167		1,885,106	
Tangible assets	39,954		42,079	
Other non-financial assets	224,952		234,592	
Total assets	31,931,272		29,813,387	

SEK thousand	31 Dec 2017		31 Dec 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities				
Liabilities to credit institutions			1,700	1,700
Deposits and borrowing from the public	18,033,013	18,032,632	18,617,943	18,621,424
Derivatives	103,646	103,646	49,628	49,628
Derivatives instruments hedge accounting			17,910	17,910
Other liabilities	610,528	610,528	563,797	563,797
Accrued expenses	127,788	127,788	109,965	109,965
Issued securities	5,597,271	5,620,835	3,316,130	3,347,833
Subordinated debt	340,044	352,678	42,160	42,168
Total financial liabilities	24,812,290	24,848,107	22,719,233	22,754,425
Provisions	6,951		6,988	
Other non-financial liabilities	923,201		988,005	
Equity	6,188,830		6,099,161	
Total equity and liabilities	31,931,272		29,813,387	

For current receivables, current liabilities and variable-rate deposits, the carrying amount reflects the fair value.

Financial assets at fair value

SEK thousand	30 Dec 2017			31 Dec 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss:						
Treasury and other bills eligible for refinancing	842,731			892,068		
Bonds and other interest-bearing securities	1,735,266			1,886,004		
Subordinated loans	35,902			32,491		
Shares and participating interests	75,389		979	64,819		1,039
Derivatives		33,577			69,902	
Total	2,689,288	33,577	979	2,875,382	69,902	1,039
Financial liabilities at fair value through profit or loss:						
Derivatives		-103,646			-49,628	
Total	0	-103,646	0	0	-49,628	0

Changes in level 3

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Shares and participating interests				
Opening balance	998	1,050	1,039	955
Exchange-rate fluctuations	-19	-11	-60	84
Closing balance	979	1,039	979	1,039

Determination of fair value of financial instruments**Level 1**

Listed prices (unadjusted) on active markets for identical assets or liabilities.

Level 2

Inputs that are observable for the asset or liability other than listed prices included in Level 1, either directly (i.e., as price quotations) or indirectly (i.e., derived from price quotations).

Level 3

Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

Financial instruments measured at fair value for disclosure purposes

The carrying amount of variable rate deposits and borrowing from the public is deemed to reflect fair value.

For fixed rate deposits and borrowing from the public, fair value is calculated based on current market rates, with the initial credit spread for deposits kept constant.

Fair value of subordinated debt is calculated based on valuation at the listing marketplace.

Fair value of issued securities (MTN) is calculated based on the listing marketplace.

For issued securities (ABS), fair value is calculated by assuming that duration ends at the close of the revolving period.

The fair value of the portion of lending that has been sent to debt recovery and purchased

non-performing consumer loans is calculated by discounting calculated cash flows at the estimated market interest rate instead of at the original effective interest rate.

The carrying amount of current receivables and liabilities and variable rate loans is deemed to reflect fair value.

Transfers between the levels

No transfers of financial instruments between the levels took place.

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 balance sheet. The majority of derivatives at 31 December 2017 are covered by ISDA Credit Support Annex; accordingly, collateral is obtained and provided in the form of bank deposits between the parties.

Assets for derivative agreements total SEK 41 million (70), while liabilities total SEK 104 million (68). Collateral corresponding to SEK 61 million (12) was provided and SEK 0 million (14) was received that had a net effect of SEK 61 million (0) on loans to credit institutions and liabilities to credit institutions total SEK 0 million (2).

G15. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to Parent Company shareholders by the weighted average number of ordinary shares outstanding during the period.

During the January - December 2017 period, there were a total of 200,000,000 shares with a quotient value of SEK 0.005 (0.005).

During the second quarter of 2016, a total of 8,000,000 warrants were issued. Issued warrants had no dilutive effect.

	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net profit for the period, SEK thousand	289,305	244,274	1,080,033	904,794
Average number of outstanding shares during the period	200,000,000	200,000,000	200,000,000	200,000,000
Earnings per share, SEK	1.45	1.22	5.40	4.52

DEFINITIONS

C/I before credit losses

Expenses before credit losses in relation to operating income.

C/I before credit losses (excl. Insurance), %

Expenses before credit losses exclusive of the Insurance segment in relation to operating income exclusive of the Insurance segment.

Capital base

The sum of Tier 1 capital and Tier 2 capital.

Claims ratio, %

Insurance compensation in relation to premium earned.

Combined ratio, %

The sum of insurance compensation and operating expenses as a percentage of premium earned.

Common Equity Tier 1 ratio, %

Common Tier 1 capital in relation to risk-weighted amount as per the Swedish Financial Supervisory Authority's directive; see Note G3.

Credit loss ratio, %

Net credit losses in relation to the average balance of loans to the public.

Earnings per share, SEK

Net income attributable to shareholders in relation to average number of shares.

NBI margin, %

Operating income exclusive of the Insurance segment in relation to the average balance of loans to the public.

NIM, %

Interest income less interest expense exclusive of the Insurance segment in relation to the average balance of loans to the public.

Nonrecurring costs

Items deemed to be of a one-off nature, meaning individual transactions that are not a part of normal business activities. To facilitate the comparison of profit between periods, items are identified and cognised separately since they are considered to reduce comparability.

Premium earned, net

Premium earned, net is calculated as the sum of premium income and the change in unearned premiums after deduction of reinsurers' share. Premium earned, net refers to revenue received by an insurance company for providing insurance coverage during a specific period.

Return on equity excl. intangible assets, (RoTE), %

Net profit for the period as a percentage of average equity less intangible assets.

Risk adjusted NBI margin, %

NBI margin adjusted for credit loss ratio.

Technical result

Premium earned, net minus claims- and operation expenses net including allocated investment return transferred from non-technical account and other technical income.

Tier 1 capital

The sum of Common Equity Tier 1 capital and other Tier 1 capital.

Tier 2 capital

Mainly subordinated loans that cannot be counted as Tier 1 capital.

Total capital ratio, %

Total capital in relation to risk-weighted amount as per the Swedish Financial Supervisory Authority's directive; see Note G3.

PARENT COMPANY

Income statement

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net sales	4,830	5,027	20,050	23,762
Total operating income	4,830	5,027	20,050	23,762
Personnel expenses	-4,700	-6,462	-17,506	-15,174
Other external expenses	-8,375	-2,930	-32,695	-52,138
Depreciation, amortisation and impairment of non-current assets	-43	-58	-276	-255
Total operating expenses	-13,118	-9,450	-50,477	-67,567
Operating profit	-8,288	-4,423	-30,427	-43,805
Earnings from participations in Group companies	660,000	500,000	660,000	500,000
Other interest income and similar profit/loss items	2	14		15
Interest expense and similar profit/loss items	-58	-283	-372	-289
Total profit/loss from financial items	659,944	499,731	659,628	499,726
Profit/loss after financial items	651,656	495,308	629,201	455,921
Appropriations	56,000	43,932	56,000	43,932
Tax on profit for the period	-9,957	-8,795	-4,885	-980
Net profit for the period	697,699	530,445	680,316	498,873

Statement of comprehensive income

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net profit for the period	697,699	530,445	680,316	498,873
Other comprehensive income that will be reclassified to profit or loss				
Comprehensive income for the period	697,699	530,445	680,316	498,873
Attributable to Resurs Holding AB shareholders	697,699	530,445	680,316	498,873

Balance sheet

SEK thousand	31 Dec 2017	31 Dec 2016
Assets		
Non-current assets		
Property, plant & equipment	57	333
Financial assets		
Participations in Group companies	2,053,390	2,053,390
Total non-current assets	2,053,447	2,053,723
Current assets		
Current receivables		
Receivables from Group companies	419,651	545,840
Current tax assets		1,094
Other current receivables	969	365
Prepaid expenses and accrued income	379	412
Total current receivables	420,999	547,711
Cash and bank balances	2,021	94,333
Total current assets	423,020	642,044
TOTAL ASSETS	2,476,467	2,695,767
Equity and liabilities		
Equity		
Restricted equity		
Share capital	1,000	1,000
Non-restricted equity		
Share premium reserve	1,785,613	2,073,620
Profit or loss brought forward		112,806
Net profit for the period	680,316	498,873
Total equity	2,466,929	2,686,299
Current liabilities		
Trade payables	1,641	3,194
Liabilities to group companies	338	108
Current tax liabilities	3,694	
Other current liabilities	531	507
Other provisions	261	144
Accrued expenses and deferred income	3,073	5,515
Total current liabilities	9,538	9,468
TOTAL EQUITY AND LIABILITIES	2,476,467	2,695,767

Statement of changes in equity

SEK thousand	Share capital	Share premium reserve	Retained earnings	Profit/loss for the year	Total equity
Initial equity at 1 January 2016	1,000	2,050,734	98,107	-301	2,149,540
<i>Owner transactions</i>					
Unconditional shareholder's contribution			15,000		15,000
Option premium received		22,886			22,886
Appropriation of profits according to resolution by Annual General Meeting			-301	301	0
Net profit for the year				498,873	498,873
Equity at 31 December 2016	1,000	2,073,620	112,806	498,873	2,686,299
Initial equity at 1 January 2017	1,000	2,073,620	112,806	498,873	2,686,299
<i>Owner transactions</i>					
Option premium received/repurchased		314			314
Dividends paid			-600,000		-600,000
Dividends according to Extraordinary General Meeting		-288,321	-11,679		-300,000
Appropriation of profits according to resolution by Annual General Meeting			498,873	-498,873	0
Net profit for the year				680,316	680,316
Equity at 31 December 2017	1,000	1,785,613	0	680,316	2,466,929

Pledged assets, contingent liabilities and commitments

The company has no pledged assets. According to the Board's assessment, the company has no contingent liabilities.

For additional information, please contact:

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