

ALTERNATIVE PERFORMANCE MEASURES RESURS HOLDING, INTERIM REPORT APR-JUN 2018

Alternative Performance Measures (APM) are financial measures of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework IFRS (International Financial Reporting Standards) or current capital adequacy rules.

Management believes that inclusion of these measures provides information to the readers that enable comparability between periods and they facilitate both management and analysts in the analysis and evaluation of the Group and its development.

The use and definitions of the different measures, together with a total reconciliation, are provided below. Other companies can define or calculate these measures in different ways. The Group's definitions remain unchanged compared with prior periods.

To increase transparency, management has chosen to also show the underlying measures, this so that calculation and reconciliation can be done in a good way.

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.

The Group also evaluate the operation 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 the use of equity. Further the Group also evaluate the operation with this measures by excluding nonrecurring costs and other nonrecurring items like share holder contribution, when applicable.

To be able to see the actual increase in Lending to the public the Group follow increases in local currency by excluding exchange rate differences in the measure Lending to the public.

One of the Group's financial target is that the Common Equity Tier 1 ratio should exceed 12.5%. In order to evaluate and compare the operations in the consolidated situation, alternative performance measures have been developed where the Common Equity Tier 1 ratio has been estimated to the lowest level of 12.5%.

PERFORMANCE MEASURES

Capital base

The sum of Tier 1 capital and Tier 2 capital.

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 G4.

Lending to the public

Total lending to the public less reserves for expected credit losses.

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.

ALTERNATIVE PERFORMANCE MEASURES

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.

Credit loss ratio, %

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

Lending to the public, excl. exchange rate differences

Total lending to the public in local currency, excl. exchange rate differences.

NBI margin, %

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

Net interest income/expense (excl. Insurance)

Interest income less interest expenses less interest income and expenses Insurance segment, see note G6.

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 recognised separately since they are considered to reduce comparability.

Operating income (excl. Insurance)

Operating income less operating income Insurance segment.

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

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

Return on equity excl. intangible assets, given 12.5%

Common Equity Tier 1 ratio (RoTE), %

Net profit for the period as a percentage of average equity less intangible assets when the Common Equity Tier 1 ratio level is 12.5%.

Risk adjusted NBI margin, %

NBI margin adjusted for credit loss ratio.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

SEK thousand	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Interest income	777,564	703,401	706,608	671,714	671,840	636,658	635,348	626,961
Interest expense	-80,686	-74,214	-71,782	-68,265	-67,324	-60,785	-62,945	-61,348
Net interest income/expenses Insurance	3,956	2,999	3,065	3,719	2,910	3,645	3,595	4,202
Net interest income/expenses excl. Insurance	692,922	626,188	631,761	599,730	601,606	572,228	568,808	561,411
Total expenses before credit losses	-366,171	-332,921	-323,499	-305,130	-328,188	-323,844	-322,829	-321,335
whereof total expenses Insurance	-25,023	-22,403	-21,782	-20,264	-25,107	-24,148	-21,120	-19,551
Total operating income	867,635	805,535	807,859	769,112	765,995	748,379	693,420	716,883
whereof total income Insurance	47,618	42,739	42,133	39,019	45,707	47,332	4,027	40,416
C/I before credit losses, %	42.2%	41.3%	40.0%	39.7%	42.8%	43.3%	46.6%	44.8%
Total expenses before credit losses, excl. Insurance	-341,148	-310,518	-301,717	-284,866	-303,081	-299,696	-301,709	-301,784
Total operating Income excl. Insurance	820,017	762,796	765,726	730,093	720,288	701,047	689,393	676,467
C/I before credit losses (excl. Insurance), %	41.6%	40.7%	39.4%	39.0%	42.1%	42.7%	43.8%	44.6%
Nonrecurring penalty från Swedish Financial Supervisory Authority	0	0	0	0	0	0	0	-35,000
Total Nonrecurring costs before tax	0	0	0	0	0	0	0	-35,000
Total Nonrecurring costs after tax	0	0	0	0	0	0	0	-35,000
Credit losses, net, excl. Insurance	-127,819	-128,089	-112,910	-99,880	-97,787	-102,877	-94,884	-93,669
Credit losses yearly, net, excl Insurance	-511,276	-512,356	-451,640	-399,520	-391,148	-411,508	-379,536	-374,676
Credit loss ratio, excl. Insurance	2.0%	2.1%	1.9%	1.8%	1.8%	1.9%	1.8%	1.9%
Operating profit/loss	373,645	344,525	371,450	364,102	340,020	321,658	275,707	301,879
Operating profit/loss, excl. Nonrecurring	373,645	344,525	371,450	364,102	340,020	321,658	275,707	336,879
Net profit for the period	288,714	265,166	289,305	280,467	263,153	247,108	244,274	224,871
Net profit for the period, excl. Nonrecurring costs	288,714	265,166	289,305	280,467	263,153	247,108	244,274	259,871
Opening balance Lending to the public		24,068,795	23,218,416	22,310,666	21,713,105	21,204,281	20,592,709	19,596,456
Opening balance Lending to the public, according to IFRS 9	25,134,034	23,647,823						
Lending to the public, gross	29,334,808	27,694,636	26,036,096	25,100,624	24,120,589	23,462,719	22,796,995	22,142,209
Provision for expected credit losses	-2,708,908	-2,560,602	-1,967,301	-1,882,208	-1,809,923	-1,749,614	-1,592,714	-1,549,500
Lending to the public	26,625,900	25,134,034	24,068,795	23,218,416	22,310,666	21,713,105	21,204,281	20,592,709
Average Lending to the public	25,879,967	24,390,929	23,643,606	22,764,541	22,011,886	21,458,693	20,898,495	20,094,583
NBI margin, %	12.7%	12.5%	13.0%	12.8%	13.1%	13.1%	13.2%	13.5%
Risk adjusted NBI margin, %	10.7%	10.4%	11.0%	11.1%	11.3%	11.2%	11.4%	11.6%
NIM, %	10.7%	10.3%	10.7%	10.5%	10.9%	10.7%	10.9%	11.2%
Increase Lending to the public, since the beginning of the year	2,978,077	1,486,211						
Exchange rate differences	1,055,692	699,695						
Increase Lending to the public, excl. Exchange rate diff.	1,922,385	786,516						

SEK thousand	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Equity	6,184,542	6,210,113	6,188,830	6,232,753	5,937,935	6,325,241	6,099,161	5,872,336
Intangible assets	2,036,369	1,964,867	1,877,167	1,871,384	1,847,564	1,872,890	1,885,106	1,900,606
Equity excl. Intangible assets	4,148,173	4,245,246	4,311,663	4,361,369	4,090,371	4,452,351	4,214,055	3,971,730
Dividend (proposed and foreseeable)	330,000	525,000	360,000	450,000	300,000	750,000	600,000	306,307
Equity excl. Intangible assets excl. Nonrecurring costs, adjusted for 12.5% Common Equity Tier 1 ratio, adjusted for proposed dividend previous year and dividend current year.	3,459,407	3,393,586	3,617,564	3,577,367	3,558,643	3,486,983	3,477,854	3,684,514
Shareholder contribution								15,000
Average Nonrecurring costs incl. Shareholder contribution							46,144	36,144
Average Equity	6,197,328	6,030,101	6,210,792	6,085,344	6,131,588	6,212,201	5,985,749	5,710,138
Average Intangible assets	2,000,618	1,921,017	1,874,276	1,859,474	1,860,227	1,878,998	1,892,856	1,869,712
Average Equity excl. Intangible assets	4,196,710	4,109,084	4,336,516	4,225,870	4,271,361	4,333,203	4,092,893	3,840,426
Average Equity excl. Intangible assets and Nonrecurring costs and Shareholder contribution	4,196,710	4,109,084	4,336,516	4,225,870	4,271,361	4,333,203	4,139,037	3,876,570
Return on equity excl. intangible assets, (RoTE), %	27.5%	25.8%	26.7%	26.5%	24.6%	22.8%	23.9%	23.4%
Return on equity excl. intangible assets, (RoTE), excl. Nonrecurring costs, %	27.5%	25.8%	26.7%	26.5%	24.6%	22.8%	23.6%	26.8%
Return on Equity excl. Intangible assets excl. Nonrecurring costs, adjusted for 12.5% Common Equity Tier 1 ratio, adjusted for proposed dividend previous year and dividend deducted current year.	33.38306%	31.3%	32.0%	31.4%	29.6%	28.3%	28.1%	28.2%
Total Tier 1 capital	3,754,486	3,523,556	3,431,848	3,369,426	3,264,439	3,193,764	3,124,804	3,125,240
Tier 2 capital	4,198,046	3,970,622	3,905,079	3,853,510	3,754,279	3,676,046	3,340,129	3,351,090
Total riskweighted exposure and total capital requirement	27,232,333	26,035,165	25,166,936	24,146,858	24,492,010	24,114,110	23,694,908	23,010,617
Common Equity Tier 1 ratio, %	13.8%	13.5%	13.6%	14.0%	13.3%	13.2%	13.2%	13.6%
Adjustment for Common Equity Tier 1 ratio 12.5%	350,444	269,160	276,836	351,069	195,936	179,500	162,940	181,713
SEK thousand	30 Jun 2017- 30 Jun 2018	31 Mar 2017- 31 Mar 2018	31 Dec 2016- 31 Dec 2017	30 Sep 2016- 30 Sep 2017	30 Jun 2016- 30 Jun 2017	31 Mar 2016- 31 Mar 2017	31 Dec 2015- 31 Dec 2016	30 Sep 2015- 30 Sep 2016
Increase Lending to the public, year on year	4,315,234	3,420,929	2,864,514	2,625,707	2,714,210	2,952,842	3,006,106	6,147,871
Exchange rate differences	1,017,476	258,415	-206,148	-302,436	131,853	497,247	733,352	364,221
Increase Lending to the public, year on year, excl. Exchange rate differences	3,297,758	3,162,514	3,070,662	2,928,143	2,582,357	2,455,595	2,272,754	5,783,650