

Year-end Report **January—December 2018**

1 October—31 December 2018*

- Lending to the public rose 16% to SEK 27,957 million
- Operating income increased 9% to SEK 883 million
- Operating profit increased 1% to SEK 375 million
- Earnings per share fell 2% to SEK 1.42
- C/I before credit losses (excl. Insurance) was 40.7% (39.4%)
- The credit loss ratio was 2.0% (1.9%)

1 January—31 December 2018*

- Lending to the public rose 16% to SEK 27,957 million
- Operating income increased 11% to SEK 3,437 million
- Operating profit increased 6% to SEK 1,487 million
- Earnings per share rose 6% to SEK 5.72
- C/I before credit losses (excl. Insurance) was 40.5% (40.8%)
- The credit loss ratio was 2.1% (1.8%)
- The Board proposes a full-year dividend of SEK 3.60 SEK per share, of which SEK 1.65 was paid in October 2018. This represents an increase of 9% compared with the dividend in 2017.

“We ended 2018 with continued profitable growth and a strong trend in underlying earnings. All in all for 2018, we can present our best ever full-year earnings and we delivered on or over all financial targets.”

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 approximately 5.9 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 2018, the Group had 765 employees and a loan portfolio of SEK 28 billion. Resurs is listed on Nasdaq Stockholm.

* Certain performance measures provided in this section have not been prepared in accordance with IFRS or the capital adequacy rules, meaning that they are alternative performance measures. Calculations and reconciliation against information in the financial statements of these performance measures are provided on the website under “Financial reports.” Definitions of key ratios are provided on the website under “Financial data.” The figures in parentheses refer to 31 December 2017 in terms of financial position, and to the year-earlier period in terms of profit/loss items.

STATEMENT BY THE CEO

OUR STRONG PERFORMANCE CONTINUES

We ended 2018 with continued profitable growth and a strong trend in underlying earnings. Lending rose 16 per cent year-on-year to SEK 28 billion. Growth remained strong in both banking segments and in all geographic markets. We are growing faster than the market and thus continuing to successively increase our market shares.

However, earnings in the fourth quarter were burdened by the major turmoil in the capital markets, which led to a negative trend in our equities and bond portfolios. We also incurred expenses of about SEK 10 million associated to completing the merger with yA Bank. Adjusted for these effects, operating profit increased 9 per cent compared with the year-earlier quarter.

For the full-year 2018 we can present our best ever earnings and we delivered on or above all of our financial targets. We achieved this due to our profitable growth that is based on responsible credit lending and takes place with continued good cost control. The scalability of the operations has meant that the cost/income ratio has continued to improve despite higher investments in marketing and IT.

New digital solutions generated positive growth for the company

Our three segments performed well during the quarter, largely driven by the digital solutions that were launched during the year. In retail finance, we received a positive response to our Click & Collect omni-channel solution that we launched in the third quarter and we are engaged in dialogue with several new retailers that have shown an interest in this service. In Supreme Card, we can already see positive results of our work on artificial intelligence (AI) launched in the autumn. The algorithms mean that we can more quickly and with better precision identify behaviour patterns among our existing customers and thus tailor attractive activities and offers. We will refine these algorithms and work methodology in 2019 and implement AI in other parts of the business.

Our proprietary credit engine made a strong contribution to growth in Consumer Loans. In the third quarter of 2018, we adjusted the pricing in the credit engine in Sweden and, as expected, this led to rising margins on new lending. At the same time, the segment's total NBI margin was negatively impacted by mix changes. Insurance continued its stable performance. In the autumn, we invested in a new technical platform that creates better conditions for Insurance to further strengthen its position in Norway.

We are driven by launching innovative solutions that create value for our retail finance partners and customers. We launched the Resurs Bank app during the quarter that makes everyday life easier for customers, such as paying invoices easily. With this launch, we are further optimising the customer journey and enhancing the customer experience when banking with us, or when shopping with one of our retail finance partners.

Strategic initiatives strengthen capital position

During the year, we worked on a number of strategic initiatives to optimise our capital and liquidity situation. Implementing the merger with yA Bank strengthened our capital position since our regulatory capital requirements were reduced by about one percentage point.

We also signed forward flow agreements with three credit management companies, enabling them to recover some of our delinquent receivables, starting from January 2019. Selling the receivables will accelerate the cash flow, thus reducing our risk exposure. The transfers positively impact our capital and liquidity situation.

In the fourth quarter we also launched a deposit offering in Germany in collaboration with Raisin, the largest deposit platform in the German market. With deposits in EUR, we are taking a further step toward even more diversified and strengthened financing.

Overall, the fourth quarter marked a strong end to 2018 with profitable growth, continued development of innovative solutions and a strengthened capital position. But none of this would be possible without our employees, whose skills and commitment contribute to our success every day. All in all, we are in a strong position to continue our profitable growth in 2019.

LENDING

SEK **27,957** million

LENDING GROWTH

+16%

NET PROFIT 2018

SEK **1,143** million

Kenneth Nilsson,
CEO Resurs Holding AB

PERFORMANCE MEASURES

SEKm unless otherwise specified	Oct-Dec 2018	Oct-Dec 2017	Change	Jan-Dec 2018	Jan-Dec 2017	Change
Operating income	883	808	9%	3,437	3,091	11%
Operating profit*	375	371	1%	1,487	1,397	6%
Net profit for the period	284	289	-2%	1,143	1,080	6%
Earnings per share, SEK	1.42	1.45	-2%	5.72	5.40	6%
C/I before credit losses, %*	41.7	40.0		41.2	41.4	
C/I before credit losses (excl. Insurance), %*	40.7	39.4		40.5	40.8	
Common Equity Tier 1 ratio, %	13.4	13.6		13.4	13.6	
Total capital ratio, %	14.7	15.5		14.7	15.5	
Lending to the public	27,957	24,069	16%	27,957	24,069	16%
NIM, %*	10.3	10.7		10.6	10.6	
Risk-adjusted NBI margin, %*	10.2	11.0		10.6	11.1	
NBI margin, %*	12.2	13.0		12.6	12.9	
Credit loss ratio, %*	2.0	1.9		2.1	1.8	
Return on equity excl. intangible assets (RoTE), %*	25.8	26.7		27.4	25.3	
Return on equity excl. intangible assets, given a Common Equity Tier 1 ratio according to the Board's target and deducted dividend from the capital base, (RoTE), %*	32.3	32.0		33.9	30.3	

* Alternative performance measures are performance measures used by management and analysts to assess the Group's performance and are not defined in International Financial Reporting Standards (IFRS) or in the capital adequacy rules. Management believes that the performance measures make it easier for investors to analyse the Group's performance. Calculations and reconciliation against information in the financial statements of these performance measures are provided on the website under "Financial reports." Definitions of key ratios are provided on the website under "Financial data."

GROUP RESULTS*

FOURTH QUARTER 2018, OCTOBER–DECEMBER

Operating income

The Group's operating income increased 9 per cent to SEK 883 million (808). Net interest income increased 13 per cent to SEK 715 million (635), with interest income amounting to SEK 802 million (707) and interest expense to SEK -87 million (-72). Fee & commission income amounted to SEK 56 million (47) and fee & commission expense to SEK -16 million (-15), resulting in a total net commission for the banking operations of SEK 40 million (32).

Premium earned, net, in the insurance operations rose 9 per cent to SEK 213 million (194), while claim costs were SEK -55 million (-56), which is recognised in the item insurance compensation, net. Fee & commission expense in the insurance operations amounted to SEK -56 million (-48). In total, net insurance income increased to SEK 103 million (90).

Net expense from financial transactions amounted to SEK -27 million (-6). A deviation of



NET INTEREST INCOME

+ 13%

SEK -21 million was primarily attributable to the major turmoil in the capital markets, which entailed a negative trend in the Group's investments in interest-bearing securities and equities during the quarter. Other operating income, mainly comprising remuneration from lending operations, amounted to SEK 53 million (56).

Operating expenses

The Group's expenses before credit losses increased 14 per cent to SEK -369 million (-323). The costs for the merger between Resurs Bank and yA Bank for the quarter amounted to approximately SEK -10 million. Personnel expenses rose SEK 13 million to SEK -159 million (-146) year-on-year. General administrative costs excluding personnel expenses increased SEK 21 million to SEK -151 million (-129), mainly a result of marketing and IT investments. Other operating expenses totalled SEK -46 million (-39). Viewed in relation to the operations' income, the cost level including merger costs (excluding Insurance) amounted to 40.7 per cent (39.4 per cent).

Credit losses totalled SEK -140 million (-113) and the credit loss ratio was 2.0 per cent (1.9 per cent). The increase was primarily because provisions for all new lending have been made since year-end according to the new reporting standard IFRS 9. The risk-adjusted NBI margin was 10.2 per cent (11.0 per cent). The decline was mainly due to the net expense from financial transactions and lower NBI margin in Consumer Loans, primarily as a result of mix changes.

Profit

Operating profit totalled SEK 375 million (371). Net profit for the quarter amounted to SEK 284 million (289). Tax expense, which this quarter was impacted by the implemented merger, amounted to SEK -91 million (-82).

FULL-YEAR 2018, JANUARY—DECEMBER

Operating income and expenses

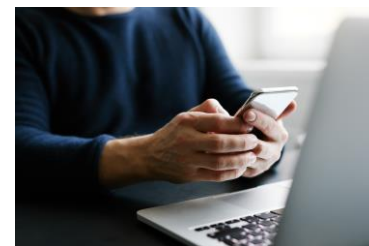
The Group's operating income increased 11 per cent to SEK 3,437 million (3,091), primarily due to growth in lending. Net interest income increased 13 per cent to SEK 2,739 million (2,419), with interest income amounting to SEK 3,063 million (2,687) and interest expense to SEK -324 (-268). Fee & commission income amounted to SEK 218 million (234) and fee & commission expense to SEK -57 million (-63). This resulted in a total net commission for the banking operations of SEK 161 million (171). Net expense from financial transactions amounted to SEK -48 million (-9). A deviation of SEK -39 million was primarily attributable to the general turmoil in the capital markets, which entailed a negative trend in the Group's investments in interest-bearing securities and equities, mainly at the end of the year.

The Group's expenses before credit losses increased 11 per cent to SEK -1,416 million (-1,281). Viewed in relation to the operations' income, the cost level including merger costs (excluding Insurance) continued to improve and amounted to 40.5 per cent (40.8 per cent) for 2018.

Credit losses totalled SEK -535 million (-413) and the credit loss ratio was 2.1 per cent (1.8 per cent). The increase was primarily because provisions for all new lending have been made since year-end according to the new reporting standard IFRS 9 and lending growth has remained high throughout the year. The risk-adjusted NBI margin was 10.6 per cent (11.1 per cent). The decline was mainly due to the net expense from financial transactions and lower NBI margin in Consumer Loans, primarily as a result of mix changes.

Profit

Operating profit increased 6 per cent to SEK 1,487 million (1,397). Net profit for the year amounted to SEK 1,143 million (1,080). Tax expense for the year amounted to SEK -343 million (-317).



C/I-RATIO 2018 (excl. Insurance)

40.5%

NET PROFIT 2018

+6%

FINANCIAL POSITION AT 31 DECEMBER 2018*

On 31 December 2018, the Group's financial position was strong, with a capital base of SEK 4,281 million (3,905) in the consolidated situation, comprising the Parent Company, Resurs Holding AB, and the Resurs Bank Group. The total capital ratio was 14.7 per cent (15.5 per cent) and the Common Equity Tier 1 ratio was 13.4 per cent (13.6 per cent).

At 31 December 2018, lending to the public increased 16 per cent to SEK 27,957 million (24,069). The restated comparative figure (according to Note G2) on 1 January 2018 was SEK 23,648 million, which entails an increase of 18 per cent for the period and 17 per cent excluding currency effects. This strong growth was driven by both banking segments and all geographic markets and is well in line with the Group's financial target of lending growth of more than 10 per cent. A debt collection portfolio recognised at about SEK 150 million was divested in December 2018.

In addition to capital from shareholders, the operations are financed by deposits from the public, the issued MTN bonds and the securitisation of certain loan receivables (ABS financing). The Group's strategy is to actively work with various sources of financing in order to use the most suitable source of financing at any given time. A deposit offering was launched in Germany in the fourth quarter. With deposits in EUR, the Group took a further step toward even more diversified and strengthened financing.

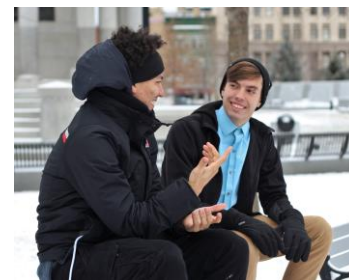
Deposits from the public on 31 December 2018 rose 14 per cent to SEK 20,578 million (18,033). Financing through issued securities totalled SEK 7,832 million (5,597). Liquidity remained healthy and following the merger completed between Resurs Bank and the subsidiary yA Bank, the liquidity coverage ratio (LCR) was 146 per cent (201 per cent) in the consolidated situation. The minimum statutory LCR ratio is 100 per cent. Lending to credit institutions at 31 December 2018 amounted to SEK 3,704 million (2,794). Holdings of treasury and other bills eligible for refinancing, as well as bonds and other interest-bearing securities, totalled SEK 2,272 million (2,578).

Cash flow from operating activities amounted to SEK -450 million (-2,081) for the year. Cash flow from deposits amounted to SEK 2,457 million (-316) and the net change in investment assets totalled SEK 331 million (152). Cash flow from investing activities for the year totalled SEK -134 million (-85) and cash flow from financing activities was SEK 1,470 million (1,702). Since year-end, outstanding bonds issued under Resurs Bank's MTN programme have been expanded by SEK 1,400 million and ABS financing expanded by SEK 800 million. Intangible assets amounted to SEK 1,974 million (1,877), and primarily comprise the goodwill that arose in the acquisition of Finaref and Danaktiv in 2014 and yA Bank in 2015.

Dividends

The Board proposes that the Annual General Meeting adopt a dividend of SEK 1.95 per share. Including the dividend of SEK 1.65 paid on 12 October 2018, this year's dividend amounts to SEK 3.60, which amounts to 63 per cent of earnings per share. The total proposed dividend for the AGM to adopt on 25 April 2019 amounts to SEK 390 million. The Resurs share will be traded ex rights from 26 April 2019. The record date is proposed as 29 April 2019 and the dividend will be paid on 3 May 2019. The Board intends to continue paying semi-annual dividends, and plans to convene an Extraordinary General Meeting in the autumn of 2019.

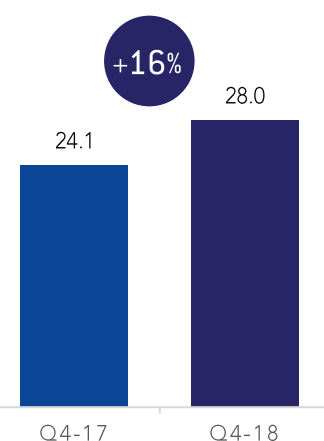
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TOTAL CAPITAL RATIO

14.7%

LENDING TO THE PUBLIC



Trend in lending to the public in SEK billion.

LIQUIDITY COVERAGE RATIO

146%

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 2018, Payment Solutions accounted for 41 per cent of the Group's operating income, while Consumer Loans and Insurance accounted for 54 and 5 per cent, respectively.

PERCENTAGE OF OPERATING INCOME JAN—DEC 2018



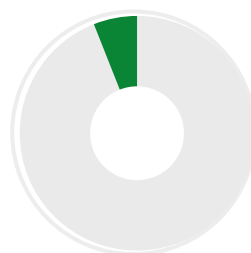
Payment Solutions

41%



Consumer Loans

54%



Insurance

5%



PAYMENT SOLUTIONS

Healthy growth and stable margins

FOURTH QUARTER 2018, OCTOBER—DECEMBER

Payment Solutions reported another strong quarter of healthy growth and stable margins. Partnerships with several new retail finance partners were initiated during the quarter, while existing partnerships progressed positively. Black Friday, which generated higher sales than last year, also contributed to the sales increase across the Nordics.

The Click & Collect service was launched in the autumn, a digital solution whereby a manufacturer, supplier, franchise group or groups of individual retailers are quickly and easily offered a central e-commerce checkout and local management of inventories and store checkout. The Group received a positive response from many retailers during the quarter and is in dialogue with several retailers who have shown an interest in the service.

In credit cards, cross-sales of Supreme Card on incoming calls were successful and in 2018 half of all cards were sold via Business Support compared with a third in 2017. This has led to lower costs and enhanced efficiency in credit cards.

Artificial intelligence (AI) in Supreme Card was launched in the autumn and the first results have been highly positive. The algorithms mean that the segment can more quickly and with better precision identify behaviour patterns among existing customers and thus tailor attractive activities and offers. AI will start to be implemented in other parts of the business in 2019.

Operating income increased by 13 per cent to SEK 374 million (331). The increase was mainly related to higher business volumes. Operating income less credit losses rose 12 per cent to SEK 323 million (289), and the risk-adjusted NBI margin amounted to 12.5 per cent (12.5 per cent). The credit loss ratio was 1.9 per cent (1.8 per cent) and was mainly the result of the introduction of the new reporting standard IFRS 9.

FULL-YEAR 2018, JANUARY—DECEMBER

Lending to the public at 31 December 2018 totalled SEK 10,508 million (9,419), corresponding to a 12-per-cent year-on-year increase, or 10 per cent in constant currencies. Growth was mainly driven by higher volumes from existing retail finance partners.

Operating income for the year amounted to SEK 1,425 million (1,268), up 12 per cent year-on-year, with the increase primarily related to higher business volumes. Operating income less credit losses amounted to SEK 1,239 million (1,115), up 11 per cent year-on-year. The risk-adjusted NBI margin was 12.5 per cent (12.2 per cent), with the increase due to a higher NBI margin. The credit loss ratio was 1.9 per cent (1.7 per cent) and was mainly the result of the introduction of the new reporting standard IFRS 9.

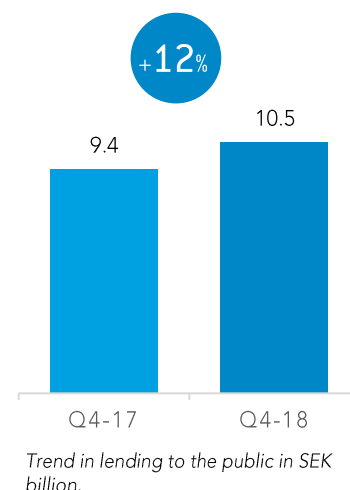


ABOUT PAYMENT SOLUTIONS

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

Credit cards includes the Resurs credit cards (with Supreme Card being the foremost) as well as cards that enable retail finance partners to promote their own brands.

LENDING TO THE PUBLIC



PERFORMANCE MEASURES — PAYMENT SOLUTIONS

SEKm	Oct-Dec 2018	Oct-Dec 2017	Change	Jan-Dec 2018	Jan-Dec 2017	Change
Lending to the public at end of the period	10,508	9,419	12%	10,508	9,419	12%
Operating income	374	331	13%	1,425	1,268	12%
Operating income less credit losses	323	289	12%	1,239	1,115	11%
Risk-adjusted NBI margin, %	12.5	12.5		12.5	12.2	
Credit loss ratio, %	1.9	1.8		1.9	1.7	

CONSUMER LOANS

Strong growth in all countries

FOURTH QUARTER 2018, OCTOBER—DECEMBER

Consumer Loans delivered yet another strong quarter with growth of 19 per cent compared with the fourth quarter of 2017. Growth was healthy in all markets, with Finland growing the most in per cent and Sweden the most in absolute terms.

The proprietary credit engine was launched in Sweden, Norway and Finland and is a robust tool for increased growth. Since the launch of the credit engine, growth has been favourable in all countries and the launch will continue in Denmark in the first quarter of 2019. In the third quarter of 2018, the pricing in the credit engine in Sweden was adjusted and, as expected, this led to rising margins on new lending. At the same time, the segment's total NBI margin was negatively impacted by mix changes.

The introduction of the credit engine also entailed continued digitisation and efficiency enhancements in processes. The share of loans in Sweden that are signed digitally was 60 per cent in the fourth quarter and is continuously increasing.

In Norway, work is being carried out to introduce a "debt register" similar to UC, Sweden's credit reference agency. The aim is to have the register operational by the summer of 2019. The Group is positive to such a register, which means that it will be possible to find out more detailed information about customers' total indebtedness. Credit lending in Norway will be further strengthened by integrating data from the register to the credit engine.

Operating income increased 10 per cent year-on-year to SEK 478 million (436). The increase was mainly related to higher business volumes. Operating income less credit losses rose 6 per cent to SEK 388 million (366), and the risk-adjusted NBI margin amounted to 8.9 per cent (10.2 per cent). The decline was mainly due to the margin effects described above and the credit loss ratio for the quarter increasing to 2.1 per cent (1.9 per cent). The increase was mainly attributable to the introduction of the new reporting standard IFRS 9.

FULL-YEAR 2018, JANUARY—DECEMBER

Lending to the public increased 19 per cent, or about SEK 2.8 billion, amounting to SEK 17,449 million (14,650) at 31 December 2018. In constant currencies the increase was 17 per cent. Percentage growth was strongest in Finland, while Sweden increased the most in absolute terms. The sale of a debt collection portfolio in Norway reduced the loan portfolio by about SEK 150 million.

Operating income increased 13 per cent to SEK 1,864 million (1,656). Operating income less credit losses rose 8 per cent to SEK 1,515 million (1,397). The risk-adjusted NBI margin was 9.5 per cent (10.3 per cent). The decline was mainly due to the mix changes in the portfolio and the credit loss ratio increasing to 2.2 per cent (1.9 per cent). The increase was primarily attributable to the new reporting standard IFRS 9.

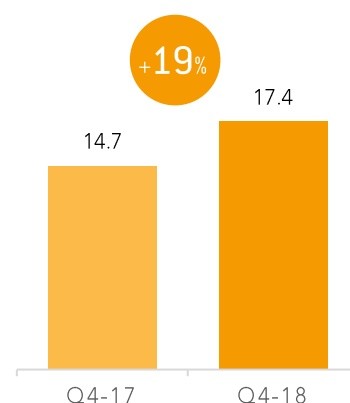


ABOUT CONSUMER LOANS

Consumer Loans customers are offered unsecured loans, also known as consumer loans. Consumer loans are normally used to finance larger purchases, extend existing loans or to finance general consumption.

Consumer Loans also helps consumers to consolidate their loans with other banks, in order to reduce their monthly payments or interest expense. Resurs currently holds approximately SEK 17.4 billion in outstanding consumer loans.

LENDING TO THE PUBLIC



Trend in lending to the public in SEK billion.

PERFORMANCE MEASURES — CONSUMER LOANS

SEKm	Oct-Dec 2018	Oct-Dec 2017	Change	Jan-Dec 2018	Jan-Dec 2017	Change
Lending to the public at end of the period	17,449	14,650	19%	17,449	14,650	19%
Operating income	478	436	10%	1,864	1,656	13%
Operating income less credit losses	388	366	6%	1,515	1,397	8%
Risk-adjusted NBI margin, %	8.9	10.2		9.5	10.3	
Credit loss ratio, %	2.1	1.9		2.2	1.9	

INSURANCE

Continued stable performance in fourth quarter

FOURTH QUARTER 2018, OCTOBER—DECEMBER

In the fourth quarter, Insurance continued its work on developing existing partnerships to raise the conversion level both online and in physical stores. At the same time, the existing business performed well. Sales in the Product line increased 15 per cent during the quarter, for reasons including Black Friday and the segment's intensified presence in partner stores. The segment also continued to secure new partnerships that strengthen the operations in the Product and Travel business lines.

In parallel, the segment invested in a platform that provides better conditions for strengthening its position in the Norwegian product insurance market. Furthermore, Insurance continued its work on developing and following up digital marketing to create cost-efficient distribution and long-term customer relationships.

Premium earned, net, increased 9 per cent to SEK 213 million (195) in the fourth quarter. This increase was primarily due to the Security and Motor business lines.

Operating income for the quarter declined 12 per cent to SEK 37 million (42). The decline was mainly due to negative investment return, which resulted in a net expense from financial transactions of SEK -12 million (-1).

The technical result increased 11 per cent to SEK 27 million (24) year-on-year, due to improved profitability in the Security and Travel business lines.

Operating profit fell to SEK 13 million (20) year-on-year, as a result of the decline in value of the equities and bond portfolio. The total combined ratio improved to 88.9 per cent (89.7 per cent), primarily due to a lower claims ratio.

FULL-YEAR 2018, JANUARY — DECEMBER

Premium earned, net, increased 4 per cent compared with the preceding year to SEK 829 million (800). This increase was attributable to the Security and Motor business lines. Operating income increased 2 per cent to SEK 178 million (174). Net expense from financial transactions amounted to SEK -8 million (8) due to lower market values for both the equities and bond portfolio.

The technical result increased 20 per cent to SEK 88 million (74) year-on-year, mainly due to increased profitability in the Travel and Security business lines and good cost control.

Operating profit increased 1 per cent (SEK 0.5 million) year-on-year to SEK 83 million (83). The total combined ratio improved to 90.2 per cent (91.8 per cent), primarily attributable to the positive trend in the claims ratio in the Travel and Motor business lines.

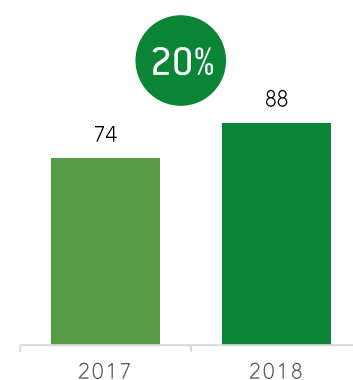


ABOUT INSURANCE

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.

TECHNICAL RESULT



Trend in technical result in SEKm.

PERFORMANCE MEASURES — INSURANCE

SEKm	Oct–Dec 2018	Oct–Dec 2017	Change	Jan–Dec 2018	Jan–Dec 2017	Change
Premium earned, net	213	195	9%	829	800	4%
Operating income	37	42	-12%	178	174	2%
Technical result	27	24	11%	88	74	20%
Operating profit	13	20	-35%	83	83	1%
Combined ratio, %	88.9	89.7		90.2	91.8	

SIGNIFICANT EVENTS

JANUARY—DECEMBER 2018

New financial capital targets for Resurs Holding after merger completed between Resurs Bank and its wholly owned subsidiary yA Bank

In November 2018, the merger between Resurs Holding's wholly owned subsidiary Resurs Bank AB and Resurs Bank's Norwegian wholly owned subsidiary yA Bank AS was registered. The completion of the merger means that Resurs Bank's regulatory capital requirement is lowered by approximately 1 percentage point due to lower buffer requirements and Pillar II requirements. For this reason, the Board of Resurs Holding decided to adjust Resurs Holding's financial capital targets and the total capital ratio has been lowered from more than 15 per cent to more than 14 per cent and the Common Equity Tier 1 ratio has been lowered from more than 12.5 per cent to more than 11.5 per cent.

Resurs Bank planning to sell delinquent receivables

In November 2018, Resurs Bank entered into forward flow agreements with credit management companies Alektum, Axactor and Lowell enabling them to recover some of Resurs Bank's delinquent receivables in Sweden and Norway that are more than 120 days overdue. The first transfer took place in January 2019.

Resolution on half-year dividends in Resurs Holding

The Extraordinary General Meeting held on 5 October 2018 resolved to pay a cash dividend of SEK 1.65 per share to shareholders, totalling SEK 330 million. The record date was 9 October 2018 and the dividend was paid on 12 October 2018.

Resolution on dividends in Resurs Holding and buyback authorisation

The Annual General Meeting held on 27 April 2018 resolved on a dividend of SEK 1.80 per share, totalling SEK 360 million. Including the dividend of SEK 1.50 paid on 3 November 2017, the 2017 dividend amounts to SEK 3.30, which amounts to 61 per cent of earnings per share, a total of SEK 660 million. The Resurs share was traded ex rights from 30 April 2018. The record date was 2 May 2018 and the dividend was paid on 7 May 2018.

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 the shares in the company.

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.

AFTER THE END OF THE PERIOD

New Chairman of Resurs Holding in the autumn

The Chairman of the Board of Resurs Holding, Jan Samuelson, has declined re-election at the Annual General Meeting to be held in April 2019, but has agreed with the Nomination Committee to continue in his role of Chairman until the Extraordinary General Meeting that is usually held in the autumn.

SOME OF RESURS'S
RETAIL FINANCE
PARTNERS:

net on net

BAUHAUS

mi

TICKET

Magasin

memira
ögonkliniker

Mekonomen

Husqvarna

Tripmonster

BILTEMA

Miles & More

BabySam

ELGIGANTEN

ellos

Specsavers

JYSK

OTHER INFORMATION

Risk and capital management

The Group's ability to manage risks and conduct effective capital planning is fundamental to its profitability. 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 G3 Liquidity, Note G4 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), in Denmark through branch office Resurs Bank filial af Resurs Bank (Vallensbæk Strand) and in Norway through branch office Resurs Bank AB NUF (Oslo).

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. Solid Försäkring conducts operations in Norway, Finland and Switzerland via branches. Cross-border operations are conducted in other markets.

Employees

There were 765 full-time employees within the Group at 31 December 2018, down 18 since 30 September 2018 and up 2 since 31 December 2017. The decline since 30 September 2018 was mainly related to the merger with yA Bank and fewer employees in Business Support.



EMPLOYEES

765

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 year-end was SEK 54.70.

The ten largest shareholders with direct ownership on 31 December 2018 were:	Percentage of share capital
Waldakt AB (fam. Bengtsson)	28.9%
Cidron Semper S.A.R.L (Nordic Capital)	17.4%
Swedbank Robur Fonder	8.3%
Andra AP-fonden	2.4%
SEB fonder	2.0%
Handelsbanken fonder	1.9%
Vanguard	1.4%
Catea Group AB	1.2%
AFA Försäkring	1.2%
Norges Bank	1.1%
Total	65.8%

Financial targets

Financial targets	Mid-term targets	2018
Annual lending growth	more than 10%	16%
Risk-adjusted NBI margin excl. Insurance	about 10 to 12%	10.6%
C/I before credit losses excl. Insurance and adjusted for nonrecurring costs	under 40%	40.5%
Common Equity Tier 1 ratio	more than 11.5%	13.4%
Total capital ratio	more than 14%	14.7%
Return on tangible equity (RoTE) adjusted for nonrecurring costs ¹⁾	about 30%	33.9%
Dividend ²⁾	at least 50% of profit for the year	63%

1) Adjusted for the Common Equity Tier 1 ratio according to the Board's target 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 1.95 per share. Including the dividend of SEK 1.65 resolved at the Extraordinary General Meeting in October 2018, the total dividend (SEK 3.60) as a percentage of earnings share amounts to 63 per cent.

Finansiell calendar

- 19 March 2019 Annual Report 2018
- 24 April 2019 Interim report for Jan-Mar 2019
- 25 April 2019 2019 Annual General Meeting
- 23 July 2019 Interim report Jan-Jun 2019
- 29 October 2019 Interim report Jan-Sep 2019



NEXT INTERIM REPORT:
24 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, 4 February 2019.

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

Mikael Wintzell

SUMMARY FINANCIAL STATEMENTS — GROUP

Condensed income statement

SEK thousand	Note	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Interest income	G6	802,021	706,608	3,062,854	2,686,820
Interest expense	G6	-87,434	-71,782	-324,025	-268,156
Fee & commission income		56,260	47,107	217,836	233,945
Fee & commission expense, banking operations		-16,346	-14,650	-57,090	-63,130
Premium earned, net	G7	212,696	194,251	826,154	798,339
Insurance compensation, net	G8	-54,566	-55,576	-226,211	-248,738
Fee & commission expense, insurance operations		-55,552	-48,311	-220,345	-226,423
Net income/expense from financial transactions		-26,653	-5,852	-47,929	-8,969
Other operating income	G9	52,940	56,064	206,110	187,657
Total operating income		883,366	807,859	3,437,354	3,091,345
General administrative expenses	G10	-309,235	-275,440	-1,178,239	-1,065,752
Depreciation, amortisation and impairment of non-current assets		-13,296	-9,143	-49,039	-35,283
Other operating expenses		-45,990	-38,916	-188,445	-179,626
Total expenses before credit losses		-368,521	-323,499	-1,415,723	-1,280,661
Earnings before credit losses		514,845	484,360	2,021,631	1,810,684
Credit losses, net	G11	-140,117	-112,910	-535,071	-413,454
Operating profit/loss		374,728	371,450	1,486,560	1,397,230
Income tax expense		-90,880	-82,145	-343,145	-317,197
Net profit for the period		283,848	289,305	1,143,415	1,080,033
Attributable to Resurs Holding AB shareholders		283,848	289,305	1,143,415	1,080,033
Basic and diluted earnings per share, SEK	G17	1.42	1.45	5.72	5.40

Statement of comprehensive income

SEK thousand	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net profit for the period	283,848	289,305	1,143,415	1,080,033
Other comprehensive income that will be classified to profit/loss				
Translation differences for the period, foreign operations	-92,710	-41,624	85,787	-107,179
Hedge accounting ¹⁾	26,041	10,299	-49,424	21,693
Hedge accounting - tax ¹⁾	-5,729	-2,265	10,873	-4,772
Comprehensive income for the period	211,450	255,715	1,190,651	989,775
Attributable to Resurs Holding AB shareholders	211,450	255,715	1,190,651	989,775

¹⁾ Refers to a hedge of a net investment in a foreign subsidiary and consists of equity at the time for acquisition, given capital contributions and profit since the acquisition. Goodwill 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.

The hedging of net investments in foreign operations above was terminated in connection with the merger of this business in November 2018.

Condensed statement of financial position

SEK thousand	Note	31 Dec 2018	1 Jan 2018 revaluated ¹⁾	31 Dec 2017
Assets				
Cash and balances at central banks		63,215	61,539	61,539
Treasury and other bills eligible for refinancing		1,009,021	842,731	842,731
Lending to credit institutions		3,703,650	2,794,283	2,794,283
Lending to the public	G12	27,956,576	23,647,823	24,068,795
Bonds and other interest-bearing securities		1,262,568	1,735,266	1,735,266
Subordinated debt		27,317	35,902	35,902
Shares and participating interests		68,556	76,368	76,368
Intangible assets		1,973,681	1,877,167	1,877,167
Property, plant & equipment		56,228	39,954	39,954
Reinsurers' share in technical provisions		4,267	5,688	5,688
Other assets		519,366	269,344	169,404
Prepaid expenses and accrued income		311,027	224,175	224,175
TOTAL ASSETS		36,955,472	31,610,240	31,931,272
Liabilities, provisions and equity				
Liabilities and provisions				
Liabilities to credit institutions		149,900		
Deposits and borrowing from the public		20,578,153	18,033,013	18,033,013
Other liabilities		1,010,465	1,155,573	1,155,573
Accrued expenses and deferred income		183,080	154,467	154,467
Technical provisions		532,115	455,123	455,123
Other provisions	G13	22,861	24,660	6,951
Issued securities		7,832,186	5,597,271	5,597,271
Subordinated debt		298,171	340,044	340,044
Total liabilities and provisions		30,606,931	25,760,151	25,742,442
Equity				
Share capital		1,000	1,000	1,000
Other paid-in capital		2,086,305	2,088,504	2,088,504
Translation reserve		33,044	-14,192	-14,192
Retained earnings incl. profit for the period		4,228,192	3,774,777	4,113,518
Total equity		6,348,541	5,850,089	6,188,830
TOTAL LIABILITIES, PROVISIONS AND EQUITY		36,955,472	31,610,240	31,931,272

¹⁾ Revaluation of Lending to the public, Other assets and Other provisions have been made as of 1 January 2018 due to IFRS 9. For additional information see Note G2.

See Note G14 for information on pledged assets, contingent liabilities and commitments.

Statement of changes in equity

SEK thousand	Share capital	Other paid-in capital	Translation reserve	Retained earnings Incl. profit for the period	Total equity
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 period				1,080,033	1,080,033
Other comprehensive income for the period			-90,258		-90,258
Equity at 31 December 2017	1,000	2,088,504	-14,192	4,113,518	6,188,830
Initial equity at 1 January 2018 according to IAS 39	1,000	2,088,504	-14,192	4,113,518	6,188,830
Impact of revaluation of credit loss reserves due to IFRS 9 implementation				-438,681	-438,681
Impact of revaluation of credit loss reserves due to IFRS 9 implementation - tax effect				99,940	99,940
Equity at 1 January 2018 according to IFRS 9, adjusted	1,000	2,088,504	-14,192	3,774,777	5,850,089
Initial equity at 1 January 2018	1,000	2,088,504	-14,192	3,774,777	5,850,089
<i>Owner transactions</i>					
Option premium received/repurchased		-2,199			-2,199
Dividends paid				-360,000	-360,000
Dividends according to Extraordinary General Meeting				-330,000	-330,000
Statement of changes in equity				1,143,415	1,143,415
Other comprehensive income for the period			47,236		47,236
Equity at 31 December 2018	1,000	2,086,305	33,044	4,228,192	6,348,541

All equity is attributable to Parent Company shareholders.

Cash flow statement (indirect method)

SEK thousand	Jan-Dec 2018	Jan-Dec 2017
Operating activities		
Operating profit	1,486,560	1,397,230
- of which, interest received	3,061,912	2,685,979
- of which, interest paid	-320,663	-266,765
Adjustments for non-cash items in operating profit	735,250	459,128
Tax paid	-435,187	-356,251
Cash flow from operating activities before changes in operating assets and liabilities	1,786,623	1,500,107
Changes in operating assets and liabilities		
Lending to the public	-4,477,411	-3,520,949
Other assets	-707,013	-170,045
Liabilities to credit institutions	149,900	-1,700
Deposits and borrowing from the public	2,456,827	-316,281
Acquisition of investment assets	-1,423,084	-1,110,747
Divestment of investment assets	1,754,259	1,262,719
Other liabilities	63,521	275,943
Cash flow from operating activities	9,521	-2,080,953
Investing activities		
Acquisition of non-current assets, intangible assets and property, plant & equipment	-136,382	-86,165
Divestment of non-current assets, intangible assets and property, plant & equipment	2,154	707
Cash flow from investing activities	-134,228	-85,458
Financing activities		
Dividends paid	-690,000	-900,000
Issued securities	2,205,138	2,301,863
Option premium received/repurchased	-2,199	-106
Subordinated debt	-42,664	300,000
Cash flow from financing activities	1,470,275	1,701,757
Cash flow for the period	1,345,568	-464,654
Cash & cash equivalents at beginning of the year	2,855,822	3,351,128
Exchange rate differences	25,374	-30,652
Cash & cash equivalents at end of the period	4,226,764	2,855,822
Adjustment for non-cash items in operating profit		
Credit losses	535,071	413,454
Depreciation and impairment of property, plant & equipment	49,039	35,283
Profit/loss tangible assets	244	
Profit/loss on investment assets	3,853	-24,463
Change in provisions	75,337	-7,496
Adjustment to interest paid/received	6,639	3,246
Currency effects	59,688	33,705
Other items that do not affect liquidity	5,378	5,399
Sum non-cash items in operating profit	735,250	459,128

Investment assets are comprised of Bonds and other interest-bearing securities, Treasury and other bills eligible for refinancing, Subordinated debt and Shares and participating interest.

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

SEK thousand	1 Jan 2018	Cash flow	Non cash flow Items			31 Dec 2018
			Change in opening balance	Accrued acquisition costs	Exchange rate differences	
Issued securities	5,597,271	2,205,138		7,207	22,570	7,832,186
Subordinated debt	340,044	-42,664	-3,000	1,171	2,620	298,171
Total	5,937,315	2,162,474	-3,000	8,378	25,190	8,130,357

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 RFR 1, Supplementary Accounting Rules for Corporate Groups.

Except from IFRS 9, see below, no new IFRS or IFRIC interpretations, effective as from 1 January 2018, have had any material impact on the Group. As of the current fiscal year, IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments. For calculating credit loss reserves, IFRS 9 is based on calculating the expected credit losses, as opposed to the previous model based on credit loss events that have occurred.

The Parent Company has prepared its interim report in accordance with the requirements 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 principles were applied as in the latest Annual report.

Information about how the new IFRS 9 rules are expected to impact the Group, and calculations and expectations regarding Resurs Holding AB can be found in Resurs Holding AB's 2017 Annual Report. Supplementary information is found below.

To determine whether there is a significant increase in risk, and thus a transfer to stage 2, the bank starts by assessing the change in the expected life PD (Probability of Default) of the credit. In order for there to be a significant increase in risk, a change in start PD must amount to the total of a given threshold and a percentage change in the start PD.

In addition, the bank also uses an absolute change in PD that entails that if a lifetime PD increases by a given percentage point, which varies depending on product category, then it is attributable to stage 2.

Alongside the significant PD changes described above, the bank uses a "back stop," meaning that a credit that is between 30 and 90 days past due is attributable to stage 2 even if there is no significant increase in PD. The calculation of the lifetime for credit cards and other revolving credits is based on predictive models about the future limit use and statistical repayment plans. The models are based on internal historical data where different models are used for homogeneous groups of credits with similar explanatory variables.

The assets for lending to credit institutions are deemed to have very low credit risk and are not considered to have been exposed to increased credit risk, which is why lending to credit institutions has not been impaired.

IFRS 16 replaces IAS 17 from 1 January 2019. Under the new standard, existing leases and right-of-use agreements are to be capitalised as assets and liabilities in the statement of financial position, with the associated effect that the cost in profit or loss is divided between depreciation in operating profit and interest expense in net financial items.

The Group will be primarily affected by the right-of-use assets attributable to leases for premises and vehicle leases. The Group has chosen to apply the forward-looking method and will not restate the comparative year in accordance with the standard. The Group has decided to apply several of the exemptions available, the most important of which are excluding leases with a low value and leases that have a remaining term of a maximum of 12 months on the transition date. The liability for unutilised lease obligations on 1 January 2019 will amount to approximately SEK 107 million and for unutilised right-of-use assets to approximately SEK 112 million. Equity will not be affected by the transition to IFRS 16. For further information about current leases, see Note G 13 in the Annual Report.

For detailed accounting principles for the Group, see the Annual report for 2017.

The interim information on pages 2-32 comprises an integrated component of this financial report.

G2. Effect of IFRS 9

Summary of effects on statement of financial position

In the condensed statement of financial position, Lending to the public, Other assets and Other provisions were impacted since the credit loss reserves under IFRS 9 are calculated on expected credit losses,

as opposed to the previous model that was based on credit loss events that have occurred. In the item Other assets, the current tax asset was changed.

SEK thousand	31 Dec 2017 according to earlier accounting principles	Adjustment Lending to the public	Adjustment Current tax asset	Adjustment Other provisions	1 Jan 2018
Assets					
Lending to the public	24,068,795	-420,972			23,647,823
Other assets	169,404		99,940		269,344
Liabilities and provisions					
Other provisions	6,951			17,709	24,660
Equity					
Revaluation of credit loss reserves according to IFRS 9		-420,972	99,940	-17,709	-338,741

G3. 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. This type of financing has been offered to customers in Sweden and Norway for several years. This form of financing has been offered to customers in Sweden and Norway for several years. Deposits to customers in Germany have also been offered since the end of 2018.

Deposits, which are analysed on a regular basis, totalled SEK 20,773 million (18,147), whereof in Sweden SEK 14,055 million (12,817), in Norway SEK 6,337 million (5,330) and in Germany 381 million (0). The lending to the public/deposits from the public ratio for the consolidated situation is 135 per cent (133 per cent).

Resurs Bank has a funding programme for issuing bonds, the programme amounts to SEK 8,000 million (5,000). 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 but also in Norway.

The programme has ten outstanding issues at a nominal amount of SEK 4,250 million (2,850) and NOK 400 million (400).

Of the ten issues, nine are senior unsecured bonds and one issue is a subordinated loan of SEK 300 million (300). Resurs Bank has, outside the programme, issued NOK 600 million (600) in senior unsecured bonds and issued subordinated loan of SEK 200 million (200).

Resurs Bank has 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. In January 2018 the financing expanded and at 31 december 2018 a total of approximately SEK 3.7 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 2.9 billion (2.1) of the ABS financing.

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 purpose of the contingency plan is to make preparations for various courses of action should the liquidity situation trend unfavourably. 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 1,300 million. Apart from the liquidity reserve, there is an intraday liquidity requirement of at least 4 per cent of deposits from the public, a minimum SEK 700 million.

There are also other liquidity requirements regulating and controlling the business. The liquidity reserve, totalling SEK 1,899 million (1,744), 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 3,688 million (3,113) for the consolidated situation. Accordingly, total liquidity amounted to SEK 5,588 million (4,857). Total liquidity corresponded to 27 per cent (27 per cent) of deposits from the public. The Group also has unutilised credit facilities of NOK 50 million (50).

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. A ratio of 100 per cent means the assets managed the stress test scenario and is also the authority's limit. As at 31 December 2018, the ratio for the consolidated situation is 146 per cent (201 per cent). For the period January to December 2018, the average LCR measures 200 per cent for the consolidated situation.

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

Summary of liquidity – Consolidated situation

SEK thousand	31 Dec 2018	31 Dec 2017
Liquidity reserve as per FFFS 2010:7 definition		
Securities issued by sovereigns	49,117	48,268
Securities issued by municipalities	729,974	664,222
Lending to credit institutions	250,000	183,000
Bonds and other interest-bearing securities	870,196	848,957
Summary Liquidity reserve as per FFFS 2010:7	1,899,287	1,744,447
Other liquidity portfolio		
Cash and balances at central banks	63,215	61,539
Securities issued by municipalities	100,033	
Lending to credit institutions	3,425,045	2,443,075
Bonds and other interest-bearing securities	100,043	608,096
Total other liquidity portfolio	3,688,336	3,112,710
Total liquidity portfolio	5,587,623	4,857,157
Other liquidity-creating measures		
Unutilised credit facilities	51,225	50,055

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 2018	31 Dec 2017
Liquid assets, Level 1	1,030,930	1,215,652
Liquid assets, Level 2	572,680	649,904
Total liquid assets	1,603,610	1,865,556
Net liquidity outflow	1,031,174	855,945
LCR measure	146%	201%

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 2017 Annual report.

G4. 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 and a countercyclical capital buffer. 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. The countercyclical capital buffer requirements will increase to 2.5 per cent for Swedish exposures from 19 September 2019 and for Norwegian exposures from 31 December 2019.

The Group currently does not need to take into account a buffer requirement for its other business areas in Denmark and Finland. However, a Danish countercyclical capital buffer requirement of 0.5 per cent will apply from 31 March 2019 and it will increase to 1 per cent from 30 September 2019.

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.

Resurs Bank has applied to the Swedish Financial Supervisory Authority for permission to apply the transition rules decided at EU level in December 2017. Under the transition rules, a gradual phase-in of the effect of IFRS 9 on capital adequacy is permitted, regarding both the effect of the transition from IAS 39 as at 1 January 2018 and the effect on the reporting date that exceeds the amount when IFRS 9 is first applied to category 1 and category 2. The phase-in period is as follows:

2018: 5 %
2019: 10 %
2020: 15 %
2021: 20 %
2022: 25 %
2023: 25 %

Capital base

SEK thousand	31 Dec 2018	31 Dec 2017
Tier 1 capital		
Equity, Group	5,205,126	5,108,797
Net profit for the period, Group	1,143,415	1,080,033
Proposed dividend	-390,000	-360,000
Additional/deducted equity in the consolidated situation	-537,809	-516,631
Additional/deducted net profit in the consolidated situation	124,474	-23,470
Equity, consolidated situation (adjusted for proposed/foreseeable dividend)	5,545,206	5,288,729
<i>Adjustments according to transition rules IFRS 9:</i>		
Initial revaluation effect, net 95 %	321,804	
Dynamic effect category 1 and 2, net 95 %		
Less:		
Additional value adjustments	-2,039	-2,211
Intangible assets	-1,945,773	-1,846,399
Deferred tax asset		-8,171
Shares in subsidiaries	-120	-100
Total Common Equity Tier 1 capital	3,919,078	3,431,848
Total Tier 1 capital	3,919,078	3,431,848
Tier 2 capital		
Dated subordinated loans	362,806	473,231
Total Tier 2 capital	362,806	473,231
Total capital base	4,281,884	3,905,079

¹⁾ The asset is included in riskweighted exposure amount with 250 per cent from 31 December 2018.

Capital requirement

SEK thousand	31 Dec 2018		31 Dec 2017	
	Risk-weighted exposure amount	Capital requirement ¹⁾	Risk-weighted exposure amount	Capital requirement ¹⁾
Exposures to institutions	748,532	59,883	146,633	11,731
Exposures to corporates	366,130	29,290	346,486	27,719
Retail exposures	19,027,139	1,522,171	16,446,397	1,315,712
Exposures in default	2,666,279	213,302	1,806,015	144,481
Exposures in the form of covered bonds	86,879	6,950	84,801	6,784
Exposures to institutions and companies with short-term credit rating	99,943	7,995	373,659	29,893
Exposures in the form of units or shares in collective investment undertakings (funds)			65,265	5,221
Equity exposures	80,001	6,400	79,978	6,398
Other items	545,212	43,618	243,081	19,446
Total credit risks	23,620,115	1,889,609	19,592,315	1,567,385
Credit valuation adjustment risk	45,050	3,604	4,948	396
Market risk				
Currency risk	0	0	472,850	37,828
Operational risk	5,552,748	444,220	5,096,823	407,746
Total riskweighted exposure and total capital requirement	29,217,913	2,337,433	25,166,936	2,013,355

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

In addition to the treatment of Pillar 1 risks above, 1.0 % (1.68) of the consolidated situation's risk-weighted assets are allocated for Pillar 2 requirements as at 31 December 2018.

Capital ratio and capital buffers

	31 Dec 2018	31 Dec 2017
Common Equity Tier 1 ratio, %	13.4	13.6
Tier 1 ratio, %	13.4	13.6
Total capital ratio, %	14.7	15.5
Common Equity Tier 1 capital requirement incl. buffer requirement, %	8.6	8.6
- of which, capital conservation buffer requirement, %	2.5	2.5
- of which, countercyclical buffer requirement, %	1.6	1.6
Common Equity Tier 1 capital available for use as buffer, %	6.7	7.5

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 2018	31 Dec 2017
Tier 1 capital	3,919,078	3,431,848
Leverage ratio exposure	37,460,727	31,916,576
Leverage ratio, %	10.5	10.8

G5. Segment reporting

The CEO of Resurs Holding 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 CEO assesses the performance of Payment Solutions, Consumer Loans and Insurance.

The 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. Assets monitored by the CEO refer to Lending to the public.

Oct-Dec 2018

SEK thousand	Payment Solutions	Consumer Loans	Insurance	Intra-Group adjustment	Total Group
Interest income	295,178	505,614	2,969	-1,740	802,021
Interest expense	-27,302	-61,859	-13	1,740	-87,434
Provision income	84,470	32,355		-60,565	56,260
Fee & commission expense, banking operations	-16,346				-16,346
Premium earned, net			213,094	-398	212,696
Insurance compensation, net			-54,566		-54,566
Fee & commission expense, insurance operations			-112,185	56,633	-55,552
Net income/expense from financial transactions	-7,204	-8,411	-12,028	990	-26,653
Other operating income	44,870	10,547		-2,477	52,940
Total operating income	373,666	478,246	37,271	-5,817	883,366
<i>of which, internal ¹⁾</i>	<i>33,430</i>	<i>26,882</i>	<i>-54,495</i>	<i>-5,817</i>	<i>0</i>
Credit losses, net	-50,305	-89,812			-140,117
Operating income less credit losses	323,361	388,434	37,271	-5,817	743,249
Expenses excl. credit losses ²⁾			-24,114		
Operating profit, Insurance ³⁾			13,157		

Oct-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
Provision 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		

Segment reporting

Jan-Dec 2018

SEK thousand	Payment Solutions	Consumer Loans	Insurance	Intra-Group adjustment	Total Group
Interest income	1,121,384	1,935,502	12,629	-6,661	3,062,854
Interest expense	-107,272	-223,362	-52	6,661	-324,025
Provision income	325,477	119,331		-226,972	217,836
Fee & commission expense, banking operations	-57,090				-57,090
Premium earned, net			828,678	-2,524	826,154
Insurance compensation, net			-226,211		-226,211
Fee & commission expense, insurance operations			-429,776	209,431	-220,345
Net income/expense from financial transactions	-21,182	-19,694	-7,745	692	-47,929
Other operating income	163,937	52,082		-9,909	206,110
Total operating income	1,425,254	1,863,859	177,523	-29,282	3,437,354
<i>of which, internal ¹⁾</i>	<i>117,630</i>	<i>111,898</i>	<i>-200,246</i>	<i>-29,282</i>	<i>0</i>
Credit losses, net	-186,442	-348,629			-535,071
Operating income less credit losses	1,238,812	1,515,230	177,523	-29,282	2,902,283
Expenses excl. credit losses ²⁾			-94,110		
Operating profit, Insurance ³⁾			83,413		

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
Provision 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>	<i>98,552</i>	<i>73,908</i>	<i>-164,822</i>	<i>-7,638</i>	<i>0</i>
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		

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	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
As per segment reporting				
Expenses excl. credit losses as regards Insurance segment	-24,114	-21,782	-94,110	-91,301
Not broken down by segment				
Expenses excl. credit losses as regards banking operations	-344,407	-301,717	-1,321,613	-1,189,360
Total	-368,521	-323,499	-1,415,723	-1,280,661
As per Income statement				
General administrative expenses	-309,235	-275,440	-1,178,239	-1,065,752
Depreciation, amortisation and impairment of tangible and intangible assets	-13,296	-9,143	-49,039	-35,283
Other operating expenses	-45,990	-38,916	-188,445	-179,626
Total	-368,521	-323,499	-1,415,723	-1,280,661

Segment reporting

³⁾ Reconciliation of Operating profit against income statement.

SEK thousand	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
As per segment reporting				
Operating profit, Insurance	13,157	20,351	83,413	82,890
Not broken down by segment				
Operating profit as regards banking operations	361,571	351,099	1,403,147	1,314,340
Total	374,728	371,450	1,486,560	1,397,230
As per Income statement				
Operating profit	374,728	371,450	1,486,560	1,397,230
Total	374,728	371,450	1,486,560	1,397,230

Lending to the public

SEK thousand	Payment Solutions	Consumer Loans	Insurance	Total Group
31 Dec 2018	10,507,819	17,448,757		27,956,576
1 Jan 2018	9,270,137	14,377,686		23,647,823
31 Dec 2017	9,419,131	14,649,664		24,068,795

G6. Net interest income/expense

SEK thousand	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Interest income				
Lending to credit institutions	207	961	3,357	3,234
Lending to the public	800,474	704,100	3,052,213	2,675,921
Interest-bearing securities	1,340	1,547	7,284	7,665
Total Interest Income	802,021	706,608	3,062,854	2,686,820
Interest expense				
Liabilities to credit institutions	-4,162	-1,758	-7,316	-2,568
Deposits and borrowing from the public	-60,561	-53,214	-234,512	-211,175
Issued securities	-19,530	-13,236	-68,429	-40,790
Subordinated debt	-1,051	-3,455	-10,815	-13,266
Other liabilities	-2,130	-119	-2,953	-357
Total Interest expense	-87,434	-71,782	-324,025	-268,156
Net Interest Income/expense	714,587	634,826	2,738,829	2,418,664

G7. Premium earned, net

SEK thousand	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Premium earned	247,040	215,774	912,807	842,826
Premiums for specified reinsurance	-5,584	-5,933	-25,075	-25,124
Change in provision for unearned premiums and unexpired risks	-28,656	-15,162	-61,466	-16,137
Reinsurers' share in change in provision for unearned premiums and unexpired risks	-104	-428	-112	-3,226
Total premium earned, net	212,696	194,251	826,154	798,339

G8. Insurance compensation, net

SEK thousand	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Claims paid, gross	-51,162	-52,601	-205,003	-256,374
Less reinsurance share	2,238	2,279	7,829	9,184
Total claims paid, net	-48,924	-50,322	-197,174	-247,190
Change in provision for losses incurred and reported, gross	510	-394	-11,343	15,399
Less reinsurance share	10	84	-224	1,208
Total change in provision for losses incurred and reported, net	520	-310	-11,567	16,607
Change in provision for losses incurred but not reported (IBNR), gross	-906	-446	1,634	988
Total change in provision for losses incurred but not reported (IBNR), net	-906	-446	1,634	988
Operating expenses for claims adjustment, gross	-5,364	-4,645	-19,484	-19,659
Less reinsurance share	108	147	380	516
Total operating expenses for claims adjustment, net	-5,256	-4,498	-19,104	-19,143
Total Insurance compensation, net	-54,566	-55,576	-226,211	-248,738

G9. Other operating income

SEK thousand	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Other income, lending to the public	47,751	38,318	170,069	151,875
Other operating income	5,189	17,746	36,041	35,782
Total operating income	52,940	56,064	206,110	187,657

G10. General administrative expenses

SEK thousand	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Personnel expenses	-158,693	-146,181	-607,086	-535,334
Postage, communication and notification expenses	-30,403	-34,681	-129,171	-140,083
IT expenses	-48,306	-33,232	-185,332	-159,178
Cost of premises	-10,973	-10,380	-41,244	-40,377
Consultant expenses	-22,882	-16,812	-79,681	-70,403
Other	-37,978	-34,154	-135,725	-120,377
Total general administrative expenses	-309,235	-275,440	-1,178,239	-1,065,752

G11. Credit losses

SEK thousand	Oct-Dec 2018	Jan-Dec 2018
Provision of credit reserves		
Stage 1	12,437	15,288
Stage 2	18,407	19,114
Stage 3	35,294	-235,908
Total	66,138	-201,506
Provision of credit reserves off balance (unutilised limit)		
Stage 1	2,047	2,490
Stage 2	-335	-416
Stage 3		
Total	1,712	2,074
Write-offs of stated credit losses for the period	-212,309	-354,004
Recoveries of previously confirmed credit losses	4,342	18,365
Total	-207,967	-335,639
Credit losses	-140,117	-535,071
<i>off which lending to the public</i>	<i>-141,829</i>	<i>-537,145</i>

SEK thousand	Oct-Dec 2017	Jan-Dec 2017
Individually assessed loan receivables under IAS 39		
Write-offs of stated credit losses for the period	-2,198	-3,379
Recoveries of previously confirmed credit losses	395	2,236
Transfer/reversal of provision for credit losses on utilised limit	8,986	5,387
Net result of individually assessed loan receivables for the period	7,183	4,244
Collectively assessed loan receivables under IAS 39		
Write-offs of stated credit losses for the period	-24,639	-110,750
Recoveries of previously confirmed credit losses	4,529	18,092
Transfers/reversal of provision for credit losses	-99,983	-325,040
Net cost of collectively assessed homogeneous groups of loan receivables	-120,093	-417,698
Net cost of credit losses for the period	-112,910	-413,454

G12. Lending to the public

SEK thousand	31 Dec 2018	1 Jan 2018	31 Dec 2017
Retail sector	30,139,005	25,664,838	25,664,838
Corporate sector	405,607	371,258	371,258
Total lending to the public, gross	30,544,612	26,036,096	26,036,096
Stage 1	22,511,152	19,364,496	
Stage 2	3,377,690	2,830,968	
Stage 3	4,655,770	3,840,632	
Total lending to the public, gross	30,544,612	26,036,096	26,036,096
Less provision for anticipated credit losses under IAS 39			-1,967,301
Less provision for anticipated credit losses under IFRS 9			
Stage 1	-167,847	-180,890	
Stage 2	-312,399	-322,150	
Stage 3	-2,107,790	-1,885,233	
Total anticipated credit losses	-2,588,036	-2,388,273	-1,967,301
Stage 1	22,343,305	19,183,606	
Stage 2	3,065,291	2,508,818	
Stage 3	2,547,980	1,955,399	
Total net lending to the public	27,956,576	23,647,823	24,068,795
Doubtful receivables under IAS 39			
Gross doubtful receivables for which interest is not entered as income until payment is made			3,850,501
Provision for anticipated credit losses			-1,967,301
Doubtful receivables, net	0	0	1,883,200

G13. Other provisions

SEK thousand	31 Dec 2018	1 Jan 2018	31 Dec 2017
Reporting value at the beginning of the year	24,660	6,951	6,988
Provision made/utilised during the period	-1,881	17,709	236
Exchange rate differences	82		-273
Total	22,861	24,660	6,951
Provision of credit reserves, unutilised limit, Stage 1	9,762	12,151	
Provision of credit reserves, unutilised limit, Stage 2	6,016	5,558	
Other provisions	7,083	6,951	6,951
Reported value at the end of the period	22,861	24,660	6,951

G14. Pledged assets, contingent liabilities and commitments

SEK thousand	31 Dec 2018	31 Dec 2017
Collateral pledged for own liabilities		
Lending to credit institutions	166,728	204,909
Lending to the public ¹⁾	3,617,840	2,653,185
Assets for which policyholders have priority rights ²⁾	412,325	551,886
Restricted bank deposits ³⁾	28,190	28,354
Total collateral pledged for own liabilities	4,225,083	3,438,334
Contingent liabilities		
Guarantees	311	1,563
Total contingent liabilities	311	1,563
Other commitments		
Unutilised credit facilities granted	27,533,519	26,348,967
Total other commitments	27,533,519	26,348,967

¹⁾ Refers to securitisation.

²⁾ Policy holder's rights consists of assets covered by the policyholder privilege SEK 940,173 thousand (1,001,321) and technical provisions, net SEK -527,848 thousand (-449,435).

³⁾ As at 31 December 2018, SEK 26,701 thousand (24,615) refers to reserve requirement account at the Bank of Finland.

G15. Related-party transactions

Resurs Holding AB, corporate identity number 556898-2291, is owned at 31 December 2018 to 28.9 per cent by Waldakt AB and to 17.4 per cent by Cidron Semper S.A.R.L (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 2017 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	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Processing fees	-115,867	-109,445	-452,009	-456,231
Interest expense – deposits and borrowing from the public	-651	-1,932	-6,390	-6,884
Fee & commission income	9,436	9,221	36,912	36,846
Fee & commission expense	-13,339	-11,391	-45,921	-46,024
General administrative expenses	-5,685	-8,501	-27,232	-28,316

SEK thousand	31 Dec 2018	31 Dec 2017
Other assets	10,407	9,194
Deposits and borrowing from the public	-953,166	-1,325,083
Other liabilities	-114,386	-104,040

Transactions with key persons

SEK thousand	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Interest expense – deposits and borrowing from the public	-61	-109	-237	-438

SEK thousand	31 Dec 2018	31 Dec 2017
Deposits and borrowing from the public	-39,827	-67,992

G16. Financial instruments

SEK thousand	31 Dec 2018		31 Dec 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Cash and balances at central banks	63,215	63,215	61,539	61,539
Treasury and other bills eligible for refinancing	1,009,021	1,009,021	842,731	842,731
Lending to credit institutions	3,703,650	3,703,650	2,794,283	2,794,283
Lending to the public	27,956,576	28,575,822	24,068,795	24,649,899
Bonds and other interest-bearing securities	1,262,568	1,262,568	1,735,266	1,735,266
Subordinated loans	27,317	27,317	35,902	35,902
Shares and participating interests	68,556	68,556	76,368	76,368
Derivatives	190,175	190,175	33,577	33,577
Derivatives instruments hedge accounting			7,397	7,397
Other assets	191,757	191,757	101,064	101,064
Accrued income	77,188	77,188	32,277	32,277
Total financial assets	34,550,023	35,169,269	29,789,199	30,370,303
Intangible assets	1,973,681		1,877,167	
Tangible assets	56,228		39,954	
Other non-financial assets	375,540		224,952	
Total assets	36,955,472		31,931,272	

SEK thousand	31 Dec 2018		31 Dec 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities				
Liabilities to credit institutions	149,900	149,900		
Deposits and borrowing from the public	20,578,153	20,576,353	18,033,013	18,032,632
Derivatives	12,984	12,984	103,646	103,646
Other liabilities	648,507	648,507	610,528	610,528
Accrued expenses	145,162	145,162	127,788	127,788
Issued securities	7,832,186	7,860,533	5,597,271	5,620,835
Subordinated debt	298,171	305,973	340,044	352,678
Total financial liabilities	29,665,063	29,699,412	24,812,290	24,848,107
Provisions	22,861		6,951	
Other non-financial liabilities	919,007		923,201	
Equity	6,348,541		6,188,830	
Total equity and liabilities	36,955,472		31,931,272	

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

Financial assets and liabilities at fair value

SEK thousand	31 Dec 2018			31 Dec 2017		
	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	1,009,021			842,731		
Bonds and other interest-bearing securities	1,262,568			1,735,266		
Subordinated loans	27,317			35,902		
Shares and participating interests	67,554		1,002	75,389		979
Derivatives		190,175			33,577	
Derivatives instruments hedge accounting ¹⁾					7,397	
Total	2,366,460	190,175	1,002	2,689,288	40,974	979
Financial liabilities at fair value through profit or loss:						
Derivatives		-12,984			-103,646	
Total	0	-12,984	0	0	-103,646	0

¹⁾ Derivatives instruments hedge has been valued through the comprehensive income.

Financial instruments

Changes in level 3

SEK thousand	Jan-Dec 2018	Jan-Dec 2017
Shares and participating interests		
Opening balance	979	1,039
Exchange-rate fluctuations	23	-60
Closing balance	1,002	979

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 has been classified as level 2.

Fair value of subordinated debt is calculated based on valuation at the listing marketplace. Fair value has been classified as level 1.

Fair value of issued securities (MTN) is calculated based on the listing marketplace. Fair value has been classified as level 1.

For issued securities (ABS), fair value is calculated by assuming that duration ends at the close of the revolving period. Fair value has been classified as level 3.

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. Fair value has been classified as level 2.

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

Transfer between levels

There has not been any transfer of financial instruments between the levels.

Financial assets and liabilities that are offset or subject to netting agreements

Derivative agreement has been made under the ISDA agreement. The amounts are not offset in the statement of financial position. Most of the derivatives at 31 December 2018 were covered by the ISDA Credit Support Annex, which means that collateral is obtained and provided in the form of bank deposits between the parties.

Assets for the derivative agreements total to SEK 190 million (41), while liabilities total SEK 13 million (104). Collateral corresponding to SEK 0 million (61) was provided and SEK 150 million (0) was received. The net effect on loans to credit institutions total SEK 0 million (61) and liabilities to credit institutions total SEK 150 million (0).

G17. Earnings per share

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

During January - December 2018, there were a total of 200,000,000 with a quotient value of SEK 0.005 (0.005). There is no dilution effect as of 31 December 2018.

	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net profit for the period, SEK thousand	283,848	289,305	1,143,415	1,080,033
Average number of outstanding shares during the period	200,000,000	200,000,000	200,000,000	200,000,000
Earnings per share, SEK	1.42	1.45	5.72	5.40

PARENT COMPANY

Income statement

SEK thousand	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	4,203	4,830	25,511	20,050
Total operating income	4,203	4,830	25,511	20,050
Personnel expenses	-4,405	-4,700	-19,506	-17,506
Other external expenses	-5,772	-8,375	-25,486	-32,695
Depreciation, amortisation and impairment of non-current assets		-43	-57	-276
Total operating expenses	-10,177	-13,118	-45,049	-50,477
Operating profit	-5,974	-8,288	-19,538	-30,427
Earnings from participations in Group companies	327,220	660,000	787,219	660,000
Other interest income and similar profit/loss items	285	2	674	
Interest expense and similar profit/loss items	-30	-58	-97	-372
Total profit/loss from financial items	327,475	659,944	787,796	659,628
Profit/loss after financial items	321,501	651,656	768,258	629,201
Appropriations	65,000	56,000	65,000	56,000
Tax on profit for the period	-13,010	-9,957	-10,035	-4,885
Net profit for the period	373,491	697,699	823,223	680,316

Statement of comprehensive income

SEK thousand	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net profit for the period	373,491	697,699	823,223	680,316
Other comprehensive income that will be reclassified to profit or loss				
Comprehensive Income for the period	373,491	697,699	823,223	680,316
Attributable to Resurs Holding AB shareholders	373,491	697,699	823,223	680,316

Balance sheet

SEK thousand	31 Dec 2018	31 Dec 2017
Assets		
Non-current assets		
Property, plant & equipment		57
Financial assets		
Participations in Group companies	2,053,410	2,053,390
Total non-current assets	2,053,410	2,053,447
Current assets		
Current receivables		
Receivables from Group companies	397,180	419,651
Other current receivables	449	969
Prepaid expenses and accrued income	334	379
Total current receivables	397,963	420,999
Cash and bank balances	165,603	2,021
Total current assets	563,566	423,020
TOTAL ASSETS	2,616,976	2,476,467
Equity and liabilities		
Equity		
Restricted equity		
Share capital	1,000	1,000
Non-restricted equity		
Share premium reserve	1,775,929	1,785,613
Net profit for the period	823,223	680,316
Total non-restricted equity	2,599,152	2,465,929
Total equity	2,600,152	2,466,929
Provisions		
Other provisions	399	261
Current liabilities		
Trade payables	294	1,641
Liabilities to group companies	500	338
Current tax liabilities	11,885	3,694
Other current liabilities	700	531
Accrued expenses and deferred income	3,046	3,073
Total current liabilities	16,425	9,277
TOTAL EQUITY AND LIABILITIES	2,616,976	2,476,467

Statement of changes in equity

SEK thousand	Share capital	Share premium reserve	Retained earnings	Profit/loss for the period	Total equity
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		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 period				680,316	680,316
Equity at 31 December 2017	1,000	1,785,613	0	680,316	2,466,929
Initial equity at 1 January 2018	1,000	1,785,613	0	680,316	2,466,929
<i>Owner transactions</i>					
Dividends paid			-360,000		-360,000
Dividends according to Extraordinary General Meeting		-9,684	-320,316		-330,000
Appropriation of profits according to resolution by Annual General Meeting			680,316	-680,316	0
Net profit for the period				823,223	823,223
Equity at 31 December 2018	1,000	1,775,929	0	823,223	2,600,152

Pledged assets, contingent liabilities and commitments

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

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