

RESURS HOLDING, INTERIM REPORT JANUARY-DECEMBER 2017

ALTERNATIVE PERFORMANCE MEASURES

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

Performance measures for the banking operations (excluding Insurance)

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

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 2016, a penalty fee of SEK 35 million was imposed on the bank. Under the agreement with our owner, Nordic Capital, we concurrently received an unconditional shareholders' contribution of SEK 15 million. In order to facilitate understanding of earnings generated by the Group excluding these nonrecurring costs.

Increase in lending to the public excluding exchange-rate effects

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

Average equity excluding intangible assets

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

Reconciliation of alternative performance measures

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating income excl. Insurance				
Operating income	807,859	693,420	3,091,345	2,796,536
Operating income Insurance	42,133	4,028	174,191	125,468
Operating income excl. Insurance	765,726	689,392	2,917,154	2,671,068
Net interest inc./exp. excl. Insurance				
Interest income	706,608	635,348	2,686,820	2,449,066
Interest expense	-71,782	-62,943	-268,156	-236,813
Net interest income/expense Insurance	3,065	3,595	13,339	16,065
Net interest inc./exp. excl. Insurance	631,761	568,810	2,405,325	2,196,188
Expenses before credit losses excl. Insurance				
Expenses before credit losses	-323,499	-322,829	-1,280,661	-1,280,322
Expenses before credit losses Insurance	-21,782	-21,120	-91,301	-85,333
Expenses before credit losses excl. Insurance	-301,717	-301,709	-1,189,360	-1,194,989
Operating profit/loss excl. nonrecurring costs				
Operating profit/loss	371,450	275,707	1,397,230	1,139,521
Nonrecurring costs related to the IPO				-33,518
Nonrecurring penalty från Swedish Financial Supervisory Authority				-35,000
Operating profit/loss excl. nonrecurring costs	371,450	275,707	1,397,230	1,208,039

Reconciliation of alternative performance measures

SEK thousand	Okt-Dec 2017	Okt-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net profit for the period excl. nonrecurring costs				
Net profit for the period	289,305	244,274	1,080,033	904,794
Nonrecurring costs related to the IPO				-26,144
Nonrecurring penalty från Swedish Financial Supervisory Authority				-35,000
Net profit for the period excl. nonrecurring costs	289,305	244,274	1,080,033	965,938
Average equity excl. Intangible assets and adjusted non recurring costs and shareholders contribution				
Average equity	6,210,792	5,985,749	6,143,996	5,551,666
Average intangible assets	1,874,276	1,892,856	1,881,137	1,834,555
Average equity excl. intangible assets	4,336,516	4,092,893	4,262,859	3,717,111
Average nonrecurring costs and shareholders' contribution		46,144		23,072
Average equity excl. Intangible assets and adjusted non recurring costs and shareholders contribution	4,336,516	4,139,037	4,262,859	3,740,183
Closing adjustment for Common Equity Tier 1 capital 12.5%	276,836	162,940	276,836	162,940
Opening balance lending to the public	23,218,416	20,592,709	21,204,281	18,198,175

SEK thousand	31 Dec 2016 31 Dec 2017	31 Dec 2015 31 Dec 2016
Reconciliation of increase in lending to the public excluding exchange-rate effects		
Increase lending to the public	2,864,514	3,006,106
Of which FX effects	-206,148	733,352
Increase in lending to the public excluding exchange-rate effects	3,070,662	2,272,754